

**DISCUSSION DOCUMENT:
TOWARDS A PROPOSED
CANADA-WIDE ACTION PLAN
FOR EXTENDED PRODUCER RESPONSIBILITY**

DRAFT FOR CONSULTATION

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PREFACE

Extended producer responsibility (EPR) is defined as a policy approach in which a producer's responsibility, physical and/or financial, for a product is extended to the post-consumer stage of a product's life cycle. EPR shifts responsibility upstream in the product life cycle to the producer and away from municipalities. As a policy approach it provides incentives to producers to incorporate environmental considerations in the design of their products. EPR also shifts the historical public sector tax-supported responsibility for some waste to the individual brand owner, manufacturer or first importer.

In order to create a harmonized approach to EPR, the Canadian Council of Ministers of the Environment's (CCME's) Extended Producer Responsibility Task Group (EPRTG) has developed this discussion paper to explore the concept of a Canada-wide Action Plan for EPR which proposes key elements for building producer responsibility.

HOW CAN YOU CONTRIBUTE?

We need your help to build an effective and meaningful plan. For this plan to be successful, input from you as producers, importers, brand owners, retailers, non-government organisations, stewardship organizations, consumers and governments is important.

Your feedback is welcome and can be submitted electronically using the response form attached. We would appreciate your response by May 29, 2009.

After this consultation, all feedback will be considered in completing a plan to propose to CCME.

DISCUSSION DOCUMENT: TOWARDS A CANADA-WIDE ACTION PLAN FOR EXTENDED PRODUCER RESPONSIBILITY

EXECUTIVE SUMMARY

Introduction

In 2006, Statistics Canada data showed Canadians generated almost 1,100 kg of municipal solid waste per person, up 8 per cent from 2004. This represents about 35 million tonnes, of which just over 27 million tonnes was sent for disposal in landfills and incinerators and another 7.7 million tonnes was diverted as recyclables or organics. Nationally the rate of diversion from landfill and incineration was 22 per cent, with the highest rate of diversion for a provincial jurisdiction being 41 per cent. Since the rate in 2004 was also 22 per cent, this suggests little or no progress in enhancing the extent or effectiveness of waste recycling and organics programs over that period. Despite efforts by all levels of governments over the last three decades, Canada's performance lags behind other G8 and Organization for Economic Cooperation and Development (OECD) countries when it comes to municipal solid waste diversion and disposal.

Extended Producer Responsibility

A waste management approach that has developed in response to these issues is the concept of the producers of products being responsible for their end-of-life management. Extended Producer Responsibility (EPR) is an environmental policy approach in which a producer's responsibility for a product is extended to the post-consumer stage of its life cycle. Through a Canada-wide Action Plan (CAP) for EPR, the Canadian Council of Ministers of the Environment (CCME) is seeking to provide guidance on the development and implementation of EPR programs, to strengthen the use of EPR as an environmental risk-management tool and to contribute to the harmonization and consistency of programs across the country.

Objectives

A CCME CAP for EPR would seek the adoption by producers of full life-cycle cost accounting for their products. This would see the costs of the end-of-life management of products treated similarly to other factors of production and incorporated into wholesale and retail product prices. Successful EPR shifts the expenses associated with product end-of-life management from taxpayers to producers and consumers and reduces the amount of waste generated and going to disposal. In addition the Action Plan seeks to reduce the toxicity and environmental risks from products and product waste and improve the overall life-cycle performance of products, including reducing associated greenhouse gas emissions

Implementation of the Canada-wide Action Plan for Extended Producer Responsibility

Canadian jurisdictions would agree to consider developing EPR framework legislation and/or regulations to allow for action on the identified priority products and materials.

The plan seeks to have the following products and materials incorporated into operational programs within a set time frame (e.g., six years) of the adoption of the CAP (Phase 1):

- Packaging
- Printed materials
- Compact fluorescents and other lamps containing mercury

- Electronics and electrical products
- Household hazardous and special wastes
- Automotive products

The following products and materials could be incorporated into operational programs within a set time frame (e.g., eight years) of the adoption of the CAP (Phase 2):

- Construction and Demolition materials
- Furniture
- Textiles and carpet
- Appliances, including ozone-depleting substances (ODS)

Key Performance Indicators

A number of key performance indicators have been identified to produce a national annual status report on the performance of the priority EPR programs. These include: kilograms per capita captured or recovered; dollars per kilogram captured or recovered; per cent of waste captured, per cent of waste recovered; and avoided greenhouse gas emissions.

Model EPR Program

In order to facilitate the creation of consistent and harmonious EPR regulations and programs, the discussion paper outlines a number of common elements that set out recommendations for all EPR programs to ensure common interpretation and application. These elements include consideration of the responsibilities of designated producers and producer responsibility organizations, relationship to stewardship plans, the establishment of targets and reporting mechanisms, the creation of fees and design for environment. The EPR program elements are designed so that through a successful EPR program, and the regulations which mandate it, cost and management signals are given to producers to improve the life-cycle performance of their products knowing that at some point in the future they will be responsible for the collection, recycling and the environmentally sound management of products that would otherwise be discarded.

Supportive Policies and Regulations

In a complex and competitive national and global business market signals to producers from a relatively small market like Canada may not be strong enough alone to influence new environmentally conscious product design and supply chain management. The environmental objectives of EPR may therefore need to be supported and reinforced by other measures, such as: eco-labelling; restrictions on toxic substances; recycled content standards and regulations; green procurement policies; environmental performance/voluntary agreements and a variety of other potential standards, bans, guidelines and educational tools.

A National Harmonized Approach

The purpose of a CAP for EPR would be to extend the principle of producer responsibility across the country in a consistent and harmonized way and maximized across the national marketplace. By shifting the responsibility for the end-of-life management of products to the manufacturer and/or importer of that product, effects will be felt throughout the product life cycle. This provides incentives to producers and importers to design their products with less environmental risk, reduced use of toxic and hazardous substances, enhanced ease of product disassembly and other factors reducing their products' overall environmental footprint.

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1. INTRODUCTION

Why a Canada-wide Action Plan (CAP) on Extended Producer Responsibility (EPR)?

Statistics Canada data from 2006 showed Canadians generated almost 1,100 kg of municipal solid waste per person, up 8 per cent from 2004. This represents some 35 million tonnes, of which just over 27 million tonnes was sent for disposal in landfills and incinerators and another 7.7 million tonnes was diverted as recyclables or as organics. The national diversion rate from landfill and incineration was 22 per cent with the highest provincial rate being 41 per cent. In 2004 the national rate was also 22 per cent, suggesting little or no progress in enhancing the extent or effectiveness of waste recycling and organics programs over that period.

Despite efforts by all levels of governments over the last three decades, Canada's performance lags behind other G8 and Organization for Economic Cooperation and Development (OECD) countries when it comes to Municipal Solid Waste (MSW) diversion and disposal. In 2006 the diversion rate for both the residential and non-residential sectors was 22 per cent, with 835 kilograms of MSW per capita heading for disposal. Of this, 97 per cent was landfilled and 3 per cent was incinerated to produce energy. Notably, the per capita disposal rates in Germany and the Netherlands are 183 kg per capita and 225 kg per capita respectively.

Among the Canadian public, MSW management is an increasingly important topic as issues such as packaging, plastic bags, thermal treatment, export and import of MSW and the public outcry associated with the siting of landfills are continually being raised.

The following table identifies diversion performance by each province as reported by Statistics Canada. Information from PEI and the territories is not provided due to confidentiality issues.

2006		Total Disposal	Disposal kg/capita	Total Diversion	Diversion kg/capita	Total Generation	Generation kg/capita	Diversion Rate
Province/Territory	Population							
NFLD	509,940	407,728	800					
Prince Edward Island	138,027							
Nova Scotia	935,050	401,670	430	275,983	295	677,653	725	41%
New Brunswick	749,225	450,238	601	252,174	337	702,412	938	36%
Quebec	7,651,033	6,808,441	890	2,456,300	321	9,264,741	1211	27%
Ontario	12,705,328	10,437,780	822	2,396,856	189	12,834,636	1010	19%
Manitoba	1,178,492	1,024,272	869	152,799	130	1,177,071	999	13%
Saskatchewan	987,520	833,753	844	106,868	108	940,621	953	11%
Alberta	3,370,600	3,819,872	1133	652,636	194	4,472,508	1327	15%
British Columbia	4,320,255	2,917,081	675	1,366,191	316	4,283,272	991	32%
YK, NWT, NT								
Canada	32,649,482	27,249,177	835	7,749,030	237	34,998,207	1,072	22%

Early results from an Environment Canada study projecting national MSW quantities over the next 25 years point to the magnitude of the future environmental impacts of waste. Under a business-as-usual scenario, it is estimated that close to 1 billion tonnes of MSW will be generated over the next 25 years (2008-2033). Almost half of this total consists of paper, food, leaf and yard waste – materials that directly contribute to greenhouse gas emissions in the form of methane from landfills.

