



**D4.2**

**Description of the HOOP  
Circular Valuation Method**

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# 1. Executive summary

The Horizon 2020 project HOOP has been set up to support 8 European cities to accelerate the circular economy and boost investments in projects for the collection, treatment, and processing of biowaste and application of biowaste-based materials. Within HOOP innovations are introduced which go beyond the state-of-the-art, to foster investments to valorise Organic Fraction of Municipal Solid Waste (OFMSW) and Urban Wastewater Sludge (UWWS) in urban areas.

Companies increasingly see opportunities in circular economy business models. However, circularity is a complex subject that is difficult to summarize in a 'linear' formula and monetary terms. Therefore, specific methods are necessary to assess business cases and investment proposals. It appears that to assess investment projects related the valorisation of urban biowaste, current valuation methods are not appropriate.

Consequently, in order to value possible investment opportunities in the field of biowaste, Bax & Company led the development of a Circular Valuation Method. This method takes the specificities of the Urban Circular Bioeconomy into account and is applicable for both private and public investors.

A first outline of a circular valuation method has been developed through a literature review into the state-of-the-art of existing valuation methods and circularity frameworks, and through in-depth interviews with experts. After a first test run, this method will be integrated in the Project Development Assistance toolbox and the Circular Evaluation Framework for Investment (D5.3). Subsequently, business cases and investment proposals can be assessed through the developed method. This will help make it possible to promote the reuse of materials as higher value than recycling or value the good practices in design and assembly techniques. The main objectives of this effort are summarized below:

- *To adapt to characteristics of circularity and biowaste.*
- *To bridge interests related to financial viability with the need of going circular.*
- *To create a clear and simple method for companies and public bodies to assess whether circular.*

Besides, the objectives include creating a standard measuring template with the appropriate (numerical) circular indicators for decision-making processes, for both cities and companies including small and medium-sized enterprises (SMEs) and large enterprises (LE). Additionally, showing stakeholders their impact, thereby covering not only financial impact but also circularity, environmental and social impacts. The Circular Valuation Method aims to be able to show investors, both private and public, that biowaste *projects* are worth investing in. The method will be integrated in the PDA Circular Business models (WP4) and the Circular Evaluation Framework for Investment (WP5).