United Nations Development Programme

Project Document template for projects financed by the various GEF Trust Funds

Project title: Circular solutions to plastic pollution in Costa Rica		
Country: Costa Rica	**Implementing Partner (GEF Executing Entity):** Ministry of Environment and Energy (MINAE)	**Execution Modality**: Country Office Support to National Implementation Modality
Contributing Outcome (UNSDCF/CPD, RPD, GPD): UNSDCF outcome 2.1. By 2027, institutions are transformed and modernized to provide people-centred, inclusive, innovative, effective, efficient, timely and flexible, gender-transforming quality services, articulated with other institutions and with a strong territorial approach, allowing municipalities to become the main agents of change in local development, especially in territories with a lower development index. / **Output 1.3. National and local public institutions have strengthened their capacities to manage, inform and supervise substances harmful to the environment, as well as to substitute and eliminate them.** UNSDCF outcome 3.2. By 2027, women in their diversity and vulnerable populations participate in and benefit from an innovative, inclusive economy that enhances their opportunities for decent work and entrepreneurship, with better conditions to access financing mechanisms. /**Output 2.2. National and local public sectors have strengthened capacities for the promotion of a green, blue, purple and circular economy and the strengthening of climate action.**		
UNDP Social and Environmental Screening Category: *Moderate*	**UNDP Gender Marker:** *2*	
Quantum Award ID: 1377323	**Quantum Project ID:** 01002748	
UNDP PIMS ID number: 9630	**GEF Project ID number:** 11186	
LPAC meeting date: 20 February 2025		
Last possible date to submit to GEF: August 15th, 2024		
Latest possible CEO endorsement date: December 2024		
Project duration in months: 60		
Planned start date: 20 June 2025	**Planned completion date:** 20 June 2030	
Expected date of Mid-Term Review (MTR) submission to the GEF: 20 December 2027	**Expected date of Terminal evaluation (TE) submission to the GEF:** 20 December 2029	

Expected Operational Closure Date: 20 March 2031	**Expected Financial Closure Date:** 20 September 2031.

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

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

The project Circular Solutions to Plastic Pollution in Costa Rica is part of the Integrated Program (IP) which aims to trigger a system change to accelerate the transition towards a circular economy of plastics, with concerted actions by key stakeholders across the plastics life cycle, to end plastics pollution. It will provide Global Environmental Benefits in terms of 16,805 TCO2e/y reduced; 0.3 gTEq/y of UPOPs avoided and 7,726 MT of plastic waste avoided directly benefiting 289,454 (144,727 women and 144,727 men) inhabitants of the country.

FINANCING PLAN	
GEF Trust Fund grant	USD 3,547,248
(1) Total Budget administered by UNDP	**USD 3,547,248**
(2) Total confirmed co-financing to this project not administered by UNDP	**USD 21,125,775.90**
(3) Grand-Total Project Financing (1)+(2)	**USD 24,673,023.90**

Signature: **Franz Tattenbach** **Minister of Environment and Energy**	**Agreed by Government Development Coordination Authority**	**Date/Month/Year:** *within 6 months of GEF CEO endorsement*
Signature: ***Shirley Soto*** ***Director of Enviromental Quality Management***	**Agreed by Implementing Partner**	**Date/Month/Year:** *within 6 months of GEF CEO endorsement*
Signature: ***Sandra Sosa*** ***Resident Representative***	**Agreed by UNDP**	**Date/Month/Year:** *within 6 months of GEF CEO endorsement* 13/05/25

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ACIPLAST	Costa Rican Chamber of the Plastics Industry
BAT	Best Available Techniques
BEP	Best Environmental Practices
BPPS VF	Bureau for Policy and Programme Support, Vertical Fund
CACIA	Costa Rican Chamber of the Food Industry
CANACODEA	Chamber of Retailers
COS	Country Office Support
CSO	Civil Society Organization
DIGECA	Directorate for Environmental Quality Management
EPR	Extended Producer Responsibility
ESIA	Environmental and Social Impact Assessment
ESM	Environemntal Sound Management
ESMP	Environmental and Social Management Plans
ESRA	Environmental and Social Risk Analysis
FSP	Full Sized Project
GDP	Gross Domestic Product
GEF	Global Environment Facility
GEFSEC	Global Environment Facility Secretariat
GHG	Greenhouse Gas
GTZ	German Cooperation Office
INA	National Institute of Learning
KIE	Knowledge and Information Exchange
KM	Knowledge Management
M&E	Monitoring and Evaluation
MINAE	Ministry of Environment and Energy
MINSALUD	Ministry of Health
MTR	Mid-Term Review
NGO	Non Governmental Organization
NIM	National Implementation Modality
NIP	National Implementation Plan
OECD	Organization for Economic Cooperation and Development
PFD	Programme Framework Document
PIR	GEF Project Implementation Report
PMU	Project Management Unit
POP	Persitent Organic Pullutants
POPP	Programme and Operations Policies and Procedures
PPG	Project Preparation Grant
SAICM	Strategic Approach to International Chemicals Management
SDG	Sustainable Development Goals
SESA	Strategic Environmental and Social Assessment
STAP	GEF Scientific Technical Advisory Panel
TE	Terminal Evaluation
TEC	Technological of Costa Rica
TOC	Theory of Change
UCCAEP	Costa Rican Union of Chambers and Associations of the Private Business Sector
UCR	Costa Rica University
UNA	National University of Costa Rica
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNSDF	United Nations Sustainable Development Cooperation Framework
UPOP	Unintentional Persitent Organic Pullutants

DEVELOPMENT CHALLENGE

Costa Rica is considered one of the 20 countries with the greatest biodiversity in the world, with an area of only 51 100 km^2 (0,03% of the world's total) and 589 000 km^2 of territorial waters. It contains 5% of the world's biodiversity, that is why it is important to maintain pristine these areas as much as possible; placing particular emphasis on oceans which have direct effects on over 60% of the country's population, when considering the country's geography. The country has a population of 5,153,957 inhabitants[1], being 50% female and 50% male population. It is divided into 7 administrative provinces which are Alajuela, Cartago, Guanacaste, Heredia, Limon, Puntarenas, and San Jose. These provinces are divided into 84 cantons, which are further subdivided into 473 districts. The economy depends directly on the non-extractive use of natural resources, for example via tourism industry.

Institutional and Legal Framework

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

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

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

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

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

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

[1] WorldBank Data

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Tax incentives related to plastic waste management in Costa Rica

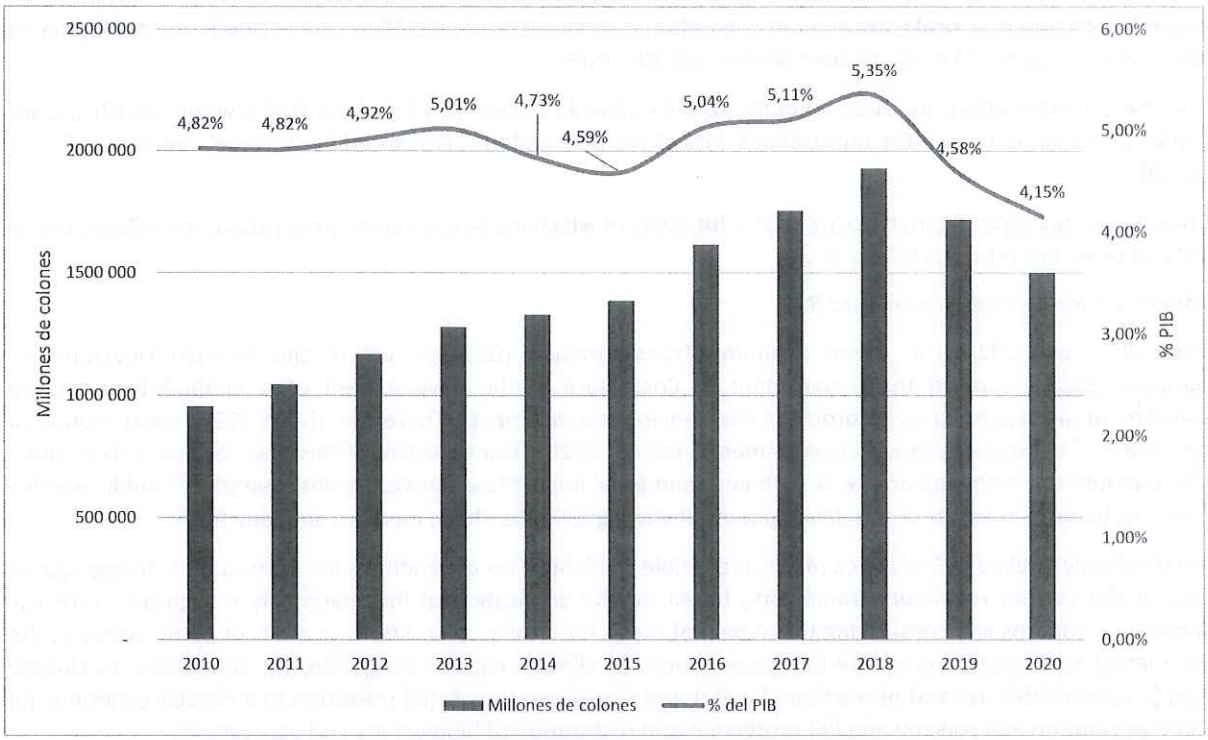
Total tax expenditure in Costa Rica:

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

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

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

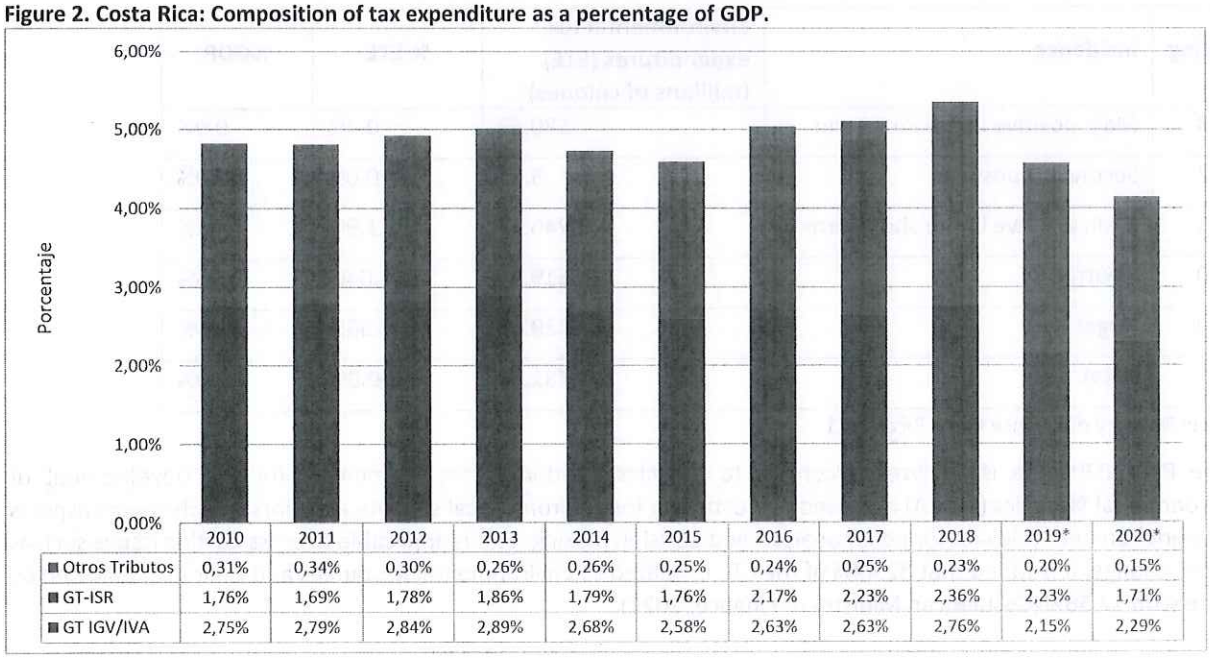
Figure 1. Costa Rica: Evolution of total tax expenditures, 2010 - 2020, in millions of colones and as % of GDP



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

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

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



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019*	2020*
Otros Tributos	0,31%	0,34%	0,30%	0,26%	0,26%	0,25%	0,24%	0,25%	0,23%	0,20%	0,15%
GT-ISR	1,76%	1,69%	1,78%	1,86%	1,79%	1,76%	2,17%	2,23%	2,36%	2,23%	1,71%
GT IGV/IVA	2,75%	2,79%	2,84%	2,89%	2,68%	2,58%	2,63%	2,63%	2,76%	2,15%	2,29%

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

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

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

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

Environmental tax expenditure in Costa Rica:

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

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

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

Table 1.Tax expenditure with environmental impact 2020

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

Source: Ministry of Finance Costa Rica, 2021

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

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

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

Source: Ministry of Finance Costa Rica, 2021

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

Tax incentives related to plastic waste management:

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

- Regulatory Law on Exemptions in Force, Repeals and Exceptions N° 7293 issued on 3/4/1992 by the Legislative Assembly which establishes in Art. 2, literal e): They are granted in favor of institutions, public and private companies, foundations and associations without lucrative activities that are dedicated to the collection and treatment of garbage and the conservation of natural resources and the environment, as well as any other basic activity in the control of environmental hygiene and public health .

- Law for the Strengthening of Public Finances No. 9635 in relation to the Value Added Tax establishes in Art. 12 that the taxable base determined in the sale of goods shall be reduced by the amount of the containers and packaging susceptible of reuse that have been returned.

In addition, transitory article XVII establishes that: "The taxpayers that provide services of collection, classification and storage of recyclable and reusable goods, and are duly registered before the Tax Administration and the Ministry of Health, shall be exempt from the value added tax during the first year of effectiveness of this law. The Ministry of Environment and Energy (MINAE), by regulation, may establish the conditions deemed necessary. Likewise, they shall be subject to a reduced rate of four percent (4%) during the second year of effectiveness of this law, which shall be increased by four percentage points during the third year of effectiveness of this law. From the fourth year of effectiveness of this law, they will be subject to the general value added tax rate provided in Article 10 of this law. During the application of the exemption and the reduced tax rate provided for in this transitory provision, the services that are not registered under the terms provided herein and, in the regulations, shall be subject to the rate established in Article 10 of this law.

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

Plastics in Costa Rica

Costa Rica is the largest importer of plastics in Central America, for local consumption, processing, and export. The value of imports of finished plastic products has doubled in the last decade. In the year 2021[2], 398,254 MT of plastic materials and their manufactures were imported, and 118,479 MT were exported for a net national consumption of 279,875 MT, 40% of them are related with packaging industry and single use plastics. A total of 131 importing companies were identified (51.9% micro and small, 26% medium and 19.1% large), mainly in the plastic products

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

category. These companies generate 13,000 direct jobs and about 10,000 indirect and informal jobs. Large companies employ 79% of the population.

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

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

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

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

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

	2017		2018		2019		2020		2021	
Application	Import	Export	Import	Export	Import	Export	Import	Export	Import	Export
Boxes, cases, crates	8.35	4.48	8.13	3.58	8.77	4.54	Not available (n/a)	4.64	10.93	5.94
Bags	1.,98	11.83	20.28	9.30	20.95	8.11	n/a	8.99	23.32	7.42
Other bottles	15.02	14.06	14.79	16.42	17.79	13.55	n/a	13.97	18.34	12.36
Lids and caps	5.05	5.62	4.68	5.78	4.63	5.62	n/a	5.93	5.78	6.85
Other packaging	5.89	1.06	6.23	1.00	6.00	1.81	n/a	1.08	6.51	1.48
Drinks bottles	3.01	10.47	2.86	10.01	2.99	10.92	n/a	11.20	3.32	14.63
Dairy packaging	0.51	2.31	0.43	2.38	0.39	2.62	n/a	2.44	0.41	2.21
TOTAL	**55.81**	**49.84**	**57.38**	**48.46**	**61.53**	**47.18**	**n/a**	**48,25**	**68.62**	**50.89**

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

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

year after year.[3] From the waste that is reaching landfills it is estimated that 20% are being openly burnt and from the waste that is reaching the environment (because they have not been collected) it is estimated that 12.1% are being openly burnt. This means that annually 28,800 tons of plastics are being burnt in the country (24,000 tons in landfills and 4,800 tons dumped).

Moreover, although it has improved in recent years, solid waste recovery remains low, having reached a rate of 10% in 2021. This rate is composed of 3.9% of recycling, 2.7% of composting and 3.4% of co processing[4]. Within the recycling rate only 17% consists of plastics. A considerable amount of ordinary recoverable waste that is collected by Municipalities and Private Managers are rejected mainly because they are not clean and dry or have no market and are sent to the landfill or for co-processing.

The Ministry of Finance reports an annual production of at least 600 million disposable plastic bottles and consumption of plastic bottles is estimated at 1.7 million per day, of which almost 90% are not collected and end up accumulated in watersheds, coasts, and marine environments[5].

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

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

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

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

Contributions to Greenhouse Gases Emissions (GHG)

The Costa Rica National Inventory of Greenhouse Gas Emissions estimates solid waste management to represent 8.3% of the country's total emissions, inclusive of plastic pollutants that end up in landfills or are incinerated. In the following table, the detail of emissions related to the solid waste management can be observed[6]:

Table 5. Waste management emissions in Costa Rica

	2019	2020	2021	2022
Sanitary Landfill	1510.0	1527.6	1545.3	1563.1

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

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

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

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

Transport	17.6	17.8	18.0	18.2
Recycling	-48.1	-48.6	-49.1	-49.6
Total (1000 t CO_2e)	**1479.4**	**1496.8**	**1514.2**	**1531.6**

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

Contributions to Unintentional Persistent Organic Pollutants (UPOPs).

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

Table 4. 2015 dioxins and furans inventory related to waste burning.

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

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

THE DEVELOPMENT CHALLENGE

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

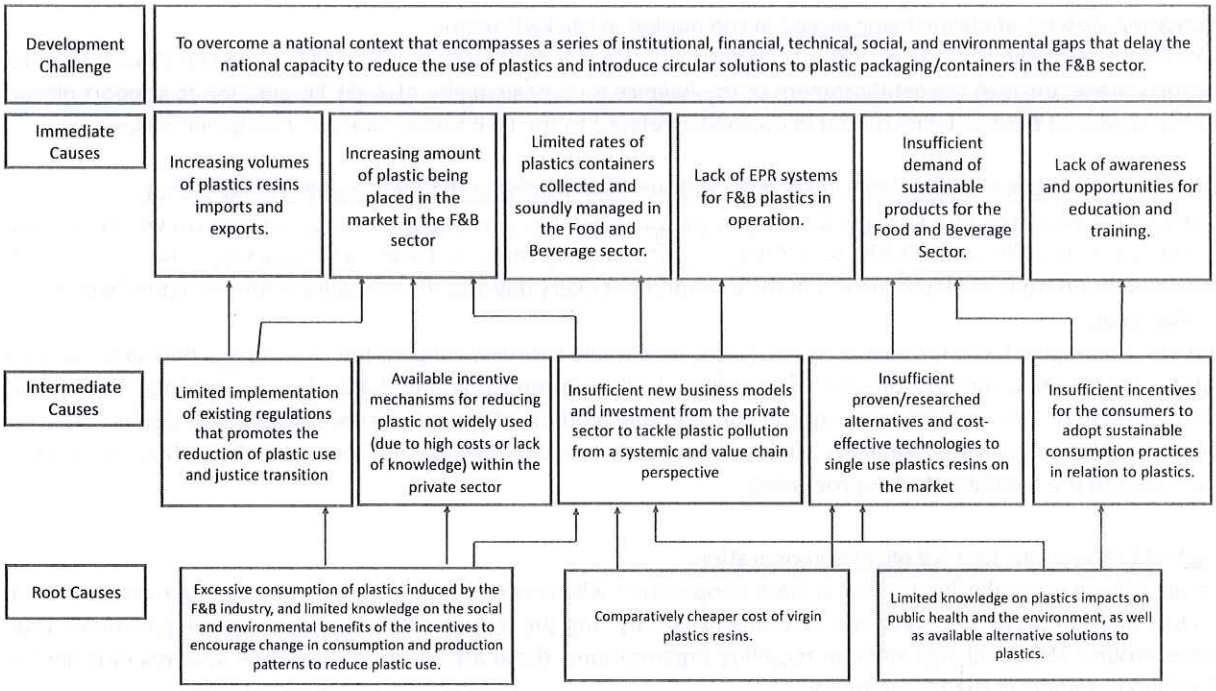


Figure 3. Theory of Change: Problem Tree Analysis Diagram

The Development Challenge

The development challenge is to overcome a national context that encompasses a series of institutional, technical, social and environmental gaps that delay the national capacity to reduce the use of plastics and introduce circular solutions to plastic packaging/containers in the F&B sector.
The PPG stage has identified increasing volumes of imports and exports of plastics (polymer primary form and plastics products for packaging applications), estimating a net consumption per year of near 112,000 tons of plastics related to the packaging industry and single use plastics. These volumes, as per estimations of the Ministry of Health, would end up 74.5% in landfills, 25% in natural environments (rivers and beaches), and less than 0.5% recovered, which evidences the need of upstream interventions to reduce the use of plastics and increase circularity of materials.

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

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

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

Six immediate causes identified were:

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

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

iii) Limited rates of plastics containers collected and soundly managed in the Food and Beverage sector.
The Ministry of Health estimates that Costa Ricans produce 161,000 tons of plastic waste per year, of which 120,000 tons end up in landfills and 40,000 tons (25%) in natural environments (rivers and beaches). This means that approximately 110 tons of plastic are left in the environment every day and the tendency is for the figure to increase year after year.
Moreover, although it has improved in recent years, solid waste recovery remains low, having reached a rate of 10% in 2021. This rate is composed of 3.9% of recycling, 2.7% of composting and 3.4% of co processing[7]. Within the recycling rate only 17% consists of plastics. A considerable amount of ordinary recoverable waste that is collected by Municipalities and Private Managers are rejected mainly because they are not clean and dry or have no market and are sent to the landfill or for co-processing.

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

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

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

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

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

ii) Available incentive mechanisms for reducing plastic not widely used (due to high costs or lack of knowledge) within the private sector.
In consultations held during the PPG phase with the private sector they have expressed two main points about the incentives available in the country. On the one hand, many of them suggested that they were not informed or aware of incentives they could apply towards plastic reduction or adoption of circular models in their businesses, and on the other hand, those who were aware indicated that the incentives were more costly than the benefit obtained.

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

iii) Insufficient new business models and investment from the private sector to tackle plastic pollution from a systemic and value chain perspective.
Limited or deficient business models and investments that adopt circular principles based on the insufficient capacities of financial institutions to grant credits aligned to the circular economy, and the positive social and environmental impact. On the other hand, insufficient capacities of enterprises, mainly MSMEs to develop bankable circular economy projects and access to financing.

iv) Insufficient proven/researched alternatives and cost-effective technologies to single use plastics resins on the market.
Isolated and small-scale initiatives of alternatives to single-use plastic limit the evidence of cost-effective solutions and their increased availability in the market.

