

"Plastik Silit": Accelerating Circular Economy for Difficult Plastics in Indonesia

Review PIF and Make a recommendation

Basic project information

GEF ID

10546

Countries

Indonesia

Project Name

"Plastik Silit": Accelerating Circular Economy for Difficult Plastics in Indonesia

Agencies

ADB

Date received by PM

3/23/2020

Review completed by PM

4/17/2020

Program Manager

Leah Karrer

Focal Area

Multi Focal Area

Project Type

FSP

PIF

Part I – Project Information

Focal area elements

1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, March 2020). No.

Most importantly the following overall concerns need to be addressed:

1. Coordination with NPAP is not sufficient. This needs to be an integrated project. Specifically:

- a) It is not clear that NPAP activities are part of this project. Although Component 1 notes the NPAP roadmap, only Output 1.4 mentions NPAP activities. Please ensure NPAP activities (through the \$1M co-financing) are included throughout the project for national and Cirebon specific activities since Cirebon is a priority for NPAP. These need to be reflected in Table B and in the Alternative Scenario section and clearly indicated as funded by NPAP.
 - b) NPAP is planning not only a Finance Task Force but also TFs for Policy and Behavior Change, which this project should reflect and integrate.
 - c) Regarding KM, the NPAP Policy and Behavior Change TF needs to be highlighted as it will be working on this aspect and is an important means of sharing experiences throughout Indonesia.
 - d) The EA is noted as government agencies; whereas, NPAP is housed in WRI. We encourage WRI to be the EA to ensure an integrated project. Also with activities at the city level, these will need Cirebon municipal government engagement rather than national government.
 - e) There is very little information about the work of NPAP to date, particularly the roadmap, or future plans. This should be explained.
 - f) The paragraph under Alignment with the GPAP/Indonesia NPAP implies separate projects that will communicate. The GEF expects this to be a united project.
 - g) The Incremental/additional... section should reference NPAP and its contribution to addressing plastics. By not even mentioning NPAP, it suggests this project is not really planning to work with NPAP.
 - h) Table 1 is appreciated; however, it's unclear which are the GEF project activities – are those the items lettered A, B...? Please edit to directly reflect the project activities, i.e. Outputs 1.1., 1.2...
2. Which activities will be covered by the loan or by the TA from ADB? The activities funded by the loan need to be in the project outputs in Table B (and indicated funded by the loan) and in alternative scenario narrative explanation.
 3. While generally the text has improved considerably WRT focusing circular solutions, there are still areas in which waste management is the focus. In particular Output 2.1 has a heavy emphasis on waste collection and management as reflected in items i) to vii). Output 2.2 also suggests more of a recycling focus. Please rethink these plans to include design and material aspects aligned with reduce, refuse, reuse and refill.
 4. The “difficult plastics” that are prioritized by the project (sachets, low-value thin-film plastics, ghost fishing gear) are inconsistent with what the NPAP report found (carrier bags, business-to-business packaging, bottles). Please ensure consistency.
 5. The project uses the term “Difficult Plastics”; yet “Problematic Plastics” is the term widely used in plastic pollution discussions, including in the recently released NPAP report, *Radically Reducing Plastic Pollution in Indonesia: A Multi-stakeholder Action Plan National Plastic Action Partnership*. Please use “problematic” for consistency.
 6. Relatedly, Output 2.1 notes “non-recyclable”. Please use “problematic” for consistency with the rest of the document.
 7. Figure 3 needs to include the input of virgin plastic into the manufacturer arrow. The continuous extraction and input of new material is a key negative impact of the linear economy.
 8. The discussion under Fig 3 indicates the approach will be participatory with the private sector, civil society and academia. National and municipal government agencies are also key players and need to be engaged.

9. In the discussion of relevant projects the ADB regional GEF project that is planned is not noted. Please include.

(Karrer, April 2020). No. The following few points need to be addressed:

1. Regarding coordination with NPAP:

a) NPAP has indicated \$1M co-financing through in-kind, which presumably will go toward staff time and other existing resources. These staff and resources will undertake activities to reduce plastic pollution, such as facilitating national dialogues on addressing plastic pollution among stakeholders and along the value chain, managing the task forces and raising the profile of plastic issues in the public and private sectors. At a minimum these core activities need to be indicated in the project framework and referenced to NPAP. More detail can be determined during PPG.

d) During the PPG the role of NPAP Secretariat and broader members needs to be assessed.

