



# SESSION 1

## CIRCULAR ECONOMY IN EUROPE

RECENT MARKET DEVELOPMENTS AND INVESTMENT  
LANDSCAPE



# **CONTENT**

**Circular economy: Key benefits and value drivers**

**Identifying and classifying circular economy projects**

**Financing the circular economy: Evidence from the investment gap analysis by EIB and European Commission (2026)**



# **CIRCULAR ECONOMY: KEY BENEFITS AND VALUE DRIVERS**

# CONCEPT & DEFINITION

- A circular economy is a system which maintains the value of products, materials and resources in the economy for as long as possible, and minimises the generation of waste. This means a system where products are reused, repaired, remanufactured and/or recycled.
- Actions on the circular economy also contribute to other key EU priorities, including a green recovery, climate mitigation and energy savings, biodiversity protection, and global efforts on sustainable development.

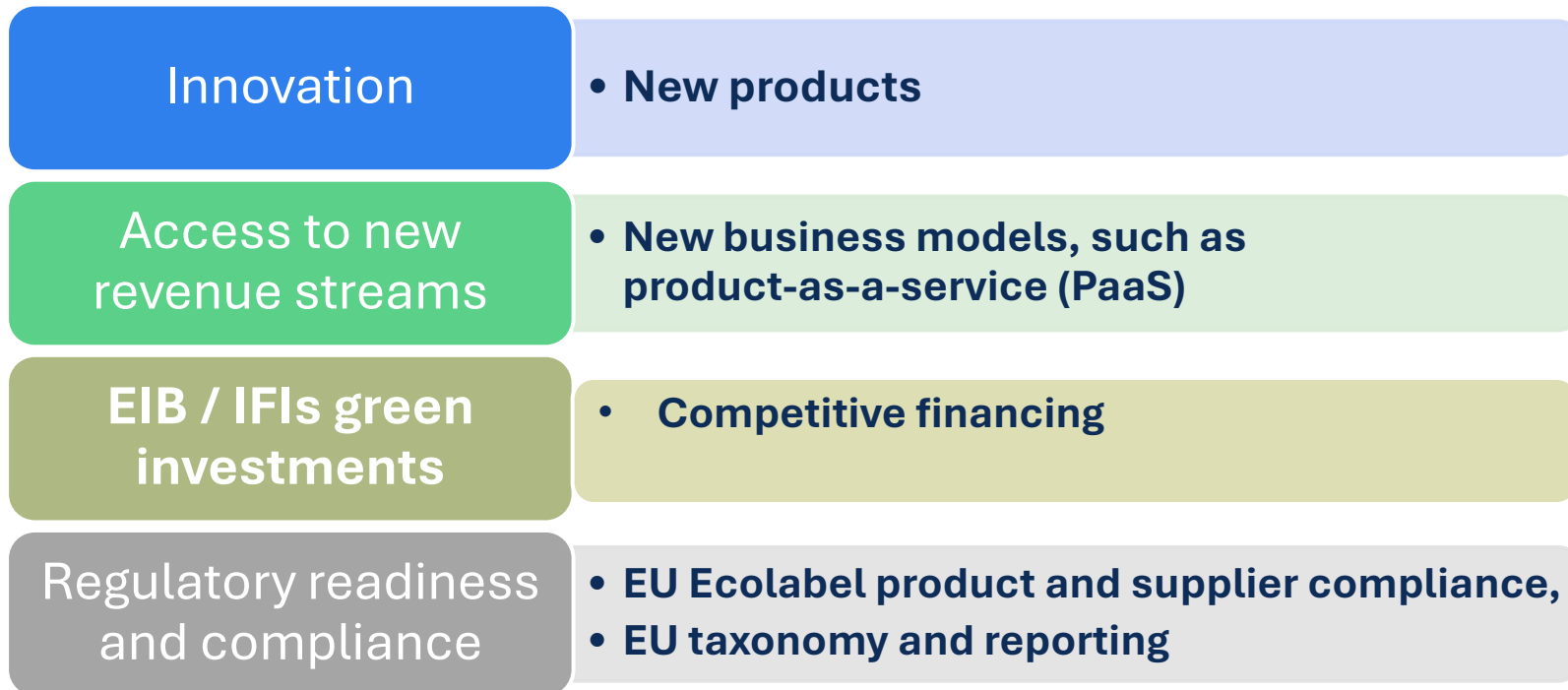
# CIRCULAR ECONOMY IN EIB'S CLIMATE BANK ROADMAP 2.0

- Circular economy as a core pathway to deliver the Roadmap's three objectives:
  - competitiveness,
  - inclusive prosperity,
  - security and preparedness.
- Clean investment as a core pillar of Europe's response to economic, environmental and resilience,
- Increased investment in clean, resilient technologies and skills across sectors
- Need for targeted investment across the full innovation cycle: early-stage R&D, scale-up and mass deployment
- Promotion of circular and resource-efficient business models,
- Strengthening international partnerships to diversify market access and secure critical raw materials.

