

Environmental Finance Center Network

1999 Annual Report

1999 ANNUAL REPORT

Compiled by

*Environmental Finance Program
Office of the Comptroller
Office of the Chief Financial Officer*

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FOREWORD

It is our great pleasure to present the 1999 Annual Report of EPA's Environmental Finance Center Network, including the introduction of a new EFC in Region 1 for 2000. The Network consists of nine Centers which provide finance training, education, and analytical services designed around the "how to pay" issues of environmental compliance. This report updates all principal activities of the university-based Environmental Finance Centers (EFCs) through 1999 and is a continuation of the information contained in the 1995-1998 Annual Reports.

The Environmental Protection Agency provided seed funding in 1992 for the first EFC at the New Mexico Engineering Research Institute of the University of New Mexico. Soon thereafter, Centers were established at the University of Maryland and Syracuse University. A fourth Center was added in 1994 at California State University at Hayward. Two more EFCs were added in 1995; one at Cleveland State University early in the year, and the other established later in the year at Boise State University in an alliance with the University of Idaho and Idaho State University. In 1999, two new Centers were established in Region 4 at the University of North Carolina at Chapel Hill and the University of Louisville. In early 2000, Region 1 added the University of Southern Maine to the EFC Network.

The Network of nine EFCs strategically located at major universities throughout the country have become a significant force to assist local governments and small businesses in meeting environmental standards. In addition, we are working with EPA's Office of International Activities to establish an International Environmental Finance Program through a cooperative agreement with Syracuse University's EFC. The exceptional value of the Network was recognized by the Innovations in American Government Program sponsored by the Ford Foundation and Harvard University, which selected the EFC Network as a semifinalist for their annual awards in 1996 and 1999.

A central goal of the EFCs is to help create sustainable environmental systems in the public and private sectors. Sustainable systems have the financial, technical, and institutional resources and capability to operate indefinitely in compliance with environmental requirements and in conformance with generally accepted environmental practices. Creating and maintaining sustainable systems is a formidable challenge facing smaller local governments and businesses. Costs of needed public and private purpose systems and improvements often outstrip available resources. Yet paying for environmental protection has been and will continue to be primarily a responsibility of local governments and the private sector.

For their part, the financial outreach services of the EFCs help meet environmental needs by identifying ways of cutting costs, lowering and shifting costs, and increasing private sector investment in environmental systems. The reader will find in the following pages many innovative and traditional activities the EFCs have undertaken in accomplishing these objectives. Their work, however, is an ongoing process, and the sum total of the Network's benefits will make an important contribution to environmental progress in this country. Information on the Environmental Finance Center Network, along with previous years' Annual Reports, can also be found on our website on EPA's Environmental Finance Program homepage at <http://www.epa.gov/ocfo/> or <http://www.epa.gov/efinpage/>.

We welcome your comments and suggestions.

Joseph L. Dillon,
Acting Comptroller,
U. S. Environmental Protection Agency

ACKNOWLEDGMENTS

A great many dedicated people have helped the EFCs along the way. We particularly want to acknowledge the EPA Regional management and staff noted below who have generously provided their skills and time in managing the cooperative agreements with each of the centers. The EFC network would simply not exist without the Regions' superb cooperation and support. Additionally, we appreciate very much the key assistance and support of Headquarters management and staff in the Program Offices.

We continue our work with EPA's Office of International Activities to develop an International Environmental Finance Program through a cooperative agreement with Syracuse University's EFC. In beginning its work with the Russian Federation, the Syracuse University Maxwell EFC has collaborated with the University of New Mexico EFC. The Maxwell EFC at Syracuse University intends this year to expand its cooperative efforts to include the EFCs at Boise State University and the University of North Carolina at Chapel Hill. The objective is to eventually involve the entire EFC Network. We are very grateful for this opportunity and wish to thank William Nitze, Assistant Administrator for International Activities; Alan Hecht, Deputy Assistant Administrator, Patricia Koshel, Director of the Office of Western Hemisphere and Bilateral Affairs and William Freeman, International Activities Specialist for their leadership contributions to this worthwhile effort.

