Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 12-Dec-2019 | Report No: PIDC27758

Public Disclosure Authorized

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Parent Project ID (if any)	Project Name
South Asia	P171269		Plastic free Rivers and Seas for South Asia (P171269)
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Practice Area (Lead)**
SOUTH ASIA		May 15, 2020	Environment, Natural Resources & the Blue Economy
Financing Instrument	**Borrower(s)**	**Implementing Agency**	
Investment Project Financing	The South Asia Cooperative Environment Programme (SACEP)	South Asia Cooperative Environment Programme	

Proposed Development Objective(s)

The Project Development Objective is to catalyze actions that reduce the flow of plastic pollution into South Asian Seas.

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	40.00
Total Financing	40.00
of which IBRD/IDA	40.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	40.00
IDA Grant	40.00

Environmental and Social Risk Classification	Concept Review Decision

Moderate	Track I-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

While economic growth across the South Asia Region (SAR) accelerates, sustainable management of its environment and natural resource base is critical for sustainable growth. SAR is the fastest growing region in the world, with an average GDP growth rate of 7.2percent over the past decade. At the same time, being home to over 1.92 billion people (one fourth of the world's population), SAR is not only the most populous, but also the most densely populated geographical region in the world at 299 people per square kilometer. The population growth rate in the region is also accelerating at 1.27percent per annum in 2016.

Strong economic growth, coupled with rapid population growth and increasing population density, has been putting pressure on the region's environment and natural resources (marine and coastal habitats, freshwater sources, forests, fisheries, and wildlife). These ecological systems or natural assets, which are transboundary in nature, backstop economic systems: they provide valuable economic and other benefits and services. Their degradation and overuse, however, jeopardize hard-fought development gains, and affect livelihoods, especially of the poor.

Regional cooperation across SAR could generate positive development outcomes. While it is generally recognized that cooperation across countries offer substantial benefits, the political economy of regional cooperation in SAR is complex with a variety of influencers at the national and sub-national levels in each country. Regional Organizations (RO) exist, but they face limitations in development effectiveness. While there are dozens of regional organizations established with varying mandates, The South Asia Cooperative Environment Program (SACEP), a regional organization based in Colombo, Sri Lanka has proved that it can convene member-states and make meaningful progress on the waste management issues more generally, and marine debris and marine plastic pollution more specifically. SACEP led member-states in the preparation of a Regional Marine Litter Action Plan (2018). This was followed by each SAR nation, with support from SACEP, preparing national action plans to reduce marine debris. This work has aided declarations by SAR nations at the G7, G20, APEC and UN to address marine plastic pollution.

Sectoral and Institutional Context

The menace of plastic waste that pollutes land, flows into river systems and, ultimately into oceans, poses national, regional, and global threats to development. The qualities that make plastic useful—lightness, durability, strength, versatility and low production costs—have resulted in fast growing demand, but mismanaged plastic waste has also created a mounting global ocean pollution crisis. The global production of plastic is currently estimated to be around 300 million tons per year, while plastic pollution in the marine environment alone (including beaches) estimated at 9.5 million tons with 1.5 million tons ending up in the ocean annually. The impact of marine plastic pollution has far-reaching economic, ecological and health impacts. The annual global damage of plastics to marine ecosystems is estimated at US$13 billion per year. As a result, marine plastic waste has been acknowledged as one of the main global environmental challenges in recent years and the movement to combat marine plastic litter has accelerated in 2019.

The SAR is the third largest contributor to plastic waste globally with an estimated doubling by 2050 unless action is taken. The Maldives aside, all South Asia's coastal nations are among the top twenty most polluting nations ranked by the volume of mismanaged plastic waste. Modelled estimates of floating micro-plastic (<4.75 mm) and macro-plastic (>4.75 mm) abundance (items per square kilometer) suggest that the Bay of Bengal Large Marine Ecosystem, the ocean system that touches South Asian ocean-facing nations, is in a category of ocean regions with the highest plastic concentration. Plastic waste "leakage" from high mountain states in the upper river watersheds travel and contribute to the accumulation downstream. Following current trends, the amount of mismanaged waste (including plastic) across South Asia is projected to rise from 334 million tons per year in 2016 to 661 million tons by 2050. This will adversely impact the region's ocean ecosystems and sustainable development more broadly.

