



# **Guidelines for applicants**

## **CIRCULAR ECONOMY CHALLENGE FUND**

**(Joint Programme - Blue and Green Economy in  
Mauritius and Seychelles)**

**Building Resilience in Small Island Developing States**

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# 1 INTRODUCTION

The JP was developed to support Mauritius and Seychelles to advance on their green and blue economy agenda by activating integrated, gender-sensitive and evidence-based policy and financing levers that are catalytic. In Mauritius, the focus is on renewable energy while in Seychelles, the focus is on solid waste management. The Joint Programme will contribute to strengthen the policy framework, establish financial mechanisms, and avail information needed for the private and public sectors to invest in the green and blue economy to accelerate the realization of the SDGs. Adequate policies and access to critical information will have catalytic effects leading to increase in green and blue economic investments building on collaborations between governments, the UN Country Team, and development partners.

## 1.1 Seychelles Context

Solid Waste Management (SWM) poses a significant challenge to Seychelles. The country generates an average amount of 80,000 tons of waste every year, the majority of which is directed to the primary landfill on the island. Land filling rate are increasing annually and the primary landfill on the main island of Mahe is expected to reach full capacity by 2025. Faced with the problem of scarcity of land, the country will need to adopt a sustainable solid waste management system that reduces the amount of waste flowing to the landfill. In that respect, the country has recently developed its Solid Waste Management Plan 2020-2035 to reduce both land and marine pollution with the introduction of waste segregation at the community level being explored. However, the operationalization of the sustainable waste management system, as per the Solid Waste Management Plan 2020-2035 will require the participation of businesses into the recycling sector and private sector investment in critical waste management infrastructures. This JP will support the Government of Seychelles in developing a circular economy roadmap and action plan, developing a financing strategy as well as strengthening partnership between the public and private sector. Moreover, this JP will also support private sector innovation in the circular economy in Seychelles through a seed funding mechanism and capacity building. This will help to scale up the necessary investments in circular economy opportunities in the country, that benefit women, men, youth and people with disabilities youth, and help communities diversify livelihoods, reinforce local resilience, and contribute to poverty reduction, thereby contributing to reduce amount of solid waste being directed to the landfill.

With an Exclusive Economic Zone of 1.35 million km<sup>2</sup>, Seychelles' expansive seas also carry potential to contribute to circular symbiosis activities. The blue economy allows the optimization of unutilized or underutilized sea-based resources which could act as alternatives to polluting materials. In 2020, the blue economy contributed to only 27.4% of Seychelles' GDP and yet 41% of its employment. An activation of blue economy activities will increase its contribution to national revenue, employment, as well as reduce dependence of the country on the use of other imported entrants to manufacturing processes as well as in energy production. The private sector is very active in Seychelles' blue economy sector and has great potential to deploy reduce, reuse, recycle principles.

While Seychelles has achieved economic and social progress, the development model is resulting in deepening dependencies and vulnerabilities. The challenge of the current linear model includes price volatility, supply risk, saturation of landfills and natural systems degradation. A CE model represents an opportunity to overcome the reliance on imports of materials and the accumulation of waste.

Heavy reliance on imported goods and tourism without much control on upstream processes generally tend to make solid waste generation rates higher in SIDS. The increase in imports translates downstream into pronounced growth in the production of residues and discharges. With the current linear economic model, and in line with its development status, the key indicators show that Seychelles has a higher material consumption and waste per capita compared to many African countries and other SIDS.

The holistic understanding of a CE as a system transformation is still new in Seychelles and CE continues to be understood by many stakeholders primarily as a waste management strategy, but the economic opportunities are far broader and more. Seychelles has shown strong commitment to advance the sustainable development agenda in recent years and can show the same commitment in incorporating circularity principles in policy and decision making.

Four categories of barriers for a CE in Seychelles have been identified: Cultural barriers (lacking awareness and/or willingness to engage with the CE); Technological barriers (lacking (proven) technologies and infrastructure to implement CE); Regulatory/Institutional barriers (lacking policies and an institutional framework that support a CE transition) and financial barriers (lacking economic viability of circular business models).

Circular Business Models (CBMs) and circular initiatives require different production and implementation approaches compared to their linear counterparts. Hence, financial innovation is required to catalyze adequate capital to finance the acquisition of required technology, R&D, product prototyping, and market development for circular business models and initiatives.

Most of the credit facilities in Seychelles are offered by the banking sector. These include business loans, personal loans, overdrafts, and mortgages. There are challenges in accessing credit in Seychelles, particularly for small businesses. High interest rates, stringent loan conditions, and a lack of collateral can pose barriers to obtaining finance.

