

Multi-Material Stewardship Western

Draft Program Plan Consultation
July 5, 2023



Welcome

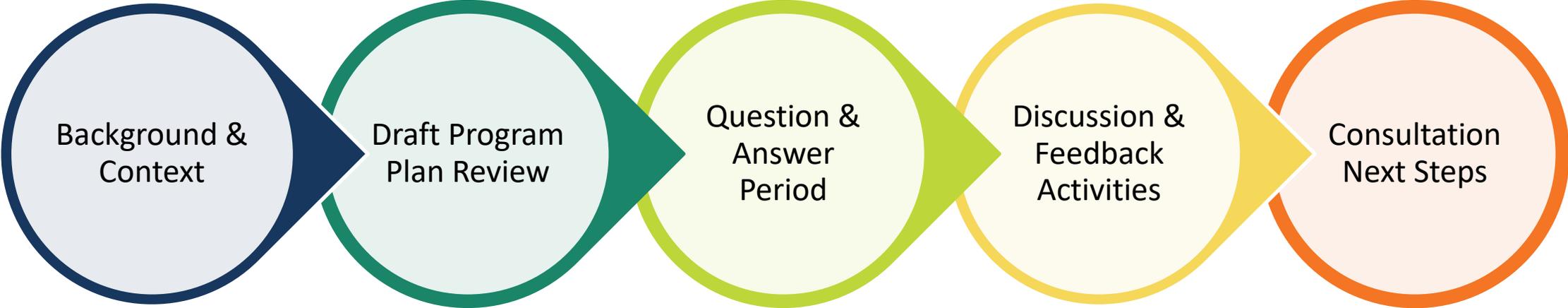


Introductions

- Brenda Wallace – Principal, Wallace Insights
- Kelly Goyer – Director of Field Services, MMSW
- Ann Danilevich – Manager of Stakeholder Relations, Western Canada
- Jordan Best – Program Development, Western Canada
- Sam Baker – Acting VP, Operations, Western Canada
- Lyndsey Chauhan – Director, Marketing Communications, Western Canada

- Allen Langdon - Chief Executive Officer, Circular Materials
- Baljit Lalli - Chief Communications Officer, Circular Materials
- Sherry Arcaro – Director, National Supply Chain Services, Circular Materials

Agenda



Background & Context



Who We Are

- Established in 2013 as a non-profit organization.
- Formed to develop and implement a product management program for household waste packaging and paper.
- In response to the Province of Saskatchewan's Household Packaging and Paper Stewardship Program Regulations.



Overview

2016

MMSW
program
launch

540+

Producers
participate in
the program

75%

Payment of
net municipal
costs by
producers

500+

Municipalities,
First Nations
communities &
Regional Waste
Authorities

Highlights

Since program launch in 2016 until end of 2022:



84%

Access



280,670

Tonnes
collected



72.9 M

Payments by
producers

Updated Regulation



Updated Regulations

- The Province of Saskatchewan conducted a review and engagement process (2021) on the existing regulation.
- The Household Packaging and Paper Stewardship Program Regulations, 2023 (the Regulation) came into effect on March 31, 2023.
- The Regulation calls for a transition to a full Extended Producer Responsibility (EPR) program for the management of household packaging and paper products (PPP) in SK.
- These regulatory changes will result in a shift to a program fully funded and operated by producers of PPP.


Province of Saskatchewan

Order in Council 127 / 2023

Approved and Ordered: MAR 29 2023


Lieutenant Governor/Administrator

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, makes *The Household Packaging and Paper Stewardship Program Regulations, 2023* in accordance with the attached Schedule.


President of the Executive Council

(For administrative purposes only.)

Recommended by: **Minister of Environment**

Authority: **The Environmental Management and Protection Act, 2010, sections 46 and 98**

JAG DM 21-03-23

Extended Producer Responsibility

Extended Producer Responsibility (EPR)

An approach to product stewardship where producers assume responsibility for the post-consumer management of a product. This can include partial or full financial and operational responsibility.

Ministry Principles For Plan Development

- Preserve the integrity of residential recycling while ensuring uninterrupted collection service to residents.
- Minimize disruption of existing municipal contracts with third parties.
- Standardize the list of accepted materials.
- Ensure an open and competitive market for future collection and processing of materials.
- Outline a process for establishing standards, definitions, and service responsibilities.
- Provide for continuous improvement of environmental outcomes.



National Integration



National Integration

- MMSW is working with the national, not-for-profit producer led PRO, Circular Materials, to provide Saskatchewan residents and producers with the benefits of a nationally integrated approach to recycling.
- This approach is designed to provide residents with a high level of service and enable producers to meet the ambitious requirements outlined within the Regulation while focusing on productivity gains that come with national integration.



