



# **D5.1 Circular Investors Board handbook**

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## List of acronyms

| Acronym       | Description                                  |
|---------------|--|
| <b>CIB</b>    | Circular Investors Board                     |
| <b>CML</b>    | Circular Maturity Level                      |
| <b>ESG</b>    | Environmental, Social, and Governance        |
| <b>GHG</b>    | Greenhouse Gases                             |
| <b>HORECA</b> | HOtels, REstaurants and CAfeterias           |
| <b>OFMSW</b>  | Organic Fraction of Municipal Solid Waste    |
| <b>PDA</b>    | Project Development Assistance               |
| <b>PGPR</b>   | Plant Growth Promoting Rhizobacteria         |
| <b>PHBV</b>   | Poly(3-hydroxybutyrate-co-3-hydroxyvalerate) |
| <b>UCBE</b>   | Urban Circular Bioeconomy                    |
| <b>UWWS</b>   | Urban Wastewater Sludge                      |



# 1. Executive summary

The increasing challenges through growing populations in cities require local decision-makers to lead the way for systemic change to create prosperity for its inhabitants by enabling greater efficiency, lower pollution and GHG emissions and creation of jobs and their related qualification programmes. The circular economy including the bioeconomy has the potential to enable a green recovery, improved resilience and the transition to a net-zero carbon economy while promising competitive returns and attractive job opportunities.

Cities and regions across Europe acknowledge the importance of identifying and sharing best practices to accelerate the journey to circularity. This includes also the display and sharing of success cases and best practices on financing solutions including new collaborations. The financing of the urban circular economy and bioeconomy is a complex undertaking that can include a mix of publicly or privately financed projects and partnership models such as public-private financing.

The HOOP project is addressing the current barriers and shortcomings and develops standardised methodologies and tools to streamline the development of investment projects in the urban bioeconomy through different types of financing models. Those shortcomings include the lack of knowledge on the potential and particularities of the urban bioeconomy as well as the lack of collaboration of the relevant stakeholders. Therefore, the HOOP project will provide the framework and environment to facilitate that exchange. Investors from the European scene will act as external advisors to guarantee the industry relevance of the developed tools and methodologies. The input of those investors will be organised and streamlined through the **HOOP Circular Investors Board (CIB)**. The CIB will gather leading sustainable finance investors and financiers in a peer-to-peer knowledge exchange framework.

The present handbook is a HOOP deliverable developed within the framework of work package 5 (WP5) focusing on *innovative financial engineering for leveraging public & private investments and public procurements procedures* as part of the project development assistance (PDA) offered to a set of Lighthouse Cities and Regions. This handbook outlines the objectives and targets of the CIB as well as the boundary conditions and its organisational structure over the next three years. It outlines the coordination of the CIB, including the timeline and efforts needed in terms of meetings and events. The handbook has been developed with the input of the investors that will form the CIB obtained from personal conversations to ensure its relevance and to reflect the needs and ideas of the board members.

The handbook outlines the involvement needed in order to accomplish the planned impact on unlocking both public and private investments which in turn will increase the Lighthouse Cities and Regions' competitiveness and enhance innovation, growth, employment and the overall economic situation in their territories.

## 2. Introduction

In light of the growing global challenges, European cities and regions are in the midst of a complete rethinking of how they should operate and implement climate actions including solutions for efficient waste and wastewater management.

Organic fraction of municipal solid waste (OFMSW) and urban wastewater sludge (UWWS) from water treatment plants represent important environmental issues, as each European generates around 200 kg of those waste streams per year.<sup>1,2</sup> The current systems for urban biowaste and wastewater treatment (i.e. composting, anaerobic digestion, incineration) do not use their whole potential and the final products do not have a high added-value.

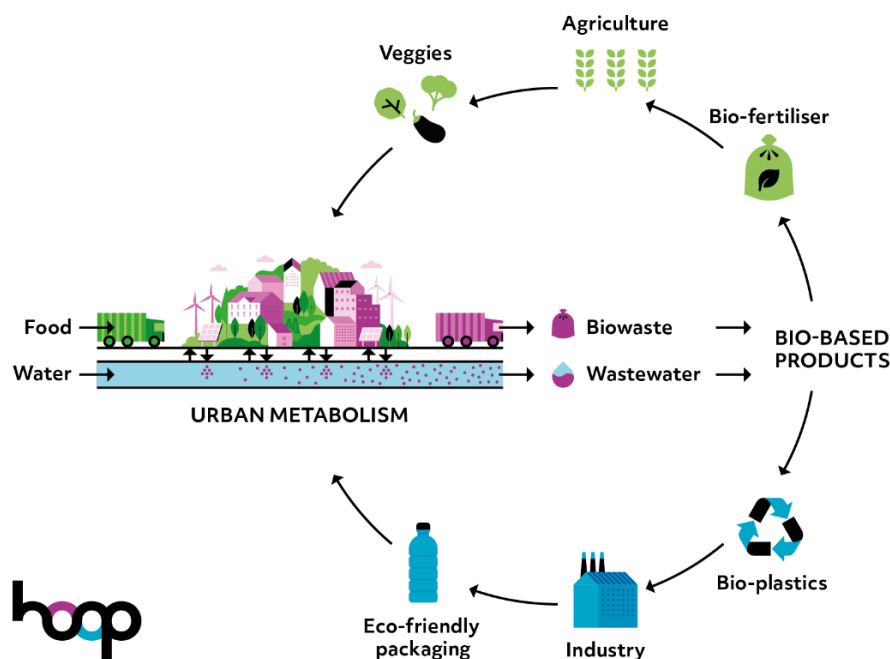
The circular bioeconomy offers innovative solutions using biowaste and wastewater sludge as resources for the obtention of high added-value bioproducts. However, their implementation on an industrial-scale faces important barriers, not only technical but also economic, legal and administrative.

As such the collaboration and partnerships between the city and regional governments with local solution providers and academia as well as financial intermediaries and investors as an enabler for the implementation of the solutions is required. Those collaborations will attract and develop prospering businesses that originate from and address city-owned challenges particularly in the field of waste management.

