

Partnership Authority to Support Toronto's Circular Economy Outcomes

Date: May 5, 2021

To: Infrastructure and Environment Committee

From: General Manager, Solid Waste Management Services

Wards: All

SUMMARY

The purpose of this report is to provide an update on key strategic City of Toronto (City) circular economy programs and initiatives, including local, national, and international collaboration activities to accelerate the City's efforts to achieve a circular economy. The report outlines the crucial nature of leveraging strategic program partnerships, such as the *Canada Plastics Pact*, to achieving Toronto's circular economy and climate action objectives and to delivering outcomes that benefit Toronto residents, industries, and communities.

The report seeks authority for the Solid Waste Management Services Division to enter into an agreement to join the *Canada Plastics Pact*. The report also requests authority for Solid Waste Management Services to enter into agreements within the Division's approved budget that enable the City to maximize opportunities to work collaboratively on circular economy initiatives; and, to accept funding from non-profit, public, and private sector organizations that can support advancement of the City's circular economy outcomes.

RECOMMENDATIONS

The General Manager, Solid Waste Management Services recommends that:

1. City Council authorize the General Manager, Solid Waste Management Services to negotiate, enter into, and execute an agreement and any ancillary documents with the *Canada Plastics Pact*, as an Implementation Partner, which would include the City's provision of in-kind support to further the goals of the *Canada Plastics Pact* and to support efforts towards the *Canada Plastics Pact* achieving agreed upon targets, on such terms and conditions satisfactory to the Chief Financial Officer and Treasurer and in a form satisfactory to the City Solicitor.
2. City Council authorize the General Manager, Solid Waste Management Services to negotiate, enter into, and execute agreements, as may be required, with local, regional, national, and international non-profit, public, and private sector organizations to provide

in-kind and/or financial support from the approved Solid Waste Management Services budget where it is determined that the project or initiative will advance the City's aspirational circular economy goals, on such terms and conditions satisfactory to the Chief Financial Officer and Treasurer and in a form satisfactory to the City Solicitor.

3. City Council authorize the General Manager, Solid Waste Management Services to seek out potential funding opportunities and negotiate, enter into, and execute agreements, as may be required, to receive funding from local, regional, national, and international non-profit, public, and private sector organizations to support the advancement of the City's circular economy goals, on such terms and conditions satisfactory to the Chief Financial Officer and Treasurer and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

There are no immediate financial implications resulting from the recommendations in this report.

The authorities being sought in this report are within the Solid Waste Management Services Division's approved budget as part of the Long Term Waste Management Strategy. Any future financial impacts will be considered as part of the City's budget process. An annual briefing note will be included as part of future year budget submissions to advise Council of the program's progress. The Chief Financial Officer and Treasurer has reviewed this report and agrees with the statement as identified in the Financial Impact section.

DECISION HISTORY

At its meeting of October 27, 28, and 30, 2020, City Council adopted Item EX17.1, the City Manager's report "Towards Recovery and Rebuilding a Renewed Toronto" with amendments, which included the "COVID-19: Impact and Opportunities" final report from the Toronto Office of Recovery and Rebuild to City Council, which references the circular economy as a part of advancing Toronto's recovery and climate goals.

The Decision document can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.EX17.1>

At its meeting of June 5, 2018, Government Management Committee received item GM28.29, Implementation Plan and Framework for Integrating Circular Economy Approaches into City Procurement Processes to Support Waste Reduction and Diversion, from the General Manager, Solid Waste Management Services and the Treasurer, for information.

The Decision document can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.GM28.29>

At its meeting of July 12, 13, 14, and 15, 2016, City Council adopted Item PW14.2, Final Long Term Waste Management Strategy, requesting the City Manager to form a cross-divisional Circular Economy Working Group, including Solid Waste Management Services, Environment and Energy, Toronto Water, Purchasing and Material Management and Facilities Management, among others, to develop a strategy and policy framework to make the City of Toronto the first municipality in the province with a Circular Economy and align with the Provincial goal as part of the *Waste Free Ontario Act* (2016).

The Decision document can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.PW14.2>

COMMENTS

Background

In 2016, Council directed staff, through the adoption of the City's Long Term Waste Management Strategy (The Waste Strategy), to develop innovative programs and policies to help the City to achieve aspirational goals of zero waste and a circular economy. The Waste Strategy recommended the creation of a business unit within the Solid Waste Management Services Division to help accelerate Toronto's transition to a more circular economy, creating one of the first dedicated circular economy teams in a North American municipality.

