**Department of
Enterprise, Trade
and Employment**

Sustainable
Development
Strategy

2003 - 2005

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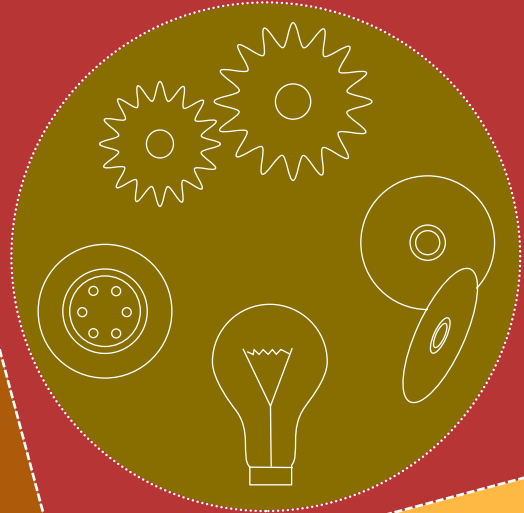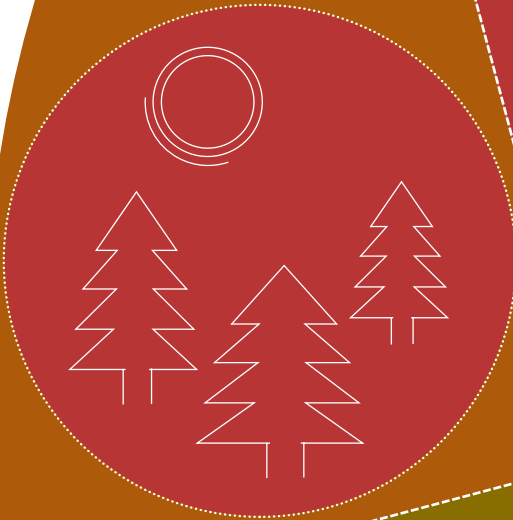
Foreword by An Tánaiste and Minister for Enterprise, Trade & Employment

I have great pleasure in launching this, the first sustainable development strategy for the Department of Enterprise, Trade and Employment. The term '*sustainable development*' is only now entering common usage and yet it represents one of the greatest challenges facing Governments and society at large. For too long we have pursued policies and aims that prioritised economic interests but paid less attention to the wider consequences for society and our environment. We are now becoming all too aware of the limits of such an approach, through the emergence and persistence of issues such as environmental damage and social problems, amongst others.

At the heart of sustainable development, then, is the recognition of the need for a balance between the economic, social and environmental dimensions of growth and development, and an understanding that any development must be pursued in this integrated manner if we are to ensure a durable quality of life for ourselves and for future generations. My Department is responsible for a wide range of Government administrative measures and has a significant influence over the direction of industrial policy amongst many other issues. Industrial, commercial and trade activities can have a very significant impact on our environment and it is incumbent on all of us to ensure that adverse impacts are minimised and that we can set an example to other sectors of society. It is for this reason that we have decided to produce and implement this Sustainable Development Strategy, which sets tasks and targets relating to the impact of business in areas such as Climate Change, Competitive Sustainability and Corporate Social Responsibility. We are also addressing internal Departmental Sustainability as a fourth key area.

It must be remembered that industrial development has been the driving force modernising Irish society and has provided a standard of living for our citizens that would have been undreamt of even a few decades ago. Indeed its contribution to environmental problems is modest, compared to other sectors in society. Nonetheless industry must naturally play its part in ensuring that no appreciable damage is done to the land, air, water and natural resources which we hold in trust and will hand on to future generations. This Strategy shows our willingness to make this objective a reality and will start us on the path to sustainability. I look forward to its initial targets being implemented over the next three years, thereby setting in place a mechanism which can be built on in future years.

Mary Harney, T.D.
Tánaiste and Minister for Enterprise, Trade and Employment
December 2002

Executive Summary

1. Introduction

Sustainable development is a form of 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. There is a growing consensus that economic growth, social cohesion and environmental protection must be integrated in order to achieve balanced and sustainable development. This was reflected in the publication by the Department of Environment in 1997 of Ireland's first sustainable development strategy, which set tangible objectives and actions for sustainable development in all sectors. It is also reflected in the Department of Enterprise, Trade & Employment's overall mission statement for 2001-2003, which is "to promote the sustainable development of a modern competitive enterprise economy based on quality employment, social inclusion and enhanced working and living conditions". Sustainable development presents both opportunities and threats for enterprise development; if it is not addressed in a structured and focused way, from an enterprise perspective, there is a danger that the opportunities will be missed and the threats realised. In this regard, the Department decided to develop a strategy on sustainable development. A draft version of the strategy was published in May 2002, followed by a consultation process with government departments and agencies, social partners, NGOs and the general public. The submissions received were taken into account in the production of this final strategy document.

2. Goals and Objectives

The overall aim of this strategy document is to enable the Department of Enterprise, Trade & Employment to address the challenges posed by sustainable ways of doing business, while also maximising the business and competitiveness opportunities presented. To this end, the Strategy provides a path for both the Department and enterprises to achieve sustainable development by setting tangible objectives and actions over a period of time, which will be reviewed and revised at regular intervals. The strategy document selects four priority strategic areas, with tangible objectives and actions, for focus over a three-year period (2003 - 2005) and these are outlined in more detail below:

Goal 1 Climate Change
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.

Objectives

- Facilitate optimum participation for enterprises in the EU emissions trading scheme.
- Pursue the establishment of structures and mechanisms to ensure that enterprises can engage in negotiated agreements where appropriate.
- Facilitate optimum participation for enterprises in Joint Implementation (JI) and Clean Development Mechanism (CDM) projects abroad and consider the implications of JI projects to be based in Ireland.
- Ensure that mechanisms are in place to assess the impact of inward and indigenous investment projects on greenhouse gas emissions.
- Contribute to the development of appropriate taxation measures as part of the policy mix for achieving greenhouse gas emission reduction targets.
- 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.
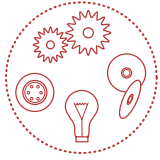
Goal 2 Competitive Sustainability

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

Objectives

- Enable companies to reduce their environmental impact and improve productivity through the development, diffusion and use of eco-efficient technologies and practices.
- Maximise the potential for innovation to contribute to both competitiveness and sustainability goals.
- Support and develop policy instruments for sustainable development that also contribute to enhanced competitiveness, innovation and economic efficiency.

Goal 3 Corporate Social Responsibility

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

Objectives

- Actively promote the adoption of good corporate practices by enterprises.
- Continue to promote the implementation of sustainable trade policies and practices at national, EU and international level.
- Enhance the capacity of enterprises to move towards sustainable management principles and practices.
- Support sustainable consumer choices through ensuring the provision of accurate and credible social and environmental information on products and services.

Goal 4 Departmental Sustainability

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

Objectives

- Build up internal expertise on how to integrate sustainable development into departmental decision-making and policy development.
- Incorporate best environmental practice into the Department's operations.

3. Implementation Process

The Strategy will be implemented by the incorporation of objectives and actions into the Annual Business Plans of the Department and agencies and by the incorporation of the Strategy into Departmental Strategy Statements. Progress on implementation will be reviewed in the Department's Annual Report, with an overall evaluation being conducted as the strategy draws to a conclusion at the end of 2005.

1 Why produce a Sustainable Development Strategy for the Department of Enterprise, Trade & Employment

1.1 Where did the concept of Sustainable Development come from?

At local, national and global level, our world is changing more rapidly than ever before:

- Economies and trade are becoming increasingly globalised, facilitated in part by rapid technological change;

- Issues such as climate change, depletion of resources like fossil fuels and loss of biodiversity have become everyone's concern, as they have the potential to impact on all aspects of our lives and those of future generations.

- In a social context, issues such as demographic changes, uneven growth rates and rapid urbanisation are impacting on our quality of life.

More and more we are recognising the interlinkages between such issues and the need to address them in an integrated way. Sustainable development is now recognised as a key way to manage such economic, social and environmental interdependence. But what exactly do we mean by 'sustainable development'? Definitions of sustainable development may vary, depending on the perspective taken; however, a common definition sees it as a form of 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. Following this definition of development would mean taking a broad view of human welfare that balances economic efficiency with social development and environmental protection and also having a long-term perspective on the consequences of our activities today. This definition was articulated in a pivotal 1987 publication, *Our Common Future,* from the World Commission on Environment and Development and is also known as the Brundtland definition.

The 1992 Rio Earth Summit built on this to create agreements and conventions on critical issues such as climate change, biodiversity, desertification and deforestation and integration of environmental and social issues into economic policies and decision-making. This was the first major international effort to bring sustainable development into the mainstream of policy-making and many countries have since developed national strategies to put the principles and actions agreed at Rio into practice in their own countries. In August 2002, the World Summit on Sustainable Development (WSSD) was held in Johannesburg to take stock of progress in socio-economic development and protection of the environment since 1992. A Plan of Implementation was agreed at the Summit, which includes measures on fisheries protection, reducing biodiversity loss and action on chemicals, amongst others. The Plan is aimed towards greater integration of the three pillars of sustainable development, with a shift towards social and economic issues in the final outcomes, including a particular focus on poverty eradication, sanitation, health and access to energy.

At European level, 2001 saw the development of the first EU-wide sustainable development strategy[1] at the June 2001 European Council in Gothenburg, Sweden. This strategy recognises that, in the long term, economic growth, social cohesion and environmental protection must go hand in hand. Achieving this in practice requires that economic growth supports social progress and respects the environment, that social policy underpins economic performance, and that environmental policy is cost-effective. For governments, it means that environmental and social issues must be integrated into all areas and at all levels of policy-making and action.

1.2 Sustainable Development - the Irish context

In 1997, the Department of the Environment produced Ireland's first sustainable development strategy - *Sustainable Development - A Strategy for Ireland*. Its view of sustainable development is based on the Brundtland definition and it defined the primary functions of sustainable industrial development as *"…generating wealth and employment"*, whose key objective is *"…to promote a strong, internationally competitive enterprise sector, comprising both indigenous and non-national companies, which will make the maximum contribution to self-sustaining employment growth"* .[2]

It stated that *"…sustainable industrial development must allow industry to pursue its primary functions of generating wealth and employment while minimising impacts on the environment"* .[3] The 1997 Strategy also outlined certain initiatives for industry to enable it to move towards sustainability, such as using cleaner technologies and production techniques to minimise emissions to air and water, preventing or reducing waste production, increasing re-use or recycling activities and pursuing a policy of conservation of energy and other raw materials.

So what are the current issues for Ireland with regard to sustainable industrial development in particular? How have our economy, society and environment been performing and on what do we need to focus in order to improve our sustainability?

On the economic front, the exceptionally strong growth of the Irish economy in recent years has had many positive benefits, including

- Greatly enhancing Ireland's global competitive position.
- Enhanced business confidence.
- Infusion of investment with a dynamic impact on the manufacturing sector and increasingly on the services sector.

Continuation of this positive situation in the coming years will depend on the maintenance of cost competitiveness and the easing of inflationary pressures, as well as dealing with the implications of recent increased uncertainty and vulnerability in the world economy, where the conditions underpinning Ireland's strong economic performance have changed fundamentally.

Turning to environmental issues, Ireland generally has good environmental quality. Factors such as our relatively low average population density and lack of heavy industrialisation in comparison with many other European countries have, until recently, mitigated the potential impacts of pressures on our environment. However, the recent rate of economic growth and development is causing an acceleration of these pressures, such as:

- Eutrophication of inland and coastal waters
- Waste and litter
- Increasing urbanisation and traffic congestion
- Climate change and greenhouse gases
- Damage to and loss of natural resources.[4]

On the social side, the strong economic performance has produced positive outcomes, including significant reductions in both long and short-term unemployment in Ireland. There has also been progress on related areas of skills training and lifelong learning to further improve the employability of the workforce. Equality issues are being addressed through the broadening of equality legislation and the social partnership process has focused specific attention on areas such as mainstreaming gender equality in terms of issues such as reducing pay gaps and reconciling work and family life. However, there is still further work to be done on reducing disparities in income and addressing issues such as poverty, social exclusion, literacy and continuing to build the skills needed for future economic and social development.

