

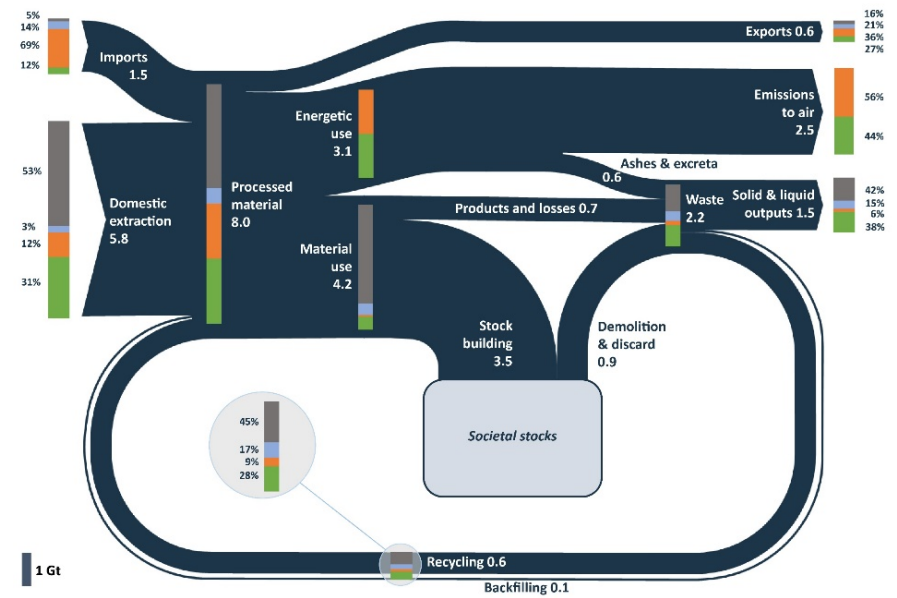
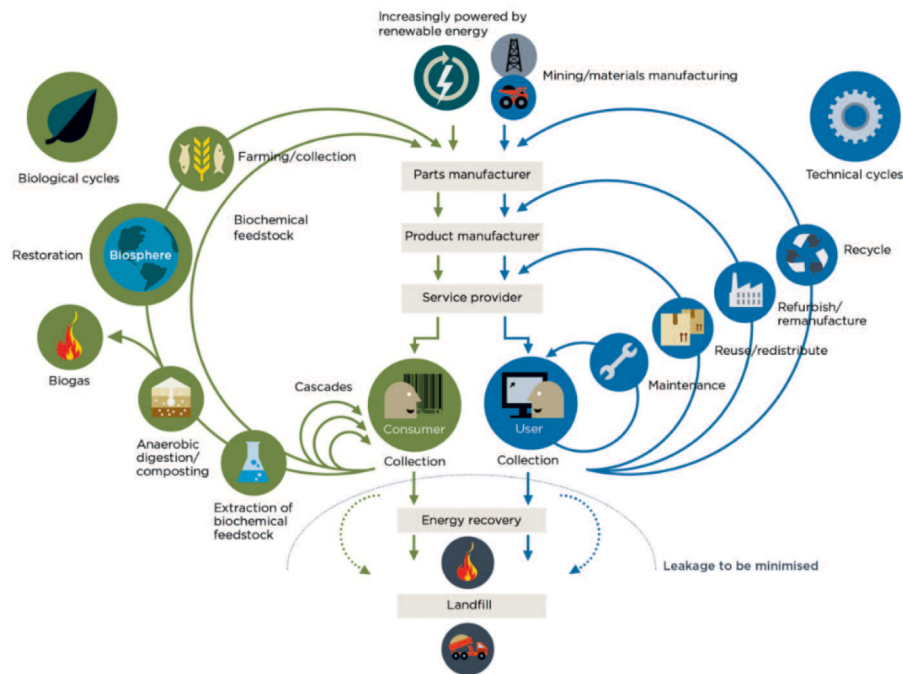


Financing the Circular Economy Transition

EEA Webinar 26 September 2018

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Circular Economy: vision and reality



Fast transition requires systemic changes

- **Innovative business models**
- **Material/product innovation**
- **Enabling technology**
- **Supporting infrastructure**
- **Governance at different scales (urban, regional, national)**
- **Market organisation**
- **Financing (estimate 320 billion until 2025)**



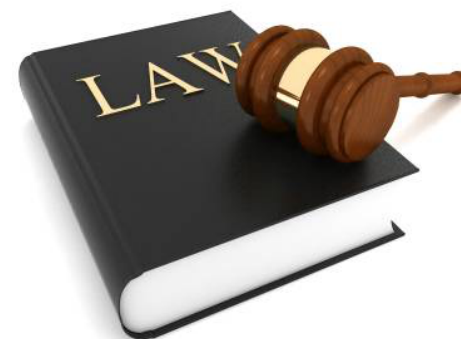
Challenge to CE financing: risk

- Will the CE technology work?
 - Will consumer buy products/services?
 - Is there demand for recycled materials?
 - Will partners in the supply chain collaborate?
 - How will prices of materials/product develop?
- ⇒ **Impact on revenue generation**
- ⇒ **Perceived high financial risk**
- **The uncertainties and barriers have to be addressed**
 - **At the project level – increase economic viability of CE projects**
 - **At the investment level – compensate the risk of investor**



Policy options

- **Create level playing field**
 - Remove harmful subsidies
 - Taxation
 - Subsidies to CE projects
- **Create markets for CE**
 - EPR schemes
 - Eco-design requirements for products
 - Green public procurement
- **Facilitate value chain collaboration**
 - Voluntary agreements
 - Cost and profit sharing schemes



EU financial instruments

- **Structural funds**
 - 10 billion earmarked for waste management
 - Smart specialisation
- **LIFE+**
- **Horizon 2020**
 - Grants under LEIT and SC5
 - Innovfin
- **European Fund for Strategic Investment**



H2020 support to R&I for CE

- **Focus Area on Circular Economy**
- **780 million EUR**
- **LEIT, SC5, SC2**
- **RIAs, IAs, CSAs**
- **Large span of TRLs**
- **Large scale demonstration projects**

- **Complementary action:**
 - **Expert group on CE financing**



Planned R&I support

H2020

- 940 million EUR

FP9 2021-2027 – Horizon Europe

- ? billion EUR
- Intervention Areas: Circular Systems, Circular Industry and Bio-economy
- Missions



Thank you for your attention

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