

## Finland Facts & News, June 2019

### **New Government Programme – Inclusive and competent Finland – a socially, economically and ecologically sustainable society**

Finland has a new government led by Social Democratic Party leader Antti Rinne and the agreement on the new Government Programme in Finland was published on 6 June 2019. The new government includes 19 ministers: 7 from the Social Democratic Party, 5 from the Centre Party, 3 from the Greens, 2 from the Left Alliance and 2 from the Swedish People's Party.

Climate change, globalisation, urbanisation, the ageing of the population and technological development may be transforming Finland and the world faster than ever before. This transformation offers great opportunities for the development of our country, but it also creates insecurity and concerns about what lies ahead. To face this transformation, we need policy measures that offer people a sense of security and hope for a better future.

The aim of the first Government of the new decade is a socially, economically and ecologically sustainable Finland by 2030. The Nordic welfare state and its key pillars, income security, well-functioning health and social services and solid education as well as high expertise create a robust and just platform for the work on reforms.

In the socially, economically and ecologically sustainable Finland the economy is managed for the people, not the other way round. Sustainable economic growth is built on a high rate of employment and strong public finances.

The Government of Antti Rinne aims to create 60,000 new jobs, which will be achieved by measures that boost the demand and supply of work. Besides a higher employment rate, sustainable growth also builds on more robust work productivity.

The new Government rates education and research very highly. Education and culture are an important part of our value system and are considered to be a means of guaranteeing individual freedom. In the 2020s, wellbeing will continue to draw on knowledge and skills and on work and entrepreneurship. We must bring Finland's level of education and competence back up to the top of the world league. We aim to boast the best working life in the world; to be a nation with happy and competent professionals where every person's knowledge and skills are put to good use.

Social responsibility means that we take responsibility for each other and our common future. This means a sense of trust that we will all be looked after when we are no longer able to do so ourselves. It means taking care of the whole of the nation and ensuring that our country develops equitably.

Not a single senior citizen should be afraid of getting old; not a single young person should be at risk of exclusion. We will build a Finland that is child-friendly, a country where families and their opportunities to make choices are supported and where parents contribute equally to caring for their children.

The world of the 2020s needs trailblazers. An ecologically sustainable Finland shows the way in mitigating climate change and protecting biodiversity. The Government is drawing a roadmap for an emissions-free Finland. The Nordic welfare model, combined with responsible and decreasing use of natural resources, is a model that will guarantee the future competitiveness of our country.

Source: Finnish Government <https://valtioneuvosto.fi/en/frontpage>

## **Motiva has will and competence to support the implementation of the government programme**

Motiva's unique role as state-owned sustainable development company presents us an opportunity to support the government, ministries, local and regional authorities, companies and other stakeholders in the implementation of the programme toward sustainable Finland. For the implementation of the government programme we have compiled some of the key objectives of the programme which will benefit from our competence, tools and existing networks together with our vast experience in all those areas.

- Communication and advice provision in sustainable and responsible consumption through our existing networks and services and development of new innovative solutions.
- National and regional networks on material and energy efficiency will be utilised toward low carbon future in collaboration with respective stakeholders to meet the climate objectives
- Cross-sectoral collaboration and innovative measures toward sustainable development through our existing operations within sustainable innovative procurement, experiments, innovations and phenomenon-based approach.
- Energy efficiency in housing, heating systems and renovation are in the core of our activities. Our work toward energy efficiency of buildings comprehensively (for decades) and our current contribution in energy systems and building automation and preparation of long-term renovation strategies allows us a role in developing a one-stop-shop model for renovation advice.
- Circular economy: - In the implementation of strategic promotional programme circular economy Motiva's expert role as a facilitator and an implementer. – Accelerate of circular economy, increase of materials in circulation and strengthening of circular materials market through the platform for the reuse of materials and networks such Industrial Symbiosis.
- Low-carbon roadmaps contributing to international sustainable growth programme; Expertise and facilitating collaboration between sectors.

- Development of sustainable food system and circulation of materials; utilisation of the platform for reuse of materials in food system and development the Finnish Material Efficiency Commitment with food industry association. Reduction of food waste e.g. through experiments.
- Promotion of sustainable mobility; Expertise and experience in coordination of national mobility management activities and workplaces contributing toward further development in collaboration with different stakeholders.
- Energy efficiency competence development within construction sector; building on existing BUILD UP Skills training scheme and communication of unbiased research.
- Achieving low-carbon economy calls for investments in e.g. bioeconomy, circular economy, cleantech solutions, energy efficiency and RDI: Actions to accelerate sustainable, innovative public procurements through KEINO Competence Centre for Sustainable and Innovative Public Procurement and Place of Experiment. Support to new, smart low-carbon solutions through pilots and experiments, e.g. demand response. Implementation of RDI results through communication.
- Objectives and actions related to sustainable public procurements: Motiva's contribution through expertise and coordinating role in KEINO Competence Centre for Sustainable and Innovative Public Procurement.
- Programme for promoting digitalisation, and a requirement put in place for public services to be available digitally to individuals and businesses by 2023; and Secure and ethically sustainable development of the AuroraAI network will be continued. - Motiva can support a variety of digitalisation projects and AuroraAI programme e.g. through Place of Experiment.

