Apparel Impact Institute (Aii)
Deployment Gap Grant (DGG) Application Guidance

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Please follow submission instructions and deadlines on Aii's website.

Applications are confidential and details will not be shared outside of Aii & the Advisory Council.

If you are successful, project learning and impact data will be communicated externally.

1. Deployment Gap Grant

The Deployment Gap Grant (DGG) is a funding mechanism Aii co-developed with suppliers and brands and launched in 2025. The purpose of the grant is to enable and accelerate impactful decarbonization projects that would otherwise stall due to long payback periods or technical barriers - supporting the sector's 2030 50% carbon reduction goal.

We have $1.25m available in targeted grant funding for suppliers that are pursuing proven electrification or electrification-supporting projects in 2026.

Technology Eligibility

These grants are designed to help suppliers shift from quick-payback energy efficiency projects to proven technologies that reduce process demand for energy, support electrification, and drive absolute CO_2e reductions.

We define these solution types as:

Energy efficiency (not eligible for grants unless in combination with other levers) - using less energy to perform the same task (e.g., insulation, compressors to improve energy efficiency, minimizing leaks, etc.).

Reducing process demand for energy - reducing the amount of energy needed to deliver a process (e.g., lower impact processing). These solutions can be implemented by factories preparing for electrification by reducing their heat and steam use.

Renewable electrifying processes - shifting a process from thermal energy to electricity. Examples include digital printing, electric singeing, and thermal oil stenters (to prepare for future electrification). These solutions can be adopted in factories planning to run them on green electricity.

Renewable electrification of energy delivery - transitioning a facility from fossil-based fuel sources to electrical energy through a heat pump, electric boiler, or thermal storage powered by certified green electricity (ideally onsite generation and/or Corporate Power Purchase Agreement). The threshold for renewable electricity must be a minimum of 50% for heat pump solutions.

We encourage electrification where local conditions are suitable (e.g., green electricity can be procured).

We have prioritized these solution types because they are harder to implement yet essential for the sector to accelerate and achieve its goals.

Rooftop solar and biomass boiler replacements and retrofits are not eligible for DGGs: The former is a well-established technology with predictable returns that can be implemented without grants, and while the latter is part of the energy transition, it is an interim solution. For this grant, we are focusing on electrification related to coal phase-out.

Considerations for Electrification Projects

All heat-pump electrification projects must clearly report the factory's current percentage of renewable energy (RE) use and provide a roadmap to reach at least 50%—and ideally 100%—RE by 2030. Electric boiler projects must demonstrate a path to 100% RE. Any increase in electricity consumption resulting from the investment should ideally be matched with International Renewable Energy Certificates (IRECs), expanded or newly installed onsite solar, or a corporate Power Purchase Agreement (PPA).

All decarbonization investments should also target a minimum 20% reduction in emissions, driven by reductions in steam, gas, and/or non-renewable electricity usage.All heat pump electrification projects must clearly demonstrate the existing factory % of renewable energy (RE), and include a roadmap to source at least 50% - ideally, 100% - RE by 2030. Electric boilers will require 100% RE. Ideally, any increase in electricity consumption from the investment is matched by International Renewable Energy Certificate (IREC), while onsite solar is expanded/built or corporate Power Purchase Agreement (PPA) agreed. Decarbonization investments should also aim for a 20% minimum reduction in emissions (linked to a reduction in steam/ gas/ non-renewable electricity usage).

Priority Technologies

We have outlined examples of technologies that are DGG-eligible. If you are interested in applying for a solution that is not listed here, please reach out to CSPHelp@apparelimpact.org to check eligibility. Please note: To be eligible for a Deployment Gap Grant, the solution's vendor must have completed at least 10 commercial installations. If this is not the case, suppliers should apply for a CSP grant.

