European Regulators Group for Municipal Waste

Meeting report and work progress

EAC consultation debriefing meeting

On 3 December, the end-of-year meeting of the Waste Regulators Group was held in Brussels in person and online. The Group briefly analysed the results of the CEA consultation[1] and discussed the next steps:

- resuming and possibly expanding relations with the EU institutions.
- "translating" the position paper's 16 policy proposals into legislative proposals.
- Members agreed to set up a small group whose task will be to evaluate existing legislation and rewrite proposals in a form consistent with the drafting of a legal text.

The second part of the meeting was attended by Mr. Florian Flachenecker, who thanked the regulators for their participation in the consultation and showed the Commission's appreciation for the work done.

Mr. Flachenecker anticipated the next developments of the CEA, a first draft of which is expected next spring. Given the tight timeframe, the Commission's invitation to the Regulators is to focus on the most important aspects and present a small number of concrete and applicable proposals. In particular, the Commission invited the Group to elaborate, also with concrete examples, the aspect that seemed most relevant in reading the contribution to the consultation: the **ability of regulators** to increase the effectiveness and efficiency of the system over time. A proposal/example of how to make **EPR schemes more efficient** would also be very welcome and of great importance for the construction of the EAC.

Follow-up

A series of bilateral meetings was then organised to discuss the concrete ways of participating in the process, as well as to collect ideas and opinions on the two "focus themes". The following are some of the ideas/proposals that emerged during these meetings.

The effective role of economic regulation

The brevity and inhomogeneity of the experience of economic waste regulation make it difficult to show the impact on costs over time. However, it is possible to give examples of measurable impact in the short term: in Portugal, the investment consistency check made it possible to avoid negative impacts on tariffs from oversized or inefficient investments. In Italy, the regulation of tariffs has made it possible to counteract or "spread" the effects of inflation over time. Furthermore, the revenues allowed for operators increasingly reflect the quality of services and the promotion of separate waste collection[2]. It should be noted that in Italy tariff regulation

[1] By the 6 November deadline, the Commission had received nearly thousand contributions, half of which came from industry.

[2] In national contexts where the regulator monitors costs but cannot "impose" cost-reflective tariffs, the potential, not effective, contribution of economic regulation is highlighted. In this regard, the proposals presented in the PP on the establishment of minimum efficiency criteria at European level are relevant.

indirectly contributes to the efficiency of EPR schemes, through interventions to improve the quality and performance of the part of the supply chain under regulatory control (separate collection, service organisation, selection and pre-treatment of recyclable waste).

On the efficiency of EPRs

The discussion on the efficiency potential of EPRs "via regulation" is obviously affected by the diversity of national contexts. In Latvia, the relative efficiency of EPRs, which have a "private" ownership structure (producers directly control the schemes) is higher than EPRs organized in the form of public consortia. This leads to the consideration that a "strong regulation" intervention is required where market failures occur (to be investigated). In Italy, the need for more efficiency brought to intervention on governance (i.e. establishment of a supervisory entity overseeing the functioning of the EPR, made up of representatives of the ministry, the environmental agencies, the municipalities, and the regulator). Everyone agrees on the need for regulators "at least" to monitor the trend of costs and outcomes of the schemes. A common proposal is to establish minimum transparency requirements. The drafting team will consider, in developing the issue, transparency and communication obligations provided for by the Italian law. The aim is to propose a shared set of common transparency criteria.

Next steps

In the second week of January, the TF will be convened to establish the composition and working method of the drafting team, with the aim of having a first proposal by the end of January.

Such a provision in the EAC could be seen as the first step in establishing regulators where they do not exist, and strengthening regulators where they have limited intervention capabilities.