1.3 Focus of this strategy

The overall aim of this strategy document is:

- to provide a path for both the Department and enterprises to achieve sustainable development by setting tangible objectives and actions over a period of time, which will be reviewed and revised at regular intervals.

This will enable the Department to address the challenges posed by sustainable ways of doing business while also maximising the opportunities they present.

The Strategy is framed around the Department's overall mission statement to *"promote the sustainable development of a modern competitive enterprise economy based on quality employment, social inclusion and enhanced working and living standards"*.[5] We recognise that this transition will not happen overnight but requires targeted action and support in a variety of areas. We have thus decided to begin in this strategy document by setting out an overall long-term vision, and focusing on four strategic areas for action. The following sections will outline this process in more detail. This first strategy will cover a period of three years, which will provide a reasonable time for progress to be achieved on concrete actions and for targets to then be assessed and revised where required.

The above goals also link with the Department's broader corporate strategic goals, as contained in its most recent Strategy Statement 2001-2003 - *"Responding Effectively to New Challenges"*. It lists sustainable development as one of the new challenges facing the Department, where the need to integrate environmental concerns and sustainable development into industrial policy is explicitly stated. While outlining potential benefits for enterprises of this new approach, the potential implications for competitiveness are also mentioned. Objective 1(vi) of Goal 1 in the Strategy Statement also aims "to help industry in Ireland to adapt to the challenges and opportunities posed by the need to adopt increasingly stringent environmental practices" and a number of actions are proposed in this regard.[6]

1.4 Consultation

A process of public consultation on the strategy was undertaken. A draft was circulated to all Government departments, agencies of this Department - Enterprise Ireland (EI), Forfás, IDA, Shannon Development and FAS - and other organisations such as IBEC, SFA, ICTU and environmental and sustainability NGOs. Advertisements were placed in three national newspapers informing the public about the draft strategy and inviting comments. The draft strategy was also placed on the Department's website. Over thirty submissions were received and these were considered and evaluated during the production of the final strategy document.

Notes

[1] European Commission (2001) *A Sustainable Europe for a Better World: A European Union Strategy for Sustainable Development* Commission proposal to the Gothenburg European Council, June 2001.

[2] Department of the Environment (1997) *Sustainable Development - A Strategy for Ireland* The Stationery Office, Dublin, p.86.

[3] ibid, p.87.

[4] Environmental Protection Agency (2000) *Ireland's Environment - A Millennium Report,* p.xiii.

[5] Department of Enterprise, Trade & Employment (2000) *Responding Effectively to New Challenges - Strategy Statement 2001-2003,* p.1.

[6] ibid, p.21.

2 Department of Enterprise, Trade & Employment's Sustainable Development Strategy for 2003-2005

This strategy will lay the foundations for implementing sustainable development in the Department itself, in its agencies and the enterprise sector.

2.1 Mission Statement

The mission statement of this strategy is to promote sustainable development within the Department's activities and to assist enterprises in adapting to the challenges and maximising the opportunities posed by the adoption of sustainable development principles and practices.

2.2 Strategic goals

The Strategy will be implemented by means of four strategic goals, which address initial key areas targeted for action during the period of this strategy - climate change, competitive sustainability, corporate social responsibility and greening the Department itself. While issues of sustainability run through many areas of the Department's work, it is considered that tangible progress can be made on these areas in the short-term. Thus, the strategic goals for this initial strategy are:

- *Climate Change: 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.*

- *Competitive Sustainability: 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 sustainable design of products and processes.*

- *Corporate Social Responsibility: Encourage and support the adoption of socially and environmentally responsible attitudes and actions by enterprises.*

- *Departmental Sustainability: Integrate sustainable development principles and practices into departmental and agency policy-making and operations management.*

Climate change, the subject of the first strategic goal, is a key sustainable development issue not just for the enterprise sector, but also for all sectors. The National Climate Change Strategy (NCCS) is a programme of policies and measures agreed by Government to achieve Ireland's share of greenhouse gas emissions reductions required under the United Nations Framework Convention on Climate Change (UNFCC). However, ensuring that enterprises meet their obligations under this Strategy will require significant action by Government departments, agencies and the enterprise sector in areas such as emissions reduction, energy efficiency and the development of substitutes for greenhouse gas-producing substances. Such actions have the potential to contribute to other Departmental objectives such as innovation, product development and improving industrial environmental performance.

Integrating sustainability and competitiveness, our second strategic goal, has the potential to deliver reduced production costs and also to stimulate both innovative design of and demand for more efficient production processes. Achieving such results links well with other Departmental objectives regarding

competitiveness, productivity and profitability, particularly for indigenous enterprises and small-to-medium sized enterprises (SMEs).

Corporate Social Responsibility (CSR) is the focus of the third strategic goal. By enabling enterprises to integrate social and environmental concerns into their operations, CSR can assist them to respond to and manage issues such as sustainable development and globalisation. There are also potential gains in the areas of improved corporate image and stakeholder relations that can contribute to improved competitiveness and more sustainable ways of doing business.

Finally, if the Department is to be successful in helping enterprises to become more sustainable, it is imperative that its own policies and practices reflect this goal. Thus, the fourth strategic goal aims to facilitate this process in the first instance by strengthening structures for sustainable policy-making and also by improving environmental management within the Department. This goal links well with overall Departmental objectives regarding the improvement of organisational capability and staff development.

The Department recognises that there may be other areas of importance with regard to improving the sustainability of its policy-making and operations. However, as it was not feasible to address every issue in just one strategy, it was important to select those on which tangible progress could be made over the lifetime of this first strategy and/ or on which the Department was already engaged. There will be opportunities in subsequent strategies to consider other issues.

Goal 1 Climate Change

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.
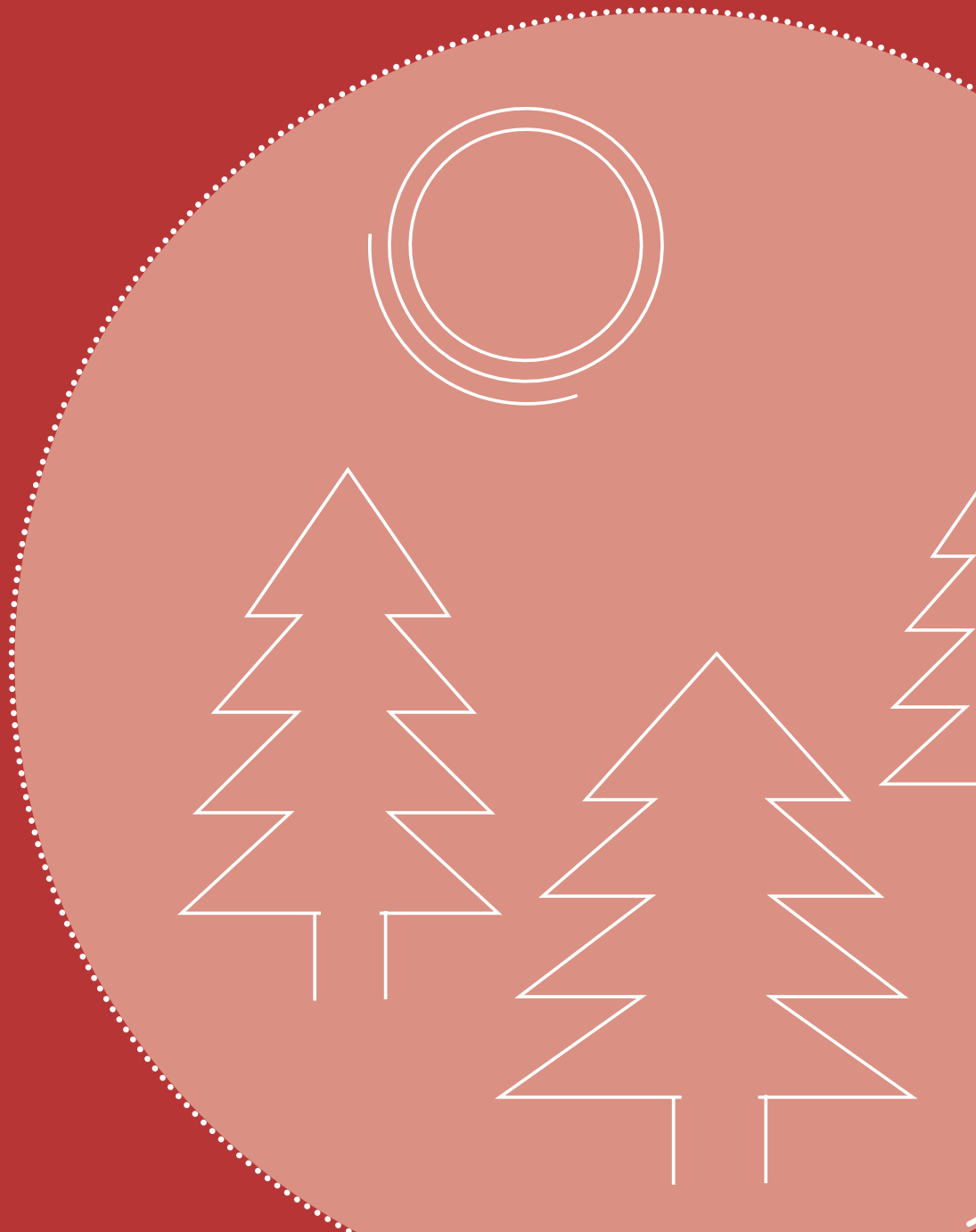
3 Goal 1 Climate Change

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.

3.1 Key Issues

3.1.1 Greenhouse Gas (GHG) Emissions

Emissions of greenhouse gases such as carbon dioxide (CO_2) from human activity are causing our climate to change in ways that threaten the future sustainability of human society. Potential impacts range from increased temperatures and frequency of extreme weather events (e.g. flooding and subsidence) to sea level rise and loss of species and habitats. For industry in particular, the vulnerability of natural resources and infrastructure - on which they rely - exposes them to potential negative impacts as a result of climate change. There is also the concern that there are likely to be significant costs associated with not pursing action on climate change. In Ireland, specific impacts predicted include potential regular summer water shortages in the Midlands, East and North of Ireland and impacts on the built environment including roads, railways, ports and harbours; these and other impacts are likely to result in higher pay-outs by the insurance industry and changing opportunities in the tourist industry, amongst others. The Kyoto Protocol has taken a first step to address GHG emissions by establishing worldwide targets for reductions of these emissions in developed countries. Within the overall Kyoto Protocol target, the EU target is to reduce emissions by 8% on 1990 levels of GHG emissions and, within this, an EU burden-sharing agreement recognises the differing circumstances of Member States. In this regard, Ireland agreed an emissions limitation target of +13% on 1990 levels, which corresponds to a quantitative limitation target of 60.74 Mt CO_2 equivalent per annum for the period 2008 to 2012. However, given our recent unprecedented economic growth and consequent increase in energy use and emissions, this target is a challenging one. In the event of no action being taken, it is estimated that by 2010 total greenhouse gas emissions for Ireland will be in the region of 70 million tonnes (Mt) CO_2 equivalent - this would be a 37% increase on 1990 levels.

3.1.2 The National Climate Change Strategy

The Government's National Climate Change Strategy (NCCS) to achieve Ireland's Kyoto target was published in 2000 and it sets out a range of measures for achieving reductions in greenhouse gas emissions in all sectors, including the industrial and commercial sectors. Greenhouse gas emissions from the enterprise sector are due mainly to energy use, with emissions also resulting from some industrial processes such as cement production[7] and the use of fluorinated gases (PFCs, HFCs and SF_6). In 1998, industrial emissions (including manufacturing, construction, process and commercial / institutional sector emissions) accounted for 16.31% of all GHG emissions in Ireland, or just over 10.3 million tonnes of CO_2 equivalent. By 2010 this share is projected to rise to 20.34% (15 million tonnes), if no abatement measures are taken. Under the National Climate Change Strategy, the enterprise sector has been given an emissions reduction target of 2.175 million tonnes of CO_2 equivalent. In addressing GHG emissions in the enterprise sector, there are a number of mechanisms available, including negotiated agreements, emissions trading, flexible mechanisms and taxation.

