

## International Engagement – Summary and Recommendations

The following paper summarises the investigation of the UK's international engagement activities and make recommendations for their better co-ordination. It complements the update paper presented in the October 2015 plenary which provides the evidence and detailed examples.

Comments are sought from members before final publication of these recommendations alongside a supporting document based on the update paper.

### Background

Currently there is no international engagement strategy set for the UK's energy interests that can be referenced by public sector organisations or the private sector. There are localised strategies within government departments and other public organisations but these have not been strategically co-ordinated. Therefore, some of the UK's engagement activities have been carried out an ad hoc basis, reacting to opportunities rather than strategically for the benefit of the UK. This paper is not proposing that these impromptu opportunities aren't taken, but recommends that activities are sought pro-actively and opportunities that arise are assessed against the objectives of an overall strategy. An open strategy would also help the private sector understand the opportunities in the UK for their activities and for collaborative R&D.

The October update paper presented the first two aspects of this work. Firstly it mapped the UK's current international engagement activities and how they interrelate and secondly, a methodology and format for composing a strategy was proposed. This process was informed by a number of interviews with funders, UK government departments, devolved administrations and the private sector.

The mapping revealed that a significant amount of activity was already taking place (for example between the Scottish government and its agencies) and that the Low Carbon Innovation Co-ordination Group (LCICG) had recently set up a working group. The member organisations are currently devoting significant resource to identifying opportunities for international engagement across the entire energy sector with a particular view to feeding into the Mission Innovation process. ERP have been fully engaged with this and the recommendations here are concerned with the maintenance of the momentum gained through this activity and ensuring there is a long-term ownership.

### Summary

**The LCICG are making substantive progress in pulling together an initial view of opportunities for engagement**

LCICG members are working together to identify immediate opportunities for international engagement in 15 areas. This is being led by InnovateUK and DECC with significant input from Carbon Trust, Science and Innovation Network, Scottish Government, EPSRC, ETI and ERP. The immediate focus is to feed into the Mission Innovation process.

**When considering developing a strategy for a technology area it is important to look at component or sub-system level**

UK strengths and weaknesses, and potential partner countries, varied greatly by component and some needed to be considered at a very fine level of resolution. In the example of offshore wind it became apparent that foundations, O&M, lubricants and adhesives had very different profiles for engagement.

**The strategy needs to consider not only technology innovation but also non-technical aspects of energy**

It is good that the LCICG study is considering user engagement, new business models and whole system analysis within the 15 study areas as well as looking at engagement opportunities for non-technical aspects of those areas defined by a technology.

**Both the Science and Innovation Network (SIN) and UKTI have resources located strategically across the world and can provide essential local knowledge and contacts for engagement activities**

Both SIN and UKTI are supported by BIS and FCO and have between them more than 200 people located in strategic cities across the world. Although only a small number specialise in energy they are an invaluable source of local information and help in setting up engagement from R&D (SIN) through to market (UKTI).

**Multinationals and their supply chains are key determinants of international co-operation**

Innovation within multinationals pays little attention to national boundaries. Many centralise R&D in a small number of global centres of excellence and institutions or utilise developments that come from their supply chain. Collaboration with a multinational is therefore likely to involve working internationally, but this will be driven not by any strategy to partner a particular country, but through engagement with the company's global R&D centres or supply chain. Therefore understanding the global footprint for the multinationals active in each sector is key to understanding the likely international dimensions of innovation within that sector.

**It is estimated that maintaining a strategy will need a core resource of 2-3 full time equivalent. Extra effort will be required to set up the strategy**

Some of this set up activity is already being provided via the LCICG. Long term a dedicated resource will be needed and SIN will need to maintain energy as one of their focus areas.

**Recommendations**

- There needs to be a long term home for development of this strategy
  - Much of the current activity is being carried out by extra effort of LCICG members recognising the need for something to be in place to meet current demands. However there is no basis for a long term continuation of this effort.
  - Innovators, funders and overseas agents need to have one reference point for co-ordinating engagement
  - Strategy should be consistent from year to year so overseas partners understand UK's long term aspirations and needs
  - The strategy should always be up to date
- It is recommended that DECC take ownership of this:
  - International engagement should grow out of the needs generated by the UK's domestic energy strategy
  - However some elements (e.g. Transport, buildings) are best carried out within or with strong input from other departments
  - Much of the resource to carry out this activity could be external to DECC, so long as DECC remain the ultimate owner and central contact point



- The LCICG /SIN working group should remain as the body for this effort to be co-ordinated
  - The current working group has the main interested parties so long as care is taken to ensure there is an industrial input too
  - LCICG members may be well placed to provide some of the resource needed by DECC to maintain a strategy
- ERP's role should be to continue to help develop strategy via the LCICG working group and monitor progress towards a long term solution