

SOLICITUD DE ACTOR SOCIAL- SMCL INVESTMENTS TRINIDAD LIMITED- 15 DE JULIO DE 2022

ASOCIACIÓN DE ESTADOS DEL CARIBE (AEC)

XXV REUNIÓN PREPARATORIA INTERSESIONAL PARA LA XXVIII REUNIÓN ORDINARIA DEL CONSEJO DE MINISTROS DE LA AEC

Sede de la Secretaría de la AEC, Puerto España, República de Trinidad y Tobago
(Reunión virtual)

18 de enero de 2023



SMCL INVESTMENTS TRINIDAD LIMITED

LP # 50 Corner Joanne and Linder Street
Peterville Clever Road
Arima
Trinidad

His Excellency Rodolfo Sabonge

Secretary General

Association of Caribbean States

5-7 Sweet Briar Road

St Claire, Trinidad W.I.

c/o Ana Leticia Ramirez Cuevas

Director of Disaster Risk Reduction, Environment, and the Caribbean Sea

ACS Ref: ACS 1/5/3/4

Dated: - 15th July 2022

His Excellency,

Re: The application of SMCL Investments Trinidad Limited for Social Actor Status with the ACS

This letter is in response to the Secretariat request dated 11th July 2022, for further information in relation to the activities pertaining to the Clean Development Mechanism (CDM) and with respect to the Circular Economy.

According to Article 12 of the Kyoto Protocol, it allows a country with an emission-reduction or emission-limitation commitment under the Kyoto Protocol (Annex B Party) to implement an emission-reduction project in developing countries. Such project can earn saleable Certified Emission Reduction (CER) credits, each equivalent to one tonne of CO₂ which can be counted towards Kyoto targets.

A CDM project activity might involve, for example, a rural electrification project using solar panels, the installation of more energy-efficient boilers or in this specific case the recycling of post-consumer PET plastic.

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Nearly every piece of plastic begins as a fossil fuel, and greenhouse gases are emitted at each stage of the plastic lifecycle. The utilization of rPET plastic resins reduces the need for virgin plastic resins produced from fossil fuel and thus reduces Green House Gas (GHG's) emitted from virgin plastic manufacture.

Latin America and the Caribbean (LAC) produce 12% of the total global waste (ranking 2nd globally in SIDS). Indiscriminate dumping of plastics in LAC is highlighted especially during our perennial rainfall when rivers are clogged, and coastlines inundated with post-consumer plastics. There is a lack of post-consumer PET plastic recycling infrastructure in LAC and is further exacerbated by insufficient Project Financing in the recycling sector.

In February 2021, the World Bank commissioned an assessment of the Waste Management Sector in the region, which states: *"it has become increasingly more difficult to find an outlet for processed waste due to the closure of international markets such as China. In addition, there is an increasing demand for "clean" recyclables, meaning processing facilities need to ensure a higher and more homogenous quality of the materials to be exported. Therefore, it would make sense to develop recycling schemes on a regional level, whereby economies of scale can be created. As such, the Caribbean should assess the feasibility of a regional plant for the reprocessing of PET, possibly with the financial support of the bottling companies"*.

With a population of 1.4 million people, Trinidad and Tobago is the second highest producer of post-consumer PET plastic wastes per capita in LAC. A study shows that 26,000 metric tonnes (MT) of post-consumer PET plastics are available in Trinidad and Tobago annually.

According to the tenets of the CDM, the proposed rPET project can be envisaged as a CDM project whereby the project can earn saleable Certified Emission Reduction (CER) credits. Examples of this already exist. Green Tech, a plastics recycling company based in Bucharest, Romania (<https://www.green-tech-global.com/en>). Green Tech is estimated to issue approximately 453,000 carbon credits on the voluntary carbon offset market with an estimated annual average GHG emissions reduction of 45,380 tons of carbon dioxide per year over a 10-year crediting period. The carbon credits will then be sold to companies attempting to reach decarbonization targets or individuals who want to reduce or neutralize their carbon footprints.

Green Tech is an example of a CDM project utilizing a Circular Economy model to earn CER credits.



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Collections of post-consumer PET plastic has its challenges, especially amongst Small Island Developing States (SIDS). Collections and its subsequent processing can't be done in silos and thus requires a sustained collaborative effort. As a potential Social Actor within the ACS, we plan to work with regional and international stakeholders to develop strategies to facilitate the collection of post-consumer plastics geared towards recycling and/or upcycling. To that end, we have partnered with SEARIOUS BUSINESS (<https://www.searriousbusiness.com/>) in the submission of an application to The "Recycle OECS" project, part of a European program with the support of Agence Française de Développement (AFD). The overall objective is to reduce plastic pollution at sea and/or ending its course in rivers or in uncontrolled landfills.

In this regard, SMCL hopes that the information provided was sufficient to inform deliberation on the proposed application.

SMCL remains committed to addressing the woes that post-consumer plastics (PET & HDPE) inflict upon our shared environment in Latin America and Caribbean (LAC) and that member states find favour in granting SMCL **Social Actor Status**.

Ronald Pilgrim

Chief Executive Officer

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