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Circular Economy & Industry in 2035

Support policies

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1. Definitions

1.1 Defining the report topic

The macrovariable “Support policies” examines the measures and resources introduced at the European, national, and regional levels.

Support policy

A support policy is “the set of principles governing the actions of a state or government, which determines objectives, either generally or in specific areas, and decides on the means to achieve them” (Larousse).

It therefore consists of a structured set of decisions, directives, and initiatives adopted by a government authority to support, facilitate, or promote a particular cause, industry, group of people, or set of objectives. These policies may include legislative measures, financial incentives, educational programs, research initiatives, or any other actions intended to have a positive influence on the targeted area.

1.2 Relevance to the study and key questions for the future

Support policies play a crucial role in the transition to the circular economy by promoting a favorable environment through financial and legislative instruments.

2. Retrospective analysis

2.1. Past developments

At the European level

Increasing European support that encounters constraints in some member states: At the European level, public authorities intervene through financing and regulation. In financing, European institutions devote a substantial share of their budgets to the environmental transition, particularly waste reduction and recycling. They implement major sectoral programs intended to support large companies in their transition to circularity. On the regulatory side, circular economy reforms have followed one another over the past twenty years to govern the management of energy flows and waste. In July 2014, the European Commission adopted a set of measures to facilitate the transition to the circular economy. However, its legislative proposal on integrated waste was withdrawn in early 2015. A new legislative proposal emerged in late 2015, together with a circular economy action plan. European regulations can nevertheless suffer from inconsistencies or encounter a lack of resources in member states.

At the national level

The Grenelle de l’environnement, an initial step in establishing a framework (2009): Launched in July 2007, the Grenelle Environnement brought together representatives of the government, local authorities, NGOs, businesses, and employees to develop initiatives supporting ecology, the environment, and biodiversity in France and to establish a substantive policy. Following these consultations, held between September and December 2007, the laws known as Grenelle I and Grenelle II were adopted in 2009 and 2010. After the Grenelle, France broadly strengthened its efforts to develop renewable energy, setting ambitious targets to increase its share of the national energy mix. Financial support measures, such as preferential purchase tariffs for electricity generated from renewable sources, were also introduced to encourage investment in the sector. ADEME’s Waste Fund, now the Circular Economy Fund, was also created in 2009. It aims to promote actions that encourage waste reduction, sorting, recycling, and recovery while minimizing environmental impact. The Programme d’Investissements d’Avenir (PIA) was initiated that same year with a budget of €35 billion for its first phase (2010–2013). Its purpose is to finance promising, innovative investments in sectors of strategic importance to France, particularly the circular economy in support of the

ecological transition.

Strengthening the legislative framework and support policies:

The Energy Transition for Green Growth Law (2015) aims to enable France to contribute more effectively to combating climate disruption and strengthen its energy independence while ensuring access to competitively priced energy. It lays the foundations for combating wastefulness and reducing waste at source by establishing the objective of a transition to a circular economy and translating it into quantified targets for waste prevention and management, including sorting and recovery.

The Circular Economy Roadmap (2018), which echoes the circular economy package adopted by the European Parliament in December 2017, is the latest step in placing this concept on the public policy agenda. The roadmap provided the basis for work on the Anti-Waste for a Circular Economy Law. Known as the AGEC Law, it contributes to the transition to a circular economy and particularly promotes the functional and service economy through reuse and repair, with the overall objective of combating wastefulness.

Finally, the **Climate and Resilience Law** (2021), which addresses climate disruption and strengthens resilience to its effects, aims to initiate the French economy's transition toward a model that is both ecological and sustainable.

This legislative framework was accompanied by stronger existing policies, particularly ADEME's Circular Economy Fund, renewed annually, and the Programmes d'Investissements d'Avenir: PIA 2 (2013–2016, budget €12 billion), PIA 3 (since 2017, budget €10 billion), PIA 4 (since 2020, budget €20 billion), and PIA 5 (since 2021, budget €54 billion).

