



# HOW THE FRENCH COUR DES COMPTES AUDITED EXTENDED PRODUCER RESPONSIBILITY (EPR) ORGANISATIONS

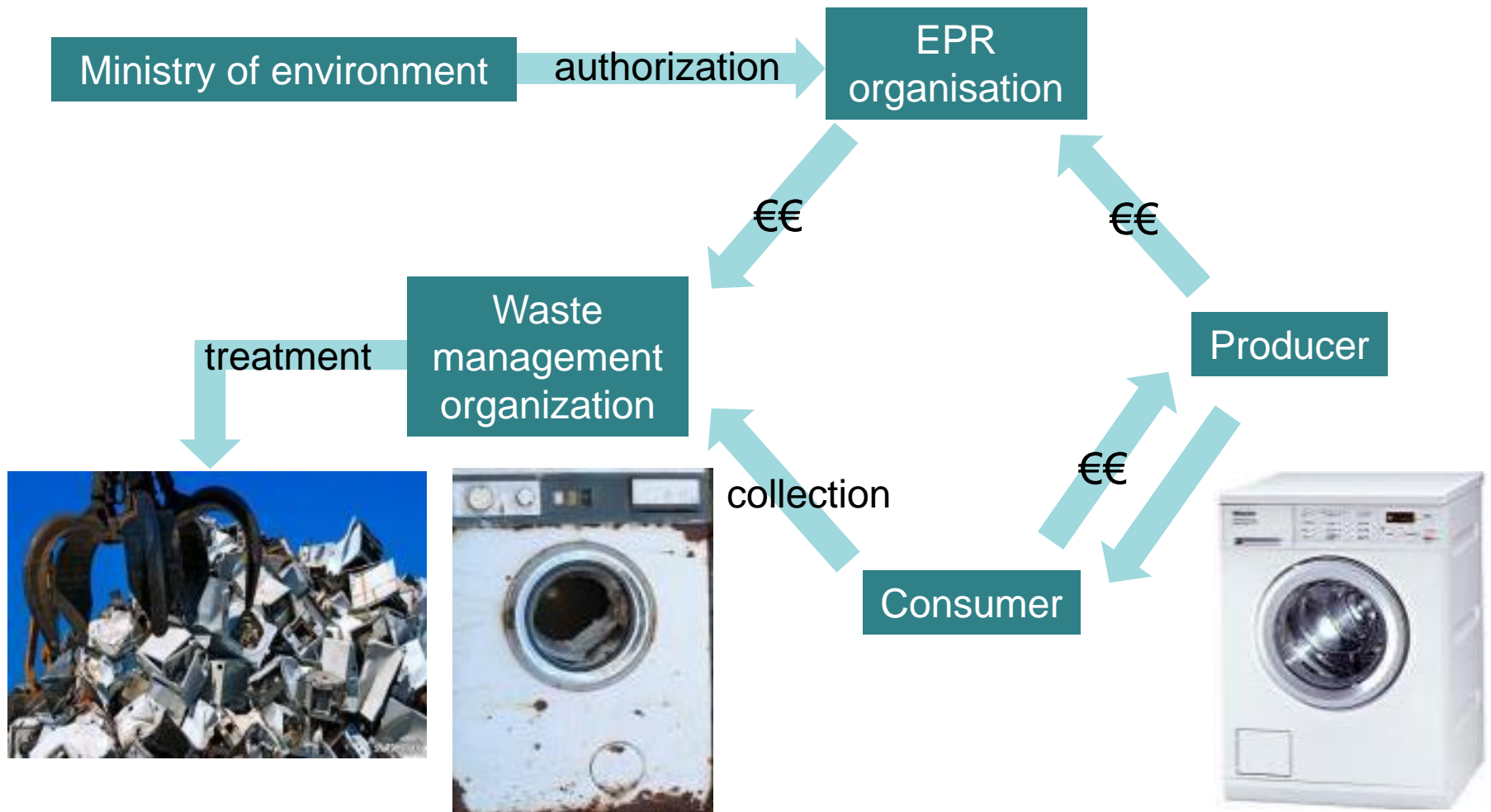
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## WHAT IS EXTENDED PRODUCER RESPONSIBILITY (EPR)? (1/5)