From an economic perspective, continuing as is would mean some \$25 billion of recyclable materials would be sent to disposal from 2008 to 2033 (this does not include the potential value

of compost or energy from waste). Achieving a disposal rate of 500 kg/capita by 2030, however, would inject about \$10 billion directly into the Canadian economy by increasing the recovery of paper, metals and plastics.

Managing these waste quantities is primarily the responsibility of Canadian municipalities. Although waste management is a core municipal service it is often uniquely challenging because municipalities have limited capacity or tools to affect waste generation. Their abilities to divert waste from disposal are also constrained by practical issues, such as affordable diversion technologies, weak or non-existent secondary materials markets and facility-siting challenges. Perhaps the most difficult aspect is that municipalities have few tools to address the consumption and design of products that are purchased and used by their citizens and which, at the end of their life, become a municipal waste management responsibility.

Reducing the rate of waste generation and increasing the quantities of waste diverted from disposal and incineration are two key environmental and management challenges faced directly by municipalities and indirectly by senior levels of government in Canada. While there is a significant challenge in managing the large quantities of solid waste, there is a bigger challenge in reducing waste generation in the first place and in increasing the diversion from disposal of those wastes that are produced. Gains in both of these areas will result in lasting environmental benefits, such as reduced risks from the release of toxic and hazardous substances and reduced greenhouse gas production.

In addition to the challenges of waste quantities there are challenges associated with the environmentally sound management of end-of-life products that are hazardous, contain toxic materials or are in others ways problematic for the traditional solid waste management system. Many of these products are best managed through special collection and recycling systems that operate separately from conventional municipal waste management programs.

The “polluter pay” concept is an alternative waste management approach that has developed in response to these issues. This concept sees producers ultimately being responsible for the end-of-life management of their products. Known as EPR, the approach was first discussed in Sweden and originated in regulatory form in Germany in 1991 with the German Packaging Ordinance. Under the German ordinance responsibility for waste packaging was given to the producers of products that used packaging. In response producers established Duales System Deutschland, the producer responsibility program that oversees and funds the collection and recycling of waste packaging.

EPR has been the subject of extensive discussion in Canada. The OECD has defined it as a policy approach in which a producer’s responsibility, physical and/or financial, for a product is extended to the post-consumer stage of a product’s life cycle.

The Canadian Council of Ministers of the Environment (CCME) has explored the potential for EPR as a public policy to help address the problems associated with our growing waste stream. It determined that national definitions and principles for EPR would help to harmonize approaches and provide a level playing field for applying EPR initiatives across the country. CCME has therefore adopted a similar definition of EPR as the OECD:

“EPR means an environmental policy approach in which a producer’s responsibility for a product is extended to the post-consumer stage of a product’s life cycle.”

EPR shifts responsibility upstream in the product life cycle to the producer and away from municipalities. As a policy approach it provides incentives to producers to incorporate environmental considerations in the design of their products. EPR also shifts the historical public sector tax-supported responsibility for waste to the individual brand owner, manufacturer or first importer.

Part of the rationale for the EPR approach has been that giving responsibility for the end-of-life management of products to the manufacturer and/or importer of that product will affect the product’s entire life cycle and provide incentives to producers and first importers to more efficiently manage, with less environmental risk, the products at the end of life. This could be done by such means as reducing the use of toxic and hazardous substances in the products, enhancing the ease of product disassembly and by considering other ways to reduce the overall environmental footprint of a product.

Knowing that as producers companies will have to collect and recycle a product some time in the future can have positive impacts on all stages of the product’s life, including the crucial design phase. The concept of design for the environment has been at the core of EPR thinking since the outset. The focus of such thinking has been how to provide incentives through an EPR program for action by individual producers to improve the life cycle environmental performance of their products. The ability to redesign products with environmental considerations in mind rests most clearly with the producers that typically identify their products with a brand name and trademark. It is the producer who is ultimately responsible for the product design and production engineering, the choice of materials and techniques to be used in manufacture, the product’s energy consumption during use and the product’s packaging for distribution and sale.

The challenge of many EPR programs is how to provide incentives to producers to redesign their products and how to reward in the marketplace good product environmental design. The CAP for EPR is built on the premise that EPR is an important instrument that can advance the design-for-environment concept while recognizing EPR may not be the only instrument needed to advance such objectives. Section 7 notes EPR may need to be buttressed by other regulatory and non-regulatory objectives to meet stated environmental goals.

When applying EPR programs the organic portion of the residential waste stream (food and leaf-and-yard waste materials) would not apply because a specific product or package has not been manufactured or produced. EPR could, however, be applied to commercial sources of organics waste. Excluding those materials, the following quantities remain for consideration for the EPR Action Plan:

	Total MSW Stream	MSW Stream minus Organics (food and leaf and yard)
Total Quantities Diverted	7,749,030	6,456,423
Total Quantities Disposed	27,249,177	21,809,455
Kg/capita Diverted	237	198
Kg/capita Disposed	835	668

The first program in Canada modelled on the German EPR approach was the British Columbia waste paint program established in 1994. Since then forms of EPR and product stewardship have found wide favour in Canada and have been adopted or are being considered by all jurisdictions. There are now more than 40 such programs operating in Canada. Canadian practice and experience is being closely followed and, in some cases, adopted by jurisdictions outside the country.

Overview of Stewardship Programs

The following table displays the different EPR and Product Stewardship programs in Canada. (General points for classifying programs and comments on specific product categories are included in Appendix H.)

Stewardship Programs in Canada (January 2009)

Jurisdiction	Product Stewardship (P)										Extended Producer Responsibility (E)																								
	Phase 1										Phase 2																								
	Packaging			Printed Materials		Compact fluorescents and other lamps containing mercury		Automotive products			Other HHW					Electronics			Construction and Demolition materials		Furniture		Textiles and carpet		Appliances, including ozone-depleting										
Milk	Beverage Containers	Other				Used oil	Lead-acid batteries	Tires	Other	Paint	Solvents	Batteries	Fertilizers/pesticides	Pharmaceuticals	Mercury containing products	TVs and Computers	Telephones, VCRs, etc	Other																	
AB	E	E				E		P		P						P																			
BC		E			E	E	P	E		E	E	E	E	E	E	E	E	E															E		
MB	E	E	E	E		E		E																											
NB	P	P				P		P		E																									
NL		P				P		P																											
NS	E/P	P		P		E		P		P				P		E	E																		
ON	E/P	E/P	E/P	E/P	E				E	E	E	E	E	E	E	E	E																		
PE		E				P	P	P																											
QC	E/P	E	E/P	E/P		E		P		E																									
SK		P				E		P		E																									
NT		P																																	
NU		P																																	
YT		P																																	

CCME Objectives

Confronted with the widespread application of the EPR approach to the management of a variety of end-of-life products and materials and the growing number of EPR programs and industry/producer responsibility organizations, CCME has undertaken through this CAP to provide guidance on the potential development and implementation of EPR programs, to strengthen the use of EPR as an environmental risk-management tool and to contribute to the harmonization and consistency of programs across the country.

Consistent and harmonious programs can address program issues between adjoining jurisdictions, provide Canadians with comparable levels of environmental protection and program service, and facilitate the operational efficiency of producer responsibility organizations. It can also support the objectives of improving the environmental performance of products by providing incentives to producers over a larger national marketplace. In addition, it can assist producers themselves who distribute and market products based on a particular business strategy and who are, at the same time, often challenged to address regulatory EPR obligations in a variety of different ways depending on jurisdictions.

The Proposed Canada-wide Action Plan for Extended Producer Responsibility

The proposed CAP for EPR seeks to provide regulatory and EPR program clarity for both jurisdictions and the producers themselves by identifying what CCME understands EPR to mean and what principles can be used to govern its adoption. The Action Plan contains proposed guidelines on key elements that should be common to all EPR programs in Canada as well as a model EPR regulation. It proposes commitments by jurisdictions to develop and regulate EPR programs and includes a list of priority products for action within a set time frame (e.g., six years) of the plan's adoption and a secondary list of products for action within, for example, eight years. The identification of specific product categories and specific products with timetables for program implementation is designed to give producers and their organizations the necessary signals to start considering their EPR program options knowing that regulations governing their products could be adopted.

EPR programs can vary substantially from one another and can be operated collectively or individually. They can reflect different local circumstances, different products and different program objectives. They share one fundamental characteristic, however: producers and/or distributors are involved in the post-consumer management of their specific products (e.g. automobiles), product categories (e.g. electronic products) or waste streams (e.g. packaging).

