

Conclusions of the Ministerial Working Groups on the situational evaluation

14 April 2021



FINNISH
GOVERNMENT

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1 Ministerial Working Group on Sustainable Growth

The sustainable growth programme for Finland prepared by the Ministerial Working Group consists of Finland's national Recovery and Resilience Plan and other programmes in the EU recovery instrument; the industry renewal strategy; the domestic ownership programme and entrepreneurship strategy; and long-term R&D financing. The programme is also intended possibly to incorporate proposals by the Ministerial Working Group on Promoting Employment and the Ministerial Working Group on Competence, Education, Culture and Innovation, including packages designed to promote work-based immigration and raising the skill level. This programme also contributes to attaining the goals of the sustainability roadmap.

Alongside employment actions, a comprehensive and coherent range of growth-supporting actions is needed to support ecologically, socially and financially sustainable growth. The purpose of these actions will be to acquire expertise conducive to growth potential and to pursue an RDI-oriented policy of growth. The programme secures long-term RDI funding and proposes actions for safeguarding Finland's investment environment, the investment capacity and competitiveness of Finnish businesses and domestic ownership.

The Sustainable Growth Programme for Finland will support growth that is ecologically, socially and economically sustainable in line with the aims of the Government Programme. The Sustainable Growth Programme will boost competitiveness, investment, research, development and innovation, as well as measures to raise skill levels. The Programme aims to achieve a significant reduction in greenhouse gas emissions and an increase in the employment rate through boosting productivity and R&D investments. The Programme will also expedite access to health care and promote gender equality.

Finland aims to increase R&D funding to 4% of the GDP by 2030. To achieve this, we need a common vision and missions, more ambitious RDI activities and investments from both the public and private sectors. Without a significant increase in private sector investment, the goal will not be achieved. To ensure that RDI funding is predictable and designed for the long term, the RDI goal and the funding actions taken to attain that goal should be agreed upon in a parliamentary process. Government sustainability road map and employment measures If the Government manages to create capacity for risk-taking in central government finances through the actions in the sustainability roadmap and through employment measures, then the potential for RDI funding on borrowed capital will improve.

The entrepreneurship strategy, the industry strategy and the domestic ownership programme will form a comprehensive package for improving the operating environment, investment capacity and investment environment of businesses. In combination, the measures undertaken will significantly improve the capability of Finnish companies to investment in vital growth-promoting projects.

We need to foster trust in Finland as a country that is a profitable place for setting up enterprises and for businesses to employ people, develop their operations and make investments, grow and explore international connections, and as a country where competent foreign employees and students are interested in finding employment or establishing themselves as entrepreneurs. Responsible ownership is strongly linked to sustainable economic growth and overall productivity growth. Competent ownership breeds wealth, which in turn facilitates sustainable growth and increases investment potential. Industry remains vital for Finland. Finland must be an attractive country for industrial R&D, investments and production with good connections to global markets. It is important to ensure that Finnish industry is competitive and has investment potential, particularly compared to our principal competitor countries.

Status review of preparation: The greatest individual task of the Ministerial Working Group on Sustainable Growth has been to prepare a national Recovery and Resilience Plan for Finland for submission to the EU. Preparation of the plan began in January 2021, and a preliminary version of the plan was published on 15 March. The Ministerial Working Group on Sustainable Development is also charged with preparing business policy items, specifically related to the work done on the domestic ownership programme, the industry renewal strategy and the entrepreneurship strategy. These remain work in progress. The Ministerial Working Group was also allocated other tasks by the Ministerial Working Group on Employment, particularly the new initiatives of the economic growth and fiscal policy group. The Ministerial Working Group has no new proposals to make concerning this package.

2 Ministerial Working Group on Competence, Education, Culture and Innovation

The Ministerial Working Group on Competence, Education, Culture and Innovation furthered the implementation of key projects in the Government Programme in the first half of the electoral period in its focus area. Specifically, it dealt with the following items:

- The Act extending compulsory education was confirmed, and the reform will enter into force on 1 August 2021.
- An education policy report is in preparation, with a view to being submitted to Parliament in March 2021.
- Policies for a parliamentary reform of continuous learning were completed towards the end of 2020, and the implementation plan will be prepared in spring 2021.
- The RDI roadmap was completed in 2020 and is being put into practice.
- The Right to Learn programme for basic education and early childhood education and care and the Programme to Develop Quality and Equality in Vocational Education and Training are being put into practice. The programme for quality and accessibility of upper secondary education is to also be launched in spring 2021.
- The Action Plan to Prevent Bullying was approved and is being implemented.
- A new Act on promoting the performing arts will enter into force on 1 January 2022.
- To promote the creative sector, a creative economy roadmap was prepared, headed by the Ministry of Economic Affairs and Employment with contributions from the Ministry of Education and Culture. This includes the establishing of Creative Business Finland.
- The Finnish model for leisure activities is being piloted, and the results of the pilot will be used for actual deployment of the model; the next round

of applications will open in March 2021. The second stage of the model is currently under preparation.

