



## Interim 2021 CIF Operations Plan

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# 1 – Introduction

The Continuous Improvement Fund (CIF or, the Fund) is a partnership between the Association of Municipalities of Ontario (AMO), the City of Toronto, Stewardship Ontario (SO) and Resource Productivity and Recovery Authority (RPRA), previously known as Waste Diversion Ontario, (WDO). The CIF commenced operations on May 1, 2008, under a Memorandum of Agreement (MOA) signed by the program partners. It fulfills specific directives of Minister Stockwell's original program request letter to WDO dated September 23, 2002, requiring establishment of a waste diversion program for Blue Box waste, and the obligations of Section 6.6 of the current Blue Box Program Plan (BBPP).

The Fund's mandate is to improve the effectiveness and efficiency of Ontario's municipal Blue Box programs. This mandate is fulfilled through direct funding, technical support and training to aid municipalities and program stakeholders in the development and implementation of best practices, including technological and market-based solutions that lead to program improvements. The CIF's current Three-Year Strategic Plan (2019 – 2021) continues to fulfil the mandate while reflecting the current interests of stakeholders to focus on transition and initiatives that deliver results of broad benefit to programs across the Province.

On August 15, 2019, the Minister of Environment, Conservation and Parks (the Minister or Ministry), issued letters to RPRA and SO with direction to begin the transition of the Blue Box Program to a producer responsibility model. Amongst the Minister's instructions was direction to RPRA to end the CIF as soon as practical prior to December 31, 2025. SO was directed to develop a windup plan (WUP) for the BBPP by June 30, 2020. As the establishment of the CIF is tied to the BBPP, a plan to windup its own operation was written and approved by CIF Committee, and consulted on as part of the development of SO's overall BBPP WUP. As a result of the COVID-19 pandemic, the deadline for submission of SO's WUP was extended to August 31, 2020. It is still RPRA's expectation that it will approve a final WUP for the BBPP by year end 2020, provided it is consistent with the Minister's direction. As the 2021 CIF Operations Plan (the Plan) is expected to be approved prior to the approval of the BBPP WUP, it may be necessary to amend the Plan in the early part of 2021 to address any unforeseen impacts. Accordingly, this year's Plan is presented as an interim plan with the potential for change.

This year's Plan seeks to meet the objectives and operating parameters identified in the:

- CIF's current mandate;
- CIF's Three-Year Strategic Plan (2019-2021);
- Minister's directives to RPRA and SO; and
- CIF's proposed WUP.

The Plan seeks to accomplish this balance of objectives and directives by focusing on efforts that support collective benefits placing a distinct emphasis on the development and provision of initiatives and services that:

- Continue to improve the effectiveness and efficiency of the existing program at a collective level;
- Prepare municipalities for program transition;
- Aid in stabilizing sustainable markets for Ontario's Blue Box materials; and
- Aid municipalities with day-to-day decision making and longer-term planning.

A major change in this year's Plan from years past is that the CIF will not issue the traditional, annual Request for Expressions of Interest (REOI) to solicit project proposals for funding. Building on strategic partnerships initiated throughout 2020 with the Regional Public Works Commissioners of Ontario's (RPWCO) Waste Subcommittee and with AMO's Municipal Resource Recovery and Research Collaborative (M3RC), the CIF will instead work with groups such as these to implement projects within the categories outlined in the 2021 Plan and within the identified budget envelopes. This approach will:

- Ensure there is broad municipal support for the proposed project work;
- Ensure all initiatives align with CIF's mandate, and are scoped to meet the criteria for collective benefit;
- Expedite project approvals;
- Allow for projects to be launched and completed within a timeline that enables the widest promotion and uptake of the learnings; and
- Ensures the timely wrap up of all initiatives by December 31, 2023, the timeframe outlined in the CIF's proposed WUP – thus complying with the Minister's direction to end the CIF as soon as practical.

Per the CIF's strategic plan, the 2021 Plan will allow for limited individual municipal grants, provided they do not interfere with the proposed CIF WUP timeline. The 2021 Plan offers the necessary flexibility to respond to any required change in operations resulting from the pending approval of a WUP for the BBPP.

## 2 – Current Operating Directives

Year over year, the CIF's focus and priorities change to reflect varying directives from the Fund's partners and 2021 is no exception. The CIF's 2021 Plan continues to seek to fulfill its original mandate while taking into account the Minister's direction to RPRA and SO to windup the BBPP. It recognizes the recent feedback and varying needs of stakeholders, the tactical priorities selected from the CIF's strategic plan, and balances those against the timelines and objectives outlined in the CIF's own draft WUP.

In 2019 the RPRA Board of Directors approved the CIF's current Three-Year Strategic Plan (2019 – 2021). This strategic plan reflects the fact that, while the CIF continues to operate under its mandate as originally set out in the BBPP, the requirements of stakeholders had, at the time of its development, changed dramatically with the potential for the BBPP to move to FPR. It sought to balance a range of priorities by focusing on efforts that support collective benefits rather than on continued funding of individual municipal initiatives. It also placed a distinct emphasis on the development and provision of initiatives that: prepare municipalities for program transition, aid in stabilizing and developing sustainable markets for Ontario's Blue Box materials and continue to improve the effectiveness and efficiency of the existing program at a collective level. The strategic plan also continues to support provision of knowledge-sharing services through the CIF Centre of Excellence (CoE) to support municipalities with day-to-day decision making and longer term planning. The 2021 Operations Plan organizes these activities into transitional support and program support services. The Plan integrates the current desires of the CIF's stakeholders that the provision of grants to individual municipalities would no longer be offered after September 30, 2021. This will help prevent the potential for grant timelines to encounter slippage and inadvertently delay the windup of the CIF, create stranded assets or otherwise breach the Minister's direction to avoid program service level changes. The CIF's focus will instead be on the continued delivery of initiatives that offer strong transitional support along with some program support services.