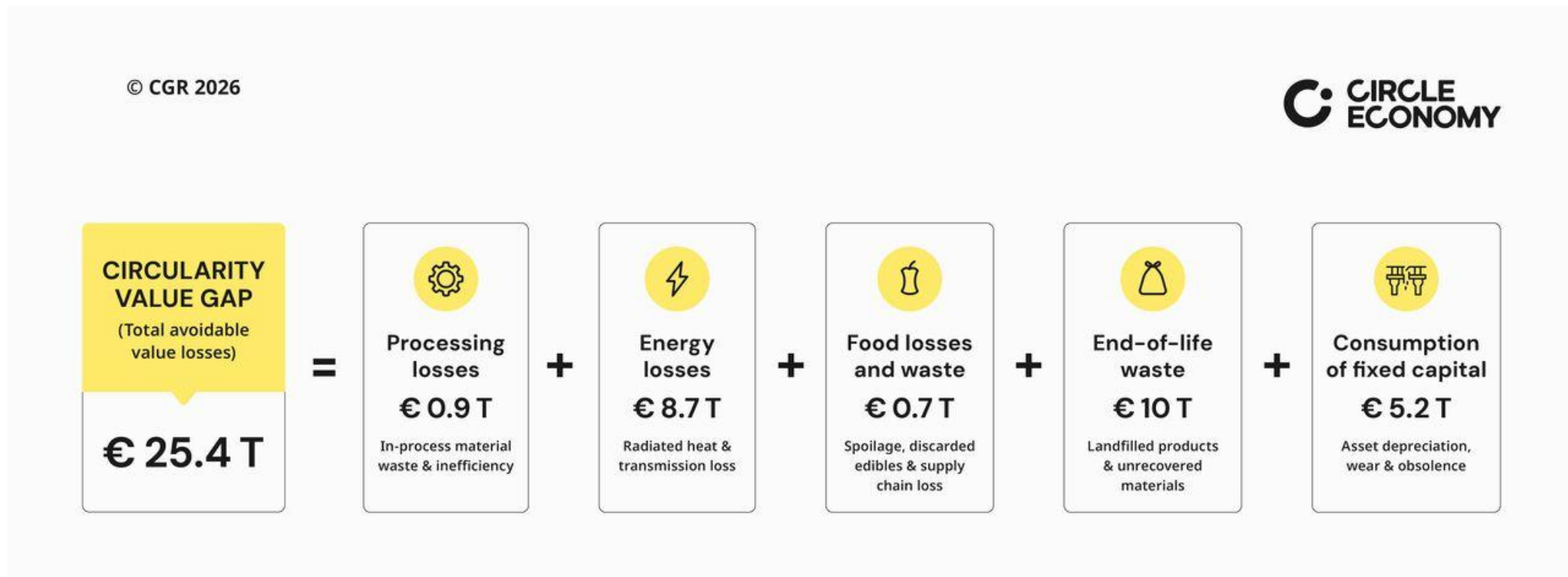


# VALUE DRIVERS: MARKET POSITIONING

*Circular models unlock financial, regulatory, and competitive advantages.*



# VALUE DRIVERS: COST SAVINGS, AVOIDED LOSSES, RESOURCE EFFICIENCY



[CGR 2026 - Executive summary - Circularity Gap Report](#)

