

Consultation: Stewardship Ontario's Proposed Blue Box Program Wind-Up Plan

Session 5: Winding up the CIF

October 16, 2020



How to participate

Consultation webinars

Session 1: Consultation, program and transition overview

Tuesday, October 13, 11:00 a.m. to 12:00 p.m.

Session 2: Supporting competition and maintaining data security

Wednesday, October 14, 9:30 to 10:30 a.m.

Session 3: Maintaining program performance and municipal funding

Wednesday, October 14, 1:00 to 2:00 p.m.

Session 4: Financials and steward operations

Thursday, October 15, 10:00 to 11:00 a.m.

Session 5: Winding up the CIF

Friday, October 16, 11:00 a.m. to 12:00 p.m.

Online group discussions

Stewards

Monday, October 19, 1:30 to 3:00 p.m.

Municipalities, waste management industry

Tuesday, October 20, 1:30 to 3:00 p.m.

First Nation and northern/rural communities

Thursday, October 22, 10:00 to 11:30 a.m.

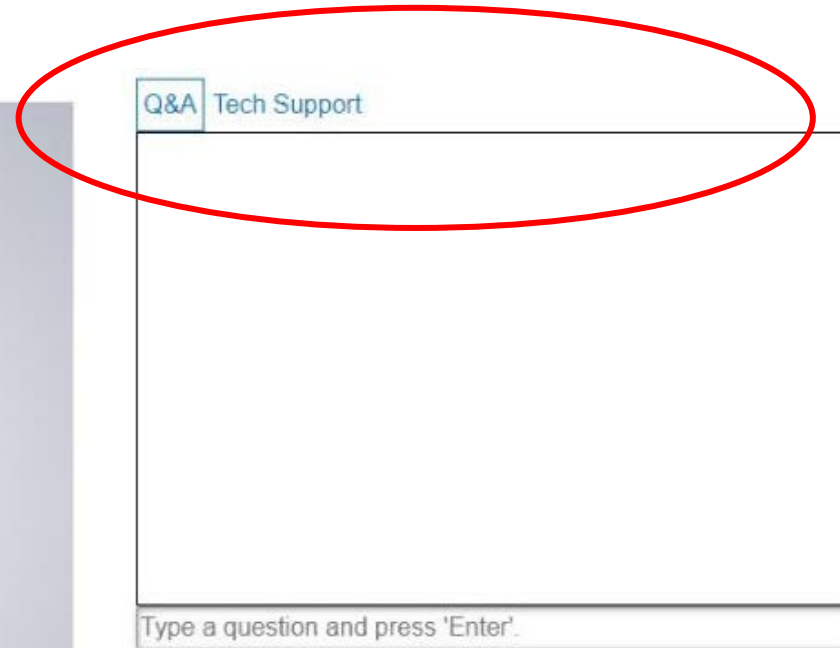
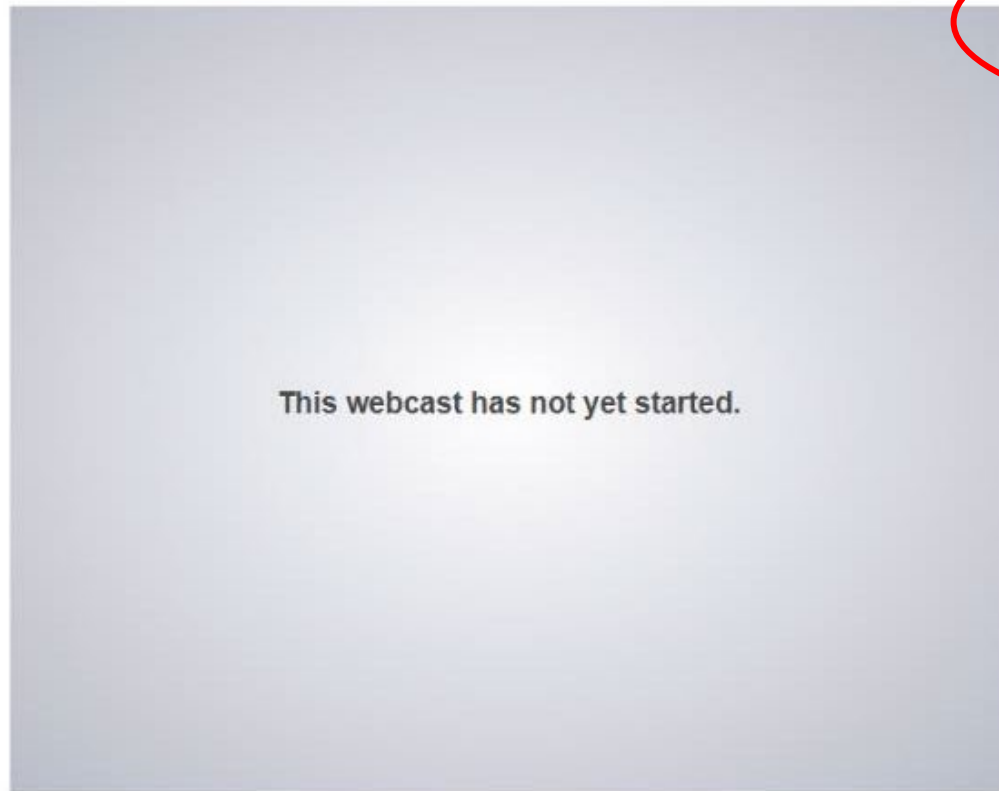
Multi-stakeholder

