

## Request for Proposals

### Transitioning to an Inclusive Circular Economy and Fashion Industry

#### (Action Research and/or Implementation Initiatives)

#### 1. Overview

C&A Foundation is a corporate foundation here to transform the fashion industry. We give our partners financial support, expertise and networks so they can make the fashion industry work better for every person it touches. We do this because we believe that despite the vast and complex challenges we face, we can work together to make fashion a force for good.

This request for proposals falls under the Circular Fashion signature program, 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 nurture and scale new solutions that can change the way we produce, sell and use our clothing.

We are starting to see this transition to a circular economy in the apparel sector. Circular economy thinking is being applied to the apparel industry to make it work for the people and ecosystems it touches. Circular fashion business models are one manifestation of this transition. These business models imply concepts that facilitate ‘fashion as a service’ or ‘fashion sharing initiatives’. It challenges the industry on its choices of materials, manufacturing techniques, retailing models and use and end of use.

There is no singular definition of a “circular business model” in the apparel industry. For the purposes of this request for proposals, examples of circular business models in the fashion industry include rental, reuse, re-commerce, repair or remanufacturing, fashion as a service and closed-loop production systems.

Under this request for proposals, C&A Foundation will select organisations for either action research or implementation initiatives that can be applied to C&A Foundation’s focus countries. Proposals are invited for programmes (prototype implementation or research) that can contribute to improving lives and livelihoods in a circular economy in the apparel industry

The deadline for submission of concept notes is 30 July 2019.

#### 2. The Challenge

A circular economy promises a way to move to a new system that can benefit everyone within the limits of the planet. As noted by the Ellen MacArthur Foundation, transitioning to a circular economy does not only amount to adjustments aimed at reducing the negative impacts of the linear economy.

Instead, it represents a systemic shift that builds long-term resilience, generates business and economic opportunities, and provides environmental and societal benefits<sup>1</sup>.

Transitioning from a linear to a circular economy in fashion has the potential to improve the environment and peoples' lives. Reducing the use of valuable virgin resources and making materials that are as safe as possible should lead to a reduction in waste, greenhouse gas emissions, pollution and destruction of natural habitats, and indeed lead to ecological restoration. New jobs can be created in emerging "green" industries (as we have already seen in renewable energy) and the supporting service industries required for a circular economy to function, such as in recycling. Financially, McKinsey & Company estimates that adopting circular-economy principles could generate a net economic benefit for the EU of €1.8 trillion by 2030<sup>2</sup>. The EU itself estimates that waste prevention, eco-design, re-use and similar measures could bring net savings of €600 billion, or 8% of annual turnover, for businesses in the region<sup>3</sup>. Through circular business models that focus on products as a service, consumers can benefit from the increased choice of items they can use and potentially save money if they no longer need to own items to use them.

However, there is little evidence to show how new circular business models operating at scale in the apparel industry, and the transition towards them, will ultimately produce positive outcomes for people - particularly the most vulnerable. There indeed exists an opportunity to design and operate a new economic system that addresses the underlying power dynamics and flaws of the current linear system. Negative outcomes from the current system comprise reinforcing negative gender norms in marketing and consumption, poor working conditions including low pay, insecure employment and dangerous working conditions. We have unfortunately seen cases from other industries<sup>4</sup> where the transition and implementation of new business models (such as sharing and servitisation/ product as a service models) have, at best, not considered their effects on people or, at worst, intentionally embedded practice that leads to greater inequality and poor conditions, for the greater economic gain of a few. In the apparel industry, new means of production, selling and consumption can also impact people in many positive but also potentially many negative ways.

This raises many questions, such as:

<b>Individual and societal impacts</b>	What are the financial, health or social impacts of circular economy business models in the apparel industry on women and vulnerable groups <sup>5</sup> , how can they benefit more?  What employment models will be prevalent in a circular economy and how can they lead to good working conditions?
--	---

---

<sup>1</sup> Ellen MacArthur Foundation website, [the circular economy concept](#)

<sup>2</sup> McKinsey & Company - [Europe's circular-economy opportunity, September 2015](#)

<sup>3</sup> European Commission – [Fact Sheet, Circular Economy Package: Questions & Answers, 2015](#)

<sup>4</sup> The Guardian - [From AirBnb to city bikes, the sharing economy has been seized by big money, 27/11/2018](#)

<sup>5</sup> Vulnerable groups are those that are discriminated against and that may have difficulty in defending themselves, for example women and girls, children, migrant workers, ethnic minorities, LGBTQ people, disabled people or people living in poverty.

