



Book review

Competition in the Circular Economy – France's Contribution.

DAF/COMP/WD(2023)35, OECD, 2023.

Summary

This document outlines how the French Competition Authority addresses issues related to the green transition. Using the example of the household plastic packaging waste sector, it demonstrates how competition law can support environmental policies without hindering market dynamics. The study highlights recent changes to the Extended Producer Responsibility (EPR) framework and the recommendations made by the Authority to ensure a balance between environmental effectiveness, industrial innovation and fair competition.

Content

The first part outlines the European and national legal framework for the sector. At European level, it cites:

- Directive (EU) 2018/851, which enshrines the waste treatment hierarchy principle,
- Directive (EU) 2018/852 on packaging and packaging waste, which sets a target of 65% recycling for packaging waste and 50% for plastic packaging waste by December 2025; by 2030, these rates must reach 70% and 55% respectively,
- Directive (EU) 2019/904 on reducing the impact of certain plastic products on the environment, setting targets of 77% in 2025 and 90% in 2029 for the recycling of the weight of single-use plastic bottles; as well as the incorporation of 25% recycled raw materials in these products by 2025 and 30% by 2030.

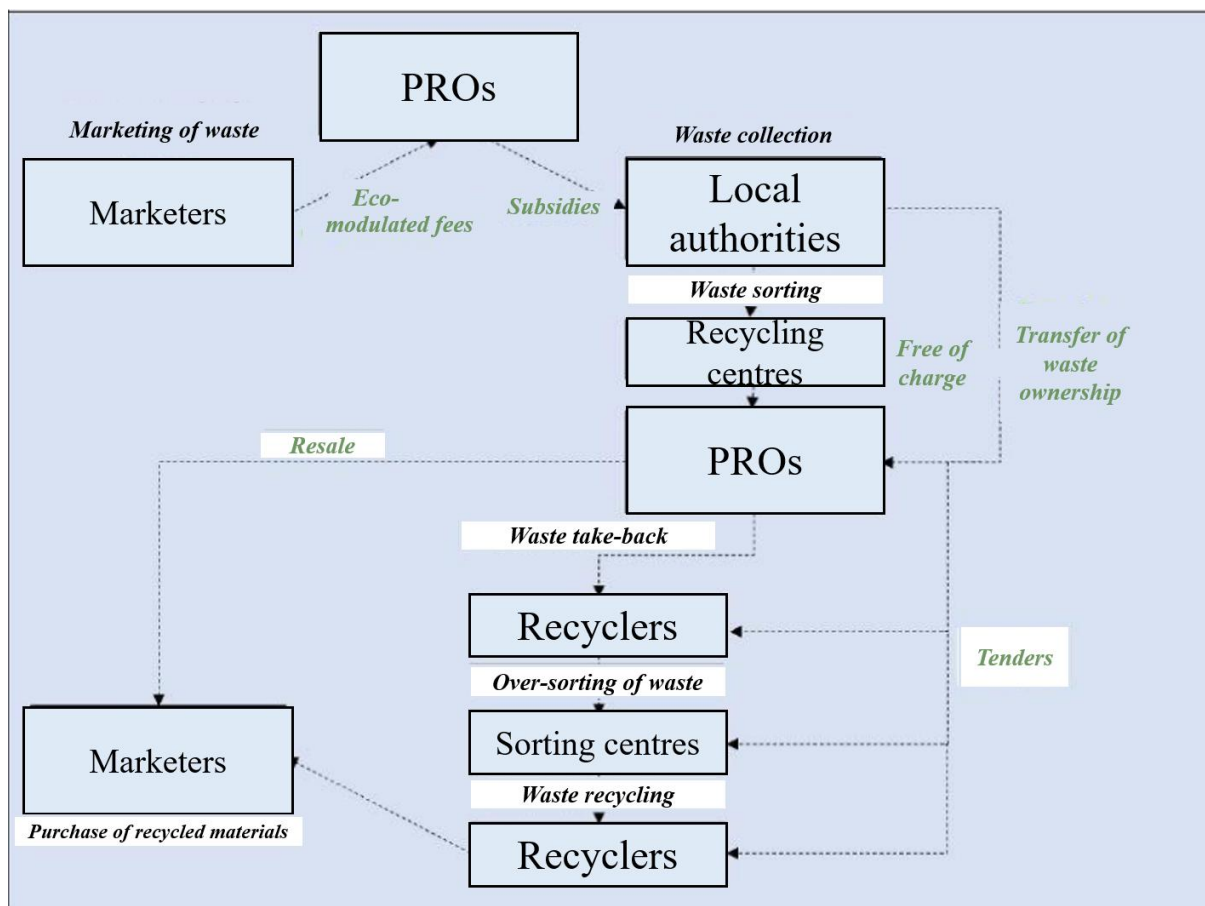
In France, the document cites the Roadmap for the Circular Economy (2018), which sets a target of 100% of recyclable waste being collected by 2025, and the Climate and Resilience Act (2021), which provides for a ban by 2030 on plastics without viable recycling solutions.

The document then analyses the operation of the EPR scheme, as a cornerstone of France's circular economy strategy. This scheme requires producers, importers or distributors to finance, amongst other things, the collection, sorting and recycling of waste from their products. To fulfil this obligation, they may either act individually or join an approved Producers Responsibility Organisation (PRO) to which they pay an eco-modulated contribution.





Originally, the EPR sector operated on a purely financial model: local authorities handled collection and sorting, funded by the PROs. Since 2019, this model has evolved into a hybrid system, combining both financial and operational aspects (see diagram below, presented on p. 6). PROs are now responsible, for certain specific waste streams (mixed rigid and flexible plastic waste), for collecting waste directly from local authorities and organising its further sorting and recycling via tenders. The decree of 15 March 2022 further strengthened this operational dimension, granting PROs exclusivity over these activities.



The Competition Authority examined the competitive impacts of this new organisational structure. It concluded that exclusivity could be justified to **promote the consolidation of waste streams, investment and the modernisation of the sector, but recommended limiting its duration** (until 2029) and conducting an audit in 2025. It also drew attention to the **balancing mechanism between PROs**, designed to allocate collection obligations according to their market shares, **highlighting the risk that it could reinforce the dominant position of a major player**.