One of the first priority projects for EPR action is packaging. CCME has developed a Sustainable Packaging Strategy that gives guidance on how to address the issue of packaging waste in concert with the CAP for EPR. While the Action Plan describes the core elements of an EPR approach, the Sustainable Packaging Strategy shows how the EPR approach can be used to address packaging. See Section 9 and Appendix G for more information.

When considering EPR programs, the “producer” is the most responsible entity and may include but is not limited to the brand owner, manufacturer, franchisee, assembler, filler, distributor, retailer or first importer of the product who sells, offers for sale or distributes the product in or into a jurisdiction. The CAP also includes guidance on the performance measurement and reporting of EPR programs in a consistent way to allow accurate measurement of program efficiency and verification of performance compared to other similar programs. It identifies

supportive policies and regulations that can be used to enhance and complement an EPR program. Such supportive initiatives include green procurement, restrictions on toxic and hazardous materials in products, eco-labelling and bans on the disposal of products covered by EPR regulations.

Review of the CAP for EPR

Provisions of this Action Plan would need to be reviewed within a set time period (e.g., five years) of its adoption by CCME.

2. VISION

Through the use of EPR, CCME seeks to transform Canada, one of the world's largest per capita generators of waste, into one of world's leaders in sustainable product design and end-of-life product management.

CCME envisions the concept of EPR as a public policy approach to help address the problems associated with Canada's growing waste stream and as a means to provide clear signals to producers that Canadians want improved environmental performance of products and better product design with reduced use of toxic materials, enhanced recyclability, increased use of recycled materials, reduced life-cycle energy and materials consumption and reduced greenhouse gas emissions..

CCME's proposed action plan for EPR would promote harmonization of approaches and help provide a level playing field for application of EPR initiatives across the country. While recognizing differences in the legislative framework and existing programs among jurisdictions, CCME encourages regional or national cooperation in the development of EPR programs. Specific measures undertaken by each jurisdiction are at their discretion, with the goal of effective, efficient, and harmonized implementation.

A harmonized approach to EPR program implementation has benefits for a number of different stakeholders:

Municipalities can benefit from the shifting of waste management collection and disposal costs to a producer responsibility organization in a consistent way across jurisdictions. This will be of particular interest in provincial border areas, such as Ottawa/Gatineau and Lloydminster, and will assist municipalities if they wish to promote EPR programs to their citizens in a coordinated way.

Industry can benefit from the harmonized application of EPR policies and consistent program operations through such means as standardized product lists and reporting requirements. Harmonization also supports the establishment of integrated national program management (e.g. through common administration and accounting across the country) to match the integration of national-level production, distribution and marketing by producers and importers.

Government benefits directly from the experiences of other jurisdictions and can negotiate for industry EPR engagement on a more level national playing field.

Brand owners could see increased prospects over a national market for EPR programs sending design-for-the-environment signals. While an EPR program operating over a large provincial market may have some small incentives to consider environmental design for products sold primarily within the jurisdiction, the odds of improved product environmental performance could be enhanced if the changes were addressed over a considerably larger national market.

The CAP is also designed to clarify EPR terminology and suggest best practice codes with the intention of helping jurisdictions to work together with comparable objectives for an agreed-upon set on EPR product priorities. Concerted action at the national level with a clear common

vision, set of EPR tools and a list of products to be addressed in a consistent way by an agreed-upon time would assist industry in addressing their stewardship obligations in a way that will support national business strategies and maximize program efficiency and effectiveness.

Working together, jurisdictions will be able to give industry the opportunity to be proactive and to integrate EPR responsibilities more effectively into their business models. Harmonized program and operational structures, including things like standard fee structures, will simplify program operations, promotion and reporting and will assist in reducing administrative burdens within programs and within participating companies.

3. PRINCIPLES

In accordance with the CCME guiding principles for pollution prevention, producers are responsible for their products at end of life. In consultation with stakeholders, CCME has developed a list of Canada-wide EPR Principles for management of waste materials.

The objective of the Canada-wide Principles for EPR is to assist and support jurisdictions in the development of EPR programs. The overarching goals of the principles are to minimize environmental impacts, maximize environmental benefits, promote the transfer of end-of-life responsibility for the product and/or material to the producer, and encourage design for environment (DfE). DfE examines a product's entire life cycle and proposes design changes to minimize its environmental footprint. Incorporating DfE may contribute to natural resource and energy conservation, biodiversity preservation, source reduction, waste minimization, and pollution prevention. While recognizing differences in the legislative/regulatory framework and existing programs among jurisdictions, CCME encourages regional or national cooperation in the development of EPR programs. Specific measures undertaken by each jurisdiction are at their discretion, with the goal of effective, efficient and harmonized implementation.

Over-Arching Principles

To promote harmonization of approaches to the greatest extent possible, CCME proposes the following guiding principles for the design and development of EPR policies and programs:

I. Environmental Principles:

To the greatest extent possible, programs seek to reduce the environmental impact of a product. EPR programs are consistent with the 4R waste management hierarchy:

- Reduce, including reduction in toxicity and redesign of products for improved reusability or recyclability
- Reuse
- Recycle
- Recovery of materials and/or energy

EPR programs encourage producers to incorporate design for environment to minimize impacts to environment and human health.

II. Program Design Principles

EPR programs transfer end-of-life responsibility for waste product or materials to producers from municipalities and other waste management authorities.

- Potential programs undergo a comprehensive analysis to assess whether they are appropriate for EPR and to define the role of the various actors in the product chain.
- Policy instruments selected are flexible and determined on a case-by-case basis.
- Local governments and other stakeholders are engaged to discuss environmental goals, objectives, priorities and performance measurement, and to enhance a program's acceptability and effectiveness.
- EPR program and policy development and implementation is based on transparency

III. Implementation Principles

Programs and policies are designed and implemented in a way that environmental benefits are maximized while economic dislocations are minimized.

- A communication strategy is devised to inform participants in the product chain, including consumers, about the program and to enlist their support and cooperation.
- EPR programs undergo periodic evaluations to ensure they are functioning appropriately, are subject to performance measurement and include accessible and transparent reporting.
- Costs of program management are not borne by general taxpayers.
- Consumers have reasonable access to collection systems without charge to maximize recovery opportunities.

4. PROPOSED OBJECTIVES, STRATEGIES, PERFORMANCE MEASURES AND TARGETS

Proposed Objectives

- To encourage producers to adopt full life-cycle cost accounting for their products and, in particular, to ensure the costs of the end-of-life management of products are treated similarly to other factors of production (such as manufacturing, distribution, marketing and sales) and are incorporated into wholesale and retail product prices.
- To shift the expenses associated with product end-of-life management from taxpayers – primarily municipal – to producers and to consumers.
- To reduce the amount of waste generated and going to disposal.
- To reduce the toxicity and environmental risks from products and product waste and improve the overall life-cycle performance of products, including reducing associated greenhouse gas emissions.
- To expand the use of EPR in Canada and to ensure producer responsibility requirements are extended across the country in a consistent and harmonized way with a view to maximizing the producer responsibility across the national marketplace.

Proposed Strategies

- Build the level of manufacturer responsibility for the management of their products by increasing the number of product categories managed under EPR programs.
- Harmonize EPR programs under common principles with similar regulatory frameworks.
- Monitor and report on program performance in a consistent way using common key performance indicators and common standards for equivalency measures.

Proposed Performance Measures for the Canada-wide Action Plan

The key performance measure for the Action Plan will be the number of operational EPR programs and product categories in place by the commitment target dates. All jurisdictions should have in place the necessary EPR frameworks and specific product regulations or designations by the program target dates (see below).

Proposed Targets

Canadian jurisdictions would agree to consider developing EPR framework legislation and/or regulations to allow for implementation in accordance with the phases outlined below.

The following products and materials are to be incorporated into operational programs within a set time frame (e.g., six years) following the adoption of the CAP (Phase 1):

Phase 1: Operational programs within a set time frame (e.g., six years) of adoption of the CAP

Packaging – in accordance with the proposed Canada-wide Strategy for Sustainable Packaging (see Section 9) for all packaging handled by municipalities either as waste or through recycling programs

Printed Materials – where packaging EPR provides support for municipal recycling systems printed material EPR should be included.

Compact fluorescents and other lamps containing mercury – in accordance with the Environment Canada Mercury Containing Products Strategy and the deliberations of the National Mercury Containing Lamp Recycling Technical Working Group.

Electronics and electrical products – all products identified on the “common” list of CCME-recommended electronics. (See Appendix D)

Household hazardous and special wastes – all products identified in Appendix F

Automotive products – used crankcase oil, filters and containers, lead acid batteries, mercury switches and lamps, tires, refrigerants and anti-freeze, brake, transmission, other fluids and their containers.

