



WWF GEF-8 CEO ENDORSEMENT REQUEST FOR FSP AND MSP (2-STEPS)

Promoting Circular Solutions to Single-Use Plastic Consumption in Lao PDR- GEF ID: 11190

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GENERAL PROJECT INFORMATION

Project Title:	Promoting Circular Solutions to Single-Use Plastic Consumption in Lao PDR
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Region:	Asia-Pacific	GEF Project ID:	11190
Country(ies):	Lao PDR	Type of Project	Full-sized Child Project
GEF Agency(ies):	WWF-US	GEF Agency Project ID:	G0042
Project Executing Entity(s) and Type:	Ministry of Natural Resources (MONRE)	Government	
	WWF-Laos	CSO	
GEF Focal Area(s):	International Waters	Submission Date:	
Type of Trust Fund:	GEF Trust Fund	Project Duration (Months)	60
GEF Project Grant: (a)	3,978,440	GEF Project Non-Grant (b)	N/A
Agency Fee(s) Grant: (c)	358,060	Agency Fee(s) Non-Grant: (d)	N/A
Total GEF Financing: (a+b+c+d)	4,336,500	Total Co-financing:	4,010,000
PPG Amount (e):	150,00	PPG Agency Fee(s) (f):	13,500
Total GEF Resources (a+b+c+d+e+f)	4,500,000		
Project Tags:	<input type="checkbox"/> CBIT <input type="checkbox"/> NGI <input type="checkbox"/> SGP <input type="checkbox"/> Innovation		
Project Sector (CCM only)			
Rio Markers			
- Climate Change Mitigation	<input type="checkbox"/> No Contribution (0) <input checked="" type="checkbox"/> Significant Objective (1) <input type="checkbox"/> Principal Objective (2)		
- Climate Change Adaptation	<input checked="" type="checkbox"/> No Contribution (0) <input type="checkbox"/> Significant Objective (1) <input type="checkbox"/> Principal Objective (2)		
- Biodiversity	<input type="checkbox"/> No Contribution (0) <input checked="" type="checkbox"/> Significant Objective (1) <input type="checkbox"/> Principal Objective (2)		
- Land Degradation	<input checked="" type="checkbox"/> No Contribution (0) <input type="checkbox"/> Significant Objective (1) <input type="checkbox"/> Principal Objective (2)		

Project Summary*

Economic and social changes in Laos have led to a surge in single-use plastics (SUPs), overwhelming the waste management system and causing significant pollution through illegal dumping and burning. The food and beverage sector generates 50% of SUP waste, and current waste management efforts cannot keep pace with rising waste levels.

This project aligns to the Plastic Reboot goals, with an upstream, circular economy approach to reduce SUPs by promoting sustainable alternatives. It aims to create a supportive business environment for local decision-making in tourism and hospitality. Technical support will be provided to government partners to develop inclusive policies that engage women and marginalized communities. Enterprises producing plastic alternatives will benefit from incubator and accelerator programs, while market research will ensure diverse customer needs are addressed.

Implemented in Vientiane, Vang Vieng, and Luang Prabang, the project will collaborate with partners, including the Ministry of Natural Resources and Environment (MONRE), Swisscontact, Plan International, and WWF Laos. Additional funding from the French Facility for Global Environment (FFEM) is being sought to complement GEF activities and support downstream waste solutions.

The project aims to reduce 39,697 metric tonnes of plastic pollution in international waters, improve water ecosystems, and cut 142,386 metric tonnes of carbon dioxide equivalents linked to SUP production. It will also reduce 2.278 grams of toxic equivalents and enhance waste management for 5,900 individuals, focusing on vulnerable groups such as women, youth, and marginalized communities. The project will participate in knowledge sharing, communications, and monitoring activities to align with Plastic Reboot.

Project Description Overview

Project Objective*:	Reduce the use of problematic single-use plastic food and beverage packaging and increase the market share of more sustainable alternatives through inclusive upstream and midstream approaches, targeting policymakers, private sector and local actors, and consumers.					
Project Components	Component Type	Project Outcomes	Project Outputs	Trust Fund	(in \$)	
					GEF Project Financing	Co-financing
1. Enabling regulatory framework for the reduction of SUPs and increase in sustainable and accessible substitutes	Policy Development	1.1 Improved enabling environment and cross-sectoral collaboration to phase out SUPs, particularly problematic SUPs in the food and beverage sectors, and introduce environmentally & socially viable substitutes that are accessible, cost-effective and achieve circularity	1.1.1 Develop national policies that: - Disincentivise and phase out key problematic SUPs - Incentivize substitute materials/products 1.1.2 Develop city-level action plans to phase out problematic SUPs in the F&B sector for the three target cities (VTE, VV, LPB) 1.1.3 Develop and strengthen the value of relevant certifications and their integration into wider policies (e.g., Plastic Free Laos, Lasting Laos):		1,184,458	1,934,090

			<ul style="list-style-type: none"> - Strengthen criteria on SUPs in the food and beverage sectors - Develop harmonised guidelines on implementation and business uptake - Strengthen the capacity of Lao National Chamber of Commerce and Industry (LNCCI) coaches and assessors concerning certifications on F&B SUP criteria and alternative materials 			
2. Enterprise engagement and product/ service/ business development	Business engagement	2.1 Understand supply chains and markets for financially and socially accessible alternatives to food and beverage SUPs in Laos	<p>2.1.1 Material flow analysis of substitutes to SUPs</p> <p>2.1.2 Conduct market research to understand the market size and buying behaviour of diverse consumers</p>		1,030,615	1,963,734
		2.2 Promote the enterprise development of domestically produced substitute products and services to SUPs in Laos' food and beverage sectors	<p>2.2.1 Business Incubator Programme for businesses and organisations to support SUP substitute products and schemes, catalysing the design and development of prototypes and services</p> <p>2.2.2 Launch the Eco-Challenge Competition to identify viable ideas and business concepts in Laos</p> <p>2.2.3 Accelerator Programme: Technical support and advice to competition winners (e.g., product testing, product due diligence, marketing, business planning) (also financial grants from FFEM)</p> <p>2.2.4 Trial new products/services in pilot tourism and hospitality businesses (Component 3 pilots)</p>			
3. Tourism and Hospitality Business Support and Marketing	Marketing; business support	3.1 Support to tourism and hospitality businesses through technical	3.1.1 Provide support and mentoring to tourism/hospitality businesses to phase out problematic SUPs and complete the transition to		716,813	1,212,399

		assistance and mentoring	more sustainable approaches 3.1.2 Support certification through training, mentoring, auditing and awarding 3.1.3 Promoting hygiene practices for reusable food and beverage alternatives			
		3.2 Achieving behaviour changes in purchasing and use through marketing	3.2.1 Develop a marketing strategy to promote the environmental, social and economic benefits of new products and services, best practices, and certification. 3.2.2. Launch a marketing campaign targeted at diverse communities to encourage the shift from SUPs to accessible alternative products and services		676,609	1,043,270
4. Knowledge management, communication and coordination	Learning & promotion	4.1. Lessons, knowledge and best practices from the project are shared across Laos, the region and globally to allow for shared learning experiences and upscaling of initiatives	4.1.1. Project communications strategy developed through consultation with relevant partners and stakeholders and implemented 4.1.2. Develop and disseminate knowledge products in multiple languages and accessible formats based on project lessons, including trade fair			
		4.2. Coordination with the global program	4.2.1 Coordinate with regional and national GEF projects and the global programme (Circular Solutions to Plastic Pollution Integrated Program), including attendance at annual workshops, webinars, and other virtual meetings.			
M&E**	Monitoring	Effective on-going Monitoring and Evaluation	Timely project progress reports and monitoring against the (a) annual work plan and (b) results framework Independent mid-term and terminal evaluations, including Gender Impact Assessment		180,528	323,652

Subtotal		3,789,023	6,477,145
Project Management Cost (PMC)*** (if this is an MTF project, please report separate PMC lines for each TF). ***If the amount requested is above limits, a pop-up menu should open for the Agency to provide an explanation***		189,417	340,902
Total Project Cost		3,978,440	6,818,047

Updates from Concept Note

During the project preparation phase, some adjustments were made to the design from what was originally detailed in the Concept Note. These changes resulted from feedback during community consultations and with local business owners (e.g., the need to examine hygiene aspects of reusable products) and the theory of change (e.g., changes to sequencing and requirements for upfront studies and market research). As such, the following key adjustments were made to the project design:

- The project title was amended to note that Lao PDR does not produce many of its own single-use plastics (SUPs), so the focus is now on reducing their use and introducing alternative materials.
- The enabling environment component has been modified and expanded. The specific policies are not defined at this stage, noting the need to undertake the full policy cycle of assessment, consultation, and analysis before determining the blend of policies required. City-level plans will also be developed, contributing to the National Plastics Action Plan. Certification schemes (e.g., Lasting Laos) will be strengthened to incorporate SUP criteria, links to policy, and enhanced capacity in implementation.
- There is now a greater focus on supporting the private sector, including helping local enterprises develop more sustainable substitute products/services and helping the tourism and hospitality sectors transition from SUPs and adopt more sustainable practices.
- There is now a greater focus on commercial marketing than basic awareness-raising, utilising a range of market research studies (e.g., buying behaviour) and the launch of a marketing campaign to promote the environmental, social, and economic benefits of alternatives to SUPs.
- Additional surveys have been incorporated, including research into the market size for alternatives and substitute products, marketplace analysis to identify buying/selling platforms, material flow analysis to determine the sustainability of new products/services, and research into the hygiene requirements to ensure adequate sanitation of reusable products.
- Further details are provided with regard to alignment with the Circular Solutions for Plastic Pollution Integrated Program (herein referred to as the Plastic Reboot).

PROJECT OUTLINE

A. PROJECT RATIONALE

Problem Statement

In recent years, Laos has experienced significant economic and social transformation due to economic development, urbanisation, lifestyle changes, transport infrastructure development, growth in travel and

tourism, and increases in living standards. These changes impact consumption and production patterns and have led to the growth in supermarkets, minimarts, convenience foods, restaurants, hotels, and home deliveries. These developments have resulted in higher volumes of waste and an increasingly complex waste stream. Data shows that waste has more than doubled over five years, from 352,000 tonnes in 2015 to 910,000 tonnes in 2020, and is predicted to grow to 1.4 million tons by 2035 (World Bank, 2018, 2022). As detailed below, an increasing proportion of the waste stream is single-use plastics (SUPs), including those considered problematic or unnecessary. Plastic has become the ubiquitous material of modern society. Due to its cost-effectiveness and functionality, plastic is used widely in food and beverage (F&B) products and packaging. However, ineffective waste management has meant that plastic has rapidly become one of the most widespread pollutants on the planet. Plastic is predominantly produced from crude oil, and its use is symbolic of the linear economy, a take-make-dispose approach that is dependent on fossil fuels and leaks material out of the economy.

After disposal, plastic does not readily biodegrade. Some polymers may take tens or hundreds of years to degrade, although their longevity in the natural environment is only an educated guess. However, it is abundantly clear that their persistent nature means plastic accumulates and impacts ecosystems, wildlife and human health. Poor management of plastics is resulting in widespread pollution in Laos. Studies show that 95% of plastic pollution is attributed to only ten SUP items (the top ten items include drinks bottles, plastic caps/lids from bottles, bags, shopping bags, cups and cup lids, food containers, foam packaging, polystyrene pieces, straws and stirrers, cleaner bottles and containers), with F&B packaging and products representing over 50% of products (World Bank, 2021). The study identified restaurants, cafes, bars, and tourist activities as major contributors to plastic pollution hotspots. As such, the Project will concentrate on the tourism and hospitality sectors as these are the major producers of plastic waste in Laos, and also tourism is important to the green growth of other sectors, including agri-food and textiles/handicrafts.

Laos has recently developed a National Plastics Action Plan (NPAP) to address the use and pollution from plastics. However, there are limited existing budgets that are contributing to the NPAP's objectives. Several factors contribute to the plastic pollution problem in Laos:

Problematic and Unnecessary Plastics: While plastics are beneficial in certain applications, their prevalent use has meant that they are in many products that could use more sustainable materials. As such, the use of certain plastics is deemed problematic and unnecessary. The following criteria define these plastics: (i) use is avoidable or a reusable alternative is available; (ii) cannot be easily recycled, or it hampers the recycling process; (iii) commonly littered and pollutes the environment (WRAP, 2019).

Increases in Plastic Waste: Waste composition surveys show that plastics are fast becoming a significant and increasing component in waste streams in Laos, particularly those used in the F&B sectors and packaging. In 2015, plastics were 6.1% of the average waste composition in Vientiane (CCAC, 2015). By 2020, the proportion doubled to 12.1% and by 2023, it had reached 15% (GGGI, 2020; ESL, 2023). The trend in increased plastic use is set to continue, and the proportions of plastics may be much higher than these surveys show. Indeed, the World Bank states that 15-25% of solid waste generated in Laos is plastic waste, 95% of which are SUPs (World Bank, 2022). Almost half of these SUPs are used for F&B products, with the tourism and hospitality sectors utilising 50% of these products.

Challenges with Waste Management and Pollution: Increasing urbanisation rates in Laos are outpacing existing infrastructure and municipal services, with higher levels of waste generation putting additional pressure on the already struggling waste management system. The existing waste management approach is underregulated and underdeveloped, has low capacity, a lack of data, and has unclear responsibilities

across different ministries and local government departments. Waste is often inappropriately disposed of, mismanaged or leaked out of supply chains. A large proportion of this mismanaged waste is plastic.

Waste Collection and Disposal: Policies, institutional arrangements, infrastructure and service provision are failing to keep up with increasing urbanisation and rising waste volumes. Waste collection services are limited in coverage and have low participation (31% in Vientiane). Many households and businesses directly dump or burn waste (World Bank, 2022b). Although controlled landfills are increasing, the primary disposal approach for formal waste collections is open dumpsites, which are usually poorly sited and have limited management to contain waste (e.g., compaction or cover).

Collection of Recyclables: In the absence of formal collection schemes, recyclables are predominantly collected by informal workers (e.g., street pickers, staff on waste collection trucks as a sideline to their main job, and landfill pickers). As these materials are picked out of general municipal waste, they are heavily contaminated and degraded, and it is impossible to pick out all recyclables physically. As such, the percentage of plastics recycled in Laos is currently very low, with an estimated 2% of total waste recovered in Vang Vieng and Vientiane, and 3% in Luang Prabang. (World Bank 2022a; ESL, 2023).

