Meeting between the European Commission and regulators on the

Perspective of the Circular Economy

Rome, 8 May 2025 – ARERA offices

Participants

For ARERA, Paolo del Vecchio, Lorenzo Bardelli, Giovanni Taglialatela; for WAREG, Vittorio Graziano; prof. Antonio Massarutto from Udine University; for RAEEY (Greece) George Loizos; for MEKH (Hungary) Andras Antal and Tamas Voros; for PUC (Latvia) Dace Codare-Plaude and Inara Teibe; for VERT (Lithuania) Matas Taparauskas; for ERSAR (Portugal) Diogo Rosa; for ANRSC (Romania) Dan Matei.

Objectives of the meeting

To examine in advance and confidentially the guidelines of the European Commission on the Circular Economy Act; to discuss and share the contribution of municipal waste regulators to the decision-making process leading to the Circular Economy Act.

Summary of results

1) Opening Presentations

Paolo del Vecchio, Deputy Secretary General and Director of External Relations of ARERA, opened the meeting by thanking the participants and the European Commission for their availability. He recalled that tasking the national regulatory authorities (NRAs) with responsibility for waste supervision is rather recent. It is a challenging task and yet of foremost interest, since municipal waste indeed takes on all technical economic and political complexities of managing public services. Paolo del Vecchio then underlined the role that regulators can play in making the circular economy more efficient and effective, and affirmed the importance of collaboration between different institutional levels, which ultimately is the goal of Rome's meeting.

Speaking after the opening address, Lorenzo Bardelli, head of ARERA's Environment Division, reported on the progress that the Italian Authority is promoting in terms of transparency, accounting separation and the quality of sorting as tools to enhance the circular economy effectiveness. Bardelli underlined the importance of consistent governance and the need to clarify the roles and responsibilities of the different levels of government.

Prof. Massarutto began his speech with a theoretical reconstruction of the different phases gone through by the organization of the municipal waste sector. Today's involvement of municipal waste in the construction of the circular economy leads to a new distribution of

tasks and responsibilities, that requires a better definition of incentives for all those involved.

2) Presentation by the European Commission

Florian Flachenecker illustrated the issues on which the Commission is focusing for the drafting of the Circular Economy Act, which will take the form of a regulation and will tend to deal with specific points with concrete interventions:

- functioning of the markets (alignment of definitions, system of cross-border incentives)
- EPR (eco-modulation and increase in producers' contributions, digitization, governance, possible mandatory extension to other sectors, "enforcement")
- End of Waste (no more sub-national criteria, mutual recognition, acceleration of the definition process)
- reduction in the use of landfills (national cap-and-trade preferable to a revision of taxation)
- greater overall efficiency of the waste management system (quality of separate collection, elimination of exceptions to the separate collection of certain waste, "advanced separation" techniques)
- public procurement (more recycled materials in products purchased from the public sector)
- promotion of recycled and "bio-based" raw materials.

The Commission invites regulators to participate, together and individually, in the formal consultation that will be launched before the summer. The Commission's work plan provides for the adoption of the Circular Economy Act by 2026.

3) Regulators' presentations

The afternoon round table allowed the Regulatory Authorities to illustrate the state and prospects of the circular economy in their respective Member States and to make proposals. For **RAAEY** (Greece), governance is fundamental and a European recognition of the role of regulators would be important. **ERSAR** (Portugal) stressed the importance of rational choice between available alternatives: the transition to the deposit return system does not offer net advantages over EPR once the costs of investment and organizational change have been considered. In addition, the coverage of EPR should be redefined and clarified, with a focus on rather the material than the type of product (paper, not paper packaging). For **PUC** (Latvia), the expansion of the EPR system to waste streams that today seem out of control is welcome, but the most important element is the integration of the waste cycle into the general economy: the use of by-products must be supported and access to the secondary raw materials market must be encouraged. For **VERT** (Lithuania) it is necessary to work on the transparency of the system, inducing operators at different stages of the supply chain to declare costs and performance.

ARERA presented a summary of the regulators' ideas and proposals, focused on economic rationality and flexibility, transparency, integration and governance. Rather than asking for the establishment of regulators in each country, participants stated that what is needed is to broadly affirm the shared principles of regulation (efficiency, quality of services, consumer protection, incentives).

4) Conclusions

The meeting was concluded by **Paolo del Vecchio**, who reiterated ARERA's support for initiatives to disseminate regulatory principles and expressed the wish to continue the fruitful and interesting dialogue with the European institutions, and by **Florian Flachenecker**, who thanked for the opportunity to listen to participants' ideas and proposals, recognized the importance of dialogue with regulators and invited participants to provide specific contributions, possibly containing detailed and feasible proposals.