

Review of the Implementation of the Department of Enterprise, Trade & Employment's Sustainable Development Strategy 2003-2005



An Roinn Fiontar, Trádála agus Fostaíochta
Department of Enterprise, Trade and Employment

**Sustainable
Development
Strategy**
2003 - 2005



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INTRODUCTION

Sustainable Development Strategy 2003-2005

The Department of Enterprise, Trade & Employment's Sustainable Development Strategy (SDS) was published in December 2002. The Brundtland definition of sustainable development is at the core of the actions set out in the SDS. That definition refers to development that encompasses economic, social and environmental dimensions in a balanced way in order to ensure that society can meet the needs of the present generation while allowing for future generations to be able to meet their needs.

The Strategy was built around four goals:

Goal 1- Climate Change

Goal 2- Competitive Sustainability

Goal 3- Corporate Social Responsibility

Goal 4- Departmental Sustainability

The aim of the Strategy was to provide a path for the Department and Irish enterprises to achieve more sustainable development, while maximising the business and competitiveness opportunities presented.

This Paper reviews implementation of the Department's Sustainable Development Strategy, providing information on the activities undertaken under each of the four goals, the outcomes achieved and the evolution of the policy context for the sustainable development agenda.

Changing Policy Context for SDS

The SDS was prepared at a time when attitudes to environmental issues were undergoing a sea change, and there was a growing awareness of the need to find pathways to achieving more sustainable development i.e. development which strikes an appropriate balance between economic, social and environmental aspects. While it was widely acknowledged that industrial development had been central to our economic success and to improvements in living standards, there was a growing awareness of its potential to impact on our environment. Industry itself was aware that, while its contribution to environmental problems was modest compared to that of other sectors, it would have to shoulder its fair share of the burden of protecting our environment. Industry was also beginning to recognise that eco-innovation and more sustainable ways of doing business presented opportunities which, if harnessed, would result in improved competitiveness and a reduced impact on the environment.

The objectives of the SDS were: To promote sustainable development within the Department's Activities, and, building upon the significant efforts which had already been made by industry to reduce its environmental impacts, to set out a pathway over the period 2003-2005 to enable enterprises to adapt to, and harness the opportunities presented by, sustainable development.

GOAL 1- CLIMATE CHANGE

Strategic Goal:

“Pursue the establishment of appropriate mechanisms to ensure that the enterprise sector can meet its obligations to reduce greenhouse gas emissions under the National Climate Change Strategy as cost-effectively as possible.”

The Member States of the European Union and the European Community are signatories to the Kyoto Protocol, which requires reductions in emissions of greenhouse gases by specific amounts over a period from 2008 to 2012 and beyond. Under an EU burden sharing agreement, concluded in June 1998, Ireland’s target is to limit growth in greenhouse gas emissions to 13% above 1990 levels. The very challenging nature of this target is put into perspective when one considers that GDP has grown by 155% between 1990 and 2004.

At the time the SDS was being prepared it was already clear that Irish industry, through innovation and energy efficiency, was making very serious efforts to reduce its impact on the environment. Ireland’s success in decoupling emissions from economic growth is evidence of this; in 2003 emissions per unit of GDP were 52.6% of their level in 1990. In the thirteen year period between 1990 (the base year for Kyoto) and 2003, industrial production increased by 328% as compared with an increase of 60% in energy consumption (which includes energy consumption across the economy). Emissions from industry decreased from 18% of total emissions in 1990 to 16% of total emissions in 2004.

The objectives of this Goal of the Strategy were informed by the provisions of the National Climate Change Strategy (NCCS), which was published in October 2000. The NCCS provided a framework for achieving greenhouse gas reductions across all sectors in the most efficient and equitable manner, while continuing to support economic growth. Many of the actions proposed in the SDS built upon the provisions in the NCCS relating to the industrial, commercial and services sector.

At the time of publication of the NCCS, and indeed the SDS, the climate change agenda was a relatively new but fast developing area of expertise. There was still uncertainty as to whether the Kyoto Protocol would be ratified by sufficient States to bring it into force, and many concepts such as emissions trading, Joint Implementation (JI) and Clean Development Mechanism (CDM) were still being defined and were therefore unfamiliar to the enterprise sector. Consequently, as a starting point towards achieving the Strategic Goal of pursuing the establishment of appropriate mechanisms to ensure that the enterprise sector could meet its obligations to reduce greenhouse gas emissions under the NCCS as cost-effectively as possible, the Department and its policy advisory agency, Forfás, commissioned two significant consultancy studies on four instruments which were emerging in the field of climate change:

- Emissions trading
- Project investment (Joint Implementation (JI) and Clean Development Mechanism (CDM))
- Negotiated agreements
- Taxation

In 2002 ERM published a report, commissioned by Forfás and the Department of Enterprise, Trade & Employment, on how Irish industry could benefit from emissions trading and project investments, and recommended the institutional support that industry would need from Government and industry bodies¹. In addition, the Department and Forfás jointly funded a significant consultancy study by Indecon on the use of taxation and negotiated agreements for reducing greenhouse gas emissions.² As part of this study, the Department and Forfás undertook a public consultation process, inviting submissions from companies, representative organisations and individuals. While many of the recommendations in both studies were subsequently overtaken by developments at EU and national level, they played an important role in building a knowledge base, among policy makers and industry, of the emerging

¹ “Climate Change Study- Emissions Trading and Project Investment for the Enterprise Sector” (January 2002) prepared by ERM (Environmental Resources Management Ltd.)

² “Competitiveness of the Enterprise Sector and the use of taxation and negotiated agreements for reducing greenhouse gas emissions in Ireland”(January, 2002) A report for the Department of Enterprise, Trade & Employment and Forfás by Indecon International Economic Consultants in association with London Economics.

instruments in the climate change arena. This knowledge informed the Department's input on the negotiations in regard to the Emissions Trading Directive and the Linking Directive, and provided robust data in relation to policy considerations in the area of taxation and negotiated agreements.

Objective and Actions

Emissions Trading

Strategic Objective 1:

Facilitate optimum participation for enterprises in the EU Emissions Trading Scheme.

At the time of publication of the SDS the EU Emissions Trading Scheme (EU ETS) was being developed by the EU as a mechanism to tackle carbon dioxide (CO₂) emissions to combat the threat of climate change.

Negotiations on the Emissions Trading Directive

The Department of Environment, Heritage & Local Government was the lead Department on the Emissions Trading Directive, but was assisted by the Inter-Departmental Climate Change Team and the Emissions Trading Advisory Group (ETAG)³. The Department of Enterprise, Trade & Employment was involved in intensive negotiations, at national and EU level, on the complex issue of Emissions Trading. The Department fed into the national negotiating position through our participation in the ETAG, which comprised representatives from industry and Government agencies, and the Interdepartmental Climate Change Team⁴. At EU level, the Department participated in the Council Working Group which prepared the complex Directive. The negotiations culminated in July 2003 with the adoption of the EU Emissions Trading Directive⁵.

³ This Group, established by the Department of Environment, Heritage & Local Government, was chaired by the National Treasury Management Agency and comprised representatives from industry and Government agencies.

⁴ The Interdepartmental Climate Change Team is led by the Department of Environment, Heritage & Local Government and comprises Government stakeholders in the area of climate change, viz Department of Enterprise, Trade & Employment, Department of Transport, Department of Communications, Marine & Natural Resources, Department of Agriculture & Food, Department of Foreign Affairs.

⁵ 2003/87/EC

The EU ETS became a far more significant mechanism for reducing CO₂ emissions nationally and in the enterprise sector than had been envisaged when the SDS was adopted. The emissions trading scheme applies to 143 installations in Ireland which are, in the main, the most significant emitters of CO₂. In fact, 100% of industrial process emissions and approximately 80% of combustion-related emissions from manufacturing industry come within its wide scope. This had obvious implications for the development of other possible mechanisms which would have been focused at the enterprise sector, such as negotiated agreements, as it significantly reduced the targeted group of possible participants.

The EU ETS is now regarded as one of the key measures in Ireland's strategy to meet its Kyoto target. It is also regarded as a flagship policy at EU level to combat the threat of climate change. The scheme is a market-based mechanism which works on a "Cap and Trade" basis. All 25 EU governments are each required to draw up a National Allocation Plan (NAP) which sets emission caps for installations covered by the scheme (primarily large industry and the power generation sector). Participating companies buy or sell CO₂ emission allowances as required, thereby achieving targets at least cost. The pilot, or "learning by doing" phase of the EU ETS commenced on 1st January 2005, and will run until the end of 2007. The second phase will run from 2008-2012, coinciding with the first Kyoto commitment period.

National Allocation Plan 2005-2007 (NAP I)

Following the adoption of the Emissions Trading Directive, the focus at national level turned to the determination of the allocation to the Trading Sector, and key policies to underpin NAP I. This Department's aim was to ensure that industry would bear its fair share of the burden to reduce CO₂ emissions (i.e. that it would deliver reductions proportionate to its emissions).

The Department was involved in the Steering Group for the ICF/Byrne O' Cléirigh consultancy "Determining the Share of National Greenhouse Gas Emissions" (February 2004), which informed the Government decision on the allocation to the Trading Sector for the first trading period. In addition, through our participation in the Interdepartmental Climate Change Team, and ongoing bilateral contacts with the Department of Environment, Heritage & Local Government, this Department played

an important role in ensuring that industry's views informed the formulation of the policy directions which underpinned NAP I. At EU level, the Department participated in the European Commission Working Group on Emissions Trading. This gave the Department an opportunity to engage with European policy makers on issues arising in regard to preparations for NAP I, and on broader policy issues relating to the review of the EU Emissions Trading Directive.

All of the work outlined above culminated in a Government Decision in March 2004 on the allocation to the Trading Sector. In that Decision, Government designated the Environmental Protection Agency (EPA) as the competent authority responsible for implementing the EU ETS in Ireland, including the preparation of NAP I. The Government also set down a number of policy directions to be observed by the EPA in preparing the NAP regarding the treatment of competitiveness, new entrants, closures, and auctioning. The EPA drew up the NAP I in line with these policy directions and, following two public consultations on the draft NAP, NAP I was submitted to the European Commission. In July 2004 the NAP I was approved by the Commission.

NAP II

Preparations for NAP II (2008-2012) began shortly after NAP I had been approved by the Commission. The Department continued its regular meetings with industry, both through the formal structure of the Industry and Climate Change Working Group⁶ and more informal bilateral contacts with industry. These contacts enabled the Department to gain a better understanding of issues of concern to Irish industry arising from the operation of the EU ETS, which commenced on 1st January 2005.