India dominates the region in plastic processing capacity, estimated at over 20 million tons per year by 2020. The industry includes 15 large polymer suppliers, about 200 equipment manufacturers, and over 30,000 more specialized micro- small, and medium sized plastic packaging processing units employing 3 million people. India is becoming a key market worldwide for plastics processing and polymer conversion with exports to the United States, UAE, Germany, China, and Bangladesh, and is a net importer of plastics largely from China, South Korea, the United States, Thailand, and Japan. Other SAR countries have downstream plastics production primarily by micro-, small, and medium sized plastics processing units. Enterprises producing plastic bottles for water distribution are even found in small non-industrial countries like the Maldives.

There is growing global and regional recognition and call to reduce ocean plastic pollution. World leaders, including representatives from SAR within the G7, G20, APEC, IORA and the UN, have agreed to reduce plastic waste, and signed agreements supporting greater cooperation across nations. The 2018 G7 Summit in Canada concluded with a *G7 Ocean Plastic Charter*; the June 2019 G20 Osaka Summit in Japan concluded with an agreement to establish the *G20 Implementation Framework for Actions on Marine Plastic Litter* to facilitate, through voluntary national actions, the *G20 Action Plan on Marine Litter* launched at the 2017 G20 Hamburg Summit. G20 leaders also announced the *Osaka Blue Ocean Vision*, which aims to eliminate additional marine plastic pollution by 2050. The APEC Summit in June, 2018 concluded with its 15 member-states endorsing the preparation of an APEC Marine Debris and Action Plan. The South Asia Cooperative Environment Program's (SACEP) ministerial level Governing Council has endorsed a Regional Marine Litter Action Plan for the South Asia Seas, and all SAR countries will initiate preparation of country specific action plans with support from Japan.

Several South Asian nations have banned single use plastics. According to the UN, about 127 countries (of 192 reviewed) have adopted some form of legislation to regulate single use plastic bags, ranging from outright bans to progressive phase outs to laws that incentivize the use of reusable bags. Over 5 trillion plastic bags are produced per year and take an estimated 1,000 years to decompose. SAR has many such examples. Sikkim introduced a ban on plastic bags as early as 1998, and Bangladesh in 2002 was the first country in the world to introduce a ban or national restriction on single use plastic bags, followed by India (initiated in 2002, starting with New Delhi), Bhutan (2005, renewed with greater enforcement in 2019), Afghanistan and Nepal (2011), Sri Lanka (2011), and Pakistan (2013 municipal level ban). The Maldives introduced a ban on single use plastic bags on Bodufolhudoo island in 2016, and established a national steering committee in 2019, mandated to advance the phase out of single use plastics by 2020. While such policy instruments have had initial positive response in many countries, due to a lack of enforcement, a failure to regulate plastic through its life cycle, too many exemptions, too few manufacturer limits, an absence of cost-effective alternatives, and growing but fragmented effort on public education and behavior change, these policy initiatives have not yet produced the desired results, that is a decrease in the use of plastic.

There are many promising initiatives that regional cooperation could help better recognize, share, and replicate. India leads the region on enactment of Extended Producer Responsibility (EPR) laws starting in 2016, a policy approach where producers must be responsible for the clean-up or recycling of their products. EPR encompasses management of the potential impacts of a product in all stages of production, use, collection, re-use, recycling, reprocessing, and disposal. In the small island state of Maldives, the public, private, and civil society such as youth have joined forces to collect plastics for corporations such as Adidas. Adidas in turn produces upcycled ocean plastic apparel branded "Parley for the Oceans" and formally kits out major professional sports teams such as FC Bayern Munich, Real Madrid and Manchester United FC, thereby creating a highly visible public awareness campaign in addition to helping solve one aspect of the marine plastic pollution problem. There is further scope to extend such plastic clean-up programs linked to commercial value chains across SAR. EPR in India and the work of Parley in Maldives are two of many emerging examples of a circular economy approach, which looks to prevent depletion of finite natural resources from the global economy, and instead better use the natural resources we've already extracted to extend their useful lives. The proposed regional project will support and promote a circular economy approach to plastics for South Asia.