The CIF's draft WUP reflects the Minister's August 15, 2019 direction to RPRA, related to CIF, including that:

- RPRA continue administration of the CIF;
- The CIF receive no additional funding contributions; and
- The CIF end as soon as practical prior to December 31, 2025.

The CIF's proposed WUP lays out a timeline that is in accordance with the Minister's directives and amends the CIF strategic plan for operation of the Fund prior to, and during, windup in a

manner that is intended to meet the needs of its stakeholders without interfering with the timely windup of the Fund. Namely to:

- Cease provision of grants as of September 30, 2021;
- Continue delivery of transitional and program support services with emphasis being placed on transitional support activities up until December 31, 2023; and
- Cease public operations on December 31, 2023.

The CIF WUP also proposes a new governance structure to oversee its wrap up, specifically that two committees be struck. The current CIF Committee is proposed to be replaced by a CIF Transition Services Committee (TSC) whose primary responsibility will be to develop an annual budget for CIF transitional and program support services and provide oversight over the delivery of those services. A new committee, CIF Windup Committee (WUC), is proposed with overall responsibility for ensuring compliance with the CIF WUP.

At the time of development of the CIF's 2021 Operations Plan, RPRA was consulting on SO's BBPP WUP, including the CIF's draft WUP. It is expected that a decision on the approval of both plans will be made no later than December 31, 2020. This process could affect the implementation of the CIF's 2021 Operations Plan.

With the potential for the CIF to undertake new direction in early 2021, the Fund's 2021 Operations Plan seeks, in the interim, to continue to reflect its current mandate while acting on the priorities established by its stakeholders as reflected in its strategic plan. The Plan, as outlined, recognizes that it would be inappropriate to undertake initiatives that would run contrary to the Minister's intent to windup the Fund in a timely manner and it must be responsive to potential change once SO's WUP is approved. The Plan, therefore, seeks to strike a balance between meeting its stated mandate while strengthening its ability to be responsive to change in a timely manner.



## 3 – 2020 in Review

2020 marked a year unlike any other due to the onset of the COVID-19 pandemic. In addition to the challenges this created, the industry continued to struggle with rising contamination rates, tightening and sometimes failing markets and falling revenues. Municipalities also continued to wait for the proposed new Blue Box regulations under the Individual Producer Responsibility (IPR) framework. While the Ministry consulted on their development throughout 2020, the specifics needed to begin transition planning remain undetermined. Stakeholders' need for timely and accurate research, data and advice was reflected in record level publication readership, website traffic and attendance at the CIF 2020 annual conference and training activities.

### 3.1 774 Projects Completed

As of September 30, 2020, the CIF has received and reviewed a total of 1,091 project proposals and provided over \$61.3 million in funding to 774 of those projects with a combined value estimated at over \$139.4 million. A total of 710 projects were completed at the time of publication of this Plan. They span a broad range of activities intended to fulfil the mandate of the CIF to maintain the efficiency and effectiveness of current programming while also providing transitional support to programs preparing to shift into the IPR framework once the new regulations are approved.

Over the past twelve months, the Fund and its partners have completed 33 projects. In total, just over \$1.835 million in CIF funding was provided in support of these projects. The project work has included cost saving and cost containment initiatives, performance analytics and better practice development, transitional support, waste composition studies and market development. In addition, CIF staff have been actively providing procurement and contract management guidance and outreach.

### 3.2 The CIF 2020 REOI was Under Subscribed

Again in 2020, the total number of applications received under the REOI was low in comparison to previous years. The continuing uncertainty of the pending transition to IPR caused potential applicants to postpone undertaking major program changes and investments.

Submissions received by the CIF highlighted a continued broad range of priorities. Some sought funding for collection-based research into strategies to manage unintended consequences of the Blue Box program. Others sought funding for performance analytics and better practice research into the cost to manage materials once the program transitions to the new framework.



Despite the uncertainty surrounding the timing of transition of the BBPP and the constraints placed on programs to take on new work due to the pandemic, municipalities and other program stakeholders submitted 20 funding applications with a combined project value of just over \$816K. Table 1 summarizes the REOI application results by funding category.

**Table 1 – 2020 REOI Results**

Item	2020 Budget	Project Value+	Funding Request+	Funding Approved+
Collection & Processing Initiatives	\$375,000	\$110,000	\$110,000	\$110,000
Year Six Waste Composition Studies	\$345,000	\$550,000	\$550,000	\$345,000
Transitional Support	\$250,000	\$62,264	\$62,264	\$58,270
Market Research & Support	\$150,000	\$0.00	\$0.00	\$0.00
Performance Analytics & Better Practices Research	\$130,000	\$93,950	\$93,950	\$93,325
<b>Total</b>	<b>\$1,250,000</b>	<b>\$816,214</b>	<b>\$816,214</b>	<b>\$606,595</b>

+Note: excludes taxes

After review of the submitted applications, a total of \$606,595 in funding was provided to 14 projects of which 6 were individual waste composition study applications. Approved projects included traditionally funded activities such as assistance with collection and processing issues, performance analytics and funding for waste composition studies. Funding was also provided to continue work in assisting municipalities in preparing for transition to IPR.

### 3.3 Municipalities Continue to Find Savings

Cost savings and cost containment initiatives continue to yield positive results for the CIF. In 2020, the following projects highlight how annual savings, improved revenue earning potential and significant avoided costs were made possible across a range of small, medium and large communities.

Township of Algonquin Highlands tested the efficacy of using covers for 40-yard fibre recycling bins. The pilot was initiated after receiving notices from their processor indicating that water-soaked materials would soon be refused and charged out as waste. The covered bin improved the quality of materials, helped avoid increases in processing costs and ensured materials were diverted from landfill. In fact, as processing is charged out by the tonne, and the dry materials weighed less, this resulted in a 20% to 25% cost savings. The savings were significant to this small community and present an opportunity for system-wide savings if this approach was adopted by depots Province-wide.

