



Plastik Sulit: Accelerating Circular Economy for Difficult Plastics in Indonesia

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10546

Countries

Indonesia

Project Name

Plastik Sulit: Accelerating Circular Economy for Difficult Plastics in Indonesia

Agencies

ADB

Date received by PM

11/26/2021

Review completed by PM

5/10/2022

Program Manager

Leah Karrer

Focal Area

Multi Focal Area

Project Type

FSP

PIF
CEO Endorsement

Part I ? Project Information

Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request

(Karrer, Dec 17 2021). Yes.

Agency Response

ADB Response 16 May 2022

The position titles of "Project Manager" and "Finance Specialist" have been mislabeled in the budget. The first, is actually a technical position for a specialist that will manage 4 institutional structures or facilities created under the project: i) Circular Business Hub, ii) Circular Test Facility, iii) Social Inclusivity Platform, and iv) Collaborative Forums. This role is now titled "Technical Specialist (Facilities). The second person would be more of a resource mobilization expert to assist the Blue SEA Hub, and the various other project structures to attract and crowd-in public and private investments in various aspects of the circular economy for plastics. This position is now revised to: "Investment Specialist". The GEF formatted budget has been updated and the revised TORs (dated 22-05-16) for key personnel and project management structure have reflected these refinements (see Roadmap).

Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request

(Karrer, April 28 2022). Yes.

(Karrer, Dec 17 2021). No.

Overall Concern 1: lack of actionable activities

1) The main overriding concern is the heavy emphasis on studies, reports and analyses and lack of actionable activities, such as new legislation, financial incentives, business practices and circular systems. Given the significant GEF funding envelope of \$7M, activities that directly lead to change are expected. In the stakeholder section, multiple government agencies are noted as partners indicating the ability to affect change in government policies. Further, Indonesia has already benefited from tremendous investments in studying and planning with regard to plastic pollution ? arguably more than in any other developing country. It is, therefore, hard to justify further investments in more studies and analyses and so few actionable activities.

With regard to Outcome 1, Outputs 1.1 and 1.2, which total nearly \$800K, are focused on producing a desktop review, market analysis, toolkit, impact assessment, review of economic instruments, and a study of waste taxes and fees. Output 1.3 also is all studies except for the last 2 bulleted items which are identifying possible investable projects, but even those projects will not actually be funded by the project.

Outcome 2 is potentially more actionable with nearly \$4M of project funding, but it is still heavily focused on studies and reports. Output 2.1, is an important opportunity to execute new systems and policies related to the 5 themes; however, the output descriptions note studies, guidelines and standards, toolkits, and guidance documents. Measures to execute actual change (e.g. establish and enforce new regulations, financial incentives, business practices, circular systems) are missing except for vague plans to reduce plastic pollution working with the hospitality sector. Output 2.2 is described as building on the previous assessments; however, it is limited to only one pilot and includes waste characterization assessments and a socioeconomic assessment. Given the multiple CoFos, it would seem pilots could be conducted for each of these. Output 2.4 is focused on training and awareness raising.

One of the great opportunities for impact seems to be the Circular Business Hub in Output 2.3. The description notes the Hub will ?test and incubate? new technologies; however, a closer read indicates support is limited to \$1,000 grants, providing a working

area, and sharing knowledge. For innovations to scale, they need far more funding than \$1,000. They need funding that will help bridge from concept to pilot to scale. Will sufficient (i.e. more than \$1,000) funding be provided for entrepreneurs to develop ideas? They also need knowledgeable mentors, access to markets (e.g. city government procurement) for testing, adapting and then scaling their products and services, and access to investors. Will connections be made with relevant businesses, such as for refillable drink or food systems connections to grocery stores and restaurants? Please clarify to what extent these needs will be addressed and revise keeping in mind the substantial \$3.2M budget for this output.

In short - from reviewing the project framework and despite the government being the executing agency, there do not seem to be any plans for new regulations, government-provided financial incentives, or access to municipal procurement at the national or city level. The project activities need to be revised so that the majority of the project are actual changes reducing plastic pollution.