Projects have progressed in accordance with the Government's goals. The Ministerial Working Group is of the opinion that the projects have created potential for raising the educational attainment and competence levels at all levels of education while promoting equality in education and training and a narrowing of learning differentials, creating potential for promoting the wellbeing of children and adolescents and preventing bullying, strengthening Finland's status as an internationally attractive country for study, research and investments, reinforcing the position of the creative sector and supporting increased potential for sports and exercise.

However, the COVID-19 pandemic has caused significant challenges and problems, particularly for the wellbeing of children and adolescents and in the fields of culture, youth work and sports. The pandemic has led to a learning deficit and increased needs for support at all levels of education and training, requiring exceptional teaching arrangements. The Government has made significant investments towards alleviating the adverse impacts of the COVID-19 pandemic, e.g. the wellbeing package for children and youth, additional investments in culture, the arts, youth work and sports, and support for adult education and leisure pursuits. All levels of the education system have been supported through the support package for children and youth. Youth work at schools and educational institutions has been significantly strengthened. The Government has also supported skills improvement among people of working age through additional allocations.

Funding problems caused by the decline in the yields of the gaming market are felt in the arts, the creative sector, sports, youth work and science.

3 Ministerial Working Group on Child and Youth Policy

Support for preparation of the National Child Strategy: The National Child Strategy is ready, and an implementation plan will be drawn up for the remainder of the Government term during spring 2021. A working group appointed to address child-oriented budgeting in the context of the National Child Strategy has begun its work.

Strengthening youth policy and its coordination: Implementation of measures included in the cross-sectoral National Youth Work and Youth Policy Programme 2020–2023 (VANUPO) adopted by the Government has begun, and clear progress has been made in some of them.

Combating social exclusion of young people: This has been included as a goal in several processes and measures, such as the Finnish model for leisure pursuits, workshop activities, support for outreach youth work and measures to help the wellbeing of children and adolescents in the coronavirus crisis. Also, multiprofessional cooperation to prevent juvenile crime and to streamline criminal justice processes has been developed. Multi-agency development of the Ohjaamo guidance centres has been continued for instance by enhancing the Onni psychosocial support project. An experiment for reforming employment services for people under the age of 30 has been begun in some municipalities. The increasingly difficult coronavirus situation has made the work challenging.

Continuation of the Programme to Address Child and Family Services: The Programme to Address Child and Family Services (LAPE) is being put into practice as planned, with the aim of coordinating it with measures in the Right to Learn programme.

Improvement of cooperation between child care clinics and early childhood education and care: Material is currently being produced to support case management in early childhood education and care, and a training package for personnel is being planned. The TEAS project, focusing on cooperation practices and case management, is just about to be launched.

Development of child welfare after-care: Cross-sectoral development of child welfare after-care / adulthood attainment support was promoted as a reform of operating culture

in cooperation with operators in the field. Policy to be established for the remainder of the Government term.

Preventing poverty in families with children: The Ministerial Working Group has heard from experts. The Government has improved the income security of low-income families with children for instance with benefit increases, temporary epidemic support and an epidemic supplement to social assistance. The Government is committed to monitoring the subsistence of families with children and to perform child impact assessments in decision-making.

Promoting the mental health of children and adolescents: The Mental Health Strategy was published in February 2020. Key measures already in progress in respect of children and adolescents include improving access to psychosocial methods in student welfare at schools and other educational institutions and providing government grants for improving mental health expertise in local authorities. One of the three focus areas in the Programme to Address Child and Family Services is to develop low-threshold mental health and intoxicant abuse services as part of the implementation of the Future Health and Social Services Centres programme.

