



WATER AND WASTE REGULATORY OFFICE  
ZYRA RREGULLATORE PËR UJË DHE MBETURINA  
REGULATORNI URED ZA VODU I OTPAD

29.01.2008

To all the Regional Waste Collection Companies

Attn: To the Director's of Company

**Consultation Process re:  
Proposed Amendments to the Current WWRO Rule on Licensing Of Waste Collection  
Service Providers**

Dear All,

The current legislative framework on the economic regulation of the water and waste service providers in Kosovo, as set forth in UNMIK Regulation 2004/49, provides for a monopolistic position of the licensed POEs in the provision of water and waste services.

Taking into account good practice in other European countries and also the characteristics of the waste sector (which is not a natural monopoly service and is well suited to the introduction of local market competition at the Municipality level), **WWRO has proposed full de-regulation of the waste collection activities licensed by WWRO** (i.e. Municipal solid waste collection and transportation services to Disposal Sites in Kosovo) as the best long term solution for introducing competition in this sector in order to improve efficiency and provide value for money to citizens. This long term proposal has been described in a policy document on PSP developed and distributed for consultation to key stakeholders in April 2007. De-regulation of "core" waste collection service provision is a key component of the draft WWRO Law expected to replace the current UNMIK Regulation 2004/49 shortly and currently awaiting consideration by the new Kosovo Assembly.

The most significant example of artificial monopoly in the waste services sector are the "non-core" waste collection activities such as street cleaning, collection of construction and landscaping waste etc which are not specifically covered in the primary legislation i.e. Regulation 2004/49 but according to the current WWRO Rule on Licensing of Waste Collection Companies, are part of the regulated waste collection activities and thus subject to WWRO licensing. Because WWRO has a legal mandate to license POEs only, this means that in practice only the licensed POEs can provide "core" services as described above and street cleaning and other "non-core" activities services, thus avoiding any scope for competition in the provision of these "non core" services.

Taking into account the developments in the waste collection sector in recent years and in particular: (i) practical problems arising from municipalities not being satisfied with the

current level of “non-core” services (particularly street cleaning) provided by the licensed POEs operating under monopoly conditions, and having no other options available, and (ii) the provisions of Regulation 2004/49 which sets no specific requirements for WWRO to license POEs for providing any “non-core” services, **WWRO therefore intends to amend the current WWRO Rule on Licensing Waste Collection Service Providers (“the Rule”) by removing all these “non core” activities from the scope of waste collection services subject to WWRO regulation** as soon as possible (by deleting paragraphs (b), (c), (d), (e), (f) of Section 6 of the Rule).

It should be noted that UNMIK Regulation 2004/49 defines Waste Collection Services as “collecting Municipal Solid waste and transporting it to a Disposal Site”. Thus the only activity to be licensed by WWRO following the amendments to the Licensing Rule outlined above, which WWRO plans to be effective from 1<sup>st</sup> of April 2008, will be the “core” activity of collecting, removing and transporting Municipal solid waste to a Disposal Site in Kosovo.

The “non-core” activities to be deleted are summarised below for information:

- b) collecting, removing and transporting debris, or waste resulting from construction and/or demolition activities, land clearing operations, remodelling or rehabilitation of buildings and structures;
- c) collecting, removing and transporting, for the purpose of recycling, non-toxic and non-hazardous solid waste materials from commercial, public or international institutions, including military institutions;
- d) collecting, removing and transporting of debris or waste resulting from landscaping activities;
- e) collecting, removing and transporting of debris or waste resulting from the provision of street and road cleaning operations;
- f) relative to the purpose of raising funds through the collection, removal and transport of solid waste including waste materials separated at source, or other Municipal solid waste products

These intended amendments to the Licensing Rule will facilitate competition in the provision of street cleaning services and the other “non-core” waste collection activities for the first time and hence give Municipalities the option to hire an unlicensed operator for execution of these services (either public or private) through a simple open tender process.

WWRO trusts that the proposed amendments will produce improved quality of street cleaning services and other “non-core” activities of benefit to all citizens and, as a result of adopting a competitive de-regulated approach through the elimination of unnecessary and artificial constraints to market competition.

In the longer term WWRO expects to fully de-regulate Municipal waste collection and transportation activities entirely through the introduction of the WWRO Law which includes this provision.

I would like to emphasize that the proposed amendments do not in any way affect the existing contracts between the Municipalities and Waste Collection Companies, which should be implemented as per the contractual provisions agreed between them.

WWRO would welcome your comments which will be considered carefully before WWRO takes a final decision on this important issue. **We would highly appreciate if you would send your comments by 15<sup>th</sup> of February 2008.**

Sincerely,



Afrim Lajci  
Director of WWRO