



Plastik Sulit: Accelerating Circular Economy for Difficult Plastics in Indonesia

Part I: Project Information

GEF ID

10546

Project Type

FSP

Type of Trust Fund

GET

CBIT/NGI

CBIT **No**

NGI **No**

Project Title

Plastik Sulit: Accelerating Circular Economy for Difficult Plastics in Indonesia

Countries

Indonesia

Agency(ies)

ADB

Other Executing Partner(s)

Ministry of Environment and Forestry (MOEF)

Executing Partner Type

Government

GEF Focal Area

Multi Focal Area

Taxonomy

Focal Areas, International Waters, Pollution, Plastics, Persistent toxic substances, Coastal, Freshwater, River Basin, Biomes, Coral Reefs, Mangrove, Chemicals and Waste, Gender Equality, Gender Mainstreaming,

Beneficiaries, Women groups, Gender-sensitive indicators, Sex-disaggregated indicators, Gender results areas, Participation and leadership, Awareness Raising, Knowledge Generation and Exchange, Capacity Development, Influencing models, Demonstrate innovative approach, Strengthen institutional capacity and decision-making, Deploy innovative financial instruments, Transform policy and regulatory environments, Convene multi-stakeholder alliances, Stakeholders, Local Communities, Communications, Public Campaigns, Education, Civil Society, Non-Governmental Organization, Community Based Organization, Academia, Private Sector, Financial intermediaries and market facilitators, SMEs, Capacity, Knowledge and Research, Knowledge Exchange, Learning, Targeted Research, Knowledge Generation, Innovation

Sector

Rio Markers

Climate Change Mitigation

Climate Change Mitigation 0

Climate Change Adaptation

Climate Change Adaptation 0

Submission Date

3/24/2020

Expected Implementation Start

8/31/2022

Expected Completion Date

8/31/2026

Duration

48In Months

Agency Fee(\$)

676,712.00

A. FOCAL/NON-FOCAL AREA ELEMENTS

Objectives/Programs	Focal Area Outcomes	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
IW-1-1	Strengthen blue economy opportunities through sustainable healthy coastal and marine ecosystems	GET	3,561,644.00	21,000,000.00
CW-1-1	Strengthen the sound management of industrial chemicals and their waste through better control, and reduction and/or elimination	GET	3,561,644.00	40,749,934.00
Total Project Cost(\$)				7,123,288.00 61,749,934.00

B. Project description summary

Project Objective

To reduce plastic pollution and support Indonesia's transition to a circular plastics economy through a multi-stakeholder value chain approach demonstrated at city level

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Circular governance and Indonesia NPAP Action Roadmap	Technical Assistance	<p>1. Functional circular plastics economy enabled at national level</p> <p><u>Core Indicator Contribution</u></p> <p>Metric Tonnes of Marine Litter Avoided 128,301 Tonnes</p> <p>Metric Tonnes of Carbon Equivalent Emissions Reduced 57,505.2 Tonnes CO2e</p> <p>uPOP Emissions to Air Avoided 146.2 g/TEQ</p> <p>Direct Beneficiaries Disaggregated by Gender 600 Male/ 600 Female</p>	<p>1.1. Policy guidance and governance mechanisms to support circular plastics economy enhanced</p> <p>1.2 NPAP Financing Roadmap implementation supported, with financing mechanisms to achieve Indonesia's plastic pollution reduction targets developed</p>	GET	2,302,307.60	1,000,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Investments in reduction and management of commercially problematic plastics	Investment	<p>2. Mainstreaming of circular economy approaches for plastic management at national and city level enhanced</p> <p><u>Core Indicator Contribution</u></p> <p>Metric Tonnes of Marine Litter Avoided 128,301 Tonnes</p> <p>Metric Tonnes of Carbon Equivalent Emissions Reduced 57,505.2 Tonnes CO2e</p> <p>uPOP Emissions to Air Avoided 146.2 g/TEQ</p> <p>Direct Beneficiaries Disaggregated by Gender 600 Male/ 600 Female</p>	<p>2.1 Stakeholder engagement enhanced through Collaborative Forums</p> <p>2.2 Circular Business Hub established and operated</p> <p>2.3 Behavior change and capacity-development programs designed and implemented</p>	GET	3,793,041.60	54,962,504.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Knowledge management	Technical Assistance	<p>3. Circular economy knowledge, technologies and innovations promoted and shared</p> <p><u>Core Indicator Contribution</u></p> <p>Metric Tonnes of Marine Litter Avoided 171,068 Tonnes</p> <p>Metric Tonnes of Carbon Equivalent Emissions Reduced 76,673.6 Tonnes CO2e</p> <p>uPOP Emissions to Air Avoided 194.93 g/TEQ</p> <p>Direct Beneficiaries Disaggregated by Gender 800 Male/ 800 Female</p>	<p>3.1 Multi-stakeholder capacity building, training, and skills development on circular plastics economy conducted</p> <p>3.2 Innovation and technology events to share new and emerging solutions convened</p> <p>3.3 Knowledge products to support decision making, solutions, and collaboration developed and disseminated</p>	GET	644,714.80	2,749,934.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
M and E		Monitoring and Evaluation conducted	Mid-Term Review (MTR) informs project progress and possible adjustments. Terminal Evaluation provides lessons learned and analysis for stakeholders	GET	50,000.00	
Sub Total (\$)					6,790,064.00	58,712,438.00

Please provide justification

C. Sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
GEF Agency	Asian Development Bank	Loans	Investment mobilized	61,000,000.00
Other	World Resource Institute (WRI)	In-kind	Recurrent expenditures	749,934.00
Total Co-Financing(\$)				61,749,934.00

Describe how any "Investment Mobilized" was identified

Investment mobilized has been identified through the ADB Country Operations Business Plan 2021-2023 for Indonesia and represent approved loans and technical assistance. The figure of \$61 million is derived from the ADB and LEAP portions of the loan which are considered relevant to the project activities. The World Resources Institute Indonesia (WRI), which hosts the Indonesia National Plastic Action Partnership (NPAP) secretariat, will provide co-financing for NPAP Financing Roadmap implementation. The co-financing will support: (i) staff salaries and office overhead; (ii) regional/national events and meetings; (iii) research; and (iv) communications and knowledge management. The letter of confirmation from WRI is attached. The ADB loan referenced here has been approved and is under implementation. This project is part of the ADB Knowledge Support Technical Assistance (KSTA) Project TA 6669: Promoting Action on Plastic Pollution from Source to Sea in Asia and the Pacific ? Prioritizing and Implementing Actions to Reduce Marine Plastic Pollution (Subproject 2) which also includes GEF ID 10628 Promoting Resource Efficiency and Circularity to Reduce Plastic Pollution for Asia and the Pacific. The KSTA will be the internal agency documentation for the processing of GEF funds. (It will not be co-financing, hence excluded from Table C)

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

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)	Total(\$)
ADB	GET	Indonesia	International Waters	International Waters	3,561,644	338,356	3,900,000.00
ADB	GET	Indonesia	Chemicals and Waste	POPs	3,561,644	338,356	3,900,000.00
Total Grant Resources(\$)					7,123,288.00	676,712.00	7,800,000.00

E. Non Grant Instrument

NON-GRANT INSTRUMENT at CEO Endorsement

Includes Non grant instruments? **No**

Includes reflow to GEF? **No**

F. Project Preparation Grant (PPG)
PPG Required **true**

PPG Amount (\$)
182,650

PPG Agency Fee (\$)
17,350

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)	Total(\$)
ADB	GET	Indonesia	International Waters	International Waters	91,325	8,675	100,000.00
ADB	GET	Indonesia	Chemicals and Waste	POPs	91,325	8,675	100,000.00
Total Project Costs(\$)					182,650.00	17,350.00	200,000.00

Core Indicators

Indicator 5 Area of marine habitat under improved practices to benefit biodiversity (excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
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Indicator 5.1 Number of fisheries that meet national or international third party certification that incorporates biodiversity considerations

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
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Type/name of the third-party certification

Indicator 5.2 Number of Large Marine Ecosystems (LMEs) with reduced pollutions and hypoxia

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (achieved at MTR)	Number (achieved at TE)
0	0	0	0

LME at PIF	LME at CEO Endorsement	LME at MTR	LME at TE
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Indicator 5.3 Amount of Marine Litter Avoided

Metric Tons (expected at PIF)	Metric Tons (expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)
297,089.00	427,670.00		

Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
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Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO ₂ e (direct)	0	0	0	0
Expected metric tons of CO ₂ e (indirect)	0	191684	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)
Expected metric tons of CO ₂ e (direct)				
Expected metric tons of CO ₂ e (indirect)				
Anticipated start year of accounting				
Duration of accounting				

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)
Expected metric tons of CO ₂ e (direct)				
Expected metric tons of CO ₂ e (indirect)		191,684		
Anticipated start year of accounting		2022		
Duration of accounting		14		

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)
Target Energy Saved (MJ)				

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 10 Reduction, avoidance of emissions of POP to air from point and non-point sources
(grams of toxic equivalent gTEQ)**

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)
380.20	487.32		

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 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	85	2,000		
Male	65	2,000		
Total	150	4000	0	0

Provide additional explanation on targets, other methodologies used, and other focal area specifics (i.e., Aichi targets in BD) including justification where core indicator targets are not provided

See annexed GEB Core Indicator Worksheet.

Part II. Project Justification

1a. Project Description

Explanation of Changes from PIF

<u>Item</u>	<u>PIF Design</u>	<u>CER Design</u>
Outcome 1: Heading	Functional circular plastics economy integrated at city level and enabled at national level	Functional circular plastics economy enabled at national level
Output 1.1	Inclusion of Output 1.1 Market analysis of plastic value chains completed.	Removed from project design.
Output 1.2: heading	Output 1.2 Governance mechanisms to support plastics circular economy developed	Output 1.1 Policy guidance and governance mechanisms to support circular plastics economy enhanced
Output 1.3: heading	NPAP Financing Roadmap implementation supported, with business cases, micro financing roadmap, and financing mechanisms to achieve Indonesia's plastic pollution reduction targets developed	Output 1.2 NPAP Financing Roadmap implementation supported with financing mechanisms to achieve Indonesia's plastic pollution reduction targets developed

Output 1.2: collaboration with NPAP Policy Task Force	The project will collaborate closely with the Policy Task Force and CMMIA to support the robust analysis and impact assessment, development, and drafting of policies, regulations, and guidelines.	High level coordination with the NPAP Policy Task Force co- chaired by World Bank and CMMIA will support the robust analysis and impact assessment, development and drafting of policies, regulations, and guidelines
Output 1.2: policy guidance	The project will produce a policy guidance document tailored to Indonesia's provincial and city governments on how to operationalize the NPAP Action Roadmap.	Policy guidance documents will include: (i) a policy-oriented guide to the implementation of an EPR system in Indonesia;(ii) a study on waste disposal taxes and tipping fees; and (iii) scenario development and regulatory impact assessment of imposing excise taxes on additional plastics.
Output 1.2: policy advisory support	Support for policy and regulatory reform will also be extended to cities actively participating in the project, where there is demand for such support and commitment to taking forward recommendations.	National level support for policy and regulatory reforms covered by Outputs 1.1, 2.1, and 2.2, as well as from the Cluster TA.

Output 1.3: financing mechanisms	No specific financing mechanisms identified.	The Plastik Sulit project will partner with the National Plastics Action Partnership Financing Task Force, ASEAN Catalytic Green Finance Facility (ACGF), the Blue Southeast Asia (SEA) Finance Hub, and other financing partners on Output 1.2. The Blue SEA Finance Hub has been developed as a platform to identify, originate, and catalyze innovative plastic and blue projects and initiatives from all levels of the plastic value chain in Indonesia. The Plastik Sulit funding will allow the MOEF to extend their current support for innovation and investment activities to accelerate the transition to a circular economy.
Output 1.3: knowledge work	The project will develop key knowledge products to help in rebuilding the ?business case? for increased investment and showcasing successful business models for a circular plastics economy in Indonesia and Southeast Asia.	Business case knowledge products have been moved to Output 3.3.
Output 1.3: green jobs	The project will also develop a green job assessment methodology that considers the number of jobs, which sectors, which sociodemographic levels in the society, to reflect how initiatives reduce inequality.	Green jobs toolkit has been moved to Output 3.3.
Outcome 2: heading	Circular business hub for problematic plastics established at city level.	Mainstreaming of circular economy approaches for plastic management at national and city level enhanced

Output 2.1: heading	Collaborative Forums for catalytic action established for selected cities.	Stakeholder engagement enhanced through collaborative forums
Output 2.1: participating cities	Some industrial and policy focused CoFos will operate on a national level, but those CoFos with a more community and provincial focus will be piloted in three cities with the possibility for adjustment and scaling to other cities and regions.	The Collaborative Forums will provide an effective dialogue to support the Government of Indonesia in their development, optimization and implementation of investment and policy activities. Subject for discussion have been suggested however the precise activities will be decided on a case by case basis by the project steering committee under guidance from the Technical Advisory Group
Output 2.2	Inclusion of Output 2.2 Circular economy for commercially problematic plastics identified and piloted in one city.	Removal from project design.
Output 2.3: heading	Output 2.3 Circular Business Hub, including Circular Economy Knowledge Hub (CEKH) and Circular Economy Test Facility (CETF) established and operated in one city.	Output 2.2 Circular Business Hub established and operated.

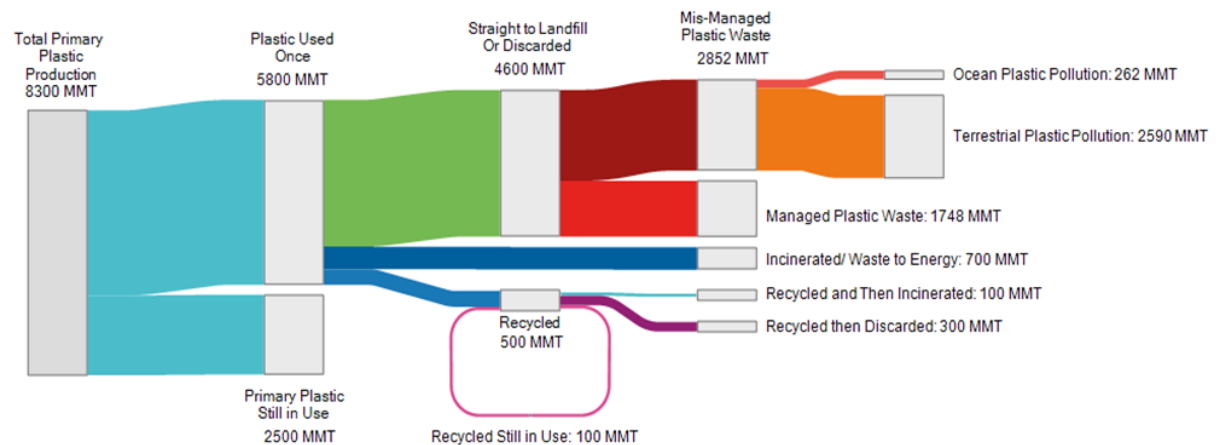
Output 2.3: Circular Business Hub structure	The project will establish a Circular Business Hub incorporating a Circular Economy Knowledge Hub and a Circular Economy Test Facility in one Indonesian city, potentially Cirebon in Northern Java.	The Plastik Silit project will establish a hybrid Circular Business Hub incorporating a Knowledge Market, a Test Facility, and a social inclusivity platform. The physical facilities, specifically the test facility, will be based in Cirebon, Northern Java. The knowledge market and inclusivity platform will be virtual/physical hybrids allowing them to be used across Indonesia expanding the reach of the project and increasing the support available for policy and investment activities.
Output 2.3: Knowledge Hub	The Circular Economy Knowledge Hub (CEKH) will focus on the management, support and facilitation of the Collaborative Forums, academic engagement and innovation based challenges.	The Knowledge Market will focus on the capture, production, repository, and dissemination of knowledge derived from Collaborative Forums, Challenge Programs and the Test Facility outputs, and organizing and implementing knowledge-sharing, capacity development, and behavior change campaign activities. The Knowledge Market will also manage the Circular Business Hub's microsite and explore collaborating on an online knowledge portal for knowledge derived from the Collaborative Forums, Test Facility, knowledge-sharing events, and capacity development activities. The Knowledge Market will also manage regular communications and outreach activities with stakeholders and the community, such as through a regular online newsletter, social media, and other channels.
Output 2.3: social inclusivity platform	Not included in the original scope.	The Circular Business Hub will incorporate a social inclusivity platform, which will serve as a vehicle to include and engage vulnerable, disadvantaged, and underrepresented individuals so they can benefit from project activities. The platform will also be a channel for two-way communication between these groups and project management, partners, and other stakeholders.

Output 2.4: heading	Output 2.4 Behavior change and capacity-development programs designed and implemented across selected cities.	Output 2.3 Behavior change and capacity-development programs designed and implemented.
Output 2.3	Behaviour change and capacity development programs to be delivered in Cirebon.	The locational restriction has been removed to reflect the delegation of the project to MOEF and their potential desire to deliver behaviour change and capacity development programs in other cities.
Output 3.1: heading	Multi-stakeholder capacity building, training, and skills development on plastics circular economy conducted.	Multi-stakeholder capacity building, training, and skills development on circular plastics economy conducted.
Output 3.1: Twin cities program	Twinning arrangements to share best environmental practices and best available technologies (BEP/BAT) will be explored at two levels.	Removed.
Output 3.1: Coordination with partners and knowledge-sharing	Coordination with NPAP and GEF IW:LEARN5 and sharing project lessons and recommendations regionally and globally.	Moved to Output 3.2.

Output 3.2: heading	Innovation and technology events to share new and emerging solutions convened (with NPAP co-finance support).	Innovation and technology events to share new and emerging solutions convened
Output 3.2: activities	GPAP Plastics Pollution Action Playbook, Indonesia Healthy Oceans and Circular Economy Technology and Innovation Forum.	Removed. (GPAP Plastics Pollution Action Playbook will be integrated with ?Coordination with NPAP?). Added Circular Business Hub Open House, Circular Business Hub Challenge Program.
Country level institutional arrangements	At the country level, ADB will work through the designated national focal point agencies and in close coordination with other development partners. A multi-stakeholder project steering committee may be created and could be chaired by the CMMAI, with representation from the MOEF, MMAF, MHPW and NPAP Secretariat through World Resources Institute (WRI) Indonesia.	At the national level, MOEF will be the GEF Executing Agency and designated national focal point. A focused Project Steering Committee (PSC) will be created, which will be chaired by MOEF with representatives from ADB and the City of Cirebon to manage the project activities and direction during the 4-year implementation period. In addition, a multi-stakeholder Technical Advisory Group, with representation from the CMMIA, BAPPENAS, MMAF, MPWH, NPAP Secretariat through World Resources Institute (WRI) Indonesia, and representatives from across the stakeholder group, will provide guidance and support for the project and the Project Steering Committee.

Plastic has become a ubiquitous part of modern life around the world. Since industrial production of plastic began in the 1950's, cumulative plastic production has reached 8,300 million metric tonnes (MMT), positively impacting many aspects of our lives. Modern plastics possess many attributes which support its popularity, but it is the low cost of production which leads to the rapid transition from product to waste.

In 1955, Life Magazine published an article titled "Throwaway Living". This article has been cited as the source which first used the term "Throw-away Society". Throw-away society is described as a human society strongly influenced by consumerism. The term describes a critical view of overconsumption and excessive production of short-lived or disposable items in preference to durable goods which can be re-used or repaired. Fast forward to 2019, 68% (5700 MMT) of the plastics ever produced have been "thrown away" (Figure 1).



**Figure 1: Global Plastic Production and its Fate 1950 ? 2019
(Cumulative Million Metric Tonnes)**

Source: Adapted from World in Data Plastic and its Fate

These plastics may have been "thrown" away, but they haven't "gone" away. The challenge of plastics in the environment is their resistance to degradation. As our understanding of the global ecosystem grows, it is becoming increasingly understood that there is no "away" in the phrase throw-away society. Nowhere is this truer than in the management of plastic waste and especially difficult to recycle single use plastics.

Plastic pollution simply was not a concern to the mainstream consciousness prior to 1997, when yachtsman Charles Moore discovered the Pacific garbage patch plastic pollution and its persistence in the environment was catapulted to centre stage on the global environmental agenda. Since the discovery of what "away" really meant, our understanding of the true financial and environmental costs of plastic pollution in a throw-away society has crystallized.

The marine plastic pollution problem is of an enormous scale and growing. An estimated 150 million tons of plastic is already in the ocean today, and every year approximately eight to 12 million tons of plastic is added.^[1] The volume of virgin plastic production continues to grow, from 15 million tons in 1964 to 368 million tons annually in 2019. This is expected to double

again over the next 20 years.^[ii] Plastic pollution is present in both marine and terrestrial ecosystems.

The volume of single-use plastics in everyday life has significantly increased because of the coronavirus disease (COVID-19) pandemic.^[iii] COVID-19 has caused the volume of infectious medical waste to surge (e.g., by 600% per day in Hubei Province, PRC).^[iv] This has overwhelmed the capacity of some countries to safely transport and dispose it. Fear of cross-contamination and lockdowns have increased use of single-use plastics and packaging (e.g., for personal protective equipment (PPE), food and e-commerce deliveries), while recycling and municipal waste services have stopped or become limited in some areas.^[v] There is concern that this could undermine hard-earned successes in reducing single-use plastics and marine plastic pollution, especially as some governments delay positive actions.^[vi] As we move from emergency response to recovery, we have the opportunity and need for a green recovery that stimulates the economy, creates jobs for the future, and spurs innovation, all while investing in the environment. The transition to a circular plastics economy is key to the green and blue recovery.

It is now estimated that marine plastic is causing a one to five percent decline in the benefits that humans derive from oceans, particularly those relating to fisheries, aquaculture, recreation, natural heritage, and human wellbeing.^[vii] This decline in benefits equates to \$0.5 trillion to \$2.5 trillion per year. Hundreds of marine species suffer from entanglement and ingestion of plastic, and a quarter of all fish caught now contain microplastic in their guts.^[viii] The long-term impact of microplastic on human health remains largely unknown, but exposure is clear: microplastic particles have now been identified in human stool samples across the world.^[ix]

The ?Cost? of Plastic

As our understanding of the impact of plastics and consumerism on resource utilization and environmental management grow, the traditional measures of financial costs and environmental costs merge into Environmental Full Cost Accounting (EFCA). EFCA traces the direct and indirect costs and benefits of a product or group of products, such as plastic, and measures them against economic, environmental, and social metrics. Figure 2 illustrates a simplified example of the true environmental impacts of a plastic bag on the environment from raw material extraction to disposal or escape to the environment as pollution.

Research completed by the Ocean Conservancy and Deloitte place the EFCA cost of 1 tonne of plastic at USD \$33,000 in 2019

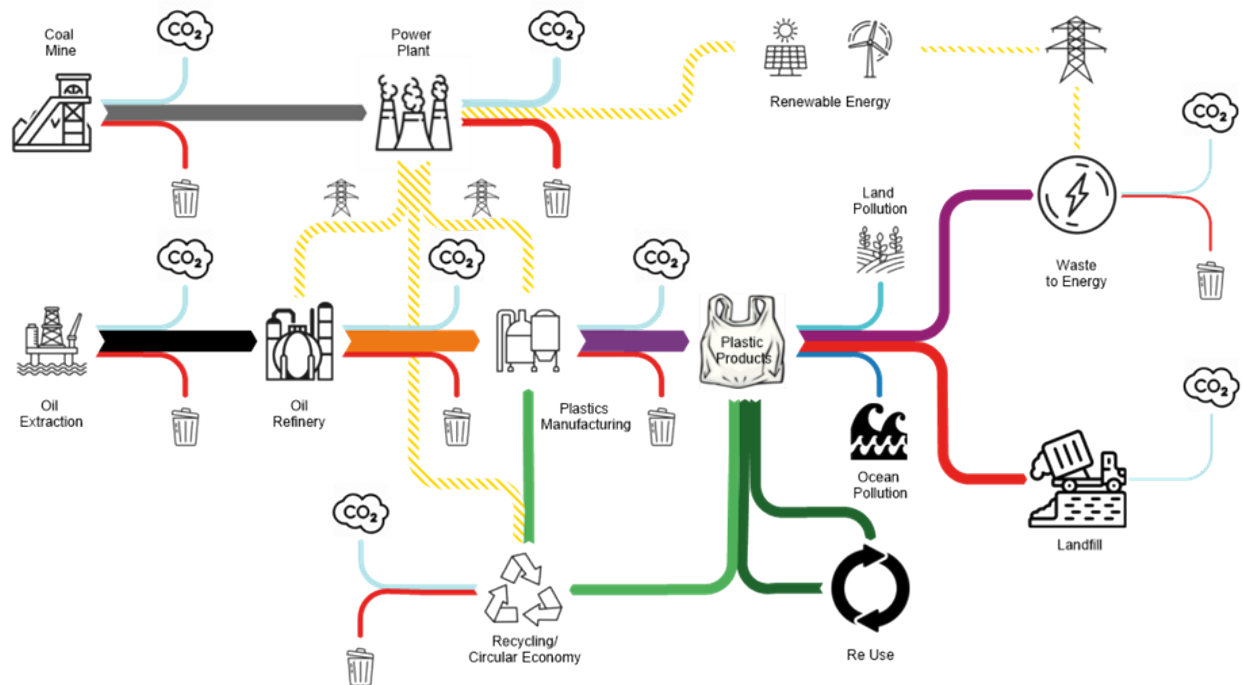


Figure 2: The True Cost of Single Use Plastic

Source: ADB TA 9911 Ocean Plastics: From Source to Sea

With plastics, the key environmental cost and concerns are:

- (i) The loss of resources due to the linear 'Make - Use - Dispose' or Throw-Away Society economic model - Once an item of plastic is discarded to landfill, incineration or lost to the environment the resource itself and all the resources used in its manufacture are lost to the positive side of the global balance sheet.
- (ii) The environmental costs of securing those resources - plastics are manufactured from crude oil derivatives and require energy intensive manufacturing processes. Once discarded, the environmental damage and resource depletion incurred during their manufacture are also lost.
- (iii) The environmental cost due to the presence and persistence of plastic pollution in the global ecosystem. The persistence and resistance to degradation of plastic combined with inadequate waste management systems has led to plastics entering and negatively impacting every ecosystem on the planet, both on land and in oceans.

EFCA cost control, where plastics are concerned, cannot be driven by a complete ban on plastics. Plastics are low cost, lightweight and flexible, allowing them to outperform many of the alternative materials. Simple estimates show soft drinks packaging having an EFCA cost 5 times higher than the current cost if glass bottles were substituted for plastic. The answer to managing the EFCA costs of plastics comes, in many cases, from altering the production, use, and disposal of commonly used plastics rather than substituting them with other materials. Put simply, if a plastic bottle is used once then 100% of its EFCA costs applied to that use. If it is used twice then the EFCA cost per use reduces to 50%.

The more the circularity of materials in the plastic value chain is increased the less the environmental impact during initial natural resource recovery and during disposal for a product. The framework proposed to support this transition from a linear or throw-away society to a more sustainable consumption model is known as circular economy.

Indonesian baseline scenario

Indonesia is the largest archipelago in the world with 17,500 islands, among which 6,000 are inhabited, and 81,000 kilometres of coastline. Of the top ?source? countries ranked by proportions of mismanaged plastic waste within the coastal zone, Indonesia places second, after the PRC. Based on research supported by the National Plastic Action Partnership, an estimated 70% (4.8 million tons / year) of plastic pollution[x]^x in Indonesia is mismanaged: 48% openly burned, 13% dumped on land or poorly managed official dump sites, and 9% leaking into waterways and the ocean. Despite a ~3% growth in waste imports in 2018, approximately >95% of ocean plastic from Indonesia was generated within Indonesia. Sixty percent (60%) of Indonesian households are not part of any regularized or formal waste collection system. That means more than 160 million Indonesians have no choice but to burn their waste or dump it in nature.

Pollution levels vary greatly across plastic types and geographies. Post-consumer plastic films (e.g., flexible plastics such as bags, sachets, wrappers, multi-layer plastics) are twice as likely to leak into the environment as rigid plastics (e.g., bottles). The latter has become a valuable commodity for recyclers in some parts of Indonesia. Many household essentials (e.g., food, personal and home care products) are packaged in laminated plastic sachets. These small quantities are more financially accessible to consumers who cannot afford bigger quantities. Similarly, the geographies that contribute most to plastic pollution are rural locations and small-to medium-sized cities. These areas represent 60% of Indonesia?s population and 72% of plastic pollution. The archipelagic nature of the country further exacerbates the problem, as creating logistical infrastructure to reach small and/or isolated islands is challenging and costly.

Government agencies, non-governmental organizations, private sector companies, universities, and civil society organizations are all working on initiatives to prevent and clean up plastic pollution across Indonesia. However, projections show that, without more ambitious action, plastic pollution in Indonesia will grow by 30% from 2017 to 2025 ? from an estimated baseline ocean leakage of 620,000 tons/year in 2017 (~10% of plastic waste generation) to 790,000 tons/year in 2025.

The Government of Indonesia has responded to the above situation by designing the National Plan of Action on Marine Debris 2017-2025 (NPOA), which has the ambitious target of reducing 70% of marine debris by 2025. The NPOA consists of five main pillars: (i) improving behavioral change, (ii) reducing land-based leakage, (iii) reducing sea-based leakage, (iv) reducing plastics production and use, and (v) enhancing funding mechanisms, policy reform, and law enforcement. The scope of the plan is wide-ranging, as it covers local government responsibility (river basin authorities), national government (through the Coordinating Ministry of Maritime and Investment Affairs), industry (producers), civil society, and academe / research sectors.[xi]^{xi} The country pledged to invest up to \$1 billion over 8 years for plan implementation at the ?Our Oceans? conference in Denpasar, Bali (October 2018). Indonesia is also party to the Basel, Rotterdam, and Stockholm (BRS) Conventions.

The NPOA has subsequently been reinforced by the passing of Extended Producer Responsibility legislation PERMEN LHK NO. P.75/2019 which set a waste reduction target of 30% by 2029 and Regulation No.5/2020 targeting plastics in the tourism sector.

In March 2019, Indonesia joined forces with the Global Plastic Action Partnership (GPAP)^[xii]^{xii}, a public- private platform dedicated to fostering action to combat the plastic pollution crisis, to launch the first National Plastic Action Partnership (NPAP). SYSTEMIQ and NPAP collaborated to prepare an insight report called *Indonesia National Plastic Action Partnership: An Analysis and Action Plan to Radically Reduce Plastic Pollution in Indonesia*.^[xiii]^{xiii} The report, referred to in this document as the **NPAP Action Roadmap**, outlines the challenges the country will face to achieve the targeted 70% reduction in ocean plastic leakage by 2025 and articulates systems change scenarios as elaborated below:

NPAP ACTION ROADMAP SYSTEM CHANGE SCENARIOS

1. **Reduce or substitute plastic** usage to prevent the consumption of more than a million tonnes of plastics per year by 2025 by switching to reuse and new delivery models, changing behaviors, and replacing plastics with alternative materials that yield improved environmental outcomes.
2. **Redesign plastic products and packaging** for reuse or high-value recycling with the ultimate goal of making all plastic waste a valuable commodity for reuse or recycling.
3. **Double plastic waste collection from 39% to more than 80%** by 2025 by boosting state-funded and informal or private sector collection systems. This implies expanding plastic waste collection to four million new households each year until 2025. This gives priority to medium and small cities as these represent three quarters of plastic pollution.
4. **Double current recycling capacity** by building or expanding plastic sorting and recycling facilities to process an additional 975,000 tonnes per year of plastics by 2025. To achieve this, large scale recycling hubs need to be strengthened in Java and developed in urban centres outside Java.
5. **Build or expand controlled waste-disposal** facilities to safely manage an additional 3.3 million tonnes of plastic waste per year by 2025 for the disposal of non-recyclable plastics and plastic waste generated in locations without recycling facilities. A step up in enforcement of illegal waste burning and dumping is required to limit pollution in areas that have collection.

In November 2020, the NPAP Financing Task Force, co-chaired by ADB and the Ministry of Finance's Fiscal Policy Agency, launched *Financing System Change to Radically Reduce Plastic Pollution in Indonesia: A Financing Roadmap Developed by the Indonesia National Plastic Action Partnership*.^[xiv]^{xiv} The report sheds new light on the many challenges Indonesia is facing to manage plastic pollution and provides broad outlines of the actions needed to convert the Roadmap's recommendations into results. For Indonesia to reach the target of reducing marine plastic debris by 70% by 2025, large investments are needed. According to the NPAP Financing Roadmap, an estimated \$1 billion annual increase in operational financing for city-level waste collection and recycling is needed, along with \$18 billion in capital investments for SWM between today and 2040. It also notes that there is a need for significant upstream

investments to enable reduction, substitution, redesign, or reuse of plastics. Delivering on this agenda will require a combination of top-down and bottom-up approaches. National policies and regulations on SWM, retribution fees, extended producer responsibility, recycling, and plastic circularity needs to be operationalized and implemented at the local level. Informal waste collection, plastic recycling, and circular plastic programs that have been developed and successfully tested at the local level need to be turned into national programs.

The NPAP Financing Roadmap highlights five action areas (1. Reduce and substitute, 2. Redesign, 3. Collect, 4. Recycle and 5. Controlled disposal), and proposes seed financing for small-scale ventures, performance-based financing, and different blended finance approaches as options available to incentivize increased waste collection by the informal sector and expand the market for plastic reuse and recycling.

The NPAP Financing Roadmap also calls for mobilizing different blended finance approaches and innovative financing schemes, such as extended producer responsibility (EPR) schemes to catalyze investments in circular plastics economy initiatives. In 2019, the Indonesian Ministry of Environment and Forestry issued the Decree 75/2019 on Roadmap of Waste Minimization by Producers, which includes guidelines on reduction, recycling, and reuse of a range of products, packaging, and containers (including plastics), and started the clock for a 10-year transition to an EPR system. By 2029, plastics producers will be required to cut their plastics usage by 30%. Companies will also be required to change their plastics packaging, with minimum size requirements of 1 litre for drinking bottles, 200 grams for food packaging and 500 millilitres for other consumer goods. This means that the small, laminated plastic sachets used for sauces, coffee, shampoo, and soap will be banned. In addition, plastic packaging will be required to have 50% recycled content. An initial inventory and gap analysis of existing policies by NPAP's Policy Task Force in February 2021 found that this regulation lacked guidelines for redesign and recycling procedures and sustainable alternatives for packaging, among others. This is the second time Indonesia is trying to implement an EPR system. The Waste Management Law of 2008 also called for a 10-year transition to an EPR system, but the government never managed to build enough support among stakeholders to implement it by 2018. Against this background, the GEF project can pilot projects that can support the Indonesian government's preparation and implementation of an EPR system. At the moment, several Indonesian industry actors are opposed to EPR, and they would benefit from seeing first-hand the solutions that are available for compliance with an EPR system to help them prepare for the coming changes.

