

Better Knowledge



Pay-As-You-Throw
Toolkit

Action 12 - Circular Economy Financial Incentives - Develop a “Pay-as-you-throw” toolkit with coaching

Although PAYT is identified as a useful tool for cities, cities have experienced several barriers in introducing and the use of PAYT. As part of the Urban Agenda Partnership on Circular Economy’ stocktaking of city barriers for implementing circular economy, developing of a toolkit for use of PAYT, deeming PAYT the most effective option for waste reduction, source separation and an essential first step to produce clean streams and consequently increase recycling.

Scope and Output

By offering door-to-door collection and electronically tracking rubbish and recycling citywide, the scheme could increase recycling by relevant percentage. PAYT system rewards people and business who separate rubbish and penalises those who do not. An in-depth analysis of the diffusion of PAYT schemes in Europe has led to the development of a Toolkit with the aim of supporting European cities, so as to connect stakeholders with experts in the field, providing guidelines, proposals, technical and regulatory references. This will help municipalities start up a PAYT system, establish a proper fee level and monitor the process, making it as efficient and effective as possible.

In addition, by implementing PAYT schemes, the Smart city principles for an effective, virtuous, advanced and sustainable management of our cities are also made tangible.

The application proposal aims to offer an adequate balance between operational detail and the possibility of adapting to different contexts as may be found in the various Member States, ensuring compliance with the "polluter pays" principle. In this way, each European city will be able to identify the PAYT system that best suits its territory, knowing in advance the advantages and disadvantages of every feasible solution. The proposals included regulatory, methodological, technical and communication aspects and were divided into three levels: "minimum", "best practice" and "advanced".

In order to make the system clearer and simpler, cases of PAYT application based on the different levels were also presented, creating a space in which to learn about and discuss the topic with experts and entities that have already made the transition to PAYT. Each solution entails different performance levels.

The "advanced" scenario explicitly and proactively aims to reduce the waste to be recovered, but also to reduce CO2 emissions or improve the performance of other environmental parameters, applying a univocal measuring element to the entire management system of municipal waste. This methodology makes it possible to attain the highest possible level of citizen involvement. In fact, they will clearly perceive the economic advantage of reducing and properly sorting waste, but also - and above all - the environmental impact and the contribution to the collective well-being that come with their participation in a project such as the introduction of PAYT.



Drivers and barriers

PAYT Barriers:

1. introduction of PAYT schemes may result in illegal disposal of waste (although this effect is disputed), avoidance of charges by travelling to areas without PAYT schemes and cost avoidance by polluting recyclable streams with residual waste.
2. worries about the costs to local authorities and households.
3. lack of recycling infrastructure expansions.
4. for weight-based PAYT systems, setting up a data collection system for billing, accounting and system optimization purposes can be a complex and challenging task;

Main drivers are:

1. guidance required from national legislation. Local municipal authorities are helped when the national government gives guidance how to design and rate the level of a PAYT waste charge.
2. outreach to consumers about how to change purchasing habits. As also noted earlier, it is important to increase social and environmental awareness under citizens.
3. EPR scheme.

Potential impact

- **Social**
 - the whole community benefits from the improvements in waste collection;
 - better health and safety standards because streets are cleaner;
- **Financial**
 - a fair system because people pay according to the amount of waste they generate and how they separate it;
 - more jobs in the recycling sector;
 - less non-recyclable waste, so fewer collections – saving on fuel and labour costs.
- **Environmental**
 - reduction of residual waste
 - increase of recycling

How will this help the new Circular Economy Action Plan of the European Commission?

To stimulate source separation and high recycling rates in municipalities, PAYT is one of the tools necessary to be used by cities.

The PAYT instrument is one step towards a smarter city. PAYT demands developing of data collection and tools that could be valuable in developing sustainable value chains for products from design, production, consumption and waste handling.

Recommendations from the Partnership to the EU Commission

Efficient Extended Producer Responsibility systems will demand more data from municipalities on collection and treatment of different waste streams. PAYT system could provide EPR with these data. At the same time, EPR could help cities in the financing of source separation systems and also help cities in avoiding the finance trap in PAYT.



Cities need help from both the Commission and Member States in developing and introducing PAYT. The Commission should seek out how to encourage Member States to do this. The PAYT toolkit could be one important measure in this regard.

Member States, municipal organisations or others that would like to use the toolkit should be able to ask for support for translation of the toolkit into member states languages.

The necessary next steps

- Promote PAYT Toolkit through EU Institution's channels
- Distribute toolkit to municipalities of Member States that doesn't apply PAYT
- Collaboration with associations and institutions to translate PAYT Toolkit in different languages
- Activate TAIEX P2P Program to support municipalities to implement PAYT

Where to find more information

The toolkit is available for free download at: <https://www.operate.it/payt/>

Connection to the SDGs

