



**Chambers  
Ireland**  
Advancing business together



## **Chambers Ireland submission to the Department of Environment, Climate & Communications on Ireland's First Whole of Government Circular Economy Strategy**

June 2021

Chambers Ireland is the State's largest business representative network. We are an all-island organisation with a unique geographical reach; our members are the Chambers of commerce in the cities and towns throughout the country – active in every constituency. Each of our member chambers is central to their local business community and all seek to promote thriving local economies that can support sustainable cities and communities.

Our network signed a pledge in September 2019 to support the Sustainable Development Goals as a framework to identify policy priorities and communicate our recommendations with a focus on five of the goals, namely to promote decent work and economic growth, sustainable cities and communities, advancements in gender equality, and progress in climate action.<sup>1</sup>

Chambers Ireland welcomes the opportunity to engage in the Department's consultation regarding Ireland's First Whole of Government Circular Economy Strategy, and we welcome the steps taken to gather the views of the business community but underline the necessity to increase this engagement.

### **Introduction**

The opportunities that the circular economy presents are numerous and continuously evolving. For individuals, it offers a more sustainable lifestyle with reduced environmental impact and lower household bills. For businesses, it provides the chance to reduce costs, improve raw material supply chains and increased opportunities to diversify into new business models and markets, attracting a variety of new customers. For society, the circular economy presents huge employment and innovation opportunities that will be essential in the post-Covid-19 recovery. If managed well, the transition to the circular economy will have multiple benefits for the labour market, including the

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<sup>1</sup> [The Chambers Ireland SDGs](#)

creation of job opportunities, raising job standards and reducing inequalities through a redistribution of value.

Ireland's progress in delinking the economy from environmental pressures has been uneven in the last decade. Greenhouse gas emissions, waste generation and nutrient pollution rose with strong economy growth between the mid-2010s and the inception of the Covid-19 pandemic. Climate, circular economy and biodiversity policies have gained renewed impetus, with various ambitious policy initiatives and large public investment plans. The OECD's latest Environmental Performance Review of Ireland 2021 highlights that these need to be swiftly implemented to alleviate the growing pressures from intensification of agricultural practices, demographics development, urban sprawl and road traffic. Encouraging business and households to act is key.<sup>2</sup> This requires providing consistent prices signals for the use of energy and natural resources and for better managing travel demand, while taking into account for affordability, employment impact and regional disparities.

The following sections outline some of the main considerations that will need to be taken into consideration when designing domestic violence leave, including proof and privacy issues, flexible working arrangements, rates of payment and training and educational supports for businesses.

## Questions for consideration

### Question 1 – Do you agree with the draft Strategy's proposed key objectives? In your view, are there further or alternative objectives that should be included?

Chambers Ireland broadly agree with the draft Strategy's proposed key objectives. The commitment to placing Ireland's circularity gap rate ahead of the EU average by 2030 is an ambitious and welcome target that Chambers Ireland fully supports. We are also very pleased to see the aim to deliver sustainable, regionally balanced economic growth and employment. However, there is room for these objectives to be expanded on in terms of ambition to meet Ireland's climate goals sooner rather than later.

In the first instance, we recommend an expansion of the first objective *'to provide a national **cross-departmental** policy framework for Ireland's transition to a circular economy **with regularly revised targets as progress evolves**'*. This objective should enable a framework that commits to an ongoing revision of the Strategy's aims and the flexibility to reassess and rebalance them if necessary.

Secondly, the objective to *'raise awareness amongst households, business and individuals about the circular economy and how it can improve their lives'* is somewhat under ambitious. While awareness raising is important, there needs to be stronger targets that translate into action. Awareness raising campaigns should be matched with concrete implementable actions through guidance, supports and prompts for all of society to engage in the circular economy. For example, a list of training and upskilling programmes that businesses and employees can enrol in; a list of business targeted

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<sup>22</sup> OECD (2021), *Environmental Performance Review: Ireland 2021*.

supports to push circularity in operations, supply chains, etc.; ‘swap-in/swap-out’ solutions and ideas for consumers and businesses; local workshops for repairing everyday items with supporting videos/information packs; etc.

Lastly, the objective to ‘*identify and address the economic, regulatory, and social barriers to Ireland’s transition to a more circular economy*’ is indeed critical to the success of the overall Strategy but disappointing that this work has not already been undertaken. Chambers Ireland would urge the Department to carry out these assessments as soon as possible to prevent any further delays in reaching national targets.

## **Question 2 – Do you agree with the overall level of ambition set out in the draft Strategy? If not, is further ambition needed or is the draft Strategy overly ambitious?**

Chambers Ireland is of the view that the draft Strategy could be significantly more ambitious, particularly with regard to support for the bioeconomy and for a strategy for anaerobic digestion. These two areas are critical elements of enabling industry and agriculture to fully embrace the circular economy.

### **The Bioeconomy**

The bioeconomy covers all sectors and systems that rely on biological resources (animals, plants, micro-organisms and derived biomass, including organic waste), their functions and principles. It includes and interlinks land and marine ecosystems and the services they provide; all primary production sectors that use and produce biological resources (agriculture, forestry, fisheries and aquaculture); and all economic and industrial sectors that use biological resources and processes to produce food, feed, bio-based products, energy and services. It is based on principles of sustainability and circularity and will be necessary to meet the goals of the Paris Climate Agreement and the SDGs.

