

Research and foresight Direction  
 Circular Economy and Waste Direction  
 November 2019

## Evaluation objectives

This assessment's main purposes are:

- To analyse the pertinence of the ADEME's funds regarding the main circular economy challenges
- To assess whether this operation meet the needs of the stakeholders (beneficiaries and non-beneficiaries of the Fund support) and aim the new targets of the French law on Ecological transition and Green growth (*Loi de transition énergétique et pour la croissance verte, LTECV*) and of the Roadmap for Circular Economy (*Feuille de route économie circulaire, FREC*)
- Develop strategical and operational recommendations

## Methodology

### Investigation and analysis phase

- *1<sup>st</sup> Phase*: 2009-2017 overview and description of the general approach and framing (documentary analysis – internal and external interview – administrative and budgetary data analysis)
- *2<sup>nd</sup> Phase*: 3 online surveys sent to beneficiaries and non-beneficiaries of the Fund (municipalities, professional relays, economic actors) – 10 in-depth case studies – European benchmark – National actors interviews – Regional Council interviews
- *3<sup>rd</sup> Phase*: Conclusions and development of recommendations based on 4 workshops involving ADEME agents and external partners

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The ADEME thanks the external partners who took part to this assessment.

The evaluation has been carried out by RDC Environment and Alenium Consultants



## STRATEGICAL EVALUATION

### Context

The Waste Fund is one of the main response funds managed by the ADEME.

Since its creation in 2009, the Waste Fund was regularly strengthened in order to assist French policy on recycling and waste prevention (2009-2014) as well as the national legislation for durable consumption and production (2015-2017). The Fund's support represents 200 million euros per year on average - around 80% of the funding going to local operations. As part of the Roadmap for Circular Economy (FREC), the Waste Fund would become a Circular Economy Fund.

In this context, the main supports of the Waste Fund have evolved, especially during the 2015-2017 period:

- Some **"upstream"** supports concerning waste production were developed as complements to the existing **"downstream"** supports.
- Along with **investments for municipalities and communities, technical expertise and support** in waste prevention was added.
- **Economic actors** become new major targets of the Circular Economy. These actors are quite heterogeneous and the actions levers are broad and strictly restricted (i. e. European regulation).. Thus, new relays of the Circular Economy Fund have to be found in order to ensure a better efficacy of the supports.
- **Competence transfers** of the Waste / Circular Economy strategy from Departmental Councils to Regional Councils questions the coherence of strategies/frameworks developed by both the ADEME and the regions and the capacity to get a more shared governance. It requests an answer for each region because of the heterogeneous levels of implication on the circular economy issues.
- Furthermore, **the ADEME's restrained resources implies to find new levers** (i. e. new organisation, governance, steering and/or intervention mode).

## KEY LESSONS

Main data of the Waste Fund	
Number of operations	22 724
Global amount of operations	7,8 Mds €
Global amount of the Waste Fund	1,8 Md €

### 1. Some new intervention modes to create

- The Waste Fund represents 1.8Mds euros of intervention during the last 8 years (approximately 200 million euros per year, including the heat fund share related to waste) for a global operation amount of €7.8 billion.
- The ADEME's human resources involved in the Fund have increased by 30% during the time period. It helped to instruct and animate the Fund, and represented on average 144 FTEs per year.
- The Fund doubled between 2009 and 2017 while the global amount of operations tripled. On average, 2,500 operations are supported per year, with variations. During the last years, this figure has decreased.
- Beneficiaries become more diverse. The total part of the support to the local governments represented 75% of the operations in 2009, while it represented 40% in 2017 (without considering the integration of the supports granted by private operators who act in the framework of a public service).
- We note, though, a weak « natural » transformation of the Waste Fund towards a Circular Economy one. However, investments related to “wastes” were still important during the last few years of the Fund, and the economic targets are not much invested.
- Beneficiaries –especially financial beneficiaries- are very satisfied by the support of the ADEME. Nevertheless, most of the beneficiaries are “recurring beneficiaries”. This leads to a dangerous mutual dependency. The ADEME's role should be to encompass a support targeted to “latecomers”, even if it is sometimes hard to play.

### 2. A necessary increase of territorial animation

- Territorial animation was previously encouraged by the Waste Fund on the “Waste prevention” aspect. Thanks to the “CODEC framework”-Waste, Circular Economy Objectives Contract-, specific to communities, and “task officers” for communities, economic actors and associations, this animation was extended to Circular Economy.
- “Task officer” and “CODEC” supports are valued and appreciated by beneficiary communities. However, most of them are mature communities regarding “waste” and “circular economy” issues, which interrogates a possible “deadweight effect”.
- Ambitious measures are mostly undertaken by CODEC beneficiaries with three major observations :
  - A first integration in emerging territorial networks;
  - Supports include “natural” interlocutors of communities (associations, semi-public operators or operators Social Solidarity Economy) ;
  - Industrial and Territorial Ecology (EIT) approach becomes widespread, but some heterogeneous level of inclusion are noted among the actors of the market economy.
- Territorial Animation supports targeted towards communities don't manage to create yet :
  - A structured and accomplished network of actors ;
  - A true mobilization among actors of the market economy ;
  - Some ambitious approaches on ecoconception.

