Best practices from Finland

Making it happen

Finland to the UN Security Council in 2013–2014

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Foreword

Paavo Väyrynen
Minister for Foreign Trade and Development

In 1992, the United Nations Conference on Environment (UNCED) in Rio de Janeiro forged a firm link between the environment and development. It approved the Rio Declaration on sustainable development and an action plan for achieving it (Agenda 21). The United Nations World Summit on Sustainable Development in Johannesburg 2002 urged the international community to move from words to concrete action in order to achieve sustainable development. Furthermore, the 2005 World Summit endorsed the commitments made in Johannesburg. This booklet presents some of Finland's own efforts, actions, projects and partnerships conducted in Finland as well as with other countries and regions in order to promote ecologically, socially and economically sustainable development.

The developed countries have a special responsibility to promote ecologically sustainable development. In Finland, sustainable development policies and programmes are already well established and relatively effectively implemented. Our National Strategy for Sustainable Development was adopted in 2006 by the Government and a large variety of societal actors, which has guaranteed the wide promotion and implementation of the proposals of the strategy. A national programme to promote sustainable consumption and production, published in 2005, has been largely implemented and put into action. Finland's Development Policy Programme that was adopted in 2007 sets targets to eradicate poverty in compliance with the Millennium Development Goals, following the principles of sustainable development. A National Climate and Energy Strategy was revised in 2008 and many other sector strategies and programmes are under revision. A National Resources Strategy was submitted to Prime Minister in April 2009.

Finland has been one of the leading countries in the international benchmark studies measuring environmental sustainability and economic growth. In our case it has been proved that competitiveness and environmental protection can be mutually supportive. This is a very important message now that governments are planning new measures to tackle the economic crisis. Sustainable development and green growth should be at the very heart of the rescue package nationally and globally.

This is Finland's third Best practices from Finland booklet. In this 2009 edition, we have chosen best practices reflecting the current themes of the United Nations Commission for Sustainable Development – agriculture, rural development, land, drought, desertification and Africa. The booklet has been prepared under the supervision of the Ministry for Foreign Affairs, with important contributions from the Ministry of the Environment, the Ministry of Agriculture and Forestry, the Finnish Environment Institute, the Finnish National Board of Education and the Finnish Innovation Fund (SITRA).

The best practices range from policy frameworks to business solutions, from innovations and technology transfer to capacity building and facilitating cooperation both globally and nationally. The cross-cutting nature of sustainable development is reflected in examples of wide-ranging policy frameworks. Sustainable consumption and production is another important theme interlinking the examples.

Sustainable development is a learning process for the entire society. Although we are still learning, we are also making progress. Both political leadership and commitment by the whole society are needed. Experience has helped us develop the contents of the sustainable development policies in order to achieve a common view of how our society and lifestyle should be improved. I hope that others may benefit from these examples when considering and preparing action and policies related to sustainable development.

GORILLA

Towards a globally and nationally sustainable Finland

Finnish National Commission on Sustainable Development

Established in 1993, the Finnish National Commission on Sustainable Development (FNCSD) was one of the first in the world. The Finnish Commission is considered unique because it is based on open dialogue between the Government, public administration, business and industry, and civil society. The FNCSD has initiated national debate on several important themes, influenced the content of Government Programmes, and helped to build mutual political understanding concerning sustainable development issues.

National Strategy for Sustainable Development as the framework of action

The Government set a new period for the current FNCSD in February 2008. The terms of the Commission are five years in length and they are staggered with the four-year Parliamentary election terms. This ensures that the Commission's tasks are not too closely linked to the work of different Governments and also allows the Commission to take a long-term approach to important sustainable development issues.

The foundation for the work of the Finnish National Commission on Sustainable Development is the National Strategy for Sustainable Development entitled "Towards sustainable choices. A nationally and globally sustainable Finland", which was completed in June 2006. It is a genuine national view of the development of the Finnish society that has been jointly produced and approved by various societal actors. The Strategy combines the sustainable use, management and protection of natural resources with citizens' well-being and a sound society so that the outcome is a competent and sustainable Finland.

