

On 26<sup>th</sup> June, the European Chemical Regions Network organised a thematic event on “Bioeconomy potential of European regions: policy and practice”, with the participation of the Committee of the Regions Member and Rapporteur on the Opinion “A sustainable bioeconomy for Europe: strengthening the connection between economy, society and the environment”<sup>1</sup> - Jácint Horváth (HU/PES). The event gathered various regional policy, cluster and business representatives to share knowledge and on-the-ground experiences on bioeconomy strategies and business developments. Regions are an important actor for the deployment of the bioeconomy and many chemical regions in the ECRN network have been already exploring the ways to develop and profit from this valuable economic sector. The chemical industry in these regions is an integral part of the bioeconomy value chains and bio-based chemicals sector is predicted to grow with nearly 17 % in the next 10 years. Inter-regional cooperation is yet to be enhanced and CoR member Jácint Horváth highlights in his Opinion that *networks like ECRN need to be involved “in knowledge transfer systems” in the future, so that they can systematically facilitate the knowledge exchange among European regions.*

ECRN Vice-President Joost van den Akker opened the event, underlining that regions and inter-regional networks play crucial role for the bioeconomy. Successful examples are already present at his region – Province of Limburg, while public support to build value chains is crucial as “it is within the cross-cutting edges of sectors where innovation happens”, said the Minister for Knowledge Infrastructure.

The event featured three sessions dedicated on EU policy framework for the Bioeconomy, regional strategies and initiatives and the unlocking of markets and funding.

The debate in the first panel was kicked off by Mr. Horváth, followed by representatives of the European Commission DG RTD and the Finnish Permanent Representation, who outlined key actions and commitments in the field of bioeconomy on EU level and the role that regions play. Actions in the renewed EU Bioeconomy Strategy will support regions to build their bioeconomy strategies, and foresee the organisations of forums which will aim to better understand how inter-regional collaboration can be implemented. Education, and especially vocational training, meeting the needs of the industry, will be of high importance, underlined Petra Goyens from DG RTD. The bioeconomy is also part of the Finnish Presidency’s Priorities, starting on 1<sup>st</sup> July, under the Priority “to strengthen the EU’s position as a global leader in climate action”.

The second panel of the event presented real-life experiences of regional initiatives, projects and strategies to enact and facilitate the bioeconomy. Regional examples from Baden-Württemberg (BIOPRO), Wallonia (Public Service of Wallonia) and Hungary (Hungarian Chamber of Agriculture) revealed the different strategic approaches regarding the involvement and collaboration among regional stakeholders, biomass utilization routes, education, etc. All regional presentations

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<sup>1</sup> <https://cor.europa.eu/en/news/Pages/Sustainable-bioeconomy-for-Europe.aspx>

confirmed that regions are a unique facilitator for stakeholder engagement, building sustainable value chains and creating the knowledge base for the bioeconomy.

**One of the key elements that the panellists addressed was how bioeconomy strategies and initiatives are developed and what the role of the regions is.** The state government of Baden-Württemberg is anchoring in a cross-ministerial coalition agreement the drafting of a regional strategy "[Sustainable Bioeconomy](#)". The basis for the development of the strategy is a **participative process**, in which BIOPRO Baden-Württemberg engaged ca. 300 participants<sup>2</sup>. In Wallonia, a public-private partnership - [Coq Vert](#) - has been created to ensure a strategic coordinated approach between government and industry. In Hungary, there is no regional or national strategy on bioeconomy yet, however, the involvement of the country in macro-regional projects and initiatives is a key driver for the progress. For example, by participating in the BIOEASTsUP and [Power4Bio](#) projects Hungary aims to create common understanding of the bioeconomy for Hungary and to identify viable value chains.

ECRN regions also adopt different approaches to define the biomass utilization routes in their territory. Wallonia's Inspector General, Daniel Collet, has highlighted the reliance on strong sectors in the region such as chemistry & biomaterials, while Dominik Patzelt from BIOPRO Baden-Württemberg presented the mission-oriented approach of the region which aims to accommodate and combine the material flows in a way that they fit in the local industries. In the case of Hungary, existing biomass assessments closely related to renewable energy, which is why Adrienn Nagy underlined the difficulty to have a complete and complex mapping of utilization routes, corresponding to the cascading principles.

The second panel also featured a presentation by Igor Caldeira, Policy Officer at CoR who presented the Report on the Bioeconomy Territorial Impact Assessment. The report clearly outlines through indicators the distinguished impacts that the bioeconomy deployment has or will have in different regions in Europe, in terms of economic, environmental and social effects. For example, regions with lower GDP are expected to benefit more from the development of the European bioeconomy than regions with an already higher GDP/capita due to the lower marginal benefit for already economically highly performing regions. Thus, the regions gaining a very high and high positive impact are located in the eastern part of Europe (east Finland, Estonia, Latvia, Lithuania, Poland, east Germany, the eastern part of Slovakia, Hungary, Croatia, Bulgaria, Romania) and in the south (Greece, south of Italy, Sardinia, Cyprus, south of Spain, Portugal). A direct link to the report is available [here](#).

