The Packaging Waste EPR in Italy

"EPR Schemes between Market and Regulation"

3rd Workshop on the Economic Regulation of Municipal Waste
Brussels, 9 April 2025

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Summary

- ❑ Italy's Packaging Waste EPR in a nutshell
- ❑ Basic Facts and Figures
- ❑ Financial Flows
- ❑ Cost of Recycling
- ❑ Financial Sustainability under Pressure
- ❑ The role of ARERA

The EPR System in Italy in a Nutshell

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What we focus on

- Consistently with the EU and national recycling objectives for packaging waste, an obligation exist for producers/importers of packaging to set up organisations responsible for ensuring the collection and recycling of packaging waste (EPR schemes)
- Although EPR organisations are established in several industries (packaging, biowaste, tires, batteries, ….), in this presentation reference is made to the EPR schemes active in the packaging industry, relevant to the municipal waste regulation
- waste flows concerned are **paper and paperboard, glass, plastics and bioplastics, wood, aluminum, steel**

Basic facts on Consortia for packaging waste

- The decree 152/2006, so-called "Integrated Environment Law" (*Testo unico per l'ambiente*) established an obligation for packaging producers and importers to join the national consortium for packaging recycling – CONAI
- CONAI is the umbrella organization for the specialized consortia and acts as a private entity of public relevance. Specialised consortia are **BIOREPACK (organic-based plastics), CIAL (aluminium), COMIECO (paper), COREPLA (plastics), COREVE (glass), RICREA (steel), RILEGNO (wood)**
- Although "private" in terms of applicable law, CONAI performs public objectives – it is a non-profit organization and act as the **"last resort buyer" for recyclable packaging waste** – i.e. CONAI's Consortia are obliged to take packaging waste by local operators, that were not able or willing to go to the market
- Competition concerns and claims from industry about the "bureaucratization" of the packaging chain pushed the government to reform the system, so to allow independent consortia to be set up by producers willing to do so
- Currently, CONAI roughly manages 60% of the market – the remaining is on **independent, "self compliant" schemes**
- 700,000 companies and entities are part of CONAI and finance its activities by paying **differentiated fees**

