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Cata3Pult
FINNISH RUSSIAN PPP
CATALYZING NEW GREEN BUSINESS

Operational Model of Expert Groups and Business Cases Development

Meta-Cluster Green Net Alliance

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Introduction

The work is conducted under the **Cata3Pult – Finnish Russian Public Private Partnership catalysing green business** – project. The Cata3Pult project is part of the South-East Finland – Russia CBC Programme, which is a joint funding instrument of the European Union, the Russian Federation and the Republic of Finland.

Cata3Pult - Finnish Russian Public Private Partnership catalysing green business

Budget	800 000 €
Duration	1.6.2019 – 31.5.2022
Partners	City of Lappeenranta (Lead Partner) Green Net Finland (GNF) Metropolia University of Applied Sciences Environmental office KOSMOS LLC Non-commercial Partnership/NP “St.Petersburg Home Property Owners Association” (HPOA).

Funding	South-East Finland – Russia CBC Programme City of Helsinki
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The main objective of the Cata3Pult project is to contribute to economic and environmental development, to enhance regional business competitiveness through cross-border Public-Private cooperation and to catalyse green solutions development in the Programme area by attracting businesses to invest, locate and operate in the Programme area.

What are the Environmental Focuses of the Expert Groups?

Cata3Pult project organizes work of the Finnish-St. Petersburg expert groups in three different environmental focuses. (see Figure 1).

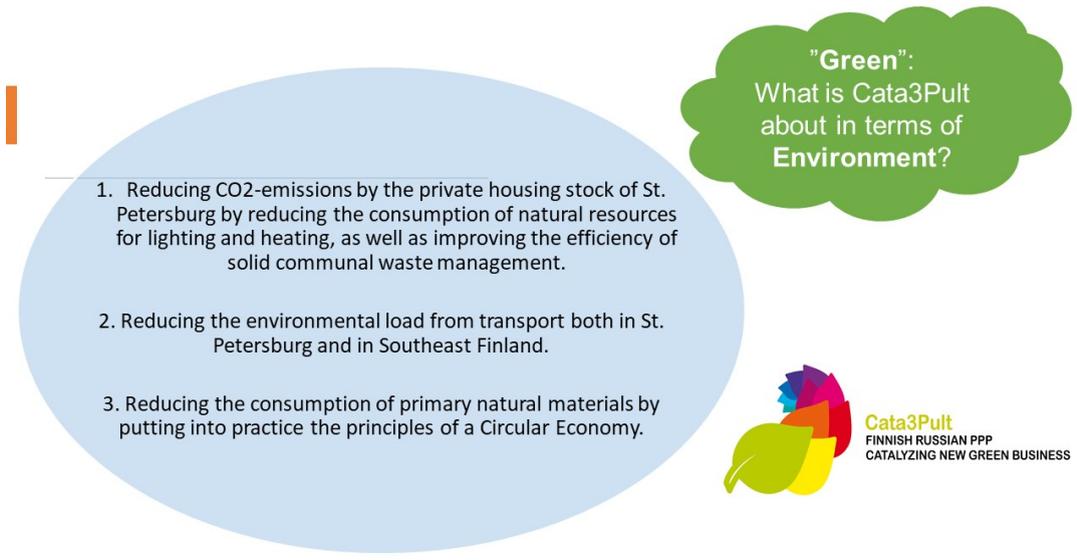


Figure 1. Environmental focuses of Cata3Pult Expert Groups.

What are the Business Focuses of the Expert Groups?

Business focuses of the Cata3Pult Expert Groups are logical continuation from the presented in Figure 1 environmental focuses. They are presented in more details in Figure 2.