	<p>To what extent do circular business models perpetuate current existing problems affecting consumers or workers in the apparel industry? What is needed to improve the business practice and model?</p> <p>How can companies be held accountable for the social impacts of circular business models?</p>
<b>People-centred design and models</b>	<p>How can companies design in intentional inclusion and fairer distribution for people when developing circular business models? How can these models be gender inclusive?</p> <p>Gender-sensitive design/influence: How do we ensure women's needs are informing the design of circular economy apparel products and services?</p> <p>How will workers be involved in developing new circular economy production and employment models and occupations?</p> <p>How do we mitigate negative outcomes for vulnerable groups in the transition to, and implementation of, a circular economy in the apparel industry?</p>
<b>Distribution of wealth and power</b>	<p>Can circular business models support businesses and communities to flourish? Could these models concentrate power in one part of the value chain (or loop)? How can they have a positive impact in terms of how wealth is distributed?</p> <p>How can companies practically use circular business models to address the imbalance of power in the industry and ensure more equitable distribution of benefits?</p>
<b>An evidence-based just transition</b>	<p>What data or research is lacking to make better and more informed decisions in the transition to a circular business model?</p> <p>How do methodologies in change management or transition management<sup>6</sup> need to be adopted or adapted to ensure the move from linear to circular business models keep gender and social inclusion as a priority?</p>

---

<sup>6</sup> Change management methodologies refer to the processes, and approaches used to prepare individuals and organisations for change, in this case, from linear business models and systems, to circular business models and systems.

Transition Management aims to deal with persistent societal problems by exploring and furthering more sustainable systems. It is a governance concept – a process-oriented and participatory steering philosophy that enables social learning through iterations between collective problem structuring, vision development, coalition building, experimenting and monitoring (Drift, <https://drift.eur.nl/about/transitions/>)

### 3. What We Want to Achieve

We aim to enable a new, circular system in the apparel industry and its transition towards it, to be fair and inclusive i.e. it should ensure shared prosperity for all and address inequalities such as in gender.

Proposals are invited for programmes (prototype implementation or research) that can show how they contribute to improving lives and livelihoods in a circular economy in the apparel industry.

### 4. Request for Proposals

C&A Foundation is seeking initiatives that will support a transition to an inclusive and fair circular fashion industry where people can thrive. **How can the transition to, and implementation of, circular business models ensure positive outcomes for the workers, employees, customers and wider society?**

C&A Foundation is inviting proposals for programmes that will contribute **evidence** (through research) or **prototype** initiatives to ultimately achieve one or more of the following:

- Improve lives and livelihoods in a circular economy in the apparel industry
- Increase capacity of stakeholders responsible for implementing a circular business model to understand how to address fair and inclusive considerations
- Increase or improve the quality of actionable and open-access data sources and methodologies used to implement circular business models in the apparel industry that address gender and social inclusion

There is no singular definition of a “circular business model” in the apparel industry. For the purposes of this request for proposals, examples of circular business models in the fashion industry include rental, reuse, re-commerce, repair or remanufacturing, fashion as a service and closed-loop production systems.

These key issues can be addressed by proposing a research study or implementation.

Prototype Implementation Initiatives Requirements
<ul style="list-style-type: none"><li>• Provide a proof of concept or an approach and show how it can be scaled and applied in the apparel industry</li><li>• Demonstrate how it can lead to improved lives and livelihoods of people – workers, employees, customers or wider society (particularly the most vulnerable)</li><li>• Demonstrate how lessons from previous initiatives and research have been incorporated into the approach</li><li>• The methodology and results are expected to be published and made available to the public (subject to C&amp;A Foundation approval)</li></ul>

- Priority will be given to collaborative efforts between different stakeholder groups, particularly with organisations that can scale the initiative
- The applying organisation can demonstrate prior experience in developing and scaling initiatives

