

1 FACTSHEET

Circular Investment in Cities & Regions



InvestCEC

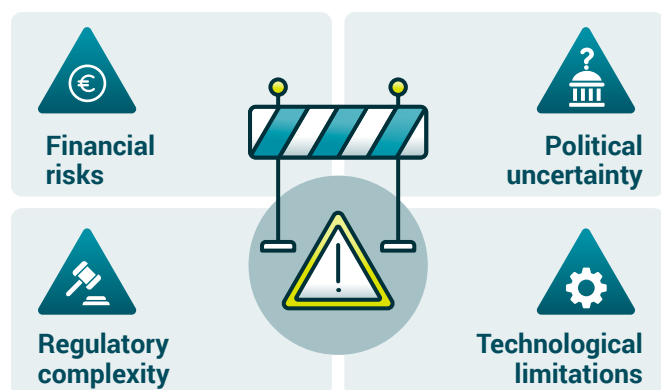
The InvestCEC project is developing a scalable model for implementing circular economy projects in European cities and regions by partnering circular entrepreneurs with public municipalities seeking circular services.

The pilot programme is being tested in Klagenfurt, Austria



BARRIERS TO CIRCULAR INVESTMENT

Despite the strong sustainability and return potential of circular economy investments, four key barriers hinder circular economy startups from scaling their services:



Investor confidence remains low due to unclear returns, market volatility, and misconceptions about the financial viability of circular business models, yet the interest continues to increase.

ENTREPRENEURS NEED TO ATTRACT CIRCULAR INVESTMENT

The following needs have been identified for scaling circular services offered by startups. To do so, it is necessary to:



Increase Investment Readiness

Circular ventures must demonstrate stability to partner with municipalities constrained by public finance rules.



Develop Capacity-Building for Entrepreneurs

Startups need support to meet municipal criteria, navigate public procurement rules, and align with infrastructure needs.

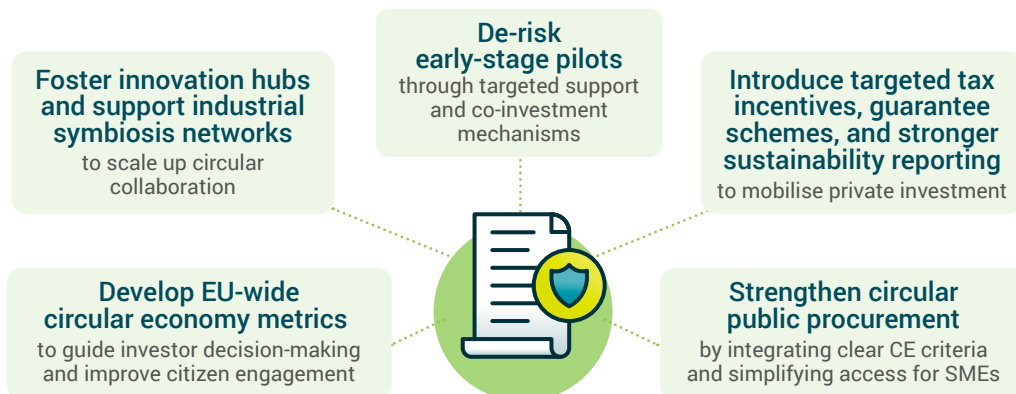


Increase Investor Awareness

Investors need better tools and key performance indicators (KPIs) to assess the viability of circularity projects.

POLICY SOLUTIONS TO SUPPORT CIRCULAR INVESTMENT

To enable circular startups to scale up, policy support is needed to provide a favourable environment to invest into the circular economy:



LEARN MORE IN THE INVESTCEC FINAL POLICY BRIEF

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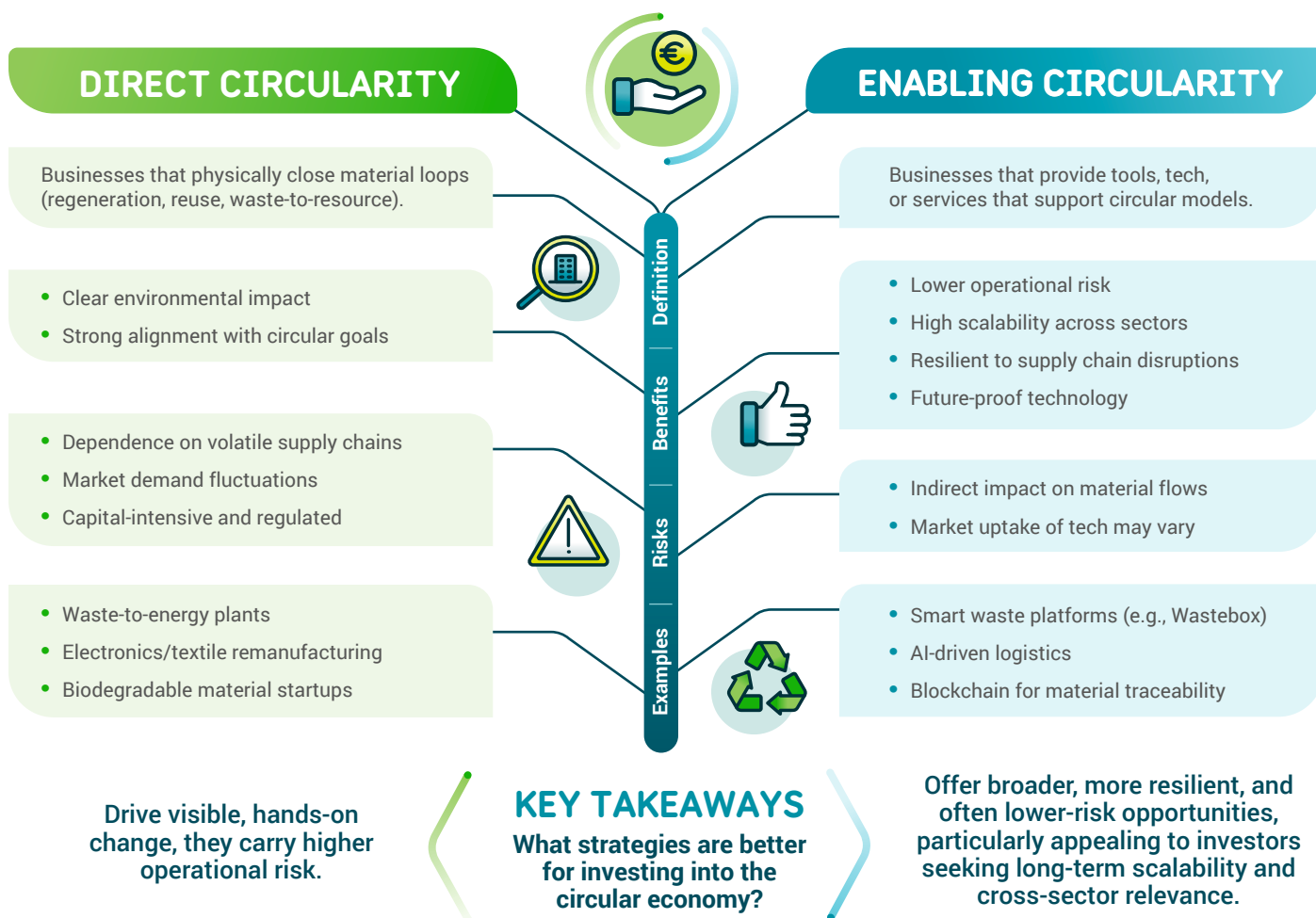
Risk Factors in Circular Economy Investments

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The shift to a circular economy is not only about recycling old products, it is about redefining how businesses create value. For investors looking to tap into this growing movement, there are two key strategies:



To showcase profitability and long-term value creation and to build confidence, circular businesses must highlight their financial resilience, cost savings, and competitive advantages.

Investments in resource efficiency, waste reduction, and sustainable design often lead to lower production costs, stronger brand positioning, and higher long-term returns.



LEARN MORE IN THE INVESTCEC GUIDE: INVESTING IN THE CIRCULAR ECONOMY

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What Do Investors Look For in Companies?

Investors conducting due diligence on startups focus on the business's financial health, market opportunity, scalability, and ability to deliver measurable environmental and social impact. Preparing for this scrutiny is critical to building trust and securing funding.

Impact investors are particularly drawn to startups that align with circular economy principles and can show strong potential for:

- Impact
- Growth
- Profitability

PRIORITY AREAS FOR INVESTORS INCLUDE



Checklist



FINANCIAL HEALTH AND KPIs

- ✓ Clear revenue, expenses, profit margins, and cash flow
- ✓ Historical financial statements (2-3 years) and 3-5 year projections
- ✓ Key metrics: CAC, LTV, Burn Rate, Churn Rate, Revenue Growth



TRACTION AND TEAM

- ✓ Proof of product-market fit and demand
- ✓ Growth metrics: revenue trends, customer acquisition, retention
- ✓ Experience level of the management team, board and advisors
- ✓ Strong partnerships or pilot projects



MARKET OPPORTUNITY AND COMPETITIVE EDGE

- ✓ Market size: TAM, SAM, SOM
- ✓ Unique technology, IP, or partnerships
- ✓ Plans to manage market and regulatory risks



PRODUCT AND TECHNOLOGY VALIDATION

- ✓ Product milestones and roadmap
- ✓ Proof of innovation: patents, validations, deployments



LEGAL AND REGULATORY COMPLIANCE

- ✓ Up-to-date corporate and Intellectual Property documents
- ✓ Compliance with environmental and data privacy laws
- ✓ Reliable contracts and truthful marketing