### 2.1. The HOOP project

The HOOP project emerges to help unlock bio-based investments and deploy local bio-economies in Europe through a systemic and cross-cutting approach. The project offers Project Development Assistance (PDA) to a group of eight Lighthouse Cities and Regions with a variety of sizes, geographical distribution throughout Europe and different socio-economic context to build the technical, economic, financial and legal expertise needed to develop concrete investments to valorise OFMSW or UWWS with the aim of obtaining safe and sustainable bio-based products.

Figure 1. The project concept of HOOP.



The HOOP portfolio of technologies and the investment commitment that the eight Lighthouse Cities and Regions **Bergen** (Norway), **Kuopio** (Finland), **Almere** (the Netherlands), **Münster** (Germany), **Murcia** (Spain), **Porto** (Portugal), **Albano Laziale** (Italy), and **Western Macedonia** (Greece) made are highlighted in section 5.1. The State of the Art of those technologies for the material valorisation of biowaste and wastewater sludge preselected by HOOP will be presented in a separate deliverable (internal reference D2.2) due in July 2021.

The project's large *Network of Cities and Regions* – a network that aims to include 100+ cities and regions to facilitate the exchange of knowledge and mutual learning among cities and regions that are willing to recover valuable resources from urban biowaste and wastewater sludge to make bio-based products – will ensure that the developed support mechanisms will reach beyond the HOOP consortium. This network is led by HOOP partner ACR+, an already existing association of cities and regions for sustainable resource management.

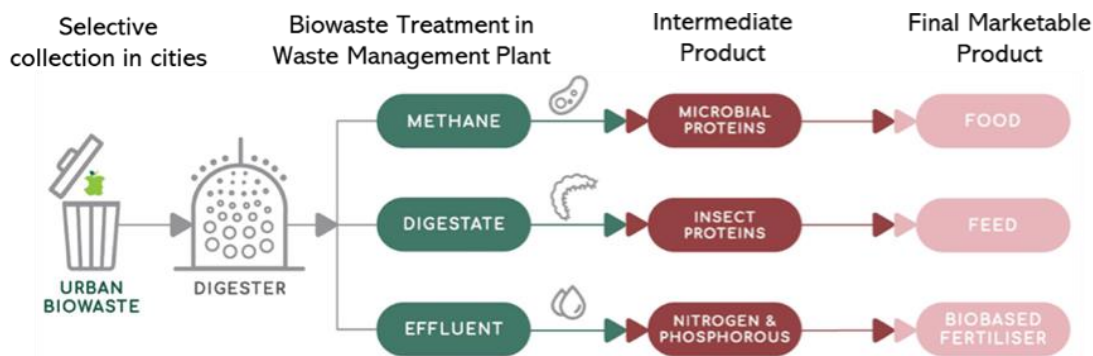
## 2.2. The HOOP mother projects

HOOP is led by the three coordinators from the winning Horizon 2020 projects of the call topic CE-SFS-25-2018: *VALUEWASTE*, *WaysTUP!* and *SCALIBUR*. HOOP draws technical, regulatory and business-related insights from these projects and will build upon their developments in the field of bio-based waste solutions implemented in urban environments.

**VALUEWASTE** proposes an integrated approach in urban biowaste upcycling to produce high-value biobased by-products (food, feed and biobased fertilisers) through an anaerobic digestion process, developing the first complete solution to fully valorise biowaste that can be replicated across Europe. The main goals from these valorisation systems are the upcycling of 1,800 tonnes/year of protein, the self-sufficiency of Europe in

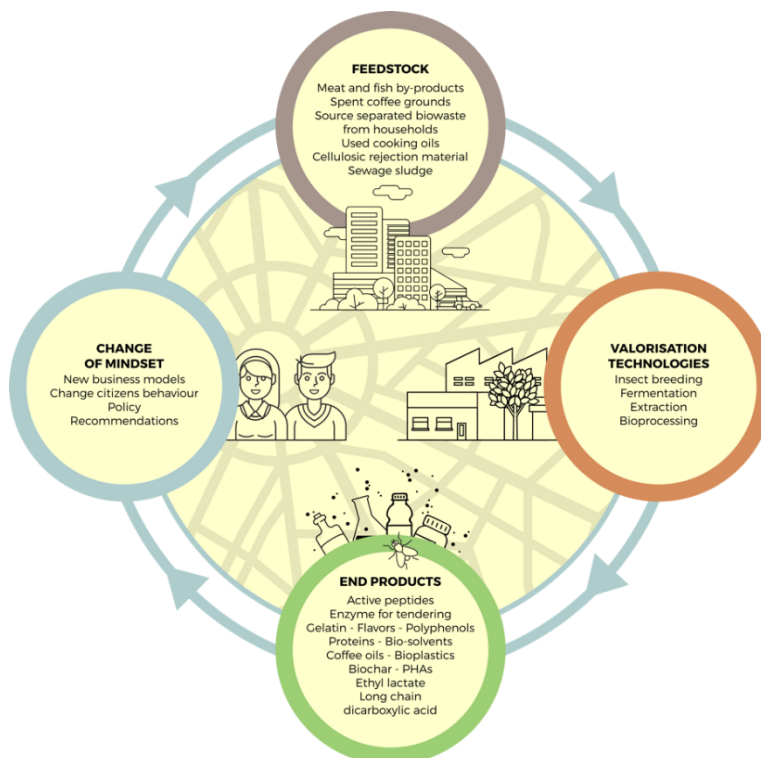
resources, the improved perception of urban biowaste from the society's perspective and to have an impact in existing policies regarding job creation and reduction of GHG emissions.

**Figure 2. Project concept of the VALUEWASTE project.**



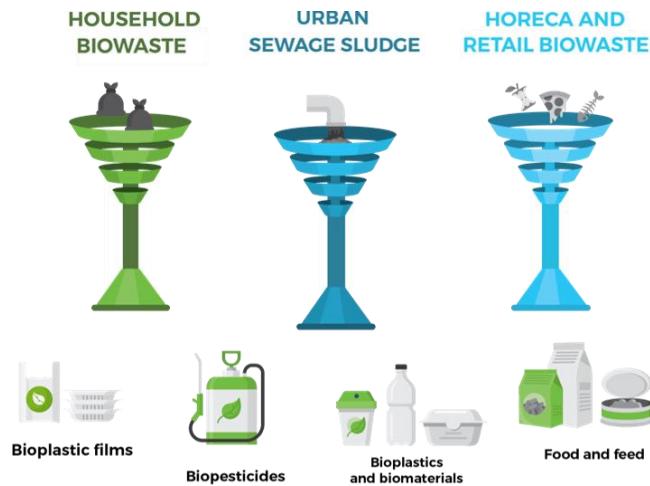
**WaysTUP!** demonstrates the establishment of new value chains for urban biowaste utilisation to produce higher-value purpose products (biobased products, including food and feed ingredients), through a multi-stakeholder approach in line with the circular economy. The project introduces four main valorisation technologies (insect breeding, fermentation, extraction and bioprocessing) to transform different feedstock waste material into active peptides, proteins, bioplastics and several other by-products while raising awareness in society and contributing to the reshaping of current policies.

