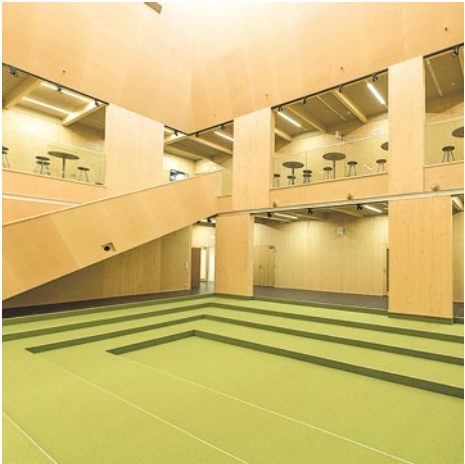
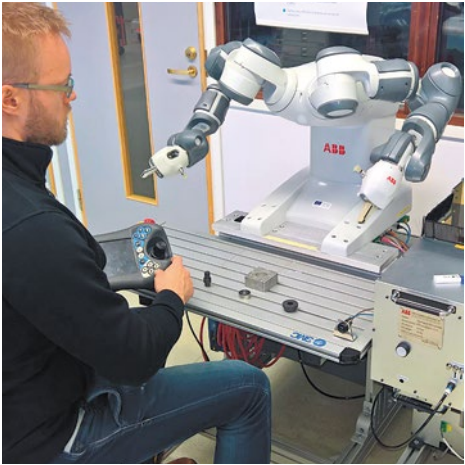


A scenic photograph of two women in white outdoor clothing sitting on dark, wet rocks by a fast-flowing river. The woman on the right is holding a small wooden mug and looking towards the left. The woman on the left is also holding a mug and looking in the same direction. A tan canvas bag sits on the rocks between them. The river is turbulent with white water rapids. In the background, a dense forest of tall evergreen trees lines the left bank, and a line of trees is visible on the opposite bank under a blue sky with scattered white clouds.

THE KAINUU PROGRAMME in a Nutshell



Regional Council of Kainuu



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INTRODUCTION

This booklet provides a brief overview of the Kainuu Programme. Various operators have contributed to the programme, and it has the seal of approval of the Regional Assembly. The Kainuu Programme covers both the short-term goals set out in the regional programme and long-term objectives to be achieved by 2035 (regional plan).

Kainuu's success as a region hinges on:

Continued access to labour by means of, for example:

- education and training as well as the relocation of Finnish and foreign workers to Kainuu
- the provision of employment for students and remigration of Kainuu-born young people who are studying elsewhere
- higher employment rates
- improving telecommuting opportunities.

Investments in businesses in Kainuu's key industries, i.e. technology industry, bioeconomy, tourism and mining.

Export companies trade and value-added production which also promote sustainable economic growth in the region.

Tourists attracted by Kainuu's nature, sports facilities and rich culture.

The aim is to make newcomers feel welcome and settle down in Kainuu.

STRENGTHS AND OBJECTIVES

Expertise in technologies such as robotics and game design as well as game design education.

Clean air and water, space and tranquility, efficient and versatile services and infrastructure.

Comfort of everyday living and a good quality of life in the heart of the beautiful nature

- Kainuu is a comfortable and safe place to live, work, run a business, enjoy time off, spend holidays and get involved in a range of activities
- local residents can save both time and money in commuting and housing.

Nature – Lake Oulujärvi and smaller lakes, hills, forests and swamps as well as vast nature reserves.