Should be relatively simple to add to existing factory operations/ processes

Will likely require new production lines/ significant engineering,

Area	Specific tech area	Impact Category	Ease of Implementation
Printing	Digital Printing (especially for small batches / new facilities)	Support electrification	

Processing	Stenter heat recovery	Thermal load reduction	
Dyeing	Digital spray dyeing	Support electrification	
Dying	Digital dyeing (pigment dyeing)	Supports electrification	
Pre-treatment	Ozone bleaching	Supports electrification	
Factory-wide	Heat pumps for hot water	Electrification	
Factory-wide	Mechanical Vapor Recompression (MVR)	Electrification	
Factory-wide	Absorption Chiller for on-site cogeneration	Energy structure optimization Bangladesh focus	
Factory-wide	Electric boilers (where local conditions are in place)	Electrification	
Finishing	Ozone finishing denim	Thermal load reduction	
Processing	RF Drying (where local conditions are in place)	Electrification	
ETP	Sludge drying - electric + heat pump (where local conditions are in place)	Electrification	
ETP	Sludge drying - electric + solar (where local conditions are in place)	Electrification	
Dyeing	Cold Pad Batch Dyeing	Thermal load reduction	

Project Requirements

- Suppliers may request support to cover the percentage of total project costs needed to make an otherwise non-viable project commercially feasible for their facility. Suppliers may request the % of the total project cost to bring an otherwise not commercially viable project to a level of capex that is commercially viable for the facility. For example, this may be a % of the capex that brings the project ROI down to 2-3 years. This will be evaluated in the application review process. The remainder of the project cost must be financed by the supplier.
- The maximum funding amount is $250,000 per year and should not exceed more than 50% of the total project cost/or 50% of the total project cost. If successful, grant funding will be given in installments of 50%-30%-20% according to project milestones.
- Textile manufacturers must be prepared to share data, outcomes, and learnings from the project with Aii for dissemination to the sector.
- Applicants must have a feasibility study and a quote from a specific vendor as part of the application.

2.1 CSP Advisory Council (CSPAC)

The CSPAC is composed of Aii staff, apparel/textile experts, and industry representatives. When the CSPAC's expertise is limited, it will engage subject matter experts to help evaluate applications.

2.2 Application Process

The application process will follow the following timeline. Please note: We will be in touch if we need additional information.

Application Round	Application Opens	Application Closes	Screening & Technical Evaluation	CSPAC Evaluation	Supplier & Vendor Calls	CSPAC Decision	Aii Leadership & Board Approval	Project Kick-off
Q1	February 2	March 13	March - April	Mid-April	End April/Early May	Early May	Mid-May	End May
Q3	July 1	August 14	Early September	Mid-September	End September	Early October	MidOctober	End October

- **Application Opens** – Aii opens the DGG application period. Applicants review the materials and send any clarifying questions to CSPHelp@apparelimpact.org. Applicants have two months to submit.
- **Application Closes** – The submission window ends. No additional applications are accepted.
- **Screening & Technical Evaluation** – Aii assesses eligible and complete applications for their CO_2e reduction potential, with a deep technical review of the feasibility assessment and corresponding calculations. The application is scored according to the process outlined later in this document. The ranked applications will then be shared with the CSP Advisory Council.
- **CSPAC Selection** – The CSPAC reviews the applications and decides which will move forward to a supplier & vendor call.
- **Supplier & Vendor Calls** - Applicants present their project alongside the vendor. The purpose of this call is to further understand the details of the project and its projected impact.
- **Award Selection** – The CSPAC reviews all application materials - including calls - and selects grantees.
- **Aii Executive Team Leadership Sign Off** – CSPAC submits finalists to Aii's Executive Leadership Team - and, subsequently, the Aii board - for approval. Successful applicants are notified.

While some application questions are scored, others are purely informational (further explained in the "Response and Scoring" section of this document). Applications will be evaluated by engineers and scored according to this system.

CSPAC will review the scores and rankings, determining which applications advance based on their evaluations and the portion of the 2026 funding pool remaining (totaling $1.3 million across both rounds). Aii's Executive Leadership team will then approve the grants.

3. Application Questions

In this section, we list all the application questions along with guidance on how to respond and the scoring matrix.

3.1 Organizational information

Contact Information
1. Textile manufacturer submitting application:
2. Textile manufacturer website:
3. Factory address:
4. Higg ID
5. Joint applicant/sub-grantee organizations:
6. Primary contact full name:
7. Primary contact email:
8. Primary contact phone number:
9. Primary contact location (city, country)
10. Other relevant personnel associated with the Solution (include email contact information if you want them included in follow-up communication from Aii):

3.2 Eligibility Criteria

DGG eligibility criteria - defined by Aii and fund-supporting partners - play two critical roles: ensuring funding is only given to suppliers that meet minimum social and environmental standards, and supporting assessments of supplier maturity. Clear insight into supplier maturity allows for the objective review and comparison of projects

Below we have outlined the criteria, their rationale. and scoring:

