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Finland's National Report

**for the Special Session of the UN General
Assembly for an Overall Review and Appraisal of
the Implementation of the Habitat Agenda**

December 2000

Finland's National Report for the Special Session of the UN General Assembly for an Overall Review and Appraisal of the Implementation of the Habitat Agenda

The report includes the following parts:

1. Text according to the universal reporting format consisting of the twenty key items (pages 1-24)

Contents:

- * Progress made since 1996, prevailing conditions, new trends , emerging issues, and major areas of concern
- * Policy and legislative changes since Habitat II
- * Institutional weaknesses and obstacles encountered
- * Lessons learned with emphasis on sustainability and impact
- * Recommendations for priority action

2. Examples of enabling legislation and best practices (pages 26-41)

3. Indicators

The following indicator publications (in English) introduce existing Finnish indicators related to the national reporting and they are attached to the report:

Housing Indicators 1999. Ministry of the Environment.

A Portrait of Finnish Cities, Towns, and Functional Urban Regions. 1999.
(Indicators from 38 Finnish Cities)

2000

Signs of Sustainability. Finland's Indicators for Sustainable Development
(84 indicators on environmental, economic and socio-cultural issues)

Introduction

The Finnish National Habitat Working Group, which is equivalent to the National Habitat Committee, was established in January 2000. It includes representatives from the relevant ministries, parliament and NGOs, as well as a representation of the local government association. As of mid-September it has held six meetings, in which national and international preparation work has been discussed, including the national reporting. This report is produced by the group in consultation with experts from governmental and non-governmental bodies. The Finnish government has set priorities for further action in all themes of national reporting (shelter, social development, environmental management, economic development, governance and international cooperation). Hence, the priorities for this report have been taken from the present governmental programmes.

CHAPTER 1: SHELTER

○ Progress made since 1996, prevailing conditions, new trends, emerging issues, and major areas for concern

In Finland, security of tenure, access to land, credit and basic services are not critical issues. Therefore, in this report these items are not mentioned specifically, instead the main issues in the area of shelter development are introduced.

Presently, Finland is experiencing strong migration to growth centres from other parts of the country. About half all migrants end up in the Helsinki metropolitan area. As a consequence of this migration, regional housing market differences have grown in Finland since the mid-1990s. In the urban areas, whose populations are growing strongly, housing prices and rents are high and it is particularly difficult to find rental apartments. The situation is most difficult in the Helsinki metropolitan area. This is reflected in housing prices: the annual increase in apartment prices over the year 1999 was 18% in the Helsinki metropolitan area and 8% elsewhere. However, in areas where the population is falling, there is an oversupply of apartments, including social rental apartments.

○ The shortage of building land in the growth regions, especially in the Helsinki metropolitan area, has hindered the start-up of housing construction, and of social housing in particular. Efforts to increase the supply of building land have led, for example, to a temporary tax exemption in cases where the buyer of the land is the local authority. This measure has increased land sales to some extent. It has also been decided to sell state-owned land to local authorities for social housing production below the market price. In addition, local authorities have been given the opportunity to impose a higher property tax on undeveloped residential plots than on other building land. Measures aimed at promoting the supply of land form a key part of the measures in the joint action document approved in June 2000 between the state and the municipalities of the Helsinki metropolitan area.

The economic and monetary union of the European Union has improved the financing options for owner-occupied homes. In the financing of owner-occupied housing, responsibility will continue to rest with private bank financing, which has already developed new forms of financing. State investment subsidies have played an important role in rental housing production, because free-market rental housing is simply not being built. In addition, in state-subsidised social rental housing production the important elements are a reasonable level of rent, the location of the housing being built and the good quality of

residential buildings. These will ensure in turn that there will also be demand for the housing being built in future.

Policy and legislative changes since Habitat II

Promotion of the right to adequate housing

In accordance with the Constitution Act of Finland, it is the duty of the public authorities to promote everyone's right to housing and to support attempts by persons to find housing on their own initiative. The constitution, therefore, does not grant a subjective right to receive a home to those in need of housing. However, the subjective right to housing is provided for in legislation covering child protection and services for the disabled.

Local authorities are obliged to create in their area a general framework for the development of housing conditions. The central government provides various forms of housing subsidies, such as loans, interest-subsidies, grants, state guarantees, tax reliefs and housing allowance. The state-subsidised (social) rental housing stock plays a key role in safeguarding access to reasonably priced housing for low-income earners and those who urgently need housing. According to the resident selection criteria of social rental housing, priority must be given to housing applicants who are homeless, in the most urgent need of housing, have modest means and low income. In addition, the state subsidises the building and acquisition of homes to help people belonging to so-called special groups (homeless, refugees, Romanies, the aged and students).

Occupants in both state-subsidised and non-subsidised housing are eligible for a housing allowance from the state to the extent that the rent is within the limits of reasonable housing costs ("the general housing allowance"). Reasonable housing costs, which are taken into consideration when granting the allowance, are determined on the basis of reasonable floor area and rent per square metre.

The new housing policy strategy, approved by the government in June 2000, attempts to alleviate critical housing problems. The strategy will improve the financing and guarantee systems and the criteria for eligibility for housing support. Also, the increasing rate of homelessness will be tackled in the strategy.

Owing to the difficult housing situation in the Helsinki metropolitan area, housing policy during the government's first year of office has emphasised the prime importance of solving this area's problems. One important foundation of the housing policy is, however, a greater areal differentiation than has hitherto been the case. After its implementation in the Helsinki metropolitan area, the joint action procedure between the state and the municipalities of the area will be extended to other growth areas. A working group has also been set up to look into the housing problems of areas with declining populations and to prepare a housing development and action programme for these areas.

A new action programme is currently being prepared to reduce homelessness, because there has been a slight rise in homelessness after a long period when it was in decline. The joint action document prepared between the state and the municipalities of the Helsinki metropolitan area also focuses on reducing homelessness and preventing social inequality. The objective is, among other things, for all the Helsinki metropolitan area municipalities to be more equally responsible than at present for the settlement of low-income earners and for those under threat of displacement.

Institutional weaknesses and obstacles encountered

Strong on-going economic growth in Finland in general, as well as improvement of income at household level have caused housing market imbalances. In this situation the public sector has had limited means to regulate markets and control economic development.

Market imbalance in the Helsinki metropolitan area and other growth centres has led to a rapid rise in housing prices, higher rents and scarcity of residential land. The increase in housing prices has hindered the realisation of targets set for the control of inflation. In addition, it endangers the attainment of many important housing policy objectives. These problems result in a deterioration in the position of first-time home buyers and young people in general as well as a tightening of the housing market, leading to increasing numbers of homeless people. The rapid rise in housing prices also makes the production of reasonably priced social rental housing difficult as well as the provision of life-cycle economical housing suitable for, amongst others, older people.

- On the one hand most of the Finnish municipalities are rather small in terms of population, on the other hand they have great legal powers. The result is that the geographical boundaries of municipalities too often limit cooperation necessary to housing and urban development.

Lessons learned with emphasis on sustainability and impact

In Finnish housing policy roles of public and private sectors have varied over time. Although the mode of public sector support has changed, there is always a need for its contribution, whether through guidance and control or financial support.

- Public-private partnership has for a long time proven to be a key solution in housing development. Housing administration comes under the Ministry of the Environment. The Ministry is also responsible for improving the quality of housing construction as part of general building guidance and for improving the quality of the housing environment. The off-budget Housing Fund of Finland finances all state subsidies for housing, except housing allowances. The local authorities have a key role in the housing sector. They select housing projects entitled to state subsidies and they are also the greatest owners of rental housing, either directly or through their owned companies. They also provide land, infrastructure and other services in housing areas. Non-profit corporations/institutions develop, own and administer social housing units.

In recent years greater attention has been paid to the durability, long life and timely renovation of residential buildings. Under the Land Use and Building Act (2000), a residential building maintenance manual must be prepared for every new residential building. The manual directs the parties involved in a building project to specify the useful life of the building and its parts, and to forecast the servicing and repairs likely to be required by the building. As the use of maintenance manuals becomes widespread, short-term and uneconomic solutions will be discarded from housing construction.

Under the Land Use and Building Act, there are better opportunities for public participation and interactive planning, and information on building projects and other changes in the environment will be more effectively disseminated. The quality of construction will be enhanced by quality requirements that must be applied in building design and construction. Furthermore, a new system will be introduced specifying quality requirements for the building designer, depending on the level of difficulty of construction projects.

Comfort, flexibility, healthiness and safety are some of the guiding principles in the design of housing and workplaces.

The national programme for sustainable construction has since 1999 promoted ecologically sustainable development in housing, construction and the maintenance of real estate. In connection with the programme, the government and the building sector have agreed on how to promote sustainability in building design, production, the construction process and maintenance.

Furthermore, the Housing Fund of Finland, as the provider of funding for social housing production, promotes ecologically efficient and long-term sustainable solutions in its financing of housing renovation and new building projects.

Recommendations for priority action

○ The government's housing policy strategy (2000) introduces the following projects and actions connected with the realisation of the strategy:

- Joint actions between the state and the Helsinki metropolitan area municipalities. This includes measures on (i) increasing the supply of land and sites intended for state-subsidised housing construction, (ii) the proportion and location of state-subsidised housing production, (iii) increasing small-scale building, (iv) housing-related public transport investments and their financing, (v) joint responsibility for regional housing policy and (vi) reducing of the number of homeless. In addition to the Helsinki metropolitan area, regional cooperation in housing will also be promoted in municipalities belonging to other growth centres.

- The aim of the development and action programme for housing condition in depopulating areas is to adapt the housing stock as well as the community and service structure to future population development and population structure. Here the central development questions are the maintenance, re-use and controlled reduction of the housing stock.

○ - Conditions for housing construction will be improved by various projects: influencing labour bottlenecks in the building trade, making possible the building of right-of-occupancy homes, and creating a joint guarantee system for the state and municipalities to encourage rental and right-of-occupancy housing production.

- Projects to improve the position of tenants: extending criteria similar to those of non-profit organisations to cover municipalities as well as studying the need for measures connected with rental market stabilisation and tenants' legal protection.

- Projects connected with the development of different subsidy schemes, the purpose of which is to improve the schemes' effectiveness in directing support to residents and in terms of state finances.

- In addition, projects relating to the reduction of homelessness, the preparedness for the changing age structure of the population, the development of the living environment in suburban areas, and construction and renovation with a due regard for life-cycle quality.

CHAPTER 2: SOCIAL DEVELOPMENT AND ERADICATION OF POVERTY

Progress made since 1996, prevailing conditions, new trends, emerging issues, and major areas of concern

Poverty as a phenomenon has many dimensions, but the traditional way of looking at absolute poverty is reference to insufficient income and lack of means to satisfy one's basic material needs. Relative poverty, on the other hand, connects one's income or consumption with those of the general population in the same society. A high average level of wealth of a nation does not automatically imply low poverty. The Finnish welfare state system of social policy, however, successfully combatted poverty also during the recent deep economic crisis in the early 1990's, although budget deficits were large and the state's international debt grew substantially.

Thanks to the social security system of the Finnish welfare state, absolute poverty in terms of deprivation in basic needs, such as nutrition, water, shelter and primary health care, does not exist in Finland. Rather, poverty in Finland is relative poverty. According to this measure, a person is considered to be poor, if he or she falls below the poverty line. The poverty line used in Finland is drawn at 50% of the median income. In 1998 the household income 465 USD per month was the poverty line, and 3.9% of population had lower income.

