

Stakeholder Consultation on MMSM's Draft Transition Plan

September 2 & 8, 2021





INDIGENOUS LAND ACKNOWLEDGMENT

Today's Agenda

- Setting the Context – how we got here and where the proposed Transition Plan takes us
- Overview of consultation process to date and going forward
- Proposed changes to obligated producers and designated materials
- Program performance
- Financing the transition
- Proposed six phases for the transition and associated timeline
- Transitioning communities
- Service procurement
- Common list of materials for collection
- Communication, promotion and education

Today's Objectives

- Review key aspects of the Transition Plan as proposed by MMSM
- Provide ample time for questions
- Ensure all participants are aware of how to provide feedback on the Transition Plan proposal
- Review next steps

Seeking your feedback through consultation questions

- Following the September 8 webinar, participants will be emailed a link to a survey where they can provide answers to the consultation questions posed throughout this presentation
- The survey link is currently posted on stewardshipmanitoba.org
- Deadline for feedback is October 1, 2021



Setting the Context



How does it work today?

- Stewards (manufacturers, brand owners, retailers) pay up to 80% of the eligible net costs of a participating communities residential packaging and printed paper (PPP) recycling program
- Known as shared responsibility, participation in MMSM's program is voluntary for communities
- MMSM provides technical assistance to participating communities to provide effective and efficient residential recycling services
- A participating community manages the operation of their program however, it must enter into a funding agreement with MMSM
- The community is responsible for promoting their residential recycling program and ensuring the proper recycling of all the material it collects

Roles and Responsibilities today

Ministry of Conservation & Climate

- Issues policy, direction, and approval letters
- Consults on and approves Program and Transition Plans

MMSM

- Executes responsibilities under the Regulation and Act
- Provides up to 80% of participating communities' eligible net cost funding to manage PPP on behalf of stewards
- Provides technical assistance

Stewards

- Annually report supplied quantities of PPP
- Pay fees to manage their PPP

Municipal & Indigenous Communities

- Determine local program scope and waste diversion strategy, consults with MMSM
- Manage or contract collection and processing services
- Participate in MMSM's Cost Monitoring Survey process used to establish stewards' payment obligation

MMSM directed to develop a Transition Plan to full EPR

In July of 2018, MMSM received direction from the Minister to “develop a plan for a 100% industry funded model for collection and recycling of packaging and printed paper in Manitoba and share this plan with the Manitoba Government by 2020.”

MMSM was granted an extension on the development of the plan to November 2021.

Full EPR for PPP shifts responsibility to producers

1. Shifts the responsibility to producers, making them operationally and financially responsible for establishing a province-wide reverse supply chain for the collection, transportation, consolidation, processing, and marketing of residential PPP
2. Assigns ownership of the end-of-life material to the producers that supply it into the marketplace
3. Creates an incentive to producers to consider environmental impacts when designing their products
4. Shifts costs of residential recycling services and marketing recyclable materials shift from communities to producers
5. Expands the standardized list of accepted materials and increases recovery performance

Roles and Responsibilities with full EPR

Ministry of Conservation & Climate

- Issues policy, direction, and approval letters

Stewards

- Annually report supplied quantities of PPP
- Pay fees to MMSM
- Assume operational and financial responsibility for the residential recycling supply chain

MMSM

- Execute responsibilities under the Regulation and Act with responsibility for delivering a province-wide residential recycling system that meets the performance targets outlined in the Plan
- Acts as single Manitoba PRO on behalf of stewards of packaging and printed paper
- Contracts with service providers for delivery of residential recycling services in participating communities.

Municipal & Indigenous Communities

- Communities participating in service delivery will have:
 - Contractual relationship with MMSM to deliver recycling services against a service standard
 - Responsibility for resident call center
- Communities where MMSM is delivering services on their behalf will have no role in the recycling services provided to their residents

Active Engagement in Plan Development



A busy summer!