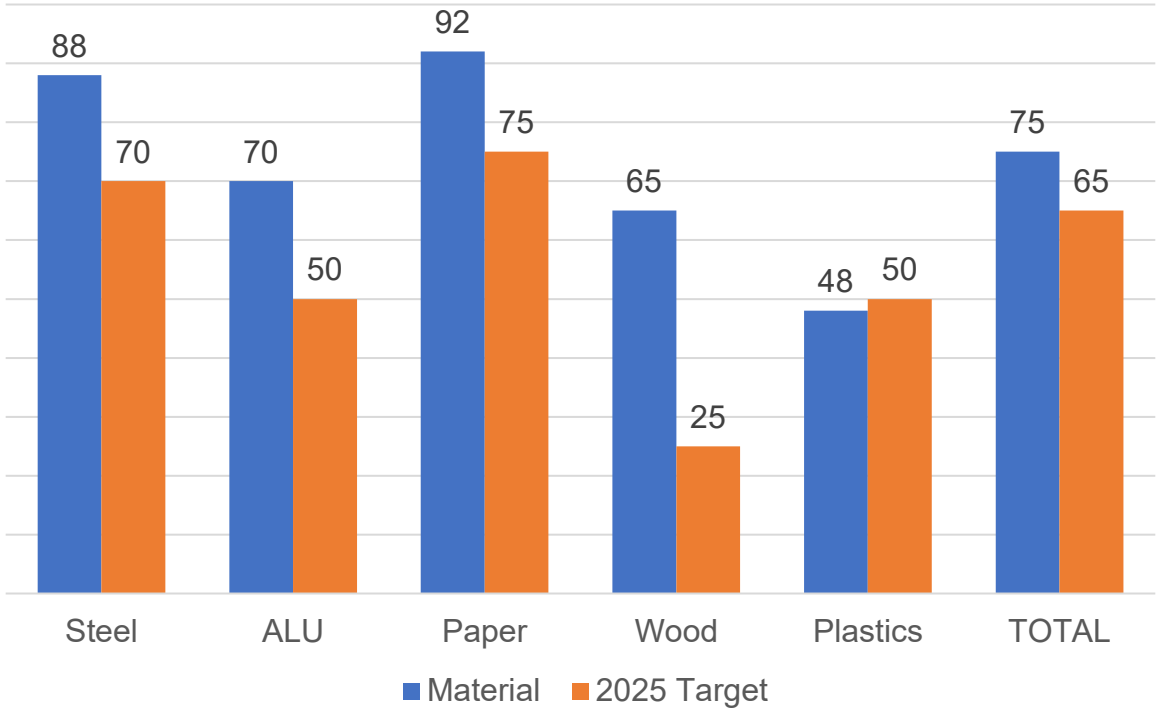
Basic Facts and Figures

2023

Packaging waste figures 2023. Source: ISPRA Annual Report on the Management of Municipal Waste and CONAI Sustainability Reports

Packaging waste produced/imported in 2023, all streams (Mton)

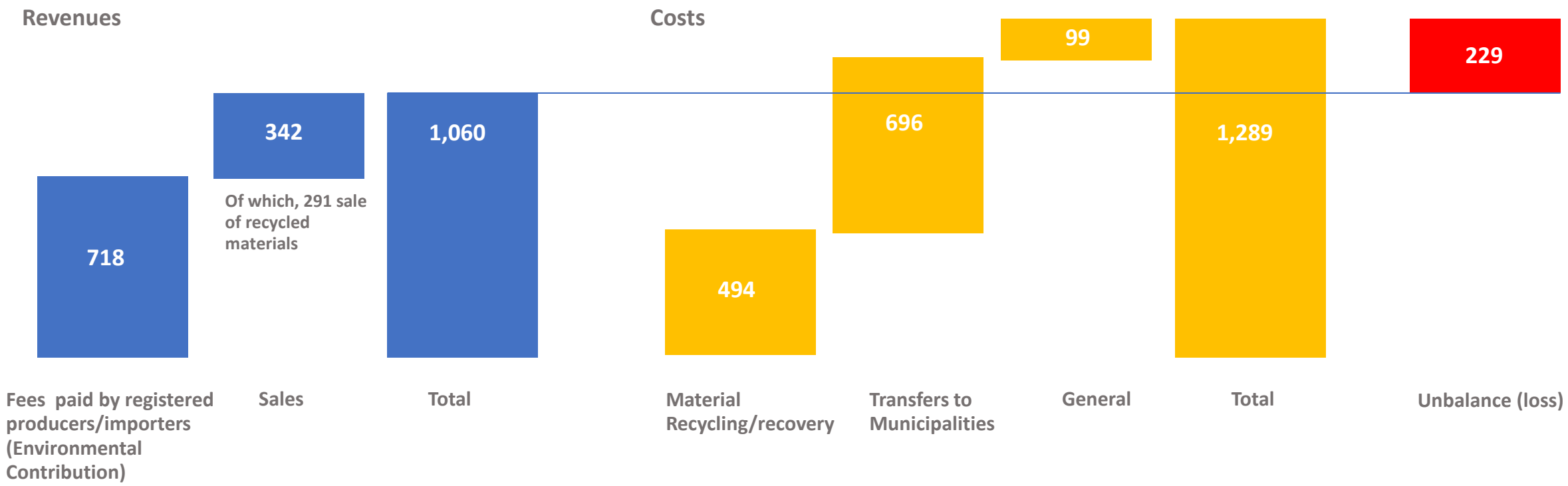
Packaging waste streams: 2023 recycling rates, and 2025 EU objectives



Financial Flows (1/2): Stand-alone

Financial Flows 2023, Million euro

Figures refer to the “CONAI System” - the major EPR scheme - and consider all the packaging waste flows the scheme oversees.