At the regional and local levels

Several works in the gray and academic literature highlight the relevance of the local level for initiating and structuring collective momentum around the circular economy (Lévy et al., 2016; Sauvé et al., 2016),

At the regional and local levels, many initiatives have been implemented under a strategy for Grand Est's planning and sustainable development through 2050. Arising from the **NOTRé** Law (Nouvelle Organisation Territoriale de la République) of August 7, 2015, this strategy is led and developed by the Grand Est Region but was jointly designed with all its partners: local and regional authorities, the national government, actors in energy, transportation, and the environment, associations, and others. Following this broad consultation, the Regional Plan for Spatial Planning, Sustainable Development, and Territorial Equality (**SRADDET**) was adopted by the Regional Council on November 22, 2019.

SRADDET's stated ambition is to make Grand Est an energy-positive, low-carbon region by 2050. A circular economy action program was launched in 2021 around five priorities:

Priority 1: Establish shared governance and regional coordination to develop the circular economy, with the ambition of involving all actors: local and regional authorities, businesses, and citizens. Issues are discussed within a regional ADEME/REGION/DREAL steering committee, and the Region also draws on existing partnerships, such as Climaxion with ADEME and the business chambers.

Priority 2: Develop and make available knowledge about flows, resources, and practices. An observatory was created as the central coordination tool for Circular Economy and Waste policy.

Priority 3: Support economic actors, local and regional stakeholders, and citizens in moving toward the circular economy, with industrial and territorial ecology (ITE) as a pillar of local economic development;

Priority 4: Integrate the circular economy into tomorrow's research, innovation, and skills, with the principal objective of encouraging experimentation—for example, in chemical and thermal plastics recycling through depolymerization and pyro-gasification techniques.

Priority 5: Adopt a sector-based approach in areas with a high impact, identifying five priority sectors: construction and public works, plastics, the bioeconomy, green hydrogen, and viticulture and winemaking. Grand Est is also the first region to bring together all construction and public works actors around a sectoral initiative committed through a "voluntary agreement supporting the circular economy," in partnership with ADEME.

2.2. Current developments

At the European level

Strengthening European Commission initiatives at the European level to accelerate the transition to the circular economy

The launch of the Green Deal in 2019: In December 2019, the launch of the European Green Deal affirmed the commitment to greening the European economy. The European Commission wishes to develop the legislative framework and provide guidance encouraging public actors to set a stronger example through procurement. The Green Deal comprises a set of measures intended to put the European Union on a path toward ecological transition. Its objective is a carbon-neutral Europe by 2050 while ensuring consistency among EU member states in implementing national strategies. It therefore proposes measures addressing sustainable finance, climate, energy, the environment, transportation, agriculture, and industry. These include a circular economy action plan.

Circular economy action plans since 2020:

In March 2020, the European Commission presented an action plan to promote the transition to the circular economy, with particular attention to certain sectors: textiles, plastics, information and communication technologies, electronics, and construction.

In February 2021, the European Parliament adopted additional measures supporting the circular economy. The aim is to achieve a toxic-free, environmentally sustainable, carbon-neutral, fully circular economy by 2050. To pursue this goal, Parliament introduced stricter rules on recycling and the use and consumption of materials.

In March 2022, the European Commission published proposed measures to accelerate the transition to the circular economy. These measures concern promoting sustainable products and empowering consumers to take greater responsibility for the green transition. They also revise the construction products regulation. The Commission additionally proposes a strategy focused on sustainable textiles.

In July 2023, a directive was adopted on minimum recycled-content levels for industrial batteries, SLI batteries, and electric vehicle batteries. These batteries should also be accompanied by documentation on their recycled content.

In November 2023, the European Commission added packaging rules. These proposals aim to improve packaging design so that packaging can be reused and recycled. The Commission also recommended a transition to biodegradable, compostable, and bio-based plastics.

Currently, in 2024, a text on food waste is under discussion in the European Parliament. Its objective is to define ecodesign rules for a number of products.

The Zero Pollution Action Plan

Launched by the European Commission, the zero pollution ambition for 2050 aims to contribute to the United Nations 2030 Agenda for Sustainable Development. It also complements the goal of climate neutrality by 2050, in synergy with circular economy objectives. It features among various initiatives introduced, including the European Green Deal.