Question	Explanation	Response & Scoring
11. Please confirm that neither you nor the government has plans that could force the factory to relocate?	Ensures longevity of measurable impact. Especially relevant for Dhaka and Chinese suppliers.	Cannot confirm: 0 Can confirm no movement for 5 years: 1 Can confirm no movement for >5 years/ not applicable: 2
12. Please demonstrate minimum standards of Human Rights have been met.	Factory to share at minimum one valid social audit. Accepted formats are: SMETA, Amfori BSCI, verified FSLM, SCLP, Sedex/SMETA, WRAP, Better Work, brand audits and similar. Minimum standards to be met are no forced labor, no child labor, and safe working conditions.	No valid social audit available/ valid social audit not meeting minimum requirements: Ineligible for grant Valid social audit with major NCs: 1 Valid social audit with minor/ no NCs: 2
13a. Please demonstrate that minimum environmental standards have been met.	The factory already provides VFEM data to support the minimum data baseline. The upload should show the VFEM level achieved, with Level 1 reached in all topics as the minimum requirement. The onsite ETP must be assessed as fully functional through ZDHC testing as part of the VFEM process.	No Higg/ Failed onsite ETP: Ineligible for grant VFEM above level 1, clear stream report without any conventional parameters exceeding foundational limits: 1

		VFEM above level 2 and no detection of MRSL substances, heavy metals not exceeding foundational limits and conventional parameters or have Zero Liquid Discharge: 2
13.b Does your factory use any of these sources for fuel? Select all that apply	It is important for us to understand the current fuel sources of the factory.	Sludge, textile waste, uncertified biomass, certified woody biomass, agricultural waste biomass, coal, natural gas.

3.3 Factory Information

This section evaluates the maturity of the factory and its place within the supply chain. This information will be used to compare supplier readiness and the relative impact of a project on a factory. We will also use top emitter data and brand associations to gauge the factory's strategic importance to contributing brands. It is not a requirement to be a top emitter or a strategic supplier to a brand; however, this information is used to route applications to the fund's brand-linked pool or open pool

Question	Explanation	Response & Scoring
14. Years of operation	At least 1 year of operation is required to ensure the program isn't just subsidizing new factories and offer a starting Co_2e data point. Conversely, facilities older than 20 years are considered a potential risk due to inefficiencies and an increased likelihood of factory closure.	0-1 years: 0 2-19 years: 2 20 years +: 1
15. Which brands purchase from your facility? Please state the brand and the % of your production each brand buys from you.	To assign the application to the correct funding pool, factories must report which brands buy from them and at what percentages.	Brand 1 - x% Brand 2 - x%

		Brand 3 - x% Brand 4 - x%
16. Have you recently conducted an energy efficiency audit? Do you have an approved 2030 target and corresponding roadmap?	We ask this question as it gives confidence that tCo_2e reductions can be attributed to the investment and not impacted by other planned actions - especially around fuel switching/ large-scale onsite solar installation. The approved 2030 target and roadmap help to situate this project within a factory's long-term commitment to decarbonization. Please upload the most recent energy audit and target & roadmap.	No audit done: 0 Audit within 3 years: 1 Audit within 1-2 years: 2 If you have an approved target and a 2030 roadmap: +1 additional point

3.4 Project Information

In this section, we'd like to understand more about the grant-funded project. Aii is seeking projects that match our thematic focus of "proven technologies that reduce process demand for energy and support electrification."

Additionally, we want to understand how the emissions will be measured, if there are any risks to the project timeline, and the anticipated project savings. **Please note that these estimated savings will be put into the grant contract if the grant application is successful. The grant contract requires that 75% of the projected emissions savings are achieved.** Please make sure you clearly document the assumptions that have gone into the emissions savings potential so that these can be audited by the application reviewer.

