

Circular Economy Road Map Strategy and Implementation Plan Development Update

Date: May 13, 2024

To: Infrastructure and Environment Committee

From: General Manager, Solid Waste Management Services and Executive Director, Environment & Climate Division

Wards: All

SUMMARY

The purpose of this interim report is to provide an update on the status of work to develop a 10-year Circular Economy Road Map strategy and implementation plan (Circular Economy Road Map) for Toronto, including the project's planned community engagement and consultation milestones. This report describes the project governance structure developed by staff in response to Toronto City Council's endorsement of the targets and actions outlined in the 2021 TransformTO NetZero Strategy (NetZero Strategy). Specifically, City of Toronto (City) staff established a project governance approach based on NetZero Strategy direction for Solid Waste Management Services, with involvement and leadership from other City Divisions, to develop a City-wide governance structure, strategy and policy framework for the circular economy.

In recognition of the cross-corporate opportunities presented by the City's circular economy transition, this report also provides an update on transferring the City of Toronto's circular economy and innovation program from Solid Waste Management Services to the Environment & Climate Division. As such, this report recommends the sharing of certain existing authorities authorized by Council to the General Manager, Solid Waste Management Services with the Executive Director, Environment & Climate Division. Although Solid Waste Management Services will remain a leading Division in the development and implementation of Toronto's Circular Economy Road Map, moving the program to the Environment & Climate Division under Corporate Services is expected to improve staff's ability to achieve Council's circular economy goals.

Working towards a circular economy is vital to achieving Council's climate action targets, enabling sustainable consumption choices, and fostering economic resilience and prosperity. However, the City's circular economy transition cannot be achieved by the City government alone. It will require the participation of others outside of Toronto's municipal government and must include residents, businesses, industry, local communities, and other governments. It will also require a transformation in how society currently thinks about waste: from a problem to be hidden from sight, to a resource that can be captured to provide value and positive outcomes for the planet, the City, and its

residents. As with existing City of Toronto circular economy initiatives such as the Circular Food Innovator's Fund¹, implementation of the circular economy program will continue to prioritize working with local businesses, other governments and partners, and key industry sectors to identify opportunities for economic prosperity.

RECOMMENDATIONS

The General Manager, Solid Waste Management Services and the Executive Director, Environment & Climate Division recommend that:

1. City Council authorize the General Manager, Solid Waste Management Services and the Executive Director, Environment and Climate to share the authorities previously granted by City Council in 2021.IE22.8 and 2023.IE9.3, and allow either Division head to separately enter into agreements to support the work of the City of Toronto's Circular Economy and Innovation unit with those authorities.

FINANCIAL IMPACT

Solid Waste Management Services and Environment & Climate Division confirm that there are no immediate financial impacts associated with this report. The cost of delivering the Circular Economy Road Map and the administration of the City of Toronto's Circular Economy and Innovation unit were included in the 2024 Budget for Solid Waste Management Services. Any future financial impacts for 2025 and beyond will be brought forward through a future variance report or through the 2025 Budget Process.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

EQUITY IMPACT

Insights from implementing the City of Toronto's circular economy program – including the results of the Baseline for a Circular Toronto Study and feedback provided by the

City's Circular Economy Working Group² – have emphasized the importance of centring equity outcomes in the approach to Toronto's circular economy transition. Opportunity exists for circular strategies to centre equity, inclusivity, and human wellbeing in both

¹ The Circular Food Innovators Fund, launched in 2024, is a program aimed at supporting market-ready business solutions to enable the elimination of single-use and takeaway items in Toronto and help to achieve a more circular food system for Toronto residents and businesses.

² To inform its early circular economy work, the City convened an external Circular Economy Working Group between 2019-2021, made up of local businesses, academics, media, non-profits, environmental groups, and other community stakeholders.

objective-setting and performance metrics; however, doing so requires that the strategy development process be meaningfully inclusive of Toronto's diverse community.

Staff sought professional services to deliver the Circular Economy Road Map through a competitive Negotiated Request for Proposals (NRFP). To secure the appropriate professional expertise to achieve the City's equity goals, staff embedded requirements in the scope of work that addressed the mitigation of barriers to participation for Indigenous and equity-deserving communities. The NRFP contract was awarded to KPMG LLP, who have subcontracted creative strategy, equity, and decolonialism specialists at SAFFY and Ridge Road Training & Consulting, Inc. to lead the engagement, education, and outreach components of the project. Staff will provide Council with further detail on the potential equity impacts emerging from engagement and consultation activities in future Circular Economy Road Map updates.