It presents a means to support the modernisation and strengthening of the national industrial base. This will be achieved through adoption, scaling up and commercialisation of small pilot and large-scale biorefineries leading to the creation of high-quality green jobs in rural, coastal and urban areas. This will further be aided through developing sustainable biobased products, value chains and business models using resources from agriculture, forestry, and marine, biowaste including wastewater and novel bio-resources for biorefining purposes. Bioeconomy development will have a high focus on the development of carbon neutral land use; providing for modernised primary production incorporating digitalisation and circularity; furthering the protection of the environment and regenerating and restoring healthy ecosystems and enhancing biodiversity; and also the development of urban circular bioeconomy activities.<sup>3</sup>

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<sup>3</sup> This is further supported in the Department of Business, Enterprise and Employment’s 2018 paper on [Enterprise 2025 Renewed: Building resilience in the face of global challenges](#) which rightly points out that the development of the bioeconomy in Ireland has the potential to be an important driver in the renewal of Ireland’s enterprise base, creating economic growth, employment and a sustainable society. Please see Q11 – ‘Supports for the bioeconomy’ for the potential market opportunities for enterprises in Ireland from the bioeconomy.

To progress the bioeconomy in Ireland, we recommend that it be included in the Strategy as a first port of call. Secondly, the Bioeconomy Implementation Group, established following the publication of the National Policy Statement on the Bioeconomy by the Department of An Taoiseach in March 2018 was tasked with addressing the complexity of the bioeconomy and advancing the key systematic and strategic actions in the policy statement.

We recommend that the key actions presented by the Implementation Group in its First Implementation Report be adopted as soon as possible to further progress bioeconomy development.<sup>4</sup> These include ensuring that there is coherence between all sectoral strategies which impact on the bioeconomy; encourage the translation of research into real world applications through promoting collaboration between research institutions and industry; examine how greater primary producer, public and consumer awareness of the bioeconomy and its products could be built up; and assess the current legislative definition of waste and recommend whether redesignation is necessary for residual waste flows to be successfully managed for use in the bioeconomy.

## **Anaerobic Digestion**

Anaerobic digestion (AD) is the very embodiment of a circular economy solution, taking waste products with little or no value and creating a market, economy and valuable energy resource in doing so. However, at present the sector draws little confidence from the Irish policy system. Our colleagues in Cork Chamber are heavily engaged in this area and recently published a renewable energy report in conjunction with the Centre for Cooperative Studies at University College Cork on *Anaerobic Digestion: A Circular Solution for Energy Resilience*.<sup>5</sup> The report highlights a significant deficit in policy and fiscal support for AD, a technology that converts waste products from food, agriculture, wastewater treatment and other sources into biomethane, a fuel source that can form a key element in Ireland's efforts to reduce GHG emissions.<sup>6</sup>

Within many European countries, AD and the production of biogas has been supported by policy for many years. AD in Ireland has yet to receive the attention and policy support needed to accelerate its development, leaving the country falling behind many of its EU counterparts. Studies, however, have shown that Ireland has the highest potential for biomethane production per capita within the EU, with a potential of 13 TWh achievable by 2030.<sup>7</sup> By mobilising AD it could generate €1.5 billion in direct investment and 3,600 new permanent jobs, in many cases in rural environments. It can also significantly boost the country's green credentials and enhance our attractiveness to foreign direct investment.<sup>8</sup> With AD we can make a significant impact on the sustainability of the energy that we consume, utilising the resources that currently exist in agriculture, wastewater treatment and food systems into energy.

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<sup>4</sup> The Bioeconomy Implementation Group (2019), *Bioeconomy Implementation Group First Progress Report*

<sup>5</sup> *Anaerobic Digestion: A Circular Solution for Energy Resilience*

<sup>6</sup> Although the Renewable Energy Support Scheme (RESS) is a hugely positive step but as yet, no award has been made to anaerobic digestion.

<sup>7</sup> Gas Networks Ireland (2019), *Vision 2050: A Net Zero Carbon Gas Network for Ireland*

<sup>8</sup> *Anaerobic Digestion: A Circular Solution for Energy Resilience*

The energy produced from AD (biomethane, or more commonly referred to as renewable gas) is a clean, renewable and carbon neutral fuel. Its potential as a renewable fuel for heat, electricity and transport is well-recognised and can significantly improve the sustainability of the natural gas network in Ireland, thereby reducing dependency on imported natural gas.<sup>9</sup> Biomethane is also a very secure gas that can be easily transported via the current national gas infrastructure. This should be capitalised on by government as it involves minimal additional hard infrastructure roll out due to the use of the existing gas grid. In addition, the gas network has also consistently proven its resilience through extreme weather events, with no loss of gas supply to households, businesses or the power generation sector.

An example of AD in action is the introduction of renewable gas into the Irish gas network through a renewable gas injection facility in Cush, County Kildare in August 2019. This injection facility was supplied by the Green Generation which uses anaerobic digestion to convert agricultural and food waste into renewable energy. Tesco Ireland and Green Generation have been working together to utilise waste to produce energy. This collaboration involves Tesco supplying 6,400 tonnes of food waste per annum to Green Generation for conversion to renewable gas. This renewable gas is injected into the gas network at the Cush injection point in Co. Kildare and Tesco purchases it to supply six of its stores resulting in carbon savings of 1,200 tonnes per year for Tesco.<sup>10</sup>

Transitioning from natural gas to renewable gas is seamless and one of the ways Gas Networks Ireland and partners like Green Generation can reduce Ireland's CO<sub>2</sub> emissions across key sectors including electricity, industry, heat, transport and agriculture. We believe that such innovations need to be supported by government and strongly recommend the inclusion of anaerobic digestion in the national circular economy Strategy.

Nonetheless, it is clear that a blend of technologies will be required to provide dependable energy security. The opportunity to capitalise on this flexible green, sustainable and circular technology awaits. The Strategy needs to be much more ambitious in this regard and include a blend of technologies, and consequently sectors and industry, so that decarbonisation and circularity targets can be accelerated and successfully met ahead of schedule.

Perhaps beyond the scope of this consultation, Chambers Ireland would urge the Department to develop a clear national strategy for anaerobic digestion and the bioeconomy to support the circular economy strategy.