Four seasons and snow every winter

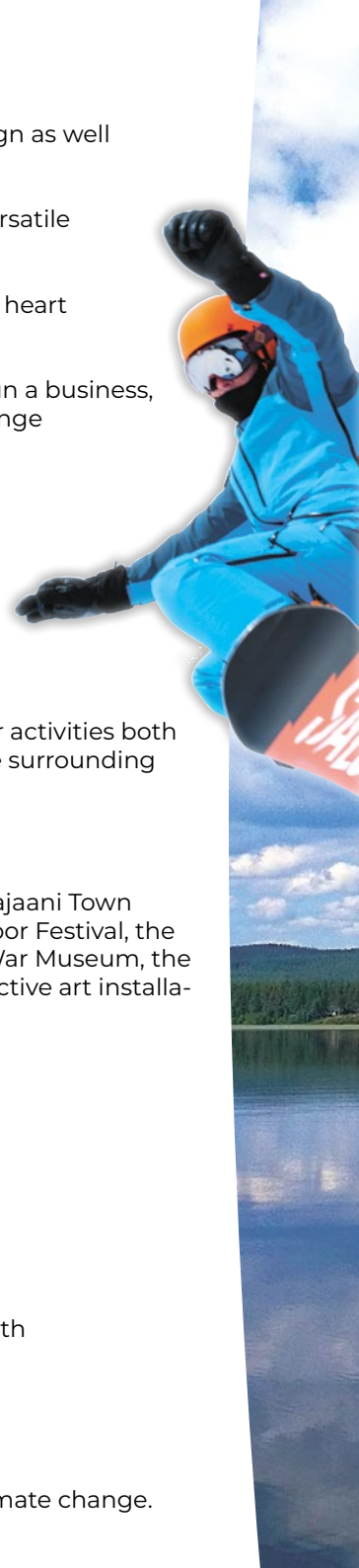
- excellent recreational and sports facilities and outdoor activities both in built-up areas and in national parks as well as in the surrounding wilderness throughout the year.

Kainuu - never too far!

A wide range of unique cultural attractions, such as the Kajaani Town Theatre, the Kajaani Poetry Festival, the Linnanvirta Outdoor Festival, the Silent People art installation, the Raatteen Portti Winter War Museum, the Kuhmo Chamber Music Festival, the Musical Forest interactive art installation and Kajaani Dance Festival.

Long-term objectives to be achieved by 2035:

- thousands of new jobs
- multiplying the current number of exporters and growth companies
- better accessibility
- reversal of the current decline in population into growth
- highest employment rate in Finland
- better standard of living in all respects
- pioneer status in the mitigation and adaptation to climate change.





**Shared vision of the region's
development by 2035:**

- **Kainuu – the place to be!**
- **The region's prosperity and appeal will be built on know-how, entrepreneurship and cooperation.**

DEVELOPMENT PRIORITIES

The five priorities identified in the regional programme are boosting the know-how of businesses and Kainuu's appeal, increasing accessibility, systematic regional and international cooperation, promoting residents' wellbeing and creating a positive image of the region (Picture 1).

The most urgent objectives, development priorities and practical measures to be implemented during the next two years are set out in the regional action plan.

The action plan will be implemented in accordance with a new collaborative operating model introduced by the Finnish Government. The aim is to make more skilled labour available to employers who are important for the region's sustainable growth.

The new model is designed to strengthen cooperation between the private sector and the public sector as well as between the Regional Council of Kainuu and the Finnish Government.



Kainuu – a prosperous and attractive place to live



Picture 1. Development priorities according to the Kainuu regional programme (2018–2021)



KNOW-HOW AND BUSINESSES

The aim is to create more flexible educational opportunities in economically important fields of study and seamless transitions from one level of education to the next

Educational institutions that promote the region's key areas of expertise:

Kajaani University of Applied Sciences with robotics and game design

Kajaani University Consortium and adult education and retraining provider AIKOPA

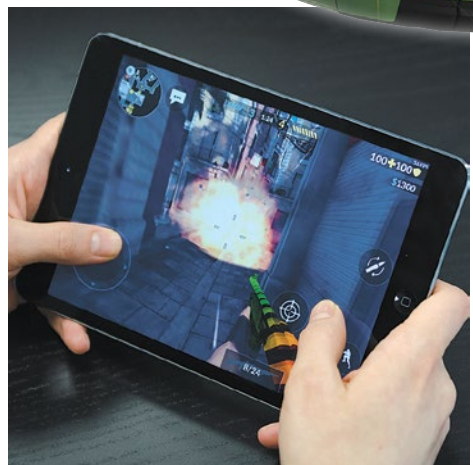
Natural Resources Institute Finland: the Kainuu Fisheries Research Station, the Kajaani Research Cooperation Unit and the Puolanka Environmental Specimen Bank

