

“CARE+ final state of play and possible next steps”

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Cefic (supported by Challoch Energy)

Outline

1. The Case for Action
2. CARE+ Background
3. Progress on CARE+ to Date
4. Continuation of CARE+
5. Short-term action plan
6. Long-term action plan
7. Final conclusions and possible steps forward

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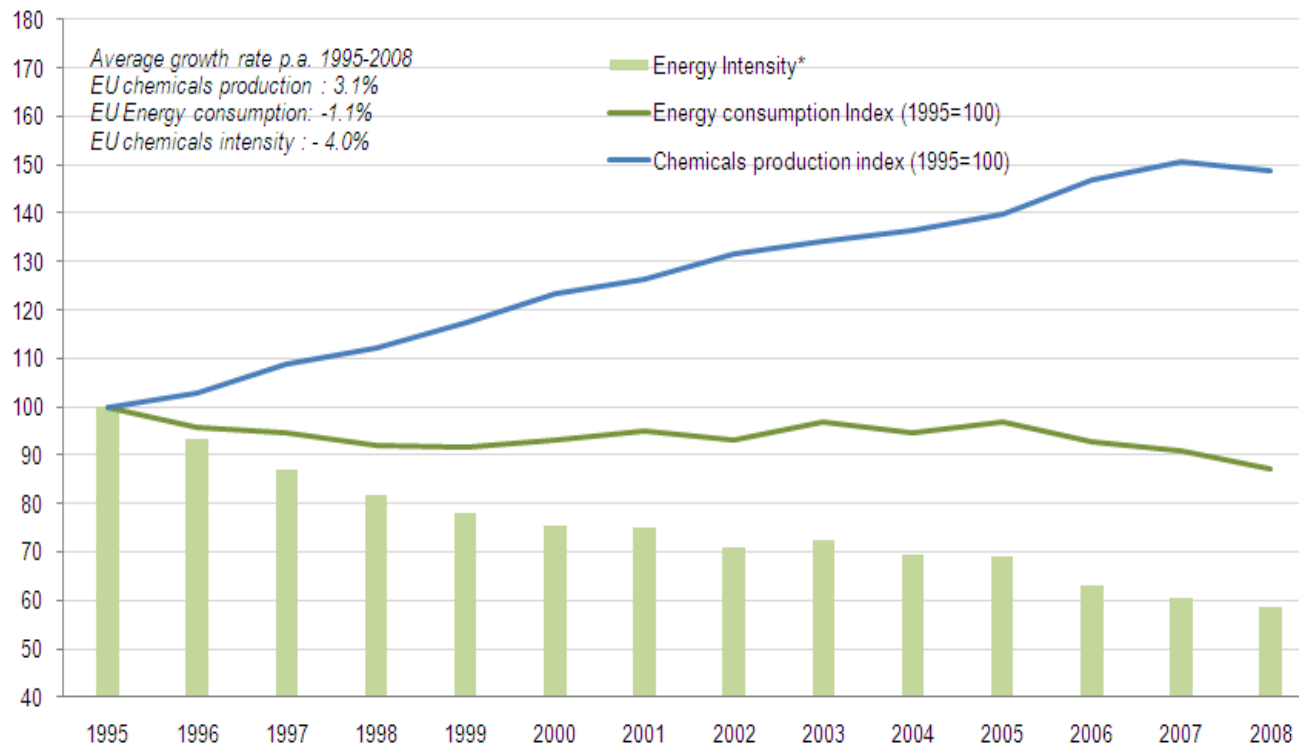
1. The Case for Action

- Timely to focus on energy issues
 - Rising energy costs
 - Impacts of ETS on all chemical companies
 - High political focus on energy efficiency
- Energy is a controllable cost
 - Extensive action by the large chemical companies
 - Little action by SMEs in the chemical sector
- Energy has large potential in Responsible Care and should also become a priority