The Department had learned, through our involvement in the EU Working Group on EU ETS and from listening to Irish industry's experiences of the EU ETS, that there was an uneven playing pitch in Europe due to variations in rules among the 27 Phase I

⁶ In July 2003, the Department established the Industry and Climate Change Working Group to facilitate the exchange of information, between public and private sector representatives, on climate change initiatives affecting industry. The Group is chaired by a senior official from this Department and comprises both private and public sector stakeholders on climate change.

NAPs.⁷ At this Department's request, the Department of Environment, Heritage & Local Government commissioned Ecofys to undertake a comparative analysis of Phase I (2005-2007) NAPs so that all the facts would be available to inform discussions on NAP II (2008-2012). This Department worked with the Department of Environment, Heritage & Local Government and the Department of Agriculture & Food on the Steering Committee for this consultancy.

The Department ensured, through its participation in the Interdepartmental Climate Change Team, that the lessons from industry's experience of the first trading period informed the NAP II policy discussions. In addition, the Department participated on the Steering group for the ICF/BOC consultancy which reviewed and updated the greenhouse gas emissions projections for the period 2008-2012 which had been made in the first ICF/BOC consultancy.⁸ In February 2006, Government made a decision on the allocation to the Trading Sector based on the recommendations of the ICF/BOC consultancy. That decision also set out a number of policy directions to be taken into account by the EPA when drawing up the NAP II. Ireland's NAP II was submitted to the European Commission in July 2006. The EU Commission communicated its decision at the end of November 2006, seeking certain amendments to the NAP. That decision is currently under consideration.

Negotiated Agreements

Strategic Objective 2:

Pursue the establishment of structures and mechanisms to ensure that enterprises can engage in negotiated agreements where appropriate.

Negotiated agreements are agreements between industry and public authorities on the achievement of specified objectives. The SDS envisaged that the Department would engage with the Department of Environment, Heritage & Local Government, the Department of Communications, Marine and Natural Resources and Sustainable Energy Ireland (SEI) on the development of negotiated agreements for enterprises to achieve emission reductions in the areas of energy and process emissions. As stated

⁷ Belgium is divided into three administrative regions (Brussels, Wallonia and Flanders) and each of these regions prepared a NAP.

⁸ "Determining the Share of National Greenhouse Gas Emissions for Ireland" (February, 2004) and "Determining the Share of National Greenhouse Gas Emissions for Ireland 2008-2012" (March, 2006)

earlier, the expected contribution of negotiated agreements to reducing CO₂ emissions was diminished by the wide scope of the EU ETS. Nonetheless, while the EU ETS was still under development, a significant level of work was undertaken by SEI in regard to the development of negotiated agreements.

SEI Pilot Negotiated Agreements Programme 2002/2003

Over the course of 2002 and 2003, SEI engaged in a pilot Negotiated Agreements programme involving 26 companies. This proved to be a very successful programme by establishing through three types of agreements, the viability and potential efficacy of a negotiated agreements measure as part of a climate change policy for Ireland. When work commenced on the preparation of the EU ETS National Allocation Plan towards the end of 2003, it emerged that, 100% of process emissions and approximately 80% of combustion related emissions from manufacturing industry came within the very broad scope of the EU ETS. This meant that, for the majority of industry emissions, the EU ETS would act as the driver for emissions reductions, rather than an instrument such as negotiated agreements. The decision not to proceed with a carbon tax was also of relevance to the development of negotiated agreements, as an exemption from a carbon tax had been proposed as a driver for negotiated agreements. However, as it had been the intention that companies participating in the EU ETS would, in any event, have been exempt from a carbon tax, the scope for negotiated agreements to decrease CO₂ emissions in industry was significantly reduced, as the main CO₂ emitters came within the scope of the EU ETS. Consequently, SEI concentrated its efforts on developing a voluntary Energy Agreements Programme for large intensive users of energy. This Energy Agreements Programme was centred on the development of an Energy Management Standard.

Development of Energy Management Standard and Structured Energy Management Programmes

The valuable work done by SEI in their pilot negotiated agreements programme was put to good use when SEI, re-focusing their work in this area, turned their attention to the development of structured Energy Management Programmes and, with the National Standards Authority of Ireland, a new Energy Management Standard.

In October 2005, NSAI launched IS-393 on Energy Management Systems. The Standard, which is designed for large energy intensive enterprises, requires companies to manage energy through formalised structures to achieve significant savings in energy use and greenhouse gas emissions. By joining SEI's Energy Agreements Programme, companies undertake, supported by tailored advice from SEI, to work towards achieving certification to IS 393. It is expected that 20 of Ireland's largest industrial energy users will have signed up to the Energy Agreements Programme by the end of 2006. SEI's ultimate aim is to attract up to 100 of Ireland's largest industrial energy users to participate in the Programme. It is estimated by SEI that with full participation of the 100 companies, the annual savings in greenhouse gas emissions will be almost 200,000 tonnes.

A parallel Energy Management Action Programme (EnergyMAP) is in place for companies who wish to achieve energy savings but may not have the audit requirements necessary to obtain IS 393. This programme is particularly valuable as a tool to assist smaller companies to achieve emission reductions.

Industrial Gases (F-Gases)

Hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆) are known collectively as fluorinated gases (F-Gases). They are used in several applications, including refrigeration, air conditioning systems, semiconductor manufacture, fire extinguishers and aerosols. In addition, mobile air conditioning in cars is a significant source of F-gases. The SDS envisaged a number of actions for the reduction of emissions of F-Gases, but these have, in the main, been overtaken by developments at EU, national and industry level.

Before looking at developments in the field of F-Gases over the period of the SDS, it is worth noting that the most recent data shows that F-Gases comprise less than 1% of national greenhouse gas emissions. The latest inventory update for F-Gases show that while for most sectors emissions of f-gases have generally increased year on year, one exception to this trend is in the manufacture of semiconductors where, even though emissions have grown significantly, the reported emissions show annual fluctuations reflecting changing manufacturing activity in response to global trends in the market. In a number of sectors the increase in F-Gas emissions is directly attributable to the

use of HFCs and PFCs as alternatives to CFCs which are being phased out for the purpose of complying with the Montreal Protocol on substances that deplete the ozone layer.

F-Gases Regulation & Mobile Air Conditioning Directive

In April 2006, the EU Council of Ministers, following an agreement reached with the European Parliament earlier in the year, adopted a regulation on fluorinated greenhouse gases and a directive on emissions from air conditioning systems in motor vehicles. Both pieces of legislation are aimed at introducing cost-effective mitigation measures for the use of F-Gases, and are expected to reduce projected emissions of F-Gases across the EU by around 23 million tonnes of CO₂e by 2010, with even greater reductions thereafter.

Strengthening of IPPC Licensing Regime

The 2003 Protection of the Environment Act introduced provisions enabling the EPA to consider, for the first time, greenhouse gas emissions, which include F-Gases, as part of the IPPC licensing process. This was as a result of negotiations between this Department and the Department of Environment, Heritage and Local Government which had responsibility for drafting the Act.

Semiconductor Industry Voluntary Agreements

Following the Montreal Protocol in 1995, Intel Corporation publicly signed up to a voluntary agreement to reduce its Global Warming Gas (including SF₆) emissions to 10% below 1995 levels by 2010. Intel also led the semiconductor industry, through the World Semiconductor Council and in turn the European Semiconductor Association, to agree a memorandum of understanding for all industry participants to meet the same goal.

Intel Ireland has committed to doing its part to ensure those commitments are met and has implemented a program to reduce absolute Global Warming Gas emissions at the campus at Leixlip. Even though there has been significant expansion of operations at the Leixlip campus since 1995, Intel Ireland is on track to meet its contribution towards the Global Warming Gas reduction target. This is due to a series of measures

at both corporate and site level, including recipe modification, material substitutions and improved abatement systems.

Joint Implementation (JI) and Clean Development Mechanism (CDM)

Strategic Objective 3:

Facilitate optimum participation for enterprises in JI and CDM projects abroad and consider the implications of JI projects to be based in Ireland.

JI and CDM are project based Kyoto mechanisms whereby companies can invest in projects in another country which reduce greenhouse gas emissions (e.g. renewable energy plants etc.) and, in return, obtain a share in the emission reduction credits resulting from the amount of emission reductions achieved by the project. JI projects are carried out in industrialised countries with existing Kyoto emissions reduction targets, whereas CDM projects are carried out with developing countries without Kyoto emissions reduction targets. The rationale behind these mechanisms is that greenhouse gas emissions are a global problem, and, therefore, regardless of the place where the emission reduction is made, it will have the same effect on the global climate system.

The project based Kyoto mechanisms of JI and CDM were in existence prior to the negotiation of the EU ETS, and are part of a different system to that of the EU ETS. In order to allow carbon credits from JI and CDM projects to be used by companies participating in the EU ETS to meet their obligations, it was necessary to create a link between the two systems.

Negotiations Leading to the Adoption of the Linking Directive

The Department of Environment, Heritage & Local Government was the lead Department on the Linking Directive, but was assisted by the Inter-Departmental Climate Change Team and the Emissions Trading Advisory Group.

Throughout the first half of the Strategy period, the Department of Enterprise, Trade & Employment was involved in intensive negotiations, at national and EU level, on the complex and technical issue of the Linking Directive. The Department fed into the national negotiating position through our participation in the Interdepartmental

Emissions Trading Advisory Group (ETAG), which comprised representatives from industry and Government agencies, and the Interdepartmental Climate Change Team. At EU level, the Department participated in the Council Working Group which prepared the complex Linking Directive.

The “Linking Directive” was adopted by the EU Parliament in April 2004. It allows carbon credits generated by JI and CDM projects to be used for compliance by companies participating in the EU ETS. The rationale for this linkage is that cost effective JI and CDM credits may reduce the costs of compliance for European industry.

Designation of EPA as National Authority

The Department, through our involvement in the Interdepartmental Climate Change Team, worked to ensure that the appropriate national structures were put in place to facilitate the purchase by companies of JI/CDM credits. Following consideration of the issue, the Government decided, in November 2005, to designate the EPA as Focal Point and National Authority for JI and CDM, respectively. Their role will be to approve participation by private or public entities in JI or CDM project activities.

Investment Analysis

Strategic Objective 4:

Ensure that mechanisms are in place to assess the impact of inward and indigenous investment projects on greenhouse gas emissions.

This Strategic Objective has its roots in the commitment in the National Climate Change Strategy that the Department of Enterprise, Trade & Employment’s industrial development agencies will examine inward and indigenous investment proposals and opportunities from the perspective of impact on greenhouse gas emissions, and that, for those proposals with a disproportionate impact on national emissions and the achievement of Kyoto target, the cost to the economy of achieving compensatory savings elsewhere will be part of the overall assessment of the proposal.

The Department requested Enterprise Ireland’s (EI) Environment Policy Unit to undertake a study of EI and IDA investment decisions. When the results of this study

were available, the Department established an Inter-Agency Group, comprising representatives of the enterprise development agencies, to explore options for determining the impact of inward and indigenous investment proposals/decisions on GHG emissions. The results of that study indicated, inter alia, that the types of projects currently being grant aided by the agencies are not generally significant emitters of greenhouse gases. Nonetheless, work is continuing to finalise a mechanism for factoring the carbon emissions impact of proposed projects into decisions on grant-aid provided by the development agencies.

Taxation

Strategic Objective 5:

Contribute to the development of appropriate taxation measures as part of the policy mix for achieving greenhouse gas emission reduction targets.

The National Climate Change Strategy, published in 2000, identified taxation as one of the cross-sectoral economic instruments to be used as an incentive to identify least-cost options for reducing greenhouse gas emissions and provide sectors with flexibility in deciding how to meet emissions targets. At that time the climate change agenda was only just beginning its fast paced evolution, and there was therefore very limited knowledge on how taxation might be used as an instrument for emissions reductions. To address this knowledge deficit, the Department and Forfás jointly commissioned and funded a very significant study on the competitiveness of the enterprise sector and the use of taxation and negotiated agreements for reducing greenhouse gas emissions. This in-depth study came up with an integrated series of recommendations regarding the interrelated instruments of taxation and negotiated agreements⁹. The findings of this report informed this Department's input to the policy debate in Ireland on the issue of taxation as an instrument for emission reductions.

⁹ For a more detailed explanation, see earlier Section on Negotiated Agreements.

Green Tax Group

The Department of Finance, which has policy responsibility for taxation issues, established a Green Tax Group to consider the green tax issues and this Department worked closely with a range of other Government stakeholders on that Group¹⁰. The Group met regularly to consider all aspects of possible taxation measures, ranging from how a taxation measure would operate in practice to the social, economic and environmental impacts of any such taxation measures. One of the key tasks of the Group was to consider submissions received in response to the public consultation on the proposed carbon tax.

In September 2004 the Government, having concluded its examination as to how a carbon energy tax could be implemented and the likely effects of such a tax in social, economic and environmental terms, formed the view that the environmental benefits would not justify the difficulties that would arise, especially for households. In coming to this conclusion, the Government took account of the fact that the reduction of 0.5m tonnes per annum in emissions to be achieved by the tax would be a very modest contribution to the 9 million tonnes per annum which was estimated at that time to be required in order to meet our Kyoto commitments. The Government also took into account the recent international increases in energy prices which resulted in an enhanced incentive for energy conservation. Consequently, the Government decided not to introduce a carbon tax, but rather to intensify action under other non-tax measures of the NCCS.

Awareness Raising and Education for Enterprises

Strategic Objective 6:

Improve the availability and take-up of information for enterprises on actions that can be taken to address greenhouse gas emissions and climate change issues.

The SDS recognised that improving the information available on climate change- its causes, implication and remedies- would be key to promoting the behaviour changes

¹⁰ The Green Tax Group was chaired by the Department of Finance, and comprised representatives from the Department of Enterprise, Trade & Employment, the Department of Transport, the Department of Agriculture & Food, the Department of Communications, Marine & Natural Resources, the Department of Environment, Heritage & Local Government, the Department of the Taoiseach, the Department of Social, Community & Family Affairs, and Revenue.

necessary to achieve emission reductions. Over the period of the Strategy, climate change has become a topic in which there is much public interest with the result that the general level of awareness of climate change issues is much higher than it was when the SDS was published.

Commissioning of Studies to Build Up Knowledge Base

When the SDS was published in 2002, climate change was a new, but rapidly developing policy area. As referred to earlier, the Department and its policy advisory agency, Forfás, commissioned and funded two significant consultancy studies on the four instruments which were emerging as key instruments in the field, viz: emissions trading; project investment (Joint Implementation (JI) and Clean Development Mechanism (CDM); negotiated agreements; and taxation. The enterprise sector participated in the Steering Groups for these studies, which contributed significantly to awareness raising and education for the sector.

Industry and Climate Change Working Group (ICCWG)

In July 2003, the Department established the Industry and Climate Change Working Group to facilitate the exchange of information, between public and private sector representatives, on climate change initiatives affecting industry. The Group is chaired by a senior Department official and comprises both private and public sector stakeholders on climate change.¹¹ The ICCWG has proven to be a valuable forum for the exchange of information on climate change issues.

Emissions Trading Seminars

The implementation of the Emissions Trading Directive provided a stimulus for the take up of information on climate change issues by the enterprise sector. As already stated, the Directive has a wide scope, covering 80% of energy related emissions from the enterprise sector. Over the course of the Strategy, a number of seminars and workshops were held by the Department of Environment, Heritage & Local Government and the EPA to increase awareness of the Directive and to consult on

¹¹ The Group is chaired by this Department and comprises representatives from IBEC, the Department of Environment, Heritage & Local Government, the Department of Communications, Marine and Natural Resources, the Environmental Protection Agency and Sustainable Energy Ireland.

implementation. This significantly raised the profile of climate change issues for enterprise.

Performance under Key Indicators

Framework in place for participation by enterprises in EU Emissions Trading Scheme

The administrative framework for the EU ETS is in place, and Irish companies have participated in the EU ETS since its commencement on 1 January 2005.

Negotiated Agreements in place where appropriate

Policy developments at EU and national level, in particular the advent and wide scope of the EU Emissions Trading Scheme, severely diminished the expected contribution of negotiated agreements to reducing CO₂ emissions. In this new policy context, SEI re-focused their work, using the knowledge gained from their pilot negotiated agreements programme in the development of an Energy Management Action Programme and, with the NSAI, a new Energy Management Standard.

Appropriate structures and mechanisms established for JI/CDM

The EPA has been designated as Focal Point and National Authority for JI and CDM, respectively.

Effective assessment mechanism for inward and indigenous investment established.

The Department established an Inter-Agency Group, comprising representatives of the enterprise development agencies, to explore options for determining the impact of inward and indigenous investment proposals/decisions on GHG emissions. Work is continuing to finalise a mechanism for factoring the carbon emissions impact of proposed projects into decisions on grant-aid provided by the development agencies.

Climate change communication strategy in place

The general level of awareness of climate change issues is much higher than when the Strategy was prepared. For the enterprise sector in particular, the implementation of the Emissions Trading Directive provided a huge stimulus for the take up of information on climate change policy. In view of this, a formal climate change communications strategy was not deemed necessary.

GOAL 2- COMPETITIVE SUSTAINABILITY

Strategic Goal:

“Integrate sustainability and competitiveness by supporting the move to more sustainable forms of production through promoting knowledge, R&D and innovation in areas such as clean technologies, green business opportunities and design of sustainable products and processes.”

Competitive sustainability refers to breaking the link between economic growth and growth in resource use and pollution emissions through the more efficient use of natural resources. It is only through breaking this link (commonly referred to as decoupling economic growth from emissions and resource use) that we can protect our environment while simultaneously increasing productivity and competitiveness in enterprises.

This strategic goal of the SDS was built upon the premise that, in a global marketplace, competitiveness is not just about being able to produce more output at lower cost; rather, factors such as the innovative ability and adaptive capacity of industry are key to competitive performance and productivity improvements, particularly in the high-growth, high technology sectors. In this regard the SDS sought to build upon the Lisbon Strategy, adopted by the European Council in 2000, which had as its aim to make the EU the most dynamic and competitive knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion, and respect for the environment.

Objectives and Actions

Sustainable Production & Technologies

Strategic Objective 1:

Enable companies to reduce their environmental impact and improve productivity through the development, diffusion and use of eco-efficient technologies and practices.

The SDS was prepared at a time when the potential of eco-efficient technologies to harness the synergies between the environment and competitiveness was emerging as a key element in the EU's strategy to promote a cleaner environment while enhancing European competitiveness. Innovation and technology had already been identified as national priorities for enterprise development. The SDS therefore sought to build upon work which had already commenced at national level on building innovation and technology capacity, with particular reference to eco-efficient technologies.

Information and awareness-raising actions

Raising awareness of eco-efficient technologies and practices was recognised in the Strategy as the first step in assisting companies to reduce their environmental impact and improve productivity. Enterprise Ireland's Envirocentre¹² website was identified as a key vehicle in this regard, and, over the period of the Strategy, the focus on eco-efficient technologies and practices was further developed. The Envirocentre initiative was jointly funded by the Department of Enterprise, Trade and Employment and Enterprise Ireland, and, over the period of the Strategy, the Department provided funding for the further development of the site.

The Strategy recognised the need for targeted and tightly focused information for SMEs, and the EI4Business link on the Envirocentre website plays a very important role in this regard. Most of EI's client companies are SMEs, and the EI4 Business initiative is dedicated exclusively to helping Enterprise Ireland Client companies to become more profitable and increase competitiveness through improved environmental practices. It provides information, advice and professional assistance on a range of environmental issues, including eco-efficiency. This is a particularly

¹² For more detailed information on the Envirocentre website, please refer to Chapter 3 on CSR-Strategic Objective 3.

valuable service for SMEs, as, in many cases, such companies simply do not have sufficient resources to engage staff on specialist issues such as environmental management. Since its launch, the site has received a large number of hits, averaging 10,000 a day.

Range of Supports Provided by Enterprise Ireland

Over the period of the Strategy, Enterprise Ireland delivered a range of services to Irish industry to support the adoption of eco-efficient technologies and practices. The EI Environment Policy Department, staffed by 30 environmental specialists, provided a comprehensive advice service, encompassing one-to-one tailored advice to companies on environmental issues, and the organisation of environmental events and regional fora to update business on environmental developments and address shared environmental problems.

EI also provided a range of financial incentives to assist companies in adopting more eco-efficient technologies and/or practices. The Environmental Management Grant Scheme is aimed at improving the strategic capability of SMEs in the management of their environmental issues and developing and exploiting the market opportunities that improved environmental performance can provide. Under the scheme, companies may receive grant support towards the costs of engaging independent consultants to install, in full or in part, a certified Environmental Management System (EMS) to ISO14001 or the EU Eco-Management & Audit Scheme (EMAS) standard. The Environmentally Superior Products (ESP) initiative seeks to improve the environmental and business performance of Irish SME manufacturing industry by improving the strategic capability of manufacturing industry to exploit the global market for environmentally superior products. Under this initiative, EI may provide financial and other supports to manufacturing companies to assess ways to reduce the environmental impact of their product(s) without compromising product functionality, quality, ability to manufacture or cost.