About Circular Materials

- National not-for-profit organization created and governed by producers.
 - Supports producers in meeting obligations under extended producer responsibility (EPR) regulations.
- Building efficient and effective recycling systems to:
 - Advance innovation.
 - Increase performance.
 - Deliver improved environmental outcomes.
- CM is designing recycling supply chains where materials are collected, recycled and returned to producers for use as recycled content in new products and packaging.
 - This enhanced, closed-loop system will ensure materials are reused again and again.

Draft Program Plan Overview



MMSW Program Plan

The Draft Program Plan outlines:

- Objectives
- Commitments
- Transition phases

Roadmap to the transition from a shared responsibility model to a system that is managed and operated on behalf of its producer members.

Must be submitted to Ministry by September 27, 2023.



 Multi-Material
Stewardship Western



**Household
Packaging and
Paper Stewardship
Program Plan -
DRAFT**

June 13, 2023

Multi-Material Stewardship Western
401-333 3rd Avenue North
Saskatoon, Saskatchewan
MMSK.ca

Producer Responsibility Organization (PRO)

- MMSW administers Program Plan on behalf of producer members.
- Composed of Saskatchewan and Western Canada-based team members.
- Board of Directors:
 - Charged with the responsibility of acting as fiduciaries for MMSW
 - Composition on MMSW website
- Circular Materials:
 - National not-for-profit organization created and governed by producers
 - Provides administrative support services to MMSW

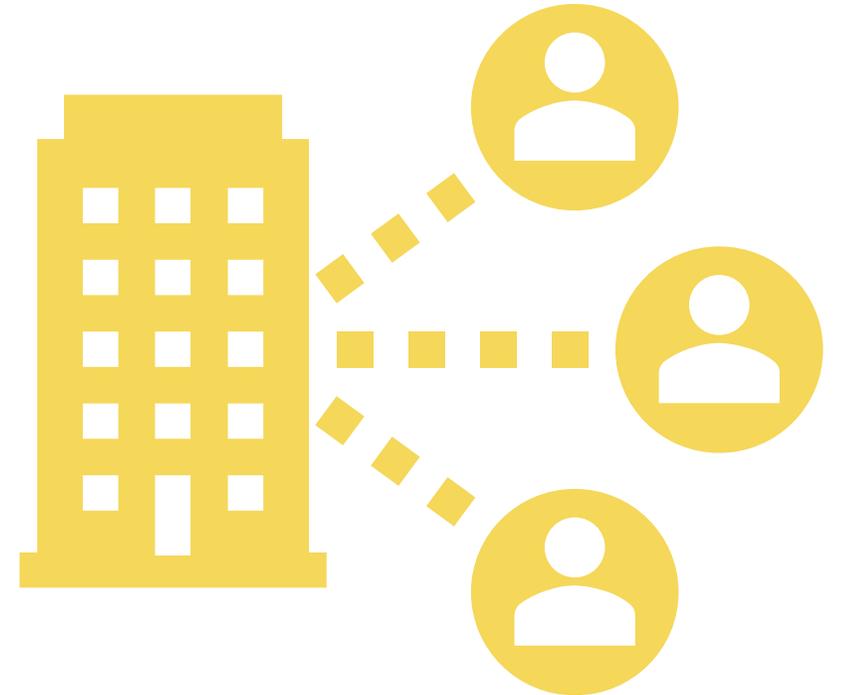
Advisory Committee

- Forum for stakeholders to be informed and provide advice/feedback.
- Members reflect interests of:
 - Urban and rural municipalities
 - Regional waste management authorities
 - Producer members
- Program Plan outlines how members are selected.
- Service providers under a transition phase will not be able to participate in the advisory committee moving forward.



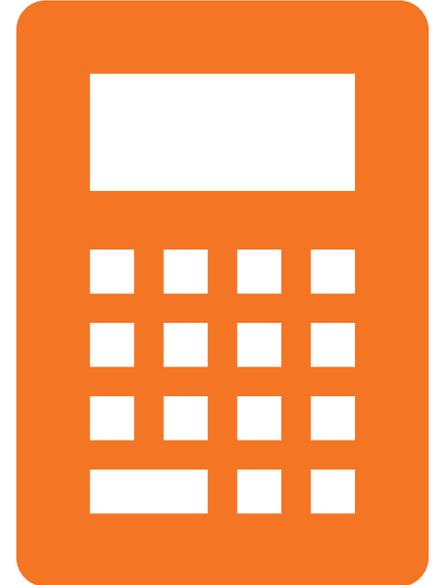
Producer Membership

- MMSW acts on behalf of producers that have signed a membership agreement.
- Producers for PPP will be considered in accordance with the Regulatory hierarchy:
 1. Brand Owner, if resident in Canada
 2. First importer
 3. Retailer



