

Below are extracts from three climate-focused news articles published recently on the topics of government sustainability supports (Government of Ireland 23rd June) and plans for solar power at Shannon Airport (RTE.ie 23rd June). Also included is a Financial Times feature on investment firm, BlackRock and its plans to roll out a range of new climate change funds (ft.com 23rd June).

This week, our news feature centers on sustainability, highlighting the Irish Government's announcement of a decarbonisation fund for Irish businesses, the proposed construction of a new solar farm at Shannon Airport, and the introduction of a new series of climate transition exchange traded funds (ETFs) by the US investment firm BlackRock.



Minister Burke announces €300 million to drive the decarbonisation of manufacturing sectors

This week, the Government of Ireland (2024) announced its plans for industrial decarbonisation and the range of financial supports available to help companies reach their objectives. Included in the launch is a Roadmap, which advises manufacturers on the expected operating environment for decarbonised manufacturing through the end of the decade.

The Minister for Enterprise, Trade and Employment, Peter Burke TD, has announced that €300 million will be available to drive the decarbonisation of Ireland's industrial emitters over the coming years. The fund will be used by Enterprise Ireland and IDA Ireland to support client companies to reduce their industrial emissions between now and 2030 through the Environmental Aid scheme.

Minister Burke also published the Decarbonisation of Industrial Heat Roadmap, which sets out what the operating environment for energy used in manufacturing will look like in the future. It identifies the key interventions necessary to decarbonise heat-use in manufacturing sectors, including the supports that are available to companies, forthcoming regulations, and the policies underpinning them.

Minister Burke said that the funding and roadmap combined were an important signal for industry:

“Industrial emissions account for around 10% of Ireland’s total emissions, so manufacturing businesses have an important leadership role to play in reducing Ireland’s overall carbon emissions. I’m ringfencing €300 million in funding to give these companies certainty that the government will support them in making these significant investment decisions so that Ireland can achieve our 2030 abatement target. Furthermore, the roadmap ensures that businesses and government are working to a shared plan.”

Government of Ireland (2024)

The Government of Ireland's 2024 press release states that manufacturing companies, regardless of size, are adopting sustainability strategies. It also highlights that some sectors are more polluting than others. Additionally, the government is offering grants to businesses of all sizes to initiate or advance their decarbonisation efforts.

The vast majority of industrial emissions are generated by companies primarily in the food and beverage, cement, pharmaceutical, and chemicals sectors that are supported by Enterprise Ireland and IDA Ireland. Last month, Diageo announced its plans to reduce the on-site emissions at St James’s Gate Guinness Brewery, in part supported by Enterprise Ireland. The investment will enable St James’s Gate to entirely phase out the use of fossil fuels in its direct brewing operations and reduce Scope 1+2 GHG emissions generated by the site by more than 90%, in line with the Science Based Target initiative’s definition of net zero.

Welcoming today’s announcement, the Minister for Trade Promotion, Digital and Company Regulation Dara Calleary TD said that every company has a part to play in reaching the climate targets:

“Achieving the targets set out in the government’s Climate Action Plan for industry of a 35% reduction by 2030 will only be done if every company, large and small, decarbonises. While it’s something we all have to do, it should also be seen as an opportunity for businesses to improve their competitiveness.

“Increasingly large companies require their supply chains to meet new sustainability conditions, and in addition, procurement processes also prioritise sustainable companies. Becoming more sustainable can help a business to attract and retain talented staff, as well as meeting the growing customer demand for greener products and services.”

The Environmental Aid scheme is one of a number of government grants and supports available to companies to help them either start or progress the process of decarbonising their businesses.

Government of Ireland (2024)

Similarly, RTE (2024) reports that Shannon Airport has submitted a planning application for a 5.5-acre, 1.2MW solar farm at the airport's airfield. Coinciding with the government's announcement of grant aid for business sustainability, the Shannon Airport Authority is demonstrating its commitment to decarbonisation, viewing the solar farm as a vital move towards reaching its sustainability objectives.



In a planning report by TOBIN accompanying the solar farm planning application, it states that the solar farm "will benefit Shannon airport by providing a sustainable source of energy, reducing costs, and promoting environmental sustainability". Project Planner, Seán Greene with TOBIN Consulting Engineers, has told the Council "by generating a sustainable source of energy, the airport can ensure uninterrupted access to electricity and reduce its reliance on traditional fossil fuels".

The planned solar farm site lies adjacent to the airport's Taxiway 12 and an engineering report by TOBIN includes an area earmarked for potentially more solar farm development adjacent to the solar farm site which is a multiple in size of the initial 5.5 acre site. Mr Green has told the Council that the planned solar farm "is a critical step towards achieving Shannon Airport Authority DAC's sustainability goals".

He has also told the Council that by leveraging renewable energy sources like solar power, Shannon Airport "can demonstrate its commitment to environmental stewardship while reaping the benefits of clean energy generation".

RTE (2024)

"Investors are increasingly looking for data and tools to help them adapt their strategies to better manage the challenges and opportunities stemming from the transition to a low-carbon economy....."

Sebastian Lieblich, head of index products for Europe, the Middle East and Africa at MSCI

BlackRock launches five climate transition ETFs in Europe

Meanwhile in its article this week , The Financial Times (2024) highlights a new investment product range from BlackRock. The 5 Irish-domiciled Exchange Traded Funds (ETF's) each have a different geographic focus and are classified under Article 8 of the EU's Sustainable Finance Disclosure Regulation. They will give investors access to companies who are leaders in the transition to a low carbon economy and who are also dedicated to the generation of "green revenues ":

The Ireland-domiciled iShares MSCI Climate Transition Aware Ucits ETFs are classified under Article 8 of the EU's Sustainable Finance Disclosure Regulation. Each of the five ETFs has a different geographic focus: global, Europe, US, Japan, and the European economic and monetary union. The products track MSCI transition-aware select benchmarks and invest in companies with "forward-looking science-based targets and that generate green revenues", BlackRock said.

The \$10.5tn asset manager described low-carbon transition as a "series of profound shifts playing out over decades" that are "reshaping production and consumption and spurring vast capital investment". BlackRock's Investment Institute has identified several "mega forces" reshaping markets, such as technological innovation, geopolitical fragmentation and ageing populations. BlackRock said "With the launch of the climate transition-aware range, we are expanding the choice we offer clients seeking to mitigate the investment risks and capture the opportunities from this transition."

The ETFs have been registered for sale across much of Europe, including France, Germany, Italy, Spain and the UK.

Financial Times (2024)

References

Government of Ireland (2024). 'Minister Burke announces €300 million to drive the decarbonisation of manufacturing sectors'. Department of Enterprise, Trade and Employment June 23. Available at: <https://enterprise.gov.ie/en/news-and-events/department-news/2024/june/20240623.html>. (Accessed 24 June 2024).

RTE (2024). 'Shannon Airport lodges plans for 5.5 acre 1.2MW solar farm for airfield'. The RTE.ie June 21. Available at: <https://www.rte.ie/news/business/2024/0621/1456004-shannon-airport-solar-farm/>. (Accessed 24 June 2024).

Financial Times (2024). 'BlackRock launches five climate transition ETFs in Europe'. Financial Times (ft.com) June 24. Available at: <https://www.ft.com/content/b7908395-8b54-4bbc-938f-e9472f6c5606?shareType=nongift> (Accessed 25 June 2024).

EON- 27-06-24