Friday, October 23, 10:30 a.m. to 12:00 p.m.

Online group discussions

- Online facilitated discussion for stakeholders to provide questions, support and concerns
- Meeting setting
- Limited group size (i.e. breakout rooms)
- Not recorded
- All comments and feedback will be captured
- Questions and answers will be compiled and posted
- Assumes awareness of Wind-Up Plan content

How to ask a question



Q&A Tech Support

Type a question and press 'Enter'.

To ask a question at any time during the presentation or for technical assistance, type your question in the text box and press 'Enter.'

Agenda

1. Introduction to Session 5
2. CIF Wind-Up Plan
 - I. Key considerations
 - II. Strategic priorities
 - III. Wind-up timelines
 - IV. Financials
 - V. Governance

Introduction to Session 5



Minister's direction

- Stewardship Ontario (SO) is the industry funding organization (IFO) that operates Ontario's Blue Box Program on behalf of industry stewards of packaging and printed paper
- On August 15, 2019, the Minister of the Environment, Conservation and Parks (MECP) issued direction to SO and RPRA to wind up the Blue Box Program and transition it to Ontario's new individual producer responsibility framework starting on January 1, 2023 through to December 31, 2025
 - SO will wind up as a corporation after the program wind-up has been fully implemented
- SO submitted its proposed wind-up plan to the Authority by the revised August 31, 2020 deadline set by the Minister
- It is expected that the Authority must review, consult on and approve the plan no later than December 31, 2020

Minister's direction on the CIF

“The Continuous Improvement Fund shall receive no additional contributions and shall end as soon as practical prior to December 31, 2025.”



