



Fostering Bioeconomy in the Danube Region

Trieste, 19 May 2017

Draft summary

Opening address:

Mr. Alessandro Lombardo welcomed the attendees and shortly clarified the general purpose of the Workshop “Fostering Bioeconomy in the Danube Region”. He mentioned the Pilot Activities implemented in the context of Danube-INCO.NET, which brought about two position papers on the topic of development of bioeconomy in the Danube Region. He accentuated that fostering bioeconomy in the area is a challenge that requires an interdisciplinary approach to be developed from a macro-regional perspective. Mr. Lombardo also pointed out that Bioeconomy is a promising paradigm due to the abundance of feedstock in the region. After explaining that the meeting will represent an occasion to share ideas - that could be a starting point for building up “bioeconomy community” and for initiating a debate on a “Danube Region concept on bioeconomy” - he gave the floor to the participants to introduce themselves briefly (*see annexed list of participants*).

Overview of Danube-INCO.NET:

The first presentation of the workshop was given by **Ms. Desiree Pecarz** representing the Centre for Social Innovation (ZSI, Austria), project coordinator of Danube-INCO.NET. She provided an overview of the Danube Region in terms of existing economic development and innovation potential and pointed out how the Danube.INCO-NET project has contributed to advancing international cooperation in Research and Innovation over the last three years and a half. More specifically, she presented the main outputs of the project, which can be summarised as follows:

- Better analytical evidence about the R&I sector;
- Improved innovation potential of Danube societies and stakeholders;
- Better coordinated national regional and multinational funding.

Finally, she outlined the activities of WP3 “Energy Efficiency and Renewable Energy in a Bio-based Economy” and highlighted their main achievements, thus introducing the following interventions focused on Danube-INCO.NET Pilot Activities (*see attached PPT*).

Short presentation of Danube-INCO.NET Pilot Activities:

Another representative of the Project Coordinator ZSI, **Ms. Judith Feichtinger** gave a quick outline of the Pilot Activity “Towards a Danube bioeconomy RTI strategy for appropriate regional added value Chains”. The Pilot Activity resulted in the elaboration of a position paper with the goal of mapping bioeconomy related activities, meant to provide recommendations for policy. Furthermore, within the Pilot Activity, three workshops on bioeconomy were organized, and an online consultation platform was implemented, constituting an expert network in support to the drafting of the above-mentioned position paper. Judith also remarked that the consultation platform encountered some difficulties probably because the registration procedure turned out a barrier for engaging more stakeholders (*see attached PPT*).

Following, **Mr. Miklós Gyalai-Korpos**, representative of PANNON Pro Innovations Ltd. (Hungary), presented a summary of the Pilot Activity “Building a Bioeconomy Research and Advocacy Network in the Danube Region –

DANUBIONET". Mr. Gyalai-Korpos highlighted the Pilot Activity's objective of mapping stakeholders from academia, policy and business by means of an online questionnaire. He elaborated on the results of the questionnaire, pointing out several conclusions that are summarized in the attached PPT.

Keynote

Ms. Dragica Karajic, representing the Ministry of Economy, Entrepreneurship and Crafts of Croatia and co-coordinator of EUSDR Priority Area 8 ("Competitiveness"), held the keynote speech of the Workshop. She addressed the topic of "Enhancing the competitiveness of the Danube Region through the transition to bioeconomy".

Ms. Karajic highlighted the importance of the bioeconomy concept for future development of the Danube Region and its economic growth. At the same time, the region needs to address relevant issues as to depopulation of rural/peripheral areas, a consequence of steady urbanisation. Therefore, and with the aim to counteract this trend, she emphasized strengthening entrepreneurship and competitiveness in rural areas as one of the main challenges in the Danube Region, with a focus on enterprises, industry, innovative agriculture and cluster development. Enhancing the innovation potential of SMEs is also of paramount importance, as they are the backbones of Danube Region economies and their entrepreneurial skills are the motor of economic growth. This process, nevertheless, cannot disregard the civil society, thus it is important to promote quadruple-helix cooperative schemes.