Provision of equal opportunities for a healthy and safe life

The traditional long-term objectives of the Finnish education policy have been the raising of the general standard of education and the promotion of equality in education. Equitable education has narrowed the differences between the social classes and, in general, has increased greatly the level of education in the country. However, people with a low level of education have faced a greater risk of unemployment compared with those with a higher level of education.

Currently, the most important single cause of poverty in Finland is unemployment, especially long-term unemployment. Consequently, curbing long-term unemployment in the country is the most important single task in the fight against poverty. In July 2000 there were on average 90 000 long-term unemployed persons, and when those taking part in employment programmes are added, the problem touches the lives of nearly 162 000 persons.

Another major problem is the number of overindebted people. Most of these people had taken substantial loans to buy dwellings or backed somebody else's loan before the recession. The problem arose as due to increased deflation the value of their loan guarantees dropped and they lost their jobs at the same time. Municipalities have provided a special debt counselling service free-of-charge for some years already. Presently the practice is changing towards a more general economic counselling service aimed at helping people control their budgets and economic situation.

An essential element in the Finnish welfare state approach is the substantial income redistribution achieved through taxation and income transfers, which modify considerably the income derived from markets. The outcomes are twofold: i) a low number of poor people and ii) quite small differences in disposable income. Income differences in Finland have for a long time been among the smallest in the world, but during the last few years they have started to sharpen slightly.

Promotion of social integration and support for disadvantaged groups

The danger of marginalisation and social exclusion often involves a vicious circle of many-sided problems. Unemployment, poverty, poor health and social problems usually create a situation where a person's skills and abilities start to erode. Segregation and polarisation in living areas can create a culture of exclusion, which becomes more difficult to combat the longer the situation continues. In Finland the most important groups to be taken into account are the long-term unemployed and the overindebted people, as well as certain groups of immigrants.

Promotion of gender equality in human settlements development

The equality between women and men is a central socio-political target in Finland. Finland's policy with regard to achieving the goal of equality rests on the so-called Nordic equality model. The model is based on the equal rights, responsibilities and opportunities of women and men in all areas of life. The preconditions for equality are good in Finland. Women and men have *de jure* equal access to education, health, employment and decision-making. However, *de facto* equality is still to be achieved. Areas where special measures are needed are, for example, the violence against women and women's status in working life. According to the survey (1998), 40% of Finnish women over age 15 have been victims of male physical or sexual violence, or threats.

Policy and legislative changes since Habitat II

In Finland the poverty challenge is mostly addressed through general preventive social policy, that is, comprehensive income security based on systematic income redistribution policies. This has been the most efficient strategy for reducing poverty among the various population groups.

Social security benefits in Finland cover income risks at practically all stages of life, when one is not capable of earning his or her income by working. The most important benefits include maternity and paternity allowances, home care for children and private day-care allowances, child benefits, study grants, government guarantee for study loans, daily unemployment allowances, sickness allowances, general housing allowances and various types of pensions for retirement, disability and unemployment.

Provision of equal opportunities for a healthy and safe life

According to the Finnish Constitution, everybody in Finland has the right to social assistance as a last resort financial protection, if one's disposable funds are not otherwise sufficient for a reasonable standard of living. The social assistance is intended to cover food and other basic daily consumption expenditures, and it also covers the necessary housing costs.

In 1999, an experiment with social loans to the needy started in eight municipalities under the supervision of the Ministry of Social Affairs and Health. The general idea is to give access to credit for justifiable and productive reasons to those who cannot obtain loans from markets due to, for instance, previous payment problems. For example, an unemployed person can borrow money to buy tools or a car, if it will help him or her get a job. The loans are relatively small and have lower interest rates than in banks.

Finland is seeking to limit the number of long-term unemployed, as well as the length of the unemployment period through active labour market policies. The means is twofold: vocational training or subsidised employment is given periodically. New initiatives include, among others, special job-seeking courses, assigning a personal advisor to each long-term unemployed person and closer co-operation between the labour and education authorities. Especially the long-term unemployed young people are in danger of marginalisation and therefore need special attention.

Promotion of social integration and support for disadvantaged groups

One of the most important steps towards integrating immigrants and refugees into Finnish society is the Act on Integration of Immigrants and Reception of Asylum Seekers, which entered into force in 1999. It underlines the importance of general integration through education and training, with the aim of reaching a sufficient level of understanding of the Finnish language and the way Finnish society works. The basic tool is an integration plan, where the level of knowledge of the person in question is juxtaposed with the objectives, and a personal training and work training plan is made.

The fight against social exclusion has been set as one of the most important goals of the Ministry of Social Affairs and Health in recent years, and it has also resulted in the appointment of cross-sectoral administrative task forces, which have started several local initiatives. The aim of the income security system is to prevent poverty caused by old age, disability, accident at work, sickness, unemployment and so on. Separate strategies for poverty eradication are secondary, because of this system. Most income security schemes provide either a flat-rate basic allowance or earnings-related security for those with a working history. Compared to other industrialised countries, the Nordic countries can be characterised as transfer-heavy states.

The state and municipalities are fighting against segregation in Finland with land use and city planning policies, for example, by mixing publicly owned rental houses and apartments with privately owned houses and apartments in new living areas. The state has intervened in the problem of segregation, inter alia, in the older built-up areas by providing a special loan to municipalities for the purchase of individual apartments in old houses for special groups.

Gender is also taken into account in the measures taken by the Ministry of Social Affairs and Health in reducing marginalisation. A plan of action on reducing marginality is being prepared by the Ministry and the co-operation between ministries has increased. A network of researchers of marginality has been created and research has been conducted related both to the marginalisation and survival of the long-term unemployed.

Promotion of gender equality in human settlements development

During the 1990s the Finnish legislation, has been amended so that it provides better protection and support for the victims of violence. The Act on Restraining Orders entered into force in 1999. Restraining orders can be used to prevent offences directed at the life, health, liberty or undisturbed peace or to prevent otherwise contact a person. For special reasons, the prohibition against contact could cover also certain locations, such as the home or workplace of the protected person.

In 1998 the Ministry of Social Affairs and Health launched two national five-year projects, one for the prevention of violence against women and the other for the prevention of

prostitution. Both projects are being carried out by the National Research and Development Centre for Welfare and Health. Most of the ministries are represented on the project's managerial team.

When the 40/60 quota principle was applied after the 1997 municipal election, the participation of women in the earlier male-dominated municipal committees, which make decisions on local land use and construction, increased substantially.

Institutional weaknesses and obstacles encountered

Some aspects of the Finnish social security system have been criticised for destroying work incentives. However, the problem is poor coordination between taxation, social security benefits and adjustments of public service fees. In some cases, these together create a situation where work is unprofitable, that is "a poverty trap", where efforts to improve one's economic outlook by working more actually lowers one's living standard.

- The 1999 government programme stresses the need to continue reforming social security benefits, taxation and service charges so that taking up employment will always be financially worthwhile. The aim is also to improve the connection between social security contributions and benefits.

It is well known that segregating poor people's living areas from the well-off population accumulates problems, such as marginal cultures in the poorer areas. This situation has arisen in Finland due to the extremely severe recession of the 1990s and especially the difficulties of long-term unemployment. Furthermore, the uneven settlement of immigrants and refugees in a few urban areas can complicate their integration into the Finnish society. In Finland some suburbs have an average unemployment rate close to 40%, and are thus potentially in danger of becoming subcultures of social exclusion.

Lessons learned with emphasis on sustainability and impact

- The Nordic welfare state coped well with the recent recession, since basic services and social security provided by the public sector remained, although they were cut to some extent. Nevertheless, the social security system is still faced with the problem of long-term unemployment. This indicates that there are some gaps in the system, and when a person falls in one of those, it is complicated to find a way out of it. Income polarisation, which is taking place in Finland, is not a neutral issue from the social policy view point. As a consequence of this polarisation, poor people often feel that they are abandoned and excluded from the whole society.

Non-governmental organisations that are working in social development have undergone a change in their attitudes. Their approach has shifted from being pressure groups towards a more service or provider orientation.

Recommendations for priority action

The aim is to create a society in constant development that will guarantee an opportunity for everyone for independent living and active participation in society. The government's central area of focus will be to promote measures that will guard against and reduce the problems of poverty, social exclusion and the accumulated deprivation. The quality and availability of social and health services will be guaranteed nationwide.

Measures to counter poverty and social exclusion will be coupled with an active social policy. By combatting poverty and social exclusion, the government aims to find solutions to the problems of the long-term unemployed, persons suffering from mental health disorders, substance abusers and those who are overindebted and who are living at subsistence level. Income tax, social income transfers, payments and services will be welded into a well-designed and motivating whole.

CHAPTER 3: ENVIRONMENTAL MANAGEMENT

The main background documents which have been used for this chapter are the government's programme for 1999-2003, Finland's Natural Resources and the Environment 2000 (Statistics Finland), and Finland's Indicators for Sustainable Development 2000 (The Finnish Environment Institute).

Progress made since 1996, prevailing conditions, new trends, emerging issues, and major areas of concern

Geographically-balanced settlement structures

Internal migration in Finland was at its greatest in the 1970s, when industry advanced in southern Finland. The 1990s were also a time of increased migration with the population concentrating in a few growth areas. Unlike in the 1970s, the larger university towns, besides the Helsinki metropolitan area, have also attracted people. Net losses are being recorded in municipalities of traditional industries that have no university.

In Finland by international standards, construction in population centres is more spread out. This is demonstrated by, for example, the fragmentation of sparsely built urban areas into scattered settlements around cities. Other factors, such as land use policies, building site availability, tax relief on commuting expenses, the increased number of cars, and transport availability also contribute to this process.

Without comprehensive regional, urban, and provincial action the current trends will probably continue: regional centres and their environs will continue to attract people, while the countryside household density decreases further. New housing will be built with services and municipal engineering in growth centres, at the same time the existing infrastructure in sparsely populated areas will be little used or completely abandoned. Thus, the depopulation of the countryside is a significant problem.

Supply and demand for water

Currently, public waterworks supply water for 89% of the population. The rest relies on the services of small water co-operatives or uses private wells. Both ground and surface water is used for domestic purposes. Quality criteria are regulated by health legislation. Annually, only 2-4% of water resources are exploited.

In urban households daily water consumption was 178 litres per person in 1998. Consumption of water has decreased 40% during the last 20 years mainly due to new technology employed and effective consumer education. Public waterworks are mainly managed by municipal enterprises on a cost-recovery basis. The median price of water in urban settlements has decreased slightly in recent years, and is affordable to users.

Some water use targets are incompatible. From the waterworks' viewpoint, water use should not be excessively curtailed. As lower flow rate within the distribution network means that water remains in the system longer, resulting in a lower water quality. To further sustainable development, economising on water use should be encouraged, but possible problems that may be caused to water supply and sewage systems need to be taken into account.

Air pollution

Total emissions of acidifying substances have clearly decreased in Finland. The major sources of acid deposition are emissions of sulphur dioxide and oxides of nitrogen, largely from energy production. Sulphur emissions have diminished by 85% compared to 1980 levels. Emissions from industry have been cut by more than 50%. In contrast, nitrogen emissions have not been significantly reduced, although some reduction can be seen. The amount of nitrogen oxide will decrease due to special measures taken so far for reducing nitrogen oxide emissions from all mobile sources. All emissions of carbon monoxide and volatile organic compounds will decrease as old vehicles are taken out of use. The critical ozone exposure times during the crop growing season are estimated to be exceeded almost annually in Finland. Ammonia emissions, mainly from agriculture, have decreased only slightly and are extremely difficult to control.

