

CLEANER
PRODUCTION :

INSTITUTIONS
PROMOTING
INVESTMENT AND
FINANCING

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United Nations Environment Programme
Division of Technology, Industry and Economics



Cleaner Production

CLEANER PRODUCTION:

INSTITUTIONS PROMOTING INVESTMENT AND FINANCING

This document was produced by the United National Environment Programme (UNEP), Division of Technology, Industry and Economics (DTIE). UNEP wishes to express its gratitude to all those who contributed to the preparation of this compendium. The UNEP cleaner production financing project team, Ari Huhtala and Elena Ciccozzi, would like to acknowledge the input and help of Sascha Lafeld who carried out much of the research and data collection.

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INTRODUCTION

Why target cleaner production financing?

UNEP has started a three-year project “Strategies and mechanisms for promoting cleaner production investments in developing countries”. The project will demonstrate how such investments can be stimulated by helping financial institutions understand the importance of cleaner production and helping cleaner production experts and entrepreneurs develop creditworthy investment proposals. The project, focussing on five demonstration countries: Guatemala, Nicaragua, Tanzania, Vietnam and Zimbabwe, is conducted under a trust fund created by the Norwegian government.

Cleaner production is the continuous application of an integrated preventive environmental strategy applied to processes, products and services to increase efficiency and reduce risk to humans and the environment. This strategy typically involves the modification of production processes, technology, operational or maintenance practices using a life-cycle approach, and results in meeting customer needs with more environmentally compatible, products and services. Cleaner production also brings tangible economic savings and financial benefits by improving the overall efficiency of production and creating new markets. Parallel concepts to cleaner production are pollution prevention, waste minimisation, eco-efficiency and green productivity.

Despite the advantages of this strategy, securing investment funds is a major constraint in making it widely practiced. No systematic effort has yet been made to persuade development banks and the private financial sector to channel funding towards cleaner production as opposed to conventional “end-of-pipe” solutions. Conversely, investing companies are often unsure about how to access investment funds for cleaner production options.

Financial institutions and other sources of private sector funding follow a well defined due diligence process when evaluating loan and investment proposals, consisting of verifying the technical, financial and legal aspects of the project, evaluating the creditworthiness of the borrower, and assessing the different risks involved. Environmental risks are often still undervalued in this process. This is particularly true in developing countries where the low cost of inputs, such as energy and water, often favour less efficient options. Consequently, projects that might really be good investments and yield an environmental benefit fail to go forward because of a misconception of the risks involved and financial assessment biased towards end-of-pipe solutions.

COMPENDIUM - METHODOLOGY AND CONTENTS

This document is a compendium of stakeholders in cleaner production financing. It contains information on financial and non-financial organisations and agencies that are engaged in activities or provide services which contribute directly or indirectly to increased financing of cleaner production investments. Such initiatives can be, for instance, the development of financial tools and instruments for mainstreaming the approach or the introduction of credit lines and revolving funds specifically for cleaner production investments.

Survey Objective

Within the framework of the UNEP-executed project "Strategies and Mechanisms for Promoting Cleaner Production Investments in Developing Countries", a survey was launched in January 2000 to collect data on these various stakeholders. The main objective of this survey was to expand the number of partners in contributing to the project in terms of experience, expertise, tools and instruments. Emanating from this, a database for internal use at UNEP DTIE was developed. In addition, it was decided to make some of the acquired information available to a wider audience to promote contacts and intensify the dialogue between the various agencies engaged in this field. This compendium contains entries from those stakeholder organisations who returned the questionnaire and/or agreed to have the information made public.

Survey responses to Sections 2 and 3 (see annex) were treated strictly confidential.

UNEP DTIE intends to include the updated data of this compendium in its forthcoming issues of the publication "Cleaner Production: A Guide to Sources of Information".

The document will also be posted on the web and regular updates will be available from the UNEP DTIE homepage in PDF format.

From January to March 2000, 380 organisations were contacted and asked about their involvement in cleaner production financing activities. This sample included organisations in the private and multinational financial services sector (e.g., the signatories of the UNEP Financial Institutions Initiative on the Environment), donor agencies and non-governmental and civil society organisations (e.g., National Cleaner Production Centres).

148 (39%) of the addressed institutions responded. Of these respondents 76 (20%) agreed to answer a questionnaire designed specifically for this purpose (see annex). The present document is based on the 56 completed responses that were received as at 15 April 2000.

CONCLUSIONS

Integration of cleaner production into the due diligence process means bring forward the question whether providing financing for an end-of-pipe option constitute an expenditure or an investment. Investment decisions costs/savings checklist should include elements like:

- *Initial investment costs (planning & engineering, permitting, site preparation, purchased equipment, working capital, utility systems and connections, start-up training, contingency, salvage value)*
- *Annual operating costs & savings (materials, energy, labour, floor space, depreciation & taxes and costs of capital for operating inputs and waste management)*
- *Less tangibles (productivity, future regulations, potential liability, insurance, company image)*
- *Revenues (product sales, by-product sales and marketable pollution credits)*

The survey revealed that new initiatives are sprouting in promoting investments in preventive approaches, waste minimisation, cleaner production and related activities. This is happening particularly in governmental or semi-governmental institutions. Some non-governmental organisations and consulting companies have also developed services addressing this issue. Financial institutions lag behind. Very few commercial banks perceive the cleaner production strategy adopted by a loan applicant as a favourable criterion for approving funds or assessing risk to them. Most financial flows towards cleaner production investments still originate from special credit lines or revolving funds set up by multilateral or bilateral development finance institutions for selected countries or regions.

In mainstreaming preventive strategies into financial flows, the real challenge is to integrate cleaner production into the due diligence process (see box on the left) for preparing and assessing new investment. Many institutions are launching initiatives in this field and it is expected that entries in this compendium will increase rapidly in the coming years.

Think twice and manage your environmental risk: hazardous industries can cause potentially significant public damage!

