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Finland's National Report for the Third United Nations Conference on Housing and Sustainable Urban Development (Habitat III)

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I. Urban Demographic Issues and Challenges for a new Urban Agenda

1. Managing rapid urbanization ⁱⁱ

Achievements to date

Finland has become urbanized rather late. The major phase of urbanization began in the late 1960s, and has continued to date. Since the mid-1990s, the largest city regions have been the primary target of immigration. At the same time, national policies that used to direct growth from the largest cities to other parts of the country changed. In the new approach cities were seen more as “engines of growth”. With the emerging explicit urban policy in Finland, more attention was paid to specific problems related to urbanization, which called for specific new types of policy interventions.

The challenge especially in the largest metropolitan areas has been to sustain growth while managing it in an economically, ecologically and socially sustainable way. One of the main problems in all growing city regions is urban sprawl and the related increase in car-dependent urban structures. Another common problem is the shortage of reasonably priced housing. This problem has been especially difficult and long standing in the Helsinki metropolitan area. From a European perspective Finnish cities have not been very segregated, but this threat is growing. The decisions made concerning the development of the urban form also provide a basis for anti-segregation policies.

Sustainable development has been the general principle of the revised Land Use and Building Act of 1999. As part of the revision of the National Land Use Guidelines in 2008, greater emphasis was put on the goal of more sustainable urban forms. Moreover, since 2007 the 17 largest city regions in Finland have been required by law to draw up a plan on how to improve the integration of land use, housing and transport in their region. The first letters of intent between the State and the municipalities of the city regions on the integration of land-use, housing and transport were signed in 2011 (city region of Tampere), 2012 (Helsinki and Turku) and 2013 (Oulu). This is a new informal partnership-based instrument, based on a common plan and shared understanding between the municipalities of the region, on the one hand, and the State and the regions, on the other hand. The State acts as a kind of “guarantor” for the plan and offers various forms of support for implementing the plan (for example, legal and financial support for housing production, infrastructure investments, public transport).

In 2007 the State launched a specific metropolitan policy for the Helsinki metropolitan area to strengthen the region's international competitiveness and balanced development. The focus areas are land use, housing, transport, international competitiveness, immigration, social cohesion and governance. Within the metropolitan policy context, new partnership-based policy interventions have been developed to tackle urbanization and urban growth challenges, which are often cross-sectoral and need multi-level governance solutions to be effective. Besides the above-mentioned letters of intent on land use, housing and transportation, letters of intent have also been signed concerning the competitiveness of the region, the speeding up of the integration and employment of immigrants, and the reduction of long-term homelessness in the region. The procedure of preparing letters of intent on the competitiveness of the region has been extended in 2013 to cover all the 12 largest city regions in Finland.

Governance is one of the main challenges concerning the larger city regions. Finland is a country of strong local self-governance, and the functional city regions usually consist of several independent municipalities. These municipalities are economically dependent on the inhabitants (as good tax-payers) and enterprises within their territory, which can often give rise to harmful intra-regional competition and semi-optimisation. This is one of the reasons behind the ongoing nationwide municipal reform which aims at larger and economically more robust municipalities based on functional unities. In the Helsinki region there are also ongoing preparations for a new metropolitan administration, which would form a new level of directly elected government.

Challenges experienced and lessons learnt

In the latter half of the first decade of the 21st century, the rising awareness in society in general of the problems related to climate change contributed significantly to the concept of sustainable urban form moving higher on political agendas. Together with rising concerns about public-sector financing, this development has made it possible to create national-level policy frameworks for looking at growing city regions in a strategic, comprehensive and sustainable way (for example, the above-mentioned law on regional integration, letter of intent procedures). Under these frameworks, the intra-regional interaction can be strengthened, mutual understanding and trust developed and cooperation increased. Another important aspect has been the greater understanding and use of an integrated approach. In this, developing a robust and illustrative information base and a consistent follow-up system play an important role. One of the challenges experienced in city regional processes, such as letters of intent, is the varying degree of commitment to commonly agreed targets. Another one is the constant difficulty in creating well-functioning housing markets able to deliver enough reasonably priced housing. In the metropolitan policy context, experience has shown that carrying out cross-sectoral work in a concrete problem-oriented way is rewarding, but at the same time challenging. One of the key potentials lies in finding innovative tailor-made policy solutions for implementing the universal (often: welfare) policy goals.

Future challenges and issues that could be addressed through a New Urban Agenda

One of the future challenges, which is current and long-term at the same time, is how to wisely promote the necessary systemic change towards a carbon-neutral society. Profound and systematic changes are needed in energy and resource efficiency in buildings, transport and mobility, everyday living and consumption patterns, among others, but, at the same time, urban structures are long-standing by nature and slow to change. The tightening of public finances and demographic changes, especially an ageing population, are leading to major challenges in the provision of services. The patterns of providing commercial services are also undergoing rapid change, which has effects on the urban structure. Increasing polarization in society creates various challenges and tensions, which can be reflected in growing spatial segregation and cross-generational exclusion.

2. Managing rural–urban linkages ⁱⁱⁱ

In Finland regional policy formulation includes urban, rural and archipelago policies. In order for the State to be able to guide regional planning, an action plan is prepared for each of these policies at the start of a new legislative period. In the beginning of 2012, the state officials at the Ministry of Agriculture and Forestry in charge of rural policies were transferred to the Ministry of Employment and the Economy, where the officials in charge of urban and archipelago policies had already been working. Thus, all three sectors of regional development were brought together. The next step was the simultaneous preparation of action plans for each sector of regional policy. These plans were ratified by the Ministry of Employment and the Economy simultaneously in June 2012.

Administrative changes will hopefully support better urban–rural interaction. The relations between urban and rural areas have changed rapidly in the last few decades. These changes have come about especially because of improvements in information and communication technology, the development of a bioeconomy side-by-side with traditional agriculture and forestry, an increase in the mobility of people and goods, and a change in land use in the proximity of cities. The economic, societal and human interactions between urban and rural areas are in a state of fluctuation.

The goal of the ongoing municipal reform in Finland is to expand municipalities and safeguard their economic ability to produce services for their inhabitants and support sources of livelihood. In the expanding municipalities, it is important to develop both urban and rural areas and ensure that people living outside densely built areas can participate in the development of the municipality. Those municipalities that are growing must strengthen local cooperation and the development of villages. The cooperation between the municipal administration and the local businesses, organisations and people is more-and-more important in such development work.

Information regarding regional development has traditionally been gathered on the basis of statistical data from the administrative region. The divisions of urban and rural areas have been based on a classification system that recognizes different types of municipalities. This worked well in an era when the physical size of the municipalities was small, but current municipal structural reforms encourage larger municipalities. This has led to a situation where there are areas within the same municipality that have an urban character and other areas that are rural. This is why more detailed information is needed concerning the urban–rural continuum.

A new classification system that uses geographical information has replaced the previously used urban–rural regional classification system, which was based on municipal boundaries. Population, labour, commuting and building data, as well as road network data and land use data, were used as source material. Seven regional classes have been identified for the new classification:

1. *Inner urban area*: A compact and densely built area with continuous development.
2. *Outer urban area*: A dense urban area extending from the boundary of the inner urban area to the outer edge of the continuous built area.
3. *Peri-urban area*: A part of the intermediate zone between urban and rural, which is directly linked to an urban area.
4. *Local centres in rural areas*: Population centres located outside urban areas.
5. *Rural areas close to urban areas*: Areas with a rural character that are functionally connected and close to urban areas.
6. *Rural heartland areas*: Rural areas with intensive land use, with a relatively dense population and a diverse economic structure at the local level.
7. *Sparsely populated rural areas*: Sparsely populated areas with dispersed small settlements that are located at a distance from each other. Most of the land areas are forested.

3. Addressing urban youth needs^{iv}

Achievements to date

Young Finns start living independently early in comparison to youth in other European countries. The average age of moving from the childhood home is 19 years. The reasons for this are both cultural and

economic. Student and housing allowances make it possible for young people to live independently regardless of their parents' income.

Since 1996 the number of young homeless people under the age of 25 in Finland has increased from 1,516 to 1,862. Especially in urban areas, where it is harder to find and obtain a rental apartment, the number of young homeless has increased. Seventy-three per cent of the young homeless are in Helsinki and the Helsinki metropolitan area.

As a part of the Government Programme to Reduce Long-term Homelessness 2007–2011 and the Programme to Eliminate Long-term Homelessness 2012–2015, a project to prevent homelessness in young people in Finland was implemented. The aim is to increase the volume of preventive services provided for young people and to build youth apartments.

During the past two decades the number of special student and youth apartments has increased substantially. Finland has almost 40,000 student apartments and 7,000 youth apartments. Funding from Finland's Slot Machine Association and the Housing Finance and Development Centre of Finland covers 10–30% of the costs of construction. The rest is financed by state-subsidised loans from the Housing Finance and Development Centre of Finland.

Different forms of social guidance, support and advice have been developed to help in preventing youth homelessness and social exclusion. Especially the forms of work that are aimed at reaching young people in their own environment, such as outreach youth work, housing guidance and floating support have proven successful.

Since 2011 the Youth Act has required the municipalities to have a guidance and service network serving young people. It's role is to compile information about young people's growth and living conditions, promote the coordination and impact of services geared to young people, plan and enhance joint procedures in guiding young people to services and, where necessary, for transferring young people from one service to another, and promote the flow of information relating to the provision of youth services by planning common procedures for different authorities.

Challenges experienced and lessons learnt

One of the main challenges in big cities is the lack of small and affordable apartments. Other challenges are the availability of housing-related services, an increase in youth indebtedness, sectorized services and an increase in the homelessness of immigrants.

During the last decades we have learned that it is important to promote integration in housing and living areas to prevent segregation and the intensification of problems. Preventive work has proven effective.

Future challenges and issues that could be addressed through a New Urban Agenda

Guidance for everyday coping skills should be offered in young people's own environment (e.g. schools, military service, homes). Parents should also have support to teach their children these skills. We have to find better ways to measure the effects of preventive work to convince the authorities to finance these efforts.

Young people should have opportunities to participate already in the early stages of planning their housing and living environments and in developing the services. Given the rate of urbanization, more affordable housing in the largest cities is needed.

4. Responding to the needs of the aged ^v

Achievements to date

In 2000 about 8.5% of people over 75 years old were in institutional care, while in 2012 the number was 3.8%. There is a broad consensus in Finland that older people should be able to live at home for as long as possible. Accessibility of the building stock is a key factor in determining the suitability of buildings for use by the ageing population.

The purpose of the Act on Care Services for the Elderly, which entered into force in 2013, is to ensure that elderly people will obtain individual care services according to their needs on an equal basis. It gives precedence to services provided at home, and places municipalities under an obligation to prepare and implement a wide range of measures for the wellbeing and independent living of the older population.

Finland is implementing the housing development programme for older people 2013–2017. Its target is that at least 92% of people over the age of 75 are able to live at home. The main actions include improving the housing conditions and the delivery of adequate support services. Under the programme, the focus is on supporting older people's own actions regarding housing and the related services. State renovation grants are awarded on social grounds for repairs of the homes of older people and people with disabilities. Additionally, state grants are available, up to 50% of approved costs, for constructing lifts in existing blocks of flats.

Alongside renovation of the housing stock, the independent living of the older population is supported through various other means, such as finding new housing solutions and the supply of sheltered housing. Versatile services for the elderly, such as local services, support services and home services, as well as property maintenance services, contribute to making everyday life easier. Strengthening social interaction and fostering a sense of community are also part of the programme. Welfare technology and ICT can offer new kinds of opportunities to support living at home.

Challenges experienced and lessons learnt

The structure of services for older people is still too focused on institutional care and sheltered housing. To change the structure of these services, broad-ranging actions are needed concerning the provision of services and improvements in housing. Cooperation and partnerships are also needed for implementing such actions and creating new solutions.

