

APPLICATION FOR SOCIAL ACTOR- SMCL INVESTMENTS TRINIDAD LIMITED- MARCH 16TH, 2022

ASSOCIATION OF CARIBBEAN STATES (ACS)

**25th INTERSESSIONAL PREPARATORY MEETING FOR THE 28TH ORDINARY
MEETING OF THE ACS MINISTERIAL COUNCIL**

ACS Secretariat, Port of Spain, Republic of Trinidad and Tobago

(Virtual Meeting)

18th January, 2023



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 Clair, Trinidad W.I.

16th March 2022

His Excellency,

This letter introduces the entity of *SMCL Investments Trinidad Limited* and its expression of interest, in becoming a “Social Actor” within the Association of Caribbean States (ACS).

SMCL Investments Trinidad Limited is a registered limited liability company within the twin island state of Trinidad and Tobago. The company’s core structure is comprised of a board of directors and supported by a team of senior consultants who together, have developed a comprehensive business plan, set to deliver SMCL’s key objectives within a legal, social, economic and sustainable framework.

The SMCL team’s passion for sustainability, truly provides the motivation to making a difference as it relates to halting the effects of Climate Change. The team is aiming to develop and implement projects, that hold true to the tenets of Sustainable Development and Net Zero Carbon Emissions, within the local and regional communities where we intend to operate. SMCL has been relentless in seeking out partnerships and collaborative opportunities towards these worthwhile ends.

SMCL proposes to construct a Bottle to Bottle PET recycling facility in Trinidad & Tobago. Once tested and approved, this flagship **Proof of Concept** initiative, would be extended throughout Latin America and the Caribbean. SMCL is aiming to change the narrative surrounding the “single use” of PET plastics and the traditional Linear Economy, to one that reflects the tenets of a true “Circular Economy.”

As the first Greenfield project of its kind in Latin America and Caribbean (LAC), the plant is projected to process 16000 Metric Tonnes of available post-consumer PET plastic annually, converting it into FDA approved Food Grade recycled (rPET) resins which could be reintroduced into the PET plastic packaging manufacturing process. This process would effectively reduce the need for the current requirements for “Virgin PET plastic materials” and inherently support the tenets of a true “Circular Economy”. The plant is modular by design and thus would retain the capacity to be upscaled and retrofitted within the short to medium term, to include the recycling of other types of plastics, specifically High-Density Polyethylene (HDPE) plastics.

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This intended Project would:

1. Seek to prevent PET plastics from entering the landfills and oceans through consumer driven initiatives, which encourages waste segregation at the source.
2. The collection and baling of “clean” PET plastics, which can then be processed and recycled.
3. Support the conversion of landfills into Eco Parks, which foster entrepreneurial activities that positively impact the quality of life of our communities.
4. Support the monetization of waste streams, which contributes to the GDP of home States.
5. Boosting and supporting the National Agenda, as regards its commitments to the Paris Agreement.
6. Working with local entities (Public, Private & NGO’s), in order to support the development of Sustainable Cultures, within Trinidad and Tobago and the wider Caribbean.

SMCL believes that the scale of this project, directly aligns with the enshrined tenets of the ACS Convention, especially as it relates to the directives of the Directorate for Disaster Reduction, Environment and the Caribbean Sea”.

SMCL’s commitment has been consistently directed towards the development of local and regional partnerships, in order to support Sustainable Development within the wider Caribbean. SMCL has actively engaged local entities CZITT (Carbon Zero Initiative of Trinidad & Tobago) and SWMCOL, in order to support the concept of **Empowered Sustainable Communities**.

SMCL’s success revolves around collaborations and partnerships, which lead to transformed social and cultural landscapes. A critical aspect of SMCL’s initiatives would be the preservation of the natural environment with a keen focus on sustainability. SMCL has already engaged in discussions with Public and Private Sector entities within the Dominican Republic, Haiti, Bahamas, and Cuba, where the focus was the build inter-regional alliances, in order to facilitate the collection and transboundary shipment of post-consumer PET plastics for the purposes of recycling.