CIF Windup Plan

Mike Birett
Managing Director, CIF

Background

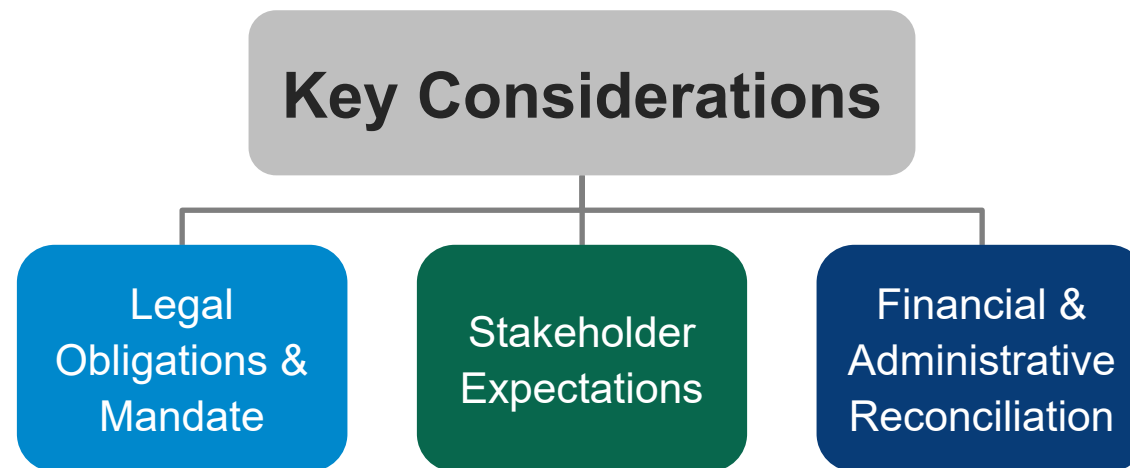
- The CIF
 - Mandate stems from Section 6.6 of the BBPP
 - Uses a proportion of the funds provided to municipalities under the BBPP to support projects intended to improve program performance
 - Structured as a committee with equal representation from municipalities & producers
 - Overseen by and reports to RPRA. RPRA approves CIF's annual operating plan and has final approval of the CIF Windup Plan

Background (cont'd)

- Minister's windup plan letter to RPRA included direction that:
 - CIF shall receive no additional contributions; and
 - End as soon as practical and prior to December 31, 2025
- Minister's letter to SO included direction to:
 - Develop a windup plan for the BBPP
- RPRA directed CIF to develop a windup plan (WUP) specific to its operations as part of the broader BBPP windup

CIF WUP Considerations

- Existing mandate
- Legal and financial funding obligations
- Stakeholder expectations and priorities
- Financial and administrative windup



Consideration: Existing Mandate

- BBPP remains in force subject to any amendments made through SO's WUP
- Mandate can, in theory, be amended to align the CIF with stakeholder's future needs

Legal
Obligations &
Mandate

Consideration: Stakeholder Expectations

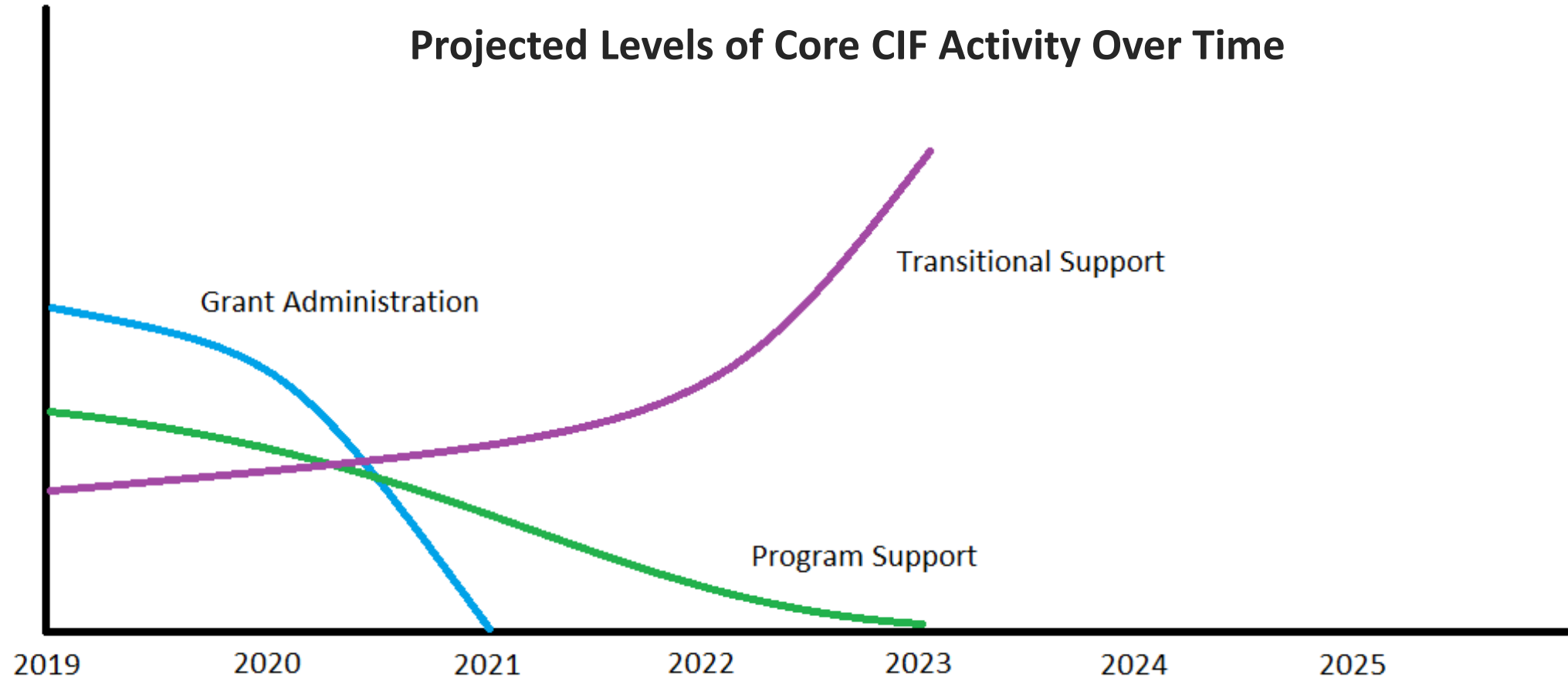
- CIF undertook an extensive consultation process in developing its 3-Yr Strategic Plan (2019-2021)
- Municipal input prioritized:
 - Provision of transitional support;
 - Continuation of collective support in traditional areas of focus; and
 - Desire to revisit priorities if transition proceeded