DECISION HISTORY

At its meeting on December 13, 14, and 15, 2023, City Council adopted Item IE9.3 entitled "Update and Action Plan on the Single-Use and Takeaway Items Reduction Strategy, including the Circular Food Innovators Fund," which authorized Solid Waste Management Services to implement Phase One of the Circular Food Innovators Fund, including executing agreements to distribute grant funds to successful recipients.

The City Council decision document can be viewed at:

<https://secure.toronto.ca/council/agenda-item.do?item=2023.IE9.3>

At its meeting on June 14 and 15, 2023, City Council adopted Item IE4.1 entitled "Long-Term Residual Waste Management Options for the City of Toronto" and directed Solid Waste Management Services to provide an interim report, through the Infrastructure and Environment Committee, no later than June 2024, with a final report to be provided by June 2025, with a strategy and policy framework for the circular economy transition consistent with TransformTO and the City's carbon budget carbon accountability mechanism.

The City Council decision document can be viewed at:

<https://secure.toronto.ca/council/agenda-item.do?item=2023.IE4.1>

At its meeting on May 10, 2023, City Council adopted Item IE.3.4 entitled "Carbon Accountability: Institutionalizing Governance, a Carbon Budget and an Offset Credits Policy", which defines an accountability and governance system to track the City's progress in reducing GHG emissions, to be brought forward and enacted as part of Chapter 669 - Climate Change Goals and Governance.

The City Council decision document can be viewed at:

<https://secure.toronto.ca/council/agenda-item.do?item=2023.IE3.4>

At its meeting on December 15, 2021, City Council adopted Item IE26.16 entitled "TransformTO - Critical Steps for Net Zero by 2040", which identifies actions for implementation to support sustainable consumption and identify pathways to circularity

across the City and economy. By adopting Recommendation 1 - Net Zero Short Term Implementation Plan 2022-2025, Council directed Solid Waste Management Services, with involvement and leadership from other City Divisions, to develop a City-wide governance structure, strategy and policy framework for the circular economy.

The City Council decision document can be viewed at:

<https://secure.toronto.ca/council/agenda-item.do?item=2021.IE26.16>

At its meeting on June 8, 2021, City Council adopted Item IE22.8 entitled "Partnership Authority to Support Toronto's Circular Economy Outcomes" articulating a set of preliminary desired circular economy goals, vision, and outcomes for the City, which are meant to be further refined as part of the Circular Economy Road Map project's consultation process with interested parties across business, industry, and the general public.

The City Council decision document can be viewed at:

<https://secure.toronto.ca/council/agenda-item.do?item=2021.IE22.8>

At its meeting on November 18, 2019, General Government and Licensing Committee received Item 2019.GL9.10 entitled "Update on the Circular Procurement Implementation Plan and Framework" from the General Manager, Solid Waste Management Services, and the Controller for information, which provided an update on the implementation of Circular Procurement Pilots.

The General Government and Licensing Committee document can be viewed at:

<https://www.toronto.ca/legdocs/mmis/2019/gl/bgrd/backgroundfile-139647.pdf>

At its meeting on June 5, 2018, Government Management Committee received Item GM28.29 entitled "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, which presents a Circular Procurement Framework that can be applied within the City's purchasing process to drive waste reduction, economic growth and social prosperity.

The Government Management Committee document can be viewed at:

<https://www.toronto.ca/legdocs/mmis/2018/gm/bgrd/backgroundfile-115513.pdf>

At its meeting on July 12, 13, 14, and 15 2016, City Council adopted Item PW14.2, entitled "Final Long Term Waste Management Strategy," endorsing the aspirational goals of zero waste and a circular economy and requesting the City Manager to form a cross-divisional Circular Economy Working Group, including Solid Waste Management Services, Environment and Energy (now Environment and Climate), 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 goals of the Waste Free Ontario Act (2016).

The City Council decision document can be viewed at:
<https://secure.toronto.ca/council/agenda-item.do?item=2016.PW14.2>

COMMENTS

Project Background

Toronto City Council adopted the Long Term Waste Management Strategy in 2016, setting an aspirational goal to work towards zero waste and a circular economy, and directing Solid Waste Management Services to develop a strategy and policy framework to make Toronto the first municipality in the province of Ontario with a circular economy. In 2021, through City Council's endorsement of the targets and actions outlined in the TransformTO Net Zero Strategy, Solid Waste Management Services was directed to establish a governance framework for the circular economy strategy, with leadership from other City divisions, in recognition of the need for City-wide program and policy integration to achieve Toronto's desired circular economy outcomes.