Ongoing discussions with MMSM Board through 2021

Ongoing Updates to Manitoba Government

June 8 and 9
Municipal and
Indigenous
communities
EPR Information
Webinars



June 28 & 29
Municipal &
Indigenous
communities
Developing a
Transition Plan
Webinars




July 13 & 15
Municipal and
Indigenous
communities
Workshops




July 14 & 20
Stewards
Developing a
Transition Plan
Webinar



September 2
and 8:
All stakeholders
presentation of
draft **Transition**
Plan



30 Day Feedback Period ending
October 1, 2021



Transition Plan due to Minister mid-
November

Thank you for your contributions

Participation by **105** municipal and Indigenous communities in workshops and webinars

65 individual requests to receive news and updates on the Transition Plan

777 visits to the MMSM dedicated webpage

More than **40** individual calls and emails to encourage and invite participation and feedback

Participation of **225** individuals representing **145** steward organizations in webinars

Over **1,800** individuals invited to participate and provide input on the Transition Plan

Presenting the Proposed Transition Plan



What is in a Transition Plan?

- Introduction & Guiding Principles
- Definition of packaging and printed paper – including proposed changes
- Definition of obligated businesses – including proposed changes
- Commitment to establish performance targets
- Transition strategy – program delivery strategy, community participation, sequencing, and financing
- Procurement of services
- Communications, promotion and education

The Transition Plan:

1. Outlines how industry will assume full **operational** responsibility for the residential recycling system for packaging and printed paper in Manitoba
2. Outlines how industry will assume **financial** responsibility for the residential recycling system for packaging and printed paper in Manitoba
3. Designed as a single PRO model for PPP: MMSM will be the only residential PPP program in Manitoba

A Transition Plan with an updated program scope will:

- Help stewards meet their sustainability goals
- Meet Manitoba Government's expectations for a forward-looking program that addresses citizen concerns about plastic waste
- Meet residents' expectations for the delivery of modern, comprehensive recycling services
- Ensure the MMSM program is in step with other provincial EPR programs for packaging and printed paper

Transition Plan Objectives

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

Consultation Question

- Do you agree with the Transition Plan objectives?
- Is there anything to be added or removed?



Obligated party



Proposed definition of obligated party widens scope to resident in Canada

This definition of obligated party would align with the recent Ontario Blue Box Regulation and is the definition anticipated in other provinces considering full EPR.

Brand holder if resident in Canada



Importer of product if resident in Manitoba



Retailer who supplied the product to the consumer

Proposed definition of obligated party extends to e-commerce sellers not resident in Canada

E-commerce sellers, that act as “marketplace facilitators” and perform a fulfilment function in supplying designated materials to Manitoba residents would be obligated **regardless of whether or not they have residency in Canada.**



Proposed small business exemption

Harmonize some elements of small business exemptions with Recycle BC program:

Current exemptions Recycle BC

1. Less than \$1M in gross revenues or,
2. Supply less than 1 tonne of obligated material
3. Operate a single point of retail sale

Proposed exemptions in other jurisdictions (e.g., Alberta)

1. Less than \$1M in gross revenues or,
2. Supply less than 1 tonne of obligated material

MMSM Proposed Exemption

1. Less than \$1M in annual gross revenues in Manitoba or,
2. Supply less than 1 tonne of obligated material annually

Consultation Questions

- Do you agree with the proposed definition of obligated party?
- Do you agree with the proposed small business exemption threshold of \$1M in Manitoba sales or 1 tonne of materials supplied in Manitoba?



Designated Materials



Proposed definition of designated materials

Residential materials only

- Materials supplied to the residential consumer only – ICI material not designated
- Includes transportation packaging delivered directly to consumer homes
- Standardized list of materials to be collected across all communities

Proposed expanded definition of packaging

Packaging-like products

- Include “packaging” that is typically purchased as a product and is often indistinguishable from packaging when recycled
- Examples include foil pie plates, food storage, sandwich and freezer bags, paper lunch bags, corrugate moving boxes etc.