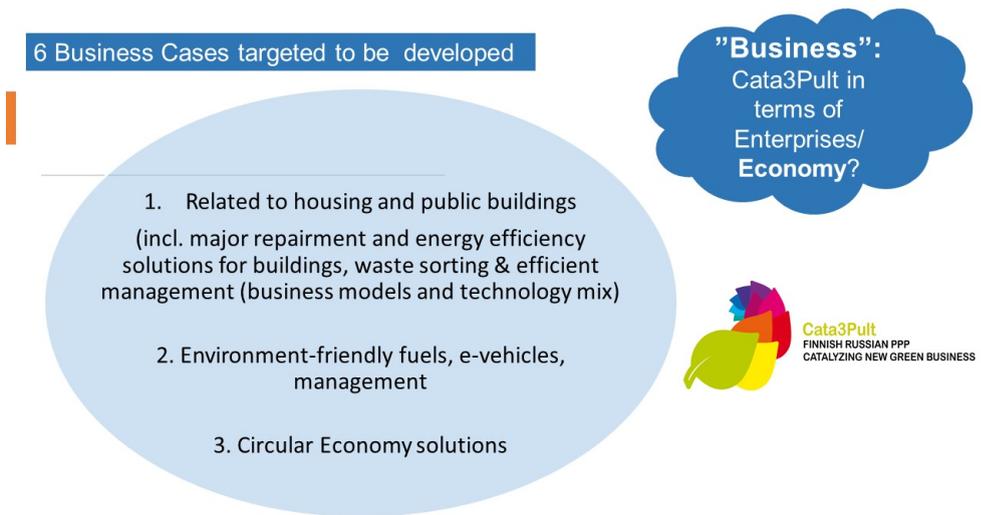


Figure 2. Business focuses of Cata3Pult Expert Groups

What Public Private Partnership/PPP means in Cata3Pult?

Topic of Cata3Pult project is **“Public Private Partnership”**. This means our stakeholders represent both public and private sectors. Under the definition of **public** are authorities (local, regional and state level), enterprises - subordinating organisations of local public authorities (for example, *State Unitary Enterprises/SUEs of St.Petersburg*), public research&education sector in term of business-oriented project development (for example UNIDO information center of SPbSTI (TU) - *Saint Petersburg State Technological Institute (Technological University)*). Under the definition of **private** are SMEs LLCs, non-formal education enterprises (for example, *Sykli - Finnish Environmental School*) interested in **“new green business”** with location in the programme area (See Figure 3).

PPP-model is not very common in public purchasing in Finland and Russia. PPP-model based projects offer public sector effectiveness, ability to allocate resources to different purposes, and save resources (being able to focus on their own professional work).

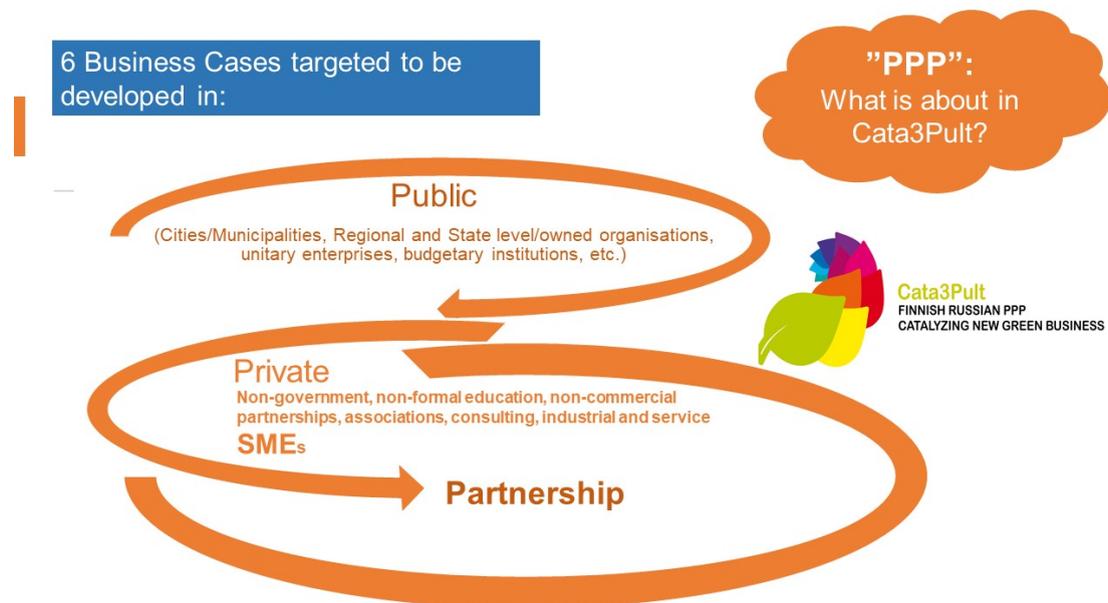


Figure 3. PPP - Public Private Partnership of Cata3Pult Expert Groups.