**Figure 3. Project concept of the WaysTUP! project.**



**SCALIBUR** aims to demonstrate innovative solutions to transform urban biowaste and sewage sludge into high value-added products (including different kinds of bioplastics and biopesticides, as well as proteins, lipids and chitin for food and feed applications), helping cities to increase their recycling rate and creating new circular economy business opportunities. SCALIBUR's solution will be implemented in a two-pronged attack: (i) improving the biowaste collection and (ii) creating high-value products.

**Figure 4. Project concept of the SCALIBUR project.**



## 2.3. Objectives of the handbook

The Circular Investors Board handbook acts as a guideline for the project partners involved with the board (CETENMA, RdA Climate Solutions and Bax & Company) and the board members themselves (a variety of investors and financiers from the European scene). It outlines the objectives and goals as well as the terms of reference, involvement of the CIB in the project and the engagement with its partners. The handbook will enable the smooth organisation of the meetings and the communication with CIB members through a clear overview of the organisational structure of the board.

Moreover, it aims to highlight some of the benefits for its members, the expected boundary conditions and its organisational structure.

# 3. The Circular Investors Board (CIB)

Beyond the sustainable benefits, the circular economy and the circular bioeconomy offer new growth opportunities for businesses. According to a publication of the European Commission, circular activities “could bring net savings to businesses in the EU of up to €600 billion or 8% of their annual turnover”<sup>3</sup> and as such become an important enabler for green recovery, resilience and competitiveness of the economy in the long-term.

The growing market for circular solutions, and with it the varied economic opportunities, creates a potential to make the circular economy an attractive investment opportunity for both private and public financiers. As such the circular economy is gaining momentum in the investment industry, with large financial institutes and individual investors – many of which are organized through targeted networks – equally participating.

Investors and financiers and their close collaboration with circular stakeholders are essential to the transition to and the scaling of circular economic models. They connect businesses to the right partners and support them in future-proofing and shifting their business models by providing innovative financing solutions.

Yet, the transition to a circular model is challenging from a financial perspective and requires the rethinking of the linear financial system. Investors and financiers need to develop new ways of identifying and appraising projects and an understanding of where the risks of circular businesses lie, for a more accurate risk assessment.

As the growing focus on projects/portfolios with environmental, social, and governance (ESG) criteria shows, investors ask businesses for appropriate disclosure of a variety of circular/sustainable impact data as part of their investment analysis and decision-making. Those requirements are usually not well aligned among financial institutes/ financiers/ investors and the lack of standards for the obtaining and measurement of such impact data (e.g., carbon emissions) challenges the dialogue between solution/technology providers (businesses) and their potential investors. Therefore, closer cooperation within the financial sector is required and the adoption of frameworks such as the ISO standards or the Circular Transition Indicators.<sup>4, 5</sup>

## 3.1. What is the CIB?

For a financing sector supportive of the circular economy and bioeconomy it is required that financiers and investors engage with corporate management, regulators on the city level and other relevant industry stakeholders.

With the aim to provide a framework to exchange on lessons learned and best practices in the financial sector HOOP creates a CIB consisting of a selection of leading sustainable finance investors and financiers. Under the guidance of the HOOP project partners *CETENMA*, *RdA Climate Solutions* and *Bax & Company*, those

investors will act mainly as advisors to the project yet may also, after the completion of the project, invest in sub-projects developed during or triggered by HOOP.

The CIB brings together a diverse group of investors, as the types of investment sub-projects that will originate from HOOP will vary in size and type. This means that investors from business angels to larger financing institutions are represented.

The CIB connects investors and financiers who recognise the benefit of best practices, standardised evaluation frameworks, and decision-making tools and have an interest in bankable investment projects in the circular economy and bioeconomy.

## 3.2. Goals and targets

The main challenge of the CIB is to assist HOOP partners in the development of sustainable finance strategies and tools that support the implementation of those bankable projects that create socially, economic and environmentally sustainable value in the urban bioeconomy – for businesses and the society at large reflected in the use cases in the eight Lighthouse Cities and Regions.

The CIB will provide non-binding and strategic advice to the HOOP project to deliver direction for the PDA of HOOP and to mainstream investments in OFMSW and UWWs valorisation projects.

The main targets of the CIB are to:

- Deliver insight and expertise to the HOOP consortium to support mainstreaming investments towards the urban circular bioeconomy and the creation of successful circular business models and advise on requirements for investments.
- Generate investment schemes and frameworks that will accelerate the circular bioeconomy through the commercialisation of HOOP sub-projects.
- Create interest in the tender process of sub-projects that will be launched after the completion of HOOP with the aim to attract private investments to carry on Circular Economy projects in the HOOP cities and regions, but also in further projects undertaken by the *HOOP Network of Cities and Regions*.
- Test and evaluate the *Circular Maturity Level Framework* and evaluate the *HOOP Due Diligence Standard Procedure* developed by partners in HOOP to increase confidence in project performance while reducing due diligence-related transaction costs.
- Provide the platform and opportunity to network and collaborate, with the aim to support the mobilisation of more financing in the circular economy in the years to come and to contribute to the rollout of the EU Green Deal and the Circular Economy Action Plan of the EU, their member states as well as regional and local authorities.



### 3.2.1. ADVANTAGES FOR BEING PART OF THE CIB

While the main focus of the board is to support the HOOP project in its ambitions, it is also aimed at creating a framework for investors to peer exchange and collaborate. The investors that are participating in the CIB will be able to:

- Learn through a peer-to-peer knowledge exchange framework,
- Collaborate with other leading experts in the field of sustainable financing,
- Access to state-of-art information on bioeconomy technologies,
- Play a role in the creation of new markets and shape EU-wide investment opportunities,
- Help mainstream investments towards the urban circular bioeconomy and the creation of successful circular business models,
- Have networking opportunities with around 100 stakeholders (cities and regions, project owners, peers),
- Find and shape investment opportunities for their organisation, and
- Have EU-wide visibility by being part of a large scale growing ESG project.