In 1999, we welcomed two new EFCs in Region 4 to the Network. We particularly want to acknowledge the support and assistance we received from John Hankinson, Regional Administrator; Stanley Meiburg, Deputy Regional Administrator; Cory Berish, Chief of the Planning and Analysis Branch, Bob Cooper, Program Analyst, and Mary Jo Bragan, Regional liaison to the EFCs, whose efforts contributed to adding the University of North Carolina and the University of Louisville to the EFC Network for 1999.

For the year 2000, we welcome Dr. Richard Barringer, Director of the new EFC at the University of Southern Maine in Region 1. We especially would like to recognize and thank Mindy Lubber, Regional Administrator, and Jim Cabot in the Regional office, for their support and help in extending the EFC Network's outreach into the New England states.

Finally, we are deeply indebted to Michael Ryan, Acting Chief Financial Officer, Joseph Dillon, Acting Comptroller, and John Wise, Director of the Office of Strategic Planning and Emerging Issues in Region 9 and Executive Director of the Environmental Financial Advisory Board, for their outstanding support of the Centers. There is no model or template for the Centers and they have benefitted greatly from the valuable guidance and suggestions of these individuals.

Vera Hannigan

EFC Network Coordinator

ENVIRONMENTAL FINANCE CENTERS

ACKNOWLEDGMENTS

The EFC Network would like to acknowledge the support and working relationships between the EFCs and the state and local governmental entities they serve. Also, the EFC Network is greatly indebted to EPA, both Headquarters and the Regional offices, for providing ongoing expertise and participation.

Region 2 - Syracuse University EFC

EFC - William Sullivan, Director, Syracuse University EFC

- Kim Collins, EFC Program Manager

- William Kittredge, Research Associate

- Kevin Farrell, Research Associate
- Bradley Meurren, Research Associate
- Ken Miller, Student Intern

EPA Region 2

- Jeanne M. Fox, Regional Administrator, EPA Region 2
- William Muszynski, Deputy Regional Administrator, EPA Region 2
- Herbert Barrack, Assistant Regional Administrator, EPA Region 2
- Robert Gill, Chief, Construction Grants, SRF Section, EPA Region 2

EPA/HQ - Bill Freeman, Office of International Activities

Region 3 - University of Maryland EFC

EFC

- Dr. Jack Greer, EFC Director
- Elizabeth Hickey, EFC Coordinator
- Dan Nees
- Jeremy Haas

EPA Region 3

- Bradley Campbell, Regional Administrator, EPA Region 3
- Thomas Voltaggio, Deputy Regional Administrator, EPA Region 3
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- Theresa Martella, Grants Project Officer
- Mindy Lemoine, Chesapeake Bay Program Office
- Danielle Algazi, Chesapeake Bay Program Office

EPA/HQ - John Meagher, Director of the Wetlands Division, Office of Water

State - Maryland Sea Grant College

Region 4 - University of Louisville EFC

EFC- Peter Meyer, EFC Director

- Russell Barnett, EFC Project Manager
- Tara Clapp, Post-Doctoral Fellow
- Shawna Hartloff, Training Coordinator
- Stefanie Shultz, Research Assistant

EPA Region 4

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- Cory Berish, Chief, Planning and Analysis
- Bob Cooper, Program Analyst, Planning and Analysis
- MaryJo Bragan, Project Officer

Kentucky Natural Resources and Environmental Protection Cabinet

- Vicki Ray, Drinking Water Branch Manager
- Ralph Schiefferle, Drinking Water Branch

Kentucky Rural Water Association

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- Matt Michel, Research assistant
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EPA Region 4

