

# The EIB in the circular economy



## Circular economy financing

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# Financing a circular economy

**CE promoters and projects come in different shapes and forms**, varying regarding:

- **business model**: traditional “closing loop models” or new leasing/sharing models
- **company/project size and maturity**: From R&D and start-ups to large corporates
- **risk profile**: Technical risks, market/value chain risks, legal risks, client risks

As a result, **funding needs will vary**, from working capital to large scale debt funding, reflecting the business model, project size and maturity, and risk profile

To **secure/increase access to CE financing**, these variations and particularities must be well understood by both fund seekers and providers

# Access to circular financing and funding

Company	Cash flow	Funding options	Main risk focus	Pitch focus	EC/govern. support	EIB offer
<b>R&amp;D</b>	Pre-revenue	Founder/family/friends, business angels, vent. cap. grants, guarantees	Promoter, technology comm. prosp.	Upside, policy relevance	FOAK, demo grants/ guarantees, work. capital financ. knowl. sharing/advis. launching customer	InnovFin, advisory (all stages)
<b>Start-up</b>	Pre-profit	Business angels, venture capital, grants, guarantees	Company, busin. model, mgm. team			CBIP (TRL 6-9), EDP, VC, VD, quasi-eq., guarantees
<b>Scale-up</b>	Pre-profit to profit	Venture capital, venture debt, supply chain finance	Markets, value chain, competition	Upside, risks	Financial instruments create markets/ demand	MCGF, VD, EFSI, subordin. debt, finan. instrum.
<b>Growth</b>	Profit	Private equity, debt, supply chain finance	Credit worthiness, markets, competition	Downside, risk mitigat.	Level playing field green tax shift create markets/ demand	Senior debt (direct/ intermediated)
<b>Mature</b>	Profit	Debt, bonds, supply chain finance				

CBIP – Circular Bioeconomy Investment Platform, EDP – energy demonstration project, MCGF – midcap growth funding, VC/VD – venture capital/debt

For circular questions/comments/documents:

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