Plastic waste has become a globally traded commodity which is regulated under the Basel Convention and specifically by their Plastic Waste Amendments as a result there are several financing instruments used for other commodities that may be possible to test on recyclable plastics. For plastic waste these instruments can broadly be divided into two categories. First, financial instruments, such as microfinance and plastic credit mechanisms, that generate new revenue streams and increase the income of independent waste collectors and micro-, small-, and medium-sized enterprises (MSMEs). Second, financial instruments, such as floor price and insurance, that remove price volatility for recycled plastics and bring more certainty on revenue to all actors in the plastic recycling value chain. The objective is to improve the incomes of independent waste collectors and MSMEs, provide predictability and reduce the risk for entrepreneurs and investors looking to get involved in plastic recycling and increase the collection rates of the low-value flexible plastic that currently is left behind by independent waste collectors. These initiatives would have many similarities with the programs that would

underpin an EPR system, where commercial entities would pay third parties (independent waste collectors and MSMEs) to collect a certain volume of plastic waste for recycling.

Plastic waste collection in Indonesia is dominated by independent waste collectors, who collect more than 80% of the plastic waste that goes to recycling. Action at the local level, supporting independent waste collectors, MSMEs, entrepreneurs and recyclers is key for Indonesia to meet its target for reducing marine plastics debris, and transition to a circular plastics economy. Indonesia is renowned for its large microfinance sector, with a range of commercial banks and more than 60,000 microfinance institutions reaching more than 56 million MSMEs. However, microfinance has to date played a limited role in supporting Indonesia's independent waste collectors and micro-, and small-sized enterprises involved in plastics recycling. This creates an opportunity to work with the financial institutions and civil society organizations with extensive experience of microfinance and draw on their experience in engaging with local communities to drive impact.

Waste collection and plastics recycling is a sector where relatively small investments in capital equipment such as handcarts, collection equipment, protective clothing and footwear can significantly increase collection volumes, boost incomes, and protect health. In addition to access to capital, Indonesia's independent waste collectors, micro-, and small-sized enterprises would also benefit from the other services microfinance institutions can offer, such as payment services and micro-saving, enrolment in public health insurance programs (BPJS Kesehatan) and assistance with childcare and school payments. It also provides an opportunity to train independent waste collectors, micro-, and small-sized enterprises to extract more value from the plastic they collect and get a fair price from the intermediaries in the plastic recycling value chain. There are millions of micro-entrepreneurs spread across thousands of Indonesian communities, and the microfinance sector has a strong record of accomplishment in increasing incomes and lifting people out of poverty. The success of microfinance means there is a chance for the Circular Business Hub to bring in partners from other sectors that can transfer their learnings to independent waste collectors as well as MSMEs involved in waste collection and plastic recycling.

Barriers To Progress

Modern plastic products often have low circularity recyclability and follow the unsustainable linear approach of take, make, and dispose. Barriers to an effective circular plastics economy include the low price of virgin plastic materials, consumer behaviour, and lack of policies that stimulate or support circularity. Factors that hinder increased circularity, value capture, and maintenance of plastic in the economy are: (i) limited use of reuse systems such as refillable packaging, whether it is primary (consumer and retail), secondary (display), or tertiary (transport) packaging; (ii) use of unnecessary single-use plastic items where multi-use/reuse alternatives exist, e.g. shopping bags, beverage cups, cutlery, and plates; (iii) limited product designs that allow for technically and economically feasible recycling; and (iv) lack of high-quality plastic waste materials that can replace virgin plastic for production of new products.

The NPOA and NPAP identify a considerable number of barriers and challenges to prevent, reduce, and control plastic pollution and establish a circular and pollution-free plastics system. Some of these challenges are consumer behaviour based, some are driven by industry inertia, and some are a result of technical know-how and lack of accountability, as the challenges

associated with plastics cut across industries, sectors, and geographic and demographic boundaries.

The main barriers at a policy level have been a combination of absent or ill-conceived legal frameworks, weak enforcement, and absence of incentives. Though there have been recent commitments by the Indonesian Government to introduce laws addressing circular economy approaches, challenges remain in implementing these policies while avoiding or minimizing unintended impacts to livelihoods, particularly for the most vulnerable members of Indonesian society.

The main barriers for financing include the cost of transition for consumer goods companies and packaging producers (all of which have made significant investments in supply chains based on plastic packaging), the relative immaturity and scarcity of new ventures, and lack of awareness of alternative models or materials.

The main barrier on the consumption side has been the lack of awareness and resistance to change of the general-public and private sector. Despite the growing number of initiatives and campaigns, they are generally not aware of the true costs, adverse effects, or the severity of plastic pollution to human health, economics, and the environment. The role of communities and civil society groups (e.g., religious groups, youth, and women groups) needs to be strengthened further.

The transition to a circular economy presents an opportunity to reframe the community as a co-creator of new business models, e.g., entrepreneurs in cooperatives, enabling them to regain financial independence and thus reducing economic inequality. Civil society groups can promote formal and informal education on waste management and put more pressure on the public and private sectors to accelerate innovation, policies, and systemic change.

There has been resistance from the private and public sector to implement waste preventive measures and circular business models and to adopt the best available technology / best environmental practices (BAT/BEP), due to prohibitive costs, loss of competitive advantage, and potentially delayed financial returns.

Associated Baseline Projects

GEF Projects

Several GEF-linked programs and projects are examining problems related to plastic pollution. These include (i) the Coordinating Body on the Seas of East Asia (COBSEA) through the Implementing the Strategic Action Programme for the South China Sea (GEF ID 5538); (ii) Partnerships in Environmental Management of the Seas of East Asia (PEMSEA) through its work on integrated river basin and coastal area management at priority sites in the region and the Implementation of Sustainable Development Strategy for the Seas of East Asia (SDS-SEA) (GEF ID 2700); (iii) the Implementation of the Arafura and Timor Seas Regional and National Strategic Action Programs (GEF ID 6920); (iv) the Enabling Transboundary Cooperation for Sustainable Management of the Indonesian Seas (GEF ID 5768); and (v) the Sustainable Management of the Bay of Bengal Large Marine Ecosystem (BOBLME) Programme (GEF ID 9909). However, direct interventions to reduce plastic pollution is limited in these projects, despite it being a relatively high priority for many of the member countries.

Under GEF 6, the medium-sized project (MSP) "Addressing Marine Plastics: A Systemic Approach" (GEF ID 9681) aims to capitalize on a growing baseline of knowledge on marine plastic sources, pathways, and environmental impacts to inform the GEF and apply a systemic approach to global plastic issues. This project will cover Indonesia, the Philippines, and Viet Nam and is executed by the Ellen MacArthur Foundation, the Ocean Conservancy, and other partners.

Also, under the GEF 7 cycle, the full-sized project (FSP) "Environmentally Sound Use of Plastic and Management of Plastics Waste in Latin America and the Caribbean" (GEF ID 10095), FSP "Establishing a Circular Economy Framework for the Plastics Sector in Ghana" (GEF ID 10401), and FSP "Circular Economy Regional Initiative (CERI)" (GEF ID 10328) are closely aligned with the Plastik Sulit project. The opportunities for the GEF to benefit and share knowledge gained from these projects, combined with the overall volumes of waste diverted from the ocean and POP avoidance, will allow GEF 7 to have a significant impact on the global development of circular economies for plastics.

Further, ADB is implementing the GEF-7 Regional MSP, *Promoting Resource Efficiency and Circularity to Reduce Plastic Pollution for Asia and the Pacific* (GEF ID 10628), which received CEO endorsement in September 2021 and has already started with ADB technical assistance co-funding. Indonesia is one of four Southeast Asian countries participating in this project, which will support national and city action planning, knowledge, and regional cooperation activities, among others. For Indonesia, the regional MSP support will focus on development of an action plan for Cirebon that looks at the entire system, including: institutional arrangements and capacity building needs; policy and regulations to promote circular plastics economy; infrastructure and technology needs; local business and community behaviors, trends, and triggers; roles, responsibilities, and actors; implementation; and financing plans and mechanisms. The action plan development will be integrated, multi-stakeholder, and participatory. ADB technical assistance co-funding will also support a small pilot demonstration of integrated SWM and circular plastics economy in Cirebon, covering around 4,000 households in one of the slum communities. Activities proposed would include: separation of wet and dry waste at the household level, creating favorable conditions for further processing/use of plastics and organic waste; small business and community behavior change campaigns; innovative PPP contracting of micro-enterprises to support the new system; small business and livelihood development support; and partnerships with local reprocessing/recycling companies. The work under the regional MSP and ADB co-funded activities (including the Liveable Cities program below) will be closely synchronized with the Plastik Sulit project for Indonesia.

The Plastik Sulit project, along with the regional GEF MSP, will also align with another proposed ADB/GEF project in the PRC called "Innovating Eco-Compensation Mechanisms in Yangtze River Basin (YRB)" (GEF ID 10711). Among other things, the proposed PRC project will focus on the management and recycling of agricultural plastics with a specific target of avoiding POP emissions by diverting field plastics from uncontrolled burning. This project is a high priority, given that the Yangtze River is the largest contributing catchment to plastic pollution on the planet, with an annual input of 0.33 (range 0.31-0.48) million tons of plastic discharged into the East China Sea.^{[xv]^{xv}}

As part of its Action Plan for Healthy Oceans and Sustainable Blue Economies, ADB addresses marine plastic pollution through large-scale regional and country programs and through investments in integrated solutions. This entails a source-to-sea approach that includes: (i) integrated solid waste management; (ii) river basin, watershed, and coastal resource management; and (iii) enhanced material recovery and recycling.

ADB's integrated SWM investment portfolio totalled \$867 million, or 5.3% of the total urban portfolio, between 2010 and 2020, compared with a total investment of \$16.28 billion in the urban sector. Investments include community-based SWM, remediation and closure of existing contaminated sites and landfills, and waste-to-energy investments. This reflects the chronic underinvestment in SWM systems across the region, the challenges faced and the low priority of these projects for governments.

Similarly, ADB is beginning to explore investments in alternative materials, reuse, rent, repair, and redesign. As part of its Healthy Oceans Technology Innovation Challenge, ADB held a call for high technology solutions for plastic waste reduction, which has been awarded to Koinpack, an Indonesian startup operating a tech-enabled refill system of reusable packaging for consumer goods.

The Plastik Sulit project is part of a larger ADB Cluster Knowledge and Support Technical Assistance (TA) project "Promoting Action on Plastic Pollution from Source to Sea in Asia and the Pacific," which is focused on promoting circular plastics economy, improving integrated SWM, and tackling marine plastic pollution. This TA, which is supported by multiple donors, is managed by the Project Coordination Unit (PCU) established within the ADB Environment Thematic Group under the Office of the Thematic Cluster of the Sustainable Development and Climate Change Department. The PCU will have the principal role in the administration and supervision of the TA. The TA Cluster includes \$2 million from GEF for Promoting Resource Efficiency and Circularity to Reduce Plastic Pollution for Asia and the Pacific (GEF ID 10628), \$1 million from ADB's Technical Assistance Special Fund, \$0.7 million from the ADB Regional Cooperation and Integration Fund, \$1.5 million from the Japan Fund for Poverty Reduction, and \$0.5 million from the e-Asia Knowledge Partnership Fund.

ADB also has TA for the PRC approved in 2020 on "Green Circular Economy Zero Waste Cities", which this FSP will actively collaborate with on knowledge sharing. Similarly, this TA will develop policies and capacity, technical guidance, and design of pilots to combine and advance the concepts of zero waste cities and green circular economy cities in the PRC. These similarities provide further opportunities for cross-learning between the TA's participating countries and the PRC.

Strategy 2030 of ADB identifies "Making Cities More Livable" as one of its seven operational priorities. Under this operational priority, ADB works to support the transformation of developing cities in Asia and the Pacific region into safe, inclusive, and sustainable urban centers. ADB's Livable Cities Program is active in the TA's participating countries. For example:

- i) In the Philippines, ADB is working with the government to transform Coron and El Nido, Palawan, into sustainable, inclusive, resilient and competitive tourism centers through a \$100 million loan ("Sustainable Tourism Development Project"), which are also sites for "Partnerships for Coral Reef Finance and Insurance in Asia and the Pacific" (GEF ID 10431); and

ii) In Viet Nam, the Secondary Cities Environment Improvement Project (which has \$12.8 million GEF co-financing under the Sustainable Cities Integrated Approach Pilot (GEF ID 9077)) will improve key urban infrastructures in three target cities in Viet Nam including: (i) a river embankment with public green space and a retention basin, (ii) new/improved wastewater and drainage systems, and (iii) solid waste landfills with pollution control measures (\$250 million).

Further, in the PRC, ADB currently has ongoing and proposed investments supporting waste management, circular economy, and river basin and coastal area management:

- i) Guangxi-Guilin Comprehensive Ecological Rehabilitation Project ? will improve livelihoods in poor villages and restore the Li River, including through improving waste management and developing sustainable tourism (\$140 million).
- ii) Green Transformation in Heilongjiang ? will support green transformation of supply chain logistics, improve value chain integration for small and medium sized enterprises, and restore urban rivers (\$500 million).

Government officials engaged in these projects will be invited where appropriate and at the discretion of the executing agency to participate in Plastik Sulit project knowledge activities.

Finally, ADB is investing in plastics recycling through its private sector operations. This includes the Indorama Ventures Regional Blue Loan. The loan has been developed to support the expansion of Indorama's rPET (recycled polyethylene terephthalate) capabilities in India, Indonesia, the Philippines, and Thailand. ADB has committed \$50 million with \$200 million co-financed from other sources to increase Indorama's recycling capability by 123,000 metric tonnes. The blue loan monitoring criteria have been designed to ensure focus on increasing the circular economy sorting and recycling capability in the target countries, rather than diverting existing collected tonnage and so directly increasing the diversion of plastics from the ocean. This loan, in part (the Indonesia investment), serves as the baseline and co-finance for this FSP.

Relevant Partner Programs and Projects

Numerous donor governments, multilateral development banks (MDBs), private companies, global alliances, and nongovernmental organizations (NGOs) are planning or implementing programs or projects in the region. The programs cut across sectors, levels of government, and themes/action areas. Most are in early phases of implementation.

Key partners include the United Nations Environment Programme (UNEP) and the World Bank. In 2012, UNEP launched the Global Partnership on Marine Litter, a platform that brings together various stakeholders to address marine litter and microplastics. Under UNEP's Finance Initiative is the Sustainable Blue Economy Finance Initiative (SBEFI). The SBEFI provides a guiding framework for financing a sustainable ocean economy. In June 2020, ADB announced that it will be a signatory to the SBEFI. UNEP has also led the development of the COBSEA Regional Action Plan on Marine Litter. The activities of this project proposal will help achieve the goals of this plan. COBSEA has another ongoing program on "Reducing marine litter by addressing the management of the plastic value chain in Southeast Asia (2018-2022)". ADB will consult with UNEP/COBSEA throughout project implementation to ensure that its activities will build on their existing initiatives.

The Basel Convention Regional Center for Southeast Asia (BCRC-SEA) in Indonesia will be engaged to ensure co-ordination and integration with the BRS Conventions technical assistance activities on plastic waste as part of the Small Grant Program and as part of the Plastic Waste Partnership pilot project

The World Bank's active Blue Economy portfolio, PROBLUE, is around \$4.1 billion, with a further \$1.5 billion in the pipeline. PROBLUE focuses on four key themes including addressing threats posed to ocean health by marine pollution, including litter and plastic. At the regional level, the World Bank is supporting development of an ASEAN Regional Action Plan on plastics and, in Cambodia, Indonesia, Myanmar, the Philippines, and Viet Nam, is providing support for diagnostic studies of plastic types and locations, plus recommendations for policy, behavior change, and technology. World Bank has also recently published a Plastics Circularity Market Study Series for Malaysia, Philippines, and Thailand. The PCU, with ADB support, and World Bank regularly coordinate and are actively identifying opportunities to collaborate on knowledge activities and to build on each program's work.

The Plastik Sulit project has been designed to fully integrate with the NPAP Action Roadmap and align with Project STOP (Stop Ocean Plastics), an initiative co-founded by SYSTEMIQ and Borealis to further enhance the work of GEF and NPAP. The STOP project core objectives are (i) zero leakage of waste into the environment; (ii) increase recycling of plastics; (iii) socio-economic benefits for local communities; and (iv) economic sustainability. As of June 2021, STOP has been piloted in three locations in Indonesia serving more than 200,000 people, with plans to scale to 40 more over the next few years, potentially including Cirebon in Northern Java. An integrated approach would mean that a greater pool of knowledge and experience is available to each project.

Linkages with Global Plastic Action Partnership and National Plastic Action Partnerships

The Plastik Sulit project will benefit from collaboration with the GPAP and the Indonesia NPAP.

Indonesia's NPAP was launched in March 2019, with the NPAP Action Roadmap published in April 2020. One of its aims is to support the scaling up of high-potential solutions by connecting innovators and entrepreneurs with social impact investors. ADB have already begun to support the NPAP development through the following:

1. ADB is co-chairing the Financing Task Force of the Indonesia NPAP with Ministry of Finance (Climate Change and Multilateral Policy Center, Fiscal Policy Agency) to facilitate knowledge sharing, network building, and action to implement the Financing Roadmap published in November 2020 for achieving Indonesia's plastic leakage reduction targets and circular economy ambitions. This includes identifying and mapping investable projects and innovations clustered around the NPAP's five points of action: detailed analysis of current funding, financing mechanisms, and investment gaps; identifying barriers to financing and actions to overcome these; and, identifying sustainable and innovative financing mechanisms for further development or scaling-up. The Financing Task Force will also coordinate closely with NPAP's Policy Task Force on shared objectives, including support for the implementation of an EPR system under the Ministry of Environment and Forestry (MOEF)-issued Government Regulation 75-2019 for a Waste Reduction Roadmap for Producers,

which established a 10-year transition period with the aim of having an operational EPR system in Indonesia by 2029.

2. ADB is a key member of the Metrics Task Force with the World Bank and other NPAP members to discuss and define metric baselines and measurement protocols to harmonize plastic waste and management data across projects and regions.
3. ADB has provided key technical inputs to the development of the Innovation Task Force's first Innovation Challenge, focusing on informal sector integration in waste collection operations.

GPAP has developed a model that allows countries to conduct a full analysis on plastics leakage into the environment (including plastics production, collection, recycling, safe/unsafe disposal, etc.). The model also allows countries to model different future scenarios depending on specific interventions. This helps identify an 'ideal scenario' that can predict the best mix of solutions to get the country to a national target (e.g., in Indonesia, a 70% reduction of plastic pollution by 2025). GPAP is working with partners to improve the model for optimal and user-friendly use by governments and local analysis teams. ADB, through the NPAP Metrics Task Force, has identified a range of data collection and modelling systems that are compatible with the GPAP model and further build on its functionality to deliver greater value to the target cities. This work will underpin the city action plans that this project will deliver.

GPAP is currently developing a standardized toolkit called 'Plastics Modelling and Assessment Tool.' This captures all relevant resources from key partners and learnings from GPAP's pilot partnerships in Indonesia, Ghana, and Viet Nam for other governments to apply an NPAP-like model in their respective countries or for partner organizations to support NPAP. The toolkit will have a chapter on finance, which presents an opportunity for GPAP to build on the financing knowledge products and services developed by this FSP. ADB will collaborate with GPAP by sharing technical inputs, experiences and learned from Indonesia for 'Plastics Modelling and Assessment Tool'. GPAP will also be invited to present on GPAP/NPAP during relevant FSP knowledge activities, such as the market study development workshops, providing an opportunity to engage with more stakeholders across Indonesia's plastics value chain.

Proposed alternative scenario (with a brief description of expected outcomes and components of the project)

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Circular economy as the solution to plastic pollution

Circular Economy is a systems approach which can decouple economic activity and development from utilisation of non-renewable resources. Circular Economy approaches for plastics provide a wide range of entry points by which governments, industry and communities can both reduce the use of plastic and improve the management of those plastics which remain in regular use, sequestered in landfills, or exist as pollution in the global environment.

A fundamental shift is needed in the way we produce and consume as a society, from a traditional linear economy using the 'take, make, dispose' approach to a circular economy approach. Reduced consumption and increased private sector responsibility are both needed, along with new business models and product designs that facilitate reuse or recycling, and innovations in recovery and treatment

technology. Solutions must address the entire lifecycle of plastics, including materials, design, use, and waste management.

Solutions also need to focus on avoiding the use of single-use plastic items and packaging that are often unnecessary and difficult to recycle and replace them with innovative alternatives that enable people to follow the principles of the 3Rs: reduce, reuse, recycle. The Indonesian NPAP Policy Task Force will soon launch its Roadmap for Single Use Plastics titled *‘Analysis of Options and Implementation Plan for Single Use Plastics Policies’* which will also be supported by this project.

These developments lead towards a circular plastics economy, where the use of virgin plastic (through reduction and reuse) is minimized and high-quality plastic waste is recycled as a secondary raw material suitable for the plastic industry to use for similar applications, thus minimizing the use of virgin plastics. To effectively combat plastic pollution and establish a circular economy for plastics, there needs to be a prioritized and strong focus on waste prevention measures (i.e., reduce and reuse). A circular plastics economy also depends on a strong recycling economy capable of collecting and recycling plastic waste and creating a market for high-quality plastic materials that can be recirculated back into the economy. This requires working with producers, retailers, and consumers.

The wide variety of issues related to plastics leaking into the environment and the use of plastic across the value chain requires an equally varied set of actions to support the transition to circular plastics economy. Action, policy change, and investments are needed across the entire plastics system. Adopting true circular economy best practice, combined with increased and effective waste management, provides the solution for decoupling plastic use from the consumption of finite resources and plastic pollution to the environment.

A circular economy redefines current production and consumption patterns in a way where business and growth support positive economic, social, and environmental benefits throughout supply chains, business models, and life cycles (e.g., from the choice of raw materials and design of products/services, to recycling and end-of-life).

The transition from a linear to circular economy requires collaborative rethinking of existing systems and actions across multiple sectors and industries. The New Plastics Economy Global Commitment, led by the Ellen MacArthur Foundation in collaboration with UNEP, unites business, governments, and civil society organizations behind a common vision of a circular economy for plastic ‘where plastic never becomes waste’.^[xvi] In line with the New Plastics Economy Global Commitment, the Plastik Silit project follows best practice circular economy approaches, supporting the government and stakeholders to engage in these key actions:

- ? **Eliminate** all problematic, avoidable, and unnecessary plastic items;
- ? **Innovate** to ensure that the plastics we do need are reusable and recyclable;
- ? **Circulate** all the plastic items we use to keep them in the economy and out of the environment.

All three actions are important and depend on each other to achieve the vision. The waste hierarchy of the circular economy suggests an order of approach:

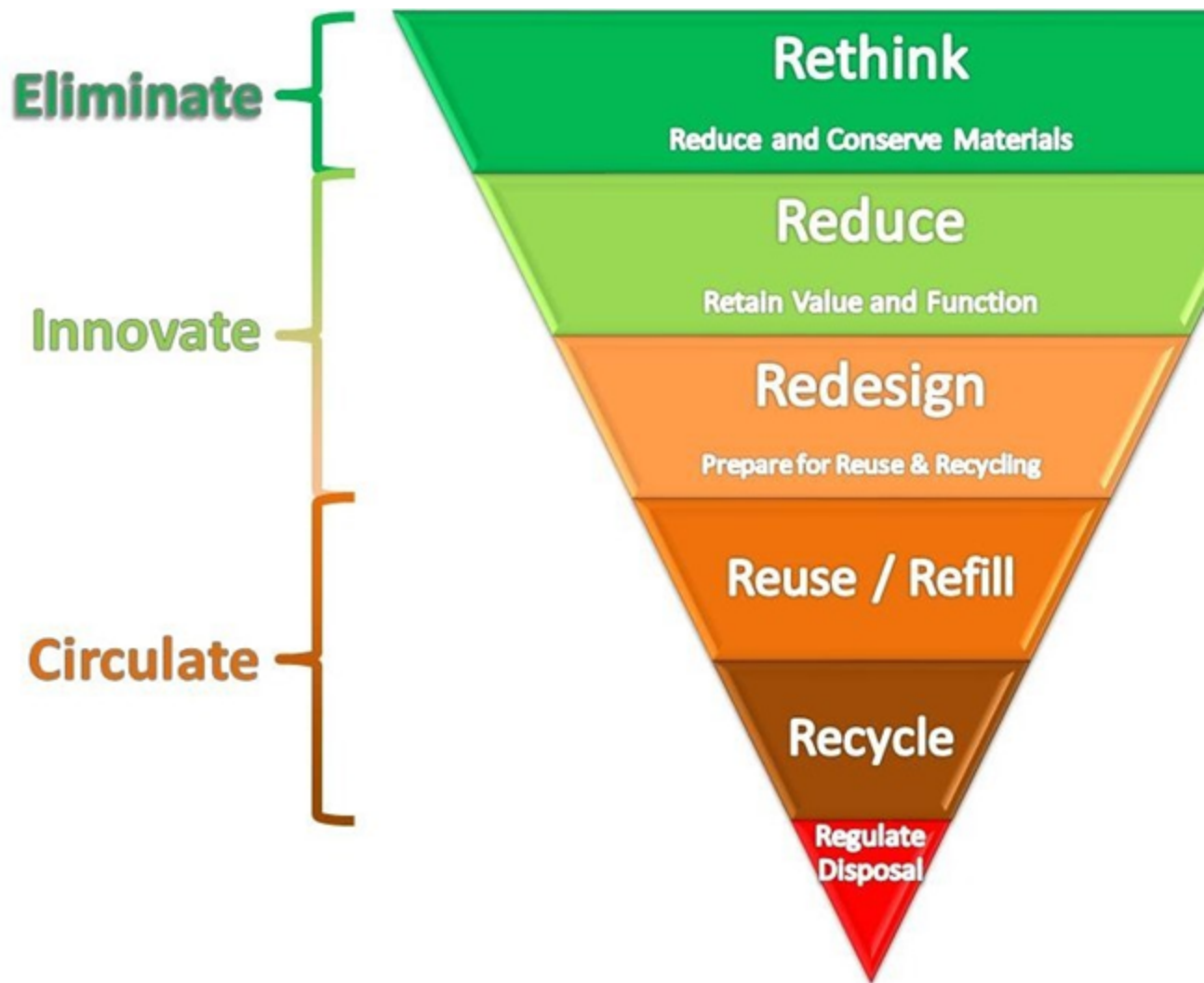


Figure 3. Action hierarchy in the circular economy

(Source: Adapted from International Solid Waste Association)

As shown in Figure 3, the three actions (*Eliminate, Innovate, and Circulate*) require avoiding virgin resource consumption wherever possible. Elimination and Innovation allow the circular economy to avoid the need for plastics altogether; where this cannot be immediately achieved, Circulation can be enhanced through waste prevention measures and recycling.

Adopting a hierarchical and value chain approach means that uniform background knowledge and continuous exchange of challenges and gaps among actors needs to be established. All actors from the various life cycles must be represented and engaged to formulate implementable solutions. The Plastik Silit project achieves this through engagement with NPAP (Output 1.2) and the Collaborative Forums (Output 2.1).

For plastic never to become waste, it must either be avoided completely or become a valuable material used in items, where necessary, in small amounts with the longest possible projected lifespan. In a circular economy, the plastic materials used remain as a valuable commodity even

at its end-of-life and can seamlessly integrate back into the manufacturing of new plastic items in place of virgin plastic.

Importance of supporting a holistic approach

Paving the way for a circular plastics economy requires a systemic shift towards sustainable resource management within planetary boundaries. This needs policy and regulatory changes, capacity development, and investments in all three tiers (Eliminate, Innovate, Circulate). A holistic approach must be timely and coordinated to establish a fully integrated, circular economy system.

Making the transformation to a circular plastics economy requires addressing the entire lifecycle of plastics, including materials, design, use, and waste management. However, even the most resource-efficient future economy, with reduced plastic usage, will require systems to capture and circulate end-of-life products. The transition to a circular plastics economy requires investment and initiatives to avoid and eliminate unnecessary plastic items, innovations in the way plastic is used in our economy (such as through new packaging and product delivery systems), and an efficient plastic SWM sector that is able to re-circulate plastic waste materials back into the economy. While some groundwork for plastics elimination and innovation has been initiated, further development and investment is required to scale-up and integrate these activities with the mainstream plastics manufacturing industry, retail, and commercial sectors and within policies. Near-term development and investment, as well as a systematic and strategic effort to promote circular economy in addition to financial and knowledge support in these sectors, are necessary to transition to a circular economy in the medium to long term. Today's use of virgin plastics is much related to oil prices. Low oil prices result in low prices for virgin plastics, which provides economic incentive to use virgin plastics over recycled plastics. A circular plastics economy will need to include an improved recycling system with lower costs, higher recycled product quality, and companies committing to targets to use recycled plastic materials. Less use of virgin plastic resources, redesign of products for reuse and recycling, a shift to reusable and refillable systems, and increased use of recycled plastic materials in new products will have to become the norm in business models.

To address this challenge, investments in waste avoidance, prevention, minimization, collection, and recycling need to be made during and beyond the transition from a linear economy to a fully circular economy. This has been acknowledged by the NPAP Action Roadmap System Change Scenarios C, D, & E (*see above*). The transition to a circular plastics economy can only be done incrementally for the following reasons:

1. Transitioning to a circular economy requires long term investments and behavior change. Governments need to develop and implement new policies, the private sector needs to redesign business models and products, and consumers and communities need to shift habits. Economies need to adjust as well. This all takes time, and it is essential to immediately manage the volumes of low-quality plastic waste already in circulation, as these are subject to unsustainable disposal practices today and in the foreseeable future.
2. Managing and phasing out of existing volumes of 'legacy' plastic waste should be considered a necessary component in the transformation to a circular plastics economy.
3. Circular economy approaches, tools, and methods need to be systematically introduced and internalized into the existing frameworks for sustainable urban and infrastructure development. This requires leadership from government, industry, and civil society, as well as new types of investments, policies, and regulations.

4. In order for industry to make adjustments to production practices and transform existing value chains, there will need to be technologies and innovations that are 'fit for purpose' with a strong and sustainable business case developed and adopted.
5. Curbing reliance on virgin polymers must be supported by consumers. Consumers must be educated on the quality of recycled feedstocks driven by innovation and investment in recycling and manufacturing processes.
6. Indonesia has a diverse population of over 270 million people, spread across an archipelago of 17,500 islands, and as such, any rollout of programs and investments will need to be strategic and well-coordinated.

Project approach:

The Plastik Silit project, to be executed by the Ministry of Environment and Forestry (MOEF), builds on the significant analysis done to date supported by NPAP (as described above) and provides a structure by which the Government of Indonesia, through MOEF, can take forward NPAP's roadmaps based on *'An Analysis and Action Plan to Radically Reduce Plastic Pollution in Indonesia'* and *'Analysis of Options and Implementation Plan for Single Use Plastics Policies'*. By providing support for further policy development and, most importantly, an environment through which the Government can engage with stakeholders to thoroughly research, test and refine policy concepts prior to implementation.

The integration of the Plastik Silit project outcomes and outputs with the NPAP Action Roadmap is illustrated in Table 1.

		NPAP ROADMAP SYSTEMS FOR CHANGE (SCS)				
		A	B	C	D	E
		REDUCE OR SUBSTITUTE PLASTIC USAGE	REDESIGN PLASTIC PRODUCTS AND PACKAGING	DOUBLE PLASTIC WASTE COLLECTION	DOUBLE CURRENT RECYCLING CAPACITY	BUILD OR EXPAND SAFE DISPOSAL FACILITIES
	DIRECT EFFECTS	✓✓				
	INDIRECT EFFECTS	✓				
G E F P L A S T I K S U L I T O U T C O M E S A N D O U T P U T S	Outcome 1: Functional Circular Plastics Economy Enabled at National Level	✓✓	✓✓	✓	✓	
	Output 1.1: Policy Guidance and Governance Mechanisms to Support Circular Plastics Economy enhanced	✓✓	✓✓	✓	✓	
	Output 1.2: NPAP Financing Roadmap Implementation Supported, with Financing Mechanisms to Achieve Indonesia's Plastic Pollution Reduction Targets Developed	✓✓	✓✓	✓	✓	
	Outcome 2: Mainstreaming of circular economy approaches for plastics management at national and city level enhanced	✓✓	✓✓	✓	✓	
	Output 2.1 Stakeholder engagement enhanced through Collaborative Forums	✓✓	✓✓			
	Output 2.2: Circular Business Hub Established and Operated	✓✓	✓✓	✓	✓	
	Output 2.3: Behaviour Change and Capacity Development Programs Designed and Implemented	✓✓	✓✓	✓	✓	✓
	Outcome 3: Circular Economy Knowledge, Technologies, and Innovations Promoted and Shared	✓✓	✓✓	✓	✓	✓
	Output 3.1: Multi-Stakeholder Capacity Building, Training, and Skills Development on Circular Plastics Economy Conducted	✓✓	✓✓	✓	✓	✓
	Output 3.2: Innovation and Technology Events to Share New and Emerging Solutions Convened	✓✓	✓✓	✓	✓	✓
	Output 3.3: Knowledge Products to Support Decision Making, Solutions, and Collaboration Developed and Disseminated	✓✓	✓✓	✓	✓	✓

Table 1. Integration of Plastik Sulit Project Outcomes / Outputs with NPAP Systems Change Scenario

In its execution, the Ministry of Environment and Forestry will allow different ministries to work on different scales of impact structured along national and city- levels of government: (i) National Level Enabling; (ii) National level Dialogues and City level Demonstration; and (iii) National Level Consultation and Knowledge Sharing, that combine activities at national and the

city/regency level. At the national level, the government will be supported to create an enabling environment for a circular economy through comprehensive support for policy, regulation, and finance, while also looking to support the implementation or operationalization of these actions through investment facilities for projects at community, city and national level (Outcome 1). Key challenges with policy and legislation to support circular economy approaches in reducing plastic usage and increasing circularity of the remaining plastics derived from effective consultation and trial activities.

For city-level activities, ADB developed a set of criteria and scoring system for identifying and selecting the final location, aligned with the process of selection for the GEF-7 Regional MSP, Promoting Resource Efficiency and Circularity to Reduce Plastic Pollution for Asia and the Pacific (GEF ID 10628). An initial list of cities was selected based on consultations with the Government of Indonesia, existing ADB initiatives and projects, and various city-level assessments and initiatives by development partners, including Project STOP, World Bank, and World Wide Fund for Nature. Cities were then assessed according to a set of criteria necessary for successful implementation and delivery of TA activities, including a coastal, estuary, or river location, population size, academic institutions, civil society organizations, and ease of access, among others. Based on the shortlist and final consultations with the national and municipal governments, ADB has identified Cirebon in Northern Java as the location for the Circular Business Hub.

Plastik Sulit provides a hybrid (National virtual and city level physical) Circular Business Hub combining the facilitation of dialogue between stakeholders and the opportunity to integrate supporting technologies. National activities will catalyze change and innovations towards a circular plastics economy through Collaborative Forums, capacity-building, knowledge sharing, and behaviour change whilst a physical circular economy testing facility, located in Cirebon, Northern Java, will serve as a hub for testing business models and innovative approaches and technologies, as well as provide practical demonstrations and 'proof of concept' to further support the Governments policy, legislation and investment activities (Outcome 2). The knowledge, technology, and innovation gained from these activities (and those of partners) then needs to be shared across Indonesia with the support of NPAP as the primary convening platform for stakeholders in plastic recycling and circular economy, as well as with the region (Outcome 3). The structure is illustrated in Figure 2 below.

