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**Call for Expressions of Interest**

**Textiles & Garments**

**Guidelines for Applicants**

**April 2021**

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# 1 Background

In its Annual Action Programme 2019 for Environment and Climate Change under the Global Public Goods and Challenges Programme, the European Union supports the design and implementation of circular economy actions in developing countries.[[1]](#footnote-1)

1. “SWITCH to circular economy value chains” will be implemented by a Partnership of UNIDO (lead), the European Investment Bank[[2]](#footnote-2), the Royal Institute for International Affairs (Chatham House) and Circle Economy. The project is expected to have a five-year duration and to commence in 2020.
2. The project will promote the adoption of circular economy practices in selected value chains, green and decent job creation, and the green economy transition. It will target private sector operators, notably MSMEs and local financial institutions, providing technical assistance and capacity building on circular practices and on business management, notably aspects related to access to finance for sustainable investments.
3. As such, “SWITCH to circular economy value chains” recognises that the establishment of circular economy approaches in developing countries requires the involvement of the EU private sector: most EU multinational companies have supply lines that begin in developing countries and, in order to meet their circularity goals, such multinational companies must ensure their suppliers in developing countries also adopt circularity practices.
4. This “last mile” of working with suppliers in the developing economies is difficult for multinationals in global value and supply-chains and the project has a key role to play in making an effective link between these entities. At the same time, multinational companies have the influence to induce the private sector in developing countries to make the necessary changes to their processes and practices to align with circularity goals and continue to be a valued supplier.
5. The aim of this call for expression of interests is to select circular economy projects submitted by eligible applicants, which are likely to have impact, be relevant to the countries in which they take place, be effective and offer scope for replicability in other countries.

# 2 The Objectives of “SWITCH to circular economy value chains”

## 2.1 The Objectives of the overall “SWITCH to circular economy value chains” programme

1. The “SWITCH to circular economy value chains” overall objective is to increase the policy uptake of circular economy approaches in targeted countries and it plans to achieve this through improved circularity amongst private operators of selected value chains.

The main outputs will be:

1. Knowledge on circular opportunities in selected value chains developed and disseminated;
2. Pilot projects designed and implemented;
3. Capacities of supported MSMEs to adopt circular economy approaches and to access finance improved;
4. Private sector dialogue and networking in selected value chains facilitated; and
5. Financial products aimed at investments in circularity developed by financial institutions.

## 2.2 The Objectives of this Open Call for Expression of Interests

1. The objective of this Open Call is to identify pilot projects which could, with appropriate support, assist the suppliers of EU MNCs in selected value chains to switch to more circular economy approaches and practices.
2. This Open Call invites EU MNCs and their suppliers to collaborate with the ‘SWITCH to circular economy value chains’ partners to gain support that will be made available in the form of capacity development, technical expertise, circular ecosystem development and access to finance.

# 3 Rules for this call for expressions of interest

## Eligibility criteria

### 3.1.1 Lead applicant

The lead applicant must:

* Be a European multinational enterprise: a company with headquarters in one of the 27 EU Member States with majority-owned affiliates abroad, which are labelled controlled affiliated abroad[[3]](#footnote-3); and
* Have at least one principal business line in wholesale and retail trade (ISIC Section G, Divisions 46 and 47) of textile products (Harmonized System codes 50-63); and
* Source textile products which have been processed in developing countries and territories, included in the OECD-DAC list of ODA recipients[[4]](#footnote-4); and
* Be directly responsible for the preparation and management of the action with the co-applicant(s) and associated parties, not acting as an intermediary; and
* Be capable of meeting the requirements for co-financing (see section 3.1.4)
* Act with co-applicant(s) as specified hereafter.

### Co-Applicant[s]

Direct support (see “Nature of Support”) may only be provided to the suppliers (of both goods and services) to the lead applicant (an EU multinational enterprise) and only those whose primary place of business is in developing countries and territories included in the OECD-DAC list of ODA recipients[[5]](#footnote-5).

The supplier[s] identified by the multinational company to be the beneficiary of support are therefore an integral part of the project and must be included as co-applicant[s]. The involvement of 2 to 4 suppliers is deemed necessary to define a meaningful action. Suppliers may be Tiers 1, 2 or lower.

In order to be eligible for support by the project, the co-applicant must:

* Be a legal person whose headquarters are established in a developing country or territory, included in the OECD-DAC list of ODA recipients[[6]](#footnote-6), which is not a member of the G20 group; as defined in its legal statutes; and
* Have at least one principal business line responsible for activities categorised as manufacture, remanufacture or recycling (ISIC Section C Divisions 13 and 14) and repair (ISIC Section S, Division 952) of (intermediate) textile products (Harmonized System codes 50-63); and
* Be responsible for the preparation and management of the action in conjunction with the lead applicant(s) and associated parties.