Stakeholder
Expectations

Proposed: Strategic Priorities

- Transitional support
 - Research, cost modeling, contract support, asset valuations
 - Waste composition studies and data analysis
 - Performance case analytics
- Program Support
 - Procurement & contract management
 - Market research and development
 - Collection & processing technologies R&D
 - Working groups, training, online resources

Anticipated CIF Activity During Windup



Proposed: Administrative Windup

- CIF operations to year end 2023
- Windup of CIF's administration to begin in 2024 with an expectation that such activities will be completed no later than June 30, 2024
- Key windup activities include:
 - Asset management
 - Data management
 - Human resources

Financial &
Administrative
Reconciliation

Consideration: Financial

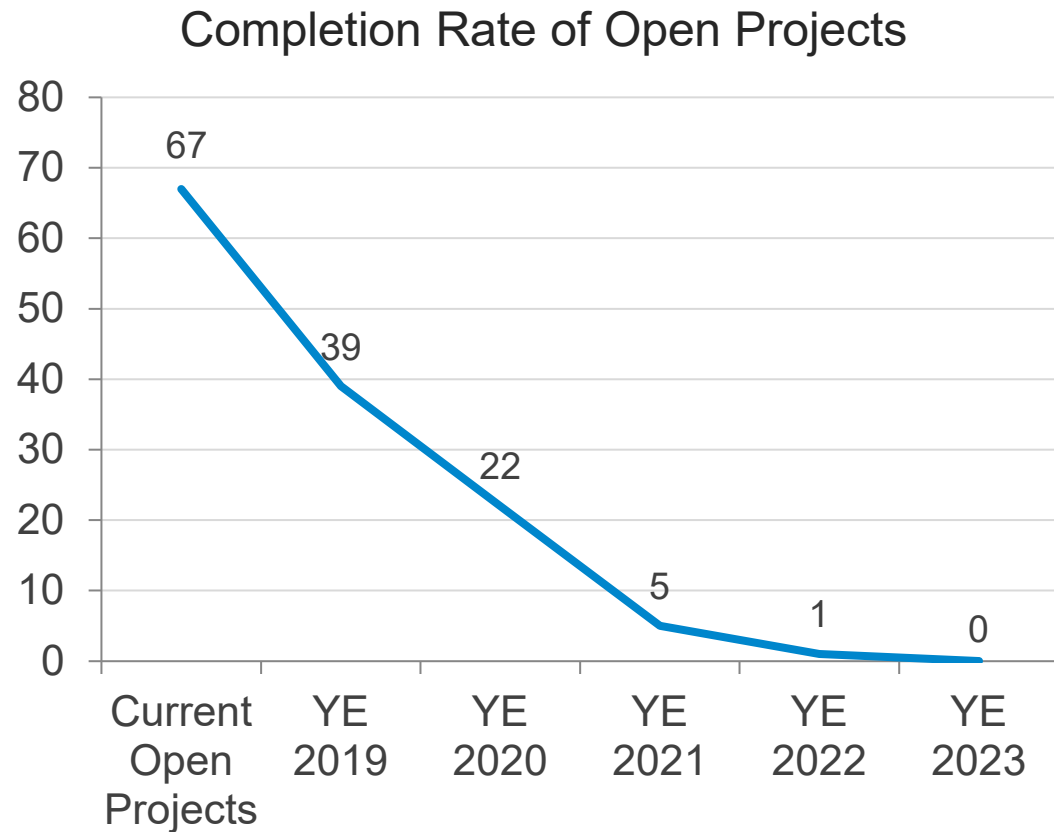
- Last funding contribution was \$4.2M in 2016
- No additional contributions per Minister's direction
- As of September 2020:
 - Uncommitted funds: \$1.02M
 - Committed funds: \$9.29M
 - Forecasted surplus in 2024: \$.00
- The Windup Plan anticipates having sufficient funds to maintain operations through to year end 2025

