

Maintaining adequate aid intensities is essential to deliver Europe's Circular Economy objectives

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Recycling Europe welcomes the revision of the General Block Exemption Regulation (GBER) as an opportunity to better align state aid rules with the EU's circular economy, industrial, and climate objectives. To be effective, the revised framework must fully recognise the strategic role of recycling in delivering decarbonisation, resource security, and competitiveness in the EU.

However, Recycling Europe expresses serious concern over any reduction in aid intensities for circular economy projects compared to the current GBER as proposed in Article 65. Circular economy investments, particularly in recycling, are characterised by high capital expenditure, technological risk, and uncertain returns. Lower aid levels would undermine investment incentives, delay or cancel projects, and weaken Europe's ability to scale domestic recycling capacity. At a minimum, current aid intensities must be maintained¹, and where justified, increased to reflect market realities and ensure parity with other supported sectors.

Additionally, state aid provisions for circularity and energy must be better aligned. Recycling is both resource-efficient and energy-intensive, yet current frameworks treat these dimensions separately. Recycling activities should be explicitly recognised as contributing to decarbonisation and granted equal access to energy-related support measures and for example benefit from investment aid and operating aid. In this context, it is particularly important that the operating costs of recycling facilities are positively taken into account within the framework of the GBER. Recycling facilities face significant operating costs that are increasingly difficult to cover, in some cases even leading to business closures.

Recycling Europe also believes that state aid must go beyond Critical Raw Materials (CRMs). A narrow focus on CRMs risks distorting markets and undermining investments in key recycling streams such as plastics,

¹ See proposal in annex

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paper, textiles, tyres, construction & demolition waste and non-CRM metals. A material-neutral approach is essential to ensure the development of a well-functioning circular economy across all value chains.

It is also important to note that the framework must be genuinely accessible to SMEs, which represent the backbone of the recycling sector. Simplified procedures, reduced administrative burden, and appropriate aid intensities are necessary to ensure that smaller operators can effectively benefit from state aid.

Finally, urgent attention is needed to support end markets for non-recyclable fractions, including Refuse-Derived Fuels (RDF). Increasing difficulties in securing outlets for these materials risk creating bottlenecks, increasing costs, and ultimately diverting waste from recycling. Targeted support and a pragmatic recognition of RDF as a transitional solution are needed.

A coherent and inclusive GBER is essential to unlock investment, strengthen Europe's recycling industry, and accelerate the transition to a competitive circular economy.



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Annex- Amendment proposal to Article 65

Current Text	Proposed amendment
<p>11. The aid intensity shall not exceed:</p> <p>(a) 15 % of the total investment costs for investments referred to in paragraph 5, points (b), (c) and (d). The aid intensity may be increased by:</p> <p>(i) 5 percentage points for aid granted to medium-sized undertakings and by 10 percentage points for aid granted to small undertakings or, alternatively, where the total aid amount does not exceed EUR 1.5 million per undertaking, per project, 10 percentage points for aid to any undertaking, regardless of its size;</p> <p>(ii) 7.5 percentage points for investments located in assisted areas under Article 107(3), point (a) of the Treaty and by 2.5 percentage points for investments located in assisted areas under Article 107(3), point (c) of the Treaty.</p>	<p>11. The aid intensity shall not exceed:</p> <p>(a) 15 % 30 % of the total investment costs for investments referred to in paragraph 5, points (b), (c) and (d). The aid intensity may be increased by:</p> <p>(i) 5 percentage points for aid granted to medium-sized undertakings and by 10 percentage points for aid granted to small undertakings or, alternatively, where the total aid amount does not exceed EUR 1.5 million 2.5 million per undertaking, per project, 10 percentage points for aid to any undertaking, regardless of its size;</p> <p>(ii) 7.5 percentage points for investments located in assisted areas under Article 107(3), point (a) of the Treaty and by 2.5 percentage points for investments located in assisted areas under Article 107(3), point (c) of the Treaty.</p>

Note to editor: Recycling Europe (formerly EuRIC) is the voice of Europe's recycling industry, including 80 national federations and companies across 24 EU & EFTA countries. From metals and paper to plastics, packaging, textiles, tyres, ships, construction & demolition waste, WEEE and ELVs, our members transform waste into resources—powering Europe's circular economy, ensuring resource autonomy, and boosting competitiveness and sustainable industrialisation across the continent. For press-related enquiries, please contact Zoi Didili, Recycling Europe's Senior Communications Advisor, by email at zdidili@recyclingeurope.org or by phone at +32 (0) 489 09 46 02.