Program Financing

- Producer members pay fees based on weight of PPP supplied to SK.
- Fees are designed to cover:
 - Material management
 - Contribution to advance material management of applicable materials
 - Resident awareness
 - Program management
- Cost allocation principles:
 - All materials bear costs, irrespective if collected
 - Costs applied to materials reflect their impacts to cost of managing system
 - Commodity revenue applied only to materials that earn revenue



Materials Included

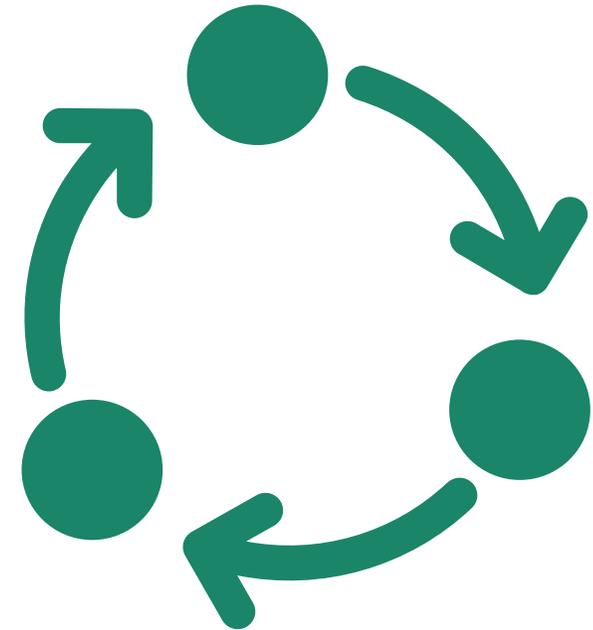
- Packaging
 - Glass
 - Metal
 - Paper
 - Boxboard
 - Cardboard
 - Plastic
 - Biobased plastic
 - Any combination of these materials
- Packaging-Like Products
 - Paper gift and lunch bags
 - Cardboard moving/filing boxes
 - Plastics food storage containers
 - Aluminum foil wrap
- Paper Products
 - Flyers
 - Brochures
 - Booklets
 - Catalogues
 - Telephone directories
 - Newspapers
 - Magazines
 - Paper used for copying, writing or any other general use
- **Residential/household sources only**

Program Design and Phases



Supply Chain Design Principles

- Focus on outcomes, not process.
- Provincial accessibility.
- Provide economic incentives and set simple rules.
- Foster interaction, collaboration and competition to drive innovation.
- Set the stage for evolution.



Accepted Materials

- List of accepted materials differs across programs and processing facilities.
- MMSW must procure processing capacity before accepted material list can be confirmed.
- Detailed accepted material list to be developed during design phase of each transition phase.
- Goal is to expand and harmonize list across all collectors in each transition phase.



Accepted Materials

- Targeted for Phase 1 & 2:
 - Paper and cardboard
 - Mixed containers
- Targeted for Phase 3:
 - Flexible plastics
 - Foam packaging
 - Glass bottles and jars



Collection System

- MMSW will contract with collection service providers which meet MMSW's collection qualification standards and policies/procedures.



CURBSIDE COLLECTION

Collection from households that set out materials individually for pick-up



MULTI-FAMILY COLLECTION

Collection from a central location in residences with five or more units



DEPOT COLLECTION

Residents drop off their materials

Post-Collection System

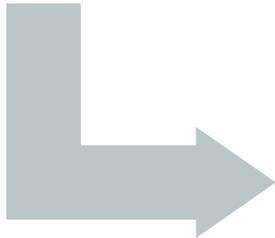
- MMSW will be responsible for all aspects of post-collection for PPP collected under each transition phase, including:
 - Receiving
 - Processing
 - Marketing
- MMSW priority when selecting end-markets:
 1. Local markets
 2. Regional markets
 3. OECD countries



Phased Approach To Implementation

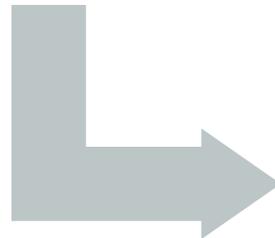
Phase 1

- Design
- Procurement
- Implementation



Phase 2

- Design
- Procurement
- Implementation



Phase 3

- Design
- Procurement
- Implementation

Transition Phase 1 – Curbside & Multi-Family

- **Design:**
 - Compile information from MMSW collectors and complete markets analysis
 - Develop collection policies and procedures, collection agreements and incentive rates
 - Design catchment area(s) and eligible communities
 - Develop procurement process and documents
 - Finalize curbside/multi-family accepted material list
- **Procurement:**
 - Competitive procurement process for post-collection services
 - Release of collection agreements and incentive rates to eligible communities
- **Implementation:**
 - Launch of curbside/multi-family collection with applicable communities