Minimizing the use of plastics across company supply chains and better understanding the flow of plastic waste and the full extent of its externalities are key to reducing plastic waste. While supply chain challenges for recycled plastics to meet processing volume requirements and international ESG standards remains a challenge, over 30 companies have joined hands to form the Alliance to End Plastic Waste (AEPW), pledging $1 billion of investment over five years (with a focus on Asia) to help end plastic waste in the environment, particularly the world's oceans. International NGOs such as National Geographic have assembled an independent coalition of scientists who are mapping plastic flows along the Ganges River Basin throughout 2019. At national level, as lead up to the G20, India announced a National Mission on Plastics to kick-start on October 2nd and in the Maldives, a historic youth-driven resolution to ban single use plastics was approved by parliament on July 4, 2019. At the grassroots level, entrepreneurs and new social enterprises are emerging with promising business models to: help raise living standards of plastic waste "rag picker" workers; deploy low cost waste sorting equipment to process high organic co-mingled waste containing all forms of plastics; transform solid plastic waste back to usable and reusable liquid oils.

Relationship to CPF

The proposed regional IDA grant project for South Asia is well positioned with respect to WBG corporate and IDA The proposed regional IDA grant project for SAR is well aligned with respect to WBG corporate and IDA priorities. It draws on a special IDA 18 regional grant pilot program, established to help fill in funding gaps for regional public good issues like ocean plastics, with costs and benefits not easily allocated to national programs. The pilot program uniquely funds work with regional institutions not normally eligible for World Bank IBRD or IDA support, focused IDA's strategic objectives of regional integration. It restricts direct funding to governments that are normally eligible for IDA and IBRD resources, with the intention to support actions that compliment and do not substitute for national investments. Project funded activities in both IDA and IBRD countries are permissible. An April 2019 background paper for the next IDA19 Replenishment, *Combatting Marine Litter: How IDA Will Play A Role* further reinforced the case for IDA investment to address negative externalities associated with plastic pollution in the marine environment, including causes and solutions ranging from enabling policy to global, regional and national-level investment. The proposed regional operation can help serve as the platform for engagement with all SAR nations, providing knowledge and know-how important to all and creating an enabling environment for possible IDA credit and IBRD support to government-initiated programs to reduce plastic waste.

The project is also consistent with SAR commitments to support regional cooperation and integration. Through the World Bank's champions' dialogue, the region showcased successful cooperation in the advancement of energy trade between India, Nepal, Bangladesh and Bhutan. Following this model, in 2016, the champions met to shape a regional platform on safeguarding South Asia's ecological integrity and with the Bank's support, established the South Asia Regional Ecological Integrity Platform (REIP). REIP shapes and facilitates collaboration activities to protect and enhance shared ecological assets of the region, such as the marine environment. It meets annually. The REIP Action Plan 2018-19 includes a key pillar on *Ocean Economy,* specifically covering the threats posed to it by waste plastics to the marine environment. In November 2019, REIP will convene in Nepal for the first 'Friends of Plastic free Rivers and Seas for South Asia' with the intention to draw greater attention to both challenges and solutions and include major industry plastic players that are critical to solutions of reducing plastic waste.

The proposed regional project with its unique funding source is envisaged to complement CPFs, ASAs and national investments in three ways: *First*, the regional project could serve as a platform to ensure global best practice and regional solutions are identified and shared widely across the region, including with Bank teams who could incorporate solutions into ongoing and planned ASAs and project activities funded by the Bank and irrespective of sector. The Bank's lending portfolio (ongoing and planned) across South Asia currently support a range of investments covering solid waste management both at national and sub-national levels, however, these operations do not explicitly address plastic waste. *Second*, the project, with its regional lens, will support a broad platform to share lessons through regional convenings, address regional gaps (i.e. transboundary plastic pollution) that no single country can address, and support scaling up solutions. *Third*, the regional project would help strengthen coordination across sectors, while linking regional level action to the effort in each country. In this regard, the Bank could help broker cross sectoral knowledge and know-how with operational teams ready to support client countries.

C. Proposed Development Objective(s)

The Project Development Objective is to catalyze actions that reduce the flow of plastic pollution into South Asian Seas.

