



Provincie Noord-Brabant



Bio Base NWE – Regional round table with SMEs

Preparation

In order to prepare for the roundtable the (draft) Analysis report of the Bio Base NWE project was used as a basis to find relevant topics to be discussed at the roundtable. The report was based on a survey performed under SMEs. The studies gives good insight in the issues that SMEs deal with while growing their biobased business.

In addition to the Analysis report of Bio Base NWE the outcome of the FP7's BioTIC project was used to distill topics that could be discussed. The target group of BioTIC were primarily the large companies. Comparing the ranking of experienced hurdles identified by SMEs (Analysis report) and large companies (BioTIC) gave two major items for the discussion:

1. Relevance of feedstock / securing feedstock position
2. Securing the Intellectual Property position

Next, also the SWOT analysis of FP7's Chemical Regions for Resource Efficiency was used to identify more topics that could be discussed. This comparison did however not result in additional topics to be discussed.

Finally, also the experience and developments in the Biobased Delta region were used to identify additional themes for discussion. Currently the region is fully involved in ERDF funded proposals (being it regional (OP-ZUID) or Interregional (Interreg)) and H2020 proposal. The current experiences of the region in preparing new proposals led to the third theme:

3. Relevance of subsidies / grants for developing biobased business.

The fourth and final theme was derived from the recent developments in de region: multiple governmental parties (municipality, province and national government) initiate 'biobased purchasing' programs. However, these programs seem to be 'stand alone' and not embedded in a structural approach for developing the wanted products. So, the fourth theme was:

4. Relevance of governmental purchasing policy

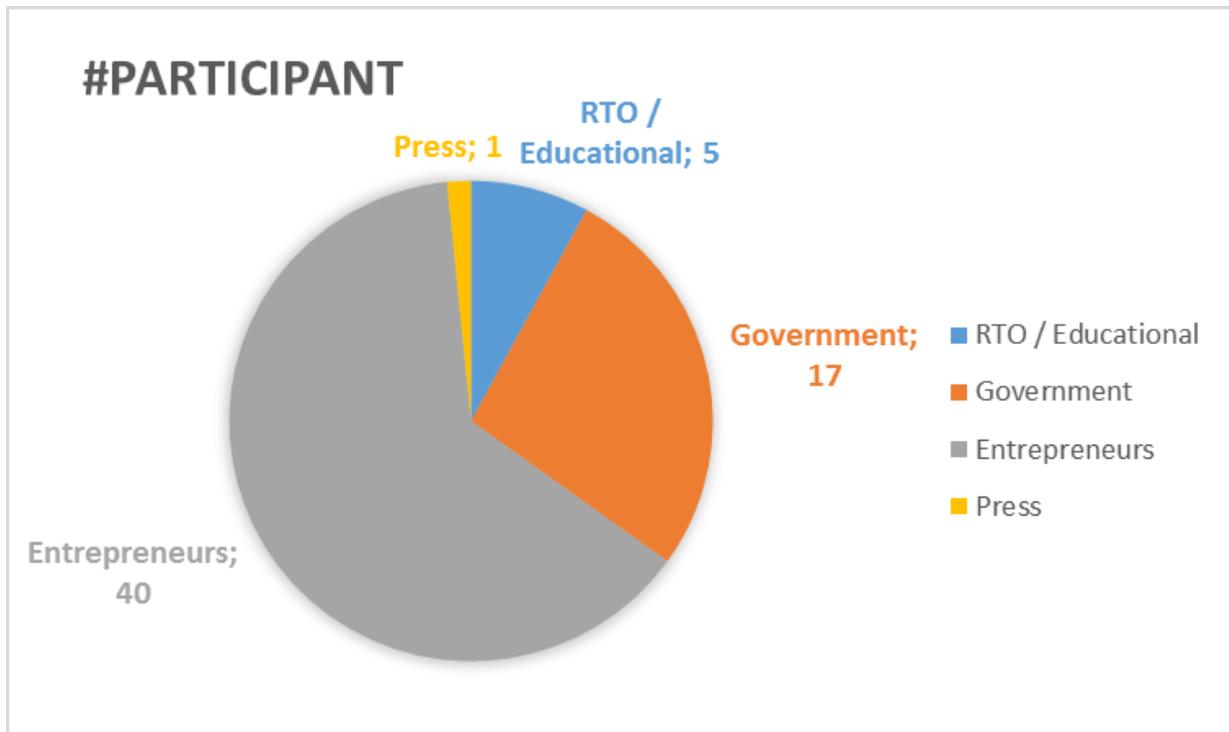
Based on these four themes the round table was organized.