Overall concern #2: overemphasis on downstream measures

- 2) There is an over emphasis on waste management interventions instead of interventions throughout the lifecycle of plastics. This concern was highlighted in the PIF comments and stressed as a point to be addressed during PPG. Following are specific examples; however, the entire alternative scenario and related project framework sections need to be reviewed and revised to address this point.
 - a) Output 1.3 first bulleted text regarding the roadmap notes recycling and waste management without mention of alternative materials, reuse and other extended life mechanisms. Please revise.
 - b) Output 1.3 second bulleted text notes "plastics recycling and circular economy", which implies they are separate when plastics recycling is one phase of circular economy. Therefore, if you're going to mention one phase you need to mention the others. Or just delete "plastics recycling" since it's understood within circular economy.
 - c) Output 1.3 third bulleted text notes "waste sector and circular economy" again implying they are separate. Please revise.
 - d) Output 1.3 fourth bulleted text also notes "waste management, recycling, and circular economy" . Same concern. Please revise.
 - e) The Outcome 2 description of the Hub indicates a waste management focus. The fourth paragraph notes, "innovative recycling can be tested" without mention of testing other upstream innovations.

- f) Output 2.2 includes a 'waste characterization assessment' rather than an 'assessment of the lifecycle of plastic'. Please revise to reflect the more holistic focus.
- g) The Output 2.2 gender and social analysis notes assessing plastic waste perceptions. A core problem with changing public perception is exactly that people only think about waste as the problem, not overconsumption. The analysis needs to examine public perception of the entire lifecycle of plastic.
- h) Output 2.3 second paragraph after Figure 7 highlights 'design choices influence recyclability' and 'practical recycling and business trials'. Please ensure the entire lifecycle is addressed.
- i) The testing facility for Outcome 2 is referred to as 'Jalan Dukuh Semar Recycling Facility' indicating the focus will be on recycling. Please ensure testing for all types of innovations throughout the lifecycle and consider renaming.
- j) The downstream emphasis is further reflected in the Gender Equality section which specifically notes the challenges of women in the informal waste picking sector. To embrace the full lifecycle approach, this section needs to also reflect on the challenges of women in upstream activities, such as entrepreneurship and engineering to create and scale new solutions for upstream actions related to new materials, redesign, extended life (e.g. repair, reuse, rent, refill) systems.

While specific examples of concern are noted above, there are other areas to address. A full review of the CER is needed to ensure a truly circular, lifecycle approach is reflected throughout the CER.

Outcome 1

The main comments on this outcome are noted under 'Overall' regarding overemphasis on studies and lack of actionable activities as well as the waste management focus.

- 3) The title of Outcome 1 is, 'Functional circular plastics economy integrate at city level and enabled at national level'; yet, the focus is on national initiatives. Figure 2 shows Outcome 1 under 'National level enabling'. From reviewing the project description, the only specific mention of a city is that the market analysis will include a Cirebon piece and arguably could be moved to Outcome 2. Note that the PIF outcome description did not mention city level. It seems there is not a city focus to this outcome, so please revise the title.
- 4) Output 1.3 has a mix of activities that could be separated into two outputs. There are several bulleted activities all of which are documents (i.e. roadmap, knowledge products, toolkit, analysis, frameworks). Then the last two bulleted activities are focused on identifying investable projects, which are then described as related to the

Blue SEA Finance Hub. It would seem these last two bulleted activities and ties to the Hub would warrant their own output.

- 5) The identification and development of the investable projects is an innovative and important part of the project. However, for such an important part of the project it seems the project activities are quite limited. From the description it seems the project support is limited to finding investable projects, helping them prepare presentations and then connecting them with other initiatives. For such an important activity, more substantive actions are needed.
- 6) These investable project activities need more explanation. Please clarify the criteria for selection as well as the anticipated type and size of the investable projects. Please clarify what aspects of plastic pollution the projects will address and the estimated GEF investment amount in each project. Also, please clarify what is meant by 'matched to a development stream.' What are the development streams? do you mean the different possible investors, incubator and accelerator programs noted?
- 7) Regarding the Blue SEA Financing Hub - The relationship with the Blue SEA Finance Hub sounds like a great opportunity and a good fit. Please clarify how the Hub is funded. From Googling it seems ADB is running the Hub. Please also clarify if and how any project funds will be linked to the Hub. Since the Hub addresses more than plastic pollution projects, it needs to be clear how Plastik Sulit funding would only support plastic projects.
- 8) Figure 5 is insightful and useful. However, the figure does not reflect the explanatory text tied to the figure. For example, where are the impact investors (e.g. Circulate Capital) in the figure?
- 9) Please clarify the intent of the UNDP Accelerator, which according to iii) section will target pollution sources (SWM, industrial effluents, national and provincial govts), which suggests a focus on waste management. Please clarify how this UNDP accelerator fits with the project keeping in mind the project needs to address the full lifecycle of plastics, not just waste management.
- 10) Figure 6 implies that the Hub will only fund women led businesses. Please clarify.
- 11) Finally, please clarify if the investment opportunities under Output 1.3 can be anywhere in Indonesia or only in Cirebon. And please clarify if this will be a virtual hub or a physical space.