### **Question 3 – Should Ireland measure its progress in achieving a more circular economy relative to its European Union peers? If not, what alternative benchmark should Ireland adopt and why?**

The European Commission adopted a new Circular Economy Action Plan (CEAP) - 'For a cleaner and more competitive Europe'<sup>11</sup> in March 2020, one of the main blocks of the European Green Deal agenda for sustainable growth. The plan contains 35 actions incorporating initiatives along the entire

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<sup>9</sup> Gas Networks Ireland (2021), *The Future of Renewable Gas in Ireland*

<sup>10</sup> Tesco Ireland (2020), *Tesco becomes the first Irish retailer to purchase renewable gas made from its own surplus food to power stores*

<sup>11</sup> Circular Economy Action Plan (CEAP) - 'For a cleaner and more competitive Europe'

life cycle of products, targeting for example their design, promoting circular economy processes, fostering sustainable consumption, and aiming to ensure that the resources used are kept in the EU economy for as long as possible. It introduces legislative and non-legislative measures targeting areas where action at the EU level brings real added value.

The EU-level actions taken so far have focused on supply-side measures aimed at addressing negative impacts of products, services and production, and on dealing with materials that become waste. While both are critical, it is unlikely that supply-side tweaks alone will achieve the scale of change required in the time available. Instead, there is a need to not only address what we consume, but also the way we consume, how much and why. Ireland can make significant gains in this area if we use the EU's CEAP and substantially build on it to address both the supply-side and the consumer/end user-side.

With the exceptions of consumer information tools (such as ecolabelling and voluntary green public procurement criteria), there are limits to how far Irish policy can go on demand-oriented policy instruments due to the current balance of policy responsibilities between the EU and its Member States. It is therefore up to each Member State to take the policy lead from the Irish and adopt national strategies that incorporate all stakeholders to adopt circular economy practices. Chambers Ireland recommends that Ireland should base its circular economy strategy off the EU's CEAP and use this as a benchmark from which to base our progress in achieving a more circular economy relative to our European peers.

#### **Question 4 – Would you rate Irish public awareness of the circular economy as high, medium or low? And how important do you think raising public awareness is to further developing the circular economy?**

Public awareness of the circular economy is gaining momentum but needs to be increased as a priority of the Department. Business awareness is also essential. In 2017, NESC reported that there is low awareness of the circular economy among SMEs and few consider there to be easy access to information on the circular economy.<sup>12</sup> Organisations such as the national Rediscovery Centre are helping to improve this. However, it would be useful to have a regional network of local contact points, modelled on the Rediscovery Centre, so as to improve awareness on the ground.

Through increased awareness, better-informed consumption decisions and buy-in to a shared responsibility, Ireland can become a leader in the transition to a circular economy delivering environmental, social and economic benefits.

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<sup>12</sup> NESC (2017), *Moving Towards the Circular Economy*

## **Question 5 – What are the most effective awareness raising measures that could be taken under the Strategy?**

From waste elimination to economic development, there is an incentive for Government to foster an understanding of circular economy opportunities amongst businesses, civil society, and residents. Many existing roadmaps involve a large element of awareness raising, through their inclusion of stakeholders, to the identification of the potential size of the benefits in lead sectors.

For example, the London Circular Economy Route Map estimated that London could receive a net benefit of up to £7 billion a year by 2036 if the city would accelerate its transition towards a circular economy.<sup>13</sup> In Auckland, a net benefit of up to NZD 8.8 billion by 2030 is estimated.<sup>14</sup> Other tools such as communications campaigns and showcasing projects can be important in helping disseminate the opportunities that a circular economy can bring locally. To residents, this can mean gaining an understanding of local areas where they can share, rent, repair or recycle their products, while for companies this could mean gaining insights from best practice examples.

Raising awareness of circular economy practices and opportunities will be key to supporting local transitions across Ireland. Knowledge sharing and communications campaigns are just two of the many effective tools in which awareness can be raised of circular economy best practices, initiatives, and market opportunities for businesses. As the concept of sustainability is now something that can be marketed and sold by a business, this should be capitalised on to promote the circular economy.

The following are two examples of awareness raising that could be taken under the Strategy:

### **1. Citizen Engagement – Increasing Public Awareness Campaigns**

One major social barrier to the circular transition is lack of public awareness about what the circular economy is, how it relates to everyday purchasing and consumption decisions, and the potential environmental, health and economic benefits associated with increased circularity. This lack of awareness, where it translates into lack of demand, then acts as a drag on investment in the circular economy. A related but separate barrier is found where businesses and/or consumers are aware of the circular economy as a concept but lack confidence to invest in circular products or services.

Central Government and local authorities have an important role to play in this regard to improve public awareness for businesses in adopting and investing in more circular approaches. This should be incorporated in the Strategy to ensure that there is a level of consistency of messaging nationwide.

Furthermore, a communications strategy around promoting the meaning and potential of the transition to the circular economy would be very beneficial as a starting point. Such strategies will need to be continually built on to ensure success. This should not be a once-off generic campaign. Businesses will need to be educated on what it means to adopt circular approaches which will require different messaging to consumers and households that will need to adopt their consumer and disposal habits.

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<sup>13</sup> ReLondon, *London's circular economy route map*

<sup>14</sup> The Sustainable Business Network and Circular Economy Accelerator (2018), *The circular economy opportunity for Auckland and how business can realise it*

In addition, information on the circular economy and linked initiatives should be easily accessible online. Such online tools should also provide an opportunity to showcase emerging best practices of the circular economy in action. We are pleased to see the inclusion of the new Circular Economy Innovation Grants Scheme in the consultation paper to support communication strategies.

