

A large pile of discarded plastic bottles, with one bottle in the foreground having a bright pink cap. The background is filled with many more bottles, some with blue caps, creating a sense of a large volume of waste.

JOINT INITIATIVE ON CIRCULAR ECONOMY

**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 EUROPEAN INVESTMENT BANK
TOGETHER WITH RABOBANK.**



HOW BIG IS THE WASTE PROBLEM?

The European Union produces about **2.5 billion tonnes of waste a year**, 38% of which is recycled, while the rest is landfilled or burned. It's not all industrial waste: **each person in Europe produces, on average, half a tonne of waste a year**. This waste has negative effects on our health and on the environment, and is costly to manage. It also demonstrates that we are not using the Earth's finite resources effectively.

THE SOLUTION: THE CIRCULAR ECONOMY

The circular economy designs waste out of our societies, gradually decoupling economic activity from the consumption of finite resources. In a circular economy, products and industrial processes are redesigned and redefined so that resources are kept in use in a perpetual flow. Waste is eliminated, or at least reduced to a minimum, and any unavoidable residues are recycled or recovered.

WORKING TOGETHER TO MAKE IT HAPPEN

The Joint Initiative on Circular Economy (JICE) is a partnership between the European Union's largest national promotional banks and institutions and the European Investment Bank to invest at least €10 billion in the circular economy by 2023. This will support projects that prevent and eliminate waste, increase resource efficiency and promote circular business models.

The Joint Initiative on Circular Economy provides **loans, equity investment, guarantees, innovative financing structures and technical assistance**.

FOCUS:

- **PREVENTING AND ELIMINATING WASTE**
- **INCREASING RESOURCE EFFICIENCY**
- **PROMOTING CIRCULAR BUSINESS MODELS**


WHAT PROJECTS ARE ELIGIBLE?

This initiative will focus on investments in the European Union. National and local government institutions, private enterprises of any size, research institutions and social enterprises are encouraged to submit their projects. The initiative will target all stages of the production value chain and the lifecycle of products and services.

- **Circular design and production:** applying strategies to design out waste prior to commercialisation.
- **Circular use and life extension:** enabling the reuse, repair, repurposing, refurbishing or remanufacturing of products already in use.
- **Value recovery:** recovering materials and other resources from waste, recovering waste heat and/or reusing treated wastewater.
- **Support:** facilitating circular strategies through the deployment of information and communications technology, digitalisation and services.

SAMPLE PROJECTS

Here are some examples of companies and projects that have already received financing from JICE partners.



**Circular projects
from every sector
of the economy
can benefit from
the initiative.**

TACKLING FOOD WASTE

Phenix is a French company that offers retailers an attractive alternative to food waste disposal. Traditionally, retailers and industrial companies paid other firms to take unsold products and either incinerate them or dispose of them in a landfill. Phenix has created digital services that allow its customers to optimise sales of food close to the expiry date and connects retailers with charities in need of food donations. In addition to saving on the cost of paying someone to dispose of the waste, companies can qualify for financial incentives such as tax credits when donating to non-profit entities. In France, Phenix currently manages 5% of all food donations – the equivalent of 100 000 meals distributed and 50 tonnes of avoided waste a day. It has already expanded to Portugal and Spain. With the help of a €15 million equity investment co-lead by Bpifrance, Phenix aims to expand its activities and grow internationally.

INNOVATIVE MATERIALS FROM RENEWABLE RESOURCES

Novamont, an Italian company, makes bioplastics from starches, cellulose and vegetable oils. It also makes biolubricants such as hydraulic fluids, transmission fluids and greases which decompose in just a few days without leaving a trace. The biolubricants are ideal for ecologically sensitive sectors such as agriculture, forestry and boating. In addition, the company produces biodegradable microparticles for exfoliating creams, and other cosmetic ingredients from food crops. Novamont manufactures these materials in facilities that had closed down or become unprofitable, thus regenerating industrial sites and creating new jobs in previously dismissed areas. The European Investment Bank lent Novamont €30 million for production and research and development.