Positive progress is mainly due to changes in the structure of energy production, improvements in process technology, a decrease in the use of heavy fuel oil, a fall in the sulphur content of fuels, and introduction of compulsory catalyst converters for new cars (since 1992) together with tighter emission regulations for heavy duty vehicles. Further, the establishment of a district heating system was of great significance for air quality improvement.

The Environment Bureau of the Helsinki Metropolitan Area Council has developed an air quality index that simplifies daily reporting on air quality. The index is based on the numerical values of recommended air quality norms. New national norms are exceeded fairly commonly in Finnish towns, especially those of inhalable particles, but also of nitrogen dioxide. The WHO or EU directive norms are, however, not exceeded.

Wastewater management and solid waste disposal

All wastewaters receive effective treatment in Finland. On the city level 99% of wastewater is treated, and nationally treatment plants treat wastewaters from approximately 80% of the total population. In 1996, almost 90% of the waste waters received biological-chemical treatment and the rest was treated chemically. By the year 2005 all urban waste water treatment plants will be converted to utilise biological-chemical methods.

Each year Finland produces some 65-70 million tonnes of waste. This includes all waste from primary production with the exception of harvesting waste left in the forests. About 95% of all waste is generated in production, mainly in industry, agriculture and construction. The amounts of all types of waste have grown slightly as a result of the strong economic growth of the 1990s.

Larger classes of waste deposited at ordinary landfills are community waste, solid and liquid industrial wastes, excavation soils and stones, ash and other slag waste, oily waste, and building site construction and demolition waste. Most of the refuse dumps are landfills. In the Helsinki metropolitan area, approximately 60% of solid waste in 1998 was

deposited in landfills. The amount recycled was over 40%. A national goal for recycling is 70% by 2005. Consolidation of information services at the local level and effective awareness raising activities (e.g. campaigns, guide books, manuals, fairs) have increased people's knowledge about handling household waste and contributed to launching municipal sorting systems for household waste collection.

In recent years waste handling at landfills has improved, because of changes in legislation in 1997 on landfills with the requirement that all landfills apply for an environmental permit. Small, poorly organised landfills have been closed down. Some of these are located on or around groundwater areas. The risks posed by landfills have not always been properly assessed when former landfills or surrounding lands have been rezoned for new use.

In an attempt to improve and intensify waste recycling, Finland has adopted the principle of producer responsibility which says that the manufacturer is responsible for organising waste management. The principle has already been applied to used car tyres, waste paper and packaging. A directive proposal on the application of the producer responsibility principle to the disposal of scrap vehicles was endorsed by the EU parliament and Council of Ministers in July 2000.

Prevention of disasters and rebuild settlements

The Land Use and Building Act regulates land use planning and building. It emphasises preventive measures including environmental risks. The statutory public building control system (advance plans, permissions and inspections) regulates construction effectively. Building codes include hazard and vulnerability assessment and furthermore hazard mapping is done. Local statutory rescue and fire brigades maintained by cities and municipalities also have post-disaster capacity.

The system has been supplemented by compensation and insurance regulations on environmental damages in 1998. The new act guarantees full compensation not only to those suffering from environmental damage, but it also covers the costs of measures taken to prevent or limit the damage and to restore the environment to its previous state. The scheme is financed by special insurance which is compulsory for the companies whose activities cause risk to the environment. All parties holding an environmental permit are obliged to take out insurance. The system is run by the insurance companies. They have established the Environmental Insurance Centre, which handles all the claims for compensation.

Promotion of effective and environmentally sound transportation systems

The annual distance travelled per person in Finland is one of the highest in the European Union due to decentralised regional and community structure and long distances to the main export markets. The growth of transport is seen most clearly in road traffic.

About one-third of Finland's total transport is within urban areas. The public transport systems of the largest towns are of a high standard even internationally speaking and their economic efficiency has increased during the 1990s. The Helsinki metropolitan area public transport system's utilisation rate is high. In total, 70% of work trips to and from the city centre are made by buses, trams, city trains or metro, and 40% of all internal trips are made using public transport. In rural areas of urban fringes, 75% of trips are, however, made by private cars.

Considerable efforts have been invested in reducing the adverse environmental impacts of transport. The aim is to promote public transport by integrating the urban structure and concentrating the most high-density building areas that are already well served by public transport. There are also central government and local authority subsidies for public transport. Additionally, the pricing of traffic through various kinds of taxes and fees is a means of steering consumption in an environmentally friendlier direction.

Local environmental plans

Sustainable development is included as a strategic goal in the acts on local authorities (extended in 1997), land use and building as well as on environmental protection. Thus, the cities and municipalities are bound to sustainable development objectives as well as to establishing mechanisms for partnership consultations and cross-sectoral co-operation in environmental protection. A Strategy on Sustainable Development for Local Authorities was adopted in 1997 by the Association of Finnish Local Authorities (AFLA). It outlines the sustainable development policy goals of AFLA and actions for achieving those goals in the short term.

There are currently 245 municipalities with ongoing projects related to Local Agenda 21, covering almost 80% of the population. In addition, there are sector-specific environmental strategies and action plans. Governmental financial and technical support for boosting local pilot projects, production of educational materials and training on sustainable development has been made available.

Policy and legislative changes

The Centre of Expertise Programme was created in accordance with the Regional Development Act seeking to pool local, regional and national resources to the development of selected internationally competitive fields of expertise. The programme is implemented over the period 1999-2006 in the 16 Centres of Expertise, which work in close co-operation with the universities and enterprises in their field of expertise. This programme is an example of various government's activities concerning balanced regional development in the country, and in this way an attempt to restrain high migration to main urban centres.

In the early 1990s, Finland adopted a strategy to integrate environmental considerations into sectoral policies, strategies and regulations. The Finnish Commission on Sustainable Development has since 1993 co-ordinated and promoted initiatives on sustainable development as well as served as a forum for public debate, co-operation and joint initiatives. During 1994-1999, several sectoral plans and programmes on the environment and sustainable development have been prepared, implemented, followed up and updated (e.g. agriculture, forestry, transport, energy, education, biodiversity, and building). These sector programmes have been very successful in reducing the direct environmental impact of various activities. They have also broadened the range of instruments that supplement traditional regulatory means.

Based partly on the outlines of the sectoral strategies, the Finnish Government's Programme on Sustainable Development was completed in 1998. It aims at ecological sustainability and creating the necessary economic, social, and cultural conditions that foster such development. The government's programme for 1999-2003 stipulates further implementation strategies in regard to environment and sustainable development, including a Finnish strategy for climate change.

The governmental guidance in sustainable development has been relatively strong in the 1990s. In addition to the revision of legislation, as described below, a range of various economic steering mechanisms were introduced in the 1990s, such as environmental taxes, environmental labelling schemes and voluntary agreements. New legislation on environmental protection was completed in 1999, updating and harmonising existing legislation and licensing procedures. Special attention is also paid to the principle of applying the best available technology, risk management and the efficiency of energy use. The key objectives of the new Land Use and Building Act include the promotion of a good living environment and sustainable development in communities. Other relevant legislation includes the Act on Compensation for Environmental Damage, the Act on the Assessment of Environmental Damage, the Waste Act, the Forest Act, the Nature Conservation Act and the Extractable Land Resources Act.

Institutional weaknesses and obstacles encountered

- Regional differences in Finland are widening partly because of fragmented municipal structure. In regions with declining populations problems, such as decreasing incomes and taxation bases and increasing number of vacant housing units, are growing. In contrast, growth centres face totally different problems, such as rising costs and expenses. The dichotomy between depopulating regions and growth centres hinders geographically balanced development. As a result specific actions are needed for different regions.

Despite remarkable progress towards sustainable development, there are still weaknesses, especially concerning how sustainability aspects are taken into account in decision-making processes. Relevant policies and strategies are available, but they might be inadequately or inconsistently implemented. Therefore, special attention will be paid to monitoring of implementation. The recent development of indicators for sustainable development, completed in June 2000, is an important means of improving the necessary follow-up to and providing feedback on development processes.

- The traditional barriers between disciplines and operating sectors may still hinder cross-sectoral co-operation and therefore the multidisciplinary approach required in sustainable development work. An objective of environmental integration calls for networking, multi-professional teams and joint projects through which new sources of innovation can be found. Institutional preconditions for this kind of collaboration still need some improvement.

Lessons learned with emphasis on sustainability and impact

Operative national policies are important for guiding the progress towards sustainable development. The commitment of various sectors, including civic organisations, is of utmost significance. Sustainable development is a process with special emphasis on co-operation between various stakeholders. National co-ordination structures and networks are necessary. Additional financial support to research and experimental work needs to be available at the initial phase of development. Legislation and regulations, including their effective implementation, provide the base for other means to promote sustainability.

Knowledge and know-how are keys not only to economic growth, employment and social welfare, but also to sustainable development. Substantial improvement of the knowledge base on sustainable development is required. Information is essentially an interaction between the environmental administration and the rest of society and it must be

disseminated on the recipients' terms. Communication between researchers and the users of research results, for example, entrepreneurs, NGOs and authorities, is crucial, as is co-operation between the public funding organisations.

Recommendations for priority actions

The government programme for 1999 - 2003 defines major priority actions as follows:

- Threats to the global environment will be countered by international co-operation in accordance with the UN's Rio Declaration and the Kyoto Protocol. Efforts will be made to influence within the EU the integration of environmental policy into different sectors.
- A programme will be drawn up with the aim of restoring the ecological balance of the Baltic Sea. Co-operation with the neighbouring areas will be stepped up with the aim of increasing protection of the Baltic Sea together with the reduction of pollution coming to Finland.
- Emissions of greenhouse gases will be reduced in accordance with Finland's international commitments. Sector-specific preparations will be collected into a programme of measures.
- The use of economic steering, environmental taxes and payments will be increased by domestic measures as well as international co-operation with due regard for international competitiveness.
- Research will be increased to strengthen environmental knowledge and expertise, especially in the field of environmental and energy technology.
- Efficient use of natural resources both in production and consumption will be promoted.
- Emissions from road and rail traffic will be further reduced.
- The implementation of nature conservation programmes and safeguarding the biodiversity of nature and the protection of the countryside will be intensified.

CHAPTER 4: ECONOMIC DEVELOPMENT

Progress made since 1996, prevailing conditions, new trends, emerging issues, and major areas of concern

The Finnish economy is currently enjoying fairly strong growth. According to an economic survey by the Ministry of Finance, 5.2% growth is expected in the year 2000 and 4.2% in the following year. The competitiveness of Finnish export industry has improved strongly, and the public deficit is nearly zero. In international comparison, the Finnish GNP per capita is the 17th highest in the world. Today Finnish companies are quite debt-free, and they are making record profits.

Finland has recently experienced rapid growth in information technology. This new industrial branch is globalising the economy. The production of cellular telephones is one example of the new information technology that has led to the growth of the Finnish economy.

Unemployment remains the most crucial problem. The unemployment rate is still high, 7.8% in July 2000. The critical question is long-term unemployment, that is, persons unemployed over one year, which has risen to about 43% of the total number of unemployed.