Faced with the loss of their single stream processor, Drummond/North Elmsley switched from single stream to dual stream. This helped to reduce contamination levels from 15% to 6%, and decreased processing costs by 38% per metric tonne. The change resulted in an annual cost savings of roughly \$19,390 and a payback in 2.1 years on their investment. It also helped make the program more sustainable prior to transition by yielding cleaner materials and expanding the number of processing options available to them.

Durham's Material Recovery Facility (MRF) operating and maintenance contract was set to end, while at the same time the facility was struggling to accommodate an increased volume of inbound containers. The need for additional labour to manage the growing amount of material was putting pressure on annual operations, and the Region anticipated substantial processing cost increases if a new contract was to start without any process equipment upgrades. With a capital investment of just over \$2,000,000, the facility managed to increase revenue earned by \$156,000 from the better capture of plastics, improve the throughput capacity and eliminate the need for a second shift which resulted in a projected avoided annual cost of \$729,500. This allowed for a 2.2-year payback on the Region's investment.

### 3.4 Collection & Processing Initiatives and Performance Analytics & Better Practices Promotion

Responding to stakeholder input, the CIF shifted its focus to funding initiatives that offered collective or Province-wide benefit. 2020 marked the second year of the CIF's new strategic plan where individual grants were no longer prioritized. At the same time the funding categories evolved to reflect the needs prioritized by municipalities as they approached transition. Research into collection and processing and performance analytics and better practices development were identified as areas of particular interest for municipalities.

This shift in categories highlights the difficulty stakeholders face in trying to make investments given the uncertainty associated with program transition. Research and performance analytics were critical to helping identify emerging areas worthy of investment in the lead up to and post transition. Research was also necessary to point out where the best opportunities for payback were, given there are so few years remaining in which to achieve it before transition. Better practice studies were sought to help municipalities understand the operational and financial impacts anticipated for collection.

The CIF forged a partnership with the RPWCO Waste Subcommittee and started several key projects in 2020. Three scopes of work for projects were established for collection and processing research studies including a next generation technologies initiative to look at solutions to operating & market challenges, a flexible film and difficult to recycle plastics recovery pilot, and an inbound contamination definition and impact analysis.

This work will provide stakeholders with a deep understanding of the cost, operational impacts and risk exposures of new technology, accepting film plastic bagged at the curb, and managing contamination at various points along the chain of custody. The lessons learned will provide collective benefit allowing municipalities to better manage their programs today and to make better informed decisions as to whether or not to become a contractor to a Producer Responsibility Organization (PRO) in a post-transition environment.

Other projects launched in 2020 included pilots for:

- Expanded Polystyrene (EPS) collection and mobile densification service for municipal depots, with the potential to significantly reduce system costs; and
- Curbside Blue Bag debagging in Dufferin County. This pilot showed a 17% increase in collection cost to debag recyclables at the curb when 34% of residents use bags to set out their materials suggesting debagging at the MRF remains the preferred option for bag-based collection programs.

### 3.5 Transitional Support Projects

The CIF began providing transitional support as a fundable project category in 2016. Activities funded under this section seek to improve the strategic planning for, and management of, current program operations while preparing municipalities for transition.

Key work undertaken in 2020 involves four initiatives examining the implications of transition to the IPR framework on operations and program costs including a:

- Review of the Recycle BC Printed Paper and Packaging Program – a study of program service delivery standards likely to be replicated in Ontario;
- Municipal Enforcement Strategies in an IPR Environment study – an examination of options to deal with unintended consequences of a producer-led system;

- Collection and Diversion Options Analysis - transitional strategy assessment tools; and
- IPR Transition Financial Planning Model – full cost accounting exercises for large and small municipalities.

Several of the projects were delivered in partnership with RWPCO and AMO's M3RC policy group demonstrating a willingness of municipal stakeholders to collaborate on projects of common value. The IPR transition financial planning model was incorporated into an on-line training course which was offered three times throughout 2020 and attended by more than 28 participants from 22 unique municipal and First Nations groups. Two additional training sessions are planned for the future to accommodate the current waiting list of participants.

In 2020, a total of \$121,514 in funding was provided to support the four new projects noted above bringing the total number of transitional support projects funded by the CIF to 25 over the past five years. In addition to the projects described above, other work in this category includes a MRF business valuation. Fifteen of these projects were completed at the time of this publication.

### 3.6 Waste Composition Studies Were Impacted by COVID-19

In 2020, SO and CIF agreed to continue to jointly fund four season waste composition studies based on the terms of reference (TOR) established in 2015 in cooperation with WDO (now RPRA). This public dataset of compositional information with representation across the nine RPRA municipal groupings is broadly used by a variety of program stakeholders. The results of the first three year's studies have been published to the CIF website. However, response to the COVID-19 pandemic delayed completion of the Year Four waste composition studies for several months. The four-season study was scheduled to take place from June 2019 to May 2020. In March 2020, however, the Province of Ontario declared a provincial emergency forcing cancellation of the final (i.e., Spring 2020) season's work. Participating municipalities were offered the opportunity to reschedule the work or to remain with a three-season study. Five municipalities completed the fourth data collection sampling (between June 22 and September 25, 2020), while four municipalities opted to remain with a three-season study. Given the delay in completing the Year Four Waste Composition Studies, the Year Five studies have been postponed three months and are scheduled to begin in the fall of 2020 (i.e., October 5 to December 18, 2020). Assuming no further delays, they are now projected to be completed by September 2021.

Table 2 outlines the number of studies planned, underway and completed to date. Studies funded under the 2020 CIF Operations Plan (Year Six TOR) are currently under discussion with SO and the CIF has committed \$345,000, inclusive of taxes, to co-fund up to 13 new studies.