Reducing bullying and loneliness: The Action Plan to Prevent Bullying, Teasing, Violence and Harassment has been completed. This aims to establish zero tolerance for bullying, harassment, social exclusion and violence at schools and other educational institutions. The Action Plan was jointly prepared by the Ministry of Education and Culture, the Ministry of Social Affairs and Health, the Ministry of Justice and the Ministry of the Interior. Implementation of the programme was begun. The Childhood Free of Violence action plan was completed towards the end of 2019.

Intergenerational justice: The Ministerial Working Group has heard from experts. The child strategy and demographic study form the framework for action.

The work of the Ministerial Working Group has mostly progressed according to plan. The COVID-19 pandemic has caused significant challenges and problems, particularly for the wellbeing of children and adolescents. Because of this, the Government has made substantial investments in alleviating the adverse impacts of the COVID-19 pandemic on the growth and living circumstances of children and adolescents, such as the wellbeing package for children and youth.

4 Ministerial Working Group on Internal Security and Strengthening the Rule of Law

Despite occasional challenges in timetabling and human resources caused by the COVID-19 pandemic, progress has been made in implementing actions consistent with the goals entered in the Government Programme. Some of the actions related to those goals have already been completed, and a significant percentage of them will be completed during 2021. For several of the measures, implementation is only just beginning, because the first half of the Government Programme period was taken up by preparing action plans, studies, reports and Government proposals related to the goals.

The strategic goals in the domain of the Ministerial Working Group and the measures related thereto are conducive to exiting the coronavirus pandemic. Efforts were made during the preparation to respond rapidly in addressing societal challenges emerging during the pandemic, such as strengthening a sense of democracy, inclusion and safety, taking care of people in disadvantaged and vulnerable positions, upholding fundamental and human rights and combating overindebtedness among both citizens and businesses. Restriction measures imposed because of the COVID-19 pandemic have impacted the timely availability of legal protection. It is estimated in the justice system that clearing the backlog of cases will take at least until the end of 2021. The security authorities have, for the most part, retained good operational capacity during the pandemic.

The measures in the categories belonging to the domain of the Ministerial Working Group are to a large extent sufficient. However, changes that were difficult to predict have occurred in the internal security operating environment. Upholding the operating capacity of the police and of the justice system requires society at large to respond to new kinds of challenges and to prepare to address increasingly complex security situations and legal issues.

The Government Programme includes the goal of securing adequate resources for the administration of justice and of shortening the overall length of trials. Attempts have been made during the Government term to improve resourcing for courts, but chronic under-resourcing has dramatically undermined the ability of courts to cut processing times. Public legal aid is also under pressure to reduce personnel because of a shortage of resources. Notwithstanding the above, the availability of legal protection for citizens

through public legal aid must be safeguarded both at trials and in extra-procedural matters.

The responsible ministries have indicated to the Ministerial Working Group that attaining the goals set in the Government Programme will require additional appropriations. These will be discussed in the context of the General Government Fiscal Plan, but the Ministerial Working Group has acknowledged their importance for the delivery of the Government Programme.

The Ministerial Working Group further proposes a preliminary study on the need to perform a comprehensive overhaul and restructuring of the Aliens Act during the current Government term. This measure comes under the goal of improving the quality of legislation as enshrined in the Government Programme. The Aliens Act has been amended on multiple occasions and is quite fragmentary as a result.

5 Ministerial Working Group on Promoting Employment

A goal set in the Government Programme in 2019 states that the employment rate should rise to 75% by 2023. This requires policy measures that will increase the size of the workforce by 60,000. A key argument for the increased employment sought by the Government is improving Finland's general government finances and the sustainability of the welfare state.

The employment rate did rise to 73% in 2019, but because of the downturn caused by the restrictions and lockdowns imposed due to the COVID-19 pandemic, this positive trend came to an end. The number of laid-off employees surged in spring 2020, and the employment rate took a downturn. In December, the trend of the employment rate was 71.8% and the trend of the unemployment rate was 8.2%. The Ministry of Economic Affairs and Employment predicted that long-term employment will increase in 2021 and 2022 and that the employment rate will continue to decline until 2021 and then begin to increase again. The prediction indicates that in 2022 the employment rate would be 71.6%, clearly lower than before the pandemic. The unemployment rate is predicted to be 8.2% in 2021 and then decrease to 7.8% in 2022.

In spring 2020, the Government implemented fixed-term measures proposed by the labour market organisations in order to safeguard business operations, employment and income during the coronavirus crisis. These fixed-term measures were in place until the end of 2020, and certain income security measures were extended into 2021. Thanks to these measures, businesses have been able to retain jobs during the coronavirus crisis.

