

Business opportunities



An Environmental Challenge: Bringing new business opportunities

The Environment Agency has for many years believed that climate change is the number one global challenge to the environment. **TRICIA HENTON**, Director of Environmental Protection for the Environment Agency, explains.

Climate change is happening now and we all need to play our part in limiting further damage. There is little doubt that the risk of extreme weather is now greater than in the past. We need to adapt to the effects of climate change that we see now, and understand and respond to future changes. As Al Gore says in his Oscar-winning film, *An Inconvenient Truth*, we don't have to sacrifice the economy to protect the environment. There are a lot of business opportunities that come out of protecting and enhancing the environment.

The Economics of Climate Change

The Stern Review, published last October, looked at the impacts and risks arising from uncontrolled climate change and at the costs and opportunities associated with action to tackle it. It suggested that climate change could shrink the global economy by a fifth, at a cost of up to £3.68 trillion, unless drastic action is taken immediately. Stern's message is that responding to climate change will cost just one per cent of world GDP.

There are two important approaches that are relevant to the work of EIC members. Part of the answer lies in being much more resource efficient in everything we

do. Secondly, we need to focus on 'adaptation', that means doing practical things, now, to protect society. This includes expanding flood risk management investment, coastal realignment, controlling water demand and planning water infrastructure to deal with more variable rainfall and tighten planning controls on developments in flood plains. We need to think carefully about land use and farming.

If we invest now to reduce the impacts of climate change through these types of adaptation measures, we'll save money further down the track. All this work has to happen at the same time as we strive for the low-carbon economy path.

New Markets for Low-carbon Technology

Most of the costs will be felt through the higher price of low-carbon technologies, rather than government spending, and will be driven through private-sector markets by economic instruments such as carbon taxes and emissions trading. The formation of large new markets for low-carbon technology is a great opportunity and with early and decisive action, the UK could lead the world in these technologies

An increasing number of companies are finding that it pays to address their own environmental performance. New technologies offer new opportunities to solve environmental problems. At the Environment Agency, we're playing our part, too. Our vision, which we published in 2000, is that we want a better place for people and wildlife, for present and future generations. Last year we published our second five-year strategy, which sets out how we're going to achieve this and what our priorities are for the environment. We have nine environmental goals, which are at the heart of everything we do. These include:

- Wiser, sustainable use of natural resources
- A greener business world
- Limiting and adapting to climate change.

What We're Doing

We're helping to reduce greenhouse-gas emissions to meet the UK's target of reducing the amount of carbon dioxide we produce by 20 per cent by 2010. We're doing this by regulating industrial processes and administering the EU emissions trading scheme. The scheme caps total emissions and allows participants to ►

Business opportunities

► find the most efficient way of participating by trading allowances or investing.

We're also improving the way we regulate businesses, reducing the burden of paperwork and targeting the greatest risk; reducing environmental crime and pollution incidents by focusing enforcement on poor performers. This is about making England and Wales more resource efficient, reducing the amount of waste produced. We also want to reduce the consumption of raw materials by promoting the concept and use of waste as a resource.

We're making sure energy and resources are used more efficiently, through regulation, advice to business and building regulations. We want new building development to make better use of water and energy and produce less waste. We also support regenerating neglected environments to provide a healthy place to live and work by advising local authorities, planners and developers on sustainable development. We all know that we need to reduce our carbon footprint. As a society we need to be much more efficient in the way we use energy and resources. There are both challenges and substantial opportunities for all parts of the environmental industry here.

Sustainable Construction

Decades of unsustainable development have placed significant pressure on the environment. How we adapt is the challenge facing planners, architects, developers, construction engineers, innovators and investors. New, energy efficient, developments are particularly welcome.

Our own research has highlighted the cost benefits of building homes to higher environmental standards. It has shown that improving an existing home's resource efficiency by 25 per cent could cost £800, but save approximately £138 a year in utility bills. This was achieved largely through improvements to energy efficiency, as waste and water efficiencies are achieved at little or no cost.