## 3.3. Main elements of the CIB

Within the HOOP project, several tools and methodologies will be developed aimed at supporting the financial decision making for the bio-based projects in the Lighthouse Cities and Regions. Several of these tools and methodologies will be evaluated and tested together with the CIB as external advisors with the aim to reach industry relevance.

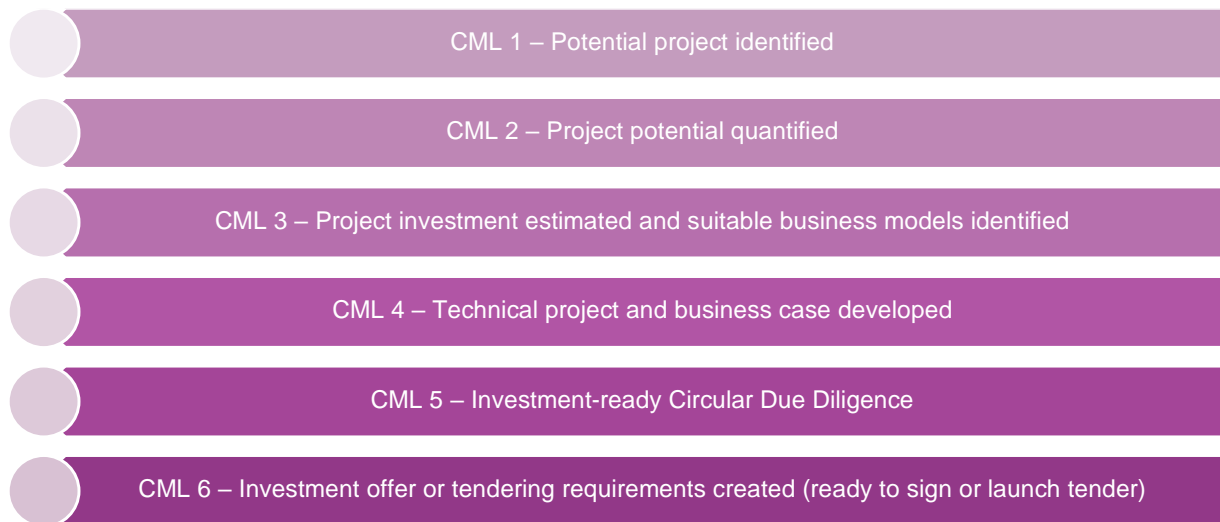
Financial decision-making power on municipal waste treatment is not harmonized across Europe since waste management can be either in public hands or carried out by private (for-profit) entities. This reinforces the need for standardised tools and methodologies that are flexible enough to serve different set-ups and facilitate the cooperation between policymakers, solution providers and investors.

### 3.3.1. CIRCULAR MATURITY LEVEL FRAMEWORK

In order to rank the maturity of the projects from the Lighthouse Cities and Communities, a **Circular Maturity Level (CML) framework** (deliverable D5.3 aimed for by September 2023) will be developed. This model, with its six levels, assesses to what extent a project is ready to match with an investor, i.e. how close the project is to be bankable. The use of this novel scheme will allow investors to source and better understand the level of development of the projects, reduce transaction costs and build portfolios of circular projects. In addition, this framework will support project developers and cities to assess which parts of their portfolio are investment-ready and which projects need further development.



**Figure 5. The preliminary Circular Maturity Level framework.**



The CML ranking system will be tested and fine-tuned in the board meetings and complemented with input from the Circular Investors Days explained in 3.3.3 and 6.1. The CML will represent a basic indicator to be used for the Circular Business Models of each Lighthouse City.

### 3.3.2. DUE DILIGENCE STANDARDISED PROCESS

The CML will be supported by a **Due Diligence standardised process** (deliverable D5.5 aimed for by June 2022), which will enable Lighthouse Cities and Regions to build the required capacity with the final aim of preparing a ready-to-invest portfolio of circular economy project(s) at the end of the HOOP project. Such a standardised approach enables to reduce costs for all stakeholders and the perceived risk of circular economy projects for investors and the private sector by revealing the real risks and benefits of circular economy-based investments.

### 3.3.3. MATCHMAKING AND NETWORKING: CIRCULAR INVESTORS DAYS

The Circular Investors Day is an annual event that will be celebrated in 2022, 2023 and 2024 and will take place in three of the HOOP Lighthouse Cities and Regions. Each Circular Investors Day will be organised in two sessions: one dedicated to investors, as an opportunity to express their needs and expectations and requirements while explaining how the finance sector can adapt its methods and evaluation framework to circular economy specificities. During the second session, project developers, technological partners and Lighthouse Cities and Regions will present their circular bio-based projects sharing best practices, challenges and solutions – related to (technology), financing, public engagement among others. CIB members are invited to take part and lead discussions in these events given the fact that this will represent a great opportunity to share knowledge and to network.

# 4. Organisational structure and scope

## 4.1. The board and its members

The CIB consists of around 20 members with a background in (sustainable) finance and investment. The mandate of the CIB is aligned with the HOOP project duration until the 30<sup>th</sup> of September 2024. The board cannot be considered a legal structure.

The CIB will gather leading sustainable finance investors and financiers in a peer-to-peer knowledge exchange framework. Members are invited and selected by the HOOP consortium based on their expertise and experience and, when possible, including a variety of backgrounds such as commercial banks, circular economy funds, venture capital investors, institutional investors, family offices, developing agencies, among others. CIB members can recommend the inclusion of other members considered relevant for the purpose of the work.

Moreover, the CIB will be organised by the HOOP consortium members RdA Climate Solutions and Bax & Company who are responsible for setting-up and managing the CIB meetings, reporting on developments of the HOOP project to all CIB members and supporting them in their role during the project. The virtual CIB meetings will be chaired by Jorge Rodrigues de Almeida (RdA).

To assure the quality of event planning the procedure is reported in the Quality and Risk Management Plan (deliverable D1.3 of HOOP).