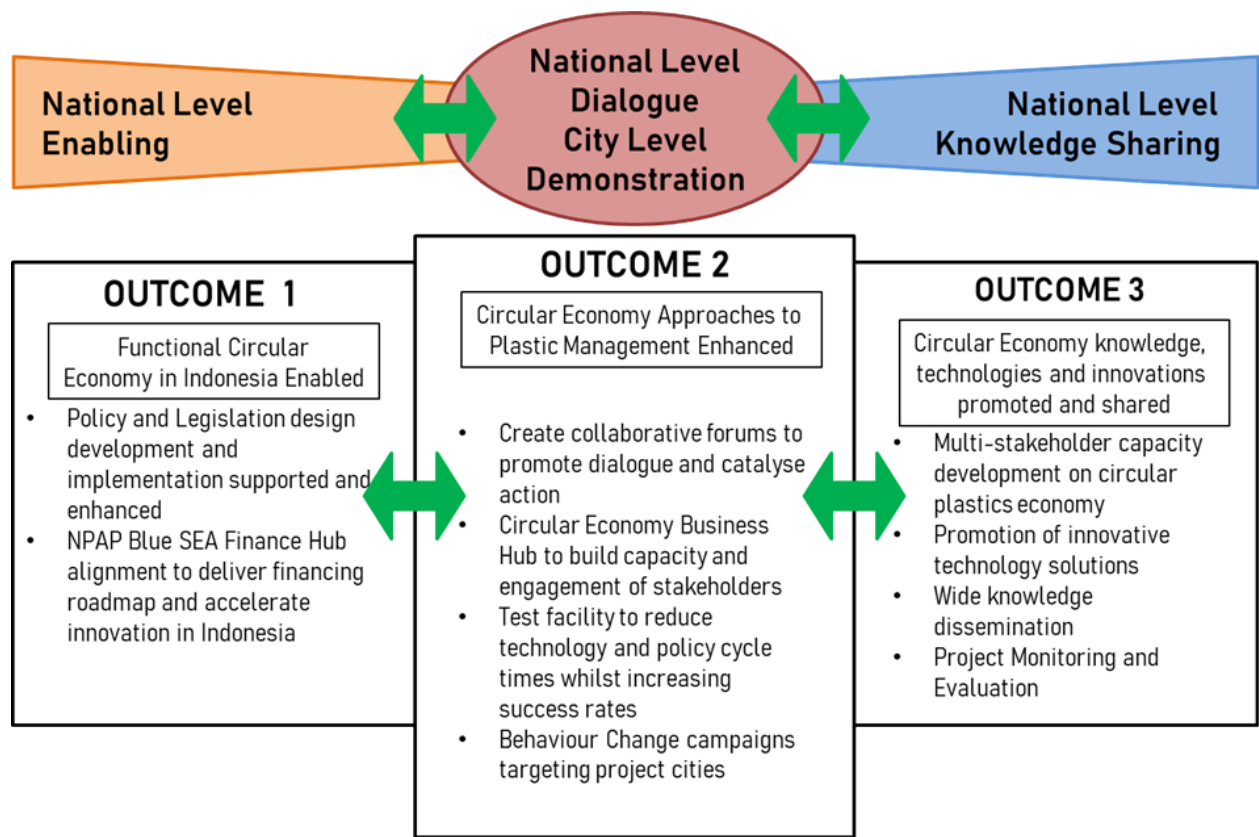


Figure 2. Plastik Silit project structure and coverage

The project will support engagement to identify and implement actions to address existing barriers and accelerate the transition of Indonesia to a circular and pollution-free plastics economy through integrated policy and investment. Following circular economy best practice and the NPAP Action Roadmap recommendations, the Plastik Silit project will focus on the challenges of commercially problematic plastics (?difficult? plastics or ?plastik sulit? in the local Indonesian language). The following commercially problematic plastics were identified during the GEF project initial scoping and stakeholder engagement activities. These correspond to those identified in the NPAP Action Roadmap:

- i) **Community Single Use Plastics and Packaging ?** including Laminated Sachets, food delivery packing and e-commerce related waste ? these items are widely used and uncollected, thus ending up in the environment

ii) **Industrial Single Use Plastics** ? including low-value thin film plastics, polystyrene ? these plastics (carrier bags, business to business wrapping films) make up the majority of plastics observed in landfills and also form the primary feedstock for Solid Recovered Fuel (SRF) and Refuse Derived Fuel (RDF) manufacturing

iii) **?Ghost? Fishing Gear** ? Ghost fishing gear (i.e., discarded, lost, or abandoned, fishing gear) are often not retrieved by fishers as the value of these products in the recycling industry does not reflect the costs and risks associated with its recovery to shore and proper disposal.^{[xvii]^{xvii}}

iv) **Plastic Pollution Resulting from Tourism** ? including plastic water bottles, single use hygiene product containers and food packaging

By focusing on these plastics, the Plastik Sulit project will bring the knowledge, investment, time, and technology necessary to develop solutions for the plastic waste types that have the most direct unwanted effects on livelihoods and the environment - and where solutions are not imminent, and investments are lacking.

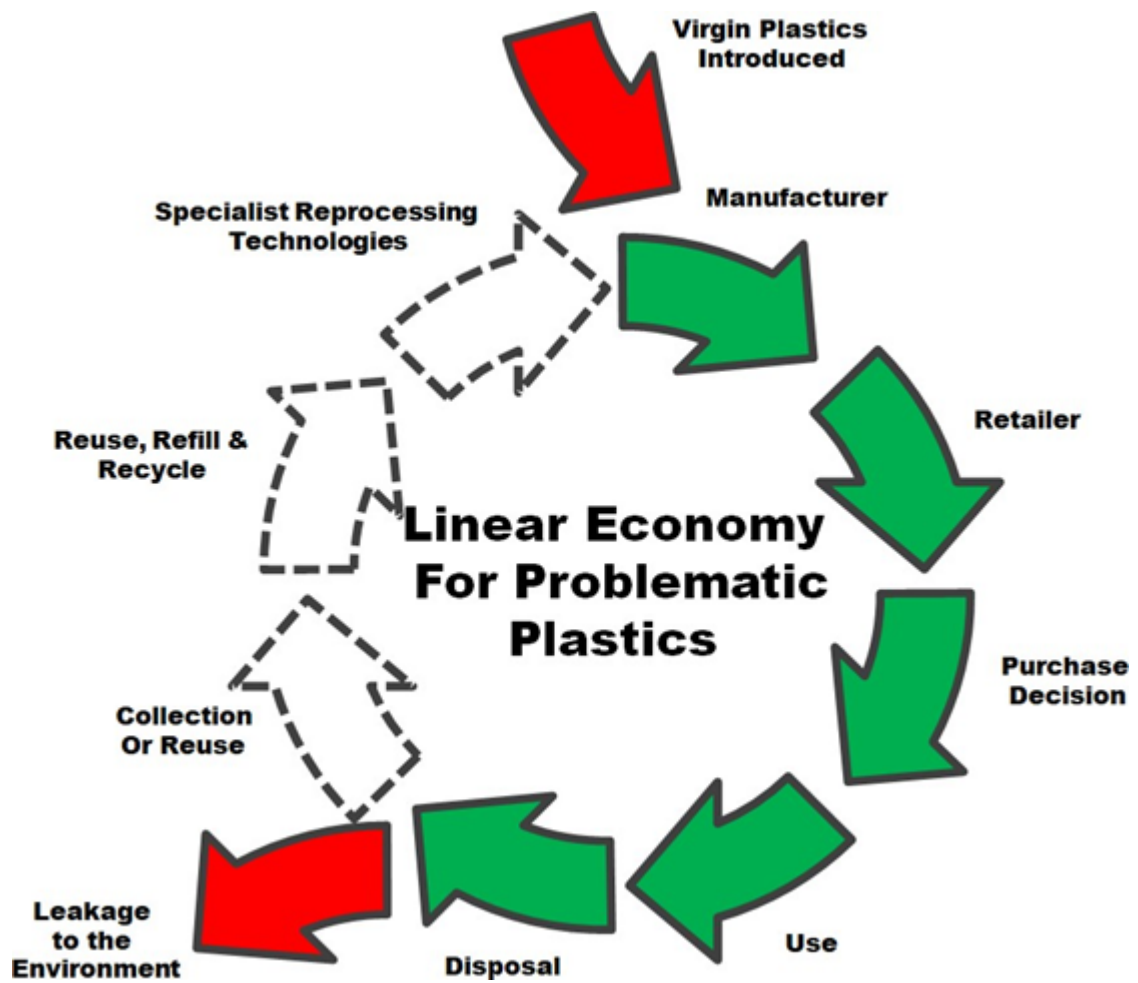


Figure 3. Linear economy for commercially problematic plastics

The approach taken to developing and implementing this project will be integrated, multi-stakeholder, and participatory. It will include a focus on fully engaging and building effective partnerships with the private sector, civil society organizations, and national and local governments. Capacity-building will be incorporated into each element of the project to enable full participation, informed decision-making, and ownership by national and local government, private sector, and civil society. All project components are aligned with the goals and strategies of the NPAP Action Roadmap, NPOA, and Indonesia Circular Economy Roadmap under development. Figure 4 presents a preliminary theory of change, illustrating the project logic.

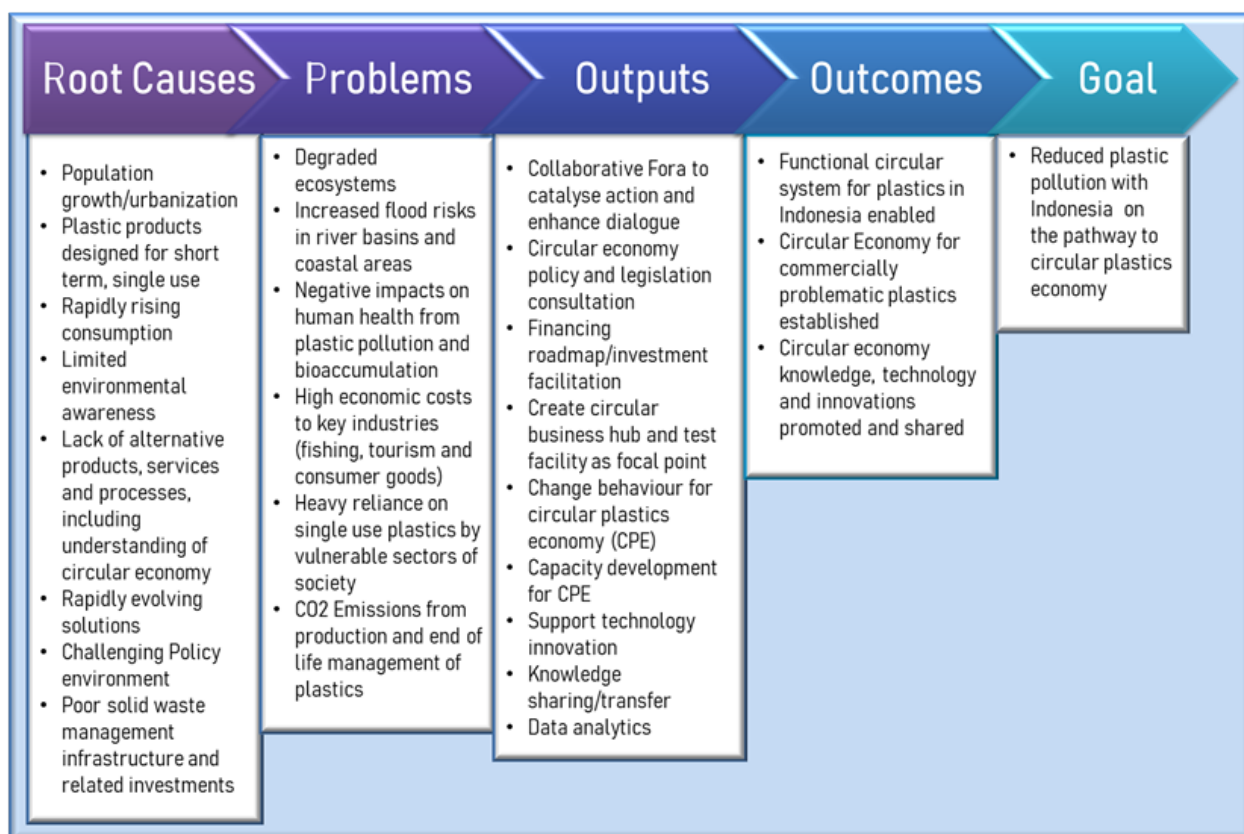


Figure 4. Theory of Change: Illustration of project logic

Project Description

The impact objective of this GEF project is to reduce plastic pollution through the twin routes of reducing plastic usage and increasing recycling of plastics. The project design supports the Government of Indonesia to accelerate and optimise the development and implementation of policies and legislation to support Extended Producer Responsibility, reduction of single use plastics and the avoidance of difficult to recycle plastics.

Outcome 1 supports the tools of government, policy and investment, to promote a transition to circular economy in Indonesia. Output 1.1 provides budget to support policy development through research, consultation, and pre-launch testing. Output 1.2 supports the transition to a circular economy, led by policy reforms, with access to incubation and investment for innovation and development from community micro projects to sovereign level investments for circular economy.

Outcome 2 provides an enabling environment, based on proven successful models from the Nordic countries, to link the project policy and investment activities directly to the stakeholders within the plastics value chain. This two-way flow of information, consultation and practical learning will accelerate Indonesia's transition to a circular economy by forging consultative links through which technologies, approaches, concerns, and innovative solutions can be built into policy and investment structures at an early lifecycle stage. The availability of multi-scale project incubation and investment bridges the traditional gaps between policy development and investment activities.

Outcome 3, through knowledge creation and sharing, ensure that the experience of the Plastik Silit participants is captured in audience appropriate knowledge products and training activities to maximise awareness and understanding of the opportunities of policy and investment facilitated by the project. By partnering the Indonesian NPAP to improvement communication and understanding within the plastics value chain the Plastik Silit project will provide an innovative solution to accelerate and expand the adoption of circular economy solutions for plastics in Indonesia.

The detailed work plan and deliverables are in Annex G, with the detailed budget in Annex F.

The project outputs are aligned with the five pillars of the NPOA and the program of the National Coordination Team for the Handling of Marine Debris (Tim Koordinasi Nasional Penanganan Sampah Laut, or TKN PSL), who are tasked with ensuring all activities are carried out in accordance with the goals, targets, and timeline of the NPOA (see Table 2).

Plastik Silit Outcomes/Outputs	Alignment with NPOA Pillars	Alignment with ongoing TKN PSL Activities (2021)
Outcome 1: Functional circular plastics economy integrated at city level and enabled at national level		

Output 1.1: Policy guidance and governance mechanisms to support circular plastics economy developed	(v) enhancing funding mechanisms, policy reform, and law enforcement	
Output 1.2: NPAP Financing Roadmap implementation supported, with business cases, micro-financing roadmap, and financing mechanisms to achieve Indonesia's plastic pollution reduction targets developed	(v) enhancing funding mechanisms, policy reform, and law enforcement	
Outcome 2: Circular plastics economy tested at city level through Circular Business Hub		
Output 2.1: Collaborative Forums for catalytic action established	(i) improving behavioural change, (iv) reducing plastics production and use	Monitoring and Evaluation: i) Increasing the analysis of waste management studies on land and sea
Output 2.2: Circular Business Hub established and operated in Cirebon	(i) improving behavioral change, (iv) reducing plastics production and use	Collaborative Action: i) Involving religious institutions and communities to conduct and improve public awareness campaigns in waste management
Output 2.3: Behavior change and capacity-development programs designed and implemented in Cirebon	(i) improving behavioral change	Policy Support and Debottlenecking i) Increasing the capacity of Village-Owned Enterprises (BUMDES) Collaborative Action: i) Involving religious institutions and communities to conduct and improve public awareness campaigns in waste management Raising Awareness: i) Conducting marine debris sorting training for fishermen ii) Conduct Formula E-2 E-learning Program

Outcome 3: Circular economy knowledge, technologies, and innovations promoted and shared		
Output 3.1. Multi-stakeholder capacity building, training, and skills development on circular plastics economy conducted.	(i) improving behavioral change	<p>Policy Support and Debottlenecking</p> <p>i) Increasing the capacity of Village-Owned Enterprises (BUMDES)</p> <p>Collaborative Action:</p> <p>i) Conducting joint training with Indonesian Maritime Youths</p> <p>Raising Awareness:</p> <p>i) Conducting marine plastic education program in small island</p>
Output 3.2: Innovation and technology events to share new and emerging solutions convened	(i) improving behavioral change	<p>Raising Awareness:</p> <p>i) Conducting webinar on women's role in conserving Indonesian ocean</p>
Output 3.3 Knowledge products to support decision making, solutions, and collaboration developed and disseminated	(i) improving behavioral change	<p>Monitoring and Evaluation:</p> <p>? Increasing the analysis of waste management studies on land and sea</p>

Table 2. Alignment of Plastik Sultit Project Outcomes with National Plan of Action on Marine Debris

Outcome 1: Functional circular economy for plastics enabled at national level. (\$2,680,000)

This component provides support for the development and refinement of policy for plastics management in Indonesia and a parallel support provision for a wide-ranging financing facility to support communities and businesses in adapting and capitalising on these policy developments and the resulting transition to a circular economy for plastics. This approach provides the Government of Indonesia both the capability to progress positive policy development whilst simultaneously ensuring that critical funding is available to support innovation and, in so doing, offset the additional pressures associated with the transition of stakeholders to a circular economy for plastics.

Output 1.1: Policy and governance mechanisms to support circular economy approaches for

plastics management enhanced. (\$975,000)

A well-functioning circular plastics economy relies on sound regulatory measures, enforcement activities and strong institutions to deliver them at the international, national, provincial and city levels. The Plastik Silit project will combine and build on (i) current knowledge and experience from within Indonesia (including critical accelerators outlined in the NPAP Action Roadmap and recommendations from NPAP Financing Roadmap and the National Circular Economy Roadmap)^[xviii]; (ii) stakeholder consultations facilitated by the Collaborative Forums and stakeholder engagement supported through the Circular Business Hub (Output 2.1 & 2.2); (iii) applicable global best practices in policy and regulatory measures and recommendations from the recent *Plastics Policy Playbook* by the Ocean Conservancy (released in 2019) and *Breaking the Plastic Wave* by The Pew Charitable Trusts and SYSTEMIQ (released in 2020) and the Basel Convention Plastic Waste Amendments; and (iv) lessons and recommendations from ADB's recent technical assistance project "Opportunities for Scaling Up Market-Based Approaches to Environmental Management in Asia".

The Plastik Silit project will support the Government of Indonesia to develop and communicate policy advice, framework recommendations, and design principles that focus on the elimination and reduction of plastic items, especially commercially problematic plastics. High level coordination and alignment with the NPAP Policy Task Force co- chaired by World Bank and Coordinating Ministry for Maritime and Investment Affairs (CMMIA) will support the robust analysis and impact assessment of policies, regulations, and guidelines.

The project will prepare a policy-oriented guide to the implementation of an EPR system in Indonesia, building on the guidelines in Government Regulation 75-2019 for a Waste Reduction Roadmap for Producers, which will include guidance on the provisions of the Basel Convention that apply to plastic waste (as some plastic is listed as "hazardous wastes", much of which is generated at household level, and requires a specific management strategy to protect the environment). In 2016, the United Nations Environment Assembly emphasized the importance of this elaboration, to expand the meaning of environmentally sound management of waste, including waste prevention, minimization, and recovery, and to address the underlying causes of marine litter and plastic. In 2017, the Conference of the Parties to the Basel Convention decided that its Open-ended Working Group consider relevant options available under the Convention to further address marine plastic litter and microplastics. The Household Waste Partnership also includes plastics in the definition of "environmentally sound management of household wastes". Regional centers of the Basel and Stockholm Conventions now work on the impact of plastic waste, marine plastic litter, microplastic, and measures for prevention and environmentally sound management. The guide, targeted to government, will be focused on upstream solutions and high-quality recycling. The guide will analyze the economic case (benefits and costs) for implementing an EPR system in Indonesia and outline how an EPR system could potentially co-exist with the current informal waste collection system in Indonesia.

The project will also prepare a study on waste disposal taxes and tipping fees. The study will cover household and private sector reaction to the introduction of waste disposal taxes/tipping fees, analysis on setting fee-levels that can encourage participation, and options for regulations that can be effective deterrents to illegal waste disposal. The project will also support scenario development and regulatory impact assessment of imposing excise taxes on additional plastics.

Output 1.2: NPAP Financing Roadmap implementation supported, with financing mechanisms to achieve Indonesia's plastic pollution reduction targets developed. (\$1,705,000)

The NPAP Action Roadmap has identified that delivering a 70% ocean leakage reduction scenario from 2017-2025. The NPAP Financing Roadmap has found that meeting the reduction target requires a total capital investment of \$5.1 billion and an operational funding budget of \$1.1 billion/year in 2025, in order to run an effective waste management and recycling system. Further, delivering a scenario that achieves 'near-zero' pollution of plastics into nature and a circular plastics economy requires a total capital investment of \$13.3 billion between 2025 and 2040 and an operational funding budget reaching \$1.8 billion/year in 2040.

In response to the challenging investment environment for circular economy projects with heavy focus on innovative solutions and blurred lines between commercial and philanthropic outcomes the Asian Catalytic Green Finance Facility has developed and launched the \$300 million Blue Southeast Asia Finance Hub in conjunction with BAPPENAS and CMMIA. The stakeholder engagement facilities within the Plastik Sulit design are well suited to support the catalysation and incubation of innovative solutions by providing both clear understanding of policy intent and comprehensive access to dialogues and physical project development facilities.

Output 1.2 specifically supports the implementation of the NPAP Financing Roadmap, through the following activities:

- ? **Development of innovative and blended financing mechanisms that reduce investment risks, such as blue bonds and first loss guarantees.** This will include support to Government agencies for developing blue finance or blue bond frameworks that set out investment principles, eligibility criteria, and impact measures.
- ? **Identification, origination, and project concept development for impactful, innovative, and bankable circular plastics economy investments in Indonesia,** at all points of the plastics value chain, and the NPAP Financing Task Force action areas though with a special focus on reduce and substitute, and redesign.

Using a clear set of guidelines, hurdles, and assessments of current development stage and growth potential, each identified project will be actively matched to a development stream. This will be completed during a periodic review process where representatives of the various investment and development streams will discuss projects under current consideration and work together to establish the optimum stream.

This component will support capacity building within the Government of Indonesia to provide a comprehensive innovation and incubation environment for the development of technologies and

concepts to mainstream circular economy approaches to reduce plastic pollution in Indonesia. By working in parallel to the Blue SEA Finance Hub Plastik Sulit will support the government in identifying critical areas for investment, project investment criteria and routes into commercialisation which have previously been difficult to access for Micro Small and Medium size businesses in Indonesia. The resulting enabling environment will accelerate domestic technology and solution innovation. The presence of an existing investment hub will avoid the traditional investment gaps between innovation and commercialisation allowing the full benefit of incubation multiplier effect for GEF funding.

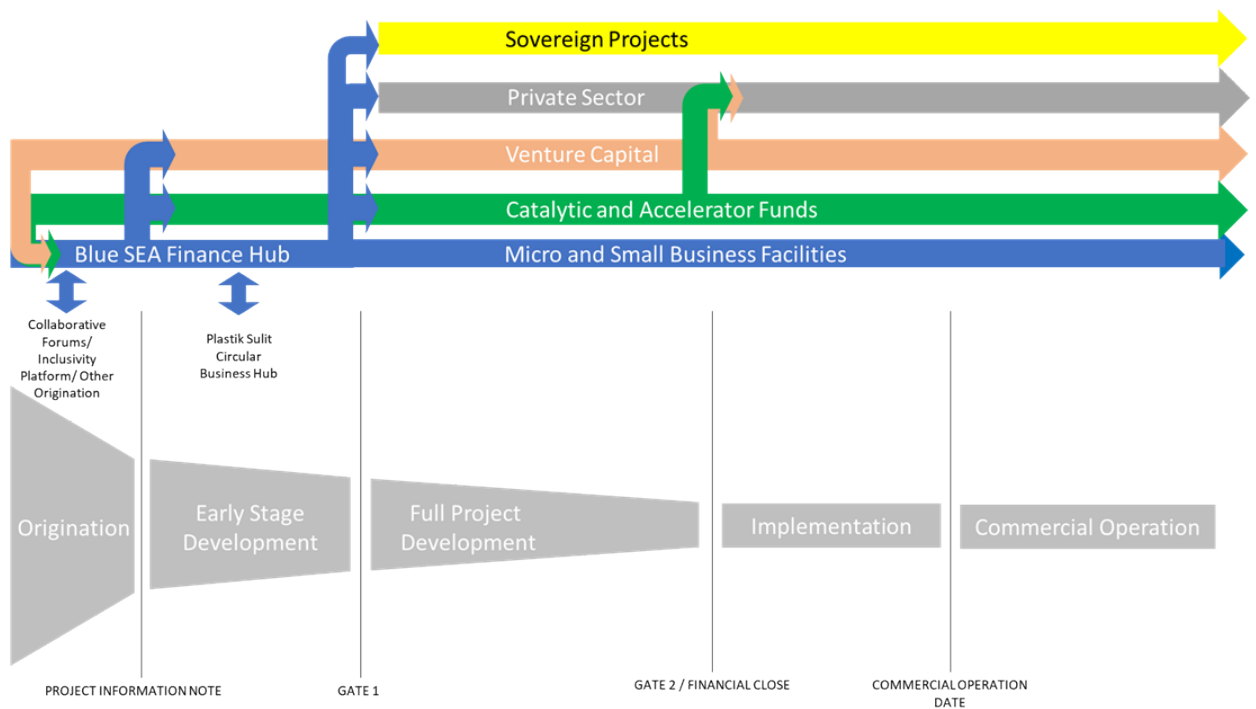
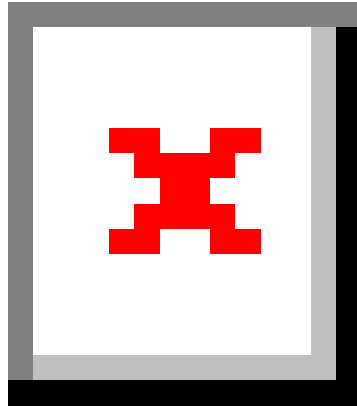


Figure 5. Blue SEA Finance Hub Alignment with Indonesia Plastics Financing Objectives

To maximize value and minimize overlap, it is proposed that the Plastik Silit project will collaborate with the new Blue SEA Finance Hub, which is hosted at ADB's Indonesia Resident Mission in Jakarta and aims to catalyze financing across a full range of ocean-positive projects from micro through SME and large industrial projects to sovereign investment. The purpose of the Blue SEA Finance Hub, an initiative funded and supported by ADB, Bloomberg Philanthropies, and UNDP initially, is to proactively accelerate the blue economy in ASEAN countries, with a focus on Indonesia as a regional centre of excellence. The hub will work in close collaboration with the Government of Indonesia and key stakeholders on the following:

- i) **Developing bankable ocean health projects.** The specialist team supporting the Hub will identify, originate, and catalyze innovative ocean health and sustainable blue economy projects. The core team will include ocean specialists, project preparation specialists, and financing specialists. An Indonesia Oceans Pipeline Development Plan will be created in close consultation with the Government of Indonesia to define sector prioritization, alignment with relevant partner initiatives, conformity to funding provisions, and thematic working groups.
- ii) **Enhancing capacities of central and local governments and SOEs.** The Hub will use a variety of modalities including roundtables, knowledge products, technical assistance, and other knowledge products and events as needed. Trainings on blue and green frameworks, finance structures, project planning, and financial mechanisms will be developed.
- iii) **Supporting the upscaling of MSMEs.** Within the Hub, the Blue Finance Accelerator has been developed with UNDP Indonesia, which aims to build government capacity across Indonesia for developing bankable ocean health projects and innovative finance mechanisms, as well as upscale MSMEs impacting SDG 14 Life Below Water. It will also support blue sector policy reform and project development, public-private sector collaboration, and greater access to blue finance. There will also be a focus on women and youth entrepreneurs. The Accelerator includes a focus on addressing the entire lifecycle of plastics, including materials, design, use, and waste management.

The Blue SEA Finance Hub has multiple objectives and funders supporting five thematic focus areas: 1) ecosystem management and restoration, 2) sustainable fisheries and aquaculture, 3) pollution reduction, 4) coastal resilience, and 5) tourism. The proposed Plastik Silit collaboration will focus exclusively on the third theme – pollution reduction – for circular plastics economy.

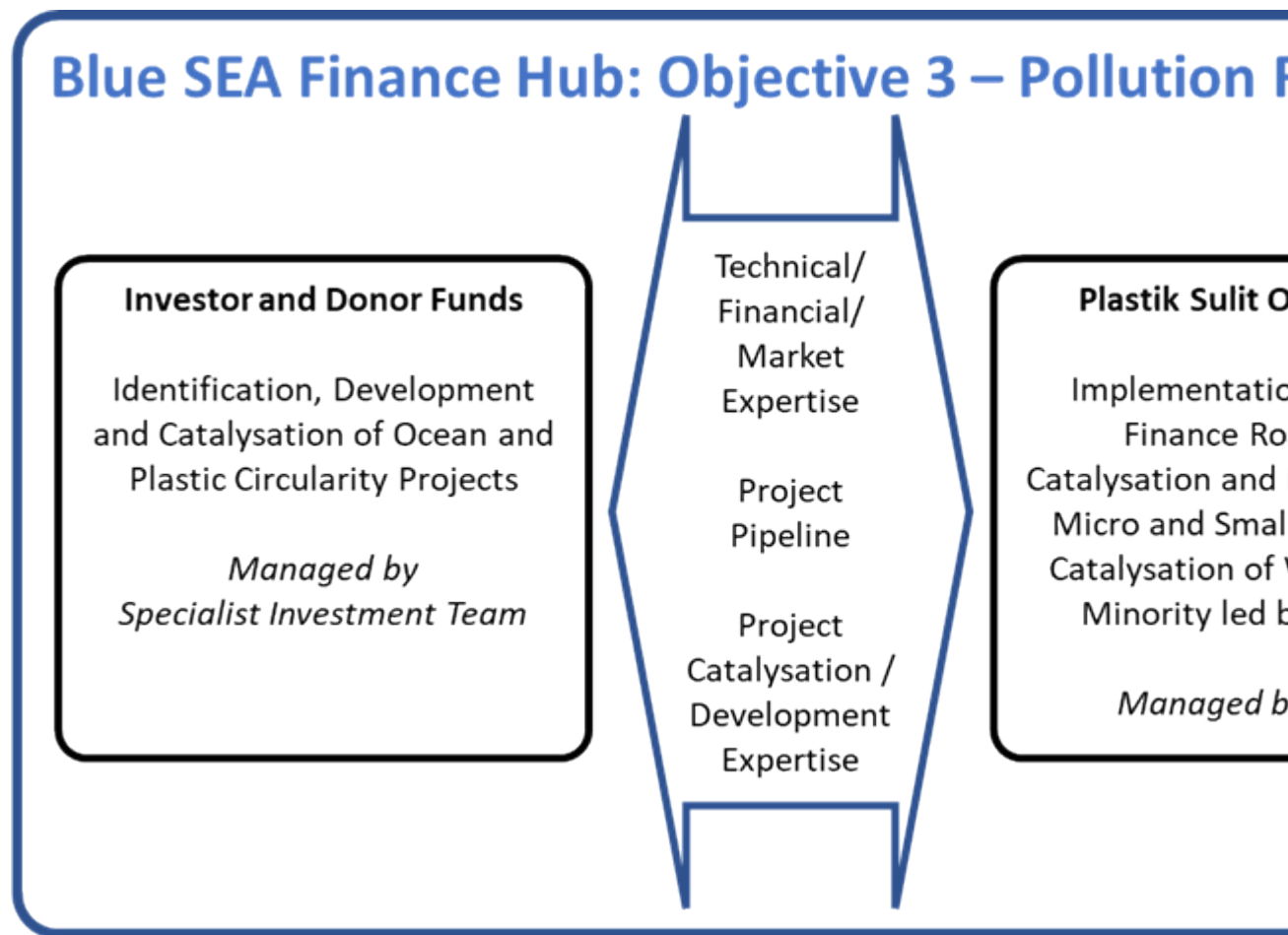


Figure 6. Blue SEA Finance Hub Support for Plastic Pollution Reduction

There will be synergies and co-benefits of being associated with a larger finance hub that will increase the success of the plastics thematic area, as illustrated in Figure 6. Specifically, the Plastik Sulit project will contribute technical expertise, market expertise through the Collaborative Forums (Output 2.1), and inclusion of communities through the Social Inclusivity Platform (see Output 2.2, Figure 7). In return, those projects stimulated and originated through Plastik Sulit will have access to a much larger network of funding, expertise, incubation, and acceleration opportunities which will magnifying project impacts. The ‘whole’ of the Blue SEA Finance Hub and Plastik Sulit, working together, will be greater than the sum of their parts in supporting Indonesia in its commitments to addressing plastic pollution.

Outcome 2: Mainstreaming of circular economy approaches for plastic management at national and city level enhanced (\$3,945,000)

Activities under this outcome will support the crossing of traditional silo walls and, through open dialogue and practical examples, enhance the quality of policy and investment activities envisaged under Outcome 1. The intention is to have a feedback loop between these project components to ensure that decision making at government level receives the maximum benefit from open, constructive dialogue and practical trials of innovative approaches in real world environments.

Guided by the **A - Reduce or substitute plastic usage**, and **B - Redesign plastic products and packaging** systems identified by the NPAP Action Roadmap System Change Scenario (see above), the Plastik Sulit project will establish a hybrid Circular Business Hub to promote discussion through Collaborative Forums, promote behavior change, catalyse innovation and support investment capacity-building programs.

Output 2.1: Stakeholder engagement enhanced through Collaborative Forums (\$280,000)

The project will establish policy or subject specific Collaborative Forums (CoFos), with each group focusing on an aspect of circular economy development or policy, where actors from the various life cycles of the plastic products and packaging are represented. The CoFos will have funding allocated for each group, which will be used to support knowledge-sharing activities, dialogue, and development of key outputs. The individual CoFos will serve as platforms to discuss critical development, enhance understanding of holistic impacts of policies and innovations, initiate change, and catalyze action in parts of the life cycle of plastic items. Themes for CoFos will be guided by development and policy evolutions to ensure full consultation and understanding are achieved at each step of circular economy development. Terms of references (TORs) of the CoFo deliverables and work will be formulated in collaboration with the CoFos members and the Circular Business Hub steering committee and advisory board.

The CoFo themes may include:

- i) **Bioplastics.** The CoFo will support analytical work and develop policy recommendations on biobased and biodegradable plastics, including its environmental impacts and degradability in seawater.
- ii) **Reuse alternatives to single use and community level participation in reuse systems.** The CoFo will help to develop, pilot, and build capacity for implementation of a toolkit with reuse and recycling design principles, criteria, and best practice guide, which will enable the transformation for enhanced inclusion of recycled plastics into materials of high quality that can substitute virgin plastic materials of similar quality, thus closing the loop.