Phase 2: Operational programs within a set time frame (e.g., eight years) of the adoption of the CAP:

- Construction and demolition materials
- Furniture
- Textiles and carpet
- Appliances including ozone-depleting substances (ODS)

Individual manufacturers, importers and industry sectors would be made aware of the intention of the signatories of this CAP to support the establishment of industry-funded and managed EPR programs for the above priority product and product categories.

These priorities have been determined with guidance provided by the CCME EPR Evaluation Tool (see www.ccme.ca). The objective of the evaluation tool is to examine the relevance of EPR as an instrument for managing a product at the end of its useful life and is designed to assist in identifying priority candidate products for an EPR program. Candidate products were evaluated using the tool with regard to environmental impact criteria, EPR criteria and criteria for public and political interest and industry readiness.

Best Placed Jurisdiction or Jurisdictions to Act

Recognizing that authority for the regulation and establishment of EPR programs exists with both provincial/territorial governments and with the federal government, responsibilities for initiating and regulating an EPR approach will fall to the jurisdiction or jurisdictions that are the best placed to act in accordance with the vision and goals of the CAP. Responsibilities for certain products and product categories will likely fall exclusively within the legislative mandates of provinces and territories. In other cases authority may reside with the federal government if the product contains a toxic substance or is itself a toxic substance, scheduled under the terms of the Canadian Environmental Protection Act, 1999. In many cases authority and capacity to act may reside at federal, provincial and territorial levels.

Key Performance Indicators for the EPR Programs

The following key performance indicators derived from the Reporting Guidance Document for Performance Measurement and Reporting for EPR Programs (Stratos Consultants for Environment Canada, October 2007) and EPR Program Measurement and Tracking (Kelleher Environmental for CCME, December 2008) are being considered to measure the performance of the product and material EPR programs:

- Kilograms/capita captured or recovered
- Dollars/Kilogram captured or recovered
- Per cent captured
- Per cent recovered
- Avoided GHG emissions

It is recognized that these KPIs may not be universally applicable and may change over time. Additional key performance indicators, such as a measurement of awareness of the program by the public, are available for use or will be created as necessary as part of the development of the priority EPR programs described above.

The following national performance measures will be used as indicators of the overall performance of waste diversion strategies in Canada:

- Per capita waste generated (disposal plus diversion) in Canada using the 2006 Statistics Canada baseline
- Waste per capita recycled and composted using the 2006 Statistics Canada baseline
- Waste per capita (kg/kg equivalents) diverted by EPR programs using the 2008 EPR Program Measurement and Tracking report baseline
- Greenhouse gas emissions reduced or avoided by EPR programs in Canada using a baseline to be determined with Industry EPR annual reports and other reporting required by authorities

Reporting

Using the key performance indicators cited above CCME would, with stakeholder input, identify the necessary protocols and responsibilities for collection of the necessary data from EPR programs and make recommendations on how to produce a national annual status report on the performance of the priority EPR programs.

5. MODEL EPR PROGRAM – KEY ELEMENTS

The following is a summary of the program elements that are key to the structuring of EPR programs and are main considerations in EPR program development, design and implementation. These elements can be represented through such means as regulation and best practices guidance. The summary is presented in more detail in Appendix A.

Scope

In the interests of clarity and a level playing field in the marketplace the responsible producer needs to be clearly identified.

Product Definition

The products from both the residential and non-residential waste streams should to be covered by the EPR program and both need to be clearly identified, defined and listed.

Responsibilities of Designated Producers and Producer Responsibility Organizations (PROs)

Identified producers are individually and fully responsible for the financing and operation of the EPR program and have the ability to raise and spend funds to meet the program objectives. PROs need to operate with due regard to the needs for accountability and transparency.

Stewardship Plan

A stewardship plan sets out how the designated producer or producers and the PRO will meet their obligations. The elements to be considered or included in the plan can be specified in a governing regulation or set out in other guidance documents. Generally stewardship plans contain details on such things as how waste products are to be collected and recycled, key program performance indicators, recovery rate targets, timelines for implementation and reporting protocols. Stewardship plans should be reviewed and revised on a regular basis and at least every five years.

Approvals

Producers are accountable for the content, technical details and resulting performance arising from a stewardship plan and EPR obligation. Stewardship plans need to be available for review and consultation, but do not necessarily require the approval of the jurisdictional authority.

Information Requirements/Reporting/Communications

Documentation and public reporting of the EPR program's performance will be necessary and should follow established or recommended key performance indicator and reporting formats.

Training and Education

Training and education of staff working for the EPR program's PRO is essential to ensure compliance with environmental and occupational health and safety requirements and best management practices.

Performance Measures

EPR programs should operate using recognized and comparable key performance indicators in keeping with the recommended indicators cited in this Action Plan and in Environment Canada's guidance document on *Performance Measures and Reporting for EPR Programs*.

Targets

EPR programs should set measurable and quantifiable targets for products captured and/or recovered and reused and/or refurbished. Targets should be designed to ensure measurable waste reduction, waste diversion and environmentally sound end-of-life management.

Design for Environment

Producers are encouraged to improve the life-cycle environmental performance of their products, to undertake the necessary research and development to improve their products and to report on their progress to improved environmental product design.

Fees

Costs associated with an EPR program should be internalized as a factor of production of the product and not be visible to the consumer. Fees should be differential and should be linked to material- and product-specific costs and designed to reward improved environmental performance. Fees should be structured with due regard to the nexus principle, which means those levied should be closely connected to the product offered.

Historic and Orphan Products

Historic and orphan products should be received and managed by the EPR program regardless of their provenance and costs associated with such products will be borne by existing producers and shared based on a system of their devising.

Auditing

EPR programs should be audited for financial and operational performance and such audits should report on the final disposition of the secondary materials collected.

Offences and Enforcement

Jurisdictional authorities can enforce regulation provisions by restricting a product's market access as provided for under the governing legislation.

End-of-Life Management

Recycling and other end-of-life management practices should be conducted in accordance with the appropriate environmental regulations and recognized environmentally sound management standard or guidance document. Producers and PROs should be required to report on the ultimate disposition of materials recovered by the EPR program.

Competition

In accordance with guidance from the federal Competition Bureau, authorities, producers and PROs are encouraged to take whatever steps are necessary to ensure competition issues are considered when developing and operating an EPR program.

Consultation

Producers should be required to undertake consultations with all interested stakeholders and members of the public in the preparation of stewardship plans and regarding other program proposals.

6. MONITORING OF THE CANADA-WIDE ACTION PLAN

CCME would seek to create a process to monitor the implementation of the Action Plan. One potential model is the results-based management (RBM) framework developed by the Treasury Board of Canada Secretariat (TBS) in August 2001 (http://www.tbs-sct.gc.ca/eval/pubs/RMAF-CGRR/rmaf-cgrr_e.asp). The RBM framework monitors the goals and targets annually, semi-annually or for another timeline deemed appropriate.

The framework should represent an understanding between the partners on what they aim to achieve, how they plan to work together to achieve it and how they will measure and report on outcomes. It is a tool for better management, learning and accountability throughout the life cycle of a policy, program or initiative and also represents an early indication that the policy, program or initiative is set up logically – with a strong commitment to results – and with a good chance to succeed.

The RBM framework is intended to:

- Describe clear roles and responsibilities for the main partners involved in delivering the policy, program or initiative – a sound governance structure
- Ensure clear and logical design that ties resources to expected outcomes – a results-based logic model that shows a logical sequence of activities, outputs and a chain of outcomes for the policy, program or initiative
- Determine appropriate performance measures and a sound performance-measurement strategy that allows managers to track progress, measure outcomes, support subsequent evaluation work, learn and make adjustments to improve on an ongoing basis
- Set out any evaluation work that is expected to be done over the life cycle of a policy, program or initiative
- Ensure adequate reporting on outcomes.

7. SUPPORTIVE POLICIES AND REGULATIONS

EPR regulations and programs are directed at the end-of-life management of products by putting responsibility on producers. Through this mechanism and through regulations mandating it, cost and management signals are given to producers to improve the life-cycle performance of their products because at some point in the future they will be responsible for the collection, recycling and the environmentally sound management of products that would otherwise be discarded.

In a complex and competitive national and global business market signals to producers may not be strong enough alone to influence new environmentally conscious product design and supply chain management. This may be because the pricing associated with conforming to an EPR program may be negligible when compared to the market price of the product or a regional market may be too small compared to a national or global one to warrant product redesign for one particular jurisdiction. It could also be that the product may have a long life and the payback from any investment in environmental redesign is too distant to warrant action.

In these situations, which may be the case in many EPR programs in Canada and elsewhere, the environmental objectives of EPR may need to be supported and reinforced by other measures. To ensure the environmental objectives are met, particularly as they relate to design for the environment, jurisdictions may have to think comprehensively and package EPR regulations and policies with other complementary initiatives and regulatory instruments. For example, even though the removal of a toxic substance may be necessary when properly recycling a waste product, the fact the producer may have to pay extra to handle that product at its end of life may not be sufficient incentive to redesign the product to remove the toxic substance altogether. In this case another instrument, such as a restriction on the use of the substance, may be necessary to complement the EPR program.