In exploring these mechanisms to develop policy approaches, the Department commissioned research (in association with Forfás) on how best to approach their design and implementation. In addition, the

Department is engaged with stakeholders through, for example, the cross-Departmental Climate Change Strategy Implementation Team and associated sub groups on negotiated agreements, economic analysis and inventory data users, as well as the Emissions Trading Advisory Group (ETAG). It is likely that measures identified to address the problem of climate change will have implications, both positive and negative, for the competitiveness of industry, not only in Ireland, but also throughout the world. Thus, issues such as the costs to industry of achieving emissions reductions and the availability of flexible and market-based instruments to achieve such reductions will need to be taken into consideration, as well as the potential opportunities for increased energy efficiencies and innovative development. Developments at EU level on initiatives such as emissions trading and energy taxation have implications for the policy mix chosen at national level and, consequently, progress in developing the national policy mix will be influenced by these developments.

3.2 Objectives and actions

3.2.1 Emissions Trading

Strategic Objective 1:
Facilitate optimum participation for enterprises in the EU emissions trading scheme.

The Kyoto Protocol on reducing GHG emissions provides three mechanisms by which the reduction targets can be met in a least-cost way – emissions trading, joint implementation (JI) and the clean development mechanism (CDM). Emissions trading occurs where companies emitting a particular gas are granted a permit that sets out a maximum level of emissions and also an obligation for them to hold allowances equal to their actual emissions as well as requiring adequate monitoring and reporting of emissions. Depending on whether they emit below or above the level set out in the permit, companies can sell or buy the excess or deficit, as long as they hold sufficient allowances to cover their level of emissions. An EU Directive on GHG emissions trading is currently being developed.[8] It proposes that emissions trading be implemented on a pilot basis from 2005 to 2007, with trading largely confined to carbon dioxide emissions from certain stipulated sectors in this first phase in order to gain experience and allow for preparation for the international trading period under the Kyoto Protocol from 2008 onwards. The following strategic actions will be undertaken during the period of this Strategy:

- Engage in negotiations at national and EU level on the EU Emissions Trading Directive with the aim of ensuring the optimum level of participation for enterprises.

- Pursue the establishment of structures and mechanisms required (including consideration of the legislative implications) in consultation with the Department of the Environment & Local Government, the Department of Communications, Marine & Natural Resources and Sustainable Energy Ireland (formerly the Irish Energy Centre).

- Participate in the Emissions Trading Advisory Group. This has been established under the Department of the Environment & Local Government, is chaired by the National Treasury Management Agency and includes representatives from industry and agencies.

- Ensure that appropriate linkages are established at national level with any other mechanisms that may be introduced to address the climate change issue (e.g. negotiated agreements and taxation).

3.2.2 Negotiated Agreements

Strategic Objective 1:

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 (in this case to achieve reductions of greenhouse gas emissions). They are regarded as more flexible than traditional "command and control" mechanisms such as legislation, as they can facilitate enterprises to achieve targets in the most cost-effective way. They are also often used in conjunction with taxation and other "flexible" mechanisms such as emissions trading. Commissioned research indicated that while the policy for negotiated agreements under the National Climate Change Strategy (NCCS) should be vested in this Department, the Irish Energy Centre (now Sustainable Energy Ireland) was the most appropriate body to undertake the actual negotiation of the agreements. The following strategic actions will be undertaken during the period of this Strategy, taking into account any deadlines specified in the NCCS:

- Develop policy to progress work on negotiated agreements for enterprises to achieve emissions reductions in the areas of:
  - Energy (taking into account related developments such as the EU Emissions Trading Directive and the Sustainable Energy Ireland pilot project on negotiated agreements with industry);[9]
  - Process emissions.

- Engage with the Department of the Environment & Local Government, the Department of Communications, Marine & Natural Resources and Sustainable Energy Ireland on the development of the necessary structures and mechanisms.

- Develop policy to ensure achievement of reductions in emissions of fluorinated gases (PFCs, HFCs and SF_6), taking into account results of research on sources of industrial gas emissions from the EPA's Environmental Research Programme.

3.2.3 Joint Implementation (JI) & Clean Development Mechanisms (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 mechanisms, whereby enterprises can invest in projects in another country to reduce GHG emissions (e.g. renewable energy plants, afforestation schemes, etc.) and obtain a share in the "credits" resulting from the amount of emission reductions made. While JI projects can be established in any country having Kyoto targets, CDM projects must be carried out in developing countries and also satisfy additional criteria set out in the Kyoto Protocol. A Directive on the implementation of JI & CDM, including linkages with the EU Emissions Trading Scheme is due to be proposed by the EU during 2003. The NCCS also refers to the potential future establishment of JI projects in Ireland by overseas companies (e.g. forestry, energy-efficiency, fuel-switching, etc.) as part of

inward investment in Ireland and of the need to set up an approval process and criteria for such projects - rules developed at EU level may be useful for Ireland in this regard. The following strategic actions will be undertaken during the period of this Strategy.

- Engage with the relevant Government Departments and agencies to ensure that appropriate structures and mechanisms are put in place to deal with JI and CDM projects both here in Ireland and overseas.

- Engage in negotiations at national and EU level on the proposed EU Directive on the Joint Implementation & Clean Development Mechanisms.

- Participate in the Emissions Trading Advisory Group, whose terms of reference include the provision of advice on JI and CDM.

3.2.4 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.

The NCCS states that all inward and indigenous investment proposals, including expansions, will be examined from the perspective of their potential impact on national greenhouse gas emissions and that, for those proposals with a potentially disproportionate impact, the cost to the economy of achieving compensatory savings elsewhere will be part of the overall assessment.[10]   Enterprise Ireland's Environmental Policy Unit, who carry out general environmental assessments on projects for the IDA, is currently developing a mechanism to ensure that greenhouse gas emissions criteria are incorporated into the overall investment assessment process. The overall strategic actions will be to:

- Engage with Enterprise Ireland and the IDA to drive the establishment of mechanisms for the credible and robust assessment of inward and indigenous investment projects from a sustainable development perspective.

3.2.5 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.

In the National Climate Change Strategy, taxation has been identified 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.

The Strategy proposes that a national greenhouse gas taxation regime will:
- Create incentives for firms to reduce emissions in the most efficient and cost-effective manner;
- Provide the most direct incentive for least cost action;
- Provide revenue that can be recycled to reduce other distorting taxes and to support environmental good causes.

The Strategy is also conscious of the need to balance the benefits of taxation with possible impacts on the competitiveness of high greenhouse gas emitters, high energy users, indigenous enterprises and SMEs. Forfás commissioned research on the implications of the taxation proposals in this regard. Actions for the Department of Enterprise, Trade & Employment will be to:

- Engage with the Department of Finance, the Department of the Environment & Local Government and the Tax Strategy Group in relation to any taxation proposals that may be made.

- Participate in the Economic Analysis Group and other relevant fora.

3.2.6 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.

Improving the information available on climate change - its causes, implications and remedies - is a key part of changing behaviour to achieve the emissions reductions required. This information provision and awareness raising is a necessary part of actions contained in the National Climate Change Strategy and the Interdepartmental Climate Change Team is co-ordinating work in this area. COMHAR, the national sustainable development partnership has also prepared a proposal outlining actions required for a national communications strategy on climate change.[11] In conjunction with the relevant Government agencies, the Department of Enterprise, Trade & Employment will undertake the following strategic actions:

- Ensure the development of a harmonised and integrated communications strategy on climate change for enterprise in conjunction with the Department of the Environment & Local Government's National Environmental Awareness Campaign, *It's Easy to Make a Difference.*

- Participate in the development of indicators for monitoring and reporting on progress in achieving targets under the National Climate Change Strategy.

3.3 Key Commitments and Indicators

key actions	responsibility
Emissions Trading • Engage in Emissions Trading Directive negotiations.	Environment Unit*
• Pursue the establishment of required structures and mechanisms.	Environment Unit
• Participate in the Emissions Trading Advisory Group.	Environment Unit
• Ensure the establishment of appropriate linkages with other climate change mitigation mechanisms.	Environment Unit
Negotiated Agreements • Develop policy to progress work on negotiated agreements for emissions reductions in energy and process emissions areas.	Environment Unit
• Engage with other departments and agencies on the development of required structures and mechanisms.	Environment Unit
• Develop policy to ensure reductions of fluorinated gases.	Environment Unit
JI & CDM • Engage on the establishment of appropriate structures and mechanisms.	Environment Unit, IDA, EI
• Engage in JI & CDM Directive negotiations.	Environment Unit
• Participate in the Emissions Trading Advisory Group.	Environment Unit
Investment Analysis • Establish assessment mechanism for inward and indigenous investment projects.	Environment Unit, IDA, EI
Taxation • Engage with the Department of Finance, the Department of the Environment & Local Government and the Tax Strategy Group.	Environment Unit, & Consultancy Unit
• Participate in the Economic Analysis Group and other relevant fora.	Environment Unit
Awareness-raising and education • Ensure the development of a harmonised and integrated communications strategy on climate change.	Environment Unit
• Participate in the development of indicators.	Environment Unit

key indicators

• Framework in place for participation by enterprises in EU Emissions Trading Scheme.
• Negotiated agreements in place where appropriate.
• Appropriate structures and mechanisms established for JI / CDM.
• Effective assessment mechanism for inward and indigenous investment established.
• Climate change communications strategy implemented.

* This is the section in the Department of Enterprise, Trade & Employment that deals with environmental and sustainable development issues as they relate to business.

3.4 Expected Outcomes

The strategic objectives and actions outlined above are expected to provide the following outcomes:

• Ensuring the achievement of industry's share of the national greenhouse gas emissions reduction target.

• Recognition and acceptance by industry of its roles and responsibilities regarding greenhouse gas reductions and climate change abatement.

- A balanced and sustainable industrial development investment policy, including assessment of potential GHG emissions of investment proposals.

- Groundwork laid for the post-Kyoto emissions reduction regime, which will be much more demanding in terms of reduction targets for Ireland.

- Potential for improved industrial productivity and competitiveness as a result of reductions in energy consumption, development of innovative technologies, etc.

Notes

[7] Department of the Environment & Local Government (2000) *National Climate Change Strategy Ireland*, p.54.

[8] Commission of the European Communities (2001) *Proposal for a Directive of the European Parliament and of the Council establishing a framework for greenhouse gas emissions trading within the European Community and amending Council Directive 96/61/EC*, DG Environment, Brussels. Annex 1 of the draft Directive sets out the types of installations covered by the Directive and the first phase of trading will be confined to CO_2, to be expanded to other greenhouse gases in the longer term. For more information see the Commission's website at: http://europa.eu.int/comm/environment/climat/emission.htm

[9] Sustainable Energy Ireland (SEI) commenced a programme of three pilot negotiated agreements in late February 2002 with selected enterprises. The pilot agreements are to be action based, including a series of actions identified via an energy audit carried out by approved energy auditors in the participating firms. The three pilot agreements are as follows:
1. One agreement with a high-energy use individual firm
2. One agreement with a grouping of firms from the same industrial sector
3. One agreement addressing a specific energy end-use technology within a more diverse grouping of firms.

[10] Department of the Environment & Local Government (2000) *National Climate Change Strategy Ireland*, p.55.

[11] COMHAR (2001) *Communicating the National Climate Change Strategy: Recommendations to the Minister for the Environment & Local Government*, Dublin, April 2001.

