

Module 7. External motivations for Cleaner Production: Market advantage and regulatory compliance

So far, the course has focused on increasing efficiency and reducing waste as the primary motivations and benefits of implementing Cleaner Production. These motivations are *internal*.

This module examines two *external* motivations for implementing Cleaner Production:

- Compliance with environment, health, and safety regulations and policies
- Responding to demands in export markets for “green products” and “green suppliers”

7.1. Compliance with Mali’s environmental, health and safety requirements.

BDS providers have an ethical responsibility to make sure that client companies are aware of the environment, health and safety (EHS) requirements that apply to them under Mali’s laws and policies. BDS providers working on *donor-funded projects* are usually required to verify such compliance.

The presentation in this section will overview the EHS requirements that apply to SMEs in Mali

Where external EHS requirements must be met, additional costs often result. Adopting a Cleaner Production approach is a way to **minimize** these costs. This is because Cleaner Production is prevention-based and focuses decision-making on total costs.

Attachments

Module overheads, TBD (to be developed by [country xxx]an presenter)

7.2. Compliance with donor procedures: the Example of USAID’s environmental requirements

[Note: this section will only be presented if a number of participants at the course are from USAID-funded SME projects]

All USAID projects must undergo an environmental review process. This process usually imposes project implementation requirements intended to assure that the project does not fail for environmental reasons, or cause unintended

In the case of SME-centered projects involving BDS providers, these requirements typically include:

- Capacity-building in Cleaner Production and application of CP in the BDS program
- Screening of SMEs and/or loans for possible significant adverse impacts.

For projects involving agriculture, restrictions on pesticide use and procurement will also apply.

This section will discuss these requirements in more detail.

Attachments

TBD

7.3. Voluntary trade standards & the role of Cleaner Production

In many of the key developed-country markets for African exports (e.g., coffee, tea, cotton), consumer demand increasingly reflects non-economic values & preferences such as concern for child labor practices, fair payment to farmers, and the environmental impacts caused by the production of goods.

In addition, these consumers are increasingly concerned about food and product safety.

As a result, an increasing number of consumers are willing to pay more for “green goods.” And increasingly, consumers are putting pressure on the private sector to provide “safe goods” above and beyond regulations.

In response, the private sector has:

- Imposed environmental, social, and product-safety requirements on their suppliers.
- Developed “green product lines” and selected suppliers who can conform to their requirements

As a result, producers in the developing world increasingly find that compliance with **voluntary trade standards** is essential in order to:

- Increase the value-added of their products/become less of a commodity supplier.
- Enhance their ability to act as suppliers to developed-country companies.
- Maintain access to/share in old markets and with old customers.
- Gain access to new markets.

The presentation in this section introduces some key voluntary trade standards (such as Fair Trade, FSC, and EurepGAP standards). It also explains how CP helps an organization evaluate the business case for adopting a standard and helps to minimize the costs of adoption.

Attachments

Module Overheads

Fact Sheets