



GIROUX
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Framework and Implementation Plan for a Waste Packaging and Paper Stewardship Program across Atlantic Canada

Deliverable 4: Final Framework and Proposed Implementation Plan

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Introduction

Project Overview

The Governments of New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador have made a commitment to work together on the first step of an initiative to review the current recycling programs in Atlantic Canada for packaging and waste paper and work towards implementing Extended Producer Responsibility (EPR).

The objectives of this initiative were to:

- Develop a proposed **Framework** for a waste packaging and paper stewardship program for Atlantic Canada, and;
- Develop an **Implementation Plan** which could be adapted to serve the needs of each of the four Atlantic Provinces individually or collectively.

The steering committee for this initiative included representatives from Recycle New Brunswick, RRFB Nova Scotia, Multi-Material Stewardship Board (MMSB) of Newfoundland and Labrador, and the Prince Edward Island Department of Environment. The proposed framework and plan are intended to be used as working documents as governments move forward with formal consultations and more specific program development activities for a new waste packaging and paper recycling framework for Atlantic Canada. Both the Framework and Implementation Plan are written in a generic fashion so that they can be adapted and/or used by Atlantic Governments either individually or collectively.

The proposed **Framework** is presented in Section 1 of this document. The proposed **Implementation Plan** is presented in Section 2.

Scope

The proposed model is intended to apply to the residential waste packaging and paper stream, under the assumption that this is the stream currently being paid for through the general taxpayer base since it is general practice that the Industrial, Commercial and Institutional (ICI) sector already pays for its own recycling and waste programs.

Methodology

This project began in November 2013. A jurisdictional review was undertaken of both Canadian and European programs that use various EPR models for packaging and paper. Programs were documented and assessed to highlight advantages and disadvantages of the various models. The results of this jurisdictional review were presented to the steering committee in January 2014. Following this presentation a series of interviews were undertaken with twenty four people, including five provincial representatives (two for NS and one for each of the others) and nineteen municipal and regional recycling coordinators and processors across Atlantic Canada.

The results of the literature review, the interviews, and input from the steering committee informed the development of the proposed framework and implementation plan.

Terminology

In this document, the following terms are utilized:

- The terms *producers, stewards, and brand owners* refer to the same group of stakeholders: the companies that place or first import the packaging and paper onto the market. This document uses the term producers.
- The term “*framework*” refers to the type of program design utilized for a packaging and paper recycling program within a jurisdiction. This could refer to an Extended Producer Responsibility model, a Shared Responsibility Model, or another model.
- The terms “*Producer Responsibility Organization*” (PRO), Stewardship Responsibility Organization (SRO) and “*Industry Funding Organization*” (IFO) are used in different Canadian jurisdictions but refer to the same type of organization: the organization that collectively represents stewards or producers in fulfilling their financial and operational obligations in an EPR program. The term PRO will be used in this document.

1 Framework for a Waste Packaging and Paper Stewardship Program

This proposed framework includes the following:

- Section 1.1 Overview of Existing Waste Packaging and Paper Programs in Atlantic Canada
- Section 1.2 Overview of Waste Packaging and Paper Stewardship Models
- Section 1.3 Recommended Waste Packaging and Paper Stewardship Model
- Section 1.4 Estimated Program Costs, Steward Obligation, and Diversion
- Section 1.5 Processes to Define and Verify Eligible Net Costs
- Section 1.6 Designated Packaging and Paper
- Section 1.7 Stakeholder Roles and Responsibilities
- Section 1.8 Levels of Service
- Section 1.9 Implementation Aspects to Consider Moving Forward

The implementation aspects are elaborated upon further in Section 2: Implementation Plan.

1.1 Overview of Existing Waste Packaging and Paper Programs in Atlantic Canada

Currently, the four Atlantic Canada jurisdictions operate distinct product stewardship programs to manage waste packaging and paper in their respective jurisdictions. All four provinces are currently using government and/or municipal taxpayer funded product stewardship programs for the majority of recycling programs for waste packaging and paper, although there are some voluntary arrangements where producers contribute to some recycling programs (e.g. Atlantic Dairy Council). Across the Atlantic region, waste packaging and paper programs are at differing stages of maturity, have had different levels of provincial funding, and consequently there are various types of levels of service in place (e.g. curbside vs. depot, municipal service vs. municipally contracted third party). Diversion performance can vary widely among provinces depending on such factors as regulations in place, program maturity, population density, and material accepted. One commonality among all four provinces is that they all have a deposit-return program for beverage containers.

A brief overview of the approach taken by each of the four jurisdictions is presented below, with descriptions for each province following. Note that specific detail on infrastructure and levels of service is presented in Section 2.2 Infrastructure Services Review – the summary information presented in Exhibit 1 is intended to be introductory.

Exhibit 1: Summary Comparative Table of Existing Waste Packaging and Paper Programs for the Residential Sector in Atlantic Canada

Program Detail	New Brunswick	Nova Scotia	Prince Edward Island	Newfoundland and Labrador
Stewardship Model:	Product Stewardship (Government and/or Taxpayer Financed)	Product Stewardship (Government and/or Taxpayer Financed)	Product Stewardship (Government and/or Taxpayer Financed)	Product Stewardship (Government and/or Taxpayer Financed)
Is there a regulation to require recycling of waste packaging and paper?	No	Yes	Yes	Yes
Roles:	Regional Service Commissions/Authorities	Regional Service Commissions/Authorities	Crown Corp.	Regional Service Commissions/Authorities
Municipal Collection:	Yes	Yes	No	Yes
Municipal Processing:	Yes	Yes	No	Yes
Deposit - return bev. containers	Yes	Yes	Yes	Yes
Infrastructure:	Curbside service: urban. Depots: rural areas. Remote areas no service	Curbside service: all areas	Curbside service: All areas	Curbside service: urban. Depots: rural areas Remote areas no service
Level of Service (# materials)	Medium	High	High	Medium

1.1.1 New Brunswick

New Brunswick has a Waste Reduction and Diversion Action Plan which includes goals for the Regional Service Commissions to develop waste diversion programs. Waste management is regionalized in the province of New Brunswick with twelve (12) regional service commissions that vary in how they handle materials. Curbside collection exists in some regions (i.e. service commissions 7, 8, 11), and drop-off of selected items at designated locations or depots is established in other regions (i.e. commissions 1, 5, 12). More remote areas still may not have source-separation for certain paper and packaging materials so a portion goes in the waste stream but this may be changing.

New Brunswick operates a beverage container program using a product stewardship model through the Beverage Containers Act. The un-refunded portion of each deposit is used to recover the costs of administering the program. A portion is also deposited into New Brunswick's Environmental Trust Fund, used to promote environmental activities, such as recycling. Beverage container handling fees are paid by beverage distributors to New Brunswick's privately-run beverage container redemption centres as compensation for receiving, paying out refunds for, and sorting beverage containers.

In 2013, the province diverted an estimated 30,500 tonnes of waste packaging and paper from households, which does include some industrial, commercial, and institutional (ICI) amounts. The province has three large processing facilities, and seven smaller sorting operations.

1.1.2 Nova Scotia

Nova Scotia has a Solid Waste Management Strategy that drives all diversion activity in the province. As part of the strategy, there is a provincial disposal target that municipalities strive to meet. Waste management is regionalized through seven (7) solid waste management regions. Nova Scotia has established residential curbside recycling (100% access), green cart collection of residential organics (90%) and curbside garbage collection programs. In most regions/municipalities, waste materials are collected bi-weekly. Nova Scotia also maintains a network of approximately 80 Enviro-Depots that accept recyclable items including deposit-refund beverage containers, paint and electronics.

Nova Scotia has landfill bans in place for a number of waste packaging and paper materials: beverage containers, corrugated cardboard, newsprint, steel/tin and glass food containers, as well as low and high-density polyethylene bags and packaging. In addition, some municipalities have banned additional products from their landfills. As a result, the items designated for diversion differ slightly between regions/ municipalities.

In 2013, the province diverted 49,600 tonnes of waste packaging and paper from households, which does not include ICI. The province has 10 processing facilities.

1.1.3 Newfoundland and Labrador

Waste diversion in Newfoundland and Labrador is managed through eleven regional waste management authorities located in four regions of the province: Labrador, Western, Central, and Eastern regions. Each Regional Waste Management Authority (RWMA) is responsible for designating, financing, and operating regional waste management systems.

Recycling services are not offered in Labrador where programs are primarily focused on reducing and re-using materials. The remaining three regions (Western, Central, and Eastern regions) offer a mix of services, not standardized or mandatory. In all three regions, urban areas offer curbside collection (i.e. St. John's, Corner Brook), while drop-off locations and depots are used in some rural communities (i.e. Gander, Stephenville) although this is changing by 2015. More remote locations are less likely to sort waste as the distance to drop-offs/depots is prohibitive.

Beverage containers are managed through a product stewardship program operated by the Multi-Material Stewardship Board (MMSB) – a crown agency of the government authorized to develop, implement and manage waste diversion and recycling programs province-wide. Beverage container deposits apply to: aluminum cans; drink boxes; plastic and glass bottles; steel cans; and gable top containers. Milk containers are also diverted in the Eastern region through a voluntary EPR agreement with milk producers. There are fifty-six Green Depots across the province that primarily accept beverage containers - most are permanent but some are satellite locations and mobile units to service remote areas. Eighteen of the Green Depots also accept paper for recycling.

In 2013, the province diverted 7,364 tonnes of waste packaging and paper, which does not include any ICI generators. The province has one main processing facility. The amount diverted will increase in 2014 as major infrastructure investments become operational.

1.1.4 Prince Edward Island (PEI)

PEI has the most standardized recycling program of all the Atlantic Provinces, operated by the Island Waste Management Corporation (IWMC) which is a crown corporation. IWMC operates the recycling bag program that requires waste packaging and paper source separation by the residential and ICI sectors. Municipalities are not involved in curbside recycling in PEI. The residential sector is provided with curbside pick-up of all waste packaging and paper recyclables, and the ICI sector must provide their own service to IWMC depots or by contracted haulers.

In 2008, legislative changes allowed the sale of non-refillable beverage containers in stores across PEI and established a deposit and return system for beverage containers. Most beverage containers sold, with the exception of dairy products, carry a deposit and are worth a cash refund when returned to one of the province's nine licensed depots. Resources from this system are used to finance the recycling program. The biomass-fuelled hot water district heating system in Charlottetown accepts some waxed paper products so a small portion of this stream is not recycled.

In 2013, the province diverted 11,600 tonnes of waste packaging and paper, which does not include any ICI. The province's processing facilities are operated by the private sector.

1.2 Overview of Waste Packaging and Paper Stewardship Models

A literature and jurisdiction review identified three types of stewardship models: 1) product stewardship; 2) shared responsibility and 3) full Extended Producer Responsibility (EPR). An overview of each model is below, followed by a summary table (Exhibit 2).

1.2.1 *Product Stewardship/Status Quo in Atlantic Canada*

What is it?

Product stewardship programs are operated by governments (e.g. municipalities or other regional authorities) where manufacturers, brand owners and first importers are neither directly responsible for program funding, nor for program operations.

How does it work?

These are waste diversion initiatives funded by general taxpayers, authorized by a provincial government, in all cases except in New Brunswick, and implemented at a municipal level either through municipalities, regional authorities, or by a contracted third party where collection and processing takes place. A product stewardship recycling program may be mandated through a regulation or may be voluntary. There are no producer responsibilities in this model, financially or physically. However, in some cases such as with dairy producers provincial representatives have been successful in negotiating voluntary contributions from this sector to pay for recycling of milk packaging.

Where is it used currently?

The Atlantic Provinces, Alberta, and the Northern Territories are the only jurisdictions in Canada currently using a product stewardship approach for waste packaging and paper. Alberta is in the process of considering the designation waste packaging and paper to be managed under an EPR model and have just completed formal consultations on the potential options.

What are the Advantages and Disadvantages of this Model?

The primary advantage of this model is that municipalities have full and exclusive control over the operation and management of the program. They can determine the level of service, materials list for collection, terms of service for contractors, and are the primary contact with the public and the community regarding the collection of recyclables. The major disadvantage is that taxpayers, primarily municipal taxpayers, are solely responsible for funding the program and they have no control over the costs associated with processing the recyclable materials and are exposed to the fluctuation of materials markets over which they have no control. The product stewardship approach also has the disadvantage that it does not provide any incentives to producers to design and market more environmentally friendly packaging.

1.2.2 Shared Responsibility EPR

What is it?

The shared responsibility EPR model is a program that is operated by governments or public agencies but with varying degrees of producer funding. In this model, municipalities or regional authorities provide collection and recycling services as a front-line service for the residential sector and sometimes the small business sector, with a designated amount of producer funding provided to the municipality for reimbursing pre-determined net eligible costs. A shared responsibility EPR model is the type of stewardship model most commonly used for waste packaging and paper programs.

How does it work?

The shared responsibility EPR model would see municipalities or regional authorities continuing to operate curbside and depot collection programs for waste packaging and paper and to be responsible for processing the collected materials and selling them to end markets. Municipalities or regional authorities currently provide these services using their own staff, equipment and facilities or they contract these out to private sector contractors. Obligated producers would be required to fund a designated percentage of net municipal costs for recycling only (not for garbage services) relieving municipalities of a set portion of the financial responsibility for recycling.

For the public, the shared responsibility EPR model would not see any obvious changes in terms of levels of service offered, as municipalities or regional authorities would remain as the first point of contact for recycling services (or in PEI, IWMC). In some instances it is possible that this model could facilitate program improvements with additional producer funding to bring all areas of all four Atlantic Provinces up to a similar standard of service.

In a shared responsibility EPR model the program can be designed to continue the operation of existing deposit-return programs for beverage containers since they are traditionally successful programs with high return rates in all provinces where they operate.

Where is it used currently?

A shared responsibility EPR program is the model used in Québec, Saskatchewan, Manitoba and Ontario, with varying levels of producer funding. The shared model is the most common approach used in Europe.

What are the Advantages and Disadvantages of this Model?

The primary advantage of this model is that municipalities or regional authorities continue to operate current recycling programs or are able to expand them if they wish to collect more waste packaging and paper materials and improve diversion – striving for higher goals within their particular municipality. Municipalities or regional authorities would continue to be the

primary player with considerable input and control over program design, operation and practices. In many cases, municipalities and regional authorities have invested considerable effort and resources over many years to establish recycling programs.

There are two large European programs that have been operating full EPR programs for many years (Germany and Sweden) and both are considering switching back to a shared responsibility model for two reasons. The first is that members of the public continue to approach their municipality directly with service issues or information requests. The second is that some proactive municipalities would like to strive for higher diversion targets and recycle additional waste packaging and paper materials not currently collected in the producer-run program. Without any operational or management involvement in recycling this is impossible to do.

In the shared EPR model producers have financial contributions but no direct control over program operations. Many producers in existing Canadian waste packaging and paper programs dislike this model because their ability to control program efficiencies or minimize costs is somewhat inhibited. However, it is the model that producers in large provinces such as Ontario and Québec have operated for a decade so it is a familiar model to most large producers in Canada. In Ontario the producer contribution is 50%, in Québec it is now 100%.

Producers do have some level of control during program design and there is usually a process set up to establish certain levels of eligible funding which identifies specific costs that are allowed to be reimbursed by a municipality or public agency collecting waste packaging and paper for recycling. In some provinces, there can be significant debates regarding the definition of eligible costs and in Ontario an arbitrator has been retained to resolve disputes between the municipalities and Stewardship Ontario. Negotiated clearly written lists of eligible costs during program design would therefore be extremely important to avoid this situation. In addition, the reality that many municipalities' contract out these services and award contracts based on efficiency criteria that may result in lowest cost/highest value operations should be considered in the determination of eligible costs.

1.2.3 Full EPR

What is it?

A full EPR model is a program in which manufacturers, brand owners and first importers are directly responsible both for program funding (100%) and for program operations.

How does it work?

In a full EPR program, producers are responsible financially for all program operations including collection, processing, and marketing of collected materials. In a pure application of this model municipalities have no role in the program which would operate in a distinct and separate way from other municipal waste management operations. Municipalities could however act as service providers and thereby operate in the same way as a private sector contractor would in providing collection or other services associated with the program. A full EPR program would

operate in a similar fashion to a number of other EPR programs such as those for tires where industry has taken full ownership of the obligations including establishing and running the collection system and contracting for the end-of-life management.

Where is it used currently?

In Germany, Austria and Sweden, municipalities have no role in the full EPR program. British Columbia has established a full EPR approach but producers have opted to offer municipalities the opportunity to continue to provide collection services as a contractor to the stewardship agency administering the program. The majority of BC municipalities have accepted this role as a service provider.

What are the Advantages and Disadvantages of this Model?