The circular economy model rethinks how resources are designed, produced, purchased, used, and managed by working to embody the principles of longevity, renewability, reuse, repair, and resource recovery and supporting nature and its regeneration through the enhancement of green design and infrastructure. A circular economy city is an urban centre in which residents and other participants in the local economy collaborate to move away from the traditional linear economy in which resources are extracted, made into short-lived products, and then thrown away as garbage. Circular economy action at the local level has already begun to unlock local ingenuity, support economic development, and deliver sustainability outcomes in several global cities. Examples of circular economy initiatives and programs in other municipalities include:

- The City of Amsterdam's business district is home to the Circl pavilion, a building designed and constructed according to sustainable and circular principles. Circl was created using materials that have already had a previous life, and the building was designed to be easy to disassemble so it can make as little impact as possible on the planet and be put to new uses in the future.³
- The City of Kirkland (Washington, U.S.A) in partnership with school Districts, implemented food share programs to collect uneaten, unopened, safe food from school lunchrooms for donation to local hunger relief organizations.⁴
- The City of Seattle (Washington, U.S.A.) and industry reuse partners are jointly implementing deposit and return systems for reusable cups at large-scale venues and events such as concerts, sporting events, and festivals.⁵

The circular economy is not a sector – it is a whole system transformation that requires alignment toward shared objectives, new policy and regulatory tools, and behaviour change from all economic participants. The application of circular economy approaches

³ [The Story of a 'Circular' Pavillion in Amsterdam's Zuidas District.](#)

⁴ [Lake Washington School District Food Share and Donation Pilot Program.](#)

⁵ [Reuse Seattle ZooTunes Launch Report, June-August 2022.](#)

to how the City operates could have the following positive benefits for Toronto businesses and residents:

- Maximizing the value of existing City assets by ensuring the increased longevity and resilience of services and infrastructure
- Encouraging the growth of Toronto's green industries and enhancing local supply chain resilience
- Strengthening local networks to support businesses and innovators in developing and scaling circular business models
- Providing opportunities for community activation while ensuring that the benefits of enhanced resilience and prosperity from the circular economy transition are shared equitably
- Reducing material waste by enhancing the availability of sustainable consumption options for Toronto residents, businesses, and visitors.

In 2022, Solid Waste Management Services concluded the *Baselining for a Circular Toronto* study⁶, which assessed Toronto's existing level of circularity. By modelling how resources like metals, fossil fuels, and biomass are used within the city's economy, the study made it possible to understand Toronto's current state of circularity and model future consumption and disposal rates if no further action is taken. The study identified three areas with the greatest opportunity for circular interventions: food systems, waste management, and construction sectors. The *Baselining for a Circular Toronto* study also proposed a circular vision, goals, indicators, and target sectors for circular interventions in Toronto, ultimately forming the basis for the City's forthcoming Circular Economy Road Map.

Project Co-Sponsorship by Solid Waste Management Services and Environment & Climate Division

In January 2024, Solid Waste Management Services launched a project to develop a 10-year Circular Economy Road Map for Toronto, co-sponsored by Solid Waste Management Services and the Environment & Climate Division. The project involves governance oversight and collaboration with a total of 15 Co-creating City Divisions, which were selected based on their potential to implement city-wide circular actions. Following strategy co-creation and adoption, Co-creating City Divisions will be accountable for implementing the final Circular Economy Road Map actions. Refer to Attachment 1 for further detail on Co-creating City Divisions and their respective strategic alignments.

Joint Project Co-sponsorship between the Solid Waste Management Services and Environment & Climate Division recognizes both the community-level implications of waste generation, and the potential of circular economy and sustainable consumption strategies to contribute to GHG emissions reduction and environmental protection. The Circular Economy Road Map will not duplicate work already being undertaken through the Long Term Waste Management Strategy or other waste management planning initiatives concurrently being led by Solid Waste Management Services. Through its methodology, which considers the global evidence base for circular economy

⁶ City of Toronto, 2021- [Final Report: Baselining for a Circular Toronto Study](#).

performance indicators and outcomes, the Circular Economy Road Map will be a crucial opportunity to refine the City's understanding of consumption and waste generation at the community-wide scale, and the opportunity for circular economy approaches to support the City's efforts to combat climate change. The project will also identify clear and feasible pathways for the City to implement circular economy solutions. Consideration of the City's carbon budget accountability mechanism as part of Circular Economy Road Map implementation will support a deepened understanding of the anticipated impact of the City's actions to reduce GHG emissions.