There are approximately 220 000 enterprises in Finland. Small enterprises with less than 10 employees account for about 25% of the private sector employment. Approximately

one-third of all entrepreneurs are women. Women under 55 years of age have more education and training than men of the same age. However, the number of women in decision-making positions, and particularly in executive positions, is still rather low. Furthermore, women have the best possibilities to reach the top of decision-making posts in women dominated sectors. Possible means to support women's access to decision-making posts are, for example, assistance in reconciling work and family life and revision of the recruitment and appointment criteria.

The principal form of public-private partnerships is between the local government and the private and non-profit sector. Local governments provide a whole range of welfare and other services either in-house or they purchase these services either from other municipalities, non-profit organizations or private firms. These services range from institutions or homes for the aged to road maintenance. The principal modes of contracting out services are the purchaser-provider model, purchased service agreement, vouchers, and other financial support for private or community sector producers.

Policy and legislative changes since Habitat II

Strengthening of small and micro-enterprises, particularly those developed by women

Promotion of small and medium-sized enterprises has been a governmental target for a long time and in recent years there have been many incentives to support this target. Since 1997 all the regional Employment and Economic Development Centres have managers with special responsibility for improving the standard of advice offered to small and medium-sized enterprises. In 1999 the special Service Centre for Small Enterprises extended its operations to serve companies with less than 10 employees. The accessibility of the services has also been improved by utilising the existing data network more efficiently. The Entrepreneurship Project, which was started in 2000, also seeks to remove obstacles and initiate of further incentives for facilitating entrepreneurship. This project involves the Ministry of Trade and Industry, eight other ministries and the Association of the Finnish Local Authorities.

The business departments at the Employment and Economic Development Centres have a five stage training programme designated especially for new and young businesses. The programme is intended to assist in setting up new businesses and ensuring a successful launch, and to help the businesses develop into competitive, growth-oriented enterprises. Special emphasis has been placed on the promotion of entrepreneurship among women who are unemployed or at risk of unemployment. This has resulted in setting up of unemployed women's activation groups, career planning courses for women and training to raise women's skills, occupational projects for rural women, and special entrepreneurial training for women and support circles for female entrepreneurs.

The employment offices have made it easier for people to become entrepreneurs by paying start-up grants to unemployed job-seekers interested in setting up businesses for themselves. Previous experience of self-employment or participation in entrepreneurship training are criteria for receiving the grant. In 1998, a start-up grant was paid to approximately 5000 new entrepreneurs. The proportion of women receiving a start-up grant rose over several successive years and reached 45% in 1998, which was more than the overall proportion of women entrepreneurs.

The aims of the national policy programme for small and medium-sized enterprises have been to streamline the administrative processes, to reform taxation, to lower labour costs, and reinforcing the finance markets of small and medium-sized enterprises. This in turn

would increase demand for the products and services of small and medium-sized enterprises. The benefit would be reaped especially by labour-intensive companies in the service sector, which are often founded and run by women.

The support for women entrepreneurs has expanded considerably in recent years. Women entrepreneurs have been granted special loans, and tailored training and counselling has been provided to encourage women's entrepreneurship. Recently, there has been an increase in the number of women entrepreneurs in repair services and services to business. Special efforts have been made to support entrepreneurship and self-employment among women in rural areas. Furthermore, women's self-employment has been promoted with the support of development projects under the EU's initiatives and structural funding. The projects have been aimed at developing new training models and gender sensitive guidance in employment, improving the employment systems for those in a weaker position on the labour market, and raising the interest in questions on equality both locally and regionally.

The Ministry of Trade and Industry has prepared a set of programmes, including the Ladies' Business School, and carried out a project providing training, counselling and other development services to women entrepreneurs. In 1996 the Women's Enterprise Agency was established. The primary objectives of the Agency are to promote and encourage women's entrepreneurship and to encourage women in both rural areas and towns to become self-employed, and to support new viable forms of women entrepreneurship and networking among female entrepreneurs.

Encouragement of public - private sector partnerships and stimulate productive employment opportunities

In 1998, a total reform of the labour policy system was introduced in Finland. Its primary aims are to improve the functioning of the labour market and to prevent exclusion. The means to achieve this include encouraging people to actively seek work, improving employment services and increasing the services and active measures for the long-term unemployed. Part of the reform focussed on the service process for job-seeking clients and on strengthening of employment office personnel resources. Measures were put also in place to aid recruitment and a comprehensive definition of unemployed job-seekers' rights and obligations was set down. Furthermore, the new customer service data system, which is crucial for the implementation of the reform, was introduced.

A main aim of the government's employment policy is to increase the employment of the working age population. Changes are currently being introduced, that are designed to maintain working capacity and to encourage ageing workers to keep their jobs. The target is to raise the average age for leaving the labour market by 2-3 years and bring it closer to the normal retirement age; thus reducing the pressure to increase pension contributions.

Institutional weaknesses and obstacles encountered

The number of new enterprises, especially small enterprises, is still low compared to the average European Union level. In future the service sector is in a key position to attract entrepreneurship.

In the case of women-owned enterprises, the most critical problems, based on the 1999 survey, are taxation, high employment costs and extensive competition. These problems are also common to male entrepreneurs, and are particularly faced by small enterprises.

The conflict between family and work roles, lack of necessary networks and a low tolerance to risks are particular problems of women entrepreneurs.

In the expansion of public-private partnerships the main concerns are the economic base for the public services and the change of citizen values and the consequent difficulty of securing equality for all citizens. Local governments are not rapidly expanding the scope of alternative services based on the preferences of the inhabitants. In fact during the 1990s the public economy was forced to shrink.

Lessons learned with emphasis on sustainability and impact

Although the scale of the public-private partnerships so far has been quite small, partnerships bring efficiency and flexibility into local service production. A flexible system is beneficial because of variability in the size of municipalities. Consequently, in recent years the variety of production methods has boomed.

Recommendations for priority action

The main aim of the Finnish government's economic policy is to improve employment. Among the goals are increasing rapidly the number of new jobs and reaching a target of 70% employment in the working age population. To boost employment structural reforms aimed at improving the functioning of the product, capital and labour markets are needed. The government will also seek to reform the taxation and social benefits systems to be more in line with the policy to increase employment and to encourage independent initiative.

Starting a business has to be made more attractive. According to the present government's programme entrepreneurship, the growth of small and medium-sized companies and competitiveness will be strengthened through industrial policy measures. In an effort to create new jobs, the government has launched the previously mentioned entrepreneurship project with the aim of removing barriers to business operations and encouraging all administrative branches to promote the establishment of new companies.

A critical question is balanced economic development in different parts of the country. In this task the Employment and Economic Development Centres are to support the development of the provinces on the basis of their own strengths and expertise. This is implemented by promoting entrepreneurship and business activities, by developing labour force and the labour market and by developing the interaction between the provincial centre and the surrounding rural area.

CHAPTER 5: GOVERNANCE

Progress made since 1996, prevailing conditions, new trends , emerging issues, and major areas of concern

Presently, there are 452 municipalities in Finland. The size of municipalities varies a lot: the smallest one has only 125 inhabitants, and the biggest (Helsinki) has 546300. All in all there are over 12000 municipal council members in Finland. They play an important role in the democratic system due to the importance of the municipalities. Of these council members, 31% are women since the 1996 elections.

Promotion of decentralization and strengthening local authorities

In Finland the municipalities are obliged to provide public and welfare services, including educational, health and social services, as well as technical infrastructure services. As equality is a central goal in Finland, the state redistributes a substantial amount of tax revenues between municipalities to ensure an adequate level of services throughout the country. Municipalities have also their own taxation power. According to the municipal self-government rule, the municipalities have the right to decide whether to produce public

services themselves, or whether to buy them from outside. In regard to education, private production is more regulated than are other welfare services.

Encouragement and support for participation and civic engagement

The private sector and NGOs play a complementary role in the provision of welfare services. NGOs are also important in that they mobilize and channel citizens' activities and help maintain a critical dialogue, thus contributing to the improvement of the service system. The role of private sectors and NGOs as service producers is important in health and social service provision.

Transparent, accountable and efficient governance

As fair, efficient, quick and transparent governance is a traditionally recognized principle in Finland, there are comprehensive ways to guarantee this. The Chancellor of Justice of the Council of State has a constitutionally guaranteed position as an independent overseer of legality as well as the highest prosecution authority. The Chancellor conducts inquiries, for example, on the basis of complaints made by the public. The Finnish administrative machinery is also overseen by the Parliamentary Ombudsman, whose field of work covers the whole society. Furthermore, more specialized authorities overseeing legal questions are, among others, the Consumer Ombudsman, the Ombudsman for Equality, the Ombudsman for Data Protection, the Ombudsman for Foreigners and the Ombudsman for Bankruptcy Cases.

Policy and legislative changes since Habitat II

Encouragement and support for participation and civic engagement

Citizens' right to participate is included in the Finnish Constitution, which states that authorities must ensure a healthy living environment and the right to participate in the decision-making concerning one's living environment. The Land Use and Building Act also provides for increased opportunities for public participation and interactive planning, and more effective dissemination of information on building projects and other changes in the environment. In the field of master planning and building, new important steps have been taken to ensure good governance. The Act has two important characteristics: it promotes sustainable urban development and underlines open information flow as well as residents' participation in the planning and monitoring of construction projects.

In practice under the Land Use and Building Act this participation is guaranteed by a special participation and assessment scheme. During preparation of the scheme all parties concerned are listed, as well as the best ways to include them in the whole process. The parties concerned include landowners and anybody on whose living and working the project has an effect. Municipalities are obliged to inform the public adequately of forthcoming master planning and of the special participation and assessment scheme.

Transparent, accountable and efficient governance

Transparency is important in promoting accountability and responsibility in government work. The actions of the Finnish authorities are now more transparent, since the Act on the Openness of Government Activities came into force in 1999. Publicity of a document is the rule, and secrecy the exception. Therefore, an official must give information to a citizen when asked, unless the matter has been specifically declared secret by law. The Finnish

statistics bureau, Statistics Finland, gives comprehensive statistical information free of charge, and has published basic statistical information in the Internet, which is easily accessible free of charge, for example in public libraries.

Institutional weaknesses and obstacles encountered

The high number of small municipalities, however, results in a lack of adequate financial and manpower resources to arrange welfare services. At the same time, responsibilities at the local level are increasing, while the financial resources are scarce. This is a critical problem in areas with declining populations.

Lessons learned with emphasis on sustainability and impact

Decentralization and strengthening of local authorities is a continuous process. Although participation processes take time and resources, expanded citizen participation has improved the outcome of land use plans, has often reduced the number of complaints and has also increased trust in local authorities.

Recommendations for priority action

Based on the government's programme, governance will be differentiated and decentralised so that each function of the public sector will be dealt with through the organisational models most appropriate for them. The activities will be steered and financed according to the nature of these functions.

The government will strengthen municipal self-government and increase their economic decision-making power and responsibility in the development of services. For this purpose, the municipalities own funding will be developed while maintaining the mutual balancing of revenues between the municipalities. Civil society will be strengthened by increasing citizen participation and preventing social exclusion. Furthermore, possibilities for cooperation between the municipalities, associations and private sector will be promoted.

CHAPTER 6: INTERNATIONAL COOPERATION

Progress made since 1996, prevailing conditions, new trends, emerging issues, and major areas for concern

Finland is actively involved in international cooperation in the field of human settlements both regionally and globally. Finland pursues a policy of stability in promoting global dimensions of security. The policy involves joint action and cooperation with other countries and aims to create and safeguard economic, social and ecological conditions that are conducive to stable development and equality. Security is built by promoting respect for human rights and creating the preconditions for greater respect for them. Combatting environmental degradation also strengthens security. The activities of human communities have to be guided in an economically, socially and ecologically responsible direction that allows the limited capacity of the environment to be taken into account.

