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OSTROBOTHNIA AND TIERRA DEL FUEGO EXPAND TRADE AND SUSTAINABLE ENERGY

Ostrobothnia (Finland) and Tierra del Fuego (Argentina) have used their similar profiles as a jumping off point to develop Smart Specialisation strategies, expand their international trade relationships, and support renewable energy.

EXECUTIVE SUMMARY

Ostrobothnia and Tierra del Fuego are both small and relatively sparsely populated regions, which are outward-looking and have strong export industries. In fact, in Ostrobothnia, 70 percent of production is exported.

The IUC's region-to-region pairings connect subnational regions in Latin America with peers in the EU to promote innovation, competitiveness and new opportunities for their citizens. Due to their similar profiles, this was a perfect opportunity for both Ostrobothnia and Tierra del Fuego. Through their IUC pairing, the regions have exchanged knowledge on supporting and expanding local small- and medium enterprises (SMEs); energy transition; and, above all, on Smart Specialisation strategies. The key to their success has been engaging a diverse range of interested staff from both regions, and taking time early to define the most appropriate scope and topics for exchange.

Ostrobothnia has shared its insights with Tierra del Fuego, and the regions' businesses, universities and governments have formed stronger relationships. Furthermore, this has opened up new trade and innovation opportunities for both regions.

CHALLENGES AND SOLUTIONS

The two regions have similar economic structures, with large multinational corporations (MNCs) present in-region, and only a fringe of smaller companies. The key challenge for both – which is arguably even more pronounced in Tierra del Fuego – is thus to support and expand the number of SMEs, and enable them to climb in the value chain.

To step up to this challenge, Tierra del Fuego and Ostrobothnia cooperated to refine their Smart Specialisation strategies as concrete policy developments. EU frameworks, and participation in other exchange platforms such as the EU-supported **LARS project**, have supported Ostrobothnia to develop sharp Smart Specialisation policies. They shared insights from these experiences with their Argentinian partners, which proved invaluable.

The regions are also both involved in forestry, and are exchanging knowledge on building clusters of small forest owners to streamline this industry and further support local small holders.

In addition, they exchanged knowledge on energy systems. Ostrobothnia has a strong renewable energy industry, including solar and wind, while Tierra del Fuego is working to redevelop their own energy industry towards renewables. The IUC pairing thereby enabled them to draw on and apply lessons learned from Ostrobothnia's lived experiences.

Choosing these topics for exchange was a challenge in and of itself. With such a diversity of fields that could be explored, it took time for the two regions to choose the best topics and scope. Creating a plan for cooperation required a series of 11 (virtual) conferences, which engaged a diversity of stakeholders spanning government representatives, university and industry contacts. A wide variety of areas for collaboration were evaluated, and spending time at this stage proved critical.

Since their cooperation began, the government in Tierra del Fuego changed, and thus the staff working on the IUC programme shifted as well. Ostrobothnia has communicated with successors to express their commitment to continue cooperating. In addition, a variety of actors were engaged in the cooperation from the beginning – including academic and industry actors who have not changed since the election – which has assisted in ensuring continuity of the project. The meaningful inclusion of these actors also opens potential sources of funding to support cooperation continuing after this phase of the IUC programme has come to a close.

Images: IUC-LAC

RESULTS AND IMPACT

The most tangible result from the cooperation is a new, concrete relationship between businesses in the two regions. They now have personal and professional connections, which has opened promising trade and innovation opportunities. Many of these connections were made possible due to the support of the European Union (via the IUC programme), which lent credibility and thereby opened doors and increased engagement.

The European Union has frameworks in place that provide strong support for the development of Smart Specialisation policies. Such a framework does not exist in Latin America. This poses a challenge for funding and pushing forward Smart Specialisation strategies. The IUC programme has proven to be an effective first step in Tierra del Fuego for overcoming this hurdle, resulting in the concept of Smart Specialisation being taken up with great interest in Tierra del Fuego.

In Tierra del Fuego, the impact of the programme has extended beyond trade to also include sustainability. Ostrobothnia has passed on information regarding concrete methods and paths Tierra del Fuego can follow to redevelop their energy industry towards renewables. This was complemented, in October 2019, by a site visit in Ostrobothnia to the local energy company, which enabled the pairing to delve more deeply into the specifics of undertaking such a shift.