The primary advantage of the full EPR model is in the direct cost control that it would give to producers who would draft, tender and award the contracts for the collection and processing of designated waste packaging and paper for recycling. Under this system producers would have financial incentives to run efficient programs and would be more closely tied to the marketing of materials. In full EPR programs for materials such as tires, electronics, used oil, etc. the obligated producers have had to fund and develop the necessary markets for the collected materials. As a result, for some recyclable materials such as tires there are new re-manufacturing businesses developed to provide closed-loop recycling and manufacture of such as shingles, flooring and animal bedding mats. This responsibility could therefore stimulate design for environment and new businesses.

Some of the specific operational challenges associated with switching from a product stewardship model to a full EPR model include:

- What to do with and how to manage existing municipal investment in collection and processing equipment and facilities if producers are taking over those roles? There are potential issues with stranded publicly owned capital assets.
- What to do with and how to manage existing service contracts held by third party contractors for municipalities that contract out recycling and processing services?
- How to manage the change from municipalities being the first point of contact to a third party for levels of service inquiries or information requests? Given the long history of municipal involvement in recycling programs the communications and education necessary to facilitate such a change could be challenging.

The following exhibit is a comparative table identifying some of the key advantages and disadvantages of all three types of stewardship models.

Exhibit 2: Summary Comparative Table of Stewardship Models

Product Stewardship		Shared Responsibility EPR		Full EPR	
Municipal or provincial funding and operation		Varying degrees of producer funding (50-100%) of net municipal costs, with municipal responsibility for collection and processing		Full producer funding and operational responsibility for collection and processing	
Atlantic status quo		SK, MN, ON, QC Majority of EU Member States		BC, Germany, Austria and Sweden	
Advantages	Disadvantages	Advantages	Disadvantages	Advantages	Disadvantages
<p>Full control over program design and operation.</p> <p>Full control over which waste packaging and paper materials to include.</p> <p>Municipal or public agency control over collection, first point-of-contact for public inquiries.</p> <p>Consistent and clear messaging to public regarding levels of service and municipal roles.</p> <p>Provinces and/or municipalities can feel confident about long-term investments in infrastructure. Standardized program across jurisdiction.</p>	<p>No involvement of producer;</p> <p>Government and consumers pay full costs of recycling packaging.</p>	<p>Maintain municipal operations and levels of service communities are used to (consistency).</p> <p>Opportunity to negotiate financing suitable for each jurisdiction (range of 50%-100% currently used in Canada).</p> <p>Clear public understanding of municipal role and responsibility for collection</p> <p>Opportunity to formalize a dispute resolution mechanism in program design with municipal sector for residential program.</p> <p>Opportunity to standardize and develop higher levels of recycling collection and service.</p> <p>Some programs (QC) with high producer financial contribution led to Design for Environment changes and a Recycling Code of Practice.</p> <p>Opportunity to expand waste packaging and paper diversion programs to include ICI generated waste packaging and paper wastes.</p> <p>Could use competitive compliance schemes as in the EU, for ICI sector or residential sector.</p>	<p>Producers do not have control over how their money is spent when they do not have control over municipal costs.</p> <p>Canadian programs are residential only.</p> <p>Potential for argument between municipalities and PROs over eligible costs and levels of funding. Producers and municipalities can develop an adversarial relationship: the higher the funding contribution from producers = higher number of disputes and general dissatisfaction about controls over costs.</p>	<p>Full producer control over the system with ability to effect program costs and rationalize infrastructure</p> <p>Full producer involvement in operations could stimulate Design for Environment in packaging innovation.</p> <p>Could use competitive compliance schemes as in the EU, for ICI sector or residential sector.</p> <p>Opportunity to standardize and develop higher levels of recycling collection and service without any municipal cost.</p> <p>Opportunity to expand waste packaging and paper diversion programs to include ICI generated waste packaging and paper wastes.</p>	<p>No direct municipal involvement</p> <p>Municipal challenge/risk of providing a service level above the agreed waste packaging and paper program if costs are higher than negotiated amount.</p> <p>Concerns about stranded infrastructure assets - Municipalities already have long-term investments in infrastructure.</p> <p>Canadian programs are residential only.</p> <p>Challenges associated with transitioning traditionally municipally operated programs to producer operated programs</p> <p>Communicating to the public that municipalities are not responsible for collection service (either they are not involved at all or function as a service provider/contractor) is challenging</p> <p>Germany and Sweden are reviewing their models and considering changing back to a model with municipal control because municipalities in these jurisdictions often wish to provide enhanced collection and recycling services beyond that provided by the producer run program.</p>

1.3 Recommended Waste Packaging and Paper Stewardship Model for Atlantic Canada

The recommended waste packaging and paper stewardship model for Atlantic Canada is a:

Shared Responsibility EPR Model

In a Shared Responsibility EPR Model, municipalities / regional authorities would continue to operate, manage, and be fully responsible for the curbside and depot programs just as they are now, and producers (stewards) would fund eligible net costs of collection and processing on an agreed upon formula (percent of net costs funded is discussed in Section 1.4). This model would ideally maintain local decision-making for recycling in each jurisdiction in Atlantic Canada.

1.3.1 Rationale for this Model

The rationale for the recommended Shared Responsibility EPR model for Atlantic Canada is as follows:

- Municipalities / regional authorities would continue to be a primary player with decision-making responsibilities over program design, operation and practices. This is desirable for most municipalities / regional authorities who have invested considerable effort and resources to establish recycling programs and infrastructure.
- For provinces with small or remote communities with modest existing depot service operated by regional authorities possible improvements to levels of service could be made as all provinces make efforts to provide a consistent level of service in a harmonized program (see Section 1.9 Implementation Aspects).
- The shared responsibility EPR model would also allow for continuation of existing contracts with collectors and processors currently operating recycling services.
- A shared responsibility model is the most common type of model used for waste packaging and paper in Canada and Europe. In Europe, two of the three countries using a full EPR model (Germany and Sweden) are both reviewing options to transition back to shared responsibility model from a full EPR model.
- Operating under a shared responsibility approach would also allow time for municipalities and producers to learn to work together and to cooperate and would give time for programs to be expanded where warranted to meet new harmonized program standards and for performance measures to be established.

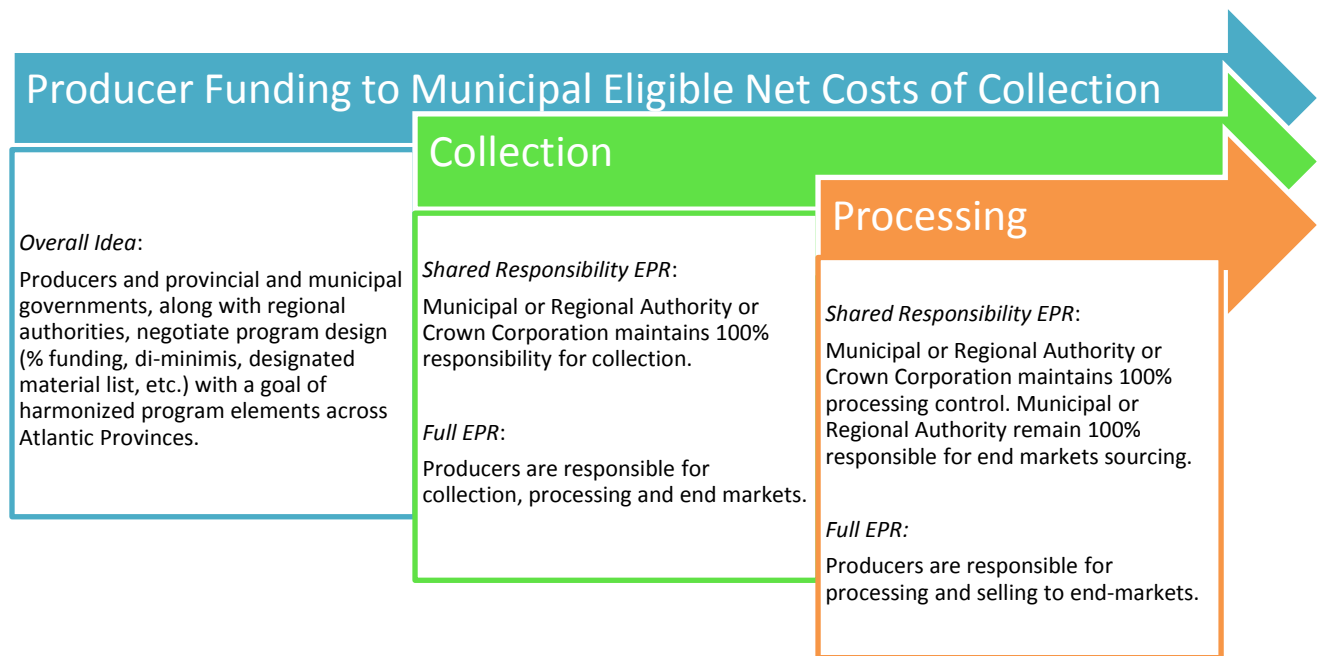
Implementing this model will allow the Atlantic Provinces to learn from current full EPR roll out and challenges observed in BC and review the results of a study being undertaken in Québec for completion in 2015 to review the advantages and disadvantages and the costs and benefits associated with changing the Québec shared responsibility model to a full EPR approach.

1.3.2 Level of Producer Involvement in a Shared Responsibility EPR Model

In existing waste packaging and paper shared responsibility EPR models in Ontario, Saskatchewan, Manitoba, and Québec, the producers fund municipal net costs of collection and processing. The “eligible” net costs are defined in the development of the program plan. Currently there are a range of % contribution amounts being used on Canadian waste packaging and paper programs. Further detail on the funding %, and on program costs is presented in Section 1.4.

The following exhibit explains the difference between shared responsibility and full EPR.

Exhibit 3: Difference Between Shared Responsibility EPR and Full EPR



1.3.3 Types of Producer Responsibility Organizations

The following exhibit presents key details of the types of Producer Responsibility Organizations (PRO) used in other Canadian waste packaging and paper programs.

Exhibit 4: Types of Producer Responsibility Organizations in Waste Packaging and Paper EPR

Name of PRO & Year Formed	Board of Directors Representation	Location of Board Members	Harmonizing with another PRO?	Transparency and Reporting	Key Activities of PRO
Multi-Material BC (MMBC) (2012)	Grocery Retailers Distributors Food Service 2014 plans to expand from 7-15 members	Ontario 2014 plans for regional representation on Board Committees	Yes – Canadian Stewardship Services Alliance (CSSA)	Annual reports to the BC Minister of Environment on performance. Audited financials only required if fees charged at point of sale.	<ul style="list-style-type: none"> ■ Financing and physical execution of collection and processing. ■ Contract administration for collection and processing. ■ Auditing of stewards.
Multi-Material Stewardship Western (MMSW) SK (2012)	Grocery Consumer products Co-operatives	Saskatchewan Ontario	Yes - CSSA	No identified information.	<ul style="list-style-type: none"> ■ Funding for municipalities net costs. ■ Municipal program optimization / cost containment. ■ Auditing of stewards.
Multi-Material Stewardship Manitoba (MMSM) (2006)	Grocery Consumer products Beverages Retailers Printed paper Newspaper Independent	Manitoba Ontario	Yes - CSSA	Annual reports to the MB Minister of Environment. Performance and audited financials.	<ul style="list-style-type: none"> ■ Funding for municipalities net costs. ■ Municipal program optimization / cost containment. ■ Auditing of stewards.
Stewardship Ontario (2003)	Food and consumer product manufacturers Retailers Distributors Independent	Ontario	Yes - CSSA	Annual reports to WDO (quasi-government body) Performance and audited financials.	<ul style="list-style-type: none"> ■ Funding for municipalities net costs. ■ Annual material fee setting. ■ Municipal program optimization / cost containment. ■ Auditing of stewards.
Eco-Entreprise Québec (EEQ) (2005)	Food and consumer product manufacturers Retailers Distributors Services Durable goods	Québec	No	Annual reports to Recyc-Québec (quasi-government body) Performance and audited financials.	<ul style="list-style-type: none"> ■ Funding for municipalities net costs. ■ Pre-determined level of funding for municipal administrative costs ■ Annual material fee setting. ■ Municipal program optimization / cost containment. ■ Auditing of stewards.

All PROs have a mission of representing its members (stewards or producers) that fund the program and optimizing program costs.

Note: Atlantic Governments may designate the number and type of representatives they prefer for a PRO (e.g. the number of local and independent representatives in addition to the national representatives). They may also designate the type of transparency and reporting they require by the PRO to Atlantic governing bodies.

1.4 Estimated Program Costs, Steward Obligation, and Diversion

Developing a new shared responsibility EPR model will require the following:

1. An understanding of current and proposed program costs based on estimated waste packaging and paper diversion volumes in a Shared Responsibility EPR Framework;
2. Defining the percent (%) producer contribution of those eligible net costs; and
3. Potential diversion volumes in this proposed program.

A discussion of each of these follows.

Note that work to substantiate estimated program costs and articulate potential diversion volumes is typically developed by a PRO and would be approved by Atlantic Governments in a designated Program Plan. Information on these aspects is presented here as preliminary estimates. Atlantic Governments may define the % producer contribution they would like in a regulation. It is recommended that this be done in a harmonized fashion (e.g. the same designated % across all four Provinces).

1.4.1 Program Costs – Other Canadian Waste Packaging and Paper EPR Programs

Typical costs of other Canadian waste packaging and paper programs are presented below. This includes program administration and management costs, and eligible net costs (often called “supply chain costs”) of collection and processing. In current programs the supply chain costs represent between 77-95% of all costs. Other program costs include the following:

- Developing best practice guidelines for municipal collection and processing for waste packaging and paper recycling;
- Directing system optimization and market development activities for processed material;
- Auditing of municipal costs (the “verification process”);
- Administration such as legal fees, accounting fees, management of salaries to administer and implement the program;
- Enforcement costs paid to government regulators;
- Promotion and education – outreach to the public about the program; and
- Conducting research and development activities into recycling difficult to recycle materials.

In addition, there are also one-time program start-up costs such as stewardship plan development, stakeholder consultations, and steward recruitment and registration. Exhibit 5 presents the overall dollar amount of steward obligations in other programs, along with available performance information across programs¹. Exhibits 6-10 present additional detail on program costs².

¹ Data from Canadian Stewardship Services Alliance Inc. (CSSA) Annual Stewards Meeting - October 31, 2013 Presentation Deck, accessible at <http://www.cssalliance.ca/wp-content/uploads/2013/11/Final-Amalgamated-Presentations-October-31-2013.pdf> and Éco Entreprises Québec 2012 Annual Report.

² IBID.

Exhibit 5: Steward Obligations and Performance Overview

Obligation	Ontario		Manitoba		BC		Québec	
	%	Obligation	%	Obligation	%	Obligation	%	Obligation
Amount of Steward Obligation	50% costs	\$ 104,005,507	80% costs	\$ 11,076,642	100% costs	\$ 23,500,000 (Est. Start-Up) \$ 60,887,500 (Est. Operational)	100% costs	\$128,000,000
Number of stewards	4000 stewards registered, 1500 obligated (135 stewards = 80% of fees)		808 stewards registered, 585 obligated		678 stewards registered representing 80% of waste packaging and paper		1570 obligated	
Total packaging and paper tonnes collected	892,924 (2012 data)		131,672 (2012 data)		247,321 (2014 data)		656,000 (2010 data)	
Collection Target	60% (achieving 64%)		None (achieving 54%)		75%		70%	
% Population Access	99%		93%		73%		99%	

Exhibit 6: Ontario Summary of Costs 2013-14 (Steward Obligation is 50% Net Costs)

Steward Obligation	2014	2013
Share of Net Eligible Costs	\$99,016,092	\$98,500,681
Promotion and Education (P&E)	-	\$900,000
Research and Development	-	\$1,650,000
Program Management	\$4,989,415	\$6,284,077
TOTAL Obligation	\$104,005,507	\$107,334,758
Year over Year change %	-3.1%	

Exhibit 7: Manitoba Summary of Costs 2013-14 (Steward Obligation is 80% Net Costs)

Steward Obligation	2014	2013
Share of Net Eligible Costs	\$ 10,012,800	\$ 9,700,000
Promotion and Education (P&E)	\$ 720,000	\$ 700,000
Research and Development	\$ 25,000	\$ 50,000
Program Management	\$ 1,818,842	\$ 1,833,850
Surplus to Return	(\$ 1,500,000)	-
TOTAL Obligation	\$11,076,642	\$12,283,850
Year over Year change %	-9.8%	

Exhibit 8: BC Summary of Projected Costs for 2014 (Steward Obligation is 100% Net Costs)

Steward Obligation	2014
Share of Supply Chain costs	\$ 55,512,500
Promotion and Education (P&E)	\$ 1,000,000
Research and Development	-
Program Management	\$ 4,375,000
Operational Costs for 2014	\$ 60,887,500
Start Up costs	\$ 7,500,000
Start up working capital needs	\$ 16,000,000
TOTAL Obligation	\$ 84,387,500

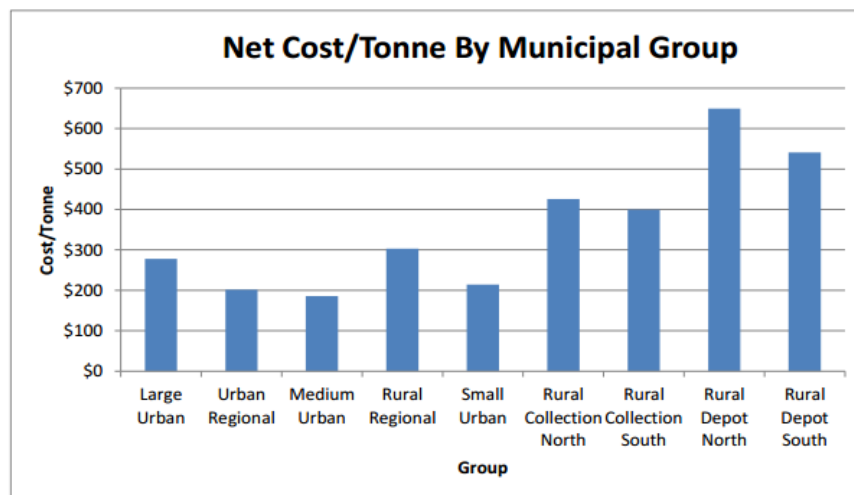
In Saskatchewan and BC the deposit return programs for beverage containers will be maintained and this means that high value aluminum will continue to be handled through depots and not collected through the new programs. This will affect program revenues. Ontario does not have a deposit return program for non-alcoholic beverages so this revenue stream stays in the program.