Goal 2 Competitive Sustainability

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.
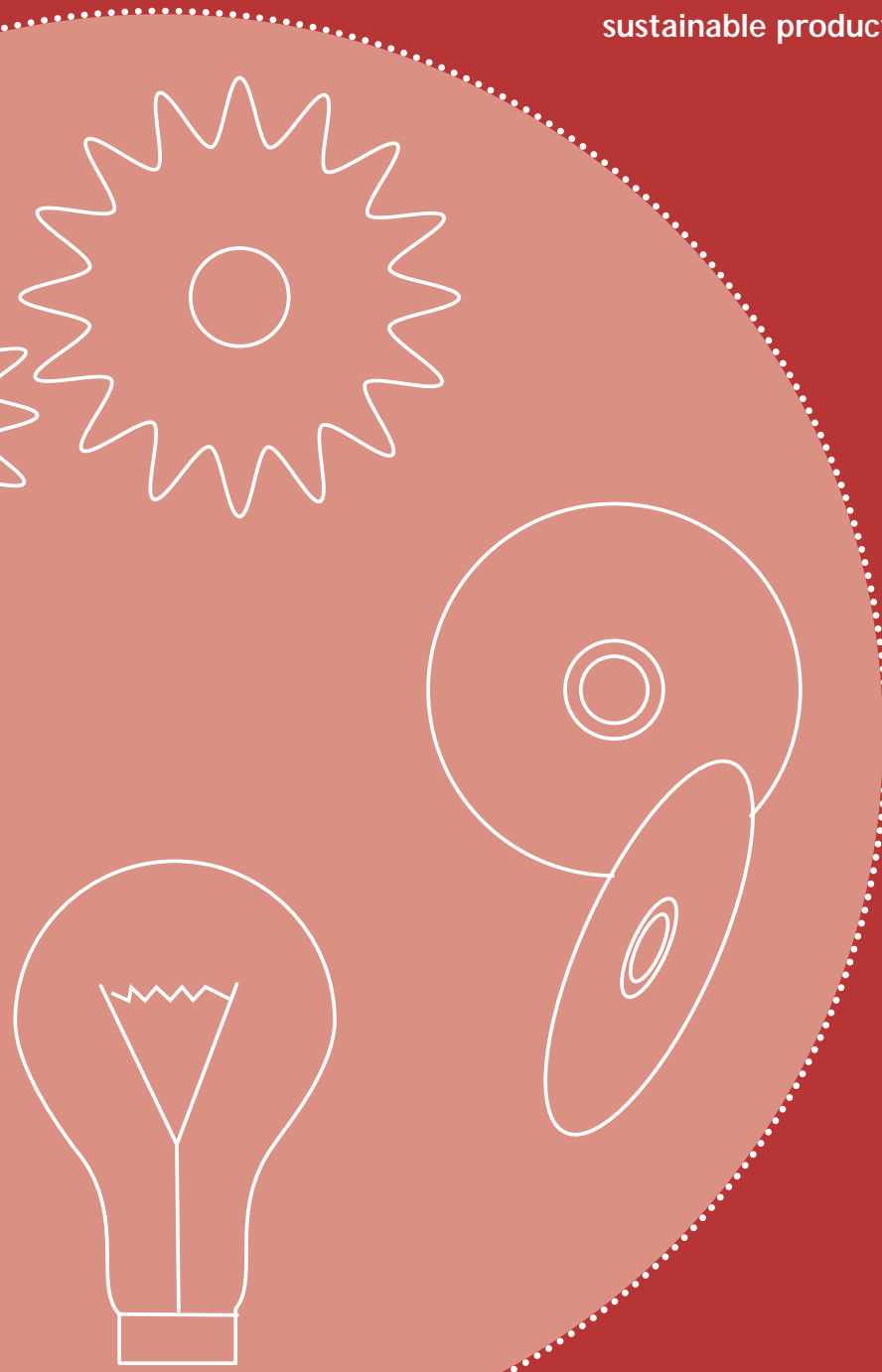
4 Goal 2 Competitive Sustainability

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.

4.1 Key Issues

4.1.1 Production, Innovation and Sustainability

Underpinning all economic activity is the supply of natural resources such as fossil fuels, water, raw materials, etc that supports it. Improvements in the efficient use of resources can help to break the link between growth in the economy and growth in resource use and pollution emissions and thereby contribute to ensuring the continued existence of our natural resources and environments. In addition, it can also drive productivity and competitiveness in enterprises. Concepts and tools such as eco-efficiency, integrated product design and clean technologies are increasingly becoming essential for sound business management and sustainable development. The prevention, minimisation and recovery of waste materials are also central elements of the sustainable consumption and use of natural resources and the Department of the Environment & Local Government has been involved in a wide range of activities on waste prevention in this regard, most recently under its policy statement *Preventing and Recycling Waste: Delivering Change.* [12]

In addition to ensuring adequate resource supplies into the future, there are significant benefits to be gained from taking a proactive approach to sustainable production and innovation, including improved productivity, opportunities for enhancing corporate image and new business and niche market opportunities. In today's global marketplace, competitiveness is no longer just about being able to produce more output at lower cost; instead, factors such as the innovative ability and adaptive capacity of an economy and its industries are now regarded as some of the key drivers of competitive performance and productivity improvements, particularly in the high-growth, high technology sectors. In addition, the goals of economic growth are broadening to include the importance of securing a high standard of living for a country's citizens, a vital component of long-term sustainable development. The development and use of innovative products, processes and technologies is a key way by which industries will be able to successfully make the move to a resource-efficient and sustainable way of doing business.

4.1.2 National policy approaches

The 1997 Sustainable Development Strategy for Ireland stressed the need for industrial development to optimise the use of natural resources and to minimise the production of waste and emissions. Approaches such as the design of (a) production processes that maximise resource efficiency while producing less waste and (b) products that can either be recycled or disposed of in an environmentally-sensitive manner are some of the ways in which the move to sustainable waste prevention and management can be made. There have been a number of initiatives in these areas such as Enterprise Ireland's successful support programme for *Environmentally Superior Products*[13] and the EPA's *Cleaner Greener Production Programme.*[14] The Irish Council for Science, Technology & Innovation (ICSTI) is also currently undertaking work to identify how science and technology could contribute more to sustainable development, focusing on areas such as renewable energy and clean production.

The Irish economy has been identified as needing to improve its involvement in research and development and innovation in order to ensure the continued competitiveness of Irish industry in the future.[15] However, in order for innovation to function as a driver of sustainable development, it needs

a supportive environment to facilitate its development, diffusion and use. Building up indigenous capacity in these areas while also working to target support for sustainable innovation therefore has the potential to promote both sustainable industrial development and competitiveness, something that has been recognised at both national and EU levels.[16] It also provides an opportunity to complete and build on the Lisbon strategy of enabling Europe to become the most competitive and dynamic knowledge-based economy in the world[17] capable of sustainable economic growth with more and better jobs and greater social cohesion. The choice of policy instrument can also play an important role in reconciling sustainable development goals with continued economic growth and competitiveness. The policy approaches need to take into account both the use of existing best practices and technologies (Objective 1) and the need to innovate and develop new approaches and products (Objective 2).

4.2 Objectives and actions

4.2.1 Sustainable Production & Technologies

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 1997 Sustainable Development Strategy stressed the need for industrial development to have a strongly defined clean production and clean technology ethos.[18] A first step in achieving this goal is increasing the awareness and uptake of existing technologies and innovations in these areas, so that firms can reduce their impact on the environment and their resource use. For SMEs in particular, there is a need for targeted and tightly focused information provision. For firms to reduce their environmental impact while also improving productivity, efforts need to be focused on areas such as reducing waste, maximising resource efficiency and designing or redesigning products and services while taking the environment into consideration. Strategic actions to be pursued with the relevant Government Departments, agencies and other stakeholders will be to:

- Work with Enterprise Ireland and Forfás to identify policy instruments to support diffusion and use of environmental technologies, including:
  - Information and awareness-raising actions for companies on available environmental technologies and products as part of the general information activities under Objective 5.2.3.;
  - Examine the range of incentives and instruments available to encourage the take-up by enterprises of clean technologies and practices.

- Work with the County Enterprise Boards to explore ways of assisting micro-enterprises to improve their environmental performance.

- Participate in relevant activities associated with the Department of the Environment & Local Government's waste policy *"Preventing & Recycling Waste: Delivering Change"*, including:
  - A Market Development Group to develop markets for recycled and recyclable materials;
  - The National Hazardous Waste Plan[19] Implementation Committee (when established).

- Address the issues of prevention, minimisation and reuse of industrial waste, including supporting the implementation of relevant recommendations in the Forfás report *"Key Waste Management Issues in Ireland"*.[20]

- Promote the "Eco-Efficiency" concept (and related indicators), which 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.

- Develop the concept of Integrated Product Policy (IPP), including provision of input to negotiations on the proposed EU initiative on Integrated Product Policy, which promotes clean processes and waste minimisation across the whole product life cycle; also explore ways to create awareness and encourage debate regarding resource use and productivity.

- Progress work on eco-indicators for grant-aided enterprises being developed by Enterprise Ireland to facilitate measurement of environmental progress by these enterprises over the longer term.

- Develop and implement a framework for developing industrial estates in line with the principles of sustainable development. Some initiatives are already underway in this regard, such as work by the IDA's Property Division and the establishment of the new Macroom Environmental Industrial Park.[21]

4.2.2 Innovation for Sustainable Development

Objective 2: Maximise the potential for innovation to contribute to both competitiveness and sustainability goals.

As we have seen, innovation has a key role to play in stimulating economic growth and also creating new products, services and business opportunities. As well as stimulating economic growth and competitiveness, innovation can also be harnessed to simultaneously achieve aims such as reductions in natural resource use, pollution and health risks, as well as improving productivity, itself an important enhancer of competitiveness. Significant action on the promotion and support of Irish R&D and innovation is being provided for under the National Development Plan 2000-2006 and Science Foundation Ireland initiatives,[22] amongst others; however, in order to ensure that sustainable innovations occur when needed and at the right prices, there is a need for incentives for both developers and users of sustainable technologies and products. Ensuring greater clarity regarding future government policy, particularly in the areas of environmental protection can also promote innovation for long-term sustainability, rather than just for short-term commercial gain. In order to harness innovation to achieve sustainability goals, the following strategic actions will be undertaken:

- In conjunction with Forfás, the National Competitiveness Council and Enterprise Ireland, assess the potential for developing a strategic plan for supporting sustainable innovation or integrating such support into existing innovation policies. This will involve:
  - A critical evaluation of the role that innovation has played in sustainability and environmental improvements in Ireland to date and how supportive current policies are of sustainable development objectives;
  - Identification of areas where support for sustainable innovation could be targeted and types of supports and incentives required, including basic research funding, development of niche markets (e.g. through green public procurement), other incentives and the potential role for market-based instruments;

- An exploration of the potential for new business opportunities arising from sustainable innovation approaches, building on existing work in this area at both national and EU levels;[23]
- Identification of ways in which working towards a knowledge-based economy can also contribute to both sustainable development and competitiveness objectives. Areas for investigation include the use of e-commerce to reduce resource inputs and outputs and the targeting of knowledge-based and knowledge-intensive sectors for investments rather than resource- or labour-intensive ones.

- Encourage the participation by indigenous enterprises in research initiatives providing funding for environmental technologies, through actions such as:
  - Investigating the factors influencing the level of participation by enterprises in research initiatives such as the EU Framework Programmes on Research & Technological Development;
  - Identifying ways to support the dissemination of the results of such initiatives.

4.2.3 Policy approaches for competitiveness, innovation and sustainable development

Objective 3: Support and develop policy instruments for sustainable development that also contribute to enhanced competitiveness, innovation and economic efficiency.

The policy instruments used to promote and implement action in the area of sustainable development can impact on enterprises in different ways. For example, firms may argue that market-based and economic tools (e.g. negotiated agreements, taxes, tradable permits and subsidies[24]) allow them more flexibility to minimise their compliance costs than the more traditional regulatory tools such as bans and emission caps. If properly designed, environmental regulations can also act as a stimulant to innovation, rather than just a constraint on business activity. Some research indicates that the design of European environmental regulations to date may be less innovation-inducing than that in the US. However, there have been recent moves to develop more flexible and innovation-led regulations, such as the draft EU Directive on the eco-design of end use equipment.[25]

The aim of this objective is to ensure that policy instruments for sustainable development are developed in a manner that contributes to enhanced competitiveness, innovation and economic efficiency as well as sustainability and environmental protection. The existence of an inclusive, timely and transparent system of consultation between policy-makers and stakeholders is another important element in this regard. Such a perspective will also contribute to achieving the strategic goal set by the European Council in Lisbon of achieving both increased competitiveness and sustainable growth for Europe as a whole.[26] The strategic actions for this objective are:

- Engage in negotiations at national and EU level on sustainable development policy, regulations and other measures, to ensure that they enhance competitiveness, foster entrepreneurship and encourage innovation as far as possible.