Limited Recycling Capacity: Plastic recycling in Laos is predominantly only conducted by a few private companies in and around Vientiane Capital, focusing on low-quality polyethylene terephthalate (PET). Most post-consumer plastic recyclables are exported to Thailand or Vietnam without processing. However, both countries have signalled the intention to ban plastic waste imports, prompting the need for sustainable domestic solutions in Laos. Where recycling is undertaken in Laos, concerns are noted in the NPAP about the lack of compliance procedures and unregulated pollution resulting from these plants.

Alternative Materials: A range of environmentally and socially viable alternatives are used in Laos as substitutes for plastic products, including traditional materials (e.g., bamboo straws and eco-plates) and innovative products (e.g., compostable packaging). However, the businesses behind these products are often small and family-based and have received limited investment and have not undertaken expansive marketing campaigns, with few products produced, tested and sold at any significant scale in Laos. Consultations with tourism and hospitality businesses in the three cities during project design showed that there is certainly demand (see Annex 5 for the full list of who was consulted). However, these businesses expressed frustrations with sourcing products within Laos, resulting in the need to import sustainable products from Thailand at a high cost.

Impacts of Pollution

The environmental, social, and economic impacts are diverse, particularly with respect to the protection of environmental and human health:

Social Impacts: Waste burning is common in Laos, even in areas with waste collection services, contributing significantly to air pollution. This practice disproportionately affects women, children, and

economically disadvantaged groups due to their higher exposure and physiological vulnerabilities. A 2021 World Bank report attributed around 10,000 deaths in Laos in 2017 to environmental health risks, with 44% linked to household air pollution and 27% to outdoor air pollution.

Environmental Impacts: According to WWF's recent waste survey (ESL, 2023), a significant portion of Laos' waste is disposed of in uncontrolled environments: Vientiane (49%), Vang Vieng (50%), and Luang Prabang (12%). Much of this waste ends up in the Mekong River, one of the world's most polluted rivers and a major contributor to ocean plastic pollution, transporting tens of thousands of tons of plastic across ASEAN. The non-biodegradability of plastics leads to bioaccumulation in food chains and wildlife deaths through ingestion, while also threatening local economies dependent on fishing, tourism, and agriculture. Microplastics in human food and water raise public health concerns.

Economic Impacts: Poor waste management incurs direct costs, such as clean-up efforts and clearing waste-induced drainage blockages. More significantly, the indirect costs are far-reaching, including environmental degradation, which negatively affects tourism, property values, and overall quality of life. Tourism, a key economic driver in Laos, is especially critical in the three project cities. These cities face challenges in balancing the influx of tourists with maintaining clean environments, essential for attracting visitors, all while operating within limited waste management budgets. As noted by the Lao Green Growth Strategy, pollution in these areas threatens long-term economic sustainability, growth, and livelihoods.

Causes of Problems

Plastic Use: Most plastics are polymers of small organic molecules synthesised from crude oil and natural gas. Plastic is the ubiquitous key material of the modern economy, replacing many other traditional materials such as paper, metals, and glass. The key to its prevalence is the material's unrivalled functional properties and low cost. Plastic use has increased twenty-fold in the past half-century and is forecast to double again in the next 20 years (World Economic Forum, 2016). However, after a short first-use cycle, 95% of the value of plastic packaging material is lost to the economy. The low costs are due to abundant raw materials, subsidies, well-established infrastructure, ease of formation, and highly efficient production. Plastic is highly versatile due to its inherent functions, including a high strength-to-weight ratio, resistance to temperature fluctuations, chemical resistance, and electrical insulation. The material is malleable and can be easily moulded into various applications. Plastic's benefits have led it to be used widely in F&B packaging and products. Plastic is food contact safe and provides a hygienic way of preserving, transporting, and consuming food and beverages.

Laos' economic and social changes are impacting the volume and types of waste (SWITCH-Asia, 2022). Historically, organic waste has been the highest fraction (50-70%). However, as economies grow, the fraction of organic waste decreases, while those materials associated with packaging increase (World Bank, 2018). New consumer retail channels are increasing the volumes of primary, secondary and tertiary plastic packaging, particularly as consumers are exposed to regional and global F&B products and those associated with convenience foodstuffs as opposed to organic products sold in wet markets (SWITCH-Asia 2022).

Alternative Use: Environmentally friendly alternative materials present various challenges regarding costs and functionality. Plastics are derived from fossil fuels, which are relatively inexpensive compared to many environmentally friendly materials that come from renewable resources or require more complex processing. Laos's existing manufacturers/retailers of substitute products are small businesses with constrained resources, small production lines, limited infrastructure, lack of access to finance, and

inadequate marketing/business skills. As such, the demand for substitute products is not as widespread as the demand for conventional plastics, so smaller production volumes result in higher costs. As adoption increases, economies of scale may help make these substitute products more affordable.

There are difficulties with alternative materials that provide the same level of functionality as the plastics they replace. During project development consultations, tourism and hospitality businesses expressed concern about the hygiene of alternative materials, which is why some are hesitant to switch to substitute products. Indeed, the poor storage, sanitation and use of reusable items, such as straws and bottles, can potentially result in foodborne disease (McDowell, 2020).

The environmental/social benefits of alternatives over traditional plastics can vary depending on the raw materials, production processes, product lifespans, and end-of-life solutions. As such, there are trade-offs in terms of greenhouse gas emissions, energy use in production, water and fertilizer use in plant-based crops, impacts of alternative crops on land use and food production, transport requirements throughout the supply chain, end-of-life processing/disposal, and land, water and air pollution.

Limitations in Private Sector Finance: Lao PDR is currently struggling due to high public debt levels that have contributed to persistent macroeconomic instability, which is undermining development prospects. As outlined by the World Bank in its economic monitoring, Lao PDR is facing both solvency and liquidity challenges owing to significant financing needs, limited financing options, low foreign exchange reserves, and considerable depreciation pressures. Despite a recovery in nominal earnings for poor households, rising domestic prices are threatening living standards, particularly in the absence of social assistance.

As part of a recent technical assistance project that analysed sustainable consumption and production (SCP) financing options for Small and Medium Enterprises (SMEs) across Asia, SWITCH-Asia concluded that Laos PDR does not have a sustainable finance policy to support green or sustainable enterprises. As such, there are very few private or government finance options available to SMEs, although once taxonomy is in place, more options could result.

As further noted by Plan International, the investment climate is very limited due to the small population size and low GDP, meaning that Laos has been viewed as too small for financial service providers and other investors to implement green financing instruments. In 2021-22, the SUSTOUR Lao project with the International Labour Organization, Lao National Chamber of Commerce and Industry (LNCCI) conducted research into available financing for MSMEs, which found that any potential finance was limited to loans from a small number of banks. However, very few institutions provide loans to non-registered businesses, and salary guarantees are required from registered businesses. The situation is also reinforced by Swisscontact, who notes that in their previous startup programme with ASEAN that access to private sector financing is generally a challenge, while in Laos, it is virtually non-existent. Unfortunately, this is in stark contrast to the other four ASEAN countries that were part of the startup programme.

Project Objective

The objective is to reduce the use of problematic SUP food and beverage packaging use and increase the market share of more sustainable alternatives through upstream and midstream approaches targeting policymakers, private sector actors and consumers. Based on current trends, unless action is taken, Laos faces increased challenges with waste management in relation to SUPs as waste volumes increase and

management systems continue to be under pressure. By contrast, addressing the use of plastics through a circular economy approach will help align Lao PDR with regional and global initiatives to combat plastic pollution and reduce the reliance on natural resources and material leakage out of the economy, while also creating more employment opportunities. The Project Objective does not include reducing the production of SUPs, noting that most plastics are imported into Laos, so the focus is on use and transitioning to substitute products made with alternative materials. Environmentally-friendly and socially-responsible products are expected to provide a range of equal or additional benefits over the SUPs they replace, including sustainable produced raw materials, functional and hygienic use, and end-of-life processing that provides value as opposed to pollution.

Future Narratives

Key System Drivers: The following drivers detail how the socio-ecological system may unfold:

Oil sector development and prices impacting plastic costs: The cost of plastic products is intrinsically linked to global crude oil prices, the key raw material in production. With the shift to electric vehicles, the fossil fuel industry seeks to diversify its revenues by investing in plastics. As such, plastics are predicted to drive global oil demand and are projected to represent 20% of global crude oil consumption by 2050, producing 445 million metric tonnes of plastic annually by 2050 (Staista, 2024).

Changing economy, lifestyles and consumer habits: Economic and social transformation, along with new retail channels, is resulting in higher waste volumes, of which plastics are an increasing proportion. Laos is not a significant producer of plastic itself, and its position in regional supply chains, primarily as an importer of packaged F&B goods, means controlling plastic-based product offerings is challenging.

Innovation and development of new alternative materials: Laos's resources and financial backing required for R&D in this sector are limited, relying on importing technologies and materials, which are then utilised in product development within Laos. Some materials are associated with greenwashing, noting that they may have higher environmental footprints than the plastics they replace.

International, regional, and domestic policies on plastics: There is widespread global and regional attention on plastic production and use, with the negotiation of a UN Global Plastics Treaty and the establishment of regional declarations (e.g., Bangkok Declaration on Combating Marine Debris in the ASEAN Region). The Government of Lao PDR has also developed policies that signal the transition to a circular economy (e.g., Green Growth Strategy to 2030). These policies may impact the desirability of plastic (i.e., financial costs) and commitments for reduction.

Axes of Uncertainty: The main areas of uncertainty relate to the costs associated with plastics and the level of accessible/affordable viable alternatives:

Narrative 1. Cheap plastics and low levels of accessible/affordable viable alternatives: The diversification of the fossil fuel industry into plastic production means that production costs remain low. Global and governmental policies cannot curb the growth in plastics, and demand remains high as Laos' population continues to benefit from economic development and exposure to processed and semi-processed foodstuffs. Meanwhile, the development of substitute products using alternative materials remains limited due to low demand, underdeveloped production processes, and a lack of marketing. As such, plastics are prevalent, and substitutes are sold at a higher cost in narrow markets.

Narrative 2. Cheap plastics and high levels of accessible/affordable viable alternatives: The fossil fuel industry's focus on plastics results in low production costs, which are not controlled by wider policies. Meanwhile, improved production, marketing, and policies have led to the development of substitute products, which can be sold at a near-cost equivalent to plastics. Some consumers gravitate toward alternatives due to environmental concerns, but widespread uptake is limited. Although there is more

competition in the market, the impact is still a widespread prevalence of plastic products and an increasing (albeit slowly) market share in alternatives as consumer awareness grows.

Narrative 3. More expensive plastics and low levels of accessible/affordable, viable alternatives: The fossil fuel industry's desire for diversification into plastics is kept in check by global, regional and domestic policies, such as additional taxes, which result in higher prices for plastic products. However, the development of alternatives has not kept pace with the modifications to the plastic market due to a lack of complimentary incentivising policies, limited mechanisation in production, and low marketing. Plastic production and use continue to dominate the market, pushing additional costs onto consumers.

Narrative 4. More expensive plastics and high levels of accessible/affordable viable alternatives: An optimistic future. The fossil fuel industry's desire to diversify into plastics is kept in check by global/regional/domestic policies, such as additional taxes, resulting in higher prices for plastic products. Conversely, the substitute products and alternatives market is thriving, as it has developed due to global, regional and government policies to incentivise the shift from plastics, improved production processes and infrastructure, and widespread marketing. More affordable and effective substitute products are available on the market, with widespread uptake due to the cost of plastic, the reliability and performance of alternatives, and heightened consumer awareness of environmental issues.

Baseline

Waste Management: Developing and implementing policies, legal instruments and mechanisms relating to waste management and pollution control are still relatively new in Lao PDR. A legal framework for SWM is lacking (the Environmental Protection Law 1999 refers to waste, but the provisions are weak). The roles and responsibilities of different government agencies are poorly defined in providing the technical, financial, institutional, cultural, and social interventions required for an integrated approach to waste management. Operational effectiveness and waste services are limited, with large parts of the country not having access to waste collections and controlled waste disposal facilities. Where waste collection is available, participation rates are low, with people still dumping or burning their waste. Waste management requires investment to develop a comprehensive waste collection, transportation, processing, recycling, and final disposal system. Although foreign assistance (e.g., ADB projects to develop engineered landfills) has provided some investment in various parts of the country, the inability to sustain these facilities over time due to unsustainable finance mechanisms (limited government budgets and revenue generation) and poor human capacity often leads to neglect in infrastructure, operations and services.

Policy: The World Bank and the European Union (SWITCH Asia) have provided support to the government in undertaking surveys on plastic pollution (World Bank, 2021) and developing policy options for addressing SUPs (SWITCH-Asia, 2022) as well as in developing Laos' first National Plastic Action Plan (NPAP) launched in 2024. The reduction of SUPs is one of the key components of the NPAP. The plan sets the tone for a different approach to waste management that emphasises the need to reduce pollution and for an upstream waste management approach. In this regard, the NPAP includes activities determining regulations and taxes to reduce SUPs, subsidies for eco-friendly products, improving the regulation of recycling plants in Laos, creating pilots that include extended producer responsibility, and promoting waste separation at source. However, the implementation of the NPAP is dependent on development funds.

Reduction in SUPs: The WWF-Laos has identified Vientiane, Vang Vieng and Luang Prabang as having the potential to become Laos' first 'Plastic Smart Cities' under the campaign "No Plastic in Nature", noting the importance of these locations for tourism and local inhabitants. This initiative seeks to reduce the amount

of new plastic produced, increase reuse and recycling, and eliminate uncontrolled waste management. The three cities have signed a declaration of intent to become 'clean and green' cities and environmentally friendly tourism spots. With funding from the Coca-Cola Foundation, WWF-Laos has recently completed waste composition profiles for each city (ESL, 2023).

Under the EU-funded SUSTOUR Laos project, Plan International has supported medium, small and micro enterprises (MSME) in the tourism sector since 2020 to develop sustainable practices through the Lasting Laos certification system. Lasting Laos is based on the Travelife certification and is administered by the LNCCI. The Plastic Free Laos certification scheme provides certification to hospitality businesses that adopt sustainable practices and reduce reliance on SUPs. The scheme was initially set up with GIZ funding and is now administered by a national social enterprise, Econox.

Swisscontact has been implementing a Waste to Value Project, which includes support for service sector SMEs to improve environmental performance. Under the project's green products and services component, SwissContact, along with Lao Makerbox, developed the Eco-Challenge competition to accelerate the development of a broad range of green solutions into physical prototypes.

Strategic Approach

This GEF project seeks to capitalize on and build on the work undertaken in past projects by focusing on SUPS and alternatives in the F&B sector and providing more enduring interventions. The Project will also seek leverage from the global GEF project in implementing activities and using technical expertise, while also contributing valuable lessons learned to other national projects through knowledge dissemination.