Financial Flows (2/2): Integrated Chain

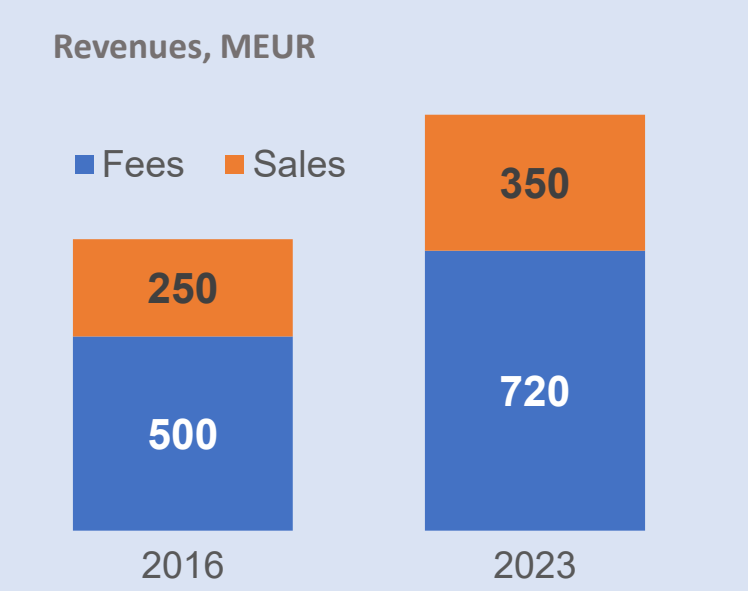
Financial Flows 2023, Million euro

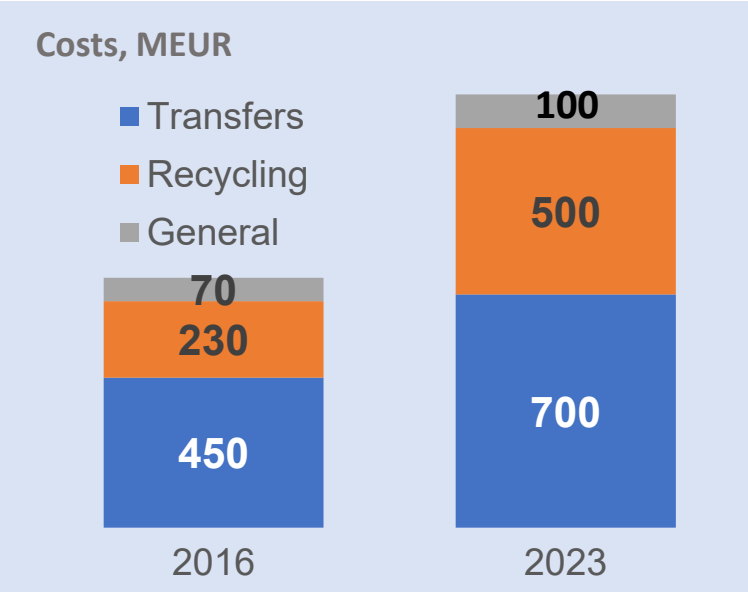
Figures refer to the “CONAI System” - the major EPR scheme - and consider all the packaging waste flows the scheme oversees.
Source: CONAI Sustainability Report, ISPRA Annual Report on Municipal Waste Management, “Separate Collection” section

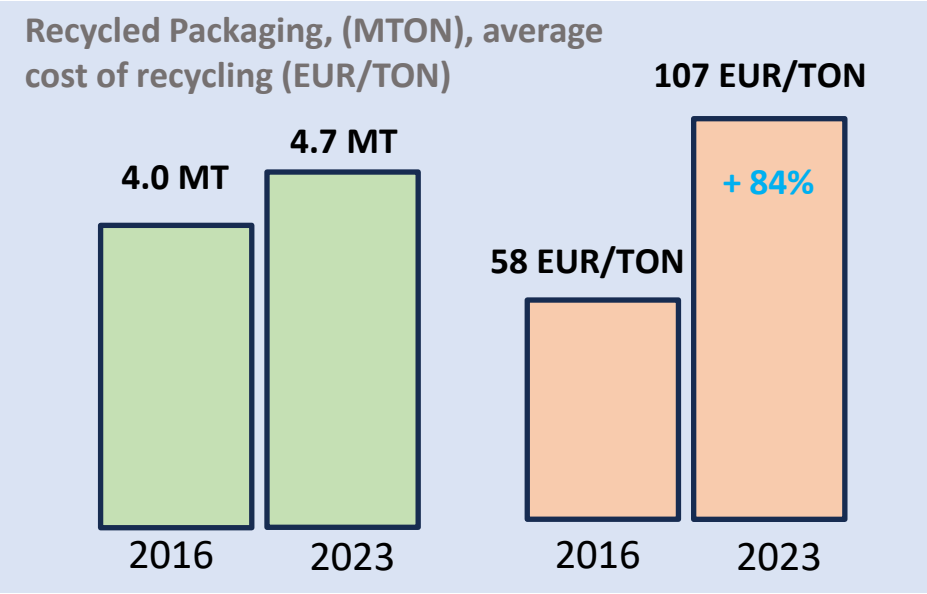
Note: 5 MTON figure refers to the share of CONAI, covering around 50% of the market. Only package, no biowaste considered. Includes energy recovery – does not influence the average cost

