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**Caribbean Biodiversity Fund (CBF): Advancing Circular Economy (ACE) Facility
Call for Proposals (CfPs) 2**

Advancing Circular Economy Facility: Terms and Conditions for Funding

This document outlines the agreed terms and conditions for grant funding under the ACE Facility. This document provides applicants with a clear understanding of eligibility, the geographic focus, the focus of projects to be supported, and co-financing requirements.

1. ACE Facility

The ACE Facility was initiated in 2022 and seeks to contribute to the reduction of marine litter in the Caribbean by promoting the circular economy among civil society, public and private actors.

The CBF's ACE Facility has three (3) key objectives:

1. Operationalisation and maintenance of the Facility as a financing mechanism for circular economy interventions in the Caribbean,
2. Implementation of circular economy measures that achieve a measurable reduction of marine litter, and
3. Strengthening of capacities and awareness of public and private actors for circular economy principles and methods.

2. Eligible Member States

The ACE Facility funding is available to Cuba, Dominica, Dominican Republic, Grenada, Haiti, Jamaica, Montserrat, Saint Lucia, and Saint Vincent and the Grenadines, all territories in the insular Caribbean and [Official Development Assistance \(ODA\) qualified countries](#), as determined by the Organisation for Economy Cooperation and Development – Development Assistance Committee (OECD – DAC). Applications that include Cuba will only be accepted from institutions that have experience in implementing projects and other activities in compliance with US Government sanctions and regulations concerning Cuba, which will as well be a requirement for this funding. Applicants must include documentation that demonstrates such experience as well as any additional evidence that provides information on internal systems in place to ensure compliance.

3. Eligible Recipients

Eligible organisations from the Caribbean region include non-governmental organisations (NGOs), community-based organisations (CBOs), government agencies / public institutions, regional organisations, small and medium-sized enterprises (SME), universities and other academic institutions, and consortia of the above organisations.

The eligibility criteria for SMEs may include:

- Meets the definition of SME in its country of origin based on the number of employees and amount of assets and having a physical presence or operations in the country of the proposed project implementation;
- Justification regarding why conventional finance cannot be accessed;

- Letter of partnership or endorsement from relevant stakeholders or local communities affected by the project; and
- Demonstrate the organisational capacity and commitment to implement the project successfully.

Organisations based outside the region with working experience in the Caribbean are also eligible for funding. Organisations from outside the Caribbean applying for funding need to have technical expertise, as well as one or more local partners in each project country. It is required that international organisations applying for grants incorporate local knowledge transfer and capacity-building activities in their projects.

4. Project Eligibility

To qualify for funding, all projects must incorporate the following elements into their design:

- Alignment with the circular economy principles, focusing on marine waste prevention, minimization, and removal. Projects that include upstream solutions and a sustainable, environmentally sound management process after waste removal will be of particular interest to the ACE Facility Selection Committee (processes such as reuse, recycling, proper disposal of waste, repurposing, etc.).
- Should be based on a robust theory of change.
- The project design should reflect the theory of change in a logical framework.
- Incorporate baseline information and relevant studies, especially related to the proposed project location.
- Utilize the best available scientific knowledge and consider traditional knowledge where applicable.
- Clearly describe the tangible benefits for marine and coastal ecosystems and biodiversity via the implementation of the circular economy approach.
- Align projects with national policies and strategies (e.g. biodiversity plans, waste management strategies, circular economy policies).
- Demonstrate consultation and support from the relevant local and/or national regulatory agency responsible for marine pollution and circular economy.
- Include disaggregated gender data and analyse gender perspectives in project design.
- Address the impact on vulnerable groups (e.g. waste pickers, informal sector workers).
- Clearly outline plans for financially sustaining project interventions beyond the grant funding period.
- Ensure interventions align with international legally binding instruments on plastic pollution.
- Co-financing should complement the selected entities' project proposals.
- Articulate a monitoring, evaluation, and learning (MEL) framework aligned with ACE Facility objectives and indicators.

- Demonstrate adherence to the CBF's Environmental and Social Management System (ESMS) during project execution.
- High-impact Projects - Projects that effectively implement circular economy interventions that address environmental, economic, and social challenges and significantly contribute to the achievement of the ACE Facility targets.