Project partners of Cata3Pult - City of Lappeenranta, "St.Petersburg Home Property Owners Association" (HPOA) and Green Net Finland (GNF) are managing organisations of three regional clusters. One of the target indicators of Cata3Pult is creation of a **new Meta-cluster Green Net Alliance** - or *non-formal "cluster of clusters"*. Mapped and analysed organisations are considered as members of this meta-cluster. Results of mapping and analysing are compiled into a separate report: **Stakeholders Dynamic Analyses - status of meta-cluster Green Net Alliance after one year of the Cata3Pult project.**

What does "meta-cluster" mean in Cata3Pult?

"Meta-cluster" means in the Cata3Pult context, that it is "cluster of three regional clusters", which are operated/managed by partner organisations:

- City of Lappeenranta and **Greenreality Network**
- "St.Petersburg Home Property Owners Association" (HPOA) and **International Consortium "St. Petersburg Cleantech Cluster for Urban Environment"**
- Association "**Green Net Finland**" (GNF) with the same name of member-network

"Meta-cluster" is not fixed or obligated to something. It is free to join or leave initiative, without any financial obligations and rights, and without forming any kind of legal/juridical entity. This alliance-initiative is based on good-will partnership between three managing organisations of regional clusters.

Definition of the Expert Group?

Expert Group consists of a Moderator, invited speakers and other experts. Experts representation is covering public sector, research & education organisations and private enterprises.

We defined the following components of expert group members

- Name of organisation
- Country, region of registration
- Legal form
- Segment: 1. Industrial enterprise 2. Enterprise - service solution provider 3. Science and innovation; 4. Education; 5. Intermediary/associated organization, consulting, informational support; 6. Authority
- Role of organisation in **the clusters of the Cata3Pult - Green Net Finland (GNF); Greenreality network (GRN) and St.Petersburg cleantech cluster (SPbCC)**: 1. Management 2. Member 3. Participating in the existing projects of the cluster. 4. Not member yet, but interested to join

- Substance of activities and in which working groups of the Cat3Pult would like to participate: 1. eco-/energy-/waste-efficiency in housing/construction 2. green mobility and logistics 3. circular economy

How we define the Business Case?

Understanding of the concept of Business Case can be challenging or understanding can be different. The concept has been used in the international environment for ages. Different definitions are used, but not the same and unambiguous. The content remains unclear despite the feeling of familiarity. There are also other concepts such as Business Potential, Business Model, Business Lead, Sale.

In Cata3Pult project we define the Business Case as a part of development process in Business Matrix (see Figure 4). The Business Case means conceptualization around one substance focus aimed to support enterprises' evaluations of business potential, business decision and business development. To put it in more simple way, Cata3Pult Business Case is not a part of business as usual parts, in which "things are continuing as they always do, despite a difficult situation".