The Cost of Recycling

CONAI System: Revenues and Costs Structure, recycled quantities and average cost of recycling, 2016-2023 – All packaging waste







Case Study: Plastics, comparing economic performance of CONAI and independent systems

In 2023, COREPLA managed 1,838 KTon of plastics packaging waste

Effective recycling rate is 46% (846 KTon),

Balance sheets display 790 MEUR of total costs

Average cost of one ton of plastics packaging waste recycled by COREPLA is then **933 EUR/TON**

NB: Different definition of recycled fraction brings to772 EUR/TON

In 2023, the "self compliant" independent EPR operator CORIPET (mainly involved in plastic bottles collection and recycling) managed 231 Kton of plastics packaging waste

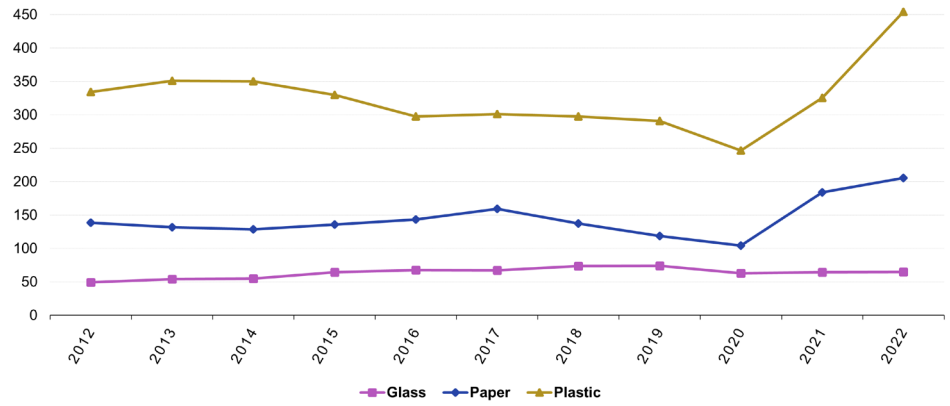
CORIPET's effective recycling rate is 60% (139 Kton) NB only PET

Balance sheets display 120 MEUR of total costs

Average cost of one ton of plastics packaging waste recycled by CORIPET is then **865 EUR/TON**

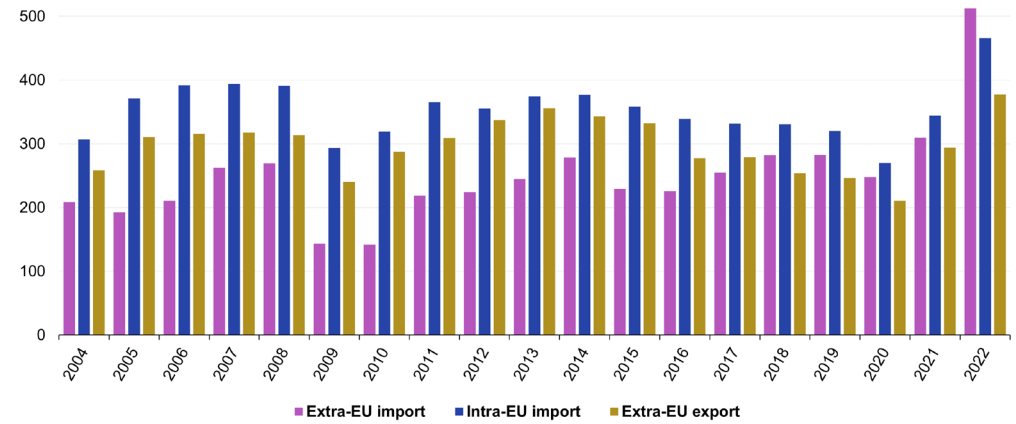
Financial Sustainability under Pressure (1/2)

