



Financing recycling in a circular economy

Plastics Recycling Show Europe

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Linear economy – drivers for change

Linear risks

The population and consumption grows - **most resources are finite!**

Today we **take–make–use–dispose**

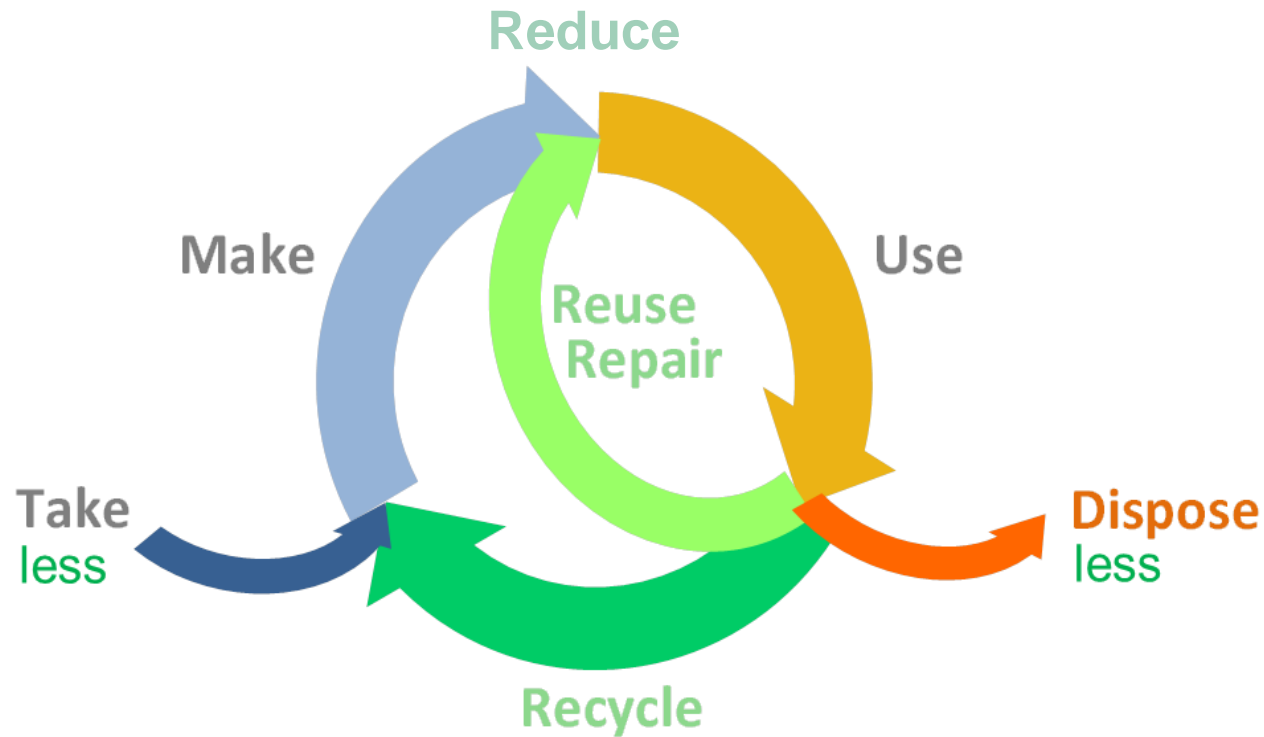
Resource scarcity ► **increasing costs/externalities** in extraction/transport!

Increasing fossil fuel use ► **disturbed environment and stressed climate!**



Time is of essence!

Circular economy - delivery



In short:

- maximise the value and utility of materials and products
- minimise wastage throughout the value chains
- consider waste as an asset not a liability

Plastics in a CE context

Current plastic recycling in EU: ca 30% of plastic waste generation

EU target: 55% (?) by 2030, so **room for improvement!**

Challenges:

- Inefficient **separate collection** systems and poor public awareness and cooperation
- New **packaging functional requirements** ► new more complex plastic varieties ► increasing recycling challenges
- Increasing **plastic product complexity** and poor sorting ► polymer cross contamination and impurities, and increased use of additives
- Poor/non-existent **material documentation** in products
- Competition from **virgin material** influenced by fluctuating oil prices

Plastics in a CE context

Opportunities:

- Focus on increasing **supply/demand** of secondary plastics
- Focus on **design** for recycling – recycler feedback to designer
- Develop/share **best practices** for separate collection
- Develop **standards** for post-consumer plastics
- Develop **sorting systems/technologies** (robotics, AI?)
- Develop **mixed plastic recycling** (also feedstock recycling)
- Focus on **logistics** and economies of scale
- Seek **synergies** and forge partnerships

EIB - The EU bank



- EU's financing partner, owned by member states
- Largest multilateral lender/borrower in the world
- Raises funds on capital markets and pass on favourable borrowing conditions to clients
- Ca. 450 projects in over 160 countries per year
- Luxembourg HQ, 40 local offices, ca. 3 000 staff
- 2016: 84bn lent, 90% in EU, 20% environment, 24% infrastructure, 16% innovation, 40% SMEs