Limitations with Downstream Approaches: Most previous development projects in Laos have focused on post-consumer interventions and waste management. However, simply concentrating on downstream interventions is already proving ineffective since achieving cost recoverability in waste management services and operations is highly challenging due to a lack of government budgets. In projects such as the ADB's Greater Mekong Subregion (GMS) Tourism Infrastructure for Inclusive Growth Project, which is developing a new landfill in Vang Vieng (and also plans to create one in Luang Prabang), the reduction and diversion of waste are seen as essential in reducing the downstream operating costs associated with disposal. As such, the investment under this Project in upstream approaches will make a key contribution to downstream waste management.

Requirements for Upstream Approaches: The project shifts the focus to upstream and midstream approaches. Upstream approaches will help to reduce unnecessary, avoidable, and problematic plastic products by reducing SUPS and shifting to substitute products and services that use more sustainable alternative materials. Mid-stream interventions (e.g., services) will help to extend the life of products by focusing on those that are reusable.

Regional Commitments: The Government of Lao PDR (GoL) is collaborating with other Association of Southeast Asian Nations (ASEAN) Member States to combat marine debris by adopting the Bangkok Declaration on Combating Marine Debris in the ASEAN Region. This project will contribute towards the key pillars under the Regional Action Plan, including policy support and planning, innovation, public awareness, and private sector engagement.

NPAP Implementation: There are extremely limited government budgets and projects to deliver the activities identified in the NPAP. Under the World Bank financed Pollution Waste Management Project (PWMP), there is some funding to address a limited number of activities, primarily the development of a National Waste Management Decree (the policies developed under this project will be complimentary) and the strengthening of the plastic recycling sector. This GEF project will contribute to the NPAP's

outcome of reducing pollution and improving resource use, particularly with regard to reducing SUPs and promoting the use of alternative products. Key indicators in this regard are that alternative products are becoming increasingly popular and accessible.

Plastic Smart Cities: The GEF project will further support the three cities becoming Plastic Smart Cities, noting the limitations with existing Coca-Cola Foundation funding and the fact that the associated WWF-Laos project only focuses on downstream interventions.

Private Sector and Livelihood Support: The Project recognizes that helping businesses to thrive is the best way to achieve enduring change, and this approach has been widely endorsed through project design consultations, as detailed in Annex 5. At the moment, most MSMEs operate on an informal basis (i.e., without enterprise registration or license). Many MSMEs are constrained by low capacity (specifically on sustainable and green business practices), low access to sustainable suppliers, and a lack of capital and access to finance. As such, many MSMEs are unable to achieve the level of environmental and social standards required and achieve competitiveness. Many MSMEs in the tourism value chain are unaware of the benefits of sustainable consumption and production. The project will provide them with technical assistance to improve practices and achieve accreditation under sustainability certification programmes, business development skills, and financial support via the FFEM.

The approach involves supporting enterprises to develop new products and services and supporting tourism and hospitality businesses to improve their triple bottom lines (i.e., profit, people, planet). In this way, it is envisaged that the Project will lead to additional job creation within the manufacturing, retail and delivery of new products and services, the enhanced tourism and hospitality sector, and waste management and recovery sectors, including benefits to the informal waste pickers.

As noted, there are very limited options for private or public sector finance for SMEs in regard to sustainable enterprises. Although, Plan International's connected project (Lasting Laos – Supporting Young Entrepreneurs and MSMEs in the Lao Tourism Value Chain to Adopt and Promote Sustainable Consumption and Production, Circular Economy and Decent Work Practices, which SWITCH-Asia funds) will collaborate with local financial institutions, including banks and microfinance providers, to explore and implement innovative green financing instruments. Additionally, it will provide MSMEs with essential resources, including information, training, and mentorship, to enhance their ability to secure funding. Businesses under the GEF National Project will be provided with access to these resources.

The Project will also draw on any opportunities for finance identified via the Global Project that may be applicable in Laos. Private sector funding will also be provided via the FFEM, which will help enterprises with product/service and business development, as well as providing small grants to tourism and hospitality businesses to support them in transitioning away from SUPs and adopting sustainable practices. The Project will follow the Global Project's Private Sector Engagement Guidelines to ensure good partnerships and an aligned vision.

Certification: The Lasting Laos scheme's current criteria are limited, as is the range of sectors that can apply. The GEF Project will strengthen this certification by developing specific criteria on SUPs and alternatives, helping expand the scheme to broader tourism and hospitality businesses, providing links to policy, developing guidelines, and marketing certification schemes' benefits. Furthermore, the GEF Project will seek to support the Laos social enterprise Econox in delivering Plastic Free Laos to broaden outreach.

Addressing Barriers: The main barriers to transitioning away from SUPs are plastic's low costs and functionality and the current lack of accessible and affordable alternatives. The challenge is huge but not impossible, requiring multiple interventions. It is envisaged that a positive tipping point will occur, where the benefits of alternatives outweigh those of plastic, and a significant shift will occur.

Collaboration: The project takes a unique collaborative approach instead of having development partners working in isolation. This approach recognises that achieving enduring change requires contributions from multiple sectors and stakeholders in a way that builds on past achievements and uses combined knowledge.

Project Approach

Upstream and Mid-stream (GEF): The Project seeks to reverse the negative trends associated with SUPs by shifting from problematic and unnecessary SUPs in the F&B sectors and developing substitute products and services produced from alternative materials that are more sustainable than plastic. This will be one of the first significant projects in Laos focusing on upstream interventions instead of waste management. While progress is being made with downstream interventions, it is clear that significant gaps remain in making the system sustainable and that there is a need to reduce waste generation in the first place.

The project focuses on the tourism and hospitality sectors, noting that the World Bank's 2021 study on plastic pollution found that 95% of plastic pollution is attributed to only ten SUP items, half of which are food and beverage items. The World Bank study stated that the hospitality and tourism sectors, particularly areas with high concentrations of restaurants, cafes, bars, and tourist activities, are identified as major contributors to plastic pollution hotspots. The NPAP also focuses on the plastic generated in the tourism and hospitality sectors. According to the Ministry of Tourism, Information and Culture (MICT), tourism is also important to the green growth of other sectors, including agri-food and textiles/handicrafts so there is potential for further spillover into other sectors.

This project focuses on policy and business development instead of simply raising public awareness, recognising that participating businesses must develop their triple bottom lines to achieve enduring sustainability beyond the Project's lifespan. The Project recognises the importance of global/regional/domestic policy development but is also realistic regarding Laos' ability to enact, implement, and enforce legislation within the timeframe of the Project. By putting an emphasis on the private sector, it is envisaged that a self-sustaining business approach to reducing plastics and shifting to alternatives can be achieved. Developing domestic capacity will increase the country's resilience and exposure to global volatility in the virgin plastic market, which is tied to crude oil prices.

Underlying policies and plans can help 'tilt the playing field' from SUPs to alternatives (Outcome 1). As such, the project will provide technical assistance to the government in developing national policies (e.g., regulatory, economic, information, or supportive instruments) that disincentivise SUPs and incentivise alternatives. Recognising that plastic pollution is mostly an urban problem against which municipal authorities have a frontline role to play, the Project will also support target cities to develop and adopt city-level plastic action plans aimed at setting targets and strategies to reduce plastic waste leakage into nature at city-level and, therefore, contributing to the outcomes of the NPAP.

People and businesses will only shift from SUPs if they have viable substitute products. Ideas for alternative products already exist in Laos, but are poorly developed due to a lack of capacity, support and resources. The Project will support the private sector to drive solutions. Market research and broader studies will be undertaken to understand buyer behaviour, what constitutes a viable substitute to SUPs, and how markets can be developed. Using the information from studies and research, local enterprises will be provided with technical and business support to develop their products and businesses (Outcome 2). This will be undertaken via a multi-stage approach comprising a Business Incubator, an Eco-Challenge Competition, and an Accelerator Programme (the overall programme will be referred to as the Eco-Challenge). This approach builds on Swisscontact's earlier one-off Eco-Challenge approach via more focused and sustained support to enterprises developing alternatives to SUPs, thereby reducing plastic

waste and associated pollution. Complimentary funding is being sought from the French Facility for Global Environment (FFEM). If FFEM funding is confirmed, financial support will also be made available to local enterprises for product development.

In addition to having viable alternatives, the Project recognises that customers need support in transitioning from SUPs. In the first instance, the focus is on the business customers in the tourism and hospitality sectors (e.g., hotels and restaurants) in helping them replace their inventories and develop more sustainable practices and offerings (Outcome 3). These businesses will be supported in achieving accreditation through existing sustainability schemes, including Lasting Laos. Using pilot businesses, trailing the new products/services, and undertaking more specific market research will be possible.

These initiatives will provide valuable data to develop a commercial marketing campaign to collectively promote the benefits of the new products and services, the best practices undertaken by tourism and hospitality businesses, and the value of certification. This marketing campaign will be aimed at wider businesses beyond the pilots (i.e., hotels and restaurants) and the end consumers themselves. The marketing campaign will culminate in a trade fair during the project's final year (Outcome 4).

Down Stream (FFEM): If the FFEM funding is confirmed, the two projects will work in conjunction across upstream and downstream. The complimentary use of the FFEM recognizes that Laos still requires downstream interventions for uncollected and uncontrolled waste disposal. Products made from alternative materials, as well as those that are reusable, will still require end-of-life solutions. For example, plant-based products often require commercial composting operations since they do not break down in home compost units, and their disposal in anaerobic conditions at landfills results in methane production. There are limited commercial processing facilities for organic waste in Laos. However, as the waste stream in Laos is typically 50-70% organic, there are significant opportunities to develop services and infrastructure that will reduce waste sent to landfills and the costs associated with disposal. The development of organic processing would also provide end-of-life solutions for any plant-based and compostable products that are developed through this project. Noting the high proportion of organics and Laos's challenges with the mechanical recycling of plastics (limited and highly polluting recycling facilities, with decreasing routes for post-consumer waste), then focusing on organic processing would make strategic sense for new products and general waste management.

Stakeholders

Achieving sustainable change in this area requires cooperation among various stakeholders. As such, the GEF project design has involved extensive consultation with various stakeholders, utilising bilateral meetings, workshops, and transect walks. The Table below provides details of the key implementing stakeholders, with further details and a full stakeholder engagement plan in Annex 5.

Stakeholder	Mandate	Project Responsibility
Department of the Environment (MONRE)	Central governing agency regulating the management of the environment, land, forest, water, air, and biodiversity conservation.	Lead Executing Agency; PMU; Steering Committee Chair; Coordination; Implementation of Component 1 Activities.
Central Government	Ministries responsible for economic, environmental and social development (MICT, MOIC, MOF).	Development of policies under Component 1 and influencing behaviour change.
Local Government: PONRE/DONRE	Raising awareness, disseminating regulations, and enforcing various laws related to waste management and the environment.	Points of contact: Coordinate support and facilitate engagement at local levels; support the development of city-level plastic action plans.

Swisscontact	Independent non-profit development organization focused on development work in developing and emerging countries.	Sub-grantee; Implementing Component 2, including the Eco-Challenge and Accelerator Programme; Steering Committee member.
Plan International/ SUSTOUR Laos	An independent non-profit youth and children's rights organization that implements SUSTOUR-Laos, dedicated to fostering sustainable consumption practices in the tourism sector to contribute to building more inclusive and sustainable communities, and ensuring a better future for children and advancing the broader goals of social justice.	Sub-grantee; Implementing activities under Components 1&2 - strengthening Lasting Laos certification on sustainable tourism (C1); supporting pilot tourism and hospitality businesses (C2). Steering Committee member.
WWF	Global conservation organization focused on preserving wildlife, combating climate change, and promoting sustainable development.	Project executor. Developing city-level plastic action plans (C1), supporting the PMU, and delivering Component 4.
Industry bodies	Represent commercial interests and the growth of their relevant sectors (e.g., Lao National Chamber of Commerce (LNCCI)).	LNCCI is responsible for administering the Lasting Laos certification scheme; Steering Committee member.
Local Enterprises	Various businesses that are developing products and services as substitutes for plastics.	Beneficiaries receiving support from the Eco-Challenge and Accelerator Programme.
Local Businesses	Tourism and hospitality businesses (e.g., hotels) that are the primary customers of products from enterprises and retailers to end consumers.	Beneficiaries receiving direct technical and business support in transitioning from SUPs, developing certification, and introducing sustainable practices.
End consumers	Patron of tourism and hospitality businesses who consume goods or utilise services.	Behaviour change by understanding the impacts of SUPs and the value of alternatives.
NGOs/National Organizations	Awareness-raising; training; organizing community-based activities.	Information dissemination and awareness-raising.
International Development Agencies	Provision of funding to resource management and waste products (e.g., World Bank, ADB, GGGI).	Ensuring projects work collaboratively, providing synergies and effectiveness with stakeholder consultations.
Vulnerable Groups	Consideration of the needs of the informal sector, young entrepreneurs, women, and marginalised groups will be considered in all project components.	Contributing views during market research and surveys. Receiving support through Components 1 and 2 (private sector support).

B. PROJECT DESCRIPTION

Project Objective and Global Environment Benefits

The project will focus on three key cities in Laos: Vientiane, Vang Vieng, and Luang Prabang. These cities have been selected because of their population size, current resource use and waste management trends, and concentration of cultural and economic activities, including tourism (details on the sites are provided in Annex 15).

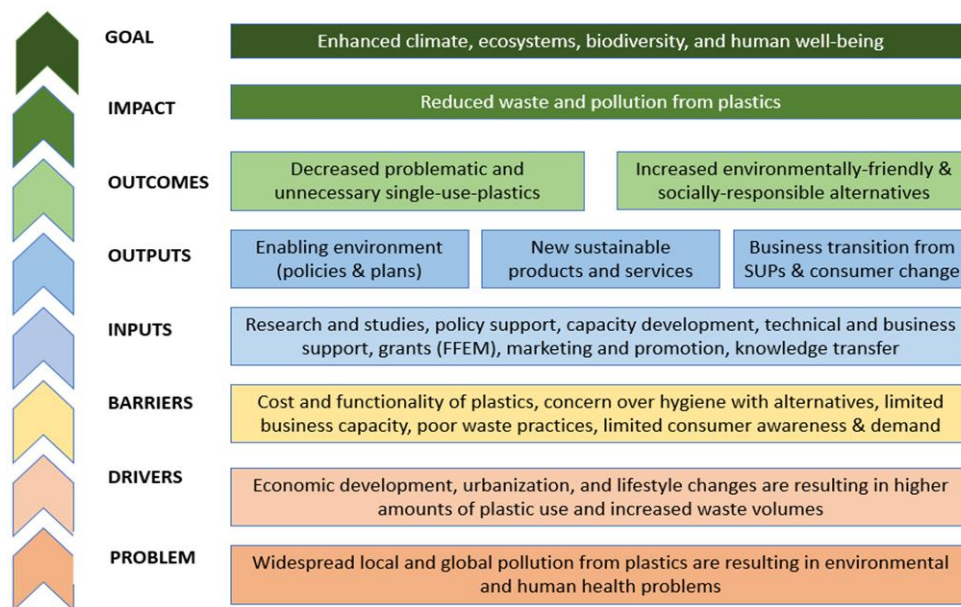
This transformative project aims to reduce problematic and unnecessary single-use plastic F&B packaging and increase the market share of suitable environmentally-friendly alternatives through upstream and midstream approaches targeting policymakers, private sector actors, and consumers. This will contribute to the GEF 8 Circular Solutions to Plastic Pollution Integrated Program's impact on reducing plastic pollution to improve the health of people, wildlife, and habitats.