**Table 2 – CIF Waste Composition Studies by RPRA Grouping**

RPRA Group	Total	Waste Composition Studies since 2013 (funding year)							
		2020*	2019	2018	2017	2016	2015	2014	2013
1	27	2	4	6	2	4	4	3	2
2	10	3	1	0	2	1	0	2	1
3	10	2	2	0	1	1	2	1	1
4	11	1	0	2	2	2	2	0	2
5	7	0	3	1	0	1	1	0	1
6	4	1	0	0	1	1	1	0	0
7	7	1	2	2	1	0	1	0	0
8	4	1	1	1	1	0	0	0	0
9	4	1	0	0	1	0	1	1	0

\*Recommended for funding

### 3.7 CIF Centre of Excellence Highlights

Delivery of program support services through the CIF CofE continues to be a priority of the CIF strategic plan. It is a virtual clearinghouse for the consolidation and dissemination of the learnings from the hundreds of projects funded by the CIF over the past decade. It has also been used to develop and deliver a broad range of services, as noted in Section 6, that are regularly accessed by municipalities and stakeholders across the Province.

The current year's Plan anticipated the operation of three working groups to support program planning needs in key functional areas. At the end of 2020, the Collections working group will wrap up their work which focused on securing full activity-based cost data for depot operations. The CIF undertook an analysis of various depot operations across Ontario and developed a cost profile for each along with identification of better practices. It is hoped that this information will aid municipalities in understanding the actual costs of collecting Blue Box materials at their facilities. In 2020, concerns were raised about the potential exclusion of multi-residential (MR) buildings as an eligible source under the proposed new regulations due, in part, to the suggestion that its costs were prohibitive. A preliminary cost analysis undertaken by the CIF in cooperation with its MR working group members revealed discrepancies with information being submitted to the Province. Further work will be carried out on this in 2021. The Promotion and Education (P&E) working group, which secured funding for its work in 2019, will launch in 2021 after a delayed start due to CIF staffing changes and the onset of the pandemic. Their work will focus on

the development of a range of contamination reduction tactics to be tested in member communities and through CIF-led pilots described in Section 5.

The CIF Price Sheet is a monthly publication that contains a blend of municipal spot market prices for Ontario-based municipalities which is emailed to subscribers and posted to the website. It details current and price trends for post-consumer metals, glass, plastic and fibre and is an invaluable tool for municipal officials and others involved in the recycled commodities marketplace. Readership of the Price Sheet increased in 2020, from an average of 110 email clicks in 2019 to 132 in 2020. The webpage that hosts the Price Sheet also saw a significant increase in traffic, from a monthly average of 147 unique page views in 2019 to 248 in 2020. CIF staff is routinely contacted for additional information and guidance on market conditions as a result of this valuable publication.

The CIF continues to undertake research in order to produce reports and blogs in response to pressing issues brought forward by stakeholders each year. In 2020 a glass market review was conducted to identify and assess processing capacity for Mixed Broken Glass generated by the Ontario Blue Box Program. A report investigating the alternative use of recycled glass for storm water management was also published. Other topics addressed included providing waste services during a pandemic and understanding the effects of COVID-19 on recycling markets. The strong uptake of the publications reflects the growing need of CIF's stakeholders for timely and reliable information during periods of change.

Requests for assistance from municipalities procuring contracted services continued at record levels in 2020 as municipalities are still grappling with the implications of the Province's announcement on the transition of the BBPP and the lack of clarity around the date each municipality will move into the IPR framework. Staff was actively involved in a number of municipal procurement and contract management activities across the Province and continued to develop new contract mechanisms to address issues municipalities are facing during the lead up to transition. In 2020, the CIF published updated guidance for performance bonds vs. letters of credit and force majeure clauses in addition to producing a revenue cost sharing model for processing contracts. CIF also published a Generic Waste Management Service Disruption Contingency Plan Guide at the onset of the pandemic.

The CIF continues to provide the Co-operative Container Procurement Program (CCPP) for blue boxes, carts and reusable bags. Purchases slowed in 2020 due to the pandemic and economic fallout. Since 2015, 91 municipalities have purchased 588,379 blue boxes, 17,455 recycling carts and 153,900 reusable bags through the program. For smaller municipalities, blue box prices made available through the CIF are significantly less than what they had been paying in previous years. In addition to achieving significant cost savings through bulk purchase prices every year, the CCPP initiative has helped a number of municipalities to reduce their procurement costs by eliminating the need to undertake separate procurement processes and/or use the CIF's bids for comparative purposes to ensure they are getting competitive pricing.

### 3.8 Increasing Participation in CIF Events and Messaging Uptake

The annual Ontario Recycler Workshop (ORW) was originally scheduled to take place in May of 2020 as an in-person event as in past years. When the pandemic shut down public gatherings in the spring of this year, staff had to quickly shift gears, first postponing, then re-imagining it as an online event. On October 6 and 8, 2020, CIF hosted its first ORW online, with four 90-minute panels delivered via webinar. With 27 speakers and over 200 registrants, the ORW exceeded expectations. In 2019, the in-person event included 95 in-person and 38 online attendees. Delivering the content online in shorter sessions offered more flexibility and fewer barriers to participation for attendees. Recordings of the webinars are now available on YouTube, providing an opportunity to repackage and share the content to a wider audience.

The pandemic also caused the cancellation of the CIF's annual spring outreach activities when CIF staff typically visit communities across the Province. In the summer and fall, staff have supported SO and RPRA during the consultations of the BBPP Wind Up Plan, including providing content on the CIF WUP, presenting during consultation webinars and gathering feedback.

The CIF's website continues to be a growing and effective communications tool with stakeholders, receiving, on average, over 1,400 users and 3,300 page views each month. The most popular content is the Price Sheet, Funded Projects, ORW and blog posts. Blogs, in particular, have been well received in 2020, with a 38% year-over-year increase in the number of unique clicks from email campaign to blog post. The CIF's technical content continues to be promoted and distributed across the continent. At least eight of the CIF blogs produced in 2020 were republished by other trade journals and several of our projects and initiatives have been featured in conferences and other social media this year.



