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Surfing on the European Bioeconomy wave

Launching a new Public-Private Partnership for Bio-Based Industries

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2014 will have to be remembered as a landmark year for science and innovation in Europe. The European Union (EU), in partnership with industry, will invest more than EUR 20 billion into sustainable growth and jobs through research and innovation, as initially proposed in July last.

Innovative approaches and bold ideas, guided by a clear vision involving both public and private sectors are essential if we are to effectively address the challenges that we are facing collectively as a society.

On the 9th of July of this year, the EU and industry is set to jointly launch the first call for proposals of this new wave of public-private partnerships (PPPs)¹, forming an Innovation Investment Package aimed at tackling Europe's major challenges. The Bio-based Industries Joint Undertaking, also referred to as the Bio-based Industries Initiative, is "the new kid on the block" since the other 4 have already been in existence for 7 years now and have been renewed for the period 2014-2020.

Bio-based Industries Initiative: the origins

The idea of creating a new PPP on Bio-based Industries was born on the premise that Europe had it all in its backyard in order to get a competitive European bio-economy up and running. It was "only" a matter of bringing several key sectors together, leveraging years of accumulated research, drafting a joint vision and an accompanying Strategic Innovation and Research Agenda (SIRA), and getting the EU to buy-in in order to de-risk an otherwise too risky venture for individual sectors or companies to do it alone. It was in this context that the Bio-based Industries Consortium (BIC) was created, an international association to represent the private sector in the new PPP. BIC hosts a unique mix of sectors including agriculture, agro-food, technology

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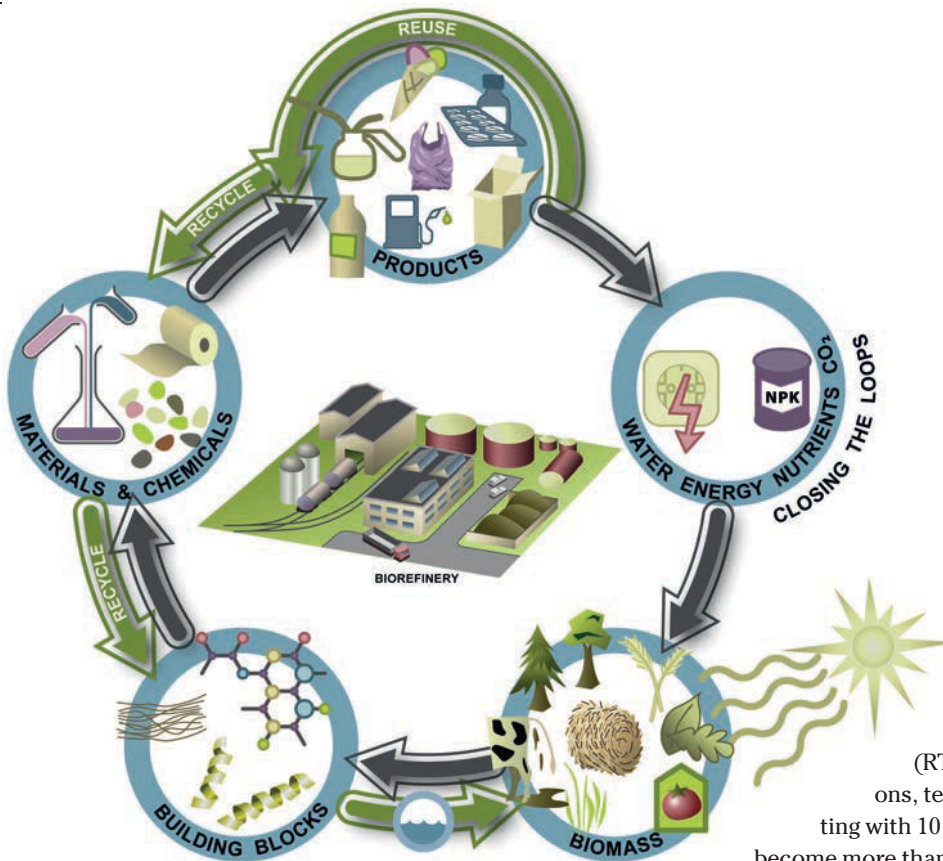
providers, forest-based/pulp and paper sector, chemicals and energy – and is set to enlarge its scope over time, as more members and sectors join.