VTT Technical Research Centre of Finland Ltd's National Metrology Institute of Finland

Centre for Measurement and Information Systems, which is a contract-based joint metrology and information technology research and training centre of the Universities of Oulu and Jyväskylä, Kajaani University of Applied Sciences, VTT Technical Research Centre of Finland Ltd and CSC - IT Centre for Science Ltd

Vuokatti-Ruka Sports Academy, which is the world's leading Olympic training centre for snow sports with several Olympic gold medallists among its alumni

Upper secondary schools and vocational schools in different municipalities as well as the only entrepreneurial vocational school model (YritysAmis) in Finland



SMEs and micro-enterprises

are extremely important for Kainuu's business sector: more than 60% of the region's working population was employed by SMEs and micro-enterprises in 2016.

Some of Kainuu's most notable businesses:

Critical Force Ltd,
an independent game studio

CSE Entertainment Ltd,
an exergaming company

Herman IT Oy, a provider of data centre and IT services and software developer

Kainuun Lohimestari Oy,
a freshwater fish farm

Kaisanet Oy,
a specialist in networking, telecommunications, IT services and digitalisation

Kiantama Oy,
a processor of wild and cultivated berries

Oy Crosslam Kuhmo Ltd,
a manufacturer of cross-laminated timber (CLT) panels

Sotkamo Silver Oy,
a silver mining company

St1 Renewable Energy Ltd,
a biorefinery

Terrafame Ltd, a multi-metal producer

Škoda Transtech Ltd, a manufacturer of railway and tram rolling stock and a contract manufacturer of engineering workshop products.





SMART SPECIALISATION

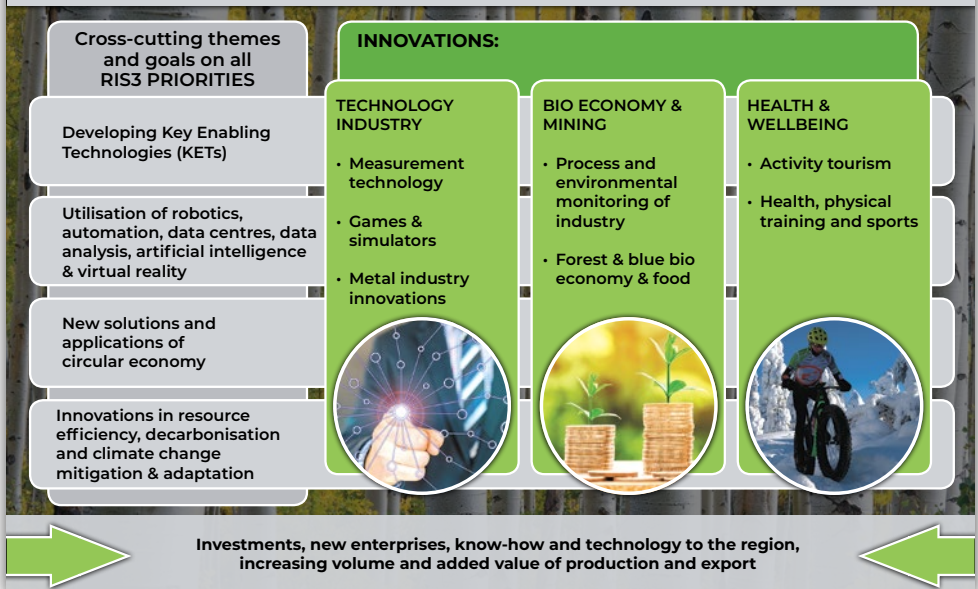


The concept of smart specialisation was first introduced by the European Commission. The idea is for each region to identify its strengths and core competencies and focus on those in order to increase their vitality.

The objectives in Kainuu include boosting the region's economy, attracting new investors, businesses, skilled labour and technology as well as promoting value-added production and export trade (Picture 2).