Exhibit 9: Financial Performance of Details for Available Programs (2012)^{3,4}

Costs	Current Programs		
	Manitoba	Ontario	Québec
Net cost per tonne	\$246.70	\$272.30	\$180 (2010 data)
Program management as a % of net cost	13.8%	2.4%	3%
Net cost per capita	\$15	\$19	\$15
Recycled kg per capita	60.3	69.6	83

Waste Diversion Ontario (WDO) has conducted analysis on the program costs by type of municipality – which gives an indication of the differences in program costs between urban and remote communities. WDO identified differences ranging from \$186/tonne in a medium-sized urban municipality to \$649/tonne for a rural depot in the northern area of the province.

Exhibit 10: Ontario's Per Tonne by Municipality Type⁵



Québec has indicated that from 2005 program initiation to 2010 eligible net costs of recycling dropped 16% from \$215 to \$180 per ton. From 2000 to 2010 municipal residential curbside recycling performance increased 44%. Ontario's Blue Box program is generally a more expensive program compared to Manitoba's, on both a per tonne (by 10%) and a per capita basis (by 27%). Ontario accepts more material than Manitoba in its recycling program such as a greater variety of plastics which are more expensive to recycle.

³ For Manitoba and Ontario numbers: CSSA Discussion Paper for Annual General Meeting, Packaging & Printed Paper Programs across Canada: Look Back & Look Forward, October 31, 2013.

⁴ For Quebec numbers: used data from EEQ Annual Report (2012) tonnage recycled, population data from Statistics Canada, and calculations for costs.

⁵ Waste Diversion Ontario 2013. 2012 Blue Box Program Financial Trends. December 3, 2013.

http://wdo.ca/files/6513/8610/0703/2012_Blue_Box_Financial_Summary.pdf

1.4.2 Estimated Program Costs – Atlantic Canada EPR Program

Program costs typically found in other provinces include:

- Supply-chain costs (e.g. net costs of collection and processing from municipal authorities);
- Promotion and education (e.g. from municipal authorities and the PRO);
- Research and development (R&D) activity undertaken by the PRO, and
- Program management / administration (e.g. PRO management including information technology, accounting services, auditing and verification of municipal costs, and even PRO payment of some provincial government enforcement costs).

The following exhibit presents *a partial* program cost estimate to provide a general *indication* of what producers might be obligated to contribute in Atlantic Canada for supply chain and promotion and education costs reimbursed to municipal/regional authorities. The information presented is based on available information from other jurisdictions adjusted for population. Assumptions made are listed following the exhibit.

R&D costs have not been included at this time because it is uncertain whether a separate R&D program is applicable for the Atlantic Canada region as there has been significant R&D activity in other provinces. Also for this preliminary estimate, current service providers are assumed to maintain their role in delivering promotion and education so this cost is included in the estimates below and is typically included in the net eligible costs to be reimbursed by producers.

Current recycling cost data was not available from all jurisdictions for this study. However, preliminary producer obligation estimates have been derived using current program diversion data from all four provinces, and other assumptions listed below the table. Nova Scotia and PEI have the most stable programs in place where diversion and cost data have remained relatively the same over recent reporting periods; however New Brunswick and Newfoundland and Labrador are currently undergoing transformational changes in their waste management systems so their costs are expected to change substantially over the coming years.

Cost estimates will change according to specific program components adopted. Note that the revenues from the current deposit return programs are expected to remain with the program operators in these assumptions (see Section 1.4.3).

The significant line item not included at this time is the overall Program Management costs for the PRO, which would include such things as information technology systems, accounting processes, management, data auditing and verification work, and reimbursement of provincial enforcement costs. A PRO would need to develop cost estimates for this part of the program.

Note: These partial cost estimates are a starting point for further analysis going forward with program planning. More accurate estimates may be developed as program planning proceeds.

Exhibit 11: Preliminary (Partial) Estimates of Steward Obligation Amount for Supply Chain Costs in 2018-19 (Potential Launch Date for EPR)

Statistics	PEI	NS	NB	NL	Atlantic
Population served					
Provincial population	140,204	921,727	751,171	514,536	2,327,638
Population access to recycling %	100%	100%	100%	100%	100%
Packaging and paper diversion					
Amount consumed per capita (kg)	78	78	78	78	78
The total market of packaging and paper (t/per capita by population)	10,967	72,098	58,757	40,247	182,070
Target % collection (<i>Example of 60% provinces may choose a different %</i>)	60%	60%	60%	60%	60%
Target tonnage (t / % of market)	6,580	43,259	35,254	24,148	109,242
Preliminary producer obligation amount for supply chain costs and promotion and education reimbursement					
Packaging and paper net \$/t	425	400	425	475	431
Packaging and paper total \$	\$ 2,796,557	\$ 17,303,604	\$ 14,983,112	\$11,470,534	\$ 46,553,807
Producer obligation at 80% reimbursement	80%	80%	80%	80%	80%
Producer obligation \$ at 80% reimbursement	\$2,237,246	\$13,842,883	\$11,986,490	\$9,176,427.48	\$ 37,243,046
Producer obligation at 100% reimbursement	100%	100%	100%	100%	100%
Producer obligation \$ at 100% reimbursement	\$2,796,557	\$ 17,303,604	\$14,983,112	\$11,470,534	\$ 46,553,807

The *estimated* producer obligation amounts are for supply chain and promotion and education reimbursements only and are the result of progressive calculations as follows:

- **Provincial populations** are based on the Statistics Canada 2011 Census.
- **Population access** percentages specify the proportion of residents expected to be served in a future EPR program based on anticipated levels of service once current infrastructure plans are fully implemented (see Section 2.2).
- **Population served** is derived from the total population multiplied by the population access.
- **Packaging and paper per capita** is the estimated amount of materials consumed by residents in each province. This is an average of the rates calculated for Ontario, Manitoba, and British Columbia (69kg, 109kg, and 56kg respectively). A more specific calculation should be developed as part of program implementation which accounts for the relatively high tourist contribution to material volumes in PEI.
- **Total Market** tonnages are the result of per capita rates multiplied by population served in each province.
- **Target % packaging and paper** is the desired aggregate rate for diversion/recycling of materials in each province. The rate selected for this analysis (60%) is the rate for Ontario.
- **Packaging and paper target tonnages** are the result of market tonnages multiplied by the target percentage.
- **Packaging and paper net costs per tonne** are adjusted Ontario values. This will depend on what materials are included. The base estimate is equivalent to the “rural south” cost of \$400/t in Ontario (see Exhibit 10), then costs are adjusted upward to reflect the balance of urban/rural settlement and proximity to end markets.
- **Packaging and paper total costs** are the result of multiplying target tonnages by net costs per tonne.
- **Producer obligation percentages** are set to the desired level for Atlantic Canada based on interview findings.
- **Producer funding obligations** are the annual reimbursements for eligible costs obtained by multiplying the tonnage total costs by the producer funding obligation percentages.

Key Uncertainties:

- Waste packaging and paper per capita (ranging from 56kg to 109kg)
- Net costs per tonne (ranging up to \$600/t)
- Based on programs that include steward fees for boxboard (in Halifax boxboard is composted not recycled).

1.4.3 Deposit Return Systems for Beverage Packaging

Deposit return systems for beverage packaging exist in all four jurisdictions. The programs are funded by consumers and are managed directly or indirectly by public agencies under legislative or regulatory mandates. The packaging included in the deposit return programs across all four jurisdictions are very similar. The following summarizes the respective programs.

- **Nova Scotia:** The deposit return system for beverage containers was established in 1996 under the province’s Solid Waste Management Regulations and is managed by the RRFB Nova Scotia through a network of licensed independently owned and operated “Enviro-Depots”. The program is a “half back” deposit system under which 50% of the deposit on each container is refunded upon return.
- **New Brunswick:** The New Brunswick Beverage Container Program operates under the authority of the 1992 *Beverage Containers Act*. Distributors are directly responsible for collecting and recycling the containers that they introduce into the New Brunswick market. Soft drink distributors established Encorp Atlantic Inc. as a means to work collectively in an effort to meet their obligations under the Act, while ANBL (Crown Liquor Corporation) manages their own containers and obligations. Both Encorp Atlantic Inc. and ANBL have submitted beverage container management plans acceptable to the Minister. The New Brunswick program is a “half back” deposit system under which 50% of the deposit on each recyclable container is refunded upon return. Refillable beverage containers are managed by way of a “full back” scheme. The Department of Environment and Local Government licences independently owned “Redemption Centres” charged with counting and sorting the containers returned by consumers.
- **Prince Edward Island:** Since May 2008 all non-fillable beverage containers, except those for dairy products, have been part of the province’s beverage container management system which operates a half back deposit return program with containers being returned to container recycling depots. The program is provincially operated.
- **Newfoundland and Labrador:** The Used Beverage Container Recycling Program has been operating since 1997 and is managed by the Multi-Material Stewardship Board under the authority of the Waste Management Regulations. It operates with 50% back on alcohol beverage containers; and approximately 70% back on non-alcoholic containers. Surpluses from the program go to the Waste Management Trust Fund. Containers are returned to a network of Green Depots operated under licence to the MMSB.

Beverage Container Recovery Rates

National data collected on beverage container recovery rates consistently shows the high rates of recovery achieved by deposit return systems in contrast to non-deposit return systems. Recent data shows that deposit return jurisdictions have a total recovery rate of 84% and non-deposit programs have a recovery rate of 52%⁶.

⁶ CM Consulting 2012, Who Pays What Report: An Analysis of Beverage Container Recycling in Canada

Exhibit 12: Jurisdictional Collection Rates, All Beverage Containers, 2010⁷

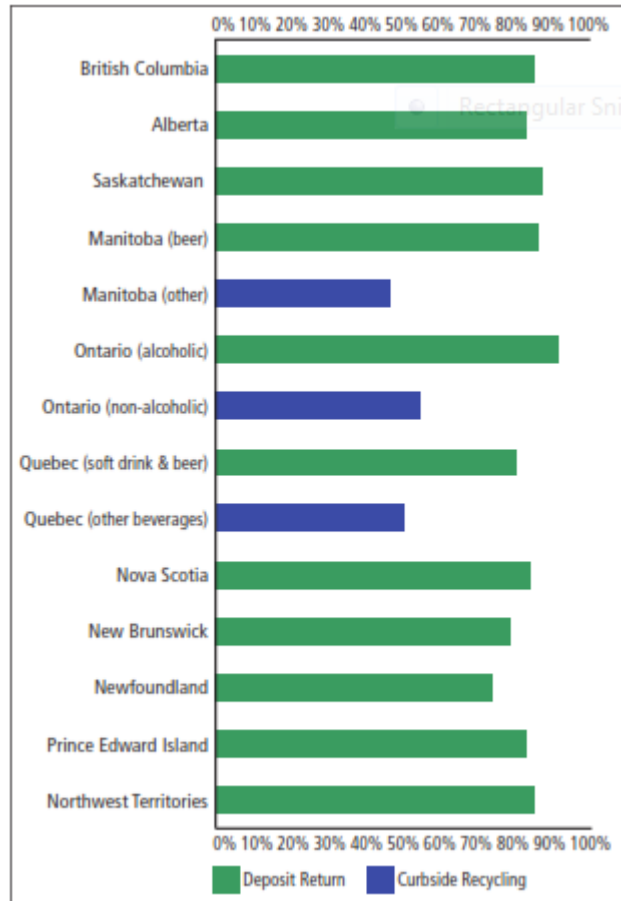
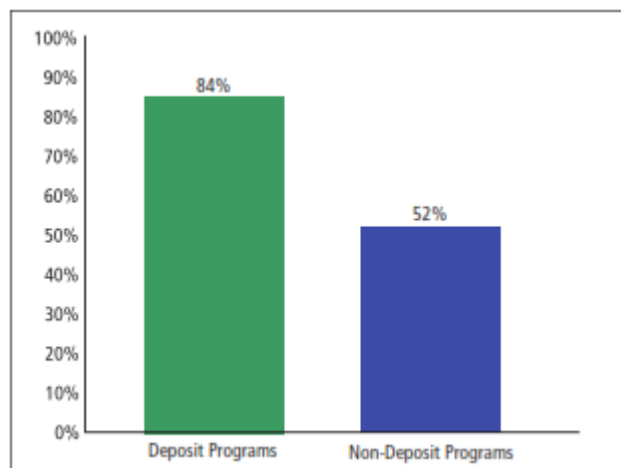


Exhibit 13: Deposit Return Program Performance 2010⁸



Note: It is recommended that beverage packaging continue to be managed through the deposit return systems. This may be specified in a regulation.

⁷ CM Consulting 2012, Who Pays What Report: An Analysis of Beverage Container Recycling in Canada

⁸ CM Consulting 2012, Who Pays What Report: An Analysis of Beverage Container Recycling in Canada

1.4.4 *Producer Contribution Percentage*

Exhibit 14 presents the % producer contributions used in other Canadian waste packaging and paper programs including Manitoba, Ontario, and Québec, BC (2014) and Saskatchewan (2015)⁹.

Exhibit 14: Five Canadian Models that Involve Producers in Funding % Net Costs

	Current Programs			Planned Programs	
	Manitoba	Ontario	Québec	BC	Saskatchewan
% Net Costs Paid by Industry	80%	50%	100%	100%	75%
Model	Municipality-Operated	Municipality-Operated	Municipality-Operated	Industry-Operated (May 2014)	Municipality-Operated (January 2015)

Advantages of Requiring 100% Producer Contribution

- Québec was the first province to set a precedent and move to a 100% shared responsibility EPR model while retaining municipal control of collection and processing.** Moving from 80% to 100% does not mean loss of control by regional authorities (that would only happen in a full EPR model where producers are designated in a regulation to control collection and processing, such as in BC). Québec increased their percentage of producer funding to their shared responsibility model in an incremental fashion, moving up the percentage scale every couple of years. These planned increases to the contribution amount were outlined in a regulation, and the province ensured the retention of municipal control of collection and processing. This type of change may be stated in a regulation. Note that Québec has also mandated that producers pay 50% of the cost of disposing of residuals at the materials recovery facility (non-recyclables or contaminated recyclables – the other 50% is shared with municipalities).
- A higher percent contribution will ensure that the vast majority of recycling costs are covered and would decrease the reliance on landfill tipping fees to subsidize recycling expenses.** Municipal and regional authorities in New Brunswick indicated that a 100% producer financing contribution is desirable for this new program because in some regions of New Brunswick the tipping fees on landfill materials help cover the costs of recycling programs (cross-subsidy). If there are strong drivers to increase waste paper and packaging recycling (targets, action plans, regulations), then there will be less material being sent to landfill which will reduce revenues and increase total recycling costs simultaneously. In addition, taxpayers will be relieved of the financial responsibilities for waste that they were not parties to designing or using. For this reason, regional operators are aware that to make this transition financially sustainable and most effective from an environmental perspective, the highest level of producer contribution is important.

⁹ Saskatchewan's program was originally set for launch in 2014 but has been delayed until 2015 to allow time for infrastructure to be in place in all regions of the province to ensure a standard level of service is in place.

- **It's possible that national retailers located in Atlantic Canada are already over-charging Atlantic consumers for costs that they are obligated to pay to EPR programs in other jurisdictions.** Often, national retailers set their prices nationally and therefore it is possible that Atlantic consumers are indirectly contributing to recycling programs in other provinces because the producer costs in other provinces are built into the costs of packaging and products which are in most cases marketed on a national basis. Setting a higher percentage contribution ensures that Atlantic costs will be covered and financing will flow to collectors and processors based in Atlantic Canada.