Since becoming a member of the European Union in 1995, Finland has been active in contributing to the EU's joint activities to protect the environment and to promote sustainable development. In the field of human settlements the ministers responsible for spatial planning of the member states of the European Union have agreed on the

European spatial development perspective in 1999. The aims of this cooperation are to develop a balanced and polycentric system of cities and a new urban-rural relationship, and promote equal access to infrastructure and knowledge, as well as prudent management and development of Europe's natural and cultural heritage. In the implementation of the policy aims, cooperation between member states is enhanced. Also, transboundary cooperation between regional and local authorities is very important.

Finland has actively supported the economic and political transition process in Central and Eastern Europe. Especially the cooperation between the countries around the Baltic Sea has a long history and nowadays there are links on many levels, including ordinary citizens. Baltic 21, launched in 1996 by a ministerial meeting between the countries around the Baltic Sea, is a broadly-based cooperative undertaking aimed at sustainable development in the Baltic Sea area. Emphasis is on seven sectors (agriculture, energy production, fishing, forestry, industry, tourism and transport) and environmental considerations are given priority. The Action Programme (Agenda 21) approved by the Council of the Baltic Sea States is an essential part of the Baltic 21.

One important form of regional cooperation is the Baltic Sea Joint Comprehensive Environmental Action Plan in the framework of the Convention on the Protection of the Marine Environment of the Baltic Sea Area. The Action Plan was revised in 1998. It introduces 132 'hot spots' which require urgent environmental action, from industrial plants to urban waste water management. Several countries, including Finland, and a number of international financial institutions and various programmes of the European Union are funding the Action Plan.

On the bilateral level Finland is a party to cooperation with neighbouring areas, including the Baltic states and Russia. The government has renewed a strategy for cooperation with the neighbouring areas in May 2000. Environmental cooperation and development of human settlements are essential parts of the strategy. The main aims of the environmental cooperation are reduction and prevention of harmful pollutants entering Finland from neighbouring areas and the promotion of protection of nature and biodiversity. Another important aim is promoting sustainable development in regional planning, housing and building. Success in this development will encourage social stability and reduce adverse environmental impacts, which will benefit the whole Baltic Sea area.

Long-term multilateral and bilateral cooperation between in the Baltic Sea States got a significant boost when the European Council at its meeting in Helsinki, Finland in 1999, invited the European Commission to prepare an Action Plan for the Northern Dimension in relation to the external and cross-border policies of the European Union for 2000-2003. The Northern Dimension concept covers the Nordic countries, the Baltic states and Russia. The European Council endorsed the Action Plan at its meeting in June 2000. The purpose of the Action plan is to reinforce coordination and complementarity in the European Union and in its member states' programmes; thereby, promoting a more coherent approach to addressing the specific problems and needs of the North. It also enhances collaboration between the countries.

Finnish development cooperation is directed towards poverty eradication, environmental protection and enhancing democracy, good governance and human rights. All these aims are compatible with the Habitat Agenda of creating livable human environments in urban areas and providing adequate shelter for all.

Urban development has received considerable attention in Finland's development cooperation. The cooperation has focussed on improvement of urban service provision and environmental protection. The renovation of urban water supply is a classic example of concrete and long-term involvement in service provision. More specialised cases include the mapping of underground utilities and the establishment of a GIS database in Cairo. The Finnish contribution has commonly been high-class technical capacity coupled with a capacity building element.

Since 1996, Finland has invested in building democratic institutions and has been strongly engaged in decentralisation programmes. As decentralisation is a part of official policy in partner countries, the policy shift reflects mutual interests. The emphasis is on community participation, both as a means of generating commitment and cost recovery and as an expression of functioning local democracy. This orientation is clearly evident in the bulk of the projects and programmes on service provision. Finland is well placed to share valid experiences with the international community, especially with transition and developing countries, because of its strong and independent local authorities.

Policy and legislative changes since Habitat II

The policy environment for development cooperation has been stable throughout the studied period. In the field of legislation, the signings of the OECD anti-corruption conventions and the corresponding changes in national legislation can be named as steps which simply underline the high standards for anti-corruption practices in Finland.

Institutional weaknesses and obstacles encountered

Urban development and decentralisation programmes also reveal problems: although policy and legal changes are taking place in many countries, the local authorities remain comparatively underresourced. Also, financial management and integrity seem to be real problems at the local authority level. For these reasons, the official development cooperation still favours establishing collaboration with stronger central government units. It has proved administratively and politically difficult to engage in projects where a local authority is a responsible counterpart organisation.

Lessons learned with emphasis on sustainability and impact

A major lesson of the 1990s was the recognition of the need for systematic donor coordination to counter the impact of the increased numbers of projects and actors. Internationally, Finland has been active in contributing to policy fora in the European Union, the OECD/DAC and the UN system, within the boards of IFIs and in terms of tuning its own policy orientations to be in line with international standards.

The accumulated experience shows that investing in community participation "pays off" in terms of increased sustainability, although there are challenges to be solved, such as efficient methods for participation.

Recommendations for priority action

The developing world is also urbanising, leading to increased urban poverty. If proper attention is not given to this problem, the living conditions of the poor deteriorate further as they are forced to live in insecure and crowded areas, often far away from communal services and working places. Security of tenure of the poor and curtailment of urban land speculation are areas which would benefit from vigorous action.

CHAPTER 7: FUTURE ACTION AND INITIATIVES

Priorities for shelter development

The Finnish housing policy strategy broadly addresses different subareas of housing. The overall housing policy objective of the strategy is to create the conditions for good, reasonably priced housing in a way that promotes life-cycle quality, regional balance, social cohesion and choice. The elements of the housing policy strategy are balance in the housing market, a long-term housing policy, social cohesion and a functioning subsidy system. The balance of the housing market occupies a key position in so far as the attainment of the other objectives will be hindered, if the housing market is not in balance.

As has been the case to date, the major role in safeguarding rental housing production in the future will be assumed by state-subsidised rental housing production. In future the social rental housing stock will remain the central means by which the right to housing of reasonable price and quality for those in the weakest positions will be ensured.

The most significant economic pressures lie in developing the general housing allowance scheme. During the economic recession, savings in housing allowance had to be made. Based on the present government programme, housing allowance will be developed taking into account more flexibly the changes in living conditions and real living costs. Efforts to improve and coordinate housing allowance systems and income support systems, particularly to benefit families with children, will be continued.

The ageing of the population and the needs of disabled persons and other special groups will be taken into account in the planning, construction and provision of services. The modernisation of suburban areas will be continued to preserve a diversity of residential areas as regards the structure of the population and the forms of housing.

There are already studies underway on how life-cycle housing and ecologically sustainable building can be promoted and supported by taking the said objectives into account in state lending for housing. The fulfilment of the obligations of the Kyoto Protocol places particular emphasis on realising these objectives.

Priorities for sustainable urban development

The bases and priorities for Finnish urban policy are stimulating employment and economic development that secure welfare, preventing social segregation, improving the urban environment and promoting good city administration and civic involvement. A special challenge for Finnish urban policy is to secure the vitality of the urban network that covers the whole country. To maintain a balance in regional development, it is important that small and medium-sized cities are made more attractive for people to live in and businesses to operate in.

According to the Land Use and Building Act, land use planning is to promote the following objectives through interactive planning and sufficient assessment of impacts:

- 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;
- economical community structure and land use;
- protection of the beauty of the built environment and of cultural values;
- environmental protection and biological diversity;
- functionality of communities and good building;
- favourable business conditions and availability of services;
- an appropriate traffic system and, especially, public transport and non-motorized traffic.

Environmental and health aspects are particularly important in efforts to improve the quality of the urban environment and reduce environmental risks related to food safety. In the former, air quality and noise abatement are important, and particular attention should be given to reducing environmental and health risks from traffic. In the transport sector, the environmental guidelines were developed in 1999, focusing on reducing greenhouse gases and other emissions, preventing pollution and reducing noise, as well as taking environmental impacts into account in developing transport systems. Thus, a priority in sustainable urban development is to adhere to these guidelines.

A challenge which needs attention is suburb renewal and development. The government established in 2000 an intersectoral group to prepare a programme for suburban renewal and to plan support activities for municipalities in suburb development and strengthening social cohesion. Activities and pilot projects will be targeted, for instance, to relieve housing problems in areas with declining populations, to build existing settlements structures more densely, to increase quality and durability of the built environment and to enhance social functions.

Priorities for capacity building and institutional development

Both the present government's programme as well as the Government Resolution on Public Management and Governance (1998) stress capacity building and institutional development. The promotion of a vigorous information society and communication services by creating a favourable legislative environment is a central target. This includes launching a broad-based and cross-administrative project to develop the contents of the information society and to create the prerequisites for this.

The autonomous development of the regions will be promoted by relying on their strengths. Skills and expertise as well as the latest technology will be used to boost the value added of production and the quality of services. The opportunities offered by the information society will be effectively used to narrow down regional differences. The competitiveness of vigorous regional and sub-regional centres will be enhanced. The high education level in Finland gives a good basis for capacity building. Still, the strengthening of expertise is an essential element of development.

The starting point for balanced regional development is to consolidate regional economies by improving growth and employment. Particular attention will be paid to a regionally balanced population structure and the boosting of expertise in the regions. Development of regional cooperation between the existing institutions and institutional structures is a part of this work.

The Government Resolution on Public Management and Governance (1998) outlines the guidelines of public management between the challenges of globalization, the demands of the citizens and, on the other hand, the decreasing economic resources. The starting premise of the reforms is ensuring the basic services of a welfare society equally in all parts of the country. The principles of good governance form a firm foundation when ensuring higher-quality services for the citizens. In addition to the availability of the services, their quality as well as customer-orientation and freedom of choice will be emphasised. In the quality and availability of basic municipal services the service needs of those groups requiring special services will be particularly taken into account. A central means in the improvement of the quality of public services will be an extensive use of Service Charters. It is the aim of the government to increase the effectiveness, functioning and service-orientation of governance.

On all administrative levels, the real possibilities of the citizens to influence matters as well as the openness and transparency of administration will be increased. Functions and powers will be transferred further downwards from central government. Accountability is also an important issue, and, therefore, the government will launch measures to increase the agencies' accountability for their performance.

The implementation of governmental acts and regulations has been a central topic for capacity building in the public sector for a long time. Therefore, in future there will also be capacity-building and institutional development activities, related to the implementation of recent legislation, such as the Land Use and Building Act, the Environmental Protection Act and the Nature Conservation Act.

Priorities for international cooperation

Finland will continue to promote security as well as sustainable and balanced development in the world by working towards a strengthening of democracy, respect for human rights, the rule of law and equality. The government will seek to reinforce further its activities in human rights issues and in international environmental policy and to support actions to improve the working of international organisations.

The government's aim in development cooperation policy will be to strengthen preparedness in developing countries to prevent conflicts and to improve security and well-being. The Finnish Government is committed to an overall policy of reducing poverty, countering global threats to the environment and promoting equality, democracy and human rights in the developing countries. Likewise, Finland is prepared to participate in the resolution of the debt problems of the world's poorest countries.

INDICATORS

The following indicator publications (in english) introduce existing Finnish indicators related to the national reporting:

Housing Indicators 1999. Ministry of the Environment.