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

Three structural/root causes were identified as follows:

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

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

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

SUSTAINABLE DEVELOPMENT GOALS

This FSP by reducing the use of plastics in the food and beverage sector will help the government to work towards the achievement of the Sustainable Development Goals (SDGs). The SDGs most relevant to this project are:

SDG 3 "Good Health and Well-being" by reducing plastic waste generation as well as avoiding plastic waste being mismanaged and openly burnt.

SDG 5 "Gender Equality" by designing interventions addressing gender differentiated roles and impacts of plastics management in the food and beverage sector value chain.

SDG 6 "Clean Water and Sanitation" by protecting water resources from contamination. By improving plastic management, the pollution of ground and surface water, rivers and water ways and thus drinking water sources, is minimized.

SDG 11 "Sustainable Cities and Communities" by minimizing the generation and improving the management of plastic waste which makes cities and human settlements inclusive, safe, resilient, and sustainable and reduce the adverse environmental impact.

SDG 12 "Responsible Consumption and Production" by working towards a circular economy approach where materials being circulated in our society are produced and consumed in a sustainable manner.

SDG 13 "Climate Action" by reducing plastic and improving its management.

SDG 14 "Life below water" by safeguarding marine life from exposure to plastics through the improvement of management systems.

SDG 15 "Life on land" by reducing plastic use and its waste generation which avoids pollutants leaking into the soil, ground water, streams, and rivers, and reducing emissions of pollutants into the air.

STRATEGY

As described in previous section, Costa Rica has made significant progress and efforts to reduce plastic use and waste pollution. However, it is important to note that there are still substantial initiatives and aspects that must be addressed to strengthen and improve national capacities to protect human health and the environment from plastic pollution resulting from the plastics in the food and beverage sector.
Based on this, the main challenges to be addressed by this project, which are directly linked to the root causes/main barriers identified in the Problem Tree Analysis Diagram, are the following:

a) Insufficient incentives for the private sector to reduce plastic packaging and to adopt ecological alternatives or deposit and return systems.
b) Insufficient information by companies about costs incurred, and other barriers and processes that are yet unknown, for switching to sustainable non-plastic packaging solutions or adopting deposit and return systems.
c) Insufficient incentives for the consumers to adopt sustainable consumption practices in relation to plastics.
Finally, to address the reduction of plastic use, the implementation of Deposit Return Systems, and the adoption of circular business models within the Food and Beverage sector, the project´s strategy will require the involvememnt of key stakeholders, such as government authorities (including customs officers to ensure the control of imports), food and beverage companies, industrial associations (plastic producers), civil society, and academy.

THEORY OF CHANGE

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

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

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

- National Strategy for the substitution of single-use plastics: The country had developed a National Strategy to Promote the substitution of plastics with renewable and compostable alternatives through the collective and voluntary action from the public sector (central government and municipalities), the private sector and civil society for the period 2017-2021 and its update 2022-2027;
- National Strategy for Circular Economy. The National Circular Economy Strategy, as a planning instrument, will allow the structural bases to be established to initiate the transition towards an inclusive circular economy as a sustainable development model. It has 8 guiding principles to maintain a balance between economic growth based on strengthening the competitiveness of national production, the well-being of Costa Rican competitiveness of national production, the well-being of Costa Rican society in all its contexts and its cultural diversity, reduce pollution and improve waste management, as well as the ecological balance and regeneration of the country's ecological balance and the regeneration of natural systems to ensure the sustainable development of future generations. Within the Strategy, as described within the baseline, different specific objectives contribute and are aligned to this project.
- National Strategy for Bioeconomy 2020-2030. The Strategy vision is to build a Costa Rica with sustainable production of high added value in all its regions and emerging biocities, based on the fair and equitable use

of its biodiversity, the circular use of biomass and the country's biotechnological progress as a knowledge society. In addition, within its Strategic Lines of Action 5 the following is considered: Urban Bioeconomy and Green Cities: i) Sustainable management and valorization of urban waste ii) Interurban biological corridors and iii) Urban design inspired by biological principles, processes and biological systems.

- National Sustainable Production and Consumption Policy; It was made official by Executive Decree N°41032, which aims to "gradually adopt sustainable production and consumption patterns that contribute to the well-being of the general population and future generations, through the articulation of national planning instruments in a framework of inter-institutional and inter-sectoral coordination".
- National Recycling Strategy (2016-2021), currently being updated. The Strategy, defined for the period 2016-2021 and it is currently being updated, aims to develop an inclusive model for integrated solid waste management in the country that allows for capacity building between the public sector, private sector and civil society. The strategy has among its following principles: i) waste hierarchy management; ii) extended producer responsibility and iii) prevention of waste generation at source.
- 2015 National Implementation Plan (NIP) of Stockholm Convention. In particular this project through its different interventions will contribute to reduce the UPOPs emissions to air linked to the mismanagement of plastics waste.
- National Decarbonization Plan 2018-2050 (DCC) and Nationally Mitigations Actions (NAMA) Waste Sector. In particular this project through its different interventions will contribute to mitigate emissions of the waste sector.
- Other national, regional, and global strategies such as the recently developed Agreement of the Principle 10 of the Rio declaration, the SDGs national implementation strategy and the OECD recommendations on chemicals and waste management.
- The results of this project's interventions will contribute to the understanding of the challenges related to Plastics management and their impact on health and the environment. This is particularly relevant in the context of UNEA 5.2's decision to initiate negotiations of an internationally legal binding instrument to end plastic pollution and to establish a science-policy panel on chemicals and waste and to prevent pollution.

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

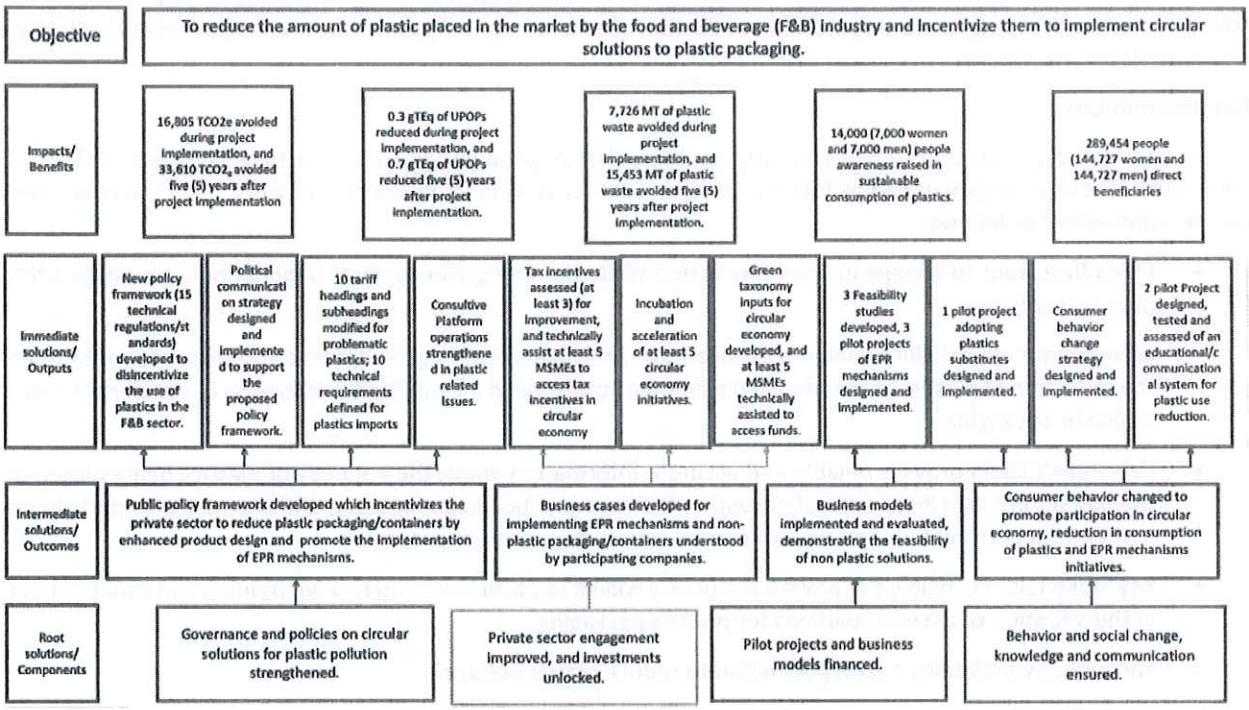


Figure 4. Theory of Change Diagram

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

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

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

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

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

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

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

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

Key assumptions

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

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

RESULTS AND PARTNERSHIPS

Expected Results:

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

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

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

Through this Output the project will support the enhancement of national regulatory framework by promoting the harmonization and effective implementation of current national regulatory instruments that encourage reduction of plastic use and adoption of circularity principles, encouraging the Extended Producer Responsibility for plastics containers and packaging, build on the results of the technical standards developed by the FFEM Project "Rethinking the plastic consumption in Costa Rica: Ideas to Action.", and design an effective fiscal scheme to promote circular economy in plastics within the Food and Beverage sector. This Output will be developed in close coordination with the Ministry of Health and will ensure consultations with key stakeholders, including women groups or networks. In particular, in the definition of mechanisms to make binding the standards related to EPR and protection of the informal sector, the project will ensure incorporating gender-differentiated needs that support a just transition in the sector.

The following activities will be developed to reach Output 1.1:

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

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

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

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

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

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

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

- Plastic Footprint: # 8. Plastic Footprint Standard.

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

e. EPR for Plastics packaging/containers: support the due national technical justification, including environmental, economic and health studies, according to the respective decree requirements, for the inclusion of plastics packaging and containers as special handling waste by national decree, subject to extended producer responsibility. The required national decree and the technical regulation will be drafted. This activity will ensure the feedback of the

results from pilot projects to be implemented under Output 3.2. Engagement and coordination with the Costa Rican Union of Chambers and Associations of the Private Entrepreneurial Sector (UCCAEP) and Costa Rican Food Industry Chamber (CACIA) will be encouraged.

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

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

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

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

The following activities will be developed to reach Output 1.2:

a. Regional intersectoral workshops promoted: Training support through regional inter-sectoral workshops on national policies aligned with the project's objective, with a focus on plastics.

b. Fiscal instruments strategy consulted: assessment and recommendations resulted from the Output 2.1 will be consulted within the platform with key stakeholders for review and agreement on the fiscal instruments scheme.

c. Plastics Roundtable: this activity will provide continuity and ensure institutionalization of different sectoral dialogue roundtables towards circularity established by the FFEM Project, as a negotiating and agreement table, for knowledge exchange, information exchange and documentation, data generation, dialogue spaces, etc. The participation of competent public bodies, private sector, research institutes, academia, and CSO will be ensured.

d. Development of suppliers related to the circular economy. The project will through the plastics roundtables will promote the generation of knowledge and the observance of principles and guidelines for sustainable public procurement. It will also promote due diligence and the strengthening of a market aligned with the circular economy objective in its own supply chain.

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

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

The following activities will be developed to reach Output 1.3:

a. Imports/Exports assessment: Analyze the nature of imports and exports of plastic resins and products containing plastics from the food and beverage sector. Identify importers, exporters, volumes, and types of plastics and resins. For a first assessment of the imports and exports, the project will use the problematic plastics criteria established under the best available methodology at the time, per example the one stablished by the "Nordic Council of

Ministers"[8]. Subsequently the project will support the criteria definition at national level and prioritize the different types of plastics to promote their reduction and/or their banning.

b. Tariff codes definition: this activity will support the identification of what should be modified (e.g. the tariff headings and subheadings) for a possible restriction and/or substitution of products containing plastics, including the incorporation of specifications at the complementary and supplementary code level; analysis of economic scenarios including the cost benefit and the costs of inaction, fiscal impact and propose resolution for its implementation.

c. Technical requirement definition: In line with the Output 2.1, the project will support the review and the definition of the technical requirements that must be met for their imports (tariff measures) with their respective analysis of their potential contribution to the reduction of plastic pollution and the fiscal impact of the tax waiver.

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

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

The following activities will be developed to reach Output 1.4:

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

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

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

COMPONENT 2. IMPROVING PRIVATE SECTOR ENGAGEMENT AND UNLOCKING INVESTMENTS.

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

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

The project will support the evaluation of the implementation and impact of existing tax incentives related to the circular economy to reduce the plastic footprint in the Food and Beverage sector, both at the national and local level. Based on this technical assessment, areas for improvement or simplification will be identified through secondary legal regulations to strengthen the effective implementation of the existing legal framework (e.g. Law for the Strengthening of Public Finances No. 9635). This activity will be implemented in coordination with the Ministry of Finance of Costa Rica.
Likewise, it will seek to disseminate and strengthen the capacities of companies, MSMEs and associations, especially those led by young people and women, so that they can benefit from tax benefits.

The following activities will be developed to reach Output 2.1:

a. Identification and evaluation of existing domestic tax incentives for business models based on circular economy in the plastics value chain, both nationally and locally. The project will support the technical evaluation of the implementation of the current tax breaks related to the aforementioned economic activities with the objective of

[8] https://pub.norden.org/temanord2023-539/cost-and-employment-implications.html

improving their implementation and that the beneficiaries make effective use of them. The evaluation will include gap analysis of access to fiscal and non-fiscal incentives for MSMEs led by women to finance ventures.

b. Identification and evaluation of tax incentives for foreign trade related to sustainable or plastic-free packaging or products that come from the recovery (recycling) of plastics. Based on the technical evaluation carried out, modifications to the tariff rates will be proposed, including gender considerations, with their respective analysis of their potential contribution to the reduction of plastic pollution and the fiscal impact of the revenue foregone.

c. Development of a dissemination and capacity building strategy for the use of tax incentives related to business models based on circular economy in the plastics value chain. Based on the identification of the main barriers and improvements in secondary regulations for the effective use of existing tax incentives, a dissemination and capacity building strategy will be developed so that potential beneficiaries of these incentives can apply for them.

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

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

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

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

The following activities will be developed to reach Output 2.2:

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

b. Development of a sustainability and replicability strategy for the projects or initiatives financed. The project will design a sustainability strategy for these undertakings to continue once the project has ended. Likewise, it will seek to promote their replicability.

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

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

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

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

The following activities will be developed to reach Output 2.3:

a. Support the development of the green taxonomy related to the circular economy objective. The taxonomy will seek to establish a classification system that identifies in a clear, objective and science-based manner, activities, assets and/or categories of projects that contribute substantially to the circular economy objective related to the plastics value chain within the Food and Beverage sector. Regarding the determination of the eligibility or not of an economic activity, asset or project, the project will support the definition of technical evaluation criteria, such as those related to what is considered a substantial positive contribution to the circular economy objective and of no substantive harm to other environmental and social objectives. Criteria may be quantitative (metrics and thresholds) and qualitative. This activity will be implemented in coordination with the General Superintendency of Financial Institutions (SUGEF). In addition, this activity will be carried out in close coordination with the development of the Green Taxonomy that UNDP is supporting, within the UNDP Sustainable Finance Hub.

b. Analyze the supply and demand for credit related to circular solutions for the reduction of waste associated with plastic pollution: The project will support the identification and analysis of the current supply of financial products offered by Costa Rican financial institutions related to the promotion of the circular economy, with emphasis on the food and beverage sector. It will also analyze the demand and access barriers (informality, demonstrating income, disproportionate guarantees, lack of financial education, etc.) to this type of financing for companies (including MSMEs and those led by women) and women's associations that implement circular solutions to reduce waste associated with plastic pollution in the food and beverage sector.

c. Financial capacity building for companies, MSMEs and associations to access credit to reduce waste associated with plastic pollution in the food and beverage sector. To facilitate access to funds to implement initiatives or projects that apply the ERP system or apply solutions with substitute materials, the project will develop a training strategy (training of trainers, workshops, etc.) so that these change managers can present bankable projects to financial institutions, including financial flows, credit forms, due diligence, compliance with regulations, among others. Through this activity at least 5 enterprises will be technically assisted to access funds destined to the implementation of circular solutions to plastics within the Food and Beverage sector.

COMPONENT 3: FINANCING FOR PILOT PROJECTS AND BUSINESS MODELS

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

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

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

The following activities will be developed to reach Output 3.1:

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

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

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

As identified in Risk 6, each pilot project will undertake a targeted assessment of associated occupational health and safety. The assessment will also include conducing a due diligence to all enterprises participating in the pilot activities to assess working conditions within these facilities. This will result in an ESMP to which enterprises will commit during pilot implementation activities. Workers will be trained during the implementation of demonstration activities and provided with appropriate personal protective equipment suitable for their duties.
The following activities will be developed to reach Output 3.2:

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

a. Pilot and conditions design:

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

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

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

c. Operative steps

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

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

a. Pilot and conditions design:

- Scope: Refilling Services (voluntary) to be implemented by large and/or medium size companies, through small retailers and fast-food chain, which are to be responsible of containers logistics and cleaning and management.

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

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

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

c. Operative steps

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

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

a. Pilot and conditions design:

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

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

- Select a "low hanging fruit" products for which is easier to introduce.

- Engage the third party (e.g. PRO), when and if relevant, for 1) managing voluntary contributions by the private sector for collection and reuse and (eventually) recycling (and ecodesign), and 2) coordinate activities between private sector and the government(s).

c. Operative steps

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

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

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

As identified in Risk 6, each pilot project will undertake a targeted assessment of associated occupational health and safety. The assessment will also include conducing a due diligence to all enterprises participating in the pilot activities to assess working conditions within these facilities. This will result in an ESMP to which enterprises will commit during pilot implementation activities. Workers will be trained during the implementation of demonstration activities and provided with appropriate personal protective equipment suitable for their duties.
The following activities will be developed to reach Output 3.3:

a. Pilot and conditions design:

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

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

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

c. Operative steps:

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

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

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

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

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

The following activities will be developed to reach Output 4.1:

a. Pilot conditions design:

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

b. Pilot implementation:

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

c. Operative Steps:

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

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

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

The following activities will be developed to reach Output 4.2:

a. Pilot and conditions design.

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

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

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

c. Operative steps

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

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

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

The following activities will be developed to reach Output 4.3:

1. Translation services for Global Platform Assets

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

2. Participation in the IP Annual Conference
   - Once a year for five years (start 2025)
   - Minimum four staff, including communications lead.
   - days of meetings and field visits and side meetings, plus travel days (Approximately 6 days of travel total including travel days)
   - Airfare
   - Accommodation
   - Off-hours meals (Global Project to provide venue and catering for lunch each day)

3. Participation in virtual events and working groups organized by the Global Team
   a. 1-2 90 minute virtual learning/ discussion / support sessions per month
      i. May require attendance by executing agency and / or executing partners to be most effective.
   b. Staff time to apply assets created by Global Team to National Project planning / adapt to local context and integrate into strategy and tactics.
   c. Staff time to engage with the Global Private Sector Collaboration Group
      i. Virtual meetings quarterly
      ii. 1x1 engagement time to build collaborations and access in-kind expertise
   d. Advisory Committee Meetings - The Global Project will organize an advisory committee to meet quarterly, and would like 2-3 National Project leads to serve on the committee, to be rotated every two years throughout the IP
   e. Working Group Participation
      i. Working groups by topic as relevant to National Projects (e.g. Reuse systems, alternative materials, extended producer responsibility)
      ii. Monthly virtual meetings - 90 minutes
      iii. Support and contribution to the working group - 2 hours / month prep for meetings, review materials, apply materials to national contexts etc.

4. Expert input into design and implementation
   a. Time to consult with the Global Team and Global Executing Partners on technical topics as relevant for each National Project for the purposes of:
      i. Design input
      ii. Implementation best practices
      iii. Issue resolution
      iv. Surfacing common issues for discussion
   b. Time to prepare materials (e.g. documents, presentations) for consultation sessions

5. Self-organized regional meetings, events, workshops, and working groups
   a. Optional - if regional cooperation on specific topics or on overall design and execution is desired
   b. Optional - coordination amongst Child Projects such as twinning or south-south learning opportunities
   c. This could include: Organizing meetings, Staff travel, attendance of virtual events, additional working group time.

6. Connection with "cousin" projects and other IPs
   a. Time to attend relevant events organized by initiatives outside the IP
   b. Minimum 2 virtual sessions per year

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

8. Private Sector Engagement Alignment
    a. Time to liaise with Global Team communications staff
    b. Align on and implement Private Sector Engagement Guidelines and Principles
    c. Fulfill due diligence requirements for Private Sector Engagement
9. Reporting - M&E
    a. Time and assets to contribute to required reporting of the IP (e.g. annual report)
    b. M&E kickoff meeting
    c. Quarterly reports
    d. Mid-term Evaluation
    e. Terminal Evaluation
10. Knowledge Management and Sharing
    a. Sharing challenges and successes with broader IP (through virtual meetings and online forum)
    b. Contributing to broader community via knowledge sharing with relevant external fora (e.g. participation in events, panels, conferences, contributing to external websites etc.)
11. Additional events, participation as needed (to be updated as the IP advances)

Implementing Agencies (participation in IP)

1. Steering Committee Meetings - UNEP, WWF, UNDP and UNIDO will all have one representative on the Steering Committee for the IP (along with the GEF Secretariat). Meetings will be quarterly and will all be virtual except for 1 yearly meeting to be co-located with the Annual Conference.
2. Participation in IP Annual Conference
3. Time to support reporting
4. Time to support coordination with National Child Projects
5. Additional activities upon request

Monitoring and Evaluation (M&E).

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

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

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

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

The following activities will be implemented to achieve Output E2:

a) Development of Project's Inception Workshop.

b) Monitoring:

i) Project Results Framework (outcome indicators, GEF Core Indicators, baseline and annual target indicators).

ii) Project Risk Matrix, Environmental and Social Framework/Social Environmental Screening Procedures (ESMF/SESP), SESA, the Gender Analysis and Action Plan, and the Stakeholder Engagement Plan.

c) Holding Project Steering Meetings.

d) Carrying out "Mid-Term Review" (MTR): The MTR will be carried out after the second submission of the PIR; it will assess the progress of each project activity and attainment of the project's indicators presented in the Project Results Framework (Section V of the ProDoc) and Multiyear Work Plan (Annex 4). This review will also consider one Gender Assessment of project impact completed as part of MTR and the disbursement of financial resources and co-financing provided by project partners, and it will monitor and assess administrative aspects for the execution of the project. The MTR will also inform the adaptive management of the project and improve its implementation as a remainder of the project's duration.

e) Carrying out Terminal Evaluation (TE): The TE aims to evaluate whether all planned project activities have been developed, resources granted by the GEF have been disbursed and spent in line with GEF and UNDP policies and rules, following activities as set out in this Project Document. The TE will also extract and identify lessons learned, how to disseminate them most efficiently and make recommendations to ensure that project results are sustainable.

