



European Commission – ECRN Joint Event

Final Conference: European Sustainable Chemicals Support Service Phase I

European Chemical Regions Network (ECRN) – 80 Boulevard St. Michel B-1040 Brussels - 14th of September 2017

Summary

The European Commission selected 6 "model demonstrator regions" in Europe to lead the way towards a sustainable chemical production in Europe. The selected regions are Andalusia (Spain), Groningen-Drenthe (The Netherlands), Kosice (Slovakia), Scotland (United Kingdom), South and Eastern Ireland, and Wallonia (Belgium). These 6 regions were selected from 28 applicants from EU regions, and received advisory support from the 'European Sustainable Chemicals Support Service' (ESCS), led by the European Commission and CIRCE (Center for Intelligent Research in Crystal Engineering). The aim was to encourage investments in sustainable chemicals production in Europe that will contribute to the development of the circular economy, for example by taking advantage of domestically available feedstock such as biomass, or waste.

The objective of the final conference related to this 'European Sustainable Chemicals Support Service' (ESCS) was to inform other EU Regions about the experiences and best practices of the 6 MDRs by equally introducing the on-line Self-Assessment Tool (SAT). The objective was also to listen to other EU Regions and to their views regarding the feasibility of such an exercise and allow for further exchange of information and best practices by equally displaying support opportunities from public and private sources. The final conference included introductory presentations from the European Commission, ECRN, and the Committee of the Regions; a presentation on the SAT by Circe, and three panel discussions: Session I – the 6 MRDs showing their results and best practices; Session II – Other EU Regions informing about and reflecting on the eight SAT Key Factors as well as the feasibility to reproduce the exercise in other EU Regions; Session III – Investors presenting potential funding scheme on sustainable chemicals. Three computers and a banner were available with the beta-version of the SAT-tool for participants to get acquainted with the questionnaires during the breaks of the conference. Many regions also presented themselves via posters that were displayed.

This conference highlighted the following aspects:

- The 6 MRDs depicted diversified strengths and portfolio strategies for the valorisation of biomass and waste streams, which provided the opportunity to exchange experience and leverage their achievements. Among the mentioned success factors were the establishment of synergies between different sectors, esp. (agri-) food, chemicals and the knowledge sector; the recognition of the rural areas as drivers of the bioeconomy and bio-based chemical production; triple helix cooperation and collective learning; clear understanding of regional value chains and focus on regional advantages, etc.
- Funds for long term investments in sustainable chemicals at higher Technical Realisation Levels (TRLs) are necessary. Some regions reinforced the need of infrastructure investments to up-scale sustainable chemicals processes. In this regard, the participants recognised two possible approaches. One was that the public sector can play a de-risking role by sharing the risk with the business for making the necessary infrastructure available (e.g. through new partnerships between the regional industrial and public

players). Another approach can be the access to shared demonstration facilities, especially for SMEs, which would facilitate the investments to scale-up.

- Many regions pointed out that the barrier to boost sustainable chemicals manufacturing is not necessarily technological but represents mainly the lack of greater involvement of the chemical industry, synergies with unrelated down-stream players, and cross-border collaboration. Such synergies require the emergence of new business models, which are hard to identify. Business-to-business projects are key to understand better customer needs.
- A clearer regulatory framework and more flexible standardization of secondary raw materials is necessary to overcome multiple hurdles, such as cross-border transport of raw material to assure feedstock availability.
- Both the first and second panel speakers mentioned that an important incentive has been the regional public support to bio-based projects through Interreg Programmes or the Regional Smart Specialization Strategies, as well as the role of the government as a first customer of innovative products.
- Many of the participants pointed out that there is a need of a sophisticated support that can be adjusted to the different type of resources that the regions possess for sustainable chemical production.
- Many support schemes were presented to the participants. The European Commission highlighted:
 - Rural development programmes (DG AGRI),
 - Smart Specialisation Strategies S3 and the Thematic S3 platforms established by the European Joint Research Centre, (DG REGIO),
 - Bioeconomy calls under Horizon 2020 (DG RTD), and
 - Bio-Based Industries-Joint Undertaking initiative (BBI-JU)

The latter showed the guidelines on combining BBI and European Structural and Investment Funds (ESIF);

There are three current focus areas for possible European Investment Bank (EIB) funding that are relevant to sustainable chemicals: (a) Utilisation of sustainable feedstock; (b) Improved recyclability; and (c) Improved production processes. These are areas where the EIB sees increasing volume of investment year after year. In this respect, the EIB also highlighted its InnovFin initiative that specialised in smaller, higher risk projects. A dedicated bioeconomy thematic platform is also planned under InnovFin. The EIB informed about a number of funded projects and recognized that investment gaps existed.

In the course of a discussion with the public, it was mentioned that there is now a clear need to re-design EU investment tools to enhance interregional cooperation.

- Many regions, beyond the EU Regions presenting, but also in the audience, expressed the need that this exercise should not be a punctual activity, but a dynamic and alive network.
- Closing the conference, Luisa Prista, Head of Unit Chemicals, Consumer, Environmental and Health Technologies at the Directorate General for Internal Market, Industry, Entrepreneurship and SMEs congratulated all who contributed to the success of ESCSS Phase 1 and stressed that the presented methodology could also help other EU Regions moving forward and attracting investment in the area of sustainable chemicals

manufacturing. The Commission sees a reinvigorated industrial strategy as a priority by exploiting industrial symbiosis and all types of innovation, including services and societal innovation. The six demonstration regions were further encouraged to “*develop their potential*” and “*become ambassadors for modernisation of the chemical industry in Europe*”.

The event received over 140 registrations, more than 100 attendants from 38 EU Regions.

Finally, we express our sincere thanks to the ECRN for their kind help in co-organizing and hosting the conference as well as to all speakers and panellists for their active participation.