Co-applicant(s):

* Play an integral role in the design and implementation of the action.
* Are eligible for support as defined in Section 3.1.4 (Nature of Support).

### Associated parties

The lead applicant may act with associated parties. This includes, but is not limited to:

* Entities directly or indirectly controlled by the applicant (subsidiaries);
* Entities directly or indirectly controlling the applicant (parent companies);
* Entities under the same direct or indirect control as the applicant (sister companies);
* Suppliers of the lead applicant and/or co-applicant(s) that supply non-textile products that directly contribute to the realization of the project’s core activities.

Associated parties:

* May provide specific support to the Lead Applicant and co-applicant[s] in the design and implementation of the action.
* Are not eligible for support as defined in Section 3.1.4 (Nature of Support) unless their headquarters are established in a developing country or territory, included in the OECD-DAC list of ODA recipients[[7]](#footnote-7), which is not a member of the G20 group.

Intermediary organisations such as service providers, business associations or similar knowledge providers that directly contribute to the realization of the project’s core activities can be listed as associated parties. These organisations are contracted to support the realisation of the pilot project and receive payment for their services.

### Eligible actions: actions for which an application may be made

Definition:

An action is composed of a set of activities.

Duration

The initial planned duration of an action may not exceed 4 years.

Sectors

The action must be in the Textiles and Garments sector.

Location

Actions must take place in one or more developing countries and territories included in the OECD-DAC list of ODA recipients[[8]](#footnote-8), with the exception of capacity building and/or exchange activities and awareness raising which may also take place within the European Union.

Nature of support

Support may comprise:

* Technical assistance and capacity building support relating to the implementation of the approved circular economy project.
* Advice on access to finance and on the loan application process (including necessary supporting documentation including business plan etc.) for investment required to implement the approved circular economy project.

Support provided under this project should lead to major investments by the lead applicant and/or its co-applicant[s] utilising commercial funding or funding from a development finance institution. Applications that clearly demonstrate that intention will be favoured.

Co-financing

The applicant will be expected to provide at least 25% of the cost of the actions as co-financing. “In kind” contribution of co-financing is allowed, including the cost of staff of the lead and co-applicants assigned to the project, reasonable overheads[[9]](#footnote-9) and associated costs.

A project with a budget of less than € 1,500,000 and a duration of less than 3 years is unlikely to have sufficient impact to be selected for support.

Possible types of action

Possible types of action which would be eligible under this open call are listed below. It should be stressed that this list is not intended to be binding or all inclusive: it is primarily to serve as an indicative outline. Applicants are encouraged to define significant projects, which may include items from this indicative list or entirely new items with the same goal of improving overall circularity and benefitting the country in which the action is located.

Possible actions with corresponding activities are:

* The reduction of products’ environmental impact through design for reduced environmental impact, durability and/or cyclability. Activities could include: life cycle assessment of current product portfolio, identification of main opportunities to reduce the products’ environmental impact (e.g. material specifications, chemicals use), circular design of identified products using industry guidelines, development of a manufacturing guide in collaboration with key suppliers, piloting of the circular design and manufacturing guide, improvement of methodology, assessment of investment needs to enable manufacturing of a scale.
* The adoption of new sustainable production process models. Activities could include the assessment and piloting of interventions based on industry tools such as UNIDO’s Resource Efficiency and Cleaner Production and TEST[[10]](#footnote-10) (Transfer of Environmentally Sound Technologies) methodologies to (i) reduce their production waste; (ii) reduce their use of non-sustainable natural resources; (iii) reduce water use; (iv) UNIDO’s Chemical Leasing[[11]](#footnote-11) model or adoption of ZDHC safer chemicals protocols[[12]](#footnote-12) in sourcing chemicals used in production; and (v) improve their Higg index and EIM score.
* The incorporation of recycled content in the production of textiles. Activities could include: the assessment of the environmental impact of replacing virgin materials by recycled alternatives, the identification of feedstock sources and their feasibility, the production of prototypes using recycled content, the identification of investment needs in current supply chain as well as for the development of additional infrastructure (textile collection, sorting, pre-processing) for the incorporation of recycled content at scale.

# 4 How to apply and the procedures to follow

The Open Call is operated on a competitive basis and only the projects that best satisfy the selection criteria will be awarded support from the project.