2. During PPG the loan must be approved and the plans for coordination in cities confirmed.

3. The issue of focusing on recycling remains a concern and needs to be balanced with pursuing alternative materials, redesign and shifts in consumer behavior for a circular approach (see Output 2.1 in particular).

4. During PPG the project needs to ensure it is addressing the priority problematic plastics identified by the NPAP report, which are carrier bags, business-to-business packaging (not limited to thin plastic) and bottles.

(Karrer, April 9 2020) Yes.

Please note that during PPG, the following points need to be addressed:

a. Please specify the role of NPAP and ensure their activities are reflected in project plans.

b. The loan must be approved and the plans for coordination in cities confirmed.

c. Please ensure circular solutions that include upstream measures are the focus, not only waste collection and recycling.

Agency Response

#1

a) The proposed project is tightly integrated with the NPAP Action Roadmap. While this may not have been apparent in the earlier drafts, the revised draft (06 April 2020) strengthens this further throughout the document, particularly the alternative scenario.

In our consultations with World Economic Forum and World Resource Institute personnel associated with GPAP and NPAP, it is our understanding that the NPAP and its Action Roadmap is not a “project” as such, but an enabling platform which will bring together various implementing partners to coordinate and leverage investments.

The NPAP co-financing is “in-kind”, elaborated in the relevant project narrative section and reviewed / confirmed by GPAP/NPAP.

b) The collaboration with, and direct support to, NPAP Task Forces is reflected in Outputs 1.1, 1.3, 1.4, 2.3, 3.1.

c) The outputs related to knowledge management have been strengthened. In particular Output 3.1 includes sharing and dissemination of project outcomes, learnings and recommendations with NPAP for wider dissemination across Indonesia, and Output 3.2 will work with the GPAP to implement a proposed Plastics Action Playbook (“GPAP in a Box”).

d) This suggestion is much appreciated. However there are a number of factors to consider with respect to identification of the GEF Executing Entities in the PIF. First, Indonesian Government policy now places some restrictions on foreign-linked NGOs operating in the country. Second, related to this, the GEF OFP prefers to endorse Government line Ministries as executing entities for GEF projects. Even under the current GEF 7 cycle, ADB has been asked to remove other NGOs (both foreign and domestically registered) by the GEF OFP from this responsibility. In this connection, the GEF OFP is not entirely familiar with GPAP / NPAP, and even though parts of the MOEF have been engaged, she will also need to have an orientation to better understand how this fits in the Indonesia circular plastics economy framework. Third, ADB will need to adhere to its procurement policy.

This does not preclude collaboration with WRI as a project partner. The matter of WRI as Executing Entity has been discussed with the GPAP and NPAP personnel; and there is a common understanding. Perhaps if circumstances change, this can be reviewed during project preparation.

Local governments will be closely engaged in the project, especially when hosting activities such as the Circular Business Hub or CoFos. This is recognized as a critical success factor for the project. This is confirmed in the PIF.. This is confirmed in the PIF.

e) The Indonesia baseline situationer has been updated accordingly. As indicated above, the integration with NPAP Action Roadmap has been highlighted further, including summary Table 1.

f) Kindly refer to summary Table 1. Again, our understanding is that the NPAP is not a “project” as such. The proposed GEF project will collaborate with other projects advanced and implemented by other NPAP members, within the overarching NPAP platform / framework.

g) Duly noted. Additional reference has been included in the relevant section.

h) Duly noted. Table 1 has been revised accordingly and shifted to an earlier section which precedes the alternative scenario. .

#2 The ADB Livable Cities loan project is in the early stages of preparation, and areas for investment only tentatively outlined. The GEF funds would not be blended directly with the loan, but managed in parallel. The more direct synergies between the GEF intervention and the ADB loan will be explored and defined during project preparation.