Bankrupt applicants, in closure or ceasing their activities, having their activities administered by courts, have entered into receivership, or are in any analogous situation, are **not eligible** for funding.

Individuals or legal entities that have been convicted by a final judgment or administrative decision or are subject to financial sanctions by the United Nations, the European Union, and/or Germany due to involvement in criminal organisations, money laundering, terrorist-related offenses, child labour, or human trafficking **are excluded**. This exclusion criterion also applies to legal entities whose majority shares are held or controlled by individuals or other legal entities subject to such convictions or sanctions.

5. Project Design Preferences

The ACE Facility may give preferential treatment to projects that incorporate the following elements:

- Circular economy principles, marine pollution management, and sustainability.
- Projects, focusing on marine waste prevention, minimization, and removal in the following waste streams and sectors:
 - Abandoned, lost, or other discarded fishing gear (ALDFG).
 - Agricultural Plastics.
 - Personal Care and Cosmetics Industry (Plastic Packaging).
 - Synthetic Textiles.
 - Transport Sector (solid waste components).
 - Medical Waste Articles.
 - Marine Transport Industry.
 - Disaster Debris Management.
- Projects that effectively implement circular economy interventions that address environmental, economic, and social challenges and deliver a maximized contribution to the achievement of the ACE Facility targets.

- Continuity or Complementarity: Projects connecting on-the-ground activities with higher-level decision-making work¹, aligned with international legally binding instruments on plastic pollution to foster structural and sustainable change.
- Synergies: Explicitly designed projects achieving synergies with other national and regional waste management initiatives.
- Gender and Youth Focus: Projects addressing gender and youth perspectives in waste management, marine conservation, education, and alternative livelihoods.
- Strengthening Civil Society Organisations (CSOs): Capacity-building projects for CSOs, contributing to a broader network dedicated to reducing marine litter.
- Partnerships: Projects demonstrating multisectoral and viable waste management partnerships, including, but not limited to, Public Private Partnerships.
- We encourage applications from National Conservation Trust Funds (NCTFs) and Community-Based Organisations (CBOs).

6. Applicant Requirements

Eligible recipients for ACE Facility funding must demonstrate sufficient capacity for professional and timely project management and project implementation. As part of the package, applicants may need to provide information including their legal establishment or recognition in the Caribbean, governance structure details, recent relevant programs or projects, publications, annual budget, revenue sources, audited financial statements, administration procedures, auditing arrangements, procurement practices, and environmental/social safeguard policies.

7. Focus of Projects to be Supported

The ACE Facility will support investments in equipment and infrastructure, generation of data and knowledge, policy support, and education of consumers in the following areas:

- Projects that promote and apply practical circular economy principles to minimize and/or prevent waste from entering the marine environment.
- Projects that promote and apply practical circular economy principles to remove marine litter and consider processes after waste removal for proper disposal of waste, like recycling, reuse, refurbishing, etc.

¹ Such as policy action, business practice changes, sustainable finance mechanisms or international initiatives to foster structural and sustainable change.

The above should be complemented by activities that:

- support knowledge and data generation on the topics of the circular economy and marine pollution in the Caribbean region,
- promote the sustainable approach to ACE Facility projects ensuring they operate financially independently by the end of the project, and
- formulate new and/or strengthen existing partnerships that promote the circular economy in the Caribbean.

Projects shall take into account the 10 R-strategies for a circular economy. Interventions which are designed to tackle marine litter via upstream circular economy approaches (e.g., designing out waste) are highly desired.

8. Grant Sizes

Grant funding amounts range from USD 400,000 to USD 2,000,000 per project and need to be complemented by grantee co-financing as outlined in Section 8 below. The project shall demonstrate long-term sustainability and financial feasibility beyond the grant funding period.

9. Co-financing

Project co-financing^{2,3} is a collaborative approach that can encompass a wide range of contributions. By leveraging diverse resources and expertise, cofinancing enables more comprehensive, impactful, and sustainable project outcomes. Grantees will be required to provide co-financing⁴ as follows:

- Non-profit organisations (CBOs, academia, local and regional NGOs) - 25% co-financing (in-kind and cash inclusive) of the total project value.
- Government Institutions; Statutory Bodies or Quasi-government Institutions - 25% co-financing (cash only) of the total project value.
- Regional Organisations - 50% co-financing (25% cash and 25% in-kind) of the total project value.
- For-profit private SMEs, NGOs, CBOs - 50% co-financing (25% cash and 25% in-kind) of the total project value.