- John Hankinson, Regional Administrator
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- Cory Berish, Chief, Planning Branch
- Mary Jo Bragan, Planning Branch
- Bob Cooper, Program Analyst, Planning Branch
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- Bruce Nicholson, Brownfields Program Coordinator, N.C. DENR

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- Prof. Bill Glaze, Director, Carolina Environmental Program
- Ed Neal, Center for Teaching and Learning

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- George Raftelis

Region 5 - Cleveland State University, Great Lakes EFC

EFC

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Private Sector

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Great Lakes Public Sector

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- Greta Hawvermale, Director of Public Works, Indianapolis IN
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- Jonathan Smith, MNPCA, Duluth, MN
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- Officials of the Red Cliff Indian Tribe, Minnesota
- Officials of the St. Croix Indian Tribe, Wisconsin
- Officials of the Little River Band Tribe, Michigan
- Officials of the Bay Mills Indian Community, Michigan

EPA Region 5

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- Keary Cragin, Brownfields Team
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- Jennifer Manville, EPA Tribal Liaison, Michigan Indian tribes
- Steve Dodge, EPA Tribal Liaison, Wisconsin Indian tribes
- Ed Fairbanks, EPA Tribal Liaison, Minnesota Indian tribes
- Francis X. Lyons, Regional Administrator
- Linda Morgan, Brownfields Team, US EPA
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Region 6 - University of New Mexico EFC

EFC

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- Beverly Clement, Tribal Capacity Development

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Region 9 - California State University, Hayward EFC

EFC

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California EPA

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Region 10 - Boise State University EFC

EFC

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- Vanessa Bowie
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- Joanne Lynch
- Sandi Keys

Highlights of 1999 Collaborative Activities **of the** **Environmental Finance Center Network**

Calendar year 1999 saw a continuation of the collaborative efforts between the EFCs. One of the strengths of the Network is the ability of the EFCs to work as a unified group to accomplish national objectives. In addition to their effective work in promoting and sharing creative environmental financing techniques and building partnerships between the public and private sectors, including their respective Regional Offices, the EFC Network collaborated on several innovative accomplishments:

Financial Tools of the Network: The EFCs and the Agency's Environmental Finance Program have produced an array of finance training and educational publications and courses available through the EFC Network. These tools are designed to provide useful hands-on assistance to the regulated community.

- **Guidebook of Financial Tools:**

An outstanding example is the *Guidebook of Financial Tools*. The Guidebook is the product of a collaborative effort among members of the Environmental Protection Agency's Environmental Financial Advisory Board, the Directors and staff of the Environmental Finance Centers, and the staff of EPA's Environmental Finance Program. The Guidebook, which is routinely distributed by the EFCs as part of their ongoing outreach activities, was recently updated and expanded. The CD ROM of the new version was released the summer of 1999. The Guidebook can be accessed through the Internet on the **Environmental Finance website** under *Environmental Financial Tools* at <http://www.epa.gov/ocfo/> or <http://www.epa.gov/efinpage/>.

- **Environmental Finance Training Course:**

Led by the University of North Carolina EFC (efc@unc) in Region 4, development is underway on a course for environmental finance designed expressly as a collaborative effort that pulls together the expertise of all the Environmental Finance Centers. The purpose of the course is to provide state and local officials as well as utility officials with training and information on financing capital construction, operation, and maintenance of environmental infrastructure and services. The efc@unc has devoted a discussion forum on its webpage as a way of facilitating this inter-center discussion. See

<http://www.unc.edu/depts/efc/> (click on the link for "forums").

- **Rate model for Water and Wastewater:**

The rate model is a powerful tool that can significantly help small to moderately sized communities with a useful financial tool to evaluate their rate structures in terms of full cost pricing for their water and wastewater services and in comparing the cost impacts of alternative capital improvements. Using the network of Environmental Finance Centers (EFCs) as the primary means to deliver training to public officials, the rate model provides communities an affordable way to evaluate the fees charged for water and wastewater systems and to encourage the adoption of rate structures and strategies that promote full cost pricing.