The Ministry of the Environment has the main responsibility for implementing the housing development programme for older people. The programme, however, is being implemented in close cooperation with other actors, such as state bodies, local governments, NGOs and the private sector, as well as actors involved in development work and funding. Although it takes time for actors to make the commitments needed for cooperation and to trust in each other, these are crucial to respond to the needs of the ageing population and achieve the desired results.

Future challenges and issues that could be addressed through a New Urban Agenda

The ageing of societies is one of the main global trends. This phenomenon has far-reaching national and global consequences, and therefore it has to be taken comprehensively into account in the New Urban Agenda, in regard to, among other things, well-being, housing conditions, services and accessibility.

5. Integrating gender in urban development ^{vi}

Achievements to date

Integrating gender into urban development usually means that the needs of women and men are equally considered in the design and assessment of the built environment and its various functions, such as housing, working, services and transport. The stereotypical assumptions in urban planning about nuclear families and male-headed households have, fortunately, been undermined in recent decades, but many policy-makers and planners still lack basic understanding about gender issues. Some forward-looking cities have assessed the gender impact of their urban planning processes (e.g. Oulu 2008), but these remain rare exceptions.

In Finland, as in several other countries, urban planning could generally be termed 'gender blind'. When the Finnish Land Use and Building Act was prepared in the late 1990s, gender issues were not mentioned at all and, consequently, their impacts were not assessed. According to this Act, the objective in land use planning is to promote "a safe, healthy, pleasant, socially functional living and working environment which provides for the needs of various population groups, such as children, the elderly and the handicapped". This formulation indicates that men and women should not be considered as separate population groups that would require particular attention. This reflects the general way of thinking in Finland, namely, that equality between both genders has already been reached; thus, the retention of a gender perspective has become unnecessary.

A major process for change started in 2009 when the Ministry of Social Affairs and Health published a handbook called "Gender Glasses in Use", to support gender mainstreaming at all Finnish ministries. This handbook shows how to incorporate in a simple and structured manner the gender perspective into all legislation and decision-making, and also into the preparation of projects and programmes.

Challenges experienced and lessons learnt

The annual follow-up evaluations of the work on gender mainstreaming indicate that gender impact assessment has not yet reached the level of mainstreaming at the ministries responsible for urban development and transport policies. For example, we know today that two-thirds of the users of public transport are women, as are a vast majority of pedestrians, but still the gender perspective is not taken into consideration in city and transport and traffic planning, and in other relevant policies.

In addition, a large part of the data collected on urban development issues is not disaggregated by sex, which entails major difficulties in recognizing gender-related impacts.

Future challenges and issues that could be addressed through a New Urban Agenda

One of the topical issues would be assessing gender impact on policies for urban development and transport. This should include the integration of a gender perspective into all programmes and projects promoting walking, cycling and public transport in urban areas. This could easily be carried out by putting on the above-mentioned Gender Glasses.

6. Challenges experienced and lessons learnt in these areas (1–5)

A multitude of challenges, related to demographic issues and urbanization, have been identified in this section of the national report. These challenges are related to:

- the spatial and social structure of cities,

- the cost of housing in growing cities,
- rising concerns about sustainable public-sector financing related to service provision,
- the interaction between and the planning of urban and rural areas,
- an increase in young homeless people,
- accessibility to the building stock by elderly people, and
- the lack of a gender perspective in legislation and decision-making.

Managing rapid urbanization

The concept of a sustainable urban structure has moved higher on the political agenda because of the rising awareness of climate change. Together with growing concerns about public-sector financing, this development has led to the creation of national-level policy frameworks for looking at growing city regions. Under these frameworks, intra-regional interaction has been strengthened, mutual understanding and trust have been developed, and cooperation has increased. Additionally, there has been a greater understanding and use of an integrated approach to land use, housing and transport. One of the main problems in all growing urban regions is urban sprawl and the related increase in car-dependent urban structures. Another common problem is the shortage of reasonably priced housing. Some of the challenges experienced in city regional processes are the varying degrees of commitment to commonly agreed targets, and the difficulty in creating well-functioning housing markets able to deliver reasonably priced housing.

Managing rural-urban linkages

The Finnish experience in managing rural-urban linkages stresses the importance of developing both rural and urban areas, and ensuring that people living outside densely built areas can participate in the development of the municipality. Current structural reforms are creating larger municipalities, where some areas within a municipality have an urban character and others are rural in nature. Therefore, a new classification and data collection system has been developed for municipal data which recognizes seven regional classes: the inner urban area, the outer urban area, the peri-urban area, local centres in rural areas, rural areas close to urban areas, rural heartland areas, and sparsely populated rural areas. Data on population, labour, commuting, buildings, road networks, and land use is used as background data in the new data collection system.

Addressing urban youth needs

Recently, more effort has been put into addressing urban youth needs. One of the main challenges in large cities is the lack of small and affordable apartments. Other challenges are the availability of housing-related services, an increase in youth indebtedness, sectorized services, and an increase in the homelessness of immigrants. During the last decades, we have learned that it is important to promote integration in housing and living environments to prevent segregation and the intensification of problems. Preventive work has proven effective.

Responding to the needs of the aged

There is a broad consensus in Finland that older people should be able to live at home for as long as possible. Accessibility of the building stock is a key factor in determining the suitability of buildings for use by the ageing population. The purpose of the Act on Care Services for the Elderly, which entered into force in 2013, is to ensure that elderly people can obtain individual care services according to their needs on an equal basis. It gives precedence to services provided at home, and places municipalities under the obligation to prepare and implement a wide range of measures for the well-being and

independent living of the older population. The structure of services for older people is still too focused on institutional care and sheltered housing. To change the structure of these services, broad-ranging actions are needed concerning the provision of services and improvements in housing.

Integrating gender in urban development

Integrating a gender perspective into urban development usually means that the needs of women and men are taken equally into account in the design and assessment of the built environment and its various functions, such as housing, working, services and transport. In Finland, as in several other countries, urban planning could generally be termed “gender blind”. The annual follow-up evaluations of the work on gender mainstreaming indicate that gender impact assessments have not yet reached the level of mainstreaming, for example, at the ministries responsible for urban development and transport policies. In addition, a large part of the data collected on urban development issues is not disaggregated by sex, which entails major difficulties in recognizing gender-related impacts.

7. Future Challenges and issues in these areas (1–5) that could be addressed by a New Urban Agenda

Managing rapid urbanization

One of the future challenges, which is current and long-term at the same time, is how to wisely promote the necessary systemic change towards a carbon-neutral society. Profound and systematic changes are needed in energy and resource efficiency in buildings, transport and mobility, everyday living and consumption patterns, among others. But, at the same time, urban structures are long-standing by nature and slow to change. The tightening of public finances and demographic changes, especially an ageing population, are leading to major challenges in the provision of services. The patterns of providing commercial services are also undergoing rapid change, which has effects on the urban structure. The increase in polarization in society creates various challenges and tensions, which can be reflected in growing spatial segregation and cross-generational exclusion.

Managing rural-urban linkages

The New Urban Agenda needs to address the challenge of developing both rural and urban areas. Ensuring that people living outside densely built areas can participate in the development of the municipality is essential for managing rural-urban linkages. In many countries structural reforms are leading to an increase in the size of municipalities, resulting in areas within a municipality that have an urban character and other areas that are rural in nature. This results in a broad variety of areas ranging from densely built inner urban areas, to sparsely populated rural areas, with each area having its own characteristics related to population, labour, commuting, buildings, road networks and land use. The New Urban Agenda needs to stress the importance of using a new approach in gathering data on rural and urban areas that encompasses the variety of these areas.

Addressing urban youth needs

The New Urban Agenda should stress the importance of offering guidance on everyday copy skills to young people. Support to young people should be provided in their own everyday life in schools, homes and society in general. The positive effects of the aforementioned preventive work need to be measured in order to convince the public sector authorities to finance these efforts. With regard to planning, the New Urban Agenda needs to address young peoples’ opportunities to participate in the early stages of the planning of housing, in developing services and the planning of the urban environment. Given the rate of urbanization, more affordable housing is needed in the largest cities.

Responding to the needs of the aged

The ageing of societies is one of the main global trends. This phenomenon has far-reaching national and global consequences, and therefore it has to be taken comprehensively into account in the New Urban Agenda. The issues that need to be thoroughly addressed have to do with well-being, housing conditions, services and accessibility of a growing elderly population.

Integrating gender in urban development

The New Urban Agenda needs to support the assessment of gender impacts of policies on urban development and transport as the significance of this perspective is not broadly recognized in urban planning. A gender approach to urban planning should, for example, include the integration of a gender perspective into all programmes and projects promoting walking, cycling and public transport in urban areas.

II. Land and Urban Planning: Issues and Challenges for a New Urban Agenda

8. Ensuring sustainable urban planning and design ^{vii}

Achievements to date

Urban planning aims to find solutions that support sustainable development. One of the main goals, for large cities especially, is to stop urban sprawl and increase urban densification. Concentrating new developments within public transport zones improves the viability of public transport. Land use is made more efficient in areas where public transport intersects. Improving energy efficiency and favouring renewable energy help prevent climate change. In preparation for global warming, measures are taken to help prevent damage caused by extreme weather conditions, such as city flooding due to heavy rainstorms. In Finland, the interaction between the built environment and the surrounding natural environment is very important. This means that a central goal of urban planning is consideration of the intrinsic value of nature, which allows, for example, ecological corridors to be maintained.

Challenges experienced and lessons learnt

At the municipal level, having the goals of sustainable development present in urban planning has raised decision-makers' awareness of climate change. It has also made it clear that local solutions have an impact. For example, city regions have drawn up climate strategies to guide urban planning and several municipalities have launched projects to improve energy efficiency.

The problem is that in Finland, city regions usually consist of several municipalities whose urban planning principles and land use policies can vary greatly. The municipalities around a central city compete for good tax payers and, therefore, are ready to compromise on sustainable development. This can be seen, for example, in greater urban sprawl. The phenomenon also leads to a decrease in social sustainability as differences in income increase between the central city and the surrounding municipalities.

Agreements have been drawn up between municipalities in the four largest city regions and the government on measures that will support the goals of urban harmonization and other planning principles in accordance with sustainable development. The experiences from these agreements have been good and the plan is to continue with this practice in the next electoral term.

Future challenges and issues that could be addressed through a New Urban Agenda

The most important aspect in the development of city regions is to take the needs and challenges of the whole region into account. Municipalities in Finland have strong autonomy and this is why development will continue to be municipality-oriented. Finland has recognised the need for municipal reform, and the formation of city regions has been one way to renew the local government structure so that the city regions would mainly consist of just one municipality. If this cannot be implemented, it is important that we create better conditions for sustainable urban planning of the whole city region by either developing the planning process or by tightening the agreements between municipalities and the state.

9. Improving urban land management, including addressing urban sprawl^{viii}

Achievements to date

Decisions regarding land use and the planning of land use constitute one of the key competences that have been accorded to Finnish municipalities in legislation. A system of land use planning makes it possible to guide construction and other land uses at the municipal level.

Sustainable development has been a general principle in land use planning since the 1990s. As part of the revision of the National Land Use Guidelines in 2008, greater emphasis was put on the goal of more sustainable urban forms. Moreover, since 2007 the 17 largest city regions in Finland have been required by law to draw up a plan on how to improve the integration of land use, housing and transport in their region.

In the latter half of the first decade of the 21st century, the rising awareness in society in general of the problems related to climate change contributed significantly to the concept of sustainable urban form moving higher on political agendas. Together with rising concerns about public-sector financing, this development has made it possible to create national-level policy frameworks for looking at growing city regions in a strategic, comprehensive and sustainable way.