In the government budget session in autumn 2020, the Government made decisions and adopted policies that, taken together with previous decisions designed to boost employment, aim to increase the number of employed people by 31,000 to 36,000 by the year 2029. The decisions with the greatest employment impacts are: the Nordic employment service model; raising the lower age limit for the right to additional days of unemployment benefit; extending compulsory education; lowering fees for early childhood education and care; and reforming the wage subsidy system. Decisions were also made on measures to improve the employment rate of persons over the age of 55, and the policy outline for the family leave reform was agreed upon.

The Government also decided in the autumn budget session that decisions will be made during the current Government term that will increase the number of employed people by a further 80,000 by the year 2029. If attained, this goal could boost general government finances by about EUR 2 billion. The next batch of employment measures will be outlined in the mid-term policy review session. Measures to be prepared include: increasing employment among incapacitated persons; transferring employment services to the local level; improving unemployment security; developing Ohjaamo guidance centres; lifelong learning; and integration into Finnish society, employment-related immigration and further work on local agreement. Achieving the employment objective of adding 80,000 people to the workforce requires new policy measures in addition to the above.

The Economic Policy Council noted in January that although the estimates involve a certain degree of uncertainty, the measures decided in autumn 2020 together with previous employment-enhancing decisions made by the Government come close to the objective of adding 30,000 people to the workforce. However, this calculation did not take into account any measures that have a negative effect on employment. The Economic Policy Council noted that if the Government intends to attain its employment objective of adding 60,000 people to the workforce by the end of the Government term, or 80,000 people by the end of the decade, it must also assess the employment impacts of other measures that have a direct bearing on an individual's decision to seek employment. The Economic Policy Council names income taxation, social security and other income transfers as such measures.

6 Ministerial Working Group on Health and Social Services

Social welfare and health care reform The Government Programme of the Government of Prime Minister Sanna Marin includes the social welfare and health care reform ('sote' reform) to be delivered during the Government term. The Government launched preparations for the 'sote' reform on 4 July 2019, appointing the MWG on Health and Social Services to administer the design and delivery of the restructuring of health and social services referred to in subsection 3.6.1 of the Government Programme.

The Government submitted its proposal to Parliament on 8 December 2020. The Government proposes that wellbeing services counties be established and healthcare, social welfare and rescue services be reformed. The proposed wellbeing services counties would be established as soon as possible after the passing and approval of the relevant bills. The bills would enter into force in stages, the first ones on 1 July 2021 and the last ones on 1 January 2023. The reform would include enacting technical amendments to legislation necessitated by the legislation on the reform. A separate content addendum on information management related to the separate scheme for Uusimaa will also be enacted. The working title for this extensive legislation package is 'Sote100'. The 'Sote100' legislation package will be circulated for comment between 1 February and 26 February 2021, after which it will be finalised, and the Government proposal will be submitted to Parliament during spring 2021.

The Ministerial Working Group on Health and Social Services has succeeded in designing the social welfare and health care project that is a major item on the agenda of Prime Minister Marin's Government and has submitted the proposal to Parliament according to the timetable given. The Ministerial Working Group on Health and Social Services has also discussed other current issues within the domain of the Minister of Family Affairs and Social Services, such as coronavirus issues and the treatment time guarantee.

7 Ministerial Working Group on Climate and Energy Policy

The Ministerial Working Group on Climate and Energy Policy has facilitated delivery of key projects in the Government Programme in the first half of the Government term, and the Government has so far delivered the following key measures (see also Appendix 1):

- Energy taxation reform: the tax on heating fuels was raised, tax subsidies for combined heating and power production were reduced, the category II electricity tax was lowered to the minimum EU level, and fuel energy tax rebates paid to energy-intensive industries are to be phased out.
- Roadmap for fossil fuel free transport, reform of the taxation on fringe benefits in transport, subsidies for acquisition of heavy goods vehicles powered by natural gas, the 'cash for clunkers' campaign, a pedestrian and cycle traffic investment programme, climate-based subsidies for public transport and subsidies for the design of new rail lines.
- New allowance for new energy repair projects from the beginning of 2020, new allowances for residential properties and municipal properties to give up oil heating, and requirements to install electric vehicle charging points in buildings.
- Low-carbon roadmaps designed in collaboration with industry. Climate fund to facilitate low-carbon strategies in industry and to combat climate change. Energy subsidies and support for giving up coal, to promote clean energy production.
- New state forest ownership policies for Metsähallitus, extending support for ash fertilisation on peatland, and support for reforestation of waste land.
- Boosting biodiversity through the Helmi Habitats Programme, the NOUSU migratory fish programme, the SOTKA wetland habitats programme and additional funding for the METSO forest protection programme.
- Strategic programme to promote a circular economy, facilitating circular economy markets, service and expertise.