Circular economy strategies consider resource consumption and material efficiency for their potential impacts on climate change, environmental degradation, and social outcomes. Cities are well-positioned to play a critical role in achieving climate neutrality and moving to more sustainable consumption models.

Accelerating Toronto's circular city transition will provide an integral contribution toward the City of Toronto's TransformTO climate action goals and will play a key role in building a resilient, inclusive, green, and prosperous future for residents and businesses. Recognizing the urgent threat of climate change, and the progress yet to be made to achieve Paris Agreement targets, a broad range of climate action strategies and tools must be considered to enable Toronto to achieve net zero emissions by 2050 or sooner and align with the Government of Canada's strengthened climate plan, *A Healthy Environment and a Healthy Economy*.

City of Toronto Circular Economy Activities and Program Partnerships

The City continues to demonstrate leadership in advancing circular economy and climate action through the operation of a cost-effective and sustainable solid waste management utility while also implementing innovative policies, programs and partnerships to achieve public benefit. The following section describes key examples of Toronto's circular economy initiatives and program partnerships which have not required additional Council authority to implement:

Research to Baseline Toronto's Current Circularity:

- In 2020, Solid Waste Management Services launched the **Baselining for a Circular Toronto Research Project** to study Toronto's existing level of circularity. The project is one of the first of its kind in Canada and is being led by the David Suzuki Foundation and The Netherlands-based circular economy experts, Circle Economy. Research outputs to date include an analysis of the socio-economic and policy landscape for circular economy in Toronto, existing local actions and business practices contributing to Toronto's circularity, and the identification of three sectors for targeted analysis: construction, waste management, and food systems. Preliminary results suggest that strategic partnerships across various institutions and sectors are required to successfully achieve shared circular ambitions in Toronto.¹

Ongoing Circular Collaboration Across City Divisions:

- The City of Toronto's circular economy activities, including Baselining for a Circular Toronto, are supported by the **Cross-Divisional Circular Economy Working Group**. The group is comprised of eleven City Divisions and chaired by staff from Solid Waste Management Services Division. Divisional collaboration ensures that circular economy activities align with corporate strategic priorities, including Environment and Energy Division's work to implement the TransformTO Net-Zero Strategy, as well as the Economic Development and Culture Division's efforts to foster local economic development, international trade, and promote cleantech and green industries to attract further foreign direct investments.
- Advancing circular outcomes at the City of Toronto involves work to enhance staff capacity and transform existing business processes. Recognizing that the City of Toronto is one of the largest purchasers in the Canadian public sector, Solid Waste Management Services Division partnered with the Purchasing and Materials Management Division to develop and present a [Circular Procurement Implementation Plan and Framework](#) to Government Management Committee in 2018 that guides the City in piloting how circular principles could be applied to the City's purchasing decisions.

Work to Develop a Circular Economy Road Map for the City of Toronto:

- Informed by findings from Baselining for a Circular Toronto and other research projects, proof-of-concept pilots, and stakeholder feedback, Solid Waste Management Services staff will develop a scope and timelines for a directional **Circular Economy Road Map** that will help guide the City of Toronto in becoming the first municipality in the province with a circular economy. Once finalized,

¹ The study found that of the estimated 2.1 million tonnes of waste that is generated in Toronto on an annual basis, only 900,000 tonnes are managed within the City's Integrated Waste Management System. Importantly, the study has identified a considerable number of Toronto businesses and communities who are actively pursuing circular economy initiatives. This indicates a strong foundation upon which the City can continue to build a circular economy in Toronto.

Toronto's Circular Economy Road Map will inform policy and program changes to advance the City's aspirational circular economy goals.

