

Circular Economy Demonstration Fund

CALL FOR PROPOSALS 2025

The Department of Science, Technology and Innovation (DSTI) is pleased to announce an **Open Call for Proposals** for **Circular Economy Demonstration Projects** commencing in January 2026.

The South African Circular Economy Demonstration Fund, is an initiative of the Government of South Africa, implemented through Circular Innovation South Africa (CISA). The Fund is aimed at demonstrating proven circular economy interventions that have not yet achieved scale or impact in South Africa.

Applicants are requested to familiarise themselves with the information provided in this Call, before preparing an application.

1. Background

The Department of Science, Technology and Innovation (DSTI) has recognised the Circular Economy as a new source of economic growth for South Africa. Research undertaken by the CSIR in 2021-22 showed that one of the main reasons for a slow uptake and scaling of circular economy interventions, across all sectors of the South African economy, is the lack of demonstration and hence “de-risking” of circular economy interventions. While the circular economy concept is not new to South Africa, more needs to be done to achieve the scale required for meaningful economic, social and environmental impact. As such, it is recognised that the public and private sectors will need to invest in the demonstration and replication of current initiatives; the localisation of global solutions (where appropriate) to local settings; and the identification of new opportunities through ongoing science, technology and innovation.

2. Intention of the Fund

South Africa’s Circular Economy Demonstration Fund aims to support the adoption of proven circular interventions or innovative process improvements, that have yet to be widely deployed in South Africa. The demonstration of which will assist in fast-tracking the uptake of these circular economy interventions in the private sector and contribute to South Africa’s transition to a more circular economy. **The intention of the fund is to partner private sector organisations (e.g., business, industry) with research institutions, to support the private sector organization in de-risking, scaling, localising, or demonstrating a circular intervention (i.e., a circular technological, social or business innovation).**

The Demonstration Fund aims to incentivise greater collaboration between the private sector, non-governmental organisations (NGOs) or civil society organisations (CSOs) and Universities and Science Councils, in the adoption and scaling of circular economy interventions in South Africa, and ensuring that a circular economy transition is evidence-based. The partnership between research and private sector organisations, also provides the opportunity for knowledge transfer and capacity development between institutions.

3. Research themes

The Circular Economy Demonstration Fund aims to directly support projects aligned with one or more of the circular economy principles –

- Eliminate waste and pollution
- Keep products and materials in use at their highest value
- Regenerate natural systems

Applicants may consider demonstration projects in any of the following sectors –

- Agriculture
- Human settlements
- Manufacturing
- Mining
- Mobility

Including cross-cutting interventions in energy and water.

4. Eligibility criteria

4.1 Eligible applicants

Only researchers employed by South African Universities, Science Councils and other public research institutions, working in relevant disciplines, are invited to submit proposals for the Circular Economy Demonstration Fund. The CSIR, who will manage the fund on behalf of the DSTI, will contract directly with the successful University or Science Council, who will be responsible for managing relationships with the implementation partner(s) to ensure that the objectives of the project are met.

Businesses, Non-governmental organizations (NGOs), Civil Society Organizations (CSOs), other private sector organizations are NOT eligible to apply directly to the Demonstration Fund. Any of the above-mentioned organizations wishing to demonstrate a circular intervention must partner with an appropriate University or Science Council, who will submit the application for funding.

Only one proposal per lead applicant (Principal Investigator), will be accepted. A lead institution (University or Science Council) may submit more than one proposal for consideration.

4.2 Experience

The lead applicant (Principal Investigator), from a South African University, Science Council or other public research institution, must be qualified to undertake the demonstration project and should be an expert in the subject matter referenced in the proposal. Typically, this would involve full-time faculty at an academic or research institution.

4.3 Implementation / Demonstration partner(s)

The lead institution (applicant) (i.e., University or Science Council), MUST partner with an Implementation Partner. The implementation partner will be a private business or industry, including small businesses, or a registered NGO or CSO.

The circular economy intervention to be demonstrated should preferably have been identified by the private sector partner, who is looking for technical assistance from a University or Science Council to de-risk, scale, localise, or demonstrate the circular intervention.

Government will not be considered an implementation partner under this Call, and while applicants may work with local, provincial or national government departments in ensuring demonstration and impact, government departments will not be eligible for any funding from this demonstration fund.

4.4 International partners

The applicant (lead institution) may partner with an international implementation partner(s), for demonstration in South Africa, but the funding made available by the DSTI for the demonstration project will only be made available (directly or indirectly) to institutions registered and operating in South Africa. International partners are encouraged to seek alternative sources of funding to cover their contribution to the project.

5. Funding

5.1 Grant award amount and duration

The demonstration fund will consider three funding sizes –

Amount	Duration
≤ R500,000	Maximum 12 months
≤ R1,000,000	Maximum 18 months
≤ R2,500,000	Maximum 24 months

Applicants will be required to select the funding amount and duration required to achieve the objectives of the project demonstration.