The strategic programmes and measures have progressed as outlined in the Government Programme, although the COVID-19 pandemic has slowed down preparations for some

of them. The measures already put into practice will achieve and attain capability for emission reduction, reinforce biodiversity, promote the circular economy and support sustainable housing and construction.

One important step to speed up climate action is the decision on the Sustainable Growth Programme for Finland that will boost investments by means of the EU recovery funding and reduce greenhouse gas emissions starting in autumn 2021. The entire green transition package accounts for about half, or approximately EUR 1,040 million, of this funding. The goal is to expedite clean energy production, e.g. solar power, sea wind power, biogas and exhaust air heat recovery, investments in hydrogen technology and circular economy demonstration plants, expediting environment-friendly solutions and the abandoning of oil heating in the real estate and construction industries, and supporting the creation of a charging point infrastructure for electric vehicles. The investments have the potential to significantly reduce emissions, by an estimated 3 million tonnes a year. The transition to a low-carbon society is to be eased with the aid of the Just Transition Fund (JTF) of the EU.

Finland's goal of achieving carbon neutrality by 2035 is already governing the preparation of climate goals and measures by industries, companies, local authorities and other operators, while strengthening Finland's international profile as a climate action leader. Significant potential for reducing emissions has been discovered in the low-carbon roadmaps of industries and other sectors. Demand for clean solutions, and thereby export potential for Finland in low-carbon technology, is boosted by the carbon-neutrality commitments made by China, Japan, Canada, South Africa and the UK and by the return of the USA to the Paris Agreement.

The roadmap for fossil-free traffic, designed to cut emissions by half, will be submitted to the Government for discussion in spring 2021. Further measures to attain the transport emissions reduction goals will be decided on in the autumn. In respect of peat, decisions on the carbon price floor mechanism and on subsidies for operators in this sector must be made during the spring. A bill for a Nature Conservation Act will be submitted during the autumn session.

The goal of carbon neutrality by 2035 set in the Government Programme and the corresponding emissions reduction goals will be entered in the proposal to revise the Climate Change Act, which is to be completed in September. The European Union has also updated its climate goals. The new EU climate law will include a net emissions reduction goal of at least 55% by 2030, and climate and energy legislation initiatives consistent with this will be made in June 2021, including proposals on reforming the emissions trading system.

Appendix 1: Climate decisions made by the Government

Energy

- **Energy taxation reform**, which entered into force at the beginning of 2021:
 - Tax increase of EUR 2.70 per MWh for fuels meant for heating plants, power plants or work machinery, i.e. heavy and light fuel oil, bio fuel oil, liquefied petroleum gas, coal and natural gas, and a corresponding increase to the energy tax on peat and pine oil.
 - Reduction of tax subsidies for combined heating and power production by abolishing the formula that lowers the taxable heat output and therefore the tax on fuels used for heating production.
 - Reduction of category II electricity tax from 0.69 cents to the EU minimum level of 0.05 cents per kWh.
 - The energy tax rebate paid to energy-intensive industries will be phased out between 2021 and 2024, so that in 2025 these industries will no longer be entitled to the rebates.
- **Investment support for projects to replace coal as an energy source, 2020–2025.** The Government issued a Decree on 19 March 2020. The Decree will remain in force until 31 December 2025. The aid is intended to promote voluntary phase-out of coal use by the end of 2025. A total of EUR 90 million is allocated to the support programme in the General Government Fiscal Plan for 2020–2021.
- **Measuring of consumption of district heating, district cooling and water, and invoicing based on actual use.** Introducing remote tracking of apartment-specific water, district heating and district cooling consumption, invoicing consumers based on actual use, and providing users with comprehensive information on water and energy consumption and invoicing.
- **Establishing Ilmastorahasto Oy** The state-owned investment and development company Vake Oy was converted into Ilmastorahasto Oy, a climate fund company, by an amendment of its by-laws on 21 December

2020. Ilmastorahasto is a special task company which focuses on combating climate change, boosting low-carbon industry and promoting digitalisation.