Financial &
Administrative
Reconciliation

Consideration: Legal and Financial Obligations

- 67 projects representing a combined obligation of \$7.6M were open at the time of development of the draft CIF WUP
- Majority completed by YE 2021

Legal
Obligations &
Mandate



Proposed Financial Windup

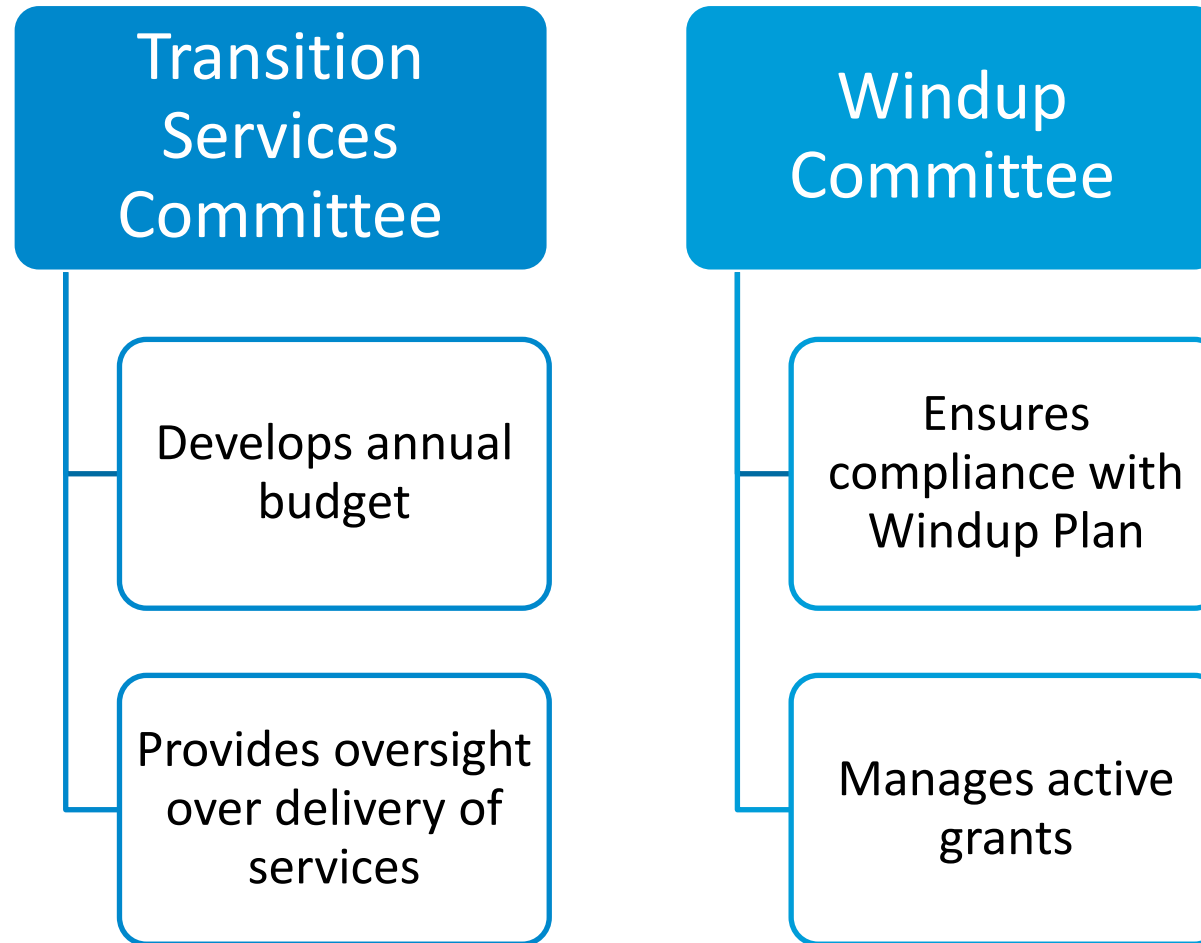
- \$3.7M in funds will be provided to M3RC through Municipal Collective Transition Fund
- \$3M in unallocated funds to be disburse to municipalities and First Nations in 2021
- Distribution of additional unallocated CIF funds to municipalities and First Nations in 2022
- A final possible disbursal to be made after all other CIF obligations are discharged in 2024