SMCL’s ongoing initiatives underpins several of the United Nation’s Sustainable Development Goals (SDG's), which are in turn supported by the local Ministry of Planning and Development. These measures speak to Trinidad and Tobago's response to Climate Change and the Policy framework that supports it. SMCL also intends to support consistent and integrated programs, whereby a greater quality of life can be attained and sustained within our local and regional communities. SMCL would consistently seek out engagements that support the tenets of sustainability and biodiversity through socio-economic activities.



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SMCL would be funded initially through a combination of Debt and Equity financing mechanisms. The SMCL team has held discussions with the following financing bodies, who have all expressed an interest in our proposed project:

- MPC Capital and its subsidiary MPC Caribbean Clean Energy – German Equity Financing
- MIROVA Natural Capital – Equity, Debt and Mezzanine Financing
- Republic Financial Holdings Ltd (RFHL) – Debt Financing
- GEF / IADB – Grant Financing
- IADB Invest – Debt Financing

SMCL shares the vision and objectives held by the **Directorate for Disaster Reduction, Environment and the Caribbean Sea** and wishes to focus its efforts within this aspect of the ACS once given “Social Actor” status. We believe that we can support the Directorate’s objectives through:

1. Supportive remediation programs for the recycling of PET plastics, which are set within our operating jurisdictions. These initiatives would support the tenets of the **Circular Economy** through the application of a “Closed Loop System”.
2. These programs would seek to eliminate the challenges being experienced in the degradation of agricultural soils, that lead to large scale flooding and the long-term impact to livelihoods and Bio-Diverse Systems.
3. SMCL’s Business Model would seek to prevent post-consumer PET plastics from being deposited in water course-ways, streams and ultimately, the Caribbean Ocean. This would deliver benefits attributed to the long-term health of people, as well as the protection of the varied marine life-forms, that are impacted annually. Ocean and Landfill bound plastics is a global phenomenon that needs to be addressed now.
4. SMCL’s project shall reduce the existence of Persistent Organic Pollutants (POP’s) and the emissions of Methane Gases, which are released into the environment during the degradation and burning of plastics at landfill sites.
5. SMCL would also be seeking to develop and implement local awareness programs directed to primary and secondary schools. These programs would seek to educate and empower our future generations, towards the importance of sustainability mindedness and an eco-preservation commitment.

Throughout these engagements, SMCL is confident in its ability to create opportunities for national and regional partnering, set to tackle head-on, the negative impacts of climate change and the behaviours that contribute to its escalation. As we partner together to fight a very common threat, that of Climate Change and the degradation of our natural environments, it is only with a sense of

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collective purpose and recognizing our co-joined futures, that we can we hope to achieve sustainable levels of growth and empowerment through education and sustained action.

The existing social structures would need to be supported with the necessary systems, resources, and opportunities, through which a collective approach may be taken, to protect and preserve our air, land and marine elements. It is within this critical context of national and regional concern, that SMCL intends to partner with the ACS towards making a positive difference.

As an accepted "Social Actor" within the ACS, it would be our concerted and conscientious aspiration to bring value to the Convention, primarily through strict support to the tenets of the Convention and in so doing, support the objectives of strengthened economic and social Cooperation, preservation of our collective environments in order to enhance the quality of life for future generations, while recognizing the importance of the Caribbean Sea, the shared history and the brighter future that she provides.

It is with these overarching principles and focus areas presented to the ACS, that SMCL sincerely hopes our application to obtain "Social Actor" status is considered and granted.

A full version of our Business Case and Economic Model can be provided upon request, should the Authority deem it necessary.

Kindest Regards,

Ronald Pilgrim
CEO, SMCL Investments Trinidad Limited

Adrian Forte
Chief Compliance and Protocol Officer



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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

SMCL Investments Trinidad Limited

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RESPONSE LETTER TO APPLICATION FOR SOCIAL ACTOR- SMCL INVESTMENTS TRINIDAD LIMITED

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