Disadvantages of Requiring 100% Contribution / Advantages of Requiring 80% Contribution

- **Municipalities should be cautioned to not view the producer funding as “additional” funding that they will have on top of current recycling costs covered by property taxes.** Under a new EPR model, the general public will expect to see associated reductions in their property tax bills for specific recycling collection costs which will now be financed by producers rather than the tax base. Municipalities across all four provinces will have to deliver on this expectation when this new program is implemented to ensure that the true EPR model of transitioning costs from the taxpayer base to producers is fully realized. If the Atlantic program is set at 80% producer funding municipalities can still charge taxpayers for a small portion (~20%) of recycling collection costs so the demand to see these costs completely removed from the property tax bill will be reduced.
- **The volume of waste packaging and paper to be recycled in Atlantic Canada is much smaller than other provinces due to lower populations.** The costs to administer the program (“back-office” services such as information technology, accounting services, staff, etc.) largely remain the same regardless of how much volume of waste packaging and paper is recycled, so in provinces with lower volumes due to lower populations the costs to run the program can be much higher than in provinces with higher populations. In Manitoba the program management cost is almost 14% of net costs while in Ontario it is 2.4%, and Québec 3%. Atlantic Canada’s program will likely be slightly more expensive than the others and similar to Manitoba’s rate, if a 100% producer contribution amount is used.

Note: The % contribution may be designated in a regulation.

1.4.5 Exemption Options to Consider

Current Exemptions in Existing Programs

The following table presents current exemption conditions, called “De Minimis” thresholds, below which companies would not need to contribute financially to program operations.

Exhibit 15: De Minimis Conditions to Exempt Producers in Existing Programs

Details	ON	MB	BC	QC
Exemption Conditions	<\$2M in revenues; or <15 tonne waste packaging and paper supplied onto market. Newspaper sector is exempt.	<\$750,000 in revenues from MB market	<\$1M in revenues; or <1 tonne waste packaging and paper supplied onto market; or Business operates as a single point of retail sale and is not supplied by or operated as part of franchise, chain or under a banner; or Is a registered charity.	<\$1M in revenues; or <10 tonnes waste packaging and paper supplied onto market.
Flat Fee for Small Business?	No	No	Yes: \$150 flat fee annually to submit declaration. \$550 for producers that supply 1-2.5 t waste packaging and paper to market; \$1200 for producers that supply 2.5-5 t waste packaging and paper to market	No
Population (2013)	13,538,000	1,265,000	4,582,000	8,155,300

In other programs, producers that meet any of the De Minimis criteria are required to register with the stewardship organization and sign an annual declaration indicating they fall within the exemption threshold. Manitoba, a province with a small population compared to the other provinces in the exhibit above, is applying a much lower threshold for exemptions due to its smaller business base compared to the other provinces listed. It is important to select a De Minimis threshold that would make sense for Atlantic Canada as an entire region.

Only one Canadian program has proposed using a flat fee for low volume paper and packaging producers. This approach has proved difficult for the BC program launch. In an effort to provide a level playing field which is indeed an important aspect for producers who desire fairness in the program, utilization of a flat fee for very small volumes of packaging and paper placed on the market has resulted in confusion about the program and entire sectors of businesses have stated that they are not willing to participate and have launched advertising campaigns to halt the launch of the program until further consultation takes place. Putting the onus on small businesses to estimate and track the amount of waste packaging and paper they produce and place onto the market in order to determine if they fall within can be viewed as burdensome.

The Atlantic Business Community

There is a smaller business base in Atlantic Canada compared to all other provinces. For example, preliminary data available from Industry Canada¹⁰ shows that for 2011 in all of Atlantic Canada's four provinces combined there were:

- 18 paper manufacturing businesses
- 1820 food and beverage retail stores (grocery, specialty, alcohol)
- 352 general merchandise / department stores
- 380 office supply / stationary stores.

The highest nine revenue-earning companies out of the 18 paper manufacturers identified have less than \$650,000 in annual revenue. There is a larger food and beverage retail sector and within this group, the highest portion of revenue-earners (representing approximately 910 out of 1820 businesses), have approximately \$1.5M in annual revenue.

Recommendations:

- **Further impact analysis may be needed on the Atlantic business sector:** A more detailed impact assessment of the businesses that contribute packaging and paper onto the Atlantic market is warranted prior to recommending whether an exemption is preferable or not. It would be best to have the analysis conducted on 2-3 options (e.g. no exemption, and 1 or 2 threshold exemptions) to allow for a comparison among options, leading to a well-informed decision with a full understanding of the potential burden on small business.
- **Conducting market analysis on the Atlantic business sector demonstrates that Atlantic governments have the interests of the Atlantic business community in mind.** Other provinces have left the establishment of exemptions up to a Producer Responsibility Organization (PRO) to decide in their Program Plan and this has proven to cause confusion and a perception of major financial impacts to small businesses in some provinces (e.g. BC). It has resulted in strained public relations among the PRO and local business community, as well as between regulators and the local business community who feel abandoned.

Note: Exemptions may be written in a regulation.

¹⁰ Industry Canada SME Benchmarking Tool. Accessed April 2014. <http://www.ic.gc.ca/eic/site/pp-pp.nsf/eng/home>

1.5 Processes to Define and Verify Eligible Net Costs

Developing a new shared responsibility EPR model includes defining the eligible net costs to be reimbursed by producers. This sub-section reviews existing process to define eligible net costs.

1.5.1 Defining and Verifying Eligible Net Costs

Defining eligible net costs of recycling is currently done differently among programs – see below.

Ontario's Approach :

In Ontario, the eligible net costs are outlined in a Program Plan developed by the PRO, and approved by WDO. The 2002 Waste Diversion Act required a Program Request Letter from the Minister of Environment to WDO to authorize development of the program. The Program Request Letter outlined that the Program Plan should include:

- The *method* for municipalities to use to calculate the total net costs incurred for recycling;
- The *funding formula* to be used for determining payments to municipalities, including variations in costs dependant on north/south and urban/rural differences; and
- A funding *performance incentive* to encourage program efficiency and effectiveness.

WDO, together with Stewardship Ontario (PRO) developed the calculation method for municipalities, the funding formula to determine payments to municipalities, and all related incentives to encourage program efficiency and effectiveness. These are all outlined in the Program Agreement – a contractual arrangement between Stewardship Ontario and WDO. An annual datacall by WDO collects recycling program cost, volume, and system type information from all communities. The data from these communities is verified, analyzed, and entered into the municipal funding cost model.

Cost containment: there are extensive policies and practices that municipalities must follow to receive their funding contribution such as: following WDO guidance for awarding contract arrangements that reduce costs; using WDO sanctioned service delivery frequencies and type of collection services; using WDO guidance for service sharing arrangements; participating in municipal data call audits; and providing data to WDO on revenues, capital expenditure planning, and annual budgets.

Net Eligible Costs Defined in the Ontario and Saskatchewan Programs Include:

- Where the collection service is contracted, payments to contractors;
- The amortized cost of collection containers;
- Where the collection service is delivered with local government staff:
 1. The amortized cost of collection vehicles;
 2. Collection operating costs including:
 - Salary, overhead and payroll, staff training expenses
 - Vehicle repair and maintenance, and fuel
 - Advertising expenses such as radio airtime, graphic design, printing, postage etc.
 - Licenses and permits, insurance
 - Utilities, rent or lease costs, taxes
 - Interest on debt to acquire buildings, equipment or vehicles
 - Information technology for program service
 - Legal costs for program service

Manitoba’s Approach:

In Manitoba, the eligible net costs are outlined in an approved Program Plan¹¹. MMSM uses funding rates according to municipal categories based on population size. An “efficiency standard” was introduced as the basis for setting the funding rate for each category. Manitoba’s table of costs per metric tonne is as follows.

Population Category	Rate per metric tonne *
0 - 1,000	\$324.22
1,001 - 5,000	\$234.68
5,001 - 15,000	\$190.46

Manitoba’s Efficiency Standard used to Evaluate Municipal Costs¹²

1. An annual datacall collects recycling program cost, volume, and system type information from all participating communities. The data from these communities is verified, analyzed, and entered into the municipal funding cost model.
2. Communities will be sorted into categories based on population, and the median cost for each population group will be determined based on the average net per tonne recycling costs for those communities within that population category.
3. Communities within each population category will be paid 80% of the median net cost per tonne for that population category. This will determine the “efficiency standard” for that group for that particular year.
4. Communities operating at a cost below the efficiency standard will receive funding at a level greater than 80% of their cost while those communities that are operating at a cost higher than the efficiency standard will receive less than 80% of their cost, thus providing an incentive to lower costs.
5. During Year 1, criteria are established to define whether recycling programs should be considered to be operating at best practice. The reported cost for communities that do not meet the best practice criteria will not be included in the median net cost calculation. As with program costs that are analysed to be statistical outliers, the costs for such communities will not be used to calculate the efficiency standard for any particular population category. However, those communities still will be eligible to receive recycling support payments.
6. If a community or group of communities is of a sufficient population size or contains other distinctive characteristics that drive its recycling costs, consideration will be given to creating another population category for the purpose of calculating recycling funding rates.

¹¹ MMSB PPP Program Plan (2009). http://stewardshipmanitoba.org/wp-content/uploads/2013/MMSM_PPP_Program_Plan_June_22_09_Plan_and_Appendices.pdf

¹² IBID

Québec's Approach:

In Québec, the funding formula for municipalities to follow was developed by the government and written into the regulation. Some municipalities, particularly the largest ones, are not happy with the formula.

The importance of avoiding arbitration between producers and municipalities has been important in this province. In 2011 Québec moved from a negotiation process to one with a clear set of rules on eligible municipal expenses and a set amount for administrative overhead (8.55% of net costs). RecycQuébec does the necessary quantification and activity based accounting to verify municipal net costs (similar to the WDO role in Ontario).

They have 6 basic municipal cost brackets based on differentiation by municipal size, population and other factors. Cost formulas are different depending on which group a municipality is in. Municipalities are penalized for being late with filing their costs for payment by EEQ (PRO).

1.5.2 Summary Points on Eligible Net Costs

- **Some provinces delegate the development of municipal cost formulas to the PRO and it is outlined in a Program Plan, while other governing bodies develop their own municipal cost formula.** Atlantic Governments may wish to review in detail both of these formulas and decide if they wish to develop a formula for their regulation or delegate to a PRO.
- **Some provinces use variable cost rates to encourage efficiency.** In Manitoba, if a municipality is operating at a cost below the efficiency standard they will receive funding at a level greater than 80% of their cost while those communities that are operating at a cost higher than the efficiency standard will receive less than 80% of their cost, thus providing an incentive to lower costs. Atlantic Governments may wish to consider this issue as they move forward with further analysis of municipal cost formula assessment.
- **In all EPR programs where producers fund a percentage of municipal net program costs, there is a requirement to verify eligible net costs.** This verification process is extensive. It typically requires adherence to use of formal methodologies outlined in a program plan and verified by auditors. Municipalities, regional commissions, and other parties involved in collection and processing in Atlantic Provinces will be faced with the following types of changes: they will need to ensure that approved formulas to monitor and track waste packaging and paper collected and processed are utilized by service staff; they may have additional processes to implement such as formal approval of expenses by their own auditing service / accountants; and they must to be open to extensive scrutiny regarding their costs by PRO third party auditors who may randomly audit their submitted expenses. Expenses that may not be included in net costs submitted for reimbursement typically include: revenue from processed material sales; processing fees charged at municipal MRFs (materials recycling facility); revenue from sale of containers; or revenue from grants or other funding.

Note: The process to define the methodologies used for tracking costs may be outlined in a regulation (as in Québec), or left up to producers to define in their Program Plan. The verification process used to audit collection and processing expenses is typically developed by the PRO.

1.6 Designated Packaging and Paper

It is recommended that the recycling programs be standardized with the same designated lists of packaging and paper for all four Atlantic Provinces. The types of packaging to be included in the program may be listed and examples cited.

The description of paper may be more inclusive than in some programs and not be limited to printed paper but rather also include general use paper (which, if adopted, would move away from using the “PPP” (packaging and printed paper) terminology since the category would then be more broad-based than packaging and printed paper and include all general use paper). The following list was developed based on a review of material lists from other Canadian programs. The material lists recently published in the newly released National Stewards Guidebook by the Canadian Stewardship Services Alliance¹³ may also be useful to examine specific material types in more detail.

1.6.1 Definitions

The program regulation may include definitions of packaging categories, and of paper. For example:

- Generic descriptions of packaging:
 - *Primary packaging*
 - *Secondary packaging*
 - *Transportation, distribution or tertiary packaging that goes to a household*
 - *Service packaging designed and intended to be filled at the point of sale and “disposable” items sold, filled or designed and intended to be filled at the point of sale*
 - *Packaging components and ancillary elements integrated into packaging (BC Recycling Regulation)*

- Generic descriptions of paper:
 - *Paper that is not packaging, but is printed with text or graphics as a medium for communicating information, and includes telephone directories, but does not include other types of bound reference books, bound literary books, or bound text books (BC Recycling Regulation)*
 - *Paper that is not packaging, but is used in the home for copying, writing or other general use.*

¹³ Canadian Stewardship Services Alliance 2014. National Stewards Guidebook – Part Three Material Lists.
<http://guidebook.cssalliance.ca/table-of-contents/>

1.6.2 Designated Material Lists

The following list is drawn from current programs. Note that another way of looking at the material lists more specifically by packaging type is presented in Appendix B¹⁴.

- Priority standardized list of materials conventionally collected and recycled in many programs:
 - *Dry and clean paper (fine paper)*
 - *Newspapers, flyers*
 - *Glossy magazines, catalogues*
 - *Envelopes*
 - *Paper egg cartons*
 - *Paperback books & phone books*
 - *Corrugated cardboard*
 - *Boxboard¹⁵*
 - *All plastic containers, tubs and lids*
 - *All plastic bags including: grocery, retail, bread, dry cleaning & frozen food bags, bubble wrap*
 - *Glass bottles and jars*
 - *Steel & aluminum cans*
 - *Aluminum foil & plates*
 - *Paper packaging coated in wax or plastic*
 - *Aseptic packaging*

- Other materials which are not widely recycled presently in the Atlantic region:
 - *Aerosol containers*
 - *Plant pots, Flower box/wrap*
 - *Plastic clamshells*
 - *Hot and cold disposable drink cups, disposable plates, take-out and home delivery food service packaging*
 - *Food wraps provided by the grocer for meats, fish, cheese, etc.*
 - *Prescription bottles*
 - *Gift wrapping/tissue paper*
 - *Construction/craft paper*

Over time packaging will change and newer packaging materials and designs will appear in the marketplace. Waste characterization studies and reviews of in-store packaging are techniques that may be used to review and update the listing of designated materials.

Note: Definitions of waste paper and packaging may be outlined in a regulation. The designated material lists may be referred to in the regulation as a companion document to facilitate regular updating.

¹⁴ Canadian Stewardship Services Alliance (CSSA) Guidebook, 2014

¹⁵ Boxboard is composted as part of the organics program in Halifax Regional Municipality (and is widely recycled in the rest of Nova Scotia)

1.6.3 *Non-Recyclable Packaging*

The primary objective of the packaging and paper framework can be to both maximize the diversion of materials from disposal but also to encourage and support the redesign of packaging so that it is sustainable and meets design for environment goals such as reduced use of materials and enhanced recyclability. The CCME's October 2009 Canada-Wide Strategy for Sustainable Packaging prompts these concepts and adopted the Sustainable Packaging Coalition's definition of sustainable packaging as follows¹⁶:

The SPC definition states sustainable packaging:

- 1. Is beneficial, safe and healthy for individuals and communities throughout its life cycle*
- 2. Meets market criteria for performance and cost*
- 3. Is sourced, manufactured, transported, and recycled using renewable energy*
- 4. Maximizes the use of renewable or recycled source materials*
- 5. Is manufactured using clean production technologies and best practices*
- 6. Is made from materials healthy in all probable end-of-life scenarios*
- 7. Is physically designed to optimize materials and energy*
- 8. Is effectively recovered and utilized in biological and/or industrial cradle-to-cradle cycles.*

In non-packaging EPR programs producers are obligated to not only to fund and run the collection programs but are also given direct responsibility for the processing and marketing of the collected materials. In the case of EPR programs for tires for example producers have had to fund and support the development of processing capacity and end markets. This has led to the building of processing capacity that did not exist before and investment in new end market businesses that have used the recycled tire crumb rubber for the manufacture of a whole new range of products including truck mats, roofing shingles, animal bedding and garden mulch.