## 4.2. Roles and responsibilities

The main roles and responsibilities of the CIB include:

- Providing support on the development of different tools, namely the “Circular Maturity Level Framework” and the “Due Diligence Standard Procedure” as well as on possible frameworks for the evaluation of the projects’ ranking and performance monitoring.
- Attending, when feasible, the “Circular Investor Days” events to share experience on sustainable investments with cities and regions, and technology providers.
- Advising the HOOP consortium on program development and deployment, ensuring that methodologies and tools are market-ready and industry-relevant.
- Advising on the creation of Circular Business Models for the Lighthouse City, providing expertise on requirements for investments.

It is relevant to state that CIB members will only access information considered public and/or not confidential and that in any case compromises the possibility of future investments in the projects from the Lighthouse Cities and Regions. Also, it is important to state that the meetings will be held in English.

### 4.3. The working groups

Specific working groups related to the scope of the HOOP urban biowaste and wastewater valorisation projects may be proposed by the chair of the CIB. Those will be in accordance with the interests of the investors and the specific focus and the addressed needs of HOOP (e.g., waste disposal/collection, bio-products/materials among others), with the aim to properly advise on requirements for investments.

Working groups may also take on horizontal topics such as discussions on the EU taxonomy, standardisation or support the harmonization of legislation across the EU through a policy group sharing expertise and providing advice e.g. on CO<sub>2</sub> emission inventories.

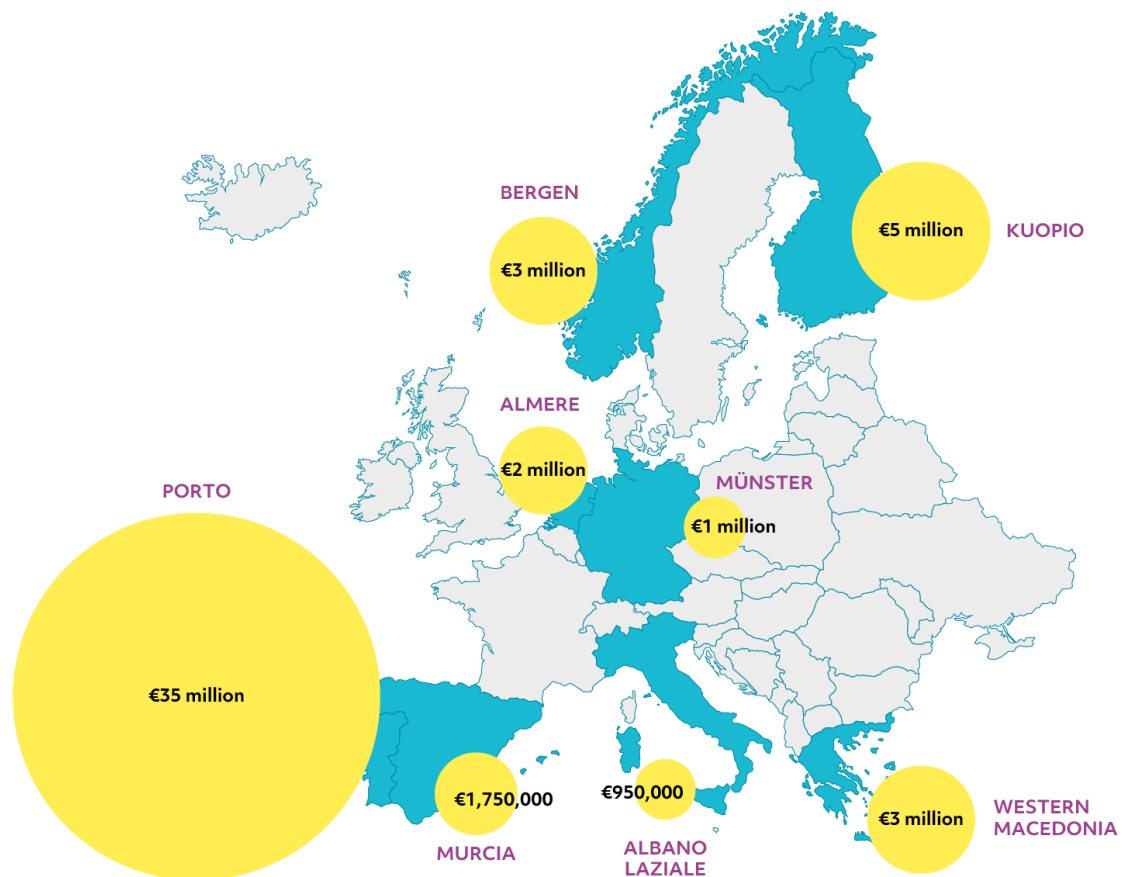
These working groups will comprise CIB members and may include other external experts (e.g., technical or legal) invited for dedicated meetings as guest speakers.

# 5. Scope and Impacts

## 5.1. Portfolio of projects

The CIB will advise the HOOP consortium on its developments with specific focus on stimulating investments in the urban bioeconomy. The PDA will focus on a variety of projects within the cities and regions with different investment volumes planned by the cities and regions (Figure 6) that are expected to be complemented by public and private investments.

**Figure 6. Public investment volumes planned by the Lighthouse Cities and Regions.**



For the different investment projects in the Lighthouse Cities and Regions, a range of different technologies were preselected. Part of the PDA is to validate the relevance of the processes for the cities and regions according to their local conditions. **Error! No se encuentra el origen de la referencia.** summarises those technologies highlighting the specific feedstocks and the bioproducts. The HOOP project partners will create an understanding among investors on specific aspects of those processes (i.e. technical specifications, input and

output materials/ products, business cases, among others) as this is a prerequisite to be able to support the development of tools and the decision-making on financing solutions.

Those preselected technologies were mainly developed by the technological partners of the three mother projects mentioned before (ValueWaste, WaysTUP!, SCALIBUR), most of them have a technology readiness level (TRL) of at least TRL 5-7 (pre-commercial), and a few are well established at TRL 9 (commercial).