The chemical industry has improved energy and GHG efficiency



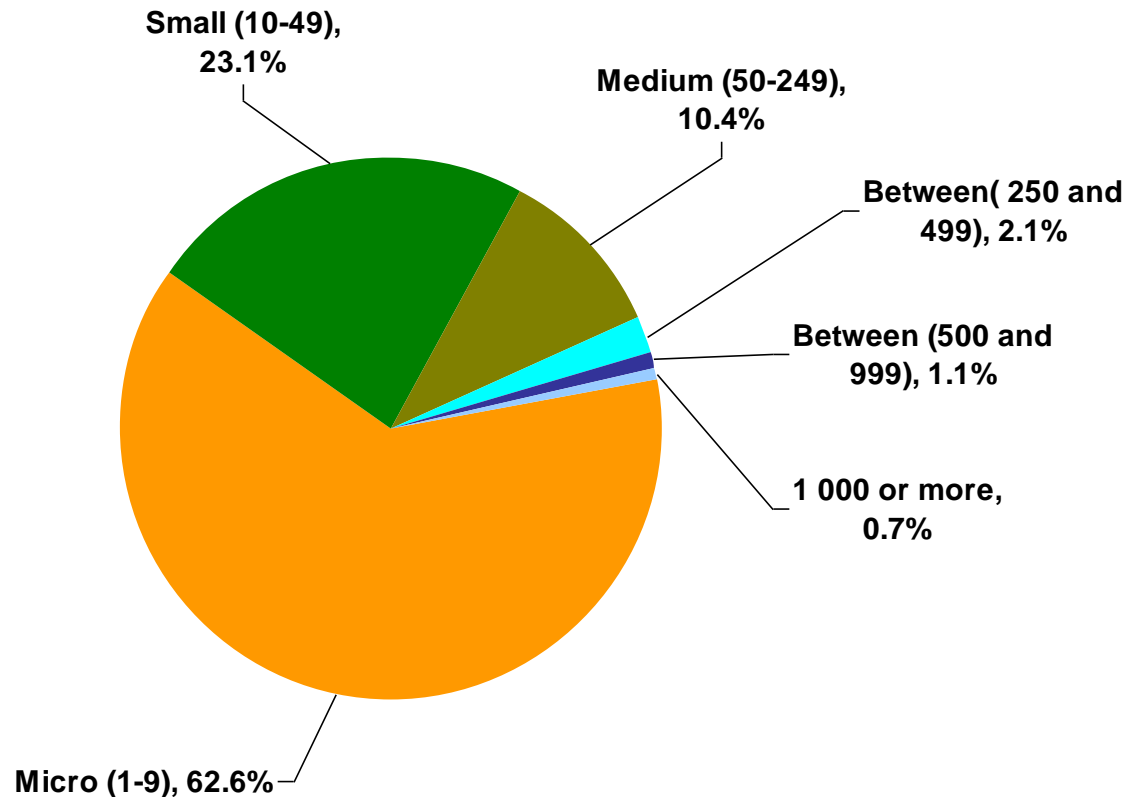
Over the last 17 years the chemical industry has increased its output and at the same time kept energy input constant: consequently its **energy intensity decreased by 4.6% per year on average.**



*Energy intensity is measured by energy input per unit of chemicals production (including pharmaceuticals)