- Waste and Circular Economy Regional Contracts (CODREC) were signed in almost every regions. **They allowed regional councils to take charge of their new competence regarding “Waste / Circular Economy”.** We note:

- A heterogeneous appropriation among regions;
- A deployment of *PRPGD* (Regional plans for Waste Prevention and Management). Most of them include circular economy strategies;
- Some obstacles related to a lack of transverse competences in the services and an absence of territorial relays.

### 3. A redirection of the intervention modes towards economic actors' issues

- Relevant relays are not well identified and we underline a lack of devoted means and missions. Common relays of economic actors (CCI, CMA) are weakly known and do not represent legitimate actors to tackle circular economy issues (for both their customers and their related communities). Some very local relays, which are poorly known by the ADEME, may play some structuring roles in the development of circular economy (i. e. associations, employment bureaus, etc.)
- **Companies lack economic arguments**, feedbacks and formations of their managers. This lack of competence is true on both “upstream” processes (durable production and consumption) and “downstream” processes (waste valorisation).
- The ADEME financial supports are appreciated when they are known (ORPLAST, TPE-PME) but “admission fees” are high because supports are considered to be complex, unknown and strict.
- Financial frameworks main limits are the following ones:
  - **A difficulty to know the temporality and continuity** of the supports;
  - Some needs for **preliminary investment funds**;
  - **A tough support of low-value projects**;
  - A lack of evaluation of the projects regarding resource savings and induced effects

### 4. Strategy clarification and project management enhancement

- **The Fund strategy, which on the waste scope is not clearly defined and might induce some “sprinkling” effects.** The Fund tries to cover all issues but cannot answer precisely to its new targets (companies). **Mission revue might allow to draft some new partnerships and to sharpen the Fund's framework.**
- **The ADEME support is really effective in feedbacks and expertise**, even if it doesn't manage to include all the national economic networks.
- **The impacts of the Waste Fund are difficult to measure because no clear framework, steering tools and indicators have been defined:**
  - Most supports had moderate results on the global scale;
  - Monitoring indicators are not relevant to judge resource savings and evaluate circular economy projects;
  - Some clear and positive socio-economic impacts were achieved, but remain difficult to analyse on a broad scale regarding the absence of indicators and measures.

## Consultants' recommendations

The recommendations result from the solution building workshops, field observations, proposals from the stakeholders we met and our expertise. They are oriented around 4 axes:

- Strategy;
- Operational strategy;
- Supports;
- Fund management and governance.

Focus 1 STRATEGY		
1.1	Ensure the "Circular Economy Fund" is a real "Transformation Fund"	<ul style="list-style-type: none"> <li>• Enhancement of the behavioral change of public, private and household actors;</li> <li>• Promotion of innovation and performance;</li> <li>• Prioritization of the investments with the aim of finalizing an optimized network of waste management equipment.</li> </ul>
1.2	Clarify the discourse on the guiding principles of the Circular Economy	<ul style="list-style-type: none"> <li>• Adaptation of arguments to the final targets induced by a limitation of conceptual approaches. These approaches are not well understood by stakeholders (e.g. "pillars of the circular economy");</li> <li>• Democratization of the principles of circular economy: resource saving, extended use and reuse/recover;</li> <li>• Limitation of the opposition between "waste" and "circular economy" in the supports.</li> </ul>
1.3	Re-define the role of the ADEME: a key relay actor in the implementation of circular economy	<ul style="list-style-type: none"> <li>• Clarification of the ADEME's targets and role: <ul style="list-style-type: none"> <li>• Regional councils and national stakeholders (eco-organizations and professional federations). These actors are privileged partners of the ADEME: they need to coordinate their interventions and share responsibilities in order to support organization transformation behavioral changes;</li> <li>• Least mature economic actors and communities (<i>EPCIs</i>) (<i>public entity for intercommunal cooperation</i>). They are privileged beneficiaries of the ADEME's support;</li> <li>• Households and companies. They are final targets, who need to adopt profound behavioral changes;</li> </ul> </li> <li>• Reaffirmation of the complementarity and subsidiarity of action between the ADEME and the relay actors;</li> <li>• Concentration of the supports, based on priority schemes, in order to reduce "sprinkling" effects.</li> </ul>
1.4	Encourage innovation and performance of economic actors (companies)	<ul style="list-style-type: none"> <li>• Investments in project initiation;</li> <li>• Sharing of good practices and feedbacks between peers.</li> </ul>
1.5	Share good practices and feedbacks for the least mature local authorities	<ul style="list-style-type: none"> <li>• Identification of new actors to target;</li> <li>• Enhancement of the territorial coverage;</li> <li>• Limitation of a systematic funding of operations led by the most effective beneficiaries.</li> </ul>
Focus 2 OPERATIONAL STRATEGY		
2.1	Co-manage a significant part of the "Circular Economy Fund": development of partnerships with regional councils and integration of the economic development services in order to create unique "regional desks" for supports (one desk per region)	<ul style="list-style-type: none"> <li>• Improved readability of the regional supports managed by both the ADEME and the regional actors;</li> <li>• Better targeting of the company needs thanks to the knowledge of economic development services;</li> <li>• Increase of the global support amount thanks to the participation of the regional councils.</li> </ul>
2.2	Place territorial animation at the heart of the interventions of the "regional desks"/ Deepen the support of the least mature territories on circular economy through the funding of territorial animators (employed by the regional desk)	<ul style="list-style-type: none"> <li>• Multiply by 4 the budget dedicated to territorial animation;</li> <li>• Catch up with the delay of underdeveloped territories, including in waste management, by offering them personalized and calibrated support;</li> <li>• For advanced territories, increase the requirements to mobilize economic actors by favoring local relays if possible;</li> <li>• Empowerment of <i>EPCIs</i> formerly carrying CODECs;</li> <li>• Facilitation of thematic "clubs" by sector of activity or role (e.g. construction owners).</li> </ul>
2.3	Create a "freezing mechanism" if the majority of the funds is not allocated to economic actors	<ul style="list-style-type: none"> <li>• Alignment between the strategic targets (economic actors) and the supports;</li> <li>• Mobilization of the economic actors by the territorial animators.</li> </ul>

