

Supporting Improved Performance in Ontario Blue Box Recycling Programs



Background

The *Waste Diversion Act* (2002) and the Blue Box Program Plan will help provide financial support for municipal "Blue Box" recycling programs in Ontario and enable the "Blue Box" system to become more efficient and cost-effective.

Under the *Act*, municipalities will receive 50 per cent of the total net cost of their blue box programs. Funding is provided by "Obligated Stewards," consumer products brand-owners and importers of printed paper and packaging products in Ontario. Stewards pay a levy on the amount of packaging and printed papers that their businesses introduce into Ontario's municipal waste management system, which is then used to support blue box programs.

Part of this is directed into an "Effectiveness and Efficiency Fund," known as the "E&E" Fund. This fund is designed to enable recycling practitioners to establish best practices in municipal recycling diversion and develop solutions, locally and province-wide, to help achieve the provincial government's goal of 60% diversion of blue box waste by 2008.

The knowledge gained through these projects will be shared with all municipal waste diversion program operators across the province. The result: Ontario's municipal recycling system will be more efficient and cost-effective.

Establishing the Fund

The Municipal Industry Programs Committee (MIPC) of Waste Diversion Ontario reviews the amount of the

E&E fund annually. For 2004, it equals 10 per cent of the total payment to municipalities, approximately \$3.2 million.

Eligible Projects

In consultation with public and private sector waste management experts around the province and with MIPC, Stewardship Ontario establishes E&E funding priorities for each year. Applications are welcome for research and analysis studies, pilot studies and demonstration projects, and technology installations that improve program efficiencies.

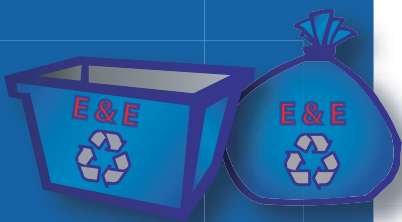
This year, it has been agreed that the following are priority areas for project applications:

- multi-family recycling;
- material recycling facility (MRF) optimization and rationalization;
- innovative program compliance programs such as user pay;
- waste audit and benchmarking studies;
- communication and education to increase the recovery of targeted materials; and
- developing and supporting a WDO Blue Box Efficiency Team.

Normally, the E&E Fund will support 50% of a project's cost. Funding may exceed 50% for priority areas.

Program operators across the province are identifying ways to improve their recycling systems. It may involve improving processing and collection efficiencies, developing new, local markets, implementing single stream collection and processing or installing new sorting technologies.

Effectiveness & Efficiency Fund



Financial support from Stewardship Ontario's E&E Fund will enable successful E&E applicants to implement these ideas and determine their impact on increasing the diversion of recyclables and reducing program costs. See www.stewardshipontario.ca for more details about the types of projects that may be eligible in 2004.

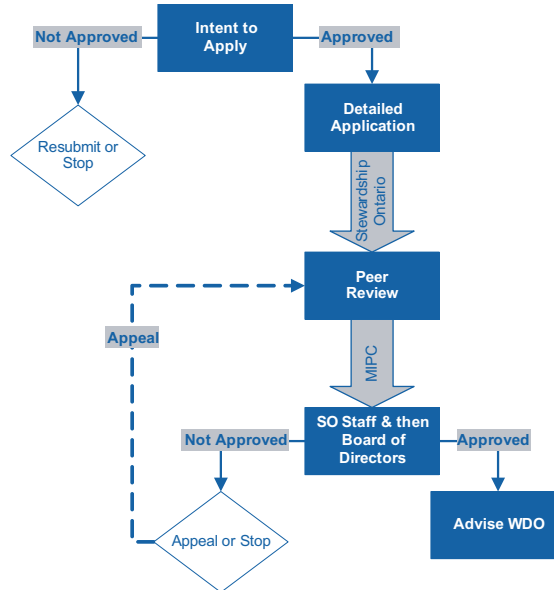
Application Process

E&E funding will be provided to project proponents that successfully complete a two-step application process. Once proposals are developed, they must be submitted by a lead proponent representing an Ontario municipality. The application may incorporate a project team comprising several municipalities and/or other public or private sector partners.

The application process starts with submission of an Intent to Apply. If the Intent to Apply is consistent with the fund's goals and objectives, the proponent will be invited to submit a detailed application. Applications will be evaluated in no more than 90 days (from receipt). Stewardship Ontario will contract a team of waste management experts to serve as peer reviewers for E&E Fund applications.

In the detailed application, proponents will need to demonstrate that E&E funding will be matched with cash and/or eligible in-kind investments. Project costs for professional and technical personnel, consultants and contractors (excluding employees of the funding recipient or project partners) are

E&E Applications at-a-Glance: 90 days from Application to Notification



allowable, as is pre-approved project-essential travel, approved operating and capital costs.

Municipal staff salaries, costs to purchase or lease property, office space expenses and others are ineligible. Details will be available at www.stewardshipontario.ca

Once an application is approved by its Board of Directors, Stewardship Ontario will notify proponents. Unsuccessful applicants may resubmit proposals or file an appeal with MIPC.

E&E Fund application forms will be available at www.stewardshipontario.ca by mid June, 2004. Applicants may submit on-line (or printed) applications, at their convenience.

E&E Project Implementation

Municipalities that receive E&E funding will be required to submit interim and final reports, detailing technical results, diversion impacts and costs. If a proponent receives more than \$50,000, a baseline assessment of current performance may be required before project initiation. Stewardship Ontario will provide staged funding at project initiation, interim report and final report.

Ultimately, every municipal blue box recycling program in Ontario will benefit from the E&E Fund, regardless of whether or not they participate directly. Study highlights and detailed project reports will be made available at www.stewardshipontario.ca.

Evaluating E & E proposals

Stewardship Ontario will evaluate all applications objectively and in a transparent way, scoring submissions according to whether the project will:

- 1) increase the tonnes of residential blue box material recycled in Ontario to help meet the proposed 60% recycling target;
- 2) divert materials in a cost effective manner (e.g. focus on the "next least cost tonne" to recycle or reduce collection or processing costs per tonne);
- 3) be well managed (i.e. well thought through, properly sized, overseen and evaluated); and
- 4) encourage the replication of results.

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