# VALUE DRIVERS: RISK MANAGEMENT

*Circular models reduce operational, financial, and ESG-related risks*

## Reduced Risk Exposure:



Lower exposure to supply chain disruptions



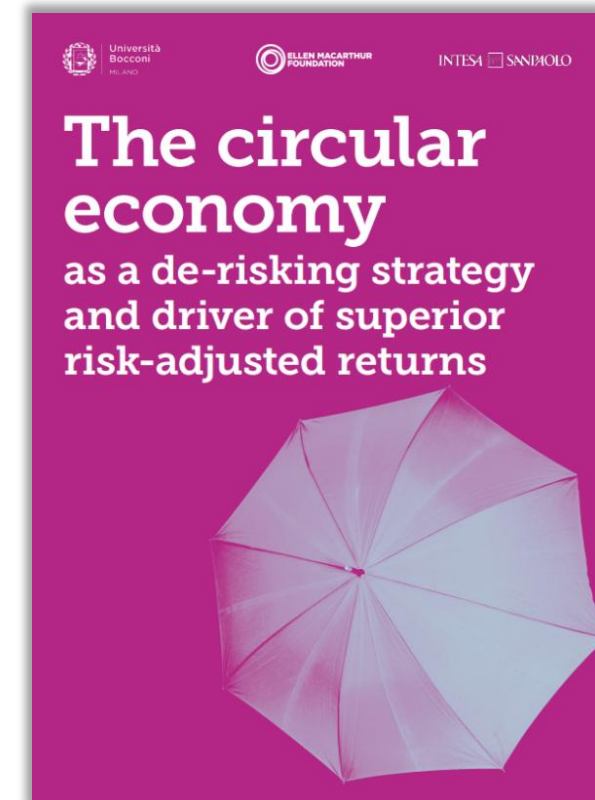
Higher resilience



Higher ESG performance

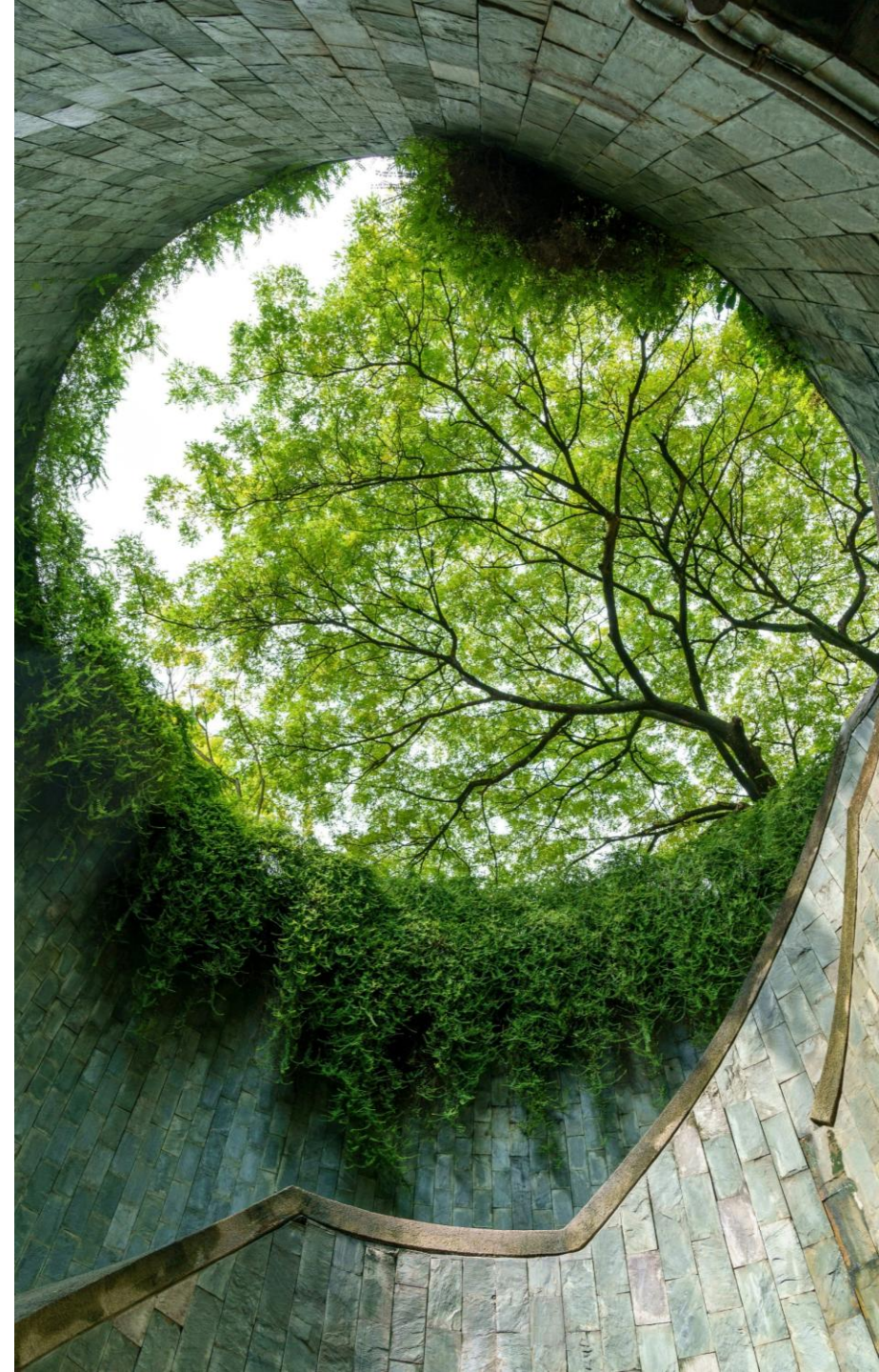


Improved credit risk profiles



[The-circular-economy-as-a-de-risking-strategy-and-driver-of-superior-risk-adjusted-returns.pdf](#)

# IDENTIFYING AND CLASSIFYING CIRCULAR ECONOMY PROJECTS



# SECTOR-AGNOSTIC CATEGORISATION ALONG THE CIRCULAR VALUE CHAIN



## Circular design and production

*Strategies: reduce, recycle*

Smart design and production that reduce waste and recycle materials at the beginning of a product's lifecycle are essential to ensure circularity.



## Circular value recovery

*Strategies: recycle, recover*

Value recovery models aim to maximise recovery and recycling of a product after its end-of-life stage. The value recovery models reduce waste and conserve resources.



## Circular use and life extension

*Strategies: reuse, repair, repurpose, refurbish, remanufacture*

Business models that increase the value and use of a product during an extended life are essential to shift to a circular economy. Over time, extending product life through proper care and repair reduces the need for people to buy more.