There are a number of policies and regulations that could be used support an EPR program, including:

Eco-Labeling

Eco-labelling is a method of environmental performance certification and labelling that is well established in Canada and elsewhere around the world. An “eco-label,” such as Environment Canada’s Environmental Choice Program EcoLogo, is a means to identify overall environmental preference of a product or service based on life-cycle considerations. An eco-label that meets Organization for Standardization (ISO) Type 1 designation is awarded by an impartial third party based on independently determined environmental-leadership criteria.

An eco-label can support an EPR program by identifying branded products within a category that have leading environmental performance. For the producer the eco-label can be used to promote to the public claims for the product’s environmental features and thereby hopefully increase its market share relative to its competitors.

Labels can be informational and could be used to advise the public on safe practices and appropriate end-of-life management. A label on a compact fluorescent bulb, for example, could identify the amount of mercury in the lamp and advise consumers that spent bulbs should be

handled through a household hazardous or special waste program and not be thrown out with household waste.

Eco-labels are commonly developed on a national basis or by particular industry or business sectors.

Restrictions on Toxic Substances

Restrictions on substances used in products can support an EPR program by minimizing or eliminating risks to the environment and/or human health and by making it easier and less expensive to recycle at the end of life. The removal, separation and management of toxic and hazardous substances and components in products during the recycling process can be eased or eliminated completely if the producer has redesigned the product to reduce or eliminate such substances in response to a regulation.

The Canadian Environmental Protection Act (CEPA) 1999 provides the authority to assess and manage risks to the environment and human health, to sustainably prevent pollution and to address potentially dangerous exposure to chemical substances. Under this legislation the Ministers of the Environment and Health control chemical substances using a variety of tools ranging from providing information about proper use to regulations that restrict or ban use.

Recycled Content Standards and Regulations

The markets for secondary materials recovered through EPR programs can be supported if regulations mandate how much secondary material has to be used in products. Because of the national nature of businesses and manufacturing, such regulatory requirements would be most effective if they were adopted by all jurisdictions and used the same recycled content standard. Authority for such recycled content regulations already exists in the case of packaging in many jurisdictions.

Green Procurement Policies

Because of its significant buying power, “green procurement” by government has the ability to reduce consumption of materials, resources and energy. With appropriate green procurement policy in place it is expected producers will be more inclined to consider their products’ design for environment in order to stay competitive in the market. Across Canada the idea of buying green has been incorporated into many procurement programs and such programs could be linked specifically to EPR programs. Governments should at least ensure the producers of any products they purchase that are subject to an EPR regulation are actually participating in the stewardship of those products through the EPR program. By favouring the purchase of products with better environmental performance, green procurement strategies can reinforce similar signals given through EPR programs.

Guidelines for environmentally responsible procurement have been prepared by a number of jurisdictions and can be used to direct procurement practices. Green product standards, certifications, procurement checklists and labels such as the Environmental Choice Program EcoLogo, are tools that can be used to proactively identify preferred green products.

Bans on Disposal

Once an EPR program has been put into operation and an appropriately convenient collection infrastructure has been established by the producer responsibility organization, the disposal of

products covered by the EPR program should be banned. Municipalities have the ability to restrict access to their waste disposal facilities and provincial authorities can regulate access to all waste disposal facilities within their jurisdiction. Such bans on disposal will help ensure designated products are directed to the EPR program.

Product Standards

Environmental standards typically apply to products, processes, activities, organizations or aspects of the environment and can exist in a variety of forms (guidelines, codes of practice, auditing protocols, life-cycle assessment methodology, labelling, etc). Standards are non-regulatory in nature, but they can be cited in regulations and be encouraged by positive government incentives.

Standards can be used to support an EPR program in a number of ways with a number of benefits. Standards provide uniform requirements and are aimed at producing consistent practices and generally levelling the playing field. They can be directed at different stages of a product life cycle and, in the case of an EPR program, could provide for such things as a standard for product disassembly, an environmentally sound management recycling standard or “good practice” guidance on program operation and reporting. Such standards could be incorporated into regulations either in whole or in part or could be cited in the regulation as “good practice.”

The advantages to an EPR program of supportive standards are related significantly to harmonization between programs, program efficiency and the application of scientific and technical expertise. The strength of any particular standard is also related to those undergoing a public review, a consensus-building process with stakeholders and maintenance and review at appropriate intervals to ensure currency with technical and program developments.

Guidelines/Sustainability Criteria

Guidelines for products and packaging design or for things like operational and management practices can be used to promote best practices and improved performance in EPR programs. Guidelines can be developed by public authorities or by industry and are voluntary in nature. In the area of packaging, for example, the Sustainable Packaging Coalition has developed Sustainable Packaging Design Guidelines that are intended to provide an overview of life-cycle design considerations for sustainable packaging, including elements on source reduction, recycled content and design for reuse and recycling.

Guidelines can be used to support EPR programs in numerous ways. For example, guidelines and related tools have been prepared to help select which products are best suited to EPR (CCME Evaluation Matrix). Environment Canada has published guidance on the operation of producer responsibility organizations in EPR programs and guidance on the performance measurement and reporting of EPR programs as a means to promote and develop consistent, accurate and transparent reports on EPR program performance. In all cases guidelines and specific criteria are a useful means to enhance program performance.

Environmental Performance/Voluntary Agreements

An environmental performance agreement (EPA) consists of core criteria negotiated among parties to achieve specified environmental results. It can be signed between a government and a single company, multiple companies, regional industry associations, an industry sector

association or a number of sector associations. Such an agreement would commit signatories to specific challenges or performance levels and is possible when the parties involved share common objectives and each can derive benefits from addressing a particular environmental issue. On industry's part, interest may stem from the increased flexibility an agreement may allow in achieving an environmental objective and increased certainty that such an agreement can provide.

An EPA could include a commitment by a product or industry sector to implement an EPR program. To make this workable all industry players would have to be party to the agreement to ensure that free riders (those who aren't contributing to the program) did not compromise whatever EPR initiative was planned.

Waste/Packaging Reduction Strategies

Waste reduction and packaging reduction strategies, commonly developed by public authorities, can set the context within which an EPR program is established and identify intentions to use the EPR instrument. Waste reduction strategies can identify overall objectives and specific targets and identify certain waste product categories or products for priority action through an EPR initiative.

Such reduction strategies can be developed by all levels of government and set out for their particular jurisdiction the policies, programs, strategies and regulations they intend to use to meet the goals they have set. EPR is one instrument among many that is available to governments and producers. A waste reduction strategy can serve as a notice of intent to risk manage identified products through an EPR initiative. A waste reduction strategy would identify the product and industry sectors targeted for an EPR approach and set out a timeline for implementation. Using such an approach would give the respective product or industry sector notice and could encourage proactive steps in advance of any regulatory initiatives.

Promotion and Education

All EPR programs can benefit from the use of promotion and education programs especially to contribute to the high levels of public participation that are commonly necessary to meet collection and recycling targets. Promotion and education are commonly the primary responsibility of the producer responsibility organization operating the EPR program.

8. IMPLEMENTATION CONSIDERATIONS

The implementation of EPR programs will need to be sufficiently flexible to take into account unique local and regional circumstances. This could include population distribution and density, access to processing facilities, distances to intermediary and final markets and the wholesale and retail distribution systems of products covered under the EPR program. EPR programs will also need to ensure conformity to the regulations and established practices that are particular to a jurisdiction.

These local and regional circumstances have been recognized in EPR programs and by producer responsibility organizations. Some operating EPR programs, for example, have developed internal operational subsidies to ensure there is equal access to the program and a sustainable collection system from remote, small or rural communities. Existing depot networks may provide an obvious option for the collection of products designated under a new EPR designation. Similarly, certain retail operations may be very well suited to the collection of certain types of EPR-designated product, but not to others. Market capacity and infrastructure varies widely across the country and will influence the systems for collecting and recycling products and materials.

These unique local and regional circumstances are nowhere more obvious than in Nunavut, the Northwest Territories and the Yukon. Vast distances between small remote communities and major centres of population south of 60, long product-supply lines and the lack of local infrastructure are issues unique to the North. The use of EPR instruments could be applied in the territories, but it will require particular attention to the unique circumstances of the North and innovation on the part of both producers and regulatory authorities. Implementation timetables for EPR programs in the territories may need to be adjusted from those of the CAP to reflect these realities.

Across the board, the CAP would be forward-looking, given that there are existing stewardship and EPR programs for a variety of products in place at this time. The process of developing the CAP would provide the opportunity to discuss the status of EPR, as well as the potential transition of stewardship programs.