## WHAT IS EXTENDED PRODUCER RESPONSIBILITY (EPR)? (2/5)

### Producers

*Packaging Papers*



*Electric & electronic equipments*



*Batteries*



*Textile & shoes*



*Unused medicine*



*Tyres*





# WHAT IS EXTENDED PRODUCER RESPONSIBILITY (EPR)? (3/5)

## EPR organisations (« eco-organisations »)

*Packaging*

*Papers*

*Electric & electronic equipments*

*Batteries*

*Textile & shoes*

*Unused medicine*

*Tyres*





## WHAT IS EXTENDED PRODUCER RESPONSIBILITY (EPR)? (4/5)

### Consumers





## WHAT IS EXTENDED PRODUCER RESPONSIBILITY (EPR)? (5/5)

### Waste management organisations

Local councils



Private companies



Charities







## HOW COULD THE FRENCH COUR DES COMPTES AUDIT WASTE MANAGEMENT PUBLIC POLICIES WHEN AN EXTENDED PRODUCER RESPONSIBILITY IS INVOLVED?



« Society has the right to ask a public official for an accounting of his administration » - Article 15 of the Declaration of human and civil rights

7th chamber is in charge of transportation, environment and agriculture



Problem: waste management and extended producer responsibility often involve *private companies*



## WHAT DID WE DO?

### **We checked that the Cour des comptes is competent**

- French law from 2000: the Cour des comptes is competent for « payments that free producers from their responsibility »
- Even if it's private money transferred from one private company to another one!

### **We performed:**

- 13 performance audits on eco-organisations
- Transversal audit procedures on the French ministry of environment (delivering authorizations to operate and setting targets)

### **We issued:**

- 13 non-public reports (all with the same structure)
- 1 public summary, with a press conference:

<https://www.ccomptes.fr/content/download/89506/2121137/version/1/file/05-eco-organismes-RPA2016-Tome-1.pdf> (in French, sorry!)





# OUR RECOMMENDATIONS FOR AUDITING EXTENDED PRODUCER RESPONSIBILITY ORGANISATIONS

1. Governance
2. Relationships with the producers
3. Financial aspects
4. Management
5. Relationships with waste management companies

- Governance of the sector by the ministry
- Governance of the eco-organisation itself (board, CEO, executive committee)

- Competition between EPR
- Recovery of funds

- No diligence on accounting because accounting is already audited
- Audit of the financial position

- Light diligence on HR, purchasing, fees, CEO salary
- Focus on R&D and communication

- Reach of recycling targets
- Quality of recycling
- Contacts with waste management companies

Judiciary context

Easier to audit private companies than a public administration

The only audit body with a global vision

Reluctance from some eco-organisations' boards

The only audit body able to audit inside eco-orgs

Lack of technical skills



## WHAT'S NEXT

2016

- Enlarge to waste management organisations

2017-2019

- Follow up to recommendations

2018?

- Audit other eco-organisations: furniture, solar panel...
- Audit waste management in sectors without EPR
- Enlarge to circular economy