It should also be noted that due to time pressures it was not possible to identify indicative co-financing from Government (both national and city level). This would be explored more systematically during project preparation.

#3 We appreciate this observation and acknowledge the need to emphasize circular solutions. The PIF has been revised considerably to make the circular plastics economy as the core theme.

However, it is generally acknowledged that a key component of a circular economy is recycling. This is acknowledged by the NPAP Systems Change Scenario, The Ellen MacArthur Foundation and the Global Commitment, ISWA etc. We have elaborated on this, and explained why an holistic approach, including recycling is important, and why recycling is an integrated part of Circular Economy.

We are also very aware that many circular economy projects think that circular economy is simply about increasing recycling. This is not the case for this project, where we largely focus on waste prevention R's and are aware of the hierarchy of the R's

#4 This has been addressed in the narrative. Kindly note that “carrier bags” are included in the thin film plastics category

#5 Thank you for this observation. The lexicon in the narrative has been modified throughout. However, for purposes of the PIF, the title retains the term “Difficult” because the official letters from ADB to Government of Indonesia, the official letters from the two proposed Executing Entities to the GEF OFP, and the planned GEF OFP Letter of Endorsement, use this in the title. Modification could be confirmed from the GEF operations coordinator at the appropriate time.

#6 Duly noted. See above.

#7 Duly noted and revised. Now Figure 4.

#8 Duly noted and modified. Now Figure 4.

#9 Duly noted. This has been expanded in the relevant section

ADB RESPONSE APRIL 9, 2020

#1 a) Duly noted and updated in the appropriate section of narrative

b) Duly noted. During PPG the NPAP Secretariat will be better established with key specialists engaged; and more substantive discussions on collaboration can take place

#2 Duly noted

#3 Duly noted. We acknowledge the need to emphasize circular solutions and the PIF has already been revised considerably to make the circular plastics economy the core theme, with a focus on upstream solutions such as redesigns, shifts in behaviour, alternative business models etc. Output 2.2 (previously 2.1) has been further revised as requested.

However, as mentioned in the narrative, recycling remains a key component of a circular economy, and as such it is considered good practice to take an holistic and integrated approach. This is acknowledged by the NPAP Action Roadmap Systems Change Scenario, The Ellen MacArthur Foundation, and the New Plastics Economy Global Commitment.

The PIF attempts to strike an appropriate balance.

#4 Duly noted. The classifications of problematic plastics to be addressed in the GEF project has been modified to correspond to the NPAP classifications.

Indicative project/program description summary

2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, March 2020). No.

1. During PPG more explanation needs to be provided regarding the logic for conducting these activities, particularly the focus specifically on the difficult plastics and on EPR. A theory of change for addressing plastic pollution in Indonesia noting which aspects this project will develop would be useful.

2. The Component 1 objective to “To reduce marine plastic pollution by catalyzing a well-functioning circular market for plastics” suggests the focus is only creating a system to buy recycled plastic. The term “market” usually means creating a demand to buy plastic waste. Increasing the demand for buying recycled plastic is part of the solution, but it’s only one solution and it encourages waste so it’s not the priority solution. Top priorities for GEF are upstream, such as reducing the production of unnecessary plastic and redesigning for circularity. I think what you may mean is create a “circular economy” or “circular system”, which reflects the idea of addressing the entire life cycle of plastic. Please edit.

3. As written Component 1 is at the national level; whereas Components 2 and 3 are specific to Cirebon. Is that correct? If so, then why are CoFos discussed in Component 1 and why are they planned for 3 cities when you’re only going to work in Cirebon? It seems disjointed to have national activities with 3 pilots, but then focus on Cirebon. This output seems very out of place. Instead suggest focusing on Cirebon and include this output in Component 2.

4. Output 1.2 is a useful analysis; however, it needs to be clear if this will include examining the actors along the entire plastic value chain. For example, not only importers of virgin and recycled plastic but also importers of already made plastic products. Also, it needs to examine the circularity of these products – which are reusable, which are recyclable in Indonesia communities and why are actually recycled (being recyclable does not mean they are recycled).