As is the case with National Biodiversity Week, and similar week-long events, we suggest that a model of this be adopted specifically for the circular economy, focusing on different themes each day and engaging with all sectors of society, education and business to promote this.<sup>15</sup>

## 2. Regional Network of Local Contact Points

As mentioned above, organisations such as the national Rediscovery Centre are helping to improve public awareness of the circular economy. However, it would be useful to have a regional network of local contact points, modelled on the Rediscovery Centre, so as to improve awareness on the ground. It would also be worthwhile using the Local Energy Agencies as a model for this, perhaps as a one-stop-shop for consumers and businesses alike. Such an agency could provide information on the basic principles of the circular economy, bringing together skills and expertise in this area that could be shared and offering programmes/workshops on how to transition to more circular models of living and/or doing business.

### **Question 6 – Are you satisfied with the proposed stakeholder engagement arrangements in the draft Strategy? Which additional stakeholders (if any), not already part of the Waste Action Group, do you think should be included in the Strategy’s implementation?**

Chambers Ireland recommends that the proposed working group on the circular economy is expanded beyond public body representatives so as to enable wider engagement on a whole of society basis, not least with industry and business representatives.

We would also highlight the omission of Skillnet Ireland on the list of main actors in the Circular Economy under the skills and education section. Supporting over 18,000 businesses and providing a wide range of valuable learning experiences to over 70,000 trainees,<sup>16</sup> Chambers Ireland recommends that Skillnet Ireland be included on this list, especially given that the organisation recently launched its new ‘Climate Ready Programme’ to support more than 1,100 Irish businesses and 3,000 workers, initially, to become climate ready.<sup>17</sup> The programme offers leadership and support skills for enterprises who want to develop their operational and strategic sustainability. Skillnet Ireland’s goals under this programme are to:

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<sup>15</sup> Similar examples of ‘Circular Economy Weeks’ can be found in [London](#) and [New York](#).

<sup>16</sup> Skillnet Ireland, [About: Your business is our business](#).

<sup>17</sup> Skillnet Ireland, [Climate Ready](#).

- Grow green talents for the transition to a low-carbon economy by developing the sustainability skills of Ireland's workforce
- Supporting businesses to build a culture of sustainability through specialised learning supports for business leaders
- Advancing understanding on the climate agenda through industry insights and shared knowledge.

The Programme is divided into three areas; the Climate Ready Academy, the Climate Ready Cluster, and Climate Ready Insights.

1. The Climate Ready Academy provides practical and specialised supports for business leaders and their teams in the areas of climate action and sustainability, through a blended approach of workshops and classes, online courses, mentoring, and interactive webinars.
2. The Climate Ready Cluster consists of a dynamic group of Skillnet Business Networks that specialises in the areas of sustainable finance, renewable energy, green technology, and clean water. Skillnet Business Networks across the economy are engaging with industry and continue to turn ideas into innovative solutions that are positive for both the climate agenda and the business community.
3. Lastly, the Climate Ready Insights is a dedicated platform which helps businesses develop their thinking around sustainability practices and climate change. With access to thought-leadership articles, industry-led research reports, and specialised news content relating to the development of Ireland's green economy, Climate Ready Insights informs decision-makers on the newest innovations in climate action.

Businesses will need new skills to respond to the current climate challenges and those quickly coming down the path. Skillnet Ireland's Climate Ready programme will support our climate goals by providing every Irish business with the opportunity to build the skills they need to prepare for this challenge and capitalise on the many opportunities the green economy will offer. The valuable insights gained from this programme would be invaluable in the Strategy's implementation and wider stakeholder group.

### **Question 7 – What do you see as the major economic and/or social co-benefits of moving towards a more circular economy in Ireland, so that environmental improvements also provide economic and social opportunities, and vice versa?**

The social and economic opportunities that the circular economy presents are numerous and continuously evolving. For individuals, it offers a more sustainable lifestyle with reduced environmental impact and lower household bills. For businesses, it provides the chance to reduce costs, improve raw material supply chains and increased opportunities to diversify into new business models and markets, attracting a variety of new customers. It will also enable greater business resilience. Businesses are less dependent on imports because scarce resources are reused and recycled rather than wasted. They are also not as heavily impacted by price fluctuations, supply issues or resource scarcity.

For wider society, it presents huge employment and innovation opportunities that will be essential in the post-Covid-19 recovery. If managed well, the transition to the circular economy will have multiple benefits for the labour market, including the creation of job opportunities, raising job standards and reducing inequalities through a redistribution of value. Moreover, valorising waste creates opportunities for import substitution and reinforces the economic benefits of regional supply-chains to Irish companies.

The NESC report *Moving Towards the Circular Economy in Ireland*,<sup>18</sup> the most comprehensive study of the Circular Economy in Ireland to date, points to the potential for job growth and enterprise development. One Irish study estimates that new jobs could be created through recycling materials such as plastics, paper, glass and WEEE, with a potential added GDP value of €1.65bn.<sup>19</sup> Such jobs would range from low to high-skilled, from sorting recyclables to eco-design, and could be an important stimulus for employment, including in rural areas and areas of economic and social deprivation.

By embedding circular economy principles into all national policy, we can bring about changes to mobility and economic development in a way that supports prosperity, jobs, health and communities. Furthermore, there are opportunities for circular innovation to shape the contours of future business models; the management of global resources; and the wider priorities of creating sustainable communities.

**Question 8 – What do you see as the major regulatory barriers to the further development of the circular economy in Ireland? In answering this question, please feel free to address economy-wide issues or those affecting your sector in particular.**

Identifying the major regulatory barriers to the development of the circular economy in Ireland, and the development of solutions, must remain an on-going priority of this Strategy. Aside from procurement barriers (discussed in detail in Question 10), other regulatory barriers discussed below include the progression of extended producer responsibility schemes and the need to update waste data and data flows.