A Portrait of Finnish Cities, Towns, and Functional Urban Regions. 1999. (Indicators from 38 Finnish Cities)

Signs of Sustainability. Finland's Indicators for Sustainable Development 2000. (84 indicators on environmental, economic and socio-cultural issues)

EXAMPLES OF ENABLING LEGISLATION AND BEST PRACTICES

1. LAND USE AND BUILDING ACT- An example of the enabling legislation

Background

The old Building Act was originally from 1958, but it had partially been renewed in subsequent years. However, the operating environment of land use and building had changed greatly during the decades, as municipalities had gained more autonomy and the control of central government had been reduced. Also new challenges, such as seeking practices for sustainable development and increasing public participation brought pressures for a new act.

Content of the Act

The Land Use and Building Act, which came into force in 2000, promotes sustainable development in land use and the construction sector. The objectives of the Act is to ensure that the use of land and water areas and building activities on them create preconditions for a favourable living environment and promote ecologically, economically, socially and culturally sustainable development.

The land use planning system continues to include the regional and municipal levels. National land use goals will be set by the Council of State. These goals may comprise, for example, main infrastructure networks or natural and built-up areas of national importance. National goals are implemented mainly by regional plans, which are the only plans to be submitted to the Ministry of the Environment for approval. Preparation and approval of regional plans are the obligation of 19 regional councils (alliances of municipalities)

Local decision-making is enhanced. The planning decisions of municipal authorities are no longer approved by higher authorities. Local authorities are to possess better resources and expertise. The government administration will safeguard the achievement of national goals and provide assistance to local authorities. Appeals against local land use decisions are directed to administrative courts. It will become possible to assess how up-to-date the existing detailed plans are: each plan shall be reviewed after 13 years to confirm if it is up-to-date, and plan implementation will be more flexible. The Act has also stipulations on particular development areas and on local planning needs.

In construction activities the quality of buildings, the consideration of environmental aspects and the life-cycle approach are key targets. The Act aims also to ensure that everyone has the right to participate in the preparation process, and that there is open provision of information on matters being processed. In accordance with this act the local authorities have to adopt a more open and interactive approach to planning. In this way public participation will increase in land use and building activities. To ensure opportunities for the public to participate, procedures for participation and assessment are required in every planning project. Also more systematic assessment of environmental impacts is a part of the Act.

Results achieved and lessons learned

The formulation of the Act was a long (over three years) and broad process, and involved various stakeholders and interest groups, such as authorities at all levels of government, building and land use organisations, the private sector and NGOs. The Internet was also used in the process. This kind of formulation process guaranteed a wide acceptance of the Act.

New modes of public participation and interaction have emerged, although there is still need for awareness raising and capacity building among local civil servants. This shows that it is a question of a learning process for both citizens and the administration.

The Ministry of the Environment established a co-operation group in 2000 to monitor and evaluate the execution of the Act. The group consists of representatives of the national and local government, the private sector and NGOs. It will also propose new support activities, if seen necessary.

Sustainability and transferability

Under the new Act local authorities are given more responsibility and more power to take action, which requires new capacities and manpower resources. Since resources in municipalities vary, it has caused some difficulties. The national government has provided training and other assistance for the application of the Act at the local level.

Other related acts, such as the Water Act, the Nature Conservation Act and the Environmental Protection Act had to be amended in order to be consistent with the Land Use and Building Act.

2. VIKKI ECOLOGICAL HOUSING DEVELOPMENT

Background

A great deal of work has been done in Finland in recent years on improving the quality of construction and the character of the living environment. In 1998 the government approved the Programme for Ecologically Sustainable Construction, which focuses partly on arriving at models of good practice. It was also recognised that there is need for strengthening the generation and application of innovative sustainable solutions in the construction sector. To this end, in 1998-2000, a special subsidy for pilot projects in line with the principle of sustainability was linked with the government experimental building programme.

Finland's first urban ecological area will be built during the years 1999-2002 in Viikki, Helsinki. It is situated 7 km from the Helsinki city centre. The housing area for 1 700 residents consists of high- and low-rise blocks of flats and detached houses, which are owner-occupied, or rented, or residents have a right-of-occupancy. Ideas were generated in two planning competitions. The first was for a town plan that would provide a good foundation for ecological building. The other competition concerned city block and building design. It sought both designs and designers for the ecological city blocks and buildings and also developers who would commit themselves to the construction process. Sites were thus allocated to architect/developer groups in order that they would implement ecological designs. The competitions were organised by the City of Helsinki in co-operation with Ecological Community Project.

Partners

The City of Helsinki (City Planning Department, City Office and other departments), the Ministry of the Environment, the National Technology Agency (TEKES), the Finnish Association of Architects (SAFA), housing developers, designers, constructors and future residents are partners in the Viikki ecological development.

Activity

The Viikki ecological area is intended to create a healthy, durable and adaptable environment for living. In the finger-like layout of this area, green areas interlink with the built environment. Ecological criteria will determine the minimum level of environmental quality. More efficient ways of using energy and natural resources, as well as ways of eliminating noxious waste and emissions, will be tested in the construction. Two solar projects will be carried out. Residents will play an important role in the process of creating a sustainable urban environment.

The ecological criteria have been established to measure and ensure the ecological soundness of the construction projects in Viikki. The criteria for the building projects are: pollution (CO₂, waste water, construction site waste, household waste, eco labels), use of natural resources (use of heating energy, electrical energy and primary energy, and flexibility and common use of buildings), healthiness of dwellings and area (interior climate, moisture risks, noise, wind protection, solar, alternatives, multi-purpose use), biodiversity (plant selections, storm water) and food production (planting and topsoil). All sites must achieve a basic level determined by these criteria. Each project also includes experimental construction. The documentation stage and follow-up will measure the success of the practical solutions and the functionality of the ecological criteria. The aim is also to develop environmental sound construction methods, instructions and regulations in general.

The City of Helsinki has its own ecological activities in the area, such as a development of sustainable daycare centre, an ecological park for children and young people, use of clay in the street construction and a system for use of surface and run-off water.

Results achieved and lessons learned

In Viikki, the criteria used to define the area's basic ecological level and monitor its realization have proved an important tool in creating an ecologically sustainable housing area. According to the calculations done for the housing projects that are under construction in the area, the basic requirement level in the criteria (0 points) has been exceeded by far, and individual buildings average is as many as 12 points (the theoretical maximum is 30 points). For example, for saving of heating energy generated from fossil fuels an average saving of almost 50% will be achieved compared with the standard housing production in Helsinki. For primary energy and household water an average saving of 30% will be achieved. The carbon dioxide emissions will be about 30% less than in an average housing area.

Combining the environmental viewpoint and life-cycle thinking with the standard practice in the construction sector is a not a painless process. Rather, it is a development process that requires participation of all relevant actors to be successful. The planning process of Viikki has provided a useful training activity for developers, builders, planners and officials. Besides practical matters of construction activities, the Viikki project has required considerable efforts in collating information and improving co-operation between different

actors and interests. During the process, new procedures have been sought actively. Revised town planning provisions for the ecological area have encouraged the seeking of new sustainable solutions, such as use and treatment of rain water.

Sustainability and transferability

A new set of criteria has been worked out for the next phase of Viikki. The new criteria concentrate on the most critical issues of eco-construction, and are more focused and easier to use than the present ones. The use of these ecological criteria will be assessed and then they will also be applied in other areas. Furthermore, design and building solutions will be applicable to other areas.

Over the last few years the development of assessment methods for the environmental characteristics of building has been rapid in Finland, even by international standards. Although many evaluation systems are broadly applicable in principle, assessment of different, often incommensurable, properties has produced problems. Therefore, user-friendly calculation tools have been developed simultaneously with the implementation of pilot projects.

3. WASTE PREVENTION ADVISORY PROJECT

Background

The most significant environmental problems to be tackled under the waste prevention advisory project are the use of natural resources and the emissions of waste management. The excessive use of natural resources is a major global environmental problem. A particular threat is that the total consumption of natural resources with all its side effects will lead to the destruction of the environment. Therefore, the present consumption rate of natural resources must be reduced.

The main aim of the EU waste policy is waste prevention. At the European level very little effort has been done to promote this aim. Instead, all the work and funding have been invested in improving waste recovery and in sound waste disposal. At the moment, a major hindrance in waste prevention is the lack of information and false attitudes. Well-organized information services can help to overcome this problem. The essential point in changing attitudes is switch the focus from the end of the consumption chain to the beginning.

Partners

The waste prevention advisory project is implemented in 1999-2001. The project is coordinated by the Finnish Environment Institute. Partners in the project are the Finnish Association for Nature Conservation and six regional waste management companies. Their territories cover 50 municipalities and nearly half of the total population of Finland. The responsible partner is Target GmbH, a German project management coordination and public relations company. Project is funded 50% by the EU LIFE-Environment Demonstration Projects. 20% of the funding comes from the Finnish Environment Institute, 17% from waste management companies, 12% from Target GmbH, and 1% from the Ministry of Trade and Industry.

Activity

The aim of the project is to develop and identify new informational means to promote material efficiency, waste prevention and sustainable development. The primary objectives are to improve the levels of information and awareness of the target groups and to help them to reduce the amount of waste generated. The target group of the project is waste advisers and other actors in the field (production, trade and consumption) through which material and products flow.

The proposed aim is accomplished by advising and informing the target groups. The project partners plan to develop different kinds of advising methods to disseminate the latest research information on the workableness of the use of material efficiency measures to consumers, enterprises and authorities. Additionally, a variety of advising tools (website, information in electronic form, materials and other) will be produced, which will help local authorities and waste advisers in waste management companies improve their professional skills. The best practice cases will be collected during the project and added to the new advisory materials produced.

Advising is carried out in three phases. The first phase is the education of advisers and developing a new advising method. In the second phase there is intensive advising of pilot enterprises and evaluation of the results of this work. In the third phase the waste prevention advising is directed to consumers. The evaluations of the results will be carried out by interviewing the target groups.

The general theme of advising is living and housing, particularly to construction and furniture production. These were chosen based on the possibility for improved material efficiency and on the true interest in waste prevention in these sectors.

Waste advisers of six waste management companies (Päijät-Hämeen Jätehuolto Oy, Pääkaupunkiseudun yhteistyövaltuuskunta, KIERTOKAPULA Oy, Turun kaupungin jätelaitos, Oulun Jätehuolto and Pirkanmaan Jätehuolto Oy) carried out the intensive advising of a group of pilot enterprises (17 enterprises). This advising included mainly personal visits to the pilot enterprises but, to some extent, also other ways of advising (drama-consulting, workshops, e-mail consultancy). The intensive advising programme also includes follow-up. Monitoring of the effects of the advising will demonstrate whether the advising had an influence on the attitudes or actions of the pilot enterprises and ultimately whether the advising method was a useful advising tool which could have an influence on the material flow.

The third phase is consumer advising with the aim to develop methods for the advisers and to promote material efficient thinking in households. Renovation and rebuilding are typically activities where materials are not used efficiently. To renovate a building nowadays means replacing all of the old materials with new ones. Commonly, in the renovation business repairing the old structures is not a real option. Huge amounts of wastes due to renovation of buildings are generated every year. Yet there are alternatives for all that waste of materials. Waste advisers need advising tools, models of different activities and new networks of experts in the renovation business to promote this new thinking.

