



Brexit Adjustment Reserve

Processing Capital Support Scheme

GUIDANCE NOTE FOR APPLICATIONS IN EXCESS OF €5m



An Roinn Talmhaíochta,
Bia agus Mara
Department of Agriculture,
Food and the Marine



Funded by the
European Union

Projects in excess of €5m

If a project, or combination of connected projects applying for grant aid under the Brexit Adjustment Reserve Processing Capital Support Scheme has a value in excess of €5m, additional documentation must be provided to supplement the grant application. This does not need to be submitted with the online application, but applicants will be contacted after submission and asked to provide the following additional evidence. It is therefore advisable to prepare this documentation while preparing the online application.

Q 1.1 Environmental Impact

Applicants must submit one of the following:

- 1) An approved and current Origin Green Strategy
- 2) Evidence of holding current ISO 14,001 accreditation
- 3) An environmental strategy setting out the applicants commitment to reducing the organisations carbon footprint and the improvement of environmental performance. A suggested structure is attached below.

Q 1.2 Economic File Uploads

Cost Benefit Analysis

A cost benefit analysis of the proposal. This should include:

1. Objectives of the Investment
2. Demand Analysis
3. Appropriateness of Investment
 - a. Demonstration that the project will have significant added value
 - b. Value for money
4. Vulnerability to external environment
 - a. Supply chain/currency fluctuations
6. Evaluation of Investment Options
7. Financial Data
 - a. Company performance over the last 3 years and projections up to and including 2025
 - b. Projected cashflow over the next 12 months and 2 years – metrics measured include employee levels, P&L, Balance Sheet
 - c. Calculation of IRR rate based on the following
 - i. The company inserts their own hurdle rate/minimum rate of return
 - ii. Compute the IRR from the cashflow summary
8. Risk Analysis
9. Impact on the environment



- d. This should complement the environmental strategy above
- e. Data to support environmental impact reduction e.g. energy reduction, GHG emissions.
- f. The project should demonstrate how it fits government/national strategies & policies
- g. The expected downstream environmental effects referred to above should be set out here

10. Summary and Conclusions

Need for State Investment

Applicants must:

Demonstrate the need for State investment and the extent to which the investment project would be impacted by State support through one or more of the following; increase in project size, scale, scope, and/or speed.

While up to eligible costs can be grant aided up to the maximum intensities set out in the Scheme document, the level of aid awarded will be limited to the minimum amount required to implement the project.

The level of aid that a company may be awarded will be based on the minimum amount required to generate the required return, compared to the counterfactual scenario in the absence of aid. The measurement that is recommended for use to quantify this comparison is Internal Rate of Return (IRR). Payback Period, Net Present Value (NPV) and other relevant financial information may be provided.

Financial analysis and relevant commentary demonstrating that the minimum amount of State aid funding has been requested to achieve the project outcomes

In addressing this point, companies should:

- Detail the source and structure of capital to finance the proposed project along with details of the associated interest and financing costs
- Provide detailed commentary on the calculation of the hurdle rate (%) used to assess the proposed investment with supporting evidence
- Provide detailed commentary on the justification for state aid intervention/support, with specific reference to the IRR (%) with and without state support.

Direct benefits to the Irish economy

A short document (max 500 words) should be uploaded which set outs the direct benefits to the Irish economy arising from this investment e.g.: Employment levels and whether these will be maintained or will increase

Indirect benefits to the Irish economy

A short document (max 500 words) should be uploaded which set outs the indirect benefits to the Irish economy arising from this investment such as the impact on suppliers; the development of transferable skills of employees or or the enhancement of the reputation of Ireland on world markets.



Environmental Strategy

An environmental strategy is defined as a set of initiatives that can reduce the impact of operations on the natural environment through products, processes and corporate policies. This can include initiatives such as reducing energy consumption and waste, using green sustainable resources and environmental management system implementation.