### **Progression of Extended Producer Responsibility Schemes**

Producers accept responsibility when designing products to minimise life-cycle environmental impacts, and when accepting legal, physical or socio-economic responsibility for environmental impacts that cannot be eliminated by design. The application of Extended Producer Responsibility (EPR) also ensures that waste management costs arising during the life of a product are internalised in the price charged to consumers. Such costs can be minimised where materials and products are managed in an environmentally effective manner throughout their life cycle. Increasing recycling and the reuse of plastic packaging is crucial to Ireland's plastic waste management. EPR has the potential

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<sup>18</sup> NESC (2017), *Moving Towards the Circular Economy in Ireland*

<sup>19</sup> Veoila, *The Circular Revolution in Ireland*

to play a key role, by evolving from a cost recovery approach to one that also incentivises a transition to a circular economy and supports the bioeconomy.

Despite EPR being, in theory, an individual obligation, in practice producers often exert this responsibility collectively. In collective schemes, a Producer Responsibility Organisation (PRO) is set up to implement the EPR principle on behalf of all the adhering companies. Chambers Ireland have previously called for a collective EPR to be extended under PROs, which were established by the Waste Management Act 1996, in our submission to the Department on the development of a Waste Action Plan for a Circular Economy<sup>20</sup> and we reiterate this call again.

Some suggested models for this include:

- Product take-back mandate and recycling rate target: This would make it mandatory for manufacturers and/or retailers to take back end-of-life (EOL) products and sets specific recycling targets. These requirements are often met by forming a PRO, collective effort by the industry to fulfil the EPR obligations of the member companies.
- Voluntary product take-back mandate and recycling rate target: This would require a voluntary approach for the take-back with no penalties for not meeting targets.
- Mandatory take-back and targets with a tradeable recycling scheme: In addition to mandating take-back and setting recycling targets, this would allow trading of credits among producers to meet the required targets.

In addition, the Waste Management Act 1996 established a legislative basis for Producer Responsibility Initiatives (PRIs). Essentially, PRIs allow product producers to develop schemes that fulfil the basic objectives of waste management legislation. This means that the products they produce are disposed of in a responsible manner, which complies with current government policy. The principal PRIs in Ireland concern Waste Electrical and Electronic Equipment (WEEE), Batteries, End-of-Life Vehicles (ELVs), tyres and farm plastics.

The critical role in the collective approach to PRI is discharged through a Compliance Scheme, whereby the PRO offers a service that enables producers to comply with their environmental obligations. Under the PRI approach, the PRO operates under an approval granted by the Minister. These producer responsibility agreements are underpinned by legal obligations so that individual businesses which do not elect to participate in a compliance scheme must then self-comply, as they cannot opt out of their obligations, or the costs associated with those obligations. These need to be expanded upon through EPR initiatives.<sup>21</sup>

## **Waste data and data flows**

Collectors of waste, exporters of waste and facilities which accept waste for treatment are required to report data on their activity on at least an annual basis. This data is used to collate statistics which

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<sup>20</sup> *Chambers Ireland Submission to the Department of Communications, Climate Action & Environment on the development of a Waste Action Plan for a Circular Economy – February 2020*

<sup>21</sup> Both Japan and Germany have introduced very successful EPR schemes. Yamini Gupt and Samraj Sahay (2015), *Review of extended producer responsibility: A case study approach*.

must be validated in accordance with EU reporting procedures. The systems for gathering data for EU reporting are well established and continuously improving. Data is gathered on an annual basis and validated by local authorities, regional offices and the EPA.

The EPA's National Waste Statistics web resource, designed to provide more timely indicators of waste generation and management, currently includes quarterly figures on municipal waste accepted at Irish landfills and thermal treatment facilities, as well as preliminary annual information on waste accepted at Irish landfills. However, as the Waste Action Plan for a Circular Economy paper highlights, data is largely historical and is often reported with a time lag of 18 months or later, depending on the reporting requirements.<sup>22</sup> This needs to be overhauled and redeveloped to include more early waste indicators as data becomes available. In addition, the current use of multiple reporting systems is time consuming and inefficient. To overcome this there should be greater harmonisation of reporting requirements to reduce the reporting burden for local authority waste collection permit holders.

More detailed, accurate and timely data will enable improved policy options and measures required to transition to a more circular economy and to monitor progress in delivery over time. This will enable more holistic, integrated assessments of the full range of environmental impacts of different waste management options, including the impact of emissions and climate change effects. It will also provide for improved monitoring of the effectiveness of waste prevention efforts and identify where waste prevention initiatives will be targeted.

### **Question 9 – What do you see as the major non-regulatory barriers to the further development of the circular economy in Ireland? In answering this question please feel free to address economy-wide issues or those affecting your sector in particular.**

**Cultural barriers** stand out as a major impediment to the transition towards a circular economy. A recent white paper<sup>23</sup> undertaken by Copernicus Institute of Sustainable Development, Utrecht University, and Deloitte for the European Commission found that consumers were not familiar with the difference between a circular and linear system.

Similarly, **market barriers** with low material prices and high upfront investment costs are also a barrier to businesses. Low material prices often result in circular companies losing a competitive advantage over rivals that use cheaper, environmentally damaging materials and supply chains.

Operating in a linear system is a further problem for many businesses as a firm can only deliver a circular product if the entire supply chain is circular. Yet it is increasingly difficult for many firms to find other companies that are keen to embrace the circular economy, especially since the onset of Covid-19 where the gains we made in reusing materials diminished for public health reasons.

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<sup>22</sup> Department of Environment, Climate and Communications (2021), *A Waste Action Plan for a Circular Economy: Ireland's National Waste Policy 2020-2025*

<sup>23</sup> Kirchherr et al (2017), *Breaking the Barriers to the Circular Economy*

## **Question 10 – How important do you consider Green Public Procurement is in supporting the development of new circular goods and services?**

In order to achieve net-zero emissions by 2050 and transform the economy from linear to circular, a coordinated,<sup>24</sup> all-of-Government response (both national and local) to Green Public Procurement (GPP) will be required. Indeed, within the Climate Action Plan, all public bodies will have a climate mandate and a key element of delivering this mandate will be to increase engagement with green procurement to deliver change. It is envisaged that moving from a tendering process, which currently prioritises lowest price, to a process that gives greater weighting to life cycle and resource efficiency, will have a positive impact in reducing carbon emissions.