## 4 – 2021 Fund Priorities

The 2021 CIF Operations Plan proposes a balanced approach to meet the ongoing collective needs of its partners and stakeholders. The Plan continues to prioritize the goals and objectives established through the Fund's strategic plan while acknowledging the implications of the Minister's directive to end the Fund as soon as practical and the potential for the CIF to receive additional direction upon approval of SO's WUP in early 2021. With these issues in mind, this year's Plan includes funding of transitional support initiatives and program support services. These are intended to be of collective benefit providing research, Ontario-based data, and guidance to municipalities as a whole across the Province. Individual programs and their operators will continue to receive the same sort of program support services they have come to rely on to assist them with ongoing operational needs through the CIF CoFE.

Transitional support initiatives funded by the CIF will include:

- Collection and processing research
- Collection and processing pilots
- Performance analytics and better practices promotion
- Waste compositions studies

Program support services will continue to include:

- Procurement and contract management support
- Outreach services
- Training initiatives

### ***Opportunities to participate***

Approval of the interim CIF 2021 Operations Plan will be announced through a CIF bulletin where project opportunities will be explained. The document will be posted to the CIF website and a link to the document will be provided. CIF staff will re-engage with municipal groups to formalize proposals based on the ideas discussed in the last quarter of 2020 during the consultation process undertaken in support of the 2021 CIF Operations Plan development. Proposals for project funding will be processed on a continuous intake basis and on a 'first come first served' basis until the available funds are fully committed or the CIF receives new direction (i.e., the traditional REOI process will not be used). As in 2020, approvals will be sought on a case-by-case basis using existing evaluation criteria and approval processes.

### ***Launching initiatives***

The majority of the 2021 initiatives will be led by the CIF. Ideally the projects will be supported by municipal steering committees. The steering committees will help launch initiatives by assisting with the finalization of the scopes of work and selection of consultants. The steering committees will then remain engaged throughout the entire project. In some cases, where the work is straight forward and does not merit the time commitment of a municipal steering committee, the

CIF will lead the initiatives without one. Instead they will engage with stakeholders on an as-needed basis. This approach will help ensure that the initiatives pursued have broad strategic value in that they address the most pressing issues faced by Blue Box program operators Province-wide in the lead up to, during and post transition. The process for managing waste composition studies will remain unchanged as will the process for managing the program support services.

### ***Completion timelines***

CIF-led projects will only be undertaken where the work can be completed by 2023, or such other date that does not impede the timely windup of the Fund. Grants approved for individual municipal-led initiatives will only be considered if the work can be completed by December 31, 2021, or such other date that does not impede the timely windup of the Fund. The timelines for waste composition studies are detailed in section 5.4.

### ***Project funding***

The CIF-led initiatives contemplated for the 2021 Operations Plan will be fully funded by the CIF. Partner municipalities will provide in-kind support through staff time, operational insights and feedback through their collection and processing service providers and, in some cases, by serving as the host community where piloting and ground truthing exercises are undertaken. If approved, individual municipal grant funding levels will be set through the existing CIF process.

This new approach will ensure initiatives are implemented without delay, with enough time to achieve the desired outcomes, and in a manner that provides the Fund with the flexibility to adapt to any unforeseen changes that may occur during the operating year.

## 5 – Transitional Support Services

As noted above, the activities described in this section represent actions intended to be of collective benefit to municipalities and Blue Box Program stakeholders. They include a broad range of potential research and pilot projects and data analysis initiatives. Given the pending approval of the WUP for the BBPP, additional rules and conditions may be placed on such applications by CIF Committee to ensure the projects can achieve their objectives prior to program transition or windup of the CIF.

### 5.1 Collection and Processing Research

- *Research and analysis of new, untested ideas not yet attempted and for which no Ontario-based data or experience exists*

While it is understood that transition of the BBPP is planned to begin in 2023, there is still uncertainty as to which programs will transition first. Given this fact, there will still be a need for individual municipalities and stakeholders to make investments in collection and processing infrastructure to ensure the continued viability of their programs and to minimize operating costs. Initiatives that seek cost savings opportunities and improve diversion will remain a priority for non-transitioned municipalities. While it is not appropriate for the CIF to fund major capital activities, it can be of service by conducting objective third-party analyses of new technologies and operational processes.

In addition to technology and operation process research, ongoing information gathering and analysis is needed to assist municipalities in dealing with the implications of the new regulations. These efforts are intended to aid municipalities in their response to transition developments ranging from the release of the regulations through to the PRO IPR plans and contract engagement between PROs and local governments.

Working with consultants, these CIF-led initiatives will be informed and guided by municipal steering groups where appropriate. Papers will supply targeted information and analysis of the potential operational and financial impacts municipalities may face in response to a range of decisions. A budget of \$250,000 has been set aside for this purpose.

### 5.2 Collection and Processing Pilots

- *Ground truthing of new ideas to gather Ontario-based data regarding their efficacy*

In order to prepare for transition, municipalities will need to better understand the impacts of potential changes to collection and processing strategies that may be required to meet the service level demands of the PROs once the Blue Box program has transitioned to an IPR framework. Pilots and trials designed to test the efficacy of new technology and/or procedures for collection will provide municipalities with needed budgetary and resource requirement

guidance. Pilots may range from testing various approaches for the source separated collection of problematic materials to determining the best approach and cost to drive down contamination at the curb.

Pilots may also address market stability as it remains an ongoing issue for municipalities and other stakeholders. Concerns have persisted since the Chinese government enacted the National Sword program and contamination levels have continued to rise. While development of stable markets for recyclables will ultimately be the responsibility of producers, many municipalities will remain invested in marketing decisions for the foreseeable future as the exact dates each municipality will transition are not yet known.

It is, therefore, in the best interest of all stakeholders to continue funding research and trials of options for diversion of problematic materials, contamination abatement exercises and development of domestic markets. Working with consultants, these CIF-led initiatives will be informed and guided by municipal steering groups. The cooperation of host municipalities will be sought through a request for expressions of interest. Final reports will detail the results of the pilots and ground truthing trials. The data captured will reflect the operational and financial realities of Ontario-based programming. A budget of \$475,000 has been set aside for this purpose.