CTC Study on Barriers to Uptake of Environmental Grants

In 2003, the Department funded a research study by the Clean Technology Centre (CTC), Cork Institute of Technology, on the barriers to the uptake of environmental

grants (in particular those relating to eco-efficient processes and products).¹³ In order to gain a first hand understanding of the issues involved, the CTC interviewed organisations and individuals working in the field with industry, and received written responses from 189 companies. The comprehensive study established the level of uptake of environmental grants, identified the barriers to greater uptake, and suggested means of overcoming these barriers. The Department disseminated the final project report to our enterprise agencies, so that the findings could inform the development of future environmental grant schemes.

Assisting Micro-Enterprises to Improve their Environmental Performance

The SDS identified micro-enterprises as a group needing very targeted support to improve their environmental performance. As a first step in raising awareness of the potential of eco-efficient technologies and practices to improve a company's performance as well as reducing its environmental impact, the Department made a presentation on the SDS to the County Enterprise Board (CEB) annual conference in February 2003.

The Department also part funded a cross-border study of the environmental impacts and energy efficiency of a number of small businesses in the Omagh and Sligo areas.¹⁴ The driver for the study was the recognition of the fact that small businesses often lack the resources or expertise to manage environmental and energy issues to their advantage. Based on an investigation of the environmental impacts and energy efficiency of small businesses in the Omagh and Sligo areas, the study provided a number of findings which could be applied to improve the energy efficiency and environmental performance of the micro-enterprise sector in general.

¹³ "Research Project to Investigate Factors Influencing Take-up by Irish Enterprises of Funding for Research in Sustainable Production, Technology, Innovation and Practices", (2003) prepared by the Clean Technology Centre, Cork Institute of Technology, for the Department of Enterprise, Trade and Employment.

¹⁴ "Study on Energy Efficiency and Environmental Issues; Omagh-Sligo Partnership; Small Business Environmental Programme" prepared by Environmental Efficiency Consultants. The project was supported by the EU INTERREG IIIA Programme for Ireland/Northern Ireland, the Omagh Enterprise Company Limited, Sligo County Development Board and the Department of Enterprise, Trade and Employment.

Waste

The SDS acknowledged that prevention, minimisation and re-use of industrial waste are central elements of sustainable consumption. The Department of Environment, Heritage & Local Government is the lead Department with policy responsibility for waste issues generally. However, the issue of waste management has significant implications for the competitiveness of the Irish industrial sector and consequently, in addition to working with the Department of Environment, Heritage & Local Government on a range of waste initiatives, the Department of Enterprise, Trade & Employment also initiated the establishment, through Forfás, of a Task Force on Waste Management and a Benchmarking Study on Waste Management.

- **Waste Management Task Force**

The rapid expansion of the economy has given rise to a significant increase in the rate of waste generation, leading to growing concern over the absence of an integrated approach to waste management in Ireland and its potentially negative impact on the competitiveness of the Irish industrial sector. Over the period of the Strategy, the Department was involved in the work of the Forfás Waste Management Task Force which was established in 2001 to expedite the development of a sustainable integrated approach to waste management. It was chaired by Professor Michael Hillery, and comprised representatives of the Department of Enterprise, Trade and Employment, the Department of Environment, Heritage & Local Government, the EPA, IDA Ireland, Enterprise Ireland, IBEC and other industry representatives. The Task Force produced a report “Key Waste Management Issues in Ireland”¹⁵ and a subsequent update report which reviewed implementation of the earlier report on waste, and set out key actions detailing how the waste agenda could be progressed. Over the period of the Strategy progress was made in relation to implementation of a significant number of the Task Force’s recommendations. In addition, the work of the Task Force considerably raised the profile of waste management issues, encouraging the establishment of many new initiatives in the waste area.

¹⁵ Forfás (2001)

- **National Waste Prevention Programme**

One of the most significant developments during the course of the Strategy was the launch by the Minister for Environment, Heritage & Local Government of the National Waste Prevention Programme. Initial funding of €2m for the Programme was announced by the Minister for Environment, Heritage & Local Government in April 2004 and the Environmental Protection Agency (EPA) was designated to develop and lead this National Programme. A National Waste Prevention Committee was established to oversee the development and implementation of the Programme. The Committee is chaired by the EPA and comprises a wide range of stakeholders from industry, commerce, agriculture, local authorities, non-governmental organisations and Government Departments, including the Department of Enterprise, Trade & Employment. The Committee took over the work of the National Hazardous Waste Management Plan Implementation Committee, on which this Department had also participated. Implementation of the National Waste Prevention Programme involves an EPA Core Prevention Team working on a wide range of waste prevention projects, extensive details of which are set out in the Annual Reports of the National Waste Prevention Programme.¹⁶

- **Waste Management Benchmarking Study**

While significant progress has been made over the course of the Sustainable Development Strategy, waste management and increasing waste costs continue to be a key competitiveness concern. In 2005, Forfás commissioned a benchmarking analysis of the Irish waste management sector with a view to determining and analysing the gap between Ireland and competitor countries in meeting the needs of industry, and analysing initiatives in comparator countries in order to inform the identification of actions needed to improve Ireland's competitiveness in meeting the enterprise sector's waste management needs. The final report was published in June 2006.¹⁷

- **Market Development Group**

The Market Development Group (MDG) was established in July 2004 to devise a programme to progress the development of new markets for recyclable materials in

¹⁶ For National Waste Prevention Committee publications see <http://www.epa.ie/OurEnvironment/Waste/NationalWastePreventionProgramme/PDFsforNWPP/>

¹⁷ Waste Management Benchmarking Study- A Baseline Assessment, Forfás (June 2006)

order to realise the full resource value of such materials and to promote the recycling industry and increase recycling rates in the country. The aim is to harness the full potential of existing markets and to identify new applications and markets for recyclable material and secondary recycled products. The Group have also been asked to identify barriers to the use and marketing of recyclable material and to develop strategies to address these. The Group will also play a key role in expanding North/South co-operation on market development issues.

The MDG has an independent Chairperson and comprises representatives from the Environmental Protection Agency (EPA), Enterprise Ireland (which provides the Secretariat), the National Standards Authority of Ireland, the Irish Business and Employers Federation (IBEC), the Irish Waste Management Association, the Small Firms Association, the Irish Small and Medium Enterprises Association (ISME), the City & County Managers' Association, the Clean Technology Centre, the Department of Enterprise, Trade and Employment and the Department of the Environment, Heritage and Local Government. The Group is concentrating mainly on market development opportunities for recyclables generated in the Municipal Solid Waste (MSW) stream although it is the intention to apply the same approach to all streams of waste. The Group has established three sub-committees concentrating on three main waste streams: plastics, paper, and organics.

The Market Development Group engaged consultants (RPS) to co-ordinate and progress the work of the Group and specifically the three sub-committees established, assisting them in identifying key priority areas for inclusion in the overall Programme, which the Group is charged with developing. The report should identify key areas for developing markets in Ireland and incorporate a detailed multi-annual programme.

North/South Co-Operation on Recycling

Like the Republic of Ireland, Northern Ireland is currently improving its recycling performance and developing a range of alternatives to dispose of waste. Given the similarities of the challenge faced, and the proximity of both markets, there may be synergies in creating new all-island solutions for recycling. The North-South Market Development Steering Group was established by the North/South Ministerial Council Environment Sector in 2002, and involves senior officials from the Environment and

Heritage Service Northern Ireland (EHSNI), Invest Northern Ireland, the Irish Environmental Protection Agency, Enterprise Ireland, and the Department of Environment, Heritage and Local Government. The Group aims to provide for a co-operative approach to market development on both sides of the border.

Promoting the Eco-efficiency Concept

The “Eco-Efficiency” concept focuses on reducing material and energy intensities, enhancing product recyclability and encouraging the sustainable use of renewable resources in order to reduce ecological impacts and resource intensity throughout the production life cycle. Throughout the period of the Strategy the Department was involved in a range of initiatives which had as their aim the promotion of the eco-efficiency concept.

- **Integrated Product Policy**

Integrated Product Policy (IPP) is an EU framework policy for a product lifecycle approach. IPP aims to reduce the environmental impacts from products throughout their lifecycle, harnessing, where possible, a market driven approach within which competitiveness concerns are integrated. The Department, together with the Department of Environment, Heritage and Local Government, contributed to discussions at EU level on IPP which resulted in the 2003 Commission Communication “Integrated Product Policy: Building on Environmental Life Cycle Thinking”. In the course of the Irish Presidency the informal EU IPP network met in Dublin. The Department worked with the Department of Environment, Heritage and Local Government on the organisation of the meeting, and contributed to the proceedings.

As noted above, IPP is a framework policy. Throughout the period of the Strategy the Department was involved in the development of a number specific initiatives which flow from the IPP concept.

- **Ecodesign Requirements for Energy Using Products (EuP)**

In August 2003, an "eco-design" framework directive for energy using equipment was proposed by the Commission. This legislative initiative aimed to improve the overall environmental performance of these products during production and use as well as after use. The Department was involved in the EU negotiations on the development of the framework directive, which was adopted by the European Parliament and the Council in July 2005.¹⁸

The directive does not introduce directly binding requirements for specific products, but rather establishes a framework for Community ecodesign requirements. It does this by defining conditions and criteria for setting, through subsequent implementing measures, requirements regarding environmentally relevant product characteristics (such as energy consumption). The Department is currently working on the transposition of the Directive into Irish law.

- **Waste Electrical and Electronic Equipment (WEEE) and Restriction on the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS)**

Over the period of the Strategy the Department was involved in work at national level regarding two related EU Directives: the Directive on waste electrical and electronic equipment and the Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment. The aim of these Directives is to reduce the environmental impact of electronic goods by the removal of specified hazardous substances and the prevention and management of waste electrical and electronic equipment.

The Department participated in the Task Force established by the Department of Environment, Heritage & Local Government to devise the practical arrangements for the implementation of these Directives in Ireland. In addition, the Department was also involved in the drafting by the Department of Environment, Heritage & Local Government of the domestic legislation implementing these Directives.