Agreement on intellectual property rights and use of the logo on the project's deliverables and disclosure of information: To accord proper acknowledgement to the GEF for providing grant funding, the GEF logo will appear together with the UNDP logo on all promotional materials, other written materials like publications developed by the project, and project hardware. Any citation on publications regarding projects funded by the GEF will also accord proper acknowledgement to the GEF. Information will be disclosed per relevant policies, notably the UNDP Disclosure Policy[9] and the GEF policy on public involvement[10].

Resources required to achieve the expected result:

The required resources to achieve expected results are detailed within the Total Budget and Workplan developed for the implementation of the Project.

Partnerships:

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

Table 6: Partnerships of the FSP.

[9] See http://www.undp.org/content/undp/en/home/operations/transparency/information_disclosurepolicy/
[10] See https://www.thegef.org/gef/policies_guidelines

Type	Group	Stakeholder	Role
Public Entities	National Government	Ministry of Environment and Energy (MINAE) *Directorate for Environmental Quality Management (DIGECA)*	MINAE is designated as the institution responsible for coordinating the establishment of policies and actions to protect air, water, soil, and energy resources, in order to have an entity to assume these priority tasks within the process of environmental management of the country. The DIGECA is the department in charge of the fulfillment of this mandate by the MINAE. DIGECA will be the focal point for the Costa Rican government during the execution of the project. It actively participates in the preparation, presentation, and implementation of the project, being part of the steering committee. It will also be the coordinator and communication channel of the project with the other public institutions.
		Ministry of Economy, Industry and Commerce	The Ministry of Economy, Industry and Commerce is on charge of the developing and executing the Government's policies concerning national trade and industry. It coordinates the consulting and implementing of the policies with the different commerce, producers & industrial chambers promoting the competitiveness and sustainability of the sector. It will contribute as a source of information and channel of communication with the different sectors under the scope of the project and support the drafting of any legal instrument identified by the project.
		Ministry of Finance *General Directorate of Taxation* *General Directo rate of Customs*	The Ministry of Finance is the governing institution for fiscal policy, ensuring the collection and allocation of public resources. Through its General Tax Administration promotes tax compliance and is responsible for the management of domestic taxes. Also, through its General Directorate of Customs is responsible for obtaining a timely and effective control of the import and export of goods to the national territory, protecting the interests of the community such as health, safety, and the environment. The Ministry of Finance can assess, modify, or design fiscal instruments to promote the reduction of plastic use in the food and beverage sector. It will contribute as a source of information and will support the activities linked to the strengthening of exports and imports control.
		Ministry of Health *Radiological Protection Directorate* *Directorate of Environmental Health*	It is the governing body by law and is responsible for the creation of public policies, National Strategies, laws, and regulations on integrated solid waste management. It will be member of the Steering Committee and is the official data generator on solid waste management in the country. It will support the implementation of activities linked to the waste management.

	Other Public Institutions	Institute of Technical Standards of Costa Rica (INTECO)	INTECO is the Technical Standards Institute of Costa Rica; a private, non-profit association, created in 1987. It is recognized, by law #8279, as the National Standardization Entity and has the declaration of public utility for the interests of the State. It is the representative of Costa Rica with the international and regional organizations of standardization ISO, IEC, COPANT. It will participate in the development of technical guidelines and standards under the scope of the project.
	Local Government	National Union Local Governments	Since 1977, it is the organization that represents local governments, in different commissions and boards of directors, such as the consultative platform on solid waste, and the commission for contaminated sites. It is the channel of communication with local governments. It is the creator of the national network of municipal environmental technicians. It will be the channel of communication and coordination with local governments for the implementation of activities under the scope of the project, mainly in pilot sites implementation.
		Institute of Promotion and Municipal Advice IFAM	Institute that advises and promotes the sustainable development of municipal governments. It will be source of information for the project and channel of communication with the municipal governments for the implementation of activities, mainly in pilot sites implementation.
International Organizations	Cooperation Agencies	United Nations Development Programme (UNDP)	UNDP is accountable to the GEF for the implementation of this project. This includes oversight of project execution to ensure that the project is carried out in accordance with agreed standards and provisions. UNDP is responsible for delivering GEF project cycle management services, and for the Project Assurance role of the Project Board/Steering Committee. UNDP and its Costa Rica Country Office have extensive experience working with the private sector, governmental institutions, and civil society.
Civil Society Organizations	Industrial Associations	Costa Rican Union of Chambers and Associations of the Private Business Sector (UCCAEP)	Organization that brings together more than 40 chambers and business associations in the country. It will serve as the communication channel with the private sector in general to disseminate the scope of the project, coordinate actions, and share knowledge and lessons learned of the project.
		Chamber of Industry and Commerce	Since 1943, it has been the institution that represents and unites companies in the country's industrial sector. It will serve as the communication channel with the industrial sector of the country to disseminate the scope of the project, coordinate actions, and share knowledge and lessons learned of the project.

		Costa Rican Chamber of the Plastics Industry (ACIPLAST)	Established in 1971, it is a non-profit private trade organization that represents the plastics industry sector. This organization is oriented towards the search for continuous improvement and strengthening of the competitive positioning of the companies in the plastics industrial sector. Likewise, it handles representation before governmental entities to coordinate major national issues related to the sector. It will contribute as source of information and partner and coordination channel in the implementation of activities related to plastic waste management under Component 3.
		Costa Rican Chamber of the Food Industry (CACIA)	A non-profit business organization, with forty-seven years of experience, constituted and organized by producers of local and international food and beverage industries, with manufacturing operations in Costa Rica. CACIA represents the interests of this productive group and promotes actions aimed at improving the internal business climate and its competitiveness.
		Chamber of Retailers (CANACODEA)	The National Chamber of Retailers and Related Trades (CANACODEA) is a non-profit trade organization that brings together owners of micro, small, and medium-sized commercial and service businesses nationwide.
	NGO	Foundation One Sea	Organization that develops and implements projects for the protection of marine environments, focused on the generation of public policies and regulatory framework for the prevention of pollution of the seas through preventive management of solid waste. It will be partner in the implementation of activities related to plastic waste management in the environment, automotive and agricultural under Component 3.
		CEGESTI	CEGESTI is a non-profit foundation specialized in generating capacities for sustainable development through the provision of consulting and training services. It currently implements the National Marine Waste Plan 2021-2030. It will contribute as source of information and technical communication channel with organizations and municipalities regarding solid waste management. Ally in the generation of public policy, technical and legal regulations within the scope of the project.
		Costa Rican Network of Recyclable Waste Recovery companies (Red Concerva)	It is a national network of recovery and recycling companies. It will contribute as communication and coordination channel with companies and organizations focused on the recovery and recycling of plastic waste to promote implementation of activities mainly under Component 3.
		Foundation "Algo por mi tierra"	Organization working on the prevention of environmental contamination, which organizes volunteer days for cleaning, construction and installation of fences to collect floating waste in cantonal rivers. It will contribute as data source and communication channel with environmental organizations and collaborators in the implementation of actions focused on plastic waste management leaked to the environment and the automotive sector. (Output D2 and D3)

		Foundation for Sustainability and Equity - ALIARSE	The Foundation for Sustainability and Equity, known as ALIARSE, is a non-governmental organization promoted by public institutions and private companies to contribute to sustainability, social justice, and national development. It will be partner in the implementation of activities related to the plastic waste management in the environment. (Output C1 and D2)
	Food and beverage Companies	Considering the project scope, this group is made of: - Florida Ice and Farm Company (FIFCO) - Florida Bebidas - Coca-Cola - Dos Pinos - Alimentos Turrialba - Aszukkar - Café Britt - Coopeagropal - El Angel - Alimer - Heinz - Inolasa - Jugos Zarcero - Pastas Roma - Pops - Pozuelo - Sigma - Unilever - Abbot	These are the three largest companies within the food and beverage sector in the country. Industrias de alimentos y bebidas mediana. They will participate in the implementation of the activities to address the issue of plastic waste in the environment. (Output C1 and D2)
	Packaging producers for the Food and Beverage sector	Considering the project scope, this group is made of: - BASF de Costa Rica S.A - COLORQUIM AC, S.A - GESTOR SAVING PLANET S.A - Grupo Mitasa S.A. - Microplast S.A. - SOLUCIONES DE EMPAQUES TECNICO S.A - Empaques Belen - Envasa - Proplax - Empaques Santana - VICESA	

Academy	National Council of Rectors (CONARE) and Universities	The following Universities will be considered: - Technical University of Costa Rica (UTN) - National University of Costa Rica (UNA) - Costa Rica University (UCR) - EARTH University - National Institute of Learning (INA) - Technological of Costa Rica (TEC)	CONARE is the national council of rectors of public universities, which dictates their education and research policies. CONARE and Public universities are a source of information and generation of knowledge through research projects linked to the issues addressed by the project. In particular, the UTN will be partner in the implementation of activities aimed at reducing the open burning practice in pineapple crop as well as the use of pineapple biomass based on a circular economy approach. In addition will support activities for UPOPs measurement.

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

Table 7: Other on-going projects related to this FSP.

Project	Agency	Main relevance for this FSP
Strengthening the national capacity for the management of Persistent Organic Pollutants (POPs) in Costa Rica.	GEF - UNDP	The GEF financed project implemented by the Ministry of Environment and Energy (MINAE) with support of the United Nations Development Programme (UNDP), aims to reduce the emissions/releases, minimize exposure of human beings to UPOPs in strategic sectors including plastics and to advance the Stockholm Convention in Costa Rica. The project is structured in in four components and the following main outcomes: i) Government and relevant stakeholders involved, and POPs environmental sound management (ESM) capacities strengthened.; ii) Unintentional POPs (UPOPs) emissions and control systems strengthened; iii) Plastics management systems strengthened; iv) BAT/BEP for the reduction of use and consumption of plastics and management of plastics waste; and v) Awareness-raised, lessons learned, and knowledge managed. This project aligns with efforts to reduce harmful emissions from plastics and other pollutants. The "Circular Solutions to Plastic Pollution" project can leverage the strengthened plastics management systems and best available techniques (BAT) for reducing plastic waste. Lessons learned and awareness-raising activities from this project can support policy development and stakeholder engagement in the circular economy.
Rethinking the plastic consumption in Costa Rica: Ideas to Action.	French Cooperation Fund for the Global Environment (FFEM) - UNDP	The objective is to minimize the impact on the environment and health through a reduction in the discharge of toxic substances, (potentially) microplastics and exposure from the use of plastics in Costa Rica by addressing the capacity to manage plastic waste and reducing its use through innovative approaches. This objective will be achieved through two main components: 1. Baseline of plastics consumption, waste management, externalities and policy development needs. 2. From ideas to actions: pilot projects to demonstrate innovative approaches and technologies for reducing the use of plastics and for better management of plastic waste. With a focus on reducing the discharge of toxic substances and plastic use, this initiative provides a basis for policy development and piloting innovative approaches. The FSP can collaborate by expanding pilot projects that focus on non-plastic solutions, as well as adopting policies and baseline data to track the reduction in plastic use and waste management practices.
Landscape without Plastics: 2022-2030	UNDP and private companies and organizations	The project addresses the contamination of natural environments by tragic plastics. The goal is to collect 200,000 tons of tragic and non-recoverable plastics and transform them into raw material for the construction industry as a part of a national strategy for tragic plastics. By transforming non-recoverable plastics into raw materials for the construction industry, this project offers a model for reusing plastic waste. The FSP can explore synergies, such as developing similar value chains for non-plastic alternatives or integrating circular solutions that involve public-private partnerships.

Guidelines to eliminate plastic pollution	Institute of Technical Standards of Costa Rica (INTECO)	20 INTECO Guidelines have been adopted related to single-use, renewable and compostable plastics (analysis methods related to RCM labelling renewable, compostable and compostable in marine environment) biodegradability of plastics, degradation of polyethylene, ultraviolet exposure of plastics, non-floating plastics in the marine environment, test method to determine aerobic biodegradability of plastics under controlled composting conditions, etc. INTECO's guidelines offer a technical foundation for the FSP to build circular economy policies, particularly by aligning with biodegradability standards and renewable materials. These guidelines can support the implementation of extended producer responsibility (EPR) mechanisms, making plastic alternatives more feasible and compliant with national standards.
End Plastic Pollution International Collaborative (EPPIC)	International Union for the Conservation of Nature (IUCN)	Seeks to galvanize global action on plastic pollution by supporting projects around the world to make the full lifecycle of plastic more sustainable, starting with efforts to change the design and use of plastic products. Implementing partner in Costa Rica is the Ministry of Environment. I) Increase knowledge on potential upstream, midstream and downstream solutions. ii) Ensure that policy and regulatory frameworks support science-based solutions. iii) Support the implementation of science-based technologies and solutions to facilitate a just transition and promote a circular economy approach. The FSP can use the knowledge on upstream and downstream plastic management solutions to enhance its policy framework. By aligning with global regulatory frameworks and technologies, the project can advocate for comprehensive circular economy models that are both science-driven and scalable.

Costa Rica National Plastic Action Partnership (CR-NPAP) Initiative	Word Economic Forum - UNDP	The National Plastic Action Partnership (NPAP) project in Costa Rica aims to eliminate plastic pollution through multi-stakeholder collaboration, innovative solutions, and sustainable practices. The project will serve as the NPAP Secretariat and host organization, working closely with the Ministry of Finance and other key stakeholders. It will facilitate the development and implementation of strategic initiatives to reduce plastic pollution, enhance partnerships, and drive behavioral change. By aligning national efforts with global standards, the project contributes significantly to the Sustainable Development Goals (SDGs) and the preservation of Costa Rica's diverse ecosystems. The project comprises three main components: establishing a framework for collaboration and coordination, strengthening partnerships to catalyze actions against plastic pollution, and increasing public knowledge and behavioral change. Key activities include supporting key initiatives, launching an innovation challenge for businesses, defining criteria for problematic plastics, and developing a Plastic Action Financing Roadmap. Additionally, the project will implement a gender-sensitive behavior change roadmap, execute a national awareness campaign, and establish an interactive learning space to educate the public. Through these comprehensive efforts, the project seeks to foster sustainable consumption and production patterns, enhance climate action, and protect marine environments, ultimately revitalizing global partnerships for sustainable development. The FSP can collaborate with NPAP to drive innovation, behavior change, and financial roadmaps, while ensuring that EPR mechanisms and business models are harmonized across different sectors. The gender-sensitive behavior change strategies and interactive learning spaces developed by NPAP can further enhance the FSP's efforts in promoting public awareness and industry compliance.

The following Table shows a co-financing summary, that it is consistent with the information provided in "Expected Results" and other relevant sections of the ProDoc.

Table 8. Co-Financing

Co-financing source	Co-financing type	Co-financing amount	Included in project results?	If yes, list the relevant outputs
Government	In Kind	831,952.40	No	N/A
GEF Agency	In Kind	200,000.00	No	N/A
Private Sector	In Kind	12,320,023.50	No	N/A
Private Sector	Grant	7,773,800.00	No	N/A
Total		**21,125,775.90**		

Risks and Assumptions:

A group of risks has been identified and need to be considered during the execution of the project. As per standard UNDP requirements, the National Project Coordinator will monitor risks quarterly and report on the status of risks

to the UNDP Country Office (CO) in Costa Rica. The UNDP CO will record progress in the UNDP Risk Register. Risks will be reported as critical when the impact and probability are HIGH (i.e. when impact is rated as 5, and when impact is rated as 4 and probability is rated at 3 or higher). Management responses to critical risks will also be reported to the GEF in the annual Project Implementation Report (PIR).

The social and environmental risks identified in the SESP during PPG phase (Annex 5) are included in the UNDP Risk Register in Annex 6. The description of how the project risks will be mitigated is shown in both Annex 6 (UNDP Risk Register) and in Annex 9 (ESMF).

The following table summarizes the key risks that could threaten the achievement of project results:

Table 9. Key risks that can threaten the achievement of the FSP results.

Risk Class	Risk and Description	Risk Management Response
Social and Environmental	**Risk 1:** Companies and small or medium-sized enterprises involved in the plastic sector may not be involved in decision-making process during the Project implementation in relation to the development of policy and regulatory frameworks that will support of the project replication and sustainability goals.	The project´s strategy will require the involvement of key stakeholders, such as government authorities (including customs officers to ensure the control of imports), food and beverage companies, industrial associations (plastic producers), civil society, and academia. Output 1.1 will ensure the adoption of recommendations resulting from the implementation of pilot projects under Outputs 3.2 and 3.3. Engagement and coordination with the Costa Rican Union of Chambers and Associations of the Private Entrepreneurial Sector (UCCAEP) and Costa Rican Food Industry Chamber (CACIA) will be encouraged. The project will ensure similar cost alternatives are available when proposing changes in tariffs. The project has developed a Stakeholder Engagement Plan (SEP) that ensures participation of all stakeholders in project activities. The plan will ensure effective engagement between various stakeholders by creating and disseminating information, fostering cooperation, and enhancing capacities. It will also put in place a Grievance Redress Mechanism (GRM) to provide meaningful means for those affected to raise concerns and/or grievances when activities may adversely impact them.
	Risk 2: Potential negative impact on existing informal networks and individuals involved in the waste sector including collection, transportation and disposal of plastic waste.	As mentioned in the ESMF, the impact on informal waste pickers resulting from upstream activities will be assessed and, if needed, a Livelihoods Planning Framework developed and implemented. This framework will include recommendations, measures and policies for alternative livelihoods for these groups. The project will implement controls for a just transition for the informal sector, through design rules, waste collection targets, EPR schemes and protections for the informal sector. The project will also facilitate the formulation of effective policies to improve incomes and working conditions and protect the health and human rights of this community and its full value chain. Some pilot projects will test approaches to engage the informal waste sector to provide regular and improved income, to improve their working conditions in a specific site and to build their capacity through trainings and professionalization. The project has also developed a SEP that ensures participation of all stakeholders in project activities. It will also put in place a GRM to provide meaningful means for local communities and affected populations to raise concerns and/or grievances when activities may adversely impact them.

	Risk 3: Gender discrimination may be reproduced through limiting women's ability to contribute to decision-making, participate in capacity building activities and to benefit from the project.	Gender gaps will be considered during the granting of green credits for the circular economy in order to strengthen capacities in the development of adequate financing to ensure equitable access. A gender analysis has been undertaken and a gender action plan (GAP) prepared to mitigate the identified risks and propose measures that ensure that women are represented in decision-making on project activities and are included in capacity building activities.
	Risk 4: Increase in consumption of energy resources and greenhouse gas emissions due to the implementation of demonstration activities.	The project will implement various measures to reduce energy consumption during the demonstration activities through regular maintenance, training workers on energy consumption reduction practices and ensuring all equipment and machines are only used whenever required.
	Risk 5: Contamination of soils and rivers due to emissions and accidental spills leading to health hazards and climate and natural disaster risks as a result of activities funded by the Competitive Fund Mechanism.	The Competitive Fund Mechanism will incorporate SES criteria during the selection process including assessment of sites of these activities. Once the activities have been selected, an environmental and social screening will be undertaken to determine the level of assessment/management needed, if any (e.g.: working conditions and occupational health, environmental audits, risk hazard assessments, air pollutant emissions and air quality impact studies, water resources impact studies, contamination investigations and assessments).. If Moderate risks are identified, then a targeted assessment (related to the potential impacts S1, 2, 3, 8) and an Environmental and Social Management Plan (ESMP) will be needed for that activity. Project activities that may be impacted by climate change and natural hazards will undergo a climate change and natural hazards assessment such that the activities will be informed by the results of this assessment. The project will eliminate activities with Substantial or High Risks.
	Risk 6: Working conditions within project demonstration and other activities in contravention to principles and standards of ILO fundamental conventions.	Each pilot project will undertake a targeted assessment of associated occupational health and safety. The assessment will also include conducting a due diligence to all enterprises participating in the pilot activities to assess working conditions within these facilities. This will result in an ESMP to which enterprises will commit during pilot implementation activities. Workers will be trained during the implementation of demonstration activities and provided with appropriate personal protective equipment suitable for their duties. As for the Competitive Fund Mechanism, an environmental and social screening process will be undertaken for all selected activities to determine the level of assessment / management measures needed, including working conditions.

Financial	**Risk 7:** Private stakeholders within food and beverage sector are reluctant to play an active role during project execution.	During the PPG stage, the main concerns and interests of the key stakeholders for the project were compiled, allowing the development of proper stakeholder engagement strategy during project implementation. This includes an effective communication strategy to be developed and implemented during project´s execution to raise awareness among the stakeholders and the community in general aware of the project's scope, activities, and benefits.
	Risk 8: Impacts due to fluctuations in credit rate, market and currency that may affect project total budget due to a stressful economic national context.	UNDP monitors expenditure on a daily basis. Further UNDP HQ provides global oversight of project delivery minimizing the risk of operational risk due to currency risks.
Operational	**Risk 9:** Limited capacity of national stakeholders to adopt BAT/BEP in the food and beverage sector as well as sound management of plastics.	During the implementation of the FSP, awareness-raising activities and technical training programs will be developed and implemented, as well as capacity building in government institutions, customs officers and other interested parties in the food and beverage sector who are related to plastics management (imports/ exports/production) to ensure the knowledge and experience needed to carry out their tasks properly.
	Risk 10: Deficiencies in communication and relationship with stakeholders may impact the adequate progress in project execution.	During PPG phase main concerns and interests of the stakeholders interested in the project were compiled, allowing the formulation of actions that allow eliminating these barriers and emphasizing on the benefits of being part of the project. Within the Stakeholder Engagement Plan these activities are planned to continue during the project implementation. Furthermore, an effective communication strategy will be developed to raise awareness among the stakeholders and the community in general aware of the project's activities.
	Risk 11: Lack of interest at national and local level to actively participate in the development and implementation of project activities.	The PMU and the Project Steering Committee will provide continuous feedback and monitor the project results on a regular basis. Furthermore, consultations will be held with decision makers from other government organizations to communicate the relevance of their participation in the project
Organizational	**Risk 12:** Limited capacity in project monitoring.	The project foresees a series of activities aimed at a periodic monitoring and follow-up (as detailed in the Monitoring Plan section) on the development of the project and a comprehensive reporting during the MTR, where possible deviations from the programmed actions can be identified early, as well as compliance with the proposed objectives.