We must ensure that the business community is ready to respond to newly enforced Green Public Procurement criteria. An increased focus on sustainability in procurement practices will have a knock on impact from large corporates down to SMEs. Chambers Ireland highlighted in its submission<sup>25</sup> to the EPA on Green Public Procurement in November 2020 of its belief that if executed in conjunction with the European Commission's "Think Small First" principles<sup>26</sup> (including the application of the "SME Test", and simplifying the engagement process for SMEs with the state so that there is an effective passporting/'one-stop-shop' process that minimises the administrative overhead for small businesses) the Environmental Protection Agency's Green Public Procurement Guidelines could act a driver for economic growth and resilience while also providing better value goods and services to state bodies.

This latter point is important in the context of the Covid-19 crisis. Clearly optimal goods and services provision should not be as reliant on the lowest price model which is predominant across the tendering processes of contracting bodies. Quality, the resilience of supply continuity, and the long-run lifetime economic costs all figure within real costs of goods and services which contracting bodies tender for, and so the real value to the Irish people. The present tendering regime is weighted too heavily towards the lowest price response to the tender which has long-run economic costs, immediate negative externalities for the environment, and provides a poorer service for meeting user needs.

Ahead of any introduction of mandatory GPP, Chambers Ireland is asking for a phased introduction of GPP criteria in public tenders so that business can train in how to respond to it. Should there be a failure to prepare for the implementation of GPP, and should these guidelines be mandatory, then given the long delay in implementing this regime (relative to their European competitors which are operating in member states that have more advanced GPP processes) many Irish firms will find that they are at a competitive disadvantage. Still more, if the weighing on the environmental considerations is sufficiently large, will find themselves excluded entirely from the tendering process. A coordinated public awareness and educational campaign, aimed specifically at SMEs, must also be a priority for the Department.

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<sup>24</sup> We see Green Public Procurement as a key element in delivering upon Climate Action (Goal 13), Sustainable Cities and Communities (Goal 11) and Decent Work and Economic Growth (Goal 8), Industry, Innovation and Infrastructure (Goal 9), and Responsible Consumption and Production (Goal 12).

<sup>25</sup> [Chambers Ireland's submission for the Public Consultation by the Environmental Protection Agency on Green Public Procurement – November 2020](#)

<sup>26</sup> <https://ec.europa.eu/docsroom/documents/2664/attachments/1/translations/en/renditions/native>

## **Question 11 – What would be the most effective action Government could take to promote/ support and incentivise the further development of the circular economy?**

### **Research and Innovation Supports**

Thinking differently through design – whether it be engineering, scientific, product, systems or more conventional design – is going to be instrumental in helping to generate new circular economy solutions and business models as we work towards a more sustainable economic growth approach which helps to combat waste challenges that are currently faced here in Ireland.

Innovative companies, like CuanTec in Scotland, is a good example of a business that is making huge strides in this area by engaging in scientific design to provide an innovative circular economy solution to plastic pollution and food waste.<sup>27</sup> They take waste from the fisheries industry and up-cycle it into anti-microbial, compostable food packaging which extends the shelf-life of fresh seafood. Their invention of a new material which can be used to create biodegradable plastic is the kind of progress which could entirely revolutionise the packaging industry by helping to use food waste from langoustines to create a solution to the single-use plastics crisis.

Chambers Ireland is calling on the Department to support businesses that are engaging in such innovative practices by allocating more funding to programmes that them to expand their research and operations. Funding schemes for start-ups should also be tailored to incentives for start-ups to commit to circularity business practices from their inception.

However, it is also important that adequate support is available for more established businesses who wish to engage in similar forms of research and innovation as these enterprises will also need to be encouraged to transition. We recommend that this be also considered in the successor strategy to *Innovation 2020*.<sup>28</sup> Research and innovation will be a vital component in enabling enterprise to identify, understand and realise the opportunities presented by the circular economy. It will also enable them to transform their organisations, supply chains and value chains to ensure they can respond to the changes in the policy, regulatory and societal environment in which they conduct their business.

### **Capacity building and skills training programmes for SMEs**

The gap in green and circular skills gap needs to be urgently addressed. To do so, capacity building and skills training programmes for SMEs need to be embedded in the Strategy. The availability of workers and enterprises with the correct skills for green jobs plays not only a critical role in initiating the transition to a green economy, but also in enabling a just transition that ensures inclusion and decent work.

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<sup>27</sup> CuanTec

<sup>28</sup> Department of Enterprise, Trade and Employment (2015), *Innovation 2020*.

SMEs are the backbone of the Irish economy accounting for over 95% of active enterprises in Ireland. This cannot be overlooked as we need to retrain, upskill and equip both employers and employees to embark on the circular and green jobs path. While it is welcome that the Economic Recovery Plan outlined that more than 50,000 training scheme places on digital and green job programmes are to be created this needs to be expanded. We need a complete system overhaul regarding green skills, training programmes and jobs.

Examples of this in other countries include Brussels where the 'Be Circular' initiative supports skills development programmes that include various training modules in the construction sectors,<sup>29</sup> whereas in Toronto local government officials are supporting the implementation of the city's circular economy procurement plan by setting up sector-specific workshops that provide other officials, businesses and suppliers information on circular procurement and how they can be delivered in practice.<sup>30</sup> In New York City, local government has developed the Zero Waste Guidelines, in collaboration with leading experts, to inform architects, planners, and developers on how to design-out waste in various sectors and planning applications.<sup>31</sup> Such programmes are easily replicable and should be implemented as soon as possible in Ireland.

