



**European
Investment
Bank**

The EU bank



improve lives.
together.

Supporting the Circular Economy Transition through Lending and Advising – EIB's Approach

Circular Economy week, Birkenfeld
Dr Patrick L. Dorvil, Senior Economist
Ms. Ioana Turcea

Agenda

- Introduction to the EIB
- What does the EIB finance?
- How does the EIB finance?
- Advisory support for the CE
- CE Project examples

The EIB: the EU Bank



- ▶ Investing in Europe's growth since 1958
- ▶ Shareholders: 28 EU Member States
- ▶ EUR 78.2 bn in total financing in 2017
- ▶ Some 450 projects each year in over 160 countries
- ▶ Around 90% of lending is within the EU
- ▶ HQ in Luxemburg, 40 local offices

EIB Group lending in 2017

Environment



EUR
16.7bn

Infrastructure



EUR
18bn

Innovation



EUR
13.8bn

SMEs

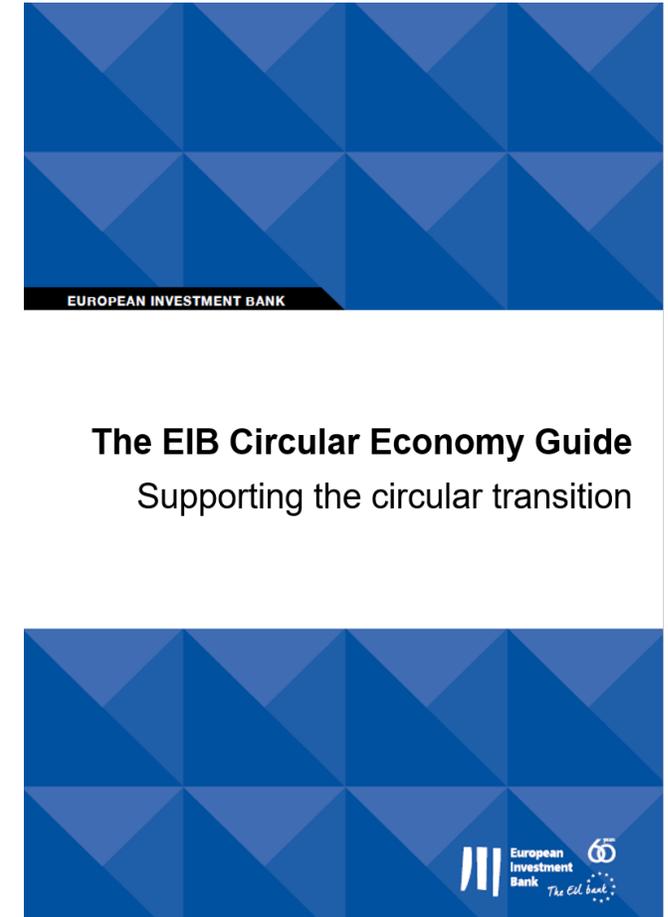


EUR
29.6bn

Eligible sectors for CE financing

- **Environment** – CE projects help the environment by reducing consumption of virgin raw materials and reducing emissions to water, air, soil
- **Innovation** – CE projects often comprise innovative technologies or business models
- **Support to SMEs** – CE projects are often implemented by SMEs

The EIB Circular Economy Guide: Definition of 15 generic circularity categories



EIB Financing Instruments

Overview

DIRECT FINANCING

- Large projects, financing max. 50% of project cost
- Corporates, Sovereign, SMEs & Mid-Caps
- Senior / Subordinated Loans but also Quasi Equity (i.e. “Venture debt” for highly innovative, high risk projects with support from InnovFin/EFSD)

INTER- MEDIATED FINANCING

- Small projects (loans typically < EUR 7.5m)
- Via banks, investment platforms, funds, investing in ‘eligible’ SMEs / Mid-Caps
- Loans and guarantees
- Due diligence on intermediary and its lending/investment procedures

EIB finances only **sound & bankable projects**, with increased capacity to lend to **higher risk projects** due to **InnovFin / EFSD**

European Investment Advisory Hub (EIAH)

Supporting investment in the real economy



A **single access point** to a comprehensive offer of advisory and technical assistance services



An instrument to assess and **address unmet needs** for advisory support



A **cooperation platform** to leverage and exchange expertise from EIAH partners

*Aim is to strengthen Europe's investment environment and improve the **quality of investment projects***

Who can benefit from the Advisory Hub's support?