- iii) **Fishing gear and harbor waste.** The CoFo will focus on policy recommendations for fishing gear and harbor waste management in Cirebon.
- iv) **Plastic pollution prevention through high-quality circularity and market uptake of recyclables.** The CoFo will support development of upstream design guidelines and standards for high-quality circularity.
- v) **Reducing plastic pollution from tourism in mainland and island locations.** The CoFo will focus on promoting green procurement and strategies to develop green products and services to the hospitality sector in mainland and small island locations, in order to reduce plastic waste and increasing the circularity of plastic waste from tourism. By piloting the toolkits and guidance documents from the Global Tourism Plastic Initiative, the project will engage and work with the hospitality sector in Cirebon and Kepulauan Seribu on reducing plastic pollution from tourism using upstream measures and solutions. Kepulauan Seribu is one of the ten National Strategic Tourism Areas (Kawasan Strategic Pariwisata Nasional, KSPN). The test results will be used to identify plastic reduction and green procurement opportunities to catalyze dialogue with local industry to deliver innovative plastics reduction initiatives, products, and services. This CoFo work will include training sessions held in collaboration with UNEP, practical execution, and follow up knowledge-sharing to convey lessons learned and how this could potentially be replicated in other cities and islands in Indonesia.

The Circular Business Hub (Output 2.2), through its Knowledge Market, will serve as the secretariat and will support the organization of CoFo activities (e.g., events, meetings) and knowledge management (e.g., produce and disseminate knowledge products from CoFo discussions).. The CoFos will be the route by which academic, industrial, or innovative technology research groups with collaborative projects can access the project's demonstration facilities and test bed (i.e., the Circular Business Hub). The Circular Business Hub will also serve as a repository for the data, knowledge, and learning created by these activities.

The cross-value chain collaborations established within the CoFos will be able to provide a holistic view, highlight barriers and challenges, deliver recommendations and findings, and establish partnerships and initiate projects outside of the project's Circular Business Hub.

Output 2.2: Circular Business Hub established and operated (\$3,200,000)

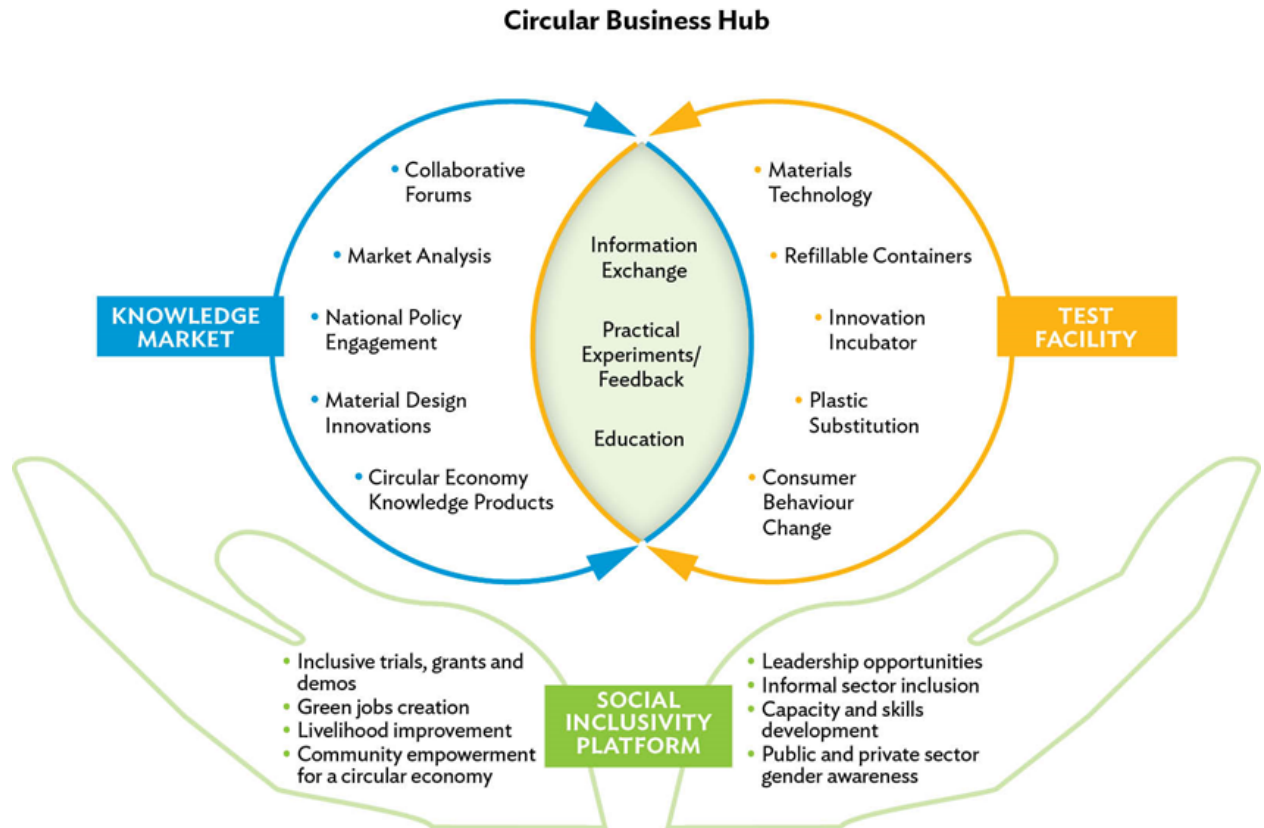


Figure 7. Interactive Model: Circular Business Hub

The Plastik Sulit project, with the government and local partners, will establish a Circular Business Hub as a national focal point for circular economy activities and innovations. Through enhanced communication and knowledge sharing the Circular Business Hub will test and incubate new technologies, policy approaches and business ideas for accelerating the transition to circular plastics economy. The Circular Business Hub includes a Knowledge Market, a Test Facility, and a social inclusivity platform. Driven by local initiatives and community needs, the Circular Business Hub will serve as an administrative and knowledge focal point for the CoFos and wider project activities. The facilities of the Circular Business Hub will also provide a showcase and entry point for ideas and innovations promoting and supporting the elimination, innovation, and increased circulation of commercially problematic plastics and ghost fishing gear, in accordance with the guiding principles of the Global Plastic Commitment in a real-world environment. Activities will also be conducted in coordination with the Blue SEA Finance Hub (Output 1.2, see Figure 5).

This will be through demonstrations of how design choices influence recyclability, exploration of new product technology, or how circular business models could be applied or adapted to current business and consumer supply models. The results of practical pilots and business trial activities, completed in the Test Facility, and experiences will be shared back through the CoFos (Output 2.1) depending on their focus areas. The CoFos will also use the Circular Business Hub

to host knowledge-sharing activities through the Knowledge Market and visits as well as conduct tests and initiate projects at the Test Facility.

The Circular Business Hub acts as the day-to-day project management presence and encompasses three interrelated sets of activities (as in Figure 7):

A. The **Knowledge Market** will focus on the capture, production, repository, and dissemination of knowledge derived from Collaborative Forums, Policy discussions, project origination activities and the Test Facility outputs, and organizing and implementing knowledge-sharing, capacity development, and behavior change campaign activities. The Knowledge Market will also manage the Circular Business Hub's microsite and explore collaborating with partners on an online knowledge portal for knowledge derived from the Collaborative Forums, Test Facility, knowledge-sharing events, and capacity development activities. Development of these sites will be explored with existing platforms, such as TKN PSL and the Indonesia Circular Economy Forum. The Knowledge Market will also manage regular communications and outreach activities with stakeholders and the community, such as through a regular online newsletter, social media, and other channels.

B. The **Test Facility** will act as both incubator and development site for the overall project. The Test Facility will provide a working area for a wide range of circular economy and focussed experiments and trials. Some of these will be ongoing activities, such as sachet recycling equipment and ghost fishing gear management and fishing equipment reuse technologies. Other trials will be shorter term activities either to support concepts and innovations drawn from the Collaborative Forums or to allow inventors an opportunity to test their innovations in the real world. Constructed with an industrial operations area and a co-located study and laboratory area, the test facility will support the creation, evaluation, and optimization of new technologies to support the circular plastics economy. The innovations and testing are not restricted to take place at the Test Facility. If better suited, the Circular Business Hub might work directly with a stakeholder or industry at their own sites in Cirebon, for testing, optimization, or piloting of innovative technologies or solutions. The Test Facility may use the manuals and fact sheets developed under the Basel Convention's Environmentally Sound Management toolkit to ensure that the infrastructure is developed in accordance to the Basel Convention.

The medium-term vision for the Circular Business Hub is to serve as a source of updated and practical knowledge necessary for effective implementation of circular plastic technologies and business models at city level. Other Indonesian cities and provinces may also use it to test their respective circular plastics economy proposals in theoretical and practical environments.

C. The Circular Business Hub will incorporate a **social inclusivity platform**, which will serve as a vehicle to include and engage vulnerable, disadvantaged, and underrepresented individuals so they can benefit from project activities. The platform will be named in consultations in the early stages of implementation and is tentatively titled "People who Care for Plastic Waste Platform" (*Pangung Orang Peduli Sampah Plastik*, POPSP). It will be a channel for two-way communication between these groups and project management, partners, and other stakeholders.

This inclusivity platform is a project design feature to achieve gender mainstreaming goals and gender action plan targets, yet women - specifically women who work in the informal waste sector or who

occupy a low socio-economic tier - are only one social group who will be involved and included in the platform. The platform is a safe and inclusive mechanism for bringing diverse marginal groups, including youth, ethnic minorities, people living with disability, gender and sexual minorities, and the elderly, into project activities.

The inclusivity platform is a dedicated site for listening to the needs and priorities of women and diverse social groups and providing opportunities for their engagement in decent jobs, education and training, and innovation and micro business development. It provides a structure for bringing diverse people together and support their collaboration with partners on various activities in the demonstration facilities and test bed. In addition to the Circular Business Hub, the platform will work in other project areas when downstream perspectives are required, including outputs for building the enabling environment (Outcome 1) and knowledge creation and sharing (Outcome 3).

By leveraging activities at a city-level to build capacity and improve livelihoods for women, informal workers, and other vulnerable people, the platform will provide exemplary models for how to mainstream gender and social inclusion in policies, regulations, financing, investments, and other areas to build an equitable New Plastics Economy at a national level.

The platform will be run by two dedicated and local community engagement specialists (at least one also being a gender specialist) with proven capacity to work closely with disadvantaged women and people from other socially and economically challenged demographic groups. The two community engagement specialists will be engaged by the MOEF and the governance and management of the platform should be agile so it can respond to opportunities to include disadvantaged groups to be identified in the dynamic spaces of proposal development, innovation, and testing.

The MOEF can choose to partner with a local NGO/NGOs to lead the inclusivity platform and engage with other CSOs and faith-based organisations. A strong candidate here is GRADASI (the Indonesian Waste Alms Movement) which supports the Clean Mosque Movement in teaching and incentivising communities to manage waste independently. GRADASI is an initiative of the Secretariat of the National Coordinating Team for Marine Debris Management (TKN PSL) in collaboration with the Indonesian Ulema Council.

The inclusivity platform will engage with women and vulnerable groups, enabling these to be included and empowered to participate in the project activities. The platform will be an entry point for these groups to the Plastik Sulit facilitated collaborative network of stakeholders interested in broad value chain dialogues and sharing knowledge about how to build inclusive enabling environments and incorporate marginal and vulnerable social groups in concepts, technologies, and experiments that support a circular plastics economy. Data and lessons learned from platform activities will be fed into the Circular Business Hub, in its capacity as a repository for the data, knowledge, and learning.

Stakeholders, who might come from the private sector, government agencies, or academic, industrial, or innovative technology research groups, can reach out to the platform when diverse perspectives are needed. Those who lead the platform, on the other hand, will reach out to stakeholders for special discussions, events and when opportunities are identified for them to partner with independent waste collectors, women, and other marginalized groups.

The inclusivity platform's project wider remit will ensure that all groups can be safely and comfortably included in discussions, education, innovation, and decision making. It will be a vehicle to mainstream a human-rights based approach (HRBA) by sharing the benefits of the project with disadvantaged

communities and promote an inclusive circular economy. It will also facilitate project effectiveness and sustainability in the immediate and long-term. After all, building a circular economy is a complex goal that requires the engagement of stakeholders across the value chain.

Output 2.3: Behavior change and capacity-development programs designed and implemented (\$185,000)

The transition to a circular plastics economy requires behavior change and capacity development in society and across value chains. The Plastik Sulit project will develop and roll out targeted audience-segmented behavior change campaigns that raise awareness and encourage behavior change of various stakeholders (e.g., communities, local businesses, sectors, manufacturers, traders). Strengthening the role of the civil society organizations and grassroots communities as agents of behavior change can put them in control of their local environments and provide them with knowledge to act and advocate for systemic change. Campaigns will be complemented with capacity development programs to strengthen skills and systems for a circular plastics economy. These programs will be led by the Knowledge Market team at the Circular Business Hub, and the test facility allows the project to show and demonstrate activities in a much more tangible medium where language and educational barriers will be much less of an impediment to communication. Programs will include:

- i. **City-level capacity development and training on designing circularity with manufacturers**, encouraging manufacturers to re-design plastic items and packaging in accordance with the reuse and recycling design principles;
- ii. **City-to-city learning program on refillable bottle models** to encourage communities to replace single-use laminated sachets with multi-use bottles, particularly for consumable household essentials;
- iii. **Training of fishers on recovery and recycling of used, damaged, and discarded fishing gear and applying sustainable fishing methods and equipment** (potentially in collaboration with TKN PSL's training program for fishers, FAO-led sustainable fisheries management projects, and the Global Ghost Gear Initiative);
- iv. **Promoting health and safety and economic opportunities in waste recycling** for vulnerable communities, including waste banks and women managing waste (potentially in collaboration with TKN PSL's capacity-building program for village-owned enterprises and faith-based awareness-raising programs, such as GRADASI).
- v. **Training for youth, community groups, and MSMEs on circular economy and reducing marine debris**, including preparing project proposals aligned with the Challenge Program (potentially in collaboration with TKN PSL's Formula E-2 training program)

Capacity-development, training programs and especially the practical pilot and demonstration elements can be housed in or supported by the Circular Business Hub, as appropriate. The Knowledge Market and Test Facility could also be used to teach local schools and colleges, engaging younger generations to further accelerate the transition to a circular plastics economy.

Outcome 3: Circular economy knowledge, technologies, and innovations promoted and shared (\$276,288)

The project's knowledge strategy cuts across the overall project, particularly Outputs 1.2, 2.1, 2.2, and 2.3 and Outcome 3 and focuses on the following thematic areas, as identified from research and stakeholder consultations: (i) governance and policy; (ii) plastics value chain and circular plastics economy; (iii) tourism; (iv) gender equality and social inclusion; (v) technology and innovation; (vi) finance solutions; and (vii) investment in circular economy. It is also directly relevant to the Basel Convention Technical Guidelines on the Identification and Environmentally Sound Management of Plastic Wastes and their Disposal. In particular, the most recent amendment (BC-14/13) calls on countries to undertake further actions to address plastic waste, which can be achieved through learning from the project activities. The project's general approach to knowledge management is aligned with the ADB's Knowledge Management Action Plan 2021-2025 and has also been designed with a broad understanding of the GEF Knowledge Management Approach, the GEF Scientific and Technical Advisory Panel KM guidance, the GPAP Plastics Modelling and Assessment Tool, and other best practices in development and behavior change communications. More details in the Knowledge Management section in the Appendix.

Activities under this outcome will contribute to the curation, promotion and sharing of knowledge generated under the previous two components - and will be city-level and national in scope, with some regional and international elements. The Plastik Sulit project aims to exchange and promote a variety of knowledge activities and products generated by the CoFos, Circular Business Hub, and other knowledge partners. The Circular Business Hub will provide access to trial facilities and function as a meeting point/repository for the data and learning created by the project for various stakeholders.

Knowledge promotion and exchange (coordinated by the project implementation team) will be purposefully peer-to-peer, focusing on dynamic dialogue and solutions through knowledge events such as mentoring programs, conferences, seminars, and workshops. These activities will discuss findings and recommendations, lessons learned, share knowledge products as well as new technologies and innovative business solutions with stakeholders. These activities aim to build capacity, encourage innovation, and strengthen collaborative networks that create an enabling environment for circularity throughout the plastics value chain and inform and support the activities of NPAP. Where relevant, knowledge exchange and promotion will also take place between countries and international organizations, such as the GPAP, with a view to facilitate replication and scaling-up. Knowledge exchange will further promote the elimination, innovation, and increased circulation of commercially problematic plastics in accordance with the guiding principles of the Global Plastic Commitment.

Output 3.1. Multi-stakeholder capacity building, training, and skills development on circular plastics economy conducted. (\$41,288)

To create an enabling environment to use better technology, spur innovation, build human capital and accelerate the transition to a circular economy, various stakeholder engagement and capacity building activities need to be conducted. The project will develop workshops and seminars to support knowledge exchange, capacity building, and collaboration across the

plastics value chain and at community, municipal, national, regional, and international levels. These will include:

Inception Workshop for Plastik Silit. The Government of Indonesia and the project team will organize an inception workshop to officially launch Plastik Silit to national and regional stakeholders, as well as present the goals, progress, next steps, methodologies, and timelines. The project team will include knowledge-sharing, networking sessions, and workshop with participants.

Investment Planning Workshop Series for Government. Conduct capacity-building series on investment planning for circular plastics economy projects for key government ministries to disseminate findings and recommendations of investment study and enable preparation of investments supporting circular plastics economy.

Circular Economy Workshop Series for Industry. Conduct industry-oriented knowledge-sharing events and workshops through CoFos, the Circular Business Hub, and NPAP to share best practices, develop partnerships among key industry stakeholders, discuss actions and recommendations based on the market analysis of plastic value chains and EPR study, and consult on design principles and criteria for plastic products and packaging that will enable recycling and help to close the loop.

Plastics Finance Capacity Building Program. The project, in collaboration with the Blue SEA Finance Hub (ACGF, UNDP, Bloomberg Philanthropies and other partners), will build capacity of local governments, SOEs, and MSMEs to finance innovations for accelerating the circular economy, in line with the NPAP Financing Roadmap. Capacity building modalities will include trainings, roundtables, knowledge products, and technical assistance. Blue finance mechanisms, together with building blue economy enabling environments, will be featured.

Training on Plastic Pollution Free Tourism. The project will support training for stakeholders in the hospitality sector to use and pilot the Global Tourism Plastic Initiative toolkits. The results from the pilot will be used to identify plastic reduction and green procurement opportunities to catalyze dialogue with local industry to deliver innovative plastics reduction initiatives, products, and services.

Output 3.2: Innovation and technology events to share new and emerging solutions convened

(\$120,000)

To strengthen Indonesia's innovation capacity, share technologies, and support knowledge-sharing of the project's circular economy model for commercially problematic plastics, the successes of partners, and the findings of the CoFos, Circular Business Hub, and NPAP, the GEF project will consider developing and convening the following events and initiatives:

Circular Business Hub Open House. The Circular Business Hub will host biannual open houses to showcase solutions under development, share knowledge generated through CoFos and other project activities, and facilitate networking and engagement with local stakeholders.

Coordination and knowledge-sharing with NPAP Financing, Policy, Innovation, Metrics, and Behavior Change Task Forces. The project will participate in and co-create knowledge events (where relevant) to share outcomes, lessons learned, and recommendations with NPAP Task Forces for

dissemination across relevant networks in Indonesia. These aim to build Task Force members' understanding and capacity to achieve the NPAP Action Roadmap targets, as well as identify opportunities to collaborate with other NPAP members. ADB's participation in the Indonesia NPAP will also generate and share knowledge, lessons learned, and best practices to inform and be added to GPAP's Plastics Modelling and Assessment Tool.

Coordination and knowledge-sharing with GEF IW:LEARN5. The project will contribute to knowledge-sharing forums, particularly through the Biennial International Waters Conferences (IWC), training workshops and learning networks, and twinning exchanges. The project will also learn from and share experiences through IW:LEARN, and 1% of the KM budget will be allocated to IW:LEARN activities.

Share project lessons learned and recommendations regionally and globally. The project will share outcomes, lessons learned, and recommendations with partners and at key regional and global events. Knowledge shared aims to promote Indonesia's experience as a case study for inclusion in partner knowledge products and events.

Output 3.3 Knowledge products to support decision making, solutions, and collaboration developed and disseminated. (\$115,000)

As part of the knowledge management strategy, the project will undertake research and analysis to develop a range of knowledge products to inform decision-making and disseminate lessons learned and best practices from project activities, including on knowledge extracted from work undertaken by the CoFos, Circular Business Hub, and other partners. Knowledge products will be developed in English and Bahasa Indonesia. As part of this scope, the project is looking to develop the following key products:

Toolkit: Reuse and Recycling Design Principles, Criteria, and Best Practice Guide. The toolkit aims to enable the transformation for enhanced inclusion of recycled plastics into materials of high quality that can substitute virgin plastic materials of similar quality, thus closing the loop. The toolkit will outline design principles and criteria for reuse and recycling and will communicate policy advice, framework recommendations, and design principles that focus on the elimination and reduction of plastic items, especially commercially problematic plastics. This will include a guide for how international best practices for reduce and reuse can be replicated in Indonesia and case studies from other countries on the outcomes of legislation setting minimum sizes of bottles and food packaging.

Review of Economic Policy Instruments for Reducing Plastic Pollution through Circular Economy. The study will cover a review of economic instruments used to reduce plastic waste, including case studies on circular economy financing models. This will include bans, voluntary industry action, market-based instruments, and fiscal incentives such as subsidies, tax differentiation or allowances, product charges, market creation, EPR, deposit refund systems, and green procurement tools. Priority will be given to analysis of: (i) measures that Government is committed to taking forward; (ii) NPAP Action Roadmap System Change Scenarios A - Reduce or substitute plastic usage, and B - Redesign plastic products and packaging; (iii) priorities identified by NPAP Financing Roadmap, NPAP Policy and Financing Task Forces; and (iv) those shortlisted policy measures for reducing problematic and unnecessary single-use plastics (bans, taxes, levies) and for designing for circulatory (eco-design standards, recycled

content standards, cross/inter industry standards) identified in the Plastics Policy Playbook. This will include findings and recommendations from policy guidance documents produced in Output 1.1.

Report on the Business Case for Increased Investment in a Circular Plastics Economy. The report will focus on the business case and successful inclusive business models for circular plastics economy in Indonesia and Southeast Asia, including the business case for gender fair and equal circular economy investments including the value of working with women upstream and downstream, and case studies of proactive responses for a gender inclusive circular economy.

Review of Investment Landscape and Opportunities for Circular Plastics Economy. The study will review government spending (both capital expenditure and operating expenditure) on actions addressing the full lifecycle of plastics, investment realities, barriers, and opportunities, and investment planning on circular plastics economy. The study will also produce the following linked knowledge product:

- i) **Investors? Brochure on Investment Landscape and Requirements for Circular Economy.** The brochure will guide investors on realities and requirements to invest in circular plastics economy projects in Indonesia.

Collaborative Forum knowledge products. The Collaborative Forums will be tasked with putting forward recommendations to address challenges in key areas of the circular plastics economy, which will undergo further development and be packaged for dissemination. The formats and topics will be identified based on the needs identified by each CoFo, but these may include:

- i) CoFo on Bioplastics: Policy brief with policy recommendations on bioplastics (national, provincial and city level).
- ii) CoFo on reuse alternatives to single use and community level participation in reuse systems: Toolkit: Reuse and Recycling Design Principles, Criteria, and Best Practice Guide, which will outline design principles and criteria for reuse and recycling and will communicate policy advice, framework recommendations, and design principles that focus on the elimination and reduction of plastic items, especially commercially problematic plastics. This will include a guide for how international best practices for reduce and reuse can be replicated in Indonesia and case studies from other countries on the outcomes of legislation setting minimum sizes of bottles and food packaging.
- iii) CoFo on Fishing Gear: Policy brief on fishing gear in Cirebon, with recommendations for policies and concrete actions.
- iv) CoFo on high-quality circularity and market uptake of recyclables: Toolkit for Green Jobs in the Waste Sector and Circular Plastics Economy, which will include a green jobs assessment methodology and guide on how to create 'decent' (safe, fair, dignified, and gender equal) jobs for inclusive circular plastics economy investments.
- v) CoFo on Tourism: Guidance notes on best practices for reducing plastic pollution and promoting green business practices, goods, and services in the tourism sector.

Circular Business Hub microsite and online knowledge portal. The microsite will serve as the official online presence for the Circular Business Hub, which will include general information about the Hub's purpose and activities. An online knowledge portal will host

knowledge products produced by the Circular Business Hub, including the Knowledge Market, Test Facility activities, and CoFo activities, among others. Development of these sites will be explored with existing platforms, such as TKN PSL and the Indonesia Circular Economy Forum.

Policy Brief on Climate Benefits of Plastic Reuse and Recycling. The brief will provide analysis on how plastic reuse and recycling have clear benefits to addressing climate change, including recommendations for policy, finance, and investments to drive change and climate impacts.

Promotional videos on Cirebon. Videos will be produced to showcase project activities in Cirebon and promote lessons learned and recommendations for cities.

In addition, the project will produce derivative knowledge products, such as blogs, explainers, and op-eds, to package essential knowledge to reach key target audiences. Knowledge product findings and recommendations, as well as guidance on their application, will be shared at key workshops, trainings, and knowledge-sharing events.

Output 3.4 Project monitoring and evaluation conducted. (\$70,000)

A project monitoring and evaluation plan has been created to capture key information and measure project progress throughout implementation, in line with GEF's monitoring policy. The plan can be found in Section 9 below. A mid-term review will be conducted during Year 2 of implementation, followed by a terminal evaluation review towards the end of project. The project results framework can be found in Annex A. Reporting on indicators targeting numbers of people will be sex-disaggregated, and gender indicators are included.

Alignment with GEF focal area and/or Impact Program strategies

The project will contribute to the IW and C&W focal areas to address the challenge of marine litter and microplastics. The prevention of commercially problematic plastics can contribute to the "POPs challenge," as persistent organic pollutants (POPs) can be released when plastics littered in the open are burned. A large project for collection/recovery/remanufacturing of plastic and plastic avoidance would not only reduce plastic material from the marine environment but also reduce the release of UPOPs (dioxin and furans) from plastic disposed through open burning. UPOPs also affect air quality. A program that aims to limit or reduce the use of plastics would directly reduce the proportion of plastics disposed of in dumpsites. This would reduce the occurrence of waste being set on fire in improperly managed landfill sites, as waste is generally not combustible in the absence of plastics.

This project would also have direct links to the Stockholm Convention. The "*Industrial Chemicals Program*" aims to support investments in "*improved material management initiatives, including circular economy, sound material-cycle society, and sustainable materials management approaches, which promote the adoption of improved production, consumption and environmentally sound disposal patterns.*" These approaches can drive the redesign of packaging and products that contain or are potential generators of POPs, and the sound management of these materials and products, including plastics and electronic waste (e-waste). The project will also contribute to the reduction of key agricultural plastics; special or hazardous plastics; and/or POP waste that enter the global food supply chain, and address end-of-life and

waste management issues. It is also directly relevant to the Basel Convention Technical Guidelines on the Identification and Environmentally Sound Management of Plastic Wastes and their Disposal. In particular, the most recent amendment (BC-14/13) calls on countries to undertake further actions to address plastic waste. Among other things, countries are encouraged to address plastic pollution issues *“by improving the collection, transport, treatment and recycling of plastic waste, by improving or creating markets for recycled materials made from plastic waste, by improving other means of recovery?”*; as well as *“set time-bound targets and adopt adequate measures to ensure that plastic packaging is designed to be reusable or recyclable in a cost-effective manner, the plastic packaging recycling rate by weight is monitored and significantly improved?”* at all levels.

Alignment with the GPAP / Indonesia NPAP

The Plastik Silit project builds on the baseline created by the NPAP and has been integrated tightly with the NPAP System Change Scenario. It will support the rollout and implementation of the NPAP Action Roadmap, and directly support the upstream points of action (reduce and redesign). It will also have indirect effects on the downstream points of action (doubling of plastic waste collection and recycling capacity) as the knowledge gained and disseminated, will have multiplier effects. In particular, this would be in the area of crowding in or mobilizing additional investments to support the NPAP (see Table 1 in the earlier section). It will also support the rollout of the NPAP Financing Roadmap and directly support recommendations to promote innovation and knowledge sharing to mobilize capital investments in waste management and recycling.

ADB (through its Indonesia Country Director) is represented on the NPAP Steering Board, and contributes to providing advice, technical direction, and development of strategic alliances. ADB also co-chairs the NPAP Finance Task Force with Ministry of Finance Fiscal Policy Agency, where it provides assistance as defined under Output 1.2 and participates in the Policy, Innovation, and Data / Metrics Task Forces. ADB's participation will ensure coordination of the project with other initiatives and secure inter- agency alliances. It is also proposed that WRI (host institution for NPAP Secretariat) be considered as co-chair of the Plastik Silit project steering committee.

ADB's participation in the Indonesia NPAP will also generate and share knowledge, lessons learned, and best practices to inform and be added to GPAP's Plastics Modelling and Assessment Tool

Incremental/additional cost reasoning and expected contributions from baseline, GEF, and co-financing

Under current business practices and operations, most initiatives that address issues related to plastic pollution in Indonesia are in nascent stages, spatially diverse, fragmented across different sectors, characterized by limited understanding at local and community levels, not fully supported by robust and solid enabling frameworks, and not directly addressing upstream linkages in the production/supply chain. The NPOA and NPAP Action Roadmap has already taken significant steps to address these challenges and the GEF project scope and collaborative fora will solidify and build upon these achievements. By combining the inclusivity of Collaborative Forums, aligned with the NPAP Action

Roadmap, and the opportunities offered by the Circular Business Hub, the Plastik Silit project can provide the engagement levels necessary to deliver unified progress. This will be further enhanced by the engagement and partnership with the private sector facilitated by both the Collaborative Forum approach and by leveraging on ADB's investments in Indorama. The proposed Indorama site in Indonesia is located close to Cirebon and will provide a valuable multiplier effect for the research, trials, and initiatives developed by the project. Linking the project activities with Indorama's own research and development activities will allow closer alignment between circular economy theory, industrial reality, and the communities and smaller industries of Indonesia.

The Plastik Silit project will be instrumental in enabling Indonesia's government and stakeholders to make decisions based on research and analysis that provides a systemic understanding of the plastic pollution problem and the tools to address these challenges. By aligning and extending the activities and focal areas identified in the NPAP Action Roadmap and the NPAP Financing Roadmap, the combined activities will stimulate and contribute to collaborative efforts across multiple stakeholder groups, particularly the private sector, to reshape the plastics economy in Indonesia. This will be done through a combination of support for national, provincial, and city-level dialogue, demonstration of practical System Change Scenario driven interventions at the city-level, and support to scale up innovative and catalytic financing mechanisms to crowd in capital for investments. The project also aims to encourage a new generation of investment initiatives which increases the collection of plastic for recycling and internalize and implement circular economy principles and practices. It will shed light on key issues at the consumer and producer levels, from the manufacture of raw materials to the finished products which contain the essential base chemicals which form plastics. The project will aim to operationalize facets A, B, C, and D of the 5 System Change Scenario concepts identified by NPAP Action Roadmap by introducing circular economy elements into the value chain, which would shift thinking towards 'circularity' - i) preserve and extend existing products, ii) use waste as a resource, iii) prioritize the re-generation of resources, iv) collaborate to create new value, v) rethink business as usual and create new business models, vi) catalyze design for the future, and vii) deploy new, digital technologies.

Global environmental benefits

The project will contribute to:

- i) Restored and sustained freshwater, coastal, and marine ecosystems, including globally significant biodiversity (Sub-indicator 5.3: estimated 427,670 metric tons of marine litter avoided over 14 years)
- ii) Reduced vulnerability to climate risks, and increased ecosystem resilience through reduced greenhouse gas emissions as a result of better integrated solid waste management (e.g. reduction of volume of wastes in illegal dumpsites, diversion of waste away from landfills and improved management of plastics related wastes)
- iii) Reduction in Greenhouse Gas Emissions (Core Indicator 6: 191,684 Tonnes CO₂e over 14 years)
- iv) Indirectly, reduced and/or avoided chemicals of global concern and their waste in the environment and in processes, materials, and products (Indicator 10: 487.32 g/TEQ over 14 years)

The baseline and impact metrics from NPAP/SystemiQ were used when calculating the potential Global Environmental Benefits (GEBs). Based on this information and the focus on problematic plastics, a significant positive impact is anticipated. The GEBs are calculated using the following assumptions and methodologies:

- (ii) 15% of mismanaged plastics are lost to oceans in coastal regions[xix]^{xix}
- (iii) 47% of mismanaged plastics are combusted without proper emissions control[xx]^{xx} resulting in POP emissions[xxi]^{xxi}
- (iv) Mismanaged plastic tonnages in coastal regions for the target countries have been projected forward from the baseline established by Jambeck, et al. in 2015 using 2.5% increase per year
- (v) The UNEP Stockholm Convention Toolkit for the Identification and Quantification of Released of Dioxins, Furans, and other Unintentional POPs 2013 ? Open burning of high PVC content municipal waste has been used for the Avoided Chemicals Calculations
- (vi) UNFCCC - AMS III -AJ Methodology Version 7 ? Recovery and Recycling of Materials from Solid Wastes
- (vii) The project estimations are based on a 2022 start year

In addition to the direct impacts, the scope, scale, and duration of this project allow the potential achievement of a wide range of indirect benefits and co-benefits in the host city, across Indonesia and, via the regional links, across Southeast Asia. These have been conservatively estimated based on the direct beneficiaries, the project activity types, and the impact multiplier effects of the social inclusivity platform and the partnership with the Blue SEA Finance Hub.

- i) Job Creation in plastic management and circular economy projects Medium, Large and Government enterprises ? estimated 20,000 (*8,000 management, 12,000 semi and low skilled*)
- ii) Income Generation (City of Cirebon and Other Indonesian Cities) through micro finance and project educational activities for enhanced collection, recycling, and reuse /deposit-return systems ? estimated 2000 additional business opportunities (*Micro and Small Enterprises*)
- iii) Livelihood improvement and work opportunities accessible to women, community members facilitated through the work of the Social Inclusivity Platform and Blue SEA Finance Hub microfinance initiatives ? estimated 4000 households

Innovation, sustainability, and potential for scaling up

Innovation

Indonesia is currently ranked 85th in the Global Innovation Index (moving up two positions since 2017). However, it is still lagging behind on the four knowledge economy pillars which include (i) innovation, (ii) education and skills, (iii) information and communications technology; and (iv) economic incentive and institutional regime. This has affected its ability to maximize technological breakthroughs, due to the high costs of tapping innovation, the concentration of expertise in select countries, the lack of local technical and skilled resources, and the constraints to attract skilled and affordable partners. Indonesia needs support to convert to a knowledge-based economy through innovation and increase its technological readiness in a variety of sectors. The scale of Indonesia's plastic pollution requires innovative approaches and advanced technologies to leapfrog development of the country's circular economy for plastics.