In a shared responsibility EPR framework the ability to influence packaging design is less direct than under a full EPR model where producers would be responsible for not only funding but also program operations. In a shared responsibility framework municipalities will operate the system from collection through to processing and be funded by producers but producers will have no direct operational role, so the goal of sustainability needs to be tempered by the realities of the shared roles and responsibilities of both municipalities, provinces and producers.

Despite the fact that direct influence over packaging design does not exist under the shared framework in contrast to a full EPR model there are two areas where public sector influence over packaging sustainability and non-recyclability can be exercised – through the designation of packaging and materials for collection and through the promotion and adoption of sustainability guidelines.

Packaging Designation

The framework could help to drive packaging sustainability by ensuring that the designation of packaging and materials is as broad and as comprehensive as possible and that the list of eligible

¹⁶ CCME Canada-Wide Strategy for Sustainable Packaging, October 2009, page 9

materials for collection is adjusted over time to account for changes in materials and packaging designs in the marketplace. Municipalities would have the ability under the shared responsibility framework to collect materials which were traditionally viewed as non-recyclable – various types of multi-laminate packaging or stand up pouches for example – and seek processors and markets for the collected materials. Any such collection and processing would become a financial obligation of the producers under the agreed funding formula if this packaging was “designated”. Any higher costs paid by municipalities to collect and process problematic packaging would be eligible for funding by producers under the shared model.

The limitation on this approach is the inability of municipalities to directly invest in or otherwise support new markets as is done by producers in full EPR programs. Municipalities might collect problematic packaging and find there is no market for it. Such a problem already exists with glass containers in many parts of the Maritimes and could also occur with packaging which is more complex and expensive to process and difficult to market.

The ability of municipalities and provinces to designate new packaging for eligibility under the framework could however serve to let producers know that their financial obligations could change as pressures develop to collect newly marketed packaging types. While the relatively small market represented by the Maritimes might have a limited influence, it is known that packaging stewards are starting to track and cost problematic packaging which “disrupts” the normal collection and processing systems. Penalties are starting to be assigned to producers whose packaging designs and materials create costly challenges for processing and marketing such as glass containers with ceramic caps and paper reinforced with plastic. This is being done in France, and in Ontario differential higher fees are being assigned to certain types of non-coded plastics and for differently coloured PET bottles (clear/blue PET - \$0.0037/unit; coloured \$0.009/unit)¹⁷.

Another approach to “disrupter” materials is being used in Québec. In Québec non-recyclable/non-designated packaging that gets collected by the curbside recycling programs has been estimated to be as much as 15% of the total weight collected. Under the terms of the provincial/Recyc-Québec agreement with ÉEQ producers are obligated to pay 50% of the net costs of managing these residual materials which are then disposed of. These costs are therefore some incentive to producers to not only assist through promotion and education in minimizing non-recyclable materials entering the collection system in the first place but also to consider packaging design. There is however no evidence to date to suggest that the costs have had any influence and it is unclear whether this financial incentive is sufficient to actually result in any packaging redesign.

Promotion and Adoption of Sustainability Guidelines

One jurisdiction which appears to have seriously attempted to address the issue of packaging sustainability and eco-design is Québec, where by 2016 producers will be required to determine actual costs for each product category managed under EPR programs and to adjust costs based on environmental characteristics and end-of-life management. In the packaging area this policy is supported by the *Voluntary Code for the Optimization of Containers, Packaging and Printed Matter*

¹⁷ Victor Bell, Environmental Packaging International, Product Stewardship Institute webinar presentation, March 19, 2014

developed by ÉÉQ. The Code is a proactive approach which supports companies in the adoption of best practices for the design of packaged products and printed matter in consideration of the product life cycle. The Code's general objectives are as follows¹⁸:

- Help companies better understand and manage the environmental impacts of their packaging and printed matter;
- Provide a framework to increase consistency among packaging optimization initiatives;
- Give companies the tools to design better packaged products and printed matter;
- Create a directory of information on packaging optimization and best company practices;
- Promote and recognize signatory companies.

The initiative has worked to gather information on packaging sustainability, establish a multi-disciplinary committee of experts, develop and apply a survey of packaging, set up focus groups and meet with business associations. Over the years since the beginning of the initiative there has been a staged review of particular sectors looking at manufacturers and retailers; fast food and quick service restaurants and general services. The review will lead to work being undertaken in 2014 and next year to review and adjust the ÉÉQ stewardship fees and individual packaging and materials contribution schedules in light of the findings. This work will likely lead to “disrupter” fees and will in addition support the provincial objective of segregating costs by products and materials rather than aggregating costs of collection and processing all together.

Note: Atlantic Governments may wish to consider the issue of non-recyclable packaging and the examples identified on methods to attempt to address it.

¹⁸ Éco-Entreprises Quebec, Voluntary Code for the Optimization of Containers, Packaging and Printed Matter, Product Stewardship Institute presentation, October 18, 2011

1.7 Stakeholder Roles and Responsibilities

Defining major stakeholder roles and responsibilities will be important as the program is designed. The following outlines some key considerations for reflection in relation to the following stakeholder groups: producers, municipal / regional authorities, and provincial regulators.

1.7.1 *Producer Responsibilities*

Definitions of a Producer / Steward

Producers may be defined in a regulation with obligations described. This may include individual obligations or collective obligations. In both Canada and the EU producers have most often formed collective organizations to undertake their responsibilities. This demonstrates that businesses prefer to operate based on economies of scale to improve efficiencies.

Examples of definitions are outlined below for consideration.

From the Saskatchewan Household Packaging and Paper Stewardship Program Regulations:

A producer is:

- a) The brand owner with respect to the packaging or paper, unless the brand owner is a non-resident brand owner;*
- b) If there is no brand owner as described in clause (a), the person that first imports the packaging or paper into the jurisdiction; or*
- c) If there is no brand owner as described in (a) or person that first imports the packaging or paper as described in clause (b), the purchaser of the packaging or paper outside of the jurisdiction that purchases it for use in the jurisdiction.*

The CSSA Stewards Guidebook¹⁹ offers the following definitions:

A brand owner is an organization or company that is the registered trademark holder associated with the packaging or printed paper. If the brand/trademark is unregistered, then the steward responsible becomes the organization or company that owns the intellectual property rights to the brand/trademark.

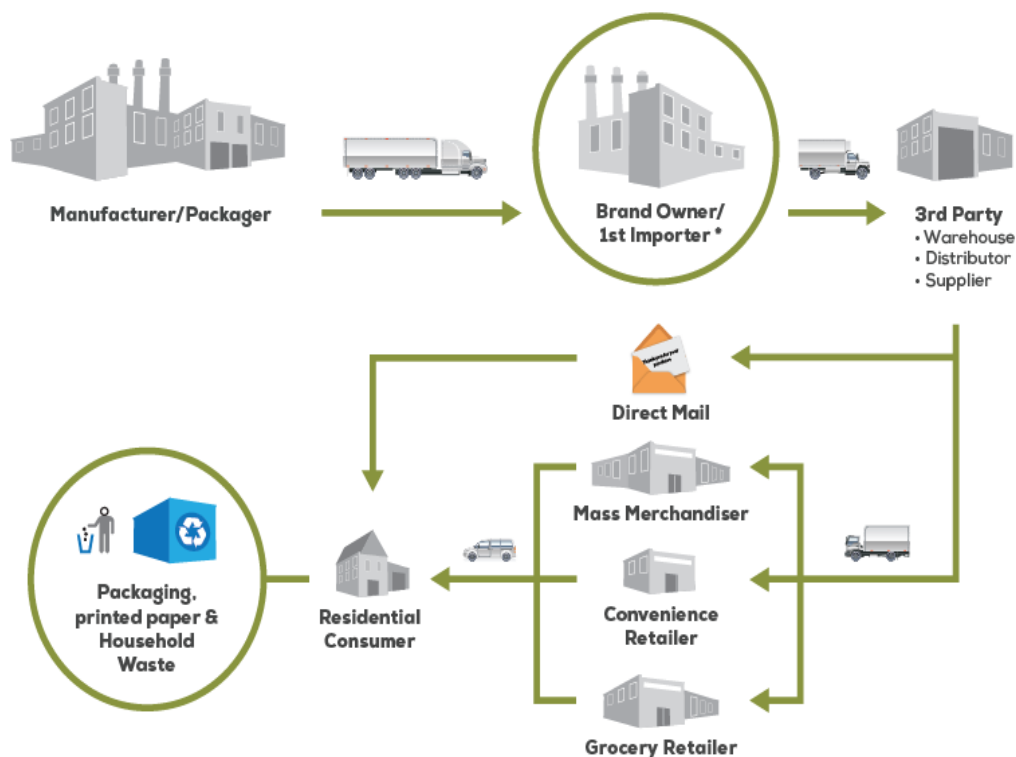
A first importer is a company that is the first to take title to, possession of or control of products in one of the regulated provinces where the brand owner does not have residency and where a Canadian-based non-resident brand owner has not joined the stewardship agency as a voluntary steward.

¹⁹ Canadian Stewardship Services Alliance 2014. National Stewards Guidebook. <http://guidebook.cssalliance.ca/table-of-contents/>

A franchisor is similar to a brand owner in the obligated provinces since it is considered to be:

- a) A business or organization that is a registered trademark holder or licensee of a trademark/brand;*
- b) A business or organization that owns or is a licensee of intellectual property rights of a trademark/ brand;*
- c) A resident franchisor is the responsible steward for all packaging and printed paper that is supplied by its entire franchise system in these provinces. A Canadian-based franchisor not resident in an obligated province can become a voluntary steward.*

The CSSA Stewards Guidebook demonstrates what it means to be a steward and who exactly the Brand Owner or 1st Importer is in the packaging supply-chain as follows²⁰:



*The brand owner and first importer that directly or indirectly supplies to the residential consumer is a steward.

²⁰ Canadian Stewardship Services Alliance 2014. National Stewards Guidebook. <http://guidebook.cssalliance.ca/table-of-contents/>

Responsibilities of Producers

The designated responsibilities of producers may be outlined in a regulation. The following example is adapted from the Saskatchewan Household Packaging and Paper Stewardship Program Regulations²¹.

- Designated producers are (individually or collectively) responsible to meet regulatory obligations;
- Producers are responsible for funding of net municipal program costs but have no direct operational responsibilities;
- Producers share responsibility with municipalities for program promotion and education (if this is decided upon);
- Producers have an obligation and an interest with respect to compliance promotion and ensuring participation from all potentially obligated producers;
- Producers have reporting requirements to the Provincial Government(s) or to a third party designated by the Provincial Government(s) (see Section 2.4 Implementation Plan);
- Producers have responsibilities to produce audited financial statements on an annual basis.
- Producers are responsible for preparing and filing a stewardship plan (by a specified date) indicating how they individually or collectively propose to fulfill their obligations and to meet the established diversion targets;
- Producers could be required to include certain components in their Program Plan. Examples are provided below.
 - *Mandate of the Stewardship Agency /PRO*
 - *Responsibilities of Stewards*
 - *Responsibilities of Board of Directors and Advisory Committee(s)*
 - *Outline of the PRO Management Structure*
 - *Definitions and Sources of Waste Packaging and Paper*
 - *Overview of How the Program Represents Interests of Stakeholders*
 - *Funding Process for Collection and Recycling Costs*
 - *Definition of Recycling Net Eligible Costs*
 - *Measurement and Verification Processes to be Used for Recycling Expenses*
 - *Collector and Processor Policies and Procedures to be Used*
 - *Dispute Resolution Process*
 - *Communications Plans*
 - *Program Launch Date*

Note that in most other Canadian programs, producers typically needed up to one-year to develop and submit a Program Plan in fulfillment of stewardship regulations.

²¹ Adapted from the Saskatchewan Household Packaging and Paper Stewardship Program Regulations.

1.7.2 *Municipal / Regional Authority Roles and Responsibilities*

Under a shared responsibility framework municipalities or regional service authorities or delegated contractors as applicable would continue their current roles and be directly responsible for the collection of designated material through current programs.

Responsibilities of a Municipal or Regional Service Commission

Current responsibilities for the processing and end marketing of collected recyclables would remain the same in the new framework. Examples of specific responsibilities that may be outlined in a regulation include the following.

- Municipalities or regional service authorities continue current arrangements for establishing and/or operating curbside and/or depot collection systems for the designated waste packaging and paper materials;
- Municipalities or regional service authorities continue current arrangements for processing collected materials;
- Municipalities or regional service authorities would continue current methods of program promotion and education and these expenses would be included in the list of net eligible costs for reimbursement by producers. There may also be promotion and education costs borne by producers for communicating the new program to obligated stewards during program implementation, these costs would also be included in program administration costs of the producer organization.

Atlantic governments may also chose to define the places from which waste packaging and paper will be collected in this program, and this may be included in a regulation. For example:

- Waste packaging and paper would be collected from the following sources:
 - *Single family residences*
 - *Multi-family residences*
 - *“Streetscapes” – public spaces including sidewalks, public squares/spaces, parks, beaches*
 - *Small business commercial generators as an adjunct to or as part of a residential recycling collection route, at municipal/regional authority discretion.*

1.7.3 *Provincial Roles and Responsibilities*

Under a new EPR program the provinces or their delegated authorities would be responsible for providing the necessary regulatory framework to ensure that producer obligations are enforced, and that producers are operating in accordance with their Program Plan.

Responsibilities of Provincial Regulators - Enforcement

Enforcement responsibilities would be undertaken in accordance with each provincial authority, and where it makes sense to do so provinces may decide to work together to conduct joint enforcement activity where producers operate regionally across more than one province.

Enforcement activities include both assisting the PRO to obtain participation via financial contributions from obligated producers, and also other possible enforcement activity such as conducting waste audits of material destined for landfill to gauge success of promotion and education programs, or even performance audits of the PRO for example.

When necessary, provinces and/or their delegated authorities should be prepared to initiate enforcement action against free riders to obtain participation from all obligated producers. This could be documented as part of a regulation that outlines how the PRO is primarily responsible to obtain participation and following repeated attempts to secure participation they would then be justified to involve a provincial enforcement regulator who could then initiate actions to communicate with the producer and obtain participation. Other provinces have an informal process for this activity, although it could be formalized in a regulation if desired.

The following text box outlines how some provinces have approached enforcement.

Example of Enforcement Responsibilities - Québec's Program

In Québec enforcement of regulatory provisions is a shared responsibility of the Ministère du Développement durable, de l'Environnement et des Parcs and Recyc-Québec. Recyc-Québec reports to the Minister and is responsible for developing and interpreting the applicable regulations and for monitoring individual EPR programs. Recyc-Québec enters into agreements with PROs or stewards with individual programs. These agreements and the regulations set out obligations for producers and each PRO, which must file their lists of registered members. These filings are key for enforcement action in situations where companies are “free-riding” on the program and not contributing. In such cases the Ministère will contact potential violators to review their obligations and obtain their commitment to participate in the EPR program.

Harmonization of the EPR regulations with the Environment Quality Act was initiated in 2013 with a view to streamlining and better facilitating the application of sanctions under the legislation for companies violating the requirements of the EPR programs. Criminal and administrative sanctions can be applied. To minimize the need for such action compliance promotion is undertaken by Recyc-Québec through such means as publicly available guides on both the EPR regulations themselves and the enforcement provisions.

Funding for these oversight and enforcement functions is provided by obligated stewards typically through their representative PRO. Under the provincial regulations, an “indemnity” is payable annually to Recyc-Québec to pay for the management costs and other related program oversight activities it undertakes. For the packaging and paper program operated by ÉEQ the rate is set at 2% of the annual compensation that is owed by the stewards to municipalities. This rate was initially set in 2010 at 3.25% but has progressively dropped over the past 4 years to the current 2% rate. The maximum that can be paid to Recyc-Québec is set in regulation as \$3 million per year.

Similar provisions are made in Ontario where Stewardship Ontario paid to Waste Diversion Ontario and the Ministry of Environment \$2,176,000 in 2012 for costs that related to the oversight of the both the blue box recycling program and the municipal household and special waste program – the two EPR programs operated by Stewardship Ontario.

Ongoing improvement in the oversight of the Quebec EPR programs is supported by an EPR Monitoring Committee which was created in 2012 and is made up of representatives of the Ministère, Recyc-Quebec, the Conseil québécois du commerce de détail (CQCD), the Canadian Federation of Independent Business (CFIB), the Retail Council of Canada (RCC) and the Conseil patronal de l'environnement du Québec (CPEQ). This body meets four times a year to identify needed improvements in the oversight and in the implementation of EPR programs in the province.

1.7.4 *Dispute Resolution Mechanism for all Stakeholder Relations*

Disputes appear to be common in other Canadian waste packaging and paper programs. In Ontario, there are disputes over “eligible net costs” and the level of scrutiny undertaken to have 50% of net costs paid by producers. Arbitration is currently being utilized to settle disputes in Ontario between municipalities, represented by the Association of Municipalities of Ontario, the City of Toronto (which is not an AMO member) and Stewardship Ontario.