- **Sectoral low-carbon roadmaps.** Roadmaps were devised in 13 sectors. The purpose of the roadmaps was to provide a more accurate picture of the scale, costs and conditions of the measures needed to achieve a carbon-neutral Finland.

Traffic

- **Raising the excise duty on transport fuels such as petrol, diesel oil and biofuels replacing them.** The amendment to excise duty on liquid fuels entered into force on 1 August 2020. The tax on fossil-based petrol was raised by 5.71 cents per litre, and the tax on fossil-based diesel oil was raised by 6.46 cents per litre.
 - **The quality-based tax reduction for paraffinic diesel oil, which has gradually become irrelevant, will be phased out.** This reduction is to be eliminated for both fossil-based and renewable paraffinic diesel oil. The **similar quality-based tax reduction for ethanol diesel oil was eliminated at the same time.** The Act entered into force on 1 January 2021.
 - **Encouraging the acquiring of clean vehicles in public procurement,** proposal to be submitted to Parliament during spring 2021.
 - **Infrastructure support for electric vehicles and the use of biogas as transport fuel.** The Decree was revised in 2020, and the transport infrastructure support appropriation was increased from EUR 3 million to EUR 5.5 million per annum in 2021 (Ministry of Economic Affairs and Employment).
 - **Purchase subsidy for lorries powered by natural gas,** EUR 1 million per year in 2020–2021. The application period for purchase subsidies is 1 December 2020 – 30 November 2022.
 - **‘Cash for clunkers’ campaign** The new Act entered into force on 1 December 2020, and the campaign will run from 1 December 2020 to 31 December 2021. An appropriation of EUR 8 million was allocated in the central government budget for cash incentives in the ‘cash for clunkers’ campaign.
1. **Government resolutions to reduce greenhouse gas emissions in air traffic and in marine and inland waterway shipping** in spring 2021.

- In accordance with the **Programme for the Promotion of Walking and Cycling**, an appropriation of EUR 32.9 million was allocated to local authority projects in 2021 and EUR 29.25 million in 2021.
- **Conditions for pedestrians and cyclists and infrastructure quality** will also be improved in central government investment projects in accordance with the policies in the Government Programme. EUR 10 million has been allocated to measures to improve state-owned transport routes in 2020.
- The **Design Guideline for Bicycle Traffic** was completed by the Finnish Transport Infrastructure Agency in December 2020. The Design Guideline will be deployed in a training session open to everyone in March 2021.
- The **taxation of transport fringe benefits was revised** with a climate angle as of 1 January 2021. The taxable value of electric vehicles was reduced, and electric vehicle charging benefits were exempted from tax on a fixed-term basis. For the first time ever, a company bicycle was declared a tax-exempt fringe benefit, up to a value of EUR 1,200 per year. The tax-free limit for company-sponsored commuter tickets was raised and the system simplified, and mobility service packages were included in the system.
- **Climate-based public transport support**, EUR 40 million in total in 2020 and 2021. In accordance with land use, housing and transport agreements (MAL agreements), major urban areas will be allocated EUR 7 million of this support per year, i.e. EUR 14 million in all in the government grant application round of spring 2021. Additionally, EUR 3 million was reserved for support under land use, housing and transport agreements in medium-sized urban areas for 2021. Climate-based support will also be made available for all competent authorities in public transport to apply for in order to promote the procurement of clean machinery and vehicles and for projects to increase the proportion of public transport and to monitor it. As of 2022, EUR 2 million of the climate-based support will be allocated to rail transport procurements.
- **Between 2018 and 2021, major urban areas will have been allocated a total of EUR 14 million in additional public transport funding.** Public transport operators have used this extra funding for instance to improve their ticketing and payment systems by introducing contactless payment and interface development. The funding has also been used to advance transport automation.
- **Combining passenger transports in rural areas** is considered as a measure in the preparation of the 'Liikenne12' National Transport System Plan and in the Sustainable Growth Programme for the Transport Sector to be published in April.

- **Funding for low-traffic rail lines** (e.g. Heinävaara–Ilomantsi, Saarijärvi–Haapajärvi). It was decided to include the lengthening of the locks on the Saimaa Canal in the 2021 central government budget.
- The **ICT climate and environment strategy** was published on 9 March 2021.
- The **Logistics digitalisation strategy** was published on 10 October 2020. A Government Resolution based on this strategy will be prepared in spring 2021.