The project will incorporate innovative approaches and promote innovation through the following:

- i) Support for implementation of the NPAP Financing Roadmap and collaboration with the Blue SEA Finance Hub (as part of Output 1.2) will include identifying and mapping innovations for (i) reduce and substitute; (ii) redesign; (iii) collect; (iv) recycle and (v) dispose, and the project will develop and share innovative financing mechanisms.
- ii) As part of the Circular Business Hub, the project will integrate a Test Facility (as part of Output 2.2), which will incorporate a sandbox testing site for local and academic institutions and industry partners to demonstrate design solutions for recyclability and showcase how to apply circular business models to current businesses. It will also be the focal point for pilot investments.
- iii) The CoFos and Circular Business Hub will draw together lessons learned from existing circular economy approaches to high value plastics. These will be used as a baseline from which to explore market stimuli and technology innovation in promoting circularity (as part of Output 2.1).
- iv) Ongoing experiments within the trial will test implementation of circular economy principles at the industry and community levels, as well as innovative technologies and approaches for reduction and management of plastic waste.
- v) Awareness raising activities will promote success stories, technology, and innovation, and build capacity of various stakeholders

Sustainability

Sustainability will be core to the design and implementation of the Plastik Silit project. The following principles and approaches will be followed to ensure the sustainability of interventions:

- i) The project will be designed in close collaboration with the city and national governments and in consultation with stakeholders (e.g., private sector, civil society, communities, and other relevant partners) to ensure that outcomes are responsive to current and future needs.

- ii) All activities will be aligned with the goals and strategies of the NPAP, NPOA, and National Circular Economy Strategy and Roadmap under development.
- iii) Capacity-building will be incorporated into each outcome to enable full participation, informed decision-making and ownership of project activities and successes.
- iv) The Blue SEA Finance Hub and Micro-financing Roadmap and investments identified will be feasible, linked to financing mechanisms and shared with relevant partners and potential investors.
- v) A 'design for the future' approach will be applied to infrastructure and technology solutions promoted through the project.
- vi) By heavily engaging industry, retailers and local businesses, the informal waste sector and communities, the project will build support for adopting and sustaining the project outcomes.
- vii) Sustainability will be a focus of the knowledge management strategy. In addition to NPAP acting as a key knowledge platform, the Plastik Silit project will form partnerships with several regional bodies to support mainstreaming and a wider dissemination of knowledge.
- viii) Local implementation partners with a track record in the successful delivery of circular economy and waste management projects will be carefully selected.
- ix) Activities will be designed for the local context, and project responsibilities and timelines will be realistic and based on current and projected capacity and resources.

Scaling-up

According to a recent Circularity Gap Report, the global economy is only 9% circular; 8.4 Gt of materials have circular input, while 84.4 Gt come from extracted resources. This shows a significant opportunity to scale-up the circular economy. All components of the project have been designed to promote replication of successful interventions and scaling-up of a circular plastics economy in Indonesia. In particular, the focus on city-level implementation is expected to increase the probability of uptake of best practice and best available technology by supporting CoFos and the Circular Business Hub, crowding in finance around investable ideas, and also the significant focus on knowledge generation and knowledge sharing.

[i] World Economic Forum, Ellen MacArthur Foundation, and McKinsey & Company. 2016. *The New Plastics Economy ?Rethinking the Future of Plastics*.

[ii] Statista. Global Plastics Production 1950-2019. <https://www.statista.com/statistics/282732/global-production-of-plastics-since-1950/> (accessed 31 July 2020).

[iii] T. M. Adyel. 2020. Accumulation of Plastic Waste During COVID 19. *Science*. 369 (6509). pp. 1314-1315. <https://science.sciencemag.org/content/369/6509/1314>.

[iv] J. Shi and W. Zheng. 2020. Coronavirus: China Struggle to deal with mountains of medical waste created by epidemic. *South China Morning Post* 5 March.

[v] J. Duer. 2020. The plastic pandemic is only getting worse during COVID-19. *World Economic Forum*. 1 July. <https://www.weforum.org/agenda/2020/07/plastic-waste-management-covid19-ppe/>.

[vi] A. Caoile Vila. 2020. Covid-19 an ecological disaster for Asia as single-use plastics pile up and recycling is rolled back. *South China Morning Post*. 9 September. <https://www.scmp.com/lifestyle/health-wellness/article/3100495/covid-19-ecological-disaster-asia-single-use-plastics>.

[vii] N. Beaumont et al. 2019. Global Ecological, Social and Economic Impacts of Marine Plastic. *Marine Pollution Bulletin*. Volume 142. pp.189-195.

[viii] National Oceanic and Atmospheric Administration Marine Debris Program. 2014. *2014 Ingestion: Occurrence and Health Effects of Anthropogenic Debris Ingested by Marine Organisms*. Silver Spring, Maryland: National Oceanic and Atmospheric Administration.

[ix] *United European Gastroenterology*. 2018. UEG Week: Microplastics discovered in human stools across the globe in 'first study of its kind?'. 23 October. <https://ueg.eu/a/39>.

[x] The term 'plastic pollution' covers both upstream and downstream plastic waste leaking into the marine and terrestrial environments.

[xi] Government of Indonesia, Coordinating Ministry of Maritime and Investment Affairs. 2017. National Plan of Action for Combating Marine Plastic.

[xii] GPAP was created 'to drive the transition towards a circular plastics economy while helping to restore our natural systems and creating growth opportunities?'. GPAP represents the 'plastic pillar' of the Program for Accelerating Circular Economy (PACE) of the WEF.

[xiii] Global Plastic Action Partnership in Collaboration with the Indonesia National Plastic Action Partnership. 2020. *Radically Reducing Plastic Pollution in Indonesia: A Multistakeholder Action Plan*. Geneva: *World Economic Forum*. https://globalplasticaction.org/wp-content/uploads/NPAP-Indonesia-Multistakeholder-Action-Plan_April-2020.pdf.

[xiv] National Plastic Action Partnership Indonesia. 2020. *Financing System Change to Radically Reduce Plastic Pollution in Indonesia: A Financing Roadmap Developed by the Indonesia National Plastic Action Partnership*. <https://globalplasticaction.org/wp-content/uploads/NPAP-Indonesia-Financing-Roadmap.pdf>.

[xv] L. C. M. Lebreton et al. 2017. River Plastics Emissions to the World's Oceans. *Nature Communications*. 8(15611).

[xvi] Ellen MacArthur Foundation. New Plastics Economy Global Commitment. <https://www.newplasticseconomy.org/projects/global-commitment>.

[xvii] In consultation with the Government and GPAP/NPAP, ghost fishing gear has been included as a problematic plastic under the GEF FSP i) in response to a request from the Government

Indonesia; ii) this was not included in the NPAP scenario assessments due to the paucity of data as indicated in the draft Action Roadmap (2019, p.25), therefore the GEF project make advances in this regard, iii) Indonesia is a major fishing nation which provides as opportunity for project lessons and successes to be replicated and scaled- up for greater impact; and iv) it is complementary to other ADB and GEF initiatives including ADB Green Ports program, Bay of Bengal LME Programme, Coastal Fisheries Initiative etc.

[xviii] Under development by the Government of Indonesia and UNDP Indonesia with support of the Danish Government.

[xix] J. R. Jambeck et al. Plastic Waste Inputs from land into the ocean. *Science*. 347.6223 (2015). pp. 768-771.

[xx] SystemIQ calculations

[xxi] P. Costner. 2005. *Estimating Releases and Prioritizing Sources in the Context of the Stockholm Convention*. https://ipen.org/sites/default/files/documents/7mex_estimating_dioxin_releases-en.pdf.

1b. Project Map and Coordinates

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

Circular Economy Test Facility

Jalan Dukuh Semar Recycling Facility (6°44'12.58"S 108°33'21.14"E)

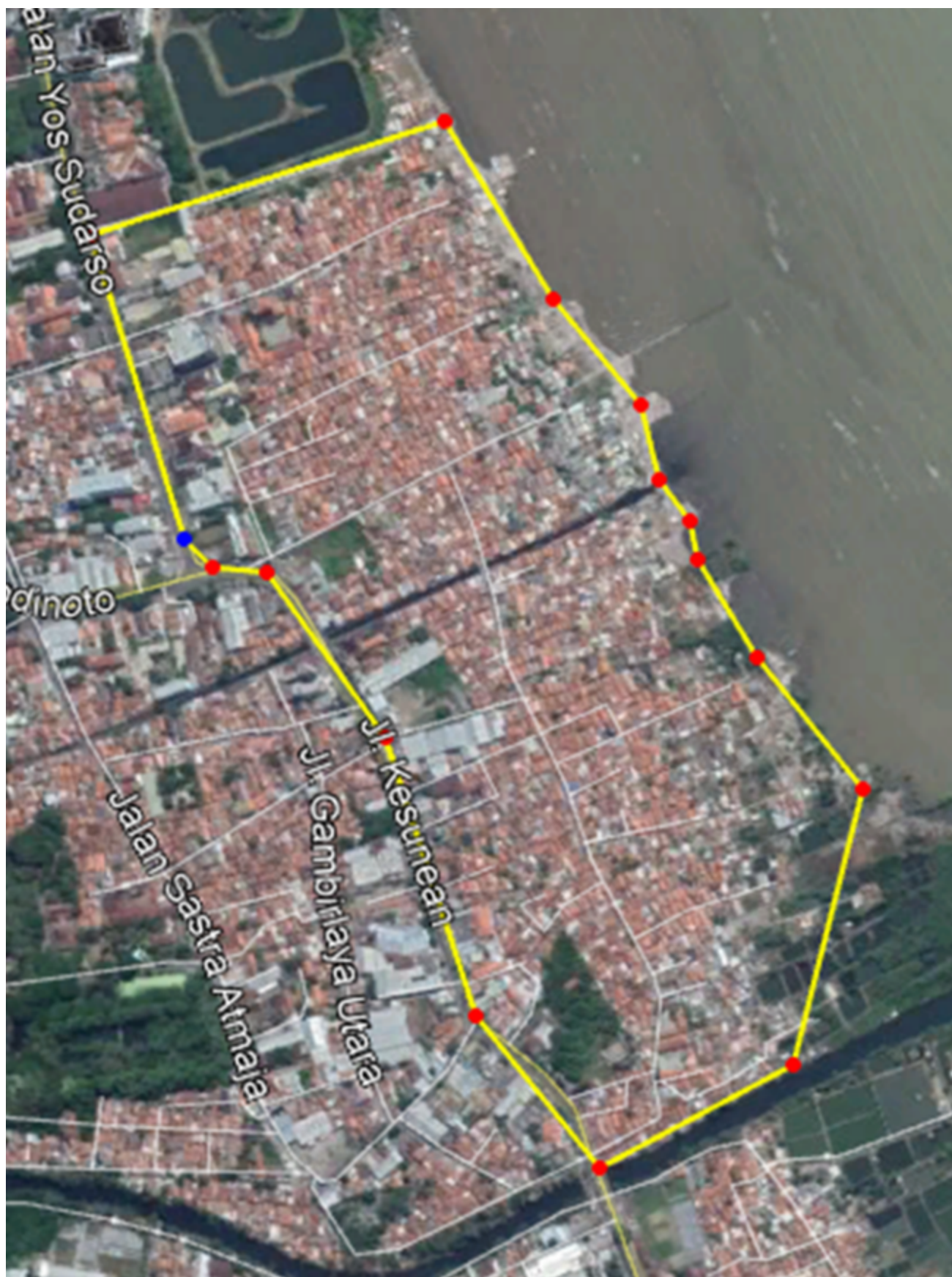


Community Engagement and Project Areas

Cangkol Utara - 6°43'21.03"S 108°34'31.93"E

Kesunean - 6°43'35.90"S 108°34'37.40"E

These are neighbouring communities. Project activities will be co-ordinated from the Rumah Kreatif Cirebon building located at 6°43'35.90"S 108°34'37.40"E



1c. Child Project?

If this is a child project under a program, describe how the components contribute to the overall program impact.

2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Civil Society Organizations Yes

Indigenous Peoples and Local Communities Yes

Private Sector Entities Yes

If none of the above, please explain why:

Please provide the Stakeholder Engagement Plan or equivalent assessment.

Numerous civil society organizations (CSOs), government agencies, and private sector entities were consulted during the preparation of this proposal. There are no indigenous peoples within the initial project boundaries. Due to varying restrictions on face-to-face gatherings across countries, the majority of the consultations were conducted virtually. The objectives of the consultations were for the stakeholders to: (i) identify the needs and expectations of the potential partners and beneficiaries, including knowledge and capacity needs; (ii) identify perceptions and attitudes towards the circular plastics economy; and (iii) provide feedback on specific planned developments. To support the consultations, the PCU hired a national consultant from Indonesia, a finance specialist based in Indonesia, and a gender specialist with experience working with communities and government in Indonesia. Consultations were both targeted and opportunistic.

The types of stakeholder engagement envisioned for the project are adapted from the ADB publication entitled *Strengthening Participation for Development Results: An Asian Development Bank Guide to Participation*. The table below shows the FSP's stakeholder engagement approaches, definitions, and levels of engagement in project preparation and implementation.

Approach	Definitions	Proposal Preparation	Implementation
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<p>Partnership</p>	<p>Stakeholders participate in decision-making process and/or exert control over resources, through a formal or informal agreement</p> <p>to work together toward common objectives.</p>	<p>Low: Agree that a stakeholder will partner in ADB-funded project</p> <p>Medium: Memorandum of Understanding (MoU)/partnership agreed or stakeholders take some degree of direct responsibility.</p> <p>High: MoU/partnership agreement negotiated including co-financing and management, or stakeholders assume high level of ownership/responsibility</p>	<p>Low: Stakeholder routinely provides inputs and is recognized as a partner in ADB-funded project</p> <p>Medium: MoU/partnership agreement implemented, or stakeholders take some degree of direct responsibility</p> <p>High: MoU/partnership agreement implemented including financing and management, or stakeholders assume high level of ownership/responsibility</p>
<p>Collaboration</p>	<p>Stakeholders and ADB/recipient/client work jointly, but stakeholders have limited control over decision making and resources.</p>	<p>Low: Inputs from specific key stakeholders sought in project design</p> <p>Medium: Significant stakeholder representation on project design body</p> <p>High: Stakeholder influence on project design body and agreement of role for stakeholders in project implementation</p>	<p>Low: Stakeholder input in monitoring and evaluation</p> <p>Medium: Stakeholders implement a project component</p> <p>High: Significant stakeholder representation on project implementation body and participation in implementation activities</p>

Consultation	Stakeholder input is requested and considered as part of an inclusive policy, program, or project decision-making process.	<p>Low: written consultation only (email or others)</p> <p>Medium: opportunities for two- way face-to-face exchanges (e.g., workshop, focus group) and/or virtual meetings</p> <p>High: Feedback is incorporated into design (e.g., use participatory methods)</p>	<p>Low: web-based/written consultation only (email or others)</p> <p>Medium: opportunities for two-way face-to-face exchanges (e.g., workshop) and/or virtual meetings</p> <p>High: Feedback is integrated during implementation (e.g., use participatory methods)</p>
Information Generation and Sharing	Information is: (i) generated by ADB/recipient/client and shared with stakeholders; (ii) independently generated by stakeholders and shared with ADB/recipient/client; or (iii) jointly produced.	<p>Low: ADB/recipient/client shares information with stakeholders</p> <p>Medium: opportunity for stakeholders to share information with ADB/recipient/client</p> <p>High: joint generation and sharing of information to meet shared objectives (e.g., improved understanding)</p>	<p>Low: ADB/recipient/client shares information with stakeholders</p> <p>Medium: opportunities for stakeholders to share information with ADB/recipient/client</p> <p>High: joint generation and sharing of information to meet shared objectives (e.g., improved understanding)</p>

The ADB has identified the following as priority stakeholders for project implementation:

Stakeholder name and existing activities with potential for engagement	Possible stakeholder approach to the project, identified by project outcome
National and Local Governments	

<p><u>National Government of Indonesia</u></p>	<p><i>Partnership under Outcome 1, 2 and 3</i></p> <p>The project host country has demonstrated its commitment to the aims and outcomes of the project. The project engages with a wide range of national policy, co-financing, and identified plastics management and circular economy action points in line with its National Plan of Action on Marine Plastic Debris 2017-2025.</p> <p>Detailed consultations have ensured that the project themes and activities are fully aligned with the Indonesian government's needs and that knowledge products are appropriate to the country's desired directions.</p>
<p>Ministry of Environment and Forestry (MOEF)</p> <p>-</p>	<p><i>Partnership under Outcome 1, 2 and 3</i></p> <p>The MOEF is the GEF Executing Entity. The agency is responsible for managing the project with support from the Project Coordination Unit. MOEF will also chair the Project Steering Committee to manage the project activities and direction. The FSP will align with ongoing MOEF programs, including its National Coordination Team for the Handling of Marine Debris (Tim Koordinasi Nasional Penangan Sampah Laut, or TKN PSL), the Decree 75/2019 on Roadmap of Waste Minimization by Producers (which includes guidelines on reduction, recycling, and reuse of a range of products, packaging, and containers, including plastics), support for SWM infrastructure, and promoting waste banks at provincial, district, and city levels.</p>
<p>Coordinating Ministry for Maritime and Investment Affairs (CMMIA)</p>	<p><i>Partnership under Outcome 1, 2 and 3</i></p> <p>The FSP will align with ongoing CMMIA programs, including the strategic priorities of the National Coordination Team for the Handling of Marine Debris. It will also be represented in a multi-stakeholder Technical Advisory Group, which will provide guidance and support for the project and the Project Steering Committee.</p>

Ministry of Maritime Affairs and Fisheries (MMAF)	<p><i>Partnership under Outcome 1, 2 and 3</i></p> <p>The FSP's objectives are aligned with the MMAF's ongoing program on retrieval and recycling of ghost fishing gear. The FSP may work with the MMAF through direct participation in project activities at city, district, and provincial levels.</p>
Ministry of National Development Planning (BAPPENAS)	<p><i>Partnership under Outcome 1</i></p> <p>The FSP's objectives are aligned with the ADB-BAPPENAS Letter of Intent on "South-South and Triangular Cooperation" for the reduction of marine plastics debris in Indonesia and the wider region of ASEAN and Pacific countries, which will include technical assistance and knowledge sharing. The FSP also aligns with BAPPENAS' program to develop the National Circular Economy Strategy and Roadmap.</p>
Ministry of Finance (MOF)	<p><i>Partnership under Outcome 1</i></p> <p>The FSP aligns with the MOF's support for sustainable financing, such as through PT. SMI and the Centre for Climate Change and Multilateral Policy under the Fiscal Policy Agency.</p>
Ministry of Tourism and Creative Economy (MTCE)	<p><i>Partnership under Outcome 2 and 3</i></p> <p>The FSP will support MTCE on ongoing programs to reduce pollution in coastal and marine destinations.</p>

<p><u>City Government</u></p> <p>Indonesia ? Cirebon City, Cirebon Regency</p>	<p><i>Partnership under Outcome 1, 2 and 3</i></p> <p>A robust city selection process was undertaken to identify Cirebon as the partner city. The site selection criteria will provide the optimal conditions for project success.</p> <p>The city government of Cirebon will be both key beneficiaries of the activities and key partners for detailed design and implementation, to ensure sustainable and impactful activities. The city government supports the identification and permitting of exact sites for project activities and provides ongoing communication and facilitation support to allow the project to successfully interact with CSOs, government departments, and other local stakeholders.</p>
<p>Bilateral Donor Programs</p>	
<p><u>Government of Germany</u></p> <p>The ?Rethinking Plastics ? Circular Economy Solutions to Marine Litter? project works jointly with its partners towards a circular economy for plastics in East and Southeast Asia. It supports more than 20 pilot projects implemented by non-profit organizations in China, Indonesia, the Philippines, and Vietnam. They test new approaches and up-scale good practices against marine littering in three areas until February 2022. Rethinking Plastics is co-funded by the European Union and the German Federal Ministry for Economic Cooperation and Development (BMZ) and implemented by the Deutsche Gesellschaft fu?r Internationale Zusammenarbeit (GIZ) and Expertise France.</p>	<p><i>Information Generation and Sharing and Consultation under Outcomes 1, 2, and 3</i></p> <p>Lessons learned and best practices from projects in Indonesia, Viet Nam, Thailand, and the Philippines may be applicable to the circular economy pilot in Cirebon, Indonesia.</p>

<p><u>Government of the United States</u></p> <p>Clean Cities, Blue Ocean (CCBO) is the flagship program of the United States Agency for International Development (USAID) for combating ocean plastic pollution. The program works globally to target ocean plastics directly at their source, focusing on rapidly urbanizing areas that contribute significantly to the estimated eight million metric tons of plastic that flow into the ocean each year. Across its initiatives, CCBO also works with a focus on gender equality and women's economic empowerment, seeking to advance and address the challenges of women working throughout the solid waste and recycling sectors. CBBO is currently working in the Philippines, Viet Nam, and Indonesia.</p>	<p><i>Information Generation and Sharing and Consultation under Outcomes 1, 2, and 3</i></p> <p>Indonesia is one of the project sites of the CCBO project. The PCU will consult and coordinate with the grantees of CCBO working in Indonesia to explore opportunities for knowledge generation and sharing and incorporate feedback to the city action plan.</p>
<p>Multi-lateral agencies and coalitions</p>	
<p><u>World Bank</u></p> <p>The World Bank's active Blue Economy portfolio is around \$4.1 billion with a further \$1.5 billion in the pipeline. More than \$100 million has been committed by donors to PROBLUE (Canada, Denmark, France, Germany, Iceland, Norway, Portugal, Sweden, and the European Union). PROBLUE focuses on four key themes: (i) management of fisheries and aquaculture, (ii) addressing threats posed to ocean health by marine pollution, including litter and plastic, (iii) sustainable development of key oceanic sectors such as tourism, maritime transport and off-shore renewable energy, and (iv) building the capacity of governments for integrated coastal and marine management. At the regional level, the World Bank is supporting development of an ASEAN Regional Action Plan on plastics and in Cambodia, Viet Nam, Indonesia, Myanmar, and the Philippines and is providing support for diagnostic studies of plastic types and locations, plus for policy and technology. For Indonesia, World Bank produced a rapid assessment of marine debris hotspots, and in July 2020 launched a new multi-donor trust fund supported by Denmark, Norway, and World Bank (\$2.5 million) for tackling marine plastic in Indonesia. World Bank intends to focus on the following in Indonesia: national behavior change strategy; national level metrics; sea-based leakage; roadmap for technologies; and the Citarum River basin project.</p>	<p><i>Information Generation and Sharing and Consultation under Outcomes 1, 2, and 3</i></p> <p>The PCU and World Bank will explore collaborative knowledge activities to be determined during implementation. They will coordinate on the Plastics Circularity Incubation Fund and Blue SEA Finance Hub.</p> <p>Representatives from World Bank will be invited to participate in the FSP's regional conferences and workshops as speakers or moderators, where appropriate.</p> <p>ADB/PCU and World Bank will continue to collaborate to support the Indonesia NPAP ? with ADB a co-chair of the Finance Task Force and member of the Policy Task Force, and World Bank co-chair of the Policy Task Force. Both World Bank and ADB are members of the Metrics Task Force.</p>

<p><u>United Nations Environment Program (UNEP)</u></p> <p>UNEP has led development of the COBSEA Regional Action Plan on Marine Litter (RAP MALI). Other key project outputs are on market-based solutions towards "less plastic wasted", strengthening the scientific basis for decision-making, outreach on marine litter and plastic pollution, and regional networking. COBSEA has an ongoing program on "Reducing marine litter by addressing the management of the plastic value chain in Southeast Asia (2018-2022)". The UNEP-Finance Initiative also launched its Sustainable Blue Economy Finance Initiative (SBEFI), which provides a guiding framework for financing a sustainable ocean economy.</p> <p>UNEP also has the International Environmental Technology Centre (IETC) located in Osaka, Japan. The vision of the IETC is for countries to implement sustainable solutions to environmental challenges, with focus on holistic waste management.</p>	<p><i>Partnership, Information Generation and Sharing and Consultation under Outcomes 1, 2, and 3</i></p> <p>ADB is committed to the principles of the SBEFI and became a signatory in June 2020</p> <p>Representatives from UNEP will be invited to participate in the FSP's regional conferences and workshops as speakers or moderators, where appropriate.</p> <p>The PCU and UNEP will explore opportunities for ADB participation in UNEP led regional events such as Sea Circular's Sea of Solutions.</p> <p>The PCU will communicate with UNEP's IETC to determine if there are existing solutions that may be applicable to this FSP.</p>
<p><u>United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)</u></p> <p>Closing the Loop: Scaling up Innovation to Tackle Marine Plastic Pollution in Cities is a project of ESCAP in partnership with the Government of Japan. It aims to reduce the environmental impact of cities in ASEAN by addressing plastic waste pollution in the marine environment. It has two broad objectives: (i) to develop an innovative digital tool that allows local governments to monitor and visualize plastic waste and identify hotspots with a view to improving management; and (ii) to work with each city to develop action plans, policies, and investment strategies to address marine plastic litter. Its four partner cities are Da Nang, Viet Nam; Kuala Lumpur, Malaysia; Surabaya, Indonesia; and Nakhon Si Thammarat, Thailand.</p>	<p><i>Information Generation and Sharing and Consultation under Outcomes 1, 2, and 3</i></p> <p>The knowledge outputs and methods of ESCAP's project may also be incorporated for the circular economy baseline study.</p> <p>Representatives from ESCAP will be invited to participate in the FSP's regional conferences and workshops as speakers or moderators, where appropriate.</p>

<p><u>United Nations Development Programme (UNDP)</u></p> <p>The GEF Small Grants Program is implemented by the United Nations Development Programme (UNDP) and executed by the United Nations Office for Project Services (UNOPS). In 2019, GEF and UNDP launched <i>Plastics and the Circular Economy: Community Solutions</i>, a publication that captures the experiences and lessons learned of the GEF Small Grants Program. In 2020-2021, UNDP is running the Ending Plastic Pollution Innovation Challenge (EPPIC), an innovation challenge for coastal areas in the Philippines, Viet Nam, Indonesia, and Thailand. UNDP Accelerator Lab also launched its Indonesia chapter in March 2021, which works towards developing innovative solutions to complex development challenges.</p>	<p><i>Partnership, Information Generation and Sharing, and Consultation under Outcomes 1, 2, and 3</i></p> <p>ADB will collaborate with the UNDP Accelerator on the Blue SEA Finance Hub to raise awareness about marine plastic challenges and opportunities, develop pilot projects, leverage public and private capital, and structure innovative finance mechanisms to support marine plastic MSMEs.</p> <p>The publication <i>Plastics and the Circular Economy: Community Solutions</i> may also be a reference for the city action plan, pilot demonstration project, and knowledge products and events. The PCU may also connect with the winners of EPPIC in Indonesia if the innovations are relevant to this FSP's project activities.</p>
<p><u>Global Plastics Action Partnership (GPAP)</u></p> <p>GPAP, mobilized by the World Economic Forum, is a partnership that translates commitments into action by fast-tracking circular economy solutions. It aims to avert the growth in global plastic pollution by 2025. GPAP is working with partners to improve the model for optimal and user-friendly use by governments and local analysis teams. GPAP is currently developing a standardized toolkit called 'Plastics Modelling and Assessment Tool'. This captures all relevant resources from key partners and learnings from GPAP's pilot partnerships in Indonesia, Ghana, and Viet Nam for other governments to apply an NPAP-like model in their respective countries or for partner organizations to support NPAP. The toolkit will have a chapter on finance, which presents an opportunity for GPAP to build on the financing knowledge products and services developed by this FSP.</p>	<p><i>Partnership, Information Generation and Sharing and Collaboration under Outcomes 1, 2, and 3</i></p> <p>The ADB, through the NPAP Metrics Task Force, has identified a range of data collection and modelling systems that are compatible with the GPAP model and will further build on its functionality to deliver greater value to the target cities. This work will underpin the city action plan that this project will deliver.</p> <p>ADB will collaborate with GPAP by sharing technical inputs, experiences and learned from Indonesia for 'Plastics Modelling and Assessment Tool'. GPAP will also be invited to present on GPAP/NPAP during relevant FSP knowledge activities.</p>

<p><u>International Union for Conservation of Nature (IUCN)</u></p> <p>In late 2017, the IUCN, with support from the Swedish International Development Cooperation Agency (SIDA), launched an initiative on marine plastics and coastal communities in the Indian Ocean and Asia-Pacific regions. The overall goal was to promote, enact and enforce legislation and other effective measures that contain and reduce marine plastic pollution in a regional level, through knowledge sharing, capacity building, policy options, and plans of action to control plastic pollution.</p>	<p><i>Information Generation and Sharing and Consultation under Outcomes 1, 2, and 3</i></p> <p>The PCU will build on IUCN's Marine Plastics and Coastal Communities initiative (MARPLASTICCS), which worked with communities in Viet Nam and Thailand, particularly on transitioning from a linear take-make-dispose model to a circular plastics economy. MARPLASTICCS also provided policy support, including legislative analysis and reform, and had produced knowledge products on Extended Producer Responsibility.</p>
<p><u>Partnerships in Environmental Management for the Seas of East Asia (PEMSEA)</u></p> <p>The PEMSEA Resource Facility is working on a number of catalytic projects to address marine plastic pollution, including a partnership with the Government of Norway to build local capacity to reduce plastic waste within ASEAN member states, with pilot projects in the Citarum River (in West Java, Indonesia) and the Imus River (in Cavite Province, Philippines). In 2021, PEMSEA is hoping to start implementing a five-year GEF/UNDP/ASEAN/PEMSEA project on integrated river basin management (IRBM).</p>	<p><i>Information Generation and Sharing and Consultation under Outcomes 1 and 3</i></p> <p>Representatives from PEMSEA will be invited to participate in the FSP's regional conferences and workshops as speakers or moderators, where appropriate.</p> <p>The PCU and PEMSEA will explore opportunities for Plastik Sulit / MOEF participation in PEMSEA led regional events such as the East Asian Seas Congress.</p>

<p><u>Stockholm and Basel Conventions</u></p> <p>The Basel Convention is an international treaty that was designed to reduce the movements of hazardous waste between nations, and specifically to prevent transfer of hazardous waste from developed to less developed countries. The Stockholm Convention on Persistent Organic Pollutants is an international environmental treaty that aims to eliminate or restrict the production and use of persistent organic pollutants.</p> <p>In 2021, the Basel Convention Plastic Waste Partnership and the Secretariat of the Basel, Rotterdam, and Stockholm (BRS) Conventions have begun to roll out over 50 pilot projects around the world. The pilot projects include policymaking and the introduction of practical innovations, among others.</p>	<p><i>Information Generation and Sharing and Consultation under Outcomes 1, 2, and 3</i></p> <p>The PCU will coordinate with the BRS Conventions Secretariat and ensure that the Stockholm and Basel Convention National Focal Points and Official Contact Points are fully engaged in the activities and that the outcomes of the project are reported to the Stockholm/Basel Convention COP through the respective focal points. The PCU will communicate with the pilot projects under the Plastic Waste Partnership in the FSP's project sites.</p> <p>The PCU will also engage the Basel Convention and Stockholm Convention Regional Center in Indonesia for the in-country activities. The recycling facilities in Cirebon may use the toolkits and other materials developed under the Basel Convention to ensure that the structure is created in accordance with the Basel Convention's standards.</p>
<p>Non-governmental organizations, academic and research institutions, civil society alliances</p>	

<p><u>The Circulate Initiative</u></p> <p>The Circulate Initiative, established through the support of the Circulate Capital, aims to end the flow of plastic into the ocean and build thriving inclusive economies by supporting entrepreneurs who advance the circular economy and improve waste management and recycling systems, and by creating the enabling conditions they need to succeed. The Circulate Initiative has an Impact Metrics Working Group in Asia, which the PCU is part of.</p>	<p><i>Information Generation and Sharing under Outcome 3</i></p> <p>The ADB is one of the members of the Impact Metrics Working Group in Asia. The objectives are to promote knowledge sharing, recommend metrics, and address critical gaps in ocean plastic pollution. Members include Circulate Capital, Encourage Capital, Morgan Stanley, Second Muse, USAID, and Women in Informal Employment: Globalizing and Organizing.</p>
<p><u>Indonesian Scrapers (Pelapak) and Scavenger (Pemulung) Association (APPI)</u></p> <p>APPI is an association that works closely with informal sector waste workers and mostly waste pickers through support and advocacy programs. They were formed in 2016 and have various programs to support the safety, dignify, health and rights of informal waste workers in provinces across Indonesia, including in the Cirebon area.</p>	<p><i>Information Generation and Sharing, Collaboration, and Consultation for Outcomes 1, 2, and 3</i></p> <p>APPI will be consulted for the city-level market study, baseline circular economy study, pilots, and social inclusivity platform in Cirebon. The PCU may consider replicating practices of APPI to the waste picker community in Cirebon, where applicable. Representatives from the APPI may also be invited to speak in capacity-building activities and behavior change campaigns, where appropriate.</p>

<p><u>Asosiasi Pusat Pengembangan Sumberdaya Wanita (PPSW)</u></p> <p>Founded in 1986, the Association of Women's Resource Development Centers (PPSW) develops and assists women's groups in Indonesia. PPSW focuses on development issues faced by the community such as economic issues, health, and education.</p>	<p><i>Information Generation and Sharing, Collaboration, and Consultation for Outcomes 2 and 3</i></p> <p>PPSW will be consulted for the city-level market study, baseline circular economy study, pilots, and social inclusivity platform in Cirebon, specifically on their refilling models, behavior change campaigns on segregation at source, and livelihoods related to recycling/upcycling. Representatives from the PPSW may also be invited to speak at or facilitate capacity-building activities and behavior change campaigns, where appropriate.</p>
<p><u>WasteHub</u></p> <p>-</p> <p>WasteHub is an Indonesian social enterprise that aims to elevate and establish the effective and responsible local waste collection area through circular economy and technology approach with proven capacity to work closely with informal waste workers to improve their skills, capacities, and income. Established in October 2019. Previously, we already accomplished several offline projects such as establishing partnerships with Scavengers in Jurangmangu landfill site, providing education, linking to volunteers, and improving recycling capacity</p>	<p><i>Information Generation and Sharing and Consultation for Outcomes 1, 2, and 3</i></p> <p>WasteHub will be consulted for implementing behavior change campaigns and capacity development programs, as well as on support for reducing plastic pollution from tourism in small islands.</p>
<p><u>Stockholm International Water Institute (SIWI)</u></p> <p>In 2019-2020, SIWI implemented the project 'Foundations for Source-to-Sea Management' that piloted the source-to-sea approach in two locations: Vu Gia Thu Bon River Basin (VG-TB), Viet Nam, and Lake Hawassa sub-basin, Ethiopia. The project team conducted an assessment of source-to-sea stakeholders and prepared an analysis of governance instruments and institutions that highlighted their weaknesses, barriers to implementation, gaps and conflicts. Together these reports provide the foundation for designing priority actions to be taken to resolve the causes of sediment erosion and plastic pollution.</p>	<p><i>Information Generation and Sharing and Consultation for Outcomes 1, 2, and 3</i></p> <p>Lessons learned, methods, and best practices in stakeholder engagement and project design may be applicable to the market studies and review of economic instruments.</p>