The political case for this new initiative is simple: it lays down the foundations of the post-petroleum society, hence contributing to meeting EU climate change targets; it creates a new branch of the economy with a strong emphasis on regional development, hence boosting sustainable growth and jobs; it sources and produces bio-based products such as food, feed, chemicals and materials and fuels locally, hence reducing the EU's dependency on imports; it attracts private investment from within Europe itself, hence enabling the EU to compete in the global bioeconomy race, especially with the US, Brazil and China. In other words, one could argue that the Bio-based Industries Initiative ticks practically all the boxes in terms of addressing the major challenges facing our society, and for which urgent action is needed.

On 13 February 2012, the European Commission proposed a strategy on "Innovating for Sustainable Growth: A Bioeconomy for Europe," calling for EU



1) Bio-Based Industries Joint Undertaking; Fuel Cells and Hydrogen 2 Joint Undertaking; Clean Sky 2 Joint Undertaking; Innovative Medicines Initiative 2 Joint Undertaking (IMI 2); ECSEL Joint Undertaking.



Bio-based Economy
Source: Bio-based Industries Consortium

action in this promising and emerging sector. It recommended a European public-private partnership as one of the most appropriate instruments to execute the strategy.

Establishing a new Public-Private Partnership for Bio-based Industries

On July 10th, 2013, the European Commission proposed a Regulation to establish the “Bio-Based Industries Joint Undertaking” – the official legal body that will be responsible for the management of the PPP. Besides the operational details, it formalized the public and private commitments of realizing the bioeconomy potential in Europe into an official partnership worth EUR 3.7 billion over 2014-2020.

The Bio-Based Industries Joint Undertaking (or BBI) will come into existence in June 2014, when it is published in the Official Journal of the European Union. The first call for proposals will then be launched on July 9th, 2014, allowing for the deployment of the European bioeconomy to kick-off.

Bio-based Industries PPP: how popular is it?

It’s a new initiative. And like any new venture, the main challenge is to mobilize key players, agree on objectives, speak the same language, and make it happen. In less than two years, we have made significant progress: from being nowhere, to launching the first call for proposals

which we will do in just a few months’ time; from a Bio-based Industries Consortium made up of 30 founding industrial members in March 2013, rising to 70 members in April 2014; likewise for BIC’s associate members (RTOs, universities, associations, technology platforms): starting with 10 members in March 2013, to become more than 100 in April 2014. These are

certainly encouraging developments in line with BIC’s main purpose, namely to identify and attract industrial and research expertise from across Europe so as to develop annual Work Programs that reflect market realities.

Throughout the legislative process, the European Commission, EU governments and Members of the European Parliament have been very supportive, acknowledging the potential of this initiative in tackling Europe’s societal challenges, and thus a worthwhile investment of EU public money. EU citizens’ will get close to EUR 3 back for every single euro invested thanks to the industry’s EUR 2.7 billion commitment – the highest leverage achieved among the package of PPPs.

The success of the BBI is not only reliant on the number and quality of projects that will be selected and implemented over the next 10 years, but also on the synergies that can now be created between various sources of funding such as European Structural and Investment Funds. Such synergies are crucial in order to be able to financially top-up selected projects under the BBI, to create a favourable regional (bioeconomy) ecosystem. Regions’ so-called Smart Specialization Strategies (S3) would be instrumental in giving a sense of purpose to the otherwise isolated projects that would be implemented in their backyard.

Conclusion

Again, it’s only the beginning, much still needs to be done, but it’s a very promising future that we are about to embark on.