¹⁸ Directive 2005/32/EC of the European Council and Parliament of 6 July 2005 establishing a framework for the setting of eco-design requirements for energy using products and amending Council Directives 92/42/EEC, 95/57/EC and 2000/32/EC.

Eco-indicators

The SDS identified the valuable role which eco-indicators can play in the promotion of the eco-efficiency concept. Over the period of the Strategy, Enterprise Ireland developed and built upon its work, commenced in 2001, on assessing its clients for progress in eco-efficiency. As part of this process, EI collects available data in respect of some, or all, of sixteen key environmental indicators (including, for example, energy and water consumption, greenhouse gasses, waste, wastewater, packaging etc.). It is proposed to identify client companies with 'significant' consumption/emissions and to revisit these at two-year intervals with the objective of achieving continuous improvement in their eco-efficiency profiles. To date, over 800 client companies have been assessed, and early analysis of the data collected to date shows some encouraging trends. For example, there appears to have been a fall in total industrial waste arising despite increases in production and financial turnover. In addition, there has been a very significant drop in the quantity of waste sent to landfill and an increase in waste recycled.

Framework for Sustainable Industrial Estates

The Department worked with the IDA's Property Division in relation to their initiative for the development of strategic sites to ensure that environmental and sustainable development principles were incorporated into the framework concept. The work to integrate principles of sustainability into the Strategic Sites initiative built on earlier work undertaken by the IDA on sustainable industrial estates.

In the area of sustainable industrial parks, the Department provided funding towards the development of an innovative eco-industrial park in Macroom, Co. Cork, which was being developed to very high environmental standards. Macroom Environmental Industrial Park Ltd was established to set up and manage the Park, and partners in the project include; Cork County Council, Macroom Urban District Council, South Cork Enterprise Board, Enterprise Ireland, Lee Valley Enterprise Board, with funding also being provided by SEI and the EPA.

Innovation for Sustainable Development

Strategic Objective 2:

Maximise the potential for innovation to contribute to both competitiveness and sustainability goals.

In an increasingly globalised world, it is recognised that high levels of investment in research and innovation are essential, both for economic competitiveness, and to yield innovations in areas such as healthcare and environmental technologies which make tangible improvements to our quality of life.

Environmental Technologies Action Plan (ETAP)

It is now acknowledged that the environmental technologies sector is one of the fastest growing sectors of the European economy, and it is considered vital that the EU should aim to achieve a competitive edge in the global market place both for environmental and competitiveness reasons. The Environmental Technologies Action Plan (ETAP), a joint initiative between the Environment and Research Directorates of the European Commission, aims to improve the development and wider use of environmental technologies by harnessing the synergies between environmental protection and economic growth. Over the period of the Strategy, the Department, together with the Department of Environment, Heritage & Local Government, was involved in the development of the initiative at EU level, and its implementation at national level.

The ETAP initiative can be traced back to March 2001, when the European Council announced that it would review the contribution that environmental technologies could make towards promoting growth and employment while contributing to environmental protection and enhancement. The subsequent 2002 Commission report called for the development of an Action Plan and the resulting process, which included stakeholder consultations, culminated in the publication in January 2004 of the document "*Stimulating Technologies for Sustainable Development: An Environmental Technologies Action Plan (ETAP) for the European Union*". The ETAP is a very broad ranging programme, encompassing a wide spectrum of measures including research and development, financial instruments and environmental performance targets.

The Department of Environment, Heritage & Local Government is the lead Department for national implementation of ETAP, and, jointly with this Department, represents Ireland on the ETAP High Level Steering Group which is chaired by the European Commission. This Group meets regularly and establishes the priorities for the development of the ETAP initiative. At national level, this Department participates in the National Steering Group on ETAP which is chaired by the Department of Environment, Heritage & Local Government. The Department contributed to the development of the National Roadmap for ETAP, which was published in 2005.

Science, Technology & Innovation

The SDS was prepared in a policy context in which science, technology and innovation had already been identified as central to Ireland's continued development, and much work had already taken place in this regard. The SDS recognised that innovation can play a key role not only in stimulating economic growth and competitiveness but also in reducing environmental impacts.

Over the period of the Strategy there were a number of key developments in the area of science, technology and innovation, including:

- **Interdepartmental Committee on Science, Technology and Innovation (IDC on STI)**

In June 2004, the Government decided to establish a Cabinet Committee on Science, Technology and Innovation to specifically address and coordinate science and technology issues. An Interdepartmental Committee (IDC) on Science, Technology and Innovation supports the work of the Cabinet Committee by examining issues which will be referred to that Committee. The IDC is chaired by the Department of Enterprise, Trade & Employment and comprises senior civil servants from the Department of the Taoiseach, the Department of Finance, the Department of Education and Science, the Department of Health and Children, the Department of Agriculture and Food, the Department of Communications, Marine and Natural Resources and the Department of Environment, Heritage and Local Government.

- **Publication of “Strategy for Science, Technology & Innovation”**

The Strategy for Science, Technology and Innovation 2006-2013 was launched in June 2006. It was the culmination of many months of work by the IDC on STI, and it sets out steps to be taken over the period 2006-2013 to significantly grow Ireland’s world-class research capabilities, as reflected in numbers of researchers, levels of spending, support for knowledge transfer, the development of new sectoral programmes and a range of other initiatives.

As regards sectoral research, the Strategy provides for initiatives in the areas of environment, agriculture and food, health, marine and energy. These initiatives address issues of ever increasing importance, including climate change, biodiversity and waste management. The Strategy provides for a competitive fund to encourage excellent research in these areas, which will further develop the world-class name of Irish researchers in these sectors.

R&D in Enterprise

Enterprise Ireland manages a number of schemes which seek to transform R&D activity in enterprise. While these schemes are not exclusively focused on environmental technologies, they seek to provide the support required to ensure the expansion of R&D activity in enterprise and address many of the barriers which have been identified at EU level to the development of a flourishing environmental technologies sector. Examples of Enterprise Ireland R&D initiatives are:

- The R&D Capability Scheme aims to build the capability of firms to carry out R&D at a significant and continuous level.
- The Competitive RTDI Scheme supports R&D projects undertaken by manufacturing or internationally traded service firms in Ireland.
- The Technology Transfer Scheme supports the licensing of technologies by companies in Ireland as an efficient way of bringing new products to the market quickly.

In addition, EI also manages a number of schemes which seek to promote and support industry collaboration with the third level sector, including the Innovation Partnerships Scheme which supports joint R&D projects involving companies and colleges. The

EI Industry Led Network scheme provides support for research in areas defined by networks of companies in specific industry sectors, with an industry board overseeing the work.

Research Commercialisation

Enterprise Ireland is committed to getting commercially viable technology out of the research environment and into the marketplace. Through its Commercialisation Fund, EI seeks to encourage and facilitate high quality applied research aimed at the commercial utilisation of knowledge.

Policy approaches for competitiveness, innovation and sustainable development

Strategic Objective 3:

Support and develop policy instruments for sustainable development that also contribute to enhanced competitiveness, innovation and economic efficiency.

Negotiations on sustainable development policy

Throughout the period of the Strategy the Department was engaged, in many instances together with the Department of Environment, Heritage & Local Government, on the development of a wide range of sustainable development policy and measures. Our focus has been to ensure balanced policy instruments which contribute to enhanced competitiveness and innovation whilst also addressing social and environmental policy priorities.

REACH Chemicals Legislation

The Department of Enterprise, Trade & Employment is the lead Department in relation to negotiations on a new EU chemicals management regime which was proposed by the EU Commission in October 2003. The proposed new system is known as REACH, because it involves the Registration, Evaluation and Authorisation of Chemicals. REACH is regarded as one of the most important achievements of the European Commission in the environment area.¹⁹

¹⁹ See http://ec.europa.eu/comm/commission_barroso/dimas/news/doc/10_achievements.pdf

Over the period of the Strategy the Department led the negotiations at EU level on the development of REACH, with a view to ensuring the adoption of a balanced piece of legislation which will lead to real improvements in protecting human health and the environment, while also promoting the competitiveness of industry.

An Interdepartmental Group, jointly Chaired by the Department of Enterprise, Trade and Employment and the Department of Environment, Heritage and Local Government, was established to assist in the negotiations at EU level. As the subject matter of the REACH proposal is highly complex, it was necessary to convene a technical sub-group, chaired by the Department of Enterprise, Trade & Employment, which met weekly to examine proposals and agree on national positions in advance of meetings of the European Ad Hoc Working Group which is processing the draft legislation. The work of the Ad Hoc Group was very intensive, involving two day meeting every two or three weeks. The Group operates under the remit of the Competitiveness Council, but also reports to the Environment Council. After two years of difficult and intensive negotiations on the Commissions' proposal, and following the European Parliament's first reading opinion, the Council agreed a Common Position on 13th December 2005. Following Parliament's second reading, final agreement on REACH was achieved in December 2006.

Analyse Regulatory Barriers

The simplification and streamlining of regulation (commonly referred to as better regulation) was identified as a key element in the EU's Lisbon agenda, and is central to the Government's Better Regulation initiative. The SDS recognised that there was a need to analyse regulatory barriers which impede SMEs progress towards more sustainable ways of doing business. To this end, the Department nominated an expert from Enterprise Ireland to participate in the Expert Group which assisted in the EU BEST project on the Streamlining and Simplification of Environment-Related Requirements on Companies. The project was undertaken as part of the Commission's strategic aim of creating a business-friendly environment in the EU. The BEST Project analysed national and regional initiatives which aimed to streamline and simplify environment-related regulatory requirements, and to identify best practices from existing national/regional measures. A number of Irish initiatives were identified in the report as examples of best practice. The final project report,

published in May 2006, made a number of recommendations to the EU, Member States and business stakeholders as to how environmental regulation could be streamlined and simplified.

Further develop contact with environmental regulatory bodies

Over the period of the Strategy, the Department worked closely with the Department of Environment, Heritage & Local Government on the development of a number of key initiatives, including the EU Emissions Trading Scheme, the REACH Chemicals proposal and the Waste Prevention Programme. In addition, the Department has had increased contacts with the EPA in relation to their role in relation to REACH, waste management and the implementation of the EU ETS in Ireland. The Department also developed contacts at EU level with European Commission DG Environment officials in relation to a variety of EU initiatives.

Further develop stakeholder participation in decision and policy making

Over the past few years the public service generally, as part of its modernisation programme, has increased the participation by stakeholders in decision and policy making. Over the period of the Strategy a range of groups were established across the Department to develop stakeholder participation in decision and policy making. In regard to environmental policy the Department consulted widely with stakeholders on the full range of initiatives, in which the Department was involved.