Remediating Land Affected by Contamination

It is estimated that up to 100,000 sites in England and Wales are potentially affected by contamination from previous use. The demand for sustainable construction will significantly increase the need to use these sites. Cleaning up contaminated brownfield sites can be challenging and problem-holders, consultants, contractors and developers will need to give people confidence in the remediation work for which they are responsible. Industry has always had an important role in providing leadership by developing innovative remedial technologies and best-practice guidance to ensure the sustainable and confident clean-up of land. This will continue to be an area where EIC members have a key role to play.

Diversification Opportunities for Farmers

New regulations for managing agricultural waste will create business opportunities. Examples include providing collection, disposal and advisory services,

particularly around the safe management of hazardous agricultural waste and new hazardous-waste regulations came into force on 15 May this year. There are also diversification opportunities for farmers, in relation to farm plastics recovery, for example.

New pressures

New pressures relating to manure and slurry management are emerging. The Pollution Prevention and Control Regulations now apply to large intensive pig and poultry farms. Housing design and technologies that reduce ammonia emissions from litter and slurry are required. Proposed revisions to the Nitrate Vulnerable Zone Action Programme are likely to require many livestock farmers to avoid slurry spreading for longer periods in winter. Cost-effective ways to allow farmers to make the best use of available storage will be required. Energy recovery via anaerobic digestion is likely to have an increasing role to play in slurry-management systems.

Treating and Recycling Waste Electrical Goods

This is a producer responsibility directive that makes producers of electrical and electronic equipment responsible for paying for the treatment and recycling of products at the end of their life. The regulations came into force on 1 January 2007 and from 1 July the full 'take-back treatment' and recycling systems have to be in place. For businesses, the regulations offer a real opportunity to improve the environment by ensuring that their electrical and electronic waste is disposed of safely. For producers of electrical and electronic equipment there is the opportunity to improve their public image and 'green credentials' as a responsible business by providing in-store take-back or offering alternative ways for customers to dispose of old equipment through local drop-off points such as local authority waste sites.

There are many challenges and opportunities that protecting our environment, adapting to climate change and reducing our carbon footprint can bring. At the Environment Agency, we can't do it all on our own and we will be working with and looking to others, like the EIC and its members, to lead an innovative and competitive marketplace that provides high standards of environmental protection ●

What we're doing

- Reducing greenhouse-gas emissions by regulating industrial processes and administering the EU emissions trading scheme;
- Improving the way we regulate businesses;
- Reducing environmental crime and pollution incidents by focusing enforcement on poor performers;
- Making sure energy and resources are used more efficiently, through regulation and advice to business and building regulations;
- Advising local authorities, planners and developers on sustainable development.

If you want to find out more about the Environment Agency's priorities and what we're working on you can visit our website: www.environment-agency.gov.uk/business/

Opportunities for Industry

- Developing low-carbon and energy efficient technologies;
- Developing more innovative remedial technologies to ensure the sustainable clean-up of land;
- Developing cost effective ways to allow farmers to make the best use of available storage;
- Diversification for farmers, for example, in relation to farm plastics recovery;
- Producers of electrical equipment can improve their public image and 'green credentials' by providing in-store take-back or offering alternative ways for customers to dispose of old equipment.

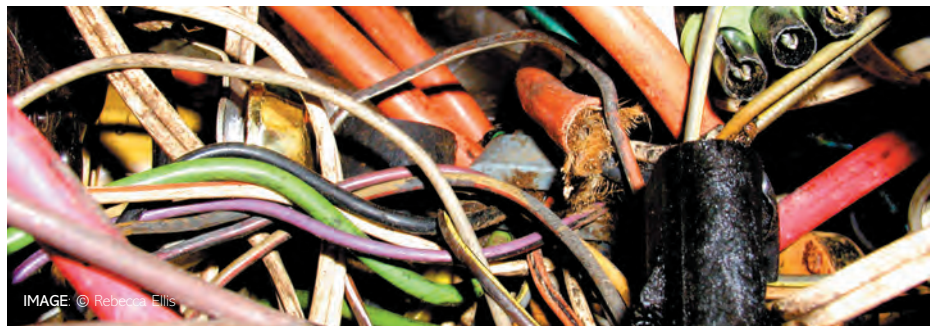


IMAGE: © Rebecca Ellis