² Cash cofinancing can include operational cost offsets; equity investments or other projects/grant funding.

³ In-Kind contributions can include technical assistance; equipment, materials and services; human resources; infrastructure and facilities.

⁴ If your project will be implemented by a consortium of organisations, there must be one leading organisation that will be the applicant and the requisite co-financing requirements should be in accordance with the categorisation of that lead organisation. However, consortium members are strongly encouraged to align with the thresholds applicable to their respective categories, taking into account the current state of their operations.

10. Project Duration

The projects financed by the ACE Facility shall have an implementation period of two and a half (2.5) years to three (3) years. The project's timeline may be extended, under extenuating circumstances, subject to the satisfactory request by the grantee and subsequent acceptance and approval by the ACE Facility. Project extensions requiring additional funding will not be considered.

11. Concept Notes and Project Proposals

- Concept notes can be submitted in English, Spanish, or French using the ACE facility template.
- Applicants with shortlisted concept notes (based on evaluation criteria) will be directly contacted regarding the Full Proposal Phase Requirements.
- Shortlisted applicants may be subject to an Appraisal Visit to their proposed project site(s).
- Applicants with shortlisted concept notes will be eligible for a project preparation grant⁵ of not more than USD 10,000.
- Additional technical support may be accessed on a structured and pre-determined basis during the Proposal Development Phase.
- Full project proposals, contracts and further written documentation/communication shall be used in English only using the ACE Facility template.
- If approved, the project grant agreement will be signed between the CBF and the successful grantee.

12. Conflict of Interest and Confidentiality

In the interest of maintaining transparency and fairness in the proposal evaluation process, all individuals involved must disclose any actual, potential, or perceived conflicts of interest. A conflict of interest may exist if an individual's personal interests, affiliations, or relationships could potentially influence their judgment, decisions, or actions concerning the proposal process. If a conflict of interest is identified, the individual will be recused from participating in any discussions, evaluations, or decisions related to the proposal in question.

To maintain the transparency of our processes and the integrity of the ACE Facility, any person involved in the strategic development or technical support of the Facility is ineligible to apply for funding under the Facility for a period of two (2) years following the conclusion of their engagement or contract.

⁵ To be determined via an application from potential grantees based on the Concept Note design and resources required to elaborate a Full-Proposal

All information related to the proposal process, including disclosed conflicts of interest, will be treated with utmost confidentiality. Individuals involved in the proposal process must not disclose any confidential information to unauthorized parties.

13. Grant Disbursement

The grantees would be required to establish a designated bank account⁶ exclusive for the receipt of CBF resources provided in respect of the project.

14. Additional Considerations

- To ensure compliance with the CBF's Environmental Social Management System and the ACE Facility Monitoring, Evaluation, and Learning Plan, the ACE Facility will monitor the grantee's progress through continuous contact with grantees, site visits, and review of reports (biannual technical and financial reporting) to be submitted by the grantee to the ACE Facility.
- During the life of the project, the grantee is required to immediately inform the CBF's ACE Facility of any changes in contact information or the project scope of work, as well as any difficulties in completing the goals articulated by the project description. Any major changes in the project design shall require CBF's prior consent. The Grantee shall inform the CBF's ACE Facility thereof immediately, stating the reasons, the planned measures, and the consequences of the change (including on Total Cost). Execution of such measures may commence only based on revised planning and upon CBF's written consent.
- During the life of the project, the grantee is required to immediately report to the CBF's ACE Facility serious incidents with regard to environmental and social matters (including occupational and community health & safety and labour issues as well as impacts on adjacent population). Grantees will also be required to support with the completion of the CBF's ACE Facility Incident Report(s) to KfW.
- The grantees must have their financial information independently audited annually by external auditors, in accordance with International Standards on Auditing as published by the International Auditing and Assurance Standards Board of the International Federation of Accountants.
- The grant can only be closed once all required documents have been submitted and verified in accordance with a final report (technical and financial as per ACE Facility templates).

⁶ In exceptional cases, where this is not possible, alternate arrangements may be considered.