9. STRATEGIES FLOWING FROM THE CANADA-WIDE ACTION PLAN: SUSTAINABLE PACKAGING STRATEGY

The proposed CAP for EPR represents CCME’s framework and strategy for the use of EPR as an environmental-management tool and is guidance on the most appropriate and most effective way to implement EPR programs. It also identifies priority products for EPR action, of which the first is action on packaging.

In keeping with this priority CCME has developed a proposed Sustainable Packaging Strategy. The strategy provides details on how to address the issue of packaging waste and is consistent with the provisions and direction of the CAP for EPR. The CAP would serve as a “chapeau” for the Sustainable Packaging Strategy and for all other specific product strategies that might follow. The Action Plan describes the core elements of an EPR approach and the Sustainable Packaging Strategy shows how the EPR approach can be used to address packaging. The strategy also identifies the supportive actions that need to surround packaging EPR programs to ensure the full potential of the EPR initiative and other strategic goals are met.

The Executive Summary of the Sustainable Packaging Strategy document can be found in Appendix G.

Appendix A – Model EPR Program – Detailed Elements

The following model program elements are presented to guide the establishment of consistent and harmonious EPR programs across the country. The model EPR program elements codify recommended EPR program design and practice by clarifying program language, identifying clear roles and responsibilities for program stewards and governments, and describing best management practices in key policy areas. EPR stewards and regulators could take these program elements as a common platform for EPR regulations and policies and tailor their jurisdictional program design with regard to the direction laid out as follows:

Scope

The manufacturer or first importer who puts a designated product on the market for sale within the jurisdiction is the identified responsible producer under the EPR program.

A producer can also be identified as a brand owner, a retailer, a franchisee or a wholesaler.

Producers of a designated product should not sell, offer for sale or otherwise distribute a designated product unless they operate either individually, collectively or through a third party a product stewardship program.

The responsibility should be clearly given to the individual producer or first importer (brand owner, retailer, franchisee, wholesaler). Commonly the producer or first importer has the most influence over the designated product and has the greatest ability to fund and operate the EPR program and to improve the environmental design of the designated product.

Responsible producers can be named and be required to register with the responsible jurisdictional authority.

Small producers with gross sales below a certain minimum amount could be exempted from the scope of the EPR if it is determined that meeting the program requirements would be too onerous or too administratively complex and expensive.

Product Definition

The product category and the specific products within the category to be subject of the EPR program should be clearly identified.

Product category and product definitions should be provided using both commonly used terminology and accepted industry product terminology as appropriate.

Responsibilities of Designated Producers and Producer Responsibility Organizations (PROs)

Identified producers should be individually responsible for financing and operating a program to collect and manage, in an environmentally sound manner in accordance with a stewardship plan, the end-of-life products they produce or put on the market for sale.

Individual producers may choose to discharge their responsibilities through a third-party producer responsibility organization, but this does not alleviate their individual accountability for the products they manufacture and put on the market for sale.

Individual producers and PROs should have the ability to levy fees on stewards for the services directly associated with operation of the stewardship program.

Individual producers and PROs should operate in accordance with established norms, regulations and international conventions for occupational health and safety, labour management and environmental risks.

Particular attention should be paid to the appropriate management of risks associated with toxic and hazardous materials and products.

Individual producers and PROs should operate in a transparent way and be solely accountable to the organization's mandate and program targets.

Stewardship Plan

Producers would be responsible for preparing an individual stewardship plan for their designated products or must be part of a collective stewardship program with other designated producers.

Stewardship plans should address the full life cycle of the designated product and must assume full financial and operational responsibility for the collection of the end-of-life management of the designated product(s).

The stewardship plan should establish, implement and maintain a procedure for dealing with actual or potential non-conformity(ies), such as free riders – those who aren't contributing to the program. The stewardship plan would indicate corrective and preventative action.

The stewardship plan should include the following provisions:

- Program objectives
- Plans for collection, storage, transport, reuse, refurbishing, recycling and recovery
- Identification of facilities such as depots, consolidation facilities and recycling and refurbishing establishments to be used in the program
- Information on number of units of the designated product sold on the market, the quantities of toxic materials contained in the designated products, methods of collection, storage, transportation
- Expected number of units to be collected, reused, refurbished, recycled, and recovered as well as associated costs
- Population and geographic area to be served
- Special provisions for remote or rural areas served
- Measurement, monitoring and reporting protocols
- Audit reports
- Recovery rate, recycling, reuse and other performance-measurement targets
- An education and awareness plan for consumers and users of the end-of-life management program including information on access to the collection system
- Timelines for implementation

- Environmental design initiatives and other related environmental policies
- Confirmation of adherence to all relevant statutes, regulations and by-laws
- Stewardship plans will be reviewed and updated at least every five years

Approvals

Stewardship plans prepared by producers should be made available to jurisdictional authorities upon request by a designated departmental director if the authority has reason to think the program is not meeting the stated environmental objectives or the applicable performance targets.

Producers would be accountable for the technical details and content of the stewardship plan and program implementation and for achieving the stated performance targets.

Stewardship plans and operation of the EPR program should not require the approval of the jurisdictional authority's minister or department director.

The jurisdictional authority would be responsible for setting the program performance measures and feasible targets and the implementation timetable.

Information Requirements/Reporting/Communications

Baseline reports should be prepared to document status and relevant environmental profile(s) at the program outset.

Annual, bi-annual or quarterly reports should be prepared and submitted to the authority and made available to the public to identify progress towards the program targets and objectives.

Reports should also document plans for the EPR program for the coming fiscal year and planning period.

All relevant records associated with the EPR program should be kept by the responsible producer or producer responsibility organization and made available on request.

Training and Education

The producer or PRO should ensure employees have the necessary education, training and experience to administer the program.

Where appropriate, such training should include occupational health and safety practices, hazardous materials management and recycling best management practices.

Records of training and education associated with the operation of a stewardship program should be retained by the producer or the PRO.

Performance Measures

Procedures to monitor and measure on a regular basis the key characteristics of operations that can have significant environmental impact(s) should be established, implemented and maintained.

Performance measures should be established that allow evaluation of program performance against stated targets and program objectives.

Measurement protocols should be in accordance with the Environment Canada Guidance Document on *Performance Measures and Reporting for EPR Programs* (Stratos for Environment Canada, October 2007) and the report on *Extended Producer Responsibility (EPR) Program Measurement and Tracking* (Kelleher Environmental for CCME, January 2009).

Programs should include a capture and/or recovery rate performance indicator that allows comparison between programs in similar product categories as a measure of program efficiency and effectiveness.

Absolute collection data provides an understanding of program size and impact, but should not be used as a measure of program efficiency or effectiveness.

Producers should be obligated to report on the design-for-environment measures they have implemented and what other actions they have taken to improve the life-cycle environmental performance and the recyclability of their products.

Targets

Programs should include measureable and quantifiable targets by product or product category established at the program outset.

Targets should be phased in for identified products. Justification must be provided as to the phasing of the target.

Targets should be established to ensure measurable waste reduction, waste diversion and environmentally sound end-of-life management.

Targets should be reviewed and revised at least every five years along with the revision of the stewardship plan.

Targets should also be established for reuse and refurbishment.

Design for Environment

The objective of the design process is to produce a product that is least damaging to the environment while balancing other relevant considerations, such as function, technical requirements, quality, performance and safety.

Producers and PROs should undertake research and implement environmental design improvements for products collected and managed by the EPR program.

Environmental design improvements could include such things as:

- Elimination and reduction of toxic substances as defined by the *Canadian Environmental Protection Act, 1999* and by Environment Canada's Chemicals Management Plan
- The reduction in the use of substances of concern
- Design for product disassembly
- Design for product recyclability
- Use of recycled materials
- Ease of repair and refurbishment
- Reduced energy consumption during both use and stand by

Producers should report on progress towards improved environmental design as part of their regular reporting.

Fees

Any fees associated with the program and product management should be directly linked to and reflect actual costs associated with the program objectives and mandate.

Taxing authority is limited to Crown authorities and agencies.

Costs associated with an EPR program should be internalized as a factor of production and be incorporated into market price of the product and there should be no visible fee or fees at the point of consumer purchase.

There should be no cross-subsidization of program costs between products. In the case of multi-product programs, "common costs" (e.g. compliance, administration, program start up) should be allocated among products in a way that reflects each product's share of the overall waste generation.

Programs should be structured to ensure fees to manage products reflect the actual costs of the end-of-life management of that product and are designed to provide incentives for improved environmental product design and performance.

Fees should be linked to material and product-specific costs, adjusted regularly to reflect actual costs and shifted to poorer-performing materials and products to achieve program objectives.