FINANCIAL INSTITUTIONS

AMERICAS

Multilateral Investment Fund (MIF) Inter-American Development Bank (IDB)

Contact: Mr Daniel Shepherd,
Environmental Specialist
1300 New York Avenue, NW
Washington DC 20577 – USA
Tel.: +1 202 623 2708
Fax: +1 202 623 1786
email: daniels@iadb.org
Internet: <http://www.iadb.org/mif>

The IDB's Multilateral Investment Fund (MIF) sponsors both CP financing promotion (business consulting, training activities) and CP financing activities. An example of the MIF's activities is an initiative in El Salvador, which provides financial resources for CP training and technical assistance activities. The MIF has also received a request to create a revolving loan fund for CP activities in SMEs in Bolivia. MIF is also considering the establishment of an equity investment fund targeted towards SMEs that utilise clean technologies to improve industrial processes or replace the need for fossil fuel use.

ASIA

Asian Development Bank (ADB)

Contact: Mr. Warren Evans
P.O.Box 789
0980 Manila
PHILIPPINES
Tel.: + 632 632444
Fax: + 632 6362444
e-mail: wevans@adb.org
Internet: <http://www.adb.org>

Regional Environmental Technical Assistance (RETA) project for the Promotion of Cleaner Production Policies and Practices in Selected Member Countries will be implemented 1999-2001.

CZECH REPUBLIC

Investment and Post Bank (IPB)

Commercial Bank
Contact: Ing. Eduardálka, Senior
Director SME's
Senováž né Square 32
114 03 Prague 1
CZECH REPUBLIC
Tel.: + 42 02 2204 4214
Fax: + 42 02 2204 4673
e-mail: palkaedu@ipb.cz
Internet: <http://www.ipb.cz>

The IPB is involved in CP financing Activities. The objective is to provide loans to enterprises to enable them to undertake activities aimed at improving the quality of the environment.

EUROPE

European Investment Bank (EIB)

Multilateral Financial Institution
Contact: Mr. Peter Carter, Head of
Environmental Co-ordination
100 Boulevard Konrad Adenauer
Luxembourg-Kirchberg
L-2950 LUXEMBOURG
Tel.: + 352 4379 2769
Fax: + 352 4379 2860
e-mail: p.carter@eib.org

The European Investment Bank is the European Union's long term financing institution established in 1958 to further European integration. The EIB actively supports CP financing, mainly through the provision of long term loans. Notably in association with the EIF (European Investment Fund), venture capital is provided to SMEs, sometimes for CP activities. Outside the EU, the Bank applies both loan finance and risk capital for investment purposes; occasionally funds are made available for technical assistance, mainly studies.

European Bank for Reconstruction and Development (EBRD)

Contacts: Mr. Dariusz Prasek, Senior
Environmental Adviser / Mr. Mark
Hughes, Environmental Specialist
One Exchange Square
London, EC2A 2JN
UNITED KINGDOM
Tel.: + 171 338 6873 / 6923
Fax: + 171 338 6848
e-mail: prasekd@ebrd.com
hughesm@ebrd.com
Internet: <http://www.ebrd.com>

The EBRD's Cleaner Production Financing activities are conducted in the countries of Central and Eastern Europe and the former Soviet Union. An example is a technical co-operation project in Poland, which aims to demonstrate that CP projects can provide attractive opportunities for commercial financing.

FINLAND

GAIA Group Ltd.

Venture Capital Company
Contact: Dr. Lassi Linnanen, Partner
Lönnrotinkatu 19 B
FINLAND
Tel.: + 358 9 6866 620
Fax: + 358 9 6366 6210
e-mail: lassi.linnanen@gaia.fi
Internet: <http://www.gaia.fi>

CP financing promotion activities (business consulting, policy advice, research on CP Investment) and CP financing activities (venture capital investment). CP financing activities are conducted in the Baltic States, Russia, and other target -countries of Finnish ODA.

GERMANY

Umweltbank AG/Environmental Bank

Commercial Bank
Contact: Ms. Silke Abel,
Environmental Representative
Laufertorgraben 6, 90489 Nürnberg
GERMANY
Tel.: + 49 911 5308 105
Fax: + 49 911 5308 119
e-mail: umweltbank-marketing@t-online.de
Internet: <http://www.umweltbank.de>

The Umweltbank provides the possibility to invest in environmentally oriented long-term shares of environmental funds. The bank finances environmental projects such as wind and water plants or CHP plants. The preferred financing instruments are loans and shares (especially concerning wind energy).

Kreditanstalt für Wiederaufbau (KfW)

KfW is Germany's promotional bank for the domestic economy and the official development bank for countries in transition and developing countries. The bank is owned by the German federation and the federal states.
Contact: Dr. Juergen Lattmann
Palmengartenstrasse 5-9
60325 Frankfurt a.M - GERMANY
Tel.: + 49 69 7431 3142
Internet: http://www.kfw.de/e_kfw/e_index.html

The KfW will co-finance Cleaner Production investments under the framework of the German bilateral development assistance in India. The organisation has also established the Pollution Control & Abatement Fund (PCAF) in Sri Lanka.

GLOBAL

International Finance Corporation (IFC)

Multilateral financing institution

Environment Division
2121 Pennsylvania Avenue
Washington DC 20433 – USA
Tel.: + 1 202 4730661
Fax: + 1 202 9744348
e-mail: ifcpu@ifc.org
Internet: <http://www.ifc.org>

IFC is the World Bank Group affiliate that provides debt and equity financing exclusively to private sector projects in developing countries. IFC welcomes proposals for commercially viable CP projects from private sponsors. The benefits of CP are presented in the World Bank Group Pollution Prevention and Abatement Handbook, which IFC uses, and in IFC's Competitive Environmental Advantage Workshops for Financial Intermediaries. IFC sponsors several private investment funds that may also finance CP projects.