Ultimately, the Circular Economy Road Map aims to identify long-term desired circular outcomes, feasible and actionable pathways for circular transition, measurable targets, and estimated resources, tools, and investments that will be required to implement the Circular Economy Road Map. Once adopted by City Council, it is anticipated that the implementation of the final Circular Economy Road Map will drive impacts not just within the City's municipal government operation, but at a community-wide scale. This could mean lasting benefits for the City, residents, businesses, industries, and communities.

Project Scope and Methodology

The Circular Economy Road Map will establish a shared vision for a Circular Toronto, clarify key issues enabling or limiting circularity in the food systems, waste management, and construction sectors, and assess the feasibility of proposed circular solutions and implementing actions. Long-term measurement and sustainment tools, including human and financial resources, will be identified to accelerate an ambitious circular transition for the community and the municipal government. Work to develop the strategy commenced in January 2024 and is expected to be completed by early 2026.

The final recommended Circular Economy Road Map will outline implementing actions for the City to take to develop new or improved programs, policies and processes to support Toronto's circular economy transition. In addition, the Circular Economy Road Map will outline inspirational directions that Toronto residents, visitors, businesses, and civil society, as well as other orders of government, can take in their spheres of influence to align with the City's circular goals.

The project is built around a five-pillar methodology which includes:

- Consideration of best practices;
- An outcomes-based focus that identifies specific, feasible, and measurable actions/outcomes;
- Meaningful, equitable, and inclusive engagement to incorporate insights and mobilize action from the City's diverse communities and partners;
- A whole-of-City approach to mobilize City-wide expertise and programmatic and policy levers; and
- Consideration of economic prosperity, resilience, and biodiversity lenses to support the development and multiplication of economic opportunities associated with the circular economy.

Ensuring an Inclusive and Participatory Strategy Development Process

Baselining for a Circular Toronto identified the opportunity to build a social circular economy in Toronto. In practical terms, this means adopting strategies that enhance social connectivity, unlock local ingenuity, and co-create equitable solutions and innovations that recognize lived experience, knowledge, and address historical and systemic injustices.

This project prioritizes delivering a strategy development process that is meaningfully inclusive of local communities, particularly those sidelined by current linear economic development strategies. Informed by oral tradition and knowledge, Indigenous practices and worldviews include societies that have existed in a regenerative and interdependent relationship with nature. As such, the City intends to invite meaningful engagement and collaboration with interested Indigenous communities throughout the project to ensure that Indigenous perspectives, interests, and worldviews are embedded within the strategy. Improving relationships with Indigenous organizations is also a crucial aspect of the City's commitment to Indigenous Reconciliation.

Recognizing that improving the circularity of material flows at a city-wide scale must also remedy and not exacerbate historical inequities, the Circular Economy Road Map will also seek to support positive social outcomes for many local communities, including Black and equity-deserving communities. By ensuring inclusive resident engagement, the City can remove participation barriers to support a more equitable Toronto.

Similarly, the City also recognizes that continued relationship-building and collaboration with a range of economic and value chain participants is important to accelerate the City's progress toward its circular economy goals. As such, the strategy development process will include focused engagement with Toronto businesses and industries to request input from business owners, including identifying key challenges and resources required to achieve greater circularity.

City-wide Project Governance Structure

Achieving Toronto City Council's circular economy goal will have programmatic implications for municipal program and service areas beyond waste management operations, and will require governments, industry, and civil society to establish new ways of collaborating and sharing information. The City of Toronto's Integrated Waste Management System is responsible for managing less than 50% of waste produced in the economy.⁷ However, all City divisions have an influence on waste generation in Toronto: either through their operational decisions such as construction and capital project delivery in addition to developing specifications for procurement processes, or through program delivery implemented at the community level. As such, improving the circularity of material flows at a city-wide scale will require a unified and coordinated response by the many City divisions that enable economic, social, and environmental activities in the community.

