



ECRN Joint Position

Tarragona Declaration

**Joint Declaration of the fourth European Congress of
Chemical Regions**

“Managing Change together”

9 November 2006



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North East South West
INTERREG III C

Introduction

On the fourth Congress of the European Chemical Regions Network (ECRN) in Tarragona high-level representatives from politics, science, industry and administration have discussed essential questions for the future development of the chemical industry at regional level and have agreed on the following declaration

Creating a Strategic Framework for the needs of the Chemical Industry in Europe!

The discussions about a better legislation in Europe, the future chemical policy, climate change or energy policy have made it apparent that the Chemical Industry as well as the Chemical Regions need a strategic framework to be able to make decisions about the future development of their locations.

Therefore the Chemical regions welcome the intention of the European Commission to initiate a strategic dialogue with the Chemical industry in the course of the next year to discuss challenges and possibilities for the future framework of the European Chemical industry.

The chemical regions emphasize their interest in participating actively in these discussions to ensure that the regional dimension will be focussed

Adopting Chemicals policy - but with a sense of proportion!

The discussion about the implementation of a new European regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals was an important factor in initiating the European Chemical Regions Network. The central concern of the ECRN regions has always been the balance between the requirements of the protection of the environment, consumer protection and safety at work and the further stimulation of the competitiveness of the chemical industry in Europe.

In several statements during the last 3 years ECRN has pointed out the importance of implementing chemical regulations, which are easy to handle and fulfil the needs of the Chemical Industry. The European Commission and Parliament have adopted many of the proposals in the framework of the 1st reading. In the course of the current 2nd reading it is feared that some of the compromises might be recalled. ECRN sees the Common Position of the Council as a workable legal instrument; further fundamental changes could disrupt the accepted balance. Only changes at technical level to support workability of the implementation should be in discussion.

Therefore the European Chemical Regions propose

- That compulsory substitution for certain substances should not be enforced, if no suitable substitute exists and a mayor economic loss is to be expected . The controlled and safe use of such substances should be the criteria for their continued use.
- To withdraw the demand for the limitation of authorisation to five years, because it could hinder general investments

- Not to come forward with the demand to automatically include nano particles in the process of registration, the REACH Regulation doesn't provide suitable criteria for an appropriate risk assessment
- To improve communication within the supply chain
- To fairly share data and costs
- To grant property rights for studies at least for 15 years

Ensuring future security of energy supply

In the course of the last years the issues of energy and the sustainable supply has become increasingly important. The European Union has decided to adopt an energy agenda. Naturally Chemical enterprises and Chemical regions have a great interest in a sustainable and secure Energy supply.

Therefore the European Chemical Regions Network has also responded to the consultations for the Green Paper on Energy and demands

- The consequent liberalisation, that means the separation of network operation from production and supply on the European Single Market. This should be a priority for new measures.
- To strengthen the role of the existing structures of National Energy Agencies, International Energy Agency and European Commission. The establishing of a new European agency must be rejected. The EU should furthermore strengthen existing municipal supply structures in the future.
- The EU should within the framework of the Energy Research- and Energy promotion programs support innovative production and distribution technologies as well as the optimisation of cross border lead networks and their connections. This should be done with the utmost transparency throughout Europe
- That further activities of the EU should not concentrate on new plans, proposals of new laws or new administrative structures but on the equal implementation and development of existing regulations and programs throughout all Member States. At the same time the objectives that were chosen in the energy efficiency guideline in connection with a benchmarking of the member states should be transformed – if –successful - to other fields of regulation.
- That the EU funding of research and technology should support the diversification of the Energy supply by means of energy efficiency technology, renewable energy including energy from waste. . Concerning renewable energies there is a great need for research to improve its competitiveness.
- To avoid shortages in advance energy partnerships with important producer- and transit countries as well as with big energy consumption countries will play a central role.
- To develop the cooperation of the Member States within the framework of a European energy community. This energy community must be based on the following principles: Sustainability (e.g. climate protection, energy efficiency renewable Energy) Competitiveness (e.g. development of technology, functioning competition in the EU Single Market, interregional cooperation), secure supply (e.g. oil and gas reserves, negotiations for the development of energy and raw material resources)