**Table 1. Portfolio of technologies proposed for the material valorisation of municipal biowaste (OFMSW) and wastewater sludge (UWWS).**

| <b>Feedstock</b>  | <b>Technologies proposed by HOOP</b>  | <b>Bioproducts</b>  |
|---|---|---|
| <b>AD biogas</b>  | Bioprocess involving methanotrophic bacteria using biomethane arising from the anaerobic digestion of the OFMSW     | <b>High-protein feed and food supplements</b>             |
| <b>OFMSW, AD digestate</b>                                | Black Soldier larvae fed with OFMSW/digestate for feed and nutrient production                                      | <b>Feed, frass, proteins, lipids, chitin and chitosan</b> |
| <b>AD dewatering liquid</b>                               | Nutrients recovered from the residual dewatering liquid from anaerobic digestion                                    | <b>Phosphorus and nitrogen-based biofertilizers</b>       |
| <b>Meat/fish by-products</b>                              | Biochemical production of functional ingredients from animal by-products  | <b>Collagen hydrolysate and active peptides</b>           |
| <b>OFMSW, UWWS</b>  | Production of biofertilizers and biostimulants (Plant growth-promoting rhizobacteria, PGPR)                         | <b>Biofertilizers, biostimulants</b>                      |
| <b>OFMSW, garden waste, cellulosic rejections of UWWS</b> | Ethyl Lactate biosolvent  | <b>Biosolvent, chemical building blocks</b>               |
| <b>OFMSW (fruits/vegetables)</b>                          | Polylactic Acid (PLA) from fruit and vegetable waste  | <b>Biopolymer</b>   |
| <b>Used cooking oils</b>                                  | Fermentation of used cooking oils   | <b>Bioplastic, cosmetics</b>                              |
| <b>Spent coffee grounds</b>                               | Fermentation of spent coffee grounds  | <b>Nutraceutical products and food additives</b>          |
| <b>UWWS</b>   | Biochar from slow pyrolysis of UWWS   | <b>Biochar (biofertilizer)</b>                            |
| <b>UWWS</b>   | Bioconversion of UWWS: PHBV production  | <b>Bioplastic</b>   |
| <b>UWWS</b>   | Volatile fatty acids (VFAs) production and purification from sewage sludge sourced from wastewater treatment plants | <b>Chemical building blocks</b>                           |

|                                  |   |   |
|----------------------------------|---|---|
| <b>OFMSW, UWWS, garden waste</b> | Bioprocess of production of 2,3-Butanediol from OFMSW/UWWS/garden waste             | <b>Chemical additive</b>                  |
| <b>AD biogas</b>                 | Bioconversion of UWWS: CO <sub>2</sub> fermentation with bioelectrochemical systems | <b>Chemical building blocks</b>           |
| <b>OFMSW</b>                     | Microalgae harvesting from biowaste   | <b>High-protein and omega-3-rich feed</b> |
| <b>OFMSW</b>                     | Production of biopesticides <i>Bacillus thuringiensis</i> from OFMSW                | <b>Biopesticide</b>                       |

## 5.2. Project expected impacts

The HOOP project is supporting cities and regions in building strong and resilient urban bioeconomies and expects to reach the following impacts:

- Deliver sustainable circular bio-based economy investments and support the launch of innovative projects to valorise urban biowaste and wastewater through the production of bio-based products.
- Creation of a European network of cities and regions to facilitate the exchange of good practices and lessons learned.
- Contribute to increased recycling of urban biowaste and wastewater, avoiding landfilling and reducing the associated greenhouse gas (GHG) emissions.
- Contribute to the creation of green jobs in cities and regions.
- Raise awareness about the potential and benefits of urban bioeconomy among EU citizens and the media.

The expected impacts of the project highly depend on the materialization of the investments from each of the Lighthouse Cities and Regions stated in section 5.1. The CIB will be an essential asset to reach those impacts, particularly – within the promotion of circular (bio)products and business models based on OFMSW and UWWS – in reaching the economic impact that the implementation of valorisation projects in the Lighthouse Cities and Regions promises. The standardisation/ harmonisation of the investment schemes will lead to increasing the pipeline of investment projects in the Lighthouse Cities and Regions as well as the HOOP network of cities and regions across Europe in terms of the number of projects and their maturity. This in turn will increase the competitiveness of the Lighthouse Cities and Regions and enhance innovation and growth and employment in their territories. The economic impact is reflected in job creation, investments unlocked, among other relevant indicators.

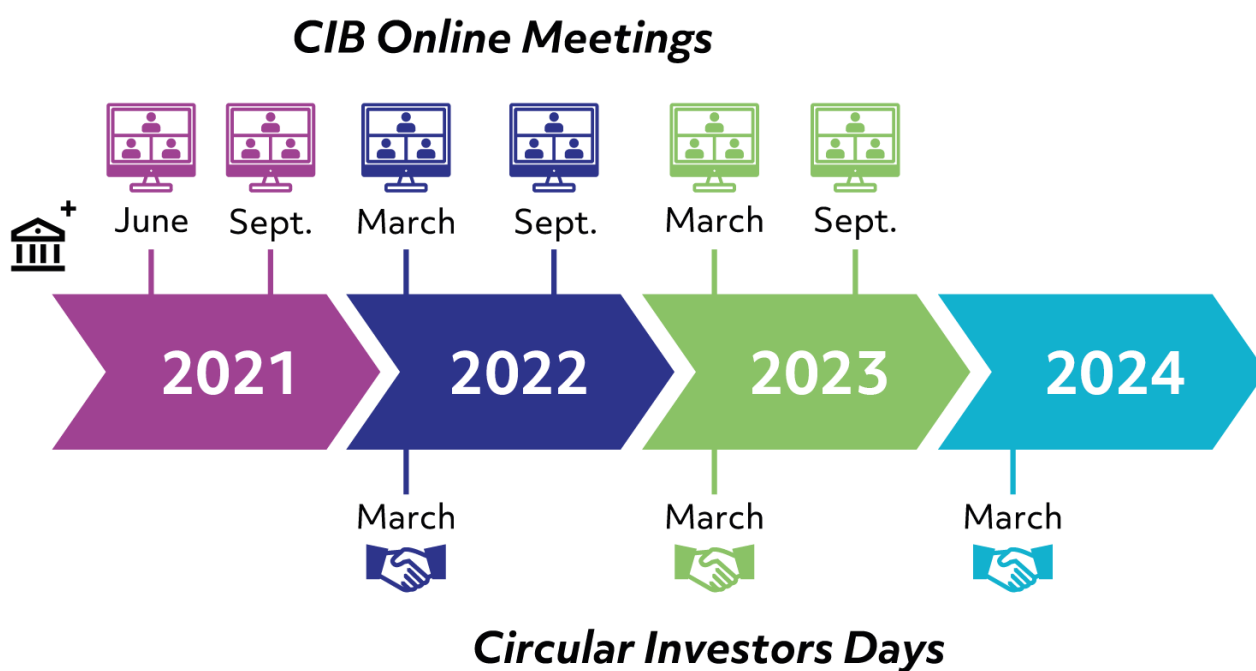
Through the HOOP developments, it is expected to reach a minimum investment leverage factor of 6-10 (each million invested will trigger €6-10 million investment from the Lighthouse Cities and Regions) unlocking more than €50 million in public investments from the cities and regions and further attracting public and private investments. The methodologies and tools that the CIB will advise on should act as a guideline to streamline and shape these investment opportunities.