It is recommended that the Atlantic Provinces consider the development of a formal dispute resolution mechanism to be put in place for resolving disputes between a stewardship association that pays net municipal costs and municipal or regional authorities that submit those costs. During program development, a list of eligible net costs and a process for cost verification is developed. In the event of a dispute, an agreed-to dispute resolution mechanism is important to resolve differences in an efficient manner.

1.8 Levels of Service

The development of provincial (and possibly regional – Atlantic wide) standards for collection is recommended in the interests of supporting a goal of having harmonized program elements across the region. Standards should reflect current municipal practice and differences in municipal size and population density.

Suggestions for standardizing levels of service under the new EPR framework are outlined below. Note that governments may require the development of standardized levels of service for any of these elements in a regulation and then leave it up to a PRO to articulate further in their Program Plan.

- Identify standardized levels of curbside and depot collection service for different sized communities and establish accessibility standards that recognize differences between urban areas and rural and remote communities.
- Identify standardized levels of service for the different sources of waste packaging and paper materials – e.g. single family residential, multi-family residential, streetscape, small business commercial. BC will be the first EPR program in Canada to require waste packaging and paper diversion from streetscape / public spaces province-wide, although some regions of Nova Scotia already require this (e.g. HRM). Consideration should be given to requiring this in the regulation. BC has defined the “streetscape” as:
 - a) Sidewalks which are municipal property, which adjoin buildings in an urban commercial area and which are used for pedestrian traffic;
 - b) Plazas or town squares which are municipal property and which are available to the public;
 - c) Parks which are municipal property; and
 - d) Roadside litter cleanups.
- Identify collection and processing standards that should be adhered to.

Note: Expectations for levels of service may be written into a regulation and guided by a provincial ‘levels of service’ policy if applicable. The specific details of how to achieve consistent and standardized levels of service may be outlined in a Program Plan.

1.9 Implementation Aspects to Consider Moving Forward

The following aspects of implementation of the framework are important to consider as the Atlantic Governments move forward with program planning.

- **The shared commitment to work together towards the goal of a streamlined Atlantic approach for key program elements (such as % contribution funding, designated material lists, levels of service policy, material fees, verification processes) rather than a province-by-province approach is a key message to producers and should continue to be a focus moving forward:** Having a goal of consistency among these key program fundamentals will facilitate easier negotiations with producers at the outset of program design. Each province will have their own specific processes and timetables for regulation development, approvals, consultations, monitoring and reporting preferences, etc. and these implementation aspects can roll out separately as needed in each jurisdiction, including an incremental roll-out of the program depending on provincial readiness. Provinces may continue to work together on the key operational elements that should be the same among all four provinces, such as % contribution funding, designated material lists, levels of service policy, material fees, and verification processes that the PRO will use to verify net collection and processing costs.
- Due to the greater proportion of small and medium-sized businesses in Atlantic Canada compared to other Canadian jurisdictions, provinces may wish to conduct further study on potential exemptions for this region (see **Impact Assessment to Target Audience**, Section 2.3.2). Analysis on various options for exemption thresholds, including no exemption threshold, would help inform discussions with potential obligated stewards, would help increase an understanding of the potential program revenue base, and would demonstrate due diligence for considering the unique situations of small businesses in this region.
- **In the development of program regulations, consideration should be given to potential issues of competition.** Program regulations in other provinces do not address the competition issue between compliance schemes. The newly created CSSA is concerning for some small businesses and the issue of monopolistic practices is being watched by stakeholders and the Competition Bureau. It would be wise to solicit advice from the Competition Bureau regarding monopolistic PRO schemes and what path the Atlantic Region might want to pursue in this regard.
- **The primary issue from the perspective of a PRO will be the need for cost containment by municipal / regional service authorities responsible for collection of material.** The issue of cost containment has been a major focus in other programs and it can have a negative impact on municipal autonomy and ability to expand programs. There will be many changes for municipal and regional collectors and processors in terms of data management, data monitoring and data verification under the new program. These changes will need to be discussed thoroughly with these stakeholders during program development activities (see Section 2.3 Proposed Strategy for Change Management).

- **Detailed analysis on the various methods in use for calculating net municipal costs (“the funding formula”) in existing programs is warranted to understand full impacts to municipalities prior to writing a regulation.** Details that are important include a review of each program’s list of eligible net costs, what the cost formula is for each program; whether there are variations for cost formulas based on population or location (e.g. programs are more expensive to operate in remote locations with lower populations) such as the cost variations used in Québec’s program. This information will help Atlantic Governments understand the potential issues surrounding eligible net costs for their regional operators and they can then decide if they wish to mandate variable cost formulas in their regulations as Québec has done in their regulation.
- **Certain industry sectors, such as magazines and newspaper associations, are adamantly opposed to financial contributions resulting from their materials being designated in EPR programs.** In the past, newspaper stewards have been considered differently compared to other stewards in stewardship programs in other provinces because of the recognition that they provide a public benefit, that they can make a significant contribution to public education on recycling. Newspaper producers in Atlantic Canada might not be in favour of the potential elimination of the in-kind contribution model currently used in Nova Scotia under which newspaper stewards provide their recycling contributions through in-kind advertising rather than funds. Other Atlantic provinces do not have agreements in place with newspaper stewards. In BC, the members of the newspapers association are now obligated stewards that are required to contribute funds but they are very opposed to this new role. In Ontario and Québec newspaper stewards contribute funding towards the program as well as in-kind advertising.
- **Key messaging strategies outlined in Section 2.3 (Change Management) are very important to manage the upcoming changes for potential stewards following the release of new regulations.** Some provinces such as BC and Québec are in the middle of legal battles with some industries who are opposed to becoming obligated stewards. Government regulators should be aware of the potential for a similar situation in Atlantic Canada and may want to engage in bilateral discussions with other governments in BC and Québec to find out the status of this situation and any key recommendations these governments may have (in terms of lessons learned) to avoid similar disputes.
- **There are currently differences in waste packaging and paper recycling programs among Atlantic Provinces:** Each province is at a different stage in their waste packaging and paper recycling programs in terms of community access, range of materials accepted, program requirements (legal versus voluntary), public engagement, as well as data availability on packaging and paper tonnages collected. These differences might necessitate a slightly different timeline for implementing the program among provinces with one or more rolling it out before others.
- **The estimated program costs have been based on programs that include steward fees to cover boxboard in recycling programs.** In Halifax Regional Municipality boxboard is composted, not recycled whereas elsewhere in Nova Scotia this material is widely recycled. Atlantic governments, together with producers should decide how to address this issue moving forward.

- **A key issue for the residential sector will be their expectation to see property tax reductions as a result of the new producer funding.** Since the intent of the program is to shift program costs from the municipal tax base to producers, this issue will likely come up during consultation activities and during program roll out. Government representatives may need to consider this issue, consult with municipal associations and prepare responses in advance of consultations with municipalities.
- **Although not addressed in the infrastructure services review, Atlantic Governments may wish to consider how to include First Nations in program planning.** Both the Ontario and Saskatchewan programs include involvement of First Nations. They are considered to be the same as a municipal authority and have similar responsibilities for monitoring and reporting of materials collected for recycling. The Saskatchewan program plan specifically includes the interests of First Nations by providing financial incentives to deliver curbside and multi-family building collection services and/or to operate depots²². This is an important consideration in Atlantic Canada, as Nova Scotia has 13 First Nations communities, New Brunswick has 15 First Nations communities and 28 Indian Reserves, PEI has 2 First Nations communities, and Newfoundland and Labrador has 4 First Nations communities.

²² Adapted from MMSW Program Plan (2013). Waste Packaging and Paper Stewardship Plan
<http://www.mmsk.ca/sites/default/files/documents/pdf/plan/MMSW-WPP-Stewardship-Plan-Dec-12-2013.pdf>

2 Proposed Implementation Plan

The proposed Implementation Plan includes the following:

- Section 2.1 Proposed Waste Packaging and Paper Program Delivery Principles
- Section 2.2 Infrastructure Services Review
- Section 2.3 Proposed Strategy for Change Management
- Section 2.4 Proposed Program Performance Strategy
- Section 2.5 Suggested Workplan (to be adapted by Atlantic Governments)

Note that this Implementation Plan is to be considered a working guidance document for Atlantic Governments as they move forward individually or collectively in more detailed program design planning. It may be used as a starting point for more detailed planning to be undertaken by each jurisdictional government authority in Atlantic Canada.

2.1 Proposed Waste Packaging and Paper Program Delivery Principles

The fundamental objective of the new framework for the Atlantic provinces is to increase the diversion of waste paper and packaging from disposal, shift the financial responsibilities currently borne by taxpayers for recycling programs to the producers (manufacturers, brand owners and first importers) of designated packaging and paper, and serve the needs of the four Atlantic provinces, individually and collectively.

To achieve this objective, the following eight principles are proposed to guide program design:

1. Respect for the 4rs Hierarchy: program design considers first the importance of 1) reducing waste, 2) reusing waste, 3) recycling waste, and lastly 4) residuals management.
2. Inclusiveness: To allow participating municipalities and local governments, including First Nations, to design their recycling program to meet the specific needs of their community in all four Provinces. Recycling programs can be delivered by municipal /regional authorities or contracted to private suppliers. Each municipality retains responsibility for establishing, promoting and maintaining their own recycling services²³. This recognizes established municipal roles, responsibilities and experience in waste diversion and recycling.
3. Fairness for unique communities: Based on demonstrated need, municipalities in remote northern communities in Labrador should be eligible for additional assistance payments to offset higher costs of shipping materials to larger communities for processing and marketing²⁴.

²³ Adapted from a program design option identified in the Multi-Material Stewardship Manitoba 2013 Municipal Recycling Program Registration Guide & Forms. <http://stewardshipmanitoba.org/wp-content/uploads/2013/10/Municipal-Guide2.pdf>

²⁴ IBID

4. Fairness regarding treatment of industry sectors across jurisdictions: Consideration should be given to the respective costs per kilogram of the same material produced by the same sector in other Canadian jurisdictions²⁵. A consistent approach to how a sector is treated across provinces is important within the Atlantic Region.
5. Consistency: Consistency among levels of service offered is important. For example, the program design should have a plan to improve levels of service in under-served areas to a standardized level set out in a Program Plan, while respecting appropriate levels of service designations for all types of communities.
6. Clarity: The roles and responsibilities of all stakeholders (regulators, municipal and regional authorities, third party service providers, the producers and the public) should be documented and understood by all.
7. Accountability and transparency: Use of an agreed upon process and formal methodology to monitor performance, verify data, and report on performance, as outlined by a performance monitoring and reporting strategy with clearly outlined reporting obligations. This is relevant for all stakeholders involved.
8. Public outreach: recognition of the importance of appropriate consultation and engagement with all stakeholders during program design and planning, including the public, municipalities, regional authorities, third party service providers, and the business sector.

These proposed principles may be revised by Atlantic governments as needed and may be included in a regulation.

²⁵ For example, the newspaper service sector pays approximately a half a cent per kilogram produced on the Ontario market, while in BC they are being asked to pay 20 cents per kilogram. Consistency across the Atlantic market is important.

2.2 Infrastructure Services Review

2.2.1 Overview of Infrastructure Services Currently in Place

The following exhibit highlights key aspects of the infrastructure, materials, and processing related to paper and packaging recycling across Atlantic Canada. Results are presented by province and discussion of key points follows the table below.

Exhibit 16: Current (May 2014) Infrastructure and Services in Place

Infrastructure / Levels of Service	New Brunswick	Nova Scotia	Prince Edward Island	Newfoundland and Labrador
Infrastructure				
Infrastructure/service type coverage:	71% curbside / 29% depot	100% curbside / 0% depot	100% curbside / 0% depot	65-70% curbside ²⁶ / 0-5% depot
Remote areas:	0% no service	0% no service	0% no service	30% no service
	-	-	-	NW Newfoundland Some remote communities in Labrador
Plans in place for additional infrastructure or new service:	RSC2 – 2015 RSC3 – 2014	No	No	Central and Western Newfoundland begin operations in fall 2014, by 2020 full coverage
Is there a need for new infrastructure expansion?	Yes	No	No	Yes, Infrastructure plans in place and will be implemented 2014- 2019
Materials Collected				
# of materials collected / comprehensiveness of program in <i>urban</i> areas	Medium	High	High	Medium
# of materials collected / comprehensiveness of program in <i>rural</i> areas	Low	High	High	Low
Processing				
Public ownership of facility:	89% municipal	87% municipal	0% public	100% municipal
Private operation of facility:	16% private	85% private	100% private	84% private
Term of contracts in place?	3-5 years	3-5 years	2018	3-5 years
Materials which processors indicate they have difficulty marketing:	Wax coated packaging, plastic bags, EPS, plastic film, glass, newsprint, plastics 3 and 6, clamshells	Plastic film, glass (colored), EPS, coffee cups, aerosols, milk cartons and gable tops, some boxboard and paper go in green bin, frozen juice containers	Boxboard limitation to 20% in bales	Plastic bags, clamshells, glass, styrofoam, plastics 6,7, and no number plastics

²⁶ Personal communication with MMSB. By end of 2014 curbside service will be at 70% and there will no longer be depots used. By 2016, curbside service will be 95% coverage. Remaining infrastructure improvements to increase access to 100% population will be completed by 2019-2020.

2.2.2 Discussion of Infrastructure Services Review

The following observations were based on information gathered from twenty-four interviewees and analysis of infrastructure services currently in place and planned for each province.

- **There is currently a wide variation in levels of service for waste packaging and paper recycling across the Atlantic Provinces.** Nova Scotia and PEI have the most complete and consistent infrastructure with province-wide curbside collection offering a comprehensive list of materials included and demonstrating high diversion rates. Newfoundland and Labrador lacks coverage in some remote areas but areas that are serviced currently offer predominantly curbside collection. Significant investments to improve levels of service across Newfoundland are expected to be implemented by the end of 2020. New Brunswick has province-wide coverage, a mixture of curbside and depot collection methods without legislated bans on landfilling recyclable materials.
- **Nova Scotia and PEI currently have high levels of infrastructure service in both urban and rural areas, with very high community access to service.** Both provinces also have a high number of materials accepted for recycling and high diversion rates. There are no significant plans to increase access in either province, however some processors in Nova Scotia are exploring equipment and system upgrades in urban areas (e.g. Halifax Regional Municipality) to improve efficiencies even further.
- **There is a need for further analysis regarding the financial implications of composting boxboard versus recycling boxboard in Halifax Regional Municipality.** Although the material is widely recycled elsewhere in Nova Scotia, it is composted in Halifax Regional Municipality and national paper producers strongly encourage composting this material in areas where it is not as economically feasible to recycle it. This issue needs some review in planning the new EPR program including decisions with respect to whether this material will need different treatment in terms of steward fees if it is being composted not recycled, and how it will be calculated in diversion tonnages for waste paper/packaging.
- **Newfoundland and Labrador is already implementing a plan to consolidate waste management across the province and has committed investments to improve infrastructure where needed.** Infrastructure improvements and increases in levels of service have seen major changes, and they will complete this implementation by 2020. Northern parts of the province, particularly the northwestern tip of Newfoundland, and Labrador are not fully integrated into the new central processing system yet, but the majority of communities will have full access by 2020 given the new funding that EPR will bring.
- **New Brunswick is undertaking discussions toward a new provincial waste management strategy and will be determining where service level improvements can be made and how the system should be structured.** Considering EPR at the same time will encourage coordination and improved recycling service, and then specific infrastructure investments may be identified to bring the level of service up to a similar level across New Brunswick to meet the other Atlantic Provinces. Curbside service expansion is already underway or planned for implementation this year in some areas (e.g. RSC 2 and 3). However, there is

no immediate plan to implement curbside collection in some others (e.g. RSC 10 and 12). The return on facility investment in numerous small communities may not be high compared to investment in large urban processors that have capacity to accept additional material from elsewhere in the province.

- **There are differences in existing regulations among Atlantic Provinces which could impact the timeline to adopt new EPR programs for recycling.** Nova Scotia, PEI, and Newfoundland and Labrador all have recycling regulations in effect along with landfill bans on recyclables, and an over-arching waste diversion strategy. New Brunswick does have regulations but does not have landfill bans or a supporting strategy for waste diversion. New Brunswick may need to conduct additional consultations to educate and inform stakeholders about new changes, and they may also need a regulation to restrict the landfilling of recyclable paper and packaging.
- **The infrastructure services review has demonstrated that the shared responsibility EPR model is the best choice for Atlantic Canada in part because of the high proportion of publicly-owned infrastructure.** Private sector ownership of facility operations is 100% in the smallest province of PEI, however in the other three larger provinces with extensive infrastructure - public sector investment in processing facilities is consistently high (approximately 90% in New Brunswick, Nova Scotia, and Newfoundland and Labrador).
- **Bringing systems to a similar level of service across provinces and the region could have multiple benefits in terms of improving efficiency and performance of recycling programs.** For example, promotion and education can be coordinated to a greater degree; material sorting at source could be improved by processors operating to a consistent standard; transfer of materials within and between provinces for bulk processing and shipping could be facilitated by having similar materials definitions and standards. Some savings could be achieved by joint municipal tendering and contracting for marketing recyclables because of material and quality consistency. There may also be some small opportunities for developing recycling processes in the region to avoid shipping materials over great distances to reach markets almost at a loss.
- **In an EPR program there will be new requirements to accurately track material flows and costs for collection and processing for the purpose of cost verification, and collectors and processors must be open to new auditing processes.** Nova Scotia and PEI are expected to be in a relatively good position to implement new processes because regional authorities already conduct detailed data tracking to receive RRFB funding (in Nova Scotia) and fulfill legal obligations (in PEI). In addition, there are fewer processors in PEI due to the small size of the island so new training will likely not take much time. New Brunswick and Newfoundland and Labrador will likely need longer time to build capacity among collectors and processors in the use of new accounting methodologies and data tracking processes that are developed by the PRO. This is not just a matter of weighing and tracking volumes, but involves adopting a robust and consistent set of accounting procedures that is quite different from current practices.