5. Output 1.3 is also important as it references governance mechanisms, which suggests regulations and other clear measures. However, the text is unclear regarding what this output will actually do. What are “Market-based instruments and incentives” and what is the EPR “tool”? Please be clear. The NPAP report makes clear statements regarding needed laws, regulations, incentives, policies. These to be indicated and not only recommended but established.

6. Regarding Component 2, which is focused on “one city”, I thought Cirebon was already agreed. Also, this component neglects the critical role of municipal government. The government needs to establish regulations and incentives to drive demand for circular business models. As a simple example, if recycling is not mandatory, then recycling rates are low. Please include government activities perhaps as its own output. As noted previously, ghost gear is not a top priority according to the NPAP roadmap analysis and requires engagement with a different group of actors (fishers, Fisheries Depts, etc.); therefore, suggest to focus on the identified problematic items (sachets etc) and their relevant businesses.

7. Regarding the CETF and the Hub, please explain how funds will be spent. It seems these are locations for testing new technologies and then hosting events to demonstrate new technologies, but not to actually create the technologies. Will they provide innovation prizes, access to markets, mentoring, business training? If the facilitates actually created new technologies, I could see the justification for the \$3.8M, but not if only testing products and hosting events.

8. Regarding Component 2, what will the loan funds address? From the description, it seems they will go to constructing the building for the CETF facility, correct?

(Karrer, April 2020). No. The following previous points need to be addressed:

2. Please check Table B, which notes “Functional circular system for market for plastics...” Please delete “for market” as you did in text.

3. As we discussed, the project is designed to address plastic pollution in Indonesia by assessing the plastic value chain and pursuing government policies (outcome 1), promoting innovation (outcomes 2) and knowledge sharing (outcome 3). Realizing tackling all of Indonesia at once would be impossible, the project is focusing in 3 cities (which TBD) and the assessments, policies and innovations will be pursued in those 3 cities through the CoFos. In addition, an innovation hub will be created and while it will be based in one of the 3 cities, the intent is for the innovations to be tested in the 3 cities and possibly beyond. Please revise the narrative to clarify this approach, including the focus on the 3 cities as noted.

4. The importers of products made of plastic (e.g. plastic table) and products with plastic packaging (e.g. shampoo in a plastic bottle) also need to be included in the analysis. Please also examine the circularity of the products and packaging – which are reusable, refillable, recyclable. The market analysis also needs to assess existing regulations and policies to determine their impact in shifting to circular solutions and reducing plastic pollution.

5. Regarding Output 1.3 it is expected that in order to pursue circular solutions and address plastic pollution, that the government would pursue regulations, such as fees or bans on SUPs, requirements to recycle, etc. The plans for policies and regulations noted in the revised text are limited to “market-based instruments and fiscal incentives”. Please revise to include regulations more broadly so that all options can be considered and not limited to only market-based and fiscal incentives.

6. Component 2 notes “Guided by the A and B focal systems” – what are the A and B focal systems?

New. Output 1.2 and 2.1 both seem to be assessing the plastic value for problematic plastics. Why don't you merge these?

(Karrer, April 9 2020) No. The following few points need to be addressed:

3. A clear explanation of the objective and activities of the project is very important to ensure the flow of the project is understood. The following requests are made in that light.

The project objective implies all activities will be in 3 cities when C1 activities are national. Please revise to clarify you will have national and city-specific activities.

The Project Approach section provides a big picture perspective (with great detail about ‘problematic plastics’), but does not explain the logic of the project components. There needs to be an explanation of the logic of the overall objective and 3 components, including explaining the logic of national and city-specific activities. A few sentences at least are needed that explain (if I understand correctly) the overall objective is XYZ which will be achieved through national-level assessments and development of national policies (C1), the promotion of innovation for national benefit which will be tested in 3 cities (C2) and sharing of lessons learned (C3).