Managing Authorities

Private companies

Public companies

Member States

Municipalities

Public authorities

National Promotional Banks & Institutions

Financial Intermediaries

URBIS: dedicated urban investment advisory platform

The Joint Initiative on Circular Economy



- 2,5 billion tons of waste per year in the EU. 38% of that is recycled,
- Each person in Europe produces, on average, half a tonne of household waste a year
- This waste has negative effects on our environment and health and is costly to manage.
- We are not using the Earth's finite resources very effectively.

- CE: Redesign, Re-definition of products and industrial processes
- Keeping resources in use in a perpetual flow,
- Reduction waste is eliminated, or at least reduced to a minimum, with any unavoidable residues recycled or recovered.
- JICE: EU's largest national promotional banks
- EUR 10 billion over the next five years (2019 – 2023) in CE
- EIB contribution: Loans, equity investment, guarantees, innovative financing structures and technical assistance.
- EIB support: facilitating circular strategies through the deployment of ICT, digitalization and services.

EGF Residuos Solidos (Portugal)

**EIB financing: EUR 145m
loan**

Total investment cost: ca. EUR 416m

- Rationalising and improving the municipal waste disposal practice in several regions across Portugal
- Phasing out landfilling of biodegradable waste
- Contributing to bringing the systems into full compliance with EU standards
- Reducing adverse effects on the environment and public health by closing down old non-compliant landfill cells
- Recovering of secondary materials
- Generating renewable energy



Creation of 266 FT jobs and increase the amount of waste processed; generation of biogas

Derichebourg Recycling and Circular Economy project (France)

EIB financing: EUR 130m loan

Total investment cost: ca. EUR 270m



Creation of 290 FT jobs and increase the amount of waste processed by over 3.6 m tons/yr Fe and 550,000 tons/yr non-Fe

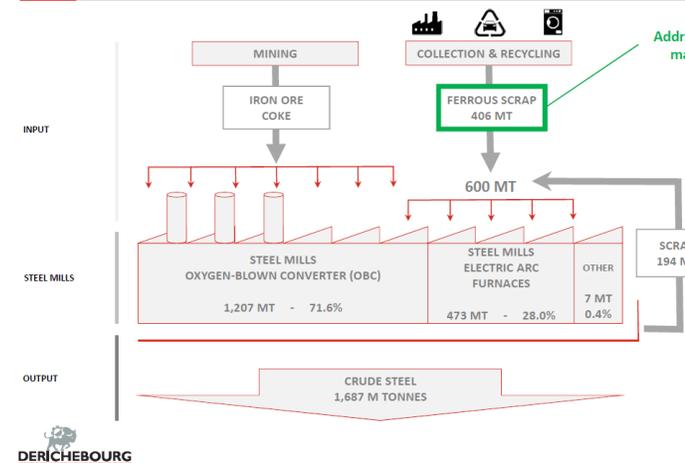
Investments to increase the promoter's capacity for:

- Modernising the recycling facilities
- Strengthening protection against noise pollution
- Strategic importance of some metals in the industry 4.0
- Strategic secondary materials for the EU industry
- Innovative recycling process for ferrous metals and non-ferrous material



2.1

FERROUS SCRAP NEEDS DEPENDS ON RELATIVE SHARE OF ELECTRIC ARC FURNACE (EAF) TECHNOLOGY IN STEEL PRODUCTION



LIPOR II-Waste Treatment and Disposal (Portugal)