## Supports for the Bioeconomy

The importance of the bioeconomy is increasingly recognised nationally and internationally. The EU's bioeconomy strategy, published in 2012, has amongst its principal goals to assist in climate change adaptation and the creation of jobs. It is estimated that the direct research funding associated with the strategy under Horizon 2020 could help generate 130,000 additional jobs and €45 billion in added value by 2025.<sup>32</sup>

Through feedback from our member chambers, opportunities in the bioeconomy have been identified through success stories such as the Biorefinery Glas project.<sup>33</sup> This project uses a small-scale farmer-led green biorefinery to optimise the use of grass by separating it into a spectrum of co-products for ruminants, non-ruminants and for the food chain, improving resource efficiency. In this project alone, farmers will demonstrate new business models, using an automated and low cost biorefinery. This project has the potential to be replicated across Ireland, addressing fodder and emissions challenges whilst adding value. This is a growing area with vast potential to increase resource efficiency and dramatically decrease waste.

Furthermore, as highlighted in the Department of Business, Enterprise and Innovation's paper on *Research Priority Areas 2018-2023*<sup>34</sup> and again more recently in its publication on *Realising the opportunities for enterprise in the bioeconomy and circular economy in Ireland*,<sup>35</sup> the diversity and

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<sup>29</sup> be circular be.brussels, [Brussels Regional Program for a Circular Economy 2016–2020 \(BRPCE\)](#)

<sup>30</sup> Recycling Council of Ontario, [Circular economy](#)

<sup>31</sup> City of New York – Sanitation, [Zero waste](#)

<sup>32</sup> Department of Business, Enterprise and Innovation (2020), [Realising the opportunities for enterprise in the bioeconomy and circular economy in Ireland](#)

<sup>33</sup> [Biorefinery Glas – Small-scale farmer-led green biorefineries](#)

<sup>34</sup> Department of Business, Enterprise and Innovation (2018), [Research Priority Areas 2018-2023](#)

<sup>35</sup> Department of Business, Enterprise and Innovation (2020), [Realising the opportunities for enterprise in the bioeconomy and circular economy in Ireland](#)

scale of the potential opportunities for enterprises in Ireland from the transition to a bioeconomy and a circular economy can be gauged from the following market opportunities:

- The Nutraceuticals and Functional Foods market consists of food and nutrition supplements, specialty nutrients and infant formula. The market has a current estimated value of US\$190.7 billion, and is estimated to have a value of US\$279 billion by 2021
- The biotechnology market opportunity has a high degree of exports from Ireland, with an estimated value of €22.72 billion at the current time
- The Biorefining and Bioconversion market consists of various forms of agricultural and forest biorefining, including feedstock, products and segment (energy, chemicals, botanicals and fuels). The global Biorefining and Bioconversion market was estimated to be worth US\$659 billion in 2016
- Low Carbon Construction consists of residential, commercial and industrial buildings designed to release little or no carbon over their lifetimes, and their associated materials and services. The Global Green Construction (GGC) market is a significant component of the Low Carbon Construction market and had an estimated value of US\$216.8 billion in 2016, estimated to reach \$453.1 billion by 2022.<sup>36</sup>

These exporting opportunities for Irish businesses should be seized as soon as possible. Chambers Ireland believes there is a significant opportunity in supporting this sector as part of a national circular economy strategy.

### **Circular Economy Advisory and Implementation Group**

Business needs clarity on waste regulation and a facilitative framework that allows them to plan accordingly for new production methods and materials need to be adopted. We welcomed the appointment of a Just Transition Commissioner in early 2020 to oversee the transformative changes required to enable society to move to a low carbon, low waste economic model.<sup>37</sup> The role of the Commissioner should evolve to examine the challenges for the business community including the challenges for doing business in more rural parts of the economy. The role should also involve driving engagement across the business community, especially among SMEs, educational institutions and at a broader community level to engender changes in consumption and material use production cycles.

However, in the immediate, the transition away from current waste disposal strategies and systems must be urgently addressed, and to do this we must reinforce the need for immediate transformation with a government function that can specifically support, accelerate and enhance actions and measures to implement all necessary changes.

As such, Chambers Ireland calls for the establishment of a Circular Economy Advisory and Implementation Group to design a Waste Action Plan through targeted consultation with stakeholders

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<sup>36</sup> Ibid.

<sup>37</sup> [Chambers Ireland Submission to the Department of Communications, Climate Action & Environment on the development of a Waste Action Plan for a Circular Economy](#)

across Government, industry and communities that will enable a long-term waste policy that protects all.

### **Quality Waste Management Assurance Scheme**

Chambers Ireland recommends that a Quality Waste Management Assurance Award scheme be developed to enable businesses to demonstrate that they are managing their municipal waste sustainably. Given that sustainability and sustainable practices are now something that can be marketed and sold by businesses, this type of scheme will be of huge benefit to enterprises across Ireland as it has the potential to verify that organisations are complying with best waste management practice in terms of waste prevention, recycling, composting, etc. in the transition to a circular economy and promotion of a bioeconomy.

### **Question 12 – Which sectors do you think can make the biggest contribution to making Ireland’s economy more circular?**

The circular economy will impact on enterprises across the economy, from micro-enterprises to SMEs to large multinational firms. It encompasses a wide range of firm practices regarding the usage of materials, manufacturing processes, packaging, waste management, water management, product design, recovery and reuse of materials, and consumer behaviour. Opportunities are arising for innovative firms able to provide technology and services solutions based on circular economy principles.