The EFCs host workshops for invited public officials to be trained on the model and given the opportunity to input their own system financial data and run evaluation reports. In addition, the EFCs also hold workshops for "train the trainer" sessions and provide participants with copies of the model for a nominal cost.

- With financial support from the EFC network, the Louisville EFC (Region 4) presented information about the rate model for water and wastewater facility rates to the Kentucky Water Association's Management Conference held in Bowling Green, Kentucky. The Conference was attended by over 600 wastewater plant managers from across the state. The keynote speaker to the conference was Mr. Bill Jarocki, Director of the Boise State University EFC (Region 10).
- As part of a year-long collaboration with the Kentucky Division of Water, the Kentucky Rural Water Association and the Boise State University EFC collaborated to provide technical assistance on environmental financing to small and medium-sized wastewater treatment facilities. The Boise State EFC Director, Bill Jarocki conducted a seminar on the rate model for representatives from Kentucky. Attending the one-day seminar were representatives of the Kentucky Division of Water, Kentucky Public Service Commission, Kentucky League of Cities, Louisville Water Company, Kentucky Rural Water Association, Louisville-Jefferson County Metropolitan Sewer District, and the Kentucky Association of County Officials. As a result of the seminar, the Kentucky Division of Water requested the EFC to assist the state in developing financial capacity requirements under the 1996 Amendments of the Safe Drinking Water Act. The Kentucky Rural Water Association asked the EFC to collaborate with the Association to provide training for wastewater plant operators.
- One of the important side benefits of the Boise State EFC's investment in utility rate design training has been the development of staff capability within the EFC network to share information about the use of the rate model, a most important tool. In 1999, the Boise State EFC Director provided technical assistance and training to staff at two sister Environmental Finance Centers; the University of Maryland EFC in Region 3 and the University of Louisville EFC in Region 4. In Region 3, the Boise State EFC assisted in the orientation and training in the use of the rate model and in delivering training workshops with staff of the University of Maryland EFC. The Maryland EFC then organized and delivered three workshops in West Virginia at the end of 1999. The Boise State EFC also assisted in the delivery of two utility rate-setting workshops at the University of Louisville EFC in Region 4 in 1999. The outlook for the expanded delivery of utility rate setting within the EFC Network is promising for the year 2000 and beyond. The EFC at Boise State is expected to assist the EFCs at the University of Louisville, the University of North Carolina and Cleveland State University in Region 5 in the use of the rate setting tool next year.

Financial Capacity Development: Financial Capacity Development -- the ability to both obtain the

resources necessary for sustainable infrastructure systems and to manage those resources well -- is one of the three capacity components required under the 1996 Amendments to the Safe Drinking Water Act (SDWA). A water and wastewater rate model was developed under a cooperative agreement with EPA's Environmental Finance Program and the Government Finance Officers Association. The purpose was to design a useful financial tool for small to moderately sized communities as an affordable way to evaluate their existing rate structures and evaluate the fees charged for water and wastewater systems. This is to encourage the adoption of rate structures and strategies that promote full cost pricing, using the EFC Network as the primary means of delivering to public officials the requisite training and technical support for its proper use.