Transition Phase 2 – Curbside & Multi-Family

- **Design:**
 - Develop and consult on Curbside and Multi-Family Collection Eligibility Criteria
 - Develop procurement process for eligible curbside and multi-family communities
 - Design catchment areas, collection agreements and incentive rates
 - Apply changes to accepted material list, as applicable
- **Procurement:**
 - Competitive procurement process for post-collection services
 - Competitive procurement process for collection services, as applicable
 - Release of collection agreements and incentive rates to eligible communities as applicable
- **Implementation:**
 - Launch of curbside/multi-family collection with applicable communities

Transition Phase 3 – Depot

- **Design:**
 - Develop and consult on Depot Collection Eligibility Criteria
 - Complete cost study on all collection channels and develop depot incentive rates
 - Complete assessment on option of MMSW providing curbside/multi-family collection directly in applicable communities
 - Develop procurement process and documents
 - Finalize depot accepted material list
- **Procurement:**
 - Competitive procurement process for post-collection services
 - Release of collection agreements and incentive rates to depot collectors
- **Implementation:**
 - Launch of depot collection
 - Application of updated curbside/multi-family incentive rates

Approach To Incentives

- As MMSW last conducted a cost study in 2022, the study's data will be used to guide the curbside and multi-family incentive rates for Phase 1 and 2.
- During the design stage of Phase 3, MMSW will conduct a cost study to develop depot incentive rates and to update the curbside and multi-family incentive rates in the current market context.
- Once new collection service agreements have been offered to eligible collectors, inclusive of the new financial incentives, each applicable collector must then decide whether to move forward in a service agreement with MMSW.



Non-Transitioned Collectors

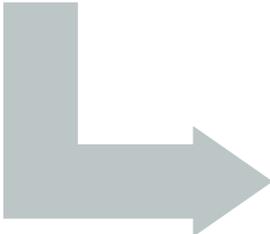
- MMSW collectors will continue to receive payments in accordance with the terms of their existing agreements until:
 - An offer is accepted for collection services in accordance with one of the transition phases
 - Another organization has established a collection services agreement with MMSW to provide curbside, multi-family and/or depot collection services in the applicable community
 - All transition phases are completed (one year after Phase 3 Implementation)



Transition Phases - Timeline

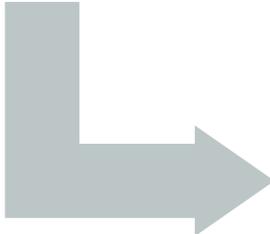
Phase 1

- Letter of:
 - 6 months after plan approval
 - July 1, 2024



Phase 2

- Phase 1 + 1 year



Phase 3

- Phase 2 + 1 year

Resident Communications

- MMSW will design and deliver an effective resident education program that supports achieving program targets by focusing on two primary objectives:
 - Increase resident awareness of the program features and benefits
 - Engage and encourage residents to participate in the program and make informed and correct decisions concerning the preparation and management of PPP
- Communities acting as collection service providers will retain primary responsibility for delivering resident communication strategies associated with the collection of PPP.
- MMSW will employ education and awareness campaigns, develop collector resources, provide resident support services and conduct research.

Program Performance



Waste Management Hierarchy

- MMSW will seek to manage PPP in accordance with the Waste Management Hierarchy:
 - Reduce the environmental impact of producing the product by eliminating toxic components and increasing energy and resource efficiency
 - Redesign the product to improve reusability or recyclability
 - Eliminate or reduce the generation of unused portions of a product that is consumable
 - Reuse the product
 - Recycle the product
 - Recover material from the product
 - Recovery energy from the product
 - Dispose of the waste from the product



Performance Targets

- During the transition phases, MMSW will seek to maintain an overall program collection rate of **72.5%**.
- Upon completion of Phase 3, MMSW will propose and consult on targets for:
 - Overall program recycling rate
 - Overall program diversion rate
 - Recycling rate by PPP category
 - Diversion rate by PPP category



Consultation Process

- In-person sessions:
 - Regina - June 27
 - Saskatoon - June 28
- Virtual sessions:
 - Producers and Producer Associations - July 4
 - Local Governments and Communities - July 5
 - Waste Management Companies - July 5
 - All Stakeholder Groups - July 10
- Feedback can be submitted in writing until August 13 via email to info@multimaterialsw.ca.



Thank You