The EU's Structural Funds programmes during the 2014–2020 programming period are based on the principle of smart specialisation, and the concept is also promoted through other EU funding instruments, such as the Horizon 2020 research programme.

SMART SPECIALISATION (RIS3) CHOICES OF KAINUU REGION 2018-2021



Picture 2. Smart specialisation in Kainuu

DEVELOPMENT PRIORITIES: TOURISM

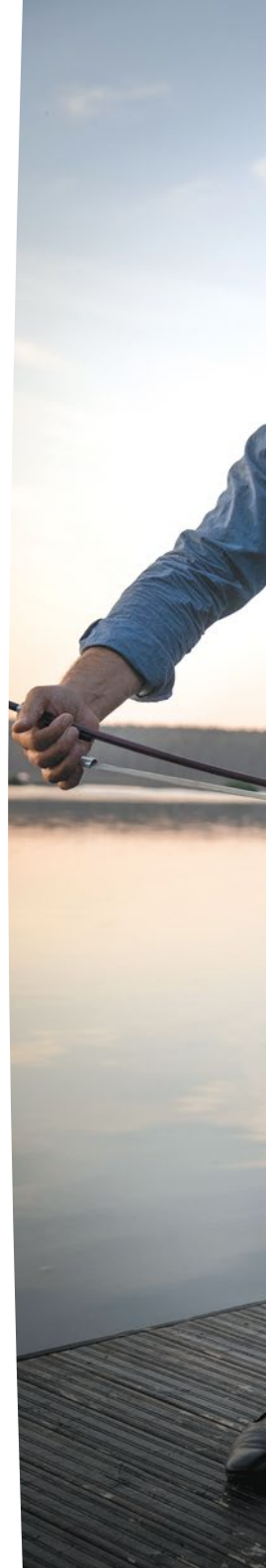
Tourism is an important economy in Kainuu: the region's tourism industry is the third biggest in Finland after Lapland and the Åland Islands.

There is a wide range of culture, sports, wellbeing services and restaurants for tourists around the year as well as opportunities to explore local history and lifestyle in authentic environments.

Examples of tourist attractions:

- **Hossa National Park** in Suomussalmi: Stone Age rock paintings, clear waters and pristine woodland
- **Hiidenportti National Park** in Sotkamo: magnificent ravines, untouched wilderness and primeval forest
- **Ärjä Island**: a paradise in the middle of Lake Oulujärvi
- **Kajaani Castle Ruins**: the northernmost stone castle in the world
- **Kuhmo and Suomussalmi**: wilderness along the Russian border with opportunities to spot and photograph large carnivores and other wildlife
- **Vuokatti, Ukkohalla and Paljakka**: ski resorts visited by more than 80% of Kainuu's tourists
- **Excellent sports facilities** that also attract large groups of international athletes to train in **Vuokatti**
- **Kivesvaara**: a scenic hill and tourist destination in Paltamo.

Kainuu shares a 262-kilometre border with Russia. The unique history and culture of the border area are also fascinating from an international perspective.





Development objectives are set out in Kainuu's tourism strategy for the years 2018–2021:

- annual growth of 5%
- new services and investments in anticipation for growing demand
- good transport links to and from Kainuu and within the region.



DEVELOPMENT PRIORITIES: BIOECONOMY

Bioeconomy is the largest private-sector industry in Kainuu in terms of turnover and human resources. The region's ample natural resources and skilled labour provide opportunities for increasing both domestic and international demand and promoting local production, such as wood construction, local energy and locally sourced food.

Bioeconomy sectors in Kainuu:

- forest-based bioeconomy
- renewable energy
- food and blue bioeconomy (sustainable use of waters)
- nature-based tourism and wellbeing services.





Bioeconomy development objectives:

- industrial investments in bioeconomy amounting to a total of approximately EUR 1 billion by 2021
- more sustainable use of wood and forests
- more efficient processing of renewable resources as well as by-products and waste
- stronger bioeconomy business ecosystems
- more efficient and extensive infrastructure
- higher profitability of farming and growth of natural resources businesses
- adoption of low-carbon renewable resources and recycled materials (circular economy).