Challenges experienced and lessons learnt

A report in 2013 examined the development of Finland's regional and urban structures in the 1990s and 2000s. One key observation was that development in Finland has been strongly differentiated. This can be seen in the concentration of population and jobs in certain urban regions, while remote rural areas are experiencing population decline. At the same time, the population is ageing at a rapid pace, with the rate of change varying between regions.

According to the report, Finland faces several challenges related to the growth of urban regions. In some areas, the fringes of urban regions are being built without a comprehensive plan. Retail stores for daily consumer goods have relocated from city centers to other areas and the size of retail units has increased substantially. These developments pose a challenge in terms of access to local services. An increase in urban sprawl has led to constantly increasing commuting distances. During the last two decades, the regions that are able to supply profitable public transport have decreased.

Improving urban land use is important when striving for a functional and sustainable city. Improved urban land use increases access to housing, improves mobility for all, and encourages dense and mixed land use. By bringing urban form and urban land use to the centre of the agenda of sustainable urbanization, we can contribute a great deal towards creating sustainable cities.

Future challenges and issues that could be addressed through a New Urban Agenda

It has become clear that urban form is a key element when pursuing sustainable urban development. As urbanization is still ongoing in Finland, there are a multitude of challenges to be faced related to land use planning. How do we ensure cost-efficient services, sustainable transport, a good living environment, and eco-efficient communities for all? How do we ensure that the fringes of growing urban areas are constructed through a well-planned and well-managed approach? Addressing the current challenges does, however, also offer great possibilities in striving towards carbon-neutral cities.

10. Enhancing urban and peri-urban food production^{ix}

Urban cultivation and food production have long traditions in Finland. Cities have designated certain areas as allotment gardens where the residents can lease plots of land for cultivation. In earlier times, the berries, fruits, vegetables and root plants used to be an important addition to the food supply of urban households. As a result of the growth in prosperity the role of allotment gardens and leased plots has shifted more towards leisure and recreation, but the crops they yield are still highly valued.

Now a new type of urban cultivation is gaining ground in Finland, where people grow vegetables and herbs as a hobby in movable containers, bags or sacks on balconies for their own use or to be shared with the nearby community. New building regulations also make it easier to use balconies for container gardening because they can now be enclosed in glass. Fresh produce may also be grown on rooftops in containers or greenhouses. When cultivating on the roof, however, the weight carrying capacity of the roof must always be taken into account.

Beekeeping in urban areas is also becoming increasingly common in Finland, with the hives placed either on rooftops or in green spaces. This promotes pollination in green areas of towns and cities, and provides locally produced honey for consumers. One growing trend in urban cultivation is to establish plots in unused wastelands, which also makes a significant contribution to enhancing the biodiversity of urban environments. Often such areas are established and managed by groups of people or associations, which means that, besides yielding crops, they create a new kind of community spirit and social capital. New types of green gardens and larger cultivated areas are also being set up in cities where ornamental plants give way to crop-yielding plants.

Various kinds of partnership models for farming are being introduced where the consumers involve themselves more closely in the planning and production of the crops. Urban residents may, for example, acquire arable land in a nearby area and hire a farmer to cultivate the products that they wish to grow – and quite often the residents also take an active part in the work. This type of a cooperative model is seen in the Helsinki area, where the production has gradually expanded to the extent that products are being sold outside the cooperative as well.

Urban cultivation has increased for several reasons. Consumers have become more and more alienated from the food chain and the origin of food. By growing one's own food, a new relationship with nature can be formed. In the global world, the food industry is very strongly interlinked, which may result in attempts to deceive the consumer (e.g. food fraud). This makes consumers more willing and prepared to pay attention to the origin and quality of food, as indicated by the growth in urban cultivation.

Future success stories are those where the dependence on fossil fuels can be reduced and resource efficiency promoted. To this end, pilot studies are underway, for example, on locating greenhouses by shopping centres, so that consumers can have access to fresh local produce without any extra energy consumed by transport.

In Finland, as people move to growth centres and areas adjacent to these, the population is becoming more concentrated. Around the population centres, the pressure is increasing to take more and more agricultural land into use for urban development. At the same time, the structure of Finnish municipalities is changing. Municipal mergers often result in a structure where a major part of the new, larger municipality is countryside. Especially when rural municipalities merge with large population centres, it is important to ensure that certain essential aspects and special characteristics of rural areas, businesses and lifestyles are recognised in the new extended city, so that primary production and food production can be maintained. On the other hand, municipal mergers also can result in better contacts between producers and consumers and create the conditions, among other things, for new kinds of production and marketing solutions for local food, according to the demands of the consumers.

Food production in cities is closely linked to urban land use and land use planning and the related tools. These should make it possible to retain arable areas for food production, while also allowing innovative ways of producing food within the urban structure, such as patches of land for cultivation, jointly-owned arable lands, forest gardens, school gardens, greenhouses, conservatories, and cultivation on old industrial sites using new technologies.

11. Addressing urban mobility challenges ^x

Achievements to date

The transportation system in cities and metropolitan areas is primarily based on the use of private motor vehicles. The role of rail transport is significant mainly in long-distance travel and in the Helsinki Metropolitan Area. In Finland, the capacity of the road network is mostly sufficient apart from some traffic congestion in the centers of large cities. Motor vehicle traffic also causes noise and emissions that affect air quality.

Urban sprawl is a key characteristic of Finnish cities. Both internal and external migration is more and more concentrated within the largest metropolitan areas and along the outer rings of the central business districts of cities. An increase in spacious housing, combined with a transition in working life and an increase in leisure-time, have had the opposite effect compared to policies and actions towards compact cities and sustainable mobility. An increase in commuting distances combined with the centralization of commercial services has led to car-dependency in many areas. There has been a strong ongoing increase in private motor vehicle use. This development has decreased the economic viability of public transport, cycling and walking. The total number of private motor vehicles in traffic has increased by almost one third between 1995 and 2012.

Challenges experienced and lessons learnt

Finland is sparsely populated and distances traveled are long. In addition, the northern climate and changing seasons pose challenges for mobility. Recent urbanization can also be seen as causing some level of juxtaposition between rural and urban areas. It is therefore important to pinpoint the varying needs and goals of each area and allocate actions accordingly. The modal share of public transport has been increased in the key urban areas in order to make living without a private motor vehicle possible.

The priority in future transport planning should be in benefiting from the current infrastructure as opposed to building new infrastructure, as resources are also needed for the maintenance of the current infrastructure. The key challenges for mobility in cities are unexpectedly rapid population growth and continuing urban sprawl related to this growth. Increasing car-dependency has occasionally also caused traffic congestion. The competitiveness of public transport has continuously declined. A prevailing challenge is the funding of the transportation system as a whole.

Future challenges and issues that could be addressed through a New Urban Agenda

The goals related to a healthy, secure, economical and socially just community structure combined with combatting climate change require a fundamental change compared to previous development. During the past few years, there has been a significant change in the planning culture in Finland. In joint planning efforts on land use and transport the most central and important goal has been urban densification in order to reduce the need to commute and to reduce car-dependency. The ultimate goal is the improvement of the status of walking, cycling and public transport.

In order to develop the joint planning of land use and transport, a zoning method has been developed in which the location of current housing, employment and services are defined according to spatial data and data on available public transport. This method can be used in land use planning in cities in order to allocate the construction to areas where access to various services and functions is supported by a well-functioning public transportation system.

Negotiations and participatory processes are an attempt to guide joint land use and transport planning and the development of city and smaller population centers in order to increase the ease of day-to-day living so that various functions would be more accessible by public transport, walking and cycling.

12. Improving technical capacity to plan and manage cities^{xi}

Achievements to date

During the past decades, Finland has developed the technical capacity to plan and manage cities through the use of comprehensive electronic information and communication technology. This technology is broadly used in the land use planning and building of cities.

The Land Use and Building Act, which was enacted in 2000, includes provisions on town planning, municipal building ordinances, planning and building with regard to shore areas, plot division, expropriation of land in relation to community structure, general requirements on building, and building permits and other supervision by authorities.

The use of electronic information and communication technology in the fields of land use and building, including planning, construction and maintenance, has become mainstream. Communication and planning and participation activities have shifted to electronic platforms and the use of the internet, social media and global positioning data has become commonplace. Currently, the majority of land use plans are in digital format, as are plans related to building.

Challenges experienced and lessons learnt

Despite the growing use of information and communication technology in land use planning and building, the level of digitalisation in planning varies among municipalities, as well as at the regional level. One of the lessons learned is the impact that legislation can have on the increase in the use of information technology in planning. For example, the Land Use and Building Act was revised between 2005 and 2008 to encourage the digitalisation of land use maps to ensure that the public has easy access to the data. Another lesson learned is the need to follow common national or even broader standards in digitalisation. In Finland, the development of information technology has moved towards municipality- and project-specific solutions, which has led to some difficulty in accessing summarised data, for example, at the central government level.

Future challenges and issues that could be addressed through a New Urban Agenda

Future challenges in the public sector include setting up an electronic system in which data needs to be saved only once, after which it can be accessed by all necessary parties. At the moment, the lack of compatibility between the standards and formats of electronic data is a challenge that is slowing down the rate at which information on the built environment can be accessed. When looking at ways to develop legislation related to city planning, one should always look at the implications on electronic information management.

13. Challenges experienced and lessons learnt in these areas (8-12)

Ensuring sustainable urban planning and design

At the municipal level, having the goals of sustainable development present in urban planning has raised decision-makers' awareness of climate change. The problem is that city regions usually consist of several municipalities whose urban planning principles and land use policies can vary greatly. The municipalities around a central city compete for good tax payers and, therefore, are ready to compromise on sustainable development. This can be seen, for example, in greater urban sprawl.

Improving urban land management, including addressing urban sprawl

Improving urban land use is important when striving for a functional and sustainable city. Improved urban land use increases access to housing, improves mobility for all, and encourages dense and mixed land use. By bringing urban form and urban land use to the centre of the agenda of sustainable urbanization, we can contribute a great deal towards creating sustainable cities.

Enhancing urban and peri-urban food production

Around population centres, pressure is increasing to take more and more agricultural land into use for urban development. Municipal mergers often result in a structure where a major part of the new, larger municipality is countryside. Especially when rural municipalities merge with large population centres, it is important to ensure that certain essential aspects and special characteristics of rural areas, businesses and lifestyles are recognised in the new extended city, so that primary production and food production can be maintained.

Addressing urban mobility challenges

The key challenges for mobility in cities are unexpectedly rapid population growth and continuing urban sprawl related to this growth. Increasing car-dependency causes traffic congestion and the competitiveness of public transport is continuously declining. A prevailing challenge is the funding of the transportation system as a whole. The priority in future transport planning should be in benefiting from the current infrastructure as opposed to building new infrastructure, as resources are also needed for the maintenance of the current infrastructure.

Improving technical capacity to plan and manage cities

One of the lessons learned is the impact that legislation can have on the increase in the use of information technology in planning. Another lesson learned is the need to follow common national or even broader standards in digitalisation. The development of information technology has moved towards municipality- and project-specific solutions, which has led to some difficulty in accessing summarised data, for example, at the central government level.

14. Future challenges and issues in these areas (8-12) that could be addressed in the New Urban Agenda

Ensuring sustainable urban planning and design

With regard to sustainable urban planning and design, the most important aspect in the development of city regions is to take the needs and challenges of the whole region into account. It is important that we create better conditions for sustainable urban planning of the whole city region by either developing the planning process or by tightening the agreements between municipalities and the state.

Improving urban land management, including addressing urban sprawl

It has become clear that urban form is a key element when pursuing sustainable urban development. As urbanization is still ongoing, there are a multitude of challenges to be faced related to land use planning. How do we ensure cost-efficient services, sustainable transport, a good living environment, and eco-efficient communities for all?

Enhancing urban and peri-urban food production

Food production in cities is closely linked to urban land use and land use planning and the related tools. These should make it possible to retain arable areas for food production, while also allowing innovative ways of producing food within the urban structure.