EIB financing: EUR 53m loan

Total investment cost: ca. EUR 106m



Creation of 130 FT jobs and increase the amount of waste processed

Investments to increase the promoter's capacity for:

- Bringing SWM in line with EU- and national environmental policies and legislation
- Cost-effective, with reasonable overall unit treatment cost, conservatively estimated at EUR 58 per ton (\$13).
- leading to a higher proportion of the waste being recycled and composted
- Modernising the recycling facilities
- Recovering of secondary materials for the industry



Urbaser Waste Management RDI and Investment (Spain)

EIB financing: EUR 80m loan

Total investment cost: ca. EUR 186m

Investments to increase the promoter's capacity for:

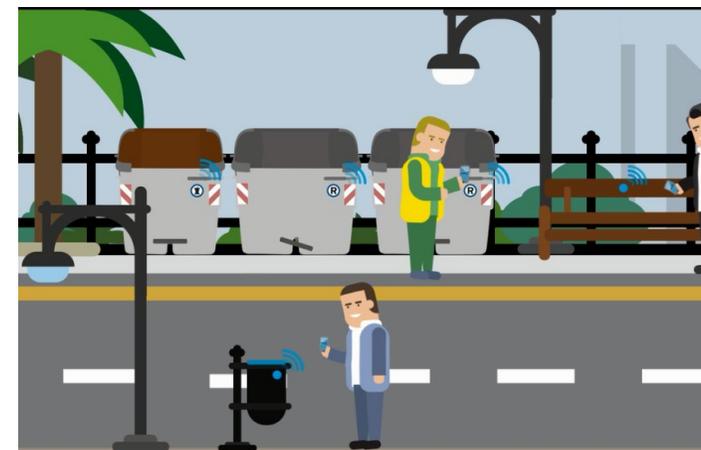
- To support RDI project
- To replace existing the truck fleet: Electric trucks and the procurement of more efficient and less pollutant vehicles for urban collection services
- To reduce of fuel consumption 5-10%, reduction of pollution
- To improve remote control and monitoring systems of urban services
- Efficient facility management:
 - Accomplishment of energy efficiency measures set.
 - Monitoring operation-energy performance of processes
 - Integrated Management System (IMS)



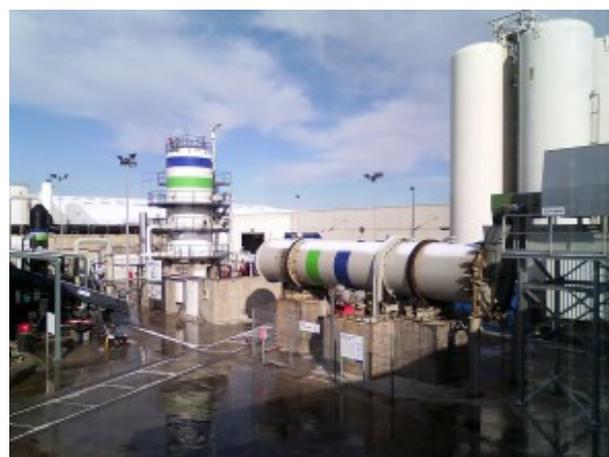
Network analyzer



Energy meters



Creation of 110 full-time jobs / Improvement of the operation management by achieving better performance / Improvement of maintenance (extension equipment lifespan, process conditions): 15-20% electricity consumption in 45 facilities



In summary, EIB supports the CE by...

- ...helping **bridge financing gaps** and **catalyse investments in CE** through EFSI/InnovFin and other risk sharing instruments
- ... **advising** on CE project scoping/structuring/financing to improve their **bankability**
- ... contributing to **awareness building** on CE
- ... **networking** with relevant partners to support consensus-building and decision-making on actions to support CE projects



Thank you for your attention!