



At a Glance

Why We Did This Review

We conducted this review to determine the environmental and economic benefits of the Green Project Reserve (GPR) in the U.S. Environmental Protection Agency's (EPA's) Clean Water State Revolving Fund (CWSRF) program. The CWSRF is the nation's largest water quality financing source.

From 2009 through 2014, the EPA awarded over \$12.7 billion of CWSRF funds to states. Of that amount, \$3.24 billion (more than 25 percent) funded GPR projects. GPR projects address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. The EPA provides grants to states to make the most of state CWSRF loan programs. The states contribute an additional 20 percent to match the federal grants. States combine federal funds and their own state dollars to award low-interest loans to communities that need to make water infrastructure improvements.

This report addresses the following EPA goals or cross-agency strategies:

- *Protecting America's waters.*
- *Working to make a visible difference in communities.*
- *Working toward a sustainable future.*

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EPA Needs to Assess Environmental and Economic Benefits of Completed Clean Water State Revolving Fund Green Projects

What We Found

The EPA does not routinely assess the environmental and economic benefits of completed GPR projects. However, Section 35.115 of Title 40 of the Code of Federal Regulations, the Government Performance and Results Act, and U.S. Office of Management and Budget Circular A-123 require the EPA to establish goals and internal controls to efficiently manage operations, and assess program performance and results.

The EPA needs to collect and evaluate data on the environmental and economic benefits of over \$3.24 billion in public funds invested in green projects from 2009 through 2014.

The EPA has not designed a system to collect benefits information after project completion, and agency and state program staff have a perception that benefits collection would be an administrative burden for loan recipients. Despite those perceptions, our work showed that environmental benefits information about some completed projects has been collected and is available. In addition, the EPA has conducted its own studies of select projects, although the agency has not made those studies public. Routine measurement and reporting of benefits from completed projects improves the agency's ability to effectively oversee, manage and monitor the environmental and economic benefits of this substantial \$3.24 billion investment of public funds.

Recommendations and Agency Response

We recommend that the Office of Water publicly release the EPA's benefit findings from internal reports, develop a routine process to collect GPR benefits data as part of the regular oversight of state programs, and evaluate and report to the public collected environmental and economic benefits information in collaboration with states and GPR loan recipients.

The Office of Water provided a response to our draft report. We met to discuss the Office of Water response, but were unable to reach full agreement on our recommendations. All recommendations are unresolved and the Office of Water will need to initiate the resolution process within 30 days of the final report issuance.