Some examples of sectors that would make the biggest direct contribution to making Ireland’s economy more circular include:

- **Food, Forestry and Marine** – From an international perspective, Ireland enjoys some important comparative advantages in relation to the bioeconomy. Ireland has a significant agricultural footprint with about two thirds of its land devoted to agricultural use. Agri-food is the largest indigenous business and accounts for 5.7% of our GDP. Approximately 10.7% of Ireland is under forests which produce 3.2 million cubic metres of material each year. Afforestation is forecast to increase production to 8 million cubic metres by 2035. Ireland has one of the largest seabed territories in Europe, at around 10 times its landmass, with a reservoir of biomass. In 2016, Ireland’s ocean economy had a turnover of €5.7 billion with a direct economic value of €1.8 billion or approximately 0.9% of GDP.<sup>38</sup> These sectors will play a foundational role in the bioeconomy as a producer of the biomass that will underpin the other components of the bioeconomy. The challenge for stakeholders in these sectors is to recognise biomass as an additional potential revenue stream, and for primary producers to become part of bioeconomy value chains.

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<sup>38</sup> Socio-Economic Marine Research Unit (SEMURU) at NUI Galway (2017), [Ireland's Ocean Economy](#)

- **Biomaterials and Biochemicals** – the biomaterials and biochemicals component of the bioeconomy is the area with the greatest potential for high value products and exports.<sup>39</sup> This part of the bioeconomy, which involves the biorefining of biomass into a diverse range of chemicals and materials, is still very much in a nascent stage in Ireland. The small number of companies active in this area are generally lead innovators in multiple areas including developing new technologies, establishing value chains, and sourcing global markets.

### **Question 13 – Do you broadly agree with the policy areas listed for future development in the draft Strategy? If not, which areas would you remove/add to the list?**

Chambers Ireland broadly agrees with the policy areas listed for future development in the draft Strategy and are pleased to learn that subsequent iterations of the Strategy will include more detailed actions and targets, including sector specific targets. The more defined that these targets are for each sector, paired with both financial and non-financial supports (e.g. information on circular supply chains, etc), the greater the uptake of circular practices by businesses we will see.

Furthermore, it will be necessary to adopt a whole-of-Government approach, with the development of the circular economy led by the Minister for the Environment, Climate and Communications, but involving all Ministers and Government Departments, as well as local government and relevant state agencies. Where relevant, all available policy levers, including regulatory, fiscal and procurement decisions, should support Ireland's ambition to achieve a circular economy and its 2030 target, while also considering any negative social or economic impacts.

### **Question 14 – Any other comments?**

September of last year saw the announcement of the national Waste Action Plan for a Circular Economy by the DECC giving direction to waste planning and management in Ireland over the coming 5 years. Designed to replace the previous national waste policy, *A Resource Opportunity – Waste Management in Ireland*, its overarching aim is to shift away from the current focus on waste disposal and treatment to ensure materials and products remain in productive use for longer. This is intended to prevent the build-up of waste and support the re-use of goods and materials in line with the new EU directives and the promotion of the circular economy. With over 200 actions, it echoes many of the ambitions committed to in the European Commission's Green Deal, particularly the goals of the EU's CEAP.

Although this is one significant step towards strategizing the circular economy in Ireland, the waste action plan has fallen short of sufficiently supporting businesses to engage with it. A lack of clear timelines on dates for prohibiting certain plastics, in addition to the absence of specific financial supports for SMEs and green upskilling and training will make it less attractive and affordable for businesses to alter their models of production, consumption, and supply chains. Furthermore, it is

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<sup>39</sup> Department of Business, Enterprise and Innovation (2020), *Realising the opportunities for enterprise in the bioeconomy and circular economy in Ireland*

important to note that supports for businesses should not only be focused on start-ups. Established businesses also need help to make the transition.

Nonetheless, the recently published Climate Action and Low Carbon Development (Amendment) Bill 2021 presents an opportunity to streamline all national policies and frameworks under the goals of the circular economy that can support consumers, businesses and industry stakeholders to adapt sustainable circular practices. Should this bill pass into law, the 2019 Climate Action Plan will likely be revisited to incorporate new climate targets. It is hoped that any new plan will contain concrete ambitions to transition to the circular economy, with the correct funding, infrastructure and supportive frameworks to enable businesses to make a coherent and sustainable transition. The successful delivery of Project Ireland 2040 and the forthcoming revision of the National Development Plan will also be pinned to this.

If we are to accelerate our transition to a low carbon circular economy on a national scale, sufficient funding, supportive frameworks and infrastructure must underpin national efforts. The business community must be assisted to adapt production, waste systems and supply chains to enable a sustainable transition to the circular economy.

## **Concluding remarks**

The transition away from an unsustainable linear economic model to a circular economy facilitates both top-down and bottom-up initiatives for sustainable growth. It represents an opportunity for inclusive new strategies which will maintain public support and promote resource-efficient innovation, while simultaneously reducing environmental and climate pressures.

Ireland must take the lead on this now. If we are to accelerate our transition to the circular economy on a national scale, Chambers Ireland strongly contends that the correct funding, infrastructure, and supportive frameworks to enable businesses to make a coherent transition will be more successful in encouraging businesses to make the switch to alternative waste reduction systems and supply chains. This must be a priority for Government as part of the Climate Action Plan and all future national development plans. There too must be alignment across all government departments to accelerate meeting national climate targets. As this paper has demonstrated, too often there are reports published by one department where the findings and/or policy objectives have yet to be considered by another department in its draft strategy out for public consultation. We must see more joined-up thinking in policy development.

We remind policymakers and legislators that ahead of the introduction of changes to how we manage waste, that there is an opportunity to engage with private sector business representation as a partner, and we believe there are practical benefits in this approach. Constructive engagement with the business community is instrumental in facilitating representative discussions on future pathways and actions. Through a collective discussion, policy is informed via ground-up engagement. Resilience and capacity building are key, and business needs to be supported with a strong regulatory and policy framework. We emphasise the value of public consultations and welcome future opportunities to engage on this and associated topics.