

Bridging the Gap

Request for Proposals: Implementation of Circular Economy in the Apparel Sector

Deadline: February 18, 2018

Circular Apparel

Circular economy thinking is redesigning the apparel industry to make it work for the people and ecosystems it touches. It challenges the industry on its material choices, manufacturing choices, and retail and use choices. A system in which safe materials are used endlessly, water is restored and energy is clean, biodiversity is valued and improved, allows the apparel sector to be a force for good.

The Challenge

The global apparel sector is becoming more open to circular economy on a technical level (i.e. technologies that enable circular apparel such as chemical recycling), as well as on a business model level. The latter is especially important, as it implies a shift from ownership to use so that materials and apparel are provided as a service, not a product to be rapidly discarded. These new business models are fundamental for the systemic change of the sector and will result in better use of materials and support better working conditions.

The report of the Ellen MacArthur Foundation, co-funded by C&A Foundation, on “A new textiles economy: Redesigning fashion’s future”¹ provides a rich source of circular apparel case studies, as well as an overarching analysis of the challenges and opportunities to scaling circular fibres. The report sets out a powerful vision of an apparel sector that is restorative and fair to all, which is enabled by the shift to circular. This report effectively answers the “why” for circular apparel and creates a call to action on the “how” to implement circular economy.

C&A Foundation is already supporting the implementation of enabling technologies for a circular economy. We saw a need for a platform that would align the industry on a shared innovation agenda and help scale technical solutions, and thus founded and funded [Fashion for Good](#). At the same time, we understand that the technologies can only scale exponentially if there are enabling business models providing the right incentives and financing.

Circular business models are highly disruptive. They change the direction of business relationships so that customers become suppliers of material and suppliers become customers of material. Inputs are circular and safe for human and ecological health, products are delivered as services, the lifetime of products is extended and the value of materials (including natural resources) is kept at its highest.

¹ Available at: <https://www.ellenmacarthurfoundation.org/programmes/systemic-initiatives/circular-fibres-initiative>

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There are many publications on circular business models, including SITRA and Circle Economy's publication on circular business models for the textiles sector². Whilst there are many commitments to circular economy³, few brands/retailers or upstream suppliers are re-designing their business towards circularity. This phenomenon is what C&A Foundation has identified as the "Implementation Gap".

We are therefore looking for innovative ways to bridge the gap in the **implementation of circular business models in companies** at all levels of the apparel value chain. As indicated, many brands/retailers and suppliers are already showing interest in the concept of circular economy, but few move to the next step.

How can we cross this "Implementation Gap" to enable companies to develop, embed and grow circular business models?

Request for Proposals

This request for proposals aims to find and fund initiatives that will support the **implementation of circular business models in companies related to the apparel industry**.

Given the ambition above, we believe that successful initiatives will incorporate organisational change and design thinking⁴. Design thinking is used to create alternative and innovative solutions to complex problems by:

1. Putting the (hidden) needs of people/organisations at the heart of a design process;
2. Defining the "right" problem/ambition to solve;
3. Rapidly ideating and prototyping multiple solutions before executing on one.⁵

We also expect successful initiatives will be *innovative and bold*, challenging the status quo that keeps the global apparel industry linear.

C&A Foundation has a budget of EUR 1.5m for this request (maximum budget for one grant proposal is EUR 300k) and intends to select up to seven proposals based on the criteria that follow. The proposal may be part of a larger collaboration or programme and leverage other funds.

We will facilitate a learning group for the winners to connect frequently and share lessons and evolving methodologies, with the ultimate aim of publishing each case study.

² Available at: <https://s3-eu-west-1.amazonaws.com/stjm/20160330092502/Service-based-business-models-and-circular-strategies-for-textiles-2015-SITRA-STJM.pdf>

³ A recent industry wide commitment for circular has been facilitated by Global Fashion Agenda - <http://www.globalfashionagenda.com/commitment/>

⁴ Adapted from Stanford d.School: which has compiled a list of further reading on design thinking at <https://dschool.stanford.edu/resources/dschool-reading-list>.