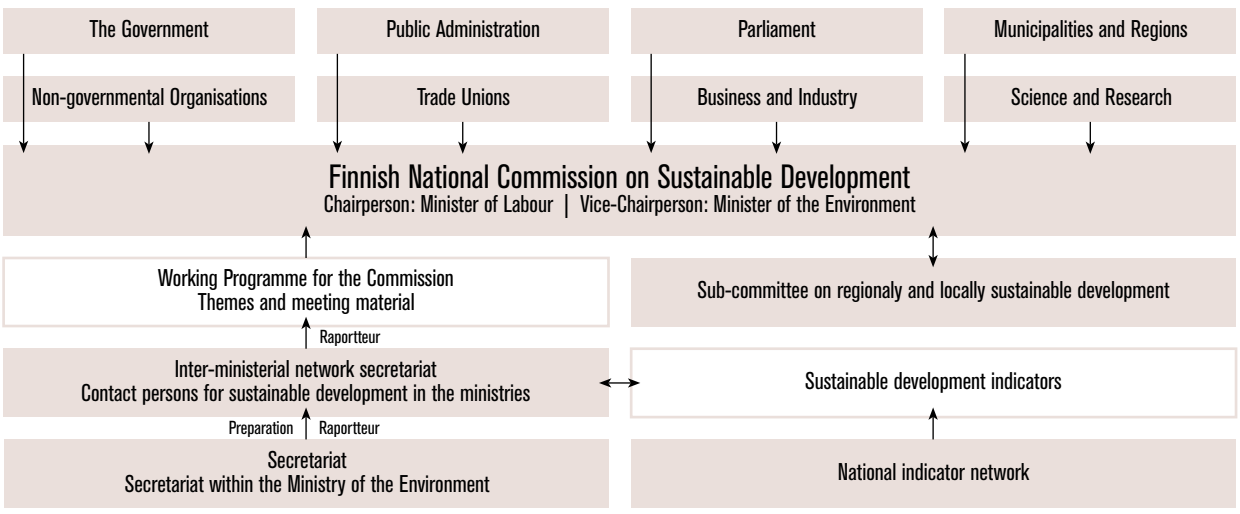
A sub-committee on regionally and locally sustainable development was established in 2007 to promote cooperation and support regional and local implementation of the National Strategy for Sustainable Development.

Objectives of the Commission work

The most important objective of the Finnish National Commission on Sustainable Development is to make sustainable development part of national policies and administrative practices. Finland's public sector has to be a pioneer in making sustainable development a part of everyday life.

Sustainable development is considered as a learning process for the entire society. The Commission supports and promotes the work and dialogue be-

ORGANISATION AND FUNCTIONS



tween various societal actors in sustainable devel-opment issues. It also initiates discussion on matters of major significance from the perspective of national or global sustainable development and on issues where a national viewpoint is needed.

The FNCSD convenes approximately four times per year for theme meetings. It also arranges seminars, tailored workshops and joint meetings. The Commission addresses the following issues, among others, during the 2008–2012 term: sustainable development in Finnish development policy, the economic impacts of Baltic Sea pollution, sustainable natural resource policy, sustainable de-velopment in climate and energy policy, ecological and social innovations, and education to promote sustainable development.

Progress in sustainable development is monitored and assessed

The National Strategy for Sustainable Development is assessed every two years, and it is linked to the European Union's assessment process. First evaluation was conducted in 2007. The success and progress of sustainable development is monitored by means of sustainable development indicators which are developed and updated by the national indicator network in cooperation with the FNCSD.

Finland is also engaged in a development project for the assessment of sustainable development impacts. The aim is to develop a tool with which the administrative sectors can assess the social, economic and environmental impacts of sustainable development objectives and gain an under-standing of how the diversity and long-term aims of sustainable development challenges can best be taken into account in planning.