Financial &
Administrative
Reconciliation

Proposed: CIF Windup Timeline

Task	2020				2021				2022				2023				2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Legislative Considerations																				
BBPP																				
SO submission of BBPP WUP to RPRA																				
RPRA approval of SO BBPP WUP																				
CIF Operations																				
Provision of new grants																				
CIF Strategic Plan (as amended)																				
CIF project Closures																				
Program & transition support																				
Administrative Tasks																				
Transfer of CIF funds to AMO																				
First transfer of surplus CIF funds to municipalities																				
Financial reconciliation																				
Submission of audited financial summary of CIF account																				
Second transfer of surplus CIF funds to municipalities																				
Closure of CIF to the public																				
Administrative windup																				
CIF termination																				

Proposed: Governance During Windup



Intellectual Assets

- The CIF has significant intellectual assets (e.g., research projects, pilot studies, training materials)
- An inventory of these assets has been compiled as part of the CIF windup
- The WUP notes that CIF will seek opportunities to continue providing access to these materials after its windup
- REOI has been issued soliciting interest from parties who may wish to maintain these assets

Seeking Input

- Do you support the strategy or have any suggestions?
- Does the timeline work for you?
- Is the disbursal of funds appropriate?
- Do you support the proposed change in the governance structure of the CIF?
- The CIF WUP is available on the CIF web site at:
<https://thecif.ca/draft-of-cif-windup-plan-released-for-consultation/>