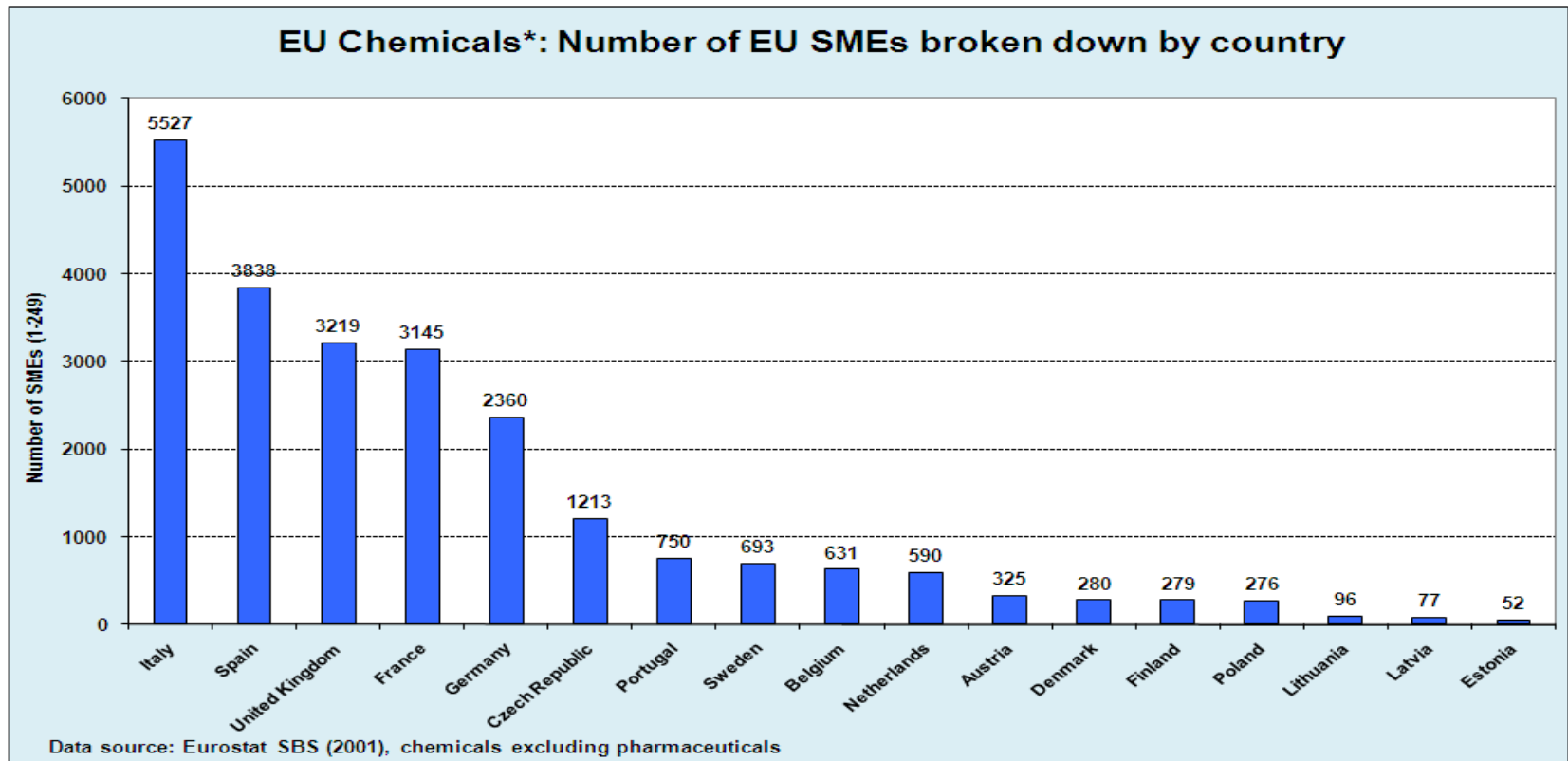
Source: Eurostat and Cefic Chemdata International

The majority of chemical enterprises in Europe have less than 50 employees



96% of all European chemical enterprises are SMEs having less than 250 employees, providing 37% of all jobs and generating 30% of sales

... and are mainly located in West and South Europe



Nearly 70% of 27,000 chemical SMEs are located in five countries: Italy (21%), Spain (15%), UK (12%), France (12%) & Germany (9%)

There is a significant potential for energy efficiency in SMEs



- 27% of SMEs have instituted measures for conserving energy and resources versus 46% of large companies*
- 4% of SMEs have a comprehensive system for energy efficiency in place versus 19% of large companies*
- SMEs in the chemicals sector account for around 20% of all energy use
- A project in the UK for chemical SMEs has shown an average reduction potential of 15%

