The Nature-Based Economies Program will be developed around a new Advancing Circular Economy (ACE) Facility. The ACE Facility will work with public and private sector partners as well as other Caribbean stakeholders to fund projects that promote and apply practical circular economy principles to minimize, prevent or remove waste entering the marine environment and/or removing marine litter.

Funded by KfW, on behalf of the Federal Ministry for Economic Cooperation and Development, the objective of the ACE Facility is to contribute to the reduction of marine litter in the insular Caribbean. This is to be achieved by investments in equipment and infrastructure but also generation of data and knowledge, policy support and education of consumers.

Initiated as a five-year fund, the ACE Facility expects to achieve the following results:

1. a financing mechanism for circular economy interventions in the Caribbean
2. implementation of circular economy measures that achieve measurable reduction of marine litter
3. strengthening of capacities and awareness of public and private actors for circular economy principles and methods

The Facility will award grants through a call for proposals-mechanism and is expected to finance around 20 individual projects until the end of its operations in 2027. The projects are expected to apply circular principles to avoid waste from entering the marine environment or removing marine litter. This is achieved by investments in equipment and infrastructure but also generation of data and knowledge, policy support and education of consumers.

Eligible grantees of the facility include non-governmental organizations, academia, public institutions, community-based organizations, and the private sector. The geographical focus of the project is on the following countries of the insular Caribbean: Cuba, Dominica, Dominican Republic, Grenada, Haiti, Jamaica, Montserrat, St. Lucia and St. Vincent and the Grenadines.

The Caribbean islands are endowed with a rich and globally unique biodiversity. They are home to more than 12,000 species; 300 bird and mammal species can only be found here. The extensive coral reefs and mangrove forests function as nurseries for marine fauna as well as natural protection from storms and floods. But these natural wonders are under threat. Pollution is considered as one of the major stressors to the Caribbean ecosystems and biodiversity. To contribute to the reduction of marine litter in the insular Caribbean, KfW finances the Caribbean Biodiversity Fund’s Facility for Advancing the Circular Economy, on behalf of the Federal Ministry for Economic Cooperation and Development.
Current Situation

The Caribbean islands are well-known for their diversity of plants, fish and other animals making its marine environment globally unique. But this fragile ecosystem is exposed to and threatened by numerous negative influences, predominantly caused by humans.

Pollution from solid waste is considered a major and increasing threat. With up to 2,000 waste items per kilometer of coastline – 80% of which being plastics – the Caribbean Sea is considered the most polluted sea in the world after the Mediterranean. Waste collection, disposal and treatment are in many cases insufficient. According to the World Bank, over 300,000 tons of plastic go uncollected in the Caribbean each year. 22% of Caribbean households dispose of their waste in rivers and other waterways which carry it to the sea.

This has considerable impacts on marine biodiversity and ecosystems. Endangered species such as the hawksbill sea turtle or Caribbean manatee ingest or get entangled in marine debris.

The litter also influences the growth and regeneration of mangrove forests: plastic bags in particular pose a threat to the survival of young mangrove seedlings. Marine litter further accumulates pollutants, resulting in bacterial pollution and eutrophication which threaten the fragile coral reefs. This ultimately impacts on the Caribbean people whose livelihoods depend on a healthy sea.

One possible approach to address the problem of (marine) litter is through the promotion of a circular economy. The concept aims at extending the life cycle of products and materials, e.g., through reuse, repair, and recycling, and improving product design and production so that significantly less waste is generated. However, despite the increasing recognition of and attention for the approach, only 9% of the world economy is circular to date.

The project, financed by the German Federal Ministry for Economic Cooperation and Development (BMZ) through KfW, aims to contribute to the reduction of marine litter in the Caribbean by promoting the circular economy among both public and private actors. For this purpose, the Caribbean Biodiversity Fund (CBF) will set up the “Facility for Advancing the Circular Economy”.

Project Approach

The CBF is a regional conservation trust fund established in 2012 with support of KfW to contribute to the conservation of biodiversity and natural resources in the Caribbean. The new facility will be set up under the umbrella of the CBF as a 25 Mio. EUR sinking fund and will serve as a financing mechanism for promoting circular economy and marine conservation in the Caribbean.

The facility will award grants through a call for proposals–mechanism and is expected to finance around 20 individual projects until the end of its operations in 2027. The projects are expected to apply circular principles to avoid waste from entering the marine environment or removing marine litter. This is achieved by investments in equipment and infrastructure but also generation of data and knowledge, policy support and education of consumers.

Expected Results and Impact

The project expects to achieve the following results:

1. The Facility as a financing mechanism for circular economy interventions in the Caribbean is operational.
2. Priority circular economy measures that achieve measurable reduction of marine litter have been implemented.
3. Capacities and awareness of public and private actors for the circular economy have been strengthened.

Using a competitive selection approach, the CBF can ensure that it exclusively finances projects that directly and effectively address the problem of marine pollution. Special attention is paid to the sustainability of the proposed measures. By reducing the threat of marine pollution, the project contributes to the conservation of marine ecosystems and biological diversity in the region. This also benefits the local Caribbean population whose livelihoods are particularly dependent on healthy ecosystems. It is expected that at least 20,000 people directly benefit from the project measures.