



ADVANCED RECHARGEABLE & LITHIUM BATTERIES ASSOCIATION

RECHARGE recommendations for the EU Funding for Competitiveness under the next Multiannual Financial Framework (MFF)

May 2025

RECHARGE, representing the European battery industry, welcomes the opportunity to participate to a public consultation on the Commission's upcoming comprehensive proposal for the next long-term budget – the multiannual financial framework (MFF), including the 'EU funding for competitiveness' (further on also referred to as 'Competitiveness Fund').

We welcome the Commission's aim to streamlining and simplification of today's various funding programmes, to focus on investments capacity to be "*channeled in strategic technologies along the entire investment journey, from research, through scale-up, industrial deployment, to manufacturing – using the power of the EU budget to de-risk and mobilise private investment*".

The EU aimed in 2017 to become the second-largest battery manufacturer by 2025, targeting 20% of global production capacity. European output reached 44 GWh in 2020 (6% of global capacity) and was projected to grow to 400 GWh by 2025, supporting 800,000 jobs and generating €250 billion annually. However, many battery value chain projects have recently been cancelled, delayed, or scaled back, undermining scalability, profitability, and the development of a robust EU supply chain.

With 2025 as a decisive year for Europe's battery industry and its role in the energy transition and automotive sector, reversing this negative trend is imperative. Achieving the 2030 target of 40% EU-made batteries and unlocking socio-economic benefits depends on the survival of a domestic battery industry. To safeguard jobs, foster innovation, and reduce dependencies, Europe must establish a long-term vision for a resilient supply chain.

Given the global imbalance and market distortion created through the dedicated support mainly in China and the USA to their batteries industries, the question whether traditional EU funding mechanisms are sufficient to build a new competitive industrial segment in Europe needs to be raised.

This is why RECHARGE replies to the MFF public consultation on the 'EU funding for competitiveness'. With the same focus on addressing today's battery ecosystem's needs, we have also replied to the consultation on the Clean Industrial Deal State Aid Framework (CISAF). RECHARGE looks forward to collaborating with the Commission to design a more impactful and cost-effective support framework that secures a strong future for Europe's emerging battery industry. The growth of a homegrown battery ecosystem contributes as a key enabler for the energy transition, decarbonisation and digitalisation and therefore in a wider context to Europe's Green Deal objectives, industrial prosperity and job creation.

Europe needs to create financial incentives and an attractive investment climate to accelerate investments in the EU with a focus on strategic projects. The battery industry can be classified as an "infant industry" (a concept elaborated in the Draghi report) and specific support mechanisms could be justified as measures to secure creating a domestic battery ecosystem.

Key recommendations for the EU funding for competitiveness:

RECHARGE has identified the following key challenges that must be addressed by the future **Competitiveness Fund** to strengthen Europe's industrial base and strategic autonomy: (1) 'Insufficient innovation and manufacturing capacity for strategic technologies', (2) 'Excessive dependence of the EU on non-EU countries for critical inputs, raw materials and strategic technologies', (3) 'Access to finance for small businesses and for scale-up companies from research to manufacturing', and (4) 'Incapacity to translate innovation into marketable technologies, and failure to integrate these technologies into the EU's industrial base'.

To strengthen the **MFF Competitiveness Fund** and ensure effective support for battery technology in EU manufacturing, the following recommendations should be considered:

- **Streamlined Access to Funding:** The process for requesting EU funding should be simplified to reduce administrative burdens, to encourage participation and investment. Clear guidelines and transparent allocation criteria will accelerate the application phases.
- **Targeted Support for Supply Chain Participants:** Ensuring that key players across the battery supply chain – raw material suppliers, active material producers, and manufacturers – receive necessary financial backing.
- **Raw Material Diversification:** The EU should push for strategic diversification of raw materials to ensure stable supply at competitive costs. Investments should focus on securing sustainable sources and reducing dependency on non-EU suppliers.
- **Ensuring Long-Term & Sufficient Funding:** The budget should not be limited arbitrarily, ensuring long-term sustainability for the battery industry. A structured review mechanism should be in place to assess funding impact and adjust allocations accordingly.

To further reinforce Europe's battery ecosystem in the next **Multiannual Financial Framework (MFF)**, RECHARGE strongly advocates for dedicated and strategically allocated funding for the battery industry. Building on the **Innovation Fund 2024 Battery Call**, we call for the establishment of a **Battery Fund** that would span the duration of the next MFF. This fund should encompass the entire battery value chain, ensuring eligibility for all types of batteries and applications.

To effectively scale up a **domestic battery industry**, it is essential to channel financial resources efficiently and earmark funding for **strategic value chains**, such as batteries. Under this proposed Battery Fund, **RECHARGE** recommends enhancing **non-price criteria** to maximize local value and foster spill-over effects across the entire value chain.

The **Battery Fund** should enable output-based production funding – potentially as baseline financial support for manufacturing activities, such as battery cell production, advanced materials, and components. This mechanism could incorporate **staged local content requirements**, with the possibility of additional support through **State Aid**.

Furthermore, once funding is approved, **swift disbursement is critical** to maintain competitiveness during the growth phase. Delays in fund allocation could hinder progress, making efficient financing a key priority for ensuring Europe's leadership in battery technology.

To maximize the impact of the next **MFF Competitiveness Fund**, financial support should be allocated across key **development stages**: (1) **Scaling Up** to facilitate the expansion of early-stage innovations, (2) **Industrial Deployment** supporting large-scale implementation of new technologies and (3) **Manufacturing Capacities**, strengthening domestic production capabilities to enhance long-term competitiveness.

By prioritizing these areas, the EU can foster innovation directly and ensure mechanisms for upscaling transformative solutions within Europe.

RECHARGE furthermore **recommends the Competitiveness Fund to be targeting identified ‘Strategic Projects’ under the Critical Raw Materials Act (CRMA) and the Net-Zero Industry Act (NZIA)** to further work towards achieving the CRMA & NZIA objectives.



ABOUT RECHARGE

RECHARGE is the European industry association for advanced rechargeable and lithium batteries. Founded in 1998, it is our mission to promote advanced rechargeable batteries as a key technology that will contribute to a more empowered, sustainable and circular economy. RECHARGE's unique membership covers all aspects of the advanced rechargeable battery value chain in Europe: from suppliers of primary and secondary raw materials, to battery, equipment and original equipment manufacturers (OEMs), to logistic partners and battery recyclers. www.rechargebatteries.org

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