World Bank (WB)

Development Bank
Contact: Mr. David Hanrahan,
Program Team Leader for Urban,
Industry and Energy
1818 H Street, N.W.
Washington DC 20433 - USA
Tel.: + 1 202 4585686
Fax: + 1 202 4770565
e-mail: Dhanrahan@worldbank.org
Internet: www.worldbank.org

The World Bank Group promotes CP approaches, as evidenced by the Pollution Prevention and Abatement Handbook which is subtitled "Towards CP". CP approaches have been included in technical assistance to several countries, particularly in Latin America and in Asia. Where the Bank supports environmental funds or other mechanisms for pollution reduction, implementation of CP is usually one of the criteria for eligibility. In some circumstances, CP is also seen as a useful tool in helping to increase efficiency and productivity in SMEs.

ITALY

Società Italiana per le Imprese all'Estero – S.p.A (SIMEST)

Contact: Dr. Andrea Pertusio, Senior Analyst, Area Investimenti e Servizi SIMEST SpA
Via Alessandro Farnese, 4
00192 ROME – ITALY
Tel.: + 39 0632 474 377
Fax: + 39 0632 474 324
e-mail: a.pertusio@simest.it
Internet: <http://www.simest.it>

SIMEST is involved in both CP financing promotion (business consulting, policy advice) and CP financing activities (equity-based financing). Among other items, the organisation focuses on developing relations with Italian companies specialized in environmental technologies, to be used in the investment projects.

JAPAN

Japan Bank for International Cooperation (JBIC)

Governmental Financial Institution (responsible for ODA implementation and for other official finance to support private sector activities)
Mr. Naoki Mori, Director, Environmental Division
4-1, Ohtemachi 1-Chome
Chiyoda-Ku, Tokyo - JAPAN
Tel.: + 81 3 5218 3903
Fax: + 81 3 5218 3980
e-mail: naoki-mori@jbic.go.jp
Internet: <http://www.jbic.go.jp>

The bank provides loans under the scheme of Financial-Intermediary Loans (two-step loans) for preventing industrial pollution in developing countries, e.g. Small Scale Industry (SSI) Program in Sri Lanka (to support the Governmental Environmental Soft Loan Programme for Pollution Abatement Equipment) or the Environmental Protection Promoting Program in Thailand (provision of medium- and long-term loans at low interest to private enterprises for the installation of preventing pollution systems).

NETHERLANDS

Netherlands Development Finance Company (FMO)

Bilateral Financial Institution
Ms. Bregje Hamelynck, Environmental
Unit
PO Box 93060
2509 AB The Hague
NETHERLANDS
Tel.: + 31 70 314 9734
Fax: + 31 70 314 9764
e-mail: b.hamelynck@fmo.nl
Internet: <http://www.fmo.nl>

The Netherlands Development Finance Company is involved in CP financing promotion activities (training) and CP financing activities (long-term loans). From its headquarter in The Hague activities in 77 countries in Africa, Asia, Latin America and Central & Eastern Europe are directed.

NORDIC COUNTRIES

Nordic Environment Finance Corporation (NEFCO)

Multilateral Risk Capital Institution,
NEFCO is part of the Nordic Finance
Group
Contact: Ms. Gunnhild Utkvitne,
Senior Manager Environmental
Affairs
PO Box 249
FIN-00171 Helsinki - FINLAND
Tel.: + 358 9 18001
Fax: + 358 9 630 976
e-mail: info.nefco@nib.fi
Internet: <http://www.nefco.fi>

NEFCO finances environmental projects in the CEECs. This includes projects in both the private and public sectors. NEFCO participates through equity investments as well as loans. As a means towards improving CP financing in 1998, NEFCO has set up a Revolving Facility for financing of priority CP investments targeted at a specific region in its area of operation, in the first instance Northwestern Russia and the Baltic Countries.

POLAND

Environmental Investment Partners (EIP)

Private Venture Capital Company
Contact: Mr. Adam de Pool, Chief
Investment Officer
ul. Plaskowa 12 C,
05510 Konstancin-Chylice - POLAND
Tel: + 48 22 756 32 32
Fax: + 48 22 756 49 19
e-mail: pool@eip.com.pl

The EIP headquarters are located in the Netherlands. From there, venture capital CP investments throughout Central Europe are directed.

SWITZERLAND

Zuercher Kantonalbank

Commercial Bank
Contact: Mr. R. Beeler, Head of
Environmental Management Services
Postfach 8010, Zuerich SWITZERLAND
Tel.: + 41 1 802 5338
Fax: + 41 1 802 5813
e-mail: rene.beeler@zkb.ch
Internet: <http://www.zkb.ch>

The bank is active in CP financing promotion (business consulting) and CP Financing (Venture Capital for eco-efficiency projects, loans, Ecofund/Swissca Green Invest).

Union Bank of Switzerland (UBS)

Commercial Bank & Investment
Bank/House
Contact: Ms. Bettina Furrer, Associate
Director
Bahnhofstrasse 45, P.O. Box
8098 Zurich
SWITZERLAND
Tel.: + 41 1 234 3105
Fax: + 41 1 234 3245
e-mail: bettina.furrer@ubs.com
Internet: <http://www.ubs.com/e/umweltbericht.html>

UBS does not propose any special products geared at financing Cleaner Production. However, whenever appropriate, it takes into consideration aspects derived from cleaner production in the credit decision and due diligence processes. This in turn may have an influence on the terms and conditions of the investment instruments.

POLAND

Environmental Investment Partners (EIP)

Private Venture Capital Company
Contact: Mr. Adam de Pool, Chief
Investment Officer
ul. Plaskowa 12 C,
05510 Konstancin-Chylce - POLAND
Tel: + 48 22 756 32 32
Fax: + 48 22 756 49 19
e-mail: pool@eip.com.pl

The EIP headquarters are located in the Netherlands. From there, venture capital CP investments throughout Central Europe are directed.