Addressing urban mobility challenges

In joint planning efforts on land use and transport the most central and important goal is urban densification in order to reduce the need to commute and to reduce car-dependency. The ultimate goal is the improvement of the status of walking, cycling and public transport. In order to develop the joint planning of land use and transport, a zoning method needs to be developed in which the location of current housing, employment and services are defined according to spatial data and data on available public transport. This method can be used in land use planning in cities in order to allocate construction to areas where access to various services and functions is supported by a well-functioning public transportation system.

Improving technical capacity to plan and manage cities

Future challenges in the public sector include setting up an electronic system in which data needs to be saved only once, after which it can be accessed by all necessary parties. At the moment, the lack of compatibility between the standards and formats of electronic data is a challenge that is slowing down the rate at which information on the built environment can be accessed. When looking at ways to develop legislation related to city planning, one should always look at the implications on electronic information management.

III. Environment and Urbanization: Issues and Challenges for a New Urban Agenda

15. Addressing Climate Change ^{xii}

Finland was one of the first countries in the world to adopt adaptation policies for climate change. The national adaptation policy for climate change was formulated as an independent part of the energy and climate strategy as early as 2005. Adaptation to climate change is also included in the long-term energy and climate strategy from 2008, as well as in the updated strategy for 2013. The working group's proposition for the renewal of the national adaptation policy for climate change was published in the beginning of 2014 with the intent of producing a government decision on the matter by the end of that year.

The renewed strategy takes a long-term view of climate change because of the various changes that will occur at different points of time in the coming centuries. The current estimates on the development paths of climate change reach up to the year 2100. According to current estimates, climate change will develop at a steady pace until the years 2030 to 2040, after which the success of mitigation measures will play a significant role in the pace of climate change. Scenarios and necessary measures need to be examined and updated at a more frequent pace.

The strategy includes three strategic goals up to 2022 and defines the central measures in the near future that are needed for achieving those goals. The global impacts of climate change, and their effects on Finland, are assessed and monitored, and taken into account at the national level.

Strategic goals to be achieved by 2022:

- a) Adaptation to climate change is integrated into the planning and actions of various sectors and actors.
- b) Actors have at their disposal the necessary methods for climate-risk assessments and management.
- c) Society's ability to adapt to change and develop innovative solutions has been improved through research, development and communication.

It is becoming evident that, despite attempts to mitigate climate change, the climate will become warmer and change in the near decades. At the same time, the probability of extreme weather conditions, such as heavy rains and storms, will increase. Finnish society has the ability to prepare for such changes but this requires planning and an active approach.

A significant part of the adaptation measures, for example, preparedness for storms and floods, as well as measures related to land use planning and building, can be dealt with through conventional planning. This can be done by simply taking the climate and its impacts into account more thoroughly. At the same time, the ability to adapt to change will improve.

At the national level, the key components in adaptation to climate change are the development of legislation and governance, research and development, and raising the level of awareness. In terms of practical measures, the key components are vulnerability studies and the further development of risk management methods.

Local planning solutions and cooperation in problem solving are prerequisites for adaptation to climate change. Municipalities have a significant role to play in adaptation already because of their current tasks. Municipalities need to invest especially in those sectors in which the solutions will either have an extremely long-term effect or will have an effect on crucial infrastructure in the society such as energy, water, national emergency supplies or networks.

16. Disaster risk reduction ^{xiii}

Achievements to date

During the past two decades, information on major disasters or accidents has increased. Significant risks have been recognized; for example, the location of large industrial complexes and other establishments that handle hazardous waste and the transportation of hazardous waste by road or rail. Knowledge of disaster risk reduction has also increased, for example, in various fields of environmental impact assessment and urban planning.

In the multi-stakeholder KERTTU project, different transport sectors and authorities jointly developed a methodology for assessing major accident hazards that is suitable for assessing risks associated with hubs used for the transport of dangerous goods (TDG). In the assessment method, risks are categorised and the scope of the different risk categories is indicated on maps. The inherent vulnerability of different land uses, such as housing, industrial or commercial centres, can then be used for assessing what kinds of activities can be sited in the vicinity of hubs used for the transport of dangerous goods. As part of the project criteria were defined for selecting major accident scenarios suitable for these transport hubs and practical guidance was prepared for land use planners.

The Land Use and Building Act of 2000 helped in clarifying the significance of the various studies and impact assessments needed, and because of this the ability and knowledge of planners and decision-makers improved, which resulted in a positive effect on the decisions made. Disaster risk reduction got a stronger foothold in the planning process. This could be seen clearly in the amendment to the Land Use and Building Act of 1999 which stated as follows: "Planning must be based on sufficient studies and impact assessments." In addition, the clarification of the guidelines regarding public participation has had an impact. Those interested parties, who may be affected by the planning, have the opportunity to participate in preparing the plan, assessing its impacts and stating their opinions on it, in writing or orally. To date, this positive growth in knowledge of disaster risk reduction has led to more informed planning and the continuation of public participation.

Challenges experienced and lessons learnt

The key challenges that have been recognized have to do with the reduction of known risks. There are methods to do so, but they are expensive. For example, the existing land use patterns can be altered by relocating large industrial plants or by relocating land use that is at risk, such as housing. Another alternative is the shifting of the transport routes of hazardous waste to lower-risk routes or routes where the risks are easier to manage. These issues need to be dealt with in land use planning at the regional level and in the local master plan.

Future challenges and issues that could be addressed through a New Urban Agenda

One key solution to enhancing disaster risk reduction in planning processes, and urban development in general, lies in the training and capacity building of planners and other city officials in the

methodologies and solutions used to take disaster-related risks into account. This will not only increase the capacity of city planners to carry out “wiser” urban planning processes, but also will have a general impact on the planning culture.

17. Reducing traffic congestion

(No information provided)

18. Air pollution ^{xiv}

With regard to air pollution management in Finland, emissions into the air have been clearly reduced over the last decades. Many of the targets set for reducing emissions have either already been met or will probably be achieved by their target year. Nitrogen emissions have declined by almost one half and sulfur emissions about 80% since 1990. Measures taken to reduce ammonia emissions have not, however, been as effective because of their voluntary nature. Emissions of particulate matter, both PM₁₀ and PM_{2.5}, have been reduced by more than 10 per cent in the 2000s. Because of all the measures taken to reduce emissions, Finland rarely experiences days of poor air quality anymore. The main reason for the achievements in reducing emissions is binding legislation. In the case of ammonia, where binding emission reduction legislation does not exist, the achievements are very modest compared with other reductions in emissions. In the future, actions will be focused on urban areas so that air quality is improved further. Although air quality standards are rarely exceeded in Finland, there is still room for improvement to achieve a healthy environment for all.

19. Challenges experienced and lessons learnt in these areas (15-16, 18)

The climate will become warmer and change in the near decades. At the same time, the probability of extreme weather-conditions, such as heavy rains and storms, will increase. A significant part of the adaptation measures, for example, preparedness for storms and floods, as well as measures related to land use planning and building, can be dealt with through conventional planning. This can be done by simply taking the climate and its impacts into account more thoroughly. At the same time, the ability to adapt to change will improve.

At the national level the key components in adaptation to climate change are the development of legislation and governance, research and development, and raising the level of awareness. In terms of practical measures, the key components are vulnerability-studies and the further development of risk management methods.

With regard to disaster risk reduction, the key challenges that have been recognized have to do with the reduction of known risks. For example, existing land use patterns can be altered by relocating large industrial plants or by relocating land use that is at risk, such as housing. Another alternative is the shifting of transport routes of hazardous waste. These issues need to be dealt with in land use planning at the regional and local levels.

With regard to air pollution management, binding legislation is the main reason behind the achievements in the reduction of emissions. In the future, the main focus of actions will be in the urban areas so that air quality is further improved.

The lessons that have been learnt in this section on environment and urbanization are the following:

- Conventional planning has a significant role to play in adaptation to climate change,

- Both national and practical measures are important in adaptation to climate change,
- Disaster risk reduction needs to be looked into in land use planning both at the regional and the local level,
- Binding legislation is the main reason behind achievements in the reduction of emissions.

20. Future challenges and issues in these areas (15-16, 18) that could be addressed in the New Urban Agenda

Local planning solutions and cooperation in problem-solving are prerequisites for adaptation to climate change. Municipalities have a significant role to play in adaptation, already because of their current tasks. Municipalities need to invest especially in those sectors in which the impacts of solutions are either extremely long-term, or affect societies' crucial infrastructure such as energy, water, national emergency supplies or networks.

One key solution to enhancing disaster risk reduction in planning processes, and urban development in general, lies in the training and capacity building of planners and other city officials in the methodologies and solutions used to take disaster-related risks into account. This will not only increase the capacity of city planners to carry out "wiser" urban planning processes, but also will have a general impact on the planning culture.'

The main focus of actions in air pollution management will be in the urban areas to ensure that air quality is further improved.

IV. Urban Governance and Legislation: Issues and Challenges for a New Urban Agenda

21. Improving urban legislation ^{xv}

Urban regions and urban policy

Urban regions and urban policies did not become part of national policy in Finland until relatively late in the day, namely in the 2000s. Policies on developing large urban regions were outlined for the first time in 2004.

In Finland there is no special legislation relating to urban regions, but the development of urban regions has been supported by including special provisions relating to them in a number of general acts.

The framework Act on Restructuring Local Government and Services (169/2007), which came into force in 2007, required the Helsinki metropolitan area and 16 other urban regions to prepare a plan on the coordination of land use, housing and transport and on improving the use of services across municipal boundaries. The act did not lay down more detailed content requirements for the plans.

Urban region plans were prepared in 19 areas, for a total of 154 municipalities. As part of the work, the regions had to assess their situation in a new way and strengthen regional cooperation. Overall, however, cooperation did not advance sufficiently in the urban regions, and competition within regions arose. Consequently, more support, tighter guidance and more binding obligations than those given in the framework act were considered necessary and the Act on the Assessment Procedure for Promoting Cooperation in Urban Regions (1408/2010) was prepared, coming into force on 1 January 2011. The objective of the act is to strengthen the development of the urban structure and cooperation in urban regions. To date, no assessment procedure has been established in any region under the act.

In autumn 2013, the Government initiated the preparation of legislation in which greater power is proposed for the Government to decide on a municipal merger against the will of the municipal councils concerned. The procedure would apply to urban regions that have at least 100,000 inhabitants in their commuting area. It would not apply to the Helsinki commuting area, however. The objective of the proposal was to strengthen competitiveness and vitality, enhance management of the urban structure, and promote the planning of land use, housing and transport in the main large urban regions. A further objective was to create conditions for reasonably priced housing production and to prevent economic segregation of areas. After consultation, the Government decided in April 2014 that a government bill on the issue would not be submitted to parliament.

Helsinki metropolitan region

In Finland, the term metropolitan region generally refers to the Helsinki region or Greater Helsinki, the most significant area in terms of the national economy, where around 1.4 million people live in 14 municipalities. The special problems of the region include urban sprawl, increasing traffic, rising housing prices and growing segregation. In the future, these problems will be exacerbated as population growth intensifies.

In the Greater Helsinki region, development work in different sectors is directed mainly by the same legislation as in the rest of the country. Cooperation between municipalities in the region is, to a large extent, on a voluntary and contractual basis. An exception to this is a statutory obligation to cooperate in waste management and public transport, which applies to the Helsinki metropolitan area. Legislation and the governance framework include certain special provisions relating to the Greater Helsinki region and the Helsinki capital region (4 municipalities). Under the Land Use and Building Act (132/1999), for example, the municipalities of the Helsinki capital region must prepare a common master plan, while the Act on Local Government Structure Act applies to the 14 municipalities in the Greater Helsinki region and includes a special provision on how the municipal structure of the region should be developed. Solutions have also been sought via the metropolitan policy implemented by the central government and by developing contractual arrangements between the central government and the region's municipalities and between the municipalities themselves. The current legislation and the planning and decision-making arrangements have not adequately answered the region's development needs. Actors in different sectors cooperate in many ways and decision-making is decentralised. The lack of statutory cooperation structures is considered to adversely affect the development of the region's competitiveness and vitality.

