



## Summary Chemicals Kick-off meeting

24/10/2018, Brussels

### Introduction

#### 13.30 – 13.40: Welcome – Introduction

ECRN Director Renatka Krcova opens the meeting and introduces the aim of the partnership and the reasons for ECRN to support and facilitate the Thematic Area establishment.). In this S3 partnership, with Lombardy and Limburg as **lead regions**, the **modernisation of chemical regions** is the core objective. In order to achieve that goal, significant investments based on bankable business plans are necessary. The main challenge and goal for this partnership, therefore, is to work towards a **sustainable project/partnership** in order to **leverage financing for joint investments**. The purpose of today is for each region to present themselves, their challenges and their priorities to further determine where the regions can best complement each other and move forward.

#### 13.40 – 14.00: Smart specialisation partnerships for industrial modernisation

Nikos Pantalos (EC, DG GROW) is part of the unit responsible for innovation policy, RTD and investments in the European Commission. He introduces the overall objective of the S3 Partnerships, namely that, through supporting interregional cooperation, stakeholders work together on a **permanent basis**. ReConfirm is an EC-funded platform, with a limited time span of 2-3 years, but it is expected to contribute to a sustainable form of cooperation that will hopefully go beyond the short-term and lead to a pipeline of investments in the modernisation of companies and industry. The proposals for the next financial period (2021-2027) foresee significant support for implementation of inter-regional investment partnerships building on the current smart specialization partnership experience. At this moment, initiatives such as ReConfirm provide expert advice and technical assistance to S3 Partnerships to enable them to undertake the sufficient preparatory work necessary to make them successful.

In regard to the Chemical Partnership, Nikos Pantalos recognises that many of its aims are also addressed on EU level, such as digitalization, circular economy, industrial symbiosis, etc. From next year, the Commission will also provide financial experts to support partnerships in the development of concrete business plans.

#### 14.00 – 14.15: ReConfirm Initiative

Andreas Pauer (Ecorys – ReConfirm) introduces the Smart Specialisation Platform for Industrial Modernisation (S3P-Industry) and its **bottom-up approach**. The three phases of the S3P-Industry Process are explained, including the support activities by ReConfirm. Phase 0 has already been successfully accomplished: the partnership has been established and the launch event is taking place as we speak. Phase 1 consists of the mapping of business opportunities; the survey is an initial start



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and will be used as a basis. Phase 2 and 3 will focus on producing a **roadmap for industrial investments** and creating an **investment protocol** and **business plans** to generate funding. This goes beyond partnering in Interreg or Horizon 2020/Europe projects. (see PowerPoint slides).

#### 14.15 – 14.30: Developing a roadmap for the S3P-Industry Chemicals Partnership

Alasdair Reid (chief expert working with the partnership) explains the role of the broker in facilitating and supporting the partnership initiated by ECRN and the regions. The next steps from ReConfirm is to produce a **scoping note** on the basis of existing data, reports as well as the surveys and the input during this day. Complimentary know-how and assets among the regions shall be identified, and partners shall agree on most urgent challenges that need and make sense to be addressed together. The partnership shall also agree on its governance structure and which regions will take the lead on the common priority ideas agreed. For the next 6-9 months the main priority is to set up an **investment pipeline** and ensure **concrete proposals** and ideas to further develop. Funding can be leveraged from the structural funds (esp. those for regional innovative projects foreseen in the next programming period), the Innovation Fund under ETS, European Investment Bank, etc.

*The success of this partnership lies in the hands of the regions and the ideas coming from them. ReConfirm will facilitate this process as much as possible (see Powerpoint slides).*

### Interactive session – getting acquainted and identifying priorities

#### 14.30 – 16.00: Regional perspectives and ideas pitch of the 6 member regions

(See Powerpoint Slides for more details on each region)

For all the regions presenting (Lombardy, Limburg, Mazovia, Catalonia, Wallonia and Usti), the importance of enhancing innovation in the chemical sector is becoming paramount. Two overarching trends are identified: the **circular economy** and **digitalisation, together with other urgent topics such as decarbonisation, bioeconomy, plastics recycling and re-use, etc.** In order to remain competitive, the regional representatives pointed to the need for product innovation in the sector, supported by creating or strengthening clusters and networks of key actors. This can be achieved, for example, through **matchmaking** between universities, companies and research centres, by creating shared (technology) centers, and by implementing **pilot plants** in order to favour industrial scale-up linked to research.

Some regions (such as Limburg) have highly advanced chemical clusters and a more developed degree of interaction between stakeholders and the different levels of government. The challenges, therefore, are perceived differently and tend to link well with existing (regional) initiatives. Regional initiatives and regional cooperation can serve as a starting point for further and more comprehensive cooperation. **Additional funding** for the development of **shared technology centres**



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is viewed as desirable.

**Internationalisation of the industry** should take place faster and can help to become more competitive against non-EU competition which has access to comparatively cheap energy and raw materials. The **diversification** of funds is also important to increase the resilience and sustainability of the sector in certain regions. The partnership could also be a useful platform for that.

Another key challenge is to continue to attract talent and ensure a proper resource allocation within the regions. More coordination and matchmaking within as well as between the regions will help in this respect. At the same time, some regions argued for the need for a pragmatic approach that help specific sub-sectors and projects as they emerge. Financial tools without administrative burdens and a degree of risk-sharing are deemed necessary to further stimulate innovation. Most regions seek to support their clusters to engage in **international partnerships** in order to **complement** regional and national initiatives and schemes.

### 16.15 – 17.15: Interactive working session to discuss key and common priorities

Apart from the regions that are already part of the partnership, several regions (such as Drenthe, Groningen, Central Denmark, Bavaria, Northern Finland and Saxony-Anhalt) were also present and expressed **interest in the partnership**. As many regions face **similar challenges**, it is important that regions share their experience and transmit their specialised know-how. Focusing on further enhancing clusters and contact with and between universities, research centres and companies is key. Another concern is raised on how to go from a pilot plant to full-scale operational ability., Energy and material resources are essential in that respect, but we need to look beyond that and into the innovation system that stimulate modernisation.

It is important to note is that **industry should be in the lead** here. This implies a bottom-up approach where we facilitate match-making and build on their priorities (see table 1). In addition, the administrative burden is often perceived as an obstacle for SMEs to further innovate (through use of funds). Keeping industries (SMEs in particular) in the lead and supporting them in finding their way is considered a main task of the regions.

*Table 1. List of priorities and actions on the basis of the interactive session.*

Priorities	Activities
Know-how	Provide access
Exchange	Share experiences
Greening	Educational pilot actions
- Flow production	Emerging markets
- Safer processes	Upscaling
Bridging gap to industry	Building trust
Energy & Resources	Building trust



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Electric cracking	Shared technology centre
Green hydrogen	
Recycling	
Waste	
Digital transformation	
Industry 4.0	
Design	
SME innovation	
Bio economy	
Circular economy	

### 17.15 – 17.30: Conclusions – Next steps (action points)

Conclusion ECRN; we will continue to **gather and analyse all information**, in order to become more concrete and use that for the next meeting. Today was a good preliminary meeting to begin gathering the regional priorities and challenges.

- New regions: please also fill out the mapping survey so we can further identify priorities and common challenges.
- ReConfirm: will go through the materials (surveys, presentations) to do a preliminary mapping of the priorities (scoping note).
- ReConfirm: participate in S3CHEM meeting in November that could serve as a follow up.
- ReConfirm: Send around a template for the mapping and on that basis each region can provide input and deepen the analysis.



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