



## **Position of the European Chemical Regions Network (ECRN)**

### **regarding the involvement of ECRN within the European Commission initiative Regions for Economic Change (REC)**

#### **Chance and Challenge for the European Chemical Regions Network (ECRN)**

*(21 March 2007)*

#### **I. Background to REC Initiative**

The European Commission brought forward the REC communication on 8 November 2006. In line with the Lisbon goals of creating more jobs and growth, the EC wants to stimulate economic growth and strengthen competitiveness in European regions by promoting exchanges of experience and good practice between regions. This new interregional co-operation instrument will be part of Objective 3 (territorial co-operation, better known as INTERREG) of the EU Cohesion Policy 2007-13.

The REC initiative will be the delivery mechanism and 'brand' for INTERREG IVC. Regions wishing to participate in REC networks need to have the agreement of the Managing Authorities which are responsible for the implementation of the structural funds operational programmes in their region.

With the new instrument, the European Commission would like to ensure a faster evaluation and dissemination of new initiatives into the mainstream structural funds programmes and aims to draw on the experience and best practice of high-performance regions

In brief, the REC initiative is about partnership in action: different regions and cities together addressing some of the core policies of the European Union. This position paper aims to set out some views from the European Chemical Regions Network on the initiative and ideas for ECRN engagement.



## II. Current Industry focus in the REC initiative

The European Commission has drawn up a list of 30 themes for co-operation under the new initiative. Among the 30 topics proposed direct references to industry or industrial competitiveness can be found in the following:

- “Moving to a recycling society”,
- “Re-using brownfield and waste disposal sites” and
- “Helping to restructure regions most heavily dependent on traditional industries”

Further indirect reference to industry can be found in thematic fields such as “improving capacity for innovation” or “promoting entrepreneurship”.

## III. ECRN view on the role of industry in the REC initiative

ECRN considers that it is important to reflect on the opportunities of industry as a motor and growth engine for regional development, rather than simply focusing on the challenge facing regional policy of the changing pattern of our industrial environment.

Many regions in Europe have used a considerable amount of structural funds to develop regional strategies to improve industrial competitiveness in close co-operation with the industry in the regions.

The European Chemical Regions Network reflects this strong focus of regions towards a pro-active industrial policy focus in regional development by:

- starting a process of exchange of experiences between chemical regions;
- involving these regions in the strategy dialogue of the Commission on key, industrial sectors (High Level Group to Enhance the Competitiveness of European Chemical Industry);
- putting forward joint positions on EU issues, policy and legislative developments, which may have an impact on regional competitiveness such as the REACH regulation on chemicals;
- creating joint solutions, with particular regard for SMEs in the regions, for the implementation of EU regulations and;
- developing co-operation projects on key EU-initiatives such as regions of knowledge.

The ECRN has been invited by DG Industry to prepare the High Level Group to Enhance the Competitiveness of the European Chemical Industry to cover the regional dimension of chemical sector in this group, which is expected to start in mid 2007.



#### IV. The ECRN proposal for the REC Initiative

Based on this analysis the European Chemical Regions Network is therefore proposing that the REC Initiative extends the industry focus by either extending the scope of the current topics (Option A) or by ensuring an industrial focus in a number of topics during the implementation of the REC Initiative (Option B):

**Option A:** Introduce a new topic "The role of industry for regional development".

Industry has an important impact on regional development in positive and sometimes also in negative terms. Regional policy is:

- supporting initiatives at regional level to maintain industrial competitiveness such as clusters, industrial innovation schemes or strategic dialogues at regional level;
- helping to restructure regions most heavily dependent on traditional industries. Some regions are still heavily dependent on traditional industries and vulnerable to relocation decisions, particularly by large employers.
- The aim of regions working on this theme could be:
  - to discuss the future role of industry in regional development:
  - to encourage and to present new schemes in fostering industrial competitiveness in the regions;
  - to develop policy mechanisms on how best to anticipate, or respond to, closures through restructuring and diversification, or through retraining, business support, advice and financing and nurturing local clusters.
- The ECRN would offer
  - Cooperation with DG Regio and DG Industry,
  - Cooperation with other regional industry networks,
  - Close dialogue with industry representatives.
- Proposed concrete measures
  - Conference on "Industry for Regional Development" in 2008,
  - Facilitating a fast track initiative together with DG Industry and DG Regio,