### 5.3 Performance Analytics and Better Practices Promotion

- *Examinations of existing practices to explore opportunities to improve them and uptake of the learnings system wide*

Understanding program costs and the value proposition of implementing better practices will remain an important aspect of municipal operations irrespective of when municipalities begin to transition. Recognizing this fact, ongoing development of program analytics and identification of better practices will remain a priority for the CIF. A budget of \$250,000 has been set aside to support further work into program performance assessment and promotion of better practices uptake. Unsolicited proposals to develop, prove out and promote best practices will be considered under this category where they include evidence of broad interest amongst stakeholders and have a clear plan for dissemination of the resulting learnings.

### 5.4 Waste Composition Studies

The 2021 Operations Plan budget includes \$345,000 which is intended to fund a seventh round of four-season waste composition studies in cooperation with SO, pending confirmation of SO's participation. As in past years, preference will be given to communities which have not been offered waste composition studies to date and where the studies can be used to facilitate strategic data collection. Recognizing that waste composition studies funded under this budget would be initiated in October of 2022 and not be completed until September of 2023, it is

expected approvals will be subject to confirmation of the timeline for windup of the BBPP, which is expected in December of 2020, and commitment by SO to co-fund the studies.

The process for confirming municipalities for the waste composition studies will remain unchanged. Applications will be solicited, reviewed and approved based on the best match between the waste composition study data needs, the municipality's ability to meet their portion of the funding requirement and their commitment to ensure the work is completed within the required timeframe.

## 5.5 Transitional Support Services Summary

Table 3 summarizes grant opportunities intended to be of a collective nature and benefit in improving Blue Box program performance and/or reducing program costs. As noted, the approval process of prospective projects will require that the project be completed within a timeframe that does not impede the timely windup of the CIF as directed by the Minister and can be achieved prior to transition of the BBPP.

**Table 3 – 2021 Transitional Support Services Budget**

Item	2021 Budget <sup>+</sup>
Collection and Processing Research	\$250,000
Collection and Processing Pilots	\$475,000
Performance Analytics and Better Practices Promotion	\$250,000
Waste Composition Studies	\$345,000
<b>Total</b>	<b>\$1,320,000</b>

<sup>+</sup>Note: Disbursements include tax

## 6 – Program Support Services

In accordance with the priorities established in the current CIF strategic plan, the CofE will continue to provide knowledge-sharing services and training to municipalities and other stakeholders dealing with adoption of better practices, management of contracts and operational issues.

### 6.1 Procurement and Contract Management Support

In 2020, the CIF saw continued demand from municipalities seeking procurement and contract management support as a result of current political and market conditions. Fund staff anticipates there will be an ongoing need for this service in 2021 as a number of contracts are coming due in 2021-2022. While direct funding to individual municipalities for the development of their procurement documents will no longer be offered, CIF staff will continue to provide general guidance and assistance in 2021. Up to \$30,000 will be allocated for this purpose.

### 6.2 Outreach Services

Despite the pandemic, the CIF saw record participation in its annual conference (i.e., the Ontario Recyclers Workshop), which was delivered online. As a result, the 2021 Operations Plan includes provision for the continued delivery of the event and annual outreach sessions. The primary focus of the sessions will continue to be delivery of updates from program partners, reports on CIF funded projects, and provision of timely information on transition related topics.

Since the Province's announcement, municipal stakeholders have been increasingly clear that they wish to see the CIF intensify its focus on transitional support for municipalities. Therefore, it is also anticipated that there will be a greater need for additional interaction with municipalities throughout the year to ensure they are kept abreast of, and to assist them in dealing with, the impending program changes. Additionally, topical one-day transitional support planning sessions and workshops will be delivered to meet this need and are accommodated within the 2021 budget.

The 2021 Operations Plan includes \$130,000 for the delivery of these services and for provision of related support on an as-needed basis.

### 6.3 Training Initiatives

The CIF's skills development courses continue to be fully subscribed whenever offered and the CIF continues to receive requests to provide training online. This is evidenced by the demand for the online Fundamentals in Recycling Planning course which continued to see consistent enrollment throughout 2020 despite the pandemic with 41 participants registered. Several large

Ontario municipalities continue to use this course as a program for orientation and training of new employees. The City of Toronto and Niagara Region continue to strongly encourage that all new staff and interns complete the course.

In 2021, existing course content will continue to be delivered to ensure the needs of those seeking these services continue to be met.

The CIF will continue to time training opportunities with other events to minimize delivery costs and participant travel expenses. It is more likely that with ongoing COVID-19 concerns that most of CIF's outreach and training will be done virtually over Zoom. An amount of \$40,000 has been allocated to provide for up to three deliveries of existing CIF training courses.

## 6.4 Program Support Services Summary

The 2021 Operations Plan allocates \$200,000 in support of the CIF's strategic plan and current priorities as summarized in Table 4.

**Table 4 – 2021 Program Support Services Budget**

Item	2021 Budget+
Procurement & Contract Management Support	\$30,000
Outreach Services	\$130,000
Training Initiatives	\$40,000
<b>Total</b>	<b>\$200,000</b>

+Note: Disbursements include tax



## 7 – Fund Administration

The following section of the CIF 2021 Operations Plan provides an overview of the Fund's current financial status and administrative performance.

Table 5 summarizes contributions and income received to date from various sources. Provision of funding for the CIF has varied over the years with the most recent, significant contribution being a commitment of \$4.2 million in 2016.

**Table 5 – CIF Income Sources**

<b>CIF Funding: Actuals &amp; Projected 2008 – 2020</b>			
	<b>2008-2018 Consolidated Actual</b>	<b>2019 Actual</b>	<b>2020 Projected</b>
MIPC Funding	\$66,732,292	\$0.00	\$0.00
Investment Income	\$3,163,010	\$412,493	\$251,120
E&E Fund* Closure & Other	\$2,196,700	\$3,122	\$26,556
<b>Cumulative Total</b>	<b>\$72,092,003</b>	<b>\$72,507,618</b>	<b>\$72,785,295</b>

\*Effectiveness and Efficiency Fund

A summary of the CIF funding commitments and expenditures projected to year end 2020 is presented in Table 6. Note that funding commitments do not necessarily represent final project expenditures. It is not unusual for projects to come in under budget and, in some cases, for projects to be entirely withdrawn by the proponent. Only after the projects in any given year are fully closed can the final expenditure for that year be correctly reconciled.