## 6. The involvement of the CIB and its members

### 6.1. Planning of the involvement of the CIB

The board will be created by June 2021 and initiated with a kick-off meeting between all investors the relevant HOOP partners and the Lighthouse Cities and Regions. Five virtual follow-up meetings will be organised every six months starting in September 2021 under the chair of the HOOP project partners *RdA Climate Solutions* and *Bax & Company* to understand the particularities of biowaste and wastewater management and the opportunities the waste streams entail, and to shape the involvement of HOOP in the creation of the financial structures behind a large portfolio of ESG projects. Next to those online peer meetings, three Circular Investors Days, previously explained in Section 3.4.1, will be held.

Figure 7. Tentative planning of the CIB events and meetings.



### 6.2. Engagement of the members

The board members of the CIB will engage in different steps of the HOOP project as described below:

- **Introductory meetings (December 2020 - June 2021)**

Potential board members engaged with one of the CIB project partners. In a first introductory meeting, where the objectives and goal of the CIB and the involvement of the CIB members were presented the investors had the opportunity to introduce themselves and their organisation (e.g., focus, areas of interest, past investments, past working experience, link to the circular economy or biowaste/wastewater). Potential members exposed what kind of projects they would be willing to match with (requirements and offer) and some preliminary knowledge on sustainable financing and investment with a focus on the circular economy and bioeconomy. Once investors confirm their participation, they will sign the non-disclosure agreement as highlighted in the ANNEX of this handbook to officially inscribe to the board.

- **Implementation of the CIB and its responsibilities including dedicated working groups (June 2021 - September 2023)**

Confirmed members of the CIB will be meeting every six months to exchange with and learn from peers. The meetings will be chaired by a HOOP partner. The agenda for this will be sent in advance and will take into consideration both the needs of the HOOP project and the profiles and interests of the board members. Members will receive the opportunity to form thematic working groups based on specific interests voiced by several members during these meetings. *RdA Climate Solutions* and *Bax & Company* will make an effort to invite guest speakers to these meetings with the aim to support knowledge exchange and learning on best practices among others.

- **Circular Investors Day (March 2022, March 2023, March 2024)**

CIB members will be able to attend the event and expose themselves as investors with interest in ESG projects in the urban context and will be able to present their needs/requirements. The meetings will enable investors to get in contact and to network with stakeholders of interest (e.g., cities and regions, technology providers, policy actors, peers).



# 7. Terms of Reference

The *Terms of Reference* set out the working arrangements for the board and list information about its boundary conditions:

- HOOP is a project funded by the European Union's Horizon 2020 Research and Innovation Programme under Grant Agreement No. 101000836. According to its Grant Agreement, CIB members are expected to deliver insights and expertise to mainstream investments towards UCBE, co-developing tools and advising the Lighthouse Cities and Regions on requirements for investments. CIB members will advise on methodologies and tools that are available in the market tailored to projects focusing on urban biowaste and wastewater valorisation. The strategic advice provided by the CIB is non-binding yet is aimed to provide direction for the PDA.
- The participation as a member of the CIB does not involve any legally binding agreement nor investment commitment to the projects planned in the Lighthouse Cities and Regions Albano Laziale, Almere, Bergen, Kuopio, Porto, Münster, Murcia, and Western Macedonia.
- If required CIB members are entitled to a reimbursement of travel costs of a maximum total of €450 throughout their CIB mandate for the attendance of physical meetings such as the Circular Investors Days (three events between 2022 and 2024) to cover their expenses.

## 8. Conclusions

The Circular Investors Board (CIB) handbook provides the background information that will ensure the creation of the lessons learned and best practices exchange framework in the financial sector. As such supporting in bringing together a varied group of sustainable finance investors that will primarily act as advisors yet could contribute as investors in sub-projects after the completion of the project. Working towards providing strategic advice and expertise to the HOOP consortium, the board will not only mainstream investments on urban bio-waste and wastewater valorisation projects but also assist in building successful circular business models, generating investment schemes, encouraging the creation of sub-projects after the project's finalisation and providing a networking and collaborative platform that boosts and mobilises financing actions in the circular economy. The board will be comprised of about 20 members selected by the HOOP consortium based on their expertise, aiming to cover a variety of backgrounds (commercial banks, circular economy funds, institutional investors, developing agencies, etc.).

The CIB members will be rewarded with (1) the enablement of a collaborative learning-exchange platform in the sustainable financing field counting with approx. 100 stakeholders (cities and regions, project owners, etc.); (2) the creation of new markets and the reshaping of investment opportunities in the EU and their organisation, incentivising investments in the urban circular bioeconomy and circular business models; and (3) the upgrade of their EU-wide visibility and position.

The board will in turn (a) guarantee the provision of support on the development of the required tools; (b) attend (when possible) and actively participate in the “Circular Investor Days”; (c) ensure that HOOP methodologies and tools are market-ready and relevant before advising their deployment; and (d) aid creating the Circular Business Models for the Lighthouse Cities and Regions.

With all this taken into consideration, the CIB will support reaching the ambitious targets and expected impact of HOOP unlocking more than €50 million in public investments from the Lighthouse Cities and Regions which will be complemented in the short- to mid-term with public and private investments for the roll-out of the urban bioeconomy. As such the CIB represents a significant support to increase competitiveness and to enhance innovation, growth and employment.