MANIFATTURA TABACCHI
FIRENZE, ITALY



CIRCULAR URBAN DEVELOPMENT

The reconversion of the former Manifattura Tabacchi in the centre of Milan is a prime example of giving a deserted, former industrial area a new life. At the end of the 1920s, Manifattura Tabacchi was built as a 90 000 m² site to store and process raw tobacco. The site was abandoned in the 1990s when production stopped. That is, until the Italian bank Cassa Depositi e Prestiti invested €40 million in a project to redevelop it. One building has already been successfully reconverted to provide 17 000 m² of residential space and 2 000 m² of office space, with the rest of the complex to follow.

WOOD RESIDUES AS ENERGY

In Spain, **the biomass district heating plant in Soria** (Red de Calor de Soria) uses woodchip residues from the local timber industry as fuel. The Spanish promotional bank Instituto de Crédito Oficial made an equity investment in the project through its venture capital firm AXIS. The project will provide 80 GWh of renewable energy a year, enough to supply heat to more than 16 000 inhabitants in 8 000 homes, and reducing carbon emissions by 28 000 tonnes in the process.



JICE partners pledge to invest at least €10 billion in the circular economy by 2023.

EXTENDING THE LIFE OF ROLLING STOCK

In Poland, the local **railway carrier PKP SKM** in the Tri-City (Gdańsk, Gdynia and Sopot) area refurbished 22 electric railway carriages, which will extend their life by another 20 years. The Polish Bank Gospodarstwa Krajowego supported this project with PLN 55 million (around €13 million).

MAKING USE OF PROCESS HEAT

In Germany, **Müller Egerer, a chain of traditional bakeries**, bakes 4 500 loaves of bread and 75 000 rolls every day, generating a lot of heat. With the help of an energy consultant, it was able to find a way to put that heat to good use: running dishwashers. The complex system of capturing and then releasing the energy was financed with a €900 000 promotional loan from KfW (Kreditanstalt für Wiederaufbau). Repayment can be reduced by €150 000 upon proof of the energy savings generated. The new system is already saving the bakery chain up to 650 000 kWh of energy a year. That means savings not only for the bakery, but also for the planet.

PARTNERS



BANK GOSPODARSTWA KRAJOWEGO

is a state development bank, the aim of which is to support the social and economic development of Poland and the public sector. It is a financial partner for strategic investment projects and stimulates entrepreneurship. www.bgk.pl



CAISSE DES DÉPÔTS

and its subsidiaries form a public long-term investor group serving the general interest and economic development of local areas in France and elsewhere. It combines five areas of expertise: pensions and professional training, asset management, monitoring subsidiaries and strategic shareholdings, business financing (with Bpifrance and Banque des Territoires). www.caissedesdepots.fr/en



CASSA DEPOSITI E PRESTITI

is the national promotional institution that has supported the Italian economy since 1850. It finances public investments, supports international cooperation and is a catalyst for the development of the country's infrastructure. It assists Italian companies, encouraging their innovation and growth and promoting their export and internationalisation, and contributes to the development of the Italian real estate market as the main operator of social and affordable housing. www.cdp.it



THE EUROPEAN INVESTMENT BANK

is the lending institution of the European Union owned by its Member States. It makes long-term finance available for sound investments in order to contribute towards EU policy goals. www.eib.org



INSTITUTO DE CRÉDITO OFICIAL

is a corporate, state-owned entity attached to the Spanish Government's Ministry of Economy and Business. It finances both SMEs and large-scale investment projects of social, cultural, innovative or environmental significance, thus contributing to sustainable growth. www.ico.es



KfW (KREDITANSTALT FÜR WIEDERAUFBAU)

is one of the world's leading promotional banks. Since 1948, it has been committed to improving economic, social and ecological living conditions all around the world on behalf of the Federal Republic of Germany and its Federal States. To do this, it supplied funds totalling €75.5 billion in 2018 alone. Of this total, 40% was spent on measures aimed at protecting the climate and the environment. www.kfw.de

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