UNITED KINGDOM

CDC Capital Partners

Private Venture Capital Company
Contact: Mr. David Allwood, Environment
Specialist
One Bessborough Gardens
London SW1V 2JQ
UNITED KINGDOM
Tel.: + 44 20 7963 3872
Fax: + 44 20 7963 3943
e-mail: dallwood@cdcgroup.com
Internet: <http://www.cdcgroup.com>

CDC Capital Partners have over 30 offices world wide located in Latin America, Caribbean, sub-Saharan Africa, South Asia, South East Asia, East Asia and Pacific Islands. They provide CP business consulting, policy advice and training activities in addition to equity-based investment.

GOVERNMENT AGENCIES

AUSTRIA

Finanzierungsgarantie-Gesellschaft m.b.H. (FGG)

Government-owned Financial Institution
Contact: Ms. Gabriele Pammesberger,
Project Manager
Prinz-Eugen-Straße 8
1041 Vienna - AUSTRIA
Tel.: + 43 1 501 75 321
Fax: + 43 1 501 75 360
e-mail: g.pammesberger@fgg.at
Internet: <http://www.fgg.at>

FGG is operating world wide with a strong focus on Central and Eastern Europe. The organisations CP financing activities incorporate the provision of provides direct, financial, and capital guarantees that cover the economic risks of investments. FGG has a strong commitment to support investments in environmentally sound technologies (e.g. renewable energy technologies, energy efficiency, etc.).

CANADA

Ontario Centre for Environmental Advancement (OCETA)

Contact: Mr. S. Edward Mallett, Chief Executive Officer
63 Poison Street
2nd floor, Toronto, Ontario
CANADA M5A 1A4
Tel.: + 416 778 5278
Fax: + 416 778 5624
e-mail: emallett@oceta.on.ca
Internet: <http://air.oceta.on.ca>

OCETA set up the Eco-Efficiency Innovation Program (EEI) in 1998. Within this program, OCETA is involved in helping especially SMEs to prepare investment grade business plans, identify potential sources and methods of financing (venture capital, private sector loans) assist in negotiations, evaluate financial offers, create links and partnerships with established businesses that seek preferred access to emerging technologies.

CZECH REPUBLIC

State Environmental Fund (SEF)

The SEF is a financial tool of the Ministry of Environment in the Czech Republic.
Contact: Ph.D. Miroslav Hajek, Director of Environmental Economy Department
Ministry of Environment CZ, SEF
Vršovická 65
100 10 Prague 10
CZECH REPUBLIC
Tel.: + 42 026 7122 084
Fax: + 42 026 7310 277
e-mail: Hajek_Miroslav@env.cz
Internet: <http://www.env.cz>

With the SEF several CP financing promotion activities (policy advice, research on CP investment, publications on CP investment, lobbying) and CP financing activities (loans) are sponsored.

GERMANY

Deutsche Gesellschaft für Technische Zusammenarbeit GmbH (GTZ)

Contact: Dr. Ute Landmann, Team Leader
GTZ-ProduksiH Project
Kantor Menteri Negara Lingkungan Hidup
Lt. 5
Jl. D.I. Panjaitan Kav-42,
Kebon Nanas
Jakarta 13410 - INDONESIA
Tel.: + 62 2185906170
Fax: + 62 2185906171
e-mail: pemlh@indo.net.id
Internet: <http://www.atz.de>

GTZ is the German Agency for Technical Cooperation located in Eschborn, Germany. From there the GTZ-ProduksiH project is coordinated and sponsored. The project includes CP financing promoting activities (business consulting, policy advice, training).

GLOBAL

Organisation for Economic Co-operation and Development (OECD)

Contact: Mr. Peter Borkey, Team Coordinator (Environmental Management in Enterprises)
2, Rue André Pascal, 75775 Paris Cedex - FRANCE
Tel.: + 33 1 4524 1385
Fax: + 33 1 4524 9671
e-mail: peter.borkey@oecd.org
Internet: <http://www.oecd.org/env>

The OECD is involved in several CP Financing promotion activities, e.g., policy advice, monitoring and analysis of CP activities in NIS, establishing a network of CP centres in the NIS and reporting to the EAP Task Force (a network of NIS, CEE, IFIs and donor countries).

ITALY

Società Italiana per le Imprese all'Estero – S.p.A (SIMEST)

Contact: Dr. Andrea Pertusio, Senior Analyst, Area Investimenti e Servizi
SIMEST SpA
Via Alessandro Farnese, 4
00192 ROME – ITALY
Tel.: + 39 0632 474 377
Fax: + 39 0632 474 324
e-mail: a.pertusio@simest.it
Internet: <http://www.simest.it>

SIMEST is involved in both CP financing promotion (business consulting, policy advice) and CP financing activities (equity-based financing). Among other items, the organisation focuses on developing relations with Italian companies specialized in environmental technologies, to be used in the investment projects.

LATVIA

Latvian Environmental Investment Fund (LEIF)

Investment Bank/House
Contact: Professor Dr. Sc. Valdemars Shcherbaks, Environmental Manager;
Dr. Sc. Juris Malers, Project Manager
6 Pils St., Riga
LV 1060 - LATVIA
Tel.: + 371 7503 708
Fax: + 371 7503 747
e-mail: valdemars@leif.lv
Internet: <http://www.leif.lv>

LEIF is conducting both CP financing promotion activities (publications on CP investment) and CP financing activities (term loans for CP projects in all industry sectors).

NETHERLANDS

Ministry of Housing, Spatial Planning and the Environment

Contact: Dr. Theo van Bellegem,
Coordinating Policy Maker on
Economic and Fiscal Instruments
P.O. Box 30945
2500 GX The Hague
THE NETHERLANDS
Tel.: + 31 70 339 4089
Fax: + 31 70 339 1304
e-mail: Theo.vanbellegem@
D.DGM.minvrom.nl

The Ministry is the initiator of the Green Fund System in the Netherlands which provides loans for Green investments. The system is promoted by a tax incentive. Moreover a system of accelerated depreciation was set up which promotes operational lease of CP equipment.