Outcome 2

The main comments on this outcome are noted under 'Overall' regarding overemphasis on studies and lack of actionable activities as well as the waste management focus.

- 12) In considering the pictured test facility (Jalan Dukuh Semar Recycling Facility), it seems quite small to house various innovations, including alternative materials, redesign options, and reuse systems. For example, a system to wash reusable dishware to return to restaurants/cafes/food stands would require about the same space as a recycling facility. Will the facility host such a breadth of innovations?
- 13) Regarding Output 2.1, are the CoFos voluntary groups or funded positions? The Circular Business Hub (in Cirebon) is noted as the secretariat ? what does that mean? Will each CoFo focus its study on Cirebon?
- 14) Also regarding Output 2.1, the first CoFo on bioplastics research is important given there is a lot of greenwashing in this area as items are labeled ?biodegradable? but then require extreme temperature, oxygen or conditions not found in a landfill or certainly not in the ocean. Please note that since the GEF is committed to minimizing ocean pollution and funding is from IW, it is important that the bioplastics research addresses being degradable in seawater. Please add.

Outcome 3

- 15) Table B lists M&E separately from KS suggesting M&E is a separate component. Please replace in component 3 as it was in the PIF.
- 16) Many of the knowledge products listed under Output 3.3 are already listed in outcomes 1 or 2. Please check for duplicity. If this output is a recap, then clarify if funded in other outputs.

Theory of Change

- 17) Please revise the Figure 4 Theory of Change so that it incorporates and more clearly reflects the project structure. Please indicate how the inputs (which seem to be the project Outputs) relate to the problems and outcomes.

Agency Response

ADB Response 25 April 2022

The team has carefully considered these comments, as well as the need to revise the project design to be better aligned with MOEF priorities and capacity. In response, we have made several fundamental changes to streamline and focus the project design (with corresponding budget reallocations):

- a. Delegation of full operational and financial management of the project to MOEF.
- b. Scale down analytical studies and research, to strengthen focus on policy advice, financing, and project development. As such, we have removed Outputs 1.1 and 2.2 and reallocated budgets to Output 1.1

- c. Outputs 1.2 and 2.1 will include a focus on developing policy advice on key thematic areas addressing the entire lifecycle of plastics
- d. Streamline Output 1.3 to provide flexibility for MOEF in how to work alongside the Blue SEA Finance Hub for maximum benefit to government policy and development areas
- e. Strengthen alignment of Outputs 1.3 (Blue SEA Finance Hub) and 2.3 (Circular Business Hub) with NPAP Action Roadmap
- f. Scale down Output 3.3 activities to focus on a few key knowledge products that aid decision-making

Regarding overemphasis on waste management: We have made the necessary revisions throughout the document to address this point.

Re: Table B: Done, Output 3.4 included.

Re: funding for Knowledge Management.

Knowledge management is now mainstreamed as an element of each project activity rather than in a discrete section as presented in the PIF.

- 2. a) We have removed this activity to reflect the change in design.
 - 2. b) Done. "plastics recycling" deleted
 - 2. c) This activity is now listed in Output 3.3 to reflect the streamlined project design.
 - 2. d) This activity is now listed in Output 3.3 to reflect the streamlined project design
 - 2. e) noted and addressed
 - 2. f) We have removed this output to reflect the change in design
 - 2. g) We have removed this output to reflect the change in design.
 - 2. h) done. revised
 - 2. i) The existing site is an MOEF funded facility originally designated only for recycling but will be repurposed for use as the Testing Facility under Plastik Sulit
 - 2. j) Done, added language on women entrepreneurship and support for upstream activities
- 3) Done, Outcome 1 title revised.
- 4) This Output has been streamlined to focus primarily on the Blue SEA Finance Hub. The knowledge products and toolkits have been listed in Output 3.3.
- 5) By delegating the project execution to MOEF it allows greater flexibility in the alignment of existing MOEF and Government of Indonesia incubation and

investment catalyzation activities. The project design provides guidance on the potential interaction between the Blue SEA Finance Hub BAPPENAS and Plastik Sulit but the final alignment will be driven by the MOEF

