



Workshop Summary

Realizing the Bioeconomy in the Baltic Sea Region

Workshop II – Berlin, 18-19 September 2014

On 18-19 September 2014 the Nordic Council of Ministers together with the Nordic Embassies in Berlin hosted the second workshop of three planned for 2014 under the initiative “Realizing the Bioeconomy in the Baltic Sea Region”. The initiative aims to:

- To engage stakeholders across the region and across sectors, private as well as public, in a dialogue on bioeconomy opportunities and challenges in the Baltic Sea Region.
- To break down the widespread silo mentality that currently leads to a fragmented pursue of the bioeconomy in the Baltic Sea Region. Showcasing and developing next bioeconomy practices where different sciences, industrial technologies, local and tacit knowledge, and policy enablers have come together “in the right mix” will play an important role to demonstrate the importance and value of cross-sectoral cooperation.
- To facilitate identification and incubate a number co-operation actions (10 steps) that are particular important to realize the transition towards a bioeconomy for the Baltic Sea Region.

The first workshop in Tallinn 26-27 March 2014 concluded on the importance of: 1) emphasizing on the translation of dialogue and policies into concrete actions and impact; 2) using existing network structures and partnerships to support project practitioners to navigate between financial mechanisms for cooperation in the Baltic Sea Region; and 3) engaging the private sector through cooperation platforms that are attractive to businesses such as bioeconomy product exhibitions, match-making and other business-close activities.

Workshop II in Berlin aimed to go further, to address these challenges and to discuss concrete proposals in these regards. Also, in Berlin – with seed financing from the Nordic Council of Ministers – further steps (co-operation actions) towards realising the bioeconomy in the Baltic Sea Region were taken. Finally, at not least the Workshop provided important information from leading stakeholders in Germany on the state of play as regards Germany’s pursue of the bioeconomy.

·/· A detailed programme with list of speakers and participants is available on <http://www.norden.org/da/nordisk-ministerraad/ministerraad/nordisk-ministerraad-for-fiskeri-havbrug-jordbrug-levnedsmidler-og-skovbrug-mr-fjls/arrangementer/workshop-on-realizing-the-bioeconomy-in-the-baltic-sea-region-1>. Also on this site speaker presentations

are available, as well as the workshop paper.

The bioeconomy in Germany

The Federal Ministry of Education and Research presented the ***The German National Research Strategy BioEconomy 2030***. The strategy, adopted in 2011, sets out five priority fields of action for further development towards a knowledge-based, internationally competitive German bioeconomy: Global food security; Sustainable agricultural production; Healthy and safe foods; Industrial application of renewable resources; and Development of biomass-based energy carriers. Emphasis is on holistic cross-cutting approaches giving equal consideration to environmental, economic and social issues, and for these to be integrated in terms of sustainable solutions. Furthermore the strategy identifies a number of measures of particular importance, including: interdisciplinary competencies; accelerate technology transfer, international cooperation, and public dialogue.

The German Bioeconomy Council presented its main efforts towards realising the bioeconomy in Germany. The Council is an independent advisory body to the German Federal Government. It was established in 2009 by the Federal Ministry of Education and Research (BMBF) and the Federal Ministry of Food, Agriculture and Consumer Protection (BMELV). The council is composed by 17 members whose expertise covers the full spectrum of the bioeconomy. The main objective of the Council is to search for ways and means for sustainable solutions, and to present their insights in a global context. The council prepares position statements, advisory services, provides meeting places, and promotes the vision of the bioeconomy towards society.

Research Institute Biopos presented their extensive efforts towards contributing towards realizing the bioeconomy through biorefineries. It was clear that while the basic concept of biorefineries – conversion of different biobased feedstocks (trees, energy crops, waste etc) to a wide range of products, including food, feed, chemicals, materials, and energy – may be rather straight forward, biorefineries are highly complex. Biorefineries suggest many solutions to today's societal challenges with fossil based societies – but also may challenge, economically, socially and environmentally. It was stressed that it is important to develop and disseminate knowledge about the pro's and con's in order to make the right choices.