## Circular support

*Strategies: reduce, recycle, reuse, repair, repurpose, refurbish, remanufacture, recover*

Support and facilitation of all circular strategies in all lifecycle phases.

# CENTRALE SUPÉLEC – BUILDING RENOVATION

- Example for **public sector financing (direct loan)**
- Renovation of Centrale Supélec's main building (6,000 m<sup>2</sup>) to modernise science and engineering facilities
- Preservation of the building's cultural and architectural heritage
- Integration of renovation and extension works supported by the EIB
- Recycling and reuse of key materials
- Green procurement standards

[CENTRALE SUPELEC - BREGUET](https://www.centralesupelec.fr/)  
<https://www.centralesupelec.fr/>





# SWAPPIE - CIRCULAR ICT



**>1M**  
customers

**11** operating  
markets  
**in Europe**

- Example for **direct support to SME (venture debt instrument)**
- EIB investment supports Swappie in advancing smartphone refurbishing technologies and extension of end-to-end platform
- Strengthening R&D and increasing efficiency of refurbishment processes to enable market growth
- Provision of after-sales services

<https://swappie.com/>



# DLL – CIRCULAR LEASING SOLUTIONS

- Example for **intermediate financing**
- Financing of small-scale circular economy projects by SMEs and Mid-Caps in the Netherlands and Belgium
- Support provided under the De Lage Landen Circular Economy programme
- Facilitation of leasing models for second- and third-life equipment
- Promotion of supply chain circularity through refurbishment and remanufacturing services





# ELEMENTAL

- Example of **JASPERS technical assistance**
- Elemental Holding specialises in collection and recycling of catalytic converters and electronic waste
- Development of technologies to recover platinum metals for use in green hydrogen applications



# **FINANCING THE CIRCULAR ECONOMY: EVIDENCE FROM THE INVESTMENT GAP ANALYSIS**



# EVIDENCE FROM THE INVESTMENT GAP ANALYSIS

- Respond to the European Court of Auditors (2023) findings that progress in mobilising circular economy funding has been slow, particularly in sustainable design
- Quantify the circular economy investment gap and identify priority sectors and life cycle stages for investment
- Identify investment barriers
- Formulate recommendations for EC and EIB to increase financing to the circular economy  acting together



- Inform next policy developments on circular economy conditions
- Target EU funding to the most needed circular economy projects



- Set priorities
- Adapt financing offer in the area of circular economy

# SCOPE, CONCEPT & METHODOLOGY

## SECTORAL SCOPE

### Key sectors:

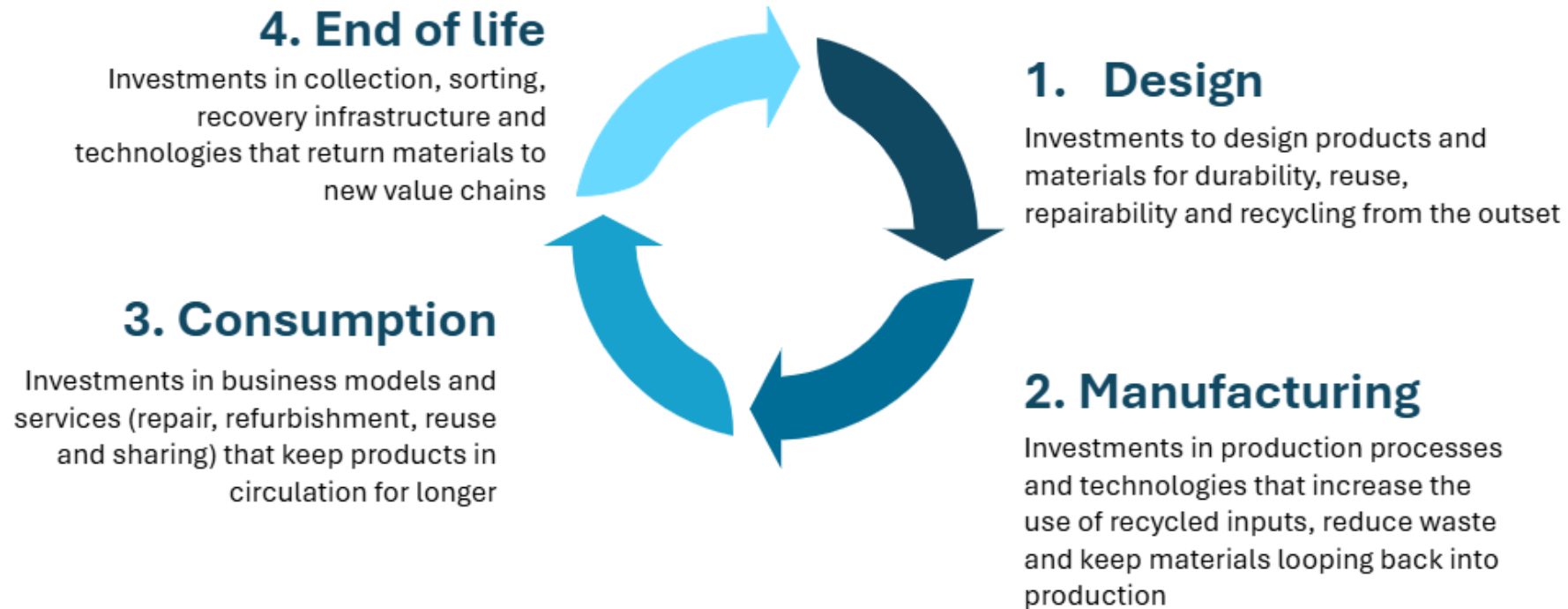
- Batteries and vehicles
- Construction
- Food, water, and nutrients
- Electronics and information and communication technologies (ICT)
- Plastics, including plastics packaging
- Textiles