Average Price Indicator for glass, paper and cardboard, and plastic EU, 2012-2022
(euro/tonne)



Source: Eurostat COMEXT

Secondary plastics average yearly prices by trade flows, EU 20114 – 2022 (euro/TON)

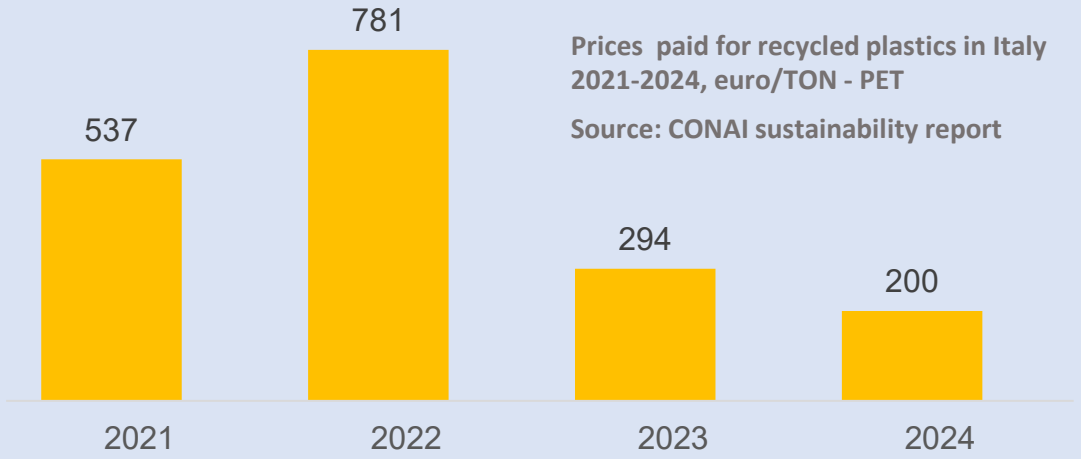


Source: Eurostat COMEXT

CONAI – PROMETEIA Index of secondary raw materials prices, 2015 – 2024, excluding glass