SINGAPORE/EUROPEAN COMMISSION

Regional Institute of Environmental Technology (RIET)

Administration of an environment-related economic co-operation programme financed by the European Commission.
Contact: Dr. Uwe Weber, Deputy Director
#04-08 PSB Science Park Annex
3 Science Park Drive
SINGAPORE 118223
Tel.: + 65 7772 685
Fax: + 65 7732 800
e-mail: weber@riet.org.sg
Internet: <http://www.riet.org>

RIET's headquarters are located in Singapore from where over 20 Asian countries are covered. RIET is involved in both CP financing promoting activities (research and publications on CP investment, training, conferences on CP) and CP financing activities. RIET's most prominent CP financing Activity is the *Asia EcoBest Grant-Program* (see <http://www.riet.org/aeb>).

SPAIN

Centre for Cleaner Production Initiatives (CCPI)

Contact: Mr. Víctor Macià, General Manager
París, 184, 3rd floor
08036 Barcelona – SPAIN
Tel.: + 34 93 415 1112
Fax: + 34 93 237 0286
e-mail: cleanpro@cipn.es

The CCPI is involved in both CP financing promoting activities (research on CP investment, Minimisation Opportunities Oriented Environmental Diagnosis(MOED)) and CP financing activities. CCPI provides grants in order to promote the realisation of MOEDs, the implementation of CP projects and the research and development of CP techniques.

UNITED STATES

U.S. Agency for International Development (USAID)

Donor Agency
Contact: Ph.D. Gilbert S. Jackson, Urban/Industrial Manager
Ronald Reagan Building
1300 Pennsylvania NW
Room 2239 N.S., LAC/RSD/E,
Washington, DC 20523-0025 - USA
Tel.: + 1 202 712 1219
Fax: + 1 202 216 3262
e-mail: gijackson@usaid.gov
Internet: <http://www.info.usaid.gov>

USAID is involved in both CP financing promotion activities (business consulting, policy advice, research and publications on CP investment, training , funding for and designing of Centres for CP) and CP financing activities.

USAID and the Environmental Export Council (EEC) have been working with five industry associations in Bolivia, Ecuador and Peru to create the Andean Region Environmental Committee (COMARA) which is launching the Andean Region Revolving Fund for CP. When capitalised, this fund will provide the industries in the region with the necessary capital to invest in CP technologies and services.

Pennsylvania Department of Environmental Protection (DEP)/ Office of Pollution Prevention and Compliance Assistance

Contact: Ms. Christine Martin
Rachel Carson State Office Building
P.O. Box 8772
Harrisburg
PA 17105-8772 - USA
Tel.: + 1 717 783 9981
Internet: <http://www.dep.state.pa.us/dep/deputate/pollprev/Act190/act190.html>

DEP provides the Pollution Prevention(P2)/ Energy Efficiency (E2) Site Assessment Grant Program. Grants under the P2/E2 Program will be used to fund 80 percent of the total cost of a P2E2 site assessment, up to a maximum of \$5,000 for Pennsylvania small businesses with 100 or fewer employees and \$15,000 for any business that holds a DEP permit. In addition, DEP also provides low-interest loans to help SMEs to help prevent pollution and conserve energy. Companies with less than 100 employees can apply, loans are up to US\$ 50,000, they carry an interest rate of no more than 2 percent and have a maximum term of seven years.

**Office of Pollution Prevention, Ohio
Environmental Protection Agency
(EPA)**

Contact: Mr. Bill Narotski
P.O. Box 1049, Columbus
Ohio 43216-1049 - USA
Tel.: + 1 614 644 3469
Fax: + 1 614 644 2807
e-mail: bill.narotski@epa.state.oh.us
Internet: [http://www.epa.state.oh.us/
opp/funding.html](http://www.epa.state.oh.us/opp/funding.html)

The EPA offers the Pollution Prevention Loan Program. Eligible borrowers must be willing to make “benchmarks” (i.e., describing current pollution generation and pollution that will be prevented). The Pollution Prevention Loan Program may lend funds to businesses engaged in commerce, manufacturing, research and development or distribution. Loan amounts range from \$25,000 to \$150,000 per facility and up to 75% of the project costs.

NON-GOVERNMENTAL ORGANISATIONS

CZECH REPUBLIC

Regional Industrial Environmental Agency (RIEA)

Contact: Mr. Jirí Vavřínek, Consultant
Podebradova 16, 702 00 Ostrava -
CZECH REPUBLIC
Tel: + 420 69 6270 474
Fax: + 420 69 6270 404
e-mail: j.vavrinek@riea.cz
Internet: <http://www.riea.cz>

RIEA provides several CP financing promoting activities (business consulting, policy advice, publications on CP investment, training). In addition, the agency conducts financial assessment of CP projects in enterprises.

Czech Cleaner Production Centre (CPC)

Contact: Ing. Jan Stejfa, Deputy Director
Boticska 4, 128 00 Praha 2 - CZECH
REPUBLIC
Tel.: + 420 2 2492 1269
Fax: +420 2 4920 128
e-mail: stejfa@cpc.cz
Internet: <http://www.cpc.cz>

CPC is conducting CP financing promoting activities (business consulting, policy advice, research on CP investment, publications on CP investment, training activities, lobbying) in the Czech Republic, Croatia, Uzbekistan, Armenia and the Russian Federation. Furthermore, the CPC is an expert guarantor of the Cleaner Production Programme under the State Environmental Fund and is going to prepare a CP fund with NEFCO (Nordic Environment Finance Corporation) which would help to finance CP measures in concrete applications.

ESTONIA

The Center for Development Programs EMI-ECO

Contact: Ph.D. Anne Randmer, Lead
Consultant/Chair of the Board
46-111 Peterburi Rd.
11415 Tallinn - ESTONIA
Tel.: + 372 6139 709
Fax: + 372 6139 708
e-mail: anner@estnet.ee
Internet: <http://www.emieco.ee>

EMI-ECO is involved in several CP financing promotion activities (business consulting, advocacy, publications on CP investment, training, policy advice, lobbying, research on CP investment).