Prime Minister Jyrki Katainen's Government initiated the preparation of legislation for a metropolitan (Greater Helsinki) authority, while the municipalities of the region have also been encouraged to carry out mergers. The proposed metropolitan authority would handle regional duties transferred to it from municipalities and central government relating to land use, housing, transport, prevention of segregation and competitiveness, and innovation and business policy. Its highest decision-making body would be an elected council. According to the interim report of the working group preparing the legislation, the metropolitan authority could legally be either a mandatory joint municipal authority or an autonomous arrangement allowed under the Constitution, but which has not been implemented in Finland to date. In the mandatory joint municipal authority model, the duties would be strategic in nature and funding would be based on contributions made by the member municipalities. In the autonomous arrangement, there would also be operational duties. If the funding requirements proved to be significant, then the metropolitan authority should have some power to levy and collect taxes.

22. Decentralization and strengthening of local authorities ^{xvi}

Achievements to date

Local self-government is a corner stone of democracy and the welfare society in Finland. Like in the other Nordic countries, most of the provision of public services and an important part of the political decision-making are done by local authorities. Cities and municipalities function in many ways as promoters of the vitality of their local communities and they are responsible for sustainable development. They are also important to people as their local communities, their residential and living environments, and entities with which to identify. During the last two decades, more emphasis has been placed on welfare tasks at the expense of other local authority functions.

Challenges experienced and lessons learnt

Local government reform projects in the 1990s formed more or less a coherent and mutually reinforcing whole. Their visionary goal was to strengthen local self-government and allow it to operate more effectively and economically. In the 2000s, reforms have not been as straightforward; rather they have included many different and even conflicting elements. What has been learned is that reforming urban governance institutions is a sluggish and time-consuming process, and even when the reform results in considerable changes, it may include many unwanted side-effects.

Since the end of the 1990s, the central government has been delegating new tasks and responsibilities to local authorities. The number and scale of statutory local government functions have increased considerably, doubling over the past 20 years (from 265 to 535), while, at the same time, state grants have not followed. This can be interpreted in two different ways regarding local democracy. On the one hand, local government has become a more important player in the society due to expanded functions. On the other hand, the greater number of welfare tasks and regulations has become a burden to municipalities in the context of their growing needs and the shrinking state grants. This is why financial problems have been dominating the discussions on the state and development of municipalities.

During the last decade, local government in Finland has been undergoing powerful changes. The answer to the problems caused by the overload of tasks has been to introduce structural reforms, increase the size of municipalities and adopt new management practices. The number of municipalities has also decreased by 124 in ten years, standing now at 320. In March 2014, the Finnish government presented a plan to remove social and health care services from municipalities and to transfer them to five regions. Taking into account that these welfare functions cover more than 50 per cent of local government budgets, this means considerable centralization, but this would also give local authorities the freedom to focus on issues other than social and health care services, on the other hand.

Future challenges and issues that could be addressed through a New Urban Agenda

In the future, some specific trends such as the ageing population, migration, urban sprawl and segregation may present social and environmental challenges to local authorities in urban areas. In order to respond to these challenges, local authorities have to develop more effective ways of coordination, planning and democratic participation.

23. Improving participation and human rights in urban development ^{xvii}

Achievements to date

During the past two decades, participation has become a central aspect in various fields of urban development in Finland. In the beginning of the 1990s, public participation was being promoted and becoming an established practice, for example, in land use planning, road planning and transportation system planning. The introduction of the environmental impact assessment procedure into various spheres of urban and infrastructure development broadened the scope of planning, which gradually led to the assessment of social and economic impacts as well. Public participation got a boost as a by-product of the impact assessment procedure, and it started to get a stronger foothold in the planning process. This could be seen clearly in the revision of the Land Use and Building Act of 1999 which stated:

“Planning procedures must be organised and the principles, objectives and goals, and possible alternatives, of planning publicised so that the landowners in the area, and those on whose living, working or other conditions the plan may have a substantial impact on, and the authorities and corporations whose sphere of activity the planning involves (interested party), have the opportunity to participate in preparing the plan, assessing its impacts and stating their opinion on it, in writing or orally.”

To date, this positive trend in greater public participation has continued, and cities offer ever-increasing opportunities for stakeholders to take part in urban development. One example of this is the employing of “participation coordinators” in urban planning departments of major cities.

Challenges experienced and lessons learnt

One key challenge in improving participation has been the realisation that, while participation in planning processes has grown, land use planning and other spatial planning processes no longer play as major of a role in determining how to develop our living environments, as so many issues are settled before, outside, or after the planning process. One analysis of participation in municipalities recommends that participation should not only be reactive, but also proactive by bringing new viewpoints and content to the planning process. Therefore, one of the important tasks for the near future is to devise practical methods for incorporating better the viewpoints of various stakeholders, including future residents, into land use planning, the planning of buildings, and the development of basic services. New technologies offer citizens many more tools for communicating ideas and expressing opinions, but how to analyse and exploit this massive amount of information in an efficient way is still unresolved.

Future challenges and issues that could be addressed through a New Urban Agenda

One key solution to enhancing participation in planning processes, and in urban development in general, lies in the training and capacity building of planners and other city officials in the methodologies of participation and conflict resolution. This will not only increase the capacity of city planners to carry out participatory planning processes, but will also have a general impact on the “planning culture”.

24. Enhancing urban safety and security ^{xviii}

Achievements to date

During the past two decades three comprehensive intersectoral programmes, each lasting for four years, concerning internal security have been drawn up. The first programme of its kind, ‘A safer community’, was completed in the summer of 2004. The extensive intersectoral programme was coordinated by the Ministry of the Interior. The focus of the programme was on reinforcing cooperation between public authorities.

The Government Resolution on the Internal Security Programme 2008 included a measure to take security points into account in the design of the built environment. As a result, the Ministry of the Environment led preparations for a broad-based effort to create the website www.turvallinenkaupunki.fi (the ‘Safe City’ site), with a compilation of practical examples and operating models for improving the safety of the built environment.

The third Internal Security Programme covers the years 2011–2015. The core of the programme consists of preventing and finding solutions for security problems that are the most important in everyday life, including ways to improve safety in the built environment. Additionally, a guide on Safety Walks and a brochure for the elderly on how to reduce their risk of crime victimization have been published.

Challenges experienced and lessons learnt

Solutions with an impact on improving safety in the built environment are created on many levels. The environment is shaped by national land use goals, regional land use planning, local master plans and town plans, building design, the planning of roads, streets, parks, and other environmental features, and permit procedures. Municipal councils and municipal boards, various committees, and various agencies make decisions with an impact on everyday security all the time. The planning, implementation and management of safe built environments will be reinforced on a multi-sectoral basis.

Awareness and understanding of safety factors in outlining the goals for obstacle-free access among municipalities, building contractors and other clients will be improved. Improved obstacle-free access will enhance everyone’s safety and equality while reducing the general risk of accidents. With expert

planning and implementation, unhindered access can be achieved at a reasonable price in relation to the wider benefits. Suburban high-rise buildings in particular, which are due for renovation, should be considered sites for applying good practices and options such as lifts, ramps, and electric doors. A study should be conducted and examples collected of how obstacle-free access can be improved cost-effectively in buildings and in the built environment.

Future challenges and issues that could be addressed through a New Urban Agenda

The main domestic challenges are the prevention of social exclusion and social polarisation. Implementation is ensured with the preparation of regional implementation plans. These plans will be prepared through broad-based cooperation coordinated by the regional state administrative agencies. Another challenge is supporting local crime prevention by urging decision-makers to take into account potential crime prevention effects in all plans and decisions.

Actors from multiple sectors will be engaged in providing examples, and designing best practices and operating models. Local and regional security efforts will be developed extensively to cover aspects of the planning, implementation and management of a good and safe built environment. Implementation will be carried out on a permanent basis.

25. Improving social inclusion and equity ^{xix}

Achievements

According to the Constitution of Finland everyone in Finland is entitled to basic income support and sufficient social welfare and health care services. The public administration must ensure that the right to these basics, however, does not undermine the individual responsibility of citizens for their choices. Those who live on social benefits are at risk of descending into poverty. Further, the social exclusion of young people and of those who have been born into families already experiencing social exclusion is of concern, as is the risk of the social exclusion of many persons with disabilities and older people. Economic disruptions, poverty and inequality impose a strain on social coherence and could lead to the segregation of residential areas.

The Government of Finland is implementing programmes to ensure the social inclusion of various vulnerable groups. These include, for example, the programme to reduce long-term homelessness, the programme to provide housing and services for persons with intellectual and developmental disabilities, and the programme to improve the housing conditions of the elderly. One of the key activities in improving social inclusion has been reducing the need for institutional care for persons with disabilities and older people.

Lessons learnt

Employment is the best protection against poverty and social exclusion. Besides income support, services and employment support have to form a seamless whole. In particular, assistance in their everyday life for families with children has to include a customer-oriented perspective. The availability of more individual, timely and adequate substance abuse and mental health services reduces the need for and costs of institutional care and special health and crisis services. Housing costs can be lowered to an affordable level by increasing the supply of rental housing and by providing a housing benefit. The supply of individual housing solutions for the homeless and other vulnerable groups can be improved through cooperation between various sectors. In Finland, the mainstream ideology in housing policies has been to promote a social mix in the planning, construction and maintenance of housing areas (e.g. leasing sites, funding, architecture of buildings, and allocation of housing). Furthermore, the

concentration of vulnerable populations has been managed effectively by public grants for acquiring rental dwellings from the owner-occupied housing stock.

Future challenges

The focus of social welfare and health care services will be shifted increasingly to preventive action. The service system has been able to provide early and effective assistance to people who need support. More expertise in prevention is needed in all professional groups. The third sector is one of the key actors in promoting well-being and creating new preventive solutions, since the development of new courses of action and practices is crucial.

Threats to safety in the immediate living environment are significantly reduced when people know their neighbours. At the same time, people derive other positive benefits from active participation in their communities. A good living environment includes public, semi-public, semi-private and private spaces that offer sites for social interaction. More tailored solutions need to be developed for the long-term unemployed and homeless persons, and for other vulnerable groups. Additionally, immigrants and their families must be supported in their integration into Finnish society.

26. Challenges experienced and lessons learnt in these areas (21-25)

Improving urban legislation

Urban regions and urban policies did not become part of national policy in Finland until relatively late in the day, namely in the 2000s. From 2004 onwards, the development of urban regions has been supported by including special provisions relating to them in a number of general acts.

The framework Act on Restructuring Local Government and Services (169/2007), which came into force in 2007, required the Helsinki metropolitan area and 16 other urban regions to prepare a plan on the coordination of land use, housing and transport and on improving the use of services across municipal boundaries.

Urban region plans were prepared in 19 areas, for a total of 154 municipalities. As part of the work, the regions had to assess their situation in a new way and strengthen regional cooperation. Overall, however, cooperation did not advance sufficiently in the urban regions, and competition within regions arose. Consequently, more support, tighter guidance and more binding obligations than those given in the framework act were considered necessary and put into place.

Decentralization and the strengthening of local authorities

In the 2000s, reforms to strengthen local self-government have included many different and even conflicting elements. What has been learned is that reforming urban governance institutions is a sluggish and time-consuming process, and even when the reform results in considerable changes, it may include many unwanted side-effects.

The number and scale of statutory local government functions have increased considerably, doubling over the past 20 years, and local government has become a more important player in society. On the other hand, the greater number of welfare tasks and regulations has become a burden to municipalities in the context of their growing needs and the shrinking state grants. The answer to the problems caused by the overload of tasks has been to introduce structural reforms, increase the size of municipalities and adopt new management practices.