### Cross-cutting sectors and activities

- **Sectors:** iron and steel, aluminium, chemicals, lubricants, paints, and detergents
- **Activities:** waste prevention, research and innovation, digital tools

# SCOPE, CONCEPT & METHODOLOGY

## PRODUCT LIFE-CYCLE APPROACH



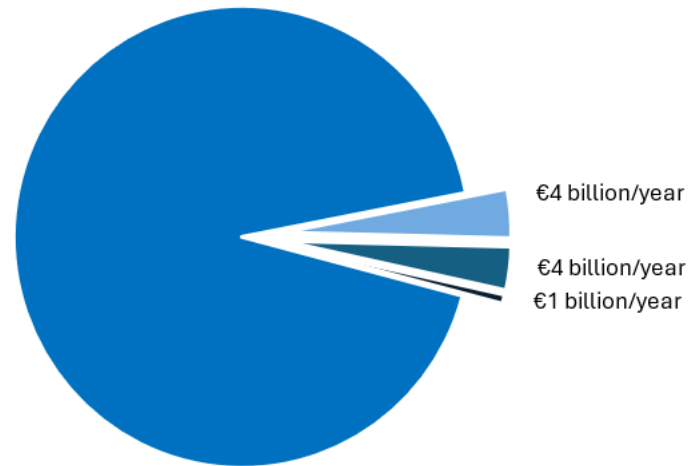
# CURRENT INVESTMENTS: PRIVATE SECTOR IN THE LEAD

## CIRCULAR ECONOMY INVESTMENTS ARE MOSTLY FROM PRIVATE SECTOR

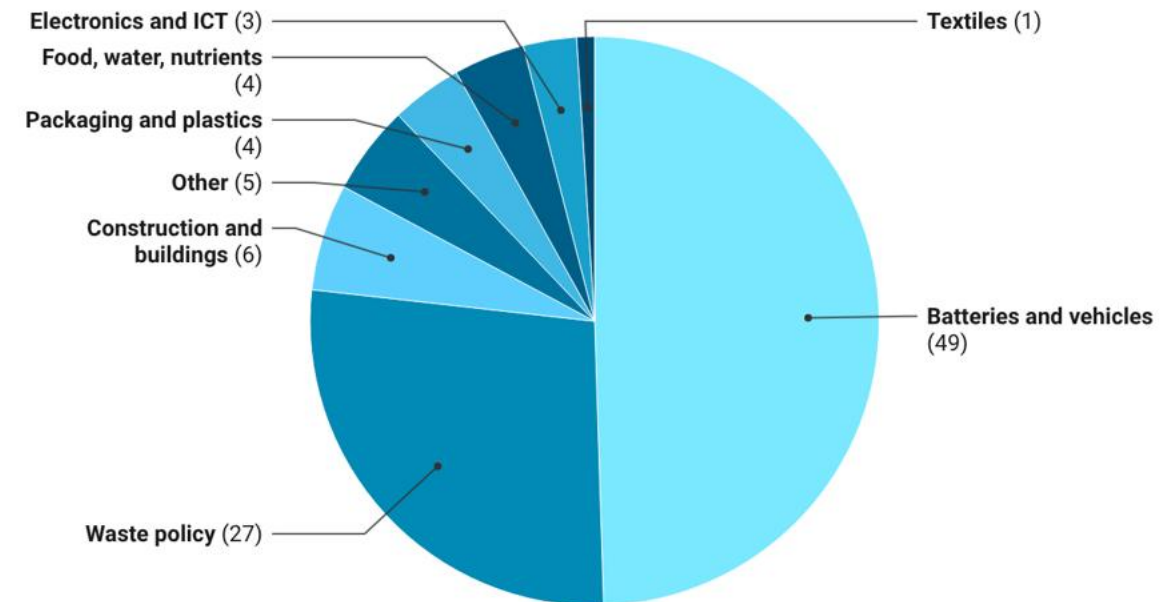
Annual circular economy investment in the European Union in recent years

€120 billion

- EU programmes
- National budgets
- EIB Group financing
- Private investment



Split of EU circular economy investments by sector, 2021 (% of total)