*Thank you for your attention*



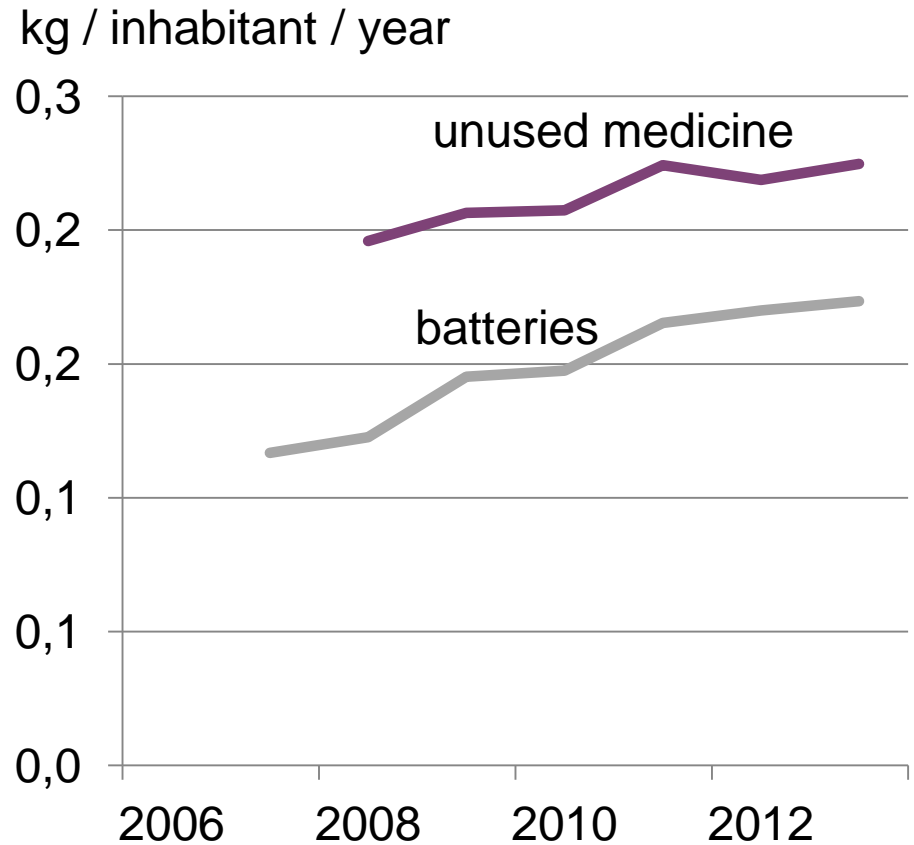
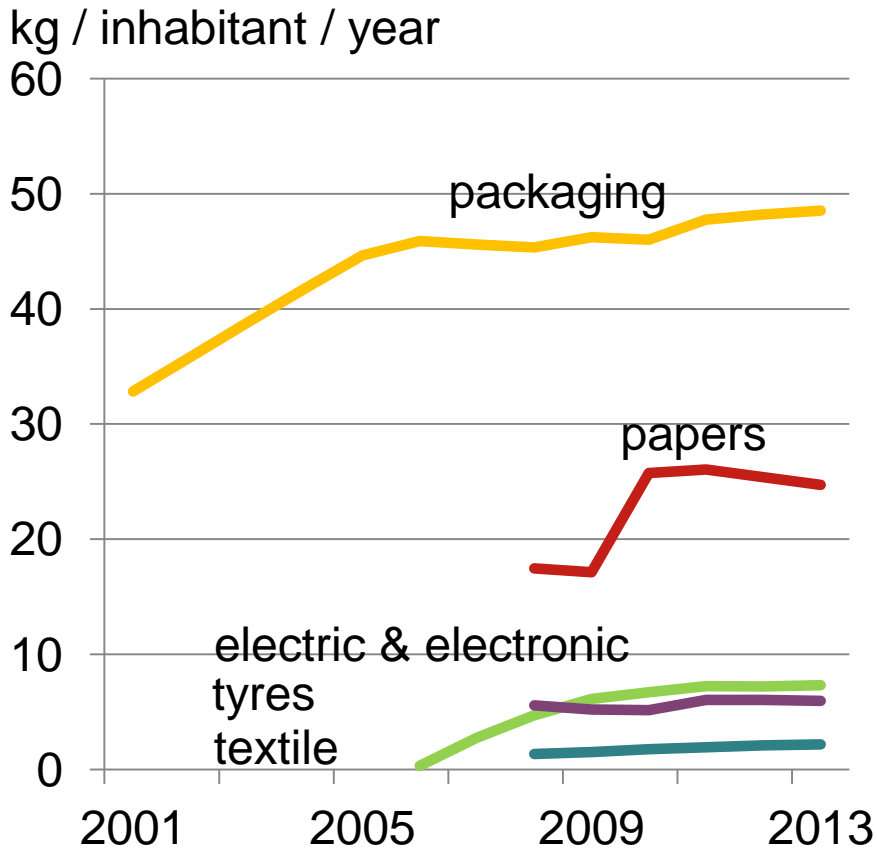
Photo : © Pierre Antoine