Ignacio Martin from CIRCE Foundation concluded the session by presenting the Power4Bio project, a H2020 project where ECRN and several of its members are involved as consortium partners. The aim of the project is to empower regional stakeholders to boost the transition towards bioeconomy by providing them with the necessary tools, instruments and guidance to develop and implement sound sustainable bioeconomy strategies. The project is producing a **Bioregional Strategy Accelerator toolkit to serve all European Regions for the development of their ambitious regional strategies and roadmaps**.

The third session featured in an interactive discussion about how to unlock bioeconomy markets and investments. The discussion involved the BIG-Cluster – cooperation between Flanders,

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<sup>2</sup> <https://www.bio-pro.de/projekte/beteiligungsprozess-nachhaltige-biooekonomie>

the Netherlands and North Rhine-Westphalia (Dr. Manfred Kircher), the Province of Drenthe (Roel Haverkate), Bio Base Europe Pilot Plant (Tanja Meyer) presenting the Interreg NWE BioBase4SME project and, BIOPRO Baden-Württemberg GmbH (Dominik Patzelt); and was moderated by Marco Rupp from the Bio-based Industries Consortium.

Roel Haverkate underlined the challenges that an industry dominated by SMEs has to obtain funding in order to bring an innovation to full scale deployment. This is the case of ChemPort Europe – the chemical park that is a home of the two clusters from the provinces of Groningen and Drenthe. Dr. Manfred Kircher stressed that funding can be obtained if the industry actors become aware of what they can provide to each other, also including sectors and actors that have not cooperated to date. In this line, companies need to understand better their possibilities for cooperation, as well as to cooperate with investing companies outside Europe.

The panellists also addressed the issue of new business models and concepts of the bioeconomy. *They all shared a common opinion, indicating that a competitive price for most bio-products would lead to new business concepts based on sustainability and better quality.* Therefore, Dominik Patzelt pointed at the opportunity for companies to base their production on locally sourced materials and local value chains. In this context, as highlighted by Tanja Meyer, new bio-based products could also disrupt the linear value chain. However, their appearance on the market may not necessarily match some users' needs, for example, of the composting industry dealing with biodegradable plastics. Therefore bio-based material producers should keep in mind to consider who would be the beneficiary of this new circular bio-based value chain.

*Recognising that EU and regional policy can foster the potential of the bioeconomy speakers discussed necessary policy and regulatory changes.* Dr Kircher underlined that, while bioenergy is heavily subsidised, funding shall be directed instead to the production of carbon-free materials. Roel Haverkate stressed the need for a level playing field, a holistic approach that supports the substitution of fossil-based products. Tanja Meyer emphasized that “regional funding borders need to break down” and called for the opportunity for SMEs to receive regional grants for projects to be implemented abroad. For Dominik Patzelt, new certification and standardization systems that are recognised across national borders should be created.

The panel concluded with a presentation by Marco Rupp on the Research and Innovation funding framework after 2020 as well as the updated Strategic Innovation and Research Agenda (SIRA) of the BBI Initiative. The Horizon Europe includes a Cluster 6 on ‘Food, Bioeconomy, Natural Resources, Agriculture and Environment’ with a dedicated budget of 10 billion €, confirming the important role that bioeconomy will play in the future.

The closing of the event, made by ECRN, highlighted the need for more support for inter-regional cooperation, as also recognised by all speakers, and where the efforts of ECRN will continue.

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*Short; main conclusions:*

Regions are a driving force and a unique facilitator for the deployment of the bioeconomy. Regional bioeconomy strategies and initiatives relate to the economic value of the sector, but there is more: *concepts such as **sustainability** and **circularity**, and **ownership of local development** are at the heart*

*of the regional activities. Regions envision a bioeconomy that has a cascading approach and high efficiency in biomass utilization.*

Regional governments intensify the collaborations between sectors and actors across the value chains, through regionally funded projects and initiatives. An example in this regard is the **Collaborative Platform for the Eco-circularity of Polymers for Industrial Transition** (PEPIT) established in Wallonia in 2018. Regions also provide services to advise the local actors where to source the needed feedstock in a sustainable manner, about potential partners, local market development, or funding sources.

Raising awareness among and supporting small businesses and SMEs is commonly identified as a key activity among regional representatives. Speakers at the ECRN event highlighted that SMEs, as carriers of innovation, are at the core of the transition to bioeconomy. Regions have undertaken various initiatives, funded projects, and created platforms to support SMEs with the specific challenges that they face. Such examples are the Interreg NWE [Biobase4SME](#) project, the [Task Force Green Chemistry](#) in Drenthe, [Easy'green](#) in Wallonia.

Inter-regional cooperation is in most cases project-based, but there are also good examples of political commitments on inter-regional level such as the BIG-Cluster or the BIOEASET Initiative, where a common vision for the bioeconomy is supported at political level.

The main challenges for all the cases presented during the ECRN event are both how to create structured collaboration between sectors, such as with the primary sector in order to connect urban and rural areas, and how to develop successful market incentives and create larger market demand for the bioeconomy. In Central and Eastern Europe, obtaining national biomass data and assessment is yet challenging, which leads to a fragmented framework for biomass utilization. Bigger efforts are therefore needed to enhance industrial engagement to reach critical mass, to create more coordinated actions between all relevant stakeholders and to develop further market incentives and business models.

In order to do so, ECRN will continue to support its member regions in their commitments to achieve a holistic EU regulatory framework that matches the principle of sustainability and to enhance inter-regional knowledge exchange and project cooperation.