Proposed expanded scope to include packaging-like products will help to:

- Reduce amount of un-stewarded material in the recycling system
- Achieve a level playing field for stewards
- Achieve a level of consistency with other provincial EPR programs

Proposed expanded definition of designated paper

Paper products and paper for general use

Obligated paper products would include “printed paper” and paper sold as a product and used for copying, writing, or any other general use

- Excluded from obligation would be:
 - Paper products that, by virtue of their anticipated use, could become unsafe or unsanitary to recycle
 - Bound reference books, literary books, and textbooks

Proposed expanded scope of designated paper will help to:

- Reduce amount of un-stewarded material in the recycling system
- Achieve a level playing field for stewards
- Achieve a level of consistency with other provincial EPR programs

Consultation Question

- Do you agree with the proposed definition of designated materials?



Performance Targets



Program Recovery Target

Program Recovery Rate

Program Recovery target is defined in Minister's 2018 approval letter requiring:

- 70% general recovery target to be achieved over the current program plan's five-year term (2018-2023)
- 75% overall beverage container recovery target in place

MMSM will aim to maintain the current recovery rate through transition and in 2024 will consult on establishing a new program recovery target to be achieved two years after transition.

Setting material specific recovery targets

Material specific recovery targets

Proposal to establish material specific targets once Transition Plan is approved and post-collection network design is completed - likely 2024.

Access to material composition audits is needed to establish targets – available in transitioned communities.

Aim to achieve targets two years after all communities have transitioned.

Material specific recovery targets are important to:

- Help support producers' corporate commitments
- Address consumer concern about plastic waste

Material	Target	Current Performance (2020)	Improvement Percentage
Paper	TBD	98.8%	TBD
Plastic	TBD	50.8%	TBD
Metal	TBD	59.2%	TBD
Glass	TBD	73.4%	TBD

Commit to greenhouse gas reporting

GHG Tracking

Commit to reporting on the greenhouse gases associated with the collection and processing activities of the recycling system.

- Begin tracking one year after all communities have transitioned to full EPR
- Increase program transparency in line with Recycle BC and MMSW programs