## 9. References

- (1) European Environment Agency (2020). Bio-waste in Europe – turning challenges into opportunities.
- (2) Bianchini, A.; Bonfiglioli, L.; Pellegrini, M.; Saccani, C (2016). Sewage sludge management in Europe: A critical analysis of data quality. International Journal of Environment and Waste Management. (18) 226–238.
- (3) European Commission website. Questions and answers on the Commission Communication "Towards a Circular Economy" and the Waste Targets Review: [https://ec.europa.eu/commission/presscorner/detail/en/MEMO\\_14\\_450](https://ec.europa.eu/commission/presscorner/detail/en/MEMO_14_450)
- (4) Ellen MacArthur Foundation (2020). Financing the circular economy – Capturing the opportunity: <https://www.ellenmacarthurfoundation.org/assets/downloads/Financing-the-circular-economy.pdf>
- (5) Coalition Circular Accounting. How to find the Value of Circular Impact in Business - Circular Impact Measurement and Financial Reporting: [https://assets.website-files.com/5d26d80e8836af2d12ed1269/609a71ffae465e460d48bc62\\_20210511-%20CCA3%20-%20White%20paper%20-%20210x297mm.pdf](https://assets.website-files.com/5d26d80e8836af2d12ed1269/609a71ffae465e460d48bc62_20210511-%20CCA3%20-%20White%20paper%20-%20210x297mm.pdf)

# 10. Annex

The annex of the HOOP Circular Investors Board handbook includes the non-disclosure agreement that board members are expected to sign after accepting the board membership which will be part of the appointment procedure to the board.

## Non-disclosure agreement and legal aspects

This AGREEMENT is executed between:

Of the one part, **official name of the coordinator**, registered in **address**, and **Tax Identification Code number**, duly represented by **name of the representative** with **Identity Card Number**, acting for and on behalf of the HOOP consortium (the “disclosing party”) in the quality of HOOP project coordinator.

And of the other part, **official name of the entity**, registered in **address**, duly represented by **provide the name of the organisation representative** with **ID number** (hereinafter, the Circular Investor Board, CIB, member).

HOOP is a project funded by the European Union’s Horizon 2020 Research and Innovation Programme under Grant Agreement No. 101000836 whose objectives have been defined in Section 2 of this document. It is the aim of this NDA to regulate the interaction, and exchange of information between the disclosing party and the CIB member. As part of the interaction, the disclosing party may disclose confidential information to the CIB member. To make sure that this information remains confidential, the agreement between the disclosing party and the CIB member (hereinafter, “the Parties”) will be subject to the following premises and obligations:

1. *The CIB member shall not (i) disclose any Confidential Information to any third party; (ii) make any use of Confidential Information except to perform the purpose set forth above; or (iii) make Confidential Information available to any external consultants except those that have signed an agreement containing disclosure and use provisions similar to those set forth herein and have a “need to know” in order to carry out the purpose set forth above. The CIB member shall be held to the same standard of care as it applies to its own information and materials of a similar nature, and no less than reasonable care. Notwithstanding anything herein to the contrary, the restrictions on disclosure and use set forth herein shall not restrict or limit the right of the CIB member to (a) independently design, develop, acquire, market, service or otherwise deal in, directly or indirectly, products or services competitive with those of the disclosing party; or (b) assign personnel for any purpose.*
2. *The disclosing party warrants that it has the right to disclose Confidential Information. Except as stated herein, the disclosing party makes no other warranties, and confidential information is provided on an “as is” basis. This Agreement does not create any agency, partnership or business relationship between the parties. All Confidential Information disclosed hereunder shall (i) remain the property of the disclosing party; and (ii) be promptly returned to the disclosing party, or destroyed by the potential new partner, when so specified by the disclosing party. No license under any patent or other intellectual property right is granted or conveyed hereby or by any disclosure of Confidential Information made hereunder. Both parties shall comply with and obtain all authorizations required by European laws and all related regulations.*
3. *The above shall not apply for disclosure or use of Confidential Information, if the CIB member shows that:*

- the Confidential Information has become or becomes publicly available by means other than a breach of the Recipient’s confidentiality obligations.

- the Disclosing Party subsequently informs the CIB member that the Confidential Information is no longer confidential.
  - the Confidential Information is communicated to the CIB member without any obligation of confidentiality by a third party who is to the best knowledge of the CIB member in lawful possession thereof and under no obligation of confidentiality to the Disclosing Party.
  - the Confidential Information, at any time, was developed by the CIB member completely independently of any such disclosure by the Disclosing Party.
  - the Confidential Information was already known to the CIB member prior to disclosure, or
  - the CIB member is required to disclose the Confidential Information in order to comply with applicable laws or regulations or with a court or administrative order, subject to the provision hereunder.
4. *Each Party shall promptly advise the other Party in writing of any unauthorised disclosure, misappropriation or misuse of Confidential Information after it becomes aware of such unauthorised disclosure, misappropriation or misuse.*

If the CIB member becomes aware that it will be required, or is likely to be required, to disclose Confidential Information in order to comply with applicable laws or regulations or with a court or administrative order, it shall, to the extent it is lawfully able to do so, prior to any such disclosure

- notify the Disclosing Party
- comply with the Disclosing Party's reasonable instructions to protect the confidentiality of the information.
- restrict such disclosure to the required extent.

5. *This Agreement will become effective from the date stated below.*
6. *None of the parties shall be liable to the other or any third party for consequential, incidental, indirect and/or special damages for any claims arising from, or in any way connected with this agreement, even in the possibility of such damages is, or should have been known.*
7. *None of the Parties shall assign this Agreement nor any of its rights, nor shall delegate any of its obligations as hereunder mentioned without the prior written consent of the other and any such action in violation of the foregoing restriction be void. This Agreement shall (i) constitute the entire agreement of the Parties concerning the subject matter hereof; (ii) supersede any prior or contemporaneous written or oral agreement; (iii) not be modified except in a writing dated subsequently; and (iv) be governed by the laws of Belgium excluding its conflict of law provisions. In case a dispute arises between the Parties in connection with this Agreement, the Parties shall try to settle such dispute amicably. Should they fail to agree, the dispute shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules. The place of arbitration shall be Brussels if not otherwise agreed by the conflicting Parties. The award of the arbitration will be final and binding upon the Parties. Nothing in this Agreement shall limit the Parties' right to seek injunctive relief in any applicable competent court.*

In witness whereof, both Parties have caused this Agreement to be executed on the date set above.

By: CIB member

By: Coordinator

Name:

Name:

Signature:

Signature: