



Indonesian - German Environmental Program



ProduksiH Project

S U M M A R Y

Cost Benefit
Analysis for
Cleaner Production
in the Leather
Tanning Industry

Cost Benefit Analysis for Cleaner Production in the Leather Tanning Industry

The Cost Benefit Analysis (CBA) is an economic analysis of Cleaner Production measures, which enables the company's management to assess in advance costs and benefits resulting from the application of Cleaner Production techniques.

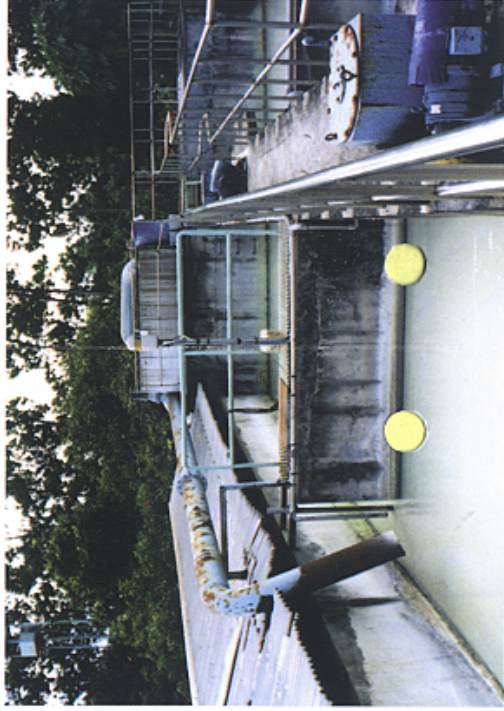
Indonesian tanneries can use cleaner production techniques based on sound cost-benefit analysis to improve their production process as well as their environmental performance.

Goals

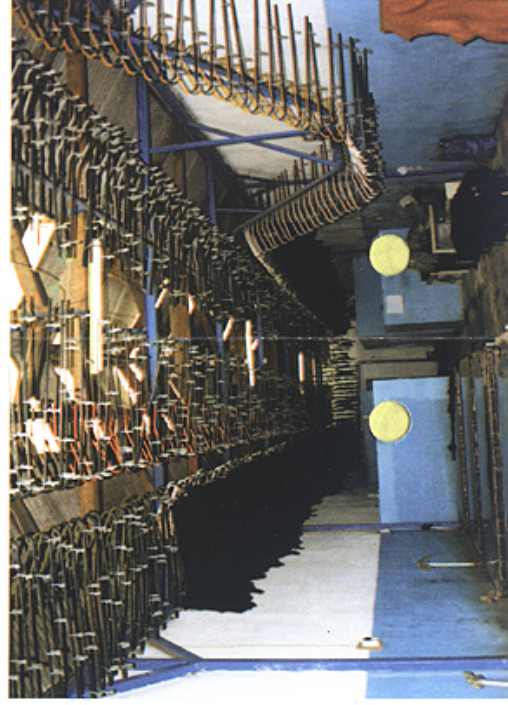
- To gather basic information on the existing production process and the environmental performance
- To identify which production process could be made more efficient
- To make a cost-benefit analysis for cleaner production options related to the selected steps of the production process
- To provide consultation concerning the cost-benefit analysis, the cleaner production recommendation and their implementation

Scope of Activities

The activities include an assessment of each production process and provision of a cost-benefit analysis and consultation.



Improving the waste water quality



Re-use of water for drying process



Worker protection in balling operation

These will be carried out in close cooperation with the company's management.

The consultation is to provide information on available techniques and recommendations concerning tailor-made solutions and the implementation. The team consists of experts who are familiar with the tanning process and the available techniques.

Methodology/Time allocation

The initial Cost-Benefit-Analysis based on a checklist will be carried out in one or two days.

This activity includes a presentation of preliminary findings and recommendations. The whole range of activities, from assessment phase to the presentation of cost-benefit analysis report will be completed in two weeks.

Based on Cost-Benefit-Analysis the company should develop a working-plan of implementation (including selected options, time schedule, resource allocation and specification of further assistance needed) which is to be presented to the team .

In the implementation phase, ProkusiH project can act as a facilitator if the company needs further assistance.

The amount of time spent for the next proceeding depends on the specific condition in each company.

WHAT IS PRODUKSIH ?

Indonesia's rapid industrialization is resulting in both increasing discharge of waste and degradation of natural resources.

Meanwhile, industry managers have realized that in order to stay in business they have to integrate environmental considerations into their marketing strategies.

The government of Indonesia has designed its 'Cleaner Production Strategy' to improve competitiveness, foster energy efficiency, reduce industrial waste, and preserve natural resources. In order to support this Cleaner Production Strategy an Indonesian - German project was launched as part of the Environmental Program that is called ProduksiH (Produksi Bersih).

The Indonesian institution responsible for the project is the Environmental Impact Management Agency (BAPEDAL).
GTZ/PEM is supporting the project with know-how and expertise.

Current priorities include:

Textile

- T1 : Gap Analysis Indonesian Government Regulations
- T2 : Gap Analysis German Regulation on Textile Consumer Goods
- T3 : Gap Analysis Management System Regarding Buyer Requirements
- T4 : Gap Analysis Öko-Tex Standard 100
- T5 : Gap Analysis Typical Buyer Requirement (Migros Eco - Label)

Leather

- L1 : Cost-Benefit-Analysis in Leather Tanning Industry
- L2 : Good Housekeeping for Tanneries

General

- G1 : Good Housekeeping
- G2 : Environment-oriented Cost Management
- G3 : Chemical Management



INDONESIAN - GERMAN ENVIRONMENTAL PROGRAM PRODUKSIH PROJECT

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