HUNGARY

Hungarian Cleaner Production Center (HCPC)

Contact: Mr. Gyula Zilahy, Deputy Director
Fővám tér 8
1093 Budapest - HUNGARY
Tel.: + 361 2155 808
Fax: + 361 2179 588
e-mail: zilahy@enviro.bke.hu
Internet: <http://hcpc.bke.hu>

The HCPC is involved in various CP financing promoting activities (publications on CP investment, training).

INDIA

Tata Energy Research Institute (TERI)

Contact: Mr. Vandana Bhatnagar, Research Associate
Habitat Place, Lodhi Road
New Delhi – 110003
INDIA
Tel.: + 91 11 4622 246
Fax: + 91 11 4621 770
e-mail: vbhat@teri.res.in
Internet: <http://www.teriin.org>

From TERI's headquarters in India the offices in UK, Germany and Japan are directed. TERI is active in CP financing promoting (business consulting, policy advice, research on CP investment, publications on CP investment, demonstration projects).

LITHUANIA

Institute of Environmental Engineering (APINI)

Established in 1991 as an independent interdisciplinary research unit of Kaunas University of Technology
Contact: Prof. Jūrgis Staniškis, APINI Director, Pollution Prevention Center (PPC) Director
K. Donelaicio Str. 20
LT - 3000 Kaunas - LITHUANIA
Tel.: + 370 7 32 39 55
Fax: + 370 7 20 93 72
e-mail: jurgis.staniskis@apini.ktu.lt
Internet: <http://www.ktu.lt/apini/engl/introduction.htm>

APINI is active in CP financing in co-operation with NEFCO and the Pollution Prevention Centre (PPC) in Kaunas. The APINI/PPC collaboration plays a crucial role in CP project identification, evaluation, implementation and reporting, e.g. they prepare a loan applications on behalf of the applicants, assist NEFCO in communication with the applicants, or they prepare project progress/completion reports.

NORWAY

World Cleaner Production Society (WCPS)

Foundation
Contact: Mr. Uno Abrahamsen, Executive Manager
P.O.Box 2608
St. Hanshaugen
0131 Oslo - NORWAY
Tel.: + 47 22 86 51 76
Fax: + 47 22 11 12 03
e-mail: abru@teknologisk.no
Internet: <http://www.teknologisk.no>;
<http://www.wcps.no>

CP investment promotion activities have been implemented in Russia and Lithuania. In both countries training programmes have focused on how to prepare loan applications from companies where cleaner production assessments have been carried out. The programmes have been linked to the NEFCO cleaner production revolving fund.

PAKISTAN

Environmental Technology Program for Industry (ETPI)

Project bilaterally financed by the Federation of Chambers of Commerce and Industry (FPCCI) and the Embassy of the Netherlands.
Contact: Mr. Azher Uddin Khan, Project Coordinator
Federation House
Main Clifton Karachi - PAKISTAN
Tel.: + 92 21 5837 360 63
Fax: + 92 21 5864 131
e-mail: etpi@cyber.net.pk
Internet: <http://www.etpi.org>

ETPI is involved in several CP financing promotion activities (business consulting, policy advice, research on CP investment, publications on CP investment, training).

ROMANIA

Pollution Prevention Centre Romania

Contact: Mr. Vladimir Gheorghievici MSc, Director; Mr. Victor Teodor Petcu-Nitica MSc, CP and EMS Expert
Str. Theodor Sperantia, Bl. S28, Sc. 1, Et. 3, Ap. 10, Sect. 3, Cod RO-74317, Bucuresti, Romania
Tel.: + 40 1 327.47.95 (Director); +40 92 38.61.65 (Offices)
Fax: + 40 1 327.47.96
e-mail: cpp@pcnet.ro
Internet: <http://users.pcnet.ro/cpp>

The Centre is active in CP financing Promoting (business consulting, research on CP investment, publications on CP investment, training activities). Furthermore, in 1999 three projects of CP in tanning industries and six projects of energy conservation in different industrial companies were organised and coordinated, all with funding from USAID.

SLOVENIA

OIKOS, Inc.

Environmental Consulting
Contact: Mr. Robert Spendl, Project
Manager
Saranoviceva 36b
1230 Domzale - SLOVENIA
Tel.: + 386 1 722 6400
Fax: + 386 1 721 4807
e-mail: robert.spendl@oikos.si
Internet: <http://www.oikos.si>

OIKOS is involved in both CP financing promoting activities (business consulting, policy advice, training , lobbying) and CP financing activities (CP investments in chemical industries).

SWITZERLAND

The World Conservation Unit (IUCN)

Non-Intergovernmental Organisation
Contact: Mr. Frank Vorhies,
Environmental Economist
28 Rue Mauverney
1196 Gland - SWITZERLAND
Tel.: + 41 22 9990 273
Fax: + 41 22 9990 025
e-mail: fwv@iucn.org
Internet: <http://www.economis.iucn.org>
<http://www.iucn.org>

IUCN's headquarters are located in Switzerland from which offices in over 40 countries are coordinated. The institution's CP financing promoting activities are mainly focussed on issues related to biodiversity.

UKRAINE

Pridneprovie Cleaner Production Center (PCPC)

Contact: D.Sc. Prof. William Zadorsky,
Team Leader/President
Office 28, Street Lenina 15
Dnepropetrovsk 70
UKRAINE 49070
Tel.: + 38 05 6778 0648
Fax: + 38 05 6237 4688
e-mail: ecofond@ecofond.dp.ua
Internet: http://www.ukrainebiz.com/companiesUKR/cleaner_center.htm

The PCPC is working in the fields of CP financing policy advice, business consulting, training activities and research on CP investment.