Addressing these challenges requires a broad set of interventions that go beyond government action to involve private sector. Policies and regulatory frameworks are needed to create the incentives to develop circular businesses and to mainstream circular economy practices and actions. Policies should be combined with concrete activities on the ground that would enable producers and consumers to spur change towards environment and climate friendly production and consumption.

## 1.2 Challenge Fund Objectives

To address some of the barriers mentioned, a Circular Economy challenge fund has been established to support initiatives and businesses. The fund will be managed by the Ministry of Finance, aiming to catalyze investment and promote circular economy models, ultimately fostering sustainable economic growth in Seychelles.

The main objective of the challenge fund is to catalyze investment in circular economy initiatives and businesses in Seychelles. Through a competitive process, funds will be awarded to circular economy initiatives and small-scale businesses.

The challenge fund supported by the United Nations Environment Programme (UNEP) is managed by the Ministry of Finance, National Planning and Trade of Seychelles and guided by the Department of Blue economy which is leading the implementation of the Joint SDG fund project in Seychelles.

It is expected that this financial support will enhance the growth of circular economy businesses and models in Seychelles.

## 2 CIRCULAR ECONOMY CATEGORIES

The Circular Economy (CE) model proposes a vision for an economy where the value of products, materials and resources is maintained in the economy for as long as possible, and the generation of waste minimized. The four distinct categories of activities substantially contributing to a circular economy are as follows:

1. **Circular design & production: pre-use phase** – including development and distribution of reusable, recyclable or compostable materials, in substitution for the use of virgin materials.
2. **Circular use: optimal use phase** – life extension and optimized use of products and assets during the use phase with the aim of retaining resource value and reducing waste to help improve usage. Such business models often build on retaining ownership of a product and providing it as a service rather than selling it.
3. **Circular value recovery: post use phase** –maximising the recovery and recycling of products and materials after use into new products or useful resources in order to reduce waste.
4. **Circular support:** develop enabling digital tools and applications, education and awareness-raising programmes, and services to support circular economy.

During the development of the Circular Economy Roadmap, **five key priority sectors** were identified to advance circular economy in Seychelles. In addition to **Waste Management**, the following sectors have been identified as having high potential for circularity in Seychelles: **Agri-Food; Fisheries; Consumer Goods; and Tourism (including buildings)**.

### 3 GRANTS

The overall indicative amount made available under this Call for Proposals is USD 145,000. The grant is managed by Ministry of Finance, National Planning and Trade of Seychelles (MoFNPT). The Circular Economy Challenge Fund aims at a balanced coverage of grants across the sectors identified: **Agri-Food; Fisheries; Consumer Goods; Tourism (including buildings) and Waste Management**

The grant amount is between USD15,000 and USD 20,000 per successful application. In addition, a smaller grant USD 5,000 will be awarded as **seed funding** to new/startup initiatives/businesses.

### 4 ELIGIBILITY

These guidelines set out the rules for the submission, selection and implementation of actions financed under this Call for Proposals.

The following definitions apply:

- Applicant: the organisation/ or company for which the application has been submitted  
Partnership: the grouping of organisations i.e. the main applicant and its partners for the purpose of implementing the proposed action  
Partner: member organisation of the partnership other than the applicant  
Associate: organisation that plays an active role in the action, but which cannot benefit from funding under the grant  
Start-up: registered business entity which has been in operation for less than one year.

#### 4.1 Eligibility of Applicants

**a) In order to be eligible for a grant, applicants must:**

1. be legal entity.
2. belong to one of the following categories:
  - Non-state actors such as non-governmental organisation, local traders' associations and citizens' groups, cooperatives, trade unions, consumer organisations, women's and youth organisations, teaching, cultural, research and scientific organisations, universities
  - public sector operators and local authorities
  - Private sector business
3. be directly responsible for the preparation and management of the action with their potential partners, not acting as an intermediary.
4. have operated in the Seychelles for a minimum of one year except for start-ups applying for seed-funding.
5. be financially accountable and possess certified audited financial statements for 2023 (seed funding applicants are excluded here).

- b) Potential Grantees may not participate in the calls for proposals or be awarded grants if they are directly associated with a member of the Grantee Evaluation & Selection Committee or Board (or Steering Committee) in the preparation of this Call for Proposal.

The Grantee Evaluation & Selection Committee or Board (or Joint Steering Committee) comprise independent individuals with competence in the primary project's main thematic areas specified in the CFP who can make impartial decisions and who have no perceived or actual conflict of interest (i.e. association with potential Grantees).

The established Project Board (or Project Steering Committee) is responsible for grant selection, following the same impartiality criteria and understanding to prevent conflict of interest situations.