Have Your Say

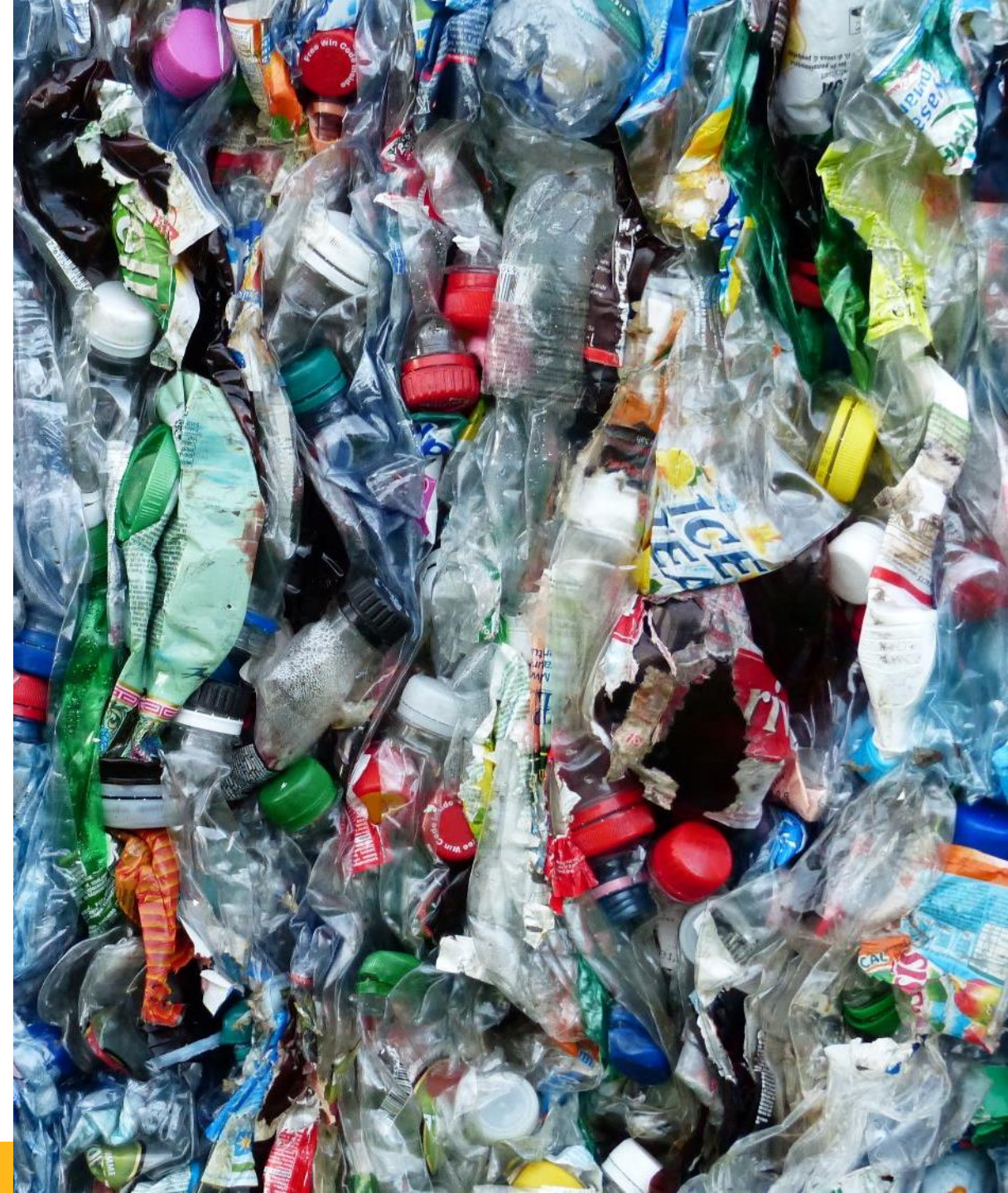
- Please ensure you provide your comments about the CIF WUP in writing to RPRA or CIF at:
 - consultations@rpra.ca
 - communications@thecif.ca
- Feedback will be considered by CIF Committee as part of its final recommendations to RPRA



Questions?

Next steps

- This presentation deck and a recording will be posted to our [consultation webpage](#)
- Provide feedback by **Tuesday, November 10, 2020** via:
 - Email to consultations@rpra.ca
 - [Online survey](#)
 - Group discussion or 1:1 meeting (upon request)
- Feedback from the consultation will be summarized in a report that will be available on the Authority's website
- If you have questions about the wind-up plan or would like to discuss it in more detail, email us at consultations@rpra.ca



A large stack of newspapers is shown, tied together with a thick, light-brown rope that runs vertically down the center. The newspapers are stacked in a way that their edges are visible, showing various headlines and text in different colors. The background is a blurred outdoor setting with some greenery. Overlaid in the center of the image is the text "Thank You" in a large, bold, black font.

Thank You