UNITED STATES

Environmental Finance Center (EFC)

Contact: Ms. Sarah M. Diefendorf,
Executive Director
1310 Willard Street,
San Francisco, CA 94 117 - USA
Tel.: + 1 415 66 44 715
Fax: + 1 415 66 41 675
e-mail: sdief@aol.com
Internet: <http://www.greenstart.org/efc9>

EFC is involved in both CP financing promoting activities (business consulting, advocacy, policy advice, research on CP investment) and CP Financing activities. EFC's most prominent financing tool is the EnviroLoan-Programme (a Pollution Prevention Loan Programme for Metal Finishers in the Los Angeles area).

Tellus Institute for Resources and Environmental Strategies

Contact: Mr. Thomas J. Votta, Senior Scientist
11 Arlington Street, Boston MA
02116 - 3411 - USA
Tel.: +1 617 266 5400
Fax: +1 617 266 8303
e-mail: tvotta@tellus.org
Internet: <http://www.tellus.org/lowres.html>

Tellus has developed the P2/Finance Software. P2/FINANCE is a series of software programs designed to facilitate the financial analysis of pollution prevention (P2), energy efficiency, and other projects to enhance resource efficiency. It enables the user to compare the costs/savings of business-as-usual practices with alternative scenarios using Total Cost Assessment (TCA). Tellus also organises training courses in the costing of pollution prevention investments.



**UNITED NATIONS
ENVIRONMENT PROGRAMME –
DIVISION OF TECHNOLOGY,
INDUSTRY AND ECONOMICS**

BACKGROUND AND TARGET-SETTING FOR THE QUESTIONNAIRE

Banks and other lenders are looking for good investment projects with low risk, reasonable cash flow and efficient management. Quick profit with no thought for tomorrow is not in the interest of a sector that has to invest in the future.

Cleaner production (CP), as defined by UNEP, refers to a preventive rather than aftercaring (end-of-pipe) environmental strategy for industrial production. CP can be the most efficient way to operate processes, manufacture products and provide services. Costs of wastes, emissions as well as environmental and health impacts can be reduced, and benefits from these reductions and new markets can be realized. Other parallel terms are *eco-efficiency*, *green productivity* or *pollution prevention*.

The aim of this questionnaire is to collect data about CP investment promotion and financing initiatives in the financial and non-financial sector. Such data will form a compendium on the main CP investment promotion stakeholders. This compendium will be published by UNEP/TIE and will provide core-data on the profile and ongoing CP investment activities of those organisations that have completed this questionnaire.

Dear respondent, please reply by March 15, 2000 !

Inputs to the compendium will help to enhance the dialogue between stakeholders in CP financing. Your activities and contact address will be listed and made available to people interested in CP investment.

Thank you very much for your assistance in our research effort!

Responses should be returned to one of the addresses below:

Mr. Ari Huhtala
Project Manager (CP Financing)
UNEP/TIE
39-43 quai André Citroën
75739 Paris Cedex, France
Tel + 33 1 44 37 14 31
Fax +33 1 44 37 14 74

Ms. Elena Ciccozzi
Programme Officer (CP Financing)
UNEP/TIE
39-43 quai André Citroën
75739 Paris Cedex, France
Tel + 33 1 44 37 76 37
Fax +33 1 44 37 14 74

The questionnaire is set out in *three sections*:

Section 1: contact details and background information on the nature of the CP investment activities

Section 2: optional questions addressing non-financial institutions: scope of CP investment-promoting activities

Section 3: optional questions addressing financial institutions: conditions and extent of the applied investment instruments

SECTION 1: CONTACT DETAILS AND BACKGROUND INFORMATION ON THE NATURE OF THE CP INVESTMENT ACTIVITIES

1.1. Name of your organisation:

1.2. Details on contact point for this specific CP investment initiative:

Name: _____

Title: _____

Role in Organisation: _____

Address: _____

Country: _____ e-mail: _____

TEL: _____ FAX: _____

URL/Web-Site Address: _____

Other staff involved in CP related activities: _____

1.3. Type of institution your organisation belongs to: (please tick box)

PRIVATE FINANCIAL SERVICES SECTOR

| | |
|-------------------------------|-----------------------|
| Commercial Bank | Investment Bank/House |
| Venture Capital Company | Foundation |
| Other (please specify): _____ | |

MULTI-NATIONAL FINANCIAL INSTITUTION

Development Bank
Other (please specify): _____

BILATERAL FINANCIAL INSTITUTION

Please specify: _____

SECTION 3: OPTIONAL QUESTIONS ADDRESSING FINANCIAL INSTITUTIONS: CONDITIONS AND EXTENT OF THE APPLIED INSTRUMENTS

This section addresses financial institutions only. Representatives of non-financial institutions can skip this section.

3.1. What type(s) of financial instruments towards CP are implemented by your organisation? (Please tick the appropriate box(es). Additionally, please rank these instruments according to their contribution to your organisation's operating value: 5 = high importance, 1 = low importance.)

| <u>DEBT-BASED FINANCING (LOANS/CREDITS)</u> | please tick | please rank |
|--|-------------|-------------|
| Loans (repayable on demand) | --- | --- |
| Term Loans | --- | --- |
| Corporate Bonds | --- | --- |
| Other (please specify): _____ | --- | --- |
| <u>EQUITY-BASED FINANCING (E.G. INVESTMENT FUND)</u> | | |
| Please specify: _____ | --- | --- |
| <u>GRANTS (E.G. TECHNICAL ASSISTANCE GRANTS)</u> | | |
| Please specify: _____ | --- | --- |
| <u>LEASING</u> | | |
| Please specify: _____ | --- | --- |
| <u>VENTURE CAPITAL INVESTMENTS</u> | | |
| Please specify: _____ | --- | --- |
| <u>OTHER (E.G. REVOLVING FUNDS)</u> | | |
| Please specify: _____ | --- | --- |