Collaborating on Pan-Canadian Circular Economy Initiatives:

In addition to leading projects that help to strengthen a local circular economy, the City is engaged in work to build a circular economy across Canada. This work recognizes that building a circular economy is a national challenge and will require actions by many stakeholders. Examples include the following:

- In early 2021, City staff accepted an invitation to join the [Canadian Circular Cities and Regions Initiative](#) Advisory Group to represent the City's circular economy work. This initiative is a one-year national pilot (to February 2022) developed by the National Zero Waste Council, Federation of Canadian Municipalities, Recycling Council of Alberta, and RECYC-QUÉBEC to advance circular economy knowledge sharing in the Canadian local government sector. Experiences and knowledge shared by the Canadian Circular Cities and Regions Initiative partners will be used to determine how best practices can be applied in communities across Canada. The City's role as a Canadian Circular Cities and Regions Initiative Advisor includes in-kind participation in peer-to-peer cohort network meetings and mentorship and providing feedback to the Canadian Circular Cities and Regions Initiative Management Team upon request.
- In September 2020, as a side event to the World Circular Economy Forum Online, the City of Toronto organized a webinar titled **Reflections from Canadian Circular Cities During a Pandemic**, in collaboration with the City of Guelph, Ville de Montreal, the City of Vancouver, and the Vancouver Economic Commission, and with participation from the Government of Canada and the Federation of Canadian Municipalities. This event was attended by 150 participants from seven countries and helped foster pan-Canadian municipal collaboration and dialogue on circularity. The event offered participants an enhanced understanding of how Canadian cities pivoted their circular economy programs in response to public health measures, how the pandemic influenced momentum on their circular economy transitions, and various cities aspirations for the path forward towards a green, inclusive, fair and local COVID-19 recovery.

Collaborating on International Circular Economy Initiatives:

To support collective action on international climate and sustainability targets, City of Toronto staff play an active role in international circular economy initiatives through contributions to joint projects, participating in international knowledge-sharing collaborations and demonstrating North American circular economy leadership. Examples include:

- City of Toronto staff play an active role in [World Circular Economy Forum](#) events. The World Circular Economy Forum is an initiative of Sitra, the Finnish Innovation Fund. Since its establishment in 2017, World Circular Economy Forum has brought together international business leaders, policymakers, and experts to accelerate the transition towards a circular economy and achieve the United Nations Sustainable

Development Goals. The Government of Canada through Environment and Climate Change Canada is actively engaged in the World Circular Economy Forum 2021 virtual international event and will be co-hosting the forum in September 2021, making this the first time that the World Circular Economy Forum is hosted by a North American government. City of Toronto staff are engaged as World Circular Economy Forum 2021 program planning partners. The City of Toronto's participation in World Circular Economy Forum 2021 will be an opportunity to continue to build relationships with federal staff and international counterparts, explore cross-cutting issues related to economic recovery and the North American circular transition, and further showcase the City of Toronto's circular economy leadership.

Authority to Participate in the Canada Plastics Pact

In contrast to the collaboration activities outlined above, many emerging circular economy opportunities require that the City of Toronto enter into agreements that can be better facilitated through specific authority delegated to the General Manager of Solid Waste Management Services.

The City of Toronto has been invited to participate in the [Canada Plastics Pact](#) as an Implementation Partner. The *Canada Plastics Pact* is part of the [Ellen MacArthur Foundation's Global Plastics Pact Network](#) to create a common vision of a circular economy for plastics and be a force for innovation throughout the plastics value chain by engaging both the private and public sectors to support targeted commitments. Current *Canada Plastics Pact* partners include many private sector organizations, municipalities such as Metro Vancouver and the federal government via Environment and Climate Change Canada.

The *Canada Plastics Pact* has set the following targets by 2025 in alignment with the Global Plastics Pact and its New Plastics Economy Global Commitment:

- Define a list of plastic packaging to be designated as problematic or unnecessary and take measures to eliminate them;
- Support efforts towards 100 percent plastic packaging being redesigned to be reusable, recyclable or compostable;
- Undertake actions to ensure at least 50 percent of plastic packaging is effectively recycled or composted; and,
- Ensure an average of at least 30 percent recycled content across plastic packaging (by weight).

To participate in the initiative, the City is required to enter into an agreement with The *Canada Plastics Pact* to make a three-year commitment to support the *Canada Plastics Pact* targets listed above. The specific support by the City of the targets includes providing input and qualitative information on existing and future projects and programs that may help meet the targets of the *Canada Plastics Pact*. The City is not obligated to

initiate new projects or provide any financial contribution as a condition of entering the *Canada Plastics Pact* agreement.

Participation as a *Canada Plastics Pact* Implementation Partner would involve working alongside businesses across the plastic value chain and participating in working groups. The City's involvement can support other partners in the *Canada Plastics Pact* by providing valuable municipal insight and experience. These include public perceptions and behaviour related to waste collection, challenges with resident participation, and financial costs associated with limited resident participation in waste programs.