6) The definitions of 'investible' and acceptable project activities will be defined by the project steering committee with guidance from the Technical Advisory Group

7) Plastik Sulit funds allocated to work in parallel with the Blue SEA Finance Hub remain under the control of the MOEF. Alignment between Blue SEA Finance Hub will be governed by the project steering committee with guidance from the Technical Advisory Group which will include representatives from both Blue SEA Finance Hub and their implementing agency BAPPENAS

8) Reference to individual impact investors or financing mechanisms has been removed to increase flexibility for the Government of Indonesia as they align the Plastik Sulit activities with their standard operating procedures

9) Done, included an expanded description of the Blue Finance Accelerator and support for plastics management

10) Figure 6 states that the Blue SEA Finance Hub will fund 'micro, small, and/or women-led businesses'. This will be done through the Blue Finance Accelerator under the Hub. We will update the Figure to make a clearer reference to the Accelerator

11) Done, the section notes that the program will be at the national level and it is physically hosted in ADB's Indonesia Resident Mission

12) The site will only host trial and demonstration level activities on a short term basis. As each set of trials reach their end another set will take their place. The choice of which trials to support and the resources allocated to them will be decided by the project steering committee guided by the technical advisory group

13) Done, have addressed this. The CoFos will have funding allocated for each group, which will be used to support knowledge-sharing activities and development of key outputs. The CoFos will primarily focus on the Cirebon context. The Circular Business Hub, through its Knowledge Market, will support the organization of CoFo activities (e.g., events, meetings) and knowledge management (e.g., produce and disseminate knowledge products from CoFo discussions)

14) Done.

15) Done

.16) Done, we have streamlined the list of knowledge products in Output 3.3 following the project redesign

17) Done.

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request Not relevant

Agency Response

Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request

(Karrer, April 28 2022). Yes.

(Karrer, Dec 17 2021). No.

- 1) Given the ties to NPAP, the relevance to government initiatives, and the multiple government partners, it would seem that the government would provide co-financing at the national or municipal levels. Please explain.

- 2) Table C co-financing amounts are not consistent across the CER sections and documents. In the CER Table C and the *Describe how any "Investment Mobilized" was identified* section under Table C, indicate there will be \$61M of co-financing from the ADB, which is tied to the ADB loan to Indora Ventures Limited to use recycled PET. Yet, in Table B the co-financing is not focused on Component 2 (which would be most relevant to the loan) but instead spread across the three components. Furthermore, *Annex I ? Co-financing Documentation* notes there will be a \$50M loan from ADB (not \$61M). In addition, the final table in the *Annex Incremental Cost Benefit* indicates that co-financing includes \$57M for the loan and then \$3M for assistance to NPAP and for knowledge sharing, which does not total \$61M but at least reflects the spread across the 3 components. Please revise the co-financing distribution in Table C to accurately reflect the sources and amounts and ensure accurately reflected in Table B and consistency across documents and sections.
- 3) Please confirm the loan has been approved.
- 4) The *Describe how any "Investment Mobilized" was identified* section references the Blue SEA Finance Hub implying the Hub is a source of co-financing; yet the Hub is not listed in the co-financing table. Please clarify the relevance of the Hub to co-financing or delete the reference.
- 5) Further, please clarify the role of WRI, which I assume is as the host of NPAP. Please explain how the \$1M will be spent.
- 6) The Portal includes the ADB Technical Assistance Report *Promoting Action on Plastic Pollution from Source to Sea in Asia and the Pacific*. Please clarify how this TA relates to the project. Is it not included as co-financing b/c it is already recognized for the regional \$2M GEF plastics project with ADB? If so, please note in Table C with an explanation in the *Describe how?* section.