Its main objective is to provide guidance to member states to accelerate reductions in pollution of soil, air, and water. By 2030, Europe must therefore, among other targets, reduce the health impacts of air pollution by more than 55%, nutrient losses by 50%, plastic waste at sea by 50%, microplastics released into the environment by 30%, residual municipal waste by 50%, and total waste generation significantly.

The EU taxonomy for directing investment

In March 2020, the European Commission's technical group on sustainable finance proposed an overhaul of the taxonomy. The proposed overhaul primarily aims to improve the targeting of investment. The interim report, published on June 18, 2020, defines the environmental externalities of the economic activity being assessed, enabling a judgment on whether an investment is sustainable. The green taxonomy aims, in particular, to combat all forms of "greenwashing." This framework should enable environmentally responsible activities to be identified.

The green taxonomy entered into force progressively in 2021. It redirects financial flows toward companies able to offer alternatives to polluting industries. In 2022, only two objectives were presented: those relating to climate change.

The European Corporate Sustainability Reporting Directive (CSRD)

In force since January 1, 2024, the European CSRD establishes nonfinancial reporting obligations and standards for large European companies meeting two of the following criteria: revenue exceeding €40 million, more than 500 employees, and total assets exceeding €20 million. Nonfinancial reporting covers environmental, social, and governance factors. The directive therefore aims to encourage sustainable development among European companies and harmonize their nonfinancial reporting.

In 2025, the directive will also cover European companies meeting two of the following criteria: more than 250 employees, total assets exceeding €20 million, and revenue exceeding €40 million.

In 2027, the CSRD will cover publicly listed European SMEs.

Substantial European financing whose effectiveness could be improved:

Europe is providing financing to support research that accelerates the transition to a circular economy. Horizon Europe, for example, is the European Union's research and innovation program for 2021–2027. It offers a budget of €95.5 billion, divided among four pillars, including global challenges and European industrial competitiveness.

European measures seek to support companies that are not yet operating in a circular economy, helping them transition to a new production model. However, this financing system has several shortcomings. First, public authorities overlook support for companies already pursuing circularity to help them sustain their efforts. Second, communication about these programs remains limited to the networks involved. Third, these budgets generally finance studies and international experts who rarely complete their missions—that is, implementing measures and supporting their implementation using the budget available to them.

European measures have certainly accelerated in recent years, particularly with the Green Deal. Nevertheless, Europe struggles to meet its commitments. This slowdown in the transition to circularity stems from insufficient consideration of certain developments, such as the war in Ukraine and inflation. There is also inadequate communication within local communities about the importance of reducing packaging and food waste.

At the national level

Increased support after the COVID-19 health crisis (France Relance, France 2030, PIA 4)

The COVID-19 health crisis led to stronger business support policies to help companies retain employees, hire, invest, and modernize.

A €100 billion economic recovery plan, France Relance, representing 4.1% of GDP, was announced in July 2020. It comprised three components: the ecological transition, competitiveness, and cohesion. The European Union provides approximately €40 billion in financial support. Of the France Relance plan's €100 billion, €35 billion is devoted to industry, particularly to finance the transition to a circular economy.

A new €54 billion investment plan, **France 2030**, continuing the approach of France Relance, was launched in October 2021. Unprecedented in scale, France 2030 aims to transform key economic sectors sustainably through research, innovation, and industrial investment by supporting projects of excellence. Over the past two years, €21 billion has already been committed and 4,370 projects supported, including more than 1,000 addressing the objective of "producing better" by decarbonizing industry in energy (nuclear, hydrogen, and renewable energy) and transportation (diversifying the automotive and aerospace sectors), with the goal of carbon neutrality in 2050.

The **Programme d'Investissements d'Avenir (PIA4)** has €20 billion over five years: twice as much as the two previous programs launched in 2014 (€12 billion) and 2017 (€10 billion). Its objective is to enable the government to define its priority investment strategies throughout the program and adapt them over time to address challenges that we probably do not yet know about today.

It will combine two intervention approaches intended to accelerate innovation in all sectors while making intervention and financing tools easier to understand: strategic priority investments and sustained financing for higher education, research, and innovation.

