

Project Proposal to Develop a System of Documenting and Communicating Results from Performance-Based Environmental Programs

Multi-State Working Group Policy Academy Board of Regents & the Cross Media Committee of the Environmental Council of the States

Problem Statement: Performance-based programs, both at the state and federal levels, show great promise in terms of achieving significant beyond-compliance environmental improvements, potentially playing a key role in the evolution of our existing environmental regulatory framework, attracting the interest of high-performing facilities by providing site specific efficiency and lowering transaction costs. However, documenting and evaluating the environmental results from these programs has proven challenging or has been perceived as less than transparent to some stakeholders. In the absence of a standardized measurement and evaluation protocol with broad acceptance from facilities, regulators and non-governmental organizations, performance-based programs will never progress from their current status as “innovative programs” to a legitimate approach for environmental management that potentially yields better results in a more efficient manner.

Proposed Path Forward: The Multi-State Working Group (MWSG) Policy Academy Board of Regents and the Cross Media Committee (CMC) of the Environmental Council of the States (ECOS) are co-sponsoring a project to document the results of environmental innovation. The project, which will be managed by a small committee of representatives of the MSWG Policy Academy and CMC/ECOS (“Project Oversight Committee”), is intended to answer the following three questions:

1. Do performance-based programs produce better environmental results? If so, what is the nature of those improved results?
2. How are the environmental results of performance-based programs best measured?
3. Which techniques and approaches are the most effective means of communicating the environmental results of performance-based programs?

For the purposes of the project, performance-based programs are defined as voluntary programs (to the extent that they are not required by government) that recognize and reward private and public facilities that demonstrate strong environmental performance beyond current government requirements. The fundamental goal of these programs at both the federal and state levels is to achieve better, more continuous environmental results. As such, these programs tend to focus on environmental outcomes (reduced emissions or higher compliance rates) rather than operationally-based output measures (number of inspections or permits). These programs often provide regulatory flexibility, creating opportunities for high performers to go beyond the compliance measures that are typically established by regulations. They also provide opportunities for state and federal government, as well as the regulated community, to target financial and human resources more strategically to produce better overall environmental results.

Timeline: At present, the MSWG and CMC/ECOS anticipate that the project will begin in mid-2006 and be completed in 2008. The proposed project timeline is as follows:

- ♣ Phase I (2006): The first part of the project involves the convening of a facilitated meeting of the various stakeholders on the issue, to include representatives of government agencies (including several states), non-governmental organizations, academics and the private sector (including the financial sector). The one-day dialogue session is expected to result in a more focused framing of the issue and, more specifically, to produce the basis for a detailed Request for Proposals (RFP) and budget for Phases II and III of the project. During the initial phase of the project, various private and public sources of potential funding for the second and third phases of the project (which are anticipated to involve an in-depth study and a conference to share the findings) will be investigated.
- ♣ Phase II (2007): The RFP framed by the stakeholders in Phase I will be released. Administration of the RFP process will be managed by the MSWG (or ECOS?). The Project Oversight Committee will review the proposals and select the best possible proposal in terms of suggested approach, qualifications and price. The Committee will work with the selected consultant to develop and implement a workplan for the study. It is anticipated that the workplan will include interviews with EPA and state officials, review and analysis of approaches implemented in states as well as countries other than the United States and interviews with representatives from the private sector (including the financial sector) interested in the development of a meaningful index of environmental performance.
- ♣ Phase III (2008): With the assistance of the selected consultant, the Project Oversight Committee will hold a multi-day conference to present the study findings. The conference is expected to attract a broad representation of the stakeholders involved in the project (~150 people).

Expected Outcome: When completed, the Project Oversight Committee expects that the project will provide answers to the questions noted above related to whether performance-based programs produce better results than the traditional rules-based approach and how best to measure and communicate those results. The project's design, with its broad-based participation and research approach, should provide credibility to its findings.

Send questions or comments to Sharon K. Baxter, Virginia DEQ, 804-698-4344 or skbaxter@deq.virginia.gov.