The intro to C1 (immediately under the title) states the importance of value chains being aware of their roles suggesting that C1 will be about raising awareness, which is not the focus. Please edit this intro to summarize the purpose of this Components’ activities noting that they will be national. For example that building on the existing NPAP and other analyses, during the Component, the project will... Please also clarify these will be national activities in title e.g. Circular plastic economy in Indonesia enabled at the national level.

Within C1 please clarify that the assessment will build on the extensive work that NPAP, Systemiq et al have done.

The intro to C2 needs to connect to C1 which was national and explain how C2 is building on that work to foster innovation (with national benefits) which will be tested in 3 cities. It would be useful to edit the C2 title to reflect city testing – e.g. Circular Business Hub for problematic plastics established and innovations tested in 3 cities.

New. Please clarify that the 2.2 assessment will be at the city scale. Please correct the numbering for consistency (a and b should be viii and ix)

Finally, during PPG more explanation needs to be provided regarding the logic for conducting these activities, particularly the focus specifically on the difficult plastics and on EPR. A more detailed theory of change for addressing plastic pollution in Indonesia noting which aspects this project will develop would be useful.

(Karrer April 10 2020). Yes.

During PPG more explanation needs to be provided regarding the logic for conducting these activities, particularly the focus specifically on the difficult plastics and on EPR. A more detailed theory of change for addressing plastic pollution in Indonesia noting which aspects this project will develop would be useful.

Agency Response

1. This comment is noted. A preliminary Theory of Change has been included in the project approach section, to illustrate the project logic.
2. Noted. References under Component 1 have been adjusted accordingly.
3. The comment is duly noted. However the rationale for including several cities. tentatively including Cirebon, under Component 1, is to prepare, enable and facilitate scaling up.

This narrative in relevant sections is modified to better explain the vision.

4. Noted. Modifications have been introduced to Output 1.2.

5. Output 1.3 has been revised. Please note the project can recommend, develop and draft policies and regulations, in essence to create the enabling conditions for governance. However, actual legislation would be beyond the sphere of influence of the project.

Please also note that the Policy Task Force will have two co-chairs and 12 additional members. The GEF project proposes to focus on market-based and fiscal instruments (including but not limited to, environmental taxes, investment tax incentives, tradable permits, user charges and deposit refund systems) as value-addition, in coordination and cooperation with other Task Force members

6. This is noted. Consultations have been undertaken with the City Government of Cirebon in the context of the proposed ADB loan and GEF project, particularly the Environmental Agency (Dinas Lingkungan Hidup, DLH) which is responsible for solid waste management. The city government has tentatively agreed to participate

in the project. No formal agreement has been reached at this early stage. City selection for the Circular Business Hub will be confirmed in consultation with the Government and NPAP during the project preparation phase.

This suggestion is noted. However, upon consultation with GPAP / NPAP personnel, it has been decided to retain “ghost fishing gear” among the key categories of problematic plastics. Footnote # 3 in the narrative provides a further explanation.

7. The narrative in the PIF has been elaborated to provide more clarity. More detail on the financing will be provided during the detailed project preparation.

8. Only preliminary scoping and feasibility has been done for the loan project. It is only after ADB loan project preparation, that we will have a better sense of the amounts of ADB loan funding dedicated for SWM in Cirebon..

ADB RESPONSE APRIL 9, 2020

#2 Table B has been adjusted accordingly.

#3 Duly noted. The project objective has been qualified now to state “...in selected cities”. More clarity has been introduced in the narrative sections of the Alternative Scenario - generally, Components 1 and 3 would have national implications, while Component 2 would be oriented towards cities and respective local governments and other stakeholders.

The project has been restructured accordingly. Activities related to Collaborative Forums (CoFos) in several cities have now been shifted to Output 2.1 (previously Output 1.1), to link better with the Circular Business Hub

#4 Please refer to Output 1.1 para 3; as well as actions included under Outputs 2.1 and 2.2. Figure 6 has been modified.

#5 Outputs 1.1 and 1.2 (previously Outputs 1.2 and 1.3) have been modified as requested.

It should also be noted that local regulations and policies in Cirebon will also be supported under the complementary GEF Regional MSP.

#6 To clarify, this reference is to the NPAP Systems Change Scenarios. The narrative has been expanded.