Bpifrance's accelerator program: As a public investment bank, Bpifrance supports French SMEs, intermediate-sized enterprises, microenterprises, and start-ups in designing, financing, and implementing their development and innovation projects. Its current priorities include decarbonizing French companies and supporting the France 2030 plan. Within this framework, it offers accelerator programs and facilitated access. Among these, Bpifrance offers a "support program for business leaders in the Waste Processing and Recovery sector who wish to develop their activities within a competitive, environmentally responsible circular economy." Financed by CME and the government under the France 2030 plan, this program is available to SMEs and intermediate-sized enterprises operating in waste collection and management. The bank offers advice, training, networking, and support.

A holistic vision developed by ADEME

For ADEME, support policy should form part of a holistic vision encompassing every stage of a product's life. ADEME considers that it should cover three categories of economic actors: (1) companies in their production activities, (2) consumers in their purchasing and consumption behavior, and (3) environmental actors handling end-of-life products. ADEME's scope of action thus remains at a more macro level.

Economic actors share ADEME's holistic vision, but at a micro level. For them, support policy should cover the entire value chain. These two views of the scope of public intervention are therefore complementary. All economic actors should receive support at both the macro level—the product lifecycle—and the micro level—the production process.

Perceptions of support policies vary with company size

The study by the Institut National de l'Économie Circulaire highlights trends among companies of different sizes in fifteen sectors and twelve French regions. For 81% of industrial companies, the circular economy represents an opportunity. More than 85% believe circularity could enable them to develop new markets and achieve savings while addressing current environmental challenges. A consensus therefore appears to be emerging around companies' desire to adopt a nonlinear model favoring a circular economy.

However, perceptions of the government's commitment to helping these companies transition to a circular economy differ according to company size.

In the survey conducted by the Institut National de l'Économie Circulaire, which focuses mainly on established large and medium-sized companies, 70% of respondents consider regulatory pressure a secondary reason for investing in their transition to the circular economy. Our semistructured interviews show that small companies cannot find the support they need. For example, the recovery plan mainly helped large industrial groups, a shortcoming for which ADEME was later criticized. ADEME explains the absence of aid for small entrepreneurs by their dependence on other systems, such as subcontracting, which complicates the allocation of aid.

According to the study by INEC and OPEO, more than 60% of companies believe that insufficient regulatory incentives impede the transition to a circular economy model. Among these industrial companies, more than 60% of those advanced in adopting the circular economy model perceive inadequate communication about the associated issues. Small companies are constrained by a lack of access to the right technologies and skills, as well as to government assistance. In ADEME's view, the support offered to actors throughout the value chain is unbalanced, disrupting the entire chain.

Insufficient monitoring of regulatory implementation: French industrial actors identified several obstacles relating to the regulatory framework. First, some report circular activities that are not regulated. For example, FGWRS's development director explains that the company cannot deploy its graywater recovery system in buildings because authorization is lacking. A second example concerns retreaded tires. Regulations do not govern this type of tire. A tire manufacturer can therefore label its tires "retreadable" without their having the necessary characteristics.

Second, industrial actors believe there is insufficient monitoring of compliance with regulatory obligations. Monitoring regulations such as REACH, concerning chemical substances in products manufactured in or imported into the European Union, proves difficult. Similarly, to combat planned obsolescence, the government introduced the repairability index on January 1, 2021. Nevertheless, several manufacturers display favorable scores without meeting the corresponding requirements. Checks on the various indices therefore need to be strengthened.

Insufficient regulatory incentives and information for small companies: Industrial actors, particularly small companies and craft businesses, lack regulatory incentives. Yet such incentives have demonstrated a positive impact, particularly in the case of the ban on single-use plastics. With regulatory incentives, manufacturers operating under a circular model eventually cover the market, regardless of their size.

National efforts to promote circularity, such as the recovery plan, are certainly substantial. For large companies, however, the AGEC Law does not sufficiently address the shift to circular industry. Small companies do not even have access to information. Closer engagement with companies is therefore needed to inform, train, and support them.

Public contracts to be set aside

According to economic actors, public procurement favors price over environmental criteria. For example, the French army was unable to procure high-quality, ecodesigned combat boots made in France. Public procurement should therefore take environmental criteria into account to encourage the transition to a circular economy.