⁵ Adapted from "Design Thinking for Social Innovation", 2010, Tim Brown & Jocelyn Wyatt. Available at https://ssir.org/articles/entry/design_thinking_for_social_innovation

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Applicants should incorporate one or more of the following principles in order to achieve a measurable increase in the implementation of circular business models within the timeframe of the grant:

- **Design First.** Incorporate design thinking/organisational change as a fundamental approach;
- **Innovation.** Use innovative processes for implementation that bridge the gap between the idea and actual change;
- **Regional.** Have a regional focus (regions can be countries or continents);
- **Vision.** Demonstrate how this proposal can set an example that accelerates the uptake of the circular economy in apparel more broadly.

We want to achieve:

- **Successes in implementing Circular Economy.** Since this Request for Proposals focuses on bridging the “Implementation Gap,” we expect to see many numbers of companies involved and tangible results from the implementation;
- **Proof of concept.** We want to see clear outcomes that demonstrate proof of concept. In the full proposal, applicants will be asked to identify the key performance indicators for their outcomes;
- **Deeper collaboration.** Successful applicants will create and/or leverage networks of companies and other stakeholders with a focus on circular economy. We aim to strengthen the networks in circular economy at a regional level;
- **Plan for scale-up.** As a result of the initiative, a clear plan for scaling needs to be developed;
- **Sharing of lessons.** Successful applicants will capture insights and lessons for broader dissemination to the industry.

Proposal Criteria

The first step for applicants is to complete a proposal note (see [Template](#)) outlining the context, description of the initiative, and organisational profile in no more than three pages.

Proposal notes from for-profit and non-profit organisations are welcome.

In all proposal notes, we will look for the following elements:

- Incorporation of the above principles;
- Explicit outcomes of the initiative (i.e., what will change because of the initiative);
- The use of channels that can effectively engage internal leadership of companies;
- Clearly delineated roles and responsibilities of all implementing partners;
- Description of how this initiative contributes to longer-term transformation of companies embracing circular economy business models;
- Where relevant/feasible, a description of the role of advocacy between the initiative’s

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stakeholders and policymakers.

Additional considerations:

- **Geography:** Recognising that successful implementation strategies for companies are context-specific, we are seeking proposals that focus on a single region or country. The following are in scope: North America, South America, Europe, Asia (with preference for Bangladesh, China and India);
- **Regional knowledge:** Proposals must come from organisations that have a history of working in the focus region/country and have a base in the region/country in which they are implementing;
- **Duration and size of grant:** Proposals should have a duration of no more than three years and a maximum request from C&A Foundation of EUR 300k. Smaller pilot programmes with a clear path to scale are encouraged.
- **Co-financing:** Proposals with cash or in-kind co-financing are encouraged.

In addition, C&A Foundation applies the lens of gender justice across all programmes. We will prioritise applications that are able to integrate gender equality and equity into their outcomes, but this should go beyond acknowledging the fact that the majority of apparel workers are women. For more information on our gender lens, please see our gender justice theory of change [available on our website](#).

We will **not support** proposals that:

- Focus on technical innovations, such as improvement of waste management or re-and upcycling;
- Only include for-profit consultancy services to individual companies;
- Focus on scaling a start-up with a circular business model;
- Only include research; and
- Are from individuals without a registered legal entity.

Selection Process and Timeline

This request for proposals is open from December 18, 2017 until February 18, 2018 (12:00 am CET). Please send your application to the following email address:

circular@candafoundation.org

The selection process is:

Step 1: Review proposal notes (max 3 pages):

All proposal notes will be assessed against the assessment criteria in the table below (25 points available), and will be ranked.

Assessment Criteria
How well has the applicant understood the challenge of the “implementation gap” of circular economy in apparel?
How coherent and logical is the link between the proposed approach and outcomes?