Key Results (From PCN)

To achieve the PDO, proposed key results include the following:
Outcome 1: Amount of plastic intercepted and/or recovered from rivers, beaches and seas.
Outcome 2: Increased investment in 3R and/or A.I.R. plastic waste management (public and private sources).
Outcome 3: Increased consumer/retail demand with supportive policy for circular products;

The project targets a long-term goal of eliminating leakage of plastics into the marine environment across the South Asia Region, which can only be achieved beyond the life of the project. The project seeks to catalyze transitions across the region toward a *circular economy*. This means identifying and reducing negative externalities of select plastic waste streams through adoption of a 3R approach (*reuse, reduce, recycle*) and the successful AIR approach of *avoid*, *intercept*, *redesign* adopted by corporations such as Adidas, American Express, etc. Project implementation will focus on catalyzing actions to reduce the flow of plastic pollution into rivers that empty into the marine environment. This will require (i) well specified and enabling policies, incentives, education, behavioral change at the producer and consumer levels; (ii) bottom-up, community and citizen-led action in addition to more top-down regional level engagement; and (iii) public and private sector investments to support circular economy transitions.

D. Concept Description

The project consists of four components totaling US$40 million from IDA.

Component 1. Regional Competitive Block Grants to Reduce Plastic Waste ($20m).
Component 2. Leveraging Private Sector Engagement and Solutions ($9m).
Component 3: Promoting Educational Partnerships, Awareness, and Behavioral Change ($6m)
Component 4. Strengthening Regional Integration and Project Management ($5m).

Component 1. Regional Competitive Block Grants to Reduce Plastic Waste ($20 million). The aim of this component is to support innovative ideas from across South Asia. The regional grant mechanism would identify and scale-up projects, social enterprises and initiatives that reduce the flow of plastic pollution and that without this support would not be possible. This could include support for clean-up, collection and removal of plastic waste from rivers and seas and before it enters (or reenters) the sea (i.e. beach and river bank clean ups), among other things. These grants would incentivize organizations to accelerate implementation of change models by helping them to address pain points and thereby accelerate measurable results that would not have been possible without the Bank grant proceeds. The regional block grants program would prioritize support that catalyzes action along rivers (including transboundary hot spots) and hot spots at sea. Solutions backed by the project would have wide application across SAR geographies and recipients would meet annually under this component and via virtual platforms, enabling knowledge transfer across geographic boundaries.

The **regional competitive block grants program** would be administered similar to a series of plastic waste "X" prizes or "Challenge Grants" for South Asia and the project may seek to collaborate with a pre-existing regional (or global) prize platform for greater efficiency and cost effectiveness. Beyond clean-up, selected innovations would need to reduce the amount of plastic waste created and/or encourage and enable the greater re-use, recycling and/or repurposing of plastic waste. Projects would be selected based on criteria developed during project preparation and broadcast during implementation. There would be a preferred positive list and a strict negative list to ensure alignment with the use of IDA grant proceeds and project development objectives. Grants would target change at either local, national or regional levels, while being rooted in one of the following areas (non-exhaustive):

- Reducing the consumption of single use plastic products;
- Recycling, reusing, and upcycling existing plastic waste;
- Reducing accumulated plastic waste in landfills and the environment through recycling and upcycling;
- Changing consumer behaviors, or retail and wider business practices;
- Implementing alternative business models and optimizing supply chains;
- Introducing new materials fit for a circular economy or that offer sustainable alternatives to fossil fuel-based and non-recyclable plastics (i.e. plastic sachets);
- Adopting the Parley A.I.R. strategy of Avoid (reduce and replace), Intercept (retrieve and recycle) and Redesign (create new materials and new industry standards) successfully rolled out in Maldives with Adidas and other corporates.
- Supporting regionality via transboundary collaboration, replicability across geographies, or other modalities.

The regional competition would seek proposals from social innovators, entrepreneurs, students, designers, businesses, materials makers and change makers or collaboratives – any individuals or institution that has an innovative and creative idea and/or solution for turning the tide on plastic waste. While detailed project design would be undertaken during project preparation, the block grant scheme would support special categories, such as (a) grass-roots, citizen, and/or

female-led solutions, particularly targeting solutions that empower female waste pickers and those at the bottom of the pyramid ; (b) social entrepreneurs; and (c) institutions of all types that could use the funds to introduce solutions.