Strategic	**Risk 13:** Limited capacity in the Ministry of Environment and Energy (MINAE) and other key stakeholders that can generate conflicts, misinformation, and misunderstandings of the overall objective of the project.	During the implementation of the FSP, stakeholder engagement activities and technical training programs will be developed and implemented, as well as capacity building in government institutions, customs officers and other interested parties who are working on issues related to the reduction of plastics use in the food and beverage sector, as well as on the management of plastics and its waste, to ensure the knowledge and experience needed to carry out their tasks properly. Furthermore, an effective communication strategy and an awareness raising campaign will be developed during the implementation of the FSP to raise awareness among the stakeholders and the community in general of the project's scope and activities.
	Risk 14: Change of Government, will might result in new management and technical appointees within entities that are project partner, requiring additional efforts to ensure buy-in for project support, which might slow down the speed of project implementation at the start of the project.	In the situation that this would happen, technical personnel from UNDP CO staff and the UNDP Panama RTA will do their utmost to inform and convince new decision makers on the importance of the project, the reasons why it was developed and the positive impact it will have on human health and the environment in Costa Rica.
COVID-19	**Risk 15:** COVID pandemic context may result in difficulties of activities execution due to several causes (involved people´s health harmed, limited domestic travel, etc.). Additionally, co-financing partner commitments may be delayed.	COVID-19 risk has been evaluated and considered to be Low. However, if this occurs during FSP implementation, virtual and remote methods for working implementation will be developed/implemented if needed. Furthermore, PMU will regularly monitor the risks carry out period assessment of market context changes, both at the national and international levels, to ensure the project remains a relevant and trusted partner for the private sector stakeholders.

Stakeholder engagement:

During the PPG phase, a Stakeholder Analysis and Stakeholder Engagement Plan, detailed in Annex 8, was developed in order to identify key stakeholders and relevant beneficiaries to be involved in project implementation process.

This plan seeks to strengthen UNDP institutional partner capacities for managing social and environmental risks and ensuring full and effective stakeholder engagement, including appropriate mechanisms to respond to complaints from project-affected people. This Plan follows the Guidance Note UNDP Social and Environmental Standards (SES).

The Annex lists in detail different stakeholders that have been identified to be strongly linked to and interested in project activities. During PPG several activities were conducted, detailed in Table 1 "Stakeholder Engagement activities carried out during the PPG phase" of Annex 8, for engaging the wide universe of stakeholders relevant to the expected results of this FSP, allowing not only to communicate project's objectives and activities but also to identify their concerns and expectations.

As a result, a Stakeholder Engagement Plan was developed. This plan describes the different activities and engagement strategies to be conducted during the implementation period through which the project aims to engage the key stakeholders, addressing their concerns and meet and/or manage their expectations and proposed means of communication to be used.

The grievances will be geared directly to the Ministry of Environment and Energy (MINAE) through the institutional mechanisms by which people concerned with or potentially affected by the project can express their grievances to the Directorate of Environmental Quality Management (DIGECA). Ultimately, grievances and complaints can be lodged to the following address:

Mail address: digeca@minae.go.cr

Phone: 2257-1839

Address: Av. 18, streets 9 and 9 bis, #935, San José.

Directorate of Environmental Quality Management (DIGECA)

Ministry of Environment and Energy (MINAE)

South-South and Triangular Cooperation (SSC/TrC):

The Circular Solutions to Plastic Pollution (CSPP) Integrated Program (IP) aims to tackle plastic pollution by working with governments on circular policies, with businesses to adopt circular practices, with financiers to invest in circular solutions, and with the general public to raise awareness and shift consumer behavior.

This Project in Costa Rica will provide access to information and opportunities for exchange among key stakeholders by informing the GEF CSPP IP projects as well as the wider community about experiences in reducing the reduction of plastic being placed in the market by the food and beverage industry and the adoption of circular solutions for plastic packaging, including but not limited to access and use information, technical materials, guidance, and lessons learned to assist the development and implementation of the Global Child Project.

The Costa Rica Child Project will ensure that project results, experiences, lessons-learned and best practices are captured, published, and taken up by the GEF CSPP IP Dissemination Platform on a quarterly and annual basis for national and global dissemination and to foster South-South and Triangular Cooperation, using report templates provided by the GEF CSPP IP global component where appropriate.

UNDP organizes on a yearly basis face-to-face South-South exchanges among all UNDP GEF Chemicals and Waste projects and programmes in the Latin American and the Caribbean region. These allow government counterparts, project coordinators and experts to exchange experiences and lead to long-term collaboration, exchanges and partnerships between projects and countries. Projects that participate in these exchanges include UNDP/GEF projects like those implemented in República Dominicana, Colombia, Ecuador, and Argentina (among others), which also focus on plastic issues.

This FSP will also carry out specific actions on south-south and triangular cooperation to present opportunities for replication in other countries, and to facilitate dissemination through global ongoing South-South and global platforms, such as the UN South-South Galaxy knowledge sharing platform and PANORAMA[11]. In addition, to bring the voice of Costa Rica to global and regional fora, the project will explore opportunities for meaningful participation in specific events where UNDP could support engagement with the global development discourse on Circular Solutions to Plastic Pollution. The project will furthermore provide opportunities for regional cooperation with countries that are implementing initiatives on Circular Solutions to Plastic Pollution in geopolitical, social, and environmental contexts relevant to the proposed project in Costa Rica.

Gender equality and Women's Empowerment:

During the PPG phase a gender analysis was conducted, and a gender action plan was developed for addressing gender equality in project outcomes. The Annex 10 "Gender Analysis and Action Plan" includes the detail of this work, but it can be highlighted that main objective of this plan is to mainstream the gender approach in the life cycle of the project "Circular solutions to plastic pollution in Costa Rica", contributing to sustainable and inclusive development of the population living in the project's intervention areas. Likewise, the following specific objectives were established:

1. Capacity building and awareness raising for the mainstreaming of the gender approach to achieve sustainable and inclusive development in the reduction of single-use plastic containers and packaging in the beverage and food sector, through circular economy solutions.

[11] https://panorama.solutions/en

2. Promote actions that encourage women's entrepreneurship in circular economy solutions to reduce single-use plastic containers and packaging in the food and beverage sector.

3. Improve spaces for participation and empowerment of women as agents of change to achieve the reduction of single-use plastic containers and packaging in the food and beverage sector.

Generate sex-disaggregated information that will serve as a basis for strengthening the monitoring, communication and evaluation mechanisms of the project on the reduction of single-use plastic containers and packaging in the food and beverage sector.

The Annex 10 details within the section "Activities proposed for the implementation of the project" specific activities to mainstream gender in each of the Outputs of the project and defines as well its indicators.

As a result, it is expected to promote equal opportunities in the areas of intervention throughout the project's life cycle, thus contributing to the strengthening of governance processes and sustainable and inclusive development, to reduce the amount of plastics that the food and beverage industry introduces to the market and encourage them to implement circular solutions for plastic packaging.

Knowledge:

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

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

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

Innovativeness, Sustainability and Potential for Scaling Up:

Innovativeness:

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

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

the engagement and the provision of appropriate technical advice to the legislative and executive power to support the enhancement of the national regulatory framework developed will be supported.

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

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

Under Component 3, the innovative approach is related to the implementation of three (3) demonstration activities that will support the voluntary implementation of EPR schemes with large/small retail users to demonstrate the feasibility of implementation of the following: i) involve and impact all value chain (upstream and downstream), for F&B plastic packaging, ii) Reuse-Refill pilots of F&B plastic containers, and iii) deposit-return scheme for bottles/containers. These demonstration activities will be implemented in the urban area and the obtained results will provide technical justification for the inclusion of plastics packaging and containers as special handling waste by decree, subject to extended producer responsibility in Costa Rica. Additionally, feasibility (technical, economic and environmental) of non-plastic solutions will be demonstrated through the implementation of a pilot project.

Sustainability:

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

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

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

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

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

Scaling Up:

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

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

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

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

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

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

Digital Solutions[12]:

The project will foster the different key stakeholders of plastics along the value chain and government authorities engage, coordinate, exchange information, cooperate, negotiate among other activities within the Consultive Platform.

Furthermore, project results and information will flow through the Ministry of Environment and Energy/ Directorate of Environmental Quality Management Costa Rica (DIGECA) web, as well as through digital platforms of different project partners. The project team will take into account the conditions internet access among the key stakeholders and will provide guidance on the use of the digital platforms and instruments.

Finally, during project implementation any potential innovative digital tools that enable more effective implementation of the activities will be considered.

PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

The Child Project in Costa Rica will ensure cost efficiency by focusing on key specific actions that maximise change and impact. The project will catalyse:

- That private sector invests in the improvement of their supply chains towards plastics circularity and reduction of plastics use within the Food and Beverage sector.
- That pertinent authorities mobilise and focus resources into actions that are key to plastics reduction and introduction of circularity principles within the entire value chain in the Food and Beverage sector.
- Collaboration and complementarity with other on going initiatives in Costa Rica aligned to the scope of the project to prevent duplication and to maximise joint impact.

[12] *Please see the Guideline "Embedding Digital in Project Design".*

Project Management

The project will operate in Costa Rica and will be executed by The Ministry of Environment and Energy (MINAE) which is the Implementing Partner. The Project team will operate in a centralized form in San José, Costa Rica.

PROJECT RESULTS FRAMEWORK

Contribution to the Sustainable Development Goal (s): SDG 3 "Good Health and Well-being"; SDG 5 "Gender Equality"; SDG 6 "Clean Water and Sanitation"; SDG 11 "Sustainable Cities and Communities"; SDG 12 "Responsible Consumption and Production"; SDG 13 "Climate Action"; SDG 14 "Life below water"; SDG 15 "Life on land"

Intended Outcome as stated in the UNSDCF/Country Programme Results and Resource Framework: UNSDCF outcome 2.1. By 2027, institutions are transformed and modernized to provide people- centred, inclusive, innovative, effective, efficient, timely and flexible, gender-transforming quality services, articulated with other institutions and with a strong territorial approach, allowing municipalities to become the main agents of change in local development, especially in territories with a lower development index. /

Applicable Output(s) from the UNDP Strategic Plan: Output 1.3. National and local public institutions have strengthened their capacities to manage, inform and supervise substances harmful to the environment, as well as to substitute and eliminate them. UNSDCF outcome 3.2. By 2027, women in their diversity and vulnerable populations participate in and benefit from an innovative, inclusive economy that enhances their opportunities for decent work and entrepreneurship, with better conditions to access financing mechanisms. /**Output 2.2. National and local public sectors have strengthened capacities for the promotion of a green, blue, purple and circular economy and the strengthening of climate action.**

Project title and Quantum Project Number: Circular solutions to plastic pollution in Costa Rica

Objective and Outcome Indicators (no more than a total of 20 indicators)		Data Source	Baseline	Mid-term Target	End of Project Target	Data Collection Methods	Risks/Assumptions
Project Objective:	Reduce the amount of plastic placed in the market by the food and beverage industry and incentivize them to implement circular solutions to plastic packaging.						
	Mandatory Indicator 1: GEF Core Indicator 11: # direct project beneficiaries disaggregated by gender (individual people)	Annual report on the number of people trained and in attendance at awareness workshops, collected by and reported on by the PMU. This information would be disaggregated by gender and recorded in a project beneficiary's database.	-	115,000 direct project beneficiaries (57,500 women and 57,500 men)	289,454 direct project beneficiaries (144,727 women and 144,727 men)	Annual report on the number of people trained and in attendance at awareness workshops, collected by and reported on by the PMU. This information would be disaggregated by gender and recorded in a project beneficiary's database.	Risks: Assumptions: The implementation of the gender action plan will promote the equal and fair participation of women and men in the design of innovative alternatives, benefits, and opportunities in each of its components.
	Mandatory Indicator 2: GEF Core Indicator 6: Greenhouse gas emission mitigated (metric tons of CO2e)	Official records of DIGECA (MINAE).	-	6,722 metric tonnes of $CO2_e$ avoided outside AFOLU sector (direct)	16,805 metric tonnes of $CO2_e$ avoided outside AFOLU sector (direct)[13]	Global IP GEBs calculation methodology. Official records of DIGECA (MINAE).	Risks: Assumptions: Key Stakeholders, mainly the private sector, are willing to participate and receive training and capacity built in the adoption of circular

[13] The total amount will arise to 33,610 metric tonnes of $CO2_e$ avoided in Costa Rica five (5) years after project implementation.

							solutions for plastics packaging. The industry maintains a strong ambition to reduce plastic pollution.
	Mandatory Indicator 3: GEF Core Indicator 9: Avoided residual plastic waste (MT)	Official records of DIGECA (MINAE).	-	3,090 MT of plastic waste avoided.	7,726 MT of plastic waste avoided.[14]	Global IP GEBs calculation methodology. Official records of DIGECA (MINAE).	Risks: Assumptions: Key Stakeholders, mainly the private sector, are willing to participate and receive training and capacity built in the adoption of circular solutions for plastics packaging. The industry maintains a strong ambition to reduce plastic pollution.
	Mandatory Indicator 4: GEF Core Indicator 10: Persistent organic pollutants to air reduced (gTEQ)	Official records of DIGECA (MINAE).	-	0.12 gTEQ to air reduced.	0.3 gTEQ to air reduced.[15]	Global IP GEBs calculation methodology. Official records of DIGECA (MINAE).	Risks: Assumptions: Key Stakeholders, mainly the private sector, are willing to participate and receive training and capacity built in the adoption of circular solutions for plastics packaging. The industry maintains a strong ambition to reduce plastic pollution.
Project component 1	**Strengthening governance and policies on circular solutions for plastic pollution.**						
Project Outcome 1	Indicator 5: Policy framework enhanced, measured by: - Regulatory framework assessment and recommendations report. - Fiscal Instruments designed and proposed.	Official records of DIGECA (MINAE).	-	- One (1) report on the regulatory framework assessment and recommendations. - Political Communication Strategy developed	- Eight (8) technical regulations drafted for technical standards. - One (1) technical regulation for fiscal instruments implementation. - Five (5) standard specifications, basic conditions and	Official records of DIGECA (MINAE).	Risks: Assumptions: Government of Costa Rica commits to encourage coordination among competent authorities for promoting the reduction of plastics in the food and beverage industry and incentivize the adoption of circular solutions to plastic packaging.

[14] The total amount will arise to 15,453 MT of plastic avoided in Costa Rica five (5) years after project implementation.
[15] The total amount will arise to 0.7 gTEQ to air avoided in Costa Rica five (5) years after project implementation.

	- Number of technical regulations drafted for technical standards. - Number standard specifications, basic conditions and framework agreements of plastics products included in public procurement system. - Technical regulation and decree for plastics inclusion as special waste subject to EPR drafted. - Political Communication Strategy implemented				framework agreements of plastics products included in public procurement system. - Technical regulation and decree for plastics inclusion as special waste subject to EPR drafted. - Political Communication Strategy implemented.		A collaborative approach to policy making that is sustained and continuously improved, integrating gender related issues across the implementation of the proposed activities.
	Indicator 6: - Sectoral dialogue roundtables towards plastics circularity institutionalized. - Number of Tariff headings and subheadings revised for prioritized products from the plastics value chain in the F&B related with international taxation. - Number of technical requirements defined for imports prioritized products from the plastics value chain.	Official records of DIGECA (MINAE).	-	- Problematic plastic being imported and exported prioritized.	- Sectoral dialogue roundtables towards plastics circularity institutionalized. - At least ten (10) Tariff headings and subheadings modified for prioritized problematic plastics reduction. - At least ten (10) Technical requirements defined for plastics imports.	Official records of DIGECA (MINAE).	Risks: Assumptions: Government of Costa Rica commits to encourage coordination among competent authorities for promoting the reduction of plastics in the food and beverage industry and incentivize the adoption of circular solutions to plastic packaging. A collaborative approach to policy making that is sustained and continuously improved, integrating gender related issues across the implementation of the proposed activities.
Outputs to achieve Outcome 1	Outputs 1.1. New policy framework (15 technical regulations/standards) developed to disincentivize the use of plastics in the F&B sector, ensuring gender-differentiated needs. Outputs 1.2. Consultive Platform operations strengthened in plastic related issues, through the implementation of sectoral roundtables, agreements, knowledge and information exchange. Output 1.3. Strategy to reduce the imports and exports of problematic plastics designed (10 tariff headings and subheadings modified for problematic plastics; 10 technical requirements defined for plastics imports). Output 1.4. Political communication strategy designed and implemented to support the proposed policy framework.						
Project component 2	**Improving private sector engagement and unlocking investments**						

Outcome 2	Indicator 7: - Number of tax incentives assessed. - Number of MSMEs assisted to apply and benefit from tax incentives in circular economy.	Official records of DIGECA (MINAE).	-	- At least three (3) tax incentives assessed.	- At least Five (5) MSMEs technically assisted to access tax incentives in circular economy.	Official records of DIGECA (MINAE).	Risks: Assumptions: Key Stakeholders, mainly the private sector, are willing to participate and receive training and capacity built in the adoption of circular solutions for plastics packaging. The industry maintains a strong ambition to reduce plastic pollution. The implementation of the gender action plan will promote the equal and fair participation of women and men in the design of innovative alternatives, benefits, and opportunities in each of its components.
	Indicator 8: Investment mobilized towards plastic reduction through circular models, measured by: - Green taxonomy inputs for the circular economy of plastics in the F&B sector developed. - Number of ventures/initiatives in plastics circular economy implemented through the Competitive Fund. - Number of MSMEs assisted in accessing green funds towards plastics circularity.	Official records of DIGECA (MINAE).	-	- Green taxonomy inputs for the circular economy of plastics in the F&B sector developed. - Competitive Fund designed.	- At least five (5) initiatives implemented. - At least five (5) MSMEs technically assisted to access funds towards plastics circularity.	Official records of DIGECA (MINAE).	Risks: Assumptions: Key Stakeholders, mainly the private sector, are willing to participate and receive training and capacity built in the adoption of circular solutions for plastics packaging. The industry maintains a strong ambition to reduce plastic pollution. The implementation of the gender action plan will promote the equal and fair participation of women and men in the design of innovative alternatives, benefits, and opportunities in each of its components.
Outputs to achieve Outcome 2	Output 2.1. Tax incentives assessed (at least 3) for improvement, related to economic activities for the production or import of packaging/containers from circular solutions for plastic reduction in F&B, and technically assist at least 5 MSMEs to access tax incentives, with focus on those led by young people and women. Output 2.2. Promote the incubation and acceleration of at least five (5) circular economy initiatives in the private sector, with focus on those led by young people and women. Output 2.3 Green taxonomy inputs for the circular economy of plastics in the F&B sector developed. Financial capacity built for companies and at least 5 MSMEs technically assisted to access funds destined to the implementation of circular solutions to plastics in the F&B sector.						
Project component 3	**Financing for pilot projects and business models**						

Outcome 3	*Indicator 9:* Number of pilot projects implemented that apply extended producer responsibilities' mechanisms.	Official records of DIGECA (MINAE).	-	Three (3) feasibilities studies developed for: - Voluntary Extended Producer Responsibility (EPR) pilot, to involve and impact all value chain - Reuse-Refill of F&B plastic containers - Deposit-return scheme for bottles/containers	Three (3) pilot projects implemented: - Voluntary Extended Producer Responsibility (EPR) pilot, to involve and impact all value chain - Reuse-Refill of F&B plastic containers - Deposit-return scheme for bottles/containers	Official records of DIGECA (MINAE).	Risks: Assumptions: Key Stakeholders provide reliable and accurate information about the volumes of plastics being placed in the market in Costa Rica, particularly within the food and beverage industry, and are willing to participate in their reduction and in their environmental sound management process. The implementation of the gender action plan will promote the equal and fair participation of women and men in the design of innovative alternatives, benefits, and opportunities in each of its components. Key Stakeholders, mainly the private sector, are willing to participate and receive training and capacity built in the adoption of circular solutions for plastics packaging. The industry maintains a strong ambition to reduce plastic pollution. The implementation of the gender action plan will promote the equal and fair participation of women and men in the design of innovative alternatives, benefits, and opportunities in each of its components.
	Indicator 10: Number of pilot projects implemented that apply compostable or plastic substitutes solutions	Official records of DIGECA (MINAE).	-	One (1) feasibility study developed for compostable or plastic substitutes solutions.	One (1) pilot project implemented that apply compostable or plastic substitutes solutions.	Official records of DIGECA (MINAE).	Risks: Assumptions: Key Stakeholders provide reliable and accurate information about the volumes of plastics being placed in the market in Costa Rica, particularly within the food and beverage industry,

							and are willing to participate in their reduction and in their environmental sound management process. Key Stakeholders, mainly the private sector, are willing to participate and receive training and capacity built in the adoption of circular solutions for plastics packaging. The industry maintains a strong ambition to reduce plastic pollution The implementation of the gender action plan will promote the equal and fair participation of women and men in the design of innovative alternatives, benefits, and opportunities in each of its components.
Outputs to achieve Outcome 3	Output 3.1. Three (3) feasibility studies developed for the implementation of EPR mechanisms and non-plastic packaging solutions tested in Output 3.2 and 3.3. Output 3.2. Three (3) pilot projects of EPR mechanisms designed and implemented, encouraging women/women-led MSMEs participation. Output 3.3. One pilot project adopting plastics substitutes designed and implemented, encouraging women participation.						
Project component 4	**Ensuring behavior & social change, knowledge and communication**						
Outcome 4	*Indicator 11:* National consumer behavior change strategy aligned with Circular Economy principles, focusing on the food and beverage industry designed and implemented.	Official records of DIGECA (MINAE).	-	National consumer behavior change strategy aligned with Circular Economy principles, focusing on the food and beverage industry designed.	National consumer behavior change strategy aligned with Circular Economy principles, focusing on the food and beverage industry implemented. 10,000 people (5,000 women, 5,000 men) reached.	Annual update of the number of people participating and reached through communication activities by the PMU. This information would be de-aggregated by gender and recorded in a project beneficiary's database.	Risks: Assumptions: Key Stakeholders are willing to participate and receive training, awareness raising and capacity built in the adoption of circular solutions for plastics packaging. The implementation of the gender action plan will promote the equal and fair participation of women and men in the design of innovative alternatives, benefits, and opportunities in each of its components.
	Indicator 12: Educational/communicational system for plastic used reduction implemented.	Official records of DIGECA (MINAE).	-	Educational/communicational system designed.	Two (2) pilots implemented for plastic used reduction implemented by	Annual update of the number of people participating and reached through	Risks: Assumptions: Key Stakeholders are willing to participate and receive

					applying the educational/communicational system. 4,000 people (2,000 women, 2,000 men) reached.	communication activities by the PMU. This information would be de-aggregated by gender and recorded in a project beneficiary's database.	training, awareness raising and capacity built in the adoption of circular solutions for plastics packaging. The implementation of the gender action plan will promote the equal and fair participation of women and men in the design of innovative alternatives, benefits, and opportunities in each of its components.
Outputs to achieve Outcome 4	Output 4.1. Consumer Behavior change strategy designed and implemented, considering gender-differentiated consumption patterns. Output 4.2. Two (2) pilot project designed, tested and assessed of an educational/communicational system, with a gender perspective, for plastic use reduction. Output 4.3 Five (5) participations in the IP Annual Conferences, at least thirty (30) virtual events/working groups organized by the Global Team attended, and at least five (5) knowledge products/lessons learned shared at IP level.						
Project component	**Monitoring & Evaluation**						
Outcome 5	Indicator 13: Project-level monitoring and evaluation completed through documentation from Inception Workshop, Annual GEF Project Implementation Reviews (PIR), M&E of GEF core Indicators, Gender Plan, Safeguards Frameworks and Action Plans, Independent Mid-Term Review, and Independent Terminal Evaluation	Inception Workshop Report Annual GEF Project Implementation Report (PIR) Board meeting reports M&E reports of GEF core indicators Reports of gender, stakeholder participation and ESMF monitoring Independent Mid-Term Review Independent Terminal Evaluation	-	- Inception Workshop, PIRs, annual Board meetings, annual update of GEF core indicators, gender, stakeholder participation and ESMF, and MTR completed.	- Independent TE completed. - Final core indicators updated. - Final project board meeting carried out. - Final Presentation of the final technical closure report.	PIR, MTR and TE.	Risks: Limited capacity in project monitoring. (Related to Risk 13) Assumptions: Periodic monitoring and follow-up activities as well as a comprehensive reporting during the MTR, may early identified possible deviations from the programmed actions.
	Indicator 14: Percentage of project expenditure spent on the Costa Rica Project planned activities.	UNDP Expenditures as reported in Quantum.	-	40%	100%	External financial audit retained by UNDP	Risks: Impacts due to fluctuations in credit rate, market and currency that may affect project total budget due to a stressful economic national context. (Related to Risk 9) Assumptions: Impacts for the Costa Rica economy will be timely

							mitigated to guarantee successful completion of the proposed activities and achievement of outcomes, by the end of project.