Producers operating individual producer responsibility programs should have incentives to reduce costs and should structure their programs to encourage waste reduction and improved product environmental performance.

PROs should structure their program management and use differential internalized fees to encourage waste reduction and improved product environmental performance by adjusting internal fees/levies/costs to reflect such things as reduced special handling of toxic materials, disassembly efficiencies and changes in the values of recyclable material.

Visible fees could be considered in exceptional circumstances to raise funds for the management of significant quantities of orphan and historic products at the outset of an EPR program, but this should not to exceed a defined time period (e.g., three years).

No fees or service charges should be levied at drop off depots or other places where consumers are requested to return end-of-life products.

Fees should be designed to provide a financial incentive to:

- 1) increase product recovery rates
- 2) avoid penalizing producers for success in achieving high recovery rates
- 3) select products with low recycling costs

Funds should be raised for promotion and education, research and development and for capital or new infrastructure to divert materials.

Historic and orphan products

Historic products that were put onto the market prior to the implementation of the EPR program and orphan products that were put on the market by producers no longer in business at the time of the program implementation should be received and managed by the producer or the PRO if delivered to the program regardless of their provenance.

Costs for managing historic and orphan products delivered to a collectively operated EPR program should be borne collectively by the members of the PRO based on either a return share or a current market share calculation.

Auditing

Programs should be audited for financial performance and required to publicly file an annual audited financial statement.

Programs should be required to conduct independent third-party audits each year to ensure compliance with relevant regulations and with the environmental objectives of the program.

Environmental compliance audits should be conducted to ensure compliance with environmental and occupational health and safety and any other applicable legislation and regulations.

Environmental conformance audits should be conducted to ensure conformity with the program mandate and objectives and to ensure the EPR program conforms to specific criteria, such as an identified ISO or other standard.

Environmental audits should review and report on end-of-life market chains to ensure compliance with program and stewardship plan objectives.

Audit procedures should be established, implemented and maintained to address responsibilities for planning and conducting audits, reporting results and retaining records, and for determining audit criteria, scope, frequency and methods.

Audit results should be made available to the jurisdictional authority and to the public.

Audits should review urban/rural service equity and effectiveness.

Offences and Enforcement

Contravention of regulations governing EPR programs will be addressed as provided for under the governing legislation.

If a producer or obligated steward sells a designated product into a jurisdiction's market without fulfilling the obligation to prepare or be part of a stewardship plan or fails to operate or be part of a product stewardship plan, that producer or obligated steward would no longer be allowed to sell the designated product in that jurisdiction.

In the face of a failure to meet stewardship plan obligations and established targets, jurisdictional authorities can specify remedial action by a producer or PRO in areas such as product collection.

Jurisdictional authorities should act to enforce the level playing field provisions of EPR regulations and product stewardship plans and ensure that “free riders” who could damage program integrity are brought into the EPR program or prosecuted.

Plan Review

Stewardship plans should be reviewed and revised on a regular basis and at least every five years.

Producers and PROs should adopt continuous improvement strategies to ensure continued enhancement of program performance.

End-of-life Management

Recycling and other end-of-life management processes should be conducted in accordance with the appropriate environmental regulations and recognized environmentally sound management standard or guidance document.

Producers and PROs should be required to report on the ultimate disposition of materials recovered by the EPR program and programs must include mechanisms to track the ultimate end-of-life disposition of products, and show that they are managed in an environmentally sound manner.

Processed materials and products recovered through the EPR program should not be landfilled, exported to non-OECD countries or processed by prison labour or child labour.

Shipment and exporting of processed materials and products recovered through the EPR program must be done in compliance with the Transportation of Dangerous Goods Act and with the Export and Import of Hazardous Waste and Hazardous Recyclable Material Regulation if applicable.

The downstream processor of materials and products must be authorized in the country of operation to receive the materials.

Competition

Authorities, producers and PROs are encouraged to take whatever steps are necessary to ensure that competition issues are considered when developing and evaluating an EPR stewardship plan.

Programs should promote competition while meeting the environmental objectives of the program.

Regulations should interfere with existing markets to the least extent possible.

Consultation

Producers should be required to undertake consultation with all interested stakeholders and members of the public in the preparation of stewardship plans and regarding other program proposals.

Consultation should be conducted in an open and accessible manner and stewards and PROs should report on the outcomes of such consultations.

Appendix B – Model EPR Program Regulation(s)

The following two categories of regulations are cited as examples of how an EPR program's are initiated and supported in law. The first category is an example of an omnibus EPR framework regulation that allows the designation of identified products and product sectors for risk management through an EPR approach. The advantage of such an approach is it simplifies the designation of a product or product category. Such a regulation usually would identify, upon its passage, a product or a number of products for an EPR approach, but such regulations commonly allow for additional designations as new products and product categories are identified and considered for EPR action.

The second category of regulations cited is an individual regulation targeting only one category or identified product. Such a regulation is uniquely crafted for the product in question and does not include the capacity to add thorough designation of other products. In this instance each new product that is identified for an EPR risk-management approach would require a separate regulation.

All regulations should address the issues identified in the CAP, Section 5 (Model EPR Program – Key Elements) and in Appendix A (Model EPR Program – Detailed Elements).

Category 1: Omnibus/Framework Regulations

- Province of British Columbia, Canada: [Recycling Regulation](#) and [Guide](#).

Category 2: Individual Product Category/Product Regulations

- Province of Nova Scotia, Canada: [Electronic Product Stewardship Regulations](#).

Appendix C – Canada-wide Principles for Electronics Product Stewardship

Responsibilities associated with management of e-waste are primarily borne by producers of the products, where “producer(s)” means the manufacturer, brandowner or first importer of the product who sells or offers for sale the product in each jurisdiction. Costs of program management are not borne by general taxpayers. Environmental and human-health impacts are minimized throughout the product life cycle, from design to end-of-life management.

Management of e-waste is environmentally sound and consistent with the 4R waste management hierarchy:

- Reduce, including reduction in toxicity and redesign of products for improved reusability or recyclability
- Reuse
- Recycle
- Recovery of materials and/or energy from the mixed e-waste stream

Consumers have reasonable access to collection systems without charge. Education and awareness programs ensure that consumers, retailers and other stakeholders have sufficient information on program design and knowledge of their roles.

Program design and implementation will strive for equity and consistency for consumers, particularly between those who live in adjacent jurisdictions and between those who live in small, rural and remote communities and large urban centres. Adjacent jurisdictions will strive for consistency in e-waste products collected.

Programs will include residential, commercial, historic and orphan products and will report on performance, specify objectives and targets, and be transparent in financial management.

E-waste is managed in the most economically and logistically feasible manner, while striving to maximize local economic and social benefits.

E-waste is exported from Canada for recycling only at facilities with a documented commitment to environmentally sound management and fair labour practices.

For more information, see: http://www.ccme.ca/assets/pdf/eps_principles_e.pdf

Appendix D – E-Waste Products Recommended For EPR (CCME)

This list was developed through stakeholder consultation and is available on the CCME website. CCME anticipates the lists could be revised from time to time to reflect changing priorities, new information, the development of stewardship programs and the introduction of new electronic devices into the Canadian market. This priority list includes the following:

Personal computing

- Personal computers (CPU, mouse, screen and keyboard included)
- Laptop computers (CPU, mouse, screen and keyboard included)
- Peripherals
- Keyboards
- Mouse devices
- Monitors (CRT)
- Flat panel displays (i.e., complete units), computer peripheral equipment
- LCD (liquid crystal display) unit screens
- Bar code scanners
- Disk drives
- DVD (digital video disc) drives
- CD-ROM drives
- Personal computer modems
- Other peripheral equipment and components
- Small computers
- Notebook computers
- Hand-held computers (e.g., PDA's)
- Printers
- Printers including fax and copying devices

Other electronics:

- Cathode ray picture tubes (CRTs)
- Audio and Visual Equipment

- Radios (household-type portable, plug in (AM/FM))
- Television sets cathode ray tube (CRT)
- Television sets
- Rear projection TVs
- Liquid crystal display (LCD) Televisions
- Plasma televisions
- Combination TV/VCRs
- VCRs
- Amplifiers (e.g., auto, home, musical instrument, public address)
- Amplifiers, speakers and related sound equipment
- Stereo systems, speaker systems
- Home stereo systems
- Home theatre audio and video equipment
- Hi-fi recorders
- Compact disc players (e.g., automotive, household-type)
- DVD (digital video disc) players
- Cassette players, recorders
- Turntables/record players
- Telephones (except cellular telephones)
- Cordless telephones (except cellular)
- Cellular telephones
- Telephone answering machines
- Fax/facsimile equipment, stand-alone

Appendix E – Guidance Tools

Extended Producer Responsibility Program Measurement and Tracking (CCME, Due for completion January 2009)

EPR Evaluation Tool and User Guidance Manual (CCME, 2007)

The evaluation tool is intended to be used by decision makers across Canada to assist in the prioritization of candidate products for an EPR program. CCME recognizes jurisdictions have different EPR programs already in place and encourages each to use this tool to assist them in prioritizing products for EPR to suit their needs. This evaluation tool can be used in two ways:

- 1) For a single candidate product (or a family of related products) to determine whether EPR is a suitable program option
- 2) For a list of possible candidate products (or families of related products) to help prioritize and determine which is best suited to EPR.