At the regional and local levels

ADEME's central role through Climaxion and the Ecological Transition Agreement: At the regional level, nearly €100 million has already been devoted to the Climaxion program, designed and implemented by ADEME and regional government departments between 2017 and 2020. This unique program supports local authorities, businesses, associations, social housing providers, building professionals, and individuals in their environmentally responsible initiatives. This transition must help achieve the objectives of the Regional Plan for Spatial Planning, Sustainable Development, and Territorial Equality (SRADDET), which strengthens

existing directions over the long term by setting the goal of making Grand Est an energy-positive, low-carbon region by 2050.

In addition, in January 2023, the national government, ADEME, and the Grand Est Region signed France's first Ecological Transition Agreement, allowing part of ADEME's Heat Fund to be delegated to the Grand Est Region. Established under the 3DS Law, the agreement aims to scale up renewable heat development in Grand Est by substantially increasing the number of projects supported.

The Eurométropole's role in developing the local circular economy: Circular economy concerns are well integrated at the level of the Eurométropole's municipalities, and many municipal teams now include an official responsible for the circular, social, and solidarity economy. Budgets do not necessarily follow, but local initiatives should nevertheless not be overlooked, particularly in terms of their effects on consumer behavior. Work integration organizations, in particular, have played and continue to play a major role in recycling and often develop niches that companies subsequently enter.

Local actions fall into six broad categories:

- **Meet with and organize local organizations**; communicate and provide information. In the municipality of Schiltigheim, for example, meetings were organized with representatives of Grand Est's Chambre Régionale de l'Économie Sociale et Solidaire (CRESS) and AlsaceActive, an association supporting entrepreneurs committed to projects with a positive impact.
- **Bring actors together and build a network**. Since 2016, the Eurométropole has worked alongside social and solidarity economy associations on textile collection through a Service of General Economic Interest (SGEI) agreement. Between 2016 and 2019, 6,600 metric tons of textiles, household linens, and shoes were recovered. An SGEI is currently underway in new information and communication technologies, and Humanis—a collective of seventy associations active in solidarity, comprising local branches of major NGOs and small or medium-sized solidarity associations—and Desclicks—an association, Informatique Solidaire–Desclicks, whose purpose is to make information and communication technologies accessible to as many people as possible—will respond to it. In January 2024, the L'Espérance call for expressions of interest was launched for the conversion of the Espérance industrial brewery site in Schiltigheim. The objective is to mobilize industrial companies, craft businesses, breweries, and actors involved in the social and solidarity economy, the circular economy, and the ecological transition. The L'Espérance call is open to companies of all sizes, from microenterprises to large companies, whether already established in the Eurométropole or seeking a new opportunity.
- **Attract and welcome**. The aim is to create a virtuous circle among local actors through working groups examining local needs and the development of a preferential welcome policy, for example with the Start-Up de territoire association.
- **Experiment**. Examples include Relais 2D, a work integration organization unique in France that helps housing providers and local authorities assess the potential share of work integration, and BOMA, which supports local authorities and companies in dismantling structures and rebuilding with the recovered materials.
- **Act together**. Build connections and develop new purchasing habits, for example by initiating working groups on specific issues within municipalities. Change attitudes, statuses, and perceptions.

Developing ITE (industrial and territorial ecology): More specifically in industry, one major priority concerns ITE, which began to develop locally with the CLES (Coopérations Locales et Environnementales en Synergies) initiative in 2013. Today, approximately thirty-two companies, representing several thousand jobs, are involved and voluntarily choose to join forces and work together on shared issues. More than sixty synergies have been implemented since the launch, including a heating network in January 2021. There is also a project to recover waste heat from the Kehl steelworks for district heating in the Strasbourg Eurométropole.

Current projects include the Ecoparc Rhénan initiative, launched in 2020 for a newly created area with construction, public works, and logistics activities, and the Plaine des Bouchers, subject to a new contract since 2023, which has strong momentum, business park associations, and planning issues in a mixed-use area. Under CLES, companies pay membership fees to sustain the initiative and allow employees to participate in working groups.

