NICE
Net Zero Industrial Cluster Exchange

CONFERENCE SUMMARY

INAUGURAL NICE CONFERENCE ON REGIONAL DECARBONISATION STRATEGIES AND ACCESS TO FINANCE

28 September 2022

The Net Zero Industrial Cluster Exchange (NICE) had its official first conference on 28 September 2022, where potential partners from seven European countries, academic experts and representatives from European institutions discussed on the topic of access to finance for decarbonisation initiatives.



Figure 1 – Photo of some of the participants of the NICE inaugural conference on 28 September 2022 at Scotland House in Brussels.

BRUSSELS, 28 September 2022. The first NICE conference was held on Wednesday 28 September 2022, from 9.30 to 15.30, at the Scotland House office in Brussels. It was organised by the European Policies Research Centre (EPRC), in conjunction with Scottish Government and Michelin. The conference gathered 31 participants both in person and online, including potential partners from seven European countries, academic experts from EPRC and the Centre for Energy Policy (CEP) of the University of Strathclyde, and representatives from European institutions (DG Regio and European Investment Bank), among others. The conference sessions 1 and 2 reviewed and discussed regional and local strategies for industrial decarbonisation and Net Zero, exploring both the challenges and opportunities facing government, business and other stakeholders to meet emissions targets, secure sustainable economic prosperity and create good jobs, and how initiatives can be financed. Session 3 in the afternoon was a NICE partners-only meeting that served to review the network's objectives and programme.



Figure 2 - Intervention by Lefteris Topaloglou and Dimitrios Theodoridis (Local Government Association of Western Macedonia) on the DeCarb project.

The conference kicked off with a welcome and introduction by Martin Johnson, Director of Scotland House. The **first morning session** was devoted to discussing regional transformation strategies from research, policy, and industrial perspectives, with contributions from EPRC's John Bachtler, CEP's Jamie Stewart, and Alexander Law from Michelin. The session also drew on experience from two other knowledge exchange networks, DECARB and TRACER. Key points to emerge were:

a) the scale of decarbonisation challenge at regional levels in terms of the relatively short timescale to reach net zero and the magnitude of change;

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b) the examples of new regional models of economic activity and production – and roles of different actors (large firms, SMES, national/regional governments, local authorities, research sector and communities;
c) the different strategies being employed involving reskilling, repurposing of sites, investment in innovation and technology transfer, and entrepreneurship / SME support;
d) the roadmaps for delivering strategies, the learning processes involved and potential for knowledge exchange;
e) the variation in capacity between regions in terms of awareness, consensus, development of strategies, and progress with implementation.

The **second morning session** focused on regional finance for decarbonisation with contributions from the European Commission, European Investment Bank and two case-studies – Michelin Scotland Innovation Parc and Green Hub Denmark. Key points included the importance of financial instruments for generating better results and stimulating private funding, and the challenges of scaling up and competing priorities within partnerships.



Figure 3 - Pedro Couto and Christoph Lassenberger from EIB discussing decarbonisation finance opportunities.

Conclusions

Emerging themes and challenges ahead for industries seeking decarbonisation and initiatives working the field include:

- **Uncertainty:** Recognition from participants that NICE and the transition projects involved are operating in an economically, politically, and geopolitically volatile environment, with different places experiencing the transition in different and changing ways.
- **Partnerships:** Consensus that partnerships are essential in driving transitions but the partnerships that underpin different projects and initiatives vary widely in form and function.
- **Alignment:** Participants commonly spoke of the opportunities and challenges that arose from levels of alignment in relation to economic and environmental drivers and incentives and the priorities of different partners.
- **Feasibility:** what works in one context is not necessarily appropriate for another. There is no one blueprint. There is thus a need to identity economically, societally and politically feasible pathways appropriate to particular contexts.

As the NICE network is developing, some questions pertaining to these emerging challenges are highlighted to be addressed:

- How to deliver decarbonisation required in relatively short time frames set and at the scale needed?
- How can these shifts be managed effectively?
- How do we coordinate across the wide range of implementation strategies?
- Do regions have the necessary capacity to initiate and drive these transitions?

- How do you establish the types of sustainable and mutually beneficial partnerships (societal, financial, and political) required to drive transitions? Is there more to be done to build capacity of different individuals, organisations, groups to be involved in these partnerships?
- What more needs to be done to assess the types of tensions and trade-offs that emerge with different transition pathways between national/regional that pose barriers to scaling or positive socioeconomic outcomes? What can be done to foster greater coordination and exchange to address these tensions?
- How can we foster adaptive and agile approaches in the face of uncertainty and dynamic/changing contexts?
- How do we identify economically, politically, and societally feasible pathways to transitions that are prosperous and just and do not leave people behind?

CONFERENCE AGENDA:
REGIONAL DECARBONISATION STRATEGIES AND ACCESS TO FINANCE

SCOTLAND HOUSE, RONDPOINT ROBERT SCHUMAN 6, BRUSSELS
28 September 2022, 09.00-15.30

9.00	Registration
9.15	Welcome and introduction to the Net Zero Industrial Cluster Exchange *Martin Johnson, Director of Scotland House*
9.30	**DECARBONISATION AND REGIONAL TRANSFORMATION STRATEGIES** *Moderator: John Bachtler, Director at European Policies Research Centre (EPRC)*
	• **Regional decarbonisation strategies in Europe: opportunities & challenges** *Jamie Stewart, Centre for Energy Policy, University of Strathclyde*
	• **Mobilising the private sector in regional decarbonisation** *Alexander Law, Michelin*
	• **Regional decarbonisation strategies: learning from experience** ○ *DECARB project (Interreg) – Thilde Møller Larsen, Green Hub Denmark and Lefteris Topaloglou & Dimitrios Theodoridis, LGA-Western Macedonia* ○ *TRACER project (Horizon 2020) - Liliana Fonseca, EPRC*
	Q&A
11.00	Coffee break
11.20	**REGIONAL FINANCE FOR DECARBONISATION** *Moderator: Nicolas de la Vega, Assoc. of European Renewable Energy Research Centers (EUREC)*
	• **The contribution of financial instruments to regional transformation** *Jonathan Denness, Financial Instruments Unit. DG Regio, European Commission*
	• **Financial and advisory support for regional decarbonisation** *Christoph Lassenberger & Pedro Couto, European Investment Bank*
	• **Case studies of decarbonisation finance: experience & lessons**
	○ MSIP and GreenBackers (*Sarah Petrie, MSIP*)
	○ Green Hub Denmark (*Thilde Møller Larsen, GHD)*
	Q&A
13.00	**CONCLUSIONS** *Hannah Corbett, Centre for Energy Policy, University of Strathclyde*
13.15	Lunch
14.15	**DEVELOPMENT OF THE NICE NETWORK** [NICE partners only]
15.30	Close