

Online meeting with Cefic, Brussels, 1 December 2020, 11:30-12:00

Minutes (draft)

Participants:

Cefic: Marco Mensink (MM) - Director General, [REDACTED]

GROW: DG K Jorna (KJ), accompanied by C. Pettinelli (CP), [REDACTED]

MM invited KJ to Cefic's 60th anniversary event on 6 October 2022 and outlined **Cefic topics for discussion for today's meeting: Chemicals strategy (CSS), Hydrogen (H2), Innovation following the Chemicals strategy and Recovery and resilience plans** (including first experience by Cefic members).

Chemicals strategy for sustainability (CSS)

MM informed that, although there is now a general acceptance about the amount of work to come, the implications of many actions are not clear. Cefic will prepare an overall impact assessment gathering data and evidence based on companies' assessments, but noted constraints faced due to the size of the task and companies' limited resources.

KJ suggested a meeting with GROW chief economist team. She noted GROW work on mapping ecosystems and building data sets and profiles of ecosystems. Such work informed the preparation of the Next Generation EU and now needs to be built upon, including modelling capacity.

As to climate neutrality and CSS, KJ noted the need to look at the '-55' package and having data that allows for modelling and looking at the different ecosystems, not only as environmental case but equally as business case. A business case for sustaining sustainability is needed and, to build it, help of all sectors in describing the situation on ground is needed.

Cefic is looking at the impact of CSS (i.e. REACH). Also, how many substances are we talking about with the new CLP hazard categories. [REDACTED] raised in particular the issue of essential uses, how it relates to strategic value chains foresighting, as well as safe and sustainable by design and the importance of sustainable finance, noting that at the moment the direction of the COM is not clear.

KJ concurred on the importance of investment and noted the COM work on taxonomy. She also said that it is important to show how the new substances to be classified contribute to the market.

Follow up action: A workshop between Cefic '-55' task force and Chemicals unit (D.2) will be set up, if possible before Christmas; GROW responsible: [REDACTED]

CSS High Level Roundtable

CSS High level Roundtable (HL Roundtable) was touched upon, MM noted that the CSS will impact sectors well beyond chemicals (i.e. cosmetics, automobile) and suggested for HL Roundtable Cefic President Marc Brudermüller as well as CEOs of Plastics Europe. He raised the timing issue and the need to set it up earlier than by the Green Week.

KJ proposed to time it around the upcoming Industry days, planned on 24-25 February 2020.

MM pointed out that industry will need to look at some chemicals, as there are no alternatives for some. He raised the issue of definition of 'essential use' and implication of the approach. He stressed that the approach will result in 'policy by exception' rather than policy by allowing, its strong impact on chemistry and defining what is critical and essential, key value chains and on investment. He drew the

attention to the area of chemistry where alternatives exist, and pointed to the need to help in this area in terms of eco-design and standards and support the market take-up for more expensive alternatives. A strong programme on enforcement is needed. He raised also the issue of what is safe and sustainable, noting its link with RTD work on long-term research agenda, and suggested that HL Roundtable looks at long-term innovation flagships and programmes to design the market.

Follow up: KJ suggested to think about business case in connection with innovation and new markets in the framework of Industry days. KJ will ask Florika Fink-Hooijer (DG of ENV) to accelerate setting up of the HL Roundtable.

Hydrogen (H2), Hydrogen Alliance

MM noted that big companies are keen on electrifying but hydrogen is not yet there, and raised the issue of quota for H2. He informed that [REDACTED] joined Cefic and will be supporting the H2 alliance. As to Hydrogen Alliance and the thematic roundtable, Cefic would want to focus on project pipeline. MM noted electrification and electricity prices as key issues. He stressed that the biggest concern is that companies are being pushed to do something but may not have the money. He pointed to the Innovation fund being oversubscribed, the need to frontload its funding, and noted pushbacks from some MSs that Recovery and Resilience Fund (RRF) is designed for infrastructure.

KJ informed that GROW is working very closely with DG RECOVER to liaise with MSs to get the projects going and asked for more details about the negative responses from MSs. KJ also pointed to NGOs contribution in shaping projects and that they need to be part of building the project pipeline.

As to Low carbon industry alliance and hydrogen, MM noted IPCEIs as the most practical, and the projects mood of the industry.

Recovery

[REDACTED] briefed about Cefic work on mapping/tracking MSs RRP, so far involving information from 13 national associations. The information points to a number of obstacles encountered by companies, including short decision timeline, lack of single window. [REDACTED] offered to share the received insight.

KJ suggested to pass the information on to DG Recover to take it forward. Moreover, she noted the timing of the Industry days as good opportunity to showcase as MSs would by that time have submitted their RRP.

Chemical recycling

The issue of Circular Plastics Alliance and chemicals recycling was touched upon. Cefic noted that they are behind in investments in chemical recycling.

Cefic briefed about its dialogue with the EP and providing data on impact of restrictions. The issue of enforcement and market surveillance and help needed in these areas was also raised by MM.