3.2. Please specify the terms and conditions of the CP investment instruments your organisation uses. The following issues (if applicable) are of special importance: *grace-period, payback-period, interest rate, repayment scheme, Net Present Value, Internal Return Rate, minimum equity, collateral, etc.* (please attach relevant documentation)

DEBT-BASED FINANCING: TERMS AND CONDITIONS

Please specify: _____

EQUITY-FINANCING: TERMS AND CONDITIONS

Please specify: _____

GRANTS: TERMS AND CONDITIONS

Please specify: _____

LEASING: TERMS AND CONDITIONS

Please specify: _____

VENTURE CAPITAL INVESTMENT: TERMS AND CONDITIONS

Please specify: _____

3.3. What type of industries are your CP investments targeted at? (please specify)

3.4. Geographically, where do you implement CP investments? (list as specifically as possible)

3.5. What is the ideal size for your CP-related activities you are willing to promote and/or to invest in? (please tick the appropriate box(es))

| | Debt-Based Financing | Equity-Based Financing | Other (please specify) |
|-----------------------|-------------------------|---------------------------|---------------------------|
| Below US\$ 1 million | | | _____ |
| US\$ 1 to 5 million | | | _____ |
| US\$ 6 to 10 million | | | _____ |
| US\$ 11 to 25 million | | | _____ |
| US\$ 26 to 50 million | | | _____ |
| US\$ above 50 million | | | _____ |

3.6. In the context of your business services, does your company identify CP investment as a risk or an opportunity? (please tick box)

a risk an opportunity
 other (please specify): _____

3.7. If you had to, could you estimate how many of your organisation's financing activities incorporate CP-related investments? (please tick box)

below 5% 5 – 10 %
 10 – 30 % 30 – 50 %
 50 – 70 % 70 – 90 %
 more than 90 %

3.8. How high do you consider the 'failure-rate' of your organisation's CP investments (in terms of non-performing investments)? (please tick box)

0 % below 10 %
 10 – 30 % 30 – 50 %
 50 – 70 % 70 – 90 %
 more than 90 % 100 %

3.9. Are there differences comparing the 'failure-rate' of CP-financing with non-CP financing activities?

Yes No

If 'yes':

Please specify reasons.

3.10. Is your organisation planning any CP investments in the future?

Yes No

If 'yes':

What sort of investments are planned? (please specify)

If 'no':

What are the reasons for having no further future CP investments planned? (please specify)

3.11 What are your most important motives for CP investments? (please tick the appropriate boxes and rank the motives in order of their importance: = high importance, 1 = low importance.)

- Perspective of short- and medium-term profits
- Perspective of long-term profits
- Public financial incentive (e.g. tax depreciation)
- Compliance with international law/standards
- Compliance with domestic law/regulation
- Compliance with administrative guidance
- Compliance with opinions of NGOs/public opinion
- Other (please specify): _____

3.12. Have you worked (formally or informally) with other organisations (whether financial or non-financial) in the field of CP investments?

Yes No

If 'yes':

Please specify the organisation(s) you are cooperating with.

Name of Organisation: _____

Name of Contact Person: _____

Address: _____

Country: _____ e-mail: _____

TEL: _____ FAX: _____

3.13. Please provide examples of specific CP investments (we would appreciate any documentation possible). These will be used to illustrate the final report with specific cases of good and best practice of investments towards CP.

If you have any queries then please direct them to the addresses as provided on the first page of the questionnaire.

Please feel free to give any additional comments.
 Thank you very much for your cooperation

UNEP'S RELATED ACTIVITIES IN CLEANER PRODUCTION AND FINANCING

The Cleaner Production Programme was launched in response to a UNEP Governing Council decision in 1989. Its objectives are:

- Increase worldwide consensus on a “cleaner production vision”;
- Catalyse implementation of: policies and strategies, environmental management systems, environmentally sound technologies and products, and the establishment of National Cleaner Production Centres;
- Support the growing network of organizations dedicated to promoting cleaner production and eco-efficiency activities;
- Help enhance capabilities through training and education; and
- Support demonstration projects and provide technical assistance.

The programme brings together international organizations, governments, industry, non-governmental organizations and academics. The signature of the International Declaration on Cleaner Production by ministers, industry managers and leaders of other organizations demonstrates the importance those decision makers attach to cleaner production as a strategy to achieve sustainable development. Every two years UNEP organizes a high level Conference to measure worldwide progress in cleaner production.

The UNEP Financial Institutions Initiative on the Environment was founded in 1992 when “The Statement by Banks on the Environment and Sustainable Development” was signed by some 30 banks following the Earth Summit in Rio. By the end of 1999 more than 180 financial institutions were signatories. The Initiative promotes the integration of environmental considerations into all aspects of the financial sector’s operations and services through building awareness, dialogue and understanding and by fostering private sector investment in environmentally sound technologies and services. Where cleaner production options are concerned, the present project will help financial institutions follow through with their commitments.

This document is a compendium of stakeholder in cleaner production financing. It was prepared under project “Strategies and mechanisms for promoting cleaner production investments in developing countries”, funded by Norway and implemented by the Division of Technology, Industry and Economics of UNEP. It is based on information received from institutions who were identified through extensive desk research and who agreed to fill in a questionnaire designed for this purpose.

The main objective of this survey was to expand the number of partners contributing to the UNEP project in terms of experience, expertise, tools and instruments. It was also decided to make some of the acquired information available to a wider audience to promote contacts and intensify a dialogue between the various agencies engaged in promoting investment flow towards preventive technologies, waste minimisation and cleaner production.

This compendium will be available to readers also on the web (see address below) and will be updated regularly.

WHAT TO DO NEXT?

There is a variety of information and advice available from the United Nations Environment Programme at:

UNEP
DIVISION OF TECHNOLOGY, INDUSTRY AND ECONOMICS

39-43 quai André Citroën
F-75739 Paris Cedex 15, France
Tel: + 33 1 44 37 14 50
Fax: + 33 1 44 37 14 74
E-mail: unep.tie@unep.fr
<http://www.uneptie.org>