Takeaways from the EU Municipal Waste Regulators Group Meeting of 9 January 2025

On 9 January 2025 the EU Municipal Waste Regulators Group ("Group") met to:

1. summarise and comment on the results of the joint workshop held on 11 December in Brussels on "Costs and tariffs of municipal waste"
2. preliminarily discuss upcoming initiatives
3. analyse and discuss the expectations on the dialogue with the new European Commission
4. examine other points raised by Members.

1. Joint Workshop of 11th JAN in Brussels

The results of the workshop are satisfactory: the presentations were rich in information and sufficiently standardized. For the first time, a comparison of the level of tariffs in countries that have an independent regulator has been displayed and discussed. The tariff-setting process, as well as the responsibilities of regulators in terms of cost coverage definition, are now much clearer.

The Workshop was attended by 8 representatives of the European Commission: Jonathan Parker, Inese Kausa, Diane Chevreux, Caterina Savelli (DG ENV); Nicola Loi (DG REGIO); Pierre Gaudillat (JRC); Giorgia Ferraro (SG RECOVER); Giuseppe Malgeri (DG ECFIN). The final discussion with Ms. Savelli of DG ENV/Waste to Resources Unit was particularly intense and interesting and anticipated to some extent the Group's commitment to participating in the debate on circular economy. More efficiency in the recycling process, trade in recyclable waste, the existence and size of potential economies of scale, as well as investment needs were discussed. The latter issue was triggered by the presentation of ERSAR, which showed an estimate of the potential impact on tariffs of the substantial investments required by the adaptation to the Circular Economy.

On organisational issues, it was pointed out that timing and effectiveness of presentations need to be enhanced somehow, and that the "in person meeting" model has proved more useful and preferable.

2. Next steps

The Group's ambition is to propose a new joint workshop in the spring, choosing from the topics that emerged as relevant during the discussion on 11 December. After "Governance" and "Costs and Tariffs" it seems logical and coherent to address the issue of investments, closely linked to the dynamics of tariffs and the discussion on the efficiency that regulators can introduce into the management system to avoid that the costs for the planned investments are entirely passed on to citizens. The investment issue is interesting, yet delicate to deal with, as it requires data and knowledge that are often outside the competence of regulators.

The Group agreed that the audience should be progressively enlarged. Whereas the 1st Workshop hosted two Commission's representatives, and the 2nd Workshop was attended by 8 Commission's representatives, we expect to further develop the relationship between the Group and the EU Institutions by possibly inviting one or more EP representatives and/or maybe a member of the new Commissioner's Cabinet (note: although the Cabinets have been established, the internal distribution of tasks and responsibilities is not yet clear). External experts and academics should also be welcomed, provided that their contribution is focused on the very topic of the Workshop(s).

3. Dialogue with the European Commission

Members were informed that, after the workshop on 11 December, the person responsible for the work on the Circular Economy Act within DG Environment contacted ARERA to ask for the Group's availability for a preliminary meeting to exchange ideas and opinions. This invitation represents a fundamental step in the development of regulators' advocacy activities; it means that the Group is on the verge of being recognized as an interlocutor in decision-making processes, what has been among its major objectives since its foundation. However, the issue must be treated with caution: regulators must identify the fields and topics for which they can make an effective contribution and not overlap with policy makers. The members discussed the opportunity of holding this meeting in conjunction with the third joint workshop: this is a matter for further discussion. It has been pointed out that it would be appropriate to have even a very rough idea of what the Commission is going to propose, and that is not known today.

4. Other points: relationship with WAREG

Members discussed the pros and cons of a formal recognition and full integration of the TF by WAREG. The orientations of the new Board, which has just been appointed, are awaited. However, to facilitate any decisions by WAREG on the point, the TF will inform the board of past and planned initiatives.

Things to do

Individually think on how much information regulators can reasonably collect in relation to the topic of "investment needs"; At the next meeting, provisionally set for February 6 (to be confirmed) the decision on the contents of the next workshop will be taken

At the next meeting, ARERA will submit for the approval of the Members a summary of the activities carried out by the Group for the for information to the WAREG Board.

ARERA will submit to the Members some initial thoughts and proposals on the potential contribution of regulators to the Circular Economy Act decision-making process.

Note

On 17 January, ARERA met bilaterally with Greek colleagues, who had not been able to participate in the Group of 9 January, to update and inform RAAEY on the issues described above.