The Bank and several development partners (i.e. BMGF Grand Challenges, X Prize Foundation), corporate foundations and governments (UK, Norway, Canada, USA, etc.) have utilized such competitive grant schemes to simultaneously raise awareness of an issue proposed to be solved, identify the most promising solutions across multiple categories with results that are measurable, monitored, replicable and scalable. Grant sizes could vary from $50,000-$100,000 on one hand to well-above $250,000 for the most promising solutions with significant scale potential. Each grant proposal would be prepared with a template that details the scale up plan and estimated impact from scaling, including the incrementality of impact that would not be possible without grant support. Existing and successful grant competitions and their protocols currently in use will be further reviewed during project preparation to design a scheme for South Asia or adopt an already existing scheme via collaborative partnership. An electronic dash board would be developed to track the impact footprint of these competitive grants over time.

Component 2. Leveraging Private Sector Engagement and Solutions ($9 Million). The private sector plays a significant role in the production and use of plastics that "leak" into rivers and oceans. Consumers are beginning to hold companies accountable, opening them up to collaboration with private foundations and governments, while seeking market-based solutions. However, in order for public and private sectors to convene, dialogue, identify and deploy knowledge and solutions for South Asia, a collaborative and supportive convening mechanism is required that could also serve as a marketplace for exchange of ideas and that brokers solutions.

This component is aligned with World Bank Group's corporate commitment to Mobilize Finance for Development (MFD), and will therefore support a **South Asia Regional PPP Mechanism** to *(i) forge collaboration and partnership between public and private sectors; (ii) identify and incentivize private sector led solutions; (iii) leverage capital (public and private) and incentivize the deployment of that capital to accelerate solutions; and, (iv) facilitate knowledge transfer.* Benefits of such a mechanism include (i) customized solutions that transforms plastic waste into a cashable commodity, (ii) increased recovery and recycling rates; (iii) incentives for the plastic industry to reduce its use of fossil fuel feedstocks and seek out recycled and degradable alternatives; (iv) material contribution to reducing climate change in the context of the global community's targeted temperature increase range, when considered on an accumulative basis to 2030; (v) slowing the rising health impacts of plastics on both humans and other species; (vi) improved profitability of polymer-to-polymer technologies and other supporting industries; (vii) adoption of the "three Rs" philosophy, "Reduce, Reuse, Recycle," promoted by the circular economy community and/or AIR strategy; (viii) prioritizing technologies which keep plastics within the economy, e.g., purification, depolymerization and pyrolysis technologies; and (ix) leveraging funds to develop waste management infrastructure, catalyze innovation and deal with legacy pollution issues, such as plastic waste, and particularly microplastics and nano-plastics accumulated in the oceans. The regional PPP mechanism would be branded to further accelerate awareness and exemplify regional cooperation in support of plastic free rivers and seas and could adopt a fee for private sector participation (a successful model used in trade shows, convening on other topics, etc.) to ensure the long-term sustainability of such a platform.

This activity brings IFC and the Bank approaches together, to work with existing regional partners, such as SACEP, to leverage their convening power with SAR governments and mandate given to address plastic waste issues faced by the region, and work with trade associations for different market segments and coordinate with other regional bodies concerned with environment and regional trade. In addition, private collaboratives such as Parley for the Oceans that includes big brands committed to their A.I.R. strategy and the Alliance to End Plastic Waste (AEPW) that includes a collection of 30 Fortune 500 companies would enable acceleration of solutions agreed upon. This mechanism would also help facilitate and drive a work program around regionally prioritized topics such as regulations and policy coordination –

affecting private companies - product standards, environmental and social standards for waste pickers etc., where private companies and governments together are needed to dialogue in order to make progress.

Moreover, the mechanism will also focus on increasing information accessibility on scientific research and bench-tested or proof of concept for new product development, product standards and transparency of third-party testing, life-cycle analysis, and consumer product information and awareness working with business associations and chambers of commerce. This sub-component may be developed in close coordination with UNEP, which is leading similar work at the global level to help the region stay abreast of global developments.

