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United States  
Environmental Protection  
Agency

EPA 205-F-93-002  
September 1993

Administration and Resources Management (3304)

 **Environmental  
Finance  
Program**

**Helping States and  
Communities Pay  
for Environmental  
Facilities and Services**



Office of Administration and Resources Management  
Office of the Comptroller

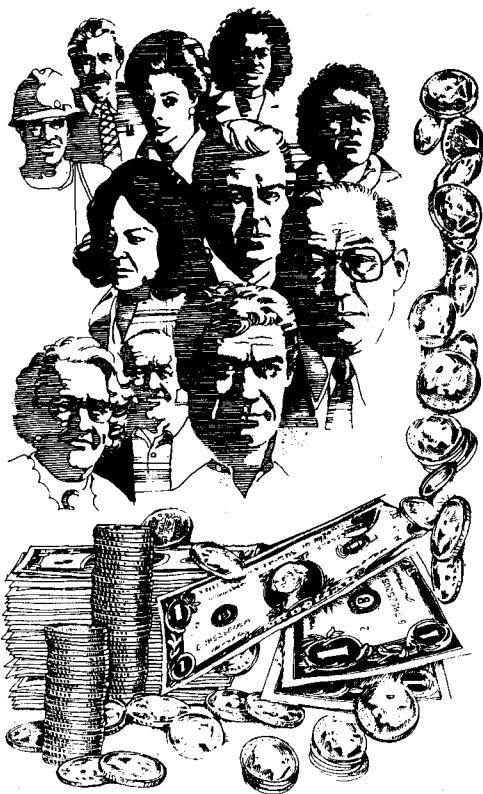
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# What is Environmental Finance?

One of the major challenges of the 1990s is obtaining funds for environmental programs. The costs of environmental protection are growing rapidly. Yet our nation's ability to meet these rising costs is falling behind -- and the financing gap is widening. Consequently, the nation needs to make the effort to develop long-term funding strategies.

Because we live in times of scarce resources and competing priorities, the Environmental Protection Agency has developed the Environmental Finance Program to assist communities in their search for creative approaches to funding their environmental projects.

**Environmental Finance is the art of paying for environmental facilities and services.**



The objectives of EPA's Environmental Finance Program are to promote ways to manage the cost of environmental facilities and services that will:

- Build state and local capacity;
- Increase investment in public and private environmental infrastructure;
- Build partnerships;
- Encourage environmental justice; and
- Lower costs.

To achieve these objectives, the Environmental Finance Program uses many tools and techniques such as:

- Environmental Finance Publications;
- Environmental Financial Advisory Board;
- Environmental Finance Centers;
- Environmental Finance Coordinators;
- Environmental Financing Information Network; and
- Environmental Finance Demonstration Program.

# How is the Environmental Finance Program Helping Communities?

## **Environmental Finance Publications**

The Environmental Finance Program offers the following publications that state and local governments will find useful in financing environmental programs and facilities:

*Public-Private Partnerships for Environmental Facilities: A Self-Help Guide for Local Governments;*

*Public-Private Partnerships Case Studies: Profiles of Success in Providing Environmental Services;*

*Financing Models for Environmental Protection: Helping Communities Meet Their Environmental Goals;*

*Alternative Financing Mechanisms for Environmental Programs;*

*Solid Waste Contract Negotiation Handbook; and*

*Narrowing the Gap: Environmental Finance for the 1990's. A Progress Report of the Environmental Financial Advisory Board.*



## **Environmental Financial Advisory Board (EFAB)**

The EPA Environmental Finance Program manages the Environmental Financial Advisory Board (EFAB).

The Board is comprised of 33 prominent members of the public and private finance community. EFAB makes policy and program recommendations on a wide range of finance issues to the Administrator of the EPA. Board members meet semi-annually, and meetings are open to the public. Meetings are announced in the Federal Register.

The EFAB has developed advisories on the following important issues:

- Incentives for Environmental Investment: Changing Behavior and Building Capital;
- Small Community Financing Strategies for Environmental Facilities;
- Private Sector Participation in the Provision of Environmental Services: Barriers and Incentives;
- Public Sector Options to Finance Environmental Facilities;
- A Guide to Public Financing Options for the Clean Air Act of 1990;
- Urban Environmental Policy: Steps Toward Environmental Equity, Reduced Environmental and Health Risks, and Urban Revitalization; and
- Financing Environmental Infrastructure along the United States-Mexican Border and in Eastern Europe and the Former Soviet Republics.

