

To: The Managing Authority, Productive Sector O.P.

**COMHAR'S COMMENTS ON
THE FINAL REPORT OF THE MID TERM EVALUATION OF THE PRODUCTIVE
SECTOR O.P.**

In general, the central reservations that Comhar holds about the environmental priorities within the OP remain (most regrettably) in place, as previously expressed.

Recognition of environmental considerations as a horizontal (cross-cutting) issue is welcome, but ineffectual in the absence of complementary vertical application of the main considerations.

As raised previously by Comhar--and fleetingly acknowledged in the document (10.3)--the main drivers of these considerations (in so far as they can be made applicable to the OP) are the National Strategy for Sustainable Development and the Kyoto and Gothenburg Protocols. Other environmental considerations (e.g. waste, cleaner production) are capable of being captured by effective enforcement of the former priorities.

As also previously raised by Comhar, the vertical application of these policies can be best addressed within the programme by a focused effort concentrating on the encouragement and incentivisation of activities and operations that replace fossil fuels with renewable energies as a priority.

(10.4) contains a commitment that support for manufacturing industry will be linked to "any possible environmental impacts". (10.12) claims that "environmental integration has been given effect in this OP" by *inter alia* "use of appropriate environmental indicators and the inclusion of the environmental dimension in OP evaluations".

Yet Table 10.4 (p.375) on environmental reporting on the RDTI priority reveals **absolutely no** indicators available for the entire Industry Measure.

Furthermore, in the same table, the environmental horizontal principle is neither "applicable or appropriate" for all industry sub-measures bar one (capability and training).

Table 10.8 (p.379) on environmental reporting on the industry priority specifies that the horizontal principle applies to **all** sub-measures in indigenous industry, and yet an indicator is only available for **one** sub-measure (strategy assessment and formulation).

The conflict between these outcomes and the OP's ambitions for environmental protection is compounded by the lack of audits undertaken as part of environment

proofing: **only 68%** of the mid-term target for implementation of these audits has been met (Table 10.17, p.390).

The overall lack of performance on the environmental horizontal issue can be best seen in reporting on the Environment RTDI programme (Annex 1, pp.463-466):

The programme is **underspent to the tune of 17.6 million euro**, and has not achieved 50% spending on the mid-term target in **any** of the 4 sub-measures.

From Comhar's perspective, the lack of spending on the Sustainable Development RTDI priority sub-measure (43.6% of target) is particularly regrettable given the high priority Comhar attaches to this objective.

Notwithstanding a general view developing within the OP that underspending in the overall programme should be re-allocated, we would strongly recommend, given the concerns outlined above, that environmental spending should not only be exempted from this view, but should be the recipient of funds moved from other underspent programmes.

Value for money in this regard is clearly a priority, and Comhar would welcome being both consulted and involved in the appropriate application of this principle within the remainder of the programme.

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(On behalf of Comhar)
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