Through an environmental strategy, businesses should demonstrate:

- Knowledge of the businesses or projects environmental impact or potential impact
- How the business or project will protect the environment by preventing or mitigating any identified adverse environmental impacts and how these will be measured
- How the business or project will enhance environmental performance

The following framework for an environment strategy is proposed. This framework is not mandatory, however all strategies should address the main areas. The framework includes elements of the ISO 14001 standard, and detailed guidance on this standard and how to apply it may be found directly from ISO.

1. Context of the organisation
2. Leadership
3. Environmental policy
4. Roles and responsibilities
5. Risks and opportunities
6. Compliance
7. Environmental objectives
8. Resources
9. Skills and training
10. Communication
11. Records management
12. Operational planning and control
13. Emergency preparedness and response
14. Monitoring, reporting and review

1. Context of the organisation

This is an introduction to the organisation together with an assessment of the organisation's environmental practices. This should consider internal and external factors that impact on the organisation environmental responsibilities such as regulations, customer demand and stakeholder expectations.

2. Leadership



The board and management have a key role in setting the objectives and direction for the organisations environmental strategy and leading employees to fulfil those expectations. This can be broken into three principle areas:

- Leadership
- Setting environmental policy
- Assigning roles and responsibilities

This area should address:

- a) taking responsibility for the effectiveness of the environmental strategy
- b) ensuring that the environmental policy and environmental objectives are established and are compatible with the strategic direction and the context of the organisation
- c) ensuring the integration of the environmental strategy into the organisation's business processes
- d) ensuring that the resources needed for the strategy are available
- f) ensuring that the strategy achieves its intended outcomes
- g) directing and supporting employees to contribute to the effectiveness of the strategy
- h) promoting continual improvement

3. Environmental policy

An environmental policy is the mechanism for the board to set out their commitments to the environment. It sets the direction for the organisation and describes the expected results from systematically managing its environmental aspects.

At a minimum, three commitments are required:

- protection of the environment,
- fulfilment of compliance obligations
- continual improvement

Work practices may need to be put in place enable the organisation to meet these commitments. Environmental objectives are set out to drive improvement to enable the organisation to meet these commitments. It is important to share the policy and objectives with employees, contractors and others who work on behalf of the organisation so they understand expectations of board and can perform their work in a manner that contributes to achieving those results. Making the environmental policy publicly available, or available upon request, provides assurance to stakeholders that the organisation is doing its part to protect the environment.

Protection of the environment

Protecting the environment starts with preventing pollution, harm and degradation. Recycling wastes, minimising air emissions and substituting less hazardous chemicals are normally the first steps organisations take to preventing pollution. The approach selected should follow a hierarchy, giving



preference to preventing pollution at the source, then recycling or reuse, then treating or controlling the pollutant.

ISO 14001 defines prevention of pollution as the use of processes, practices, techniques, materials, products, services or energy to avoid reduce or control (separately or in combination) the creation, emission or discharge of any type of pollutant or waste, in order to reduce adverse environmental impacts. Prevention of pollution can include:

- Source reduction or elimination
- Process, product or service changes
- Efficient use of resources
- Material and energy substitution
- Reuse/Recovery
- Recycling
- Treatment.

Beyond pollution prevention, organisations may consider reducing energy consumption from fossil fuels; water conservation or focusing on the design and development of products to minimise negative environmental impacts. Incorporating policies such as zero waste to landfill, carbon neutrality or adoption of sustainable development principles are ways an organisation can demonstrate their commitment to protecting the environment.

Meeting compliance obligations

Organisations are expected to adhere to their legal or regulatory requirements as well as any requirements associated with voluntary obligations it agrees to undertake. Some organisations may not be in compliance with particular regulations, or may need to work on consistency in meeting the requirements. Others operate well within their regulatory limits so may choose to go beyond compliance by self-imposing more stringent criteria for their emissions or effluents.

Continual improvement

It is critical that the environmental policy is monitored, reviewed and assessed for appropriateness, effectiveness and provides a realistic framework for setting and meeting the environmental objectives it sets out. The environmental policy must be maintained as a corporate document; be communicated within the organisation and be available to stakeholders.

4. Roles and responsibilities

Key responsibilities for implementing the strategy should be assigned and communicated within the organisation.