<p><u>Commonwealth Scientific and Industrial Research Organisation (CSIRO)</u></p> <p>As part of its Global Plastic Losses project, CSIRO has partnered with Udayana University in Indonesia to measure, analyze and map plastic pollution in Bali. Researchers have used a combination of field sampling and mathematical modelling and the project has provided a definitive baseline measure of Bali's inland, coastal and marine plastic waste.</p>	<p><i>Information Generation and Sharing and Consultation for Outcomes 1 and 3</i></p> <p>ADB is working with CSIRO within the NPAP Metrics Working Group as part of its wider focus on circular economy and oceans plastics data transparency and accuracy.</p> <p>The PCU may work also work with CSIRO to develop the Circular Business Hub in Cirebon, Indonesia.</p>
<p><u>International Solid Waste Association (ISWA)</u></p> <p>ISWA is an international network of waste professionals and experts from around the world whose mission is "To Promote and Develop Sustainable and Professional Waste Management Worldwide and the transition to a circular economy."</p>	<p><i>Information Generation and Sharing and Consultation for Outcomes 1 and 3</i></p> <p>The PCU may adopt components of ISWA's plastic leakage modelling and value chain assessment for the market studies and baseline circular economy study.</p>
<p>Private sector (Alliances, corporations, companies, and fast-moving consumer goods)</p>	
<p><u>Alliance to End Plastic Waste (AEPW)</u></p> <p>Currently made up of nearly thirty member companies, AEPW has committed over \$1.0 billion with the goal of investing \$1.5 billion over the next five years to help end plastic waste in the environment.</p>	<p><i>Information Generation and Sharing and Consultation under Outcomes 1, 2, and 3</i></p> <p>The PCU is exploring opportunities to increase integration of the AEPW sponsored activities of Project STOP in Indonesia.</p> <p>Representatives from AEPW will be invited to participate in the FSP's regional conferences and workshops as speakers or moderators, where appropriate.</p>
<p><u>Asosiasi Bank Sampah Indonesia (ASOBSI)</u></p> <p>The ASOBSI (Association of Waste Banks in Indonesia) aims to improve environmental quality in Indonesia through waste management at source via waste banks. As an association, it develops standards to improve quality and engagement of members; builds a waste bank database across the country; and implements waste management projects. It has been integral in waste reduction and behavior change.</p>	<p><i>Information Generation and Sharing and Consultation for Outcomes 1, 2, and 3</i></p> <p>ASOBSI will be consulted for the city-level market study, baseline circular economy study, pilots, and social inclusivity platform in Cirebon. Representatives from ASOBSI may be invited to speak in capacity-building activities and behavior change campaigns, where appropriate.</p>

<p><u>PT. Amarta Mikro Fintek</u></p> <p>Amartha is a financial technology company that connects MSME business partners with investors.</p>	<p><i>Consultation and Partnership for Outcomes 1 and 2</i></p> <p>Amartha will be consulted for activities related to Outcomes 1 and 2 and may be a potential partner on areas related to microfinance and women's empowerment.</p>
<p><u>Indonesian Plastic Recyclers (IPR)</u></p> <p>IPR is a business association with businesses in the field of plastic recycling in Indonesia. It is working on household waste segregation, machines for multilayer plastic packaging, and working with communities to process low-value plastics into products like chairs, bookshelves, and pellets.</p>	<p><i>Information Generation and Sharing and Consultation for Outcomes 1, 2, and 3</i></p> <p>IPR will be consulted for the national activities and Circular Business Hub activities in Cirebon. Representatives from IPR may be invited to speak in capacity-building activities and behavior change campaigns, where appropriate.</p>
<p><u>Packaging and Recycling Association for Indonesia Sustainable Environment (PRAISE)</u></p> <p>PRAISE is an alliance to support the development of sustainable and integrated packaging waste management solutions in Indonesia. Its founding members include Unilever, Coca-Cola, Indofood, Nestle, Tetra Pak, and Danone.</p>	<p><i>Information Generation and Sharing and Consultation for Outcomes 1, 2, and 3</i></p> <p>PRAISE will be consulted for the national activities. Representatives from PRAISE may be invited to speak in capacity-building activities and behavior change campaigns, where appropriate.</p>
<p><u>Indonesian Plastic Industry Association (INAPLAS)</u></p> <p>The INAPLAS works on regulatory reviews; research and development; capacity-building and innovation capabilities; and information exchange activities. It also provides a roadmap for the plastics industry.</p>	<p><i>Information Generation and Sharing and Consultation for Outcomes 1, 2, and 3</i></p> <p>INAPLAS will be consulted for the national activities and Circular Business Hub activities in Cirebon. Representatives from INAPLAS may be invited to speak in capacity-building activities and behavior change campaigns, where appropriate.</p>
<p><u>Waste4Change</u></p> <p>Waste4Change aims to shift the waste management ecosystem in Indonesia to a more responsible, collaborative, and technology-based waste management system that supports the acceleration towards a circular economy.</p>	<p><i>Information Generation and Sharing and Consultation for Outcomes 1, 2, and 3</i></p> <p>Waste4Change will be consulted for the national activities and Circular Business Hub activities in Cirebon. Representatives from Waste4Change may be invited to speak in capacity-building activities and behavior change campaigns, where appropriate.</p>

<p><u>Indonesia Packaging Recovery Organization (IPRO)</u></p> <p>The IPRO is a collaboration between the government and Packaging and Recycling Association for Indonesia Sustainable Environment (PRAISE). It has pilot projects to optimize local waste banks in Surabaya and Bali. Waste banks are small institutions that encourage a circular economy and generate income from the segregation, collection, and sale of plastic waste.</p>	<p><i>Information Generation and Sharing and Consultation for Outcomes 1, 2, and 3</i></p> <p>The IPRO will be consulted for the national activities and Circular Business Hub activities in Cirebon. Representatives from the IPRO may be invited to speak in capacity-building activities and behavior change campaigns, where appropriate.</p>
<p><u>Asosiasi Daur Ulang Plastik Indonesia (ADUPI)</u></p> <p>The ADUPI or Indonesian Plastics Recyclers is a business association that accommodates business players in the plastic recycling sector in Indonesia. It has seven regional offices across the country, with 400 members of various business types (e.g., waste banks, waste collectors, and waste aggregators). It aims to increase recycling rates and grow the national recycling industry. ADUPI has implemented activities in Cirebon.</p>	<p><i>Information Generation and Sharing, Collaboration, and Consultation for Outcomes 1, 2, and 3</i></p> <p>The ADUPI will be consulted for the market studies and Circular Business Hub activities in Cirebon. Representatives from the ADUPI may be invited to speak in capacity-building activities and behavior change campaigns, where appropriate.</p>

The ADB also conducted consultations with the following stakeholders. No critical opportunities have been identified thus far, but the PCU will continue to communicate with these stakeholders to identify engagement opportunities during project implementation, likely through knowledge activities.

Multi-lateral agencies and coalitions
International Finance Corporation
Regional Secretariat of the Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security (CTI-CFF)
Sustainable Bay of Bengal Large Marine Ecosystem Programme
European Space Agency
Association of Southeast Asian Nations (ASEAN) Secretariat
Non-Governmental Organizations / Civil Society Organizations
Break Free From Plastic

Ellen MacArthur Foundation
ClimateWorks Foundation
<i>Women in Informal Employment: Globalizing and Organizing (WIEGO)</i>
<i>Plymouth Marine Laboratory</i>
Private sector (Corporations, companies, and fast-moving consumer goods)
Plastic Bank
Nestle
Unilever
OceanWorks
Ocean Plastic Prevention Accelerator
Seven Seas

The Indonesian national government and Cirebon city government will take lead roles in project implementation. The project is designed to be participatory and inclusive with gender equality and poverty reduction elements. Local civil society organizations (CSOs) will be engaged in project implementation as implementation partners and key participants, consultants, and beneficiaries of action planning, demonstrations and investments, and knowledge-sharing. Support will be provided to enable participation in project activities by community-leaders and champions (including gender and youth champions). It is recognized that local participation and ownership of the project activities is critical to successful outcomes and the sustainability of interventions.

The plan adheres to the core principles of the new GEF Policy on Stakeholder Engagement (2018), supplemented by ADB principles for stakeholder engagement. The stakeholder engagement would: i) be constructive, responsive, accountable, and transparent, ii) encourage fair, balanced, and inclusive participation of stakeholders (including women and youth), iii) apply across all GEF-financed activities, iv) be ?meaningful? in the sense that it will promote sustained commitment and action (including allocation of resources) through the project cycle, and v) be supported by accessible documentation.

CSOs and private sector entities have been consulted during project identification (see section 6 ?coordination?). A consultation/scoping mission was completed in Indonesia during February 2020, which complemented consultations undertaken for the regional GEF project in ASEAN. The mission was able to engage closely with representatives of the National Government (CMMIA, MOEF, and MMAF), who were briefed on the project concept. All teams showed interest and support for the project and actively participated in discussions with the mission team in the refinement of the project scope and inclusion of items, such as Ghost Fishing Gear which are of particular interest to them (MMAF, in particular).

Engagement with larger private companies and industry groups was also successfully completed with concerns being raised about the implementation of the EPR and the options for substitution of single use plastics.

During the mission visit to Cirebon, the team were able to engage closely with the Vice Mayor and the head of the Cirebon Environmental Department which is the lead focal department within the local government. The local government was briefed on the initial concepts and ideas of the Plastik Sulit project. They showed significant levels of interest and actively engaged with the mission to team to explore locations and opportunities for the hosting and implementation of the Circular Business Hub and Circular Economy Testing Facility.

During the mission visit to Cirebon, the team were also able to engage with members of the recycling community and other waste management stakeholders to discuss the most challenging elements of recycling and those items which posed the greatest difficulties in collection and recycling.

The private sector will be engaged, as described in section 4, ?private sector engagement? below.

Provisional Stakeholder Engagement Plan	
Institution / Agency / Company	Possible Role
Ministry of Environment and Forestry (MOEF)	<p>GEF Executing Entity. Direct links with the Directorate General for Solid Waste, Hazardous Waste and Hazardous Substance Management, in particular the Directorate for Solid Waste Management and Sub-Directorate for Product and Packaging. The agency is expected to manage the Project Coordination Unit and provide responsibility for project management and procurement. MOEF will also chair the Project Steering Committee to manage the project activities and direction.</p> <p>GEF project will align with ongoing MOEF programs, including its National Coordination Team for the Handling of Marine Debris (Tim Koordinasi Nasional Penangan Sampah Laut, or TKN PSL), the Decree 75/2019 on Roadmap of Waste Minimization by Producers (which includes guidelines on reduction, recycling, and reuse of a range of products, packaging, and containers, including plastics), support for SWM infrastructure and promoting waste banks at provincial, district, and city level</p> <p>Means of engagement: Through Project Steering Committee and Project Coordination Unit, NPAP Steering Board, and various Task Forces</p>

Coordinating Ministry for Maritime and Investment Affairs (CMMIA)	<p>Hosting of the National Coordination Team for the Handling of Marine Debris and representation in a multi-stakeholder Technical Advisory Group, which will provide guidance and support for the project and the Project Steering Committee.</p> <p>Means of engagement: Through Technical Advisory Group and linkages through NPAP Steering Board and relevant Task Forces</p>
Ministry of Maritime Affairs and Fisheries (MMAF)	<p>Linkages with ongoing program on retrieval and recycling of ghost fishing gear (Directorate for Coastal Management and Small Islands). Proposed member of GEF project steering committee, including role in project monitoring and policy processes.</p> <p>Means of engagement: Through direct participation in project activities at city, district, and provincial levels</p>
Ministry of National Development Planning (MNDP or BAPPENAS)	<p>ADB-BAPPENAS Letter of Intent on "South-South and Triangular Cooperation" for the reduction of marine plastics debris in Indonesia and the wider region of ASEAN and Pacific countries, which will include technical assistance and knowledge sharing. Alignment with BAPPENAS' program to develop the National Circular Economy Strategy and Roadmap.</p> <p>Means of engagement: Through Letter of Intent with ADB and Technical Advisory Group, direct participation in project activities</p>
Ministry of Finance (MOF)	<p>The FSP aligns with the MOF's support for sustainable financing, such as through PT. SMI and the Centre for Climate Change and Multilateral Policy under the Fiscal Policy Agency.</p> <p>Means of engagement: Through Technical Advisory Group, direct participation in project activities</p>
Ministry of Tourism and Creative Economy (MTCE)	<p>The FSP will support MTCE on ongoing programs to reduce pollution in coastal and marine destinations.</p> <p>Means of engagement: Direct participation in project activities</p>
Cirebon City Government	<p>Possible direct engagement with Department of Environment, Head of Landfill primarily for activities under Outcome 2. Potential for: i) provision of land / space, facilitation, convening stakeholders, ii) hosting of the Circular Business Hub, iii) reference model for governance, policy and regulatory reform related to circular plastics economy.</p> <p>Means of engagement: Through direct participation in project activities (and potential ADB loan)</p>

National Plastic Action Partnership (NPAP), Secretariat / World Resources Institute (WRI)	<p>Direct collaboration with NPAP Secretariat, as the Plastik Silit project will be a key implementing partner for the NPAP Action Roadmap.</p> <p>The Plastik Silit project will be represented by ADB on the NPAP Steering Board and Task Forces, with its main focus on financing (Output 1.2), among others (<u>see separate section</u>) in the execution of the Indonesia NPAP Action Roadmap.</p> <p>WRI could also serve as a resource with respect to interlinkages between the Plastik Silit project and the GEF Sustainable Cities Impact Program (SCIP) in Indonesia.</p> <p>Means of engagement: Outlined in Letter of Commitment.</p>
Indonesian Plastic Industry Association (INAPLAS)	<p>Fosters linkages with private sector. Platform for integration of project activities with the wider industries, drives, initiatives, and projects. Important for NPAP Task Force participation, particularly with respect to: data / metrics, behavior change, policy, financing, scaling up.</p> <p>Collaboration envisioned for Outcomes 2, and 3 where relevant. Possible Plastik Silit project steering committee participant.</p> <p>Means of engagement: Participation in project activities and NPAP Task Forces</p>
Packaging and Recycling Association for Indonesia Sustainable Environment (PRAISE)	<p>Fosters linkages with private sector. Platform for integration of project activities with the wider industries, drives, initiatives, and projects. Important for NPAP Task Force participations with respect to data / metrics, behavior change, policy, financing, scaling up.</p> <p>Collaboration envisioned for Outcome 2, and 3 where relevant. Possible Plastik Silit project steering committee participant.</p> <p>Means of engagement: Participation in project activities and NPAP Task Forces</p>
Waste Banks	<p>In coordination with MOEF, the Plastik Silit project would contribute to and complement the waste bank system in and around cities. Project would promote linkages with Outcome 2 - Circular Business Hub, particularly the collection system; as well as engage community beneficiaries for targeted capacity development and training; as well as behavior change campaigns.</p> <p>Means of engagement: TBD (through MOEF)</p>

SYSTEMIQ	<p>Systemiq will be a key project partner, with collaboration envisioned through all components of the GEF project, as well as in the context of NPAP task forces. Importantly, the GEF project will aim to engage with Systemiq to align work with their Project STOP, which aims to target an additional 40 cities. The collaboration will foster linkages with city/district/provincial governments, private sector, and civil society.</p> <p>Means of engagement: Participation in project activities and NPAP Task Forces</p>
Unilever	<p>Packaging manufacture and developer of specialist recycling technology for laminated sachets. Potential partner for collection of sachets and goods for refilling stations. Cooperation anticipated with respect to the Circular Business Hub activities in Outcome 2, as well as participation in knowledge work in Outcome 3.</p> <p>Means of engagement: Consultations in design and potential participation in implementation of Circular Business Hub</p>
Re>Pal	<p>User of low value plastics for manufacturing plastic pallets. Potential industrial partner and material off-taker (Outcome 2).</p> <p>Means of engagement: Consultative. Potential off-take agreement</p>
Ocean Conservancy	<p>Project will benefit from the "Plastics Policy Playbook", particularly relevant for Outcome 1.</p> <p>Means of engagement: Consultative (through associated GEF 6 project)</p>
Global Ghost Gear Initiative	<p>Foster linkages with civil society, particularly fishers and informal independent waste collectors. Project will benefit from learnings in the 2018 gear-marking and ghost gear retrieval pilot project case study in Java. Potential partner for capacity- building/behavior change activities under Outcome 3.</p> <p>Means of engagement: TBD (through MMAF)</p>
Circulate Capital	<p>Project will liaise with Circulate Capital on matters related to the NPAP financing roadmap (Output 1.2). Linkages will also be developed with their associated company, SecondMuse, in the context of the NPAP Steering Board. The Incubator Network would fit well with the Innovation Incubator of the project Test Facility with opportunities related to mobilizing finance, capacity development and training.</p> <p>Means of engagement: Consultative. Through NPAP Task Forces (and NPAP Steering Board)</p>

Minderoo Foundation	<p>Link to ongoing No Plastic Waste initiative, particularly benefiting from engagement with industry and potential collaboration on plastics financing and investment, in partnership with the Blue SEA Finance Hub.</p> <p>Means of engagement: Consultative and through NPAP Task Forces</p>
Global Tourism Plastics Initiative (under UNWTO)	<p>Project will collaborate with Global Tourism Plastics Initiative to engage and work with the hospitality sector in Cirebon and Kepulauan Seribu on reducing plastic pollution from tourism using upstream measures and solutions (Outcomes 2 and 3). Joint work can include training, pilots of toolkits and guidance documents, and knowledge-sharing.</p> <p>Means of engagement: Participation in project activities</p>
McKinsey.org	<p>Link to ongoing waste management and plastics recycling initiative in Bali Project would benefit from data management, analysis, and full cost accounting capabilities. Potential participation in Outcomes 1 and 2. Given the links to the parent consulting firm, opportunities will be explored under Outcome 3 - broader knowledge management and in particular, thought leadership in the circular plastics economy.</p> <p>Means of Engagement: Consultative and through NPAP Task Forces</p>

The detailed Stakeholder Engagement Plan is attached in a separate file.

In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement

Select what role civil society will play in the project:

Consulted only;

Member of Advisory Body; Contractor;

Co-financier;

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

Executor or co-executor;

Other (Please explain)

3. Gender Equality and Women's Empowerment

Provide the gender analysis or equivalent socio-economic assesment.

Gender and plastic: vulnerabilities and strengths

Women are disproportionately represented among people living at or below the poverty line in Indonesia, which places them at higher risk of sanitation and livelihood disruptions from discarded or abandoned plastics in the environment. In the plastics and recycling industries, women are more often found in insecure jobs and performing tasks that are more repetitive, menial and poorly remunerated than men. Women's higher proportion of body fat, relative to men, places them at higher risk of harm from the bioaccumulating and lipophilic chemical compounds found in plastic.[i]

In the informal sector, women waste pickers consistently earn less than their male counterparts.[ii] This is partly due to being assigned less profitable items and having less access to carts and transport for carrying plastic waste. Roaming in areas where waste accumulates, such as on streets and at temporary or final disposal sites, is an extreme occupational safety hazard for all waste pickers. However, women workers, by virtue of their reproductive health needs, domestic and care obligations, and risk of sexual and gender-based violence, carry a heavier health and wellbeing burden.[iii] MSMEs, including

women micro-entrepreneurs working on innovative upstream solutions, waste collection, and recycling, also lack access to financing that can enable them to extract greater value from their activities.

A gender perspective is critical for understanding the plastic pollution challenge and for designing effective solutions in Indonesia. As the main consumers of household items and other domestic duties, women can play a significant role in reducing and reusing plastic. As workers in the informal sector, women can support the need for more predictable supplies of less contaminated waste plastic. As entrepreneurs in the circular plastics economy, women can contribute significantly to developing solutions to manage plastic. The project recognizes that if the shift to a circular economy is to be successful and equitable, women and other socially disadvantaged groups need to be identified, consulted, and integrated in enabling environments, awareness and behavior change activities, trials and pilots, and new financial measures and investments.

Gender mainstreaming and gender focused activities

The project responds to the need for gender and social inclusion and empowerment in the circular economy. Design planning has been informed by:

- i) The gender analysis (see Gender Mainstreaming Plan)
- ii) ADB's Strategy 2030 Operational Priority no. 2 "Accelerating Progress in Gender Equality"[iv] and ADB's classification for an "Effective Gender Mainstreaming" project[v]
- iii) Two of three gender mainstreaming priorities for the GEF-7 programming directions, based on gaps identified by GEF in the Gender Implementation Strategy. Specially "participation and decision-making"; and "creating opportunities for income-generation". (The third gap, "a focus on improving access and control over natural resources", is not applicable in the context of the urban location of the project area).

The gender equality and social inclusion (GESI) goals of the project will be achieved through the following GESI mainstreaming and GESI focused priorities and activities:

- i) *Livelihood improvement*: for women in communities via capacity development and microfinance support for MSMEs and women in the informal sector. Opportunities to incubate, grow and develop entrepreneurship for women and socially disadvantaged groups will be identified and supported in trials, pilots, and the Challenge Program.
- ii) *Green jobs creation*: that is green and "decent" (fair, safe, inclusive, and dignified) for women in the waste sector.

- iii) *Capacity development:* Workshops, consultations, training and education activities and events designed for gender and social inclusion to build financial, social, design and other skills and knowledge of plastic reduction and reuse to build a circular economy.
- iv) *Leadership development and opportunities:* training and mentoring leaders from Waste Banks and MSMEs, and supporting women to take lead roles in pilot demonstration activities and capacity building to support careers in waste at the Test Facility.
- v) *Improve public and private sector awareness* of the value of including and minimizing harm to women and socially disadvantaged groups in investments, regulatory and financing mechanisms through tailored and participatory knowledge products and events and workshops.
- vi) *Improve community awareness* of the problem of plastic pollution and practical solutions that build a local-level circular economy through collaboratively designed and inclusively delivered media campaigns and other awareness raising activities.
- vii) *Research and studies* to better understand how to incorporate a gender and social inclusion lens in circular economy designs, policies, and regulations, and leverage local value chains for GESI economic empowerment.
- viii) *Targeted support for informal sector inclusion and integration:* through microfinance provision, and capacity building through financial literacy and social/technical skills through NGO linkages and brokering with available programs. Also green jobs at the Test Facility, and training women workers in operations, asset management, health and safety and other technical roles.
- ix) *Resources and knowledge products:* that highlight community-led approaches to plastic reduction and high-quality recycling and share project and partnership achievements in strategies and actions to address specific gender and social inequalities and gaps along the value chain.

Several notable activities and design features will support the project achieve the GESI mainstreaming goals in the three project components:

The Social Inclusivity platform (see Output 2.2) is a dedicated vehicle to include and engage women and other disadvantaged and marginal groups in specific activities and emerging opportunities. The platform will also provide a channel for two-way communication between women and other GESI groups, and project management and diverse project stakeholders. It will provide a feedback loop to connecting gender responsive activities across the project life cycle.

Pilot demonstrations (links to Outputs 2.1 and 2.3): Women will participate in the development of pilot proposals at the CoFos, trialling innovation, and workshops to design the trials and pilots. The two pilots with a gender target are ?reuse alternatives to single use plastics? and ?refillable models to replace single use laminated sachets. Opportunities to engage and include non-represented groups and women CSOs will be identified by the Social Inclusivity Platform in the process of developing project proposals and pilots. Pilots that empower women and socially disadvantaged individuals will also merge from the market and microfinance studies and the Challenge Program (Output 2.3). Pilots will generate awareness and knowledge for how a circular economy can be built in communities while improving women and GESI groups? awareness, skills, and income.

Livelihoods/MSME development (links to Outputs 1.2 and 2.3): Women from Family Income Generating Groups *Usaha Peningkatan Pendapatan Keluarga Sejahtera*, UPPKS) and waste banks will receive support through knowledge-sharing, capacity building, and access, education, and guidance in securing micro- and small- business financing for women-led businesses and other ideas developed from project activities for the informal sector. Indonesia is renowned for its large microfinance sector, yet few microfinance institutions work with the informal waste sector, Plastik Sulit presents a significant opportunity for lessons in microfinance support that is tailored to the gendered needs of the informal sector.

Inclusive events and spaces: The Test Facility and meeting spaces in the Circular Business Hub will be fitted with a room for breast-feeding and sex-separate toilets with reliable water supply, proper locks, and lighting. Meetings and workshops that require women?s input and decision making to be undertaken in locations, and at days and times convenient to women with separate meetings or briefings for women where needed. Stipends will be provided for women in the community attending events to compensate for time not working.

Gender-themed knowledge products and activities: The project will provide a gender analysis of relevant themes or topics in the national and city level market analysis. and microfinance studies and their derivative knowledge products. Standalone knowledge products will be developed to promote green jobs and the business case for gender inclusion in circular investments and policy and regulatory reforms. The project will create and share practical and applied knowledge products on approaches, interventions, and case studies for successful gender mainstreaming to build a circular plastics economy. Targets are set for women?s participation in knowledge events.

The detailed Gender Action Plan, including gender targets/performance indicators, is attached in a separate file.

[i] M. Pajewska-Szmyt, E. Sinkiewicz-Darol, and R. Gadza?a-Kopciuch. 2019. The impact of environmental pollution on the quality of mother's milk. *Environmental Science and Pollution Research*. 26(8). pp. 7405-7427.

[ii] GA Circular. 2019. *The Role of Gender in Waste Management: Gender Perspectives on Waste in India, Indonesia, the Philippines, and Vietnam*. Singapore: GA Circular.

[iii] GA Circular. 2019. *The Role of Gender in Waste Management: Gender Perspectives on Waste in India, Indonesia, the Philippines, and Vietnam*. Singapore: GA Circular.; and United Nations Environment Programme and Gender and Water Alliance. 2019. *Gender Mainstreaming in the Management of the Marine and Coastal Ecosystems*. Nairobi: United Nations Environment Programme.

[iv] ADB. 2019. *Operational Priority 2: Accelerating Progress in Gender Equality*. Manila: Asian Development Bank.

[v] A project is assigned EGM if the project outcome is not gender equality or women's empowerment, but project outputs are designed to directly improve women's access to social services, and/or economic and financial resources and opportunities, and/or basic rural and urban infrastructure, and/or enhancing voices and rights, which contribute to gender equality and women's empowerment.

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

Yes

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

Improving women's participation and decision making Yes

Generating socio-economic benefits or services or women Yes

Does the project's results framework or logical framework include gender-sensitive indicators?

Yes

4. Private sector engagement

Elaborate on the private sector's engagement in the project, if any.

The project will engage the private sector on a number of fronts:

i) as active participants in design and implementation of the Circular Business Hub;

- ii) as beneficiaries of actions taken to reduce/mitigate plastic pollution (e.g. the tourism and fisheries sectors);
- iii) as recipients of new knowledge and applications of best practice;
- iv) as participants in and beneficiaries of technology and innovation promotion activities;
- v) as providers of professional services and goods for project implementation;
- vi) as future investors, benefiting from the accelerated implementation of the NPAP Financing Roadmap and the project collaboration with the Blue SEA Finance Hub; and
- vii) as potential beneficiaries of investments prepared under the project and beyond, particularly those designed to assist private sector companies to adopt and internalize circular economy within their business practices (through the ADB Private Sector Operations Department).

Importantly, the Plastik Sulit project will contribute towards transformational change by harnessing the private sector as an 'agent of scaling,' with all components of the project being interlinked with a view to creating a new generation of investment programs and projects that integrate action on marine plastic and encourage circular economy.

5. Risks to Achieving Project Objectives

Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):

During project preparation, the ADB conducted preliminary environmental and social safeguards (ESS) screening on the Cluster TA (including both the GEF Regional and GEF Plastik Sulit projects) following ADB's Safeguard Policy Statement (2009), Social Protection Policy (2001), and related policies and procedures. Building on existing experience and consultations regarding the implementation of waste management, recycling, and circular economy activities, the ESS considered all aspects of the environmental and social impacts of the Plastik Sulit project activities. The ESS has not only supported the safe implementation of project but also informed and promoted the addition of project activities to ensure the safe inclusion of women, informal workers, and other vulnerable groups in circular economy and recycling process discussions and adoption. Based on the information and consultations currently available, the ADB preliminary ESS has categorized the project as C, the lowest risk category, meaning that the Plastik Sulit project is likely to have minimal or no environmental impacts and no adverse impacts on indigenous peoples or need for involuntary resettlement. The full ESS analysis is attached as a supporting document. **Hence the Environment and Social Safeguard risk is considered ?Low?.**

Based on consultations and field work to date (which has been limited due to the COVID-19 pandemic), the ADB has rated the GEF minimum standards in Table 3 below and broader project risks in Table 4. The ADB has also prepared an Environment and Social Assessment Review Framework (attached) that describes how the project will address the potential negative impacts on the areas listed in the tables below, within the project's area of influence, and identify suitable measures to avoid where possible, or minimize or mitigate the impacts. The main focus of the Environment and Social Assessment Review Framework are

the two material recovery facilities and Circular Business Hub test facility, since they are the project components that will have direct environmental and social impacts. The city-level action plans will have indirect impacts. Please see Section 3 in Part II above for details.

Table 3. GEF Minimum Standards and Mitigation Measures

GEF Minimum Standards	Mitigation Measures
Environmental and Social Assessment, Management and Monitoring	<p>Sites will not be adjacent to or within any environmentally or culturally sensitive areas. Sites will not be in areas that would create involuntary resettlement impacts or have any impacts on indigenous peoples.</p> <p>Mitigation measures will be put in place to reduce noise, air pollution, and soil and water contamination during MRF construction or renovation.</p> <p>An environmental and social management plan will be prepared and implemented.</p>
Accountability, Grievance and Conflict Resolution	<p>The PCU and firm will agree on a mechanism to receive and facilitate resolution of any concerns and grievances regarding the project's environmental performance during project implementation. The mechanism will be described in the environment and social management plan. All complaints and their resolution shall be documented in the project monitoring reports.</p>
Biodiversity Conservation and the Sustainable Management of Living Natural Resources	<p>The project will support proactive efforts to prevent waste from entering the natural environment and coastal and marine ecosystems. The Regional project is expected to prevent 650,934 MT of marine litter and the Plastik Sulit project is expected to divert an additional 300,850 MT of marine litter giving a total of 951,784 MT diverted. Sites will not be located in areas with foreseeable adverse impacts on any legally protected area or one that supports high biodiversity values.</p>
Restrictions on Land Use and Involuntary Resettlement	<p>Sites will not be in areas that would create involuntary resettlement impacts. The firm will assess any legacy involuntary resettlement issues related to the sites. The project sites will be selected in close consultation with the national and local governments, and activities aim to build capacity of local communities. No GEF funds will be associated with involuntary resettlement activities.</p>
Indigenous Peoples	<p>Sites will not be in areas that would create negative impacts in indigenous people. The firm will assess any legacy indigenous people issues related to the sites. The project sites will be selected in close consultation with the national and local governments, and activities aim to build capacity of local communities.</p>
Cultural Heritage	<p>There may be historical, cultural, traditional, or religious values and beliefs that will need to be recognized and protected in relation to plastic use and disposal. Strategies to identify and protect such values will be jointly developed through participatory processes with local communities.</p>

Resource Efficiency and Pollution Prevention	Resource efficiency, pollution prevention and reduction are key elements in building a circular economy for plastics. By creating value for waste and difficult plastics, the design and manufacturing of new products are expected to use discarded wastes as raw materials instead of virgin plastics and other newly extracted raw materials. Further, the activities contribute to national targets of the DMCs to reduce marine litter.
Labor and Working Conditions	<p>An operations manual containing standard operating procedures will be prepared for the MRFs and test facility to mitigate risks and vulnerabilities related to occupational health and safety due to physical, chemical, and biological hazards; accidents; and disasters during construction and operation. COVID-19 screening and mitigation protocols will be enforced for the everyone entering the MRF and test facility sites.</p> <p>The project will not restrict waste workers' access to sites or cause loss of income.</p> <p>The project will not use child labor, nor will it decrease employment. It will aim to improve health, safety and labor conditions through capacity development and training for local communities. The Project will adhere to GEF and other internationally recognized standards, such as those of the International Labor Organization.</p>
Community Health, Safety and Security	Mitigation measures will be in place to minimize odor, pests, noise, water and air pollution and windblown solid waste. If any construction or renovation is done, there will be access control, fencing, signage, and communication of risks to the local community; and regulation of vehicles and equipment entering and exiting the site.

Table 4. Broader Project Risks and Proposed Mitigating Measures

Risk	Mitigating Measures
Indonesia is not fully committed to participate in the project	Indonesia has shown a consistent commitment to tackling its plastic problem and has a history of successful participation in projects. The project is being scoped and designed in collaboration with government agencies so that it is responsive to Indonesia's needs.
Change of local government during project	The project will demonstrate a positive contribution to the local environment and community with strong community education and engagement activities to maintain relevance and benefit across political groups.
Capacity limitations exist within key executing agencies	A capacity needs assessment will be undertaken during the project preparation phase and capacity-building incorporated into the project. Indonesia has committed significant funding to the CMMIA, broadening the resources and band width of the executing agency

Current high levels of interest shown by the private sector, NGOs, and civil society in circular economy could decrease if the interest of the government changes and reduces support	The project has a significant focus on stakeholder, private sector, and community engagement (including women and the informal sector) and will work to demonstrate benefits across stakeholder groups, and as such will not be entirely dependent on Government interest levels.
Flooding or natural disaster at the Circular Business Hub (climate risk)	The facility will be located to avoid or reduce climate-related risks and the physical infrastructure climate-proofed.
Potential environmental, socio- economic and health and safety risk from the Circular Business Hub and other project activities	The project is required to comply with ADB's Safeguard Policy Statement (2009) Environmental Safeguards and its assessment, monitoring and reporting and approval procedures. This will entail project screening and preparation of an environmental assessment that identifies potential impacts and risks (including environmental and socio-economic, such as impacts on livelihoods and vulnerable groups, and occupational and community health and safety) within the project's area of influence, and identifies suitable measures to avoid where possible, or minimize or mitigate the impacts. At the Circular Business Hub workers will be provided with safe and healthy working conditions and preventative and emergency preparedness and response measures will be put in place. An occupational health and safety plan will be prepared during the project preparation phase.
Despite efforts, plastic production continues to increase at current pace	<p>Given the almost insurmountable challenge of getting the fossil fuel industry to change course, the project will look at a range of measures to reduce demand and to manage and reduce plastic waste and pollution. It will encourage the testing and adoption of a circular economy, promote alternative materials, processes, and business models, and provide credible information to challenge the status quo.</p> <p>The project will also support cross-sectoral collaboration through the Collaborative Forum system to directly address challenges of limited private sector engagement. Knowledge products targeted at highlighting BAT and incremental improvement solutions will also be targeted at industry sectors identified as having low responses/uptake.</p>

Challenges of COVID-19 pandemic responses and transition to 'new normal'?	<p>COVID-19 has caused the volume of infectious medical waste and the use of single-use plastics and packaging (e.g., for personal protective equipment (PPE), food and e-commerce deliveries) to surge, while recycling and municipal waste services have stopped or become limited in some areas. Some governments have delayed positive actions to reduce plastic pollution, and donors have reprioritized funds toward emergency response. This increases the urgency of this project, which supports a green recovery through circular economy that stimulates the economy, creates jobs for the future and spurs innovation. This message will be supported by complementary ADB knowledge work on the case for a green recovery.</p> <p>In terms of implementation challenges during the 'new normal' of lockdowns, restricted travel and social distancing, World Health Organization guidance will be followed through the project. ADB is actively promoting management strategies for COVID-19 response and as such team members will be experienced with the standard operating procedures required for travel and project management under 'new normal' conditions. Where possible, interaction with stakeholders will be completed remotely. Consultations, workshops, trainings, and capacity-building will be conducted online as much as possible. Engagement with communities and on-the-ground interactions will be completed by team members experienced and trained to operate in potentially hazardous environments and include digital contact tracing and outbreak monitoring.</p>
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Climate Change

Following ADB's safeguards policy and procedures, the project has been preliminarily screened for climate risks and found to have **medium climate risk** based on the following screening form.