2.3 Proposed Strategy for Change Management

2.3.1 Introduction

The process of switching from the current system of a product stewardship approach to packaging and paper recycling to a shared responsibility EPR approach in all four provinces will necessitate a strategy to manage change to ensure a smooth transition of existing programs to the new framework.

Change management is a tangible set of practices that is part science and part art. The science is the use of a structured methodology and tools to transition people from where they are today to where they will be at a point in the future. The art is customizing the methods and approach based on the existing culture and the unique needs of the project²⁷.

Regardless of the methodology used all change management initiatives have similar basic elements as depicted in the graphic below. Each element is discussed following the Exhibit.

Exhibit 17: Change Management Process



²⁷ Sue Ann Bartecko, MPA, PMP, “Common Misperceptions of Change Management” article post on linkedin.com

2.3.2 Impact Assessment to Target Audience

Managing change could start with the identification and assessment of the change on the target audience group. The assessment could include how they will be impacted and to what degree the impacts will affect them. This assessment helps to determine the scope and breadth of the change program elements required to facilitate a successful transition.

As part of this process, it is suggested that the primary stakeholder groups relevant to this program be identified – a preliminary list of these stakeholders are presented in the following exhibit. This list could be considered as a starting point for program planning, and the intention is that this list would be expanded upon as program planning begins.

Exhibit 18: Preliminary Stakeholder List

Stakeholder Category	Primary Stakeholders Identified
Municipal government	Local municipalities in all 4 Provinces Union of Nova Scotia Municipalities Union of New Brunswick Municipalities Municipalities Newfoundland and Labrador Federation of Prince Edward Island Municipalities
Regional government / delegated service authority	Regional waste authorities / service commissions in all 4 Provinces Island Waste Management Corporation (IWMC) in PEI
Producers of packaging and paper - associations	Atlantic Food and Beverage Processors Association Retail Council of Canada Canadian Newspapers Association Canadian Beverage Association (CBA) Canadian Federation of Independent Grocers Food and Consumer Products of Canada (FCPC) Canadian Stewardship Services Alliance (CSSA)
Chambers of Commerce	Atlantic Chamber of Commerce
Processors	Scotia Recycling
First Nations	Nova Scotia has 13 First Nations communities. New Brunswick has 15 First Nations communities and 28 Indian Reserves. Newfoundland and Labrador has 4 First Nations communities. There were no First Nations communities identified in PEI.
General Public	Residential sector in all four provinces.

The assessment would include some analysis of how each stakeholder group will be impacted by the new program and to think about what degree the impacts will affect each group. This assessment is recommended to help to determine the scope and breadth of the change program elements required to facilitate a successful transition. It is recommended that economic analysis on potential exemption thresholds (including no exemption) be a part of this assessment for small and medium sized businesses.

2.3.3 *Leadership to Drive Communication Principles and Consistent Messaging*

Provincial representatives and decision-makers in each of the four jurisdictions may review and confirm the preliminary stakeholder engagement principles to guide their communication and outreach activities as program planning evolves if they wish. It is recommended that the principles for engagement, and the key messages used for target stakeholders are consistent across all four provinces.

Principles for Engagement

A consistent and open approach to consultation and communication with stakeholders is recommended and the following consultation principles are proposed²⁸:

- Early involvement: Stakeholder involvement begins at the design of the consultation plan;
- Inclusiveness: The consultation process involves a broad cross-section of stakeholders;
- Efficiency: Stakeholders are provided with timely notice of consultation opportunities and adequate time to participate;
- Effectiveness: Stakeholders are able to determine the implications to their interests by reading documentation that is the subject of the consultation with ease – it is professionally written with clarity for the target audience;
- Accountability: Stakeholders are advised on how their responses were considered and associated rationale for decisions being made based on consultation activity in subsequent steps of program development, and
- Transparency: Proceedings and results of activities that are part of the consultation process are properly documented and available for public scrutiny.

Key Messaging to Target Audiences

Messaging regarding the proposed framework is a key part of the change management strategy. The two most impacted stakeholder groups are:

1. **Municipalities or authorized service delivery agents** (e.g. regional service commissions in New Brunswick and IWMC in PEI) that currently operate recycling programs; and
2. **Producers of packaging and paper** - represented by stewards who are participants in other packaging and paper programs operating in other provinces.

Proposed messaging for these two groups is outlined below.

²⁸ Adopted from British Columbia Recycling Regulation Guide, page 7

Messaging to Municipalities / Regional Authorities & Commissions

The following are some of the key messages that Governments may wish to emphasize as they progress with their consultations plans.

- ✓ *The proposed framework is consistent with the commitments the four Atlantic Provinces made through the CCME's Canada-wide Action Plan on EPR approved by all Canadian provinces, territories and the federal government in October 2009.*
- ✓ *The proposed framework will relieve municipalities / regional authorities & commissions of the cost burden that they currently and historically have borne for the recycling services they provide (including curbside and depot recycling programs and the associated processing and marketing costs for collected materials).*
- ✓ *The new framework recognizes and respects the long term municipal / regional recycling experience and proposes building on that experience to develop more sustainable programs and higher rates of diversion.*
- ✓ *Municipalities / regional authorities & commissions will continue to operate the programs under the recommended shared model and will therefore continue have a direct relationship with their communities and residents and will continue to have a stake in how the programs operate.*
- ✓ *Municipalities / regional authorities & commissions will be prepared to be accountable for how recycling program costs are to be documented and verified.*
- ✓ *Experience with data calls in other jurisdictions²⁹ indicates that the first effort to compile program data from municipalities typically includes significant inaccuracies as a result of: a) difficulty extracting data from local government data management systems; b) inconsistent interpretation of terminology among local governments resulting in inconsistent data reporting; and c) lack of experience allocating shared or blended costs to certain services. Typically a number of years of experience, supported by local staff training and implementation of a rigorous verification protocol will reach a steady-state of reliable data and all parties are willing to work towards this.*
- ✓ *The framework will provide opportunities to enhance recycling program harmonization, coordination and consolidation of materials marketing and the development of consistent and more standardized program promotion and education.*
- ✓ *Levels of recycling service will be developed and agreed upon and a determination of eligible net costs for reimbursement to municipalities for program operations will be agreed with the stewardship organization(s) and be formalized.*

²⁹ Adapted from MMSW Program Plan (2013). Waste Packaging and Paper Stewardship Plan
<http://www.mmsk.ca/sites/default/files/documents/pdf/plan/MMSW-WPP-Stewardship-Plan-Dec-12-2013.pdf>

- ✓ *Municipalities / regional authorities & commissions with modest recycling programs may expand their programs to an agreed-upon consistent higher standard / improved level of service across the Atlantic Region. Any increases to current levels of service would be decided-upon together within current decision-making processes used by each jurisdiction (e.g. provincial regulators or third party designated authorities).*
- ✓ *The existing beverage deposit programs will be retained in all four provinces.*

Messaging to Producers

The implications for producers of the proposed framework are considerably different than for municipalities. The large national retailers, and national food or consumer product chains and brand name owners are already participating in similar programs, however regionally based companies that market exclusively within the four Atlantic Provinces which may be impacted are likely unfamiliar with EPR.

The following are some of the key messages that Atlantic Governments may wish to emphasize as they progress with their consultations plans.

- ✓ *The proposed framework is consistent with the commitments the four Atlantic Provinces made through the CCME's Canada-wide Action Plan on EPR approved by all Canadian provinces, territories and the federal government in October 2009.*
- ✓ *All four Provincial Governments have made a commitment to work together towards the development of a similar Atlantic program for managing waste packaging and paper. They have agreed on the model (shared EPR) and have agreed to continue to work together moving forward with program planning activity. Efforts will be made to harmonize key program elements important to producers (e.g. designated material lists, % producer funding, recycling cost verification processes, material fees, etc.), however - actual program implementation aspects such as communication strategies, monitoring and reporting requirements, and regulatory or program plan approvals are subject to the respective agendas of each provincial government.*
- ✓ *The proposed framework is a shared EPR model approach similar to that currently operating in Manitoba, Ontario and Québec and is planned for Saskatchewan. It differs from the BC model which is a full EPR model where producers are responsible for collection and processing province-wide.*
- ✓ *Producers will be designated as individually obligated stewards who are free to manage their own obligations or to do so collectively with others.*
- ✓ *Levels of recycling service which recognize variations in municipality size, capacity, location, housing mix and current practice should be considered in program planning.*
- ✓ *An agreement on the eligible levels of funding including a determination of an acceptable level of municipal administrative costs is considered important moving forward to avoid arbitration situations.*

- ✓ *Producers will be obligated to cover a portion of the costs for the management of the inadvertent collection of non-recyclable materials which are not designated for collection under the program. Québec is currently the only province requiring this agreement: management of residuals (estimated to be 15% of all collected material based on waste characterization studies) collected is shared 50% with municipalities and 50% producers. Each Atlantic government should consider this as a possible program element and outline their requirements in their regulation.*
- ✓ *A regional presence for obligated stewards could be maintained to avoid concerns that producers are based outside the region to ensure understanding of regional or local circumstances.*
- ✓ *The listing of designated materials for collection and recycling will seek to be broadly inclusive of all packaging and paper materials that producers put on the market (regardless of whether they are currently recycled or not) and will be updated based on regular reviews of materials in the marketplace conducted through such means as waste characterization studies for example.*
- ✓ *The existing beverage deposit programs will be retained and will continue to operate as they currently do completely separately from the municipal recycling programs.*
- ✓ *Promotion of efficiencies in the existing recycling infrastructure and collection and processing innovation are encouraged.*
- ✓ *Designated producers will have some responsibilities for engaging in and otherwise facilitating communication, promotion and education strategies in support of the proposed framework. These responsibilities should extend to all stages of the change management strategy.*
- ✓ *It is expected that producers individually or through established producer responsibility organizations will contribute to the promotion and education programs necessary to support municipal recycling programs.*

Other Stakeholder Groups

The only other stakeholder group to note regarding messaging would be the residential sector (assuming that the majority of the ICI sector pays for its own waste management and recycling costs and does not need to be considered further).

2.3.4 Communication and Engagement Activities as part of Managing Change

Optional stages of communication and engagement are outlined below with the caveat that each province has their own processes used for consultation and may deviate from what is outlined below. These stages can be considered as a package of ideas for each province to adapt and use as deemed appropriate.

Before Posting Draft Regulations

The communication and engagement activity at this stage could introduce the proposed program to stakeholders, and aim to gather feedback from stakeholders. A consultation paper outlining the rationale for and the key elements of the proposed new model may be used for early consultations in some jurisdictions. In addition, in-person meetings could be offered for the most affected stakeholder groups to more openly discuss the changes and gather feedback if a jurisdiction wishes to conduct this type of consultation activity at this stage.

After Posting Draft Regulations

Each of the four Atlantic jurisdictions has their own formal protocols related to the posting of draft regulations and consultation prior to legislative adoption. Standard consultation protocols will be followed upon the release of any necessary draft regulations. Most provinces post draft regulations for public review and comment in keeping with commitments to increased transparency. Deadlines for review and comment are usually posted.

After Adoption of Regulations / During Program Launch Preparations

Following formal adoption of the regulations, producers will be formally aware about the requirement to develop a Program Plan. Typically, a six-month to one-year window is allowed for development of a Program Plan, which is then reviewed and approved by each Provincial Government.

Following approval of the Program Plan, there is a need for communication and outreach about the program to potential stewards and the general public. This could include a broad-based communications strategy with a primary message to promote awareness about the new producer funding but with emphasis that current programs will continue with current operators, as well as local outreach where needed to target audiences (e.g. potential stewards / local businesses). Promotion and education ideas could include hosting a hotline telephone inquiry number and having meetings with key business associations for example. Note that a PRO would likely be responsible to send out letters to all businesses introducing them to the new program and outlining the registration process to determine if they are obligated stewards. This is typically the stage where confusion may arise so particular attention to key messaging to manage this outreach is an important part of change management³⁰.

³⁰ For example, the notification regarding changes and the process for identifying whether a business is an obligated steward was a 31 page document mailed to all BC businesses which was considered to be confusing to many small businesses.

The type of outreach activity will be dependent on current program structure in each jurisdiction and region, and whether programs are part of a regional waste commission or authority, shared or jointly managed with neighbouring municipalities or programs operated on their own.

Key messaging during preparation for program launch includes the following:

- ✓ *This is a program authorized by Atlantic Provincial governments to shift funding of recycling from taxpayers to producers. It is similar to many other EPR programs already operating in the jurisdiction, such as those for used tires, electronics, or oil for example.*
- ✓ *The program plan was designed by the private sector to meet requirements established by the provincial governments. Private sector associations (some Atlantic, some National) were involved in program development, and are providing funding on behalf of the private sector, in an organization called a Producer Responsibility Organization (PRO). (Note: some companies may act individually on their obligations).*
- ✓ *There will be monitoring and reporting requirements for the PRO administering the program. They must verify that the costs they are reimbursing comply with an agreed-upon process, they must report on their own activities including detailed program performance using established indicators to Government regulators, and they are often required (in a regulation) to produce audited financial statements annually.*
- ✓ *Both Atlantic businesses and National Retailers that operate in Atlantic Canada and generate packaging and paper could be potential stewards that might be required to contribute funding to the program.*
- ✓ *Understanding new responsibilities for the program might be cause for confusion but it should be done in a spirit of cooperation, and communicate that there are many options available to help stewards understand their new responsibilities. By working together, businesses, producer associations, and government regulators can all achieve success in continuing to lead Canada in recycling rates for packaging across the country.*

2.3.5 Training and Support

As the program is implemented, very specific training and support should be offered to those responsible for collection and processing of recyclables so that they are able to implement the accounting methods developed by producers in the Program Plan. These new methods will likely be outlined in a Program Plan.

2.3.6 Monitor / Continuous Improvement

The change management strategy includes a phase to monitor the implementation of the program, evaluate progress, and recommend improvements in the spirit of continuous improvement. See Section 2.4 for details regarding elements of a proposed program performance monitoring strategy. Some jurisdictions may have designated timelines for reviewing stewardship programs more broadly and this new program could feed into that process.

2.3.7 Summary

The following exhibit depicts how the elements of the Change Management process fit into a generic Project Management process.

Exhibit 19: How the Change Management Process Fits into the Project Management Process



2.4 Proposed Program Performance Strategy

Note: Atlantic Governments may outline in a regulation what specific performance monitoring activities they require in the program plan. Information presented in this section provides guidance on performance monitoring and may be adapted as necessary by Atlantic Governments in their program planning development activity.

This section presents ideas for a proposed Program Performance Strategy as follows:

- Development of Key Performance Indicators and Targets;
- Monitoring and Reporting on Performance; and
- Enforcement.

2.4.1 Development of Key Performance Indicators (KPI) and Targets

Development of Key Performance Indicators

The following exhibit presents the considerations in the development of selecting good indicators for program monitoring.

Exhibit 20: Considerations in Selecting KPIs³¹

What Makes a Good Indicator?	<ul style="list-style-type: none"> ▪ Useful for operations, stewardship and public reporting ▪ Helps improve performance ▪ Communicates performance credibly ▪ Data can be collected reliably ▪ Data have been collected consistently over time to enable year-over-year comparisons
Quality Performance Information:	<ul style="list-style-type: none"> ▪ Links policies, targets and performance ▪ Identifies key performance indicators ▪ Presents performance data in: trends over 3+ years, and absolute (i.e. total) and/or normalized (i.e. expressed in terms of the amount per key production variable, such as amount per unit collected, or amount per 10,000 population) terms ▪ Sets and communicates performance targets ▪ Explains shortfalls and actions taken ▪ Uses benchmarks for comparisons

There are six categories of core KPIs recommended for PROs and outlined in the left-hand column in the following exhibit³².

³¹ Stratos 2007. Performance Measurement and Reporting for Extended Producer Responsibility Programs: Reporting Guidance Document prepared for Environment Canada.