- Analyse any regulatory-related barriers preventing progress by SMEs on sustainability in general and resource and product efficiency in particular and investigate how they might be overcome. This may include areas such as business simplification, regulatory reform and consultation.[27]

- Further develop contacts with bodies involved in environmental regulation such as the EPA.

- Further develop stakeholder participation in decision and policy-making with significant environmental and social outcomes, taking into account, inter alia, the Aarhus Convention[28] and the White Paper on Supporting Voluntary Activity.[29]

4.3 Key Commitments and Indicators

key actions	responsibility
Sustainable Production & Technologies	
• Identify policy instruments to support diffusion and use of environmental technologies.	Environment Unit, EI, Forfás
• Explore ways of assisting micro-enterprises to improve their environmental performance.	Local Enterprise Unit, Environment Unit & CEBs
• Participate in relevant Dept. of the Environment & Local Government waste policy activities.	Environment Unit
• Support implementation of Forfás waste report recommendations.	Environment Unit & Enterprise Ireland
• Promote "eco-efficiency" concept.	Environment Unit & EI
• Develop concept of IPP and participate in negotiations.	Environment Unit
• Progress work on eco-indicators.	EI
• Develop and implement a framework for sustainable industrial estates.	IDA, Environment Unit, EI
Innovation for Sustainable Development	
• Assess the potential for a sustainable innovation strategic plan.	Environment Unit, Forfás, National Competitiveness Council & EI
• Encourage the participation by indigenous enterprises in environmental technologies research initiatives.	Environment Unit, Office of Science & Technology (OST)
Policy approaches for competitiveness, innovation and sustainable development	
• Engage in negotiations on sustainable development policy and measures to ensure they enhance competitiveness, entrepreneurship and innovation.	Environment Unit
• Analyse any regulatory-related barriers preventing progress by SMEs on sustainability.	SMEs & Competitiveness Unit
• Further develop contacts with environmental regulatory bodies.	Environment Unit
• Further develop stakeholder participation in decision and policy-making.	Environment Unit & all other relevant sections and units

key indicators

- Number of Forfás Waste Report recommendations implemented.
- Number of stakeholder groups participating in departmental decision-making.
- Number of enterprises participating in environmental technologies research initiatives.

4.4 Expected Outcomes

The strategic objectives and actions outlined above are expected to provide the following outcomes:

- Greater awareness for enterprise of the link between growth, resource use and environmental impact of business.
- Potential for increased resource efficiency amongst enterprises, leading to improved productivity and reduced environmental impact.
- Improved availability of information on sustainable production for enterprises.

- Policy guidance for current and future legislative initiatives in the resource productivity and sustainable production areas and on linking environmental protection, sustainable development and innovation.
- Enhanced market penetration by more sustainable products and services.
- Improved diffusion and uptake of clean technologies by enterprises.
- Integration of innovation and sustainable development goals into research funding.
- More "innovation-friendly" environmental legislation.
- Longer-term vision for future environmental policy development.
- In the longer term, enhanced competitiveness of enterprises.

Notes

[12] In 1998, the Department of the Environment & Local Government published the waste policy statement *Changing Our Ways,* which set out policy in relation to the prevention, minimisation, reuse and recycling of waste. It was followed in 2002 by *Preventing and Recycling Waste: Delivering Change* and specific recent activities in relation to waste have included:
- Re-use and recycling infrastructure grants provided under the National Development Plan 200-2006
- Environmental levies on the landfilling of waste and plastic bags.
- Producer responsibility initiatives such as those on Packaging Waste and Farm Plastics and the recently established National Construction and Demolition Waste Council.
- Proposals to establish a National Waste Management Board, as contained in the Forfás report, *Key Waste Management Issues in Ireland,* published in 2001.

[13] Enterprise Ireland runs a support scheme providing financial and other supports to Irish SMEs to conduct projects on environmentally conscious product design and manufacture.

[14] This programme will assist interested companies (particularly SMEs) to avail of direct EPA assistance and support (from €6,500 to €100,000) in improving their environmental performance by adapting or improving production processes in order to minimise negative impact on the environment and by changing the culture within organisations.

[15] National Competitiveness Council (2000) *The Competitive Challenge 2000,* NCC, Dublin.

[16] The EU's Sustainable Development Strategy of 2001 states that "by promoting innovation, new technologies may be developed that use fewer natural resources, reduce pollution or risks to health and safety, and are cheaper than their predecessors" - European Commission (2001) *A Sustainable Europe for a Better World: A European Union Strategy for Sustainable Development. The Commission's Proposal to the Gothenberg European Council,* Brussels, p.7.
There was also a series of reports in the 1990s outlining the potential opportunities for Ireland in addressing both sustainability and competitiveness issues in order to improve environmental performance and to exploit new market opportunities for environmental goods and services.

[17] The European Council, at its meeting in Lisbon in March, 2000 set out a strategic goal to enable Europe "to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion." For the full text of the Lisbon agenda, check the EU website at http://ue.eu.int/presid/conclusions.htm

[18] Department of the Environment (1997) *Sustainable Development - A Strategy for Ireland,* The Stationery Office, Dublin, p.86.

[19] The EPA published the National Hazardous Waste Management Plan in 2001. The primary objectives of the Plan are to:
- prevent and minimise hazardous waste
- manage the hazardous waste that cannot be prevented in an environmentally-sound manner.

[20] Forfás (2001) *Key Waste Management Issues in Ireland,* Forfás, Dublin.

[21] The new Macroom Environmental Industrial Park is an initiative by Cork County Council in association with Macroom Town Council, the South Cork Enterprise Board and the Lee Valley Enterprise Board and is the first of its kind in the country. It aims to develop programmes to aid firms in the Park to pursue continuous improvement

in environmental excellence in their activities and integrate business and environmental strategies. For more information see http://www.corkcoco.com/cccmm/media

[22] In the National Development Plan 2000-2006 an allocation of €2.47 billion has been provided under the Productive Sector Operational programme in respect of Research, Technological Development and Innovation (RTDI) activities. This money will be allocated across a range of Sectors including industry, environment, marine, education and science, agriculture and food. The €825.5 million Technology Foresight Fund, launched in October 2001, will be used to establish Ireland as a location for world-class research excellence in niche areas within Information and Communication Technologies (ICTs) and Biotechnology; the fund will be managed and allocated to research projects by Science Foundation Ireland.

[23] Work in this area includes:
  • Ecotec Consultants (1998) *Ireland's Environmental Services Sector - A Study for Enterprise Ireland.*
  • Performance & Innovation Unit (2001) *Resource Productivity: making more with less,* UK Government Cabinet Office: www.cabinet-office.gov.uk/innovation/reports/reports.shtml
  • 1999 Report to DGXI of the European Commission *The EU Eco-Industry's Export Potential.*

[24] In this regard, examples of negotiated agreements entered into by Irish industry include:
  • The Irish Cosmetics & Detergents Association agreement to phase out the marketing of phosphate-based domestic laundry detergents.
  • The Solid Fuel Trade Group agreement to reduce sulphur content of solid fuels.
For more information on these agreements, please see the following website
http://www.environ.ie/environ/envindex.html

[25] The draft EU Directive on eco-design of end use equipment aims to allow manufacturers of these products to decide how to improve the environmental performance of their products throughout the life cycle at the design stage, rather than by fixing environmental problems after they have already occurred. For further information, see: http://europa.eu.int/comm/enterprise/electr_equipment/eee/index.htm.

[26] Following the agreement of the Lisbon Agenda in 2000, referred to at note 17 above, the Stockholm European Council in 2001 decided that this political commitment should be completed and built on by including an environmental dimension. The subsequent EU sustainable development strategy is the main mechanism for achieving this goal and it recognises that in the long term, economic growth, social cohesion and environmental protection must go hand in hand.

[27] Relevant documents in this regard include the OECD's report on *Regulatory Reform in Ireland* and the European Commission Communication on Consultation COM(2002)277.

[28] The Aarhus Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters was adopted on 25 June 1998 in the Danish city of Aarhus and entered into force on 30 October 2001. It lays down the basic rules to promote citizens' involvement in environmental matters and enforcement of environmental law and consists of three pillars:
  • public right of access to environmental information;
  • public right to participate in decision-making processesx;
  • public access to justice for the public.
For more information, please see http://europa.eu.int/comm/environment/aarhus/index.htm

[29] The *White Paper on a Framework for Supporting Voluntary Activity and for Developing the Relationship between the State and the Community & Voluntary Sector* (2000) sets out a number of actions and principles in relation to better support for community and voluntary groups. One of the issues addressed relates to the role of the Community & Voluntary Sector in inputting to policy-making, including proposed legislation, development of relevant policies and monitoring of existing policies. The White Paper states that "the State will ensure that appropriate mechanisms are in place to give effect to this" (section 3.62 & 3.63, p.73); this includes the holding of regular policy fora on particular theme issues (section 3.58 to 3.61, p.71). In addition to existing funding for groups and networks (such as anti-poverty groups), an additional €2.54 million is to be provided for representative bodies and federations (section 5.54) in other segments of the Community & Voluntary sector.

Goal 3 Corporate Social Responsibility

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

5 Goal 3 Corporate Social Responsibility

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

5.1 Key issues

5.1.1 What is Corporate Social Responsibility?

Corporate Social Responsibility (CSR) can be defined as a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis. In this way, it is intrinsically linked to sustainable development, in that it seeks to enable firms to manage economic, social and environmental needs in a balanced way. The view that firms should accompany the pursuit of profit with good citizenship is not a new one, but it has intensified in recent times with businesses being increasingly called on to broaden their "raison d'être" to include issues such as stakeholder responsibility, human rights, fair trade, equality and impacts of their activities on the local community and environment. This is being driven by factors such as concerns about the impacts of large-scale industrial change and globalisation on society and the environment and greater access to and availability of information on business activities, especially through the media and the Internet.

5.1.2 What does it mean for enterprises?

CSR is therefore about enabling enterprises to respond to the needs of all of their stakeholders in a balanced and sustainable way. The European Commission recently published a strategy on CSR, setting out suggested areas where action can be taken by companies, governments and the Commission itself. It sees CSR[30] as involving behaviour by businesses over and above legal requirements, voluntarily adopted because businesses deem it to be in their long-term interest and not an optional "add-on" to core business activities. Integrating CSR can often entail changes in the vision, operation and management of enterprises. SMEs in particular can face very real constraints, as, due to their scale, they are more economically vulnerable than larger enterprises, a factor which may lead to the postponement of more long-term strategies that are not perceived to be related to core business objectives. This can be compounded by time constraints and a lack of finance and personnel. However, CSR can have a positive impact at both the micro and macro economic levels. Potential benefits for enterprises of CSR include enhanced company reputation and image, improved financial performance, increased productivity and efficiency, employee morale and loyalty, and less regulation in the future.[31] The business case for CSR is recognised as being intrinsically linked to competitiveness and future profitability, since, for example, "the smart companies who get on top of CSR issues, choose their pathway with decisiveness and manage the implementation like other elements of quality processes, will have a competitive advantage".[32] In this way, CSR can also make a contribution to achieving the Lisbon goal of building a dynamic, competitive and cohesive knowledge-based economy.

The EU CSR strategy sets out action to be taken by the Commission in a variety of areas. Overall responsibility for CSR in Ireland currently lies with the Department of Community, Rural & Gaeltacht Affairs. This strategy will focus on four aspects of CSR of particular relevance to this Department. They are:

- good corporate practices
- sustainable management practices
- sustainable trade
- sustainable consumerism

5.2 Objectives and actions

5.2.1 Responsible corporate practices

Objective 1: Actively promote the adoption of good corporate practices by enterprises.

A core element of CSR is how a company manages its interactions with various stakeholders – employees, local communities, the environment and customers. Under increasing pressure from NGOs and consumer groups, companies and sectors are increasingly adopting codes of conduct covering working conditions, investment decisions and environmental impacts, including those of their subcontractors and suppliers.[33] Such action can translate into benefits for the company involved, for example, improving its reputation and image and avoiding the need for future regulation. Implementing CSR also needs new skills and closer involvement of employees and their representatives in dialogue to manage change and develop more sustainable ways of working. Actions in the area of responsible corporate practice for the Department will involve:

- Work to improve awareness and knowledge of CSR issues such as benefits, best practice, guidelines and criteria at enterprise and Departmental level.