## **Building State and Local Capacity**

The Environmental Finance Program assists in building state and local capacity for carrying out environmental mandates by:

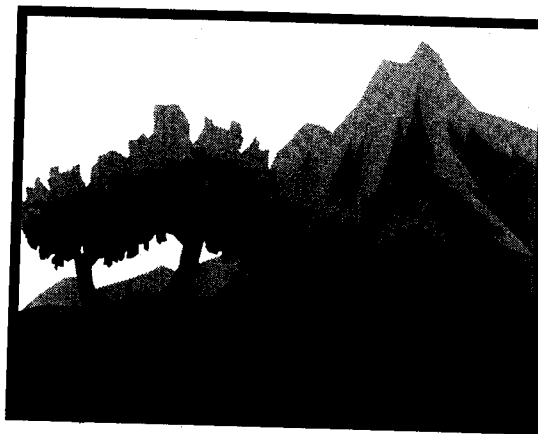
- Supporting a network of Environmental Finance Coordinators at EPA headquarters and regional offices (see back panel). The coordinators manage environmental finance demonstration projects (see next panel) and work with headquarters staff on monitoring finance trends and developments;
- Managing the EPA Environmental Financing Information Network (EFIN), an on-line environmental finance database. EFIN provides information on financing alternatives for state and local environmental programs and projects primarily in the form of abstracts of publications, case studies, and contacts. EFIN services include an online database, hotline (202/260-0420), and distribution of EPA publications pertaining to financing;
- Establishing Environmental Finance Centers (EFCs) at universities throughout the country, ideally with at least one in every Region. Currently, the EFC network includes the Universities of New Mexico (505/272-7357) and Maryland (301/405-6376), and Syracuse University (315/443-3759). The Centers focus on educating state and local officials on ways to lower costs and increase investments in environmental services and facilities.
- Maintaining an inventory of alternative financing mechanisms, lessons learned from field experience, and new financing approaches for use by state and local governments.

## **Environmental Finance Demonstration Program**

EPA creates efficient real-world finance models through the Environmental Finance Demonstration Program. The goals of the Demonstration Program are:

- To provide communities with tangible examples for financing environmental projects;
- To increase awareness and acceptance of public-private partnerships and other innovative financing arrangements;
- To compare different financial arrangements and obtain information on how to overcome barriers and build incentives for forming public-private partnerships; and
- To identify new financing mechanisms that lower costs.

The demonstration projects emphasize partnerships that build state and local capability to administer environmental programs. These projects provide valuable lessons learned in order to replicate successes in other communities.



If you would like further information about the Environmental Finance Program, please call 202/260-1020 or write to the Environmental Finance Program (Mail Code 3304), United States Environmental Protection Agency, 401 M Street, SW, Washington, DC 20460

### Publication Order Form

If you would like any of the following free publications, simply indicate those you would like to receive, fill out your name and address and mail this self-addressed post card.

#### *Advisories:*

- ( ) *Private Sector Participation in the Provision of Environmental Services: Barriers and Incentives*
- ( ) *Financing Environmental Infrastructure along the United States-Mexican Border and in Eastern Europe and the Former Soviet Republics*
- ( ) *Urban Environmental Policy: Steps Toward Environmental Equity, Reduced Environmental and Health Risks, and Urban Revitalization*
- ( ) *Small Community Financing Strategies for Environmental Facilities*
- ( ) *Public Sector Options to Finance Environmental Facilities*
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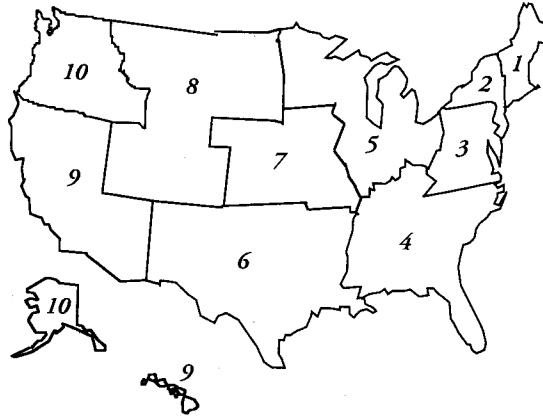
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