



Resilient



Prosperous

The Biocluster project by the town of Haapavesi, Finland



SUMMARY

The town of Haapavesi leads the Biocluster Finland initiative to promote the green transition of the bioeconomy industry in the country. The project started in 2021 with a benchmarking analysis of existing bioeconomy models in Europe that could inspire their own strategy. After two years of operation, the project has managed to create a network of 50 national companies, exchange with peers at EU level and prove the market demand for a green transition cluster. Biocluster Finland is also a member of the Rural Pact community.



CONTEXT

Biocluster Finland originates from the small town of Haapavesi in the North Ostrobothnia region, rich in natural resources and bioenergy. The region has traditional livelihoods such as peat production, machinery, agriculture and forestry. To achieve national and international climate action targets, it was understood that these industries needed to reduce emissions, produce more environmentally friendly products and begin the path to carbon neutrality. The region needed thus to increase expertise in research, development and innovation (RDI). Coordinated business opportunities able to tackle complex challenges did not exist in the region due to the **difficulty of networking in sparsely populated areas**, such as North Ostrobothnia and other Finnish regions. To address this challenge, Biocluster was created in 2021 to support cooperation between RDI organisations, investors and the public and private sectors promote green business and innovation.

Themes: Energy, climate, nature and environment, entrepreneurship, bioeconomy, circular economy, value chains

Country: Finland

Organisation: Biocluster Finland, EU-funded project led by the town of Haapavesi

Start & end date: 09/21 - Ongoing

Budget: 250,000 €

Funding sources: European Regional Development Fund, REACT-EU programme 2021-2027, project reference EAKR A77594

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OBJECTIVES

Biocluster Finland's ambition is to coordinate not only regionally in North Ostrobothnia but also nationally the green transition of the bio- and circular economy, becoming a pioneer of the green transition in Europe. To increase resilience and self-sufficiency of the cluster members, the initiative provides information about funding and resources, assists the member organisations to prepare their own projects, shares information on the EU development targets, and raises awareness across organisations about the benefits of collaborating towards the achievement of the green transition goals.





ACTIVITIES, KEY ACTORS, AND TIMELINE

Biocluster Finland kicked off activities in 2021 with the benchmarking of different bioeconomy and bioenergy initiatives developed by other European clusters and regions that it could take as a reference. The main goal was to outline its strategy. The next step was to start piloting new services with companies, investors and RDI organisations in the cluster, for which Biocluster Finland plays a key role as a support organisation offering technical advice, information on EU funding and other resources, as well as data on green transition policies, and as a network facilitator among the members to generate synergies and opportunities for collaboration. Biocluster joined the European Cluster Collaboration Platform (ECCP) in 2022 and collaborated with other RDI projects such as Coopid (Horizon 2020 Grant Agreement No. 101000519) to operate as ambassador different study visits in Finland, benchmarking other bioeconomy regions and sharing the results with primary producers and companies in Finland. After the REACT-EU-funded project, the town has continued applying for funding, such as from the Just Transition Fund, to continue running the cluster and its services to the members. The next step is ensuring the initiative can become self-sustainable as a non-for-profit organisation offering services to the members and running projects with different funding sources. The first edition of the **Green Transition Business Competition** organised by Biocluster Finland was held in spring 2023.



RESULTS

In two years (2021-2023) **Biocluster Finland has created a network of 50 active members** in the cluster, in addition to other national and European collaborations, and supported major industries in Finland such as food and dairy, water purification, waste management, and inorganic chemistry to achieve green transition goals. For instance, the project is helping NordFuel to identify cooperating cluster companies that could use its biorefinery's products and/or side streams. NordFuel has a 400 million EUR investment and aims to employ 250 workers. After completion, NordFuel's biorefinery planned for Haapavesi town will produce many second-generation biofuels like bioethanol, biogas and lignin from domestic raw materials to replace imported fossil fuels.

A significant result has been the organisation of the Green Transition Business Competition aimed at innovative Finnish growth-oriented companies and startups with an environmentally friendly product or service. The competition offers a great opportunity for companies that are in sparsely populated areas to network with investors and other promising new companies. The winner of the 2023 competition was Owatec Group, an environmental cleantech company specialised in industrial wastewater and sludge management and in efficiently handling and recovering valuable components from side streams.



SUCCESS FACTORS/LESSONS LEARNT

Biocluster Finland has worked to create trust among members with an intense effort to share knowledge and information, encourage networking and peer-to-peer exchanges, and activate and empower them to generate a feeling of being part of a process with future insight. Thanks to the process of building the cluster with and for the members, organisations understood that a cluster model can tackle challenges in a more efficient way to support the green transition of companies than if they were operating on their own. The cooperation with the ECCP and other European clusters has been another success factor to learnt from other areas and models. The Green Transition Business Competition for young, growth-oriented companies brought publicity and visibility and new entrepreneurs to the cluster. The competition is beneficial for venture capital companies, business angels and companies looking for seed and growth funding, and it is a model with high potential for transfer to other territories.



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