

## CLEANER PRODUCTION IN THE BUSINESS SECTOR

(TC-03-01-00-3)

### EXECUTIVE SUMMARY

**Executing agency:** Costa Rican Chamber of Industry [*Cámara de Industrias de Costa Rica*] (CICR)

**Objectives:** The main objective of the proposed project is to help improve the economic and environmental performance of small and medium-sized enterprises (SMEs) through the efficient use of inputs. The purpose of the project is to improve conditions so that SMEs are able to assume a more active role in incorporating cleaner production (CP) processes.

**Description:** The project has been divided into three components for execution: (i) development of clear rules; (ii) promotion of cleaner production; and (iii) strengthening and dissemination.

#### **Component I: Development of clear rules (MIF US\$186,500; local counterpart US\$165,000)**

The purpose of this component is to develop, disseminate, and establish clear rules that help introduce the concept of cleaner production and environmental management tools to SMEs, in order to improve their competitive position and environmental performance. This component includes the following activities: (i) *improving and validating regulations currently in force*; (ii) *disseminating regulations in force*; (iii) *developing and improving the regulatory procedures for Environmental Impact Assessments (EIAs)*; (iv) *implementing a national policy on cleaner production*; and (v) *using cleaner production incentives*.

#### **Component II: Promotion of cleaner production (MIF US\$327,425; local counterpart US\$135,225)**

The purpose of this component is to promote the use of cleaner production initiatives among SMEs through a system of production chains and environmental management systems that are tailored to the particular conditions of SMEs, along with the delivery of know-how for implementing the initiatives. This component includes: (i) *training in cleaner production for consultants and SMEs*; (ii) *cleaner production in production chains*; (iii) *self-evaluation in water use and*

*environmental canon for waste effluents; and (iv) Environmental Management System (EMS) for SMEs.*

**Component III: Strengthening and dissemination (MIF US\$56,125; local counterpart US\$62,325)**

The purpose of this component is to create conditions and strengthen the capacity for dissemination within the Ministry of Environment and Energy (MINAE), the National Center for Cleaner Production (CNP+L), and the Costa Rican Chamber of Industry (CIRC) so that they can work closely together in carrying out the project. This component includes activities of common interest to the institutions that must be carefully coordinated: (i) *promoting and raising awareness about the project*; (ii) *creating a project Web page*; (iii) *convening meetings to promote and disseminate results*; and (iv) *strengthening technical coordination*.

**Financing:** Modality: nonreimbursable funding from the Technical Cooperation Facility (Window I) and the Small Enterprise Development Facility (Window III-A).

<b>Amount and source:</b>	IDB (MIF)	
	Window I	US\$ 244,000
	Window III-A	US\$ 461,000
	Local counterpart:	US\$ 535,000
	<b>Total:</b>	<b>US\$1,240,000</b>

<b>Timetable:</b>	Execution period:	36 months
	Disbursement period:	42 months

**Environmental and social review:** The proposed project will have a positive environmental impact to the extent that it is designed to help SMEs implement cleaner production strategies, which will increase their competitive position (paragraph 7.1). The Committee on Environment and Social Impact (CESI) reviewed and approved the project abstract, without comment.

**Benefits and beneficiaries:** The beneficiaries will be: (i) 30 participating SMEs that implement CP at three production chains across the country; (ii) 30 trained environmental managers; (iii) 60 workers SMEs trained in CP; (iv) at least 300 registered users in an information technology network set up through the Web site; (v) at least 2,000 individuals who have acquired an understanding of CP through the project promotion activities (events, publications, Web site); (vi) public institutions, such as MINAE, and the Ministry of Health (MINSA), and other institutions involved, insofar as they will have model experiences that can be replicated in their sectors; and (vii) individuals who benefit from improved environmental conditions, for better health and hygiene (paragraph 8.1).

**Special  
contractual  
conditions:**

Conditions precedent to the first disbursement: (i) evidence that an agreement has been signed among the MINAE, CICR, and CNP+L for technical implementation of the project on a coordinated basis (see paragraph 5.3); and (ii) evidence that the two Technical Coordinators and the Project Manager have been selected, in accordance with the terms of reference approved by the Bank (see paragraphs 3.20 and 5.4).