## 4.1 How to apply

A detailed description of how to apply and the procedures to follow can be downloaded at the following link:

<https://www.unido.org/sites/default/files/files/2021-04/How_to_express_interest_Textiles_Garments.pdf>

**All applicants are urged to download this description and follow its step-by-step guide to the process.**

## 4.2 Deadline for submission of the Application form

The deadline for the submission of applications is the 30 June 2021.

## 4.3 Evaluation and selection of applications

Applications will be examined and evaluated by a Selection Committee comprising independent experts in the field of circular economy.

The evaluation of the quality of the expression of interests, including the proposed budget, and of the capacity of the applicant and partners, will be carried out in accordance with the evaluation criteria set out in the Evaluation Grid below.

**Evaluation Grid**

| Sub-criterion | Score |
| --- | --- |
| **1. Lead Applicant’s commitment and capabilities on circular economy (CE) practices** | **25** |
| 1.1 Does the applicant have a published CE/sustainability strategy endorsed at the highest levels of the organization and has it demonstrated that it is serious about implementing it (e.g.. Long term targets with executive compensation tied to their achievement) ? | 5 |
| 1.2 Has the applicant successfully implemented CE projects (e.g. product changes, new business models, operational changes) with a demonstrable environmental impact? | 5 |
| 1.3 Has the applicant demonstrated a commitment to improving social conditions in the developing countries from which it sources products?  (E.g. human rights due diligence, treatment of suppliers during the COVID-19 pandemic, improving working and labour conditions including fair/living wage, reducing poverty) | 10 |
| 1.4 How many specialist staff are employed by the applicant to support the mission of improving their circular performance? | 5 |
| **2. Applicants’ ability to ensure circular and sustainable value chains** | **15** |
| 2.1 Is the Lead applicant’s role in the value chain sufficiently significant that suppliers will implement their CE recommendations36? | 10 |
| 2.2 Are the applicants’ combined capabilities sufficient to ensure CE principles are embedded throughout the value chain? | 5 |
| **3. Relevance of the applicant’s project** | **20** |
| 3.1 How relevant is the expression of interest to the objectives of the call? | 5 |
| 3.2 How relevant is the expression of interest to the particular needs and constraints of the target country/countries, especially its green recovery and job creation goals? | 10 |
| 3.3 Is the project likely to unlock additional commercial investment in circular products/ practices/ technologies/ systems in the developing country[ies} involved? | 5 |
| **4. Planned methodology** | **25** |
| 4.1 Does the methodology involve the transfer of proven and scalable circular economy products/ practices/ technologies/ systems to developing country suppliers? | 5 |
| 4.2 How coherent is the overall design of the project? Are high-level plans, as well as executive buy-in, in place to mitigate and quickly respond to project risks (e.g. supply chain)? | 5 |
| 4.3 Are the activities proposed appropriate, practical, measurable, and consistent with the objectives and expected results of the project? | 5 |
| 4.4 Is the role of the co-applicant[s] clearly defined and is it realistic? | 5 |
| 4.5 Is the support requested reasonable and realistic? | 5 |
| **5. Potential for replication/sustainability** | **15** |
| 5.1 To what extent is the project capable of wider replication to achieve real impact at scale? | 10 |
| 5.2 Are the expected results of the project sustainable beyond the project implementation period? | 5 |
| **Maximum Total Score** | **100** |

**Provisional selection**

Prior to evaluation and eligibility verification will be performed for all expression of interests that have been submitted. Only those deemed eligible will undergo detailed evaluation.

Following the evaluation, a table listing the expression of interests ranked according to their score will be established. Following the above analysis and if necessary, any rejected expression of interest will be replaced by the next best placed expression of interest.

## 4.4 Notification of selection decision

Applicants will be informed in writing of the selection committee’s decision concerning their application and the reasons for the decision.

## 4.5 Detailed design of the project

Those selected for support will then enter into discussions with the Partnership to agree the detailed design of the project. This may involve amendments (additions and/or deletions) to the project to ensure that it meets the development objectives of the European Commission and of the Government[s] of the country[ies] in which the project is located. Should the applicants not agree to proposed revisions then their project will not be deemed accepted and will be replaced by the next best placed expression of interest.

## 4.6 Memorandum of Understanding

The lead applicant and co-applicant[s] will enter into a legally binding Memorandum of Understanding with UNIDO (as lead partner of the Partnership) setting out their mutual rights and obligations.

Only when this agreement is signed can support be provided by the Partnership.

## 4.7 Indicative timetable

|  |  |  |
| --- | --- | --- |
|  | **DATE** | **TIME** |
| **Deadline for submission of Application Form** | 30th June 2021 | 23.59 |
| **Notification of award** | 30th July 2021 | 12.00- |

All times are in the Vienna time zone.