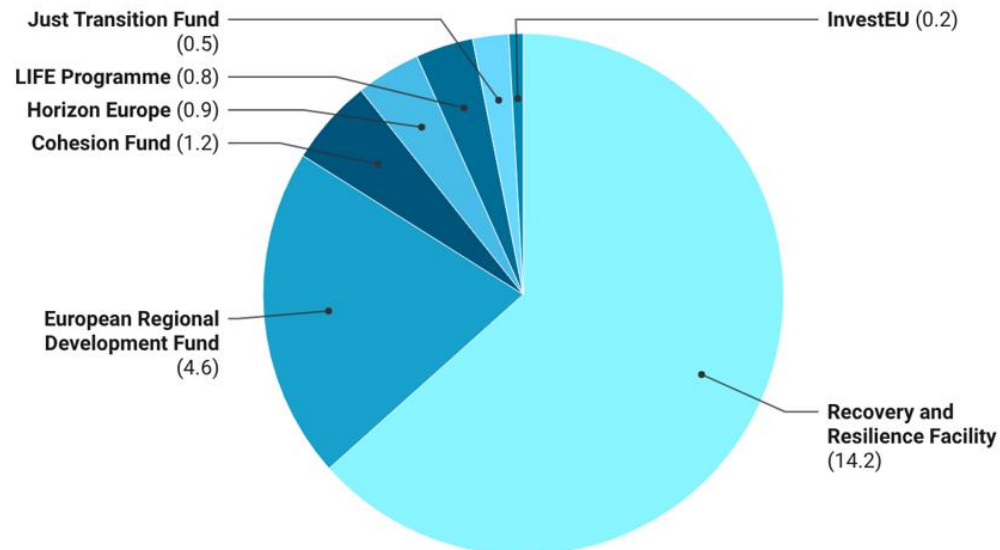


# CURRENT INVESTMENTS: PRIVATE SECTOR IN THE LEAD

## CIRCULAR ECONOMY FUNDING FROM EU BUDGET AND EIB IS INCREASING

Funding from **EU budget** directed to circular economy more than doubled between 2014-20 & 2021-27

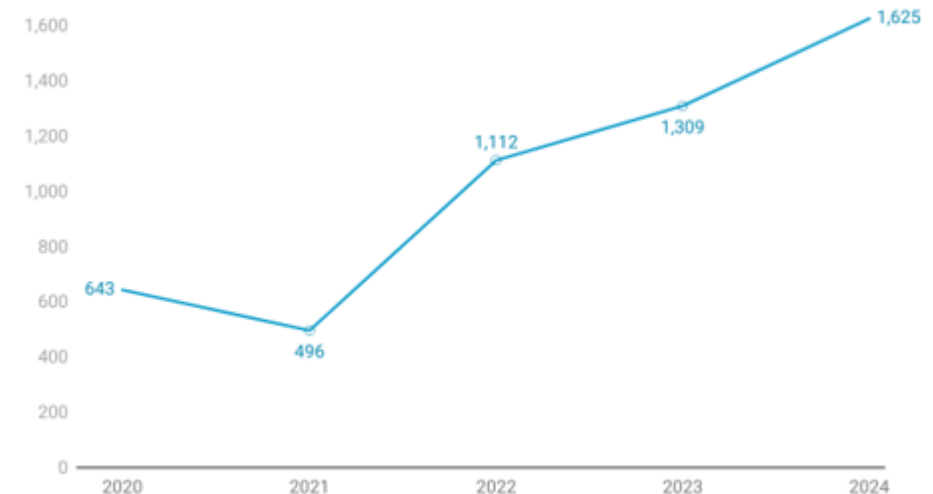
### Breakdown by EU funds 2021-2027 (€ billion)



Source: based on background study

The **EIB** increased its annual circular economy financing by 167% between 2020 and 2024

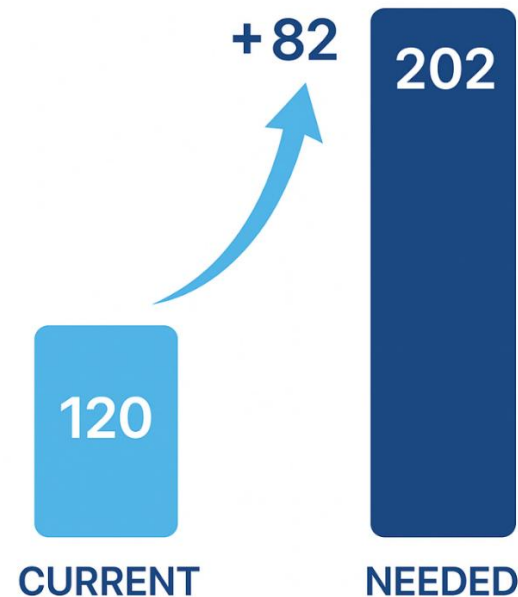
### EIB circular financing in the European Union, 2020-2024 (€ million)