LEARN MORE IN THE CIRCULAR ECONOMY FUNDRAISING HANDBOOK

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Circular Economy Solution Areas For Urban/Regional Settings



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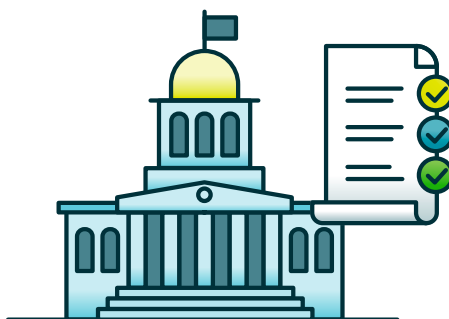
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Governance and public policies are key to driving the circular economy in cities and regions.

They provide the frameworks, incentives, and coordination needed to overcome barriers and scale circular initiatives.



The Circular Economy Action Plan serves as the main guidance document

to drive circularity across cities and regions across Europe.

OUTLINED SOLUTIONS AT URBAN AND REGIONAL LEVEL TO PROMOTE CIRCULARITY PRACTICES

Embrace technological innovation
by investing in local R&D for circular solutions

Provide regulatory harmonisation
to align local, regional, and national policies



Support education and awareness campaigns
to align local, regional, and national policies

Provide financial incentives
to develop funding tools and support mechanisms



Development of local circular economy strategies



Implementation of circular public procurement systems

IDENTIFIED EXAMPLES OF EFFECTIVE POLICY MEASURES



Promotion of multi-stakeholder collaboration
(business, academia, citizens)



Creation of circular innovation hubs for startups and SMEs



Target-setting and tracking measurable circular goals



LEARN MORE IN THE CIRCULAR ECONOMY SOLUTION AREAS FOR URBAN/REGIONAL SETTINGS REPORT

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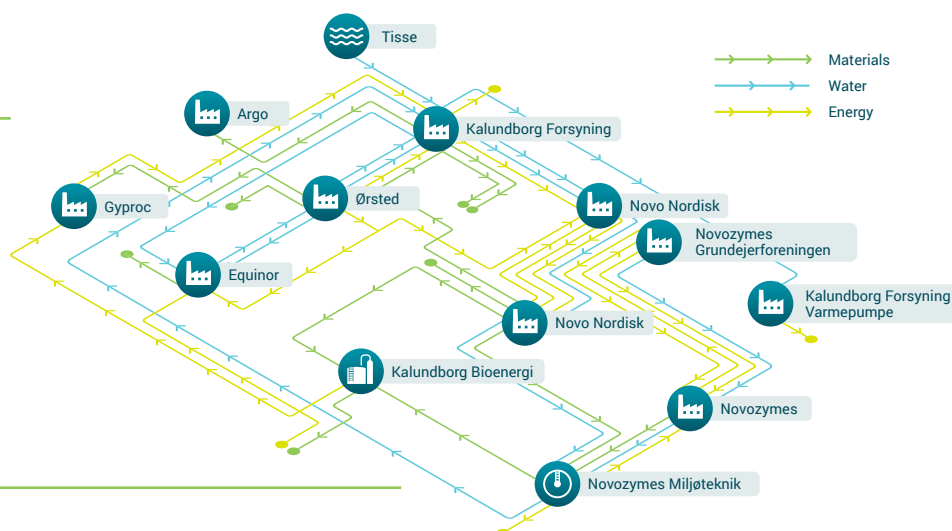


Circular
Cities & Regions
Initiative
CCRI Project



The main principle is simple yet extremely effective: one company's by-product becomes another's input, reducing environmental impact while improving competitiveness.

- Public and private companies **are physically connected.**
- **They share surplus** steam, heat, water, and materials.
- The model is based on **trust, cooperation, and long-term vision.**



Economic

- Lower production costs
- Business growth
- Positive ROI for all partners

Environmental

- Fewer CO₂ emissions
- Waste reduction
- Efficient use of natural resources

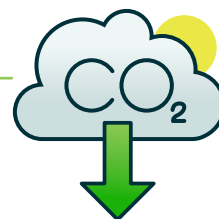
Social

- Local job creation
- Community resilience
- Strong local partnerships

Kalundborg Symbiosis proves that the circular economy works, reducing waste, cutting emissions, and boosting Denmark's green leadership.

**It supports
the national goal**

70%
REDUCTION



Driven by strong public-private collaboration, shared infrastructure, smart energy systems, and aligned incentives, it shows how trust and innovation can scale circular solutions. **Kalundborg is a real-world example of how the circular economy thrives as a model** to replicate across cities and regions across Europe.



**LEARN MORE THE KALUNDBORG SYMBIOSIS IN THE CIRCULAR
ECONOMY SOLUTION AREAS FOR URBAN/REGIONAL SETTINGS REPORT**
www.symbiosis.dk

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