The project will contribute to various global environmental benefits (GEBs), including reduced plastic pollution of international waters (contributing to GEB land degradation and international waters), noting the contribution of plastic pollution to oceans from the Mekong River. The shift from the production and

use of SUPs will also support the low-carbon transition to alternative materials with a lower footprint (climate change mitigation). Finally, reducing poor waste management practices (dumping and burning) will also benefit human and environmental health (chemicals and waste), including the health of shared water ecosystems.

The Project follows the eight enabling elements to improve the efficiency/effectiveness of the GEF investment (as stated in the STAP Guidance Document, November 2021). Subject to funding, the GEF project will work in parallel with the FFEM project, allowing for a systems approach (#1) at both upstream (GEF) and downstream levels (FFEM). The Project will invest in innovative (#5) products and services that follow circular economic principles (#3), and facilitate consumer behavioural change in purchasing (#4), resulting in a transformation of material use in the F&B sectors (#6). By supporting a wide range of public and private stakeholders (#2), and utilising multiple development partners, it will be possible to develop best practices for sustainability (#8) in tourism and hospitality businesses that can be more widely promoted. The Project Purpose takes a business approach to create profitable and successful businesses that are enduring (#7).

Results Framework



Theory of Change

This transformative Project aims to reduce the use of problematic and unnecessary SUPs food & beverage packaging and increase the market share of suitable environmentally-friendly alternatives. In turn, this project will contribute to Plastic Reboot (Plastics IP) to reduce plastic pollution. The Project addresses the enabling environment and moves beyond this by directly supporting businesses and achieving behaviour change through commercial marketing approaches aimed at the private sector. The Project will contribute to an enduring and systematic solution through this approach. The Theory of Change (ToC) builds on the existing situation and the system shifts required to transition from SUPs to alternatives.

Project Focus: The Project focuses on the tourism and hospitality sector, based on the World Bank’s 2021 study on plastic pollution in Laos, which found that 95% of plastic pollution is attributed to only ten SUP items, half of which are food and beverage items. The World Bank study stated that the hospitality and tourism sectors, particularly areas with high concentrations of restaurants, cafes, bars, and tourist activities, are identified as major contributors to plastic pollution hotspots. Tourism is a vital sector in all

three project cities, with the Ministry of Information, Culture, and Tourism setting a nationwide target to attract over 6 million visitors in 2024, including 2.2 million domestic tourists and 4 million international travellers. Beyond tourism, dining in restaurants and bars is a significant aspect of daily life in Laos, with many families enjoying meals out several times a week. According to the Ministry of Tourism, Information and Culture (MICT), tourism is also important to the green growth of other sectors, including agri-food and textiles/handicrafts. The NPAP also focuses on the plastic generated in the tourism and hospitality sectors.

Given the current lack of data on SUP use in Laos and the demand for alternatives from tourism and hospitality businesses, **if** market research and broader studies are initially undertaken, **then** it will be possible to determine what constitutes a sustainable product/service, the size of potential markets, the dynamics of marketplaces for buying/selling products, how to eliminate hygiene concerns with reusable products, and buying behaviour around SUPs and alternatives. This data will then feed into policy development, criteria for the Eco-Challenge, and future development of a marketing strategy and campaign.

Given that the national government has acknowledged the problem & indicated that they would like to address the plastic issues, **if** technical support is provided to national and local governments for policy development, data analysis, coordination, cost/benefit analysis, capacity building, and drafting policies and plans and improving certification, **then** the national government and local governments will be aware of the issues, care about the issues, and have what they need to take action to put in place policies, plans, and incentives to provide the enabling environment for the system shift to disincentivise SUPS and incentivise substitute products and alternative materials. In particular, this project will give support to the NPAP, which is currently unfinanced, with all components helping to contribute to the aims of this plan.

Given that there are existing enterprises and ideas in Laos but many lack commercial acumen, **if** they are provided with support, **then** there is an increased chance of their products and services and associated businesses being competitive and for alternative products/services to be in demand from tourism and hospitality businesses and their end consumers. This component requires a multi-stage approach so that the best ideas emerge and are then given the necessary support to produce and market their offerings. This component also recognises that most MSMEs in Laos are small, family-run, and often unregistered businesses. These businesses face significant limitations in business development, including a lack of access to markets, resources, and formal recognition. Through initiatives like the Eco-Challenge, along with the business incubator and accelerator programs for winners, assistance can be provided for these enterprises to become registered and compliant. This registration not only legitimizes their operations but also enables them to access broader support networks and resources. While financial support in Laos is currently extremely limited, offering technical assistance and networking opportunities can greatly facilitate business development.

Given that tourism and hospitality businesses are the initial customers and subsequent retailers of SUPs, **if** businesses are provided with technical and business support over a number of years, **then** their level of understanding of the long-term environmental, social, and economic benefits of switching to more sustainable products may increase. In turn, this will **help** them recognize the impact of their procurement choices on operational costs and the wider community. This awareness can prompt them to adopt waste-reduction strategies and align their offerings with the values of eco-conscious customers and staff. Accreditation programs like Lasting Laos can further incentivize sustainable practices, validating efforts and serving as a marketing tool to attract environmentally-minded tourists. By equipping these businesses

with the necessary knowledge and tools, a more sustainable tourism industry can be fostered that benefits the environment, economy, and society as a whole.

Given that new products/services have been successfully trialled and market research has generated valuable new data, **if** a marketing strategy is developed, the benefits of the new products/services can be promoted to wider businesses and end consumers. **If**, through the subsequent marketing campaign, people understand that substitutes can be equally convenient and functional to the plastics that they replace, have more costs but present greater social and environmental benefits, and offer a better experience, **then** buying behaviour may change. In Laos, it's essential to highlight that while sustainable substitutes may have a higher upfront cost, they provide significant social and environmental benefits that can shift consumer perceptions. By emphasizing their stylishness and local cultural connections, the marketing strategy can engage environmentally conscious consumers and encourage greater demand for these products.

Given that policy development within the enabling environment is essential yet may take time to enact, and considering the limited access to private financing, **if** there is a focused effort on directly supporting business development, **then** this will foster independent and resilient business practices, and will **result** in businesses becoming self-sustaining and resilient over the long term.

Given that the combination of the use of single-use plastics (SUPs) and poor waste practices contributes to pollution, **if** the project promotes a transition to sustainable alternatives, **then** there will be a reduction in pollution, **resulting** in healthier communities, lower healthcare costs, and improved productivity. This improvement will not only boost the local economy, particularly in tourism, but also create job opportunities in manufacturing, retail, and waste management.

Given that behaviour change is occurring, **if** a positive tipping point occurs where more businesses want to participate and more consumers demand these products and services, **then** the use of SUPs will be reduced along with pollution associated with these materials, **resulting** in enhanced climate, ecosystems, biodiversity, and human well-being. This shift would not only mitigate pollution associated with these materials but also address the growing problem of plastic waste in the Mekong River, which threatens aquatic life and local communities reliant on the river for their livelihoods.

A full theory of change and diagrams across all components is in Annex 13.

The following sections provide details on Project components, outcomes, and outputs.

C1. Enabling Regulatory Framework for the Reduction of SUPs and Increase in Sustainable and Accessible Substitutes

Output: Policies, plans & strengthened certification	Responsibility: MoNRE, WWF, Plan International, LNCCI
Target: National and city level	Timeframe: Years 1-4
Precursor: Market research on buyer behaviour (3.1.1)	Dependencies: Long-term macro-economy shifts
Justification: The enabling environment can help improve the financial and social attractiveness of alternatives over SUPs.	

1.1 Improved enabling environment and cross-sectoral collaboration to phase out SUPs, particularly problematic SUPs in the food and beverage sectors, and introduce environmentally viable substitutes that are accessible, cost-effective, and achieve circularity.

1.1.1 Develop national policies to disincentivize and phase out key problematic SUPs and incentivize substitute materials/products: National policies will aim to create a more level playing field between plastics and other more sustainable materials. The GoL will consider a range of policy tools during the policy cycle (assessment and analysis) to determine the blend of policies that fit within wider government strategies and the Laos context. While it is not possible to state what these exact policies will be at this stage (since a full policy cycle will be undertaken to determine them), these policies will take on board previous policy options recommended under the EU SWITCH-Asia programme report (2022) and the World Bank report (2021). These include regulatory instruments (e.g., product bans), economic instruments (e.g., taxes/subsidies), information instruments (e.g., communication platforms), and supportive instruments (e.g., extended producer responsibility). Where possible, alignment will be sought across the policy and sustainability certification schemes (1.1.3). Guidance will be sought from the Global Project to ensure that Laos' legislative approach is in line with broader approaches, particularly with regard to the forthcoming UN International Legally Binding Instrument on Plastic Pollution.

A structured policy development cycle will be conducted whereby policy is drafted through an iterative process, including (i) an analysis of existing legislation; (ii) research and review of policy options, and the development of a priority list of plastics to target, utilising past work undertaken by SWITCH-Asia (2022) and the World Bank (2021), leveraging policy guidance and support from the Global Project, and undertaking two study tours to learn best practices in other countries in the region, as well as visit a country with a national plastics project (exact locations to be determined during implementation); (iii) development of a list of priority problematic and unnecessary SUPs (building on those identified by the World Bank study three years ago) and a roadmap for phasing out in the Laos context and drawing on advice from the global project; (iv) cost-benefit analysis of the preferred option; (v) consultation with key stakeholders; and, (vi) drafting of final policy options. At this stage, it is unclear whether this policy will be passed into legislation during the project period, noting that this is subject to political processes outside the scope of this Project.

This activity will be delivered using technical assistance (consultant) provided to the Project Management Unit (PMU) at the Department of Environment (DoE), MONRE. This full-time (duration of the project) human resource will provide technical and policy development support, as well as coordination across government and the private sector, and broader stakeholder engagement with diverse demographics, including women and socio-economic stakeholders in urban and rural settings. Initial market research on buying behaviour (3.1.1.) will provide valuable data for developing these policies.

1.1.2 Develop city-level action plans to phase out problematic SUPs in the F&B sector for the three target cities: In 2024, the National Plastic Action Plan (NPAP), developed through support from the EU and the World Bank and in consultation with local communities, especially women and marginalized groups, will be launched to reduce SUPs. This project output will complement the NPAP by developing city-level action plans, which provide city-level targets for SUP reduction and local activities. These activities will consider an intersectional approach to inclusion (i.e., cultural nuances, disability inclusion, urban/rural divide, etc) to ensure no unintended discrimination or barriers as a result of interventions. Having city-level plans on plastics is a key part of the process of becoming a Plastic Smart City so that priority interventions can be identified. This status is only achievable when the needs and considerations of all members of society have been integrated into the interventions. The GEF project will focus on upstream F&B components of the plans, while the FFEM will include a broader range of SUPs and waste management aspects. WWF-Lao will provide technical support to develop these action plans.

1.1.3 Develop and strengthen the value of relevant certifications and their integration into wider policies: A range of sustainability certification schemes have already been developed in Laos, including *Plastic Free*

Laos, which is administered by Econox (a social enterprise) and the Laos National Chamber of Commerce and Industry (LNCCI); and *Lasting Laos*, which has been established by Plan International under its EU-funded SUSTOUR Laos project, using Travelife criteria. These certification schemes play a crucial role in promoting sustainable practices, providing uniform criteria and standardisation, an approach for continuous improvement, community benefits, market differentiation, enhanced reputations, and increased customer loyalty and trust. Where possible, links will be drawn between national policies (1.1.1) and certification schemes, encouraging businesses to seek accreditation.

Plan International will deliver this output in conjunction with various national industry bodies including the LNCCI, the Lao Hotel and Restaurant Association, and the Lao Tourism Association. The outputs will include strengthening existing Lasting Laos criteria in relation to the use of SUPs and substitute products and seeking better alignment between the Lasting Laos and Plastic Free Laos schemes with respect to administration and outreach.

Lasting Laos will be extended across different business types (hotels and tour operators/travel agents are to be added to the scheme). Opportunities for incorporating certification schemes into wider government policies and strategies, such as the new policies developed under 1.1.1., as well as the Laos Gender Equality Law, which commits to promoting more women in business, production, and services, will be examined, including the development of guidelines to support compliance. The LNCCI's capacity for coaching and auditing the schemes will be strengthened, and an online reporting system will be enhanced.

The results of Output 1.1.3 on certification will be shared with the other Plastic Reboot country projects, with particular focus on sharing with the Cambodia project.

C2. Enterprise Engagement and Product/Service/Business Development

Output: Market research; New products and services	Responsibility: Swisscontact
Target: Local enterprises	Timeframe: Years 1-5
Precursor: Market research (3.1.1)	Dependencies: Tourism and hospitality pilots (C3)
Justification: To shift from SUPs, new products/services are required.	

2.1 Understanding supply chains and markets for substitutes for food and beverage SUPs.

2.1.1 Material flow analysis of substitutes to SUPs: While a full quantitative life-cycle analysis of alternative materials is not practical for a project of this nature, it is important to understand the environmental and social impacts across the supply chain for alternative materials (ensuring that alternatives are viable). A broad material flow assessment will help develop some of the Eco-Challenge criteria, as well as provide information to the Global Project. For example, this would provide qualitative considerations about the sourcing of raw materials (e.g., if plant-based materials result in the substitution of food crops, increased deforestation, or additional fertiliser use), manufacturing needs (e.g., energy requirements), transportation requirements, and the management needs when the products reach the end of their useful life (e.g., specialised recyclers or commercial composting). During the Accelerator Programme (2.1.3), the enterprises will receive support in assessing their supply chains to ensure that raw materials, manufacturing, and transport are sustainable, understand the product lifespan (i.e., how long a product will typically last), and identify end-of-life processors.