Agency Response

ADB Response 25 April 2022

- 1) The Government of Indonesia has already provided co-financing for the implementation for the linked MSP *Promoting Resource Efficiency and Circularity to Reduce Plastic Pollution for Asia and the Pacific* (GEF ID 10628) The delegated nature of this redesigned FSP will place the project firmly in the hands of the Ministry of Environment and Forestry requiring their commitment of offices and support personnel as co-financing. The project team will aim to secure details and documentation to demonstrate this commitment during the project implementation period
- 2) The Co-financing amounts have been harmonized across the project documents. The co-financing is already focused on Component 2, so we are not clear on what is

being requested. Yes \$50 million Is from ADB and the balance from the LEAP consortium contribution indicated in the RRP documentation. The incremental cost section has been adjusted to remain consistent

3) Yes the loan has been approved and is ongoing.

4) ADB's investment in Indorama Ventures has been catalytic in mobilizing investment to address circular economy for plastics and bottle to bottle or closed loop recycling. The investment mobilized has been through the deal origination and due diligence of ADB's Private Sector Operations Department (PSOD). The Blue SEA finance Hub is not listed in in Table C. It does provide financing for relevant activities it is not included in co-financing for this project

5) Done, included one paragraph under Table C explaining the co-financing.

6) The relationship has been described in the Table C description section ?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 co-financing is covered under the internal agency documentation for the KSTA processing and as such be double counted by inclusion in Table C The KSTA is included in the support documentation as the "Internal Agency Document" (**not as co-financing support**) as the new GEF funds will be processed as additional financing through this TA.

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request

(Karrer, May 16, 2022). Yes.

(Karrer, May 13, 2022) No.

5 b. As mentioned on May 3, by the resubmission with a readable budget table, comments could be provided as appropriate. The Finance Specialist and Project Manager were charged to the components. Per Guidelines, the costs associated with the project's execution have to be covered by the GEF portion and the co-financing portion allocated to PMC. The co-financing portion allocated to PMC is 3.0 million, and there is a co-financing loan of 61 million ? this could contribute to cover the costs of the project's staff.

(Karrer, May 4, 2022). No.

1. On proportionality of the PMC: the co-financing contribution to PMC is not proportional compared with the GEF contribution to PMC. If the GEF contribution is kept at 5%, for a co-financing of \$60,749,934 the expected contribution to PMC must be around \$3,037,496 instead of \$1,000,000 (which is 1.6%). As the costs associated with the project management have to be covered by the GEF portion and the co-financing portion allocated to the PMC, the GEF contribution and the co-financing contribution must be proportional, which means that the GEF contribution to PMC might be decreased and the co-financing contribution to PMC might be increased to reach a similar level. Please amend either by increasing the co-financing portion and/or by reducing the GEF portion.

2. On the budget table (Annex E):

a. Some numbers are misaligned, please review the table and correct the alignment so that it is easy to understand which activities are charged to which components.

b. On the contractual services: it looks like all the positions were charged in one line (number difficult to read) instead of providing detailed information on which position is charged to which component. Please review and provide details. As a kind reminder the costs associated with the project's execution have to be covered by the GEF portion and the co-financing portion allocated to PMC (we will provide further comments by the resubmission as appropriate).

c. Under "salary and benefits/staff costs" there are several expenses that seem to be meetings [MOEF Knowledge Dissemination Support; Project Steering Committee Admin (Nat); Technical Advisory Group Admin (Nat); Collaborative Forum Admin (Nat)], so one does not know whether they are eligible to be covered by PMC (excepting the Project Manager) Details are required in the resubmission to understand what is being paid.

(Karrer, April 28 2022). Yes.

(Karrer, Dec 17 2021). No.

The funding for KS and M&E has dropped dramatically from \$1.1 in the PIF to \$360K in the CER. These funds have moved to the first component, which is developing reports and setting-up governance, resulting in \$2.5M. Please reconsider moving to the second component, which is the heart of the project work with the most actionable items (e.g. see comment on expanding to one pilot per theme).

Agency Response

ADB Response 17 May 2022

The revised budget has been uploaded in the ANNEXURE section and the ROADMAP ("22-05-17 REVISED GEF Plastik Sulit Budget"). - with title changes highlighted.