Screening Questions		Score	Remarks
Location and Design of project	Is siting and/or routing of the project (or its components) likely to be affected by climate conditions including extreme weather-related events such as floods, droughts, storms, landslides?	1	The MRFs will be sited and designed to reduce the impact of floods and storms
	Would the project design (e.g. the clearance for bridges) need to consider any hydro-meteorological parameters (e.g., sea-level, peak river flow, reliable water level, peak wind speed etc.)?	1	See above

Materials and Maintenance	Would weather, current, and likely future climate conditions (e.g. prevailing humidity level, temperature contrast between hot summer days and cold winter days, exposure to wind and humidity hydro-meteorological parameters likely affect the selection of project inputs over the life of project outputs (e.g. construction material)?	1	The MRFs and test facility will be constructed in compliance with local and international regulations and best practices regarding wind speed
	Would weather, current, and likely future climate conditions, and related extreme events likely affect the maintenance (scheduling and cost) of project output(s)?	1	Repairs may be needed following extreme storms
Performance of project outputs	Would weather/climate conditions, and related extreme events likely affect the performance (e.g. annual power production) of project output(s) (e.g. hydro-power generation facilities) throughout their design lifetime?	0	

6. Institutional Arrangement and Coordination

Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

Global coordination and partnerships

At the global level, ADB will prioritize coordination and collaboration with GPAP and the NPAP, through its national secretariat at the World Resources Institute in Jakarta. The project will also collaborate closely with the BRS Conventions Secretariat as well as the respective national focal points. This will help to bring global experiences and best practices on fast-tracking circular economy solutions to the program and participating countries. This collaboration is integrated throughout the project design and articulated in several parts of the document.

Regional coordination

To ensure regional coordination and collaboration, and a mainstreamed/sustainable program, ADB will form new or strengthen existing partnerships with several regional coordination / intergovernmental bodies, based on the relative mandates, spatial coverage of programs, internal capacity, links with domestic institutions, networks etc. Regional intergovernmental bodies will include: ASEAN Secretariat, BRS Conventions Secretariat regional centres, PEMSEA Resource Facility and COBSEA, plus well-established ADB-supported sub-regional cooperation programs - the Indonesia- Malaysia-Thailand Growth Triangle and Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area.

Relevant GEF projects in Indonesia

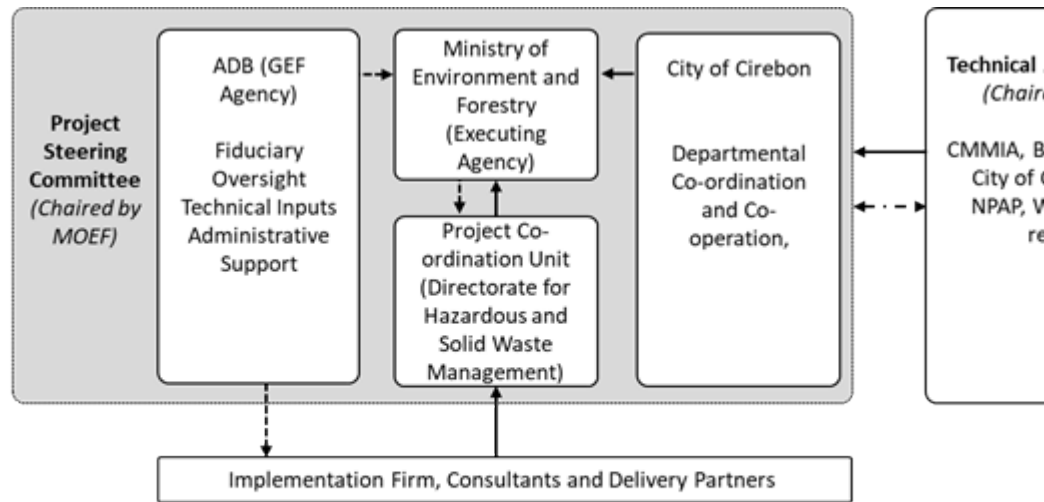
This GEF-7 project will benefit from the knowledge and lessons generated by the GEF-5 project titled "Reducing Releases of PBDEs and UOPs originating from unsound waste management and recycling practices and the manufacturing of plastics in Indonesia" (GEF ID 5052) with UNDP as the GEF Agency and the Ministry of Industry as executing partner. In particular, it will draw on the work conducted with respect to: i) Detailed inventory on polybrominated diphenyl ethers (PBDEs), imported, handled and applied in plastics manufacturing, ii) Capacity building work on finding suitable PBDE alternatives, iii) Development of quality assurance programs PBDE-free plastic manufacturing and, iv) approaches taken to create awareness and understanding at the level of government, industry and civil society. In particular, it will be important to learn from the development of the EPR, which covered 14 plastic industries, four recyclers, three manufacturers association, four governments agencies, and two universities covering three provinces (Jakarta, West Java, and East Java Provinces).^[i]

Country level institutional arrangements

At the national level, MOEF will be the GEF Executing Agency and designated national focal point. MOEF will be responsible for the following:

- (i) Finalization of TORs for project consultants, specialists, and contractors
- (ii) Review, ranking, and final selection of project consultants, specialists, and contractors
- (iii) Hosting of Project Coordination Unit and day to day management of operations
- (iv) Implementation of project work plan, with field level supervision of project consultants, contractors, and specialists, in order to achieve project targets
- (v) Financial management of the project funds
- (vi) General communications with project stakeholders
- (vii) Chair Project Steering Committee (PSC), and lead the Technical Advisory Group (TAG)
- (viii) Report preparation for Government of Indonesia, ADB, GEF, and others as needed

A focused Project Steering Committee (PSC) will be created, which will be chaired by MOEF with representatives from ADB and the City of Cirebon to manage the project activities and direction during the 4-year implementation period. In addition, a multi-stakeholder Technical Advisory Group, with representation from the CMMIA, BAPPENAS, MMAF, MPWH, NPAP Secretariat through World Resources Institute (WRI) Indonesia, and representatives from across the stakeholder group, will provide guidance and support for the project and the Project Steering Committee.



Legend

- Fund flows
- Formal reporting lines
- · — · — Collaboration and coordination

Project Steering Committee (PSC) Activities

MOEF Multiple Departments, City of Cirebon, ADB, and others nominated by Government

The PSC will hold monthly meetings to:

- i) Define and implement the overall project direction
- ii) Identify major themes and research activities and monitor/update annual workplans
- iii) Structure project outreach to secure additional support as required
- iv) Consider and approve input from technical advisory group for funding of trial projects under the test centre
- v) Monitor performance of project and implementation teams

Technical Advisory Group (TAG) Activities

MOEF Multiple Departments, CMMIA, ADB specialists, other Governmental Departments, Academia, Industry, CSO and NGO's

The TAG will hold biannual meetings to:

- i) Discuss project progress and outputs from previous quarter
- ii) Provide guidance for project activities and desired outputs for the next period
- iii) Consider applications for funding under the trial facility and make recommendations to the PSC
- iv) Identify opportunities for project interaction with the wider community
- v) Identify and propose projects for endorsement

[i] 2019 PIR Reducing Releases of PBDEs and UPOPs Originating from Unsound Waste Management and Recycling Practices and the Manufacturing of Plastics in Indonesia (GEF ID 5052)

7. Consistency with National Priorities

Describe the consistency of the project with national strategies and plans or reports and assessments under relevant conventions from below:

NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

The Convention on Biological Diversity (CBD) recognizes that marine debris is a key global environmental concern and poses serious threats to marine and coastal biodiversity.^[i] Around 75% of all marine debris is plastic, a persistent and potentially hazardous pollutant, which fragments into microplastic that can be taken up, or bio-accumulated, by a wide range of marine organisms. Countries that are signatories to the CBD would need to prioritize plastic-related concerns in their national biodiversity strategic action plans, if they have not already. Critical among the issues is the pervasiveness of microplastic. Plastic represents a persistent pollutant that is already present vertically, in all marine and freshwater habitats across the globe, and horizontally, from ocean surface to seabed, with every level of the food web exposed.

The Basel and Stockholm Conventions are science-based, legally binding global treaties aimed at the protection of human health and the environment from hazardous chemicals and wastes. The Stockholm Convention recognizes that plastic pollution can arise at all stages during the life-cycle, from leakages during production and manufacturing, to abrasion while products are in use, to dumping or poor practices in the handling of wastes. Plastic may contain hazardous substances including POPs. Plastic can also absorb POPs such as PCB, DDT, and dioxins, and these are frequently present in marine plastic litter. The Convention controls 30 POPs, including those which have been used as additives, flame retardants, or plasticizers in plastic, such as: brominated diphenyl ethers; hexabromocyclododecane; perfluoro octane sulfonic acid, its salts and perfluoro octane sulfonyl fluoride; and short-chain chlorinated paraffins.

The provisions of the Basel Convention apply to plastic waste, as some plastic is listed as 'hazardous wastes', much of which is generated at household level. In 2016, the United Nations Environment Assembly emphasized the importance of this elaboration, to expand the meaning of environmentally sound management of waste, including waste prevention, minimization, and recovery, and to address the underlying causes of marine litter and plastic. In 2017, the Conference of the Parties to the Basel Convention decided that its Open-ended Working Group consider relevant options available under the Convention to further address marine plastic litter and microplastics. The Household Waste Partnership also includes plastics in the definition of 'environmentally sound management of household wastes'. Regional centers of the Basel and Stockholm Conventions now work on the impact of plastic waste, marine plastic litter, microplastic, and measures for prevention and environmentally sound management.^[ii] The fourteenth meeting of the Conference of the Parties to the Basel Convention (COP-14, 29 April-10 May 2019) adopted amendments to Annexes II, VIII and IX to the Convention with the objectives of enhancing the control of the transboundary movements of plastic waste and clarifying the scope of the Convention as it applies to such waste. The amendment to Annex VIII, with the insertion of a new entry A3210, clarifies the scope of plastic wastes presumed to be hazardous and therefore subject to the PIC procedure. The

amendment to Annex IX, with a new entry B3011 replacing existing entry B3010, clarifies the types of plastic wastes that are presumed to not be hazardous and, as such, not subject to the PIC procedure. The third amendment is the insertion of a new entry Y48 in Annex II which covers plastic waste, including mixtures of such wastes unless these are hazardous (as they would fall under A3210) or presumed to not be hazardous (as they would fall under B3011). The new entries became effective as of 1 January 2021. Furthermore, in 2019, the Plastic Waste Partnership (PWP) was established under the Basel Convention to mobilize business, government, academic and civil society resources, interests and expertise to improve and promote the environmentally sound management (ESM) of plastic waste at the global, regional and national levels and to prevent and minimize its generation. This FSP will also ensure that the objectives are consistent with the revised Basel Convention Plastic Waste Amendments.

The project will contribute directly to the objectives of the Indonesia Plan of Action on Marine Plastic Debris 2017-2025 (NPOA). The strategy sets an ambitious target of 70% reduction in marine plastic debris by 2025 and recognizes the importance of source prevention combined with evidence-based science in developing policies and regulations. The NPOA, whose Secretariat is chaired by the CMMIA, addresses five main pillars: i) improving stakeholder awareness and behavior change, ii) reducing land-based leakage of plastics, particularly from cities and human settlements, iii) reducing ocean-based sources of plastic, including ships, fishing lines and pleasure boats, iv) engaging plastics manufacturers to use recycled plastics as input materials as much as possible, while at the same time producing more biodegradable plastics, and v) enhancing financial mechanisms, policy reform and law enforcement.

[i] Microplastics are defined as plastic pieces or fragments less than 5 millimetres in diameter. (Secretariat of the Convention on Biological Diversity. 2016. Marine Debris: Understanding, Preventing and Mitigating the Significant Adverse Impacts on Marine and Coastal Biodiversity. *CBD Technical Series No.83*. Montreal: Secretariat of the Convention on Biological Diversity.)

[ii] Communiqué from Secretariat of the Basel, Rotterdam and Stockholm Conventions. 2018.

8. Knowledge Management

Elaborate the "Knowledge Management Approach" for the project, including a budget, key deliverables and a timeline, and explain how it will contribute to the project's overall impact.

During the project preparation phase, ADB prepared a knowledge management (KM) action plan, which cuts across the overall project, particularly Outputs 1.1, 1.2, 2.1, 2.2, and 2.3 and Outcome 3. A rapid desk study and analysis was conducted on existing country specific knowledge projects, such as studies, reports, policy briefs, guides, toolkits, events, and capacity-building activities. The purpose of this research was to establish a baseline of existing knowledge work to avoid duplication, as well as to learn from the work of partners and identify gaps where the project could add value on critical issues, opportunities, and solutions. The results and recommendations from this research were then discussed in consultation with national and city governments, development partners, national networks, businesses and associations in the plastics value chain, and civil society organizations, to further refine knowledge management activities that best reflect needs, preferred formats, and areas for innovation. It is also directly relevant to the Basel Convention Technical

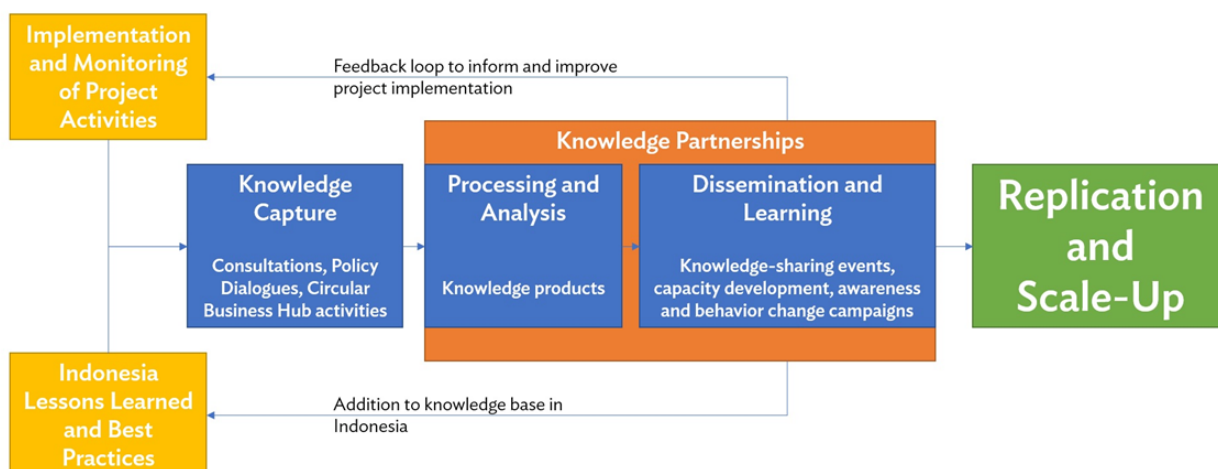
Guidelines on the Identification and Environmentally Sound Management of Plastic Wastes and their Disposal. In particular, the most recent amendment (BC-14/13) calls on countries to undertake further actions to address plastic waste, which can be achieved through learning from the project activities. The following focus thematic areas from the research and consultations have been identified: (i) governance and policy; (ii) plastics value chain and circular plastics economy; (iii) tourism; (iv) gender equality and social inclusion; (v) technology and innovation; (vi) finance solutions; and (vii) investment in circular economy.

The project's general approach to knowledge management is aligned with the ADB's Knowledge Management Action Plan 2021-2025 and has also been designed with a broad understanding of the GEF Knowledge Management Approach, the GEF Scientific and Technical Advisory Panel KM guidance, the GPAP Plastics Modelling and Assessment Tool, and other best practices in development and behavior change communications. The project will also learn from and share experiences through IW:LEARN, and 1% of the KM budget will be allocated to IW:LEARN activities.

In line with the project's overall objective and outcomes, the project has defined the following KM approaches:

1. provide knowledge and advisory support to government and stakeholders in the plastics value chain on policy and financing recommendations to enable the transition to a circular plastics economy
2. provide knowledge and advisory support to prepare bankable projects that promote circular business models
3. facilitate catalytic action through knowledge-sharing on research, development, and innovation in the circular plastics economy through Collaborative Forums
4. capture, produce, and disseminate knowledge generated through activities in the Circular Business Hub
5. build capacity and stimulate behavior change across the plastics value chain to accelerate the transition to a circular plastics economy
6. disseminate and exchange knowledge through high quality events and knowledge products to support decision-making, awareness-raising of new and emerging technologies and innovations, and collaboration with stakeholders
7. capture and disseminate lessons learned from project implementation to facilitate replication and scale-up of interventions in Indonesia
8. identify and expand knowledge partnerships, as well as dissemination and feedback channels, to increase the usage and effectiveness of the project's knowledge services and products
9. curate data and relevant metrics into a broader knowledge framework in Indonesia, as well as within ADB's and GEF's enterprise-wide systems, and
10. contribute to regional and global learning systems.

The figure below demonstrates how these approaches come together and build towards greater learning within the project and in the broader Indonesian context, and ultimately to facilitate replication and scale-up of relevant activities.



The detailed Knowledge Management plan is attached.

9. Monitoring and Evaluation

Describe the budgeted M and E plan

The project monitoring and evaluation plan is attached. The project team will use this plan to capture key information and measure project progress throughout implementation, in line with GEF's monitoring policy. It includes the main M&E activities, who is responsible, the timeframe and budget. A mid-term review will be conducted during Year 2 of implementation, followed by a terminal evaluation review near the end of project. The project results framework, which is in Annex A, includes the project outcome, outputs, performance indicator targets and baselines, and data sources and reporting mechanisms. Reporting on indicators targeting numbers of people will be sex-disaggregated, and gender indicators are included.

MONITORING AND EVALUATION PLAN

M&E Activity	Description	Responsible Parties	Timeframe	Indicative budget (USD)
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Virtual Inception Workshop (IW)	<p>Report prepared following the IW, which includes:</p> <ul style="list-style-type: none"> - A detailed workplan and budget for the first year of project implementation, - An overview of the workplan for subsequent years, divided per component, output and activities. - A detailed description of the roles and responsibilities of all project partners - A detailed description of the Project Coordination Unit (PCU), Regional Executing Entity (REE), Project Steering Committee (PSC) and Technical Advisory Group (TAG), an organizational chart - Updated Procurement Plan and a Monitoring & Evaluation Plan, Gender Action Plan - Minutes of the Inception Workshop 	<p>Execution: Regional Executing Entity and Project Implementation Firm</p> <p>Support: PCU</p>	<p>One report to be prepared following the IW, to be shared with participants 4 weeks after the IW (latest)</p>	<p>GEF: as part of Implementation Firm budget</p>
<p>Project Steering Committee</p> <p>and</p> <p>Technical Advisory Group Meetings</p>	<p>Prepare minutes for every Project Steering Committee and Technical Advisory Group Meetings</p>	<p>Execution: Project Implementation Firm</p> <p>Support: PCU</p>	<p>Every 6 months for TAG and every 3 months for PSC</p> <p>Minutes to be submitted 1 week following each meeting</p>	<p>GEF: as part of Implementation Firm and PCU budget</p>

Project Implementation Review (PIR)	<p>Analyzes project performance over the reporting period. Describes constraints experienced in the progress towards results and the reasons. Draws lessons and makes clear recommendations for future orientation in addressing the key problems in the lack of progress.</p> <p>The PIRs shall be documented with the evidence of the achievement of end-of-project targets (as appendices).</p>	Execution: Project Implementation Firm	One report to be prepared on an annual basis, to be submitted by January 31st (latest)	GEF: as part of Implementation firm budget
Half-yearly progress report	<p>Part of Asian Development Bank requirements for project monitoring.</p> <ul style="list-style-type: none"> - Narrative of the activities undertaken during the considered semester - Analyzes project implementation progress over the reporting period. - Describes constraints experienced in the progress towards results and the reasons. 	Execution: PCU	half-yearly progress reports for any given year, submitted by January 31 (latest) for period 1 st July ? 31 st December of previous year	GEF: as part of PCU budget
Quarterly expenditure reports	Detailed expenditure reports (in excel) broken down per project component and budget line, with explanations and justification of any change	Execution: PCU	Four (4) quarterly expenditure reports for any given year, submitted by January 31, April 30, July 31 and October 31 (latest)	GEF: as part of PCU budget

Medium-Term Evaluation (MTE) / Medium-Term Review (MTR)	The purpose of the MTE or MTR is to provide an independent assessment of project performance at mid-term, to analyze whether the project is on track, what problems and challenges the project is encountering, and which corrective actions are required so that the project can achieve its intended outcomes by project completion in the most efficient and sustainable way. It will verify information gathered through the GEF tracking tools.	Execution: PCU Support: Project Implementation Firm	At 2 nd year of project implementation MTR mission for a GEF financed project is compulsory, not discretionary	\$15,000
Final Report	The project team will draft and submit a Project Final Report, with other documents (such as the evidence to document the achievement of end-of-project targets). Comprehensive report summarizing all outputs, achievements, lessons learned, objectives met or not achieved structures and systems implemented, etc. Lays out recommendations for any further steps to be taken to ensure the sustainability and replication of project outcomes.	Execution: Project Implementation Firm	Final report to be submitted no later than three (3) months after the technical completion date	GEF: as part of firm budget
Terminal Evaluation (TE)	Further review the topics covered in the mid-term evaluation. Looks at the impacts and sustainability of the results, including the contribution to capacity development and the achievement of global environmental goals.	Execution: Independent evaluator Support: Project Implementation Firm and PCU	Can be initiated within six (6) months prior to six months after the project's technical completion date	\$75,796
TOTAL M&E COST				GEF: US\$ 90,796

10. Benefits

Describe the socioeconomic benefits to be delivered by the project at the national and local levels, as appropriate. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCE/SCCF)?

This project will deliver socio-economic benefits for diverse communities by reducing marine plastic pollution and restoring the health of rivers, coasts, and marine ecosystems. Over 400,000 metric tons of plastic litter will be avoided because of this project. Ocean plastics have direct economic implications for poor communities and especially women who rely on marine life and ecosystems for their livelihoods. The economic costs of plastic are also felt by people who rely on agriculture as waste often chokes rice fields and other crops.

The COVID-19 pandemic has caused significant setbacks in waste management and efforts to transition to a circular plastics economy. In addition to the increased volumes of medical waste and single-use plastics, the COVID-19 pandemic also resulted in loss of livelihoods in the waste management industry. In May 2020, an estimated 63,000 waste workers reportedly lost their livelihood in Indonesia alone.^[1] A green and blue recovery from COVID-19 that incorporates waste management, a circular plastics economy, and livelihood creation is crucial. Decent work ? jobs that are fair, equitable, safe, and dignified, is a core component of green and blue recovery and will be promoted through the Circular Business Hub's Social Inclusivity Platform and Challenge Program.

Investing in infrastructure, circular business models, and communities ensures a resilient future for the economy and environment. The Blue SEA Finance Hub will support SMEs, including 70 women from waste banks and Family Income Generating Groups, through capacity-building, project development, and innovating financing. The Circular Business Hub Knowledge Market and Social Inclusivity Platform will offer women, independent waste collectors, and other community groups capacity building activities in circular economy solutions, healthy and safety and economic opportunities in waste recycling, and other skills to nurture circular innovations and SMEs.

The Circular Business Hub and other project activities, including better governance and financing mechanisms for plastic waste management and a circular economy, will provide critical public health benefits by providing alternatives to the dumping or burning of plastic. Circular solutions will decrease negative toxin releases from burning plastics, including exposure to furans and dioxins (unintentional POPs) and other negative health outcomes recognized by the Basel and Stockholm Conventions (as outlined in section 7). Plastic toxicity interacts with female bodies differently to male and especially impacts women's reproductive health, their breastmilk, pregnancies, and unborn children (see endnote v).

The project will also contribute to:

- ? Restored and sustained freshwater, coastal, and marine ecosystems, including globally significant biodiversity (Sub-indicator 5.3: estimated 427,670 metric tons of marine litter avoided over 14 years)
- ? Reduced vulnerability to climate risks, and increased ecosystem resilience through reduced greenhouse gas emissions as a result of better integrated solid waste management (e.g. reduction of volume of wastes in illegal dumpsites, diversion of waste away from landfills and improved management of plastics related wastes)
- ? Reduction in Greenhouse Gas Emissions (Core Indicator 6: 191,684 Tonnes CO₂e over 14 years)
- ? Indirectly, reduced and/or avoided chemicals of global concern and their waste in the environment and in processes, materials, and products (Indicator 10: 487.32 g/TEQ over 14 years)

[i] H. Sofia and S. Haryati. 2020. COVID-19: Plastic recycling industry laid off 63 thousand workers. *Antara News*. 5 May. <https://en.antaranews.com/news/147735/covid-19-plastic-recycling-industry-laid-off-63-thousand-workers>.

11. Environmental and Social Safeguard (ESS) Risks

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

Overall Project/Program Risk Classification*

PIF	CEO Endorsement/Approval	MTR	TE
Low			

Measures to address identified risks and impacts

Elaborate on the types and risk classifications/ratings of any identified environmental and social risks and impacts (considering the GEF ESS Minimum Standards) and any

measures undertaken as well as planned management measures to address these risks during implementation.

. GEF Minimum Standards and Mitigation Measures

GEF Minimum Standards	Mitigation Measures
Environmental and Social Assessment, Management and Monitoring	<p>Sites will not be adjacent to or within any environmentally or culturally sensitive areas. Sites will not be in areas that would create involuntary resettlement impacts or have any impacts on indigenous peoples.</p> <p>Mitigation measures will be put in place to reduce noise, air pollution, and soil and water contamination during MRF construction or renovation.</p> <p>An environmental and social management plan will be prepared and implemented.</p>
Accountability, Grievance and Conflict Resolution	<p>The PCU and firm will agree on a mechanism to receive and facilitate resolution of any concerns and grievances regarding the project's environmental performance during project implementation. The mechanism will be described in the environment and social management plan. All complaints and their resolution shall be documented in the project monitoring reports.</p>
Biodiversity Conservation and the Sustainable Management of Living Natural Resources	<p>The project will support proactive efforts to prevent waste from entering the natural environment and coastal and marine ecosystems. The Regional project is expected to prevent 650,934 MT of marine litter and the Plastik Sulit project is expected to divert an additional 300,850 MT of marine litter giving a total of 951,784 MT diverted. Sites will not be located in areas with foreseeable adverse impacts on any legally protected area or one that supports high biodiversity values.</p>
Restrictions on Land Use and Involuntary Resettlement	<p>Sites will not be in areas that would create involuntary resettlement impacts. The firm will assess any legacy involuntary resettlement issues related to the sites. The project sites will be selected in close consultation with the national and local governments, and activities aim to build capacity of local communities. No GEF funds will be associated with involuntary resettlement activities.</p>
Indigenous Peoples	<p>Sites will not be in areas that would create negative impacts in indigenous people. The firm will assess any legacy indigenous people issues related to the sites. The project sites will be selected in close consultation with the national and local governments, and activities aim to build capacity of local communities.</p>

Cultural Heritage	There may be historical, cultural, traditional, or religious values and beliefs that will need to be recognized and protected in relation to plastic use and disposal. Strategies to identify and protect such values will be jointly developed through participatory processes with local communities.
Resource Efficiency and Pollution Prevention	Resource efficiency, pollution prevention and reduction are key elements in building a circular economy for plastics. By creating value for waste and difficult plastics, the design and manufacturing of new products are expected to use discarded wastes as raw materials instead of virgin plastics and other newly extracted raw materials. Further, the activities contribute to national targets of the DMCs to reduce marine litter.
Labor and Working Conditions	<p>An operations manual containing standard operating procedures will be prepared for the MRFs and test facility to mitigate risks and vulnerabilities related to occupational health and safety due to physical, chemical, and biological hazards; accidents; and disasters during construction and operation. COVID-19 screening and mitigation protocols will be enforced for the everyone entering the MRF and test facility sites.</p> <p>The project will not restrict waste workers' access to sites or cause loss of income.</p> <p>The project will not use child labor, nor will it decrease employment. It will aim to improve health, safety and labor conditions through capacity development and training for local communities. The Project will adhere to GEF and other internationally recognized standards, such as those of the International Labor Organization.</p>
Community Health, Safety and Security	Mitigation measures will be in place to minimize odor, pests, noise, water and air pollution and windblown solid waste. If any construction or renovation is done, there will be access control, fencing, signage, and communication of risks to the local community; and regulation of vehicles and equipment entering and exiting the site.

Broader Project Risks and Proposed Mitigating Measures

Risk	Mitigating Measures
Indonesia is not fully committed to participate in the project	Indonesia has shown a consistent commitment to tackling its plastic problem and has a history of successful participation in projects. The project is being scoped and designed in collaboration with government agencies so that it is responsive to Indonesia's needs.
Change of local government during project	The project will demonstrate a positive contribution to the local environment and community with strong community education and engagement activities to maintain relevance and benefit across political groups.

Capacity limitations exist within key executing agencies	<p>A capacity needs assessment will be undertaken during the project preparation phase and capacity-building incorporated into the project. Indonesia has</p> <p>committed significant funding to the CMMIA, broadening the resources and band width of the executing agency</p>
Current high levels of interest shown by the private sector, NGOs, and civil society in circular economy could decrease if the interest of the government changes and reduces support	The project has a significant focus on stakeholder, private sector, and community engagement (including women and the informal sector) and will work to demonstrate benefits across stakeholder groups, and as such will not be entirely dependent on Government interest levels.
Flooding or natural disaster at the Circular Business Hub (climate risk)	The facility will be located to avoid or reduce climate-related risks and the physical infrastructure climate-proofed.
Potential environmental, socio- economic and health and safety risk from the Circular Business Hub and other project activities	The project is required to comply with ADB's Safeguard Policy Statement (2009) Environmental Safeguards and its assessment, monitoring and reporting and approval procedures. This will entail project screening and preparation of an environmental assessment that identifies potential impacts and risks (including environmental and socio-economic, such as impacts on livelihoods and vulnerable groups, and occupational and community health and safety) within the project's area of influence, and identifies suitable measures to avoid where possible, or minimize or mitigate the impacts. At the Circular Business Hub workers will be provided with safe and healthy working conditions and preventative and emergency preparedness and response measures will be put in place. An occupational health and safety plan will be prepared during the project preparation phase.
Despite efforts, plastic production continues to increase at current pace	<p>Given the almost insurmountable challenge of getting the fossil fuel industry to change course, the project will look at a range of measures to reduce demand and to manage and reduce plastic waste and pollution. It will encourage the testing and adoption of a circular economy, promote alternative materials, processes, and business models, and provide credible information to challenge the status quo.</p> <p>The project will also support cross-sectoral collaboration through the Collaborative Forum system to directly address challenges of limited private sector engagement. Knowledge products targeted at highlighting BAT and incremental improvement solutions will also be targeted at industry sectors identified as having low responses/uptake.</p>

Challenges of COVID-19 pandemic responses and transition to 'new normal'?	<p>COVID-19 has caused the volume of infectious medical waste and the use of single-use plastics and packaging (e.g., for personal protective equipment (PPE), food and e-commerce deliveries) to surge, while recycling and municipal waste services have stopped or become limited in some areas. Some governments have delayed positive actions to reduce plastic pollution, and donors have reprioritized funds toward emergency response. This increases the urgency of this project, which supports a green recovery through circular economy that stimulates the economy, creates jobs for the future and spurs innovation. This message will be supported by complementary ADB knowledge work on the case for a green recovery.</p> <p>In terms of implementation challenges during the 'new normal' of lockdowns, restricted travel and social distancing, World Health Organization guidance will be followed through the project. ADB is actively promoting management strategies for COVID-19 response and as such team members will be experienced with the standard operating procedures required for travel and project management under 'new normal' conditions. Where possible, interaction with stakeholders will be completed remotely. Consultations, workshops, trainings, and capacity-building will be conducted online as much as possible. Engagement with communities and on-the-ground interactions will be completed by team members experienced and trained to operate in potentially hazardous environments and include digital contact tracing and outbreak monitoring.</p>
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Climate Change

Following ADB's safeguards policy and procedures, the project has been preliminarily screened for climate risks and found to have **medium climate risk** based on the following screening form.

Screening Questions		Score	Remarks
Location and Design of project	Is siting and/or routing of the project (or its components) likely to be affected by climate conditions including extreme weather-related events such as floods, droughts, storms, landslides?	1	The MRFs will be sited and designed to reduce the impact of floods and storms
	Would the project design (e.g. the clearance for bridges) need to consider any hydro-meteorological parameters (e.g., sea-level, peak river flow, reliable water level, peak wind speed etc.)?	1	See above

Materials and Maintenance	Would weather, current, and likely future climate conditions (e.g. prevailing humidity level, temperature contrast between hot summer days and cold winter days, exposure to wind and humidity hydro-meteorological parameters likely affect the selection of project inputs over the life of project outputs (e.g. construction material)?	1	The MRFs and test facility will be constructed in compliance with local and international regulations and best practices regarding wind speed
	Would weather, current, and likely future climate conditions, and related extreme events likely affect the maintenance (scheduling and cost) of project output(s)?	1	Repairs may be needed following extreme storms
Performance of project outputs	Would weather/climate conditions, and related extreme events likely affect the performance (e.g. annual power production) of project output(s) (e.g. hydro-power generation facilities) throughout their design lifetime?	0	

Supporting Documents

Upload available ESS supporting documents.