In addition to regular bilateral contacts with stakeholders, the Department established a number of fora to facilitate stakeholder input into decision and policy making in the area of environmental initiatives. In July 2003, the Department established the Industry and Climate Change Working Group to facilitate the exchange of information, between public and private sector representatives, on climate change initiatives affecting industry. The Group is chaired by a senior official from this Department and comprises both private and public sector stakeholders on climate change. At the Department's request, Forfás established an Emissions Trading Industry Group, which enabled stakeholders to feed into the establishment of the national position on negotiations on the EU ETS. In 2004, the Department established an Irish Working Group to explore ways to implement the recommendations of the EU BEST Report on Environmental Management Systems in SMEs. The Working

Group comprises representatives of stakeholder organisations already involved with implementation of EMSs, either through the accreditation/ verification process or through providing support and information to companies wishing to implement an EMS.

In addition to consulting stakeholders on environmental policy, the Department also consulted with stakeholders across the full range of its activities, details of which are given under the Performance Indicator.

Performance Under Key Indicators

Number of Forfás Waste Report recommendations implemented.

The Forfás Waste report had 36 separate recommendations. 1 recommendation has been fully implemented, 22 have been accepted and are currently being implemented, 4 have not been accepted and 9 others are still under consideration.

Number of stakeholder groups participating in departmental decision-making.

As of November 2005, there were 24 stakeholder groups chaired by the Department. Representatives include officials from other Government Departments, the European Commission, Regional Assemblies, social partners, community groups, business representative organisations and the private sector.

In addition, 16 other internal Departmental Groups were in existence as of November 2005 working on a broad range of initiatives requiring input from one or more Divisions of the Department.

Number of enterprises participating in environmental technologies research initiatives.

Full data is not available under this heading. However, data provided by the Environmental Protection Agency shows that there were 52 different companies participating in its Cleaner Greener Production Programme during the period of the Strategy from 2003-2005. Most projects spanned at least 2 separate years and 3 companies were involved in more than 1 project. The figures per year break down as follows: 31 enterprises participated in the Cleaner Greener Production Programme in 2003, 16 in 2004 and 25 in 2005.

In relation to Enterprise Ireland's Environmentally Superior Products initiatives 25 companies availed of the scheme between 2003 and 2005. 10 companies were approved for funding in 2003, 7 in 2004 and 8 in 2005.

GOAL 3- CORPORATE SOCIAL RESPONSIBILITY

Strategic Goal:

“Encourage and support the adoption of socially and environmentally responsible attitudes and practices by enterprises.”

Responsible corporate practices

Strategic Objective 1:

Actively promote the adoption of good corporate practices by enterprises

Improve awareness and knowledge of CSR issues

Over the life of the Strategy, the Department and its agencies, in particular Enterprise Ireland, worked on a range of fronts to improve awareness and knowledge of Corporate Social Responsibility (CSR). Significant progress has been made at both national and EU level since the publication of the Sustainable Development Strategy.

Enterprise Ireland has made significant progress in demonstrating the business case for companies to adopt good corporate practices. Satisfying shareholders in terms of the bottom line is no longer the only measure of business success. A “Triple Bottom Line” (TBL) approach, where companies demonstrate good environmental, social and economic performance to a wide range of stakeholders is now a reality. In the context of environmental management, environmental problems, such as climate change, resource depletion and waste management costs are drivers for change and businesses are under increasing pressure to play a key role in managing these issues. Depending on the business, demonstrating sound social and environmental performance is key to maintaining a company’s corporate reputation and market position.

The business case for good CSR performance can have direct business benefits to the bottom line as well as the TBL and includes: -

- Cost savings from reduced material and energy consumption;
- Reduced waste collection, treatment and disposal costs;
- Ongoing compliance with legal obligations and reduced liability associated with poor environmental performance;

- Improved relationships with key stakeholders, e.g. customers, suppliers, shareholders, regulatory authorities and local communities;
- Improved process control and product quality;
- Improved opportunities for marketing features leading to increased sales;
- Expanding market opportunities;
- Improved competitiveness;
- Capability building;
- Improved corporate reputation.

Expert Group on Responsible Entrepreneurship and SMEs

The Department of Enterprise, Trade and Employment was represented in the European Commission's DG Enterprise Expert Group on Responsible Entrepreneurship and SMEs from May 2002 to August 2003 by Business in the Community Ireland (BITCI). BITCI was founded in January 2000 and is the only business-driven network in the country specialising in corporate responsibility and community involvement. The Expert Group was engaged in setting the criteria and identifying best practice in Corporate Social Responsibility by European SMEs in the workplace, marketplace, community and environment. BITCI chaired the marketplace subgroup, and in October 2003 the Commission published "Responsible Entrepreneurship – A collection of good practice cases among small and medium-sized enterprises across Europe".

Survey of Consumer Attitudes to Corporate Responsibility in Ireland

The Department of Enterprise, Trade and Employment funded the first ever Survey of Consumer Attitudes in Ireland towards Corporate Responsibility, published in March 2003 by Business in the Community Ireland. In that study, fifty three per cent of Irish adults claim they would pay more for products and services that are socially and environmentally responsible.

Launch of Inspiring Excellence: Best Practice in Corporate Responsibility in Ireland

On March 8th 2005, Micheál Martin, TD, Minister for Enterprise, Trade and Employment launched a report by BITCI entitled “Inspiring Excellence: Best Practice in Corporate Responsibility in Ireland”. This BITCI publication is on best practice case studies on corporate responsibility in Ireland. Twenty case studies were submitted by BITCI member companies and cover a wide range of issues under the areas of marketplace, workplace, community and environment.

Employees (Provision of Information and Consultation) Act 2006

As mentioned in the Strategy, a core element of CSR is how a company manages its interactions with various stakeholders including employees. In order to be successful, it requires the closer involvement of employees and their representatives in dialogue to manage, change and develop more sustainable ways of working. The enactment of the Employees (Provision of Information and Consultation) Act in April 2006 is a very important step towards formalising these procedures.

The Employees (Provision of Information and Consultation) Act 2006, which transposed the EU Directive on Information and Consultation, was enacted following an extensive consultation programme. The Act establishes a general framework setting out minimum requirements for the right to information and consultation of employees in undertakings with at least 50 employees. It introduces, for the first time in Ireland, a general right to information and consultation for employees from their employers. This general right is without prejudice to existing rights to information and consultation, which at present are limited to specific situations e.g. collective redundancies and transfer of undertakings.

Contribution to EU and international initiatives on CSR

Over the period of the Strategy, the Department of Enterprise, Trade and Employment participated in a EU High Level Group of National CSR Experts. The Department was actively involved in the work of the Group, which included providing feedback to the Commission on its proposals, participation in research and the exchange of best practice. The Department furnishes a compendium of Irish CSR activities each year to the Commission, which includes material from across the Department as well as from

the Departments of Community, Rural and Gaeltacht Affairs, Environment, Heritage and Local Government, Foreign Affairs and Education as well as from Business in the Community Ireland. A European Commission Communication on Corporate Social Responsibility issued in March 2006 which takes a new approach to the promotion of CSR in the form of a voluntary European Alliance for CSR. The Department is currently considering the implications of the document.

National Workplace Strategy

The Department's work in the area of CSR was underpinned by the widely acknowledged view that implementing Corporate Social Responsibility in workplaces requires the closer involvement of employees in dialogue with employers to manage change and develop more sustainable ways of working. In this regard, the Department's involvement in the National Workplace Strategy reinforces this policy approach. The Strategy was launched by the Taoiseach in March 2005 and is being overseen by a High Level Group chaired by the Minister of State for Labour Affairs, Mr Tony Killeen, T.D. The Strategy aims to develop the supports that are required for the development of workplaces that are adaptable, flexible, participatory and highly productive. The first report of the High Level Group was published on the 3rd August 2006 and detailed the progress made in each of its five strategic areas: promoting workplace innovation; promoting capacity for change; developing future skills; access to opportunities and quality of working life.

OECD Guidelines for Multinational Enterprises

The Department of Enterprise, Trade and Employment has made material on the OECD Guidelines for Multinational Enterprises available publicly to interested parties. It has also maintained contacts with the Irish Business and Employers Confederation (IBEC) and the Irish Congress of Trade Unions (ICTU) on this issue. The Department's website gives details of the guidelines and specifies that the Bilateral Trade Section of the Department is the National Contact Point for them. That website page also provides a link to the OECD site, which gives further details on the guidelines.

Social and environmental reporting – ACCA Awards.

Since 2002, the Department of Enterprise, Trade and Employment has been represented on the judging panel of the ACCA Sustainability Reporting Awards (formerly the ACCA Environmental Reporting Awards). ACCA Ireland promotes the Sustainability Reporting Awards which are open to all Irish private and public sector companies and organisations including NGOs and SMEs. The aim of the annual awards is to encourage transparency in company reporting by recognising and rewarding those organisations which disclose environmental, social or full sustainability information. IBEC, Business in the Community Ireland and the ACCA are also represented on the judging panel.

Company Law Review Group

The Company Law Review Group (CLRG), a statutory body established under the Company Law Enforcement Act 2001, is currently finalising the Companies Consolidation and Reform Bill, which will consolidate and reform the existing twelve Companies Acts. One of the aims of the Bill is to bring together and streamline existing accounting requirements in company law, which are to be found in various legislative sources. It is a consolidation exercise, and is being carried out within the confines of overall international accounting standards such as IFRS and the requirements of EU Directives in the area of accounting and company law.

The Directors' Compliance Statement, set out in the original version in Section 45 of the Companies (Auditing and Accounting) Act 2003 (which was never commenced) would have required directors to sign off on their company's compliance with requirements under three limbs - company law, tax law, and the so-called "third-limb" which covered any other relevant enactments. It was widely understood that this third limb would have included, inter alia, environmental law. However, one of the recommended modifications of the Directors' Compliance Statement contained in the Company Law Review Group's Report of 2005 (which was approved by Government in November 2005) was that the third limb be dropped, and so the recommended version of the Directors' Compliance Statement which is expected to be enacted in the Bill will be confined to company law and tax law, and will not extend to the "third limb".

Sustainable Trade

Strategic Objective 2:

Continue to promote the implementation of sustainable trade policies and practices at national, EU and international level.