ADB Response 16 May 2022

The position titles of "Project Manager" and "Finance Specialist" have been mislabeled in the budget. The first, is actually a technical position for a specialist that will manage 4 institutional structures or facilities created under the project: i) Circular Business Hub, ii) Circular Test Facility, ii) Social Inclusivity Platform, and iv) Collaborative Forums. This role is now titled "Technical Specialist (Facilities). The second person would be more of a resource mobilization expert to assist the Blue SEA Hub, and the various other project structures to attract and crowd-in public and private investments in various aspects of the circular economy for plastics. This position is now revised to: "Investment Specialist". The GEF formatted budget has been updated and the revised TORs (dated 22-05-16) for key personnel and project management structure have reflected these refinements (see Roadmap).

ADB Response 10 May 2022

- 1) The co-financing PMC has been brought in line with the GEF 5% requirement.
- 2) a) the alignment in the excel sheet has been improved and hope that the transferral to Portal is smooth
- b) Break down and component allocation has been implemented to improve clarity of cost allocations
- c) The details of each role have been provided in footnotes including their role in the delivery of project outcomes in the Budget worksheet

ADB Response 25 April 2022

Re: funding for Knowledge Management.

Knowledge management is now mainstreamed as an element of each project activity rather than in a discrete section as presented in the PIF.

Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at CEO Endorsement Request

(Karrer, May 16, 2022). Yes.

(Karrer, May 4, 2022). No.

Regarding utilization of the PPG:

a. Amount committed + amount spent to date should add up to the budgeted amount for the PPG. Please double check the number and correct as needed

b. Given the information provided in the table (?consulting services?) it is not possible to assess if these are ineligible expenditures under PPG. As requested in Annex C, please provide detailed information on the activities budgeted and Resources.

(Karrer, Dec 17 2021). Yes.

Agency Response

ADB Response 10 May 2022

a. PPG budget has been corrected and updated

b. Details have been enumerated.

Core indicators

**7. Are there changes/adjustments made in the core indicator targets indicated in Table E?
Do they remain realistic?**

Secretariat Comment at CEO Endorsement Request

(Karrer, May 16, 2022). Yes.

(Karrer, May 4, 2022). No.

On core-indicators: Project results framework (Annex A) is missing and there is no reference where it can be found.

(Karrer, April 28 2022). Yes.

(Karrer, Dec 17 2021). No.

The calculations of the reduction in marine litter in the Annex spreadsheet indicate that the calculation is based on reducing the national levels of marine litter 2-5%. The project actionable activities are primarily focused in Cirebon, which the spreadsheet notes constitute only 1% of the population; consequently, even if there was 100% diversion, it would only be a 1% reduction. Please reconsider this calculation. Please include a justification for the anticipated amount of reduced marine litter.

Please provide in the CER a paragraph explaining the marine litter reduction calculation that relates to the spreadsheet numbers. Similarly, in the CER please also provide an explanation of the basis for the POPs reduction and the GHG reduction also clearly related to the spreadsheet numbers.

Agency Response

ADB Response 10 May 2022

This is very puzzling, Annex A has been included throughout this review process. This could be a Portal issue. We have removed and re-uploaded Annex A - and hope it will appear when you review again. I believe we have also put it in the roadmap just to be sure.

ADB Response 25 April 2022

1) Done

Part II ? Project Justification

1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at CEO Endorsement Request
(Karrer, Dec 17 2021). Yes.

Agency Response

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at CEO Endorsement Request
(Karrer, April 28 2022). Yes.

(Karrer, Dec 17 2021). No.

For the Indonesia baseline scenario section, the project needs to address the full lifecycle of plastics. The Indonesia baseline section provides an overview of the state of recycling and waste management, but does not address the state of materials, reuse, and other extended life options (e.g. resale, repair). This context is important for determining opportunities, challenges and needs. It is also important as the foundation for the market analysis (Outcome 1), which needs to examine upstream as well as downstream options.

Agency Response

ADB Response 25 April 2022

Done, have added more details on Decree 75/2019 on Roadmap of Waste Minimization by Producers and findings from policy inventory and gap analysis led by NPAP Policy Task Force.

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion
(Karrer, April 28 2022). Yes.

(Karrer, Dec 17 2021). No. Please see previous comments.

Agency Response

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat Comment at CEO Endorsement Request
(Karrer, Dec 17 2021). Yes.