## 4.8 Data Protection

In processing application to this call for expression of interest, the recording and processing of personal data (such as name, address and CV) will be processed pursuant to Regulation (EC) No 45/2001 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data. Unless indicated otherwise, any replies to the questions and any personal data requested are required to evaluate the application in accordance with the specifications of this call and will be processed solely for that purpose.

# Annex 1: Application form



**Call for Expressions of Interest**

**Textiles & Garments Call**

Application Form

#### 1. KEY DATA

|  |  |
| --- | --- |
| The Project | |
| Title of the Project: |  |
| Location of the Project: |  |
| The Lead Applicant | |
| Name of the lead applicant |  |
| Lead applicant Identity Number [[13]](#footnote-13) |  |
| Address of the headquarters of the lead applicant: |  |
| Annual turnover of lead applicant in wholesale and retail trade (ISIC Section G, Divisions 46 and 47) [[14]](#footnote-14)  of textile products (Harmonized System codes 50-63) |  |
| Annual import to the EU of textile products which have been processed in developing countries and territories, (included in the OECD-DAC list of ODA recipients[[15]](#footnote-15)) |  |
| Website of the lead applicant: |  |
| Legal status | Proof of legal form not older than six months at the time of submission of the application to be uploaded |
| Number of employees |  |
| Major shareholders |  |
| Contact person for this project: |  |
| Contact person's email: |  |
| Contact person’s telephone number: (fixed and mobile) |  |
| Contact person’s Address: |  |

|  |  |
| --- | --- |
| Co-Applicant 1 (repeat until all co-applicants are described) | |
| Name of the Co-applicant |  |
| Address of the headquarters of the co-applicant: |  |
| Annual turnover of co-applicant in activities categorised as (re)manufacture and recycling (ISIC Section C Divisions 13 and 14) and repair (ISIC Section S, Division 952) of (intermediate) textile products (Harmonized System codes 50-63) |  |
| Website of the Co-applicant |  |
| Legal status | Proof of legal form not older than six months at the time of submission of the application to be uploaded |
| Number of employees |  |
| Major shareholders |  |
| Contact person for this project: |  |
| Contact person's email: |  |
| Contact person’s telephone number: (fixed and mobile) |  |
| Contact person’s Address: |  |

|  |  |
| --- | --- |
| Associated Party 1 (repeat until all associated parties are described) | |
| Name of the Associated Party |  |
| Address of the headquarters of the Associated Party: |  |
| Main business activity of the Associated Party (using ISIC Rev 4 Code)[[16]](#footnote-16) |  |
| Website of the Associated Party |  |
| Legal status | Proof of legal form not older than six months at the time of submission of the application to be uploaded |
| Number of employees |  |
| Contact person for this project: |  |
| Contact person's email: |  |
| Contact person’s telephone number: (fixed and mobile) |  |
| Contact person’s Address: |  |

#### 2.  LEAD APPLICANT’S EXPERIENCE WITH THE CIRCULAR ECONOMY

|  |  |
| --- | --- |
| Does the lead applicant have a published Circular Economy/ sustainability strategy? | Yes/No (if yes then upload to the Online Portal) |
| Has the lead applicant successfully implemented CE projects (e.g. product changes, new business models, operational changes) with a demonstrable environmental impact | Yes/No  If yes, then please describe giving evidence of environmental impact |
| Has the applicant demonstrated a commitment to improving social conditions in the developing countries from which it sources products?  (E.g. human rights due diligence, treatment of suppliers during the COVID-19 pandemic, improving working and labour conditions including fair/living wage, reducing poverty) | Yes/No  If yes, then please describe |
| How many specialist staff are employed by the applicant to support the mission of improving their circular performance? | Please state number of staff in FTE and how these roles are specialised to deliver circular performance |

#### 3. PROJECT DESCRIPTION

|  |  |
| --- | --- |
| Description of the proposed project (max 2,000 words, please include a breakdown of activities by year of implementation) |  |
| What is the planned objective of this project? |  |
| What reduction in cumulative resource usage do you anticipate as a result of this project? | Raw material usage |
| Energy usage |
| Water usage |
| What would you expect the successful outcome of this project to be? | For the lead applicant |
| For the co-applicants |
| For the country in which the project is located |
| What are the roles of the different partners in this project? | Lead Applicant |
| Co-Applicant 1 (add lines as needed) |
| Associated Party 1 (add lines as needed) |
| Does the project involve transfer of circular economy products/ practices/ technologies/ systems to suppliers in a developing country? | Yes/No  If yes, then please describe |
| Please describe the innovative features contained in your project. |  |
| How do you plan to ensure the continuation of benefits from this project once the project has finished? |  |
| If successful do you plan to scale up the project or replicate it in other locations? |  |
| Is the project likely to lead to a significant commercial investment in the developing country[ies} involved? | Yes/No. If yes, then please describe |
| Is the project likely to lead to increased or safeguarded employment? | If yes, then give indicative numbers |
| Does the project have a risk mitigation strategy? | Yes/No. If yes, the please upload. |