Improving participation and human rights in urban development

One of the important tasks for the near future is to devise practical methods for incorporating better the viewpoints of various stakeholders into land use planning, the planning of buildings, and the development of basic services. New technologies offer citizens many more tools for communicating ideas and expressing opinions if we find solutions to the challenge of analysing and exploiting the massive amount of information that can be collected in this manner.

Enhancing urban safety and security

Solutions with an impact on improving safety in the built environment are created on many levels. The environment is shaped by national land use goals, regional land use planning, local master plans and town plans, building design, the planning of roads, streets, parks, and other environmental features, and permit procedures. Municipal councils and municipal boards, various committees, and various agencies make decisions with an impact on everyday security all the time. Therefore, the planning, implementation and management of safe built environments needs to be reinforced on a multi-sectoral basis.

Improving social inclusion and equity

Employment is the best protection against poverty and social exclusion. Besides income support, services and employment support have to form a seamless whole. Housing costs can be lowered to an affordable level by increasing the supply of rental housing and by providing a housing benefit. The supply of individual housing solutions for the homeless and other vulnerable groups can be improved through cooperation between various sectors. The mainstream ideology in housing policies needs to be the promotion of a social mix in the planning, construction and maintenance of housing areas (e.g. leasing sites, funding, architecture of buildings, and allocation of housing).

27. Future challenges and issues in these areas (21-25) that could be addressed in the New Urban Agenda

Improving urban legislation

Urban legislation is needed to strengthen the development of the urban structure and cooperation in urban regions. In the future, problems will be exacerbated as population growth intensifies. Metropolitan authorities should be mandated to handle regional duties transferred to them from municipalities and central government. These duties should be related to land use, housing, transport, prevention of segregation, and innovation and business policy.

Decentralization and the strengthening of local authorities

In the future, some specific trends such as the ageing population, migration, urban sprawl and segregation may present social and environmental challenges to local authorities in urban areas. In order to respond to these challenges, local authorities have to develop more effective ways of coordination, planning and democratic participation.

Improving participation and human rights in urban development

One key solution to enhancing participation in planning processes, and in urban development in general, lies in the training and capacity building of planners and other city officials in the methodologies of participation and conflict resolution.

Enhancing urban safety and security

In urban safety and security the main domestic challenges are the prevention of social exclusion and social polarisation. Another challenge is supporting local crime prevention by urging decision-makers to take into account potential crime prevention effects in all plans and decisions. Local and regional security efforts need to be developed extensively to cover aspects of the planning, implementation and management of a safe built environment.

Improving social inclusion and equity

The focus of social welfare and health care services needs to be shifted increasingly to preventive action. The service system should provide early and effective assistance to people who need support. The third sector is one of the key actors in promoting well-being and creating new preventive solutions, since the development of new courses of action and practices is crucial. A good living environment includes public, semi-public, semi-private and private spaces that offer sites for social interaction. More tailored solutions need to be developed for the long-term unemployed and homeless persons, and for other vulnerable groups.

V. Urban Economy: Issues and Challenges for a New Urban Agenda

28. Improving municipal/local finance^{xx}

Achievements to date: from 1996 to the present

The public sector in Finland consists of the state government, local government and social security funds. In Finland, municipal and local administration and finance are based mainly on municipal taxation (50% of income) and broad autonomy. Some 20% of revenues come from state grants, and the rest from sales of goods and services (25%), borrowing, and other sources. The broad autonomy of local government is prescribed in the constitution. The most important factor here is the right to decide annually the level of municipal income tax and real estate tax. Local governments also receive a share of corporate income tax revenue (% share).

The basic framework for local finance has been the same for decades; however, some parts of it have been modified over the years, especially concerning:

- the level of state grants, depending on the financing potential of the central government
- the criteria of the state grant system and the need for reforms
- the tasks of local authorities; the pressure on municipalities to take on more responsibility for welfare services
- the cost division in welfare services between the central government and the local level; currently, this is 70% for municipalities, 30% for central government
- the basis of local tax reductions and the negative effect on tax revenue, but compensated for by the central government

The principles of the state grant system were renewed in 1993, when the direct connection between the grants and the real costs of services in a municipality was cut. Several changes to the criteria for state grants were made later, the latest in 2010. The next reform is planned to start at the beginning of 2015.

The most common factor used for estimating the local finance balance is the annual margin (operational income such as taxes and grants, minus operational expenditure, mainly wages). In the period of 1995–1996, the annual margin collapsed, but was still positive (the main reasons for the collapse were the economic depression and cuts in state grants). After this, there was a recovery and a short recession during the years 2003 to 2005. Between the years 2006 and 2011, the annual margin mainly increased. In 2012 the margin was weak, but in 2013 it seemed to be clearly better.

Currently, the situation in local finance is as follows: according to statistics, 2013 was better than 2012. The improvement was mainly the result of two things: an increase in temporary tax revenues and cuts in operational expenditures. In 2014 it is estimated there will be a weakening annual margin, a growth in loan stocks, and higher municipal income and real estate tax rate in 2015. The main reasons for these are slow economic growth and cuts in state grants.

Challenges experienced and lessons learnt

The experiences from the depression in 1992–1996 and the recession in 2003–2005 showed that local governments could adapt to the negative changes (less tax income, less state grants) in financing. The situation was the same during the 2008 worldwide financial crisis. The central government could also add state grants at that time. The lessons learned were mainly as follows:

Reductions and increases in state grants must be carefully timed so that changes in the economy are not reinforced. A certain amount of stability is important, as is the ability to anticipate changes ahead of time.

A realistic assessment of the effects on local governments of financing any new state welfare services is important. Such effects are generally underestimated.

It is obvious that any new large cuts in state grants will increase the pressure to raise the level of local tax over the long term.

Future challenges and issues that could be addressed through a New Urban Agenda

The most important future challenge is the long-term slow growth of the national economy. This affects the amount of tax revenues and the relationship between the central government and municipalities. Urban areas are more dependent on revenues from local income taxes than are other municipalities. In the future, it will be necessary to put more focus on real estate tax revenues. Another future challenge is also that the corporate income tax, which is important in urban areas, is quite unstable from year to year. Other future challenges in urban areas are:

- an ageing population — service capacity (costs, need to add personnel)
- migration between municipalities (migration to urban areas, immigration from abroad)
- retirement of municipal personnel (pension funding, personnel demand)
- development of municipal co-operation (need for municipal merges, new forms of co-operation)
- democracy and management (voting activity and the influencing of municipal decisions at the local level)
- effectiveness and productivity (means to maintain a balance in the local economy)

To meet these future challenges, the current central government has started work on broad reforms of local government consisting of the following:

- Municipal structure act, which entered into force in summer 2013; urban areas will also be required to analyse possibilities for mergers.
- Reform of the Local Government Act, total reform of the 1995 Act, which is entering into force in 2015; includes, for example: deficits to be covered within the timeframe required in the annual budget and in the economic planning.
- Reform of the state grant system, effective in 2015; amended, with fewer criteria.
- Assessment of municipal tasks, consisting of proposals for guidelines for improved cost and impact assessments and sector goals for reducing municipal tasks.
- Support programme for the 12 largest urban regions, consisting of programmes for changes to the municipal structure. The Helsinki metropolitan area has its own programme for reforming the administrative model.

29. Strengthening and improving access to housing finance^{xxi}

Achievements to date

In the early 1990s Finland experienced a deep economic recession with resulting high unemployment, high interest rates, and a collapse of housing prices. Additionally, a large number of households lost their homes and housing production dropped drastically. During the recession, the country undertook important structural changes with implications on housing markets: 1) Finland joined the European exchange rate mechanism, which led to a dramatic drop in the interest rate level because of increasing confidence in the Finnish currency; and 2) rental markets were deregulated, which led to a substantial increase in the supply of rental dwellings. Furthermore, the state, through a separate state housing fund, supported rental housing construction during the recession to keep the construction sector alive.

In 1996 a state guarantee system was introduced for household mortgages in order to improve the access to owner occupancy and to alleviate the problems encountered during the recession arising from personal guarantees given for mortgages. The state guarantee has been very popular ever since and the guarantee payments collected have been vastly greater than guarantee losses. The access to household housing finance was further enhanced by the competition of banks for customers, which led to a lengthening of the loan maturities from 10–15 years to 20–25 years, an increase in loan-to-value ratios to 80–100% and lower interest rate margins (the margins, however, have returned to the levels of the 1990s since the financial market crises of 2008). The decrease in the general interest rate level in the European monetary union, in which Finland has been a member since 1999, was also a major contributor to improving the access to household housing finance. Today, an average mortgage has an interest rate of 2%, a margin of 1.5%, maturity of 18 years and a loan-to-value ratio of 75%.

Regarding rental housing, the state has had a support system for social rental housing, where a state guarantee and a high loan-to-value ratio (90–95%) improve access to housing finance. Furthermore, there is a special finance institution, Municipality Finance, which provides long-term loans for social rental housing projects. Municipality Finance uses the guarantees of the Municipal Guarantee Board in its funding. In a similar fashion, as in the finance of households, both the interest rate margins and the general interest rate level went down, thereby improving access to funds. The state has also provided guarantees for some free market rental housing projects. Recently, several investment funds have been established for investing in rental housing, making it easier for larger and smaller investors to invest in rental housing.

Challenges experienced and lessons learnt

In household housing finance, the access to finance and the terms of lending improved significantly from 1996 onwards. This created a stable growth in the demand for owner-occupied housing. This demand, however, was not met by an equal increase in supply. Therefore, the improvements in finance resulted in a considerable extent to an increase in housing prices. While households' access to owner occupancy improved, they needed larger loans with longer maturities than before. For this reason, increasing the supply of housing at the same time as access to finance is improved would be an important step.

In the social rental housing sector, the improvements in finance have had more effect. The reason is that cost rent is required and also that there has been strong demand for rental housing in general. The strong demand for rental housing has also led to an increase in rental housing investments in the free market sector, especially now when the interest level is low.

Future challenges and issues that could be addressed through a New Urban Agenda

The main challenge is related to the consequences arising from the Basel III regulation, which aims at lowering the risks of the financial markets. The interest rate margins have already risen and it has been

difficult for the banks to acquire long-term finance. In the current low interest rate environment, the impact of these phenomena has been limited so far. But as the interest rates increase over time, the housing market and costs of housing will be affected.

30. Supporting local economic development

(No information provided)

31. Creating decent jobs and livelihoods

(No information provided)

32. Integration of the urban economy into national development policy^{xxii}

Achievements to date

Urban policy became a matter of discussion in Finland for the first time around the mid-1990s when Finland joined the European Union in 1995. The most important task of urban policy was seen to be the strengthening of the economic growth potential in cities. This was expressed in a national report called “Cities as Generators of Growth (1996)”. However, urban policy as a concept was at a very early stage in those days.

One of the most significant actions has been the Centre of Expertise Programme launched by the Government in 1994, starting in eight urban regions and later expanding to other regions. The goal of the programme was to improve local conditions to create internationally competitive knowledge-intensive businesses. The Centre of Expertise Programme was successfully implemented, and renewed for new programme periods, until 2013.

In 1997, the Government launched urban programmes, which were carried out until 2000. With the help of national seed funding, 27 urban regions implemented actions related to expertise and internationalization, the urban environment, social well-being and culture, and urban-rural interaction. In 2001–2009, somewhat similar actions on a wider scale were initiated under the Regional Centre Programme and were implemented in 34 regions (including small cities). These actions were connected more strongly to regional development policy and a polycentric approach in particular.