- Where appropriate, contribute to EU and international initiatives on CSR, including
    - Commission Communication on Corporate Social Responsibility;
    - CSR-related voluntary codes of conduct and initiatives, particularly in the areas of social dialogue and labour standards;[34]
    - Improving convergence, transparency, effective implementation and verification of CSR-related codes and initiatives.

- Actively encourage knowledge and observance of the OECD Guidelines for Multinational Enterprises[35] by enterprises in Ireland.

- Work with enterprises and the Department of the Environment & Local Government to actively encourage more widespread voluntary social and environmental reporting by Irish companies. This will also assist with supporting the voluntary action proposed on this issue at EU level[36] and initiatives such as the ACCA Environmental Reporting Awards[37] and the UN's Global Reporting Initiative.[38]

- Continue to support the work of the Company Law Review Group in revising the body of Irish company law to take account of new requirements, especially in relation to corporate accounting and audit practices.

5.2.2 Sustainable trade

Objective 2: Continue to promote the implementation of sustainable trade policies and practices at national, EU and international level.

As trade forms a central/core element of enterprises' relationships with their stakeholders, it is vital that trade and sustainable development policies and practices are mutually supportive. For example,

trade can diffuse new, ecologically sound goods, services and technologies, or it can boost demand for unsustainable production.[39] Since 1996, the EU has been pressing for the mainstreaming of sustainable trade concerns in the World Trade Organisation (WTO), through its trade and its development agenda and has also initiated work on developing and implementing a Sustainability Impact Assessment methodology for trade agreements and policies.[40] Ireland supports the EU consensus on the importance of ensuring the integration of sustainable development into world trade policies and practices and the 1997 National Sustainable Development Strategy sets out actions in relation to national trade policy and practice in this regard also. Actions to further promote sustainable trade in this strategy will involve:

- Carrying out an assessment of the sustainability and environmental impacts of Irish trade policy, with a view to ensuring its promotion of sustainable trade principles and practices.[41]

- Examining the trade-related initiatives agreed at the World Summit on Sustainable Development (WSSD) in Johannesburg in August 2002, building on the previous action point.

- Continuing to support and implement EU initiatives on sustainable trade, in particular the work of the Directorate General for Trade on:
  - the integration of environmental/sustainability issues into WTO world trade policies and practices, including issues such as the need for consistency between Multilateral Environmental Agreements,[42] core labour standards and WTO free trade rules;
  - the Article 133 Committee[43] in relation to environmental and sustainable development aspects of EU trade policy (with non-EU member countries);
  - developing and implementing a methodology for assessing the sustainability impacts of trade policies and agreements.

5.2.3 Environmental management practices in enterprises

Objective 3: Enhance the capacity of enterprises to move towards sustainable management principles and practices.

The way in which enterprises manage their operations can have benefits at economic, environmental and social levels, from improved productivity and competitiveness to reduced pollution and better environmental protection. While a certain number of enterprises have become aware of the benefits to be gained from implementing more responsible and sustainable business practices, work remains to be done in this regard. Factors influencing the degree to which enterprises move towards more sustainable development include the size of the firm, its industrial sector, the existing body of environmental legislation, etc. Small and medium-sized enterprises in particular can be further constrained by a lack of time, capital and information for implementing resource productivity and environmental management programmes, as well as being more difficult to reach and engage in such activities. Corporate culture can also be an important factor in determining whether sustainability as a core principle permeates a whole enterprise, or only remains limited to practical environmental issues such as complying with legislation. In order to assist enterprises to move towards more sustainable management practices, the following strategic actions will be undertaken:

- Work with Enterprise Ireland on the development of a one-stop shop of information on environmental and sustainable development issues for industry. Elements of such a service could include:
    - General information and awareness-raising measures on sustainable development for enterprises, particularly small businesses,[44](publications, web-based services, etc.), including information on legislation and regulations;
    - Guidance on areas such as waste, clean technology and other initiatives, sources of funding, best practice guidelines, etc.

- Support and implement the EU-wide "BEST" project to assist SMEs overcome obstacles to improving their environmental performance.[45] This may involve the mainstreaming of the project results and developing a programme of specific activities in conjunction with Enterprise Ireland.

- Support Enterprise Ireland to further promote their programmes aimed at promoting participation in environmental management systems (e.g. EMAS and ISO14001) and cleaner production by enterprises, including those specifically targeted at SMEs.[46]

- Support FAS to further promote their range of environmental training courses.

- Consider how best to support other relevant initiatives aimed at improving business sustainability that may arise.

5.2.4 Sustainable Consumerism

Objective 4: Support sustainable consumer choices through ensuring the provision of accurate and credible social and environmental information on products and services.

We, as consumers, can signal our demand for sustainable development to manufacturers and service providers through the choices we make regarding the products and services we purchase. In order to make informed, sustainable choices, consumers need reliable and accurate information regarding the availability of socially and environmentally sustainable products and services. Commonly agreed criteria regarding such social and environmental information and claims would also assist consumers in this regard. These issues will be addressed initially by the following strategic actions:

- Work with the NSAI, the Department of the Environment & Local Government and other relevant bodies to
    - promote applications for the EU Eco-Label[47] by Irish firms;
    - explore the potential for further work on green consumerism;
    - support the European Commission work on guidelines for making and assessing environmental self-declared claims by producers or distributors.[48]

5.3 Key Commitments and Indicators

key actions	responsibility
Responsible Corporate Practices	
• Improve knowledge and awareness of CSR in enterprises.	Industrial Relations Unit, Environment Unit, Forfás, National Centre for Partnership & Performance
• Contribute to EU and international initiatives on CSR.	Industrial Relations Unit, Labour Market Policy Unit, Environment Unit
• Encourage knowledge and observance of OECD Guidelines for Multinational Enterprises.	Enterprise Policy Unit
• Encourage corporate social and environmental reporting.	Environment Unit
• Continue to support the work of Company Law Review Group.	Company Law Review Unit
Sustainable Trade	
• Assess the sustainability of Irish trade policy.	Market Access Unit
• Initiate implementation of trade-related agreements from WSSD 2002.	Market Access Unit
• Continue to support EU initiatives on sustainable trade.	Market Access Unit
Sustainable Management Practices	
• Develop an environmental information service for industry.	Enterprise Ireland
• Support and implement the EU-wide "BEST" project.	Environment Unit and EI
• Support the promotion of EI programmes for environmental management systems and cleaner production.	Environment Unit & EI
• Support FAS to further promote their environmental training courses.	Environment Unit, Labour Force Development Division
• Consider how best to support initiatives on business and sustainable development.	Environment Unit
Sustainable Consumerism	
• Promote application of EU Eco-Label, explore potential for further work on green consumerism and support EU guidelines for environmental claims.	Environment Unit & NSAI, in consultation with Consumer Policy Unit

key indicators

- Number of enterprises participating in environmental technologies research initiatives.
- Number of Irish firms adhering to OECD Guidelines for Multinational Enterprises.
- Number of firms producing annual environmental reports.
- Work initiated on WSSD trade-related actions.
- Number of applications from Irish firms for the EU Eco-Label.
- Number of Irish firms availing of EI environmental information service.
- Number of firms availing of EI grants for sustainable management practices.
- Number of firms with environmental management systems.

5.4 Expected Outcomes

The strategic objectives and actions outlined above are expected to provide the following outcomes:

- Greater awareness and implementation of CSR by enterprises.
- A sustainable national trade policy.
- Improved availability of information on sustainable practices for firms.
- Greater uptake by firms, particularly SMEs, of environmental management systems.
- Improved consumer information on the environmental impact of goods and services.

Notes

[30] Commission of the European Communities (2002) *Communication from the Commission concerning Corporate Social Responsibility: A business contribution to Sustainable Development* COM(2002) 347 final, DG Employment & Social Affairs, Brussels; http://europa.eu.int/comm/employment_social/soc-dial/csr/csr_index.htm

[31] A recent study by the European Commission's Observatory of European SMEs found that that three quarters of them are able to identify business benefits from their involvement, to different degrees, in external socially responsible activities, including improvement of customer loyalty and better community relations. For more information see: http://europa.eu.int/comm/enterprise/enterprise_policy/analysis/observatory.htm

[32] The Financial Times (2001) *Responsible Business in the Global Economy - A Financial Times Guide* Financial Times, London October 2001, p.16.

[33] Commission of the European Communities (2001) *Green Paper: Promoting a European Framework for Corporate Social Responsibility* DG Employment & Social Affairs, Brussels, p.13.

[34] Among the initiatives underway at EU level are: the European Employment Strategy, a new Community Strategy on health and safety in work (2002-2006), Commission Communications on *European social dialogue as a force for innovation and change* and on *Promoting Core Labour Standards and Improving Social Governance in the context of Globalisation.*

[35] The OECD Guidelines for Multinational Enterprises provide voluntary principles and standards for responsible business conduct in a variety of areas including employment and industrial relations, human rights, environment, information disclosure, competition, taxation, and science and technology. The Irish contact point for the Guidelines is the Enterprise Policy Section of the Department of Enterprise, Trade & Employment. Further information on the Guidelines is available at www.oecd.org under the Corporate Governance heading.

[36] European Commission (2001) *A Sustainable Europe for a Better World: A European Union Strategy for Sustainable Development. The Commission's Proposal to the Gothenburg European Council,* Brussels. The strategy contains an action inviting all publicly quoted companies with at least 500 staff to publish a "triple bottom line" in their annual reports to shareholders that measures their performance against economic, environmental and social criteria.

[37] The Association of Chartered Certified Accountants in Ireland organise a national Environmental Reporting Awards Scheme, which is part of a worldwide initiative. The scheme aims to identify and reward innovative attempts to communicate corporate environmental performance. For more information see the ACCA website on www.ireland.accaglobal.com.

[38] The Global Reporting Initiative is led by the United Nations' Environment Programme and the Coalition for Environmentally Responsible Companies and aims to create a common framework for corporate sustainability reporting. It is endorsed by several hundred companies worldwide. For more details, see: http://www.globalreporting.org.

[39] Commission of the European Communities (2001) *The Non-Trade Impacts of Trade Policy - Asking Questions, Seeking Sustainable Development* Informal Discussion Paper for the Directorate General for Trade, Brussels http://europa.eu.int/comm/trade/pdf/csc_idp.pdf

[40] The issue of Sustainability Impact Assessment (SIA) of trade policies is being addressed by the EU through the Directorate General for Trade. The aim of the EU SIA process is to assess the impact of new trade rules or trade liberalisation on all three components of sustainable development - economic growth, environmental protection and social development - using a set of nine indicators, such as equity and poverty; environmental quality of air, water and land; and health and education. Information on the issue is available at: http://europa.eu.int/comm/trade/sia/background.htm

[41] Chapter 12 of the 1997 National Sustainable Development Strategy - *Sustainable Development - A Strategy for Ireland* - set out actions in relation to the assessment of Irish import and export trade policies from a sustainability perspective. Issues to be addressed include international trade, fair trade and trade in endangered species. The Strategy is available online at: http://www.environ.ie/environ/envindex.html

[42] Multilateral Environmental Agreements are internationally agreed measures to protect the environment, such as the Kyoto Protocol on Climate Change.

[43] The Article 133 Committee formulates the EU's trade policy. Decisions are taken by committee members on international trade issues, which may include environmental and sustainable development aspects. The Market Access Unit of this Department represents Ireland on the committee.

[44] There is evidence to show that constraints for SMEs on the availability of financial and management resources can act as a barrier on translating awareness into action. For further discussion of this issue see: Ecotec Consultants (2000) *Report on SMEs and the Environment. Report prepared for the European Commission,* DG Environment, Brussels.

[45] The Business Environment Simplification Taskforce (BEST) is an EU initiative to support Member States' efforts to identify and exchange best practice in enterprise policy and thus improve their performance. For 2002, a project on improving the environmental performance of SMEs has been agreed and Ireland is represented on the project Expert Group. For more information see: http://europa.eu.int/comm/enterprise/enterprise_policy/best/

[46] Enterprise Ireland runs a support scheme for industries to install an accredited Environmental Management System, such as EMAS or ISO 14001, with financial support of €12,700 available per company.