Workshop Paper and Breakout Session: A Bioeconomy for the Baltic Sea Region

The workshop paper “A Bioeconomy for the Baltic Sea Region - impact, engaging the private sector and financing cooperation” was presented. The paper emphasises the importance of bioeconomy cooperation efforts “hitting the ground” in the Baltic Sea Region i.e. to *ensure impact* of cooperation activities; to *engage more the private sector* through cooperation efforts that are attractive to companies; and to *support stakeholder in navigating more effectively between financial mechanisms* for cooperation in the Baltic Sea Region.

The paper provided inspiration for further discussion in a breakout session with three groups under the headings: Impact, Engaging Private Sector, and Financing.

Ensuring **impact** requires an emphasis first on the enablers – be it e.g. human capital, intellectual property, natural capital, infrastructure, markets, financial capital and smart policies – and how these (through linkages, networks and interaction) can impact on R&D, training, technology, economy, environment, culture and society etc. While Albert Einstein was quoted with “Not everything that can be counted counts, and not everything that counts can be counted” it was stressed that if one does not measure, one cannot manage, improve or optimize. A set of SMART impact indicators (Specific, Measurable, Achievable, Realistic, Time-dependent) or key performance indicators (KPI) was suggested.

Since the bio-economy is cross-sectoral in nature and influenced by a wide range of interconnected global drivers and constraints, understanding and managing the bioeconomy, an integrated multi-dimensional approach and an integrated assessment and monitoring of the impact is required. It is thus important to discuss relevant and appropriate success criteria and their associated indicators for measuring or assessing the impact and benefits of the bioeconomy.

Realising the bioeconomy will call for comprehensive efforts to: Ensure responsible and participative governance; engage the public to develop an understanding of the bioeconomy and its impacts and benefits; improve the availability and quality of information on bioeconomy products and processes, including their social, economic and environmental impacts and the related ethical concerns, and foster future-oriented multi-stakeholders dialogues; facilitate the development and acceptability of regional and national bioeconomy strategies; facilitate the flow from discovery to market applications and to speed up the innovation process through closer ties between activities throughout the research and innovation chain; unlock the growth potential by including social innovation and social entrepreneurship resulting in new skills and practices etc.; and contribute to increasing the number of innovative products and processes reaching the market, and increasing the number of new companies and new jobs created from trans-disciplinary research, innovation projects with access to risk willing capital and public procurement schemes.

Engaging the **private sector** is obviously of critical importance – not least noting that private companies and citizens account of 80% of consumption. Main drivers for engaging the private sector in the bioeconomy involves efforts that address in particular: Productivity, i.e. the relationship between outputs in terms of priced value of products and the costs of inputs used to produce them; Innovation and technology, i.e. new products, new services and/or new ways of producing products and services – not necessarily just cheaper but also products and services with improved properties such as more sustainable; Markets, as it is fundamentally through the availability of markets that companies can engage in the bioeconomy; Confidence and Stability because without such companies will be unlikely to invest in the bioeconomy; and Financing because without the availability of financial mechanisms, companies will be unlikely to change the way they develop, produce and deliver products and services.

Throughout the Baltic Sea Region there are many examples and many “pockets of smartness” in terms of engaging the private sector in the bioeconomy. These include biorefineries; joints test and demonstration facilities; bio-, life-science- and cleantech clusters; industrial symbiosis; business and business-investor matchmaking; green public procurement; labelling and economic-environmental improved agricultural practices. The workshop paper

recommends that in going further, efforts should be made to identify more such “pockets of smartness”, to communicate these results; and to encourage wide-spread multiplication of the efforts by champions pioneering the bioeconomy in the private sector.

As regards **financing** realizing the bioeconomy ultimately goes hand in hand with a transformation of the way that companies produce and the way citizens consume products and services. After all private procurement account for vast majority of GDP. However, public sector financial support can play an important role in seeding, fertilizing and enabling multiplication of practices and models for growing the bioeconomy.