MONITORING AND EVALUATION (M&E) PLAN

Project-level monitoring and evaluation will be undertaken in compliance with UNDP requirements as outlined in the UNDP POPP (including guidance on GEF project revisions) and UNDP Evaluation Policy **The UNDP Country Office is responsible for ensuring full compliance with all UNDP project M&E requirements including project monitoring, UNDP quality assurance requirements, quarterly risk management, and evaluation requirements.**

Additional mandatory GEF-specific M&E requirements will be undertaken in accordance with the GEF Monitoring Policy and the GEF Evaluation Policy and other relevant GEF policies[16]. The M&E plan and budget included below will guide the GEF-specific M&E activities to be undertaken by this project.

In addition to these mandatory UNDP and GEF M&E requirements, other M&E activities deemed necessary to support project-level adaptive management will be agreed – including during the Project Inception Workshop - and will be detailed in the Inception Report.

Minimum project monitoring and reporting requirements as required by the GEF:

Inception Workshop and Report: A project inception workshop will be held within 2 months from the First disbursement date, with the aim to:

a. Familiarize key stakeholders with the detailed project strategy and discuss any changes that may have taken place in the overall context since the project idea was initially conceptualized that may influence its strategy and implementation.
b. Discuss the roles and responsibilities of the project team, including reporting lines, stakeholder engagement strategies and conflict resolution mechanisms.
c. Review the results framework and monitoring plan.
d. Discuss reporting, monitoring and evaluation roles and responsibilities and finalize the M&E budget; identify national/regional institutes to be involved in project-level M&E; discuss the role of the GEF OFP and other stakeholders in project-level M&E.
e. Update and review responsibilities for monitoring project strategies, including the risk log; SESP report, Social and Environmental Management Framework (where relevant) and other safeguard requirements; project grievance mechanisms; gender strategy; knowledge management strategy, and other relevant management strategies.
f. Review financial reporting procedures and budget monitoring and other mandatory requirements and agree on the arrangements for the annual audit.
g. Plan and schedule Project Board meetings and finalize the first-year annual work plan. Finalize the TOR of the Project Board.
h. Formally launch the Project.

GEF Project Implementation Report (PIR):
The annual GEF PIR covering the reporting period July (previous year) to June (current year) will be completed for each year of project implementation. UNDP will undertake quality assurance of the PIR before submission to the GEF. The PIR submitted to the GEF will be shared with the Project Board. UNDP will conduct a quality review of the PIR, and this quality review and feedback will be used to inform the preparation of the subsequent annual PIR.

GEF Core Indicators:
The GEF Core indicators included as Annex 15 will be used to monitor global environmental benefits and will be updated for reporting to the GEF prior to MTR and TE. Note that the project team is responsible for updating the core indicators status. The updated monitoring data must be shared with MTR/TE consultants prior to required evaluation missions, so these can be used for subsequent groundtruthing. The methodologies to be used in data collection have been defined by the GEF and are available on the GEF.

[16] See https://www.thegef.org/projects-operations/policies-guidelines

Independent Mid-term Review (MTR):
An independent mid-term review (MTR) will be completed by the mid-point of the project. The terms of reference, the MTR process and the final MTR report will follow the standard templates and MTR guidance for UNDP-supported GEF-financed projects available on the UNDP Evaluation Resource Center. The MTR must be submitted to the GEF by the mid-point of the project but no later than 48 months after CEO Endorsement.

Provisions must be taken to complete and submit the MTR within the submission deadline. Therefore, the MTR process must start no later than 8 months before the expected date of submission of the MTR.

The MTR will be 'independent, impartial and rigorous'. The evaluator(s) that UNDP will hire to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be reviewed. Equally, the evaluators should not be in a position where there may be the possibility of future contracts regarding the project under review.

The GEF Operational Focal Point and other stakeholders will be actively involved and consulted during the MTR process. Additional quality assurance support is available from BPPS/VF.

The final MTR report will be publicly available in English and will be posted on the UNDP ERC by the MTR submission date included on cover page of this project document. A management response to MTR recommendations will be posted in the ERC within six weeks of the MTR report's submission to the GEF.

Terminal Evaluation (TE):
An independent terminal evaluation (TE) will take place upon completion of all major project outputs and activities. The terms of reference, the evaluation process and the final TE report will follow the standard templates and TE guidance for UNDP-supported GEF-financed projects available on the UNDP Evaluation Resource Center. TE must be submitted to the GEF no later than 6 months after the Completion Date. This is a hard deadline that, if not met, can only be extended through a formal extension request. To meet the submission deadline, final TE reports must be completed and submitted to BPPS VF team no later than 2 months in advance of the deadline to allow sufficient time for internal review/clearance that is required prior to submission.

Provisions must be taken to complete and submit the TE within the submission deadline. Therefore, TE must start no later than 8 months before the expected date of submission of the TE (or 11 months prior to the estimated operational closure date).

The evaluation will be 'independent, impartial and rigorous'. The evaluator(s) that UNDP will hire to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be evaluated. Equally, the evaluators should not be in a position where there may be the possibility of future contracts regarding the project being evaluated.

The GEF Operational Focal Point and other stakeholders will be actively involved and consulted during the terminal evaluation process. Additional quality assurance support is available from BPPS VF.

The final TE report will be publicly available in English and posted on the UNDP ERC by the TE submission date included on cover page of this project document. A management response to the TE recommendations will be posted to the ERC within six weeks of the TE report submission to the GEF.

Per the GEF Terminal Evaluation requirements, for cancelled full-sized projects, Terminal Evaluations are required if the GEF grant expenditure exceeds more than US$ 2 million.

Final Report:
The project's final GEF PIR along with the terminal evaluation (TE) report and corresponding management response will serve as the final project report package. The final project report package shall be discussed with the Project Board during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up.

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans.

Monitoring Plan: The project results, corresponding indicators and mid-term and end-of-project targets in the project results framework will be monitored by the Project Management Unit annually, and will be reported in the GEF PIR every year, and will be evaluated periodically during project implementation. If baseline data for some of the results indicators is not yet available, it will be collected during the first year of project implementation. Project risks, as outlined in the risk register, will be monitored quarterly.

Monitoring Activity							
	Results Monitoring	**Indicators**	**Targets**	**Description of indicators and targets**	**Frequency**	**Responsible for data collection**	**Means of verification**
Track results progress	**Project objective from the results framework**	***Indicator 1*** GEF Core Indicator 11	Mid Term (MT): 115,000 (57,500 women and 57,500 men) direct beneficiaries. End of Project (EoP): 289,454 (144,727 women and 144,727 men) direct beneficiaries.	# direct project beneficiaries disaggregated by gender (individual people)	Annually Reported in Development Objective (DO) tab of the GEF PIR	Project Management Unit (PMU)	Training records, Workshop's minutes and PMU reports.
		Indicator 2 GEF Core Indicator 6	*MT:* 6,722 metric tonnes of $CO2_e$ avoided outside AFOLU sector (direct) *EoP:* 16,805 metric tonnes of $CO2_e$ avoided outside AFOLU sector (direct)	Greenhouse Gas Emissions Mitigated (Million metric tons of CO2e)	Annually Reported in Development Objective (DO) tab of the GEF PIR	PMU DIGECA (MINAE)	Official records of DIGECA (MINAE) and PMU.
		Indicator 3 GEF Core Indicator 9:	*MT:* 3,090 MT of plastic waste avoided. *EoP:* 7,726 MT of plastic waste avoided.	Avoided residual plastic waste (MT)	Annually Reported in Development Objective (DO) tab of the GEF PIR	PMU DIGECA (MINAE)	Official records of DIGECA (MINAE) and PMU.
		Indicator 4 GEF Core Indicator 10	*MT:* 0.12 gTEQ to air reduced. *EoP:* 0.3 gTEQ to air reduced.	Persistent organic pollutants to air reduced (gTEQ)	Annually Reported in Development Objective (DO) tab of the GEF PIR	PMU DIGECA (MINAE)	Official records of DIGECA (MINAE) and PMU.

Monitoring Activity							
	Results Monitoring	**Indicators**	**Targets**	**Description of indicators and targets**	**Frequency**	**Responsible for data collection**	**Means of verification**
	Project Outcome 1	***Indicator 5***	*MT:* - One (1) report on the regulatory framework assessment and recommendations. - Political Communication Strategy developed *EoP:* - Eight (8) technical regulations drafted for technical standards. - One (1) technical regulation for fiscal instruments implementation. - Five (5) standard specifications, basic conditions and framework agreements of plastics products included in public procurement system. - Technical regulation and decree for plastics inclusion as special waste subject to EPR drafted. - Political Communication Strategy implemented.	Policy framework enhanced, measured by: - Regulatory framework assessment and recommendations report. - Fiscal Instruments designed and proposed. - Number of technical regulations drafted for technical standards. - Number standard specifications, basic conditions and framework agreements of plastics products included in public procurement system. - Technical regulation and decree for plastics inclusion as special waste subject to EPR drafted. - Political Communication Strategy implemented	PIR, MTR and TE	PMU DIGECA (MINAE)	Official records of DIGECA (MINAE) and PMU.
		Indicator 6	*MT:* Problematic plastic being imported and exported prioritized. *EoP:* - Sectoral dialogue roundtables towards plastics circularity institutionalized. - At least ten (10) Tariff headings and subheadings modified for prioritized	- Sectoral dialogue roundtables towards plastics circularity institutionalized. - Number of Tariff headings and subheadings revised for prioritized products from the plastics value chain in the F&B related with international taxation.	PIR, MTR and TE	PMU DIGECA (MINAE)	Official records of DIGECA (MINAE) and PMU.

Monitoring Activity							
	Results Monitoring	**Indicators**	**Targets**	**Description of indicators and targets**	**Frequency**	**Responsible for data collection**	**Means of verification**
			problematic plastics reduction. - At least ten (10) Technical requirements defined for plastics imports.	- Number of technical requirements defined for imports prioritized products from the plastics value chain.			
	Project Outcome 2	***Indicator 7***	*MT:* - At least three (3) tax incentives assessed. *EoP:* - At least Five (5) MSMEs technically assisted to access tax incentives in circular economy.	- Number of tax incentives assessed. - Number of MSMEs assisted to apply and benefit from tax incentives in circular economy.	PIR, MTR and TE	PMU DIGECA (MINAE)	Official records of DIGECA (MINAE) and PMU.
		Indicator 8	*MT:* - Green taxonomy inputs for the circular economy of plastics in the F&B sector developed. *EoP:* - At least five (5) initiatives implemented. - At least five (5) MSMEs technically assisted to access funds towards plastics circularity.	Investment mobilized towards plastic reduction through circular models, measured by: - Green taxonomy inputs for the circular economy of plastics in the F&B sector developed. - Number of ventures/initiatives in plastics circular economy implemented through the Competitive Fund. - Number of MSMEs assisted in accessing green funds towards plastics circularity.	PIR, MTR and TE	PMU DIGECA (MINAE)	Official records of DIGECA (MINAE) and PMU.
		Indicator 9	MT: Three (3) feasibilities studies developed for: - Voluntary Extended	Number of pilot projects implemented that apply	PIR, MTR and TE	PMU DIGECA (MINAE)	Official records of DIGECA (MINAE) and PMU.

Monitoring Activity							
	Results Monitoring	**Indicators**	**Targets**	**Description of indicators and targets**	**Frequency**	**Responsible for data collection**	**Means of verification**
	Project Outcome 3		Producer Responsibility (EPR) pilot, to involve and impact all value chain - Reuse-Refill of F&B plastic containers - Deposit-return scheme for bottles/containers EoP: Three (3) pilot projects implemented: - Voluntary Extended Producer Responsibility (EPR) pilot, to involve and impact all value chain - Reuse-Refill of F&B plastic containers - Deposit-return scheme for bottles/containers	extended producer responsibilities' mechanisms.			
		Indicator 10	MT: One (1) feasibility study developed for compostable or plastic substitutes solutions. EoP: One (1) pilot project implemented that apply compostable or plastic substitutes solutions.	Number of pilot projects implemented that apply compostable or plastic substitutes solutions	PIR, MTR and TE	PMU DIGECA (MINAE)	Official records of DIGECA (MINAE) and PMU.
	Project Outcome 4	***Indicator 11***	MT: National consumer behavior change strategy aligned with Circular Economy principles, focusing on the	National consumer behavior change strategy aligned with Circular Economy principles, focusing on the food and	PIR, MTR and TE	PMU DIGECA (MINAE)	Official records of DIGECA (MINAE) and PMU.

Monitoring Activity							
	Results Monitoring	**Indicators**	**Targets**	**Description of indicators and targets**	**Frequency**	**Responsible for data collection**	**Means of verification**
			food and beverage industry designed. EoP: National consumer behavior change strategy aligned with Circular Economy principles, focusing on the food and beverage industry implemented. 10,000 people (5,000 women, 5,000 men) reached.	beverage industry designed and implemented.			
		Indicator 12	MT: Educational/communicational system designed. EoP: Two (2) pilots implemented for plastic used reduction implemented by applying the educational/communicational system. 4,000 people (2,000 women, 2,000 men) reached.	Educational/communicational system for plastic used reduction implemented.	PIR, MTR and TE	PMU DIGECA (MINAE)	Official records of DIGECA (MINAE) and PMU.
	Project Outcome 5. M&E	***Indicator 13***	MT: - Inception Workshop, PIRs, annual Board meetings, annual update of GEF core indicators, gender, stakeholder participation and ESMF, and MTR completed. EoP: - Independent TE completed.	Project-level monitoring and evaluation completed through documentation from Inception Workshop, Annual GEF Project Implementation Reviews (PIR), M&E of GEF core Indicators, Gender Plan, Safeguards Frameworks and Action Plans, Independent Mid-Term Review, and	PIR, MTR and TE	PMU DIGECA (MINAE)	Official records of DIGECA (MINAE) and PMU.

Monitoring Activity							
	Results Monitoring	**Indicators**	**Targets**	**Description of indicators and targets**	**Frequency**	**Responsible for data collection**	**Means of verification**
			- Final core indicators updated. - Final project board meeting carried out. - Final Presentation of the final technical closure report.	Independent Terminal Evaluation			
		Indicator 14	MT: 40% EoP: 100%	Percentage of project expenditure spent on the Dominican Republic Project planned activities.	PIR, MTR and TE	PMU DIGECA (MINAE) UNDP	External financial audit retained by UNDP

Monitoring Activity			
	Frequency/Timeframe	**Expected Action**	**Partners (if joint)**
Inception Workshop and Report	Inception Workshop within 2 months of the First Disbursement	As per above description	Ministry of Environment and Energy (MINAE) – Implementing partner
Track results progress (see above table for details)	Annually and at mid-point and closure	Slower than expected progress will be addressed by project management.	MINAE
Monitor and Manage Risk	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	MINAE
Monitor gender action plan and stakeholders' engagement plan	Ongoing	Relevant developments are documented by the project team and used to inform management decisions.	MINAE
Supervision Missions	Annually	Relevant learning and risks are identified by the UNDP officers and used to inform management decisions.	MINAE

Monitoring Activity			
	Frequency/Timeframe	**Expected Action**	**Partners (if joint)**
Learning and Learning Missions	As needed	Relevant lessons are captured by the project team and used to inform management decisions.	MINAE
Annual Project Quality Assurance	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	MINAE
Review and Make Course Corrections	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.	MINAE
Annual GEF Project Implementation Report (PIR)	Annually typically between June-September	Mandatory contribution by Project Team, CO and RTA. Strengths and weaknesses will be reviewed by project management and used to inform decisions to improve project performance	MINAE
Project Review (Project Board)	At least annually	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.	MINAE

Evaluation Plan

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNSDCF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders
Independent Mid-Term Review (MTR)	Not applicable	**Output 1.3. National and local public institutions have strengthened their capacities to manage, inform and supervise substances harmful to the environment, as well as to substitute and eliminate them.** UNSDCF outcome 3.2. By 2027, women in their diversity and vulnerable populations participate in and benefit from an innovative, inclusive economy that enhances their opportunities for decent work and entrepreneurship, with better conditions to access financing mechanisms. /**Output 2.2.**	See pertinent information in the project results framework	By the MTR submission date included on cover page of Project Document	-
Independent Terminal Evaluation (TE)	Not applicable		See pertinent information in the project results framework	By the TE submission date included on cover page of Project Document	-

		National and local public sectors have strengthened capacities for the promotion of a green, blue, purple and circular economy and the strengthening of climate action.			

Monitoring and Evaluation Budget for project execution:	
GEF M&E requirements to be undertaken by Project Management Unit (PMU)	**Indicative costs (US$)**
Inception Workshop and Report	10,000
M&E required to report on progress made in reaching GEF core indicators and project results included in the project results framework	25,000
Translation cost of MTR and TE.	5,000
Monitoring of Stakeholder Engagement Plan and Gender Action Plan	25,000
Monitoring of Environmental and Social Safeguards	40,000
Supervision missions	5,729
Learning missions	5,000
Independent Mid-term Review (MTR)	25,000
Independent Terminal Evaluation (TE)	25,000
TOTAL indicative COST	**165,729**

GOVERNANCE AND MANAGEMENT ARRANGEMENTS

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

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

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

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

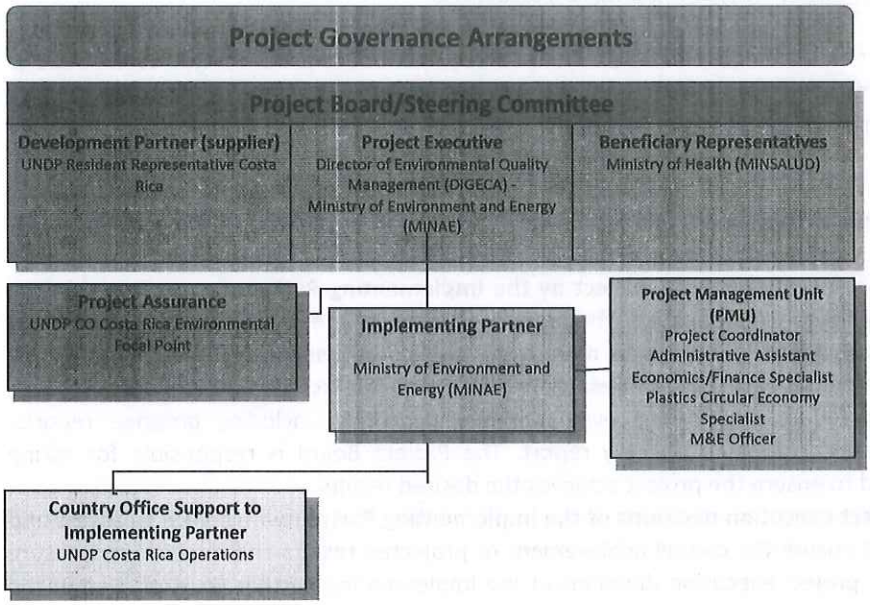
- Project planning, coordination, management, monitoring, evaluation and reporting. This includes providing all required information and data necessary for timely, comprehensive and evidence-based project reporting, including results and financial data, as necessary. The Implementing Partner will strive to ensure project-level M&E is undertaken by national institutes and is aligned with national systems so that the data used and generated by the project supports national systems.
- Overseeing the management of project risks as included in this project document and new risks that may emerge during project implementation.
- Procurement of goods and services, including human resources.
- Financial management, including overseeing financial expenditures against project budgets.
- Approving and signing the multiyear workplan.
- Approving and signing the combined delivery report at the end of the year; and,
- Signing the financial report or the funding authorization and certificate of expenditures.

Responsible Parties: not Responsible Parties are identified for this FSP.
Project stakeholders and target groups: The stakeholders of the project correspond to a diversity of entities of the Government (at national and local level), private sector, academia and CSOs, as detailed in Table 6. Partnerships of the FSP, such as: industrial associations, universities, food and beverage companies, plastic producers, research centers, NGOs, etc. These stakeholders can engage having similar approach and goals for the reduction of plastic in the food and beverage sector and incentivize the adoption of circular business models.