**Table 6 – CIF Expenditures**

<b>CIF Grants and Expenditures: Actuals &amp; Projected 2008 - 2020</b>			
	<b>2008-2018 Consolidated Actual</b>	<b>2019 Actual</b>	<b>2020 Projected</b>
Admin & Project Support	\$7,788,253	\$657,233	\$597,904
Grants	\$46,307,208	\$1,002,260	\$799,129
Centre of Excellence	\$6,544,689	\$221,481	\$197,655
AMO (MCTF)	\$1,262,346	\$0.00	\$1,000,000
<b>Cumulative Total</b>	<b>\$61,902,496</b>	<b>\$63,783,470</b>	<b>\$66,378,158</b>

It should also be noted that \$5,187,235 in funds has, to date, flowed through the CIF to both WDO and AMO as part of negotiated agreements made by MIPC between 2013 and 2015. These funds are not recorded as contributions to CIF or expenditures by CIF because the funds were not made available to CIF for operating purposes. In 2020, however, an additional \$1 million was disbursed to AMO to support operation of the Municipal Collective Transition Fund as outlined in the draft CIF WUP.

The financial analysis provided in Table 7 presents the current plans for the allocation of the remaining funds through to the end of June of 2024. In accordance with the Minister's directives of August 2019 to RPRA, the CIF will not receive additional monies in future years.

**Table 7 – CIF Fund Analysis**

<b>Projected Fund Balance</b>						
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Balance Forward	\$14,017,561	\$12,552,202	\$10,235,190	\$3,319,623	\$2,265,617	\$537,872
Total Revenue	\$415,615	\$277,676	\$76,764	\$33,196	\$33,984	\$10,757
Project Approvals	(\$1,223,741)	(\$996,784)	(\$1,520,001)	(\$385,500)	(\$321,010)	(\$154,477)
AMO (MCTF)		(\$1,000,000)	(\$1,700,000)	(\$0.00)	(\$800,000)	(\$200,000)
Municipal Disbursement			(\$3,000,000)	(TBD)	(\$0.00)	(TBD)
Administration & Project Support	(\$657,233)	(\$597,904)	(\$772,330)	(\$701,702)	(\$640,719)	(\$194,153)
<b>Fund Balance YE</b>	<b>\$12,552,202</b>	<b>\$10,235,190</b>	<b>\$3,319,623</b>	<b>\$2,265,617</b>	<b>\$537,872</b>	<b>\$0.00</b>

## 8 – Summary

As of September 30, 2020, the CIF has funded 774 projects with a combined value of over \$139.4 million. These projects have represented a significant contribution by stakeholders to develop and improve the Province's Blue Box Program despite extraordinary financial and operational challenges.

As the Province prepares to transition the Blue Box Program in 2023, this year's Operations Plan will, in accordance with the CIF Three Year Strategic Plan (2019-2021), invest a further \$1,520,000 to support collective efforts to stabilize and develop the Blue Box Program while assisting stakeholders as they prepare for transition. The proposed 2021 budget is summarized in Table 8. This budget represents an increase of just over 1% over the 2020 budget of \$2,230,352.

**Table 8 – Proposed 2021 Budget**

Proposed 2021 Budget	
Item	Budget
CIF Administration	\$ 772,330
Transitional Support	\$ 1,320,000
Program Support	\$ 200,000
<b>Total</b>	<b>\$ 2,292,330</b>

# 9 – Appendices

- 9.1 Consolidated Financial Statement
- 9.2 Governance
- 9.3 Funding Guidelines
- 9.4 Appeal Procedure

## Appendix 9.1 2016 to 2020 CIF Financial Statement

The following table summarizes financial statements received from Stewardship Ontario. It shows invoiced expenditures received to date but does not include outstanding commitments on open grants and other outstanding liabilities.