2.4	Develop co-financed projects between the national agency and other national actors and/or major economic sectors	<ul style="list-style-type: none"> <li>• Support for behavioral change;</li> <li>• Enhancement of the coherence between national policies;</li> <li>• Integration of circular economy in various public policies;</li> <li>• Creation of regular contacts with major actors that are not currently mobilized.</li> </ul>
2.5	Maintain purchase amounts at the level of the national agency	<ul style="list-style-type: none"> <li>• Affirmation of the added-value of the ADEME on technical expertise;</li> <li>• Technical equipment of actors who develop circular economy;</li> <li>• Support for the development and installation of regional desks.</li> </ul>
<b>Focus 3 SUPPORTS</b>		
3.1	Condition the granting of subsidies for local authorities to the implementation of incentive-based pricing programs within 2 years	<ul style="list-style-type: none"> <li>• Reduction of household (and professional) waste volumes;</li> <li>• Engage stakeholders in behavioral changes.</li> </ul>
3.2	Promote innovation and business network development thanks to a differentiated support, depending on the size of the company	<ul style="list-style-type: none"> <li>• Promotion of innovative experiences;</li> <li>• Encouragement of feedbacks and peer-to-peer sharing;</li> <li>• Identification of the uncovered circular economy needs thanks to regular "<i>Calls for Expressions of Interest</i>",</li> </ul>
3.3	Create a simplified support framework for mature territories (for example, former CODEC actors)	<ul style="list-style-type: none"> <li>• Simplification of procedures;</li> <li>• Enhancement of the spreading of successful projects;</li> <li>• Empowerment of mature territories.</li> </ul>
3.4	Restrict investments in waste management infrastructure to the least mature territories	<ul style="list-style-type: none"> <li>• Finalisation of the national coverage;</li> <li>• Focusing on territories with priority needs (i. e. inexistent waste management infrastructures for households or construction industry).</li> </ul>
3.5	Simplify the procedures for project leaders and facilitate the examination of constitutive parts of files	<ul style="list-style-type: none"> <li>• Creation of a simplified online procedure allowing a cross-functional monitoring of the files, and transparency in the treatment of the requests;</li> <li>• Creation of "support paths" for economic actors;</li> <li>• Definition of 3 or 4 key indicators to analyse the project results (and not its means).</li> </ul>
<b>Focus 4 FUND MANAGEMENT AND GOVERNANCE</b>		
4.1	Create a customer relationship management (CRM) platform at the national level in order to sharpen the targeting of actors	<ul style="list-style-type: none"> <li>• Detailed knowledge of economic actors;</li> <li>• Facilitation of contact with economic actors;</li> <li>• Introduction of "support paths" between several support frameworks of Funds;</li> <li>• Professionalization of the canvassing process.</li> </ul>
4.2	Improve the management of the funded projects and transparently communicate about them	<ul style="list-style-type: none"> <li>• Simplification of the reporting process;</li> <li>• Better analysis of the expenditures and results generated by the Fund;</li> <li>• Improved communication with non-beneficiary and reduction of the "admission fees".</li> </ul>

**CONTACTS :**

*This study is part of the ADEME's policy evaluation program. It aims to continuously optimize its programs, understand the impacts of its interventions and be accountable to its supervisory ministries, partners, companies, local authorities and associations, as well as citizens.*  
 For further information: [www.ademe.fr/connaitre/priorites-strategiques-missions/evaluation-actions-lademe](http://www.ademe.fr/connaitre/priorites-strategiques-missions/evaluation-actions-lademe)