Question	Explanation	Response & Scoring

17. Please select the technology's category:	Here we are looking to make sure the technology for which you are applying matches our categories. Please note, if you submit "other," the technology may not be eligible.	Other, specify: 0 Energy efficiency: 0 Reduce process demand for energy: 1 Renewable electrification of a process: 2 Electrification: 3
18. Please provide the technology vendor, equipment's name & specifications and the number of installations the vendor has.		
19. Please describe the project.	What process or equipment will the project change or replace? How will this reduce emissions?	
20. How will emissions savings be measured?	Does the specific equipment to be replaced - or, at minimum, the factory area - already have dedicated energy metering? Can the new investment be suitably metered to give confidence in impact claims? **If you do not have meters in place, please include the cost of meters in the grant request.** This question gives us an indication of data quality and where meters still need to be installed.	No existing meters Factory area is metered Specific equipment already metered (or cannot be metered, so question is NA)
21. Please upload a Feasibility Study that includes technical project design, estimated tCO_2e savings, ROI, and cost.	These may be separate documents, but all of this information must be captured and formally presented with vendor support. This section will be scored according to the strength of the study and project, leveraging the experience of the engineer reviewing the application. We will communicate any questions or opportunities to	Weak project/feasibility study: 0 Good project/feasibility study: 2 Great project/feasibility study: 4

	improve. As a core part of the application, this question is more heavily weighted than others.	
22. Please upload the quote from the technology vendor for which you are applying for capex support.	We will ensure the funding ask, quote, and feasibility study match.	
23. What is the estimated project timeline - from purchase order to machine being operational?	Please take a conservative approach when predicting the timeline of this project. This should include the time the vendor will take to deliver the equipment, installation, and making the equipment fully operational. Please note this will also be included in the grant contract. This question gives us an indication of the project length.	6 months 12 months
24. What risks or challenges have you identified for this project? How will you manage them?	Please select all applicable project risks. This question is designed to ensure the project has been thought through and risks have been anticipated.	New technology Permits Equipment Delay Land acquisition Training staff Other, specify

3.5 Impact

Question	Explanation	Response & Scoring
25a. What is the % reduction in CO_2 emissions from heat energy use? 25b. What is the % reduction or increase in CO_2 emissions from electricity energy use? 25c. List the processes/ sub-processes this project impacts. 25d. What is the project's estimated emissions reduction (tons CO_2e/year) 25e. What % of the facility's annual emissions does this project's savings represent?	This should come from the feasibility study and the calculations the vendor has done for you. For example: polyester fabric dye wash off or cotton continuous dye application & wash off. This helps us to assess and compare the magnitude of the project's impact in relation to the facility's total emissions.	22e. Less than 5% 5–15% More than 15%
26. Please upload a spreadsheet that shows your baseline energy usage and carbon emissions, and the energy and carbon savings you project to have as a result of installing the equipment.	Please attach a file that clearly demonstrates the baseline emissions of your factory or process line/machinery if you have submeters. In this document, we wish to clearly see the emission factors, any assumptions used, and the methodology to arrive at the emissions projections. These will be audited in detail, and these projections will also form part of the contractual agreement for successful applicants. Please make sure this matches the information on the feasibility study.	
27a. What is the percentage of renewable electricity you use today and its sources?		% per source 50-75% PPA, Solar, Green Tariff (1)

27.b What will the percentage be at the end of the project and from which sources?		75%-85 (2) 85-100% (3) If using iRecs only 1 point will be awarded.

3.6 Funding Request

Below, applicants must specify details on the requested grant funding. Please provide a summary of the funding request (in USD), duration, and added value it may generate (e.g., match funding from other sources). Proposals with anticipated or existing matched funding will receive preferential consideration. Please include any exchange rate, tax, and travel needs in your pricing – decisions can only be made based on the full funding amount. If invited to pitch, the applicant will be asked to provide line-item costing for detailed auditing of the funding request.

Question	Explanation	Response & Scoring
28. What is the total project capex (USD)? Please include not only the equipment cost but also any supporting infrastructure costs.		
29. What is the project's Return on Investment (ROI)?	How many years is the project payback?	3, 4, 5, 6, 7, or 8 years

30. Please itemize your funding request by project year and category	The maximum funding amount is $250,000 per year and /or 50% of the total project cost. Successful grantees will receive funding in installments of 50%-30%-20% A table will be provided to split the funding request into: • Solution capes • Personnel costs • Solution opex • Hard expenses (e.g. fabric)	
31. What will the ROI be after the grant?	The grant mechanism is designed to help bring projects down to a payback period management will approve of. Please state the project ROI if grant funding is received.	
32. What is your management's current accepted ROI for critical equipment?	We'd like to understand the current threshold to match the grant request and the extent to which it reduces the ROI.	<2 years, 2 years, 3 years, >3 years
33. How will you fund the rest of the capex needed for the project?	If you need financing, Aii can explore support.	Balance sheet, loan, brand, other specify.
34. If your solution has any other benefits - such as reducing water consumption, chemistry, or social - please describe these here.		