#### 4. PROJECT COST AND REQUIRED GRANT (IN €)

A detailed budget and procurement plan need to be uploaded using the standard Excel templates provided.

#### 5. KEY STAFF

|  |  |
| --- | --- |
| Provide a summary of the project management teams’ skills, strengths and experience (Max 500 words)  Please provide up to 5 CVs of key staff completed providing using the provided template to the online application portal |  |

#### 6. DECLARATION BY THE APPLICANT

The lead applicant, represented by the undersigned, being the authorised signatory of the lead applicant, and in the context of the present application, representing any partners in the proposed project, hereby declares that

* ⁭The applicant is registered as a (type of institution to be specified) in accordance with (state relevant legislation) since (specify date of incorporation)
* The applicant understands and accepts the conditions of this open call process
* The budget shown in section 4 of this application is realistic and the applicant has access to the co-financing requirements specified in that section of this application form.
* The applicant’s staff has the professional competence and qualifications specified in Section 5 of this application.
* the applicant is directly responsible for the preparation, management and implementation of the project with its partners, if any, and is not acting as an intermediary;
* the applicant and each partner (if any) are eligible in accordance with the eligibility criteria set out in the Guidelines for Applicants.

Signed on behalf of the applicant

|  |  |
| --- | --- |
| **Name** |  |
| **Signature[[17]](#footnote-17)** |  |
| **Position** |  |
| **Date** |  |

1. Beyond the provision of financing, the EU contributes to the conceptualisation of a set of actions promoting circular economy in EU partner countries, supports their implementation – with, *inter alia*, policy dialogue, networking, exchange of best practices, promotion of synergies and coordination with other actions – as well as their communication / visibility. [↑](#footnote-ref-1)
2. Subject to finalisation of contractual arrangements [↑](#footnote-ref-2)
3. <https://www.oecd.org/science/oslo-manual-2018-9789264304604-en.htm> [↑](#footnote-ref-3)
4. <http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DAC_List_ODA_Recipients2018to2020_flows_En.pdf> [↑](#footnote-ref-4)
5. <http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DAC_List_ODA_Recipients2018to2020_flows_En.pdf> [↑](#footnote-ref-5)
6. <http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DAC_List_ODA_Recipients2018to2020_flows_En.pdf> [↑](#footnote-ref-6)
7. <http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DAC_List_ODA_Recipients2018to2020_flows_En.pdf> [↑](#footnote-ref-7)
8. <http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DAC_List_ODA_Recipients2018to2020_flows_En.pdf> [↑](#footnote-ref-8)
9. Overheads (indirect costs incurred in carrying out the action) are eligible for inclusion as co-financing at a flat-rate funding fixed at 5% of the value of the applicants eligible direct in-kind costs. [↑](#footnote-ref-9)
10. <https://www.switchmed.eu/en/e-library/guidelines-for-the-test-methodology> [↑](#footnote-ref-10)
11. <http://www.chemicalleasing.com> [↑](#footnote-ref-11)
12. <https://www.roadmaptozero.com/?locale=en> [↑](#footnote-ref-12)
13. This number was issued to you by email when you registered on the website to download the “Guidelines for Applicants”. [↑](#footnote-ref-13)
14. [https://unstats.un.org/unsd/classifications/Econ/Download/In Text/ISIC\_Rev\_4\_publication\_English.pdf](https://unstats.un.org/unsd/classifications/Econ/Download/In%20Text/ISIC_Rev_4_publication_English.pdf) [↑](#footnote-ref-14)
15. <http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DAC_List_ODA_Recipients2018to2020_flows_En.pdf> [↑](#footnote-ref-15)
16. [https://unstats.un.org/unsd/classifications/Econ/Download/In Text/ISIC\_Rev\_4\_publication\_English.pdf](https://unstats.un.org/unsd/classifications/Econ/Download/In%20Text/ISIC_Rev_4_publication_English.pdf) [↑](#footnote-ref-16)
17. E-Signatures are accepted in accordance with Regulation (EU) No 910/2014 [↑](#footnote-ref-17)