DEVELOPMENT PRIORITIES: TECHNOLOGY INDUSTRY

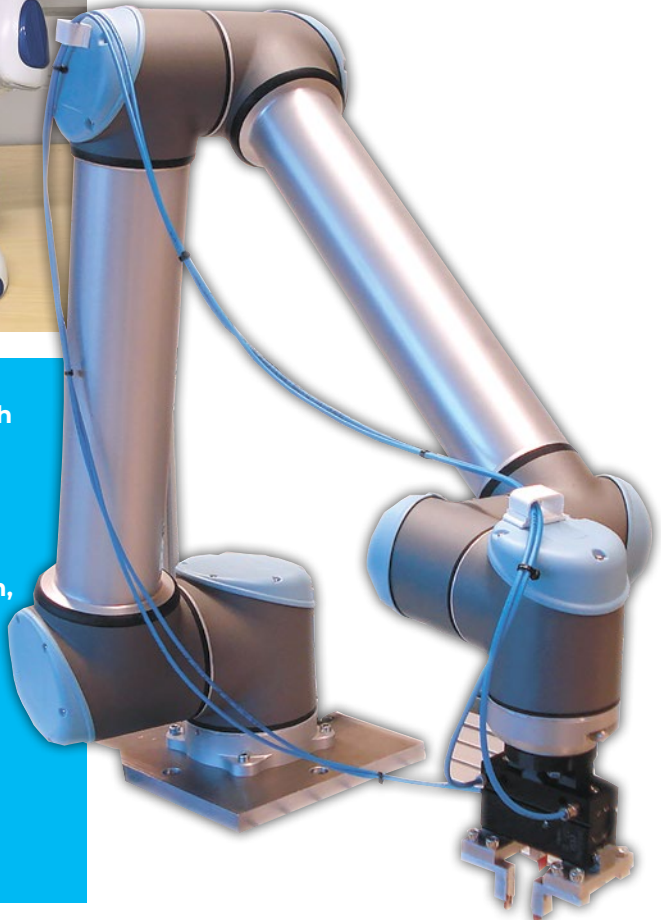


The technology industry accounts for more than 50% of Kainuu's total exports, and it is one of the biggest employers in the region.

Kainuu's technology companies specialise in information and communications technology (ICT), electrical appliances and electronic devices, vehicles, machinery and equipment as well as metals.

The aim is to boost Kainuu's technology industry through solid, versatile and sustainable exports-based growth by promoting:

- existing businesses' export trade and growth, new business and growth companies
- investments in industry and services
- the national and international status of Kainuu's ICT and data centre services.



DEVELOPMENT PRIORITIES: MINING

The mining industry in Kainuu consists of four mines as well as a number of micro-enterprises that supply natural stone. **Terraframe** is a multi-metal producer that mines and processes nickel, zinc, cobalt and copper. The company employs approximately 1,500 people in Kainuu directly and is also planning to open a new factory producing battery chemicals.

Mondo Minerals, Juuan Dolomiittikalkki and **Tulikivi** produce industrial minerals like talc, calcite and soapstone.

Other mining projects in Kainuu currently include **Sotkamo Silver**, **Otanmäki Mine** and **Karelia Gold**, of which Sotkamo Silver is scheduled to start production in 2019.



The goals in respect of the mining industry are:

- creating a sustainably growing and internationally competitive cluster of mining companies that work together in research, development and innovation in order to, for example, exploit the industry's by-products
- increasing export trade in state-of-the-art technology and know-how as well as in goods and services
- ensuring the availability of skilled labour
- launching new mining projects, ensuring the continued operation of existing mines and increasing value-added production.