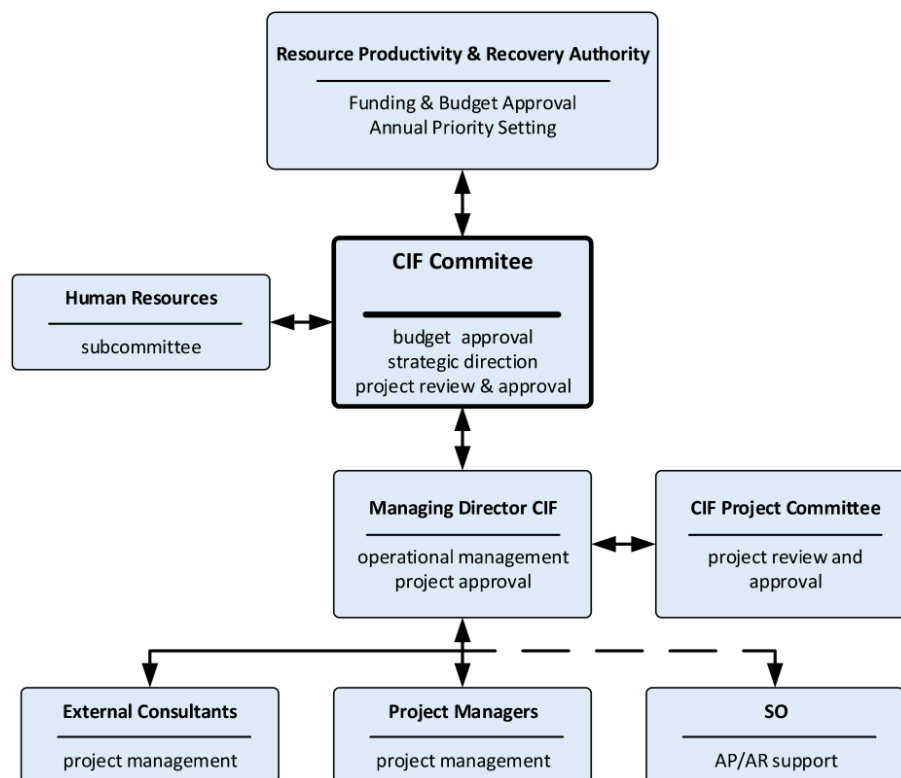
Income Sources	Year ended Dec. 31, 2016 (Actual)	Year ended Dec. 31, 2017 (Actual)	Year ended Dec. 31, 2018 (Actual)	Year ended Dec. 31, 2019 (Actual)	As of Sep. 30, 2020
<b>Cash forward</b>	<b>\$28,011,710</b>	<b>\$27,284,448</b>	<b>23,305,487</b>	<b>19,807,154</b>	<b>\$17,553,275</b>
Municipal contributions	\$3,153,473	\$1,062,951	\$23,993	\$3,122	\$26,556
Interest	\$148,955	\$260,951	\$433,617	\$412,493	\$188,340
Other	\$19,706	\$40,336			
<b>Total Income</b>	<b>\$31,333,499</b>	<b>\$28,648,686</b>	<b>\$23,763,097</b>	<b>\$415,615</b>	<b>\$214,896</b>
<b>Expenditures</b>					
Administration	\$430,637	\$455,265	\$428,944	\$572,094	\$341,803
AMO Admin Reserve Balance	\$32,853	\$47,306	(\$64,168)	(\$74,858)	\$308,888
RPRA Expensed	\$27,408	\$10,724	\$2,648	\$21,808	\$5,331
Project Support	\$120,230	\$187,025	\$162,011	\$63,365	\$101,339
Best Practices	\$2,758,756	\$3,432,739	\$1,841,134	\$923,616	\$232,334
Centre of Excellence	\$601,028	\$782,794	\$750,374	\$1,163,469	\$300,490
AMO Transfer		\$427,346	\$835,000	\$0.00	\$1,000,000
Rideau Lake Loan	\$45,137				
<b>Total Expenditures</b>	<b>\$4,016,049</b>	<b>\$5,343,199</b>	<b>\$3,955,944</b>	<b>\$2,669,494</b>	<b>\$2,290,185</b>
Accruals	(\$33,347)				
<b>Year End Fund Balance</b>	<b>\$27,284,448</b>	<b>\$23,305,487</b>	<b>\$19,807,154</b>	<b>\$17,553,275</b>	<b>\$15,477,986*</b>

\*Fund balance as of September 30, 2020

## Appendix 9.2 Governance

The CIF operates as a committee of RPRA and is, therefore, governed by the overall guidelines and rules established by RPRA, subject to any policy the CIF Committee adopts within its delegated authority. RPRA is responsible for setting the overall authorities, strategic priorities and budget for the CIF. The CIF Committee develops and recommends strategic priorities and the annual budget for approval by RPRA. The CIF Committee approves large projects as well as provides direction to the CIF Project Committee and to the CIF Director who operates the program on a day-to-day basis (see Chart 1).

**Chart 1 – Current CIF Organizational Structure**



### Notice of Proposed Change

A change in the governance of the CIF has been proposed as part of the draft CIF WUP. At the time of publication of the CIF's 2021 Operations Plan, RPRA was consulting on SO's BBPP windup plan and the CIF's proposed WUP. The CIF will operate under its existing governance arrangement in the interim. For more information refer to the draft [CIF WUP](#).

## Appendix 9.3      Funding Guidelines

In 2019, CIF Committee adopted an updated set of guidelines for the evaluation of funding applications. The approved system more closely aligns the CIF project evaluation process with current CIF funding directives as articulated in the CIF Three Year Strategic Plan (2019-2021). Modifications were also made in 2019 to the weighting of the evaluation criteria, as shown in the current evaluation forms found on the CIF web site, to reflect the priorities set out in the CIF Three Year Strategic Plan (2019-2021).

As noted earlier, the CIF's proposed WUP lays out funding timelines that are in accordance with the Minister's directives and amends the CIF strategic plan for operation of the Fund prior to, and during, windup in a manner that is intended to meet the needs of its stakeholders without interfering with the timely windup of the Fund as soon as practical prior to December 31, 2025. The CIF 2021 Operations Plan funding timelines align with the draft CIF WUP. The funding criteria will continue to place emphasis on projects that demonstrate collective benefit to municipalities across the Province, avoid development of stranded, obsolete or inefficient assets, and can be completed within the life expectancy of the CIF. For more information, contact CIF staff or refer to the CIF website found at [www.thecif.ca](http://www.thecif.ca).

The 2021 Plan offers the necessary flexibility to respond to any funding guideline changes required resulting from the pending approval of a WUP for the BBPP.



## Appendix 9.4      Appeal Process

The CIF currently offers an appeals process for funding and grant appellants. The process will remain in effect until such time as the existing CIF governance structure is changed or as otherwise required to accommodate the requirements of the CIF Windup Plan and BBPP windup.

### **Appeal Process**

A proponent who wishes to appeal a decision regarding a project or the amount of funding approved must provide a written justification addressed to the CIF Director. The appeal must be dated within 30 days of the date of reception of a formal written notice of rejection or of receipt of the project decision. All notices of rejection must clearly spell out this appeal process. The appeal will be examined as follows:

- CIF Director decisions are appealed to the CIF Project Committee;
- CIF Project Committee decisions are appealed to the CIF Committee;
- CIF Committee decisions are appealed to RPRA; and
- RPRA decisions are appealed to binding arbitration as established under the arbitration rules of the Province of Ontario. Each party is responsible for their own costs of arbitration.

In all cases, staff, the CIF Committee and RPRA will work with the appellant to clarify the decision and review any additional information to mitigate the issue.