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

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

Section 2: Project governance structure



First line of defense

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

Second line of defense

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

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

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

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

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

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

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

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

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

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

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

Requirements to serve on the Project Board:

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

Responsibilities of the Project Board:

- ✓ Consensus decision making:
  - The project board provides overall overall guidance and direction to the project, ensuring it remains within any specified constraints, and providing overall oversight of the project implementation.
  - Review project performance based on monitoring, evaluation and reporting, including progress reports, risk logs and the combined delivery report;
  - The project board is responsible for making management decisions by consensus.
  - In order to ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition.
  - In case consensus cannot be reached within the Board, the UNDP representative on the board will mediate to find consensus and, if this cannot be found, will take the final decision to ensure project implementation is not unduly delayed.
- ✓ Oversee project execution:
  - Agree on project manager's tolerances as required, within the parameters outlined in the project document, and provide direction and advice for exceptional situations when the project manager's tolerances are exceeded.
  - Appraise annual work plans prepared by the Implementing Partner for the Project; review combined delivery reports prior to certification by the implementing partner.
  - Address any high-level project issues as raised by the project manager and project assurance;

- Advise on major and minor amendments to the project within the parameters set by UNDP and the donor and refer such proposed major and minor amendments to the UNDP BPPS Nature, Climate and Energy Executive Coordinator (and the GEF, as required by GEF policies);
- Provide high-level direction and recommendations to the project management unit to ensure that the agreed deliverables are produced satisfactorily and according to plans.
- Track and monitor co-financed activities and realisation of co-financing amounts of this project.
- Approve the Inception Report, GEF annual project implementation reports, mid-term review and terminal evaluation reports.
- Ensure commitment of human resources to support project implementation, arbitrating any issues within the project.

✓ Risk Management:

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

✓ Coordination:

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

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

1. **Project Executive:** This is an individual who represents ownership of the project and chairs (or co-chairs) the Project Board. The Executive usually is the senior national counterpart for nationally implemented projects (typically from the same entity as the Implementing Partner), and it must be UNDP for projects that are direct implementation (DIM). In exceptional cases, two individuals from different entities can co-share this role and/or co-chair the Project Board. If the project executive co-chairs the project board with representatives of another category, it typically does so with a development partner representative. The Project Executive is: Director of Environmental Quality Management (DIGECA) - Ministry of Energy and Environment (MINAE).

2. **Beneficiary Representative(s):** Individuals or groups representing the interests of those groups of stakeholders who will ultimately benefit from the project. Their primary function within the board is to ensure the realization of project results from the perspective of project beneficiaries. Often representatives from civil society, industry associations, or other government entities benefiting from the project can fulfil this role. There can be multiple beneficiary representatives in a Project Board. The Beneficiary representative (s) is/are: Ministry of Health (MINSALUD)

3. **Development Partner(s):** Individuals or groups representing the interests of the parties concerned that provide funding, strategic guidance and/or technical expertise to the project. The Development Partner(s) is/are: UNDP Costa Rica Country Office Resident Representative.

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

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

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

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

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

FINANCIAL PLANNING AND MANAGEMENT

The total cost of the project is USD$ 24,673,023.90. This is financed through a GEF grant of USD$ 3,547,248 administered by UNDP, and additional support of USD$ 21,125,775.90. UNDP, as the GEF Implementing Agency, is responsible for the oversight of the GEF resources and the cash co-financing transferred to UNDP bank account only.

Co-financing: The actual realization of project co-financing amounts will be monitored by the UNDP Country Office and the PMU on an annual basis in the GEF PIF and will be reported to the GEF during the *mid-term review* and terminal evaluation process as follows:

Co-financing source	Co-financing type	Name of Co-financier	Investment Mobilized	Co-financing amount
Government	In Kind	Ministry of Environment and Energy (MINAE); Ministry of Health; National Union of Local Governments (UNGL)	Recurrent Expenditures	831,952.40
GEF Agency	In Kind	UNDP Costa Rica	Recurrent Expenditures	200,000.00
Private Sector	In Kind	One Sea, Fundación Aliarse, CANACODEA, ACEPESA, EMPAPEL, IPS Recyle, Nico Verde, INTECO, PWI, SyA.	Recurrent Expenditures	12,320,023.50
Private Sector	Grant	Dos Pinos, ACEPESA, EMPAPEL, SyA.	Investment Mobilized	7,773,800.00
Total				**21,125,775.90**

Budget Revision and Tolerance: As per UNDP POPP, the project board may agree with the project manager on a tolerance level for each detailed plan under the overall multi-year workplan. The agreed tolerance should be written in the project document or approved project board meeting minutes. It should normally not exceed 10 percent of the agreed annual budget at the activity level, but within the overall approved multi-year workplan at the activity level. Within the agreed tolerances, the project manager can operate without intervention from the project board. Restrictions apply as follows:

Should the following deviations occur, the Project Manager/IP through UNDP Country Office will seek the approval of the BPPS/ VF team to ensure accurate reporting to the GEF. It is **strongly encouraged** to maintain the expenditures within the approved budget at the budgetary account and at the component level:

a) Budget reallocations must prove that the suggested changes in the budget will not lead to material changes in the results to be achieved by the project. A strong justification is required and will be approved on an exceptional basis. Budget re-allocations among the components (including PMC) of the approved Total Budget and Work Plans (TBWP) that represent a value greater than 10% of the total GEF grant.

b) Introduction of new outputs/activities (i.e. budget items) that were not part of the agreed project document and TBWP that represent a value greater than 5% of the total GEF grant. The new budget items must be eligible as per the GEF and UNDP policies.
c) Project management cost (PMC): budget under PMC component is capped and cannot be increased.

UNDP is not in a position to increase the total budget above the amount approved by the donor, therefore any over-expenditure would have to be absorbed from non-GEF resources by the Implementing Partner (GEF Executing Entity)

Project extensions: The UNDP-BPPS-VF team Executive Coordinator must approve all requests for extension of the Project Completion Date and for other milestone extensions with hard deadlines. All extensions impose additional time and cost burdens at all levels and the GEF project budget cannot be increased beyond its originally approved amount. A single extension may be granted on an exceptional basis and subject to the conditions and maximum durations set out in the UNDP POPP. The project management costs during the extension period must remain within the originally approved amount, and any increase in PMC costs shall be covered by non-GEF resources; the additional UNDP oversight costs during the extension period must be covered by non-GEF resources, in accordance with UNDP's policy as set out in UNDP POPP.

For any extension request, UNDP CO and IP will consult and jointly present a clear plan indicating how and from which specific sources the additional oversight costs that will be incurred by UNDP will be covered during the extended period. The BPPS-VF Executive Coordinator will consult the Regional Bureaux (RBX) and may reject the extension request if no (external co-financing by the IP or internal UNDP CO resources) can be identified.

All extension requests, along with all supporting documentation, shall be submitted by the IP to the UNDP CO in line with the requirements and within the deadlines set out in the UNDP SOPs and policies in UNDP POPP.

Audit: The project will be audited as per UNDP Financial Regulations and Rules and applicable audit policies. Audit cycle and process must be discussed during the Inception workshop. If the Implementing Partner is an UN Agency, the project will be audited according to that Agencies applicable audit policies.

Transfer or disposal of assets: In consultation with the Implementing Partner and other parties of the project, UNDP is responsible for deciding on the transfer or other disposal of assets. Transfer or disposal of assets is recommended to be reviewed and endorsed by the project board following UNDP rules and regulations. Assets may be transferred to the government for project activities managed by a national institution at any time during the life of a project, however **must be done before the operational closure date**. In all cases of transfer, a transfer document must be prepared and kept on file[17]. The transfer should be done before Project Management Unit complete their assignments.

Completion Date: The project completion date is the date of Project Document Signature plus project duration. This date can only be extended through a formal extension request. Prior to completion date, all UNDP-financed inputs must be provided and related activities for the Project completed. No activities, except for the final clearance of the Terminal Evaluation Report and the corresponding management response and the end-of-project review Project Board Meeting should take place after the Completion Date.

Project Closure: Project closure will be conducted as per UNDP requirements outlined in the UNDP POPP. All costs incurred to close the project must be included in the project closure budget and reported as final project commitments presented to the Project Board during the final project review. The only costs a project may incur following the final project review are those included in the project closure budget.

[17] See https://popp.undp.org/_layouts/15/WopiFrame.aspx?sourcedoc=/UNDP_POPP_DOCUMENT_LIBRARY/Public/PPM_Project%20Management_Closing.docx&action=default.

- **Operational Closure: Operational closure must happen within 9 months from project completion date.** Prior to operational closure, the Terminal Evaluation must have been submitted and the corresponding TE management response and the end-of-project review Project Board meeting must have been completed. The Implementing Partner through a Project Board decision will notify the UNDP Country Office when operational closure has been completed. Before Operational Closure, the project must have completed the transfer or disposal of any equipment that is still the property of UNDP.
- **Financial Closure: Financial closure must happen within 6 months of operational closure or after the date of cancellation.** The project will be financially closed when the following conditions have been met: a) the project is operationally completed or has been cancelled; b) the Implementing Partner has reported all financial transactions to UNDP; c) UNDP has closed the accounts for the project; d) UNDP and the Implementing Partner have certified a final Combined Delivery Report (which serves as final budget revision).

  Between operational and financial closure, the implementing partner will identify and settle all financial obligations and prepare a final expenditure report. The UNDP Country Office will send the final signed closure documents including confirmation of final cumulative expenditure and unspent balance to BPPS/VF for confirmation before the project will be financially closed in Quantum by the UNDP Country Office.

Cancellation and Suspension: All projects considering going through cancellation or suspension must follow UNDP and GEF requirements. Guidance can be found in the UNDP POPP (SOPs for management actions of Vertical Fund projects escalated to the Executive Coordinator and Guidance for GEF project revisions).

Refund to GEF: Should a refund of unspent funds to the GEF be necessary, this will be managed directly by the BPPS/VF team Directorate in New York. No action is required by the UNDP Country Office on the actual refund from UNDP project to the GEF. Unspent project balance is not permitted to be transferred to any other projects.

TOTAL BUDGET AND WORK PLAN

Total Budget and Work Plan			
Quantum Business Unit	UNDP-CRI		
Quantum Project ID:	01002748	Quantum Project Title:	PIMS-9630 Circular Solutions to Plastic Pollution in Costa Rica
Quantum Award ID:	1377323	Quantum Award Title:	PIMS-9630 Circular Solutions to Plastic Pollution in Costa Rica
UNDP-GEF PIMS No.	9630		
Implementing Partner	Ministry of Environment and Energy (MINAE)		

Quantum Outcome (GEF Component)	Quantum Output and Activity (GEF Outcome)	Quantum Responsible Party (UNDP, IP, or Responsible Party)	Quantum Fund ID	Quantum Donor ID	Quantum Budgetary Account Code	Quantum Budget Account Description	2025	2026	2027	2028	2029	Total (USD)	See Budget Note:
Component 1 Strengthening governance and policies on circular solutions for plastic pollution.	Outcome 1. Public policy framework developed which incentivizes the private sector to reduce plastic packaging by enhanced product design, promote re-use and refill systems including use deposit and return systems.	UNDP	*62000*	*10003*	71200	International Consultants	0.00	30,000.00	0.00	0.00	0.00	30,000.00	1
			62000		71300	Local Consultants	52,500.00	20,000.00	0.00	0.00	0.00	72,500.00	2
			62000		71400	Contractual services – Individuals	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	50,000.00	3
			62000		72100	Contractual services - Companies	10,000.00	35,000.00	55,000.00	20,000.00	0.00	120,000.00	4
			62000		74200	Audio Visual & Print Prod Costs	0.00	0.00	6,500.00	6,000.00	0.00	12,500.00	5
			62000		75700	Training, workshop, and conferences	1,000.00	4,000.00	11,000.00	9,000.00	0.00	25,000.00	6
						Total Component 1	**$73,500**	**$99,000**	**$82,500**	**$45,000**	**$10,000**	**$310,000**	
Component 2 Improving private sector engagement and unlocking investments	Outcome 2. Business cases for implementing deposit and return systems, non-plastic packaging and recycling initiatives understood by participating companies.	UNDP	*62000*	10003	71200	International Consultants	15000	0	0	0	0	15,000.00	7
			62000		71300	Local Consultants	0	20000	0	0	0	20,000.00	8
			62000		71400	Contractual services – Individuals	40000	40000	40000	40000	40000	200,000.00	9
			62000		71600	Travel	0	2500	2500	0	0	5,000.00	10
			62000		72100	Contractual services - Companies	85000	50000	0	0	0	135,000.00	11
			62000		72600	Grants	0	100000	120000	0	0	220,000.00	12
			62000		75700	Training, workshop, and conferences	0	5000	5000	5000	0	15,000.00	13
						Total Component 2	**$140,000**	**$217,500**	**$167,500**	**$45,000**	**$40,000**	**$610,000**	
		UNDP	*62000*	10003	71200	International Consultants	0.00	5,000.00	0.00	0.00	0.00	5,000.00	14

Component 3 Financing for pilot projects and business models	Outcome 3. Business models implemented and evaluated, demonstrating the feasibility of non-plastic solutions.		62000		71400	Contractual services – Individuals	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	200,000.00	15
			62000		71600	Travel	0.00	11,400.00	11,400.00	11,000.00	5,000.00	38,800.00	16
			62000		72100	Contractual services - Companies	115,000.00	485,000.00	400,000.00	260,000.00	0.00	1,260,000.00	17
			62000		72200	Equipment and Furniture	0.00	89,350.00	89,350.00	70,000.00	0.00	248,700.00	18
			62000		72300	Materials and Goods	0.00	23,750.00	23,750.00	0.00	0.00	47,500.00	19
						Total Component 3	**$155,000**	**$654,500**	**$564,500**	**$381,000**	**$45,000**	**$1,800,000**	
Component 4. Behavior & social change, knowledge and communication	Outcome 4. Consumer behavior changed to promote participation in circular economy, reduction in consumption of plastics and recycling initiatives.	UNDP	62000	10003	71300	Local Consultants	0	20000	20000	0	0	40,000.00	20
			62000		71400	Contractual services – Individuals	10000	10000	10000	10000	10000	50,000.00	21
			62000		71600	Travel	10400	14400	14400	14400	12400	66,000.00	22
			62000		72100	Contractual services - Companies	0	67000	67000	60000	0	194,000.00	23
			62000		72300	Materials and Goods	0	18000	18000	18000	0	54,000.00	24
			62000		74200	Audio Visual & Print Prod Costs	0	10000	10000	10000	0	30,000.00	25
			62000		75700	Training, workshop, and conferences	0	16000	16000	16000	12182	60,182.00	26
						Total Component 4	**$20,400**	**$155,400**	**$155,400**	**$128,400**	**$34,582**	**$494,182**	
Monitoring and Evaluation (M&E)	M&E (as per Table B of the CEO Endorsement Request)	UNDP	62000	10003	71200	International Consultants	0.00	0.00	20,000.00	0.00	20,000.00	40,000.00	27
			62000		71300	Local Consultants	0.00	0.00	5,000.00	0.00	5,000.00	10,000.00	28
			62000		71400	Contractual services – Individuals	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	90,000.00	29
			62000		71600	Travel	2,000.00	2,243.00	2,243.00	2,243.00	2,000.00	10,729.00	30
			62000		74200	Audio Visual & Print Prod Costs	0.00	0.00	2,500.00	0.00	2,500.00	5,000.00	31
			62000		75700	Training, workshop, and conferences	10,000.00	0.00	0.00	0.00	0.00	10,000.00	32
						Total M&E	**$30,000**	**$20,243**	**$47,743**	**$20,243**	**$47,500**	**$165,729**	
Project Management Cost (PMC)	PMC	UNDP	62000	10003	71400	Contractual services – Individuals	26,600.00	26,600.00	26,600.00	26,600.00	26,600.00	133,000.00	33
			62000		72200	Equipment and Furniture	1,000.00	1,000.00	0.00	0.00	0.00	2,000.00	34
			62000		72500	Information Technology Equipmt	100.00	100.00	100.00	100.00	100.00	500.00	35
			62000		72800	Supplies	3,375.00	3,100.00	0.00	0.00	0.00	6,475.00	36
			62000		74100	Professional Services	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	25,000.00	37
			62000		74500	Miscellaneous Expenses	62.00	100.00	100.00	100.00	0.00	362.00	38
						Total Project Management Cost	**$36,137**	**$35,900**	**$31,800**	**$31,800**	**$31,700**	**$167,337**	
						Total Project Grant	***$455,037***	***$1,182,543***	***$1,049,443***	***$651,443***	***$208,782***	***$3,547,248***	

Budget Notes

Budget Note	Budget Notes
1	One international consultant to support the identification of problematic plastics, the tariff code definition and analysis of economic scenarios including the cost benefit and the costs of inaction, fiscal impact and propose resolution. See Annex 7 for further details.
2	One local technical consultant to support the drafting of the identified legal instrument. See Annex 7 for further details. One local technical consultant to support the coordination and operativeness of the activities within the Consultative Platform. See Annex 7 for further details. One local technical consultant to support the assessment of imports/exports and review and define technical requirements that must be met for their importation (tariff measures). See Annex 7 for further details.
3	25% of Project Coordinator's costs Project Coordinator's costs (USD10,000/year) will be charged to this component (USD2,500/year in Output 1.1, Output 1.2, Output 1,3, Output 1.4 has been allocated).
4	Services to support the design and implementation of a technical justification for EPR for plastics packing and containers, supporting a just transition. Services to support the design and implementation of a strategy to ensure institutionalization of different sectoral dialogue roundtables towards circularity. Services to support the design and implementation of the Political communication campaign strategy.
5	Audio Visual and Print Production Cost to support the implementation of the Political Communication Campaign.
6	Trainings and workshops to support dissemination and capacity building for the drafted policies; regulations. Trainings and workshops to support the inter-sectoral workshops, the consultation related to the fiscal instruments strategy and generation of knowledge for sustainable public procurement. Training/Workshops to support the implementation of the Political Communication Campaign.
7	One international consultant to support Identification and evaluation of existing domestic tax incentives for business models based on circular economy, and Identification and evaluation of tax incentives for foreign trade related to sustainable or plastic-free packaging. See Annex 7 for further details.
8	One local technical consultant to support the design for improvement based on defined assessments as well as support the capacity building in key stakeholders. See Annex 7 for further details.
9	One Economics/Finance Specialist will be charged to Component 2 (USD30,000/year; USD10,000/year in Outputs 2.1, 2.2 and 2.3). 25% of Project Coordinator's costs (USD$10,000/year) will be charged to this component (USD5,000 per year in Output 2.2 and Output 2.3 has been allocated)
10	Local travel to support the monitoring of the progress for the 5 initiatives. + Travel expenses to support for targeted assessment consultations
11	Contracted services for targeted assessments and site-specific ESMPs. Services to support the development of the green taxonomy related to the circular economy objective, analyze the supply and demand for credit related to circular solutions, and capacity building in companies, MSMEs and associations to access credit.
12	Grants to support the implementation of 5 selected initiatives (estimated max USD44,000/each), UNDP policies on Low-Value Grant will be followed.
13	Trainings and workshops to support dissemination and capacity building to support the use of tax incentives related to business models based on circular economy in the plastics value chain.
14	50% of International SES consultant to ensure alignment of the assessment and management process with UNDP SES (at USD 5,000). See Annex 7 for further detail.
15	25% of Project Coordinator's costs (USD$10,000/year) will be charged to this component (USD5,000 per year in Output 3.2 and Output 3.3 has been allocated). One Plastics Circular Economy Specialist for the technical coordination and assistance of Outputs 3.1, 3.2 and 3.3 will be charged to Component 2 (at USD 30,000/y - USD10,000/Output year).
16	Travel to support the implementation of the demonstration activities. Travel expenses to support for targeted assessment consultations.
17	Services to support the feasibility studies for each of the demonstration activities to be developed and implemented within the Output 3.2 and Output 3.3. Services to support the development and implementation of the following business models for: i) Voluntary Extended Producer Responsibility (EPR) pilot; ii) Reuse-Refill pilots ; iii) deposit-return scheme for bottles/containers (estimated at USD100,000 in year 1, 410,000 in year 2, 310,000 in year 3, USD200,000 in year 4) + Contracted services for targeted assessments and site-specific ESMPs (USD10,000 in year 2). Services to support the development and implementation of the business models for the adoption of plastics substitutes such as "compostable materials" (estimated at USD20,000 in year 2, USD 90,000 in year 3, USD 60,000 in year 4). Contracted services for targeted assessments and site-specific ESMPs (USD 10,000 in year 2).
18	Required machinery and equipment for demonstration activities. This may include: equipment for bulk dispensers; machines for the bottles/containers return. Required machinery and equipment for demonstration activity, such as equipment/machinery for compostable materials production or packaging.
19	Materials required to implement demonstration activities, such as the materials used for the replacement of single use plastics.
20	One local technical consultant to support the implementation of the behavioral change strategy. See Annex 7 for further details. One local technical consultant to support the implementation of the educational/communicational system.
21	25% of Project Coordinator's costs (USD$10,000/year) will be charged to this component (USD5,000 per year in Output 4.1 and Output 4.2 has been allocated).

22	Local travel to support the implementation of the behavioral change strategy demonstration activity. Local travel to support the implementation of the educational/communicational system in the selected pilot sites. Annual Participation in the IP Programme: 4 staff per year (Ticket + 4 days DSA)
23	Services to support the design and implementation of a behavioral change strategy to influence people's attitudes and habits regarding food and beverage consumption. Services to support the design and implementation of the educational/communicational system for plastic use reduction at municipality scale
24	Materials required to the implementation of the behavioral change strategy such materials for replacement single use plastics. Materials required for the implementation of the educational/communicational system.
25	Audio Visual and Print Production Cost to support the implementation of the behavioral change strategy demonstration activity. Audio Visual and Print Production Cost to support the implementation of the educational/communicational system.
26	Training/Workshops to support the implementation of the behavioral change strategy demonstration activity. Training/Workshops to support the implementation of the educational/communicational system.
27	One International Consultant for the MTR $20,000 and One International Consultant for the TE $20,000. See M&E budget table on PRODOC section VI.
28	One Local consultant for MTR $5,000 and one Local Consultant for TE $5,000. See M&E budget table on PRODOC section VI.
29	One Project M&E Officer engaged for the coordination, implementation, oversight and follow-up of the Gender Action Plan, Social and Environmental Risks Management and the Stakeholder Engagement Plan follow-up as well as Mandatory reports production at USD$18,000/year. Activities include M&E of GEF core indicators and project results framework, GEF Project Implementation Report (PIR), and Monitoring of Environmental Social and Management Framework and Plan. See Annex 7 for additional details.
30	Supervision and learning missions. See M&E budget table on PRODOC section VI
31	Translation of MTR and TE
32	Inception workshop (see M&E budget table for additional details)
33	One local individual (Project Administrative Assistant). See annex 7 for additional details
34	Standard office equipment and furniture (e.g. Desks, chairs)
35	Basic office supplies for duration of project period
36	Standard IT equipment for the PMU (computers)
37	Audit Services (USD$5,000 per year for 5 years)
38	Miscellaneous (such as Bank charges, insurances, sundry).

LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Costa Rica and UNDP, signed on January 12th, 1976. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

This project will be implemented by the Ministry of Environment and Energy (MINAE) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

RISK MANAGEMENT

1. Consistent with the Article III of the SBAA *[or the Supplemental Provisions to the Project Document]*, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
   a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
   b) assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.
2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document.
3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the United Nations Security Council Consolidated Sanctions List, and that no UNDP funds received pursuant to the Project Document are used for money laundering activities. The United Nations Security Council Consolidated Sanctions List can be accessed via https://www.un.org/securitycouncil/content/un-sc-consolidated-list.
4. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.

   (a) In the implementation of the activities under this Project Document, the Implementing Partner, and each of its sub-parties referred to above, shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").

   (b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment. SH may occur in the workplace or in connection with work. While typically involving a pattern of conduct, SH may take the form of a single incident. In assessing the reasonableness of expectations or perceptions, the perspective of the person who is the target of the conduct shall be considered.
5. a) In the performance of the activities under this Project Document, the Implementing Partner shall (with respect to its own activities), and shall require from its sub-parties referred to in paragraph 4 (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will and will require that such sub-parties will take all appropriate measures to:
   i. Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;
   ii. Offer employees and associated personnel training on prevention and response to SH and SEA, where the Implementing Partner and its sub-parties referred to in paragraph 4 have not put in place its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the training material available at UNDP;
   iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties referred to in paragraph 4 have been informed or have otherwise become aware, and status thereof;
   iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and

v. Promptly and confidentially, record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in paragraph 4 with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

b) The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner, and each of its sub-parties referred to in paragraph 4, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

6. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).

7. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

8. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

9. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds.

10. In the implementation of the activities under this Project Document, UNDP places reasonable reliance upon the Implementing Partner for it to apply its laws, regulations and processes, and applicable international laws regarding anti money laundering and countering the financing of terrorism, to ensure consistency with the principles of then in force the UNDP Anti-Money Laundering and Countering the Financing of Terrorism Policy.

11. The Implementing Partner will ensure that its financial management, anti-corruption, anti-fraud and anti-money laundering and countering the financing of terrorism policies are in place and enforced for all funding received from or through UNDP.

12. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

13. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes in accordance with UNDP's regulations, rules, policies and procedures. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.

14. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

    Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

15. UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud, corruption or other financial irregularity, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Project Document.

    Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud, corruption or other financial irregularity, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

    Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

16. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.

17. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

18. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, mutatis mutandis, in all sub-contracts or sub-agreements entered into further to this Project Document.

Mandatory Annexes

1. GEF Budget Template (available from BPPS VF team)
2. GEF Execution Support Letter
3. Project Map and geospatial coordinates of the project area
4. Multiyear Workplan
5. Social and Environmental Screening Procedure (SESP), or justification of SESP exemption
6. UNDP Risk Register
7. Overview of technical consultancies/subcontracts
8. Stakeholder Engagement Plan
9. Environmental Social Management Framework (ESMF)
10. Gender Analysis and Gender Action Plan
11. Procurement Plan – for first year of implementation especially GEF focal area specific annexes (e.g. METT, GHG calculations, target landscape profile, feasibility study, other technical reports)
12. Co-Financing
13. Signed LOA between UNDP and IP requesting UNDP Support Services (if required on exceptional basis and authorized by the GEF)
14. GEF CEO Endorsement/Approval
15. On-Granting Provisions Applicable to the Implementing Partner
16. Terms of Reference for Project Board and Project Team
17. GEF and/or LDCF/SCCF Core indicators (see template below)
18. GEF Taxonomy (see template below)
19. Results of the Partners Capacity Assessment Tool (PCAT) and HACT Micro Assessment
20. UNDP Project Quality Assurance Report (to be completed in UNDP online corporate planning system)

Annex 1: GEF Budget Template



GEF Budget 9630.xlsx

Annex 2: GEF execution support letter

[Government Letterhead]

[Date]

To: Nancy Bennet,
UNDP

Subject: Letter of Support to request GEF Agency Execution for [Title of Project/Program Proposal] [GEF ID#]

1. In my capacity as GEF Operational Focal Point for [Country], I hereby request UNDP, the GEF implementing agency for the aforementioned project, to also carry out execution services for the above project/program, on an exceptional basis.

2. The execution services provided by UNDP are expected to include:[18]

- [Function 1
- Function 2
- Function 3
- Etc..]

3. The execution services to be provided by [Country, ministry or other entity] are expected to include:[19]

- [Function 1
- Function 2
- Function 3
- Etc..]

4. Execution activities, including those provided by UNDP will be described in detail in the GEF CEO Endorsement/Approval request and accompanying project/program documents, including the project/program budget.

Sincerely,

[Name of Operational Focal Point]
[Position/Title in Government]

[18] Include a brief summary of the execution services to be provided by the GEF Agency. Please refer to GEF Project and Program Cycle Guidelines Annex 8 (Table B) for eligible execution functions.

[19] This para to be included as appropriate. Delete if all execution services are to be provided by GEF Agency.

Annex 3: Project map and Geospatial Coordinates of project sites

Any maps included in this project document must conform to maps accepted by the UN Geospatial Information Section (see https://www.un.org/geospatial/mapsgeo)

Annex 4: Multi Year Work Plan

	Outcomes	Outputs	Year 1				Year 2				Year 3				Year 4				Year 5			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Component 1																						
Component 2																						
Etc...																						

Annex 4: UNDP Social and Environmental Screening Procedure (SESP)

SOCIAL AND ENVIRONMENTAL SCREENING TEMPLATE (2021 SESP TEMPLATE, VERSION 1)

The completed template, which constitutes the Social and Environmental Screening Report, must be included as an annex to the Project Document at the design stage. Note: this template will be converted into an online tool. The online version will guide users through the process and will embed relevant guidance.

Project Information

Project Information	
1. Project Title	Circular solutions to plastic pollution in Costa Rica
2. Project Number (i.e. Atlas project ID, PIMS+)	9630
3. Location (Global/Region/Country)	Costa Rica
4. Project stage (Design or Implementation)	Design
5. Date	13/05/2024

Part A. Integrating Programming Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Programming Principles in Order to Strengthen Social and Environmental Sustainability?
Briefly describe in the space below how the project mainstreams the human rights-based approach
A healthy environment should be considered as a pre-condition for the full enjoyment of human rights. Thus, the project aims at reducing the risk for the environment and human health through identification of urgent measures and strategies to prevent plastic pollution. These measures will include both upstream (SUP reduction and prevention, packaging design, etc.) and down-stream (enhanced segregation and collection including face masks, reuse and recycle, etc.). The impact of these proposed measures in term of plastic waste avoidance, reduction of POPs and U-POPs, and marine plastic avoidance will be also assessed and the associated financial cost and benefit for each proposed measure estimated. Furthermore, the reduced marine and coastal plastic pollution, which is the core objective of the project, is consistent with the right of living in a healthy environment. The design of the project has ensured that in access to project benefits, no discrimination will be made of any kind, including race, color, sex, language, religion, political or other opinion, national or social origin, property, birth or other status. The benefits envisaged by the project (a cleaner environment, with a reduced marine plastic pollution; the job opportunities created by the project and the information on the management of plastic waste and alternatives to single use plastic, innovation promotion, positive contribution to gender issue) will be shared with the population as a whole. The project intends to elevate the standard of the working condition of informal workers in the recycling sectors, by replicating and extending the support to informal waste workers (who mostly are women), facilitating the shifting from informal to formal business in plastic waste collection and recycling. The project, through an adequate knowledge management activity will ensure that the knowledge generated by the project will be made accessible to the people and tailored to the different audience, to ensure that everyone will have the opportunity to understand the social, technical, and economical aspect of the project and that all the stakeholders will have the opportunity to make use of the project knowledge to extend and replicate the project benefits.

Briefly describe in the space below how the project is likely to improve gender equality and women's empowerment

The project aims at mainstreaming a strong gender component. Gender considerations will be taken into account in the design and implementation of strategy for the establishment of a competitive fund mechanism stimulating innovative proposals (startups). The project will ensure gender equity and financial inclusion during the promotion of lending sources of green/environmental financing. A Gender Action Plan (GAP) has been prepared to mitigate the identified risks and propose measures that ensure that women are represented in decision-making on project activities and are included in capacity building activities.

The project will therefore ensure that women will have an active (and not only participative) role in strategic aspects of the project, like the development of policies and regulations, management decisions in the implementation of project activities; and that equal access to job opportunities will be given to them. A plan has been therefore developed and budgeted to ensure that:

- Adequate participation of women in workshops, consultation meetings, and awareness campaigns is ensured;
- Ensure participation of women organizations and private businesses led by women to actively participate and benefit from the knowledge gained by the project as well as in starting up or improving their business by applying plastic reduction measures and techniques.
- Benefit from an equal access to the job opportunities provided by the project, including management and leading expert positions; It is noted as presented above that unemployment is high for educated females and thus the project will care that women receive information and encourage them to apply
- Preferential access of women-led enterprises in the incubation programme;
- Preferential access of women experts in the consultancy related to the development of regulation concerning Single Use Plastic Products (given also that women are the most impacted by such norms);
- Equal access to the information generated by the project.
- Participation in decision making process: equal share in steering committee and other committees established by the project, with equal right to vote. This will ensure that This can be particularly important when the activities address measures that may affect women role such as in restaurants and catering services, hospitality sector, education, industry, and at households.

Briefly describe in the space below how the project mainstreams sustainability and resilience

The core objective of the project is to reduce marine plastic pollution and the impact of plastic waste on the human health. This will be done mostly through upstream actions, aimed at reducing the use and manufacturing of Single Use Plastic products, (SUPs) therefore at reducing the use of raw materials and promoting reuse and recycling. For this reason, the project intrinsically promotes sustainability and resilience. The proper management of plastic waste is essential to protect human health and the environment. In fact, the project will contribute to reducing plastic use and the accumulation of waste leading to a reduction in the release of harmful chemicals into the soil and water. Improved plastics management during manufacture, use and disposal of plastics will have a positive impact on human health in many direct or indirect ways. In addition, the project will safeguard biodiversity including marine life from exposure to plastics and the release of pollutants into the environment through the improvement of plastic management systems. By promoting recycling of plastic, the project will reduce the demand for natural resources, leading to energy savings and greater climate action and a more sustainable use of finite resources.

The project will contribute to sustainability and resilience and to Sustainable Development Goals (SDGs) as follows:

- SDG 3 "Good Health and Well-being" by reducing plastic waste generation as well as avoiding plastic waste being mismanaged and openly burnt.
- SDG 5 "Gender Equality" by designing interventions addressing gender differentiated roles and impacts of plastics management in the food and beverage sector value chain.
- SDG 6 "Clean Water and Sanitation" by protecting water resources from contamination. By improving plastic management, the pollution of drinking water sources is minimized.

- SDG 11 "Sustainable Cities and Communities" by minimizing the generation and improving the management of plastic waste which makes cities and human settlements inclusive, safe, resilient, and sustainable and reducing the adverse environmental impact of plastic pollution.
- SDG 12 "Responsible Consumption and Production" by working towards a circular economy approach where materials being circulated in our society are produced and consumed in a sustainable manner.
- SDG 13 "Climate Action" by reducing plastic and improving its management.
- SDG 14 "Life below water" by safeguarding marine life from exposure to plastics through the improvement of plastic management systems
- SDG 15 "Life on land" by reducing plastic use and its waste generation which avoids pollutants leaking into the soil, ground water, streams, and rivers, and reducing emissions of pollutants into the air.

Briefly describe in the space below how the project strengthens accountability to stakeholders

A list of stakeholders with their respective role and preferred communication method has been developed and included in the project, together with a stakeholder engagement plan which will ensure the right involvement of different stakeholder at any time during project implementation. The project will support the Solid Waste Management Consultative Platform established by Law 8839 (or the inter-institutional mechanism that is operating). The project will strengthen its operation in plastics-related issues, with a focus on the food and beverage sector, promoting the platform as a space for dialogue, negotiation, agreement and data generation. In addition, UNDP's Accountability Mechanism, which includes the Social and Environmental Compliance Review (SECU) and Stakeholder Response Mechanism (SRM) will also serve as an additional layer of grievance redress and empower stakeholders to push for accountability. It will also put in place a Grievance Redress Mechanism (GRM) to provide meaningful means for local communities and affected populations to raise concerns and/or grievances when activities may adversely impact them.

Part B. Identifying and Managing Social and Environmental Risks

QUESTION 2: What are the Potential Social and Environmental Risks? *Note: Complete SESP Attachment 1 before responding to Question 2.*	**QUESTION 3: What is the level of significance of the potential social and environmental risks?** *Note: Respond to Questions 4 and 5below before proceeding to Question 5*			**QUESTION 6: Describe the assessment and management measures for each risk rated Moderate, Substantial or High**
Risk Description (broken down by event, cause, impact)	***Impact and Likelihood (1-5)***	***Significance (Low, Moderate Substantial, High)***	***Comments (optional)***	***Description of assessment and management measures for risks rated as Moderate, Substantial or High***
Risk 1: Companies and small or medium-sized enterprises involved in the plastic sector may not be involved in decision-making process during the Project implementation in relation to the development of policy and regulatory frameworks that will support	I=3 L=2	Moderate	This risk is associated with implementation of a new policy framework which disincentivizes the use of plastics supported by Extended Producer Responsibility (EPR) (Output 1.1), changes in tariffs (Output 1.3) and the use of existing tax incentives for the	The project´s strategy will require the involvement of key stakeholders, such as government authorities (including customs officers to ensure the control of imports), food and beverage companies, industrial associations (plastic producers), civil society, and academia. Output 1.1 will ensure the adoption of recommendations resulting from the implementation of pilot projects under Outputs 3.2

of the project replication and sustainability goals Related to: • Human Rights; P.5 • Accountability; P.13, P.14			production or import of packaging/containers (Output 2.1) Companies, in particular SMEs, especially those with limited resources, may not be able to abide by laws and standards developed with support of the project and may be economically affected by bans or regulations resulting from the project, which could also affect worker employment. Changes in tariffs and the use of existing tax incentives for the production or import of packaging/containers can also have an economic impact on companies and SMEs in the plastic sector. In addition, the use of existing tax incentives for the production or import of packaging/containers (Output 2.1) may not be accessible to some companies and small or medium-sized enterprises due to their inability to meet conditions due to lack of capacity or knowledge about these mechanisms.	and 3.3. Engagement and coordination with the Costa Rican Union of Chambers and Associations of the Private Entrepreneurial Sector (UCCAEP) and Costa Rican Food Industry Chamber (CACIA) will be encouraged. The project will ensure similar cost alternatives are available when proposing changes in tariffs. The project has developed a Stakeholder Engagement Plan (SEP) that ensures participation of all stakeholders in project activities. The plan will ensure effective engagement between various stakeholders by creating and disseminating information, fostering cooperation, and enhancing capacities. It will also put in place a Grievance Redress Mechanism (GRM) to provide meaningful means for those affected to raise concerns and/or grievances when activities may adversely impact them.
Risk 2: Potential negative impact on existing informal networks and individuals involved in the waste sector including collection, transportation and disposal of plastic waste Related to: • Human Rights; P.5 • Accountability; P.13, P.14 • Standard 5: Displacement and Resettlement; 5.2	I=3 L=3	Moderate	This risk is associated with pilot projects (Outputs 3.2 and 3.3) and the implementation of a new policy framework which disincentivizes the use of plastics supported by EPR (Output 1.1). The pilot projects will promote plastic waste reduction. There is thus a risk that marginalized population groups relying on their	As mentioned in the ESMF, the impact on informal waste pickers resulting from upstream activities will be assessed and, if needed, a Livelihoods Planning Framework developed and implemented. This framework will include recommendations, measures and policies for alternative livelihoods for these groups. The project will implement controls for a just transition for the informal sector, through design rules, waste collection targets, EPR schemes and

			income as waste-pickers, may find their waste resources reduced. However, the project will have a positive impact on the informal sector since the project will provide tax incentives for foreign trade related to sustainable or plastic-free packaging or products that come from the recovery (recycling) of plastics (Output 2.1)	protections for the informal sector. The project will also facilitate the formulation of effective policies to improve incomes and working conditions and protect the health and human rights of this community and its full value chain. Some pilot projects will test approaches to engage the informal waste sector to provide regular and improved income, to improve their working conditions in a specific site and to build their capacity through trainings and professionalization. The project has also developed a SEP that ensures participation of all stakeholders in project activities. It will also put in place a GRM to provide meaningful means for local communities and affected populations to raise concerns and/or grievances when activities may adversely impact them.
Risk 3: Gender discrimination may be reproduced through limiting women's ability to contribute to decision-making, participate in capacity building activities and to benefit from the project Related to: • Human Rights; P.5 • Gender Equality and Women Empowerment; P.10	I = 3 L =2	Moderate	This risk is associated with overall project activities. In Costa Rica, the labor force participation rate among females is 47.5% and among males is 71.1% for 2021. In addition, vulnerable employment among women is 21.5% and among men is 24.3% in Costa Rica for 2019[1], indicating a gender disparity in labour participation.	Gender gaps will be considered during the granting of green credits for the circular economy in order to strengthen capacities in the development of adequate financing to ensure equitable access. A gender analysis has been undertaken and a gender action plan (GAP) prepared to mitigate the identified risks and propose measures that ensure that women are represented in decision-making on project activities and are included in capacity building activities.
Risk 4: Increase in consumption of energy resources and greenhouse gas emissions due to the implementation of demonstration activities Related to: • Standard 2: Climate Change and Disaster Risks, 2.4 • Standard 8: Pollution Prevention and Resource Efficiency, 8.6	I=2 L=2	Low	This risk is associated with pilot projects (Outputs 3.2 and 3.3). The implementation of demonstration activities may lead to increased energy consumption for various equipment such as refilling services and deposit-refund automated or hand operated system. However, this is	The project will implement various measures to reduce energy consumption during the demonstration activities through regular maintenance, training workers on energy consumption reduction practices and ensuring all equipment and machines are only used whenever required.

[1] World Bank. Gender Data Portal. Retrieved from https://genderdata.worldbank.org/countries/costa-rica/

			not expected to be a significant increase.	
Risk 5: Contamination of soils and rivers due to emissions and accidental spills leading to health hazards and climate and natural disaster risks as a result of activities funded by the Competitive Fund Mechanism Related to: • Standard 1: Biodiversity Conservation and Natural Resource Management; 1.1, 1.2, 1.3, 1.4, 1.7 • Standard 2: Climate Change and Disaster Risks; 2.1, 2.2 • Standard 3: Community Health, Safety and Security; 3.2, 3.5, 3.6 • Standard 8: Pollution Prevention and Resources Efficiency; 8.1, 8.2, 8.3	I = 3 L = 3	Moderate	This risk is associated with Competitive Fund Mechanism (Output 2.2). The Competitive Fund Mechanism may inadvertently fund activities that lead to pollution negatively affecting communities, natural ecosystems or productive land if located nearby, noting that Costa Rica is home to 12 Ramsar Sites, 4 UNESCO-MAB Biosphere Reserve and 3 World Heritage Sites[2] As these activities have not yet been selected, their impact and likelihood cannot be clearly determined. However, they are not anticipated to include any construction of new facilities and therefore the risk is assessed as Moderate.	The Competitive Fund Mechanism will incorporate SES criteria during the selection process including assessment of sites of these activities. Once the activities have been selected, an environmental and social screening will be undertaken to determine the level of assessment/management needed, if any (e.g.: working conditions and occupational health, environmental audits, risk hazard assessments, air pollutant emissions and air quality impact studies, water resources impact studies, contamination investigations and assessments).. If Moderate risks are identified, then a targeted assessment (related to the potential impacts S1, 2, 3, 8) and an Environmental and Social Management Plan (ESMP) will be needed for that activity. Project activities that may be impacted by climate change and natural hazards will undergo a climate change and natural hazards assessment such that the activities will be informed by the results of this assessment. The project will eliminate activities with Substantial or High Risks.
Risk 6: Working conditions within project demonstration and other activities in contravention to principles and standards of ILO fundamental conventions Related to: • Standard 7: Labour and Working Conditions; 7.1, 7.2, 7.3, 7.4, 7.5, 7.6	I=4 L=2	Moderate	This risk is associated with pilot projects (Outputs 3.2 and 3.3) and Competitive Fund Mechanism (Output 2.2). Workers employed to undertake pilot projects project could be exposed to accidents or other health risks and work under conditions that are in contravention to national and international standards. For example, the presence of child labour within the services sector (working in restaurants, shops,	Each pilot project will undertake a targeted assessment of associated occupational health and safety. The assessment will also include conducting a due diligence to all enterprises participating in the pilot activities to assess working conditions within these facilities. This will result in an ESMP to which enterprises will commit during pilot implementation activities. Workers will be trained during the implementation of demonstration activities and provided with appropriate personal protective equipment suitable for their duties. As for the Competitive Fund Mechanism, an environmental and social screening process will be undertaken for all selected activities to determine

[2] UNEP-WCMC (2024). Protected Area Profile for Costa Rica from the World Database on Protected Areas, March 2024. Available at: www.protectedplanet.net

			and hotels) has been documented in Costa Rica, where the rate of child labour has been estimated to be 6.5% (46,509 children) who are engaged in work[3].	the level of assessment / management measures needed, including working conditions.

QUESTION 4: What is the overall project risk categorization?		
Low Risk	☐	
Moderate Risk	X	
Substantial Risk	☐	
High Risk	☐	

QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are triggered? (check all that apply)

Question only required for Moderate, Substantial and High Risk projects

Is assessment required? (check if "yes")	X			***Status? (completed, planned)***
if yes, indicate overall type and status		X	Targeted assessment(s)	Planned for demonstration activities under Output 3.2 and 3.3 (related to potential impacts within S2, 5, 7 and 8). Planned for Outputs 2.2 based on screening results.
		☐	ESIA (Environmental and Social Impact Assessment)	-

[3] US Department of Labor (2022). 2021 Findings on the Worst Forms of Child Labor: Costa Rica. Available at https://www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2021/Costa-Rica.pdf

			☐	SESA (Strategic Environmental and Social Assessment)	-
	Are management plans required? (check if "yes)	X			
	If yes, indicate overall type		X	Targeted management plans (e.g. Gender Action Plan, Stakeholder Engagement Plan)	GAP and SEP (completed)
			X	ESMP (Environmental and Social Management Plan which may include range of targeted plans)	Planned for demonstration activities under Output 3.2 and 3.3. Planned for Outputs 2.2 based on screening results.
			X	ESMF (Environmental and Social Management Framework)	Completed
	Based on identified <u>risks</u>, which Principles/Project-level Standards triggered?		**Comments (not required)**		
	Overarching Principle: Leave No One Behind				
	Human Rights	X			
	Gender Equality and Women's Empowerment	X			
	Accountability	X			
	1. Biodiversity Conservation and Sustainable Natural Resource Management	X			
	2. Climate Change and Disaster Risks	X			
	3. Community Health, Safety and Security	X			
	4. Cultural Heritage	☐			
	5. Displacement and Resettlement	X			
	6. Indigenous Peoples	☐			
	7. Labour and Working Conditions	X			
	8. Pollution Prevention and Resource Efficiency	X			

Final Sign Off

Final Screening at the design-stage is not complete until the following signatures are included

Signature	*Date*	*Description*
QA Assessor		UNDP staff member responsible for the project, typically a UNDP Programme Officer. Final signature confirms they have "checked" to ensure that the SESP is adequately conducted.
QA Approver		UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD), Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have "cleared" the SESP prior to submittal to the PAC.
PAC Chair		UNDP chair of the PAC. In some cases PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC.