Consultation Questions

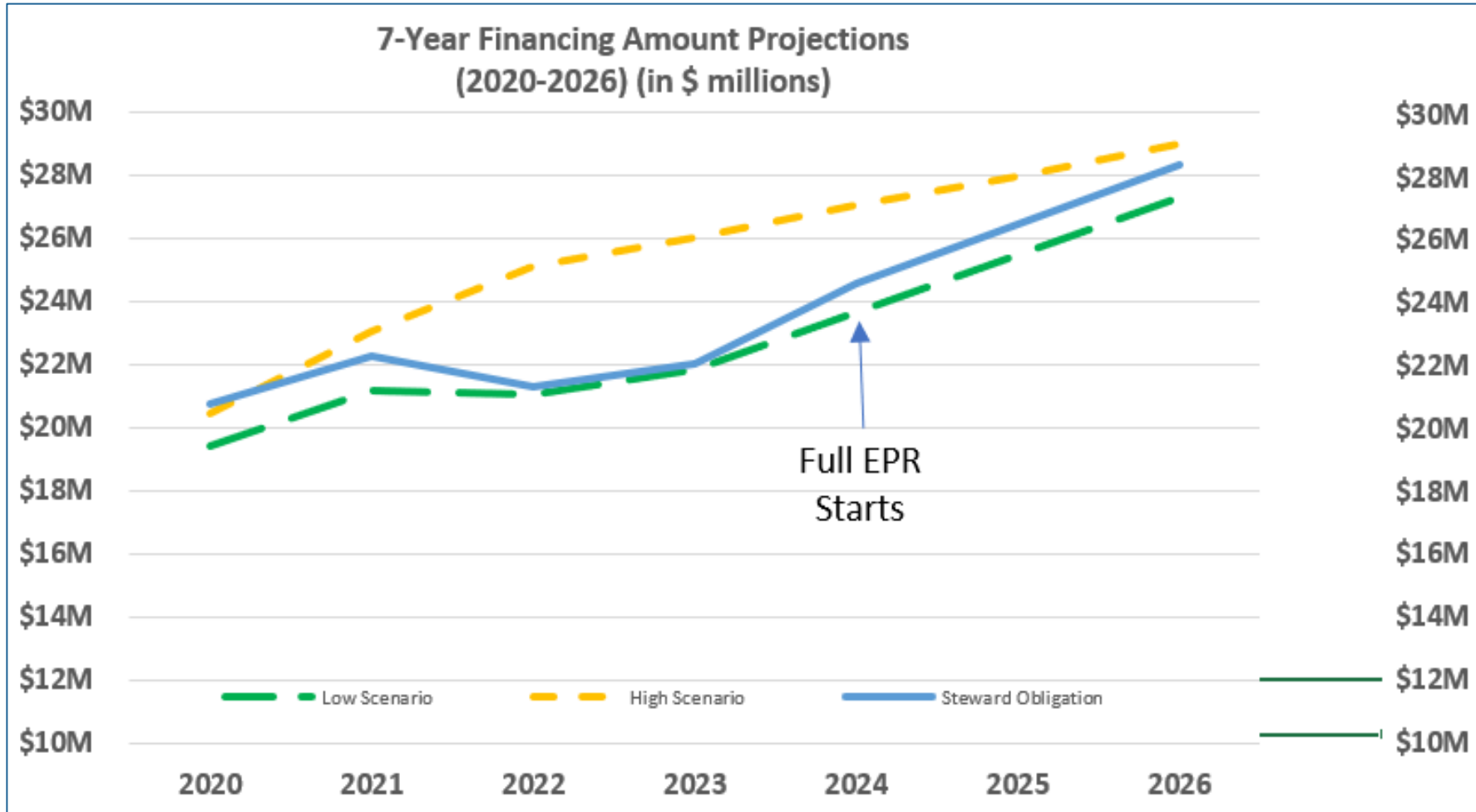
1. Do you agree with the proposal to establish a new program recovery target and material specific recovery targets to be achieved after transition?
2. Do you agree with the proposed process and timing proposed for establishing those targets?
3. Do you agree with the proposal to commit to reporting on the greenhouse gas impact of the program once all communities have transitioned?



Financing the Program



Steward financing – a seven-year projection



Anticipated Year	Cost Item
2023	-Transition Plan resource -Reserve accumulation
2024	-Transition Plan resource -Reserve accumulation -Transition Plan support resources -Incremental Supply Chain costs for transitioning Communities
2025-2027	-Transition Plan support resources -Incremental Supply Chain costs for transitioning Communities

Proposal for a gradual and orderly transition



Program Delivery Principles

- **Designed as a one PRO model:** MMSM will be the only Producer Responsibility Organization (PRO) for residential PPP in Manitoba
- **Focus on outcomes, not process,** improve environmental outcomes through diversion, maximized efficiency, and minimized complexity
- **Preserve the integrity of residential recycling** while ensuring uninterrupted collection service to residents
- **Ensure a fair and open market** for future collection and processing of materials, including the ability for municipalities to bid on services
- **Define standards,** definitions, and service responsibilities
- **Foster interaction and collaboration** to drive innovation
- **Provide for continuous improvement** Transition Timeline and Delivery Approach

A six-phase approach to transition



Proposed transition consists of six phases

- Phase 1: Plan approval and regulatory amendments
- Phase 2: Collection service design
- Phase 3: Communities determine participation role
- Phase 4: Catchment design and sequencing
- Phase 5: Procurement
- Phase 6: Transition Communities