Sustainability of Irish trade policy

The strategy document “Trading for Economic and Social Development” was published by the Minister for Trade and Commerce, Mr. Michael Ahern T.D. in May 2005. The Strategy acknowledges the global, European and national context of Sustainable Development and also contains a commitment to ensuring the successful implementation of the principles of sustainable development as set out in the Department of Environment, Heritage and Local Government’s 1997 National Sustainable Development Strategy. The aim of that Strategy was “to ensure that economy and society in Ireland can develop to their full potential within a well protected environment, without compromising the quality of that environment and with responsibility towards present and future generations and the wider international community”.

EU initiatives on sustainable trade

The Department of Enterprise, Trade and Employment has continued to support and implement EU initiatives on sustainable trade, in particular the work of the Directorate General for Trade. The Commission is committed to ensuring that its policy choices are consistent with the overarching objective of sustainable development. As part of this commitment, DG Trade has been engaged, since 2003, in an ongoing programme of Sustainability Impact Assessment (SIA) studies of all EU trade negotiations. The idea is to assess how best to define a full package of domestic policies and international initiatives to yield the best possible outcome, not just in terms of trade liberalisation and economic growth, but also of other components of sustainable development. Underlying these formal commitments is the concern that the integration of sustainability into trade negotiations can contribute to a trade liberalisation process that is more supportive of sustainable development. Trade SIAs help to measure both the economic and the non-trade impacts potentially arising from trade agreements from a sustainable development perspective

Environment management practices in enterprises

Strategic Objective 3:

Enhance the capacity of enterprises to move towards sustainable management principles and practices

The mandate of Enterprise Ireland is to assist the growth of Irish enterprise by providing businesses with a single, integrated source of development advice, funding and support services. EI works closely with its client companies to improve all aspects of their environmental performance and has operated the following initiatives for the past number of years.

One stop shop for information on the environment and sustainable development issues for industry - Envirocentre

The need for a package of supports for SMEs on environmental/sustainability issues, to incorporate a website backed up by environmental expert advisory supports, was recognised by Enterprise Ireland's Environment Policy Department in 2001.

Development of the site began in 2002 and it was officially launched by the then Tánaiste and Minister for Enterprise, Trade and Employment, Ms Mary Harney, T.D. in April 2003. The initiative was jointly funded by the Department of Enterprise, Trade and Employment and Enterprise Ireland and the Department has continued to part fund development of the site.

The aim of the site is to assist Irish companies to comply with environmental regulation and to demonstrate how competitiveness can be boosted and overall business performance enhanced through improved environmental performance. Most of Enterprise Ireland's client companies are SMEs and such companies are often disadvantaged by not having sufficient resources for dedicated staff on specialist issues such as environmental management. The assistance of EI's environmental expertise in areas such as waste management, clean technologies, eco-design, environmental management systems, air quality etc. is therefore invaluable for these businesses in enabling them to get up to speed in this fast changing area.

The site is serviced by a team of environmental specialists providing free advice on all environmental issues to Irish SMEs. To get companies started, free on-site audits are

available and for more sophisticated environmental performers, free eco-efficiency assessments are available to benchmark performance. Free regional environmental workshops and training are also conducted.

The website is proving an invaluable resource to indigenous SMEs, as well as providing the Environment Policy Unit with a platform to promote Enterprise Ireland's financial and advisory supports. Since its launch, the site has received a large number of hits averaging 10,000 a day.

EU BEST Project to promote the uptake of Environmental Management Systems (EMSs) in Small and Medium Enterprises (SMEs)

Enterprise Ireland acted as the Irish Representative on the EU Commission DG Enterprise's BEST Expert Group which published a report on promoting the uptake of EMSs in SMEs. The Report analyses the issue and gives different good practice examples of public policies, programmes and initiatives to encourage the voluntary uptake of EMSs in SMEs. It also makes a number of recommendations on what public authorities and other stakeholders can do to address the barriers and increase the number of SMEs with EMSs.

As Irish Working Group was established in 2004 to explore ways to implement the recommendations. The Working Group comprises representatives of stakeholder organisations already involved with the implementation of EMSs, either through the accreditation/ verification process or through providing support and information to companies wishing to implement an EMS.

The Working Group initiated the establishment of a web portal "EMS4SMEs" to disseminate information in an SME friendly way on EMSs. This was added to the existing Irish Envirocentre web site and gathers all information in relation to the implementation of Environmental Management Systems in one location.

Enterprise Ireland's Environmental Management Scheme

EI is also responsible for the Environmental Management Scheme, an initiative that provides financial assistance to Enterprise Ireland client companies to support and

train the company's management in the installation and running of an Environmental Management System.

Under this initiative suitable applicants may receive grant support towards the costs of engaging independent consultants to install, in full or in part, a certified Environmental Management System.

Environmentally Superior Products

Enterprise Ireland also runs the Environmentally Superior Products Programme. The aim of each project funded under the programme is to assess ways to reduce the environmental impact of a product without compromising product functionality, quality, ability to manufacture or cost. This is what is defined as an “Environmentally Superior Product”. This initiative is aimed at improving the environmental and hence business performance of Irish SME manufacturing industry. Furthermore, it aims to improve the strategic capability of SMEs through the exploitation of the market for Environmentally Superior Products.

Currently, a grant of up to 50%, subject to a maximum of €31,740 is available to successful industrial applicants towards the cost of projects to assess the potential for Environmentally Superior Products within existing or new product ranges. Eligible expenditure for funding includes: -

- salary & wages to company staff engaged in the study;
- fees or other remuneration to technical advisors consulted in connection with the study;
- travel/subsistence costs;
- materials/prototype related expenses.

FÁS Environmental Training Programmes

FÁS, Ireland's national training and employment authority under the aegis of the Department of Enterprise, Trade and Employment, aims to promote a more competitive and inclusive knowledge-based economy, in collaboration with their stakeholders, by enhancing the skills and capabilities of individuals and enterprise. It provides a wide variety of Environmental Training Programmes ranging from programmes in Waste Management, Water and Waster Water Treatment Plant

Operation, to Laboratory Procedures, Building Control/ Building Regulations, Graduate Diploma/ MSc in Environmental Protection. FÁS also ran the Construction and Demolition Waste- National Awareness Programme throughout the period of the Strategy. These programmes are targeted at a wide range of people from managers to operators in the respective areas.

Sustainable Consumerism

Strategic Objective 4:

Support sustainable consumer choices through ensuring the provision of accurate and credible social and environmental information on products and services.

NSAI Eco label conference

The Eco-label Award Scheme is an environmental mark established by the European Union for the benefit of both consumers and manufacturers. When placing the mark on a product, the consumer is being made aware that this product has been identified as having a reduced environmental impact. In Ireland, the Competent Body is the National Standards Association of Ireland (NSAI), which is under the remit of this Department. It is a voluntary scheme and manufacturers can choose whether or not to apply for the Eco-label. Once the Eco-label has been awarded by a Competent Body it can be used in all EU Member States. During Ireland's presidency of the EU in early 2004, the Department provided financial support to NSAI towards funding a major EU Eco-Label conference.

Green consumerism /Self declared claims

One of the commitments in the CSR pillar of the Strategy relates to green consumerism, which is about supporting sustainable consumer choices through ensuring the provision of accurate and credible social and environmental information on products and services.

The establishment of a new National Consumer Agency was announced by the Minister for Enterprise, Trade and Employment in May 2005 in response to a recommendation in the Consumer Strategy Group Report. It has specific statutory functions in the area of Consumer Education, Awareness, Information and Advice so

as to help ensure that the consumers are sufficiently empowered to make informed choices about the goods and services that they buy and use in their day-to-day lives.

Performance Under Key Indicators

Number of Irish firms adhering to OECD Guidelines for Multinational Enterprises.

These statistics are not compiled. However, this Department has not received any complaints about Irish companies not adhering to them.

Number of firms producing annual environmental reports.

The following data is in respect of Irish companies who have registered that they produce environmental/ sustainability reports. No data is available for companies who have not registered.

Since 2003, 17 separate Irish companies have registered on CorporateRegister.com, 5 on the Global Reporting Initiative Register and 3 on the AA1000AS (AccountAbility) Register.

The number of companies participating in the ACCA Environmental/ Sustainability Reporting Awards has increased from 11 companies in 2003 to 16 in 2005.

In 2005, 9 Irish Business in the Community Ireland (BITCI) member companies published a Corporate Social Responsibility/ Environmental Report, an increase from 2 in 2003. In addition, 15 other BITCI member companies based in Ireland issued a global CSR/ Environmental report through their parent company in 2005.

Work initiated on WSSD trade-related actions.

Sustainable Trade was taken into account in the strategy document “Trading for Economic and Social Development,” published by the Minister for Trade in May 2005.

Number of applications from Irish firms for the EU Eco-label.

11 companies in the tourist accommodation sector have been awarded the EU Eco-Label in 2006.

Number of Irish firms availing of EI environmental information service.

Envirocentre Website

| YEAR | ENVIROCENTRE WEBSITE HITS |
|-------------|----------------------------------|
| 2003 | 520,195 |
| 2004 | 1,147,570 |
| 2005 | 2,468,101 |

It is not possible to identify hits from Irish firms.

Number of firms availing of grants for sustainable management practices.

Uptake of Environmental Management Grant Scheme

EI and Shannon Development operates an Environmental Management Grant Scheme which provides financial assistance to Enterprise Ireland client companies to support and train the company's management in the installation and running of an Environmental Management System.

The following are the numbers of companies approved for funding under the Environmental Management Grant Scheme over the period of the Strategy:

| YEAR | NUMBER OF COMPANIES |
|-------------|----------------------------|
| 2003 | 15 |
| 2004 | 16 |
| 2005 | 11 |

EI Eco-Indicators

Under this initiative, EI collects available data in respect of some, or all, of sixteen key environmental indicators (including, for example, energy and water consumption, greenhouse gasses, waste, wastewater, packaging etc.). Enterprise Ireland propose to identify client companies with 'significant' consumption/emissions and revisit those companies at two year intervals with the objective of achieving continuous improvement in their eco-efficiency profiles.

Over the period of the Strategy the number of companies participating in this initiative has grown from 250 in 2003 to approximately 650 in 2005 i.e. an increase of approximately 200 companies per year.

Number of firms with environmental management systems.

The number of firms with formal environmental management systems i.e. EMAS or ISO14001 has increased from 244 at the end of 2004 to 261 by mid 2006. No data is available on the number of companies which have implemented informal environmental management systems.

Goal 4 - DEPARTMENTAL SUSTAINABILITY

Strategic Goal:

“Integrate sustainable development principles and practices into departmental and agency policy-making and operations management.”