Setting of round table

In order to celebrate the success of Bio Base NWE in the Netherlands the Bio Innovation Agent organized a Biobased business development day. Allowing the various SME driven programs in the Netherlands to 'get to gather, discuss progress, broadening the network'. In total 63 persons (excluding the organizers) were present at the business development day. Out of the 63 persons 5 were representing RTOs / educational partners, 17 representing government(all parties) and 40 SMEs.

As a part of the plenary discussion Pectcof was requested to showcase their development, which has been supported via the Bio Base NWE vouchers. After their presentation, Pectcof was part of the 'expert panel' that would initiate the discussions. Next to Pectcof also Rodenburg Biopolymers (SME),

Innovatielink (recently started SME support desk organized by the dutch government) and Capricorn Venture Capital (finance) were part of the panel. A central speaker was to introduce the themes, the expert panel could give the first reply and next the audience was allowed to provide additional comments. This led to a lively discussion on some of the topics with as result that the last theme could not be discussed due to restrictions in time.



Outcome of roundtable

1. Relevance of feedstock / securing feedstock position

Securing of the feedstock was not considered as a problem. Most entrepreneurs seem to assume that there will be sufficient residual streams to work with. The two entrepreneurs in the panel (Pectcof & Rodenburg) confirmed that they had a secured feedstock position. It was also put to the attention that the feedstock issue is one of the many issues that a SME has to deal with. The Venture Capitalist (VC) underpinned that feedstock is one of the major cost components in the business case, so from a VC point of view the costs of feedstock and the scale of use is very important. There was no recommendation for public officials / policy makers when it comes to 'securing the feedstock position'.

2. Securing the Intellectual Property position

Intellectual Property (IP) caused a lengthy discussion. Pectcof stated that they did register their patent and explained that registering a patent is still not giving away the knowhow. One of the participants in the roundtable argued that the registering of the patent is not an issue, it is about the difficulty and extremely high costs (up to 100 K Euro) of defending their IP position (avoiding infringement). The VC also here underpinned that a good IP position is relevant for the business case. InnovatieLink (Dutch organization for supporting SMEs) acknowledged that the government should be playing a role in paving the road for patent filing (education / training / support). Also

the central governments should work towards more harmonized filing and protecting rules (which is in line with the recommendations of the Analysis report of Bio Base NWE).

When discussing the rules / legislation the roundtable also discussed the impact of REACH legislation. REACH was considered an enormous hurdle for the SMEs. The costs of REACH testing / analyzing the product to REACH rules was considered too high. This triggered the discussion as REACH is not the only 'standard' that SMEs need to meet (e.g. ISO-NEN; TÜV; acoustics;...). It was suggested that the policy makers should provide funds for testing / analyzing products against all the various standards. Costs for testing are extremely high and most of the time multiple testing is needed, leading to a multiplication of costs. This is a real roadblock for products reaching the market.

3. Relevance of subsidies / grants for developing biobased business

Also the necessity of subsidies / grants caused a lively discussion. At first the discussion steered towards a general statement that 'subsidies are good'. Next the discussion developed further due to the fact that a separation was made between 'R&D stimulation grants' and 'grants for operating facilities' (exploitatie subsidie). This separation led to two main conclusions:

- A. Grants for operating facilities should only be given if there is a long term positive business case. In The Netherlands the SDE grants are, by many of participants, not considered sustainable as they support a business case that will 'never' be able to 'stand alone'.
- B. R&D stimulation grants are considered essential. They allow SME to experiment and really support the development of new products towards the market. Adoption of the product on the market is an extremely timely and costly exercise especially for new products that have no track record yet. Scaling up from lab, to bench, to pilot, to demo, to full scale requires a lot of investments that are made possible by grants.

The roundtable suggested to policy makers to be aware of the effect and necessity of R&D stimulation grants. Policy makers should avoid that 'operating grants' conflict with the long term development of the biobased economy (e.g. stimulating energy from biomass via operating grants instead of R&D to better use the biomass / cascading).

Surprisingly there was hardly a discussion on the difficulty of accessing grant (opportunities) and the costs related to it. Innovatielink, as a governmental representative, underpinned that they should play a vital role in making grants accessible for SMEs.

4. Relevance of governmental purchasing policy

Due to time constraints this issue was not discussed. The expectation of the round table was that the discussion would embrace the fact that the government wants to initiate market demand by becoming 'launching customer'. We wanted to test with the SMEs if they want to see the government as partner in the experiments ('test bed') vs launching customer.