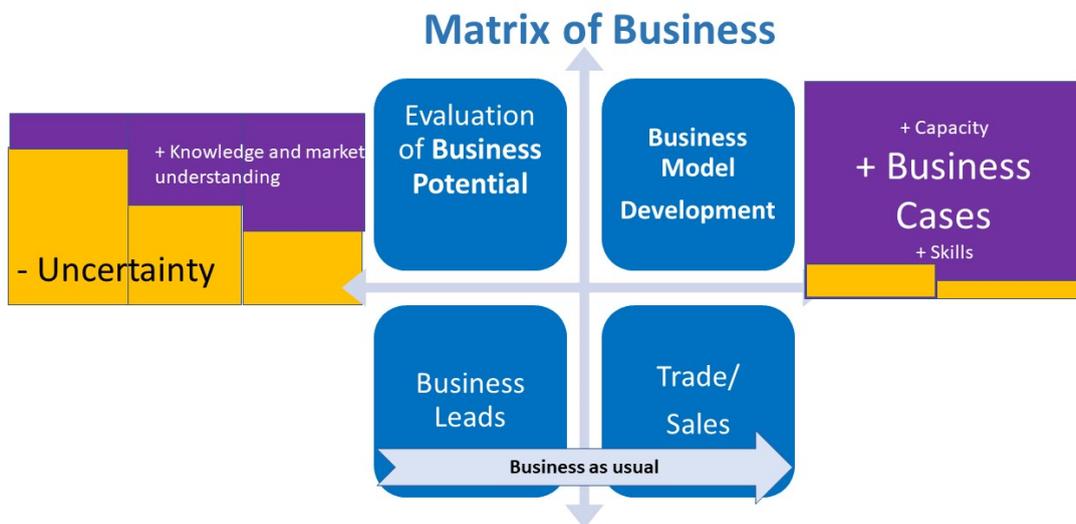


Figure 4. Matrix of Business and Business Cases place in it.

Why focus on Business Potential and Development?

The changing operating environment requires enterprises to constantly innovate. Organizational learning ability. Staying in place is devastating but just as devastating can be an excessive and uncontrolled number of development

projects. It is necessary to be able to focus on the essential and useful. It is necessary to be able to prioritize and do the decided things to the end.

The prerequisites for a good business decision are a clear delineation of the facts and

an analysis based on relevant and sufficient information for the decision, clarity, comprehensibility and credibility.

Good business decisions are clearly justified. Their benefits and investments are evaluable and comparable to different options. The necessary resources and schedules are known and the risks are mapped.

How is the process of Development of Business Cases organised?

Development of Business Cases organised as a process (see Figure 4), which include several types of meetings (cluster, B2B and one-on-one with enterprises), following of relevant ongoing changes and trends, organising of own green business and cluster collaboration international events, study visits and feasibility studies of selected business cases (overall three feasibility studies).



Figure 4. Cata3Pult development process of Business Cases.

Each of three clusters promotes sustainable development and enhances responsible new innovations to tackle climate change. The cities of Lappeenranta, Helsinki and St. Petersburg are taking part in these clusters. Capabilities and know-how of the companies of different clusters complete each other and reinforce resultative international cooperation. Members of each of the clusters represent three kind of groups: R&D organizations, private companies, public administration.

R&D&I organisations as a part of Business Development

In the Cata3Pult project Expert Groups also involved representatives from R&D&I organisations. For example:

- Lappeenranta and Lahti University of Technology (LUT),
- LAB University of Applied Sciences,
- Metropolia University of Applied Sciences,
- South-Eastern Finland University of Applied Science XAMK,
- St. Petersburg Electrotechnical University (LETI University)
Санкт-Петербургский государственный электротехнический университет «ЛЭТИ» им. В.И.Ульянова
- St. Petersburg State Technological Institute (Technical University)
Санкт-Петербургский государственный технологический институт (технический университет) СПбГТИ(ТУ)
- St. Petersburg State University of Information Technologies, Mechanics and Optics (ITMO University) *Санкт-Петербургский национальный исследовательский университет информационных технологий, механики и оптики ИТМО*

The R&D&I or Universities are an important part of cluster approach and help to expand impact and effectiveness of catalyzing new green business.

Methodology of arranging of the Business Cases Development

Model for approaching enterprises - B2B and One-to-one meeting

The work was started at the beginning of the project in September 2019. The City of Lappeenranta and GNF developed a promotion structure for involvement of experts. Public promotion campaign was organized utilizing various communication channels. Public promotion act to involve stakeholders by public trial was found ineffective, no registrations.

Starting from November 2019 approach was changed into personal or one-on-one contacting and organising B2B meetings and supporting enterprises. Partner cluster experts utilized cluster members and extended networks in development. This approach was successful and it was taken into use. Operational model was adjusted in April 2020 due to COVID-19. Online one-to-one, case-by-case and in smaller groups so called language hybrid meetings are organised.

Model for selection of content and implementation for Finnish-Russian Expert Group meetings

Each of Cata3Pult partners are involved in various ecological development projects relevant to Cata3Pult objectives. Development needs and potential were identified and applied to and developed further in expert group work. In addition, intensive exchange of information with local public authorities and businesses is implemented regularly. Outputs of these interactions and communication were taken into account in the work of Expert Groups.