Sustainable decision-making

Strategic Objective 1:

Build up internal expertise on how to integrate sustainable development into departmental decision-making and policy development

Integrating sustainable development into Departmental Statements of Strategy

The Department of Enterprise, Trade and Employment’s Strategy Statement 2003-2005 incorporates many references to sustainable development and to the importance of integrating sustainable development principles into all levels of the Department’s operations. The Department’s Strategy Statement 2005-2007 continues this theme of integrating sustainable development principles into the core activities of the Department.

The annual reporting process on Departmental Statements of Strategy provides an opportunity to give an account of the developments in all areas of sustainable development. In addition, guidelines on drafting business plans have incorporated references to the matter.

Deepen internal knowledge of the linkages between economic, social and environmental dimensions of the Department’s work

The Department recognises the importance of integrating sustainability into its work, especially since its policy and programmes in relation to issues such as employment, industrial development and trade can have social and environmental impacts as well as economic ones. When the Department’s Sustainable Development Strategy was launched, presentations were made throughout the Department to make staff aware of the new Strategy and its relevance to their work.

A presentation was also made to the County and Enterprise Boards (CEBs) on the Strategy, highlighting the role CEBs and micro enterprises could play in promoting the sustainable development agenda.

New entrants to the Department are also informed about the sustainable development agenda at their Induction course. In addition, they are advised about the Green Team, its activities and the steps they can take to ensure their work in the Department contributes to sustainable development.

Environment Unit also provides ongoing support and information to other sections in the Department in relation to sustainable development and environmental issues.

Strategic Environmental Assessments

Strategic Environmental Assessments (SEA) aim to ensure that significant environmental impacts of proposed policies, plans and programmes of public sector bodies are identified, assessed and taken into account during preparation and before adoption. An EU SEA Directive (2001/42/EC) was adopted in 2001 and was transposed into Irish law by the Department of Environment, Heritage and Local Government in 2004. (SI No. 435 of 2004 and SI No. 436 of 2004). The successful implementation of the SEA Directive relies on “practitioners” of SEA being able to apply best-practice techniques within an overall SEA methodology that allows both compliance with the requirements of the SEA Directive and fulfils its overall purpose of contributing to sustainable development.

In July 2005, a training session on Strategic Environmental Assessments was organised in the Department of Enterprise, Trade and Employment for officials of IDA, Enterprise Ireland, Forfas and Shannon Development and relevant Department officials.

The objectives of that workshop were:

- To provide an overview of SEA legislation and requirements, particularly in regard to issues of industrial development,
- To describe the factors which must be considered in determining whether SEA is applicable to plans for Industry,

- To discuss what future actions should be taken in respect of the application of SEA to plans relating to industrial development.

Following a very thorough introduction to the theme, the participants were afforded the opportunity to discuss forthcoming plans and policies in their organisations, the likelihood of an SEA being required on those plans and policies and finally, how to progress work on the matter.

Furthermore, a presentation was made to the Management Advisory Committee of the Department to apprise them of the possible implications of the SEA Directive. Guidelines on the methodology to be applied were subsequently distributed to all Divisions.

Research

The Department undertook exploratory work on compiling a register of current research in the area of the environment /sustainable development in order to facilitate identification of appropriate areas for future research. In undertaking this work, the Department became aware of a joint project being undertaken on the island of Ireland called aNSwer. aNSwer is an online register of environmental research operated by the Environment and Heritage Service (EHS) in the North and the Environmental Protection Agency (EPA) in the South. The project was part-funded by EHS in the North and was supported in the South by the Irish Government's National Development Plan 2000-2006. It is a very useful resource providing access to information on environmental research and sources of environmental data in the island of Ireland for environmental researchers, organisations, decision-makers and the public. As this project transpired to be very similar to the work initiated by the Department, it was not necessary for the Department to continue with its work in the area.

During the course of the Strategy a number of areas for research were identified and undertaken in the areas of climate change, REACH, environmental funding etc. Further details on these research topics are given in the chapters on climate change and competitive sustainability.

National Biodiversity Plan

The Irish National Biodiversity Action Plan defines biodiversity as “the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems”.

Responsibility for implementation of the National Biodiversity Plan rests with the Department of Environment, Heritage and Local Government. This Department examined the issue of preparing a Departmental Biodiversity Action Plan and it was considered that, in view of its functional remit, the preparation of a Departmental Biodiversity Action Plan would not add any significant value either in terms of the delivery of this Department’s strategic goals nor in terms of the protection of biodiversity. Consequently, this Department’s involvement in biodiversity has been generally focussed on the area of Intellectual Property Rights, with particular reference to Access and Benefit Sharing and the protection of Genetic Resources. A representative from this Department participated in Interdepartmental meetings on the matter as required.

Greening the Department

Strategic Objective 2:

Incorporate best environmental practice into the Department’s operations

There are number of benefits in implementing good environmental management practices in the way the Department is run on a daily basis. It sets a good example to agencies under the remit of the Department and to industry. It leads to a reduction in the resources used and therefore, cost savings, as well as enhancing morale amongst staff regarding their contribution to achieving a more environmentally friendly workplace. It also shows the Department’s commitment in promoting sustainable development to industry. The Department and it agencies have made great strides in improving their environmental performance since the publication of the Department’s Sustainable Development Strategy.

Departmental Environmental Management Plan (EMP)

An Environmental Management Plan has been developed for the Department each year since the publication of the Department's Sustainable Development Strategy. The aim of the plan is to ensure the minimisation of resource usage and associated environmental impacts. In addition, an Environmental Policy Statement has been endorsed and signed by the Secretary General stating the Department's commitment to good environmental practice. The message of Reduce, Reuse and Recycle has been consistent throughout the Department's Environment Management Plans and the Environment Policy Statement.

Develop supporting mechanisms to facilitate development and implementation of the EMP - Green Officer/ Green Team

In order to progress the Environmental Management Plan and in line with the objectives of the Department's Sustainable Development Strategy, a Green Officer (the Principal Officer of the Organisation Unit) was appointed. A Green Team was established concurrently to support the work of the Green Officer. The Green Team consists of staff members who have expressed an interest in environmental issues and represent the buildings in which they work.

Following is an outline of some of the activities carried out by the Green Team and the Organisation Unit since the launch of the Department's Sustainable Development Strategy:

- An environmental audit documenting the resources used by the Department has been carried out almost annually since the publication of the Sustainable Development Strategy. An audit serves to show where improvements can be made in certain areas or in specific buildings so that there is a consistent standard of environmental management throughout all of the Department's buildings.
- Paper recycling has been extended to all buildings of the Department and a pilot scheme recycling cans and plastic bottles has commenced in Kildare Street with the intention of extending the scheme to the rest of the Department's buildings.

- A number of awareness raising activities have taken place; a handy checklist for use at section level was circulated to all staff highlighting the areas where positive changes can be made to reduce the effect of our activities on the environment; presentations have been made to new entrants at their induction course and “green” articles are published in the Department’s internal magazine, Enterprising Times.
- The Green Team has also worked with the IT Unit on advising staff about the functions relating to saving energy on electronic equipment and the duplex facilities on communal printers.

Enterprise Ireland

Enterprise Ireland’s mission is to work in partnership with client companies to develop a sustainable competitive advantage, leading to a significant increase in profitable sales, exports and employment. It is pro-active in stimulating high environmental standards among client companies. The provision of mainstream financial support to clients is subject to an environmental review. In addition, Enterprise Ireland offers a range of supports to clients in the area of environmental management, details of which are set in in the chapters on Corporate Social Responsibility and Competitive Sustainability.

On an operational level, Enterprise Ireland is implementing an Environmental Management Programme at its Glasnevin site to manage the environmental issues associated with the day to day running of the site. It is managed by the Enterprise Ireland Environment Policy Department in conjunction with the Internal Administration Department. A range of environment improvement measures has been implemented. A wide range of wastes, e.g. paper, printer/fax toners, ink cartridges, computers, cans and glass, are recovered for reuse and recycling using specialist waste contractors and efforts are made to minimise the amount of waste generated in the first instance. Initiatives to improve energy efficiency and reduce water usage are also underway. These measures are already illustrating commercial as well as environmental benefits from reduced resource usage.

FÁS - Environmental Policy

A report on environmental issues in respect of FÁS was commissioned and presented to FÁS in October 2003. The report was a study to determine the obligations and duties imposed on FÁS to comply with national and EU environmental legislation, directives and policies and to map out suitable policies and best practice for the organisation. The short-term recommendations of the report have been substantially implemented in all Training Centres and active waste management committees have been established.

Forfás

Forfás' adopted an Environment Policy Statement in May 2004 which states that Forfás accepts responsibility for, and a commitment to, protection of the environment at all levels within the organisation. It aims to comply fully with environmental legislation and reduce its environmental impacts by:

- minimising waste by reduced consumption and operation of effective and environmentally sound waste management and recycling procedures,
- reducing energy use through effective education and awareness and the installation of energy efficient technology where appropriate,
- implementing a purchasing policy which considers the environmental impacts of the products and services purchased by Forfás
- providing staff with the necessary awareness, education, training and resources to implement this policy, and
- developing environmental management action plans and regularly assessing whether the objectives and targets are being met.

Performance under Key Indicators

Departmental strategic environmental assessments initiated/ Training programme developed and initiated

Formal training sessions were held for Departmental and Agency staff on the implications of the Strategic Environmental Assessments Directive. In addition, a presentation was made to the Management Advisory Committee on how the SEA Directive will impact on the preparation of Departmental plans and programmes. Guidelines on the methodology to be applied when undertaking an SEA were distributed to all Divisions.

Sustainable development integrated into Departmental Strategy Statements

Over the period of the Strategy two Departmental Strategy Statements were prepared covering the periods 2003-2005 and 2005-2007. Sustainable development considerations informed both of these.

Awareness Programme implemented

Awareness raising was a central element of the Department's Environmental Management Plan. A range of media was employed in this regard, including the establishment of a dedicated Green Team Home Page on the Intranet, e-mails to staff on specific issues, articles in the staff magazine and presentations to new entrants.

Research register compiled

aNSwer, the online register of environmental research operated by the Environment and Heritage Service (EHS) in the North and the Environmental Protection Agency (EPA) in the South, provides access to information on environmental research and sources of environmental data in Ireland.

Departmental Environmental Management Plan implemented and supporting mechanisms implemented

The Department has had an Environmental Management Plan in place each year since the publication of the Strategy. The Green Officer has been assisted by the Green Team in identifying issues across all functions of the Department and addressing them in the Environmental Management Plan.

Section on strategy progress in Annual Reports

A section on progress achieved in implementing the SDS has been included in the Department's Annual Reports.