5. Risks and opportunities



It is important to set out the risks as well as the opportunities that can impact on the successful achievement of a strategy, and this should also set out the mitigations that can be put in place to manage these risks. The uncertainty around both risks and opportunities is important to state – the likelihood of a negative event occurring and whether the impact will be as bad or good as initially planned. Acknowledging that there is uncertainty, the organisation needs to determine the strategically important risks and opportunities that may impact on the strategy.

Risks could include preventing or reducing negative environmental impacts on the organisation including emergency situations which may have the potential to cause an adverse environmental impact. The organisation should set out criteria for determining the most important risks to tackle. Documenting the methodology used is one way to ensure that the processes are carried out as intended. There is no single approach or order to determining the risks and opportunities that need to be addressed however the following areas should each be included:

1. Setting out the negative as well as the beneficial impacts on the environment caused by the organisation's activities
2. Consideration of emergency events and their potential impact on the environment
3. Compliance obligations
4. Identification of other priority risks and opportunities the organisation determines need to be addressed that may have an impact on achieving the environmental strategy intended outcomes.

Environmental aspects are the elements of an organisation's activities, products or services that can potentially affect the condition of the air, water, land, flora and fauna. These impacts can be beneficial or adverse. Heating a facility might cause carbon dioxide emissions from burning fossil fuels, and can impact the environment by contributing to air pollution. The potential harmful effects an organisation's significant environmental aspects have on the environment can be broadly thought of as risk. Alternatively, the potential positive effects they have can be thought of as opportunities.

6. Compliance

In order to meet environmental policy commitments an organisation needs to have detailed knowledge of their obligations and how they affect its operations. These include both environmental-related legal requirements and other requirements that the organisation has to or chooses to comply with. These compliance obligations should be set out here.

7. Environmental objectives

Environmental objectives are generally established to make an improvement in an area previously identified as a priority. The consideration of compliance obligations may have identified new regulations or areas that the organisation needs to upgrade its operations to fulfil its obligations. Risks and opportunities the organisation decides to address are also key areas to consider when setting environmental objectives. The results from audits as well as management review may also inform areas needing improvement. In some cases, the organisation may want to maintain a certain level of performance, so objectives don't always have to be set to improve. When selecting environmental



objectives, the organisation should consider the skill level available, any financial or other resources required, and its other business objectives.

The organisation will need to monitor its progress toward meeting its objectives. Performance indicators can be used to evaluate progress toward the targeted performance level. Indicators are objective and verifiable, and may take the form of thresholds for performance or activity ratios, for example:

- X% reduction in waste to landfill in the next two years.
- Achieving and sustaining an X% completion rate for required environmental training.
- Reducing GHG emission to X KG or less per tonne of product in three years.
- Eliminating substances of very high concern in products and processes in 5 years.
- Achieve and maintain fleet energy consumption rates at X km travelled per litre fuel.

Once the environmental objectives have been set, the organisation can identify the actions necessary, assign responsibilities and establish milestones. When planning how to achieve its environmental objectives, the organisation should set out:

- a) what will be done;
- b) what resources will be required;
- c) who will be responsible;
- d) when it will be completed;
- e) how the results will be evaluated, including indicators for monitoring progress toward achievement of its measurable environmental objectives

The organisation should also consider how actions to achieve its environmental objectives can be integrated into the organisation's business processes.

8. Resources

The organisation shall determine and provide the resources needed for the establishment, implementation, maintenance and continual improvement of the environmental management system. The following areas could be considered:

- Staff time to evaluate operations, collect data and attend training
- Specialised skills or services to evaluate environmental aspects or compliance obligations, respond to emergency situations, and perform audits.
- Information systems, to store and analyse monitoring and measurement data
- Equipment and supplies to facilitate environmental operations such as waste/recycling sorting bins, spill clean-up supplies, secondary containment storage containers

9. Skills and training

Staff within the organisation are likely to have an assigned responsibility to implement the environmental strategy and will need to have the competency to apply the correct knowledge and skills to do so. The question to ask is 'what knowledge, experience and skills related to our environmental



issues are needed to perform the work? Do our workers have it, and apply it in their daily work practices?’

The competency required will vary for the different roles in the organisation. Some staff may need technical knowledge e.g. to monitor wastewater processes for contaminants. If present, they must divert the effluent to a holding pond to prevent an adverse impact to the neighbouring waterway, and investigate the cause. They need to know how to operate the wastewater systems, have knowledge of potential contaminants being generated, and the permitted discharge limits. Other staff may need to have an in-depth knowledge of environmental regulations.

The skills needed and the training that should be put in place to develop those skills should be set out here.

10. Communication

There are many techniques an organisation can use to increase environmental awareness but the most important is the tone from the top – the leadership demonstrated by management. At a minimum, the organisation should ensure that staff are aware of:

- the environmental policy;
- the potential environmental impacts associated with their work;
- their contribution to the effectiveness of the environmental policy including the benefits of enhanced environmental performance;
- the implications of not meeting the organisation’s compliance obligations.

Sharing information raises awareness, encourages partnership and builds credibility. It has also become increasingly important to share information on the organisation’s commitments, actions and performance with external stakeholders for the same reasons. Communicating with employees and contractors is important to be sure the environmental policy is understood. Internal communication facilitates coordination of activities, aids problem solving, and enables the organisation to mark its progress.

The communication plan should set out:

- a) what it will communicate;
- b) when to communicate;
- c) with whom to communicate;
- d) how to communicate.

11. Records management

Documenting how the system operates helps persons responsible for implementation understand what they need to do and how to do it. Where multiple persons are performing a process, documenting the steps can ensure consistency in the results. Documenting decisions made, activities performed and the results achieved provides evidence to demonstrate conformity to



requirements and effective implementation of the environmental policy. In addition, organisations may decide to document information for transparency purposes, continuity or new employee training. Customers, regulators, lending institutions and certifying bodies may request environmental information, so having it in documented form will facilitate sharing this information.

12. Operational planning and control

Operational controls are key means to prevent adverse environmental impacts. Controls are also used to assure compliance with regulations and to implement improvements. They ensure that day-to-day activities, and outsourced processes, are performed consistent with established plans and objectives. Operational controls are put in place to ultimately ensure the environmental policy commitments are achieved.

Organisations should set out the controls required to implement and maintain the processes needed to meet the objectives of their environmental policy including:

- establish controls to ensure that its environmental requirements are addressed;
- determine its environmental requirements for the procurement of products and services;
- communicate its relevant environmental requirements to suppliers and contractors;
- consider the controls around transportation, end-of-life treatment and final disposal of its products.

The organisation should maintain appropriate documentation to demonstrate the processes have been carried out as planned.

13. Emergency preparedness and response

Unplanned or unexpected events require an immediate response to minimise adverse impacts to the environment. In addition, the organisational effects can be expensive and damaging — downtime, property loss, injuries, environmental clean-up costs. Further, emergency events can erode confidence and damage the organisation's reputation. Waiting until the emergency situation occurs puts the organisation in a reactive mode, which is often inefficient. However, if an organisation anticipates and plans for reasonably foreseeable emergency situations, it can take a proactive stance to prepare ahead of time, taking action to prevent emergency situations from occurring where practicable, and if not, the organisation can coordinate with local response agencies, train their employees, and mitigate the adverse environmental impact when it does occur.

The organisation should set out:

- Actions that could prevent or mitigate adverse environmental impacts from emergency situations;
- take action to prevent or mitigate the consequences of emergency situations;
- periodically test the planned response actions, where practicable;
- periodically review and revise the process(es) and planned response actions;
- provide information and training related to emergency preparedness and response to staff



14. Monitoring, reporting and review

The organisation should monitor, measure, analyse and evaluate its environmental performance, including:

- what needs to be monitored and measured and when this shall be done;
- the methods for monitoring, measurement, analysis and evaluation
- the criteria and indicators against which the organisation will evaluate its environmental performance
- how the results will be communicated
- The recording of documented information

