



**European
Investment
Bank**

The EU bank

A circular arrangement of twelve five-pointed stars, representing the European Union flag.

**EUROPEAN
INVESTMENT
FUND**

SUPPORTING THE TRANSITION TO A CIRCULAR ECONOMY

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20 September 2018, Vienna

The EIB: the EU bank



- ▶ Natural financing partner for the EU institutions
 - ▶ Sustainable investment projects contributing to EU policy objectives
 - ▶ Lending, blending, advising with different types of products matching project sizes and risk profiles
- ▶ Shareholders:
 - ▶ 28 EU Member States
 - ▶ EIB raises funds on capital markets and passes on favourable borrowing conditions to clients
- ▶ Largest multilateral lender and borrower in the world
 - ▶ Our priorities: environment, infrastructure, innovation, SMEs
 - ▶ 78bn lent in 2017, 90% in the EU

Why is circular economy relevant to EIB?

- ▶ CE is high on the EU policy agenda
 - ▶ As the EU Bank, we have a role in supporting the circular economy transition
- ▶ CE is strongly aligned with EIB policy objectives
 - ▶ Innovation, Environment, SME, Climate action
- ▶ CE opens new lending opportunities for EIB in various economic sectors
 - ▶ EIB lending to CE in the last five years has been EUR 2.1 bn

Circular economy project risks

- ▶ Small sub-investment grade promoters with limited collateral or few physical assets
- ▶ Innovative technologies with associated construction, operating and commercial risks
- ▶ Supply chain uncertainty, e.g. secondary feedstock supply, and output competition from virgin materials
- ▶ Transition to new/unproven business models with associated commercial and market risks
- ▶ Uncertain markets and demand for used, repaired or remanufactured products

Circular economy enablers

- ▶ Increase understanding and awareness of:
 - ▶ the need to hedge and manage linear risks
 - ▶ new CE business and market opportunities
 - ▶ positive environmental and climate effects of circular models
- ▶ Support multi stakeholder CE engagement, matchmaking, industrial symbiosis etc. and related best practice sharing
- ▶ Support the creation of markets and demand for secondary resources and refurbished/remanufactured products,
 - ▶ e.g. through a shift from tax on labour to resources/environment
- ▶ Match CE financing to promoter/project size/maturity/risk profile

How is EIB supporting the transition to a circular economy?

- ▶ EIB helps bridge financing gaps and catalyse investments through EFSI, InnovFin and other risk sharing instruments
- ▶ EIB can advise on CE project structuring/financing
- ▶ EIB contributes to CE awareness building
- ▶ EIB is active in CE networking & discussions



Visit our website at
www.eib.org/circular-economy



Project example: producing energy from sewage sludge in Vienna



Energy Optimisation
Sludge Treatment (150
EURm loan)



20 million m³ of bio-gas
per year



Vienna's wastewater
treatment plant electricity
needs to be covered by
100%