2.1.2 Conduct market research to understand the market size and buying behaviour: Market research will consider direct business customers (hotels and restaurants) and end consumers (patrons and tourists)

and will be conducted over two phases, both using a mix of primary (e.g., surveys) and secondary research and modelling. The data will also be shared with the Global Project, as well as relevant national projects in the region, such as Cambodia. Market research will be undertaken by a commercial marketing company contracted by Swisscontact and will include the following:

- **General market research:** Initial market research will be conducted early in the project to determine general buying behaviour, examining knowledge, attitudes, influences, barriers, and willingness to pay for plastics and substitute products. The research will adopt gender-conscious methodologies to reflect the differentiated data and results. In addition, market sizing will be undertaken to determine potential demand for substitute products and services by looking at individual segments within the tourism and hospitality sectors in each target city (e.g., the number of hotels, guesthouses, and restaurants). Furthermore, existing research will identify existing suppliers of environmentally friendly F&B products/services to understand the level of competition. This research will be publicly available before the business incubator (2.2.1) to help local enterprises evaluate product/service development opportunities strategically. This data will also be used in national policy development (1.1.1) to identify how consumer behaviour change may be altered to shift from SUPs.
- **Product/service-specific market research:** This research will be conducted during the Accelerator Programme and the trialling of products and services (2.2.3 and 2.2.4) concerning each new product and service. This research will help understand specific buying behaviour and market dynamics, informing the marketing strategy (3.2.2) and marketing mix (product, price, place, and promotion).

2.2 Promote the development of local enterprises and domestically produced substitute products and services to SUPs in Laos' food and beverage sectors.

Component 1 aims to phase out problematic and unnecessary single-use plastics. However, the challenge is finding replacement materials/products that are both environmentally sustainable, have equal functionality, including hygiene, and are accessible across Laos regarding availability and cost. Alternatives to plastics can be categorised into two main groups. The first category is related to the materials themselves and how they are produced, including traditional materials (e.g., glass and paper), natural fibres (e.g., bamboo), and various bio-based (e.g., compostable) and novel materials. The second category is related to alternatives based on systems or processes such as reducing, reusing, or recycling primary, secondary, and tertiary packaging. These second areas could include refill, container deposit, or other product stewardship schemes. This will involve understanding the demand and needs of the tourism and hospitality sector, while supporting financially and technically local eco-enterprises active in this sector.

This Component focuses on product and market development of substitutes to SUPs. It will be led by Swisscontact, utilising their past experiences of implementing the inaugural Eco-Challenge and complimenting the existing Waste to Value Project, which seeks to improve the environmental performance in service sector SMEs through access to green products and better waste management practices (broader environmental aspects than SUPs). By adopting business models under circular economy principles, the project hopes to provide new openings for employment and entrepreneurship, including creating opportunities for women and youth. These new employment opportunities will result from improved businesses and new retail and waste recovery and management opportunities. Full details on the stages and approach to the Eco-Challenge are provided in Annex 12 but are summarised as follows:

2.2.1 Business Incubator Programme: Initial support will be provided to businesses and organisations (herein referred to as enterprises) to support them in developing substitute products and schemes, catalysing the design and development of prototypes and services. The activities under this component will build on Swisscontact's previous work to accelerate local innovative green solutions into physical

prototypes. Following an initial launch and pre-screening, approximately 15 local enterprises will receive six months of support and mentoring via various events and workshops, with presentations from various experts (e.g., on marketing and product development). This programme will be potentially delivered by Makerbox Laos (a social enterprise that ran a similar business incubator for Swisscontact in the earlier Eco-Challenge), utilising in-house experts and guest speakers.

The business incubator aims to ensure enterprises are in a good position to pitch their offerings in the subsequent Eco-Challenge Competition. It is envisaged that three categories of enterprises will enter the business incubator, including a) those with basic ideas for new products/services, b) those that have developed prototypes, and c) those that have products/services on the market but are struggling with business development. As the Eco-Challenge competition requires only registered businesses with prototypes to enter, the Business Incubator allows collaboration to occur through networking events. In this regard, enterprises with new ideas may join forces with other experienced and licensed businesses and develop a prototype within the six months that the Business Incubator Programme occurs. In other cases, informal businesses will be supported and provided with information on how to become registered businesses.

2.2.2 The Eco-Challenge Competition: This competition will identify the best viable ideas and business concepts in Laos (this will include the enterprises from the Business Incubator and will also be open to others who did not take part). The competition will focus on substitute products and services for SUPs, providing an opportunity to showcase and screen innovative ideas and businesses. Only licensed businesses will be able to enter the competition, with the eligibility criteria stating that the product/service must be at least at the prototype stage and have the potential to be placed on the market during the mid-point of the project timeframe.

The exact competition categories will be confirmed during project implementation at the commencement of the Eco-Challenge. The categories will be based on the previous World Bank surveys, initial policy work under the project (priority plastics), and market research (buyer behaviour). These categories are likely to include F&B packaging solutions (business-to-business and retail), service innovations (refill schemes, return and reuse programs), food service products (cutlery and utensils, plates and bowls), and carrying solutions (shopping bags, takeaway containers, cups and cup carriers).

The winners of the Eco-Challenge will qualify for enduring one-on-one technical and financial assistance (which will be funded by FFEM) under the Accelerator Programme. While there will only be five winners, it is envisaged that other participants will gain valuable experience and insights, which may help them independently develop their products/services further.

2.2.3 Accelerator Programme: The winners of each category will receive tailored one-on-one advice and assistance from experts to develop products/services further and the businesses themselves (i.e., help the enterprises develop their business skills). Swisscontact will provide a range of experts, using in-house advisors and procured consultants. These experts are likely to include product/service technical experts, business advisors, and waste management consultants. This support will be provided over a three-year period. Support may help with raw material sourcing (focused material flow analysis in 2.2.1), improving production processes, product testing (e.g., hygiene and food-contact testing), due diligence, marketing and sales, and customer service. In this regard, the support will help the new products/services compete with the SUPs they replace through various strategies, including achieving economies of scale, lowering production costs, and increasing consumer demand. The winners can also apply for grants of up to \$50,000 for equipment/business tools (provided by the FFEM project). The enterprises will also be

supported by experts with respect to additional finance acquisition, business planning, and identifying potential additional finance sources from international and domestic banks.

2.2.4 Product/Service Trials: Under Component 3, 60 pilot tourism and hospitality businesses will be provided with technical support and mentoring (as well as financial support through the FFEM project) in transitioning away from SUPs. These businesses provide an opportunity to pilot, test, and showcase the new products and services that are developed under the Eco-Challenge before marketing these to wider markets. The products and services will be trialled, including the use of promotions and discounts (subsidised under the FFEM). The pilot will provide an opportunity to understand approaches for training staff (e.g., sanitation and food hygiene aspects with reusable products). These trials will provide valuable marketing data (e.g., customer and staff feedback, engagement levels, and sales data), which can then be used to develop the marketing strategy. The trials will last a minimum of one year so that data can be generated during the tourist and off-season.

C3. Tourism and Hospitality Business Support and Marketing

Output: Tourism and hospitality businesses are supported in the transition from SUPs; market research is undertaken, and a marketing campaign is delivered to change behaviour.	Responsibility: Plan International, LNCCI, PMU
Target: Tourism & hospitality businesses (customers); end-consumers (patrons).	Timeframe: Years 2-5
Precursor: Enabling environment (C1); Enterprise development (C3)	Dependencies: Knowledge management (C4)
Justification: Customers and end-consumers understand the value of alternatives and are transitioning away from SUPs.	

3.1 Support to tourism and hospitality businesses through technical assistance and mentoring

3.1.1 Provide support and mentoring to tourism/hospitality businesses to phase out problematic SUPs and complete the transition to more sustainable approaches:

This support will be provided over three years and aims to help pilot tourism and hospitality businesses undertake a staged transition from SUPs to substitutes and monitor the improvements to their triple bottom lines (i.e., profit, people, planet). In doing so, it is envisaged that this will help the tourism and hospitality industry to be more robust in terms of threats from unsustainable practices, leading to enhanced job creation and the protection of livelihoods.

These businesses are major buyers and sellers of SUPs in Laos, so it is envisioned that they will become customers of the substitute products and services developed under Component 2. The focus will be on 20 pilot tourism and hospitality businesses (i.e., hotels, restaurants, cafes, bars, and tourism operators) in each city (60 in total). These businesses will be provided with technical and business advice delivered by Plan International and consultants, potentially in conjunction with Econox. Furthermore, mentorship from male and female local leaders in the Laos business community may be provided. This advice may include aspects such as developing a greater understanding of plastics and waste management impacts, the environmental benefits of alternatives, how to change procurement practices and source alternative materials, supporting staff in sanitising reusable items, and marketing products to end consumers.

While selection and due diligence criteria will be further decided at the start of the programme in consultation with project partners (WWF, LNCCI, MICT, etc.), priority will be given to those businesses which have received some existing certification (e.g., Plastic Free Laos, Lasting Laos) or other commitments (e.g., apply 'equal opportunity for all' principle for recruitment and staff development, does not employ child labour, use local suppliers for goods and services).

The initial phase of one-on-one support for each business will begin with assessing existing practices concerning plastic, including the procurement of products, practices in line with Lasting Laos standards, waste management (under the FFEM), and a survey of customer/staff views on the benefits and use of alternatives over plastics. Establishing a baseline and monitoring throughout the project support will determine the reduced levels of SUPs and each business' general economic, social, and environmental performance (for example, SUPs volume will be measured by weight, so that the change in use and increase in alternative materials can be monitored). Indicators will include various metrics, such as revenue growth, customer satisfaction, use of SUPS and alternatives, and waste management.

This assessment will inform areas for improvement, with the businesses then receiving tailored support to develop action plans to reduce SUPs and waste, develop sustainable procurement and services, and reach higher accreditation levels through Lasting Laos and other certification schemes (3.1.2).

The pilot businesses will also be expected to trial the new Eco-Challenge products/services while allowing market researchers access to study uptake (2.2.4). This aspect provides a strong connection with local enterprises under Component 2, allowing them to test their products/services and assess whether these meet the needs of businesses and their end consumers. The GEF will be focused on F&B beverages and the associated FFEM project on broader plastics (e.g., personal products in hotels). The FFEM will also provide small grants of up to \$5,000 per business, which can be utilised to improve waste management and/or subsidise purchasing new products/services.

3.1.2 Support certification through training, mentoring, auditing, and awarding (SUP and alternatives)

Plan International and LNCCI will help approximately 200 MSMEs (50% female-owned) achieve the Lasting Laos certification (the 60 pilot businesses under 3.1.1 will be part of these 200 MSMEs). This activity will only fund aspects of certification support that only relate to SUPs and alternatives. The wider support funded by Plan International (potentially with funding from the EU) will fund broader aspects, including introductory training and courses on environmental conservation, waste management, gender equality, and child safeguarding. Ongoing mentoring will assist MSMEs in applying the certification process. Compliance will be audited by LNCCI, and successful businesses will be awarded the certification. Plan International and LNCCI will assist 60 pilot businesses (3.1.1) in achieving the Lasting Laos sustainability certification, which adapts the Travelife certification to the Laos context. This certification, developed by the SUSTOUR Laos project and administered by LNCCI, helps bridge the gap between the low capacity of Laos' MSMEs and the high standards of international certifications like Travelife.

Lasting Laos certification is available to MSMEs in food services, handicrafts, transportation, and cultural excursions, with plans through the project to expand to tourism sectors like accommodation and travel agents. Businesses will be engaged through LNCCI's network to register for certification via events and the website. Support will include training, mentorship, and audits. Post-training, businesses will be mentored to complete the certification process, which includes internal assessments and an online certification report. Certification requires passing an LNCCI audit, after which successful businesses will be publicly awarded and promoted. More information is available at www.lastinglaos.lncci.la.

Plan International has also received funding from the SWITCH-ASIA SCP initiative to support MSMEs in Laos' tourism value chain, with a focus on access to green finance. This complementary project will explore the potential for innovative green financing instruments, noting the current limitations in access to finance for green products and services. Additionally, Plan International's project will provide MSMEs with essential resources, including information, training, and mentorship, to enhance their ability to secure funding. Enterprises under Component 2 and pilot businesses in Component 3 will have the opportunity

to participate in these initiatives. Furthermore, the project will work with the Global Project to identify any other international funding sources that could be utilised in Laos.

3.1.3 Promoting hygiene practices with reusable food and beverage alternatives: During project consultations, tourism and hospitality businesses highlighted consumer hygiene and food safety concerns with reusable or alternative material products (e.g., drinking water, straws, chopsticks), posing a barrier to moving away from SUPs. Food hygiene is a critical requirement in the F&B sector to prevent contamination and foodborne illnesses and diseases. To address this, a food safety expert will study the Eco-Challenge products and the requirements for different reusable materials. The study will focus on best practices for maintaining hygiene, preventing cross-contamination, and identifying where plastics are essential for hygiene in the F&B sector. Findings will be promoted to wider businesses through toolkits (image-based), workshops, and training sessions for both pilot and non-pilot businesses.

3.2 Achieving behaviour changes in purchasing and use through marketing

These activities will be developed by the PMU (using a professional marketing firm), which will seek to promote products, services, best practices, and certification.

3.2.1 Develop an inclusive marketing strategy to promote the environmental, social and economic benefits of new products and services, best practices, and certification: General awareness-raising alone will not suffice for transitioning away from single-use plastics (SUPs). Instead, this project will use business marketing methods to deliver accessible and affordable value-added products/services. Gender-sensitive market research (2.1.2) will inform an inclusive marketing strategy for Eco-Challenge products/services, addressing market segmentation, targeting, and positioning. The strategy will highlight environmental, social, and economic benefits, best practices in tourism and hospitality, and the value of certification schemes. Enterprises will also receive separate support for direct marketing through the Accelerator Programme (2.2.3).

3.2.2. Launch a marketing campaign to encourage the shift from SUPs to suitable alternative products and services:

The marketing strategy will drive a collective campaign to promote products and services by highlighting additional benefits beyond sustainability, such as convenience, style, and cultural factors like supporting locally manufactured goods. Recognizing that environmental arguments alone may not persuade all consumers, the campaign will address various needs and barriers of different consumer groups. Best practices from pilot tourism and hospitality businesses will be shared through toolkits, workshops, and advice sessions, emphasizing the advantages of certification schemes for businesses in positioning themselves as socially and environmentally responsible. The campaign will leverage traditional media, social influencers, business leaders, national organizations, and civil society organizations. It will culminate in a trade show in the project's final year, showcasing best practices and promoting businesses. This approach aims to extend awareness of sustainability and reduce SUPS beyond the 60 pilot businesses. New initiatives in the tourism and hospitality sectors in Laos often cause other businesses to follow, creating a tipping point where sustainable practices become a competitive necessity.