- The University of New Mexico EFC provided ongoing assistance to the Syracuse University EFC in the facilitation of the development of a Capacity Development Strategic Plan for the New York State Department of Health.
- In 1999, the EPA Office of Ground Water and Drinking Water provided resources for the Boise State EFC to assist a number of states in meeting the goals of the Safe Drinking Water Act (SDWA). The Boise State EFC joined the Environmental Finance Center at the University of New Mexico to continue assisting state drinking water programs in EPA's Regions 2, 6, 7, 8, 9, and 10; and Native American Tribal Governments located within USEPA Region 6 in fashioning capacity development strategies required by SDWA.
- Boise State University EFC began working with the State of Maine's Drinking Water Program staff to assist its advisory committee in meeting the August 6, 2000 deadline for capacity development strategy implementation. Boise State's work in EPA's Region 1 demonstrates the "coast to coast" nature of its assistance programs.
- EPA's Office of Ground Water & Drinking Water and Region 10 has enabled the Boise State EFC to provide assistance to several states within Region 10 and in other EPA Regions. In 1999 significant resources were allocated to meeting the needs of four states in EPA's Region 7. Region 7 does not have an environmental finance center designated. Thus the EFC at Boise State answered the call for help in assisting Iowa, Kansas, Nebraska and Missouri. The EFC also assisted several states regarding other specific requirements of the SDWA. Prior to the statutory deadline of October, 1999 the EFC advised and assisted the States of Alaska, California, Missouri, Kansas and Idaho in the formulation of rules setting technical, financial and management standards for new public water systems.

Charrettes: Part of the EFC's goal is to provide assistance and to act in an advisory capacity to state and local governments on issues related to environmental finance. One way to achieve that goal is to advise local officials in a "charrette" format. The charrette process, pioneered by the University of Maryland EFC, employs an advisory panel of federal and state officials and financial experts who provide local officials with solutions to their problems with financing environmental services and facilities. The charrettes provide a forum for frank discussions between local officials and financial experts about financing difficulties experienced by communities in meeting the demands of environmental mandates.

The Maryland EFC, in coordination with the Environmental Finance Center Network, is examining the long-term sustainability of urban areas and their relationship to regional patterns of development through a series of four charrettes held regionally around the country. The first charrette was held in 1999. Three additional charrettes are being planned for 2000 and will be covered in the 2000 annual report.

- The 1999 charrette was held on July 22 in Charlotte, North Carolina in coordination with the EFC at the University of North Carolina at Chapel Hill. The charrette, entitled "*Sustainable Urban Environments: Implementing a Brownfields Cleanup Revolving Loan Fund*," focused on two issues:

1. How to implement the Brownfields Cleanup Revolving Loan Fund (BCRLF) program (an EPA-funded program) while tailoring it to the needs of its target audience, i.e., developers, lenders, environmental consultants, and environmental attorneys who work closely with brownfields redevelopment.
 2. How could the City of Charlotte's Employment and Business Services Division (EBS) combine its focus on neighborhood revitalization with the opportunity for brownfield redevelopment? The City of Charlotte's Employment and Business Services Division (EBS is charged with management of the BCRLF) expertise lies in revitalizing distressed neighborhood communities through various strategies, including brownfields redevelopment. However, it had no technical expertise working directly with federal cleanup regulations.
- The EBS Division wanted to link its emphasis on neighborhood revitalization with this new opportunity for environmental redevelopment in those neighborhoods. Both of these issues needed to be addressed before the EBS Division could propose a workplan to EPA for implementing the BCRLF program in Charlotte.
 - The Charlotte charrette, moderated by the Maryland EFC's Director, Jack Greer, presented an excellent opportunity for US EPA and other BCRLF cities to explore ways in which to optimize this new program. Panelists included community stakeholders, financial partners, other City professionals from environmental planning and development, the State of North Carolina EPA, environmental consultants, the City Attorney's office, the City Manager's office, and environmental attorneys. A summary of the charrette, along with the over thirty recommendations generated at the charrette, is available on the EFC at the University of North Carolina's web site <http://www.unc.edu/depts/efc>.
 - The New Mexico and University of Maryland EFCs are collaborating on sustainable urban environments Charrette. On behalf of the EFC Network, the Maryland EFC in Region 3 is the lead EFC on a project to assist with EPA's Sustainable Urban Environments Initiative. This project involves conducting 4 charrettes at various locations across the country in conjunction with the EFC serving that location. One of the charrettes is planned for Houston, Texas. The New Mexico EFC has been working with the Maryland EFC on planning the charrette, which should be conducted early 2000.