ACCESSIBILITY,

New mobility solutions, e-services and infrastructure investments

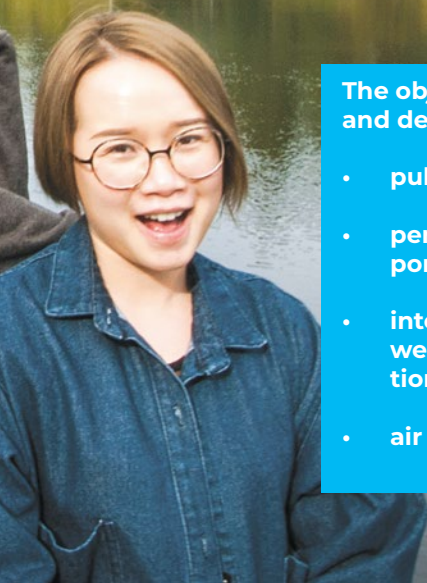
The population density of Kainuu is just four inhabitants per square kilometre. The only region that is more sparsely populated in Finland is Lapland.

The general goal is to make Kainuu quick and easy to access by different forms of transport and to make travel within the region run more smoothly. The region also has fast and efficient internal and external telecommunication connections.

Development objectives include:

- better internal and external accessibility and more efficient travel and transport chains
- improvements in services and higher passenger volumes at Kajaani Airport
- stronger regional competitiveness and appeal.





The objectives are pursued by improving and developing:

- public and private transport links to Kainuu
- performance and the service level of internal transport links
- international transport links to the east and the west as well as other (strategically) important national and international transport corridors
- air transport links to Kajaani.

WHEN WILL YOU MOVE TO KAINUU?
WE HAVE WORK, A GOOD STANDARD
OF LIVING AND A RANGE OF
RECREATIONAL ACTIVITIES
ON OFFER.



QUALITY OF LIFE

Rural Kainuu is a safe, functional and attractive place to live, study, work and run a business:

- Everything works and runs smoothly = a good life.
- A healthy work-life balance increases residents' quality of life and the region's appeal.
- Increasingly widespread e-services make it possible to run errands remotely.
- Recreational activities and work-places are easy to reach.
- 93% of Kainuu's residents live within a 30-minute drive from municipal centres.

Local residents see Kainuu as a safe place to live, and the surrounding nature is a daily source of wellbeing for them. People in Kainuu know how to live in harmony with nature and make use of what nature has to offer, such as berries, mushrooms, fish and game.

Kainuu wants to excel in all areas of residents' wellbeing: health, communality, social inclusion, employment and livelihoods.

Kainuu was the first region in Finland to amalgamate primary health care, specialist medical care and social services. The model was adopted in 2005 and has proven very successful.

The vision of Kainuu is to function efficiently both as a cohesive region and from the perspective of individual communities:

- Kainuu offers a range of comfortable and functional housing alternatives, closeness to nature and affordable living.
- Rural areas benefit from a comprehensive and functional network of services.
- Energy efficiency, the use of local renewable resources and self-sufficiency are promoted.
- The aim is to introduce efficient operating models and sophisticated information systems in order to provide high-quality services and up-to-date information to businesses, organisations, residents and tourists.

Kainuu has a shortage of professionals in the following fields:

generalist medical practitioners, social work and counselling professionals, home-based personal care workers, welders and flame cutters

sheet metal workers, dentists, special needs teachers, psychologists, nursing associate professionals, physiotherapists,

cleaners and helpers in offices, hotels and other establishments, pre-school teachers, application programmers,

commercial sales representatives, mechanical engineers, electrical and electronics engineers, graphic and multimedia designers

NEW KAINUU HOSPITAL

- The new Kainuu Hospital is the first hospital in Finland to be built by means of alliancing.
- The Kainuu Hospital project was voted the best BIM-based construction project in Finland in 2018 and received special recognition in the Tekla Global BIM Awards.
- The building will feature more than 10,000 square metres of wood-framed façade elements.
- The new hospital will focus on providing patient-orientated and efficient medical treatment chains.
- The first patients will be admitted in 2020.



KAINUU TODAY

Kainuu has a strong regional identity. Studies show that the percentage of the population who consider themselves happy is higher in Kainuu than across the country on average.