³² Stratos 2007. Performance Measurement and Reporting for Extended Producer Responsibility Programs: Reporting Guidance Document prepared for Environment Canada.

Exhibit 21: Recommended Key Performance Indicators (KPI)

Category	Indicator	Rationale and Guidance
Awareness	% of Population aware of the program	<ul style="list-style-type: none"> Rationale: The percentage of population aware of the program provides an indication of the effectiveness of the program in terms of reaching the target community for the program. Guidance: Calculate this indicator by determining the percentage of the target community that is aware of the program, compared with the total population of your targeted community. The indicator can be presented as a percentage.
Participation / Accessibility	(1) Participation rate	<ul style="list-style-type: none"> Rationale (1): The participation rate indicator provides the reader with important contextual information on both the scale of the program and its use. Guidance (1): Participation rate is calculated by dividing the number of program participants (e.g. number of households that actively participate in the program) by the overall size of the target community to whom the program is available.
	(2) Average travel distance to a depot	<ul style="list-style-type: none"> Rationale (2): While not as informative as the participation rate, average travel distance to a depot can be used to provide an indication of program accessibility in rural and remote areas found in some regions of Atlantic Canada which only offer depot service. Guidance (2): Identify how many (potential) program participants you have (that is, the size of the target community to whom the program is available), and roughly where they are located (e.g. within 1, 2, 3 kilometers, etc.). Calculate the average travel distance by building the sum of program participants (PP) multiplied by their respective distance (D), and dividing the result through the total number of program participants.
Collection	(1) Absolute collection	<ul style="list-style-type: none"> Rationale: (1) Absolute collection refers to the total amount of a product collected. Absolute collection should be expressed as mass (tonnes or kilograms). Guidance: (1) Absolute collection – weigh total mass collected from all collection points.
	(2) Collection rate	<ul style="list-style-type: none"> Rationale: (2) The collection rate indicator indicates program efficiency and effectiveness. The collection rate is the percentage of the total amount of material placed on the market that has been collected. Guidance: (2) Collection rate: Divide the mass collected by the mass placed on the market.
	(3) Absolute collection per capita	<ul style="list-style-type: none"> Rationale: (3) Absolute collection per capita is the percentage of the product that has been collected relative to the size of the target community. Guidance: (3) Divide the absolute collection (mass) by the population.
Recovery and Recycling	Post collection fate of material (3)	<ul style="list-style-type: none"> Rationale: It is recommended that the absolute quantity and percentage of materials treated in each of five categories be reported: (1) reused, (2) recycled, (3) disposal (incineration or landfill). Guidance: For all categories, express as percentage of mass collected.
Operational Efficiency	(1) Distribution of expenses	<ul style="list-style-type: none"> Rationale (1): To provide an overview of the relative allocation of funds to the different functions of the organization, or put overall expenses or resource use into context with the amount of collected materials. Guidance (1): Provide dollar value or percentage of program expenses including: program administration; post-collection costs, and awareness of market development.
	(2) Cost per amount of collected material	<ul style="list-style-type: none"> Rationale (2): measuring and reporting on the cost per tonne or kilogram collected material helps to demonstrate accountability to stakeholders. Guidance (2): Divide the total cost to operate the program in a fiscal year by the total amount collected and reused or recycled.
Management Performance	Progress against business plan goals and/or targets	<ul style="list-style-type: none"> Rationale: The five elements of good management practice are policy, planning, implementation, controlling and monitoring, and management review. Reporting against the goals and/or targets of a business plan shows the level to which the plan is being implemented, and demonstrates that performance is being monitored and reviewed. Guidance: Report on action taken to achieve the goal/target, issues that were encountered and how they were resolved, and action that is yet to be taken to achieve the goal/target.

Targets

The development of specific targets associated with each KPI is important to drive program performance. In addition, it would be advantageous to include both aggregate and material-specific recovery targets. The EU Packaging Directive establishes targets for specific packaging materials, rather than packaging as a category. This has not been done in any of the Canadian programs. Targets which do exist are for the “basket of goods” of total packaging and paper recycled (e.g. BC 75%), although Ontario monitors actual packaging recycled by material.

Targets should be developed in association with producers and the steward organization. There can be plans for a phased upward adjustment of target over time in consultation with stakeholders and with sufficient lead time. Examples are presented below, drawn from targets used in other Canadian programs.

Exhibit 22: Examples of Targets for KPIs

Category	Indicator	Example of Target
Awareness	% of Population aware of the program	95% of population aware of program
Participation / Accessibility	(1) Participation rate	95% participation rate
	(2) Average travel distance to a depot	Less than 5 km travel to a depot.
Collection	(1) Absolute collection amount	(1) Tonnage amount to be collected.
	(2) Collection rate	(2) Collection rate 65% year 1-3, 75% by end of year 5.
	(3) Absolute collection per capita	(3) To be determined in Program Plan by PRO.
Recovery and Recycling	Post collection fate of material (3)	(1) Target amount for recycling (80%) (2) Target amount for residuals management (20%)
Operational Efficiency	(1) Distribution of expenses	To be determined in Program Plan.
	(2) Cost per amount of collected material	
Management Performance	Progress against business plan goals and/or targets	To be determined in Program Plan.

2.4.2 *Monitoring and Reporting on Performance*

The regulation may reference monitoring and reporting requirements expected by a PRO. The following are suggested inclusions:

- Geographic boundaries -The facilities or regions that will be included for monitoring and reporting.
- Organizational boundaries -Whether all business lines and activities are included in the report, and how sub-contracted activities should be reported on.
- Temporal boundaries -The time period that the report should cover (e.g. annual) and whether it should include trend information (three years is recommended). As well, the specific date for report submission should be included in the regulation.
- Monitoring metrics to be used -see KPIs and targets above, and specific formulas should be documented either in the Program Plan or in associated guidance (see below).
- That a verification process be followed -see below.
- The requirement for audited financial statements -the regulation should refer to the need for annual audited financial statements to be made publicly available.
- Components of Reporting - what the regulator requires in terms of a report. This could be basic information only or it could entail great detail. Examples below.

Verification Process

The infrastructure services review conducted for this assignment revealed that there is currently a wide range of types of infrastructure and levels of service in place at both the collection and processing stages among provinces, and not surprisingly, an assortment of data monitoring practices in place. Monitoring ranged from detailed tracking using formal methodologies recommended by provincial authorities for processors, and regional verification processes, to no data monitoring and verification at all.

Given the intention to work towards a goal of a harmonized Atlantic program using the same processes, the existence of a very wide discrepancy of program monitoring and verification activity among regions of each province is problematic. It is recommended that a process be undertaken to develop a guidance document for utilization of consistent terminology and data calculations to support monitoring and verification activity, targeted towards all stakeholders, similar to the process underway in Ontario. In 2013 the Ontario Waste Management Association, together with Canadian Standards Association (CSA), initiated the development of a recycling and verification guideline to provide regulators, service providers, stewards, and generators of waste with a common set of definitions and recycling performance measurements to ensure clarity on the flow of materials, from collection through to final disposition and a method to account for these flows. This type of guidance can provide increased transparency, accuracy, accountability, and information on the performance of a waste diversion system³³. Atlantic Governments are encouraged to review the final version of this document and assess suitability for adoption to their program.

³³ Technical Guide: Recycling process, audit and verification guidelines (draft, unpublished).

Performance Reporting

It is important to include both performance data such as the KPIs as well as contextual information. This contextual information is crucial for understanding specific performance information, especially as systems are still being put in place during the first year of the program. Reporting is an iterative process and, as a starting point, the report may include a discussion of issues where full data and information are not yet available, and plans to address the identified issues. The report may provide current data and offer comparable data when available (e.g. previous years). The report could present contextual information and identify limitations associated with the data, especially during the first 1-3 years of program operation where new processes are being implemented. For an Atlantic-wide program it would be useful to have performance reported on an overall regional basis as well as by jurisdiction – this could be considered as a long-term goal.

An outline of the elements that may be included in an annual PRO report could follow guidelines established for other EPR programs such as those noted below.

Exhibit 23: Recommended Outline for a PRO Performance Report³⁴

Example of Reporting Format for PRO Reporting

1. Program highlights
2. Organizational profile
3. Report profile
4. Vision and strategy
 - 4.1 Context, Management statement, Strategy and objectives
5. Governance
6. Performance management
 - 6.1 Policies, Monitoring Programs, Management system elements
7. Stakeholder engagement
8. Performance information
 - 8.1 Awareness
 - 8.2 Participation
 - 8.3 Accessibility
 - 8.4 Product collection, Post-collection management, Operational efficiency,
 - 8.5 Quality of service
 - 8.6 Management performance
9. Looking forward

³⁴ Adapted from: Stratos 2007. Performance Measurement and Reporting for Extended Producer Responsibility Programs: Reporting Guidance Document prepared for Environment Canada.

2.5 Suggested Workplan: Proposed Next Steps for Atlantic Governments

2.5.1 Proposed Next Steps

Atlantic Governments may wish to develop their own specific workplans to outline their next steps in program planning. The following next steps are proposed as generic guidance to assist Atlantic Governments toward the formation of their own workplans.

Exhibit 24: Proposed Next Steps

Next Step	Description
1. Finalize Timeline	A preliminary timeline for all four provinces moving forward has been presented in the following page. Suggest review and update of the timeline by each jurisdiction.
2. Review and confirm program principles (Section 2.1), designated materials list (Section 1.6), % producer contribution (Section 1.4)	Three key elements of the program that should be considered consistently across Atlantic Canada are: <ul style="list-style-type: none"> ■ Program Principles ■ Designated Materials List and Materials Definitions ■ % Producer Contribution It is suggested that these elements be agreed upon prior to developing draft regulations.
3. Research and analysis on target audience impact	Conducting an impact assessment of the target audience is important to better understand the impact to potential stewards in the region. This assessment could be used to inform decision-makers about exemption options so that impacts to small businesses are understood and various options are considered (including the option of no exemption). In working towards a goal of having consistent programs across all four jurisdictions, it is recommended that if a De Minimis exemption is decided upon, that it is consistently applied across all four jurisdictions – otherwise the business community will strongly protest unfair treatment.
4. Research and analysis on municipal cost formulas	Analysis on municipal cost formulas used in other programs, including variable cost formulas to achieve efficiencies should be reviewed and decisions made with respect to whether Atlantic Governments wish to regulate their own cost formula or let the PRO develop it.
5. Finalize Change Management Strategy	Further professional guidance may be required to finalize a Change Management Strategy for each jurisdiction (draft presented in Section 2.3)
6. Develop draft regulations	As per normal regulatory development processes in each jurisdiction.
7. Communications and engagement	As per normal regulatory development processes in each jurisdiction.
8. Adopt new regulations	As per normal regulatory development processes in each jurisdiction.
9. Approval of Program Plan	Each provincial government authority will approve the Program Plan submitted by the PRO, which is typically submitted within a year of the regulation.
10. Program Launch	On a specified date, program is formally launched.

2.5.2 Proposed Timeline

A preliminary timeline to correspond with the next steps outlined is presented on the following page. It could be used as a starting point for Atlantic Provinces to build on or revise as needed taking into account each province's circumstances.

Exhibit 25: Preliminary Implementation Plan for Atlantic Provinces – to be adapted by each Jurisdiction

Element	Est. Time Required	Est. Start Date	Estimated Completion Date			
			Nova Scotia	PEI	New Brunswick	Newfoundland and Labrador
1. Finalize Timeline / workplan for each jurisdiction	1 month	Mid 2014	Mid 2014	Mid 2014	Mid 2014	Mid 2014
2. Review and confirm program principles, designated materials, % funding	1-2 months	Mid 2014	Late 2014	Late 2014	Late 2014	Late 2014
3. Research and analysis on target audience impact	2-4 months	Late 2014	Early 2015	Early 2015	Early 2015	Early 2015
4. Research and analysis on municipal cost formulas	3-4 months	Late 2014	Early 2015	Early 2015	Early 2015	Early 2015
5. Finalize change management strategy	2 months	Early 2015	Mid 2015	Mid 2015	Mid 2015	Mid 2015
6. Develop draft regulation	6-12 months	Early 2015	Mid 2015 – late 2015	Mid 2015 – late 2015	Late 2015	Late 2015
Producers form association (PRO)	3-4 months	Mid 2015	Late 2015	Late 2015	Late 2015	Late 2015
7. Implement communications and engagement	As per normal regulatory processes in each jurisdiction	To be determined (TBD)	TBD (2015-16)	TBD (2015-16)	TBD (2015-16)	TBD (2015-16)
8. Finalize and adopt regulation	As per normal regulatory processes in each jurisdiction	TBD	TBD (Early 2016)	TBD (Early 2016)	TBD (Mid 2016)	TBD (Mid 2016)
Producers develop program plan and submit for approval	6-12 months	TBD	Early 2017	Early 2017	Early 2017	Early 2017
9. Approval of Plan	3-6 months	To be determined	Mid 2017	Mid 2017	Mid 2017	Mid 2017
10. Program Launch	As per PRO Program Plan date	To be determined	Mid 2018	Mid 2018	Early 2019	Early 2019

Appendix A: Selected Summary Data from Interviews

Summary

A total of twenty four interviews were conducted to provide input for this assignment, including five provincial representatives (two for NS and one for each of the others), and nineteen regional operators (7 NS, 8 NB, 1 PEI, and 3 NL). Input from provincial representatives fed into material presented in Sections 1 and 2 of this document. The responses for material operators are presented below.

Exhibit A1: Private vs Public Collection of Waste Paper and Packaging for Recycling

Province	Public	Private	Both
NB	61%	39%	0%
NL	100%	0%	0%
NS	56%	36%	8%
PEI	0%	100%	0%

Exhibit A2: Private vs Public Processing of Waste Paper and Packaging for Recycling

Province	Municipal	Private	Both
NB	84%	16%	0%
NL	16%	84%	0%
NS	7%	85%	8%
PEI	0%	100%	0%

Exhibit A3: Ownership of Processing Facilities for Recycling Waste Paper and Packaging

Province	Municipal	Private	Both
NB	89%	11%	0%
NL	100%	0%	0%
NS	87%	5%	8%
PEI	0%	100%	0%

Exhibit A4: Recycling Collection Curbside or Depot

Province	Curbside	Depots
NB	71%	29%
NL	90%	10%
NS	100%	0%
PEI	100%	0%

Exhibit A5: Processed Material Marketed by Public or Private Processors?

Province	Public	Private	Mix
NB	56%	44%	0%
NL	0%	100%	0%
NS	29%	17%	54%
PEI	0%	100%	0%

Appendix B: CSSA Materials List

The following is an abridged list developed from the more detailed list recently published by the Canadian Stewardship Services Alliance (CSSA) – an organization which has been working to develop harmonized, national material lists among other standardized steward services.

Printed paper

- Newspaper (Canadian Newspapers Association members)
- Other newsprint (non CNA members)
- Newsprint – inserts, circulars
- Magazines
- Catalogues
- Directories
- Paper for general use
- Posters, calendars, greeting cards
- Other printed materials

Paper packaging

- Gable top containers – beverage (including alcohol), non-beverage
- Aseptic containers – beverage (including alcohol), non-beverage
- Paper laminates
- Kraft paper bags
- Corrugated cardboard
- Boxboard

Plastic/PET bottles

- PET bottles and jars – beverage (including alcohol), non-beverage

HDPE and laminates

- PET thermoform
- PLA, PHA, PHB – beverage, non-beverage
- PLA, PHA, PHB – plastic film, carry-out bags
- LDPE, HDPE – film, carry-out bags
- Expanded PS – food , other
- Non-expanded PS – beverage, other

Other plastic packaging

Steel and aluminum containers

- Aerosol containers – steel, aluminum
- Steel paint cans
- Other steel containers – beverage, non-beverage
- Aluminum – beverage, food
- Other aluminum packaging

Glass

- Clear – beverage (including alcohol), non-beverage
- Coloured – beverage (including alcohol), non-beverage

More about CSSA

CSSA is a non-profit organization founded to deliver packaging and printed paper recycling services, and implement a shared and harmonized administrative and customer service business infrastructure for stewards of extended producer responsibility (EPR) programs and provincial producer responsibility organizations in Canada.

CSSA is a shared services organization with a traditional head office/ branch office model. Each of the provincial offices is a member of the CSSA family of recycling organizations. This model allows CSSA to focus on delivering more convenient recycling options to Canadians, managing strategy, process and administrative harmonization, and allows the provincial stewardship organizations to focus on supply chain execution, local promotion and education activities, and regulatory affairs.

In March 2014 CSSA published a *National Stewards Guidebook: A Guide to Help Businesses Meet Their Packaging & Printed Paper Recycling Obligations in Canada*³⁵. This Guidebook has additional information on material lists and the steward reporting process. It was primarily designed to assist stewards in their reporting obligations.

³⁵ CSSA website <http://guidebook.cssalliance.ca/>