Developing reuse: Finally, reuse in construction and public works has been identified as a major local issue, particularly because of the volume of waste generated and the sector's carbon impact. Work is underway to establish a market for reused construction materials by stimulating both supply and demand. A storage platform would be a determining factor in this effort. A partnership with Toulouse under the European LifeWaste2Build project could also provide a concrete methodology for promoting reuse on local construction sites.

Committed local actors but limited economic support: The approach to ITE initiatives is geographic. The actors involved are the Eurométropole; Initiatives Durables, an association run by responsible economy professionals forming a leading Grand Est network committed to economic, social, and environmental responsibility; municipalities; business associations that lead initiatives, ensure their continuity, and receive financial and technical support; and, finally, companies at the heart of the synergies and initiatives.

Direct economic support is regional: Local authorities act primarily as coordinators and facilitators of transitions, and economic assistance remains at least at the regional level through specific programs. However, the actions taken and the role local authorities can play in future transitions should not be underestimated.

A lack of coordination between the European and local levels

Contrary to the European Commission's statement on its website that "Small and medium-sized enterprises are the pillars of the EU economy. Strengthening them, completing the capital markets union, and deepening Economic and Monetary Union are essential," small entrepreneurs and craft businesses feel excluded from the support provided for the transition to a circular economy. Yet they began using this production model well before large companies. Their vision of production intuitively follows a circular economy model. The flow of information and funds from the European to the local level therefore lacks coordination among the different actors. Review and oversight of funds allocated to these companies, which contribute to the transition to circularity, need to be strengthened.

3. Foresight exploration

3.1 Structural trends

Stronger objectives: At the European level, the trend toward actively backing support policies addressing environmental issues should continue in the coming years, driven by the Green Deal.

The targets were also strengthened again recently through a set of proposals to revise and update EU legislation under the Fit for 55 package. This package aims to introduce new initiatives to ensure that EU policies align with the climate targets adopted by the Council and the European Parliament. The new provisions include increased funding for the Modernisation Fund and the Innovation Fund.

Insufficient progress in the face of demographic pressures: In a scenario where current socioeconomic trends continue and no new policies are adopted, the OECD considers that progress in combating pollution and improving resource efficiency will not offset the environmental pressures arising from population growth and rising living standards. By 2050, the world population will have increased by 20% and economic exchanges will have quadrupled. Circular economy support policies must incorporate this anticipated development now to address increasingly significant demographic, economic, and climate challenges.

From consumer to engaged consumer: According to a foresight study by Futuribles, the values associated with consumption are changing. Personal convictions about ethics and the environment increasingly shape individual consumption choices. For example, consumers prefer to buy products made in France under a circular economy model and with respect for the environment. Similarly, according to an Ipsos study, two out of three European vacationers said in summer 2023 that they were willing to change their mode of transportation to reduce their carbon impact.

However, this study also shows greater segmentation of consumption patterns. The health crisis accelerated the spread of home delivery while extending it into new markets, such as groceries and fashion.

These two competing developments could nevertheless become complementary if public authorities took the initiative to support the circular economy on digital platforms.

Strengthening France's waste management system: The performance of France's waste management system is essential to the transition, particularly as the European Union and France are aiming for very high recycling rates: 100% of single-use plastics and 75% of paper and cardboard recycled in 2025. Regulatory constraints should therefore continue to tighten in the coming years.

3.2 Uncertainties

Circularity claimed but not always practiced: Ensuring that products made in France under a circular economy model comply with that model throughout the value chain. In the textile sector, for example, some manufacturers produce under a linear model by offshoring production to Asia. They follow a circular economy model for only one part of production, such as buttons. They then sell the product as made in France under a circular economy model. Monitoring of the implementation of circularity therefore needs to be strengthened.

Better consideration of small companies and craft businesses in support policies: Although the European Union and the French government introduce financial incentives to accelerate the transition to the circular economy, the smallest companies and craft businesses appear to lack access to both information and financing. These small companies have neither the networks nor the cash resources needed to access this information. Yet craft businesses and small companies are the most convinced of the value of circularity. More extensive fieldwork is therefore needed, visiting different regions and identifying companies that truly merit financial support.