Example of a conflict-of-interest scenario: a member of a local / international selection committee is also associated or employed by an NGO / Entity who is a potential grantee, and s/he participates in the selection meeting in which this particular Grantee proposal is reviewed and decided.

A conflict-of-interest can be:

- a) Actual: Private interests interfere with official responsibilities.
- b) Apparent: People may reasonably think that private interests interfere with official responsibilities.
- c) Potential: Private interests may interfere with one's official responsibilities.

#### **4.1.1 Partnerships and eligibility of partners.**

Applicants may act individually or with partner organisations.

##### *Partners*

Applicants' partners participate in designing and implementing the action, and the costs they incur are eligible in the same way as those incurred by the grant beneficiary (i.e. the applicant). They must therefore satisfy the eligibility criteria as applicable on the grant beneficiary himself.

In all other cases, partnership is not mandatory but highly recommended, especially with local community organisations/associations.

#### **4.1.2 Types of initiative supported.**

Definition: An initiative/business composed of a set of activities which will enable implementation of circular business practices.

To be eligible to this Call, the initiative/business should promote one (or more) of the above circular economy categories in one more of the key priority sectors.

Some examples of potential activities for Seychelles are given below:

	<b>Circular Economy Category</b>	<b>Examples of Activities</b>
1.	Circular design & production	<ul style="list-style-type: none"> <li>• Designing and production of products that are resource efficient, modular, upgradeable, easily disassembled and repaired and use of materials that are recyclable or compostable.</li> <li>• Development and sustainable production of new materials (including bio-based materials) that are reusable, recyclable or compostable.</li> <li>• Substitution of virgin materials with secondary raw materials and by-products</li> <li>• Regenerative agriculture (for e.g. agro-ecology; agro-forestry; organic fertilizers; etc.).</li> </ul>
2.	Circular use: optimal use phase	<ul style="list-style-type: none"> <li>• Reuse, repair, refurbishing, repurposing and remanufacturing of end-of-life or redundant products (ex-clothing/household appliances/IT/furniture/fishing nets) or assets (buildings/infrastructure).</li> <li>• Product-as-a-service, reuse and sharing models based on leasing, pay-per-use, subscription or deposit return systems</li> </ul>
3.	Circular value recovery	<ul style="list-style-type: none"> <li>• Separate collection and reverse logistics of wastes as well as redundant products, parts and materials</li> <li>• Recovery of materials from wastes (ex-recycling of plastic wastes/C&amp;D wastes/food wastes/tyres/glass/fishing nets etc.)</li> <li>• Recovery and valorisation of biomass wastes and residues as food, animal feed, nutrients, fertilisers or bio-based materials (composting/anaerobic digestion)</li> <li>• Reuse/recycling of wastewater</li> </ul>
4.	Circular support	<ul style="list-style-type: none"> <li>• Development/deployment of tools, applications and services enabling circular economy strategies (ex-online directory of businesses and non-profits in repairs, reuse, etc. to raise awareness of their services to the public; smartphone apps enabling sharing and redistribution; online platforms for asset sharing or for materials recovery and secondary material exchange; digital tools for consumer awareness raising/education; etc.)</li> </ul>

Some key principles of the projects could be reduce, reuse, or recycle, or a combination of these principles. However, all the applications shall address the following principles in their proposal.

- i) Effectiveness and feasibility of the proposed activities
- ii) Gender – promote employment of women and girls.
- iii) Build on existing competence and related initiatives - Build upon and strengthen already existing networks and initiatives.
- iv) Knowledge Management - Document lessons learnt opportunities and challenges faced while implementing the circular business practices, including changes in incomes, number of jobs created, waste diverted from landfill, etc.
- v) Sustainability – Demonstrate sustainability of the action beyond the grant phase.

All projects funded by the Challenge Fund will aim at promoting the following Sustainable Development Goals(SDGs):

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- **Goal 5:** Achieve gender equality and empower all women and girl
- **Gola 8:** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- **Goal 12:** Ensure sustainable consumption and production pattern

**Duration:** The planned duration for the grant is 3-6 months.

**Location:** Initiative/Business activities must take place in Seychelles.

## 4.2 Establishment of performance and impact indicators

Applicants should foresee planning, human resources, budget and any other appropriate measures for the monitoring and evaluation of the proposed action, together with objectively verifiable indicators. When developing their proposals, applicants may take into consideration the following indicators.

- i) Reduce environmental and social impacts of consumption and production.
- ii) Move circular practices from demonstration to replication and scaling up.
- iii) Promotion of circular businesses by SMEs especially those led by or employing women and girls.