Although Ostrobothnia has a well-developed exports industry, there is a strong desire to further develop relationships to Latin America, and specifically to Spanish-speaking Latin America. Through the IUC cooperation, they have strengthened their connections to this part of the world, and thereby unlocked new possibilities for trade.

What's more, the connection that the regions have forged will persist past the end of this first phase of the IUC programme. For example, Ostrobothnia works with other Baltic countries on smart specialisation, and developing environmental partnerships within an innovation agenda in order to contribute to the United Nations' Sustainable Development Goals. Ostrobothnia is hoping to re-frame this project as a "multi-sea project" so that they may be able to also engage Tierra del Fuego.

Image: IUC-LAC

LESSONS LEARNED

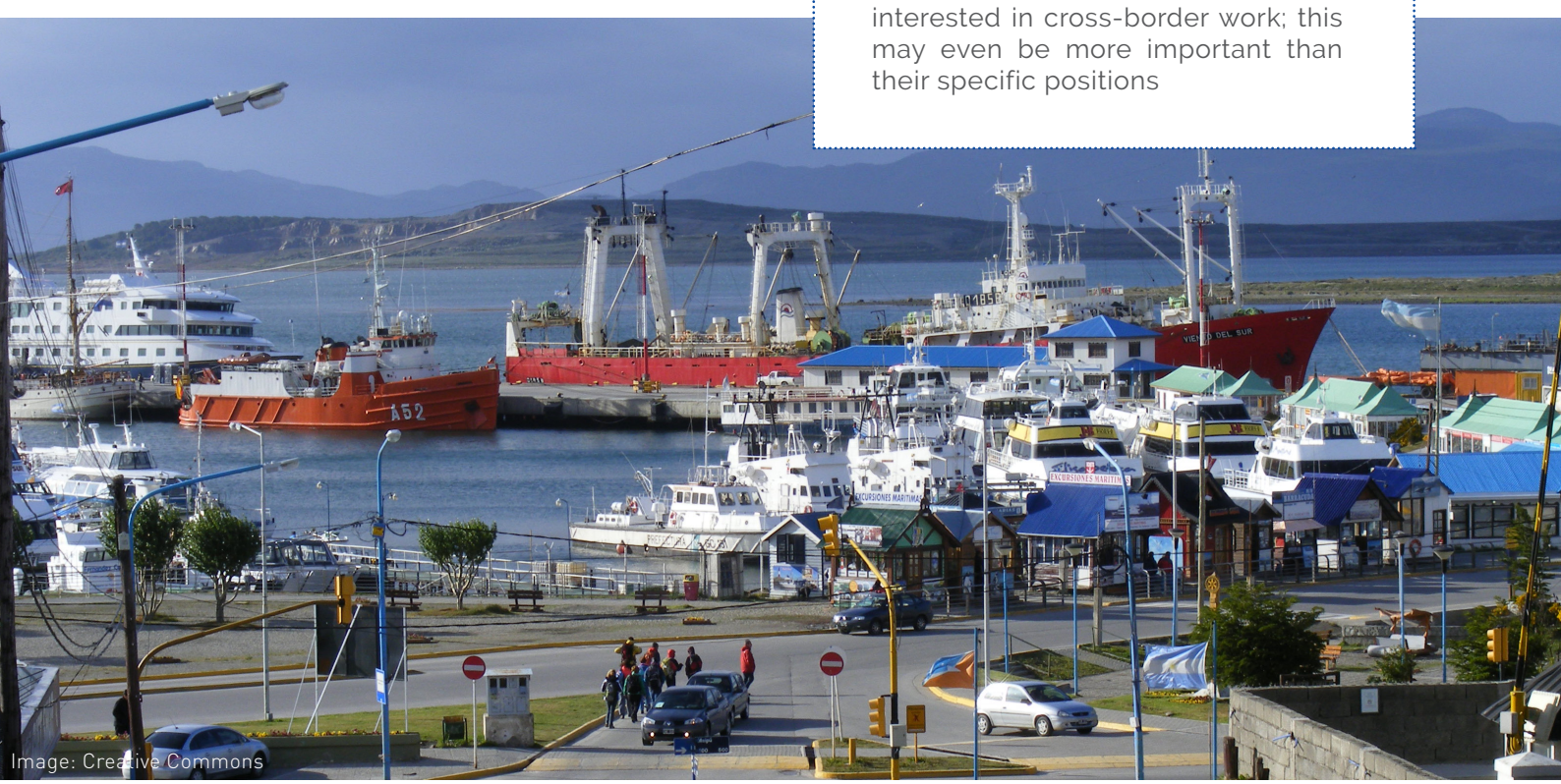
It is important to engage a broad range of actors. State Secretaries, embassies, universities and their administration, researchers, large MNCs, and government staff have all be involved in the IUC pairing. This ensures both that if one of these bodies changes – for example due to an election – there remain staff on the team to push collaboration forward, and may expand possible funding channels.

