

# The Joint Initiative on Circular Economy reaches over a quarter of its five-year target and supports ground-breaking circular economy projects



- Five European national promotional banks and institutions and the European Investment Bank (EIB) report progress on their joint €10 billion initiative to accelerate the transition to a sustainable and circular economy
- In 2019, a combined financing of €2.7 billion was provided for circular economy projects

After its first year of operation, the [Joint Initiative on Circular Economy](#) provided €2.7 billion of long-term financing for projects that will help accelerate the transition towards a circular economy. This initiative launched by the six largest public financial institutions in the EU aims to finance at least €10 billion of investments to support the circular economy over five years (2019-2023).

Members of the initiative are the Bank Gospodarstwa Krajowego (BGK – Poland), the Caisse des Dépôts Groupe (CDC – France), including Bpifrance, Cassa Depositi e Prestiti (CDP – Italy), the European Investment Bank (EIB), Instituto de Crédito Oficial (ICO – Spain) and KfW (Germany).

Over the last year, these six financial institutions supported projects across a variety of sectors including agriculture, industry and services, mobility, urban development, waste and water management. The projects span over all stages of the value chain and lifecycle of products and services, from circular design to value recovery. The most recent companies and projects supported include:

- [CREAPAPER](#), a German start-up for circular paper production and innovative packaging. It produces paper from grass, which not only saves wood as a raw material but also results in significantly lower CO<sub>2</sub> emissions and water consumption
- [Vestiaire collective](#), an online marketplace that allows its more than 9 million users to sell and buy second-hand luxury fashion pieces
- [Winnow](#) to develop software and hardware solutions to reduce food waste in professional kitchens
- [Aquaservice](#), a leading Spanish water service provider that reuses and recycles all its material and carries out maintenance with a repair and reconditioning programme
- [Palazzo delle Finanze \(Firenze\)](#) a recovery intervention of the existing buildings aimed at the establishment of new productive uses and annexed offices as well as the complete redevelopment of the area outside the complex

- [Star meat](#), top quality meat processing Polish manufacturer using an innovative process to reduce wasted meat

The Joint Initiative on Circular Economy (JICE) provides loans, equity investment, guarantees and technical assistance to eligible projects and develops innovative financing structures for public and private infrastructure, municipalities, private companies of different sizes as well as for research and innovation projects. In addition, JICE contributes to the ongoing initiatives led by the European Commission by building knowledge through dedicated working groups and developing financing schemes. In that sense, it will increasingly engage in circular economy knowledge dissemination activities that will help develop and spread a circular economy culture across European business and financial landscape.

BGK President of the Management Board Beata Daszyńska-Muzyczka said: *"We treat the circular economy investments primarily as a care for the natural resources and care for the life quality of future generations. These projects usually require more financial support. We already know that public funds will not cover all needs. The solution is, among others, sustainable financing, i.e. engaging private capital and encouraging companies to implement green projects. I am convinced that it is the banks and development institutions, just like BGK in Poland, that will play an important role in this process. JICE shows that we can act in close cooperation and effectively at the European level."*

CDC CEO Eric Lombard said: *"Caisse des dépôts Group is proud to contribute to this joint initiative and will continue to support the transition towards a circular economy in France and with our European partners. The results we achieved collectively over the first year of the JICE are promising signs for the future development of circular economy in our territories. The current health and economic crisis is an incentive to do more to promote responsible use of our resources in the upcoming years. That is why Caisse des Dépôts' contribution to the French recovery plan puts a strong emphasis on climate and nature preservation, including circular economy, in line with the European Recovery Plan and the European Green Deal."*

CDP CEO Fabrizio Palermo said: *"CDP Group strengthened its support to public administrations and local communities, aiming at promoting the transition to a more sustainable and circular development model. This demonstrates how the idea behind the launch of the Joint Initiative on Circular Economy (JICE) was both appropriate and timely. For this reason, I am convinced that the common efforts of the institutions involved with the JICE will be crucial to develop a relevant response to the new challenges posed by the current crisis, which make the transition to a global circular economy more urgent than ever".*

EIB President Dr. Werner Hoyer said: *"JICE is a tangible example of how value can be created by increasing coordination across stakeholders on circular economy. The largest European public financial institutions now have a common definition of circularity, share best practices and can get circular economy projects off the ground more easily. We are looking forward to continuing this collaboration, reflecting the shared climate ambition to achieve the Paris agreement targets."*

ICO Chairman José Carlos Garcia de Quevedo said: *“Circularity is a concept intimately linked to life on this planet and its possibilities of maintenance over time. We know it for sure and we need to incorporate it with determination into our policies. In this sense, JICE is perfectly linked to Spain’s sustainability policy, and therefore to that of ICO. For this reason, we are encouraged by the good start of this initiative in its first anniversary and we are committed to redouble our financial efforts and collaboration with our European partners in the field of the circular economy. At the same time, we will work on maximizing the great impetus that European programs can give to this initiative, within the framework of the next EU budget, the European Recovery Plan and the European Green Deal.”*

KfW CEO Dr. Günther Bräunig said: *“Besides cutting climate-damaging greenhouse gas emissions, the reduction of consumption of new resources is a further central challenge on the way to a future-proof economic system. The transformation to a sustainable economy requires enormous investments which can only be done jointly. We are proud of the success we have achieved in promoting a circular economy together with our partners in Europe. We will not rest on our achievements and rather see them as further encouragement.”*

### **Background information:**

Bank Gospodarstwa Krajowego (BGK) is a state development bank whose mission is to support the social and economic development of Poland and the public sector. BGK is a financial partner for strategic investment projects and stimulates entrepreneurship. [www.bgk.pl](http://www.bgk.pl)

Caisse des Dépôts (CDC) and its subsidiaries form a public long-term investor group serving the general interest and economic development of local areas. 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. <http://www.caissedesdepots.fr/en>

Cassa Depositi e Prestiti (CDP) is the National Promotional Institute, which has been supporting the Italian economy since 1850. The main goal of CDP is to accelerate the industrial and infrastructural development of Italy to boost its economic and social growth. CDP focuses its activities on sustainable development at local level, supporting the innovation and growth of Italian enterprises, also in the international arena. It partners local authorities, in a financing and advisory capacity, to create infrastructures and improve services of public value. CDP also participates actively in international cooperation initiatives to realize projects in developing countries and emerging markets. [www.cdp.it](http://www.cdp.it)

Instituto de Crédito Oficial (ICO) is a Corporate State-owned Entity attached to the Spanish government’s Ministry of Economic Affairs and Digital Transformation. ICO has become a point of reference in the financing of both SMEs and large-scale investment projects. ICO contributes to sustainable growth, promoting those economic activities, which, due to their social, cultural, innovative or environmental significance, are worthy of promotion and development. [www.ico.es](http://www.ico.es)

Kreditanstalt für Wiederaufbau (KfW) is one of the world's leading promotional banks. Since 1948 KfW has been committed to improving economic, social and ecological living conditions all around the world on behalf of the Federal Republic of Germany and the federal states. To do this, it supplied funds totalling EUR 77.3 billion in 2019 alone; of this total, 38% was spent on measures aimed at protecting the climate and the environment. [www.kfw.de](http://www.kfw.de)