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## **Energy Efficiency Working Group' Interim Report explores the development of energy efficiency in different sectors**

The energy efficiency working group appointed by the Ministry of Economic Affairs and Employment in November 2018 submitted its interim report to the Ministry on 29 March 2019. The report provides a description of the progress made and estimates of the preliminary results and future work. The working group will submit its final report by 30 September 2019.

The working group's task was to discuss the opportunities of improving energy efficiency in 2021–2030 and to assess the need for amendment of the existing Energy Efficiency Act and, if necessary, start preparations for the legislative amendment. The working group is to propose measures that will enable Finland to achieve the energy savings targets, defined in Article 7 of the revised Energy Efficiency Directive, over the 2021–2030 period. Five thematic expert groups consisting of key players in the sector will be assisting the energy efficiency working group.

According to the interim report, the effectiveness of the steering measures available to promote energy efficiency varies by sector. Voluntary energy efficiency agreements and energy audits are fairly effective, when supported by energy aid.

The expert working group for the industry sector recognized the significance of the existing steering methods and identified opportunities for enhancing their efficiency. For energy efficiency agreements, such measures could include extending the scope of agreements, more effective reporting, and ensuring resources for implementation. To lower the threshold for investments to increase efficiency, a new type of energy aid should be launched to help explore the feasibility and profitability of innovative solutions. Particularly good potential was identified in the use of surplus heat and drying processes.

According to the expert group on transport, the steering methods currently available in the sector have not been adequate to reduce transport energy consumption. In this sector, it is essential to apply steering measures that will make the vehicle fleet more energy efficient. Other ways to improve the energy efficiency of transport include more efficient use of transport vehicles and more choice in transport modes.

The expert group on services identified three themes: changes and challenges associated with energy efficiency operating models, competence, and data & technology. The group also discussed the role of financing and subsidies in the development of operating models and technologies and concluded that the fourth theme was a cross-sectoral one that was relevant to all expert groups: financing. The world is changing rapidly, and society is increasingly dependent on electricity; therefore, the steering measures need to be fine-tuned and sufficient resources allocated.

The expert group on consumers singled out three main themes that needed further investigation: the servicification of energy efficiency, for instance housing and transport services; changes and challenges associated with technologies and financing, and the changes and challenges associated with consumer habits, competence and opportunities for action. These themes are linked to the present energy transition, which consumers can significantly expedite.

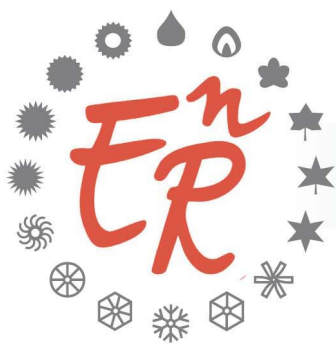
Next, the energy efficiency working group will assess the effectiveness of new and existing measures to promote energy efficiency, which the expert groups have put together in their respective sectors. Special attention will be paid to cross-sectoral steering measures such as competence and communication, which represent key requirements for the implementation of other measures. Impact assessments will be prepared for measures selected for further investigation, with special focus on energy savings, carbon dioxide cuts, and feasibility. More detailed descriptions of the measures identified during the assessment will be available in the working group's final report to be published in the autumn.

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Source: Ministry of Economic Affairs and Employment, <https://tem.fi/en/current-issues>

Full report for download (in Finnish):

[http://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/161490/TEM\\_2019\\_26\\_Energiatehokkuus\\_tyoryhman\\_valiraportti.pdf?sequence=1&isAllowed=y](http://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/161490/TEM_2019_26_Energiatehokkuus_tyoryhman_valiraportti.pdf?sequence=1&isAllowed=y)

## **The Energy Authority finances regional energy advice for four years**

As of 1 May 2019, the Finnish Energy Authority finances regional energy advice in all Finnish counties (excluding Åland). The Authority has procured the actors through competitive tender process to further energy efficiency and use of renewable energy via energy guidance next four years.

The target groups of regional energy advice are consumers, municipalities and SMEs. An energy advisor provides unbiased information about the means available to improve energy efficiency and the use of renewable energy. Regional energy advice brings the energy advisor closer to the target groups in all provinces. The energy advice service is one way of promoting emission reductions: the energy advisor assists the consumer, municipality or SME in taking one step towards increased energy efficiency and use of renewable energy.