Cata3Pult project team is following ongoing changes in global, Baltic sea region and the programme area context and integrate knowledge and observation results in the work of the Expert Groups.

Cata3Pult project also organise own project international events, which outputs are utilized in the work of the Expert Groups. Approached organisations are listed into mapping and analysing tools of the project (in more detailed information in the report *Stakeholders Dynamic Analyses status of meta-cluster Green Net Alliance*).

Cooperation partners include Finnish-Russian chamber of commerce, St. Petersburg Trade and Industry Chamber, the Ministry of the Environment of Finland, The Committee for Nature Use, Environmental Protection and Ecological Safety of St. Petersburg, City of Helsinki among others.

For implementing expert group meeting language issues are taken into account. Translation English/Finnish-Russian is organized based on needs.

In case the identified topic is cross cutting with more than one expert group, then the meeting is organised as a joint meeting of two or all three groups. Similarly, joint meetings are organized in cooperation with other South-East Finland Russia CBC projects. Projects BBC1, LALAPETE, CroBBodit and Cool4City for example are cooperation partners for Cata3Pult.

Expert group meetings can be also implemented during study visits, which are in Cata3Pult for example from Russia to Finland and vice versa. Then it is good to unify site visits for organization according to the theme in question.

Ensuring diversity of the group (at least 10 participants, representing both public and business profile experts) is one of the aspects/indicators of the operational model of the Expert Groups.

Work of the Expert Groups is utilized in selecting and purchasing Feasibility Studies within Cata3Pult. Cluster experts are utilizing knowledge and information from the reports on results will be mutually utilized in the work of Expert Groups towards further development of Business Cases. And also on B2B and one-on-one meetings with enterprises.

Summary and Conclusions

Systematic comprehensive approach in operational model of expert group promoting cross-border cluster-to-cluster collaboration impacts in regional competitiveness. Cata3Pult project combines three various aspects: regional competitiveness of programme areas, business fields and enterprises acting in green technology. Targeting to sustainable and eco-friendly economy and enlarging market area together with matching of different approaches, individual viewpoints and business strategies open up wide cooperation possibilities and results in concrete business cases.

Environmental focuses of the Cata3Pult covers themes indicated in mitigating climate change and promoting the UN's Sustainable Development Goals (SDG17) as the most effective in urban development. *Business focuses* of the Cata3Pult project are chosen according to interests of beneficiary areas, supporting strategies of cities and regions, R&D&I organisations and enterprises. Also a combination of clusters' member-organisations are taken into account in the Operational Model of the Expert Groups and selections of Business Cases.

Three focus areas of environmental/green business within Cata3Pult -project - eco&resource&energy efficiency, green&smart mobility&logistic and circular economy - are proved to be in the focus of business interest widely, also outside of the Cata3Pult partnership. This aspect is also taken into account. Experts from other clusters and development projects have also been involved in work of the Cata3Pult Expert Groups.

Cata3Pult project has open and inclusive approach in inviting to collaboration and information exchange also other projects. Letter of Intent is signed or collaboration events organised with several environmental projects.

Developed and tested operational model of the Expert Groups and overall process of development of Business Cases are showing good mid-term results. At the moment of writing of this publication, there are eleven various Business Cases under development:

Eco- and energy-efficiency

1. Ventilation and heat recuperation in buildings
2. Scaling-promoting of ESCO concept for block of flats buildings in St. Petersburg
3. Ground-source heating systems for Housing buildings in St. Petersburg (Pushkin/Jyzny)
4. Energy efficiency and advanced business models for housing and public buildings - study cases in Lappeenranta and St. Petersburg

Smart mobility

5. Electrical mobility
6. Fossil free fuel - biogas, hydrogen

Circular economy

7. Biogas production
8. Life cycle approach in construction and demolishing
9. Carbon footprint calculations for housing
10. Textile recycling
11. Circularity in urban food production

The advantages of the open operational model and work include better and developed outcomes and results in work, cost effectiveness, service conditions and decent sharing of risks and responsibilities. The identified business cases are shared with relevant enterprises and they can be developed further to sales. And mutually, enterprises are sharing their challenges with R&DI and public organisations. In conclusion, this operation model is approved to be successful in development of business cases and creates added value for all stakeholders.