Investing in Europe's growth

Our products

LENDING	BLENDING	ADVISING
<ul style="list-style-type: none">- Loans- Guarantees- Equity participation	<p>Combining EIB finance with EU budget</p> <p>Higher risk projects for innovation (InnovFin)</p>	<p>Support to project structuring and preparation (including advisory with CE and innovation focus)</p>

Attracting FUNDING for long-term growth

We offer:

- Competitive terms, long maturities and grace period during construction
- Loan size: min. EUR 7.5-12.5m, generally up to 50% of project cost
- Framework/intermediated loans for smaller projects
- Risk taking capacity, e.g. through EFSI, funds, quasi-/equity, platforms
- Sector expertise and advisory add value and lends credibility to projects

EIB in the Circular Economy



As the EU Bank, supporting EU transition to a **circular economy is high on the EIB agenda**

The EIB in the circular economy

Promoting a circular economy is high on the EU policy agenda because of its potential to boost competitiveness, foster sustainable economic growth and generate new jobs. The EIB is a major partner for circular economy investments in the EU, and has during the last 10 years co-financed projects worth EUR 15bn. We are now ready to further support the EU transition towards a circular economy.

In 2011-2015 EIB lent **EUR 6 bn** to CE projects

EIB **standard products and new instruments** cater to circular project financing needs

Dedicated **circular economy advisory** in Urban Development Division

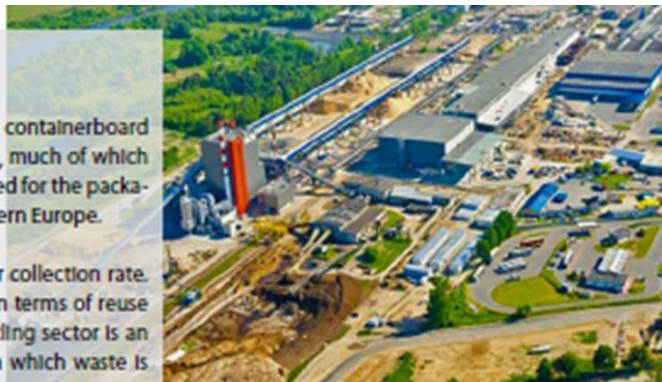


CE Project examples

Containerboard plant in Poland

The project consists in a 440 000 tonnes per annum containerboard plant based wholly on the use of local recycled fibre, much of which would otherwise go to landfill. The product will be used for the packaging of manufacturing companies in Central and Eastern Europe.

The project has also led to an increased waste paper collection rate. This will contribute to EU environmental objectives in terms of reuse of materials and reduction of waste. The paper recycling sector is an example of an existing circular economy business in which waste is turned into a resource and transformed into a valuable product.



Supporting electric car services in Paris

The 'Paris Bluecars' project meets one of the key concepts of a circular economy – product-as-service – with its clever car-sharing service. The developers advocate 'using' rather than 'owning' by offering a car-sharing system to get around the city using 100% electric vehicles.

This innovative urban scheme is also a real test case for electric vehicles, which are expected to clock up 60 million zero-emission kilometres a year and result in the reduction of emissions by the equivalent of 22 500 cars in the French capital.



A2A Ambiente invests in increased recycling

In a recent operation in support of A2A Ambiente in Milan, the EIB financed a new glass recycling facility. Since 2014 the plant has produced oven-ready cullets from source-separated glass.

The project also provided new waste collection trucks that enabled the expansion of the separate bio-waste collection system so that it now covers the whole city of Milan.

These project components are helping to close material loops and create a more circular economy in Milan.



Financing traditional CE projects

- Support investments to do **more and better** in response to increasing recycling targets and EU circular needs and ambitions
- May involve **new waste streams, new technologies**, uncertainty on **feedstock** and **off-take** side
- Need for **thorough assessments** of contracts, market/competitor studies, business plans etc.
- Need for ways to **mitigate residual risks** such as risk sharing and guarantees, promoter/stakeholder equity involvement, adjusted minimum credit metric levels, etc.

Financing new business models

- New business models > **new financing needs**
- **Pay per use/lease models:** Longer financial relations, balance sheet extension and increased capital demand
- New dimensions of **residual value** – and challenges with asset evaluation/tracking
- **Contracts** and **credit worthiness** important in regard to e.g. asset security and ownership
- Increased need for **pre-commerce/start-up** financing
- Focus on **supply chain** and **working capital financing**

www.eib.org

The screenshot shows the EIB website's 'Applying for a loan' page. The page features a navigation menu with 'About', 'Products', 'Projects', 'EFSI', 'Investor Relations', 'News', and 'Contact'. The 'Projects' section is active, and the 'Applying for a loan' page is displayed. The page content includes sections for 'What products are on offer?', 'Is my project eligible for an EIB loan?', and 'How do I apply for a loan?'. A sidebar on the left lists various project categories, and a right sidebar contains links to 'Project loans', 'Intermediated loans', and 'Application documents for an EIB loan'.

Project proposals are welcome!

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