

People and businesses in the European Union produce about 2.3 billion tonnes of waste per year, primarily from construction, mining and industry. Each person in Europe also produces, on average, half a tonne of household waste a year, of which less than half is recycled. This waste has negative effects on our environment and health, and is costly to manage. It also indicates that we are not using the Earth's finite resources efficiently. The circular economy aims to fix this by eliminating waste altogether. This can be achieved by extending the life and use of resources, materials and products, by re-thinking and re-designing products and business processes, developing innovative solutions and service models and encouraging more sustainable consumption patterns. If we do this, we will reduce material and energy consumption, waste generation and emission of greenhouse gases. The EIB is supporting the transition to a circular economy with three mutually reinforcing activities: finance, advisory support and awareness-raising.

From 2016 to 2020, the EIB provided **€2.7 billion** to co-finance circular economy projects in a variety of sectors. We stand ready to do more. Circular economy projects with a higher risk profile have received financing through our risk-sharing instruments benefiting from EU guarantees.

In addition to capital, the EIB provides financial and technical advisory support to improve the bankability and investment-readiness of circular economy projects.

Finally, awareness-raising and partnerships are key to enabling the transition to a circular economy. This is why we work with other financiers and key stakeholders to develop and share knowledge on the definition and financing of circular economy projects. For example, we have launched the **Joint Initiative on Circular Economy** together with the European Union's largest national promotional banks and institutions, with the goal of **investing at least €10 billion in the circular economy by 2023**. Together with the Advisory Hub we have also launched the Circular City Funding Guide website.



Verspillingsfabriek in the Netherlands transforms discarded and surplus food into fresh new products, such as soup and sauces. It is a beneficiary of a special impact loan developed by the EIB together with Rabobank.

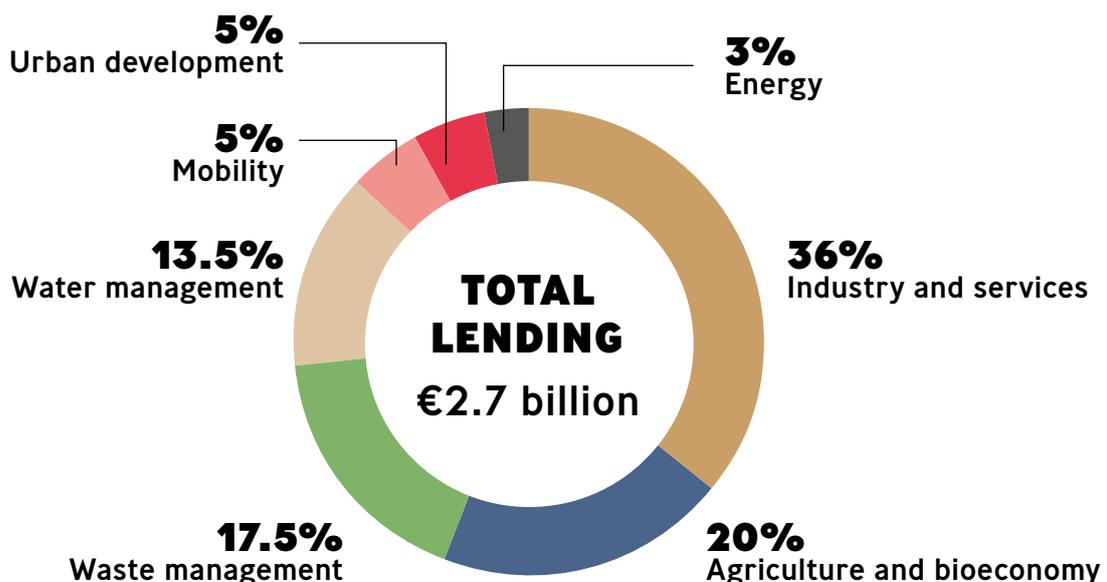
FACTS AND FIGURES

A circular economy conserves resources, reduces our impact on the climate and the environment, fosters sustainable economic growth, boosts competitiveness, and generates new jobs.

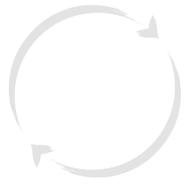
- Applying circular economy strategies in just five key areas (cement, aluminium, steel, plastics and food) could **eliminate almost half of the emissions** from the production of goods – 9.3 billion tonnes of CO₂e in 2050 – which is equivalent to cutting current emissions from all transport to zero (Ellen MacArthur Foundation and Material Economics, 2019).
- The circular economy, stimulated by technological innovation, could **increase resource productivity by 3%** globally (McKinsey, 2013, Ellen MacArthur Foundation, 2012).
- The development of a more circular economy in the European Union would reduce dependence on imported raw materials and could create up to an estimated **2 million new jobs by 2030** (European Commission, 2014).
- Moving to a circular economy also benefits businesses. By re-designing business models, production processes and products, circular businesses can significantly reduce their material, energy and waste management costs, resulting in higher yields and competitive advantages.