Maintaining France's position among Europe's leaders in circularity: French initiatives for the transition to the circular economy operate within a broader framework of European directives. Unlike other European countries, such as Poland, France is considered among the leaders in incentives to transition to a circular model. In waste management, for example, each European country chooses how to support waste recycling. France is the only country to have introduced EPR as a tax paid by the waste producer. France has also invested in numerous recycling channels, which is not the case in every European country. Maintaining this position requires financing capacity to keep pace with stated ambitions, which is uncertain.

Introducing circular VAT: On May 4, 2022, the minister responsible for the ecological transition and regional cohesion asked the Institut National de l'Économie Circulaire to undertake a study of the conditions for introducing circular VAT, a report provided for in the 2023 Finance Law. The institute consequently identified seven recommendations for adoption in the 2024 Finance Law:

- Adopt a 5.5% VAT rate on repairs to household appliances, shoes and leather goods, clothing, and household linens
- Measure the economic, social, and environmental impact of reduced VAT rates
- Clearly define refurbishment and remanufacturing so they can be included in circular VAT
- Reduce VAT rates in other repair sectors

- Introduce circular VAT for the functional economy
- Reduce VAT rates on ecodesigned manufactured products
- Extend circular VAT to refurbished products

At this stage, this remains a bill whose enactment and implementation are uncertain.

The ability of support policies to engage overconsumers: Consumption trends, particularly among young people, show behavior and lifestyles moving toward circularity. However, citizens following an overconsumption model should not be overlooked. Support and assistance policies should therefore be designed to encourage "overconsumption" of circular products. This requires supporting economic actors operating under a circular model.

Better monitoring of support policies and stronger incentives for circularity: Although the OECD has introduced measures to assess different countries' and cities' progress in adopting the circular model, this assessment framework remains insufficient. A system of rewards or penalties based on each country's progress should be introduced to accelerate the transition of all European countries to circularity.

3.3 Controversies

Conflicting interests: Today, promoting sufficiency and refraining from purchases conflicts with the interests of retailers whose business model remains based on sales volume. Recently, ADEME's "Épargner nos ressources" campaign, launched around Black Friday, introduced the concept of the "unsalesperson": a salesperson who encourages customers to choose repair or reuse instead of buying new. This initiative set social media alight and divided both professionals and the government.

Tensions within and between groups: First, tensions exist between political actors and small economic actors, particularly craftspeople, who believe public authorities marginalize them. Second, tensions exist between large companies and small companies or craftspeople. Small companies believe large companies receive preferential treatment from public financing and regulatory bodies.

3.4. Disruptions

Including all economic actors: Support policies at every level succeed in reforming themselves to fully include small companies and craft businesses in the assistance provided.

Embedding circularity in the DNA of companies and governments: For companies: Stop treating the circular economy as a trend for reaching as many customers as possible and instead treat it as a genuine vision that moves away from the logic of overconsumption. For political actors: Promote the circular economy to bring about major changes in society, rather than to enter rankings and check statistical boxes.

Strengthening France's waste management system: The performance of France's waste management system is essential to the transition, particularly as the European Union and France are aiming for very high recycling rates: 100% of single-use plastics and 75% of paper and cardboard recycled in 2025. Regulatory constraints should therefore continue to tighten in the coming years.

A massive expansion of support policies following a major environmental crisis, such as a rapid rise in sea level, a series of extreme weather events, or a sudden change in biodiversity, which could lead governments to reassess their circular economy support policies to strengthen environmental resilience.

A major economic crisis that could lead to drastic changes in government policies. Priorities could shift toward immediate economic stabilization, with long-term consequences for sustainability commitments.

Changes in the world order, such as geopolitical conflicts or unexpected diplomatic agreements, that could influence European and national circular economy support policies. Sanctions, trade blockades, or strategic alliances could have significant repercussions.

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Carmen Colle, Entrepreneur in the textile sector (advocate for responsible, social, and solidarity-based entrepreneurship), 14 December 2024

Pia Imbs, President of the Strasbourg Eurométropole, 19 December 2024

Anne Sander, Member of the European Parliament, Quaestor of the European Parliament, 9 February 2024

Maryline Wilhelm, Councilor responsible for the Circular, Social, and Solidarity Economy, City of Schiltigheim, 19 January 2024

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