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## **Meeting notes of the 3<sup>rd</sup> meeting of the Collaborative Working Group Integrated Biorefineries**

September 18 2014, 9:00 – 17:00, Ministry of Economic Affairs, The Hague

### **1 Welcome by the host**

Dr Karin WEUSTINK (Deputy Director of Bio-based Economy at the Ministry of Economic Affairs) welcomed the CWG delegates at the Ministry of Economic Affairs in The Hague. She briefly introduced herself and her role in the ministry. Subsequently she gave a short overview about the Dutch bioeconomy strategy which is in place since 2007 and aims to set up a network of interested companies to bridge the gap between research and commercialisation. In this context she also highlighted the importance of the connection between SCAR and the BBI. Finally, she wished the participants a successful meeting and fruitful discussions.

### **2 Welcome by the coordinator**

Stefan RAUSCHEN welcomed the participants from BE, DE, ES, FR, IE, IT, NL, PL and UK (AT, DK, FI, NO, and SE could not be present at the meeting) and thanked the Dutch colleagues for organizing the meeting and the visit to the Biotech Campus Delft and the University of Wageningen Research Centre on September 17. He then presented the agenda for the 3<sup>rd</sup> meeting.

### **3 Short retrospection on the 2<sup>nd</sup> meeting and the field trip**

The coordinator gave a brief summary of the key points discussed at the last meeting on 27 February 2014 in Paris, recalled the activities that had been undertaken since and gave an outlook on the goals to be achieved in this meeting. He also reflected upon the visit to Delft and Wageningen the day before. The Bioprocess Pilot Facility's (BPF) business model, i.e. providing "open access" against payment, was regarded as a useful model to facilitate access of interested companies (especially SME) to the required infrastructure and to promote research and investments in this field. It was generally felt that the visit had been very informative and inspiring.

### **4 Presentation at the Bioeconomy Stakeholders' Conference in Torino**

Jan VAN ESCH presented the talk to be given by Annette WIJERING (Manager at the Knowledge Department of the General Agro Directorate of the Dutch Ministry of Economic Affairs) at the Bioeconomy Stakeholders' Conference in Torino on 8 October 2014. The talk will summarise the results of all bioeconomy-oriented SCAR groups.

It was suggested to add a new key message emphasising the necessity to target instruments to cover the whole chain from supply to the market. Overall the presentation was regarded to be a comprehensive overview, pointing out all relevant key messages and recommendations.

### **5 Overview of the survey on biorefineries in MS/AC**

The coordinator gave a brief presentation of the results from the biorefineries survey filled out by the delegations since the last meeting. Still, not all MS/AC have sent in their input or the information provided

is incomplete. Furthermore, while most had used the survey as provided, some had given information in a different format or added extra information.

In order to visualize and better categorize the input into commercial/pilot and demo/research facilities, an interactive web-based map will be implemented by the coordinator as discussed previously.

The basic message based on the information collected so far is that in most MS/AC programmes supporting demonstration activities are either completely lacking or underrepresented. Moreover, in cases where demo plants are built or planned they are mostly erected overseas. This is most likely mainly due to the available subsidies in the US.

## **6 General discussion on biorefineries and research programmes/themes**

Eiman ABUBAKR suggested to bring together all European biorefineries in a meeting to present and discuss the various structures and business models, but also parallels and gaps in order to identify the most suitable model(s).

Furthermore, the bioeconomy panel is going to collect good examples which could also be used as successful business cases.

It was again noted that demonstration activities seem to be underinvested in the EU, although there are various instruments in place to facilitate such activities (e.g. the use of funding from structural funds). However, one of the main problems is that the proper use of such funds on top of other programmes is still unclear. Hence, guidance and advice would be highly appreciated and considered very helpful. For the BBI, BIC is working on a document to provide guidelines for the synergistic use of structural funds.

In order to make the best use of the already existing pilot plants, Virginie RIMBERT noted that the infrastructure instruments in Horizon 2020 could be used to facilitate networking between existing plants.

Henk VAN LIEMPT referred to guarantees from the EIB to finance demo plants. The respective financial instruments are provided by the risk sharing finance facility (RSFF). Apparently, the existence and the accurate utilisation of this instrument is largely unknown.

Bart BONSALL noted that the (financial) risk for companies up to the level of demonstration activities is quite high. Thus, one should think about a reimbursement rate of 100% for such activities, thereby making investments in this area more attractive. As an additional measure he proposed a system of EU COM financed "vouchers" (each probably worth EUR 300.000-400.000) which could be used to pay for (open access) biorefinery plants in order to bridge the gap from research to large scale.

Bart BONSALL and Henk VAN LIEMPT both highlighted the necessity to concentrate also on the demand side: in order to strengthen the bioeconomy, a market would have to be created or at least stimulated. As long as the new bio-based products are not cheaper and/or better than the competing fossil based ones there have to be other incentives for consumers and the industry. An increased demand will then create a market pull which in turn will foster the respective investments in research and demonstration. Those incentives could be financial support from national (e.g. state subsidies) and/or EU sources.

In this context Jan VAN ESCH suggested to implement “green deals” between states and the industry as another form of incentives. The definition of standards (e.g. regarding sustainability) would not cost the states money but would impose the need to shift the economy more towards a more bio-based one.

Finally, the establishment of a new ERA-NET “Biorefinery” was discussed. It was agreed that most of the MS will probably not support another ERA-NET in this sector but rather condense the existing ERA-NETs to a common one.

In summary the common position of the attendees was that there is no lack in funding models for research, since those possibilities are in place. However, the funding instruments need to be targeted to cover the whole chain up to the market. Bridging the gap to the market is still a major hurdle, and solutions to overcome this obstacle are urgently needed. One approach would be to make better use of already existing pilot plants. Nevertheless, the mere existence of such plants is not sufficient as long as i) the costs for using them are not reimbursed by 100% and ii) there is no actual market for the end products.

## **7 Agreement on next steps**

Jan VAN ESCH suggested to formulate a joint report (addressees EU COM, MS, SCAR plenary, structural funds managing authorities and private companies) which summarises all problems and open questions identified by the CWG IB but which also presents solutions and examples how to overcome the most fundamental limitations. This idea was considered as suitable and expedient to communicate the essence of this group’s work to the relevant stakeholders. The coordinator will draft and send out a first outline. It was discussed whether the drafting of this report could be supported by external experts/consultants; in this context Jan VAN ESCH noted that the EU COM is open for concrete ideas how to help SCAR financially (e.g. by funding the above mentioned experts). Virginie RIMBERT emphasised that the EU COM welcomes such suggestions.

It was agreed that a final meeting should be held after the above mentioned report has been published. Based on the recommendations of this paper it should be decided whether the CWG IB will continue its work or not.

Aside from preparing the minutes of the meetings, the coordinator will check for the technical implementation of the biorefinery map and inform the CWG about the available and most practical solutions.

## **8 Closure of the meeting**

SR thanked the participants for the fruitful and open discussions and again EA for organising the field trip and the meeting at the Ministry of Economic Affairs.

**Annex 1. Participants in the 3<sup>rd</sup> meeting (Yellow: absent)**

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