NEW: The suggestion is noted, however it has been decided to retain these as two separate, but complementary sets of actions. Output 1.1 (previously Output 1.2) is a more wide-ranging research and assessment exercise, while Output 2.2 (previously Output 2.1) is a more focussed, “deep dive” into the problematic plastics that is more relevant for the project cities context

ADB RESPONSE 10 APRIL 2020

The Project Approach section has been revised to provide a more clear and clean explanation (some extraneous text was removed). The project flow is better described, including background to GPAP and NPAP Action Roadmap, and the distinction between work at national level vs cities. Figure 4 illustrates this better. The introductions to Outcome 1,2 and 3 have been revised as per suggestion.

Co-financing

3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, March 2020). No. As indicated in following points, please ensure NPAP and ADB funded activities are included in the project framework and clearly indicated in Table B.

(Karrer, April 2020). No. As noted previously, please ensure NPAP activities are noted.

(Karrer, April 9 2020). Yes. Please provide more detail during PPG.

Agency Response

NPAP will not be directly funding any project activities. As indicated earlier, NPAP provides a platform for implementation, but will not directly fund activities related to the project (at least at this stage), with exception of their support for the various task forces etc and their in-kind contributions. This has been discussed with the GPAP / NPAP personnel

ADB RESPONSE APRIL 9, 2020

Noted. NPAP Secretariat co-financing support has been better articulated.

GEF Resource Availability

4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, March 2020). Yes.

Agency Response

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, March 2020). Yes. Funds are available from IW and CW.

Agency Response

The LDCF under the principle of equitable access

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response

Project Preparation Grant

5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, March 2020). Yes.

Agency Response

Core indicators

6. Are the identified core indicators in Table F calculated using the methodology included in the correspondent Guidelines? (GEF/C.54/11/Rev.01)

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, March 2020). Yes.

Under Core Indicators, there are no expected beneficiaries for the project, which seems unusual. At least the trainees would benefit.

During PPG the basis for the indicator estimates needs to be provided. The numbers in Annex C need justification. On what basis were the expected project reductions determined? What were the sources for the baseline amount of plastic combustion and the amount for plastic pollution entering the ocean?

Agency Response

The relevant section on Core Indicators has been updated to include estimated numbers of beneficiaries from training and capacity development. During project preparation, the scope of ‘beneficiaries’ would be expanded and verified; with the estimates adjusted accordingly.

The narrative section on GEBs as well as Annex B on Core Indicators provides an explanation of how the estimates were determined. The Worksheet (Annex B) Column “G” gives additional “Notes and Assumptions”

Project/Program taxonomy

7. Is the project/ program properly tagged with the appropriate keywords as requested in Table G?

Secretariat Comment at PIF/Work Program Inclusion (Karrer, March 2020). Yes.

Agency Response

Part II – Project Justification

1. Has the project/program described the global environmental / adaptation problems, including the root causes and barriers that need to be addressed?

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, March 2020). Yes.

Agency Response

2. Is the baseline scenario or any associated baseline projects appropriately described?

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, March 2020). Yes.

Agency Response

3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, March 2020). No. Please see previous points in Project Information #2.

(Karrer, April 2020). No. Please see previous points.

(Karrer, April 9 2020). No. Please see previous points.

(Karrer, April 10 2020). Yes.

Agency Response

Noted. Please see responses under Project information #2.

ADB RESPONSE APRIL 9, 2020

Kindly refer to responses to previous points.

ADB RESPONSE 10 APRIL 2020

Kindly refer to response to # 2 above

4. Is the project/program aligned with focal area and/or Impact Program strategies?

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, March 2020). Yes.

Agency Response

5. Is the incremental / additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, March 2020). Yes.

Agency Response

6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, March 2020). Yes

Agency Response

7. Is there potential for innovation, sustainability and scaling up in this project?

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, March 2020). Yes

Agency Response

Project/Program Map and Coordinates

Is there a preliminary geo-reference to the project's/program's intended location?