Energy guidance is provided through a variety of advice and communication channels, such as personal advice, seminars, meetings and campaigns. The parties providing energy advice use materials designed to promote energy efficiency and the use of renewable energy, which have been prepared by Motiva Oy with funding provided by the Energy Authority. Energy advice aims at making consumers, SMEs and municipalities interested in energy efficiency and renewable energy with the help of good examples and operating methods.

### **Energy surveys and energy efficiency agreements boost emission reductions**

Another goal with the regional energy counselling service is for the energy advisors to promote energy surveys in municipalities and SMEs, and thus to assist in the execution of energy efficiency agreements. Energy surveys and energy efficiency agreements are voluntary means selected by the state of Finland for the execution of the Energy Efficiency Directive (EED). The Energy Authority has funded and coordinated regional energy advice since 2018.

Source: Energy Authority <https://energiavirasto.fi/en/frontpage>

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## **Finland prepares Long Term Renovation Strategy**

The Ministry for the Environment together with Motiva, VTT and Tampere University of Applied Science have launched a project to develop the Long-term renovation strategy that aims at low

carbon and energy efficient buildings by 2050. The strategy is based on the amended Energy Performance of Buildings Directive that came into force in 2018.

The strategy will bring together an overview of the Finnish building stock, a roadmap for cost-effective renovation measures and their financing as well as policies and measures to promote deep renovation. The Impacts will also be evaluated including energy savings, emissions reductions and other effects.

The project, named REMPPA (“RENO”), will involve stakeholders from all fields, in particular building, property and financial sectors, through several workshops and public consultations events. The project began in February 2019 and will be finished in March 2020.

More information (in Finnish): [www.motiva.fi/remppa](http://www.motiva.fi/remppa) and inquiries: Senior Expert Harri Heinaro, Motiva Oy, [harri.heinaro@motiva.fi](mailto:harri.heinaro@motiva.fi)

## **The third annual World Circular Economy Forum took place in Helsinki in June**

With the current usage of plastics, by 2050 the world’s oceans will contain more plastic than fish. Hence, circularity and sustainable solutions cannot go overlooked if we humans don’t want to end up swimming in deep water in the near future.

In 2017, the Finnish Innovation Fund Sitra hosted the first World Circular Economy Forum (the WCEF). This year, the forum returned to Helsinki. According to Sitra’s Ernesto Hartikainen, circular economy and sustainable solutions should not be seen only as means to save the planet but also as business cases that can help Finns gain competitive edge in untapped markets.

The WCEF 2019 presented the most advanced circular economy solutions for governments, industries, businesses and citizens– and put pressure on the EU to strengthen the lead. There is a need to fix our unsustainable economic system. Governments should collaborate and create predictable policies for business to able to transform to a circular model. Finland’s new government programme raises the circular economy into the very core of the economic and competitiveness policy.

The third annual Forum brought together over 2200 of the world’s top business leaders, policymakers, researchers and innovators to work towards implementing a circular economy in Helsinki, Finland. The forum’s goal was to move the circular economy into the next era and transform “the best kept secret” into global impact.

We are undergoing a climate crisis, but we have a solution in the circular economy. Many good ideas were shared about the core philosophy of WCEF2019: the actions we can take to scale up solutions and make a fair transition to a circular economy to mitigate climate change. However, cooperation and global leadership is needed in order to the circular economy to be realized.

## Inputs for Finland's EU Presidency period

Eight European countries recently called for the European Union to spend a quarter of their budget to tackle climate change. This is an example of how serious the EU is in combating climate change. The EU shows global leadership on the circular economy by implementing policies and ensuring funds to develop and scale up solutions. Finland will assume the Presidency of the EU Council on 1 July 2019.

One of the key messages the WCEF2019 sent to the EU is that Europe shows global leadership on the circular economy by ensuring cross-cutting and top-level importance in governance and financial resourcing in the European Commission. Furthermore, circular economy is an opportunity for fairness.

The WCEF is the global initiative of the Finnish Innovation Fund Sitra. The WCEF2019 was hosted by Sitra and co-organized with selected international partners. Next year WCEF2020 will be held in Canada, where circular solutions are already a priority.

Source: <https://www.sitra.fi/en/news/wcef2019-sends-a-strong-message-to-the-eu/>

## Vesa Silfver is the new Managing Director of Motiva

Motiva's board has named Mr Vesa Silfver (born 1977, MSc) the new Managing Director of Motiva as of 23 April 2019. Before Motiva Vesa Silfver worked at Accenture where he has led the consulting team of health care and public sector. He has wide experience especially in digitalization related projects in public sector and municipalities. In addition to that he has supported the innovation activities of the public sector, e.g. developing new platform ecosystems. Before Accenture he worked for Deloitte as a Senior Manager.

Further information: <https://www.motiva.fi/en/motiva>

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