Proposals in excess of R2,500,000 (excl. VAT) or longer than 2 years will not be considered. Given the diversity of the circular economy and the limited grant funding available for 2026, the process is expected to be highly competitive.

Proposals that have the potential to achieve meaningful impact, scale and replicability, and which clearly identify the science, technology and innovation contribution to be made by the University or Science Council, will be favourably received.

Projects that have secured part-funding and require top-up funding to support full demonstration will be favourably considered. Applicants are requested to provide an indication of the direct and/or in-kind contribution by the implementation partner towards the demonstration project.

5.2 What will be funded

The Circular Economy Demonstration Fund will award a non-recoverable grant to the successful recipient. This funding may be used to cover HR costs, running and equipment costs directly related to the circular economy intervention. The funds may not be used for the purchase of land or vehicles; to cover any debt or losses incurred by the applicant or implementation partner(s); any allowances outside of the Department of Public Works limits; or first or business class travel. A detailed budget must be provided in the proposal outlining how the funds will be allocated between human resource, running and capital costs, as well as between institutions.

5.3 Recipient of the funding

Upon award of the successful project, the CSIR, as host of the demonstration fund, will enter into a contract with the lead research institution (applicant). Funding will be disbursed by the CSIR only to the

contracted University or Science Council, who will then be responsible for any payment of funds to its implementation partner(s) or technology providers, as/if applicable. The CSIR will not be involved in the financial arrangements between the lead research institution and the implementing partner(s).

The lead institution MUST ensure that a partnership agreement, such as a Memorandum of Understanding or Collaboration Agreement, is put in place between the lead and implementation institutions, that adequately captures the roles and responsibilities, funding, governance and intellectual property arrangements.

5.4 Funding transfers

Funding will be paid to the contracted lead institution (University or Science Council) in instalments, upon successfully achieving or completing agreed milestones, as set out in the grant contract. Payments are made in accordance with CSIR policy, 30-45 days following receipt of an approved invoice. As such, applicants must structure the milestones that trigger payments in such a way as to not negatively impact upon project cashflow and the ability to undertake the next project activities.

6. Conditions of funding

The following requirements apply to projects considered under this Call –

- i. **Demonstration:** The focus of this fund (and hence supported projects) is NOT on research, but on demonstration of proven circular economy interventions (technological, social or business innovations), with the aim of de-risking, scaling, localising, demonstrating, etc. Research may be used to e.g., verify implementation results; measure impact; localise technologies; support process adjustments or improvements; confirm the environmental-economic-technical feasibility of circular interventions; provide insights into the technical, financial or regulatory opportunities or constraints of the intervention, etc., but this is not a research fund. The project output is successful demonstration of the circular economy intervention “in field”, with clear, measurable evidence of the impact/benefits of the intervention to support further uptake.
- ii. **Implementation partner:** The proposal must clearly identify the implementation partner(s) (business, industry, NGO, CBO) (*not research partners*) with whom the circular intervention will be demonstrated. A letter confirming the partnership, and what the implementation partner(s) will bring to the project (actual or in-kind), must be attached to the proposal. There must be clear evidence of how the implementation partner will stand to benefit from the demonstration fund and the collaboration with the university or science council, and how they will contribute towards the project.
- iii. **Track impact:** The project will be required to regularly report on appropriate indicators (performance indicators) – *Environmental benefits* (e.g., resource savings, waste diverted, pollution minimized, GHG emission reductions, etc.); *Economic benefits* (e.g., financial return, savings, etc.), *Social benefits* (e.g., jobs, improved livelihoods), as a direct result of the demonstration project (*required project output*). These performance indicators, and milestones, may differ between projects, however proposals should already present the indicators that will be used to track impact over the duration of the demonstration project. These indicators will be integrated into the Conditions of Grant for successful projects.
- iv. **Awareness:** The project will be required to implement an *Awareness / Information Dissemination Plan* over the duration of the project, in order to showcase the project to key stakeholders. The plan is aimed at raising broader awareness of the demonstration project and its benefits to the sector(s). The project will be required to report on the number of stakeholders engaged and the means of engagement, e.g., number of visitors through site visits to the demonstration facility; demonstration

to relevant sector associations; new unlocked partnerships with further implementation partners, etc. (*required project output*). Proposals should already outline who the target audience is (e.g., specific stakeholders), and how they will be engaged over the course of the demonstration project.