SESP Attachment 1. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental Risks		
INSTRUCTIONS: The risk screening checklist will assist in answering Questions 2-6 of the Screening Template. Answers to the checklist questions help to (1) identify potential risks, (2) determine the overall risk categorization of the project, and (3) determine required level of assessment and management measures. Refer to the SES toolkit for further guidance on addressing screening questions.		
Overarching Principle: Leave No One Behind **Human Rights**		**Answer (Yes/No)**
P.1	Have local communities or individuals raised human rights concerns regarding the project (e.g. during the stakeholder engagement process, grievance processes, public statements)?	*No*
P.2	Is there a risk that duty-bearers (e.g. government agencies) do not have the capacity to meet their obligations in the project?	*No*
P.3	Is there a risk that rights-holders (e.g. project-affected persons) do not have the capacity to claim their rights?	*No*
Would the project potentially involve or lead to:		
P.4	adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	No
P.5	inequitable or discriminatory impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups, including persons with disabilities?[4]	Yes
P.6	restrictions in availability, quality of and/or access to resources or basic services, in particular to marginalized individuals or groups, including persons with disabilities?	No
P.7	exacerbation of conflicts among and/or the risk of violence to project-affected communities and individuals?	No
Gender Equality and Women's Empowerment		
P.8	Have women's groups/leaders raised gender equality concerns regarding the project, (e.g. during the stakeholder engagement process, grievance processes, public statements)?	No
Would the project potentially involve or lead to:		
P.9	adverse impacts on gender equality and/or the situation of women and girls?	No
P.10	reproducing discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	Yes
P.11	limitations on women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? *For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being*	No
P.12	exacerbation of risks of gender-based violence?	No

[4] Prohibited grounds of discrimination include race, ethnicity, sex, age, language, disability, sexual orientation, gender identity, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender and transsexual people.

	For example, through the influx of workers to a community, changes in community and household power dynamics, increased exposure to unsafe public places and/or transport, etc.	
Sustainability and Resilience: Screening questions regarding risks associated with sustainability and resilience are encompassed by the Standard-specific questions below		
Accountability		
Would the project potentially involve or lead to:		
P.13	exclusion of any potentially affected stakeholders, in particular marginalized groups and excluded individuals (including persons with disabilities), from fully participating in decisions that may affect them?	Yes
P.14	grievances or objections from potentially affected stakeholders?	Yes
P.15	risks of retaliation or reprisals against stakeholders who express concerns or grievances, or who seek to participate in or to obtain information on the project?	No
Project-Level Standards		
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management		
Would the project potentially involve or lead to:		
1.1	adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? *For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes*	Yes
1.2	activities within or adjacent to critical habitats and/or environmentally sensitive areas, including (but not limited to) legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	Yes
1.3	changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	Yes
1.4	risks to endangered species (e.g. reduction, encroachment on habitat)?	Yes
1.5	exacerbation of illegal wildlife trade?	No
1.6	introduction of invasive alien species?	No
1.7	adverse impacts on soils?	Yes
1.8	harvesting of natural forests, plantation development, or reforestation?	No
1.9	significant agricultural production?	No
1.10	animal husbandry or harvesting of fish populations or other aquatic species?	No
1.11	significant extraction, diversion or containment of surface or ground water? *For example, construction of dams, reservoirs, river basin developments, groundwater extraction*	No
1.12	handling or utilization of genetically modified organisms/living modified organisms?[5]	No

[5] See the Convention on Biological Diversity and its Cartagena Protocol on Biosafety.

1.13	utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)[6]	No
1.14	adverse transboundary or global environmental concerns?	No
Standard 2: Climate Change and Disaster Risks		
Would the project potentially involve or lead to:		
2.1	areas subject to hazards such as earthquakes, floods, landslides, severe winds, storm surges, tsunami or volcanic eruptions?	No
2.2	outputs and outcomes sensitive or vulnerable to potential impacts of climate change or disasters? *For example, through increased precipitation, drought, temperature, salinity, extreme events, earthquakes*	No
2.3	increases in vulnerability to climate change impacts or disaster risks now or in the future (also known as maladaptive or negative coping practices)? *For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding*	No
2.4	increases of greenhouse gas emissions, black carbon emissions or other drivers of climate change?	Yes
Standard 3: Community Health, Safety and Security		
Would the project potentially involve or lead to:		
3.1	construction and/or infrastructure development (e.g. roads, buildings, dams)? (Note: the GEF does not finance projects that would involve the construction or rehabilitation of large or complex dams)	No
3.2	air pollution, noise, vibration, traffic, injuries, physical hazards, poor surface water quality due to runoff, erosion, sanitation?	Yes
3.3	harm or losses due to failure of structural elements of the project (e.g. collapse of buildings or infrastructure)?	No
3.4	risks of water-borne or other vector-borne diseases (e.g. temporary breeding habitats), communicable and noncommunicable diseases, nutritional disorders, mental health?	No
3.5	transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	Yes
3.6	adverse impacts on ecosystems and ecosystem services relevant to communities' health (e.g. food, surface water purification, natural buffers from flooding)?	Yes
3.7	influx of project workers to project areas?	No
3.8	engagement of security personnel to protect facilities and property or to support project activities?	No
Standard 4: Cultural Heritage		
Would the project potentially involve or lead to:		

[6] See the Convention on Biological Diversity and its Nagoya Protocol on access and benefit sharing from use of genetic resources.

4.1	activities adjacent to or within a Cultural Heritage site?	No
4.2	significant excavations, demolitions, movement of earth, flooding or other environmental changes?	No
4.3	adverse impacts to sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No
4.4	alterations to landscapes and natural features with cultural significance?	No
4.5	utilization of tangible and/or intangible forms (e.g. practices, traditional knowledge) of Cultural Heritage for commercial or other purposes?	No
Standard 5: Displacement and Resettlement		
Would the project potentially involve or lead to:		
5.1	temporary or permanent and full or partial physical displacement (including people without legally recognizable claims to land)?	No
5.2	economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No
5.3	risk of forced evictions?[7]	No
5.4	impacts on or changes to land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	No
Standard 6: Indigenous Peoples		
Would the project potentially involve or lead to:		
6.1	areas where indigenous peoples are present (including project area of influence)?	No
6.2	activities located on lands and territories claimed by indigenous peoples?	No
6.3	impacts (positive or negative) to the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)? *If the answer to screening question 6.3 is "yes", then Standard 6 requirements apply, and the potential significance of risks related to impacts on indigenous peoples must be Moderate or above.* *	No
6.4	the absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No
6.5	the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No

[7] Forced eviction is defined here as the permanent or temporary removal against their will of individuals, families or communities from the homes and/or land which they occupy, without the provision of, and access to, appropriate forms of legal or other protection. Forced evictions constitute gross violations of a range of internationally recognized human rights.

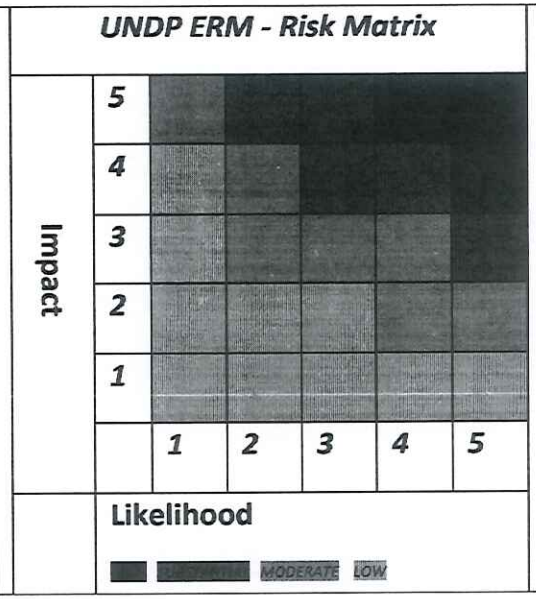
* Note: revised July 2022 modifying presumption of risk significance from Substantial or higher to Moderate or higher.

6.6	forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources? *Consider, and where appropriate ensure, consistency with the answers under Standard 5 above*	No
6.7	adverse impacts on the development priorities of indigenous peoples as defined by them?	No
6.8	risks to the physical and cultural survival of indigenous peoples?	No
6.9	impacts on the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices? *Consider, and where appropriate ensure, consistency with the answers under Standard 4 above.*	No
Standard 7: Labour and Working Conditions		
Would the project potentially involve or lead to: (note: applies to project and contractor workers)		
7.1	working conditions that do not meet national labour laws and international commitments?	Yes
7.2	working conditions that may deny freedom of association and collective bargaining?	Yes
7.3	use of child labour?	Yes
7.4	use of forced labour?	Yes
7.5	discriminatory working conditions and/or lack of equal opportunity?	Yes
7.6	occupational health and safety risks due to physical, chemical, biological and psychosocial hazards (including violence and harassment) throughout the project life-cycle?	Yes
Standard 8: Pollution Prevention and Resource Efficiency		
Would the project potentially involve or lead to:		
8.1	the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	Yes
8.2	the generation of waste (both hazardous and non-hazardous)?	Yes
8.3	the manufacture, trade, release, and/or use of hazardous materials and/or chemicals?	Yes
8.4	the use of chemicals or materials subject to international bans or phase-outs? *For example, DDT, PCBs and other chemicals listed in international conventions such as the Montreal Protocol, Minamata Convention, Basel Convention, Rotterdam Convention, Stockholm Convention*	No
8.5	the application of pesticides that may have a negative effect on the environment or human health?	No
8.6	significant consumption of raw materials, energy, and/or water?	Yes

Annex 5: UNDP Social and Environmental Screening Procedure (SESP)

Annex 6: UNDP Risk Register

#	Event/ Description	Cause	Impact(s)	Risk Category and Sub-category *(including Risk Appetite)*	Impact, Likelihood & Risk Level	Risk Valid From/To	Risk Owner *(individual accountable for managing the risk)*	Risk Treatment / Management Measures
	Enter a brief description of the risk. Risk description should include future event and cause. Risks identified through HACT, PCAT, SES, Private Sector Due Diligence, and other assessments should be included.			Social and Environmental Financial Operational Organizational Political Regulatory Strategic Other Subcategories for each risk type should be consulted to understand each risk type (see UNDP Enterprise Risk Management Policy)	Describe the potential **effect** on the project if the future event were to occur. Enter **likelihood** based on 1-5 scale (1 = Not likely; 5 = Expected) Enter **impact** based on 1-5 scale (1 = Negligible 5 = Extreme) *Based on Likelihood and Impact, use the Risk Matrix to identify the Risk Level (high, Substantial, Moderate or Low)*	Enter the period which the risk begins, and ends be	The person or entity with the responsibility to manage the risk.	What actions have been taken/will be taken to manage this risk.
1				Social and Environmental Financial Operational Organizational Political Regulatory Strategic Other	Text	L = I =		

								
2				Social and Environmental Financial Operational Organizational Political Regulatory Strategic Other	Text	L = I =		
3								

Annex 7: Overview of Technical Consultancies/Subcontracts

Annex 8: Stakeholder Engagement Plan

Annex 9: Environmental Social Management Framework (ESMF) and other SES frameworks/plans, if required

Annex 10: Gender Analysis and Gender Action Plan

Annex 11: Procurement Plan

Annex 12: Additional agreements: such as cost sharing agreements, project cooperation agreements signed with NGOs (where the NGO is designated as the "executing entity"), letters of financial commitments etc..

Annex 13: Signed LOA between UNDP and IP requesting UNDP Support Services (if required on exceptional basis and authorized by the GEF)

Annex 14: GEF CEO Endorsement/Approval

Annex 15: On-Granting Provisions Applicable to the Implementing Partner

On-granting clauses for non-UNDP Implementing Partners can be found here. This applies in cases where on-granting is built into the design and to the extent that it complies with the UNDP Policy on Low Value Grants (LVGs).

Annex 16: Terms of Reference for Project Board and Project Team

The standard Project Board TOR can be found here.

Annex 17: GEF Core indicators

Annex 18: GEF Taxonomy

Level 1	Level 2	Level 3	Level 4
☐ Influencing models			
	☐ Transform policy and regulatory environments		
	☐ Strengthen institutional capacity and decision-making		
	☐ Convene multi-stakeholder alliances		
	☐ Demonstrate innovative approaches		
	☐ Deploy innovative financial instruments		
☐ Stakeholders			
	☐ Indigenous Peoples		
	☐ Private Sector		
		☐ Capital providers	
		☐ Financial intermediaries and market facilitators	
		☐ Large corporations	
		☐ SMEs	
		☐ Individuals/Entrepreneurs	
		☐ Non-Grant Pilot	
		☐ Project Reflow	
	☐ Beneficiaries		
	☐ Local Communities		
	☐ Civil Society		
		☐ Community Based Organization	
		☐ Non-Governmental Organization	
		☐ Academia	
		☐ Trade Unions and Workers Unions	
	☐ Type of Engagement		
		☐ Information Dissemination	
		☐ Partnership	
		☐ Consultation	
		☐ Participation	
	☐ Communications		
		☐ Awareness Raising	
		☐ Education	
		☐ Public Campaigns	
		☐ Behavior Change	
☐ Capacity, Knowledge and Research			
	☐ Enabling Activities		
	☐ Capacity Development		
	☐ Knowledge Generation and Exchange		
	☐ Targeted Research		
	☐ Learning		
		☐ Theory of Change	
		☐ Adaptive Management	
		☐ Indicators to Measure Change	
	☐ Innovation		
	☐ Knowledge and Learning		
		☐ Knowledge Management	
		☐ Innovation	
		☐ Capacity Development	
		☐ Learning	
	☐ Stakeholder Engagement Plan		
☐ Gender Equality			
	☐ Gender Mainstreaming		
		☐ Beneficiaries	
		☐ Women groups	

		☐ Sex-disaggregated indicators	
		☐ Gender-sensitive indicators	
	☐ Gender results areas		
		☐ Access and control over natural resources	
		☐ Participation and leadership	
		☐ Access to benefits and services	
		☐ Capacity development	
		☐ Awareness raising	
		☐ Knowledge generation	
☐ Focal Areas/Theme			
	☐ Integrated Programs		
		☐ Commodity Supply Chains (Good Growth Partnership)	
			☐ Sustainable Commodities Production
			☐ Deforestation-free Sourcing
			☐ Financial Screening Tools
			☐ High Conservation Value Forests
			☐ High Carbon Stocks Forests
			☐ Soybean Supply Chain
			☐ Oil Palm Supply Chain
			☐ Beef Supply Chain
			☐ Smallholder Farmers
			☐ Adaptive Management
		☐ Food Security in Sub-Sahara Africa	
			☐ Resilience (climate and shocks)
			☐ Sustainable Production Systems
			☐ Agroecosystems
			☐ Land and Soil Health
			☐ Diversified Farming
			☐ Integrated Land and Water Management
			☐ Smallholder Farming
			☐ Small and Medium Enterprises
			☐ Crop Genetic Diversity
			☐ Food Value Chains
			☐ Gender Dimensions
			☐ Multi-stakeholder Platforms
		☐ Food Systems, Land Use and Restoration	
			☐ Sustainable Food Systems
			☐ Landscape Restoration
			☐ Sustainable Commodity Production
			☐ Comprehensive Land Use Planning
			☐ Integrated Landscapes
			☐ Food Value Chains
			☐ Deforestation-free Sourcing
			☐ Smallholder Farmers
		☐ Sustainable Cities	
			☐ Integrated urban planning
			☐ Urban sustainability framework
			☐ Transport and Mobility
			☐ Buildings
			☐ Municipal waste management
			☐ Green space
			☐ Urban Biodiversity
			☐ Urban Food Systems
			☐ Energy efficiency
			☐ Municipal Financing
			☐ Global Platform for Sustainable Cities
			☐ Urban Resilience

	☐ **Biodiversity**		
		☐ Protected Areas and Landscapes	
			☐ Terrestrial Protected Areas
			☐ Coastal and Marine Protected Areas
			☐ Productive Landscapes
			☐ Productive Seascapes
			☐ Community Based Natural Resource Management
		☐ Mainstreaming	
			☐ Extractive Industries (oil, gas, mining)
			☐ Forestry (Including HCVF and REDD+)
			☐ Tourism
			☐ Agriculture & agrobiodiversity
			☐ Fisheries
			☐ Infrastructure
			☐ Certification (National Standards)
			☐ Certification (International Standards)
		☐ Species	
			☐ Illegal Wildlife Trade
			☐ Threatened Species
			☐ Wildlife for Sustainable Development
			☐ Crop Wild Relatives
			☐ Plant Genetic Resources
			☐ Animal Genetic Resources
			☐ Livestock Wild Relatives
			☐ Invasive Alien Species (IAS)
		☐ Biomes	
			☐ Mangroves
			☐ Coral Reefs
			☐ Sea Grasses
			☐ Wetlands
			☐ Rivers
			☐ Lakes
			☐ Tropical Rain Forests
			☐ Tropical Dry Forests
			☐ Temperate Forests
			☐ Grasslands
			☐ Paramo
			☐ Desert
		☐ Financial and Accounting	
			☐ Payment for Ecosystem Services
			☐ Natural Capital Assessment and Accounting
			☐ Conservation Trust Funds
			☐ Conservation Finance
		☐ Supplementary Protocol to the CBD	
			☐ Biosafety
			☐ Access to Genetic Resources Benefit Sharing
	☐ **Forests**		
		☐ Forest and Landscape Restoration	
			☐ REDD/REDD+
		☐ Forest	
			☐ Amazon
			☐ Congo
			☐ Drylands
	☐ **Land Degradation**		

		☐ Sustainable Land Management	
			☐ Restoration and Rehabilitation of Degraded Lands
			☐ Ecosystem Approach
			☐ Integrated and Cross-sectoral approach
			☐ Community-Based NRM
			☐ Sustainable Livelihoods
			☐ Income Generating Activities
			☐ Sustainable Agriculture
			☐ Sustainable Pasture Management
			☐ Sustainable Forest/Woodland Management
			☐ Improved Soil and Water Management Techniques
			☐ Sustainable Fire Management
			☐ Drought Mitigation/Early Warning
		☐ Land Degradation Neutrality	
			☐ Land Productivity
			☐ Land Cover and Land cover change
			☐ Carbon stocks above or below ground
		☐ Food Security	
	☐ **International Waters**		
		☐ Ship	
		☐ Coastal	
		☐ Freshwater	
			☐ Aquifer
			☐ River Basin
			☐ Lake Basin
		☐ Learning	
		☐ Fisheries	
		☐ Persistent toxic substances	
		☐ SIDS : Small Island Dev States	
		☐ Targeted Research	
		☐ Pollution	
			☐ Persistent toxic substances
			☐ Plastics
			☐ Nutrient pollution from all sectors except wastewater
			☐ Nutrient pollution from Wastewater
		☐ Transboundary Diagnostic Analysis and Strategic Action Plan preparation	
		☐ Strategic Action Plan Implementation	
		☐ Areas Beyond National Jurisdiction	
		☐ Large Marine Ecosystems	
		☐ Private Sector	
		☐ Aquaculture	
		☐ Marine Protected Area	
		☐ Biomes	
			☐ Mangrove
			☐ Coral Reefs
			☐ Seagrasses
			☐ Polar Ecosystems
			☐ Constructed Wetlands
	☐ **Chemicals and Waste**		
		☐ Mercury	
		☐ Artisanal and Scale Gold Mining	
		☐ Coal Fired Power Plants	
		☐ Coal Fired Industrial Boilers	
		☐ Cement	

		☐ Non-Ferrous Metals Production	
		☐ Ozone	
		☐ Persistent Organic Pollutants	
		☐ Unintentional Persistent Organic Pollutants	
		☐ Sound Management of chemicals and Waste	
		☐ Waste Management	
			☐ Hazardous Waste Management
			☐ Industrial Waste
			☐ e-Waste
		☐ Emissions	
		☐ Disposal	
		☐ New Persistent Organic Pollutants	
		☐ Polychlorinated Biphenyls	
		☐ Plastics	
		☐ Eco-Efficiency	
		☐ Pesticides	
		☐ DDT - Vector Management	
		☐ DDT - Other	
		☐ Industrial Emissions	
		☐ Open Burning	
		☐ Best Available Technology / Best Environmental Practices	
		☐ Green Chemistry	
	☐ **Climate Change**		
		☐ **Climate Change Adaptation**	
			☐ Climate Finance
			☐ Least Developed Countries
			☐ Small Island Developing States
			☐ Disaster Risk Management
			☐ Sea-level rise
			☐ Climate Resilience
			☐ Climate information
			☐ Ecosystem-based Adaptation
			☐ Adaptation Tech Transfer
			☐ National Adaptation Programme of Action
			☐ National Adaptation Plan
			☐ Mainstreaming Adaptation
			☐ Private Sector
			☐ Innovation
			☐ Complementarity
			☐ Community-based Adaptation
			☐ Livelihoods
		☐ **Climate Change Mitigation**	
			☐ Agriculture, Forestry, and other Land Use
			☐ Energy Efficiency
			☐ Sustainable Urban Systems and Transport
			☐ Technology Transfer
			☐ Renewable Energy
			☐ Financing
			☐ Enabling Activities
		☐ **Technology Transfer**	
			☐ Poznan Strategic Programme on Technology Transfer
			☐ Climate Technology Centre & Network (CTCN)
			☐ Endogenous technology
			☐ Technology Needs Assessment
			☐ Adaptation Tech Transfer

		☐ United Nations Framework on Climate Change	☐ Nationally Determined Contribution
	☒ **Rio Markers**		
		☐ Paris Agreement	
		☐ Sustainable Development Goals	
		☐ Climate Change Mitigation 0	
		☐ Climate Change Mitigation 1	
		☐ Climate Change Mitigation 2	
		☐ Climate Change Adaptation 0	
		☐ Climate Change Adaptation 1	
		☐ Climate Change Adaptation 2	

Annex 19: Results of the Partners Capacity Assessment Tool (PACT) and HACT Micro Assessment