*2007 Observatory of EU SMEs



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2. CARE+ Background: Concept



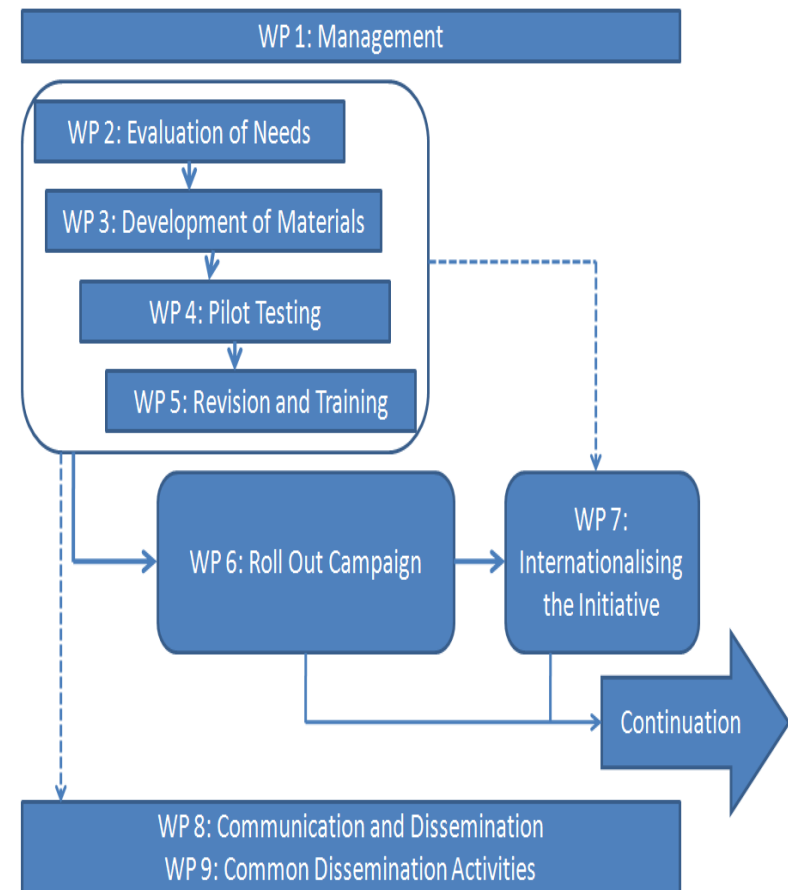
- CARE+ was established to develop and test tools to help SMEs help themselves on energy efficiency
- These tools comprise:
 - Self Audit Guide
 - Excel Spreadsheet audit tool
 - Manual on Best Practices
- The tools have been offered to SMEs in the three pilot countries (Italy, Bulgaria and Poland) in a Roll Out Campaign
- The continuation of CARE+ is to be further integrated into Responsible Care. The tools are aimed at SMEs, but should be also available for other industrial sectors and even the large chemical companies

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3. Progress on CARE+ to Date

- ❑ The EACI project was always the first step in a longer term process
- ❑ CARE+ was developed to embed energy efficiency in smaller Chemical companies
- ❑ The tools have been developed, tested, revised and a roll-out campaign and are available on the Cefic website
- ❑ Extensive discussion have been had with the Responsible Care management and a selection of the country coordinators how to further disseminate the project
- ❑ There is broad agreement that CARE+ fits with Responsible Care



The Energy Efficiency Guidance Documents

Self Audit Guide

- Leads through the analysis of company's energy performance
- Helps determine strengths and weak points while managing energy sources
- Aims at improving Energy Efficiency supporting the identification of measures, their expected energy savings, Costs & Return on Investment calculation (suggested evaluation model provided through developed excel tables)

Best Practice Cases

- Focus on the energy issues that are of greatest interest to chemical SMEs, e.g.:
 - ✓ Energy management programmes
 - ✓ Steam generation performance,
 - ✓ Motors and drives,
 - ✓ Compressed air systems
- Give guidance on financial implications of the possible energy improvement measures and technologies