The numbers of tourists and people with second homes in Kainuu have grown considerably in recent decades. The number of second homes has increased by almost 18% (12,529 properties). Registered overnight stays have increased by more than 17% (931,130 overnight stays) (in 2016). Puolanka has the highest percentage of second homes in Kainuu. The population of Puolanka multiplies during the summer months.

The construction of Kainuu's fibre-optic telecommunication network has progressed past the halfway point of the goal. Approximately two thirds of households in Kainuu already have a 100-Mb/s fixed broadband connection (with just over half of these households relying on the fibre-optic network). Wireless 3G and 4G networks complement the fixed networks and provide internet access almost across the entire region.

The regional anthem of Kainuu,
Nälkämaan laulu

("The Song of the Land of Hunger"),
is widely known and much loved:
*"Hear the whisper of our woods, the
splashing of the mighty lakes..."*

You Probably Did not Guess?

- The popular multiplayer first-person shooter video game Critical Ops, which is played by more than one million people every day, was developed by the Kajaani-based game studio Critical Force.
- The Kalevala – the national epic of Finland – was compiled in Kainuu. There is a Kalevala –information centre, Juminkeko, in Kuhmo.
- The geographical centre of mainland Finland is located in Puolanka, in Housuvaara, 64°96N, 27°59E
- The highest point of Kainuu (404 metres) is at the top of the Paljakka Observation Tower in Hyrnsalmi.
- Ristijärvi is producing granite known as Ristijärvi Grey.

Kainuu's positive image and growing appeal will bring more residents, students, tourists and investors to Kainuu. This goal can be achieved by:

- advertising the fact that the region has plenty of job opportunities and opportunities for entrepreneurs and investors, a wide variety of services, easy everyday life and a high standard of living. People in Kainuu are highly skilled, innovative and not afraid to try new things and experiments.
- expanding and increasing the provision of education (distance learning and e-learning, university-level education and secondary education) and by promoting services that are based on the region's strengths.

STATISTICS

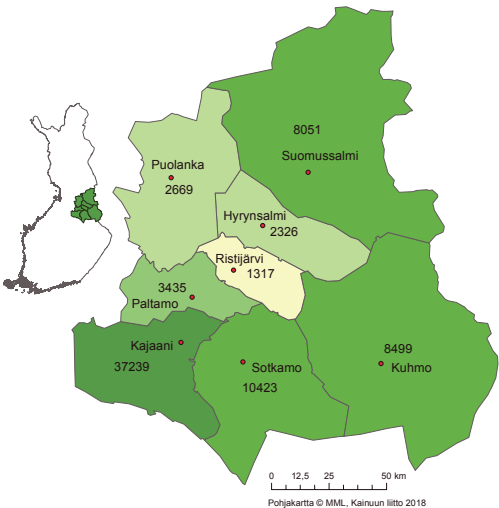
The region's population was 73,959 at the end of 2017.

Kainuu is roughly the size of Belgium. Lakes and rivers account for 11% of the region's total area and woodland for as much as 81% of the land area.

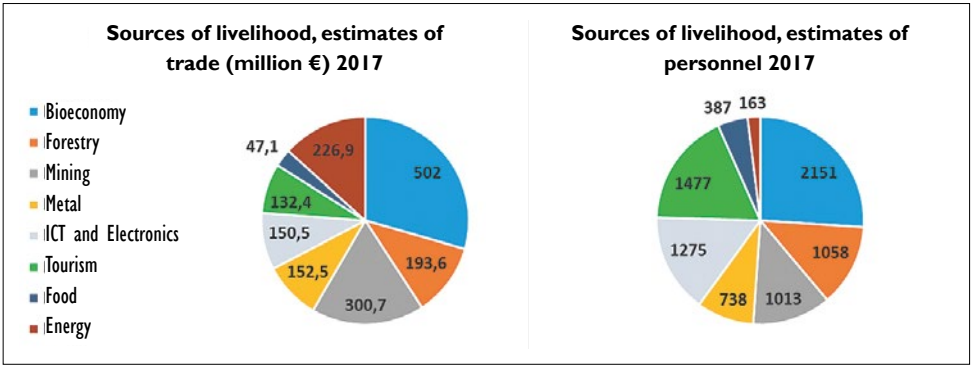
Municipalities in Kainuu: Hyrynsalmi, Kajaani, Kuhmo, Paltamo, Puolanka, Ristijärvi, Sotkamo and Suomussalmi (Picture 3).