*Any questions?*



# KEY FINDINGS (1/5): POSITIVE RESULTS, BUT STAGNATING

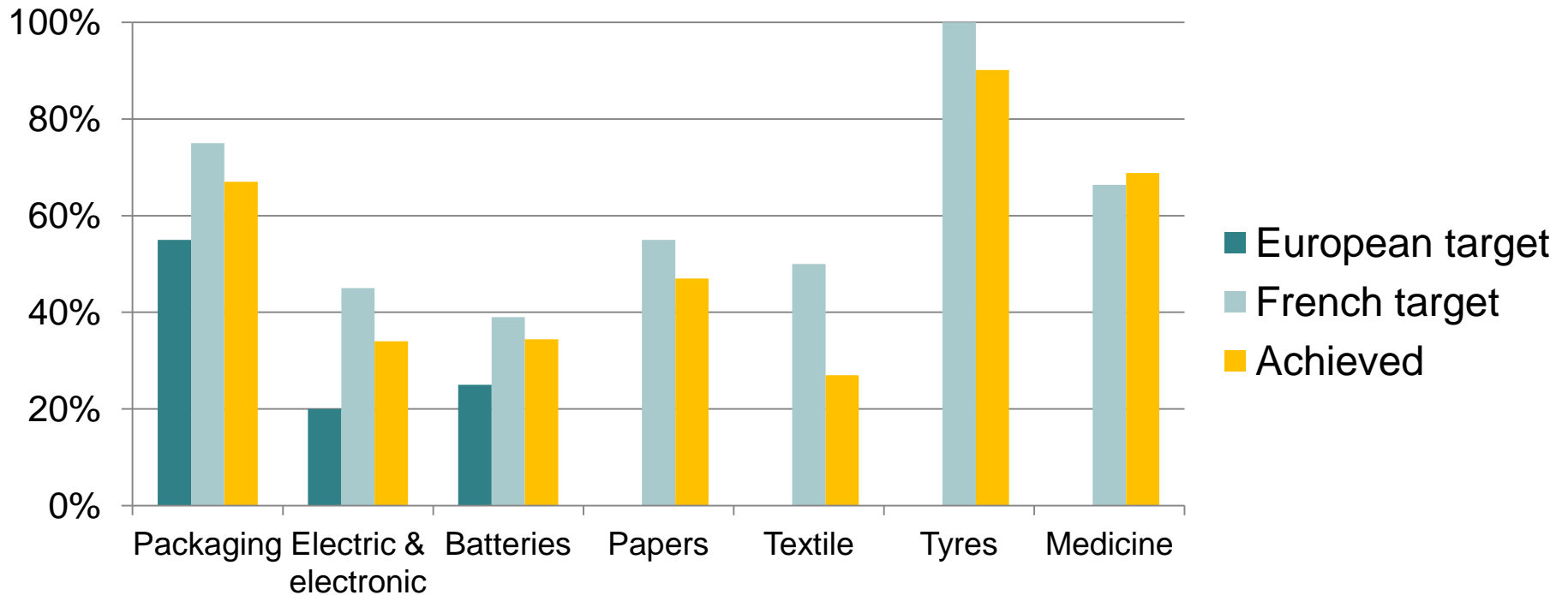
## Growing rates of collection and treatment...