All documents are available on the Cefic website
in English, Italian, Polish and Bulgarian

The first results so far

- CARE+ is well developed and proven as a route to Chemical SMEs
- The best results occur when each SME is assisted by energy experts from outside the company (e.g. through site visits)
- Experience of deploying CARE+ has indicated there is a scope to improve the documentation slightly

⇒ flexible CARE+ tools allow adaptation to individual needs of SME / local environment

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4. The Continuation of CARE+



Possible routes for continuation

- Stand alone venture offered by Cefic and the national chemical federations
 - This risks the venture not gaining momentum, having to create a new international structure to manage the project
 - This is a sub-optimal route
- Integrated into Responsible Care
 - Uses pre-existing structures, a well developed route to market and recognisable brand
 - Enhances Responsible Care with a dedicated energy efficiency tool kit, which is timely as the focus in the industry has moved to energy issues
 - This will be the fastest and most reliable route for continuation of CARE+ at the lowest cost

Responsible Care



- Objectives (source: RC Status Report 2008)
 - Continuously improve the environmental, health and safety knowledge and performance of our technologies, processes and products over their life cycles so as to avoid harm to people and the environment.
 - Use resources efficiently and minimise waste.
 - Report openly on performance, achievements and shortcomings.
 - Listen, engage and work with people to understand and address their concerns and expectations.
 - Cooperate with governments and organisations in the development and implementation of effective regulations and standards, and to meet or go beyond them.
 - And provide help and advice to foster the responsible management of chemicals by all those who manage and use them along the product chain.
- ⇒ **CARE+ has a natural fit with these objectives**

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5. Short term action plan

International initiative / To Do's:

- **Three national associations take up the initiative by end of project and add the CARE+ tools to their website (in English)**
- **Two national associations / countries translate the CARE+ tools into their national languages**

Further actions:

- Integrate CARE+ under the RC framework into the structure of the Energy advocacy / policy
- Promote CARE+ through the associations network

What has been done so far?

- Fully integrated into RC
 - Cefic RC Manager to adopt CARE+ as part of the package of resources ✓
 - Integrate CARE+ into RC toolbox ✓
- Become part of annual reporting for national associations and member companies
- Roll the material out to all member associations, this will need translating by the associations into national languages
- Integrated into Cefic communication and advocacy policy – **partly done**

Next steps

- Expand CARE+ to larger Chemical companies, especially those that have decentralised site management
- Provide CARE+ to companies and associations of other industry sectors, in particular energy-intensive industries
- Promote CARE+ on a global basis through the RC network but also ICCA

⇒ Tools are on hand, for free and flexible

Who's Responsible?

- RC Manager for Cefic manages whole process –
contact / focal point
- Energy and Environment team in Cefic provide input
– background knowledge
- External assistance may be required for updates –
technical expertise
- CARE+ Steering committee and consortium (IT, PL &
BG) assist with the management and integration of
CARE+ in RC – strategic advice

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- Updating and improving material
 - After Roll Out Campaign in EACI project a number of improvements to the tools have been identified.
 - These need to be implemented, small project to do this with voluntary contributions to fund external assistance
- Develop Case Studies
 - SMEs that have used CARE+ should be encouraged to publicise their experiences and the benefits of using CARE+

“CARE+ II” ?

- EACI (develop an e-Learning portal for CARE+) as a follow-up project «CARE+ II»
 - Show online how to use the CARE+ guidance documents
 - Develop certificates for successfully finalised trainings
 - Provide technical expertise (site visit) if number of measures to be taken up
 - Develop ideas how to better tackle SMEs in Eastern Europe

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- Develop a MoU with Responsible Care for CARE+ integration
- Develop and agree a budget and staffing for CARE+ in Cefic
- Do the same at each of the participating national associations
- Develop marketing material for CARE+
- Roll out marketing material to Cefic national associations, SIG, all large companies
- Develop national reporting protocols for CARE+, and energy consumption for the sector