⁷ City of Toronto, 2021. [Material Flow Analysis: Baselining for a Circular Toronto Study.](#)

In 2022 and 2023, staff established a city-wide Circular Economy Road Map governance structure which was presented to members of the City's senior leadership teams. The governance structure proposed a cross-divisional framework for oversight and co-creation of the Circular Economy Road Map to address both the interdisciplinary nature of circular interventions, and the anticipated operational and community-wide implications of transitioning Toronto to a more circular economy. Solid Waste Management Services invited 13 Division Heads to join the Governance Tables. All invited divisions, plus one more, agreed to participate as Co-creating City Divisions on the Governance Tables for the project.

While Solid Waste Management Services and the Environment & Climate Division will continue their co-leadership and commitment to enabling circular economy outcomes at the City, the 13 other Co-Creating Divisions will play a crucial role in establishing strategic directions, feasible circular solutions and implementation actions, strategy targets, and long-term outcomes for the Circular Economy Road Map. This whole-of-City approach aims to engage divisions beyond a typical consultation role to one of shared decision-making to support the long-term sustainment of strategic and programmatic outcomes. It also aims to reflect the needs, services, and expertise of key divisions that will be involved in implementing the change.

Consultation and Engagement Plan

Engagement activities are expected to begin in May 2024 and continue throughout all four phases of the project. While specific engagement tactics are still in development, key activities in 2024 may include:

- Phase 1: public consultations will aim to validate the *Baselining for a Circular Toronto* findings and a proposed vision, guiding principles, and goals of the City's circular economy transition with the wider Toronto community.
- Phase 2: consultations with local businesses and industry sectors will aim to identify barriers, opportunities, and enabling conditions for greater circularity, particularly in the target sectors of food systems, waste management, and construction.

Staff will ensure that members of City Council receive advance notice of Phase 1 and Phase 2 consultations to share with constituents in advance of 2024 consultations.

Transfer of the Circular Economy and Innovation Program to Environment & Climate Division

Adopting a City-wide approach to the governance of the Circular Economy Road Map recognizes the need for integrated program and policy to achieve Toronto's desired circular economy outcomes. Given the cross-corporate implications of the circular economy work and its connection to the City's environmental and climate action goals, it has been determined that the circular economy and innovation program would be best delivered from within the Environment & Climate Division instead of Solid Waste Management Services. To that end, the General Manager, Solid Waste Management Services and the Executive Director, Environment & Climate Division have decided to transfer the circular economy and innovation program into the Environment & Climate Division under Corporate Services.

To enable this organizational change, staff are recommending that the authority to enter into agreements, previously granted to the General Manager, Solid Waste Management Services to support the work of the City of Toronto's Circular Economy and Innovation unit be shared with the Executive Director, Environment & Climate, including:

- The authority authorized by City Council via [2021.IE22.8 - Partnership Authority to Support Toronto's Circular Economy Outcomes](#).
- The authority for the Circular Food Innovators Fund as authorized by City Council via [2023.IE9.3 - Update and Action Plan on the Single-Use and Takeaway Items Reduction Strategy, including the Circular Food Innovators Fund](#).

The sharing of the above noted authorities to enter into agreements to support the work of the Circular Economy and Innovation unit between the General Manager, Solid Waste Management Services and the Executive Director, Environment & Climate Division is necessary to ensure continuity is maintained on some current and planned Solid Waste Management Services programs that directly contribute to Council's desired circular economy outcomes, while also enabling the successful transfer of the Circular Economy and Innovation unit to Environment & Climate Division.

Any future impacts related to the transfer of the circular economy and innovation program from Solid Waste Management Services to Environment & Climate Division will be brought forward through a future variance report.

Next Steps

Development of the Circular Economy Road Map is currently anticipated to conclude in early 2026. Staff intend to report back to Infrastructure and Environment Committee by Q2 2025 with the results of Phase 1 Circular Economy Road Map public and community consultation and engagement activities. Staff will provide further updates on project milestones, including implementation plan proposals and recommended strategy actions, in Q4 2025 and Q1 2026.

CONTACT

Annette Synowiec, Director, Policy, Planning & Outreach, Solid Waste Management Services, Telephone: 416-392-9095, Fax: 416-392-4754, Email: Annette.Synowiec@toronto.ca.

Meaghan Davis, Manager, Circular Economy & Innovation, Solid Waste Management Services, Telephone: 416-392-3752, Fax: 416-392-4754, Email: Meaghan.davis@toronto.ca.

SIGNATURE

Matt Keliher
General Manager, Solid Waste Management Services

James Nowlan
Executive Director, Environment & Climate Division

ATTACHMENTS

Attachment 1 - Circular Economy Road Map Governance: Co-Creating City Divisions and Strategic Alignments