Recently, urban development policy has taken remarkable new steps in Finland. The role of the major cities as engines of growth in regions and the whole country is now being more systematically utilised. Twelve major urban regions account for 67% of the national GDP and nearly 90% of Finland’s R&D inputs. The partnership between the government and cities reached a new level in 2012 and has been described in the Government’s Urban Policy Action Plan 2011–2015. The State and the 12 largest urban regions have entered into “growth agreements” on shared actions for long-term development of the competitiveness and economic resilience of urban regions. These agreements also include issues related to land use, housing, transport and social sustainability.

Further, the growth agreements are closely linked to another new initiative by the government, the Innovative Cities Programme (INKA). This programme is a funding tool for cities’ innovation policies. The thematic focus of the programme is on cross-cutting innovation, with specific focus on smart city solutions, industrial renewal, a bio-economy, cyber security, energy technology and the future health of cities.

Challenges experienced and lessons learnt

The challenges posed to urban development in Finland reflect issues specific to the country such as the late urbanization, cities as strong economic actors and links to regional development. The main challenges are the acceleration of new wealth, a sustainable urban structure (related to climate change) and, increasingly, social cohesion. Housing policy in growth centres poses a particular challenge, as does a fragmented municipal structure within the functional city regions, which creates obstacles to effective governance.

A lesson to be learned is that creating a partnership between the central government and cities may take time, but seems to be worth doing. Additionally, it takes time and effort to show that more targeted approaches for cities are also needed in macro-level sectoral policies (e.g. national innovation policies).

Future challenges and issues that could be addressed through a New Urban Agenda

Relevant future challenges to be considered that are related to economic development are the economic resilience of cities in a global environment, smart city solutions (e.g. eco-efficient and carbon-neutral innovations) and the overall digitalization (e.g. in service provision) that is taking place in cities.

33. Challenges experienced and lessons learnt in these areas (28-29, 32)

Improving municipal/local finance

Reductions and increases in state grants must be carefully timed so that changes in the economy are not reinforced. A certain amount of stability is important, as is the ability to anticipate changes ahead of time.

Strengthening and improving access to housing finance

In household housing finance, the access to finance and the terms of lending improved significantly from 1996 onwards. This created a stable growth in the demand for owner-occupied housing. This demand, however, was not met by an equal increase in supply. Therefore, the improvements in finance resulted in a considerable extent to an increase in housing prices. For this reason, increasing the supply of housing at the same time as access to finance is improved would be an important step. In the social rental housing sector, the improvements in finance have had more effect.

Integration of the urban economy into national development policy

The main challenges are the acceleration of new wealth, a sustainable urban structure and, increasingly, social cohesion. Housing policy in growth centres poses a particular challenge, as does a fragmented municipal structure within the functional city regions, which creates obstacles to effective governance.

A lesson to be learned is that creating a partnership between the central government and cities may take time, but seems to be worth doing. Additionally, it takes time and effort to show that more targeted approaches for cities are also needed in macro-level sectoral policies.

34. Future challenges and issues in these areas (28-29, 32) that could be addressed in the New Urban Agenda

Improving municipal/local finance

The most important future challenge is the long-term slow growth of the national economy. This affects the amount of tax revenues and the relationship between the central government and municipalities. Urban areas are more dependent on revenues from local income taxes than are other municipalities. In the future, it will be necessary to put more focus on real estate tax revenues. Another future challenge is also that the corporate income tax, which is important in urban areas, is quite unstable from year to year.

Strengthening and improving access to housing finance

The main challenge is related to the consequences arising from the Basel III regulation, which aims at lowering the risks of the financial markets. The interest rate margins have already risen and it has been difficult for the banks to acquire long-term finance. In the current low interest rate environment, the impact of these phenomena has been limited so far. But as the interest rates increase over time, the housing market and costs of housing will be affected.

Integration of the urban economy into national development policy

Relevant future challenges to be considered that are related to economic development are the economic resilience of cities in a global environment, smart city solutions (e.g. eco-efficient and carbon-neutral innovations) and the overall digitalization (e.g. in service provision) that is taking place in cities.

VI. Housing and Basic Services: Issues and Challenges for a New Urban Agenda

35. Slum upgrading and prevention

(No information provided)

36. Improving access to adequate housing^{xxiii}

Achievements

The Finnish housing policy promotes the opportunity for all population groups to obtain housing appropriate to their situation, and the opportunity for residents to influence housing issues. The housing stock subsidised by the state consists of rental, right-of-occupancy and part-ownership housing that is funded through state grants and/or interest-subsidy loans. There are approximately 800,000 rental homes, or about 30% of the housing stock, in Finland. Slightly more than half of these have been constructed using state subsidies. The basic premise of state-subsidised housing has been the provision of safe and affordable housing conditions for those in need.

The main goals of the public housing allocation are to secure the provision of housing for population groups which have the most urgent need for accommodation and, at the same time, to promote sustainable housing design and community planning, and prevent segregation of residential areas. The government has launched cross-sectoral programmes to promote more efficient housing solutions and support services for different special groups such as older people, persons with disabilities and the long-term homeless.

Lessons learned

The housing arrangements for people with special housing needs are based on the characteristics of standard housing, with the decisive factor being access to adequate support services. Even people who need a considerable amount of support and care are able to live in their own homes, if they receive timely individual support and services. The State finances the housing of special needs groups, by granting investment grants and interest subsidies for loans. The purpose is to increase the availability of reasonably priced rental homes and special housing arrangements for the poorest and most vulnerable people. Accessibility is an important factor in all construction as it promotes equality and long-term sustainability when all population groups have access to these buildings. The need for accessibility will be higher as the population ages. To enable the growing number of older people to stay in their own homes, more than 700,000 accessible homes, either new or refurbished, will be needed in Finland by 2030. To meet this need, the cooperation of many sectors is needed: government, municipalities, citizens, NGOs and the private sector.

The Housing First principle is a new approach for accommodating vulnerable persons in the housing market. According to the principle, housing is considered the first step in starting the process towards social recovery and is an essential prerequisite for its success. Housing First units have successfully

housed long-term homeless people with severe mental health and substance-abuse problems, in other words, those people who have been living in the streets for a long time in inhumane conditions.

Future challenges

Particularly in the Helsinki region and in other growth centres the focus is on increasing the housing supply. Measures that balance the functioning of housing markets and promote labour mobility help to improve the economic development of the whole region. The aims of municipalities include integrating land use, housing and transport solutions under the central government's letters-of-intent procedure (MAL). Financial incentives like taxation are used to secure the availability of land for building sites. Municipalities, real estate owners and construction companies play a key role.

37. Ensuring sustainable access to safe drinking water^{xxiv}

Achievements to date

In 2012, the drinking water for about 92% of the population was supplied by municipal or other collective water supply systems. Actions to improve the supply of drinking water are carried out so as to ensure that the available drinking water is up to standards in terms of quality. Most water quality problems are local and arise because of the natural characteristics of the soil or bedrock. In less populated areas and villages efforts are made to supply water via the water supply network whenever technically and economically feasible. Opportunities for procuring drinking water for individual properties are enhanced in cases where the private drinking water supply is not possible at a reasonable cost.

The objective of the Water Services Act (*Vesihuoltolaki 2001*), which is now under revision, is to ensure water services that provide a sufficient amount of untainted household water with respect to health and otherwise. In Finland, the general provisions concerning the quality of drinking water have been incorporated into the Health Protection Act (*Terveydensuojelulaki 763/1994*).

The quality of drinking water in Finland is very good. Drinking water is supplied from surface water, artificial groundwater or groundwater. However, each year some waterborne outbreaks associated typically with private wells and small groundwater supplies have occurred in Finland. Because of the mandatory reporting system, the cooperation between authorities is quick and immediate remedial actions can be taken to protect public health and control an outbreak.

Groundwater is a very important source of drinking water in Finland; public waterworks serving approximately 65% of the population now use groundwater or artificial groundwater. The quality of groundwater is quite good and less than 2% of groundwater areas with aquifers important or suitable for water supply are deteriorated.

Drinking water treatment plants are required by law to implement emergency planning. Competent authorities and stakeholders have worked closely to prepare guidance for integrating the emergency plans of drinking water treatment plants into the municipality emergency planning in regard to water supply and environmental health. The guidance includes emergency preparedness for microbiological, chemical and radiological contamination of drinking water, deliberate contamination of water (vandalism), cyber threats and power cuts, and crisis communication.

In Finland, user charges cover the costs associated with supplying clean tap water.

Challenges experienced and lessons learnt

Openness, transparency and good practices are the lessons learned in the provision of water services in Finland. Together with its member utilities, government authorities and research institutes, the Finnish Water Utilities Association (FIWA), the nationwide joint organization of water and wastewater works, provides its membership with information and training related to research in utility services and to administrative and technical regulations. The Association and the Association of Finnish Local and Regional Authorities, together with various interested parties, have prepared, among other things, a practical handbook on the application of the Decree of the Ministry of Social Affairs and Health Relating to the Quality and Monitoring of Water Intended for Human Consumption (*Sosiaali- ja terveystieteiden ministeriön asetus talousveden laatuvaatimuksista ja valvontatutkimuksista* 461/2000).

Future challenges and issues that could be addressed through a New Urban Agenda

A risk-based assessment and management system is under construction. The national supervisory authority will publish a web-based tool for risk assessment and management of large water supplies and a checklist-type of Excel-based tool for risk assessment of small water supplies. Both are based on the WHO water safety plan (WSP) approach. Risk-based monitoring of drinking water will be statutory within the next few years in order to improve the supply of good quality and safe drinking water.

38. Ensuring sustainable access to basic sanitation and drainage^{xxv}

Achievements to date

National requirements concerning wastewater collection in urban areas have existed since the early 1960s. In 2012, approximately 83% of the population was served by collective systems of sanitation, including proper wastewater treatment. All urbanized areas are connected to municipally or regionally managed sewer networks with a wastewater treatment facility. The environmental permits of the urban wastewater treatment plants contain the conditions for pollutant removal. The conditions in the permits are decided case by case depending on the water quality and characteristics of the receiving water. Because of the use of modern technology, phosphorus and oxygen-consuming substances have been reduced in urban wastewater by over 95%. The Water Services Act (*Vesihuoltolaki* 2001) is currently being revised. A National Programme for Sanitation was prepared in 2012.

Requirements for domestic wastewater treatment in dispersed settlement areas are given in the Government Decree on Treating Domestic Wastewater in Areas Outside Sewer Networks (*Valtioneuvoston asetus talousjätevesien käsittelystä viemäriverkostojen ulkopuolisilla alueilla* 209/2011). The percentage of the population served by collective systems is increasing steadily. Under the Environmental Protection Act (*Ympäristönsuojelulaki* 86/2000), wastewater in dispersed settlement areas has to be treated in such a manner that the wastewater does not pose a risk of environmental pollution.

River Basin Management Plans, which were adopted by the Government in 2009, identify the requirements for improving sanitation with the aim of achieving good water quality status.

Challenges experienced and lessons learnt

The consideration of individual permits based on an application process has proven to be a workable approach under the Finnish conditions. The standard of the wastewater treatment and the reduction of pollution have improved step by step. As a result of improved wastewater treatment, the construction of new sewer pipelines and treatment plants is funded mainly by connection fees from the clients. Some minor state support funds are available. The operation and maintenance costs are covered by wastewater fees based on water consumption. To improve wastewater treatment in rural areas, different steps have been taken such as public-awareness campaigns and education of designers and entrepreneurs.

Future challenges and issues that could be addressed through a New Urban Agenda

Maintaining and improving the existing infrastructures is a challenge.

According to the proposal for the revised Water Services Act, waterworks have to identify the risks related to their activities and improve their preparedness for exceptional situations.

In 2012, the Ministry of the Environment, the Association of Water Utilities and the Association of Finnish Local and Regional Authorities adopted a recommendation agreement of actions for improving nutrient reduction in wastewater treatment. The follow-up on the implementation of the agreement will be done yearly from the year 2014.