### 4.2.1 Communication activities

The project will collect and disseminate lessons learnt from the initiatives/business. Information given by the beneficiaries of the grant, all related publicity materials, official notices, reports and publications, should acknowledge that the grant is implemented "with funding by the Joint SDG Fund".

## 4.3 Exclusions

The grant **shall not support:**

1. Organisations that are not legally registered;
2. Organisations that would like to use Government Grant Fund to make grants;
3. Proposals that do not benefit the wider community;
4. Individuals, or organisations applying on behalf of another or other individuals;
5. Retrospective funding: costs that have already been incurred or work already delivered;
6. General fundraising appeals, letters requesting donations and other non-specific funding requests;
7. Proposals that the work target the property or that are mainly about equipment or other capital items, including the renovation or conservation of buildings or habitats;
8. Routine repairs and minor improvements to community buildings;
9. Landscaping or equipment for playgrounds, parks or recreation areas;
10. Purchase of vehicle
11. Purchasing of commercial equipment will be considered on a case-to-case basis.
12. Websites, publications or seminars, unless part of a wider proposal;
13. Overseas travel (including expeditions, adventure and residential courses, conferences and exhibitions unless part of a bigger project);
14. Proposals that favour or promote directly or indirectly a religious belief;
15. Proposals that benefit people living outside Seychelles;

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16. Repayment of prefinance / loans granted by another agency;
17. One-off holidays, residential, trips, exhibitions, festivals, concerts, events etc.;
18. Sports and leisure (where there isn't a strong socio-economic focus);
19. Costs of printing not associated with programmes supported by the National Grant
20. Contribution of general administrative purposes and recurrent budget. Any budget for staff has to be project-related;
21. Bonuses and other fringe benefits paid to staff;
22. Awards and trophies; and
23. Taxes, insurance cover, audit fees and contingencies.

#### **4.4 Number of applications and grants per applicants**

- An applicant may submit more than one application under this call for proposals
- An applicant may be awarded only one grant under this call for proposals

## **5 PROCEDURES TO APPLY FOR GRANTS.**

Applicants should submit their proposal according to the application form template provided at Annex I. Shortlisted applicants will be invited to attend a 2-days bootcamp on May 7-8, 2024, whereby they will be trained to better define their respective project proposals and develop detailed action plans and logical frameworks, following which the final awardees will be selected.

### **5.1 Full Application**

Applicants should keep strictly to the format of the application form and fill in the paragraphs and the pages in order. Hand-written applications will not be accepted, applications will be submitted by e-mail.

Clarifications will only be requested when information provided is unclear, thus preventing MoFNPT from conducting an objective assessment.

Please note that only the following annexes have to be filled in and returned:

- i. Annex I Application Form
- ii. Annex II Budget

It is therefore of utmost importance that these documents contain ALL relevant information concerning the action.

### **5.2 Procedure for submitting.**

The Full Application must be submitted in electronic format i.e. e-mail to:

**Secured email: [challengefunddbe@gmail.com](mailto:challengefunddbe@gmail.com)**

**Attn: The Coordinator  
Circular Economy Challenge Fund  
MoFNPT, Seychelles**

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The document must contain the title: **GRANT-CFP- MoFNPT-2024-001 (Circular Economy Challenge Fund)** and the title of the call for proposals, together with the full name and address of the applicant.

**Deadline for submission**

The deadline for the submission of Full Application is 26 April 2024. Any Full Application Form sent after the deadline will be rejected.

**Further information**

Questions may be sent by e-mail no later than 10 days before the deadline for the submission of applications to the addresses listed below, indicating clearly the reference of the Call for Proposals:

E-mail address: (only to seek clarification and NOT for submission of Proposals)

**E-mail address: [qnachallengefunddbe@gmail.com](mailto:qnachallengefunddbe@gmail.com)**

MoFNPT has no obligation to provide further clarifications after this date.

Replies will be given no later than 5 days before the deadline for the submission of applications. In the interest of equal treatment of applicants, MoFNPT cannot give a prior opinion on the eligibility of an applicant, a partner or an action.

Questions that may be relevant to other applicants, together with the answers, will be published on the relevant website. It is, therefore, highly recommended to regularly consult the above-mentioned website in order to be informed of the questions and answers published.

### **5.3 Evaluation and Selection of Applications**

Refer to section 6 of Annex I: Application Form

## **6 LIST OF ANNEXES**

Documents to be completed.

Annex I: Application Form (Word Format)

Annex 2: Budget for the Action (Excel Format)

*Guideline for applicants: GRANT-CFP- MoFNPT-2024-001 (Circular Economy Challenge Fund)*