## Research Initiative Requirements

- Action and participatory action research methodologies are favoured. Research initiatives must include impacted stakeholder groups' perspectives (such as employees and workers in the apparel industry, consumers, or others)
- Research should demonstrate why the proposed research is needed and which gaps in knowledge it aims to plug, that will accelerate and enable the move towards an inclusive circular economy. A review of background documents and existing landscape should be conducted
- Contributes strong evidence to the field of circular economy and its impact on people that can guide practice in the future
- Include practical and specific recommendations that can be applied in the short term by relevant stakeholders
- The full proposal must include a robust dissemination plan with timeline and milestones
- The findings must be able to be applied in order to achieve the outcomes outlined above in section 4 in the apparel industry and are practical enough to be used by other organisations promoting and influencing this field **and/or**
- The research findings contribute significantly to increasing knowledge and developing the field of circular economy in the apparel industry
- The research methodology, analysis and findings are published and made available to the public (subject to C&A Foundation approval)
- Priority will be given to collaborative efforts between stakeholders, particularly with organisations that can test and take on the research recommendations
- The applicant can demonstrate prior experience in providing practical recommendations that have been implemented

## 5. Funding Details and Requirements

- There are two categories of grant size. Please note there are different dates expected for approval according to the size of the request but the deadlines for submissions of concept notes (30<sup>th</sup> July 2019) and full proposals (30<sup>th</sup> September 2019) are the same.
  - Up to EUR 100,000 (approval expected by mid-December 2019)

- Between EUR 100,000 and EUR 500,000 (approval expected by end of May 2020)
- Grants can be used for implementing an initiative or a research programme, or for scoping or initiating a larger initiative
- Co-funding is encouraged (in cash or in kind)
- Initiatives must take place in, or be applied to, at least one of C&A Foundation's focus countries – Brazil, Mexico, within Europe, Bangladesh, India, China, Indonesia, Cambodia or Sri Lanka
- Initiatives must come from organisations that have a history of working in and have a base in the region/country in which they want to implement or research
- Priority will be given to collaborative efforts between stakeholders and organisations
- Applications (concept note and proposals) must be submitted in English
- An institution cannot submit more than one application (concept note / proposal)
- Incomplete applications will not be considered
- Information and details provided in the application (including the institutional details) should be correct and verifiable; else the submission will be liable for disqualification
- C&A Foundation will accept submissions as electronic files only. Submissions by any other method will not be accepted

## 6. *What We Will Not Fund*

- Individuals (applicants must be registered entities with the permission to operate in the country of implementation)
- Initiatives that benefit one company and where results cannot be applied to the industry
- Initiatives focused on innovations, that are eligible for support from [Fashion for Good's Accelerator or Scaling Programme](#)
- Initiatives that do not specifically address the social / people issues in a circular economy in the fashion industry
- Initiatives that are focussed on recycling and waste management
- Education initiatives
- Initiatives that significantly subsidise costs that could be covered by private sector partners

- Research that does not yield practical recommendations that can be applied in the short term.

## 7. Selection Process and Timeline: Two Stage Submission Process

The application process has been divided into two stages – Stage 1: Concept Note and Stage 2: Full Proposal. Only eligible and shortlisted applicants from the Concept Note stage will be invited to submit a full proposal under Stage 2.

***Please note, we are unfortunately unable to respond to detailed enquiries about the request for proposals and we cannot provide feedback on unsuccessful applications that have not been selected to submit a full proposal.***

Date	Activity
30 <sup>th</sup> July 2019	Deadline for submission of completed <b>concept note</b>
30 <sup>th</sup> August 2019	Shortlisted applicants will be invited to submit a <b>full proposal</b>
30 <sup>th</sup> September 2019	Deadline for full proposal and all supporting documentation for proposals
1 <sup>st</sup> October onwards	Proposals will be reviewed by C&A Foundation
15 <sup>th</sup> December 2019	Applicants will be informed of the funding decision for grants of up to EUR 100,000
30 <sup>th</sup> May 2020	Applicants will be informed of the funding decision for grants between EUR 100,000 and EUR 500,000

### Step 1: Submission of completed concept note (see below for the template)

All concept notes will be assessed against the criteria below.

