

This section replaced the original section in the Blue Box Program Plan on October 17<sup>th</sup>, 2007 upon approval by the Board of Directors of Waste Diversion Ontario.

## **6.6 Continuous Improvement Fund**

The Minister's Program Request Letter to the WDO for a Waste Diversion Program for Blue Box Wastes states that:

7 (c) "The proposed funding rules under the program will include ...a funding performance incentive to encourage program efficiency and effectiveness."

8) "The program will include a plan, with funding provisions, outlining research and development activities to support and increase the effectiveness and efficiency of Blue Box diversion."

WDO, AMO, City of Toronto and Stewardship Ontario have agreed to direct twenty per cent of steward's annual financial obligation to municipalities under the BBPP to a dedicated Continuous Improvement Fund (CIF) to achieve these objectives.

The goal of the CIF is to promote the adoption of best practices in Blue Box recycling programs. Preliminary objectives of the Continuous Improvement Fund, as developed by AMO, City of Toronto and Stewardship Ontario, through their participation in the Municipal-Industry Program Committee (MIPC), include but are not limited to:

- public awareness of, and greater public participation in, Blue Box recycling
- Blue Box program design as part of an integrated waste management system
- rationalized and new approaches to using existing recycling facilities and related infrastructure
- developing new infrastructure, as required
- continuous improvement and measurement
- training

Under a Memorandum of Agreement among WDO, AMO, City of Toronto and Stewardship Ontario, the parties have agreed that the power and authority to manage the CIF will rest with MIPC. MIPC will be responsible for:

- (a) Approving operating procedures including objectives and criteria for the Continuous Improvement Fund;
- (b) Final approval of expenditures from the Continuous Improvement Fund;
- (c) Recruiting staff and consultants, who shall be employed or retained, as appropriate, by Stewardship Ontario or designating Stewardship Ontario to assist with management of the Continuous Improvement Fund, it being the objective to manage the Continuous Improvement Fund in the most transparent and cost efficient manner, which would include:

- a. Ensuring that all funds received or set aside for the Continuous Improvement Fund are held in a segregated account for the benefit of the municipalities and other parties who are eligible to receive allocations of money from such fund under terms and conditions satisfactory to MIPC;
  - b. Investing unallocated funds as appropriate with all income derived therefrom being added to and forming part of the Continuous Improvement Fund;
  - c. Providing periodic reports relating to the receipts by and disbursements from the Continuous Improvement Fund, including an audited annual financial statement.
- (d) Reviewing the continuation of the Continuous Improvement Fund and the percentage of stewards' fees allocated to the fund three years after implementation of the fund;

Unspent funds in any given year will be rolled over to the subsequent year for a maximum of three years.

In administering the Continuous Improvement Fund, MIPC will strive to balance funding for continuous improvement with ensuring reasonable equality in access to funding.

The municipal representatives on MIPC may, collectively, make application to the Continuous Improvement Fund for additional staff analytical support for Blue Box Program Plan implementation issues.

Should the Continuous Improvement Fund be discontinued, remaining funds will be distributed to municipalities in a manner similar to annual Stewardship Ontario payments to municipalities for the appropriate program year.

Municipalities and other parties will be eligible to receive allocations of money from the CIF starting with the 2008 program year.