Ms. Karajic informed the participants on a number of activities implemented in the context of EUSDR PA8 and related working groups: in particular, she highlighted a mapping of bio-based industries functional to the development of clusters able to valorise the existing non-food biomass through coupled production and cascade utilization (circularity). As to future prospects, she pointed out the importance of introducing incentive mechanisms for start-ups in the bio-based sector, thus enhancing the smart use of local resources.

Session 1: Governance and Finance

After the introductory speech of **Mr. Peter Canciani**, the first set of recommendations addressing governance and finance issues was discussed. Attendees animated a lively debate, suggesting several improvements and/or making general remarks. An overview of the discussion, grouped per recommendation, follows below¹:

R1 Predictability

(1) **Mr. Gyalai-Korpos** started the debate by mentioning the need for having coordinated measures between different sectors of governance (not only vertically but also horizontally). He said that the government's task is to manage biomass resources, thus comprehensive management plans shall be put in place by those administrations wishing to promote the transition to the bioeconomy. (2) **Ms. Marta Sabec** (Ministry of Education, Science and Sport of Slovenia) replied that often it is not clear who is in charge of bioeconomy policy, which makes its development more difficult. In her opinion, assigning responsibilities to one concrete agency or ministry should have priority over inter-ministerial meetings. She also believes that Ministries of Agriculture should take the lead of the transition process to the bioeconomy; nevertheless, they might have a traditional

¹ The order of participants' inputs in the minutes does not reflect one to one the actual order of events, but is maintained for the purpose of clarity.

vision of agriculture as a stand-alone sector, thus encountering difficulties to embrace all inter-disciplinary aspects underpinning bioeconomy development: this may inhibit the comprehensive approach necessary for bioeconomy development. Furthermore, **Ms. Sabec** suggested deleting the expression “medium-term” because of a low predictability of events in the medium-term. (3) Then, **Prof. Stanislav Miertus** from ICARST (Slovakia) shared his perspective that on the national level there should be inter-ministerial cooperation, while at the same time improving consolidation on the international level to promote a transnational approach. Moreover, he highlighted the need for more legislation and for specific measures to improve policy stabilization and make promotion of bioeconomy products easier. (4) **Ms Karajic** suggested changing the wording from “Danube Region Bioeconomy Strategy” to “Danube Region Bioeconomy Concept” in order to highlight the innovative character of Bioeconomy as a new approach to socio-economic development.

R2 Subsidiarity

(1) **Ms. Marta Sabec** offered her view that a proactive participation of the EU-13 countries needs to be encouraged, particularly with regard to EU schemes and funding instruments. She also referred to the Bio-Based Industries Joint Undertaking (BBI) and suggested including a reference to it in the recommendations under discussion. (2) **Prof. Miertus** agreed and suggested to include these proposals in recommendation #5 Financing. (3) **Ms Karajic** suggested including in the recommendation a reference to the potential role of PA8 governance that could represent the “operational mechanism” of the permanent dialogue.

R3 Cooperation

(1) **Ms. Sabec** opened the debate by saying that smart specialization thematic platforms on energy and agri-food are perfectly suited to enhance cooperation. In addition, she suggested mentioning them in the most fitting recommendation. (2) **Mr. Alessandro Lombardo** further elaborated on it by pointing out the lack of representation from Danube Region countries in such platforms. (3) Also according to **Prof. Miertus**, a stronger link between Danube countries and S3 thematic platforms should be encouraged.

R4 Competitiveness

(1) **Ms. Karajic** suggested that technology transfer and innovation should be also included in the wording of recommendation #4. While focusing on education, entrepreneurial literacy should be emphasized. According to her, entrepreneurial culture reaches beyond the mere field of economics and includes several socio-economic aspects. (2) **Prof. Miertus** agreed and emphasized the need for enhancing entrepreneurial skills of graduates.

R5 Financing

The first remark had been made already by (1) **Prof. Miertus**, while discussing recommendation #2 Subsidiarity. He highlighted the need for cooperation of the private sector in order to increase funding available for supporting bioeconomy-related initiatives and projects. (2) **Ms. Sabec** complemented this with her suggestion that networking between countries should be enhanced and mentioned as a good example in this regard the EIP Agri. (3) **Ms. Karajic** highlighted that it might be important to foresee dedicated financing opportunities through PAC seed money under the upcoming DTP call. (4) **Mr. Franko Nemac**, representing the Energy Restructuring Agency (Slovenia), believes that governments should define clear management bodies that will coordinate the development of bioeconomy at national level, including the financial aspects. (5) **Mr. Peter Canciani** proposed to include this remark in R1.