Mastering Environmental Policy as a global challenge

The future climate change policy of the European Union is of vital importance for the Chemical Regions. The national allocation plans for the 2nd trading period of the emissions trading scheme (EU ETS) put the focus on the future direction of emissions trading. Members of the ECRN have taken part in the discussion within the High Level Group (HLG) Competitiveness, Energy and the Environment taking a position on electricity windfall profits, allocation methodology, lack of competition and insufficient stimulus for innovation. The ECRN will continue to do so whenever it is required.

Matters to be dealt with:

- The consequences of climate change are not limited to individual states and can only be tackled by globally adopted measures.
- EU ETS threatens to reduce the activities of energy intensive industries in Europe.
- Present allocation rules cause the electricity producers to include the value of allowances in the selling price. The resulting “windfall profits” lead to the loss of competitiveness of industrial users and welfare of individual consumers.
- The level playing field is not assured by present allocation rules.
- Through the use of historical grandfathering and not rewarding early action with equal standards, innovations and investments to reduce emissions are not clearly stimulated and occasionally obstructed.
- Investments in new production plants and debottleneckings face insecurity in the allocation from finite reserves of allowances in most Member States.
- Present allocation rules hamper competition as they enhance frozen market shares.
- We support a common position for CHP regardless of its host sector
- Non-punitive treatment for CHP under Phase II
- Encouragement and support for the expansion of CHP capacity
- The provision of a stable long-term environment for CHP investment decisions
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Therefore the ECRN intends to focus on the removal of the present central shortcoming of the EU ETS: the allocation methodology. The ECRN proposes as the way out of the impasse the application of output related standards (benchmarks with ex-post adjustment, performance standard rate – PSR) as an alternative to auctioning.

Benchmarks stimulate innovation and provide security for new investments to reinforce the industrial base of Europe, in line with the Lisbon strategy. The ECRN welcomes the recent statements of the EU Commission in which expresses to aim at a robust, simple and predictable EU ETS.

Innovation

A key demand of the chemical regions is to secure the competitiveness of the chemical locations in the long run. In this context the support of innovation is of essential importance.

The ECRN therefore welcomes the approach of the Competitiveness and Innovation Program (CIP). CIP, which is based on the Lisbon Strategy; designed to unite previous programmes after its implementation on 9 November 2006, which can be summed up under 4 headlines:

- Strengthening the competitiveness of enterprises (especially SME)
- Innovation and Eco – innovation
- Competitive, innovative and collaborative society
- Energy effectiveness and new /renewable energies

Furthermore the future usage of CIP will be of interest for the project work of ECRN.

Supporting Regional Policy on a large scale

Regional policy plays a major part in many Chemical Regions in Europe. In these regions the operational programs for the next structural funds period have been prepared throughout the last weeks and months. And now for the first time interregional co-operation among the regions can be funded by the corresponding mainstream programmes.

Furthermore with the establishing of the new objective 3 – Territorial Cooperation - the funding of interregional collaboration will be continued in the next period. The ECRN emphasises, that the Initiative “Regions for Economic Change “, which was started by the European Commission, should take into account aspects of industrial policy. The ECRN asks the Chemical Regions to intensify existing contacts. Furthermore the European Commission is expected to quickly approve of the financial framework of the structural funds which will soon be submitted.

Giving the Chemical Regions of Europe a strong voice

The European Chemical Regions Network has been supported strongly in the last three years by the Interreg III C programme. As this programme will cease at the end of 2006 the ECRN now has to tackle the challenge of operating independently. For this purpose the ECRN association was founded at the third European Congress of the Chemical Regions in Milan.

Now it is of vital importance that as many Chemical Regions as possible join this association to enforce joint requirements with the necessary presentation and strength.

The ECRN therefore appeals to all Chemical Regions to become a member of the association.