



**European
Investment
Bank**

The EIB bank

The EIB in the Circular Economy

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Why is the 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 several **EIB policy objectives** (Innovation, Environment, SME, Climate action)
- CE opens new **lending opportunities** for EIB in various economic sectors

Future CE lending opportunities (1)

- Product, material, process innovation at development or production phase
 - Products designed for longer use and/or easy maintenance, repair, transformation, resource recovery
 - Innovative materials that are fully recyclable or biodegradable
 - Innovative technology enabling circular production (e.g. 3D printing)
 - Use of secondary raw materials in production
 - Closure of resource loops in production

Future CE lending opportunities (2)

- Business model innovation for optimization at use stage
 - Product-as-service models (including performance-oriented pay per use or service contracts)
 - Product sharing platforms (e.g. car-sharing)
- Reverse logistics and resource recovery at after-use stage
 - Upgrade/refurbishment/remanufacture of used products
 - Recovery of nutrients, materials, energy from residues and waste

Circular economy project risks

- Small sub-investment grade **promoters** with limited collateral or few physical assets
- Innovative **technologies** with associated construction and operating as well as 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 risks
- Uncertain **markets** and **demand** for used, repaired or remanufactured products

How is EIB supporting the Circular Economy?

- EIB helps **bridge financing gaps** and **catalyse investments in CE** through EFSI/InnovFin and other risk sharing instruments
- EIB **advices** on CE project structuring/financing to improve their **bankability**
- EIB contributes to **awareness building** on CE
- EIB is active in **networking** with relevant partners to support consensus-building and decision-making on actions to support CE projects