

Jakobstad Region, Finland



THE JAKOBSTAD REGION

An open ear for the needs of the regional economy – a public business development organisation supports the circular transition



Jakobstad Region, Finland



appr. 50.000 inhabitants



2.470 km² area



20,15 per km² population density

Characteristics of the region

- Remote and rural
- “Thriving region in Finland” connected to a high health index and good life quality
- Long history of international trade due to good connectivity (harbour, railroad, airport, roads); natural connection to Sweden and the Nordics due to common language and history
- Main sectors: Steel and metal processing; food and paper industry; plastics and rubber; abrasives, boats and yachts manufacturer

Baseline situation and objectives

By contrast to other, similarly remote regions, Jakobstad (fin: Pietarsaari) Region is not affected by population decline. It has the most diverse industry structure and highest export value per capita in Finland. Still, at least 2.500 jobs need to be covered within the next years to secure financial stability of the regional businesses. For a region, consisting of five municipalities, with 50.000 inhabitants in total, this is quite an amount.

Against this background, the region aims to secure its economic future by attracting companies and skilled workers. It does this, represented by its regional development company Concordia, by providing support to regional businesses, public

sector and academia where needed and develop markets where possible.

“Circular Economy” was seen as something they were already doing, but not talking about. With Finland being one of the first countries developing a national road map to a circular economy (by Sitra 2016) and the Green Deal’s ambition to support the Circular Economy at European level, Jakobstad region found a suitable narrative for the story they were already writing. By scaling and, similarly important, communicating circular activities, the aim is to raise awareness of the northern region – both for businesses, talent and investments.

Focus of the initiative

“The only thing we do is to cook coffee and make people talk. The CEOs of our companies come together and share their challenges. They find partners to come up with solutions together.”

Tomas Knuts, Project Manager at Concordia Ltd.

2018 the regional development organization, Concordia, started to support activities around a Circular Economy. It mainly aims to increase awareness among regional companies, to facilitate knowledge exchange and matchmaking. Concordia offers advisory and network management services free of charge, conducts studies and organises the acquisition of EU-funds for research projects. Activities of the past years include:

- Circular Economy and Sustainability Roadmap for companies
- Toolbox for circular business models, circular design and sustainable product development
- Mapping of relevant stakeholders in the region to inform network potentials
- Conceptualization of “Sustainable Jakobstad Region”
- Joint regional climate strategy for the five municipalities
- Informative and networking events for knowledge transfer, awareness raising and to stimulate cooperation
- Facilitation of an informal long-term business driven sustainability forum and triple-helix collaborations between regional companies, academia and the public sector

Stakeholders involved

Concordia, regional business development company, owned by the five municipalities of Jakobstad Region coordinates activities. They formed multiple cooperations e.g. with

- Ostrobothnia region’s three other business development companies (cooperation on CE roadmap for businesses)
- Cities of Jakobstad, Nykarleby, and municipalities of Pedersöre, Kronoby and Larsmo (joint regional Climate strategy)
- Novia University (degree programme in circular design), and Centria University of applied sciences
- Ostrobothnia Chamber of Commerce
- Viexpo, export and internationalization services
- Regional Council of Ostrobothnia

Financing

Concordia receives baseline funding by its own five municipalities. With the baseline funding in place, Concordia can cover business counseling, regional marketing, regional development, administrative- and staff cost for applying for further resources from national or EU level. Activities at Alholmen Industrial Park (AIP) are co-financed by its private member companies.

Challenges and barriers

The remoteness of the region poses a challenge to attract skilled workers. Punctually, the SME’s have limited knowledge of sustainable development and circularity and lack interest and commitment. There is a need developing infrastructure for growth within the green transition, in which the rigidity of the public sector partly poses a challenge.

★ Spotlight Alholmen Industrial Park

The 370-ha industrial park in Jakobstad is home to 10 industrial and 53 service companies and approx. 2.000 employees. Central part of the park's infrastructure is the port and associated services as 80 % of the production is export oriented. The main industries on site are wood processing, metal industry, composite manufacturing, and shipbuilding. AIP is as a good example for Industrial Symbiosis: woodchips and sawdust, side streams from wood processing, are utilised as raw materials in the pulp and paper production and biowaste that is not suitable for processing is valorised by the public energy company.

Since 2018 AIP has its own board of directors as a platform for strategic decision-making. The representatives of the 10 biggest operators meet monthly and form working groups on important topics such as communication, procurement, and sustainability. Administrative activities are financed by the park's member companies via need-based fees. Only recently (summer 2023), the board successfully applied for research funding. In a shared model (70% EU-funds, 15% Concordia, 15% AIP) a circular concept and implementation strategy is being developed. An in-depth analysis of material flows within and between the companies is planned to better understand synergy potentials and business opportunities.



Alholmen Industrial Park
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★ Finding a common language for circularity

Concordia found that regional companies already have a high sense of responsibility for resources, people and nature and that some of them realise circular business models without being aware of it - and without communicating it. They realised a need: finding a language for circularity. Regional best practices were identified and awareness for the Circular Economy and its potentials has been raised among local companies. The public busi-

ness development organisation supports capacity building by offering free coaching for regional companies and organising informative events around sustainability communication and branding. With this approach, they help companies overcome their fear of being accused of "greenwashing", build confidence, and find a common language for shared goals.

Key learnings and replicability

- When a high sense for responsibility and sustainability action already exist it still can be important to **make people aware of what they are doing** to foster development.
- A clear idea of concepts can take the fear of “Greenwashing”.
- It is crucial to **connect people** and sometimes it is enough to “cook coffee and make people talk”.
- The **willingness to exchange experiences and cooperate** seems extraordinarily high in Jakobstad Region. A success factor might be the strong social networks in the region (“the CEOs play football together”). It also might originate from the rurality of the region “up north”, the strong identification with Swedish language and/or the marketing of good life quality.

It might be difficult to replicate mentality, geographical preconditions or Industrial Symbiosis structures that have developed over time such as in AIP. The organisational structure and supporting activities of the regional economic development organisation, however, have great potential for imitation. Concordia acts largely independent for facilitating exchange between businesses, exploring development potentials, and balancing regional interests. In 2019 over 200 companies were founded in Jakobstad Region within one year – an all-time high. The themes of sustainability and circularity largely became common when establishing new businesses in the region.

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Outlook

Jakobstad Region aims to continuously support its businesses in understanding their own potentials by networking, raising awareness, and education. Activities lined up include:

- EU-funded projects in Ostrobothnia region (“Sustainable Ostrobothnia as a Forerunner”, and Interreg Aurora programme project “Bothnia Green Energy” in close cooperation with regional energy companies)
- Supporting the public sector in developing and implementing a joint regional climate strategy
- Continue collaboration between academia and businesses i.e. via the Masters programme in circular design

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