



Office of the Chief
Financial Officer

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News from the Center for Environmental Finance

Advancing sustainable finance and technology solutions

The Environmental Financial Advisory Board Meets in Alexandria, VA for Bi-Annual Meeting

The members of the Environmental Financial Advisory Board (EFAB), an independent and federally chartered advisory committee, gathered in Alexandria, VA March 8-9, 2011 for their much-anticipated bi-annual meeting. The purpose of the meeting was to discuss progress on work projects under EFAB's current Strategic Action Agenda and to hear from informed speakers on environmental finance issues, proposed legislation, and EPA priorities. EFAB provides the Agency with advice on topics ranging from financing environmental technologies to leveraging funds for public environmental programs and services.

The meeting began with a discussion led by an Environmental Finance Center Network (EFCN) panel on effective public-private partnerships for financing environmental protection. The EFCN is a network of ten university-based organizations providing communities across the nation with innovative technical assistance in the area of environmental finance. This discussion included updates from the EFCN about the network's environmental protection and community outreach work, including projects directly supporting EPA's priorities of improving air quality, protecting America's waters, and cleaning up communities.

EPA's Chief Financial Officer, Barbara Bennett, presented EPA's FY 2011-2012 budget priorities. She articulated the Administrator's goal to further her environmental priorities while the Agency participates in the budget negotiations and planning necessary to implement those priorities

with less funding. After fielding questions, Bennett honored departing members of the Board.

Various workgroup chairpersons reported on their recent activities around topics of implementation of the Voluntary Environmental Improvement Bond and Property Assessed Clean Energy programs, financing clean air technology, tribal financing, and sustainable communities. Representatives from EPA's Office of Policy made a presentation to the Board requesting assistance on financing sustainable communities, and representatives from the Office of International and Tribal Affairs made a presentation on financing tribal environmental programs.

Upcoming Events

August 23: Webinar: Local Government's Role in the Product Stewardship Movement
<http://efc.syracusecoe.org/efc/events.html?skuvar=29>

September 7-8: GSA Federal Advisory Committee Act Conference, DC Convention Center, Washington, DC
www.facatrainingconference.com

October: Webinar: Environmental Financial Advisory Board Meeting
www.epa.gov/efinpage

A complete summary of the meeting can be read at www.epa.gov/efinpage. The next EFAB Meeting is scheduled for mid-October 2011.

State Revolving Fund Investment Option can be Used to Leverage Funds

In support of EPA's priority to protect America's waters, the Environmental Financial Advisory Board (EFAB) was pleased to submit for Agency consideration its report "SRF Investment Function: Current Status and Prospects for Enhancing Sustainability." This is the latest of 23 reports the Board has submitted to EPA in the area of clean water financing in the past decade. In this SRF report, EFAB acknowledged that the State Revolving Funds (SRFs) for clean water and drinking water are structured to allow states substantial flexibility in the design of individual state programs and highlighted ways that states could take advantage of opportunities made possible by that flexibility. The Board found that states vary widely in their

use of investments to support the SRF mission.

The Board emphasized that EPA could add value to the SRFs by promoting leveraging models among EPA regions and state administrators and looking at the asset side of the SRF balance sheet. EFAB recommended that EPA undertake a review of the SRF investment authority and support the broadest governing parameters consistent with federal law to encourage and expand the use of investment strategies by state administrators and EPA regional offices to

maximize both current and future SRF funding capacity. Enhanced SRF funding capacity would allow states and EPA regional offices to more effectively protect America's waters.



To read the full report, please visit <http://www.epa.gov/efinpage/efabpub.htm>.

Finance Tool Spotlight: Solar Home Electric Systems Financed Through Microcredit

Grameen Shakti, one of the largest and fastest growing rural based renewable energy companies in the world, has a Solar Home Systems (SHSs) financing program that awards microloans. Through the SHSs program, Grameen Shakti works to connect renewable energy technology and microcredit for individuals and communities in rural Bangladesh. Specifically, microcredit is

a financing tool that can be used to help make income generating projects possible in developing countries, including environmentally sustainable ones. Through microcredit, small loans called microloans are extended to cash poor entrepreneurs, who lack verifiable credit history. This opens up new opportunities for them to make home improvements and start businesses.

Grameen Shakti's SHSs program provides families and individuals with the opportunity to improve their quality of life through participat-

ing in income generating activities and taking advantage of economies of scale. Through the micro-utility model, one entrepreneur installs the system, financed by a microloan from Grameen Shakti, and shares the load with neighbors. The owner of the system collects rents from the users of the system. More than 1,000 micro-utility systems are operating in rural Bangladesh, providing electricity for homes, schools, and businesses and helping people earn income in an environmentally sustainable way.



*For more information on financing tools, please access our publications, *Guidebook on Financial Tools* or *International Environmental Finance Tools*, available at <http://www.epa.gov/efinpage/guidebook.htm>.*