Session 2: Research, Technology and Innovation

(1) **Prof. Miertus** took the floor and expressed a general comment on recommendations 6 to 10: in his opinion, a change in the wording is necessary since the current one refers only to the scientific community, whereas the topics addressed require a strong involvement also of policy makers. (2) **Ms. Sabec** agreed, stating that the current wording of recommendations make it seem as if the academia needed to shift towards the bioeconomy, while in practice a policy shift is necessary. (3) Mr Canciani clarified that the recommendations are indeed targeting the policy level, which is implicitly expressed by the original formulation. However, he agreed that a more explicit wording might be beneficial to avoid further misunderstandings.

Ms. Viktoria Vasary, representative of the Research Institute of the Agricultural Economics (Hungary) and the rapporteur of the second session, encouraged all attendees to vote for the recommendation that in their opinion deserves the most attention. Below, recommendations are listed according to how many votes each of them has received.

R7 Sustainability

(1) **Ms. Sabec** remarked that nowadays accent is mainly put on agricultural production. However, waste from food production should be also addressed in order to prevent certain industries from exclusion. She believes that all these tasks should be addressed on the policy level – policy demand for this kind of research should be ensured.

R10 Markets

Again, (1) **Ms. Sabec** said that communication and/or advertising is required to promote bio-products. However, PR activities cannot be shared among countries because of a different audience. She also suggested alteration of the wording of the first sentence of the recommendation into “With regard to standard certification, different approaches should be developed...” (2) **Mr. Peter Canciani** commented on this that implementing regional certification schemes and label would facilitate access to a bigger market for bio-based products (similarly to Eco-Label, etc.). (3) **Mr. Gyalai-Korpos** complemented it by saying that policy links are missing in addition to bio-products, such as taxation or financial incentives on products.

R6 Feedstocks

(1) **Ms. Marta Sabec** suggested reformulating the recommendation, changing the order of the sentences (first sentence should be the second one – “Regional quantitative biomass assessment shall be performed periodically to ensure sustainability. The scientific community shall be prompted and supported in the elaboration of shared methodologies for evaluating the availability of feedstocks in the Danube Region”). She also believes that there is not enough emphasis on ICT. In addition, the Danube countries should not be asked to develop new methodologies or databases but instead adopt the existing ones. Methodological approach should be the same and databases should be interlinked. (2) **Prof. Miertus** made a remark that not only the academia, but also other bodies should be involved in the process. There are already different methodologies for assessment. However, a shared methodology should be further advanced and its use should be highlighted. (3) **Ms. Sabec** replied that a new methodology is needed, but the existing ones should be first put in place. (4) **Ms. Vasary** concluded that the foremost accent lies on economic sustainability – if the private sector sees the possibility of making profits, it would cooperate. (4) **Mr. Canciani** pointed out that several EU projects have been funded in order to assess actual biomass availability, which is still far from being accurate and consistent. Among other things, these

projects elaborated on quantitative monitoring methodologies and tools. According to EC services and representatives of industry, such data are essential to secure sustainability of investments and facilitate access to finance.

R9 Technologies

(1) **Ms. Viktoria Vasary** made the sole contribution to this topic by stating that if feedstock is available, relevant stakeholders will take initiative to look for the right technology.

R8 Mobilisation

(1) **Ms. Vasary** believes that mobilization is related with technology. She also expects mobilization to cover the issue of waste management. However, it is sometimes impossible to separate because waste is often composed of many different materials.

Closing

After both sets of recommendations had been discussed, **Mr. Alessandro Lombardo** thanked all participants for coming and engaging lively in the debate. He also ascertained the attendees that their contribution will be taken into account in order to elaborate a second draft of recommendations. This will be circulated among the participants for further fine-tuning and integration. Secondly, recommendations will be disseminated to additional stakeholders and experts in the field of bioeconomy, with the goal to receive additional comments and obtain a broader validation.

ANNEX 1 – List of Participants

N°	Name Surname	Institution	Contact
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