Prices paid for recycled plastics in Italy 2021-2024, euro/TON - PET

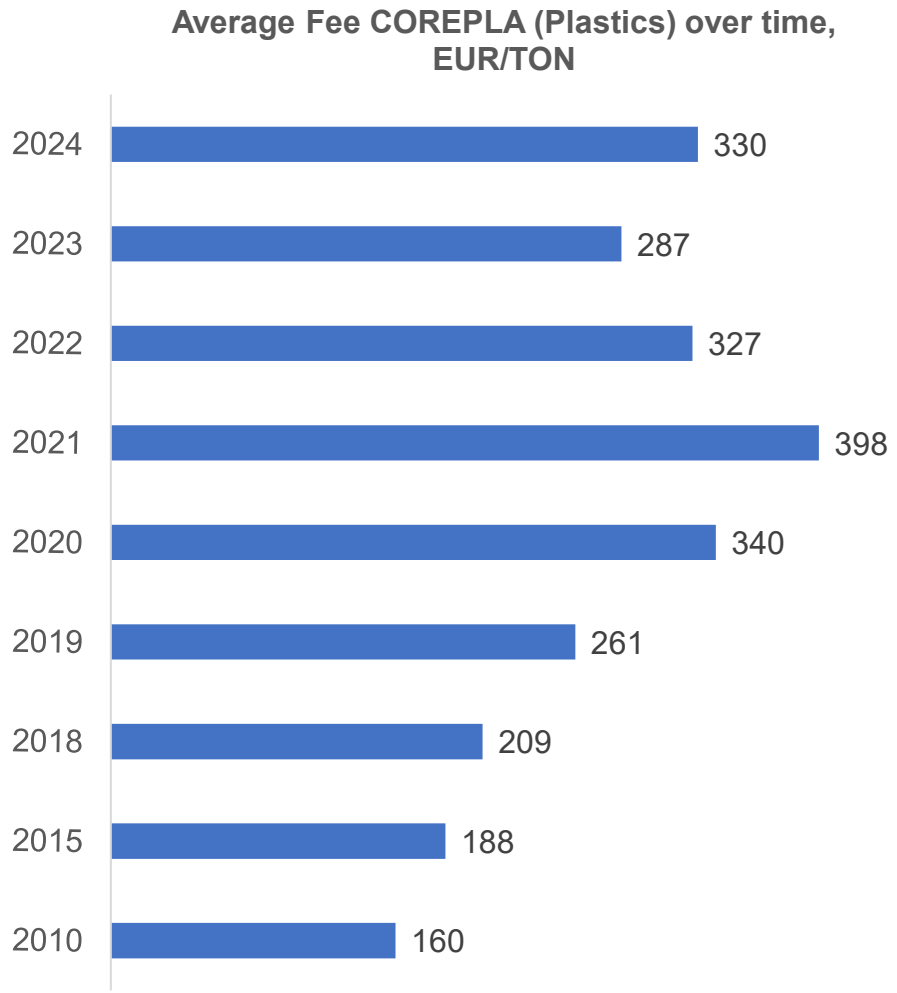
Source: CONAI sustainability report



Financial Sustainability under Pressure (2/2)

In response to the observed rise in recycling costs, as well as to diminishing sale revenues (differentiated by material), in late 2024 CONAI adjusted fees – mostly upwards

Type/Class	2024	As from 2025	As from 2026
Plastics A1/1	24 EUR/TON	40 EUR/TON	
Plastics A1/2	90 EUR/TON	87 EUR/TON	
Plastics A2	220 EUR/TON	258 EUR/TON	
Plastics B1	224-233 EUR/TON	219-228 EUR/TON	
Plastics B2	441-650 EUR/TON	611-786 EUR/TON	
Plastics C	655 EUR/TON	790 EUR/TON	
GLASS	15 EUR/TON	35 EUR/TON	40 EUR/TON
IMPORT Flat rate	98 EUR/TON	114 EUR/TON	
Imported Packaged Food	0.15% of value	0.17% of value	
Imported Packaged non-food	0.08% of value	0.09% of value	
PAPER (base)	65 EUR/TON	65 EUR/TON	
PAPER (composite)	65 EUR/TON	75-90 EUR/TON	
PAPER (CPL)	85 EUR/TON	135 EUR/TON	
PAPER (others)	175-305 EUR/TON	130-305 EUR/TON	



Source: COREPLA Financial Relation 2023. Figure for 2024 estimated

Current and perspective role of the NRA

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What ARERA currently does

- Upstream: overseeing MW tariffs allows ARERA to look at cost dynamics of the waste chain (sorted/unsorted collection, pre-treatment, integrated operations, disposal/recycling plants)
- Recently introduced: the national law implementing the Circular Economy Package provides for ARERA to define efficient costs of sorting
- In force: a "sharing mechanism" incentivizes operators to maximize high-quality separated collected. The mechanism allow waste operators to retain a share of the revenues from sale of recyclable materials. Revenues have been used by municipalities to reduce tariffs

What we are going to do next

- Quality and cost-efficiency of differentiated collection and management – Objective: enhanced sorting so to increase the recycled share of MW
- Accounts unbundling – Objective: enhance transparency, attribute cost components to the relevant operations, set up efficiency-driven tariffs

Brand new: revision of the quality requirements for sorting and "preparing to recycle" activities

- Consultation launched on 1st April aimed to updating rules and criteria for technical quality
- Setting of indicators measuring the effectiveness and efficiency of separate collection
- Introduction of economic incentives to fill the gap between separate collection and effective recycling
- Closer monitoring of separated collection "cost coverage" by fees paid by producers' organisations (Consortia) for collective compliance with EPR obligations

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Thank you for your attention

Please do not hesitate to contact me for further information
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