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RECOMMENDATIONS ON THE IMPLEMENTATION OF PAYT SYSTEMS AND RELATED LEGISLATION IN PORTUGAL

Recommendations emerging from the practice experiences in Project LIFEPAYT

Legal aspects

In Portugal, municipalities must implement PAYT-type tariff systems by July 1, 2026, as determined by the new General Waste Management Regime, approved in 2020. The tariff regulation establishes positive discrimination measures for municipalities in low-density territories, with the objective of applying a reduced tariff to domestic users, without prejudice to the financial balance of the systems.

The classification of large waste producers (>1100 L/day) by this criterion continues in the new RGGR, preventing an easier and automatic classification of the non-domestic sector and commercial producers. These producers should be priority targets for the application of PAYT in Portugal, through national criteria, more regulatory than economic, as is the case in many European countries.

Home and community composting, from the point of view of tariff regulation, has no expression. Financial incentives for those who can demonstrate that they divert waste to compost should be an integral part of the tariff strategy. In countries like Germany and Austria this is common practice.

Contracting and billing

Contracts and billing of an autonomous (separated from the water bill) waste tariff in multifamily buildings should be clarified. In current practice, condominiums may or may not be legally constituted, making it difficult to apply the tariff to the group of residents who, for reasons of available space, jointly use the same container.

The formalization of a specific contract for waste should follow a national model to be implemented with the help of the regulatory body, ERSAR. There is a need to articulate how the provision of the waste collection and treatment service can be decoupled from the water bill. Failure to pay the waste bill will have a penalty that needs to be typified, since the cessation of waste collection is not easy to apply, causing problems for decision-makers, neighbors and damage to the public space (non-collection of waste from an offender).

A model for adapting the water billing system - which is different in each municipality, to report more clearly the services associated with waste management.

Economic aspects

The TGR - Waste Management Fee must be reflected in the fees and financial benefits charged by the municipalities to the waste producer. This concept will allow for an easier application of PAYT at the municipal level, and its acceptance by local decision-makers, as it is a central and not a local measure.

As a threat to PAYT, there is the fact that the rates charged are very low in most municipalities. This is because the percentage of expenditure coverage in some municipalities is lower than the costs. There is a lack of legal and financial penalties for municipalities that do not present a balanced tariff. This measure will be a huge incentive for municipalities to adopt PAYT.

Technical operation

Technically, building a team and allocating resources within the municipality for the

implementation of PAYT is very important. A period of 12 to 18 months of preparation, with advice and training to implement PAYT should be foreseen, including training actions for quality and preferably on a national scale (similar to the advanced program for municipal urban waste management - ProResíduos).

A prior technical study is essential to assess implementation options (based on volume or weight); whether there is already a specific container for the residual fraction and an automatic identification system; how to determine the volume per week, in liters per inhabitant, and the number of people living in each house and what amount or percentage of waste is allocated to companies, avoiding cross-subsidization. It is recommended to open a funding program that promotes the carrying out of previous studies, similar to what was done in Portugal in 2021 for the elaboration of the municipal strategic plans for biowaste.