

## **Circular Economy Conference VP Emma Navarro's speech (25 October 2018 in Copenhagen)**

Good morning everybody,

I am happy to be here today welcoming you to the EIB Circular Economy Conference in this wonderful city of Copenhagen.

This is the first EIB conference on circular economy. With this event, organized in the framework of the 60th anniversary of our Bank, we want to increase awareness of the need to speed-up the circular transition, as well as to enhance and share knowledge and ideas.

This conference could not be more timely. Never before has there been such a strong global consensus on the need to change our economic model, from linear to circular.

This fourth industrial revolution is occurring as we speak.

This conference today is also the best possible forum to launch two important EIB's initiatives to help stimulate the transformation towards a Circular Economy:

the EIB's circular economy guide and  
the setting up of a working group with some National Promotional Banks.

Europe is at the forefront of the global transition towards a circular economy, going from a "take, make, dispose" model to a "reduce, reuse, recycle" approach.

The European Commission presented the first circular economy package in 2015 to support this transition in the EU. EU Member States and cities play a key role in developing this strategy and ensuring a successful implementation. Denmark and Copenhagen are excellent examples.

And more and more, the circular economy concept is attracting increasing attention from the business community and from public and private financiers.

The shift to a more circular economy will not only reduce raw material consumption and waste generation. It will also create new business opportunities and open new markets for entrepreneurs. This is a huge opportunity for the European industry.

Now ... what can the European Investment Bank do in circular economy? When the EIB was created alongside the European Union 60 years ago, the concept of circular economy did not exist, nor did many sectors that the EU Bank is now supporting.

The EIB has traditionally financed very large infrastructure projects. A fantastic example is the Øresund Bridge between Denmark and Sweden. A clear success story of European integration.

However, the EIB has also made a certain shift on the investment projects that it targets. And today the EIB is a major partner for circular economy investments. During the last five years we provided financing for an amount of 2.1 billion euro to circular economy projects in different areas ranging from industry, to water management or urban development.

Let me give you an interesting example. I am sure that you are familiar with titanium. This strategic raw material for planes or spacecraft is six times more expensive than steel. It is not easy to buy in Europe and you have to go outside Europe to get rid of the scraps for recycling.

That is why the EIB has financed Eco Titanium: the first EU industrial plant, located in France, to recycle and re-melt titanium. The new recycling plant preserves an important resource, protects the climate by using state of the art technology, and will create at least 60 jobs.

And this is just one example of the multiple projects that we have financed.

Financing was made available under the Investment Plan for Europe, the so-called Juncker Plan. This plan was launched back in 2015 by the European Commission and the EIB Group as a response to the crisis, to kick-start investment in Europe.

Circular economy projects are generally small and present a higher risk profile than traditional investment projects that the EIB used to finance.

This is because many circular economy projects are innovative but also complex, and often feature unproven technologies or uncertainty regarding supply or output off-take.

Our financing under the Juncker Plan is a perfect fit for circular economy projects, because it benefits from a credit enhancement provided by EFSI guarantee, which helps make this kind of projects possible.

However, sometimes it is even necessary to go beyond finance and provide advisory and technical assistance services.

This is what we are doing with our Advisory Hub or under the InnovFin advisory programme with the Commission. You will certainly hear more about this in today's conference.

This is also why we are presenting today the EIB circular economy guide.

This guide provides information and guidance to financial cooperation partners, project promoters and other stakeholders on circular economy as well as our views and our work in this area.

In addition to finance and advisory support, it is crucial to enhance awareness about the circular economy.

To promote cooperation among some of the main financiers of circular economy projects, we are announcing today the creation of a working group with some national promotional banks in Europe. We are already used to partnering with them on many different topics, but this dedicated forum will help us focus more on the needs and potential of circular economy projects.

The most recent example of this cooperation with NPBs is the Clean Oceans Initiative. Our Bank announced this initiative with KfW and AFD last week, during the annual meetings of the IMF and World Bank Group. This initiative will support the development and implementation of sustainable, low carbon projects that will reduce pollution in the world's oceans with a particular focus on plastics.

Plastics are probably our biggest waste problem. They are polluting our oceans, killing wildlife and threatening our own health.

This is why the EIB fully supports the recent European Commission circular economy and plastics strategies aiming to move towards 100% recyclable or compostable plastics. (The EIB also welcomes the European Parliament approval yesterday of a legislative proposal to reduce the impact of certain plastics on the environment).

Ladies and Gentlemen,

As I said earlier we are only at the beginning of a long and challenging journey.

At the EIB, our engineers, our bankers, our risk managers and our lawyers, and of course the EIB Institute, are determined to take up the challenge and further intensify our support towards the circular economy.

We will continue to embed circular economy-related considerations in our lending and advisory activities and we will do this in close collaboration with our partners and stakeholders.

As Vice-President of the European Investment Bank, I can assure you that we are ready to continue supporting EU's transition towards a circular economy.

Thank you for your attention and I wish you all an inspiring and fruitful conference.