Agency Response

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat Comment at CEO Endorsement Request
(Karrer, Dec 17 2021). Yes.

Agency Response

6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at CEO Endorsement Request
(Karrer, Dec 17 2021). Yes.

Agency Response

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request
(Karrer, Dec 17 2021). Yes.

Agency Response

Project Map and Coordinates

Is there an accurate and confirmed geo-referenced information where the project intervention will take place?

Secretariat Comment at CEO Endorsement Request
(Karrer, March 2020). Yes

Agency Response

Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at CEO Endorsement Request

Not relevant.

Agency Response

Stakeholders

**Does the project include detailed report on stakeholders engaged during the design phase?
Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?**

Secretariat Comment at CEO Endorsement Request

(Karrer, April 28 2022). Yes.

(Karrer, Dec 17 2021). No.

There is an impressive list of stakeholders. A few comments:

- 1) In reviewing the list of stakeholders, only the government agencies have ?partnership? status. All the other stakeholders, including all the multi-laterals, NGOs, and private sector groups, are not even ?collaboration? or ?coordination? status. Given the importance of these organizations related to the activities, particularly given the strong private sector role, it would seem they warrant stronger relationships closer to ?partnership?. Under the *Regional Coordination* section, ?partnerships? are noted with a few of these organizations.
- 2) Given the heavy emphasis on Cirebon, more specificity is needed as to which city agencies will be engaged. There are multiple national-level ministries noted. Similarly, the city agencies need to be clarified.
- 3) The many noted private sector entities and NGOs are nearly all focused on waste management. Only two upstream-oriented organizations, BFFP and OPPA, are noted as consulted, but not having identified ways of working together. It's surprising and disappointing there were no opportunities for collaboration with the Break Free from Plastic and OPPA both of which focus upstream. Organizations that can address upstream actions (i.e. alternative materials, product redesign, extended life systems, and consumer behavior) need to be identified, consulted, and included. WWF Smart Cities, for example, has this emphasis and may be able to

suggest private sector entities for partnership. Alternatively, broader entrepreneurial business organizations may be relevant.

- 4) It would seem GPAP would warrant a stronger relationship than ?information sharing?, especially since ADB has already been actively engaging with NPAP. GPAP is an important partner to the GEF. Please consider strengthening the partnership.
- 5) There are a few organizations incubating, accelerating, mentoring, and/or investing in start-ups or SMEs related to plastic pollution. These include Circulate Capital, the related The Circular Initiative, The Incubator Network (part of Second Muse), and GPAP's Consumers Beyond Disposability. A few of these are noted in the CER for ?information sharing?; however, it would seem they warrant stronger relationships given they might assist with Outcome 2's Hub.
- 6) The description of MOEF notes alignment with waste management efforts. Does MOEE have any policies or measures related to materiality, reuse, extended life, or consumer behavior? The ability to address the full lifecycle of plastics is critical to being the EA for this project.
- 7) The second paragraph notes ?The table below shows the MSP's stakeholder??. Please replace ?MSP? with ?FSP?.

Agency Response

ADB Response 25 April 2022

- 1) Noted. We have designated ?partnership?, ?collaboration?, and ?coordination? (often more than one of each category) status to a number of multilateral, CSO, and private sector groups according to the different outcomes. We also note that, while we had not identified critical opportunities during the consultation stage, we will continue to communicate with stakeholders and work to identify meaningful engagement opportunities during project implementation.
- 2) The project focus on Cirebon has been significantly reduced as it has transitioned from a knowledge development and sharing focus to a policy and investment development focus
- 3) As noted above, we will continue to engage with these stakeholders to identify engagement opportunities in these areas.
- 4) Done, have marked GPAP under ?partnership?.

5) As noted above, we will continue to engage with these stakeholders to identify engagement opportunities in these areas.

6) Done, added a reference to 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).

7) Done.

Gender Equality and Women's Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request
(Karrer, Dec 17 2021). Yes.

There is a very strong gender component for this project. See the previous comment related to looking beyond waste picker roles to ensure gender aspects are considered throughout the lifecycle of plastics.

Agency Response
[ADB Response 25 April 2022](#)

Done, added language on women entrepreneurship and support for upstream activities.

Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request
(Karrer, Dec 17 2021). Yes. See comments in the Stakeholder question.