- v. **Regulatory compliance:** The project should be of a scale not to trigger regulatory requirements, e.g., waste license, air emissions license, EIA, etc., Or if it does, the applicant must provide proof that the license is in place to support the project. Proposals must provide confirmation of compliance with necessary regulations.
- vi. **Scaling:** The circular economy intervention should be demonstrated with a clear understanding to support future replication or scale-up (*required project output*).
- vii. **Intellectual property:** Projects that contain IP that limit demonstration of the project, and limit showcasing the intervention to stakeholders, will NOT be considered for funding. If IP is applicable, the proposal must provide clarity on how the IP will be managed, to not limit or constrain broader stakeholder demonstration or uptake.
- viii. **TRL:** For projects that include technologies, these technologies must be at a technology readiness level (TRL) of at least 6 or higher (*system has been verified in a relevant environment or context*). For those proposals planning to demonstrate technology interventions, confirmation of the TRL level, or verification of the technology application in a relevant environment or context, must be provided.
- ix. **Special conditions:** Priority will be given to circular economy interventions that can be used by multiple businesses or across sectors.
- x. **Innovation:** Priority will be given to interventions that provide innovative approaches to transitioning to a more circular economy in South Africa. This may include technological, social or business innovations not yet adopted at scale in South Africa, or the combination of established technologies not yet applied together.
- xi. **Monitoring and evaluation:** If successful, the applicant must commit to having the project independently monitored and audited.

7. Exclusion criteria

Non-adherence to the following requirements will **result in rejection** of the proposal before evaluation by the panel –

- Projects that exceed the stipulated grant award **amount** and/or **duration** will be rejected
- Proposals that do not include the **letter(s) of support** from the implementation partner(s), confirming demonstration partnership and contribution to the project will be rejected
- Proposals for projects demonstrating a technology, that do not provide proof of the **technology readiness level**, will be rejected
- Proposals that do not include a comprehensive **Awareness / Dissemination plan**, that details how the circular intervention / demonstration project will be demonstrated to key stakeholders, will be rejected

- Proposals that do not include **written confirmation** that the proposed demonstration project does not trigger a non-compliance in terms of any existing South African **legislation** will be rejected
- Proposals (PART III: DETAILED DESCRIPTION OF THE PROJECT) **must not exceed 10 pages** (at font Arial 10, line spacing 1.15).
- Only proposals submitted on the Circular Innovation South Africa grant **proposal template**, issued together with this Call, will be considered. Proposals should be submitted in MSWord or PDF format.

8. Evaluation criteria

All applications will undergo evaluation by an independent review panel, to assess the suitability of the proposal in terms of the DSTI's objectives.

All proposals will be evaluated against the following criteria:

i. Alignment:	Alignment with the three principles of a circular economy
ii. Strategic importance to South Africa	The demonstration project has the potential to directly, and positively, influence the adoption and scaling of a circular economy intervention(s) in South Africa , Preference will be given to proposals which are impact driven and solution orientated.
iii. Status of the intervention	The project uses proven technology / process improvement / innovation (as appropriate), that is currently under-utilized in South Africa (<i>verified in relevant environment or context</i>)
iv. Innovation of the intervention	The demonstration project showcases innovative circular economy interventions, e.g., through the technology, or combination of technologies / process improvements, not yet applied in South Africa
v. Contribution by the research partner	There must be a clear demonstration that the contribution by the University or Science Council will assist the private sector partner (implementation partner), to de-risk, scale, localise, demonstrate, etc. the circular economy intervention.
vi. Technical ability to undertake the demonstration project	The project team, and partners, have the technical capability to achieve the objectives of the project. A concise 1-2 page (max) curriculum vitae (CV) of the Principal Investigator and summary of the technical skills of other team members must be provided.
vii. Awareness / dissemination plan	The team can ensure maximum reach in raising awareness around the demonstration project and associated benefits
viii. Potential risks / mitigation	Potential risks that may occur over the duration of the project, their probability of occurring have been identified, including how these risks will be mitigated or minimized
ix. Replication potential	Insights into how many organisations could utilise this circular economy intervention in South Africa, or already are.
x. Value for money	The benefits of the proposed project are measurable and the value of the benefits exceed the value of the investment

9. Equity and redress

In line with the national imperative of equity and redress, the Call prioritises support for designated groups viz. black, female and persons with disabilities.

10. Reservations

The DSTI expressly reserves the following rights:

- To reject all or any proposals
- To waive any or all irregularities in the proposals submitted
- To retain the right not to select any application/s even if meeting all the requirements

11. Contract negotiations

The successful applicant/s will be required to enter into a written Agreement with the funder, in this case the CSIR, who manages the Demonstration Fund on behalf of the DSTI.

12. Closing date

Proposals must be submitted electronically via email to LGodfrey@csir.co.za on the Circular Economy Demonstration Fund grant proposal template (issued with this call).

The deadline for the submission of proposals is **Friday, 25 July 2025 at 18:00**.

Successful applicants will be notified about the outcome of their applications by early September 2025 (or sooner) to allow sufficient time for finalisation of project preparations before the 1 January 2026 start.

13. Confirmation of receipt

All applicants will receive a confirmation of 'receipt of proposal' email. If you do not receive such a confirmation within one week of application, please follow up with the CSIR to ensure that your proposal has been received. Proof of submission before the closing date will be required.

14. Validity

All applications will be regarded as valid for 120 days from the **25 July 2025** whereafter the CSIR may request an updated application, should this become necessary.

For any queries relating to the call for proposals, contact:

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