C4. Knowledge Management, Communication and Coordination

Output: Workshops, conferences, media, toolkits, trade fair	Responsibility: MoNRE, WWF
Target: National and regional	Timeframe: Years 1-5
Precursor: Components 1-3	Dependencies: Global programme

Justification: Successes and lessons learned are promoted to a wider audience beyond direct project stakeholders.

4.1. Lessons, knowledge and best practices from the project are shared across Laos, the region and globally to allow for shared learning experiences and upscaling of initiatives

4.1.1. Project communications strategy developed and implemented: The PMU will develop the communications strategy in the first four months of the project, aiming to raise awareness and enhance the impact of all components and activities. This national strategy will be aligned with the aims and objectives of the Global Project's communications strategy. This evolving document will outline communication protocols across executing partners, channels for different target audiences (both internal and external), branding will be incorporated from the global project (graphics and logos), media use (e.g., Global Project webpages, events, workshops, social media), and communication frequency. The project will provide updates and inputs into the Global Project web-site webpages including publishing content for national partners and stakeholders to increase uptake. It will also identify entry points for gender and youth mainstreaming throughout the project. Knowledge management tools will be developed through a lens of gender and social inclusion, with accessibility for women, youth, and local ethnic groups a high priority. Translation of all products into local dialects and accessible formats, as well as training/workshops developed to enable participation from diverse groups. Peer-to-peer exchanges and knowledge-sharing events from the global south and rural practitioners will empower local actors within the knowledge management space and promote women and marginalised persons influencing capacity in SUPs decision-making.

4.1.2. Develop and disseminate knowledge products based on project lessons, including trade fair: Best practices will be shared through toolkits and workshops to benefit tourism and hospitality businesses beyond the pilot phase. In the final year, a trade show in Vientiane will showcase new products and services, highlight successful practices, and facilitate knowledge transfer. Collaborating with various development partners, including local civil society, will ensure lessons learned are widely disseminated through multiple channels, reaching a broader and more inclusive audience. Project results including challenges and successes will be shared with the NPAP Secretariat, regionally via platforms like the ASEAN Circular Economy Platform, and with the Plastics Global Project.

Key knowledge products that will be developed through the Project include:

- A documented approach to developing policies and the resulting policies.
- City-level plastic action plans, which can be replicated in other cities.
- Documented methods for developing certification criteria for SUPs and alternatives.
- A comprehensive material flow analysis to guide the assessment of alternatives to SUPs.
- Market research on demand, willingness to pay, and insights into Laos' markets.
- A documented framework for executing the Eco-Challenge, including its business incubator and accelerator programs.
- A toolkit of best practices and success stories in the tourism and hospitality sectors.
- A report on hygiene and sanitation approaches for reusable alternatives.
- A marketing strategy and campaign plan.

4.2. Coordination with the global programme

4.2.1 Coordinate with regional national GEF projects and the global programme (Circular Solutions to Plastic Pollution Integrated Program), including attendance at annual workshops, webinars, and other virtual meetings: Project and government staff will coordinate with the national GEF projects and the

Global Project, as well as attend the annual workshops and join webinars and other virtual meetings to disseminate best practices and knowledge transfer including lessons learned from the gender and social inclusion perspective. These interactions will be two-way, seeking guidance from the Global Project to develop policy and project approaches, and providing the Global Project with data and results of surveys, project successes, best practices, and research and knowledge information products, such as toolkits. A dedicated staff member from the PMU will be responsible for liaising with the Global Project on communication and reporting matters related to the Program, as well as directly with other national projects, especially those in the region. This staff member will be responsible for ensuring that Project monitoring and reporting align with the wider program's guidance, including the provision of data for core indicators.

The Global Project will host events, webinars, and meetings to ensure regular coordination across the Program. Budget and staff resources have been allocated to actively participate and engage in the following activities.

- Participation and contribution of inputs (to documents, agenda, etc) in the Annual Conference, starting in 2025, in order to share and exchange experiences, knowledge and best practices. Representation from government and the Project Management Unit have been budgeted.
- Attendance and contributions to at least 2 virtual learning sessions on relevant topics per month, in order to apply IP assets to national planning and adapt these to the local national context.
- Participation and contributions to working groups organized by the Global Project, in particular the Advisory Committee, Private Sector Working Group and Technical Working Group meetings.

Overall Knowledge Management. Knowledge management is a key part of the Project, particularly under Component 4 as well as in Component 3. As the Project is innovative, a pilot approach is being utilised under Component 3 with regard to the transition from SUPs and the use of sustainable practices in tourism and hospitality businesses. The Project recognises that this will be an iterative process, so using pilots helps to determine best practices for specific business types, which can then be promoted more broadly through workshops, toolkits, and other marketing. Component 4 is specifically focused on knowledge management to capture, store, and distribute the learnings from the Project, including with the global programme. A communications strategy will be developed in the early stages of the Project. During the final year, the promotion of lessons learned and best practices will be the primary focus of the Project. Domestically, government (local and national), NGOs, national organisations, and private sector associations will all be key in distributing learnings. At the conclusion of the Project, a trade fair will be held, which will be an important way of promoting best practices.

Monitoring and Evaluation

The Project Monitoring & Evaluation System will be delivered by the PMU in MONRE, with inputs from all project partners and support from WWF-Laos. M&E is composed of the following elements:

Annual Work Plan and Budget (AWPB): Towards the end of each project year, the PMU, in coordination with the project partners, will develop a detailed AWPB that includes targets for key activities to achieve the outputs. The development of the annual work plan will consider adaptive management and lessons learned, pay attention to gender-responsive activities, and make gender disaggregated targets.

Project Results Framework (PRF): The PRF includes core and additional indicators at the objective and outcome level, along with a data collection and analysis methodology. It defines responsible parties and frequency of data collection, provides baseline information, outlines yearly or mid-term targets, and addresses key assumptions or related risks that should be monitored or mitigated. The monitoring and reporting framework also includes specific provisions for monitoring the gender dimensions of the project. The M&E Framework has been designed to ensure alignment with the wider program's guidance. This includes following the Global Project's methodologies on the core indicators, as well as tracking and reporting of program-level indicators. Throughout the project's duration, the data collected on these indicators will be analysed to determine if the project strategies are working towards achieving their expected results, including gender-related outcomes. Progress against the indicator targets, including gender-related ones, will be reported on at the end of each project year.

Project Progress Reports (PPRs): The PMU, with inputs from project partners, will complete a PPR after six months and 12 months of each project year. The PPR will report on the progress against the AWPB and the PRF. The PPRs will also monitor achievements on the Gender Action Plan and the Stakeholder Engagement Plan. The 12-month PPR will include the project results delivered and tracked under the AWPB and the PRF. The project will share PPRs, Project Implementation Reports and Results Framework Tracking to the Global Project and provide inputs to the Global Projects M&E reporting including the Annual Report and Mid-term Evaluation and Terminal Evaluation if appropriate.

Project Close Report (PCR): The PMU, with inputs from project partners, will develop a PCR. The report will outline the same areas as the PPRs but will be cumulative for the whole project period and will also include information on any project equipment handover, an assessment of project performance, an exit and sustainability plan, and will focus on key lessons from the project. This report is due within one month after the project closes.

Mid-term and Terminal Evaluation Report: Independent Mid-term and Terminal Evaluation will take place at project mid-term and within six months of project completion, providing an external evaluation of the overall project effectiveness and efficiency. The Terms of Reference for the midterm and terminal evaluations will be drafted by the WWF-GEF Agency and the PMU in accordance with GEF requirements, and the WWF-US evaluation unit will contract the consultant. The funding for the evaluations will come from the project budget.

Tracking Global Environmental Benefits and Indicators: The PMU will track the effectiveness of the Project based on the results framework, which includes SMART indicators at goal, outcome, and output levels (see Annex 4). These indicators will use a number of monitoring tools as well as data generated by executing partners.

Stakeholders: Records, disaggregated by position, location and sex, will be taken at all events and meetings, including workshops. The project is also committed to following the Private Sector Engagement Guidelines to ensure good partnerships and an aligned vision.

Policy Coherence: National policy development will occur under the globally recognised policy cycle. This will include full analysis, consultation, and considerations of different government departments and ministries working together to align economic, social, and environmental policies for common outcomes.

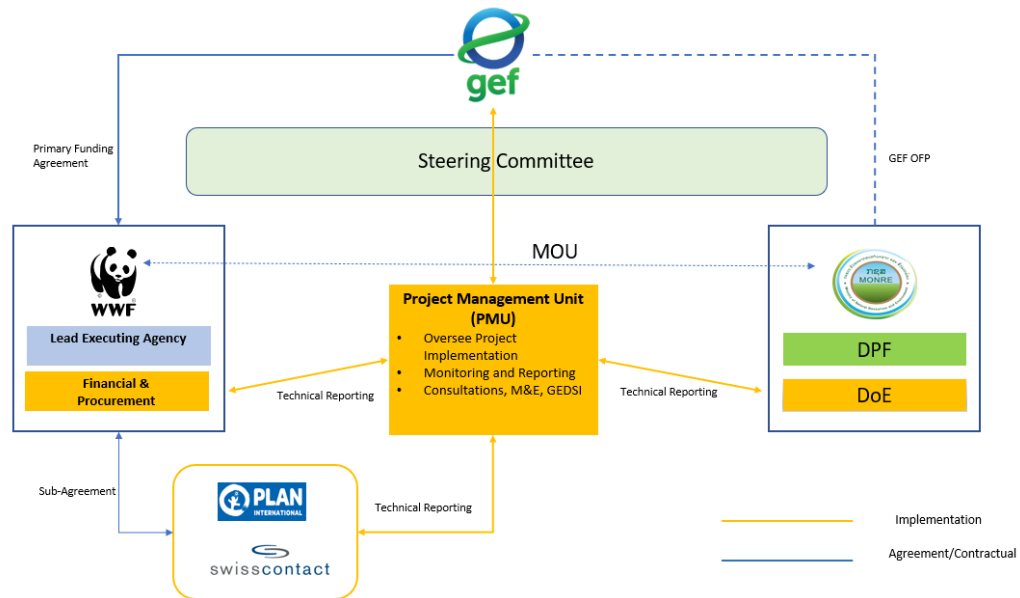
Capacities: The capacity of individual consultants will be assessed as part of a robust procurement process, which will be recorded at all stages. The capacity of enterprises and pilot tourism and hospitality businesses will be assessed as part of the due diligence undertaken during the Project.

Integration of the Gender Action Plan (GAP): The recommendations of the GAP have been incorporated into the M&E elements. Each year, the development of the AWPB will be coordinated with the project's

gender staff [GESI Specialist] to facilitate gender responsiveness across the project activities and to include gender targets. The PRF includes specific gender indicators and indicators with targets disaggregated by gender as well as other social dimensions where appropriate. These will be tracked throughout the project implementation and reported on as part of monitoring and evaluation. The six-month and 12-month project progress reports will include subsections on the implementation of the gender action plan, reporting on gender inclusion, and reporting against specific gender indicators. TORs for the midterm and terminal evaluations will include specific provisions for the evaluation of progress and results regarding gender inclusion in the implementation of the project, including an independent Gender Impact Assessment. Overall, the monitoring of the gender action plan has been accounted for through integration into the overall project and integration into the project’s M&E systems and budget.

Institutional Arrangement and Coordination with Ongoing Initiatives and Project

Funds Flow: All funds will flow through WWF-Laos. Swisscontact and Plan International will be classed as sub-grantees, responsible for the budgets that cover their specific components and activities. Budgets for the PMU, including the procurement of consultants and event costs, will be handled by WWF-Laos staff. The Project will be delivered by a mix of agency staff, government staff (MONRE – Department of Environment (DPF) and Department of Planning and Finance (DPF), and contracted consultants. Due diligence has been undertaken on the partner executing agencies (i.e., Plan International and Swisscontact) by WWF-Laos.



National Project Steering Committee (NPSC): A NPSC will be established as a high-level decision-making and coordination body for the combined GEF and FFEM projects (hereafter referred to as the Project). The role of the NPSC will provide overall strategic and management direction for the Project. In this capacity, the Committee will review and approve annual work plans and budgets; oversee technical and financial execution; provide guidance and advice to the Executing Agency; facilitate coordination and communication between the various project partners and ministries; resolve any internal conflicts; monitor and assess the progress and outputs of the project in meeting objectives; and take strategic decisions, where appropriate, on adaptive management and restructuring the project to respond to any challenges or gaps that the project may face.

The MONRE will chair the Committee and will comprise representatives from (i) WWF Laos; (ii) key ministries/departments including MONRE (as well as potentially MOIC, MICT, and MoF [to be confirmed]); (iii) local government representatives (VCOMS, UDAA, USO, and PONRE/DONRE), (iv) LNCCI; (v) the Lao Hotel and Restaurant Association and the Lao Tourism Association; and, (vi) executing partners (Plan International, Swisscontact). In order to assist in coordination and where relevant, other development partners (e.g., World Bank, EU, ADB, GGGI) may be invited to attend individual Steering Committee meetings as observers. The NPSC will be active during the entire project period, and its composition may be adapted as needed. It is envisaged that the Steering Committee will ordinarily meet twice a year initially (three times in year one). A full ToR for the NPSC is provided in Annex 9, including full details on roles and general business.

Project Management Unit (PMU): A PMU will be housed within the DoE, MoNRE, which will comprise internal staff (part-time), WWF-Laos staff (part-time), and procured consultants (full-time). The PMU will act as the Secretariat for the NPSC and will be responsible for organising meetings and coordination. The PMU will be managed by a Project Manager (procured via WWF) and three city coordinators (all procured). WWF-Laos will provide a GESI specialist, ESSF, communications, and M&E staff (part-time). The WWF-Laos will also provide procurement staff and finance staff, who will sit independently outside of the PMU.

Will the GEF Agency play an execution role on this project?

Yes No

If so, please describe that role here and the justification.

The executing entity is the Department of Environment (DoE) in the Ministry of Natural Resources and Environment (MONRE). A Project Management Unit (PMU) will be established and hosted in DoE. The PMU will coordinate and deliver the project activities in close cooperation with key partners, including Swiss Contact, Plan International and LNCCI, and the three pilot cities.

Based on discussion among DoE, WWF-Laos, WWF-US (GEF Agency) and the OFP office, it has been agreed that DoE will lead the project, and to support that, WWF-Laos will provide the project administration and some limited technical execution for the project. The scope of this support has been discussed among DoE, WWF-Laos and WWF-US, and indicatively includes WWF-Laos undertaking the following tasks for the project:

- Financial management and preparation of financial reports for the project
- Sub-grant assessments, awards and management
- Procurement (based on plans developed with the PMU)
- PMU Staff recruitment (Project Manager, M&E Officer, and Cities Coordinator recruited by WWF-Laos on behalf of government but seconded to DoE and hosted at the DoE office)
- Assistance to deliver Output 1.1.2 on City Level Action Plans, by provision of specialist technical assistance
- Backstopping DoE, Swiss Contact, Plan International and LNCCI, and other project partners and participants for: gender responsive project outcomes (with 10% time budgeted for the WWF Laos GESI staff), safeguards compliance (12.5% time of the WWF Laos safeguards staff), and development and delivery of the project communications plan (40% time of the WWF Laos communications staff)

- Technical assistance to support government and sub-grantee delivery of the project.