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, March 2020). Yes

Agency Response

Stakeholders

Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, March 2020). No. Please provide more information regarding who has been consulted, including during the February consultations, and extent of interest by the various stakeholders.

(Karrer, April 2020). No. Please provide more information.

(Karrer, April 9 2020). Yes.

Agency Response

Representatives of the organizations identified in the provisional stakeholder engagement plan were consulted during PIF preparation. Additional, unstructured consultations have also taken place outside this framework, but not documented here. During project preparation, if possible, a stakeholder validation workshop or similar activity will be conducted.

ADB RESPONSE APRIL 9, 2020

The section on Stakeholder Engagement has been updated.

Gender Equality and Women's Empowerment

Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, March 2020). Yes. The PIF well articulates the gender aspects of plastic pollution by highlighting 4 critical issues. These issues need to be considered in the Gender Action Plan during PPG.

Agency Response

Private Sector Engagement

Is the case made for private sector engagement consistent with the proposed approach?

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, March 2020). Yes.

Agency Response

Risks

Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, March 2020). Yes.

Agency Response

Coordination

Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined? Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, March 2020). No. The need for improved integration with NPAP plans into the project are noted in the Project Information #1 question.

(Karrer, April 2020). Yes.

(Karrer, April 9 2020). During PPG please discuss and consider collaboration with existing global and regional initiatives, including not only GPAP, but also WEF Consumers Beyond Disability, Scale360, Circulate Capital and Break-free From Plastics.

Agency Response Thank you. This information is provided above, as well as in relevant sections of the narrative. The revised version of the PIF dated 07 April 2020 and submitted herein, has been reviewed and concurred by GPAP and NPAP personnel.

Consistency with National Priorities

Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, March 2020). No. See previous points regarding integrating with NPAP.

(Karrer, April 2020). Yes.

Agency Response

This is noted and addressed above and in the PIF document itself.

Knowledge Management

Is the proposed “knowledge management (KM) approach” in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project's/program's overall impact and sustainability?

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, March 2020). No.

1. Plans for knowledge management in Component 3 need to include sharing project lessons learned regionally and globally through GPAP and other means. GPAP, in particular, is creating “GPAP in a Box”, which will be a standardized strategy to support govts in designing and implementing their own national platform and plastics strategy. IWLEARN is important, but not specific to plastic pollution, so other initiatives need to be identified for collaboration. There are a plethora of plastic pollution initiatives globally and this Indonesia experience will be insightful to them just as this project needs to learn from other experiences from around the world. This aspect needs further consideration in the PIF and then more so in the PPG.

2. In Component 3 there is specific mention of a twin city program. There are already plans to focus in Cirebon and Component 1 mentions establishing Forums for 3 cities. Now Component 3 is selecting 2 additional cities. These plans need to be consistent. Given the focus on Cirebon, please focus on this effort. I'd suggest having the Cirebon focus and then twinning Cirebon with another Asian city and not pursuing 3 city forums but rather just for Cirebon.

3. Please indicate 1% budget toward IWLEARN engagement.

(Karrer, April 2020). Yes.

(Karrer, April 9 2020). During PPG consideration needs to be given to how to collaborate and share experiences with the range of global, regional and national partners working on plastic pollution and related issues.

Agency Response

1. This is noted. Component 3, in particular Outputs 3.1 and 3.2 have been revised accordingly.

2. Duly noted. Output 3.1 has been revised accordingly. Cirebon has been identified as a promising candidate for a focal city (city selection will be confirmed during project preparation phase), but the options for “twinning” could be both national (with other Indonesian cities) and international (with cities within Asia), the latter possibly linked with IW:LEARN5. This can be explored further during project preparation.

3. The IW:LEARN engagement will be a good value addition for the project. See footnote # 10 with respect to the budget allocation.

Part III – Country Endorsements

Has the project/program been endorsed by the country’s GEF Operational Focal Point and has the name and position been checked against the GEF data base?

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, March 2020). No. The LOE is missing.

(Karrer, April 2020). No. The LOE is missing.

(Karrer, April 9 2020). No. The LOE is missing.

(Karrer, April 10 2020). No. The LOE is missing.