Phase 1: Plan approval and regulatory amendments

- Support the Ministry in its review of the Transition Plan
- Support the Ministry in its development of Regulatory Amendments required to enable the implementation of the Transition Plan
- Support the Ministry and stakeholders as requested to facilitate review and approval of the Transition Plan and Regulatory Amendments
- Timing of transition dependent upon Ministry indicating intent to approve and amend regulation by June 2022

Phase 2: Design Service Collection

Work with municipal and Indigenous communities to:

- Develop the collection services Master Services Agreement and Statement of Work for contracting collection services
- Review Cost Monitoring Survey (CMS) data and conduct new research to identify collection service costs
- Understand the extent to which multi-family buildings are part of the current transfer payment model
- Develop collection service contracts and price proposals

Phase 2: Communities have Right of First Refusal for providing collection services

- Using service standards and cost information, communities will be provided with information needed to help them decide on their role in collection services delivery
- Communities could minimize complexity of transition by retaining current contracts and amending to MMSM service standards
- Eligible communities can ‘opt out’ of providing collection services - MMSM will procure collection services on their behalf

Phase 3: Communities determine interest in providing service delivery

- Communities to deliberate on their ongoing role in service delivery
- MMSM will support these discussions

MMSM has assumed that declarations of willingness to participate in service delivery or intention to opt-out of service delivery will be made throughout the period April 1, 2022 – December 31, 2023.

Phase 4: Develop Catchment design and sequencing

- Proposal to transition communities by catchment area
- Catchments are organized as logical clusters of communities that when transitioned together allow for efficient flow of material reducing environmental impact
- Work with communities to understand their preferred timing for transition considering several catchment design criteria such as:
 - Physical geography
 - Volumes of PPP available
 - Existing infrastructure
 - Proximity to other communities who have declared their intention to transition

Phase 4: Prepare for post-collection services

- Design and develop the service standards, contract, and Request for Proposal (RFP) for post- collection services
- Initiate development of the sequence by which participating and non-participating communities will transition to full EPR

Phase 5: Procure post-collection services

- Manage the competitive post-collection RFP process and negotiate the post-collection contract(s) with the successful proponent(s)
- Finalize contracts with the first wave of participating communities in accordance with the sequencing plan developed in Phase 4
- Manage the competitive collection RFP process to ensure collection services are delivered in communities where the municipality or Indigenous community opted out of participating in service delivery

Phase 6: Communities begin to transition

- Commence a collaborative planning process for the transition with participating communities
- For opt-out communities, conduct a collaborative planning process to transition to new collection service provider
- Planning will include consideration for how residents will receive call centre services for missed pick-ups, replacement collection receptacles, etc.

When a community transitions to full EPR, MMSM will cease to make payments to that community under the shared responsibility model as of the effective date of transition.

Proposed Transition Timeline

	2022	2023	2024	2025	2026
Phase 1 Plan and Regulation					
Transition Plan Review and Regulatory amendments					
Phase 2 Collection Service Design					
Develop and consult on SOW and MSA, conduct collection cost research					
Phase 3 Community Participation					
Municipalities and Indigenous communities' internal review; notify MMSM of intent to participate in service delivery					
Phase 4 Catchment Design & Sequencing					
Catchment design, post-collection contract design, community sequencing					
Phase 5 Procurement					
Post collection RFP; Community transition sequence determined					
Phase 6 Transition Communities					
Participating Communities; contract services for opt-out communities					