How realistic and innovative is the proposed approach and the outcomes in the timeframe and budget proposed?
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How scalable is the proposed approach (i.e. will it catalyse a broader, systemic shift in the industry)?
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How relevant to facilitating the implementation of new business models is the previous experience of the organisation(s) and the team?
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Step 2: Submit full proposal:

The top 10 applicants will be invited to submit a more detailed proposal, and will be informed by February 28, 2018 and provided the appropriate template. Applicants will receive a lump sum compensation of EUR 2.5k to cover proposal development costs.

Step 3: Final selection and approval:

C&A Foundation and two external experts (with non-disclosure agreements) will make the final selection of up to seven grants. Grants below EUR 100k will be notified by March 30, 2018. Grants that are above EUR 100k will need to be approved by C&A Foundation's Investment Committee in May 2018.

C&A Foundation

C&A Foundation Background

C&A Foundation is a corporate foundation that exists to transform the fashion industry. We provide practical and financial support to test and then scale initiatives that will make our industry work better for the people who make the world's clothes and make fashion a *change agent for good*. Our work is focused on five areas where we believe we can make the biggest impact:

- 1) Improving working conditions
- 2) Accelerating sustainable cotton
- 3) Tackling forced and child labour
- 4) Transitioning to a circular economy
- 5) Strengthening communities in C&A sourcing and in retail countries

We believe that despite the vast and complex challenges in the fashion industry, we can all work together to make fashion a force for good. Our affiliation with C&A, a leading global clothing retailer, allows us to test, replicate and scale programmes that improve our industry.

This request for proposals falls under the Circular Fashion signature programme, which calls for a new kind of industry. One that uses and reuses safe materials. One that restores and regenerates ecosystems. One that provides dignified work for people making products that are "made to be made again". We are here to support this transition by funding partners that are:

- Nurturing and scaling innovative solutions that can change the way our clothes are made, retailed, used, and reused;
- Building and strengthening industry collaborations to tackle shared challenges towards circular;
- Developing and enforcing policies that foster good conditions for the implementation of circular business models; and
- Building and sharing knowledge, tools and capacity for companies to develop circular business models and products.

Appendix

Template

This is the template for a proposal note – the first phase of the application process in the Request for Proposals: “Bridging the Gap”. Please address the following in no more than three pages.

When you submit your proposal note, please copy in a representative from each confirmed partner.

PART ONE: OVERVIEW

Initiative title	
One-sentence description	
Geographic focus	
Expected # of direct beneficiaries and/or # of organisation users	<i>The number of companies that will experience change towards circular business because of your initiative</i>
Organisation name and contact details (including website)	
Duration	<i>Initiative start and end dates (for which you're requesting support)</i>
Other partners	<i>Local partners or other cooperating organisations</i>
Total cost (in Euro)	<i>Total estimated cost</i>
Funding request (in Euro)	<i>Amount that you are requesting from C&A Foundation (cash)</i>
Indicative co-financing (in Euro) ⁶	<i>Any resources that you or others are or may provide in addition to C&A Foundation support (cash and in-kind)</i>

PART TWO: CONTEXT

- Please describe the problem your initiative seeks to address with a focus on your analysis of why there is an implementation gap in circular business models. (max 150 words)

PART THREE: INITIATIVE DESCRIPTION

- How will your initiative address the central problem you identified above? Please describe your activities, results and any assumptions on which your strategy depends.
- How does it advance gender justice?

⁶ Co-financing is defined as financial or in-kind resources that are additional to the foundation grant and directly support the implementation of the initiative and achievement of results committed at approval. Types of co-finance are: grants, loans, equity investments, committed in-kind support.

PART FOUR: ORGANISATIONAL BACKGROUND & BUDGET

- Who are the main implementing partners (including roles) and why are they the best organisations to implement this initiative? (max 200 words)
- Indicate the budget that you foresee as needed. If applicable, please indicate any co-financing.