Buildings and individual heating of buildings

- **Promoting energy repairs with subsidies, 2020–2022.** Subsidies have been available to apply for at the Housing Finance and Development Centre of Finland as of 2 January 2020. Subsidies are granted for repairs projects designed to improve the energy efficiency of residential buildings; the preliminary appropriation is EUR 20 million for the year 2020 and EUR 40 million per year in 2021 and 2022.
- **Subsidies for giving up oil heating in residential buildings as of 1 September 2020.** These subsidies may be granted to cover the costs of dismantling an oil heating system and installing an alternative heating system incurred after 1 June 2020 and before the end of 2022. A subsidy of EUR 4,000 will be granted to a household in a detached house that adopts district heating, geothermal heating or an air-to-water heat pump. A subsidy of EUR 2,500 will be granted for other forms of heating. The preliminary appropriation for these subsidies is about EUR 28 million.
- **Subsidies for giving up oil heating in municipal buildings as of 5 October 2020.** These subsidies may be granted to cover the costs of dismantling an oil heating system and installing an alternative heating system in buildings owned by local authorities. The subsidy may amount to 25% of the accepted actual costs if the local authority has signed a voluntary energy efficiency agreement; otherwise, only 20% will be covered. The total appropriation reserved for heating system overhauls in municipal buildings is about EUR 15 million.
- **Action plan by Senate Properties to abandon fossil-based oil heating, etc., by 2024.**
- New Act on **electric vehicle charging points and charging point capacity in buildings and on building automation and control systems.**

The purpose of this Act is to improve the energy efficiency of buildings, to increase the use of smart technology in buildings and to improve charging facilities for electric vehicles. The Act entered into force on 1 January 2021.

- **The appropriation for electric vehicle charging infrastructure subsidies to housing companies** was raised from EUR 1.5 million per year to EUR 5.5 million per year in 2021.
- **New land use, housing and transport agreements (MAL agreements).** Land use, housing and transport agreements (MAL agreements) are used to govern how housing, jobs and services are located in hubs and in areas well accessible by sustainable transport. These measures promote low-carbon and sustainable community structures and supporting transport systems.
- **Application rounds for wood construction subsidies** to promote wood construction.

Machinery

- **A voluntary Green Deal for machinery** was signed with the Association of Finnish Technical Traders in autumn 2019. The purpose of the agreement is to reduce carbon dioxide emissions from machinery by increasing the availability of fully electric and otherwise low-emission machinery, by encouraging more widespread adoption of these by users and by supporting measures to reduce carbon dioxide emissions from machinery through new designs or other means.
- **Emission-free construction sites, voluntary Green Deal agreement.** The Ministry of the Environment, Senate Properties and the cities of Espoo, Helsinki, Turku and Vantaa have signed a voluntary Green Deal agreement to reduce emissions at construction sites. The aim of the agreement is that construction sites of the cities and Senate Properties will be fossil-free by the end of 2025, meaning they will not use fossil fuels. In addition, by 2030, at least 50% of construction machinery and site transports will be powered by electricity, biogas or hydrogen. Emissions from construction sites under the agreement include emissions from machinery, electricity, heating and, in stages, emissions from transport.

Waste management

- **Waste Act reform.** The purpose of the amendment is to expand the obligation to collect biowaste, to raise the recycling goal and to promote prevention of waste generation. The Government proposal was submitted to Parliament on 8 April 2021.

Agriculture and forestry

- **New state ownership policies for Metsähallitus 2020–2024.**
- The **ash fertilisation subsidy** entered into force on 1 May 2020. Carbon sinks can be considerably increased by facilitating forest growth.
- **Support for reforestation of waste land.** Entered into force at the beginning of 2021. Subsidy system for the reforestation of disused field parcels and disused peat harvesting areas.
- **Government Decree on climate measures in the land use sector, 1/2021.**
- A roadmap **to reduce food loss** at every stage in the food supply system was completed at the beginning of 2021.
- **Nutrient recycling test programme 2020–2022.**
- **Investment support for biogas and advanced manure processing methods.**
- Fixed-term increase to investment subsidies for **biogas projects in agriculture and in rural enterprises 2021–2022** (part of the Recovery and Resilience Plan).
- **Climate food programme** to be completed in mid-2021.

Other

- **Application round for subsidies for municipal and regional projects to reduce greenhouse gas emissions, 1 December 2020 – 28 February 2021.** EUR 3 million in subsidies was available in this application round.