Finally, the mechanism could also become a much-needed regional private sector results-based advisory services mechanism. A sample advisory services menu could include plastics alternative materials marketing, SAR market business model structuring, business models to increase the value of recycled plastics, securing bankable off-taker contracts for recycled plastic products, new plastics business incubation, third party accountability mechanisms for supply chains, plastic waste management infrastructure for collecting, sorting, re-using and recycling plastics, and design support for producer and corporate responsibility programs addressing plastics. The results-based mechanism would develop and apply metrics to reduce the cost and level of repayment for services that do not deliver stated objectives, thereby giving an incentive for success. The advisory services component could, for example, support design of clean-up efforts linked to a supply chain of new consumer products like the Parley Maldives program. It could encourage social enterprise business models to improve source separation and waste transportation and incentivize disposal behavior change (e.g. Plastic Bank model). Award winning proof of concept IT-based models like the Banyan nation IT platform in India could be replicated for use on a wider scale. Well-known, successful local scale-up models proven in a SAR context like the India dairy cooperative program, and microfinance models (Grameen Bank, Bangladesh) may be adapted to solve plastic issues.

Component 3. Promoting Educational Partnerships, Awareness and Behavioral Change ($6 million). The plastics waste problem cannot be solved without changing mindsets and current use of single use plastics. Public awareness of the issue (and solutions) and large-scale, grass-roots action that gets to the core of consumers' daily life needs and affinity for low-cost plastic and the convenience it affords is a key component of this. While localized public awareness campaigns are ad-hoc and temporary, there is need for more long-term, systematic, and regionally reinforcing communication messaging within a wider regional and inter-connected context. Partnerships are key to accelerate change. This component will therefore support **two** key activities: (a) **Forging educational partnerships.** The project will tap region-wide educational content with partners (i.e. National Geographic, Discovery Education, regional educational content providers, etc.) who have presence across the region and distribution channels with wide reach; (b) **Public Awareness, Education and Behavioral Change.** This activity would support (i) grass-roots and national campaigns (radio, TV, youth-led, etc.) to promote awareness of the problem and solutions. For example, "back to the future" messaging has worked in localized contexts, reminding the public there was a time where reusable jute bags for shopping and clay reusable mugs for coffee/tea was the norm; (ii) Education also plays an important role for increasing a shared understanding of the issues especially for a younger generation and future leaders. The project would adopt well known educational technologies to educate the young in a way that is easily accessible, including by developing classroom-based curriculum and materials; (iii) Behavioral Change, Communication Strategy Development is needed to influence community and consumer behavior and figure out how private sector solution providers could engage and interact with, for example, informal sector waste pickers. At community level, learning by doing has also been an effective way to sensitize communities to problems and grass-roots solutions and promote behavior change.

Component 4. Strengthening Regional Integration and Project Management ($5 Million). The objective of this component is to support regional coordination, cooperation, institutions and policy development that deliver both short and long-term solutions. The component will support four activities:

(a) **Improved Policies.** Global assessments conclude that policies often fail for reasons ranging from a failure to regulate plastic through its life cycle to an absence of cost-effective alternatives to promote. The project will therefore review existing policies and standards from across the region (and assess why they succeed and fail), identify good practice policies from outside the region and develop a set of recommendations specific to each SAR nation that with revision could improve public policy and standards, and identify incentive and fiscal mechanisms to help correct market inefficiencies, overcome poor incentives to recycle plastics or to explore alternatives, and facilitate investments which provide solutions. Harmonization of standards for recycled material in products would also be reviewed to promote greater market aggregation and uptake for more circular products;

(b) **Institutional Strengthening.** Regional institutions (even with a mandate to address marine plastics are weak) and effective coordination a challenge. The project will strengthen existing institutions such as SACEP and Indian Ocean Rim Association through a targeted capacity building program to better coordinate, aggregate, share and disseminate research and solutions that reduce plastic pollution that flows into rivers and seas. It would support (a) capacity building, (b) a research agenda, and (c) regional convenings of (i) heads of state, ministers/policy makers (IORA), (ii) social entrepreneurs and grass-roots solution providers (i.e. recipients of the regional competitive block grants) and (iii) private sector/industry/corporations.