## KEY FINDINGS (2/5): POSITIVE RESULTS, BUT STAGNATING

...but huge differences between sectors





Targets were (too) ambitious

Nothing happens when an eco-organisation fails to reach the target set by the ministry





## KEY FINDINGS (3/5): POSITIVE RESULTS, BUT STAGNATING

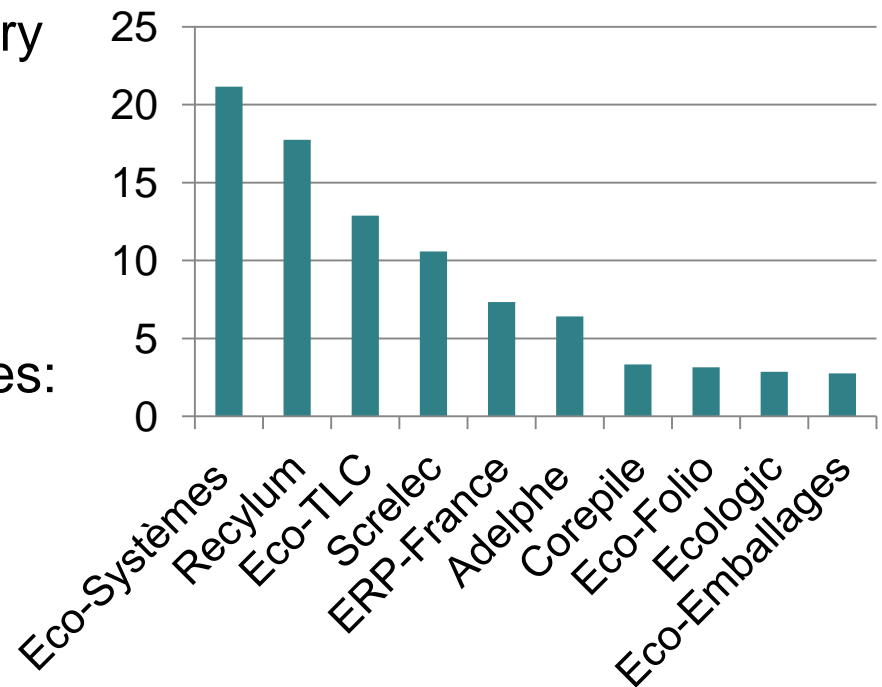
### Eco-organisations are properly managed...

-  Governance works efficiently
-  Financial positions are satisfactory

### But:

-  Growing structure costs
-  Huge provisions for future charges:

in months of turnover



### Very limited impact on ecodesign



## KEY FINDINGS (4/5): SOME CHANGES ARE NECESSARY

### Communication towards the consumer has to be harmonised

- 208 M€ spent between 2006 and 2013
- But numerous sorting out mistakes that cost 40 M€/year only for packaging
- 3 causes
  - Sorting out instructions are not updated by local councils
  - Collection schemes and tray colours are heterogenous
  - Many different logos



### Data should become more transparent, concerning:

- The costs of waste management by local councils
- The P&L of private companies that collect the waste and sell recycled products





Green dot



Tri-man



For batteries and electric & electronic equipments

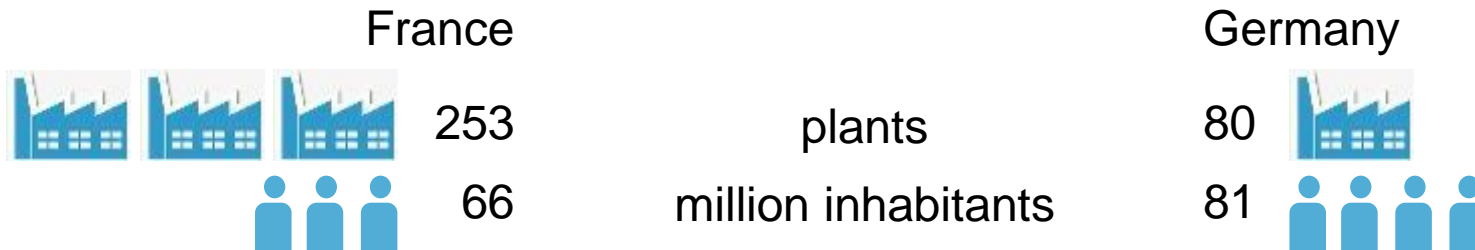


Sorting out instructions



## KEY FINDINGS (5/5): SOME CHANGES ARE NECESSARY

### Waste treatment plants are too small and too numerous



### Central government has to better regulate the sector:



Make the governance more simple



Authorization procedures for eco-organisations have to be more robust



Punish the free-riders (producers who don't pay)