(Karrer, April 15 2020). Yes. LOE was provided.

Agency Response

Ongoing. Due to the CoVID-19 situation and work from home mandate for Indonesian Government officials, the process has been delayed. In order to secure the GEF OFP LOE, the line Ministries need to provide letters of recommendation signed at Secretary General level.

ADB RESPONSE APRIL 9, 2020

The LOE is in process. Due to the CoVid-19 situation, Government machinery has been affected due to lockdowns and work from home requirements. The GEF OFP is prepared to sign the LOE once the letter of recommendation is received from the Executing Entity. As of today (09 April) the letter from the Secretary General in MOEF (Executing Entity) s awaiting signature, and once signed will be transmitted to the GEF OFP.

ADB RESPONSE 10 APRIL 2020

Today is national holiday in Indonesia (Good Friday). ADB continues to follow up on this.

ADB RESPONSE 17 APRIL 2020

OFP's Letter of Endorsement uploaded.

Termsheet, reflow table and agency capacity in NGI Projects

Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat Comment at PIF/Work Program Inclusion

NA

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, March 2020). No. Please see the previous points to be addressed.

(Karrer, April 2020). No. Please address previous points.

(Karrer, April 9 2020). No. Please address previous points.

(Karrer, April 10 2020). No. The LOE is missing.

(Karrer, April 17 2020). Yes.

ADDITIONAL COMMENTS

Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.

Secretariat Comment at PIF/Work Program Inclusion

Please see above points noted for consideration during PPG.

Final Comments from PPO:

1- On co-financing (comment provided by Minna): Please fill in the “recurrent expenditure/investment mobilized” column for the in-kind co-financing from “National Plastic Action Partnership (NPAP) Secretariat”.

2- On Environmental and Social Safeguards (comment provided by Gabriella): The PIF, Section 5, includes information on environmental and social risks, but they should be able to, at this stage, provide the completed early screening results or initial environmental and social assessment. Please ask ADB to provide early screening results, or, as in line with the GEF Policy on Environmental and Social Safeguards, indicate more clearly the preliminary overall risk classification of the project as well as the types and risk classification, including any measures to address identified risks and potential impacts.

Review Dates

	PIF Review	Agency Response
First Review		
Additional Review (as necessary)		

PIF Recommendation to CEO

Brief reasoning for recommendations to CEO for PIF Approval

As the world grapples with addressing unsustainable production and consumption, plastic pollution in Southeast Asia has been at the center of these efforts. Political and public concern regarding the growing impacts of plastic on the region's tremendous marine biodiversity and the documented high levels of plastic pollution in the region have led to regional, national and local action. Indonesia is a priority as one of the top plastic polluters in the world as well as one of the first nations in the region to take action to battle this challenge, including the development of a national plan to combat marine litter. This project builds upon and coordinates with these initiatives led by the National Plastic Action Partnership, which is an alliance among government agencies, businesses, CSOs and academia and a pilot of the Global Plastic Action Partnership.

The objective of this project is to reduce plastic pollution and support Indonesia's transition to a circular plastics economy through a multi-stakeholder value chain approach demonstrated at the city level. The proposed GEF project builds on the significant analyses done to date supported by GPAP/NPAP and takes forward NPAP Action Roadmap recommendations for implementation in close collaboration and coordination with NPAP and the Government.

Thus, the proposed GEF project is structured along three components that combine activities at national and sub-national levels. At the national level, the government will be supported to create an enabling environment for a circular economy through comprehensive market analytics, policy and regulation, and finance; whilst also looking to support the implementation or operationalization of these actions at the city-level (Outcome 1). Localized activities in several cities will catalyze change and innovations towards a circular plastics economy through collaborative forums, capacity-building, knowledge sharing, and behavior change; one of these cities will serve as a hub for testing business models and innovative approaches and technologies, and providing practical demonstrations and “proofs of concept” to further support the activities (Outcome 2). The knowledge, technology, and innovation gained from these activities (and those of partners) then needs to be shared, scaled-up and replicated across Indonesia with the support of NPAP, and the region with support of GPAP (Outcome 3).