(c) **Regional Data Collection, Action-Oriented Analytics and Monitoring.** Weak environmental enforcement can be strengthened with a wider deployment of citizen driven IT tools to report and monitor illegal dumping of waste, etc. Research institutions with strong technical, computing and modeling capacity would be deployed to undertake action-oriented analytics, strengthen monitoring of regional waters for plastics, including the use of sensors and satellite data. The project will support research and innovative IT-led monitoring for improved transboundary management of plastic debris (rivers and oceans). With strengthened policies and institutions, supported by regional research and monitoring, the overall regional governance for a more integrated, trans-boundary management of plastic debris across South Asia would improve. It would lead to better decision making over the management of marine plastic debris and better protection of marine ecosystems and management of natural capital assets.

(d) **Project Management Office at SACEP with Financial Agent Support.** A regional project of this size and context with underlying weak regional institutions, requires a special approach to project management. The optimum arrangement balances a need for efficiency and skills to work with a wide network of partners with care to limit the project management capacity burden on regional institutions to functions like coordination, convening, and monitoring and evaluation that need to be stronger for the longer term and will likely require strengthening SACEP as an institution. *Financial Agent Support.* Project management functions such as financial management, procurement, and ESF screening services would be sourced through a competitive tender to identify a financial agent with a strong capacity and track record to manage resources of this magnitude and meet World Bank fiduciary requirements. The selected entity should be independent and free from any conflicts of interest of recipients of the IDA grant funds but may have an interest to use their involvement to build their own capacity to understand the plastic waste market better to finance downstream circular economy investments. Although this arrangement is less common, some specialized World Bank and global environment programs such as the Montreal Protocol have used outsourcing to financial agents for core services routinely with high success for grants to non-state entities in a large scale (over US $1Billion channeled through the Bank).

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	Yes
Projects in Disputed Areas OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

The proposed project is expected to have largely positive and beneficial impacts for SAR and its oceans. The project's objectives to support the enabling environment, cross-country coordination and capacity building, innovation; and support to the 3Rs is expected to have positive long-term effects in reducing and the dumping of plastic wastes in waterways that end up in coastal areas and oceans. The project will stimulate partnerships among civil society organizations, youth groups and other stakeholders to support national and community-based behavior change and awareness raising; provide funding for innovative solutions; and support youth-led movements, among other things. It may also support, at the policy level, the strengthening of E&S standards and certification for sustainable plastics supply chains focused on socially and environmentally responsible waste sourcing and recycling through transparent, accountable, and legitimate supply chains addressing labor issues, working conditions, and livelihoods. In addition to, the project may also support strengthening industry standards for recycled plastic products (e.g. plastic roads and furniture products) to grow secondary-reuse markets and attract private sector investments.

At the concept stage there is lack of clarity on what specific types of innovative technologies and solutions to reduce, reuse and recycle plastics will be supported. The project design, however, will ensure that only investments that focus on these 3Rs that are resource efficient, sustainable and environment-friendly will be supported. Those that are pollutive and resource intensive will be on the negative list and will be ineligible for project financing. That said, environmental risks still exist, which would relate to residual wastes or those plastics that cannot be reused, recycled and repurposed, which will have to be disposed and managed properly. However, given that the thrust of the project is 3Rs, residual plastic wastes should be minimal. In addition, innovative methods of collecting plastics from the oceans may still have risks and impacts, which will need to be properly screened and/or assessed during project implementation.

On the social side, there will be health risks and impacts to those working in plastics collection and recycling/repurposing due to potential exposure to harmful materials and chemicals during the recycling process, if proper health and safety measures in work places are not implemented and depending on the technology adopted to recycle and repurpose plastics. Resource use patterns will also need to be assessed in these facilities to ensure resources (energy, water and raw materials) are used in an efficient and sustainable manner. The project will include a range of stakeholders across the region: public sector organizations, social enterprises, community groups, and private sector entities. Specific criteria for the management of the challenge grants will need to be prepared and applied to ensure fair access to funding, especially by women's organizations and youth groups. In addition, institutional capacity of the implementing agency, inter-organizational and cross-regional coordination is also weak, and this will be strengthened under the project. Based on the overall positive and beneficial impacts of the project, which outweigh whatever residual risks and impacts there may be on the adoption of environment-friendly, sustainable and resource-efficient technologies and practices on 3Rs, the overall Environmental and Social risk classification of the project is assessed to be Moderate. This will be revisited during preparation and during implementation and revised, if necessary, in accordance with an adaptive management approach.

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