

DTI Environmental Industries Unit



The world is changing.....

So what is DTI's role?

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The DTI leads in taking forward the Government's aim to improve UK productivity and competitiveness by providing an effective channel between business and Government. But within DTI, the Manufacturing, Materials and Environment (MME) Unit has a new mission statement – green business is good business.

MME incorporates the old Environmental Industries Unit (EIU), which focused on the issues of concern to the environmental goods and services (EGS) sector. By combining manufacturing and materials with EIU, DTI has created a new look unit dedicated to broadening the market for what were traditionally seen as environmental industries. This new unit still reports jointly to DTI and Defra, so ensuring that both

Departments are joined-up in their approach to greening businesses.

There are a number of specialist teams within MME. The Environmental Industries Sector Knowledge team, holds policy responsibility for the environmental industries. Jointly funded by Defra and DTI, the team is charged with raising the profile of the sector and establishing an effective two-way communication channel between Government and business, with the aim of developing a more favourable policy framework for the environmental industries. What we hope to achieve is better communication between the industry and Government both in developing new regulations and the way in which they are implemented in the UK.

Services offered by the team include:

- Market intelligence about the environmental goods and services sector;
- Flagging up areas/opportunities where the EGS sector might be able to provide the solutions to overcome environmental problems;
- Contributing evidence to Regulatory Impact Assessments and consultations;
- Help with stakeholder engagement and consultation of EGS sector stakeholders (including advice on how to present questions, eg: consultation formats);
- Help with engagement with leading trade associations, regional development agencies, their EGS clusters and the devolved administrations. ➤

“The whole world must move to a low-carbon economy. This green industrial revolution presents the opportunity for new goods, new services, new capital markets and new jobs. We need to harness the opportunities to make sure British business leads this revolution.” – **ALISTAIR DARLING**, Secretary of State for Trade and Industry – Launch of Commission on Environmental Markets and Economic Performance, 8 November 2006.

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► Emerging Markets

One important way in which we aim to support and promote the industry in the UK is through our sponsorship of the UK Forum for Environmental Industries (UKFEI). This is an informal partnership between the Regional Development Agencies and the devolved administrations. It aims to facilitate the sharing of best practice between regions, in terms of support and EGS business engagement.

At the EIC Winter conference in November 2006, we launched our latest mapping report Emerging Markets In the Environmental Industries Sector (UKCEED 2006) that confirms earlier research done by the unit. The new report estimates that turnover will increase to over £34bn by 2010, and £46bn by 2015. Globally the sector was estimated to be worth \$548bn in 2005, and is expected to grow by 45 per cent by 2015 with world markets growing to \$688bn by 2010 and just under \$800bn by 2015.

In addition, data gathered in 2004 showed that UK companies identifying themselves as working in the EGS sector account for around 400,000 jobs in some 17,000 companies. This is expected to grow to around 500,000 people by 2015.

The unit is also working closely with the London 2012 Games, to ensure that environmental technologies are promoted and encouraged. We are already looking at recycling and waste issues, and how the EGS sector can rise to these challenges.

The Climate Change Projects Office (CCPO) provides assistance to UK businesses wishing to pursue project opportunities arising from the Kyoto Protocol by offering a range of advice and support for climate-change projects that reduce greenhouse gas emissions. In particular, the CCPO supports projects that have the potential to generate tradable emission-reduction credits that may be used within the EU Emissions Trading Scheme. The CCPO aims to raise awareness of the opportunities provided by overseas climate-change projects, to offer specific advice in relation to individual project proposals, to provide the means through which businesses can find out about related Government activities and any

available support, and provide feedback to UK policy makers on the experience of UK business. As part of these activities the CCPO organises overseas trade missions to promote UK companies with appropriate technologies, services or overseas investment plans.

The Search for Innovation

Environmental Innovations Advisory Group (EIAG) produced its first report at the end of 2006. EIAG comprises leading figures from environmental business. Its report sets out an analysis of the barriers to innovation in the UK environmental sector as well as our solutions. It also sets out their progress in bringing about change in a number of key areas, such as procurement, regulation, finance, technology and skills.

One of the key outcomes from the EIAG is the Forward Commitment Project, which EIAG pioneered to bridge the so-called 'valley of death' for innovative products. The project seeks to help procurers be more open and innovative in the way they procure goods and services and to encourage new innovative environmental solutions and technologies. Not only has it been strongly supported by groups such as the Sustainable Procurement Task Force and the Corporate Leaders Group on Climate Change, it is also being taken up by leading procurement practitioners such as HM Prison Service which is using it to help deliver a zero-waste prison mattress.

The Commission on Environmental Markets and Economic Performance (CEMEP) was established in late 2006 to look at how the UK can best exploit the economic and environmental opportunities presented by environmental goods and services. CEMEP will make recommendations for actions by Government and business that could stimulate the growth of productivity and employment in the UK's environmental goods and services sectors, and other sectors with a significant contribution to environmental outcomes and resource productivity.

The Commission is jointly chaired by Secretary of State David Miliband and Alistair Darling, with Ministers Ian Pearson and Malcolm Wicks also

sitting as deputies. Other members have been chosen to represent a diverse range of interests, from public bodies, industry, NGOs, the research community and the unions. Peter Young represents EIC on the group

Members are focusing on four key themes: energy, materials and resource productivity, transport and water. These themes will all address the crosscutting issues of regulation, public-sector procurement and the contribution of the financial services sector. The Commission will report by early summer 2007.

Other parts of DTI are also helping to support the EGS sector. The Technology Programme provides funding using two of the DTI's business support products – Collaborative Research & Development Competitions (twice a year) and Knowledge Transfer Networks (KTNs). Over the period 2005-2008, £320M in funding is available from DTI to businesses to support research and development in technology areas identified by the Government's Technology Strategy Board. This funding is increased by contributions from other Government Departments such as Defra (£30M), Regional Development Agencies and devolved administrations (£30M) and research councils (£26M).

Since 2004, the Technology Programme has supported over 600 projects across 40 technology areas with a combined business and Government investment worth over £900M. Some 22 Knowledge Transfer Networks have also been established with funding of around £40M over three years. The Programme is investing directly in new and emerging technologies, and has been designed to help businesses work collaboratively with each other, or with academic partners, to develop technologies that will underpin products and services of the future. Competitions look at areas such as low-carbon technologies, waste technology and energy efficiency. ●

“Climate change is a serious threat but also a business opportunity. There are jobs and wealth to be created in reducing greenhouse-gas emissions, as there are in tackling other environmental problems. In a world where energy and carbon emissions are constrained, every business must take resource productivity seriously as a source of competitive advantage. Every industry should become an environmental industry – and environmental principles must permeate beyond traditional environmental sectors.”

– DAVID MILIBAND, Secretary of State for the Environment - Launch of Commission on Environmental Markets and Economic Performance, 8 November 2006.