EFC Network Association:

In 1999, the EFC Network decided to form an Association of Environmental Finance Centers to enhance sustainable environmental systems in coordination with the public and private sectors. The EFC Network Association proposes to collaborate with public and private sector partners to bring technical assistance, outreach and educational resources to the issues surrounding the financing of environmental initiatives. As the EFC Network has expanded, forming an "official" EFC Network/Association presents an excellent collaborative opportunity for reaching out to the regulated community in a more visible way.

International Environmental Finance Program:

U.S. EPA's Office of International Activities is implementing an International Environmental Finance Program (IEFP) with the Environmental Finance Network through a cooperative agreement with Syracuse University's Environmental Finance Center (EFC). The goal of the IEFP is to provide access to capital for environmental projects worldwide. Eligible environmental areas include, but are not limited to, drinking water and wastewater, air pollution abatement, hazardous and solid waste, energy efficiency, natural resource use, and biodiversity and conservation. The IEFP's initial focus is the development of projects and partnerships in the Russian Federation. Preliminary work has also begun

in China and Ukraine.

In beginning its work with the Russian Federation, the Syracuse University Maxwell EFC has collaborated with the University of New Mexico EFC on capacity development assistance for the Nizhnii Tagil, Vodokanal, Russia. The EFC at the University of New Mexico will be assisting the Nizhnii Tagil Vodokanal with capacity development for its water and wastewater facilities. These activities primarily consist of assisting in the purchase of water meters, hosting a trip to the United States to view water and wastewater facilities, and presenting a workshop on capacity development. The Maxwell EFC intends this year to expand its cooperative efforts to include the EFCs at Boise State University and the University of North Carolina at Chapel Hill. The objective is to eventually involve the entire EFC Network.

Tribal Assistance:

In close collaboration with several tribes, the Great Lakes EFC (GLEFC) and the New Mexico EFC are working together to restore ecological balance to Native American Communities. The two EFCs have been working on independent contracts - one in Region 5 and the other in Region 6 - but have been sharing expertise and experiences throughout the project. In the spring of 1999, the EFC Director of the New Mexico EFC traveled to Michigan and Wisconsin to participate in the tribal workshops hosted by the Great Lakes EFC. In August of 1999, the Director of the Great Lakes EFC traveled to New Mexico to participate in the tribal workshop hosted by the New Mexico EFC. Collaboration on this project continues as both EFCs continue to work with the tribes. Outcomes to date are set forth below:

- Provided training to tribal staff and leadership on ecological design, sustainable development, alternative energy development, and comprehensive community planning. Over 300 tribal representatives from 27 of the 34 federally-recognized tribes in the states of Michigan, Minnesota, and Wisconsin received this training.
- Currently delivering technical assistance and consulting services to 4 tribes selected for in-depth assistance from the project.
 1. Little River Band, Michigan, sustainable development and ecological design for housing,
 2. St. Croix Indian Community, Wisconsin, alternative energy development, sustainable development, and e-commerce services,
 3. Bay Mills Indian Community, Michigan, alternative energy and sustainable development services, and
 4. Red Cliff Indian Tribe, Wisconsin, biological waste treatment, integrated community planning and development, financing services.

Pollution Prevention:

Publication of a report based upon pollution prevention demonstration projects conducted by two EFCs. Entitled Integrating Pollution Prevention with Community-Based Economic Development, the report was prepared by Great Lakes EFC Deputy Director Ziona Austrian for the U.S. EPA's Pollution Prevention Division in the Office of Prevention, Pesticides, and Toxic Substances. This publication is the final project report summarizing the research on financing programs for pollution prevention, and the two demonstration projects, the metal finishing industry in northeast Ohio and the dry-cleaning industry in San Francisco. The later demonstration project was conducted by the California EFC in Region 9.