Results achieved and lessons learned

The education of advisers and intensive advising of pilot enterprises will be completed at the end of 2000. Preliminary results have already been gathered. Waste prevention advisory services require resources (time and funding) and extensive and innovative ways of advising. Waste management companies can advise enterprises in waste prevention matters either as an extra service or integrated into traditional waste advising. According to waste advisers there is a need for more examples of best practices in enterprises and branch-specific information.

Sustainability and transferability

The anticipated result of this project is to show how to disseminate information on material efficiency measures and the possibilities for use to consumers, enterprises, authorities and other actors. According to the preliminary results, in future waste prevention advising can be seen as one part of the work of waste management companies.

4. YTV REGIONAL TRANSPORT SYSTEM

Background

The Helsinki Metropolitan Area Council (YTV) was established in the early 1970s. Its spheres of activity were defined as the supervision of refuse disposal, public transport, air pollution control and co-operation on recreation areas in the Helsinki metropolitan area. The population in this area at the beginning of 2000 was about 946 000, of which 58% live in Helsinki, 22% in Espoo and 19% in Vantaa.

Partners

The YTV area is composed of the cities of Helsinki, Espoo, Vantaa and Kauniainen. Helsinki's transport department HKL, private bus companies and VR (the state-owned railway company) provide transport services paid for by YTV.

Activity

On a normal working day over 2.6 million journeys are made in the YTV area. Almost half of these are made in cars. Public transport's share is about one-third. Of journeys to work into the centre of Helsinki, 70% are made on urban mass transport, that is, on buses, local trains, trams and the metro.

Regional public transport is arranged on a contractual basis after a tendering process. Competitive tendering has been in use since 1995. The contract period is generally five years. The running of public transport is the joint responsibility of Helsinki, Espoo, Vantaa and YTV. The cities of Helsinki and Espoo look after their internal routes themselves, while YTV manages the routes which cross the city councils' mutual borders, for example, the so-called regional travel and the internal routes of Vantaa. Considering the bus traffic of the region, Helsinki's transport department HKL, together with bus companies in the city's ownership, carries about 40%. The remainder is shared between more than ten different private companies.

Two travel zone tariffs are recognized: one for internal travel within the city councils' areas, and one for travel crossing the borders of the councils' areas - the latter being known as

regional transport. Various ticket types are available, including, for example, single tickets, 10-trip tickets and 30-day pass tickets. For travel within a single city council area, one internal ticket suffices. On the other hand, using a regional travel ticket, one can travel on any form of public transport without restriction over the whole of the YTV area.

For the year 1998, the costs for public transport in the YTV area were approximately FIM 1.7 billion. Ticket revenues covered 54% of the costs of the area's public transport. The public transport revenue deficit is borne in whole by the city councils of the YTV area. The Finnish state does not contribute to the running costs of the region's public transport.

The Helsinki Metropolitan Area Council has approved Transportation System 2020, a transportation plan for the year 2020. Its major aim is to develop public transport as a competitive transportation alternative. Such a development will also help to attain the environmental goals which have been set. The structure of urban communities will be unified with the help of land-use planning. The workability of private vehicular traffic can still be maintained, provided that the increase in the numbers of cars remains reasonable. Development of the facilities for walking and biking, the route connections, conditions and safety, will be continued. Rail transportation will form the backbone of the public transport system.

YTV's Traffic Department produces and publishes the regional transport system's timetables and route information. The advisory telephone service system on 0100-111 uses a database developed and updated by YTV. The Traffic Department also looks after ticket inspection on board the regional buses. Additionally, it carries out transport research, as well as making forecasts, and drawing up plans and development programmes relating to the whole area. YTV is renewing the region's public transport ticket system, the new one being based on the use of intelligent cards.

Results achieved and lessons learned

Through competitive tendering the costs of running the transport services have decreased by about 30%, while, at the same time, the quality of service has been maintained at a high level. The reliability of the regional transport services has been good. Competition has, however, resulted in a reduction in the number of transport companies, with the services being concentrated in the hands of six large firms.

The level of service of public transport in the area is good, and the use of public transport forms a significant part of the daily life of town dwellers. The special function of YTV's Transportation Department is to take responsibility for the smooth running and economy of the public transport system in the Helsinki region, also taking into account its environmental impact. This is achieved by furthering the use of public transport and by arranging inexpensive and well-functioning public transport services.

Sustainability and transferability

The administration of YTV has a direct link to municipal administration and decision-making. This results in smooth and effective operation. A similar kind of co-operation model in transportation is in use in some other parts of Finland.

YTV does not itself actually own public transport facilities, but rather purchases the necessary services from transport firms and from VR, the Finnish state railway company. By subjecting the regional bus services to competitive tendering, YTV has been able to

reduce cost levels considerably. This reduction has been used to lower the price of regional bus tickets, to diminish the level of local council subsidies and to develop regional transportation services.

5. NETWORK OF FINNISH CYCLING MUNICIPALITIES

Background

The Network of Finnish Cycling Municipalities was initiated by the Ministry of Transport and Communications and the Association of Finnish Local Authorities in 1997. The Finnish NGO, Traffic League, which works actively in promoting effective and environmentally sound transportation systems, coordinates the network activities. The main objective is to promote cycling, as it has so far had a low status as a mode of transportation within the traffic policy of municipalities and the state. The network attempts to raise this status by distributing knowledge about different ways that municipalities can promote cycling.

Partners

The Network of Finnish Cycling Municipalities is co-ordinated by the Traffic League, and other partners are the Ministry of Transport and Communications, the Ministry of the Environment, the Association of Finnish Local Authorities and the Finnish Sport for All Association. Municipalities are partners in the development of the network.

Activity

The Network of Finnish Cycling Municipalities is new to Finland. The model for it is the "Cities for Cyclists" network which has operated for over 10 years in Europe and currently has over 20 cities in it. The aim of the Finnish network is to develop and improve the infrastructure of cycling and walking at the municipal level in urban and rural areas, as well as to provide information and advance communication between different authorities, citizens and NGOs on these forms of transport, and in this way promote cycling in Finland.

The Network of Finnish Cycling Municipalities:

- * follows the current developments in cycling and research associated with cycling,
- * maintains a database of recent developments in studies associated with cycling,
- * arranges seminars, courses and meetings within the network,
- * maintains contacts in Finland, in Europe and all over the world,
- * distributes new ideas and practises associated with cycling,
 - * advises on subjects of how to promote cycling and how to improve the cycling infrastructure for member municipalities,
 - * creates ideas for research and also conducts studies (based on exterior funding).

The most important tool for the network is the monthly news bulletin *Pyöräilyuutiset* ("Cycling News"), in which current developments, news, ideas and research are followed. Along with the news bulletin, different materials associated with cycling are also distributed, such as marketing leaflets, publications and photocopies of articles. Other activities include, for instance, seminars and various types of courses.

In November 2000 there were 23 municipalities within the network, including almost all of the largest cities in Finland and also some small municipalities. In 1998 the Finnish Road

Administration also joined the network. The network provides a range of co-operation options for municipalities, administrations, NGOs and private enterprises.

Results achieved and lessons learned

The network has established itself as a new actor in transport policy in Finland. It is important to have persons working full-time within the field of cycling, because of the need for expertise and knowledge.

Sustainability and transferability

The network has operated almost four years and it has obviously "taken its place" in the Finnish transport policy. The network seeks to expand co-operation with several new municipalities in Finland in the near future. By improving the cycling infrastructure and facilities, the popularity of cycling can be increased; thus widening the use of this sustainable transport mode. It is a good example of how cycling can be placed on the national agenda along with the other modes of transportation.

6. HELSINKI AND VANTAA URBAN PROGRAMME

Background

The Community Initiatives are a form of assistance proposed by the European Commission to the Member States with a view to resolving specific social and economic problems affecting the whole European Union. The initiative called URBAN is aimed at social and economic regeneration of urban areas in crisis.

In Finland, one joint URBAN project targets two suburbs in Helsinki and Vantaa: Myllypuro & Kontula (30 000 inhabitants) in Helsinki and Koivukylä & Havukoski (15 000 inhabitants) in Vantaa.

Partners

The cities of Helsinki and Vantaa, NGOs, central government organisations, private sector actors and residents are partners of the URBAN programme. The Helsinki and Vantaa programme has a joint management committee. Funding comes from the EU and the cities of Helsinki and Vantaa.

Activity

The joint URBAN programme of the cities of Vantaa and Helsinki began in 1997 and will last until mid 2001. It is aimed at increasing resources and diversifying development measures in urban districts having different kinds of problems. Under the programme, innovative forms and methods of assistance and partnerships for everyday activities of cities have been created and tested.

In Vantaa the URBAN unit has been placed directly under the general management of the city's central administration. The unit has the appropriations allocated for the programme at its disposal. The financial and administrative practice implemented in Vantaa makes the operation of the programme flexible, and reduces unnecessary bureaucracy.

Three priority areas of the Helsinki and Vantaa URBAN programme are related to the current needs for development, problems of the population and their living conditions, and in these areas particularly to work, livelihood, services, pleasant environment and good neighbour relations. The programme will aid in supporting mobilisation and consolidation of local resources and focusing on projects that address economic and social development in areas in which they have not yet been adequately addressed.

In development of the local economy the main strategy is to activate unemployed persons to meet the requirements of working life and train them to be multi-skilled. In Vantaa, courses dealing with the management of everyday life and job seeking are arranged in the Urbaari activity centre. Furthermore, Bravuuri, the association for unemployed has been organising work and training activities.

When developing local business activities, an effort is made to influence general development of the area in order to attract new businesses, as well as to support small enterprises. In Helsinki and Vantaa a business service point has been established. It operates as a marketing and stimulation point for the business sector. Furthermore, co-operation and partnership of various actors and organisations in developing the local economy brings about changes in the living environment, whereby business conditions also improve.

The social development priority includes measures to promote social activity and the local culture, to improve living conditions and to prevent exclusion. The idea is to act according to the residents' own needs and wishes. Residents are encouraged to create a responsible living culture and to increase mutual support. Leisure premises of the blocks of flats have been renovated for the use of all residents. Activities of various population and minority groups are being supported and social interaction between different population groups is being promoted.

New working methods are being created for improving the urban environment, public spaces and living conditions in accordance with sustainable development. The measures have been planned and implemented in co-operation with local residents. In Helsinki the environmental improvements have been directed at the apartment block areas dating from the 1960s. An attempt is being made to link local employment projects and voluntary work with the enhancements. Premises for meetings, sports and other activities open to all groups of residents have been organised. Environmental improvements are directed at the most essential pedestrian thoroughfares, the immediate surroundings of the metro stations and shopping centres, and parks. The accessibility and safety of footpaths and cycling paths are being improved. Public squares and parks are being restored as residents' meeting places. Local organisations and residents are supported by financing of small-scale environmental improvement projects.

In Vantaa former business premises situated at the centre of the residential area have been renovated and are now an important link between residents, the local maintenance company and authorities. Joint responsibility for the environment has been enhanced to make caring for common green areas a part of everyday life. By supporting a responsible living culture among residents, sustainable development will be promoted, and, at the same time, living costs and the strain on the environment can be reduced.

Examples of activities in Vantaa

Residential Public-health Nurse and the Tuulikontti Community Centre

The Tuulikontti community centre is taking steps to promote social activity, to prevent exclusion, and to bring public services closer to the residents. Tuulikontti is a place for the residents to use according to their own wishes and needs. The residential public-health nurse works at Tuulikontti, close to the people.