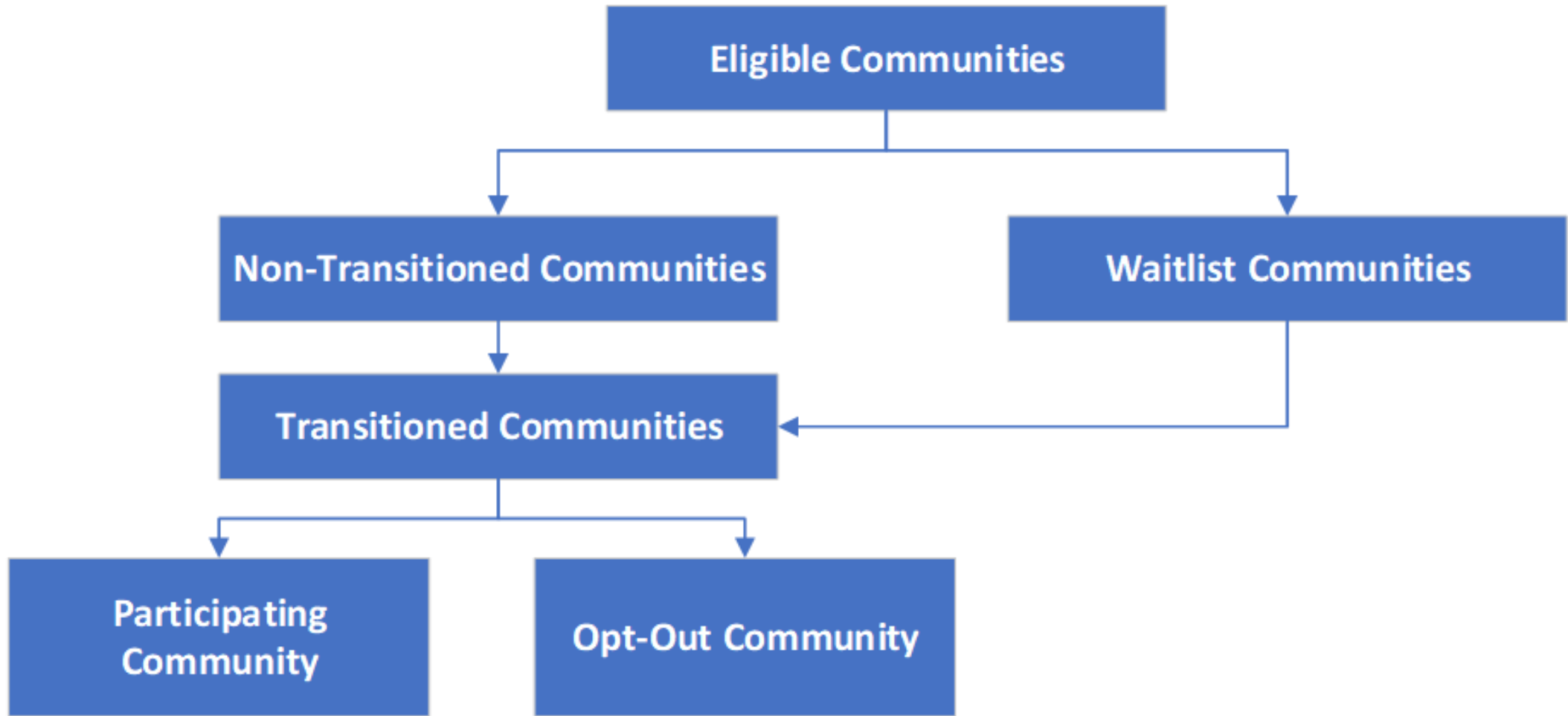
Consultation Questions

1. Do you support the proposed six-phased approach to transition?
2. Do you support the timeline proposed for the six phases of transition?



The community journey through transition

- **Eligible Communities** are communities that can receive funding from MMSM
- **Non-Transitioned Communities** means those communities that are delivering collection and material management services under the current transfer payment model
- **Opt-Out Communities** are eligible transitioned communities that have chosen not to participate in the delivery of residential recycling services. In these communities, MMSM will contract with collection and post-collection service providers directly and will oversee their delivery of services
- **Participating Communities** are eligible transitioned communities that are service providers to MMSM in the full EPR model and are delivering or managing collection and other residential recycling system services
- **Transitioned Communities** are eligible communities that have moved from the current transfer responsibility model to the fully managed and financed EPR model
- **Waitlist Communities** are communities that are eligible for MMSM financing but have either chosen not to receive funding at this time or the registration for eligibility was received after the December 31, 2021, deadline