Source: EIB

# SCALING UP INVESTMENT TO ADVANCE THE CIRCULAR TRANSITION

**THE ANNUAL CIRCULAR ECONOMY INVESTMENT GAP BY 2040: €82 BILLION**

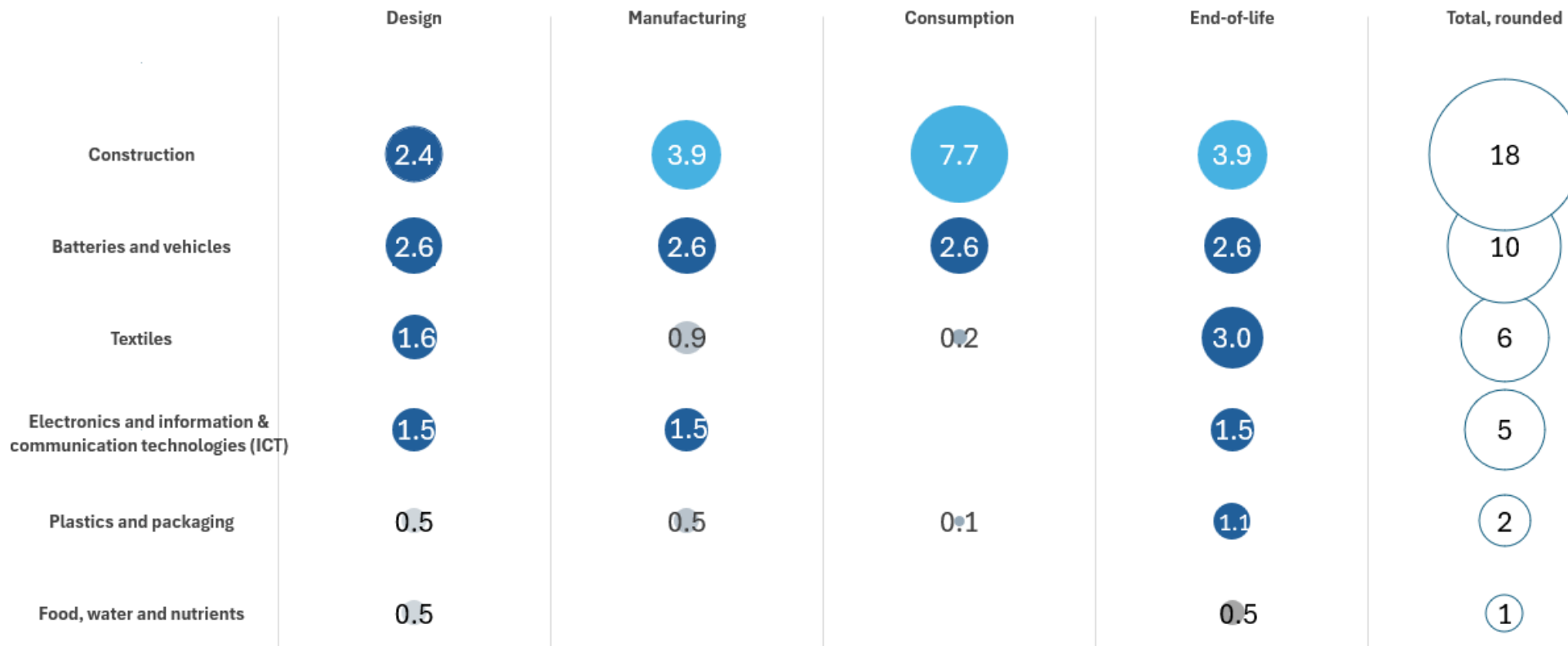


Source: based on background study

# PRIORITISING HIGH-IMPACT SECTORS

## CONSTRUCTION, TEXTILES, BATTERIES, AND VEHICLES

Distribution of sectoral investment gaps per life cycle phase (EU, € billion, total: €42 billion/year)



Source: Background study

# PRIORITISING HIGH-IMPACT SECTORS

## CONSTRUCTION, TEXTILES, BATTERIES, AND VEHICLES

### Sector ranking based only on investment gap

Construction

Batteries and vehicles

Textiles

Electronics and ICT

Plastics

Food, water and nutrients

### Sector ranking following prioritisation exercise

Construction

Textiles

Batteries and vehicles

Plastics

Electronics and ICT

Food, water and nutrients

# ADDRESSING KEY INVESTMENT BARRIERS TO THE CIRCULAR ECONOMY

## METHODOLOGY: INTERVIEWS AND STAKEHOLDER CONSULTATIONS

Circular projects are not scaling fast enough, markets remain immature despite existing EU policies & funding.