Agency Response
Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request
(Karrer, Dec 17 2021). Yes.

Agency Response
Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request
(Karrer, April 28 2022). Yes.

(Karrer, Dec 17 2021). No.

- 1) Indonesia baseline scenario section - The NPAP priorities (1. Reduce and substitute, 2. Redesign, 3. Collect, 4. Recycle and 5. Controlled disposal) do not explicitly note extended life mechanisms (i.e. reuse, repair, resale, rent, etc). This project will, therefore, need to ensure this aspect is not forgotten while aligning with NPAP. This project can serve an important role in ensuring this aspect is considered by NPAP and the partners.
- 2) ADB projects section ? This section notes ADB investments in SWM and in urban sector, but not in upstream activities. Given the project is addressing the full lifecycle, it is important to also indicate the status of ADB investments in alternative materials, reuse, rent, repair, and redesign. If there are none, that is important to note as it makes this project all the more innovative for ADB.

Small points:

- 3) Linkages with Global Plastic Action Partnership and National Plastic Action Partnerships section - In the last paragraph before Proposed Alternative Scenarios section there is mention of ?GPAP in a Box?. I believe this program is now called the Plastics Modeling and Assessment Tool.

- 4) The MSP with UNEP noted under GEF Projects has completed; yet is written in future tense. Please correct. Please highlight the key findings and how this project is building on those insights.
- 5) Under GEF Projects please also note the EBRD NGI project which is relevant given it is supporting innovations that may be insightful and useful to the Cirebon Hub.

Agency Response

ADB Response 25 April 2022

- 1) Noted. This will be discussed further with NPAP and other partners during project implementation.
- 2) Done
- 3) Done. Revised this across the document.
- 4) These projects are both shown as "ongoing". This was verified by our check on the status of each via Portal
- 5) Done. have added a reference in the document.

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at CEO Endorsement Request

(Karrer, Dec 17 2021). Yes.

Agency Response

Knowledge Management

Is the proposed "Knowledge Management Approach" for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request

(Karrer, April 28 2022). Yes.

(Karrer, Dec 17 2021). No.

Please ensure the project will learn from and share experiences through IWLEARN and allocate 1% of the budget to IWLEARN activities.

Agency Response

ADB Response 25 April 2022

Done. This has been included in the Knowledge Management section., and accounted for in the budget.

Environmental and Social Safeguard (ESS)

Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?

Secretariat Comment at CEO Endorsement Request

(Karrer, Dec 17 2021). Yes.

Agency Response

Monitoring and Evaluation

Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

Secretariat Comment at CEO Endorsement Request

(Karrer, May 16, 2022). Yes.

(Karrer, May 4, 2022) No.

Regarding M&E: the total for M&E provided in the project budget table (annex E) and the total provided in the M&E budget table (Section 9) do not match. Please review and confirm

(Karrer, Dec 17 2021). Yes.

Agency Response

ADB Response 10 May 2022

M&E in section 9 aligned with main budget allocations

Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request
(Karrer, Dec 17 2021). Yes.

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request
(Karrer, Dec 17 2021). Yes.

Agency Response

Project Results Framework

Secretariat Comment at CEO Endorsement Request

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Council comments

Secretariat Comment at CEO Endorsement Request
(Karrer, May 16, 2022). Yes.

(Karrer, May 4, 2022). No.

It looks like responses were only provided to comments provided by the BRS Secretariat. Please respond to all the comments provided by the Council Members (Germany, Norway and the US).

Agency Response

ADB Response 10 May 2022

Please refer to ANNEX B where the responses to GEF Council comments have been provided (after STAP)

STAP comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request

Agency Response

Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

Agency Response

Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)

Secretariat Comment at CEO Endorsement Request

Agency Response

Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is CEO endorsement recommended? (applies only to projects and child projects)

Secretariat Comment at CEO Endorsement Request

(Karrer, May 16, 2022). Yes.

(Karrer, April 28 2022). Yes.

(Karrer, Dec 17 2021). No. See above comments.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	12/17/2021	
Additional Review (as necessary)	4/28/2022	
Additional Review (as necessary)	5/13/2022	
Additional Review (as necessary)	5/16/2022	
Additional Review (as necessary)		

CEO Recommendation

Brief reasoning for CEO Recommendations