A detailed user manual accompanies this tool. Both the tool and the user manual are available on the CCME website.

Performance Measurement and Reporting for Extended Producer Responsibility Programs - Reporting Guidance Document (Environment Canada, October 2007)

Guidance relating to performance measurement of EPR programs will provide managers of EPR and product stewardship programs with specific information on what performance data and information they should consider when reporting on their programs, including performance indicators, supporting calculations and a suggested outline for reporting.

Guidance Manual for Establishing, Maintaining and Improving Producer Responsibility Organizations (PRO) in Canada (Environment Canada, August 2001)

Extended Producer Responsibility (EPR) Guidance Manual for Governments (OECD, 2001)

Appendix F – Household Hazardous and Special Waste List

- paints and coatings and their containers
- solvents, such as thinners for paint, lacquer and contact cement, paint strippers and degreasers, and their containers
- all batteries, including single-use, dry cell batteries (e.g. non-rechargeable batteries that can be easily removed and replaced by the consumer), but excluding lead acid batteries
- pressurized containers, such as propane tanks and cylinders
- fertilizers and their containers
- pesticides, fungicides, herbicides, insecticides and their containers
- aerosol containers, such as hair-spray containers
- portable fire extinguishers
- switches that contain mercury
- thermostats, thermometers, barometers or other measuring devices that contain mercury
- pharmaceuticals and sharps, including syringes
- any product that meets the criteria of the CSA standard for HHW (CSA HHW Z752-03) containing corrosive materials
- environmentally hazardous materials
- flammable materials
- explosives (but not including ammunition)
- toxic materials.

Appendix G – Executive Summary of the Discussion Paper: Towards a Canada-wide Strategy for Sustainable Packaging

The Extended Producer Responsibility Task Group (EPRTG) was established in 2005 by the Canadian Council of Ministers of the Environment (CCME) with a mandate to develop a broad approach to extended producer responsibility (EPR) and product stewardship, focusing first on packaging.

The EPRTG has created two documents to facilitate the conversation around these issues:

- 1) Discussion Document: Towards A Canada-wide Action Plan for Extended Producer Responsibility
- 2) Discussion Document: Towards A Canada-wide Strategy for Sustainable Packaging

This discussion document on sustainable packaging is part of the broader proposed Canada-wide Action Plan for Extended Producer Responsibility.

Purpose

The purpose of the proposed sustainable packaging strategy is to reduce packaging waste in Canada and promote more sustainable packaging choices at all life-cycle stages: from raw material acquisition to disposal and/or reuse and recycling. The proposed strategy will increase awareness of sustainable packaging choices, introduce incentives to make more sustainable choices and potentially provide for systems to optimally recover packaging materials. The proposed strategy applies to all types of packaging, including, but not limited to: packaging of food, beverages and other products by manufacturers and distributors, in-store packaging by restaurants and retailers, and transport packaging.

The proposed strategy provides draft guidelines to stakeholders involved in the production and consumption of packaging and to governments and partners as they work towards its implementation.

Guiding Principles

This proposed strategy includes four key principles:

- *Extended Producer Responsibility (EPR)* – extends a producer’s responsibility for a product to the post-consumer stage of a product’s life cycle and encourages consideration of end-of-life management impacts during the design phase.
- *Life-cycle sustainability* – integrates environmental, economic and social considerations into decision making by all packaging actors and takes a closed-loop approach to material management where the flow of materials eliminates waste.
- *Zero waste* – seeks to redesign the way resources are used, with the aim of eliminating waste, by focusing on redesigning products and processes to reduce waste before it is made and design products for greater reuse of resources.
- *Polluter pays* – promotes the internalization of environmental costs and the use of economic instruments as a way to ensure that those responsible bear the costs attached to choices with environmental impacts.

Proposed Actions

The actions proposed by the strategy under consideration include the following:

- *Introduce province-wide EPR requirements for packaging within a set time frame (e.g., five years) following the approval of the proposed Canada-wide Action Plan for EPR.*
- *Negotiate agreements with specific industry sectors to reduce packaging and improve its sustainability.*
- *Support the development of consistent guidelines, standards and/or visual identification for reusable, recyclable and compostable packaging and recycled content of packaging.*
- *Support the development of sustainability criteria for packaging that reflect the entire life cycle.*
- *Support the development of educational initiatives that promote sustainable packaging design and best practices. This may include a recognition program to recognize efforts to redesign packaging.*
- *Support the establishment of an ombudsman to address specific complaints of excess packaging identified by consumers.*

Implementation

Multiple considerations have been presented for implementation of the actions proposed in the strategy, including: possible legislative and program development by provinces and territories; partnerships with existing organizations; the creation of a national coordinating entity (to develop standards and function as a packaging ombudsman); a role for the federal government, and the use of a various legislative and regulatory measures to harmonize the implementation of the strategy. A timeline is also included to illustrate the possible timing of implementation and how these actions address the goals of the strategy.

A Note on Best Practices

In support of the development of the strategy, the EPRTG researched best practices to address packaging sustainability. An overview of some of the best practices reviewed, with a variety of case studies, is included in Appendix D.

Appendix H – Notes on the EPR and Product Stewardship Table

1. General points for classifying programs:

- An EPR program is a program in which manufacturers and importers are fully and directly responsible for both the funding and operation of programs. EPR programs provide incentives for producers to improve the environmental design of their products.
- A product stewardship program is a program in which manufacturers and importers are neither directly responsible for program funding nor program operations. To a consumer an EPR program and a product stewardship program can look similar but it is the lack of ability of producers to directly influence program funding, design and operations that distinguishes the two approaches.
- Voluntary programs, operating either nationally or provincially, with no regulated mandate, public accountability or reporting requirements are not included in the table.
- If products can be returned to municipalities or vendors for management without any producer responsibility or funding for collection or end of life management, the initiative is not included in the chart as either a product stewardship or an EPR program..
- If regulations have been adopted, a stewardship plan completed and an implementation timetable exists but the program is not actually operational, it is still classified as an EPR program for the purposes of the table. Public commitments through such means as Ministerial statements or throne speeches to manage priority products through an EPR approach are not included
- Only programs covering the listed priority products in the Canada-wide Action Plan are included.
- The Ontario and Quebec blue box packaging and printed paper programs are partly EPR and partly product stewardship because the funding and operational responsibilities are shared equally between stewards and municipalities. These programs have therefore been given an “E/P” coding to reflect their uniqueness.

2. Comments on specific product categories:

- Packaging: includes beverage containers and other packaging materials i.e. cardboard. There is a recycling program for beverage containers in all provinces. Some of these programs are EPR programs (Alberta, British Columbia, Ontario, Prince Edward’s Island, Quebec), however, the Ontario and Quebec programs are municipal recycling programs half funded by the industry. While the programs in SK, NB, NS, NFL, YT, and NWT operate on a deposit return system where producers are not responsible for managing the program, the Manitoba product stewardship program is funded by a two cent levy paid on the purchase of any beverage container.
- None of these programs include milk packaging except Alberta’s, Ontario’s and Quebec’s. However, milk packaging is managed through a voluntary EPR program in BC, SK, NB and NS.
- Printed material is managed through the municipal recycling programs in Ontario and Quebec half funded by the producers.

- Compact fluorescent and other lamps containing mercury are not included in an EPR program to date. However, they are listed in the second phase of the Ontario MHSW program and regulated in BC for implementation by 2010.
- Used oil, oil containers and filters are managed in all the provinces except in Ontario where only containers and filters are included in the first phase of the Ontario MHSW program.
- Mercury containing switches and other products containing mercury, automotive fluids, paint, batteries, solvents, pesticides and fertilisers, and pharmaceuticals are included in the Ontario and BC's MHSW program.
- Electronics: there are 5 programs. Ontario, Nova Scotia, BC and Saskatchewan have listed at least two phases for electronic recycling (three in the case of Ontario and British Columbia). The third phases of Ontario and British Columbia include appliances containing ozone depleting substances (ODS). All programs include computers, monitors, printers, computer accessories, and televisions. However, there is a slight inconsistency between the phases. While fax machines are included in phase one in Ontario, they are second phase items in BC and Nova Scotia. The Alberta program includes additional items such as cash register printers and medical imaging, EKG equipment and x-ray CPUs that are not included in any of the other programs.