Clean Air:

Collaborations on Clean Air Investment Fund for the U.S./Mexico Border Region have begun between the California State University EFC in EPA Region 9 and the University of New Mexico EFC in Region 6. As part of a new initiative, the New Mexico EFC teamed up with the California State University EFC to assist the EPA Region 6 Border Office on a project to establish a Clean Air Investment Fund for the El Paso/Juarez/Las Cruces Airshed. This project will be a joint effort of the two EFCs and should begin in winter of 2000.

EFC/EFAB Network Coordination:

Environmental Finance Center Directors also serve as expert witness to the Environmental Financial Advisory Board (EFAB), which provides authoritative analysis on finance issues to the EPA Administrator. The Centers have contributed to numerous environmental and financial issues and in turn have benefitted from valuable insights into strategies for implementing public-private partnerships, operations and maintenance issues, and other alternative financing mechanisms.

Environmental Financial Information Network:

The Environmental Finance Center Network updates its website continuously on the Environmental Finance Program homepage at <http://www.epa.gov/ocfo> or <http://www.epa.gov/efinpage>. The homepage, located on EPA's main website (www.epa.gov), provides information about the Environmental Finance Program (EFP), its components, and its services and publications. Included at the website is information about the Environmental Finance Center Network (EFC), the Environmental Financial Advisory Board (EFAB), and the Environmental Financing Information Network (EFIN). There are also available numerous advisories and reports, which can be found under Environmental Publications, as well as the *Guidebook of Financial Tools*, which is located under Environmental Financial Tools. We are continuously expanding the website. A major source of information are the ongoing updates on the EFC Network's activities, as the Centers use the world-wide-web to improve the effectiveness and efficiency of sharing information among the Network.

INTERNATIONAL ENVIRONMENTAL FINANCE PROGRAM

U.S. EPA's Office of International Activities is implementing an International Environmental Finance Program (IEFP) with the Environmental Finance Network through a cooperative agreement with Syracuse University's Maxwell Environmental Finance Center (EFC). The goal of the IEFP is to provide access to capital for environmental projects worldwide. Eligible environmental areas include, but are not limited to, drinking water and wastewater, air pollution abatement, hazardous and solid waste, energy efficiency, natural resource use, and biodiversity and conservation. The IEFP's initial focus is the development of projects and partnerships in the Russian Federation. Preliminary work has also begun in China and Ukraine.

The IEFP seeks to build capacity, through technical assistance and training. In the short term, it plans to select 3-5 projects and take them to the capital markets for financing. Selected projects will be close to meeting financing criteria, so that limited and targeted technical assistance and training will be effective. This approach will create a market pull generating additional projects and leading to additional financings. The IEFP's long-term objective is to help governments, institutions, other organizations, and individuals develop sustainable environmental finance systems. "Sustainable" covers everything from project finance to national policies and practices on taxation, budgets, transfers, pollution charges, capital markets, and financial management.

These objectives are achieved primarily by activities designed to:

- Strengthen environmental finance institutions and mechanisms, to generate reliable, self-sustaining sources of capital for environmental infrastructure projects. The focus of this activity will be indigenous sources of capital, both public and private, national and local.
- Improve project preparation, so that projects proposed for financing meet internationally accepted criteria with respect to project financing and cost-effective engineering.
- Improve creditworthiness of municipalities, organizations, and other financial entities that wish to borrow for projects, so that they can qualify for financing, preferably on the best rates available. EFP's working assumption is that most project sponsors will have to borrow to do substantive environmental infrastructure projects.
- Leverage international sources of capital, such as the multilateral development banks, USG agencies (Ex-Im, OPIC, et al.), and the private sector, to provide project financing.

In beginning its work with the Russian Federation, the Syracuse University Maxwell EFC has collaborated with the University of New Mexico EFC. The Maxwell EFC intends this year to expand its cooperative efforts to include the EFCs at Boise State University and the University of North Carolina at Chapel Hill. The objective is to eventually involve the entire EFC Network.

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