The execution services to be provided by Department of Environment (MONRE) will include:

- Hosting the PMU
- Preparation of procurement plans (with WWF-Laos)
- Preparation of terms of references for consultants and PMU positions (with WWF-Laos)
- Management of consultant activities and management of the PMU
- Management of output deliverables
- Maintenance of records of all project-related documentation
- Project M&E and preparation of technical progress reports (Project Manager and M&E Officer)
- Consultation with project stakeholders
- Coordination with the pilots in the three cities (City Pilots Coordinator)
- Organizing workshops
- Coordination with project partners, including sub-grantees.

Also, please add a short explanation to describe cooperation with ongoing initiatives and projects, including potential for co-location and/or sharing of expertise/staffing (*max. 500 words, approximately 1 page*)

The Project builds on existing work undertaken by development agencies, including Swiss Contact and Plan International, as well as potential organisations, such as Makerbox Laos and Econox, who have been involved in supporting enterprises and businesses in developing more sustainable solutions and practices. Each agency will utilise its own staff and procure consultants and support staff where required. As stated above, the PMU will be key in coordination and ensuring that all individual agencies are aligned (e.g., on monitoring and reporting), and will also have city coordinators to ensure alignment. The PMU staff will be housed together at MoNRE and will include permanent staff, as well as part-time staff from WWF who will physically sit with the PMU for part of the working week.

Core Indicators

Project Core Indicators		Expected at CEO Endorsement
1	Terrestrial protected areas created or under improved management (hectare)	
2	Marine protected areas created or under improved management (hectare)	
3	Area of land and ecosystems under restoration (hectare)	
4	Area of landscapes under improved practices (hectare)	

5	Area of marine habitat under improved practices (hectare)	
6	Greenhouse Gas Emissions Mitigated (metric ton of CO ₂ e)	142,386 mt of CO ₂ e
7	Shared water ecosystems under new or improved cooperative management (count)	1 Mekong 4 IWLEARN indicator
8	Globally over-exploited marine fisheries moved to more sustainable levels (metric ton)	
9	Chemicals of global concern and their waste reduced (metric ton of toxic chemicals reduced)	39,967 mt
10	Persistent organic pollutants to air reduced (gram of toxic equivalent gTEQ)	2.278 gTEQ
11	People benefiting from GEF-financed investments disaggregated by sex (count)	5,900 (3,545 men; 2,355 women)

1. The target value of Core Indicators 6, 9 and 10 is calculated based on the methodological approach provided by the GEF IP Circular Solutions to Plastic Pollution and using the baseline estimation provided by the 2021 World Bank Report 'Supporting Lao PDR to improve solid and plastic waste management' which estimates the national rate of waste generation at 910,000 metric tonnes per year, 20% of which are plastic waste.¹
2. The baseline under Core Indicator 7.4 is currently limited (1 = No participation).
3. The target value of Core Indicator 11 is composed of the following:
 - 100 national-level government officials and 300 city-level officials (65% men; 35% women)² informed/trained on policy best practices regarding SUP reduction of circularity for plastics; and involved in policy development.
 - 500 representatives (60% men; 40% women) of beverage, food and hospitality businesses are consulted on policies and provide input to policy development
 - 300 representatives (60% men; 40% women) of food, beverage and hospitality businesses commit to reducing the use of plastic packaging and creating and/or distributing environmentally-friendly products through innovative circular business models
 - 5,000 workers (60% men; 40% women) of food, beverage and hospitality businesses are engaged in creating and/or distributing environmentally-friendly products through innovative circular business models

Risks to Project Implementation

Risk Categories	Rating	Assessment and Mitigation Measures
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¹ World Bank, (2021). *Supporting Lao PDR to improve solid and plastic waste management: solid waste assessments*. p.17.

² Based on the current average gender distribution among government civil servants.

CONTEXT		
Climate	Low	The reduction in plastics will contribute to the reduction of waste that is burned in Laos. The shift to alternatives will substitute the consumption of crude oil utilised in manufacturing plastic, as well as a reduction in associated GHG emissions. Material flow analysis will identify low-emission pathways.
Environment and Social	Low	There is a risk that the new products/services are less sustainable than the SUPS they replace, noting that there are multiple trade-offs at various life cycle stages. The Project includes a material flow analysis to examine the environmental/social aspects of supply chains for new products/services. While an environmental and social safeguard plan has not been developed as the Project is Category C, the Project has a gender strategy and action plan to ensure that the considerations and needs of different stakeholders are taken into account, including women, youth, and indigenous peoples. Environmental and social data will be monitored throughout the Project.
Political and Governance	Low	National and local government, particularly the DoE at MoNRE, has actively participated through its technical and managerial staff in the design of the Project, and will have key roles in implementation. The government will also be supported with capacity development through technical assistance. The need to develop policies and initiatives is already signalled in the NPAP. A full policy cycle will be undertaken to ensure that new policies are aligned with wider government strategies, are consulted on, and that cost-benefit assessments are undertaken.
INNOVATION		
Institutional and Policy	Low	The Project utilises multiple development partners, building on their past experiences (e.g., Eco-Challenge) and utilising their combined technical capacities. This approach builds on tried and tested activities and introduces new innovative ideas, with a high degree of interconnectivity across all components. A PMU will lead the Project administration (under the guidance of a Steering Committee) and coordinate across different components, partners, and the target cities. All partners will collaborate on technical aspects, communications and knowledge sharing.
Technological	Moderate	While the Project is innovative in its approach and the development of innovative solutions, there will not be a research and development component. It is envisaged that the innovation will be in how existing materials are used and scaled up in new products and services instead of undertaking research and development on untried materials. There is a risk that there are not enough innovative products in Laos.
Financial and Business Model	Moderate	The need to shift to circular-economic principles has already been signalled by the GoL (e.g., Green Growth Strategy and National Socio-Economic Development Plans). The Project will provide tangible activities to help with this transition. The development of national policies is likely to include economic instruments. Beyond macro-policy, the Project takes an inclusive micro-economic approach to develop new business models and improve businesses involved in producing and retail alternatives. However, it is acknowledged that the challenge is in competing with the low costs of plastics.
EXECUTION		
Capacity for Implementation	Low	WWF-Laos as the Executing Agency, other key development partners (i.e., Swisscontact and Plan International), and government departments (i.e., DoE) will be the main implementers of the Project. The arrangements will include a blend of existing staff, consultants and firms procured (e.g., PMU and individual activities). WWF-Laos will be responsible for overall Project monitoring, reporting, and budgeting. All partners are experienced in the delivery of projects.

Fiduciary	Low	WWF-Laos will be responsible for financial oversight, with each key development partner having robust and transparent financial systems and strong procurement rules in place (due diligence has been conducted).
Stakeholder	Low	Widespread consultation (workshops and transect walks) was conducted during the project design, and a stakeholder engagement plan that identified all stakeholders was developed. A wide range of stakeholders will have roles to play during implementation (public and private sectors, CSOs, and the general public), and the project design has ensured timely and sequential involvement throughout all of the different components. Marketing forms a key part of the Project, which will be critical in understanding customer and consumer needs. Many businesses will receive direct support from the Project, and best practices will be widely promoted to others.
Other: Cultural resistance to products	Low	The marketing strategy will communicate information on sustainable products/services in a way that is sensitive to local cultures and demonstrates benefits by adopting these alternatives to SUPs.
OVERALL RATING		
Overall Risk Rating	Low	Overall, the risk is considered low due to limited negative impacts.

C. ALIGNMENT WITH GEF-8 PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES

The Project aligns with the objectives of the GEF-8 Circular Solutions to Plastic Pollution Integrated Program, which intends to catalyze circular economy approaches across the entire plastic value chain to reduce plastic production, consumption and waste and invest in national and city-level initiatives. The Project targets upstream and midstream interventions targeting policy-makers at national and subnational levels, relevant private sector industries and consumers.

The Project interventions address some of the key drivers of environmental degradation as a result of land, air, and water-based pollution from plastics, as well as unsustainable resource use. The Project will align to a range of domestic (e.g., NPAP, Green Growth Strategy), regional (e.g., ASEAN Bangkok Declaration on Marine Plastics), and global (e.g., Basel Convention, UN Global Treaty on Plastic Pollution) commitments, with project outcomes having no contradictions to these policies.

The Project will contribute principally to Global Environmental Benefits (GEB) tied to four STAR focal areas:

- **Chemicals and Waste:** Chemicals and additives in plastic products pose human health and environmental hazards when waste products are improperly disposed of, such as through burning and dumping. The project will develop alternative solutions to plastic F&B products that contain fewer chemicals and additives.
- **Biodiversity:** Plastic pollution impacts terrestrial, freshwater, and marine ecosystems and the ability to support biodiversity. Plastic waste can lead to ingestion, physical harm and entanglement, bioaccumulation in food chains and malnutrition in wildlife. Waste reduction will reduce the input of plastic into ecosystems.
- **International Waters:** The Mekong River is among the world’s most polluted rivers and one of the top 10 major rivers responsible for over 90% of plastic pollution in oceans. By reducing landbased pollution in Laos, the Project will contribute towards reducing the amount of plastic pollution entering transboundary freshwater and marine ecosystems, protecting environmental assets by keeping plastic out of nature.
- **Climate Change Mitigation:** The shift from internationally produced fossil-fuel-based plastics to locally produced substitute products made from more sustainable materials will reduce greenhouse gas emissions associated with the plastic lifecycle.

The shift from SUPs to domestically produced sustainable packaging using alternative materials could provide transitions in key sectors associated with F&B beverages in tourism and hospitality, thereby

reducing the reliance on imported packaged goods. While R&D of new materials is not the focus, it is envisaged that innovative solutions and ways of using new materials in products and services will be developed as a result of the project. By taking a systems perspective and improving environmental and human health (green and blue recovery) by improving resource use and reducing pollution, the Project will make valuable contributions to the GEF-8 programming strategies.

The project will contribute to the following targets of the Kunming-Montreal Global Biodiversity Framework:

- Target 7 Reduce Pollution Risks: The project will contribute towards reducing pollution from plastics and associated chemicals.
- Target 15: Business Assess Risks and Impacts: The project will support businesses in developing more sustainable practices and provide information to promote sustainable consumption.
- Target 16: Enable Sustainable Consumption Choices: The project will draft national policies, strengthen certification schemes, help develop alternatives to plastics, give consumers more choices, and will also promote these through a marketing campaign.
- Target 20: Strengthen Capacity-Building: Knowledge management and communication will promote best practices amongst the private sector.

D. POLICY REQUIREMENTS

Gender Equality and Women's Empowerment*:

We confirm that gender dimensions relevant to the project have been addressed during Project Preparation as per GEF Policy and are clearly articulated in the Project Description (Section B).

Yes No

Women face higher dependence on SUPs, given their prime household management role. In this regard, women have a high capacity for leading household consumer habits and raising public awareness of environmental threats. The project will engage women as prime consumers through, for example, household-level campaigns to influence women's consumption choice towards less packaging. Additionally, the project will ensure that female entrepreneurs are well represented in policy consultations and industry-wide dialogues aimed at promoting upstream and midstream solutions to SUP reduction while empowering female entrepreneurs as innovators of refill/reuse systems and environmentally-friendly alternative packaging products.

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

Yes No

If the project expects to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment, please indicate in which results area(s) the project is expected to contribute to gender equality:

- closing gender gaps in access to and control over natural resources;
- improving women's participation and decision-making; and/or
- generating socio-economic benefits or services for women.

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

Yes No tbd

See Annex 6 for the Gender Action Plan.

Stakeholder Engagement*

We confirm that key stakeholders were consulted during Project Preparation as required per GEF policy, their relevant roles to project outcomes have been clearly articulated in the Project Description (Section B) and that a Stakeholder Engagement Plan has been developed before CEO endorsement.

Yes No

Select what role civil society will play in the project:

Consulted only; Yes No

Member of Advisory Body; Contractor; Yes No

Co-financier; Yes No

Member of project steering committee or equivalent decision-making body; Yes No

Executor or co-executor; Yes No

Other (Please explain) Yes No

Civil society organisations (e.g., Zerowaste Laos) and national organisations (e.g., Lao Women's Union) will be utilised in the project for information dissemination and awareness-raising, particularly with regard to changing consumer behaviour from the negative impacts of plastic to more sustainable alternative materials.

A stakeholder engagement plan is provided in Annex 5.

Private Sector

Will there be private sector engagement in the project?

Yes No

And if so, has its role been described and justified in section B "project description"?

Yes No

The Project places a strong emphasis on the private sector, recognizing that fostering business development offers the best path to sustainable success and financial stability through alternative materials. Firstly, it focuses on enterprise development (Component 2), supporting businesses in innovating new products and services. Secondly, it targets the tourism and hospitality sectors as key consumers of food and beverage packaging, which are then retailed to end consumers (Component 3). Additionally, Component 1 aims to establish a supportive policy framework conducive to alternative materials production in Laos. This entails extensive dialogue with the private sector to address their concerns and interests. Representation of the private sector on the National Project Steering Committee, facilitated by LNCCI and other relevant business associations, ensures their involvement in shaping project direction. The potential for working with global corporations will be assessed, in coordination with Plastic Reboot Global Project, during implementation.

Environmental and Social Safeguards

We confirm that we have provided information regarding Environmental and Social risks associated with the proposed project or program, including risk screenings/ assessments and, if applicable, management plans or other measures to address identified risks and impacts (this information should be presented in the additional annexes document in Annex 5.)

Yes No (If –and only if– NO is selected, a pop-up field should open for the Agency to provide an explanation)

Please provide overall Project/Program Risk Classification:

The project will comply with WWF’s Environmental and Social Safeguards Framework (ESSF) as outlined in the Environmental and Social Safeguards Integrated Policies and Procedures. A safeguards screening has classified the project as category “C”, low risk. Most of the outputs of the project are related to policy development and reform, market analysis, technical assistance and outreach programs and may include some provision of equipment of materials. The project is expected to generate significant positive and durable social, economic, and environmental benefits.

The CAT memo is provided in Annex 5.

