Cork Chamber
Advancing business together

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Bioeconomy Action Plan Consultation
Sectoral Policy and Land Use
Department of the Environment, Climate and Communications
29-31 Adelaide Road, Saint Kevin's, Dublin,
D02 X285

27 January 2023

RE: Bioeconomy Action Plan Consultation

To whom it concerns,

Cork Chamber represents 1,200 members employing over 100,000 people throughout the city, metropolitan area and county. Our vision is to be a world-leading Chamber of Commerce, delivering on a progressive economic, social and sustainability agenda at the heart of a vibrant business community. Our direction is guided by our formal pledge to uphold the United Nations Sustainable Development Goals.

On behalf of our membership, Cork Chamber welcomes this opportunity to contribute to the Department of Environment, Climate and Communications consultation on Ireland's Bioeconomy Action Plan.

We would like to put forth a series of recommendations that we ask to be fully considered. We remain at your disposal to share any additional insights from our member businesses to support this consultation.

Yours sincerely,

[redacted]

CEO

The Irish Bioeconomy

Encompassing agriculture, forestry, fisheries, food, bio-energy and bio-based products, the bioeconomy offers opportunities for Ireland to decarbonise some of its highest emitting and highest economic value sectors. Ireland's vast natural resources and strong agricultural sector makes it an ideal country to drive forward the bioeconomy. With 80% of agri-food companies based in rural Ireland, this sector presents a clear opportunity to stimulate rural and agricultural development, innovation and jobs creation.

It is also recognised in the Governments National Development Plan and Food Vision 2030 as a key driver to combatting climate change and transitioning to a low-carbon, competitive and resource efficient economy. Notwithstanding this, there are challenges to availing of the substantial opportunities that have yet to be fully realised, which could be mitigated with enough political will.

Demand-side policy barriers

- *Question 7: What key issues concerning consumption patterns need to be examined to close the gap between sustainable supply of biological resources and demand?*
- *Question 12: What lead market initiatives could support entrepreneurship, development, innovation and the commercialisation of bio-based products, processes, information, and services?*
- *Question 13: Due to the requirement for capital and operational investment what innovations aimed at financing infrastructures and technical and economic valuation of innovation are necessary to scale up the bioeconomy?*

There are a number of barriers that remain for small and medium-sized enterprises working in the bioeconomy due to a lack of policies supporting investment and demand. An EU report[1] identified market factors to be a top barrier preventing business development in the Irish bioeconomy. Realising the potential of this industry will require incentives and market supports.

Clear and significant market demand is required for manufacturers to innovate and commercialise technologies in the bioeconomy. Promoting consumer adoption and influencing consumer purchasing decisions, for example through labelling products, raising awareness, and tax incentives for bio-based products are key interventions to generate the needed demand.

While there is a growing consumer demand for environmentally friendly and bio-based products, the high switching costs of products for example bio-based textiles, are considered key barriers to other potential consumers, along with concerns over quality standards, reluctance to purchase products derived from side or waste streams and lack of awareness with biobased products[2].

To aid businesses in generating biobased consumers, biobased consumer strategies are needed. This action plan should seek to support SMEs and medium-sized enterprises in developing these strategies.

Renewable Energy

- *Question 2: Are there specific key performance indicators and/or targets the bioeconomy should be setting out to achieve to measure its implementation?*
- *Question 3: What other key issues should the Governance Pillar deal with?*

[1] https://www.bioeconomy-library.eu/wp-content/uploads/2019/12/needs-and-challenges_final.pdf
[2] https://www.mdpi.com/2071-1050/15/3/2284

The generation of bioenergy presents a distinct opportunity for Ireland to decarbonise both the agri-food and energy sectors, diversify farm revenues and stimulate rural development. Animal slurry is one of Ireland's most underutilised resources of which 40 million tonnes is produced annually thus contributing significantly to greenhouse gas emissions. A specific target should be set for anaerobic digestion by 2025 and 2030.

Anaerobic digestion can utilise this significant resource along with other feedstocks such as grass, food waste, sewage and seaweed while creating additional value streams for the sector, including biogas, biomethane, and a bio-fertilizer digestate. Feedstock choice must, however, take into account sustainability and not compete with food. It is essential that circularity become mainstreamed into the country's agricultural sector.

The economic viability of generating biogas or biomethane through anaerobic digestion depends on a number of factors including the size of the digestor, feedstock availability and high capital costs.

Policy support is needed to accelerate the industry and make use of these currently wasted resources. A clear national strategy for anaerobic digestion is needed. Supports, subsidy schemes and long-term contracts directed at anaerobic digestion and bioenergy development through the RESS scheme can provide investors with confidence.

Utilising Ireland's strong cooperative model can further enable large-scale commercial and on-farm anaerobic digestion development and bioenergy production. Gas Networks Ireland Graze Gas Project in Mitchelstown, Cork is a clear example of this in action[3]. It is essential that these large-scale projects be supported and incentivised so Ireland can develop an indigenous renewable energy sector.

Please review Cork Chamber's report "Anaerobic Digestion: A Circular Solution for Energy Resilience"[4] which deals extensively with this topic.

Scaling up and environmental impact

- *Question 8: What key issues should the Agriculture, Food & the Marine Pillar deal with?*

Supporting the establishment of sustainable value chains is key, especially in respect of working within the carrying capacity of ecosystems so that harvesting of bio-based feedstocks such as seaweed does not negatively affect the ecosystems that are producing these feedstocks. Careful examination of both the volume, type and location of harvesting of bio-based feedstocks and their broader environmental and ecological impact should be key to establishing the viability or otherwise of valorisation of these products.

Avoiding missteps by carefully assessing the environmental and ecological impact on ecosystems first holds the key to building a viable bioeconomy that respects the existing natural carrying capacity and that is supported by communities, NGOs and the general public/consumers.

[3] https://www.gasnetworks.ie/business/renewable-gas/mitchelstown/

[4] https://www.corkchamber.ie/wp-content/uploads/2022/03/10793-Anaerobic-Digestion-report_final.pdf

Concluding remarks

It is clear through existing Irish and EU policy that scaling up the bioeconomy will be central to Ireland's transition to a low-carbon economy. A bioeconomy that is grounded in circular and sustainability principles will greatly aid Ireland in reducing GHG emissions, managing the sustainability of our natural resources, increase energy security while reducing dependence on fossil fuel-based products.

These factors are becoming increasingly important, not only to meeting mandatory targets, but also to attracting talent and investment and remaining competitive globally.

Cork Chamber would like to thank the department for undertaking this consultation and we ask that all our comments are taken into full consideration in the development of this action plan.