



ENVIRONMENTALLY SUPERIOR PRODUCTS

Enterprise Ireland Support for Small and Medium Enterprises (SME's)





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INTRODUCTION

Under the Environmentally Superior Products (ESP) initiative, suitable applicants may receive grant support for projects to assess the potential for ESP within their existing or new product ranges. This initiative is aimed at improving the environmental and hence business performance of Irish SME manufacturing industry. Further it aims to improve the strategic capability of SMEs through the exploitation of the market for ESPs. This leaflet contains information on the drivers for and benefits of ESP, how the initiative operates and general guidelines on the associated scope and methodology.

ESP: THE DRIVERS AND BENEFITS

Legal, market and economic developments are putting increasing pressure on Irish manufacturing industry to reduce the environmental impact of their products. Key drivers include:-

- Legislation and producer responsibility schemes requiring manufacturers to produce products (to include packaging) with a reduced environmental impact (e.g. *EU*



Directive on Packaging and Packaging Waste, EU Directive on End of Life Vehicles (ELV), proposed directives on Waste from Electrical and Electronic Equipment (WEEE) and the restriction of the use of certain hazardous substances in electrical and electronic equipment (ROHS));

- Market pressures through the supply chain to improve the environmental performance of products;
- Economic factors e.g. increasing waste disposal costs and the cost savings that environmental efficiencies can bring;
- Increasing pressure from the “green” consumer market;
- Increasing importance of product certification initiatives e.g. eco labels.

As a result of these developments, the market for ESPs represents a business opportunity and a source of competitive advantage for Irish manufacturing industry. International and local indicators strongly suggest that this market represents one of the major business opportunities for manufacturing industry over the next decade.

This particularly relates to:

- Maintenance and development of existing markets;
- Opening of new markets, particularly the high end export market;
- Achieving preferred supplier listing with major manufacturers and retailers.

ENVIRONMENTALLY SUPERIOR PRODUCTS (ESP) INITIATIVE

The ESP initiative is designed to support Irish companies respond to these drivers and to exploit the business opportunities and competitive advantage resultant. Under this initiative, Irish SME manufacturing industry are grant aided to conduct projects to assess the potential for ESP within their existing or new product ranges. The aim of each project funded is to assess ways to reduce the environmental impact of a product(s) without compromising product functionality, quality, ability to manufacture or cost. This is what we define as an “Environmentally Superior Product”.

WHO CAN PARTICIPATE?

The initiative is open to small to medium sized enterprises (SMEs) engaged in manufacturing and that are within the remit of *Enterprise Ireland*, i.e. indigenous Irish manufacturing industries. An *SME* is defined by the *EU* as an independent company or a



company that is part of an independent group of companies employing < 250 people and either sales of < €40 million p.a. or a net worth of <€27 million.

TYPICAL ESP FEASIBILITY ASSESSMENT PROJECT

A typical ESP feasibility assessment aims to identify the potential ways of reducing the environmental impact of a product without compromising, and preferably improving, its functionality, quality, ability to manufacture, cost etc.. The applicant may apply the assessment to an existing product/product range or to a new product even if it is only at the concept stage. A description of the typical elements expected within an ESP feasibility assessment is as follows.

- **Life Cycle Assessment (LCA)**

A simplified LCA of the product or product concept is conducted in order to identify and evaluate the main environmental issues associated with same and the options for making the product environmentally superior. For example, the environmental issues associated with each stage of the products life cycle are considered to include:-

- ⇒ Raw materials
- ⇒ Production
- ⇒ Distribution/Transport
- ⇒ Consumption
- ⇒ End of Life.

- **Market research**

A review of the market for the product to include identification of :-

- ⇒ target market: home/export
- ⇒ competitors & competing products
- ⇒ demand & customer requirements
- ⇒ size and value of market for product
- ⇒ relevance of third party recognition schemes e.g. product eco-labelling schemes

- **Technical feasibility**

The proposed product changes are assessed in terms of their technical feasibility i.e. ability to manufacture, product specification, quality and functionality requirements.

- **Legislative / industry requirements**

The requirements of relevant legislation, industry, export market requirements etc. are assessed.



- **Cost assessment**

The proposed product changes are assessed in terms of associated costs or cost benefit.

ESP CASE STUDY EXAMPLES

An *ESP Pilot Demonstration* initiative was run from March 1999- March 2001 involving Irish SMEs from a range of manufacturing industry sectors (to include electronics, IT, construction, packaging, waste, furniture and timber sectors). Commercial, as well as environmental successes were achieved by the participants of the initiative. In many of the pilot projects, the companies found that by reducing the environmental impact, the product functionality was improved and it was cleaner, quicker and cheaper to produce. These additional benefits added to the overall “superior” nature of the product. The projects conducted under the ESP pilot are described in the [*ESP Pilot Demonstration Initiative*](#) brochure. A copy can also be obtained from the Environment Unit (contact Catherine Flynn on catherine.flynn@Enterprise-Ireland.com or phone 01 727 2358).

GRANT SUPPORT FOR ESP FEASIBILITY PROJECTS

Grant support will be available to successful industrial applicants towards the cost of projects to assess the potential for ESP within existing or new product ranges.

Eligible expenditure for funding includes:-

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

The decision to provide grant support to an applicant will be made by *Enterprise Ireland* based on available funds and on the merits of the application. Selection will be based on the applications falling within the scope and objectives of the ESP initiative and on the merits of the application relative to other applicants. The level of support in each case will be determined by *Enterprise Ireland* based on various factors including the application and proposed project. Funding will only be provided where approval is obtained in advance of work commencing.



USING EXTERNAL CONSULTANTS

The applicant company is free to choose a consultant(s) of its choice to assist them with specialised elements of the study e.g. LCA.

The company should exercise normal commercial prudence in selecting an appropriate consultant and be capable of demonstrating the general competence of the consultant(s) to conduct the work.

MAKING AN APPLICATION

As a first step you should contact your *EI* Development Advisor or your local *EI* office to discuss your company's needs. Details are also available from the *EI* Environment & Green Technology Department (contact Declan White on declan.white@enterpriseireland.com or phone 01 727 2480 Environment & Green Technology Department.

PAYMENT ARRANGEMENTS

On completion of the ESP feasibility project, a report of the project will be required before a claim can be processed.

Claims should only be made following payment by the company of the external consultants and made on the appropriate claim form. Certified invoices should accompany the claim for the consultancy costs incurred, a certificate of incorporation and a current tax clearance certificate.

EI may carry out site visits to validate technical and financial aspects of the project.

[Legal Basis: 1986 Act Section 29](#)