Category C

Overall Project/Program Risk Classification*

PIF

CEO Endorsement/Approval MTR

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Please see for guidance on what safeguard documentation needs to be submitted to the GEF the [Policy on ESS: SD/PL/03 and Guidelines: SD/GN/03](#)

Additional WWF GEF Guidance: Please note that for all WWF GEF Agency projects that are Category B or higher, a complete ESMF is required, which may also include an Indigenous Peoples Planning Framework and/or a Process Framework depending on the context and assessment of the WWF US GEF Agency Safeguards Specialist assigned to the project. These should be attached in the additional annexes document in Annex 5.

E. OTHER REQUIREMENTS

Knowledge management*

We confirm that an approach to Knowledge Management and Learning has been clearly described during Project Preparation in the Project Description and that these activities have been budgeted, and an anticipated timeline for delivery of relevant outputs has been provided.

Yes

Knowledge management is a key part of the Project, particularly under Component 4 as well as in Component 3. As the Project is innovative, a pilot approach is being utilised under Component 3 with

regard to the transition from SUPs and the use of sustainable practices in tourism and hospitality businesses. The Project recognises that this will be an iterative process, so using pilots helps to determine best practices for specific business types, which can then be promoted more broadly through workshops, toolkits, and other marketing. Component 4 is specifically focused on knowledge management to capture, store, and distribute the learnings from the Project, including with the global programme. A communications strategy will be developed in the early stages of the Project. During the final year, the promotion of lessons learned and best practices will be the primary focus of the Project. Domestically, government (local and national), NGOs, national organisations, and private sector associations will all be key in distributing learnings. At the conclusion of the Project, a trade fair will be held, which will be an important way of promoting best practices.

Socio-economic Benefits

We confirm that the project design has considered socio-economic benefits to be delivered by the project and these have been clearly described in the Project Description and will be monitored and reported on during project implementation (at MTR and TER).

Yes

Improving human health: The Project has been designed to have multiple socio-economic benefits. At present, waste management in Laos suffers as a result of an ineffective SWM system, with dumping and burning of waste widely practised even in areas where waste collection services are available (World Bank, 2022). Burning of waste is a key contributor to air pollution in Laos as well as a range of significant health impacts that are disproportionately higher among women, children and other economically challenged groups due to physiological differences and higher rates of exposure. According to a 2021 World Bank, about 10,000 deaths were attributed to environmental health risk factors in Laos in 2017, of which 44% were the result of household air pollution and 27% from outdoor ambient air pollution (World Bank, 2021b). Healthier communities with fewer pollution-related issues reduce healthcare costs and improve productivity.

Improving the economy and livelihoods: According to government statistics, tourism previously contributed to 10.4% of the economy prior to COVID-19, and is expected to rebound to these levels in the next 3-4 years. Tourism is also seen as important to the green growth of other sectors, including agri-food and textiles/handicrafts. However, land and water pollution, especially from plastics, poses a significant threat to economic development and tourism in Laos, as recognised by the Lao Green Growth Strategy. Tourist cities continue to face a difficult balancing act: growing visitor numbers generate more waste, yet tourists expect clean environments. This challenge is compounded by limited local government budgets. The inability to effectively manage pollution is already affecting cities like Vang Vieng, which was recently denied the ASEAN Clean Tourist Cities Standard due to ongoing solid waste issues, highlighting the need for better waste management strategies. The sector is essential for employment opportunities, particularly for young adults and women. The inability to sustainably develop these tourist cities may result in lower livelihood opportunities. As such, the project seeks to improve resource use and, in turn, improve waste management, lower pollution, and make these tourist destinations more attractive, providing a boost to the local economy. This is achieved through the development of the enabling environment and support to enterprises and tourism and hospitality businesses to become more sustainable. Sustainability refers to businesses being socially responsible for their employees, customers, and communities, as well as environmentally responsible with regard to resource use and waste.

Business Development: At the moment, most Micro, Small and Medium Enterprises (MSMEs) are very small, family-run, and operate on an informal basis (i.e., without an enterprise registration certificate from the Department of Enterprise Registration and Management or the District Office of Industry and Commerce). Many MSMEs are constrained by low capacity (specifically on sustainable and green business practices), low access to sustainable suppliers, and a lack of capital and access to finance. As such, many MSMEs are unable to achieve the level of standard required and achieve competitiveness. Many MSMEs in the tourism value chain are unaware of the benefits of sustainable consumption and production. The project will provide them with technical assistance to improve practices and achieve accreditation under sustainability certification programmes, business development skills, and financial support via the FFEM.

Job and Revenue Creation: The support of domestic enterprises that produce more sustainable packaging is envisaged to lead to additional job and revenue creation. Supporting tourism and hospitality businesses aims to improve their triple bottom line, which includes helping them be profitable while sustainable. The establishment of new enterprises will generate new employment opportunities in products and services, as well as in waste management and recovery sectors.

Access to Finance: The project will build on the broader work undertaken by Plan International to support MSMEs in Laos' tourism value chain, with a focus on access to green finance through funding from the SWITCH-ASIA SCP initiative. This complementary project will collaborate with the Ministry of Industry and Commerce and local financial institutions, including banks and microfinance providers, to explore and implement innovative green financing instruments. However, beyond the ADB's Frontier Fund, it is recognised that investment in MSMEs in Laos is limited, so this is very much exploratory work. Additionally, Plan International's project will provide MSMEs with essential resources, including information, training, and mentorship, to enhance their ability to secure funding. Enterprises under Component 2 and pilot businesses in Component 3 will have the opportunity to participate in these initiatives. Furthermore, the project will work with the Global Project to identify any other international funding sources that could be utilised in Laos.

ANNEX A: FINANCING TABLES

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

GEF Agency	Trust Fund	Country / Regional / Global	Focal Area	Programming of Funds	(in \$)			
					GEF Project Grant (a)	GEF Project Non-Grant (for NGI only) (b)	Agency Fee (c)	Total GEF Financing (a+b+c)
WF-US	GEF Trust Fund	Lao PDR	International Waters	International Waters IP contribution	3,978,440	na	358,060	4,336,500
Total GEF Resources					3,978,440	na	358,060	4,336,500

Project Preparation Grant (PPG)

Was a Project Preparation Grant requested? Yes No

If yes: fill in PPG table (incl. PPG fee)

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	(in \$)		
					PPG	Agency Fee	Total PPG Funding
WF-US	GEF TF	Lao PDR	International Waters	International WatersIP contribution	150,000	13,500	163,500
Total PPG Amount					150,000	13,500	163,500

Sources of Funds for Country STAR Allocation

GFEEF Agency	Trust Fund	Country/ Regional/Global	Focal Area	Source of Funds	Total
N/A	N/A	N/A	N/A	N/A	N/A
Total GEF Resources					N/A

Focal Area Elements

Programming Directions	Trust Fund	(in \$)	
		GEF Project Financing	Co-financing
Plastics IP	GEF TF	397,8440	10,539,199
Total Project Cost		397,8440	10,539,199

Confirmed Co-financing for the project, by name and type

Please include evidence for each co-financing source for this project

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilised	Amount (\$)
		In-Kind		
GEF Agency	WWF-US	In-kind	Recurrent Expenditure	540,000
CSO	WWF-Laos	In-kind	Recurrent Expenditure	638,000
CSO	Plan International Laos	Grant	Investment Mobilised	2,461,599
CSO	Swiss Contact Laos	Grant	Investment Mobilised	3,500,000
Recipient Country Government	MONRE	In-kind	Recurrent Funding	399,600
Donor Agency	FFEM (French Global Environmental Fund)	Grant	Investment Mobilised	3,000,000
Total Co-financing				10,539,199

Please describe the investment mobilised portion of the co-financing

PLAN International -

ANNEX C: PROJECT RESULTS FRAMEWORK*

See Annex 4 for the Project Results Framework and Annex 13 for further details on the Theory of Change.

ANNEX D: STATUS OF UTILISATION OF PROJECT PREPARATION GRANT (PPG)

Provide detailed funding amount of the PPG activities financing status in the table below:

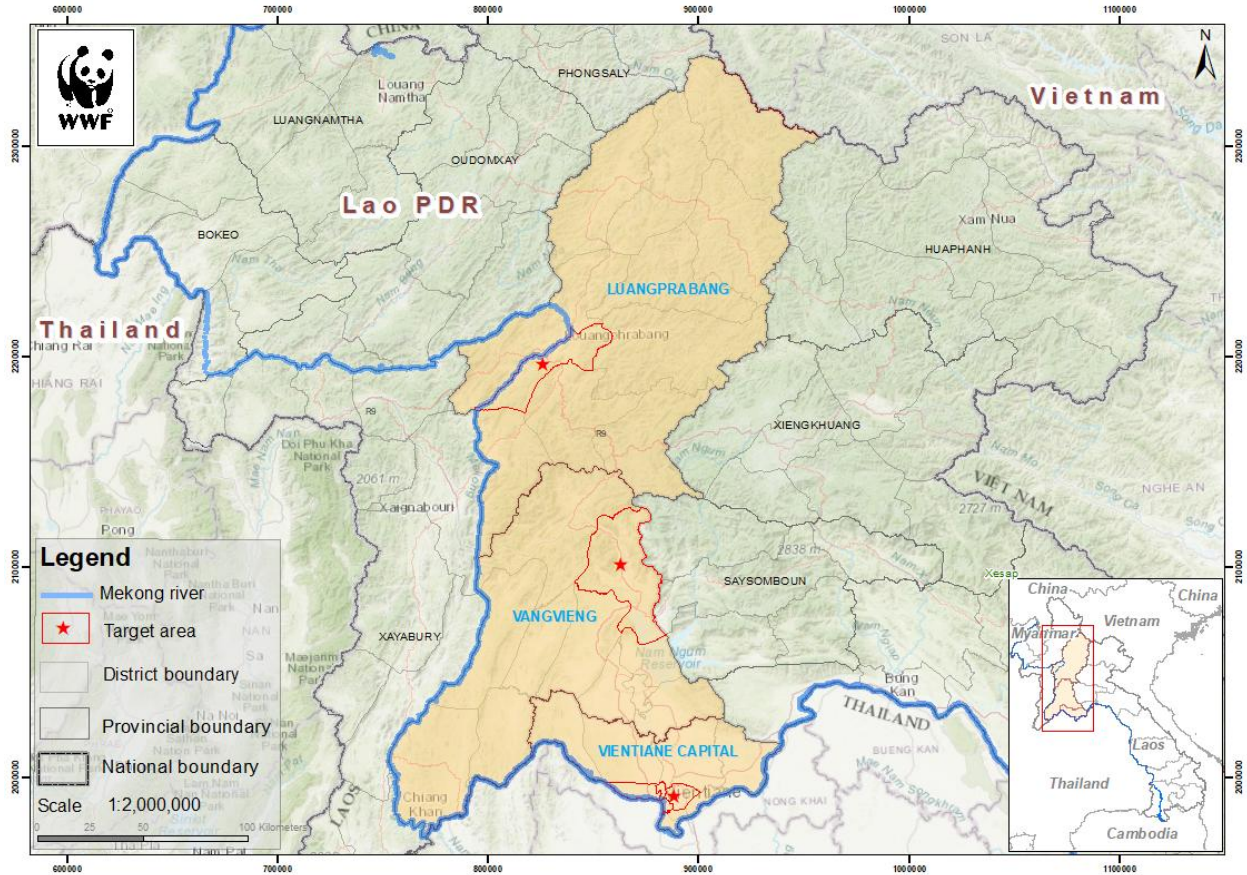
Project Preparation Activities Implemented	GETF/LDCF/SCCF Amount (\$)

	Budgeted Amount	Amount Spent To date (at 23 June 24)	Amount Committed
Consultancies	18,840	12,296	18,296
Meetings, Workshops, Translations	20,800	5,505	7,505
Travel Costs	17,069	4,630	7,630
Project Development Support (Personnel costs)	30,402	24,610	30,402
Management fee (12.5%)	10,889	5,880	8,041
Total	98,000	52,921	71,874

Please itemise the use of PPG funds according to categories listed in the guidelines.

ANNEX E: PROJECT MAP AND COORDINATES

Geo Name ID Required field if the location is not an exact site	Location Name Required field	Latitude Required field	Longitude Required field	Location Description Optional text field	Activity Description Optional text field
	Vientiane Capital	17.975706	102.633102	Capital City	All Components
	Vang Vieng	18.950090	102.443787	City	All Components
	Luang Prabang	19.889271	102.133453	City	All Components



ANNEX F: ENVIRONMENTAL AND SOCIAL SAFEGUARDS DOCUMENTS INCLUDING RATING

Category C. See Annex 5.

The WWF GEF Budget template can be found [here](#)

Please provide detailed information of the activities/services that will be paid with the project's resources, so it is possible to assess the reasonability of using the three sources (project's components, M&E and PMC) to cover these expenses. Also, please provided detailed information on the KM activities covered by the project.

ANNEXES LINKED TO GEF CEO ENDORSEMENT REQUEST TEMPLATE

ANNEX 1: TAXONOMY WORKSHEET

Annex 2: SUPPORTING DOCUMENTATION FOR ANNEX A: CO-FINANCING COMMITMENT LETTERS FROM PROJECT PARTNERS

ANNEX 3: SUPPORTING DOCUMENTATION FOR ANNEX B COMPILATION OF LETTERS OF ENDORSEMENT

ANNEX 4: PROJECT RESULTS FRAMEWORK AND MONITORING AND EVALUATION PLAN

ANNEX 5: ENVIRONMENTAL AND SOCIAL SAFEGUARDS DOCUMENTS INCLUDING RATING (ESMF if APPLICABLE, ESS SCREEN, stakeholder engagement plan)

ANNEX 6: GENDER ANALYSIS/ GENDER ACTION PLAN

ANNEX 7: NGI relevant annexes (**Not applicable**)

ANNEX 8: TORS FOR KEY PROJECT STAFF FUNDED BY GEF GRANT AND/OR CO-FINANCE

ANNEX 9: TOR FOR PROJECT STEERING COMMITTEE

WWF GEF ADDITIONAL ANNEXES*

1. **ANNEX 10: ACRONYMS AND ABBREVIATIONS**
2. **ANNEX 11: LESSONS LEARNED TO INFORM PROJECT DEVELOPMENT**
3. **ANNEX 12: DETAILED PROJECT STRATEGY (BUDGETED ACTIVITIES AND KNOWLEDGE MANAGEMENT AND COMMUNICATIONS STRATEGY)**

ANNEX 13: SITUATION MODEL AND RESULTS CHAINS

ANNEX 14: HIGH-LEVEL WORK SCHEDULE

4. **ANNEX 15: SITE SELECTION**
5. **ANNEX 16: INSTITUTIONAL ARRANGEMENTS**

**

*These should be ordered based on how they are referenced throughout the CEO Endorsement Request, Project managers should edit/review annexes required on a case-by-case basis

**Additional annexes can be added as needed