Title	Module	Submitted
2021-11-18 Safeguards	CEO Endorsement ESS	

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

ANNEX A: DESIGN AND MONITORING FRAMEWORK				
Objective: To create enabling conditions for governments and relevant stakeholders to promote actions to reduce plastic pollution from source to sea in Asia and the Pacific				
Project Outcomes	Project Outputs	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions

Outcome 1: Functional Circular Plastics Economy Enabled at National Level	<p>Output 1.1: Policy Guidance and Governance Mechanisms to Support Circular Plastics Economy Enhanced</p> <p>Output 1.2: NPAP Financing Roadmap Implementation Supported, with Financing Mechanisms to Achieve Indonesia's Plastic Pollution Reduction Targets Developed</p>	<p>1.1 By 2024, at least two policy, regulatory or institutional reforms for supporting Circular Plastics Economy supported</p> <p>1.3 By 2025, recommendations for enabling policy and institutional arrangements, financing mechanism and design principles for enabling a circular plastics economy in Indonesia completed and operationalized</p> <p><u>Core Indicator Targets</u></p> <p>Marine Litter Avoided = 128,301 MT</p> <p>GHG emissions mitigated = 57,505.2 TCO₂e</p> <p>POPs reduction = 146.2 g/TEQ</p> <p>Direct Beneficiaries = 600 Female/600 Male</p>	<p>1.1 Draft and finalized policies and Interventions</p> <p>1.2 Draft and finalized financing arrangements, capital mobilized, projects funded</p> <p><u>Means of monitoring / verification</u></p> <p>Environmental and Circular Economy supportive policies prepared and/or finalized</p> <p>Project implementation teams reporting on progress</p> <p>Annual PIR preparation</p> <p>Mid-term review and Terminal evaluation</p>	R: Limited collaboration across government agencies and between government, private sector and civil society affects buy-in
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<p>Outcome 2: Mainstreaming of Circular Economy Approaches for Plastics Management and National and City Level Enhanced</p>	<p>Output 2.1 Stakeholder Engagement Enhanced Through Collaborative Forums</p> <p>Output 2.2: Circular Business Hub Established and Operated</p> <p>Output 2.3: Behaviour Change and Capacity Development Programs Designed and Implemented</p>	<p>2.1 By 2025, at least 8 collaborative forums operated and completed with outputs integrated into project activities</p> <p>-</p> <p>-</p> <p>2.2 By 2025, at least 4 circular economy capacity building events completed</p> <p>-</p> <p>-</p> <p>2.3 By 2025 Capacity development programs implemented</p> <p>-</p> <p><u>Core indicator targets</u></p> <p>Marine litter avoided = 128,301 MT</p> <p>GHG emissions mitigated = 57,505.2 TCO₂e</p> <p>POPs reduced = 146.2 g/TEQ</p> <p>Direct Beneficiaries = 600 Female/600 Male</p>	<p>2.1 Collaborative forum output reports</p> <p>2.2a Trial facility activity and project completion reports</p> <p>2.2b Circular Business Hub activity and project completion reports</p> <p>2.3 Development program design and monitoring documents incl/ progress reports and plastic waste reduction outcome measurement</p> <p><u>Means of monitoring / verification</u></p> <p>Waste characterization and environmental studies prepared to support investments</p> <p>Project implementation teams reporting on progress</p> <p>Annual PIR preparation</p> <p>On-site visits (when possible)</p> <p>Mid-term review and Terminal evaluation</p>	
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Outcome 3: Circular Economy Knowledge, Technologies and Innovations Promoted and Shared	Output 3.1: Multi-stakeholder capacity building, training and skills development on circular plastics economy conducted	3.1 By 2025, at least two high-level capacity building and plastic circular economy programs, convened (2018 baseline: 0)	3.1 Event proceedings and reports	R: Institutional capacity for knowledge management will be variable across countries. A: Regional coordinator and the contracted knowledge management organization will address any gaps
	Output 3.2: Innovation and technology events to share new and emerging solutions convened	3.2 By 2025, At least 6 knowledge-sharing and capacity-building events, workshops, training including on lessons from the trial projects implemented (2018 baseline: 0)	3.1 Event proceedings and feedback reports	
	Output 3.3: Knowledge products to support decision making, solutions and collaboration developed and disseminated	3.3a By 2025, at least 50 officials of agencies (with 20% women) including from sub- regional cooperation programs, provide feedback that their knowledge on healthy oceans and circular economy was improved (2018 baseline: 0)	3.3a Event proceedings and feedback reports	
		3.3b By 2025, at least 200 participants (with 40% women) from two regional high-level awareness-raising or mainstreaming events, including workshops or roundtables through sub- regional cooperation programs, confirm improved knowledge and engagement on oceans health and circular plastics economy (2019 baseline: 0).	3.3b Event proceedings and feedback reports	
		3.3c By 2025, at least three knowledge products developed and disseminated (2018 baseline: 0)		
		<u>Core indicator targets</u>		
		Marine litter avoided = 171,068 MT	3.3c Knowledge products, record of citations	
		GHG emissions mitigated = 76,673.6		

ANNEX B: 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).

**GEF ID 10546 - "Plastik Sulit?: Accelerating Circular Economy for Difficult Plastics in Indonesia
Comments Matrix**

Com mente r	Issue/ Sectio n	Comment	Action Taken or Response
Secretariats of the Basel, Rotterdam, and Stockholm conventions	General	Need to feature more in the project consideration for the presence of plastic additives and how this will be addressed, including POPs, in various plastic products, which is particularly relevant in the context of a circular economy, where you may end up with a toy from recycled plastic containing flame retardants.	Reference to additive issues, selection, and identification added throughout the project document

	General	<p>It seems the project is to a large extent focused on 'upstream' solutions (redesign, prevention, alternatives etc.); however, as the project document itself acknowledges, solutions must address the entire lifecycle, including waste management. I think this aspect needs to be strengthened (beyond e.g. the development of a roadmap for scaling up microfinance for waste management and recycling).</p>	<p>Noted. The Plastik Silit project is deliberately aimed at upstream solutions. The waste management activities, collection, initial sorting, etc., are covered in sister projects including the GEF ID 10628 Project 'Promoting Resource Efficiency and Circularit y to Reduce Plastic Pollution for Asia and the Pacific'.</p>
	General	<p>While the Basel Convention plastic waste amendments are briefly mentioned in the beginning, they are not really considered in the project design; a circular economy solution for plastic waste will likely need to include at least some trade, hence important to consider the plastic waste amendments. Information on the Basel Convention Plastic Waste Amendments can be found here: http://www.basel.int/Implementation/Plasticwaste/Amendments/Overview/tabid/8426/Default.aspx</p>	<p>Detail added in Output 1.2: Governance mechanisms to support circular plastics economy developed and Indonesian Baseline Scenario</p>

	<p>Main document: Associated baseline projects</p>	<p>The Basel Convention Regional Center for Southeast Asia (BCRC-SEA) in Indonesia will be engaged. Please note that BCRC-SEA is also supporting BRS technical assistance activities on plastic waste as part of the Small Grant Programm</p> <p>http://www.basel.int/Implementation/Plasticwaste/Technicalassistance/Projects/BRSNorad2/SGPonplasticwaste/tabid/8402/Default.aspx and as part of the Plastic Waste Partnership pilot project</p> <p>http://www.basel.int/Implementation/Plasticwaste/PlasticWastePartnership/PWPpilotprojects/tabid/8494/Default.aspx. It would be best to ensure synergies among the projects as those share common objectives of addressing plastic pollution. BRS technical assistance programme could be included in the 'Relevant Partner Programs and Projects' mentioned in page 19-20.</p>	<p>Incorporated Page 22 ?</p> <p>Relevant partner projects</p>
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	<p>Private sector engagement will be key to the successful implementation of the project. The project document indicates that there has been resistance from the private and public sector to implement waste preventive measures and circular business models and to adopt BAT/BEP, due to prohibitive costs, loss of competitive advantage, and potentially delayed financial returns. The risk mitigating measures in Table 4 should include this risk of limited collaboration across stakeholders including private sector and limited engagement by private sector and the relevant measures to mitigate the risk.</p>	<p>Language included in the Table 4 Risk Mitigation : ?The project will also support cross sectoral collaboration through the Collaborative Forum system to directly address challenges of limited private sector engagement. Knowledge products targeted at highlighting BAT and incremental improvement solutions will also be targeted at industry sectors identified as having low responses/uptake?.</p>
	<p>The following paragraphs on the Basel Convention in page 50 and page 78 needs to be revised/updated. Suggested edits are attached.</p>	

Main document: Output 3.2	?It is also directly relevant to the Basel Convention Technical Guidelines on the Identification and Environmentally Sound Management of Plastic Wastes and their Disposal. In particular, the most recent amendment (BC-14/13) calls on countries to undertake further actions to address plastic waste.?	Included in the Outcome 3 Introduction with additional clarifying language.
Main document: Institutional arrangements and coordination	?The provisions of the Basel Convention apply to plastic waste, as some plastic is listed as ?hazardous wastes?, much of which is generated at household level. In 2016, the United Nations Environment Assembly emphasized the importance of this elaboration, to expand the meaning of environmentally sound management of waste, including waste prevention, minimization, and recovery, and to address the underlying causes of marine litter and plastic. In 2017, the Conference of the Parties to the Basel Convention decided that its Open-ended Working Group consider relevant options available under the Convention to further address marine plastic litter and microplastics. The Household Waste Partnership also includes plastics in the definition of ?environmentally sound management of household wastes?. Regional centers of the Basel and Stockholm Conventions now work on the impact of plastic waste, marine plastic litter, microplastic, and measures for prevention and environmentally sound management.?	Included in Output 1.2: Governance mechanisms to support circular plastics economy developed with additional clarifying language.

GEF ID 10546 - "Plastik Sulit?: Accelerating Circular Economy for Difficult Plastics in Indonesia

Comments Matrix (Response to GEF Council Review, June 2020)

Commenter	Issue/Section	Comment	Action Taken or Response
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Norway/ Denmark	General comments	<p>The project aims to build on analysis done by the Global Plastic Action Partnership (GPAP) and its first National Plastic Action Partnership (NPAP) for Indonesia. It will bring forward recommendations for implementation in close collaboration and coordination with NPAP and the Indonesian government's National Plan of Action on Marine Debris (NPOA). We welcome the project's focus to follow up on this and its particular focus on reducing or substituting plastic usage and redesigning plastic products and packaging, over recycling and waste management, in order to catalyse the transition to a circular economy.</p>	Thank you.
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	<p>There is a plethora of projects to combat marine litter going on in Indonesia. It is important that coordination will be ensured. (E.g. other projects relevant for coordination funded by Norway:</p> <p>UNDP's Support Facility Project for Marine Plastic Litter Reduction Acceleration Secretariat (with a specific focus on assisting the government with coordination)</p> <p>An innovation challenge called 'Ending Plastic Pollution Innovation Challenge' which will most likely take place in Indonesia in 2021. (Could be relevant for the Circular Business Hub).</p> <p>NIVA's (Norwegian Institute for Water Research) 'ASEAN-Norwegian Capacity Building Project for Reducing Plastic Pollution'. (Could be relevant for the Circular Business Hub).</p> <p>Greeneration Foundations's 'Creating Strong Ecosystem to Implement Circular Economy in Indonesia'. (Could be relevant for the Circular Business Hub).</p> <p>EcoNusa Foundation's 'Building Movement for Indonesia Marine Debris'. (Focus on awareness raising)</p> <p>Avfall Norge's 'Clean Oceans through Clean Communities'. (Could be relevant for the Circular Business Hub).</p> <p>It is promising that the project potentially will align with Project STOP (also receiving funding from Norway).)</p>	<p>Thank you, these projects will be included in future engagement activities.</p>
	<p>It would be beneficial if the project was clearer on what its main objective will be. Currently, the project structure and its three outcomes are first described before the project's focus on problematic plastics is presented.</p>	<p>The project focus and objectives have been articulated more clearly and earlier in the project document.</p>

		<p>We note the discussion regarding the inclusion of ghost fishing gear as commercially problematic plastics. We understand why it has been included due to interest from the Indonesian government but would also like to raise concern that the scope of the project could get too wide focusing both on sea- and land-based plastic waste.</p>	<p>The project focusses on working with fisher folk to promote the return and reuse of fishing gear rather than addressing the whole aspect of Ghost Fishing gear. This limits the scope of the project but will ensure it remains achievable.</p>
		<p>As the project has quite a top-down approach, and a mix of activities taking place at the national and sub-national levels, it will be paramount that it secures ownership and buy-in from partners from different sectors and particularly vulnerable groups (e.g. in the informal sector).</p>	<p>The project includes an Inclusivity Platform (as part of Output 2.2) specifically to support the engagement of informal and vulnerable groups. This platform will also ensure the needs of these groups and impacts of plastic reduction on low-income groups</p>
	Detailed comments	<p>It is stated that 'the proposed GEF project will focus on the challenges of commercially problematic plastics'. If this is a focus, this should be better reflected in the results framework. Currently, this is not mentioned in the outcomes, only in outputs 2.2 and 2.3.</p>	<p>The project has been redesigned to better integrate both the focus on problematic plastics and the roles of policy and investment in delivering this project outcome.</p>
		<p>With regards to the Theory of change figure, CO2-emissions from production and at end-of-life could be listed under 'problems'.</p>	<p>Done, this has been added.</p>
		<p>We note that the first bullet point linked to outcome 1 in Figure 4 'Build on data/metrics in NPAP Action Roadmap' is not included in the results framework. Is there a reason for this?</p>	<p>The management of metrics and data is covered under the Regional Project activities GEF ID 10628</p>
		<p>Under 'Environment and social safeguards' it is mentioned that the project will not decrease employment. Is it possible to be more ambitious and aim to create more jobs? E.g. in the informal sector?</p>	<p>This has been included in the role of the Inclusivity platform (Output 2.2).</p>

		<p>The project states the importance of working with the private sector. It would however be useful to clarify if the project will accommodate different strategies for big multinational companies or small and medium sized enterprises.</p>	<p>This has been incorporated in the Collaborative Forum approach (Output 2.1) and also in the engagement with the Blue SEA Finance Hub (Output 1.2) to provide tailored engagement and approaches for different sizes and types of companies.</p>
		<p>Risk factors that could be added:</p> <p>It is mentioned that Indonesia is lagging behind when it comes to innovation. Could this limit the success of The Circular Business Hub? How will it be ensured that enough sound solutions can take use of the Knowledge Hub and the Test Facility?</p> <p>The project can negatively affect livelihoods for poor and vulnerable groups, e.g. the informal sector.</p> <p>How will the COVID-19 situation affect the project?</p> <p>What if private sector partners are hesitant about taking part, as the project will disrupt their business model? (E.g. they have expressed concerns regarding EPR-mechanism)</p> <p>Analysis of internal capacity within ADB.</p>	<p>The project has addressed these risk factors</p> <p>The project is aligned with the Blue SEA Finance Hub (Output 1.2) to promote innovation and incubation of ideas in Indonesia.</p> <p>The Inclusivity Platform (Output 2.2) has been developed to ensure the protection and improvement of job opportunities for the poor and vulnerable groups</p> <p>As COVID is now coming under control it is not foreseen to negatively impact the project. Future events involving lockdowns will impact the physical aspects of the project, but the re-design has ensured that the majority of the project outcomes can be achieved remotely.</p>
		<p>The development of an EPR tax level assessment tool and EPR market stimulation price calculator sounds interesting. Will these also be possible to use in other geographical locations?</p>	<p>We have removed this activity to reflect the change in project design.</p>
		<p>Will the Circular Business Hub, most likely to take place in the city of Cirebon focus on local stakeholders or invite nation-wide participants?</p>	<p>We have confirmed that the Circular Business Hub will be located in Cirebon. The Hub will facilitate dialogue and knowledge-sharing with stakeholders nation-wide, while also providing a physical circular economy testing facility in Cirebon to test business models and innovative approaches.</p>

		<p>The medium-term vision for a Circular Business Hub is mentioned. Is there a long-term vision to make it sustainable after project end as well?</p>	<p>The project is aligned with both the Government of Indonesia and the Blue SEA Finance Hub (Output 1.2) extended development plans to ensure that project achievements and learning will be captured and carried forward in the long term.</p>
Germany		<p>Germany approves the following PIFs in the work program but asks that the following comments are taken into account:</p> <p>Germany welcomes this proposal, which addresses reduction of plastic pollution and supporting Indonesia's transition to a circular plastics economy through a multi-stakeholder value chain approach demonstrated at city level.</p>	<p>Thank you.</p>
	Suggestions for improvements to be made during the drafting of the final project proposal	<p>Data obtained through the Output 1.1 on Market analysis of plastic value chains should be used for further policy developments in the country. Germany recommends ensuring that the results and data obtained are linked and put in the Ministry's database/system.</p>	<p>We have removed this activity to reflect the change in project design.</p>
		<p>The actual engagement and long-term commitment of the proposed city (Cirebon/North Java) remains unclear, as well as selection of further two cities as pilot cities. Germany suggests providing more clear-cut and robust information on municipal engagement commitments. Also, no information is provided on the criteria of selection, please include these in the final proposal.</p>	<p>The project design focuses more clearly on National activities. We have included a brief description of the city selection process for the Circular Business Hub. The selection of two additional cities has been removed in favor of project flexibility for the executing agency and project delivery.</p>

		<p>While the concept of establishing a Circular Business Hub is interesting and ambitious, the medium- to long-term financial sustainability of such a hub beyond the project duration remains unclear. Germany suggests including references to a medium-to long-term (financial) strategy how to operationalize such a hub. In addition, the requested financing for project component 2 (3,800,000 USD) seems slightly exaggerated and needs more detailed specifications regarding planned allocations in light of the proposed activities.</p>	<p>The project is now aligned with the ADB-led Blue SEA Finance Hub (Output 1.2) to ensure that financing capacity and duration is matched to the potential for development and operationalization of projects and ideas incubated by the Circular Business Hub.</p>
United States of America		<p>We find it of concern that the proposed project would support the development and drafting of new policies and regulations that potentially include single-use plastic bans, particularly in the absence of robust analysis of the lifecycle impacts of plastic alternatives (Output 1.2). Similarly, we find it of concern that priority would be given to measures that reduce or substitute plastic usage, in the absence of such an analysis.</p>	<p>Noted, thank you.</p>
		<p>We can support extended-producer-responsibility schemes only if they remain voluntary.</p>	<p>Noted, thank you.</p>

		<p>This proposed project appears to align with some, but not all of the goals of the NPAP Action Roadmap, and broadly excludes improved solid waste management. Potential future ABD work outlined on page 20 notwithstanding, the limited solid waste management work outlined in Annex D causes concern that this project misses an important opportunity to contribute to improved environmentally sound waste management systems, which would enable the project to achieve more significant and sustainable results. Recognizing that the GEF's comparative advantage may lay outside the implementation of solid waste management system, we recommend the project consider the development of a solid waste management strategy, as an additional component of the governance mechanisms.</p>	<p>Other projects are focusing on solid waste management including GEF ID 10628. This project has been tasked to focus on circular economy activities and other upstream recycling. The two projects will be integrated at the interfaces as both are being delivered by the same team within ADB.</p>
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ANNEX C: Status of Utilization of Project Preparation Grant (PPG).
(Provide detailed funding amount of the PPG activities financing status in the table below:

*As of 6 May 2022

PPG Grant Approved at PIF: U\$ 182,650

<i>Project Preparation Activities Implemented</i>	<i>GETF/LDCF/SCC F Amount (\$)</i>			
	<i>Budgeted Amount</i>	<i>Amount Committed</i>	<i>Amount Spent ToDate*</i>	<i>Amount Unspent/undisbursed</i>
Sub total Consulting services rendered: Technical expertise **	162,091	162,091	157,448	4,643
Project Manager	52,111	52,111	50,914	
Solid Waste Management Specialist (international and local)	49,928	49,928	46,608	
Gender Equality & Social Inclusion Specialist	31,952	31,952	31,826	
Finance & Strategy Development Specialist	28,100	28,100	28,100	
Sub Total Consulting services rendered: Stakeholder engagement ***	20,559	20,559	20,428	131
Solid Waste Management Specialist (local)	10,000	10,000	9,913	
Gender Equality & Social Inclusion Specialist	8,000	8,000	7,956	
Workshop/Meeting with local goverment	2,559	2,559	2,559	
Grand Total	182,650	182,650	177,876	4,774

As of May 6, 2022

** Consulting services executed and funded under PPG:

1. Technical knowledge for the planning and design of Plastik Sulit related inputs and participation in relevant partner activities promoting the project's agenda generally

2. Preparation of detailed scope of the proposal components and terms of reference related to infrastructure, technology, and financing investment needs for solid waste management including the inputs on transition to circular economy for plastics, reviews of institutional arrangements and capacity and policy and regulation for reducing marine plastic pollution
3. Technical inputs on the development of proposal's partnerships strategy and knowledge management, communications and events plan
4. Preparation of the full funding proposal of Plastik Sulit

*** Stakeholder engagement executed and funded under PPG:

1. Partnership strategies which identified strategic partners, key opportunities for collaboration, objectives, mapping of partner programs and stakeholder mapping
2. Built relationships with focal ministry, participating line agencies, partners, stakeholders to ensure they were kept informed and engaged on country and city level plans and that their inputs/requirements were considered in the proposal preparation

ANNEX D: Project Map(s) and Coordinates

Please attach the geographical location of the project area, if possible.

Circular Economy Test Facility

Jalan Dukuh Semar Recycling Facility (6°44'12.58"S 108°33'21.14"E)

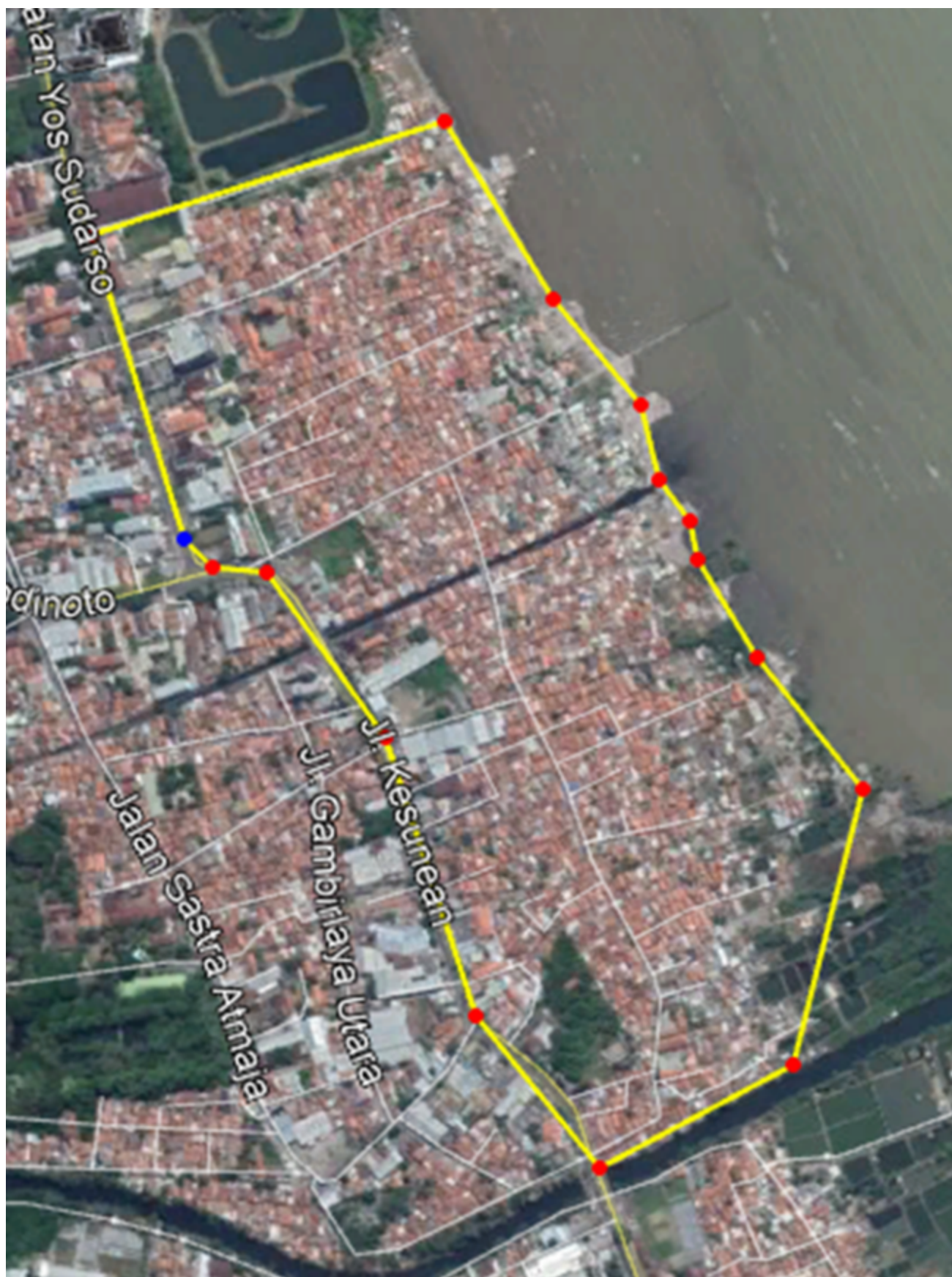


Community Engagement and Project Areas

Cangkol Utara - 6°43'21.03"S 108°34'31.93"E

Kesunean - 6°43'35.90"S 108°34'37.40"E

These are neighbouring communities. Project activities will be co-ordinated from the Rumah Kreatif Cirebon building located at 6°43'35.90"S 108°34'37.40"E



ANNEX E: Project Budget Table

Please attach a project budget table.

Expenditure Category	Detailed Description			Component (USD eq.)				Total (USD eq.)	Responsible Entity
		Component 1	Component 2	Component 3	Sub-Total	M&E	PMC		(Executing Entity receiving funds from the GEF Agency) [1]
Works	Civil work		\$500,000		\$500,000			\$500,000	MOEF
Goods	Equipment&Materials:		\$1,500,000		\$1,500,000			\$1,500,000	MOEF
	<i>Loading hopper</i>		\$10,000		\$10,000			\$10,000	MOEF
	<i>Feed conveyor and conveyer belts</i>		\$30,000		\$30,000			\$30,000	MOEF
	<i>Ballistic separator</i>		\$20,000		\$20,000			\$20,000	MOEF
	<i>NIR sorter</i>		\$200,000		\$200,000			\$200,000	MOEF
	<i>Color sorter</i>		\$200,000		\$200,000			\$200,000	MOEF
	<i>Shape sorter</i>		\$200,000		\$200,000			\$200,000	MOEF
	<i>Air compressors</i>		\$20,000		\$20,000			\$20,000	MOEF
	<i>Structural Steel and Viewing platform</i>		\$40,000		\$40,000			\$40,000	MOEF

	<i>Supporting equipment installation e.g. PowerPack</i>		\$70,000		\$70,000			\$70,000	MOEF
	<i>Plastic shredding and washing machine</i>		\$30,000		\$30,000			\$30,000	MOEF
	<i>Automated repair and recycling equipment for fishing gear</i>		\$200,000		\$200,000			\$200,000	MOEF
	<i>Plastic pelletizer machine</i>		\$30,000		\$30,000			\$30,000	MOEF
	<i>Plastic quality control and assesment equipment</i>		\$50,000		\$50,000			\$50,000	MOEF
	<i>Pilot washing and reuse equioment</i>		\$100,000		\$100,000			\$100,000	MOEF
	<i>Other innovative plastic waste prevention technologies including digital technologies</i>		\$300,000		\$300,000			\$300,000	MOEF
Grants/ Sub-grants			\$36,000		\$36,000			\$36,000	MOEF
	Medium-Term evaluation					\$15,000		\$15,000	MOEF
Sub Total Works, Goods, Grants/ Subgrants		\$0	\$2,036,000	\$0	\$2,036,000	\$15,000		\$2,051,000	
Contractual Services ? firm									MOEF
	<i>Team leader /Circular economy and plastic waste specialist (Int)</i>	\$228,657.60	\$228,657.60	\$114,328.80	\$571,644			\$571,644	MOEF
	<i>Investment specialist (Int)</i>	\$71,500	\$71,500		\$143,000			\$143,000	MOEF

<i>Finance and socioeconomic specialist (Nat)</i>	\$38,500	\$38,500		\$77,000			\$77,000	MOEF
<i>Technical Specialist (Project Facilities)(Nat)</i>	\$88,000	\$88,000	\$44,000	\$220,000			\$220,000	MOEF
<i>Knowledge management and communication s specialist (Nat)</i>	\$51,750	\$51,750	\$69,000	\$172,500			\$172,500	MOEF
<i>Knowledge management and communication s consultant (Nat)</i>	\$35,250	\$35,250	\$47,000	\$117,500			\$117,500	MOEF
<i>Knowledge management and events manager (Nat)</i>	\$7,700	\$34,650	\$34,650	\$77,000			\$77,000	MOEF
<i>Plastic recycling and ISWM expert (Nat)</i>	\$8,250	\$74,250		\$82,500			\$82,500	MOEF
<i>Circular plastic economy?speci alist (Nat)</i>	\$8,250	\$74,250		\$82,500			\$82,500	MOEF
<i>Environmental policy expert with EPR experience (Nat)</i>	\$35,200	\$8,800		\$44,000			\$44,000	MOEF
<i>ISWM consultant and data analysist (Nat)</i>	\$24,750	\$2,750		\$27,500			\$27,500	MOEF
<i>Plastic packaging design and manufacturing specialist (Nat)</i>	\$5,500	\$22,000		\$27,500			\$27,500	MOEF
<i>Industry engagement and business development specialist with EPR experience (Nat)</i>	\$22,000	\$5,500		\$27,500			\$27,500	MOEF

	<i>Industry engagement and business development junior consultant (Nat)</i>	\$11,000	\$44,000		\$55,000			\$55,000	MOEF
	<i>Plastic ISWM specialist and LCA expert (Nat)</i>	\$5,500	\$22,000		\$27,500			\$27,500	MOEF
	<i>Community engagement specialist and manager (Nat)</i>	\$55,000	\$55,000	\$27,500	\$137,500			\$137,500	MOEF
	<i>Community engagement and gender specialist specialist for the inclusivity platform (Nat)</i>	\$55,000	\$55,000	\$27,500	\$137,500			\$137,500	MOEF
	<i>Secretary to the advisory group and steering committee and lead (Nat)</i>	\$22,000	\$22,000	\$11,000	\$55,000			\$55,000	MOEF
	<i>Test facility director and manager (Nat)</i>		\$220,000		\$220,000			\$220,000	MOEF
	<i>Industry?and machine?operator (Nat)</i>		\$137,500		\$137,500			\$137,500	MOEF
	<i>Industry?and machine?operator (Nat)</i>		\$99,000		\$99,000			\$99,000	MOEF
	<i>Industry?and machine?operator (Nat)</i>		\$99,000		\$99,000			\$99,000	MOEF
	<i>Environmental safeguard specialist (Nat)</i>		\$16,500		\$16,500			\$16,500	MOEF
	<i>Webpage content designer (Nat)</i>			\$16,500	\$16,500			\$16,500	MOEF
	<i>Bahasa English Translator (Nat)</i>	\$5,500	\$5,500	\$5,500	\$16,500			\$16,500	MOEF
Sub Total Contractual Services		\$779,308	\$1,511,358	\$396,979	\$2,687,644			\$2,687,644	MOEF

International Consultants (Specialist PCU Support)	Blue finance hub	\$500,000			\$500,000			\$500,000	MOEF
	Global Plastics Tourism Initiative consultants	\$20,000			\$20,000			\$20,000	MOEF
					\$0			\$0	MOEF
Local Consultants (Specialist PCU Support)	Blue finance hub	\$1,000,000			\$1,000,000			\$1,000,000	MOEF
	Terminal evaluation				\$0	\$35,000		\$35,000	MOEF
	Knowledge Management and Development Communications Specialist			\$80,190	\$80,190			\$80,190	MOEF
	Regional Capacity Development Specialist			\$15,750	\$15,750			\$15,750	MOEF
	IW:LEARN5			\$60,000	\$60,000			\$60,000	MOEF
Sub Total International and Local Consultants		<i>\$1,520,000</i>	<i>\$0</i>	<i>\$155,940</i>	<i>\$1,675,940</i>	<i>\$35,000</i>	<i>\$0</i>	<i>\$1,710,940</i>	MOEF
Salary and benefits / Staff costs	MOEF Knowledge Dissemination Support [2]			\$47,196	\$47,196			\$47,196	MOEF
	Project Steering Committee Admin (Nat)[3]						\$65,000	\$65,000	MOEF
	Technical Advisory Group Admin (Nat)[4]						\$65,000	\$65,000	MOEF

	Collaborative Forum Admin (Nat)[5]						\$64,000	\$64,000	MOEF
	Project manager (Nat)						\$87,804	\$87,804	MOEF
MOEF Sub Total								\$329,000	MOEF
	Circular Economy Plastics Specialist		\$198,084		\$198,084			\$198,084	MOEF
	Administrator						\$51,420	\$51,420	MOEF
Sub Total Salary and Benefits + MOEF	?	\$0	\$198,084	\$47,196	\$245,280	\$0	\$333,224	\$578,504	MOEF
Trainings, Workshops, Meetings		\$3,000	\$22,600	\$24,600	\$50,200			\$50,200	MOEF
Travel	International		\$10,000	\$10,000	\$20,000			\$20,000	MOEF
	National		\$10,000	\$10,000	\$20,000			\$20,000	MOEF
Office Supplies			\$5,000		\$5,000			\$5,000	MOEF
Other Operating Costs					\$0				MOEF
Sub Total Trainings, Workshops etc		\$3,000	\$47,600	\$44,600	\$95,200	\$0	\$0	\$95,200	MOEF
Grand Total		\$2,302,307.60	\$3,793,041.60	\$644,714.80	\$6,740,064	\$50,000	\$333,224	\$7,123,288	MOEF

[1] In exceptional cases where GEF Agency receives funds for execution, Terms of Reference for specific activities are reviewed by GEF Secretariat

[2] This position is tailored to ensure that knowledge generated by the project implementation firm and activities is fully disseminated within the Government of Indonesia to maximise policy and investment integration and so fully deliver project outcomes

[3] The project steering committee is a central element of the project management of Plastik Sulit and the accessibility to government and external stakeholders, engagement with policy makers and effective implementation of committee decisions is critical to project outcome achievement

[4] The Technical Adviosry Group is a central element of the project management of Plastik Sulit and the successful integration of stakeholders into the group and communication of the group outputs is critical to project outcome achievement

[5] The collaborative forums are a key function of project delivery mechanism and their operation is a project management responsibility

ANNEX F: (For NGI only) Termsheet

Instructions. Please submit an finalized termsheet in this section. The NGI Program Call for Proposals provided a template in Annex A of the Call for Proposals that can be used by the Agency. Agencies can use their own termsheets but must add sections on Currency Risk, Co-financing Ratio and Financial Additionality as defined in the template provided in Annex A of the Call for proposals. Termsheets submitted at CEO endorsement stage should include final terms and conditions of the financing.

ANNEX G: (For NGI only) Reflows

Instructions. Please submit a reflows table as provided in Annex B of the NGI Program Call for Proposals and the Trustee excel sheet for reflows (as provided by the Secretariat or the Trustee) in the Document Section of the CEO endorsement. The Agencies is required to quantify any expected financial return/gains/interests earned on non-grant instruments that will be transferred to the GEF Trust Fund as noted in the Guidelines on the Project and Program Cycle Policy. Partner Agencies will be required to comply with the reflows procedures established in their respective Financial Procedures Agreement with the GEF Trustee. Agencies are welcomed to provide assumptions that explain expected financial reflow schedules.

ANNEX H: (For NGI only) Agency Capacity to generate reflows

Instructions. The GEF Agency submitting the CEO endorsement request is required to respond to any questions raised as part of the PIF review process that required clarifications on the Agency Capacity to manage reflows. This Annex seeks to demonstrate Agencies? capacity and eligibility to administer NGI resources as established in the Guidelines on the Project and Program Cycle Policy, GEF/C.52/Inf.06/Rev.01, June 9, 2017 (Annex 5).