[47] The EU Eco-Label Scheme was established by Council Regulation No. 880/92 to promote the design, production, marketing and use of products that have a reduced environmental impact during their entire life cycle, and to provide better consumer information on the environmental impact of products. Council Regulation 1980/2000 has updated the scheme, with services now coming within the scope of the scheme. The NSAI is a Competent Body in Ireland for the implementation of the Eco-label.

[48] The European Commission is finalising work on guidelines for making and assessing environmental self-declared claims by producers or distributors based on the ISO 14021:1999 standard, with the objective of preventing misleading claims and encouraging good ones.

goal 4 departmental sustainability

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

6 Goal 4 Departmental Sustainability

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

6.1 Key issues

6.1.1 Sustainable decision-making

The process of integrating environmental and social considerations into decision-making at all levels across government is a major mechanism for ensuring progress towards sustainable development. Basically, it means that at every stage of the policy process - development, planning, implementation and evaluation - sustainable development issues are considered, thus enabling environmental and social concerns to be addressed alongside economic ones in a consistent, effective and comprehensive manner. The Department recognises the importance of integrating sustainability into its work, especially since its policy and programme work on issues such as employment, industrial development and trade can have social and environmental impacts as much as economic ones. The Department has made some progress in this regard, in areas such as:

- Preparing environmental assessments and eco-audits for the National Development Plan Operational Programmes for the Productive Sector[49] and Employment & Human Resources Development.

- Addressing environmental and sustainable development issues in the 1997 National Sustainable Development Strategy and the current Departmental Statement of Strategy.

- Participating in the recent pilot eco-audit of government policies.

Recent requirements for all government departments to consider the impact of their policies and decisions on areas such as poverty and gender have also contributed to the acquisition of experience in assessing departmental work for dimensions other than traditional economic and financial ones. Integrating sustainable development considerations into government decision-making is promoted by the following:

- The National Sustainable Development Strategy 1997.
- The Programme for Prosperity and Fairness.[50]
- The current Departmental Strategy Statement 2000-2003.
- The National Heritage and Biodiversity Plans.[51]
- The recently adopted EU Directive on Strategic Environmental Assessment (SEA).[52]
- The 2001 European Union Strategy for Sustainable Development and the European Council "Cardiff" process.
- The 1996 OECD Council Recommendation on Improving the Environmental Performance of Government.[53]

Therefore, to the extent that assessments and/or evaluations of Departmental policies and programmes are carried out, there is a need to build in sustainable development criteria.

Similarly, as the work of the state agencies under the aegis of the Department would also have implications for sustainable development, action on integrating sustainable development into their work would be important. In this regard, work is already underway by some of the agencies: Enterprise Ireland has initiated a process of conducting strategic environmental assessments on proposed sectoral plans and policies and, where possible, negative implications are identified, and an appropriate control strategy formulated; FAS, the national training authority, also intends to develop an environment policy statement at corporate level, which will set out FAS's broad commitment to environment awareness, establish broad objectives for the organisation at corporate level and provide the framework for action at operational level.

6.1.2   Greening the Department

Greening the department, or "green housekeeping" as it is also known, involves ensuring that the Department is run on a daily basis in a manner consistent with good environmental management principles and practices. Given the Government's commitment to sustainable development and to a high level of environmental protection, there is a responsibility on all Government departments to follow best practices in this regard. This is particularly important for the Department of Enterprise, Trade & Employment if it is to be effective in its role in promoting best practice and sustainable development to industry. Indeed, many private sector companies have already adopted good environmental practices as part of their corporate policy, realising that this both enhances their public standing and motivates staff in the workplace.

Green housekeeping involves such things as establishing the existing levels of resource use in the Department and assessing the impacts on the environment resulting from daily Departmental activities, including energy and water use in buildings, use of paper and office supplies, waste generation etc. A preliminary profile of the current Departmental use of resources and its impact on the environment can be gleaned from the following statistics:

- The Department currently employs approximately 1,130 people, located in eight buildings in Dublin, Kilkenny and Cork.
- These buildings occupy approximately 19,000 square metres of office space and other types of accommodation.
- Annual energy bills are in the region of €316,000.
- The amount of waste generated annually is in the region of 19,000 bags.
- Amount of water used is in the region of 8,500 cubic metres (Kildare St. and Davitt House only).

The 1997 National Sustainable Development Strategy states that "there is a special obligation on the public sector to demonstrate good environmental performance as part of the services which it delivers"[54] and it sees the development of Departmental environmental management plans as a key element in this regard. The Department participates in the Environment Network of Government Departments, which was established to support and promote environmental office management concepts widely through government. The adoption of sound environmental management practices is also promoted by the Green Government Guide published by the Department of the Environment.[55] In addition to reducing the Department's impact on the environment, greening the Department's operations will lead to benefits such as financial savings to the Exchequer as a result of reductions in

energy and water bills, waste disposal costs, etc. In the longer term, good environmental management plans can form the basis for progression to a more formalised system of environmental management such as the EU Eco-Management & Audit Scheme (EMAS) or ISO 14001.

Amongst the agencies, Enterprise Ireland operates an environmental management programme at their Glasnevin site in Dublin to manage issues such as waste and resource use associated with the day-to-day running of its operations. The programme commenced with a comprehensive audit of activities, from which a five-year environmental action programme was developed and implemented on an on-going basis. Under the Employment & Human Resources Development Operational Programme, FÁS aims to establish an Environmental Improvement Committee in each of its 10 regions to examine the impact of FÁS in relation to environmental matters in the region and to develop proposals for improvement. The Committees will be primarily focused on FÁS operations in such matters as waste disposal, recycling etc. and may also consider general promotion activities at regional level. Forfás is also in the process of implementing an environmental management programme to manage its environmental affairs.

6.2 Objectives and actions

6.2.1 Sustainable Decision-Making

Objective 1: **Build up internal expertise on how to integrate sustainable development into departmental decision-making and policy development.**

The Department recognises the importance of ensuring the integration of sustainable development into its policy and practices and that this requires an enhanced understanding of the principles and practices involved. It aims to achieve this through the following initial actions:

- Extend the process of strategic environmental assessments of selected departmental policies / programmes, with the aim of developing expertise and guidelines for future "sustainability-proofing" of all programmes and policies where appropriate.[56]

- Develop and initiate a training programme for selected staff to develop internal capacity for sustainability-proofing.

- Integrate sustainable development at a core level into all future Departmental Statements of Strategy.

- Deepen internal knowledge of the linkages between economic, social and environmental dimensions of the Department's work through actions to:
  - Develop and implement a programme of awareness raising and information on sustainable development and its relevance to the work of the Department using existing structures where possible, such as articles for the Departmental magazine *Enterprising Times* and the Departmental website / electronic notice board;
  - Identify appropriate areas for future research by compiling a register of current research underway in this area and working to ensure that research topics of relevance to departmental policy making are included where appropriate in the terms of reference of future funded research programmes;

- Work with other Departments and agencies to implement relevant actions in the National Biodiversity Plan,[57] including the development and implementation of a Departmental Biodiversity Action Plan.

6.2.2   Greening the Department

*Objective 2: **Incorporate best environmental practice into the Department's operations.***

This Department is committed to incorporating best environmental practice into its management and activities. We aim to encourage environmental awareness within the organisation and to contribute to reducing our environmental impact in every way open to us. There are also potential savings to be gained in resource use and financial expenditure for the Department and its agencies. The following actions will enable the first phase of this objective to be implemented:

- Develop and implement an environmental management plan for the Department. The aim of this plan will be to ensure minimisation and conservation in resource use and environmental impact by means of an initial audit of activities and the subsequent setting of reduction and/or other targets and deadlines. The plan will cover the following areas:
  - Green purchasing and materials use (recycled materials, re-use where possible, etc.[58]);
  - Waste management (minimization of waste generation; segregation; recycling of all suitable materials; suitable disposal methods, particularly for hazardous waste);
  - Energy and water efficiency (economical use of equipment and lights, purchase of energy-efficient equipment, use of rechargeable batteries, regulation of water use, etc.[59]);
  - Transport (staff commuter plan, further promotion of Department of Finance Travelpass Scheme, etc.);
  - Maintenance (environmentally-friendly property management, maximum usage of all equipment and selection of CFC- and VOC-free equipment, solvents, cleaning materials, etc.);
  - Consideration of longer-term task of working to achieve an environmental management standard (such as ISO14001 or EMAS) in the Department.

- Develop supporting mechanisms to facilitate development and implementation of the Plan, as recommended in the Green Government Guide. This will include actions to:
  - Appoint a Green Housekeeping Officer at Principal Officer level to examine issues across all functions of the Department and to gain the support of all staff in the process;
  - Appoint a Green Team to assist the officer and to be as widely representative of different functions and grades as possible;
  - Develop an on-going programme of information and awareness-raising activities for departmental staff. Where possible, existing structures will be used, such as incorporating sustainable development into existing induction and training courses and articles for the Departmental magazine and electronic notice board.

- Progress on developing and implementing the Plan will be reported on in the Department's Annual Report, with green housekeeping to be included as a strategic action in the Department's Strategy Statement.

6.3 Key Commitments and Indicators

key actions	responsibility
Sustainable Decision-Making	
• Expand process of strategic environmental assessments of departmental policies and programmes.	Environment Unit
• Develop and implement a training programme on sustainability-proofing.	Environment Unit, Training Unit
• Integrate sustainable development at a core level into all future Departmental Statements of Strategy.	Environment Unit, Planning Unit
• Deepen internal knowledge of the linkages between economic, social and environmental dimensions of the Department's work.	Environment Unit, OST
• Work with other Departments and agencies to implement relevant actions in the National Biodiversity Plan.	Environment Unit, OST, Intellectual Property Unit, Market Access Unit
Greening the Department	
• Develop and implement an environmental management plan for the Department.	Org. & Info. Systems Unit, Environment Unit
• Develop supporting mechanisms to facilitate development and implementation of the Plan.	Org. & Info. Systems Unit, Environment Unit
• Report on progress on developing and implementing the Plan in the Department's Annual Report.	Environment Unit and all relevant Units

key indicators

- Departmental strategic environmental assessments initiated.
- Training programme developed and initiated.
- Sustainable development integrated into Departmental Strategy Statements.
- Awareness programme implemented.
- Research register compiled.
- Departmental Environmental Management Plan implemented.
- Supporting mechanisms implemented.
- Section on strategy progress in Annual Reports.

6.4 Expected Outcomes

The strategic objectives and actions outlined above are expected to provide the following outcomes:

- Contribution to the integration of sustainable development into new departmental policy and programme decision-making and development (SEA documents and training) – this will also facilitate easier compliance for the Department with requirements of the EU Directive on Strategic Environmental Assessment (SEA).

- Greater skills and credibility for the Department in sustainable policy-making.

- Improved analytical and advisory capacity amongst Departmental staff with regard to sustainable development.

- Effective performance evaluation procedures for departmental policies and programmes, including sustainable development criteria – this will also assist compliance with the EU SEA Directive and funding conditions.

- Good environmental performance regarded as an essential part of quality public service.
- Reduction in Departmental resource expenditure.
- Provision of guidance and setting good example regarding environmental management not only to industry but also to all agencies and bodies for which the Department is responsible.
- Enhanced morale amongst staff regarding their contribution to achieving a more environmentally friendly workplace.

Notes

[49] Department of Enterprise, Trade & Employment (2000) *Ireland: Productive Sector Operational Programme 2000-2006* and *Ireland: Employment & Human Resources Development Operational Programme* 2000-2006.

[50] Department of the Taoiseach (2000) *Programme for Prosperity and Fairness,* The Stationery Office, Dublin, p.75.

[51] The National Biodiversity Plan 2002-2006 sets out the framework through which Ireland will provide for the conservation and sustainable use of biodiversity over a five-year period. It is designed to ensure that Ireland fulfils its obligations under the international Convention on Biological Diversity. The National Heritage Plan 2002-2006 is based on the themes of heritage at the heart of public life, heritage protection, heritage knowledge and research, promoting awareness and enjoyment of heritage and cross-border / international aspects. Both plans were produced by the former Department of Arts, Heritage, Gaeltacht and the Islands.