The EIB's support for the circular economy covers various sectors: industry and services, water management, agriculture and the bioeconomy, waste management, mobility, urban development and energy.

EIB circular economy lending by sector 2016-2020



PROJECT HIGHLIGHTS



De Lage Landen (DLL) circularity loan for SMEs and mid-caps, Belgium and Netherlands (€100 million EIB loan)

DLL refurbishes and leases used equipment to companies. The loan will bring cost savings to small and medium-sized enterprises (SMEs) and enable them to invest in other areas, while making a major contribution to the realisation of circular economy objectives.

[More information online](#)

Ecotitanium Plant, France (€30 million EIB loan)

The EIB supported the construction of the first EU industrial plant to recycle and re-melt aviation-grade scrap titanium metal and titanium alloys that will reduce dependence on imported titanium (a raw material used in many products) and prevent the emission of 100 000 tonnes of carbon dioxide a year. The plant will also cater for the strong growth in titanium demand in the aeronautics market and strengthen the metallurgical skills and employment hub of Combrailles in the Auvergne-Rhône-Alpes Region.

[More information online](#)

Ultimaker, Netherlands (€15 million EIB loan)

A highly innovative manufacturer developing 3D printers that can use, amongst other things, plastic waste materials to produce new items. The EIB loan will be used to further strengthen the research and development activities of Ultimaker and to roll out new products.

[More information online](#)

Belfius Smart Cities, Climate and Circular Economy, Belgium (€200 million EIB loan)

This bank-intermediated framework loan targets various areas including circular economy projects for public promoters in Belgium. The defined eligibility criteria assist the intermediary bank in sourcing and screening project eligibility with respect to the circular economy.

[More information online](#)

Novamont Renewable Chemistry, Italy (€30 million EIB loan)

Novamont develops innovative biodegradable and compostable bioplastics and biochemicals based on renewable resources.

[More information online](#)

Winnow, Romania (€7.5 million EIB loan)

Food waste management company Winnow will use EIB funds to develop and introduce software and hardware solutions to help staff in professional kitchens track the amounts and types of food wasted. The ultimate aim is to provide users with data for managing and preventing food waste.

[More information online](#)

Orbital (€15 million EIB loan)

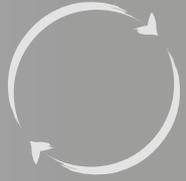
Orbital is an innovative early stage company that has developed a water recycling technology for domestic applications which can save up to 90% of the water and 80% of the energy used, compared to a conventional shower: water that would normally go down the drain is cleaned and reused in the same shower cycle. The EIB financing supports Orbital in expanding its technology know-how, further industrialising and commercialising its products, enabling the scale-up in production and building up physical working capital.

[More information online](#)

European Circular Bioeconomy Fund (€65 million EIB equity investment, backed by InnovFin)

The European Circular Bioeconomy Fund is the first equity fund exclusively dedicated to the bioeconomy and the circular bioeconomy in the European Union and the Horizon 2020 Associated Countries. It aims to provide financing to innovative growth-stage companies and projects. In October 2020, it made its first investments in PeelPioneers B.V., a Dutch company that creates value from food waste streams, and Prolupin GmbH, developer of plant-based protein and dairy alternatives.

[More information online](#)



RESOURCES

WEBSITES

- [The EIB in the circular economy](#)
- [The Circular City Funding Guide](#)

PUBLICATIONS

- [Joint Initiative on Circular Economy](#)
- [The EIB Circular Economy Guide](#)
- [The 15 Circular Steps for Cities](#)
- [Ellen MacArthur, The Virtuous Circle, Big Ideas Essay](#)
- [Access-to-finance conditions for projects supporting circular economy](#)
- [Access-to-finance conditions for investments in bio-based industries and the blue economy](#)

PODCAST

- [Converting waste to taste](#)

BLOGS

- [Squaring the Circle: what square financiers and circular economy businesses should understand about each other](#)
- [Titanium recycling gives Europe a valuable new metal supply](#)
- [Prosthetic limbs from a 3D printer](#)

VIDEOS

- [Making circularity part of everything we do](#)
- [Letting our oceans breathe](#)

NEWS

- [Beating plastic pollution: EIB endorses global pledge to cut plastic waste](#)

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This overview, with links
to stories, brochures
and videos, is available at:

<http://www.eib.org/circular-economy-overview>