Additionally, by participating in the *Canada Plastics Pact*, the City will benefit from the opportunity to bring forward municipal perspectives, opportunities and areas of interest at the national and international level. It will help strengthen relationships with partners including other governments, gain a better understanding of municipal roles in the circular economy and packaging market after the transition to extended producer responsibility. It will also be a forum to exchange best practices with stakeholders related to plastics strategies, all of which may help inform Solid Waste Management Services' work in plastics reduction.

The *Canada Plastics Pact* partnership, which expands across local, regional, national, and international circular economy actors, provides an example of emergent partnership models for circular economy practitioners. Staff anticipate that future City of Toronto work to deliver on the City's circular economy outcomes will require the City to enter into similar joint partnerships with non-profit, public, and private sector organizations.

Next Steps and Future Considerations

City of Toronto circular economy programs, initiatives, and collaboration activities have been built upon a high degree of stakeholder collaboration. Continued relationship building and partnerships with a range of local, regional, national, and international public, non-profit, and industry partners will be important to accelerate the City of Toronto's progress toward its aspirational circular economy outcomes and climate action targets. These relationships will enable the City of Toronto to move forward its circular economy outcomes by:

- Identifying innovative ways for the City of Toronto to integrate the reduction of emissions, and the conservation and recovery of resources, within City practices and service delivery;
- Convening key non-profit, public sector, and industry organizations to deepen relationships and information-sharing between circular economy champions in Canada and internationally; and,
- Supporting and strengthening the City's international relationships, such as the C40 Mayors, and promoting the City's leadership in climate action and circular economy.

Specifically, the City is striving to deliver benefits to Toronto residents, industries, and communities by working toward the following desired circular economy outcomes:

- Waste reduction, including reduction and diversion of waste streams not managed by the City of Toronto's Integrated Waste Management System;
- Economic prosperity for a green and equitable pandemic recovery, including green sector development and local supply chain resilience;
- Local emissions reduction to help build more resilient, low-carbon neighbourhoods;
- Enhanced well-being, equity and community activation fostered through partnerships with local agencies and non-profit organizations; and,
- Strengthened local innovation ecosystems to support local businesses and innovators to develop and scale circular business models.

Toronto's circular city transition is a key opportunity to achieve climate action targets and support Toronto's recovery from COVID-19. Council's 2016 Long Term Waste Management Strategy direction rightly anticipated the international shift toward a more circular economy, and Toronto is already well on its way to becoming a truly circular city. However, as evidenced by the circular actions and activities to date, the City cannot achieve its circular economy and climate action objectives alone. Supportive and agile partnership arrangements with government, community and industry partners will help the City bring proof-of-concept circular innovations to scale, foster local community activations, and achieve TransformTO, national and international climate targets.

As an early adopter of circular strategies at the local level in Canada, it is anticipated that the City of Toronto will continue to be approached with opportunities to assume a role as a circular economy convenor and leader, particularly given the current momentum for timely implementation of innovative climate action strategies.

The current context of climate action in Canada and internationally has also resulted in the creation of new funding programs to accelerate the implementation of circular economy and climate action strategies. As noted in recommendation 3, should such funding opportunities become available to the City, where it is determined that such a funding program will advance the City's aspirational circular economy goals, the General Manager, Solid Waste Management Services seeks authority to pursue and accept funding from other local, regional, national, and international non-profit, public, and private sector organizations.

In summary, staff recommend that Council grant authority that enables the General Manager of Solid Waste Management Services to enter into an agreement with The Canada Plastics Pact, in addition to broader authority to enter into other partnerships as deemed necessary to advance the City's circular economy outcomes. The authorities being sought and resources being utilized as recommended in this report are within the Solid Waste Management Services Division's current approved budget. Any potential future financial impacts will be considered as part of the City's budget processes.

Solid Waste Management Services staff will continue to develop a scope and timelines for a directional Circular Economy Road Map which will help guide the City of Toronto in becoming the first municipality in the province with a circular economy. Once the Circular Economy Road Map is finalized, staff will present recommendations for Council consideration, including the establishment of firm circular economy targets, performance measures, and partnership opportunities to achieve a resilient, inclusive, green and prosperous future.

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