**Option B:** ensure the industry link in the various subjects by developing a mechanism which would allow:

- identification of good practices of industry-related measures in regional development in a number of thematic areas;
- involvement of industry and regional representation of industrial regions in the ongoing debate of the REC Initiative;
- fostering the co-operation between industries in developing successful tools for regional development.

For this purpose a consultative mechanism between the Commission and the industrial regions networks (i.e. automotive, chemical, mining, food processing, etc.) could be established to screen successful measures and to provide useful input in the REC Initiative.



## **V. Background information on the ECRN**

The chemical industry in Europe (especially the petrochemical industry) is clustered in only a few regions in Europe. In those regions, the chemical sector often represents one of the most important sources of employment and GDP and has a huge number of downstream companies and employment dependant upon it. In Europe as a whole the industry employs 1.7 Million people and has a turnover of more than 347 Billion Euro.

Under the leadership of Saxony Anhalt the European Chemicals Regions Network (ECRN) was set up as a joint initiative of 13 regions with a high concentration of chemical sector businesses.

All chemical regions across Europe have faced, and are still facing, significant challenges in terms of the restructuring of the industry, combined with significant changes to the European legislative framework that they operate within.

The ECRN aims at supporting the exchange of experience in regional and industrial policy approaches between the regions and providing a platform for discussion with the EU on all aspects affecting chemical regions.

The European Chemical Regions Network (ECRN) began in the mid 1990's, when chemical regions from within the EU started a process of closer co-operation. It was recognised that the added value of the network of chemical regions in Europe was that all regions were facing the same challenges in applying a high number of EU regulations and competing at the same time with other countries/regions from outside the EU, who were not affected by these regulations. It was also recognised that although there are many European-wide associations of chemical companies there is no network for public authorities or agencies. Yet it is uniquely public authorities that represent their communities in terms of economic, environmental and social well-being and hence can work holistically.

The network is made up of regions and sub-regions and has developed over the past three years with meetings and conferences taking place to further shape the ideas for the network. The ECRN now has a membership of 14 chemical regions from 7 different Member States.



The objectives of the network are to:

- Improve regional development strategies in chemical regions and disseminate innovative ideas to mainstream Structural Fund programmes.
- Maintain competitiveness by fostering European co-operation of partners.
- Develop a European partnership of regional partnerships in chemical regions.
- Foster the internationalisation of SME's in chemical regions.
- Articulate common interests of chemical regions towards the European Institutions.
- Recognise the network of chemical regions as a genuine stakeholder in the future debate on chemical policy.
- Develop long-term and strategic co-operation to take an active part in the enlargement of Europe.
- Develop and extend the regional partnership within the European Union.
- Start a mutual learning process and to provide tangible and meaningful results.

The network successfully secured 1 Million EURO ERDF Funding through INTERREG IIIC to progress the work of the ECRN until December 31, 2006.

The ECRN has proved invaluable, not least in acting as a vehicle to enable the partner regions to act jointly and therefore with greater weight, to put forward much needed amendments to the REACH chemicals legislation in the European Parliament to support local chemical companies – a very useful and effective platform to articulate views. More broadly, the regions are better placed to use these relationships developed through this network to explore possibilities for inter-regional collaboration and exchange with its members on other interest areas.

The network has also identified further issues of joint interest for its 2007 action plan which include sharing joint working on inter alia, emissions trading, energy, better regulation, innovation, implementation of REACH etc.

As part of the INTERREG project, the ECRN also completed five specific studies on the following topics:

- Science and Industry
- Skills and Training
- Chemical Parks
- Land Improvement
- Environment and Legislation