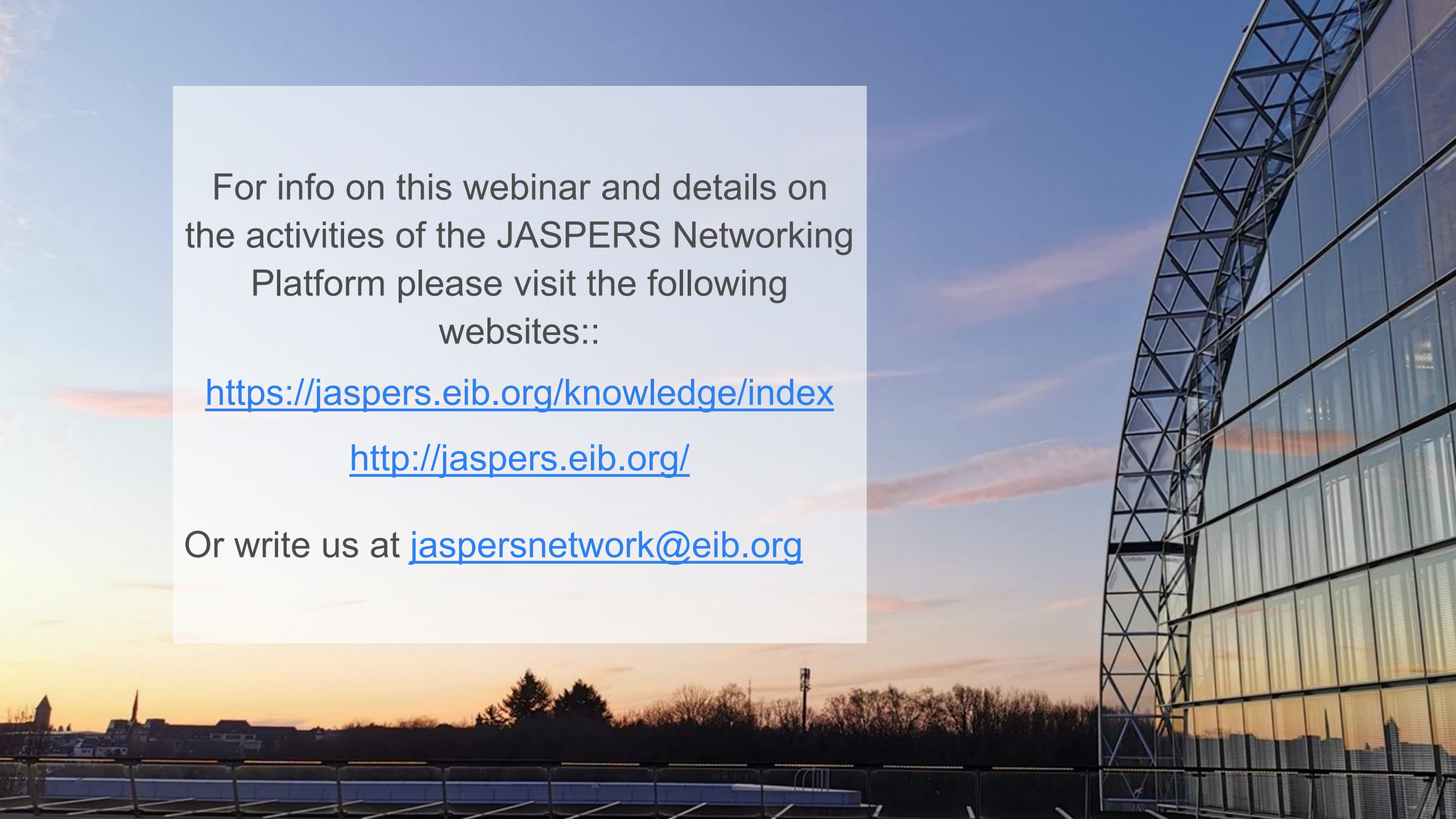
There is a role to play for

- 1) EC: Help improving market functioning and development through targeted regulation
- 2) EC and EIB: Unlocking finance and investment for market development:
  - Support circular economy infrastructure financing
  - Bear investment risk through grants, blended finance, guarantees and venture capital
  - **Expand intermediated financing for SMEs**
  - **Extend advisory offer**
  - Simplify green finance criteria
  - **Simplify access to EU funding**

# ADDRESSING THE BARRIERS: ADVISORY HAS A KEY ROLE TO PLAY

## WHAT IS NEEDED:

- Guidance on circular practices, innovative circular business models, regulatory requirements, technical solutions, market dynamics, viable business models and the investment needed to make projects work.
- Support of
  - project scaling,
  - the planning of enabling infrastructure (including circular hubs, repair centres and reverse logistics systems),
  - smaller promoters who are unlikely to approach the EIB group or the European Commission directly.

A photograph of a modern glass skyscraper at sunset. The building's curved facade and steel framework are visible on the right side. The sky is a mix of blue and orange, with a few wispy clouds. In the foreground, there's a dark silhouette of a city skyline and some trees.

For info on this webinar and details on the activities of the JASPERS Networking Platform please visit the following websites::

<https://jaspers.eib.org/knowledge/index>

<http://jaspers.eib.org/>

Or write us at [jaspersnetwork@eib.org](mailto:jaspersnetwork@eib.org)