Procuring Services



Objectives in procuring services

- Promote competition by ensuring a fair and open marketplace
- Facilitate cooperation among the various parties
- Provide communities with the choice to provide collection services
- Ensure that post-collection system evolves to optimize the consolidation, transfer, processing, and marketing of PPP, specifically to:
 - Maximize efficiency as a result of increasing post-collection scale while minimizing transportation and handling which by extension minimizes cost, energy use and attendant greenhouse gases
 - Increase the quantity and improve the quality of materials marketed to maximizing commodity financial returns and minimize materials requiring disposal

What is included in post-collection management activities?

- Receive PPP from vehicles from collectors
- Pick up PPP from depot collectors
- Consolidate and transfer PPP from collectors where required
- Prepare and transfer PPP for shipment to end-markets or downstream processors (as required)
- Market PPP to end-markets
- Appropriately manage residual materials
- Track materials received and shipped by the processor to approved end markets
- Report to MMSM in real time

Competitive procurement of post collection services

- Private sector companies as well as municipalities and Indigenous communities will have opportunity to participate in competitive process (collection is a separate service from post-collection and contracted as such)
- While communities will have right of first refusal to act as collectors, they will not be offered such rights for post collection, but they will be free to bid on providing these services, or participate as part of a group

Consultation Questions

1. Do you agree with the objectives of the proposed approach for procurement of post-collection services? Are there other objectives you would like to see added?
2. Do you support the proposed post-collection procurement approach? If not, what approach would you prefer we consider?



A Standardized List of Materials for Collection



Standard list of materials for collection

Initial list of targeted materials will include:

Newspapers and flyers

Magazines and catalogues

Telephone directories

Aluminum food and beverage containers

Glass food and beverage containers

Steel food and beverage containers

PET (#1 plastic bottles and clear clam shells)

HDPE (#2 plastic) containers

Old corrugated cardboard (OCC)

Gable top containers (eg. milk cartons)

Boxboard (eg. cereal boxes)

Aseptic packaging (eg. juice boxes)

#4, 5 & 7 household plastic containers

Adding new materials for collection

- In order to improve the program recovery rate and meet material specific targets, MMSM will add new materials to the program as end markets are developed

Communications, Promotion and Education



Promotion & Education Objectives

MMSM will design and deliver an effective resident education program that will:

- Increase the recovery rates of PPP in residential-based collection services
- Raise awareness amongst consumers and other target audiences of the program features and benefits
- Engage and encourage consumers to make appropriate decisions about the preparation of PPP to increase the amount of targeted PPP collected and reduce contamination

Promotion & Education Activities

P&E activities will be set out in a communication strategy that is reviewed and updated annually. Key features and techniques include:

- A variety of tools to build awareness among residents about appropriate end-of-life management of PPP
- The “Recyclepedia” web tool and mobile app for use by participating communities
- Targeted school programming for K-12 and post-secondary institutions
- Educating residents about the actions required
- Motivating action (providing a “call-to-action”)
- Reinforcing and rewarding the newly adopted behaviour by providing information about the result of their action

Consultation Questions

1. Do you agree with the proposed objectives and activities of MMSM's communications, promotion and education strategy?
2. Are there other objectives and/or activities you would like to see added?



Questions

How to provide feedback:

- Visit MMSM's website stewardshipmanitoba.org to find the link to the consultation survey
- Email transitionfeedback@stewardshipmanitoba.org
- Visit stewardshipmanitoba.org and submit your feedback through the 'Submit Feedback and Questions' button
- Deadline for feedback October 1, 2021



Next Steps



We want to hear from you:

- Watch your email for a survey with consultation questions for your completion
- Visit the MMSM website stewardshipmanitoba.org to access the survey
- Email transitionfeedback@stewardshipmanitoba.org
- Visit stewardshipmanitoba.org and submit your feedback through the 'Submit Feedback and Questions' button

Deadline for feedback is October 1