In the Baltic Sea Region there are a number of organisations and programmes that may support transnational cooperation towards realizing the bioeconomy.

These include European Union funded programmes such as Horizon 2020, The Baltic Sea Region Programme 2014-2020, The Central Baltic and The South Baltic 2014-2020 Programmes, and EUSBSR Seed Money Facility.

In addition the Council of the Baltic Sea States (CBSS) has a Project Support Facility, providing seed funding to develop cooperation activities. So does the Swedish Institute (Si), though the latter only in the South Eastern part of the Baltic Sea Region.

The Nordic Council of Ministers, Nordic institutions and Nordic cooperation bodies also provides a number of funding opportunities to seed, fertilize and grow cooperation efforts towards realizing the bioeconomy.

There seem to be many opportunities for fertilizing synergies and to avoiding duplication of bioeconomy efforts through improvements in monitoring and communication between enabling cooperation programmes that target in part or in full development of the bioeconomy in the Baltic Sea Region. How to actually and practically go about this may be challenging – but important.

In the workshop paper it is suggested to consider the development of a funding map/observatory as well as the development of a network/working group to engage a large number of financing partners, including those mostly providing credits (EIB, NIB, NEFCO, etc); those mostly providing grants/co-financing (Nordic Innovation, NordForsk and the European Commission); and those national/regional/local financial stakeholders targeting the bioeconomy with various funding programmes.

Further “steps” towards realising the bioeconomy

Within the initiative “Realizing the Bioeconomy in the Baltic Sea Region” the Nordic Council of Ministers has created a pre-seed facility to support stakeholders in coming together to develop and test the feasibility of up to 10 “steps”/actions/pre-seed projects that in different ways are important in moving forward the bioeconomy in the Baltic Sea Region.

The first six steps/pre-seed projects are on-going. They are: Local Capital; Green Protein;

Markets for wood(-based) Biomass; Tightening Phosphorus Circle; Bio for Non-Food; and Stakeholder Engagement. The leaders of these new cooperation efforts provided short reports on their efforts and results so far. All projects are unfolding successfully, performing well beyond expectations in terms of engagement, preliminary results and identified opportunities for going further.

During the workshop's Project Village a number of the pre-seed projects had an opportunity to meet with additional potential partners to explore opportunities for expanding cooperation. Also at the Project Village a number of workshop participants suggested further steps / ideas for pre-seed projects and discussed these with potential partners. Some of the new project ideas suggested and discussed fell with the themes Business Models, Regulations; Biogas and Blue Growth. The Nordic Council of Ministers encouraged participants to develop further their thoughts and to make proposals for pre-seed projects.

As we go forward

The third and next workshop is planned to take place in Warsaw in February 2015. Like the first workshop in Tallinn and the second in Berlin, also the third workshop is planned to be co-organized with strong local partners – in Warsaw with particular view to engage more Polish partners in further cooperation efforts towards realizing the bioeconomy in the Baltic Sea Region.

During 2015 the Nordic Council of Ministers will pay particular attention to: 1) support the initiation and facilitate new cooperation efforts towards realizing the bioeconomy e.g. through pre-seed projects; and 2) to help catalyse those cooperation efforts that are already unfolding e.g. as EU co-financed flagship projects under the Action Plan for the European Union Strategy for the Baltic Sea Region.

Also, further efforts will be made to engage with the private sector – e.g. through show-casing and match-making activities. The Nordic Council of Ministers encourage partners to come forward with cooperation proposals in this regard.

Finally – and within the context of the above – the Nordic Council of Ministers wish to explore the opportunity to develop a platform for a Nordic-German-Polish dialogue on bioeconomy in order to complete the network of partners and networks throughout the Baltic Sea Region. Already the Nordic Council of Ministers reach out in the Baltic Sea Region with offices and institutions in the Nordic countries and in Estonia, Latvia, Lithuania and Northwest Russia. Improving further dialogue and cooperation with Poland and Germany has for a number of years been a priority.