Kajaani is the largest town in Kainuu and the administrative centre of the region. Town is located on the banks of the Kajaani River and to the east of Lake Oulujärvi. Kajaani is also the centre of Kainuu's transport system and the home of the region's airport and main passenger railway station.

Bioeconomy in its various forms is the biggest of Kainuu's key industries both in terms of turnover and human resources. The region's other key industries are not far behind (Picture 4).



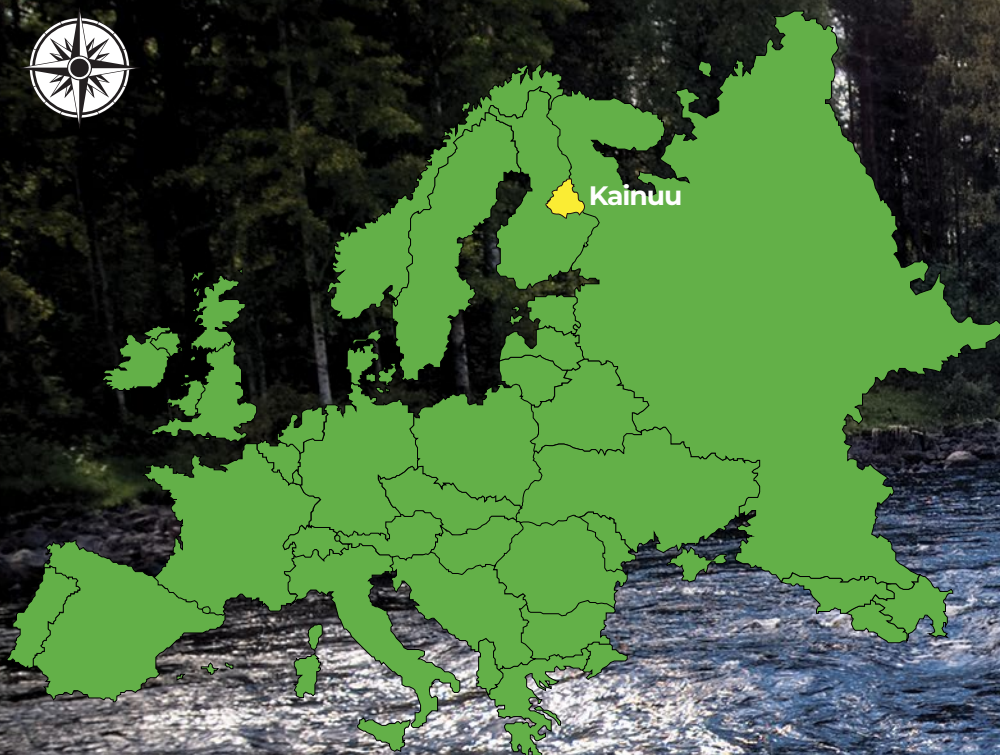
Picture 3. Municipalities in Kainuu and their populations in 2017



Estimated turnovers and human resources of Kainuu's business sectors in 2017 (Picture 4).



- GDP per capita: EUR 26,785 (2015)
- Labour force: 32,673 (2016)
- Jobs: 27,415 (2015)
- Number of businesses: 4,109 (2016)
- Average living area per household: 86.7 sq m (2017)
- Portion of renewable energy from total energy consumption is 65 % (2015)
- Number of exporters: 91 (2016)
- Exports up by 43 % and amounting to EUR 208 million (2016)
- Number of upper secondary school graduates: 378 (2016)



Regional Council of Kainuu

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The full version of the Kainuu Programme in Finnish can be
found at www.kainuunliitto.fi/kainuu-ohjelma