A sanitation safety plan (SSP), which is a management tool for risks posed by wastewater treatment to the environment and health, has been developed and a web-based water safety plan (WSP) tool has been applied for managing the risks.

39. Improving access to clean domestic energy^{xxvi}

Achievements to date

The Finnish electricity market was opened for competition in 1998, when household customers were given the opportunity to choose their supplier. The electricity networks (transmission network and regional distribution networks) are regulated monopolies, and have an obligation to maintain transmission and distribution services, connect customers to their networks and develop their networks according to their customers' reasonable needs. All customers have the possibility to connect to the electricity networks on reasonable costs and terms.

In Finland, there are about 70 retail companies for electricity and customers also have the possibility to engage in their own small-scale generation. Because the customers can choose their own supplier, they are also able to choose a supplier with domestic renewable generation. About 30% of electricity generation is based on renewable energy in Finland.

The Finnish electricity market is very closely integrated into the Nordic and European electricity markets. The wider international market promotes competition and the integration of renewable energy sources into the electricity networks. The need for reserves is smaller in the international market than it would be in a domestic market.

Additionally, all customers have the possibility to choose their own heating system. Almost half of space heating in Finland is based on district heating and three quarters of district heating is based on energy

efficient combined heat and power generation. For single-family houses, the number of heat pumps is growing rapidly.

Challenges experienced and lessons learnt

Effective dissemination of information is needed when encouraging customers to become active in deciding on switching suppliers and investing in small-scale renewable generation. Distributed generation also requires network investments and smart-metering systems. About 97% of customers already have a smart-metering system. The investment cost of the smart meters has been significant.

Future challenges and issues that could be addressed through a New Urban Agenda

The main future challenge is how to promote small-scale renewable energy cost-effectively. The cost of small-scale renewable electricity generation has been rather high in similar countries. Technological developments will probably bring the costs down in the future. If the amount of intermittent generation, such as solar and wind power, is very high in the future, the integration of these power sources into the electricity networks will be challenging.

40. Improving access to sustainable means of transport ^{xxvii}

Achievements to date

Since the 1970s, motor vehicles have been the backbone of Finnish passenger traffic. From 1996 to 2011 the modal share of motor vehicles has been approximately 85%. The dependency on motor vehicles has increased in cities due to a sprawling spatial structure, the allocation of large commercial service units outside downtown areas where they are easily accessible by motor vehicles, and the formation of detached business districts. In Finland after 1990, the surface area of almost all population centres has grown while population density has decreased, and an increasing number of households own more than one motor vehicle.

In the Helsinki Metropolitan Area, the modal share of public transport is approximately one third, in other large cities slightly more than one tenth, and in small cities approximately 5%. In Finland, approximately 30% of all trips are done by walking and 10% by bicycle. Walking is the most popular form of travel for short distances. For distances of less than one kilometre, 60% are done on foot, and even for distances between 3 to 5 kilometres, 15% of people walk. Cycling is the most popular form of travel for distances between 0.5 and 3 kilometres, where one sixth of all trips are done by bicycle. The combined modal share of walking and cycling in total passenger traffic is approximately 5%, which is the same as the modal share of passengers in rail transport.

Studies show that the use of public transport increases most when the service level is good. Through changes in legislation, the state has attempted to guide the spatial allocation of commercial services and develop sustainable access to services. Agreements of Intent are applied in metropolitan areas in an attempt to reconcile national and municipal goals and actions related to land use, housing and transport.

Challenges experienced and lessons learnt

Low population density and long commuting distances, combined with long, dark and cold winter seasons, are reasons for the increase in motor vehicle use. In addition, the Finnish society traditionally supports the ideal of everyone's right to choose where to live and how to commute. A

structural transition in the business sector combined with the ongoing shift of employment opportunities to growth centres has led to more migration to urban areas. Linked with migration, a greater dependency on cars has been one factor in the increase in urban sprawl. The population density and the spatial structure of communities, combined with the existing transport infrastructure, have not supported possibilities for developing sufficient public transport services.

A planning method based on mobility zones has been developed for land use planning. In this method, urban regions can be divided into pedestrian, transit and car-oriented zones according to their location in the urban form and their public transport supply. The zonal approach also takes into account polycentrism by identifying subcentres. The objective has been to provide supporting information for the joint planning of land use and transportation systems.

The public sector also subsidises public transport. Subsidies have more than doubled since 1997. Changes in legislation have also been used to improve the conditions for public transport.

Future challenges and issues that could be addressed through a New Urban Agenda

Active measures are needed to promote sustainable modes of transport. The movement towards compact cities must be done consistently, and, at the same time, the need for legislative change must be investigated. The role of walking and cycling, as well as access by public transport, needs to be increasingly taken into account in land use planning and in more detailed spatial planning. The maintenance of transport routes in the winter requires further actions and resources.

Various actions related to mobility management can be used to support more efficient, more environmentally friendly, and more economical travel options. Actions for mobility management can also include limiting private motor vehicle traffic and parking, and fiscal steering methods to promote sustainable mobility.

41. Challenges experienced and lessons learnt in these areas (36-40)

Improving access to adequate housing

The State finances the housing of special needs groups, by granting investment grants and interest subsidies for loans. The purpose is to increase the availability of reasonably priced rental homes and special housing arrangements for the poorest and most vulnerable people. Accessibility is an important factor in all construction as it promotes equality and long-term sustainability when all population groups have access to these buildings. The need for accessibility will be higher as the population ages.

Ensuring sustainable access to safe drinking water

Drinking water treatment plants are required by law to implement emergency planning. Competent authorities and stakeholders have worked closely to prepare guidance for integrating the emergency plans of drinking water treatment plants into the municipality emergency planning in regard to water supply and environmental health.

User charges cover the costs associated with supplying clean tap water. Openness, transparency and good practices are the lessons learned in the provision of water services.

Ensuring sustainable access to basic sanitation and drainage

The consideration of individual permits based on an application process has proven to be a workable approach. The standard of the wastewater treatment and the reduction of pollution have improved step by step. As a result of improved wastewater treatment, the construction of new sewer pipelines and treatment plants is funded mainly by connection fees from the clients. The operation and maintenance costs are covered by wastewater fees based on water consumption. To improve wastewater treatment in rural areas, different steps, such as public-awareness campaigns and education of designers and entrepreneurs, are necessary.

Improving access to clean domestic energy

In order to improve access to clean domestic energy, effective dissemination of information is needed when encouraging customers to become active in deciding on switching suppliers and investing in small-scale renewable generation. Distributed generation also requires network investments and smart-metering systems.

Improving access to sustainable means of transport

The ongoing shift of employment opportunities to growth centres has led to more migration to urban areas. Linked with migration, a greater dependency on cars has been one factor in the increase in urban sprawl. The population density and the spatial structure of communities, combined with the existing transport infrastructure, have not supported possibilities for developing sufficient public transport services.

A planning method based on mobility zones has been developed for land use planning. In this method, urban regions can be divided into pedestrian, transit and car-oriented zones according to their location in the urban form and their public transport supply. The objective has been to provide supporting information for the joint planning of land use and transportation systems. The public sector also subsidises public transport. Changes in legislation have also been used to improve the conditions for public transport.

42. Future challenges and issues in these areas (36-40) that could be addressed by a New Urban Agenda

Improving access to adequate housing

The Housing First principle is a new approach for accommodating vulnerable persons in the housing market. According to the principle, housing is considered the first step in starting the process towards social recovery and is an essential prerequisite for its success.

Measures that balance the functioning of housing markets and promote labour mobility help to improve the economic development of the whole region. The aims of municipalities should include integrating land use, housing and transport solutions.

Ensuring sustainable access to safe drinking water

A risk-based assessment and management system is needed to ensure sustainable access to safe drinking water. Risk-based monitoring of drinking water needs to be statutory in order to improve the supply of good quality and safe drinking water.

Ensuring sustainable access to basic sanitation and drainage

Maintaining and improving the existing sanitation and drainage infrastructures is a challenge. In addition, waterworks have to identify the risks related to their activities and improve their preparedness for exceptional situations.

Improving access to clean domestic energy

The main future challenge is how to promote small-scale renewable energy cost-effectively. The cost of small-scale renewable electricity generation has been rather high. Technological developments will probably bring the costs down in the future. If the amount of intermittent generation, such as solar and wind power, is very high in the future, the integration of these power sources into the electricity networks will be challenging.

Improving access to sustainable means of transport

Active measures are needed to promote sustainable modes of transport. The movement towards compact cities must be done consistently, and, at the same time, the need for legislative change must be investigated. The role of walking and cycling, as well as access by public transport, needs to be increasingly taken into account in land use planning and in more detailed spatial planning.

Various actions related to mobility management can be used to support more efficient, more environmentally friendly, and more economical travel options. Actions for mobility management can also include limiting private motor vehicle traffic and parking, and fiscal steering methods to promote sustainable mobility.

VII. Indicators

Indicators	1996	2006	2013	Source of Data
i. Percentage of people living in slums	0%	0%	0%	Housing Finance and Development Centre of Finland
ii. Percentage of urban population with access to adequate housing	men 99,4 % women 99,8 %	men 99,7 % women 99,9 %	men 99,7 % women 99,9 %	Housing Finance and Development Centre of Finland
iii. Percentage of people residing in urban areas with access to safe drinking water	99,6%	99,6%	99,6%	National Institute for Health and Welfare
iv. Percentage of people residing in urban areas with access to adequate sanitation	100%	100%	100%	Finnish Environment Institute
v. Percentage of people residing in urban areas with access to regular waste collection	100%	100%	100%	Finnish Environment Institute
vi. Percentage of people residing in urban areas with access to clean domestic energy	25%	100%	100%	Ministry of Employment and the Economy
vii. Percentage of people residing in urban areas with access to public transport	54%	56%	57%	Finnish Environment Institute
viii. Level of effective decentralization for sustainable urban development measured by:				
(i) Percentage of policies and legislation on urban issues in whose formulation local and regional governments participated from 1996 to the present;	data unavailable	data unavailable	100%	Statistics Finland
(ii) percentage share of both income and expenditure allocated to local and regional governments from the national budget;	36,8% 33,3%	35,4% 39,0%	39,9% 39,8%	Statistics Finland
(iii) percentage share of local authorities' expenditure financed from local revenue	44,6%	48%	47,3%	Statistics Finland
ix. Percentage of city, regional and national authorities that have implemented urban policies supportive of local economic development and creation of decent jobs and livelihoods	25%	75%	100%	Ministry of Employment and the Economy
x. Percentage of city and regional authorities that have adopted or implemented urban safety and security policies or strategies	data unavailable	data unavailable	97%	Ministry of the Interior
xi. Percentage of city and regional authorities that have implemented plans and designs for sustainable and resilient cities that are inclusive and respond to urban population growth adequately	25%	50%	100%	Ministry of Employment and the Economy
xii. Share of national gross domestic product (GDP) that is produced in urban areas	data unavailable	data unavailable	67%	Ministry of Employment and the Economy

ⁱ Finland's National Report edited by Jyri Juslén, Senior Researcher, Ministry of the Environment, Department of the Built Environment, jyri.juslen@ymparisto.fi

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^{xx} Authors: Rainer Alanen, Senior Financial Adviser, and Vesa Lappalainen, Ministerial Adviser, Ministry of Finance, Department for Local Government and Regional Administration

^{xxi} Authors: Timo Tähtinen, Senior Housing Finance Officer, and Tommi Laanti, Senior Adviser, Ministry of the Environment, Department of the Built Environment

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^{xxiii} Authors: Peter Fredriksson, Senior Specialist, and Raija Hynynen, Senior Housing Adviser, Ministry of the Environment, Department of the Built Environment

^{xxiv} Author: Hannele Nyroos, Senior Environmental Adviser, Ministry of the Environment, Department of the Natural Environment

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