When choosing topics for cooperation, it is important to find the right scope, and avoid being too narrow or too wide to achieve concrete outputs.

Achieving results requires careful planning and a clear vision for cooperation, including how cooperation can be sustained long-term.

It is important to include recreational forms of exchange that build rapport and fun to give the work a personal connection. For example, two Ostrobothnian skiers participated in the "southern-most skiing competition in the world" in Tierra del Fuego.

Success hinges on engaging the right people, who are personally interested in cross-border work; this may even be more important than their specific positions



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INTERNATIONAL URBAN COOPERATION
European Union

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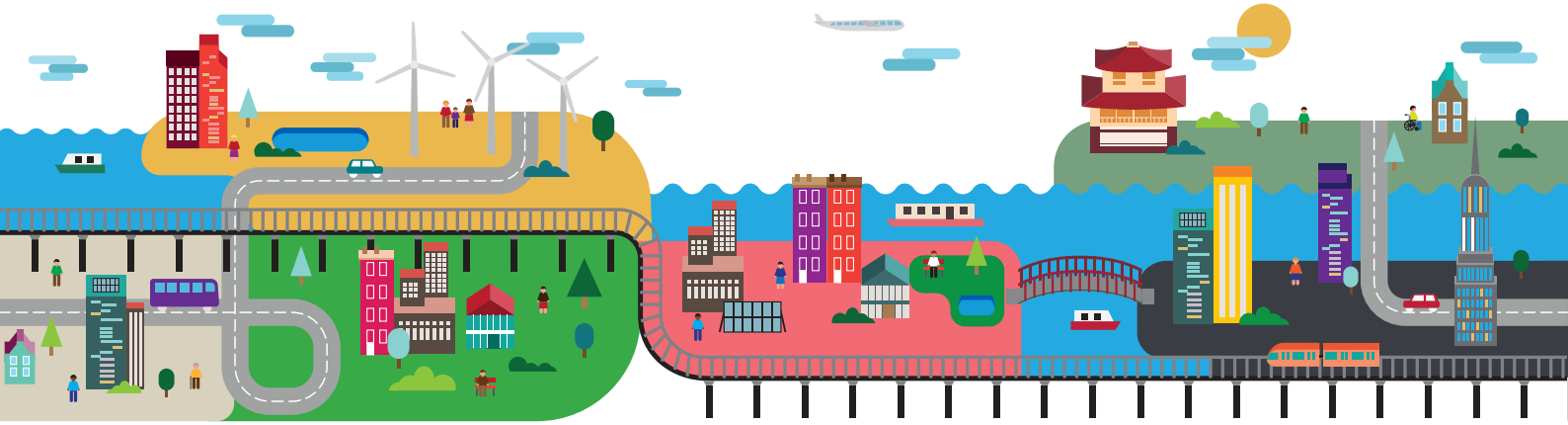
THE IUC PROGRAMME

The International Urban Cooperation (IUC) programme enables cities in different global regions to link up and share solutions to common problems. It is part of a long-term strategy by the European Union to foster sustainable urban development in cooperation with the public and private sectors, as well as representatives of research and innovation, community groups and citizens. Through engaging in the IUC, cities will have the chance to share and exchange knowledge with their international counterparts, building a greener, more prosperous future. The IUC programme is an opportunity for local governments to learn from each other, set ambitious targets, forge lasting partnerships, test new solutions, and boost their city's international profile. Its activities will support the achievement of policy objectives as well as major international agreements on urban development and climate change, such as the EU Urban Agenda, the UN Sustainable Development Goals, and the Paris Agreement.



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