[52] Council of the European Union (2001) *Directive on the assessment of the effects of certain plans and programmes on the environment* 2001/42/EC. This Directive aims to ensure that environmental consequences of certain plans and programmes are identified and assessed during their preparation and before their adoption.

[53] OECD (1996) *Improving the Environmental Performance of Government Council Recommendation,* OECD Paris.

[54] Department of the Environment (1997) *Sustainable Development - A Strategy for Ireland* The Stationery Office Dublin, p.185.

[55] Department of the Environment (1986) *The Green Government Guide - Promoting Environmental Management & Practice in Government.*

[56] These assessments could also include impacts on architectural and archaeological heritage, biodiversity and social issues.

[57] Particular issues of relevance to this Department in the National Biodiversity Plan include access to and benefit-sharing of genetic resources, trade and sustainable use of biodiversity. The Heritage Policy Section of the Department of Environment & Local Government is currently developing guidelines to assist with the preparation of departmental action plans and the existing Interdepartmental Group on Biodiversity is being expanded to assist with implementation of the National Plan.

[58] The European Commission's Services issued guidelines on greening public procurement by using the European eco-label criteria in November 2001 and work is underway on other initiatives such as a practical handbook on green public procurement and a database of information on environmental aspects of key products and services. For more information, see: http://simap.eu.int/EN/pub/src/welcome.htm

[59] Sustainable Energy Ireland proposes to expend €12.7 million (£10 million) on energy efficiency measures, including making grant aid available for energy management in public sector buildings.

7 Implementation, Monitoring and Evaluation of the Strategy

7.1 Implementation of the Strategy

The Strategy document will be implemented by means of the following:

- Strategic objectives and actions will be incorporated into the Annual Business Plans of the Department and agencies. As the Strategy runs for three years, some actions may span one or more Business Plans.

- Establishment of timeframes for objectives and actions where appropriate.

- Incorporation of the Sustainable Development Strategy into subsequent Departmental Corporate Strategies.

7.2 Monitoring & Reporting

Progress on implementing the Strategy will be reported on annually, in the Department's Annual Report. This will allow for:

- Progress to be recorded and reviewed.
- Obstacles to progress to be identified, where they exist.
- Revision of priorities or timeframe for actions where required.
- Transparency and credibility in the Strategy itself, as the report will be publicly available.

The Department's Environment Unit will co-ordinate the reporting process. There will be a separate section in the Department's Annual Report specifically dealing with actions mandated to relevant sections under the Strategy. Each section with actions to report on will feed material to the Environment Unit and this will be co-ordinated and sent to the Planning Unit for incorporation in the overall Annual Report.

7.3 Evaluation of the Strategy

In addition to the annual reporting, it will also be important to conduct an overall evaluation as the strategy draws to its conclusion and the subsequent one is being prepared. The evaluation will be carried out by the Environment Unit of the Department and will aim to:

- Allow the identification of best practice, which can be utilised in subsequent strategies.

- Provide information on where changes to the strategic approach may be required e.g. where progress was not achieved as expected.

- Help to inform priority areas for action in subsequent strategies.

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9 Glossary of Terms & Abbreviations

Biodiversity
The variety of and variability among living organisms, including diversity at both the ecosystem and species levels and genetic diversity within species. Conservation of biodiversity is an integral part of sustainable development and has become a key concern nationally and globally.

Carbon dioxide (CO_2)
A colourless, odourless, incombustible gas that is naturally present in the atmosphere. It is the main greenhouse gas and current atmospheric concentrations of it are significantly higher than pre-industrial revolution levels, mainly as a result of industrial activities.

Clean Development Mechanism (CDM)
The Clean Development Mechanism is a project-based mechanism under the Kyoto Protocol, whereby countries or enterprises can invest in projects in a developing country to reduce GHG emissions (e.g. renewable energy plants, afforestation schemes, etc.) and obtain a share in the "credits" resulting from the amount of emission reductions made. CDM projects must also satisfy additional criteria set out in the Kyoto Protocol.

CFCs
Chlorofluorocarbons – a family of ozone-depleting substances whose use is banned for most purposes under the Montreal Protocol on substances that deplete the Ozone Layer (1987). While CFCs are also greenhouse gases, they are excluded from the Kyoto Protocol as their use is controlled under the Montreal Protocol.

Climate change
The change in climate attributable to human activity arising from the release of greenhouse gases into the atmosphere and which is additional to natural climate variability.

Corporate Social Responsibility (CSR)
CSR is where companies decide voluntarily to integrate social and environmental concerns into their business operations and in their interaction with their stakeholders, choosing to take action beyond that which may be required of them through existing regulations, laws, directives, etc. While it is not a substitute for regulation or legislation, it can complement action in these areas.

Desertification
The process whereby land is converted to desert through the impact of factors such as soil erosion.

Eco-audit
This is a management instrument that comprises a systematic, documented, regular and objective assessment of an organisation's performance in respect of its impact on the environment.

Eco-efficiency
The degree to which the design, production, marketing and use of products contribute to reduced environmental impact of a product or service during its lifetime.

EMAS

The Eco-Management and Audit Scheme (EMAS) was adopted by the European Council in 1993 and aims to promote continuous environmental performance improvements in a firm's activities by committing organisations (on a voluntary basis) to evaluate and improve their environmental performance. It is one of a number of environmental management systems which enterprises can implement.

Emissions Trading

Emissions trading occurs where companies emitting a particular gas or pollutant are granted a permit that sets out a maximum level of emissions and also an obligation for them to hold allowances equal to their actual emissions as well as requiring adequate monitoring and reporting of emissions. Depending on whether they emit below or above the level set out in the permit, companies can sell or buy the excess or deficit, as long as they hold sufficient allowances to cover their level of emissions. Emissions trading is thus a market-based policy mechanism and is permitted under the Kyoto Protocol as a way for enterprises and countries to achieve their greenhouse gas emission reductions.

Environmental footprint

The impact of a body (firm, utility, sector, etc) on the environment in terms of its resource use, waste management, etc.

Eutrophication

The enrichment of waters beyond natural levels by nutrients such as phosphorus. The condition results in excessive growths of algae and other plants in the affected waters, which can also lead to fish kills through their reduction of oxygen levels in the water.

Flexible mechanisms

The Kyoto Protocol on reducing greenhouse gas emissions provides three mechanisms by which the reduction targets can be met in a least-cost way – Emissions Trading, Joint Implementation (JI) and the Clean Development Mechanism (CDM).

Fossil fuels

Peat, coal, natural gas and fuels derived from crude oil (e.g. petrol and diesel) are called fossil fuels because they have been formed over long periods of time from ancient organic matter. All contain varying amounts of carbon.

Greenhouse gases (GHG)

These are gases in the atmosphere that freely allow radiation from the sun through to the earth's surface but prevent heat from radiating back out again from the earth's surface. Most greenhouse gases occur naturally and are a necessary part of the global climate system, but their concentration can be increased by human action, leading to climate change. The main greenhouse gases are carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O), all of which occur naturally as well as from human activities.

HFCs

Hydrofluorocarbons. See Fluorinated gases.

Fluorinated gases

These are the three non-natural greenhouse gases and gas families - HFCs (Hydrofluorocarbons), PFCs (Perfluorocarbons) and SF_6 (Sulphur Hexafluoride). They are more potent than the naturally occurring greenhouse gases and did not appear in the atmosphere before the industrial age.

ISO 14001

ISO 14001 is the cornerstone standard of the ISO 14000 series of international standards on environmental management. It specifies a framework of control for an Environmental Management System against which an organization can be certified by a third party.

Joint Implementation (JI)

The Joint Implementation Mechanism is a project-based mechanism under the Kyoto Protocol, whereby countries or enterprises can invest in projects in a developed country to reduce GHG emissions (e.g. renewable energy plants, afforestation schemes, etc.) and obtain a share in the "credits" resulting from the amount of emission reductions made.

Kyoto Protocol

This is the 1997 international agreement on climate change, which sets binding targets for the reduction of greenhouse gases in developed countries. It is a protocol to the UN Framework Convention on Climate Change (UNFCC), which was signed at Rio in 1992.

Multilateral Environmental Agreements (MEAs)

Multilateral Environmental Agreements are internationally agreed measures to protect the environment, such as the Kyoto Protocol on Climate Change.

National Climate Change Strategy (NCCS)

The National Climate Change Strategy was published by the Government in October 2000 and provides a framework for the action required to meet Ireland's climate change commitment under the Kyoto Protocol.

Negotiated agreements

Negotiated Agreements are agreements between industry and public authorities on the achievement of specified objectives such as reductions of greenhouse gas emissions.

NGOs

The term NGO - Non-Government Organisation – can be applied to any non-profit organisation that is independent from government. NGOs operate in many sectors, from environmental protection to community development and poverty reduction and are generally non-profit making. They can be found at community, national and international levels.

OECD

The Organisation for Economic Cooperation & Development (OECD), based in Paris, is a forum where governments of 30 member countries conduct research and conduct negotiations in order to formulate policies on economic and social issues. It produces internationally agreed instruments, decisions and recommendations on economic and social issues from macroeconomics, to trade, education, development, science and innovation.

PFCs

Perfluorocarbons. See Fluorinated Gases.

Resource Productivity

The capacity of enterprises to reduce environmental impact and improve productivity through the development and use of eco-efficient technologies and practices.

Rio Earth Summit

An international meeting of heads of governments organised by the UN Commission on Sustainable Development and held in Rio de Janeiro in 1992. It resulted in agreements and conventions on critical issues such as climate change, desertification and deforestation and the integration of sustainable development into mainstream policies on economic and social planning. A ten-year follow-up summit was held in Johannesburg in August 2002.

Strategic Environmental Assessment (SEA)

Strategic Environmental Assessments aim to ensure that significant environmental impacts of proposed policies, plans and programmes are identified, assessed and taken into account during preparation and before adoption. An EU Directive on the assessment of the effects of certain plans and programmes on the environment (2001/42/EC) was adopted in 2001.

SF_6

Sulphur Hexafluoride. See Fluorinated Gases.

Sustainable Development

A form of 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.

UNFCC

The United Nations Framework Convention on Climate Change. See Kyoto Protocol.

VOCs

Volatile organic compounds (VOCs) in the atmosphere result from the use of organic solvents in certain activities and installations. European Directive 1999/13/EC limits the emissions of VOCs.

World Trade Organisation (WTO)

The WTO is the international organization charged with regulating trade through enforcing a set of trade rules including the General Agreement on Tariffs and Trade (GATT), Trade Related Intellectual Property Measures (TRIPS) and the General Agreement on Trade in Services (GATS), among others. It was established in 1995 in the "Uruguay Round" of GATT negotiations, which expanded GATT rules to cover non-tariff barriers to trade such as food safety laws, product standards, investment policy and other domestic laws that impact on trade. The WTO's rules limit what non-tariff policies countries can implement or maintain. Today the WTO has 144 member countries, including Ireland.

10 Submissions received during the Consultation Process

10.1 List of those who made submissions as part of the public consultation process on the Strategy

Aughinish Alumina Ltd.

Clean Technology Centre, Cork Institute of Technology

Department of Agriculture & Food

Department of Communications, Marine & Natural Resources

Department of Community, Rural & Gaeltacht Affairs

Department of Education & Science

Department of the Environment & Local Government

Department of Finance

Department of Foreign Affairs

Department of Social & Family Affairs

Department of the Taoiseach

Dr. Ted O'Keefe, Waterford

Enterprise Ireland

Environmental Protection Agency

FÁS

Feasta - Foundation for the Economics of Sustainability

Forest Friends Ireland

Forfás

Grian - Greenhouse Ireland Action Network

Health & Safety Authority of Ireland

Irish Congress of Trade Unions (ICTU)

IDA Ireland

Irish Business & Employers Confederation (IBEC)

Irish Environment & Business Association

Irish Productivity Centre

National Standards Authority of Ireland (NSAI)

Office of the Revenue Commissioners

Rural Development Dept., Tipperary Institute

Schumacher Ireland

Shannon Development

Simon Nugent, Policy Institute, Trinity College Dublin

Small Firms Association

Smurfit Corrugated Ireland