

Joint input ahead of the Competitiveness Council, 29 September

23 September 2025



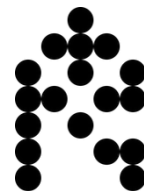
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We, the undersigned circular economy trade associations, businesses, networks of local and regional public authorities, and NGOs from across Europe are writing to provide input ahead of the [Competitiveness Council](#) on 29 September, where Ministers for the Internal Market and Industry will convene in Brussels to discuss the Commission's [proposal](#) for a European Competitiveness Fund (ECF). As part of the discussions, Member States have been invited to reflect on two central questions:

1. What will be the most important success criteria for the European Competitiveness Fund in the eyes of companies and investors, particularly in terms of simplification and faster processing of applications?
2. How can the financial instruments included in the proposed ECF be made most effective in mobilising private capital for projects that deliver on Europe's industrial policy objectives?

Strategic Importance of Circularity in the European Competitiveness Fund

We welcome the Commission's proposal for a European Competitiveness Fund (ECF) and its recognition of the need to support the transition to a circular, resource-efficient, and climate-neutral economy. As stated in the [Clean Industrial Deal](#), circularity is *"the key to maximising the EU's limited resources, reducing dependencies and enhancing resilience. It reduces waste, lowers production costs, lowers CO2 emissions and creates a more sustainable industrial model that benefits the environment and enhances economic competitiveness"*. To truly advance the circular economy, however, the ECF must be more directly anchored in industry needs and designed to ensure effective implementation on the ground.

Our Request

1. **Embed circularity as a horizontal minimum criterion across the ECF:** Material circularity should be established as a baseline requirement across all four windows of the ECF, rather than being limited to the first window, *"Clean Transition and Industrial Decarbonisation."* In addition to making circularity a minimum criterion across all four ECF windows, ensure that funding evaluations explicitly reward projects that demonstrate measurable circular outcomes.
2. **Support the business case for circularity:** The ECF should stimulate demand for reused and recycled materials and strengthen the business case for circularity. In particular, it should provide targeted support during the critical market readiness (commercialisation) phase and scale-up phase, when many circular solutions risk falling into the "valley of death" between innovation and commercialisation. At the same time, there should be an acknowledgement that the best way to support the business case for circularity is to create the right market conditions, including targeted market interventions and economic incentives, as subsidies alone will not be sufficient. Without dedicated funding and appropriate framework conditions at this stage, Europe risks losing viable circular business models before they can reach the market.
3. **Ensure accessibility of funds:** While programmes such as the Innovation Fund and Horizon Europe play an important role, they remain largely inaccessible to the smaller actors such as local authorities and SMEs due to complexity, scale, and administrative burden. For the ECF to truly serve these smaller actors who make up the greater part of the European economy, it must address two distinct challenges:
 - **Administrative simplification:** simpler and less burdensome procedures for participation of smaller actors.
 - **Tailored grant design:** smaller, targeted packages to support commercialisation and scale-up.

By embedding circularity as a guiding principle, the ECF can drive Europe's transition to a resilient, resource-efficient, and competitive economy. We remain at your disposal to discuss this matter further and look forward to your positive response.

Yours sincerely,

Signatories:

- [ACR+ - Association of Cities and Regions for sustainable Resource management](#)
- [Cartonplast](#)
- [Ecopreneur.eu](#)
- [European Aluminium](#)
- [EuRIC - European Recycling Industries' Confederation](#)
- [Faerch](#)
- [FEAD - European Federation of Waste Management and Environmental Services](#)
- [MPE – Metal Packaging Europe](#)
- [MWE - Municipal Waste Europe](#)
- [Newloop](#)
- [NewERA - New European Reuse Alliance](#)
- [PRE - Plastics Recyclers Europe](#)
- [Reloop Platform](#)
- [Resortecs](#)
- [Reusable Packaging Europe](#)
- [SCS – Styrenics Circular Solutions](#)
- [T2T Alliance](#)
- [TOMRA](#)