There has been a constant queue at the reception. The nurse measures blood pressure and cholesterol levels, can remove sutures or give emotional support, for example, to cancer patients. One can discuss drug or other problems with her and stay anonymous if desired. There have been lectures about health issues and violence, and the residents have had debt counselling.

The Vinssi course for better living and career planning (Vinssi is Finnish for winch.)

The goal of the Vinssi course is to improve the quality of life and to support job seeking, as well as to diminish the effects of exclusion. The course has been offered since 1998 under the Helsinki-Vantaa URBAN project. The local employment office co-operates by assembling participants. The course is led by a career planner together with a project worker and the public-health nurse. It concentrates on improving one's skills for applying for work. The participants define their own goals and make a plan for job seeking. The Vinssi course lasts ten working days and it is held at the Urbaari community centre in the middle of the project area. The local employment office with its Internet connections is also located there. An adviser helps the residents in using the computers and the Internet.

Results achieved and lessons learned

By the end of June 2000, 364 people had finished the Vinssi courses. According to the Employment Office, 27% of these persons had gotten a job within three months after the course. Still unemployed persons receive information about the other programmes in the URBAN project and can join in local activities.

Sustainability and transferability

Combining resources and efforts of various actors, the government, and the private and NGO sectors will enhance achievements and also make them efficient by reducing duplication. However, this kind of multi-actor approach creates its own demands for co-operation and balancing of different interests and targets. Involving residents themselves in planning and implementing project and programme activities is a key element in improving the quality of life and increasing social inclusion.

7. THE PARTICIPATION PROJECT

Background

The participation and influence of citizens in their own community are strongly secured in the Finnish Constitution, in the Local Government Act as well as in special legislation concerning, among other things, the environment, community planning and building regulations. According to the new Land Use and Building Act, the planning system must be fully open to public participation. The new interactive approach has been extended to

include participation with all individuals and institutions whose living and working conditions will be affected by the plan.

Despite the strong legislative basis, there are problems concerning the realization of democracy and citizens' participation and the possibility to influence. This can be seen in the lessened interest in representative democracy, especially in the smaller voting turnout and waning respect for public institutions and political parties.

Partners

The implementation of the Participation Project is based on a co-operation network consisting of municipalities, the Ministry of the Interior and other ministries, the Association of Finnish Local and Regional Authorities, non-governmental organizations, research institutes and employers' and employees' organizations in the municipal sector. Private sector actors, and, for instance, parishes, and most of all residents themselves are partners of the project. In all, 17 municipalities are participating in the project up to end of the year 2001.

Activity

The Participation Project is a development project instituted by the Ministry of the Interior in 1997. Its objective is to increase citizens' possibilities to participate in and influence common affairs. It also aims at increasing the openness and publicity of administration. Municipalities are responsible for the implementation of local participation projects; thus financial and other support to the project is allocated to them.

The following tasks are part of implementing the objective of the Participation Project:

- Support, monitoring and evaluation of local experiments
- Data transmission on successful domestic and foreign pilot projects
- Preparation of further measures to strengthen the preconditions for citizens' society
- Making legislative proposals according to the needs that have come out during the experiment.

Through local projects municipalities have promoted public participation, particularly in actions affecting the quality of life and living environment. The participation of children and young people has been furthered by youth councils and parliaments, idea banks and initiative channels on the Internet. The development of municipal directing and representative democracy, for example through teamwork on the municipal council, sub-municipal board or in various other fora, is part of the project. Public participation has been supported in the formulation of programmes and plans concerning city and province level activities, as well as in the development of service systems by various types of feedback systems. Service boards and co-operational planning in the transport services are examples in this area.

Results achieved and lessons learned

The local activities under the project have led to increased discussion on participation and created new modes for it. The objectives have been reached rather well so far, particularly in co-operation of various partners, "shared" learning and motivating people to participate in various activities.

The real commitment of the municipal administration and elected officials is essential for the success of these kinds of activities and processes, as well as to mobilize adequate resources and reserve enough time for development work. Concrete target setting is also a part of the success.

Sustainability and transferability

One difficulty has been process orientation and the unconnectedness of activities to daily administrative routines of municipalities. This has caused problems in sustaining these practices in the long run. The project has contributed to promising experiments on a small scale, but few direct discussion channels between municipal decision-makers and the public have been established.

Home Street Project in Maunula: An Local Participation Project

Partners

The concept of the Home Street (Kotikatu) Project was launched in 1997 by the Helsinki University of Technology in co-operation with two citizen organisations, the Federation of the Associations for Helsinki City Quarters and the Association for Local Culture. The concept is based on an idea of a digital neighbourhood forum supporting local communities in different development processes. The financing of the project comes from several public sources: the City of Helsinki, the City of Vantaa, the City of Espoo, the Association of Finnish Local and Regional Authorities, and the Ministries of the Environment, Education and the Interior.

Activity

The main goal of the Home Street Project is to increase the inhabitants empowerment in urban planning and design, and in that way strengthen local identity and processes. Being architects, the authors of the project in the Helsinki University of Technology are especially interested in the changes of the built environment and their impact on the everyday life of the inhabitants. The financing authorities are also conscious of the growing need for interaction between the municipality and the citizens.

The second goal is to develop the Internet services to support these interactive local processes. Although the Internet is very rapidly developing sector, the number of the Internet connections in households is yet rather small. The idea of using the Internet for communication and knowledge creation through a local website was developed for the first time in Pihlajisto and Lauttasaari, which are city quarters of 3 000 and 18 000 inhabitants, respectively. In 1999 the project was started in Maunula, which is a city quarter of 8 000 inhabitants. The concept of a local development strategy is realised by bringing together the "human forces" consisting of local stakeholders and professionals with technical skills and scientific interests

Like the first two websites, the home page of Maunula offers access to a varied range of regional and local information, news, links and activities. The Home Street Project in Maunula has been focused on joining together all stakeholders in the area, such as enterprises, citizen associations and other communities. The project includes the idea of applying purposive strategy thinking in local development processes using information and communications technology.

Results achieved and lessons learned

New Internet and communications technologies are not adopted by everyone. The situation is far from it. The work in Maunula has included training sessions and teaching people the necessary Internet skills during the years 1999-2000. A lot of work has also

been done in numerous meetings where the planning and construction of Maunula's website was done together with the inhabitants, project workers and other stakeholders. The work is still continuing.

Maunula's website has functioned well not only as a very efficient knowledge base and communication tool for the inhabitants but also as a user-friendly window for outsiders to receive practical inside information on the area. This interactive nature of the Internet challenges the "old system" in many ways. It implies that in the future the planning and decision-making processes will inevitably be more transparent than they are today.

Sustainability and transferability

By offering quick, easy and informal access to many kinds of documents, comments and background information, the Internet makes it possible for people to participate in activities and discuss topics concerning environmental questions and town planning issues with experts, such as planners, and municipal authorities on a more equal basis. Being a resident in a neighbourhood makes one indisputably an expert in one's own living environment.

8. LOCAL AGENDA ACTIVITIES IN FINLAND

Finland has identified the Local Agenda 21 as a key instrument in implementing the Habitat Agenda. In Finland the local level has been a key player in ensuring the sustainable development of human settlements for some time. The new challenge, through Habitat II, is to broaden the participatory processes and mechanisms by involving more stakeholders in the work. Local Agenda initiatives are underway in more than 60% of the Finnish municipalities so far. The work has often started as a local environmental programme, but there are indications of a trend towards more integrated and participatory processes.

Based on the study (2000), by Ministry of the Environment, on the local agenda process in Finland, the concept of sustainable community development is perceived in a local context in much the same way as globally. The stated starting point of the local sustainable development programmes is the simultaneous assessment of ecological, economic, social and, at times, cultural sustainability. In practice, however, the various sectors of sustainable development remain separate from each other. The agendas tend to stress ecological sustainability. Often the agenda work is closely linked to the traditional municipal environmental protection work. The agendas though have had limited effect on the functioning of the municipalities. Nevertheless, the agenda process has been successful in making the decision-making processes more open and in bringing environmental concerns to the fore.

An Example of Local Agenda Activities - The Local Agenda of the City of Hämeenlinna

Background

Many changes started in 1988, when Hämeenlinna participated in the national free municipality experiment. In this activity community level decision-making and participation were enhanced. Hämeenlinna has promoted citizen participation in planning and

development in many ways in the 1990s. The Hämeenlinna model, which refers to the modernisation principle of the city, has focused particularly on the role of a citizen and a customer and has resulted, for example, in service commitments and feedback systems.

At the beginning of the 1990s Hämeenlinna participated also in the national pilot project of municipalities on sustainable development, and sustainable development was also the main theme in the planning project on environmental impact assessment and in the sustainable master plan strategy.

Partners

The Environmental Department and other departments and offices of the city, residents, NGOs and private sector actors are partners of the local agenda process.

Activity

In the Hämeenlinna region, local agenda work started in the beginning of 1996 with an opening seminar and was followed by group work (six groups). One of the aims of the work was to increase participation of people by giving the public more opportunities to influence sustainable development in the city. The Environmental Department started the agenda process by inviting people from all groups of the society, NGOs and the private sector.

The main visions of Hämeenlinna's Agenda 21 are:

1. The city is an example in dealing with environmental issues
2. The city promotes environmental awareness
3. Inhabitants' and NGOs' opportunities to participate in decision-making are increased
4. The city acts to maintain biodiversity and uses natural resources sustainably
5. The cultural tradition and scenery are preserved
6. Planning and construction is sustainable
7. The living environment is kept healthy and pleasant
8. Non-point loading to waterways is decreased and the ground water is kept clean
9. Emissions of greenhouse gases are reduced and the deterioration of the air quality is curbed
10. Waste production is decreased

The local agenda includes over one hundred aims and measures. The City Council unanimously adopted the agenda in 1998. The establishment of a nature school is an example of one measure already implemented.

The Hämeenlinna Agenda 21 steering group monitors the implementation of the measures each year and sets new goals. The follow-up has included the recording of the actions taken with respect to each individual measure. Furthermore, sustainability indicators have been developed with several partners and they can be found on the Internet for discussion.

There are plenty of activities at the implementation level. Various sector-specific projects have been carried out and several of them are aimed at reducing unemployment, in

particular of the priority groups. A wide range of seminars and other awareness raising meetings have been held. The results have been reported through several channels: conventional media such as newspapers and radio, publication series, articles in journals and books. The Internet, schools and new means are also used. Inquiries, other research work and theme work meetings have been actively used to identify problems and causes related to sustainable development.

The City Council adopted in 1998 a sustainable action policy, which is based on the Agenda.

This consists of the following aims:

- * to manage environmental issues in an ecologically, socially and economically sustainable way and to follow sustainable principles when purchasing and using raw and other materials
- * to preserve biodiversity and manage and use it sustainably
- * to sustain the cultural tradition of Hämeenlinna by preserving the cultural and natural diversity and the distinctive features of the sites

One example of the inter-sector approach in the city has been the "Tuumasta toimeen- From idea to action" evenings, in which public discussions are held and local authorities are available to answer questions and to collect ideas for future plans. This is also connected to regional development funding that the city offers to citizen groups and NGOs for developing their living environment themselves.

Results achieved and lessons learned

New town planning practices have made public participation easier and earlier in the process: Public hearings are arranged in two phases, an official notice about the hearings is published in the local newspaper with a map and a planning reception is arranged. New methods of planning to broaden the participation are mental maps, co-operation with schools and home-service workers as well as planning walks. The specialists' participation has been increased and the decision-makers have been offered a new role. The town planning reviews are produced yearly.