	Prototype / Implementation Initiatives	Research Initiatives
<b>Relevance and originality</b>	How relevant and original is the initiative to improving the lives/livelihoods of people in a circular fashion industry?	How relevant is the research topic to improving the lives/livelihoods of people in a circular fashion industry?
<b>Methodology</b>	How coherent and logical is the link between the proposed approach and its outcomes (including one or more listed in section 4)?	How relevant is the methodology of the research? What measures are in place to ensure academic quality?

<b>Feasibility</b>	How realistic and cost-effective is the proposed approach and the outcomes in the timeframe and proposed budget?	How realistic and cost effective is the proposed approach and the outcomes in the timeframe and proposed budget?
<b>Substantive Contribution</b>	How significant a contribution in knowledge, evidence or practice does this make to the field of circular economy and circular fashion?	How clear and significant are the research insights and for addressing specific development issues?
<b>Composition of Team</b>	How relevant is the previous experience of the team and organisation(s) to the initiative?	How relevant is the previous experience of the team and organisation(s) to the initiative? What academic quality does the team bring to research initiatives?
<b>Scalability and Action Orientation</b>	How scalable is this initiative / how well does this initiative enable scaling of inclusive circular business models in the apparel industry?	How well will the initiative identify and communicate results and practical recommendations for key actors to take up in the short and longer term?

## Step 2: Submit full proposal

The shortlisted applicants will be invited to submit a more detailed proposal and will be informed and provided with an appropriate C&A Foundation proposal template. Applicants that submit a full proposal will receive a lump sum compensation of EUR 2,500 to cover proposal development costs.

## Step 3: Final selection and approval:

C&A Foundation and up to two external experts (with a non-disclosure agreement) will make the final selection of proposals. Applications over EUR 100,000 will be considered by the C&A Foundation Investment Committee.

Please submit the following concept note to [circular@candafoundation.org](mailto:circular@candafoundation.org) by 30 July 2019

## Concept Note Template

This is the template for a concept note – the first phase of the application process for a C&A Foundation grant. Please address the following in **no more than four pages** and submit to [circular@candafoundation.org](mailto:circular@candafoundation.org). When you submit your concept note, please copy in a representative from each confirmed partner.

**Please note, we are unfortunately unable to respond to detailed enquiries about the request for proposals and we cannot provide feedback on unsuccessful applications that have not been selected to submit a full proposal.**

### PART ONE: OVERVIEW

Initiative title	
One-sentence description	
Type of initiative	<i>Please specify if this is for implementation, research or other</i>
Geographic focus	
Expected # of direct beneficiaries and/or # of organisation users	
Organisation name and contact details	
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&amp;A Foundation (cash)</i>
Indicative co-financing (in Euro) <sup>7</sup>	<i>Any resources that you or others are providing in addition to C&amp;A Foundation support (cash and in-kind)</i>

### PART TWO: CONTEXT AND INITIATIVE DESCRIPTION

1. Please describe the problem your initiative seeks to address (maximum 150 words).
2. How will your initiative address the central problem you identified above? In particular, please describe your activities, results and any assumptions on which your strategy depends. Please describe which groups of people your initiative addresses, and why/how they will be affected by the transition to a circular economy.
3. How will the proposed initiative provide recommendations for short and long term changes, and to which actors?

---

<sup>7</sup> 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.

4. How does your initiative address any differential impacts of problems facing women and men? How does it advance gender justice?
5. How will your initiative build on the learning and successes of other similar efforts and go beyond what has been tried before?

## **PART THREE: ACHIEVING AND MEASURING RESULTS**

6. Please describe how your initiative will achieve one or more of the following:
  - a. Improve lives and livelihoods of people in a circular economy in the apparel industry
  - b. Increase capacity of stakeholders responsible for implementing a circular business model to understand how to address gender and social inclusion
  - c. Increase or improve the quality of actionable and open-access data sources and methodologies used to implement circular business models in the apparel industry that address gender and social inclusion
7. How will you sustain ongoing results after the foundation grant ends?
8. Who are the main implementing partners and why are they the best organisations to implement this initiative?

### ***Additional Information***

For matters related to how your data is processed, please see C&A Foundation's Partner Privacy Statement <https://www.candafoundation.org/partner-privacy>.

In some cases, we may see an opportunity for funders in our network to support your initiative. By submitting a concept note, you agree to us sharing your concept note with other funders. **If you would prefer that we do not share your concept note with any others, please state this clearly in your application.**