Commission tasks

- To promote, evaluate and monitor implementation of the National Strategy for Sustainable Development, and provide information on the results.
- To obtain commitments from various societal actors to promote sustainable development policies in their own activities and to strengthen the dialogue particularly with the Finnish Parliament.
- To serve as a high-level sustainable development partnership network in relation to the government.
- To link national sustainable development policies closer with the sustainable development work of the United Nations, European Union and the regions.
- To cooperate with European sustainable development networks.
- To cooperate with other national preparation and monitoring working groups.

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Setting a trend in material use

New centre promotes material efficiency

Energy efficiency has long been on the agenda. Natural resource and material use arouse interest whenever there are price fluctuations or fear that in the near future some of the reserves will be depleted. Besides the availability, there are two reasons why we should focus on material efficiency: money and climate.

Material efficiency is the next "must"

Economists have estimated that the costs of throwing away raw materials are about 10-25 times greater than the cost of waste management, and about 3-4 per cent of the turnover. Hence, wasting raw materials and recycling wasted raw materials creates double costs. Sustainability and efficient use of materials act also as an 'innovation catalyst'.

The use of natural resources and materials is also interlinked with many environmental problems. Increased resource use has a direct link to greenhouse gas emissions – the more we use, the more CO_2 emissions we produce. On the other hand, generated waste also has a significant impact on the climate.

Finland has launched a material efficiency centre

As part of Finland's national programme to promote sustainable consumption and production, the Ministry of the Environment and the Ministry of Employment and the Economy have set up a material efficiency centre. The centre will provide services for businesses and advice to consumers and public sector organisations on various ways to improve material efficiency.

The new centre is connected to Motiva Oy, a company run as an agency of the Ministry of Employment and the Economy. Motiva Oy provides many expert services promoting energy-efficiency and the use of renewable energy.

How to do it?

The aim of the centre is to promote material efficiency by developing tools for analysts and for auditing as well as business models related to material efficiency. One goal is to launch agreements on material efficiency between ministries and key sectors in order to optimize and reduce raw material use.

The centre has also launched a help desk for public sector purchasers. The help desk brings together purchasers who need a solution for large environmental technology investments and enterprises who can offer a sustainable and innovative solution.

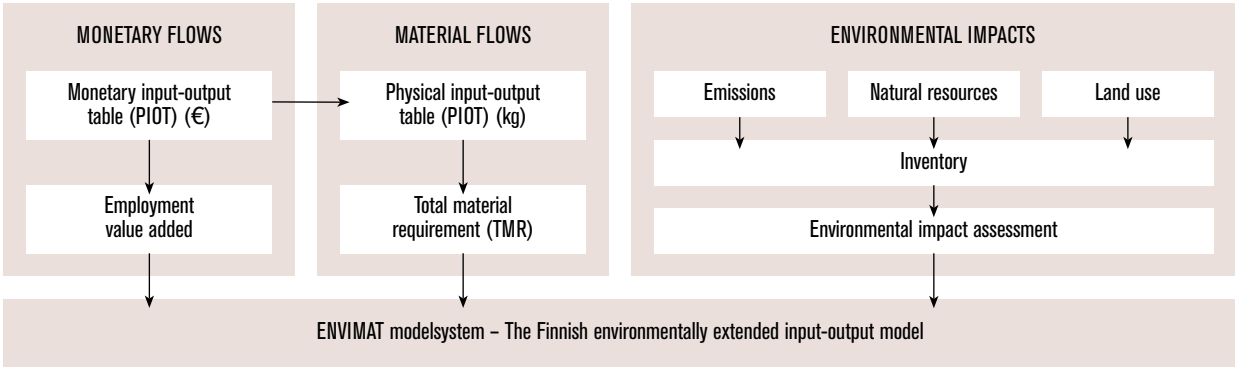
It is becoming apparent that efficiency gains and technological advances alone will not be sufficient, rather a change in consumer lifestyles is also needed. The material efficiency centre will also focus on creating networks between key players to find more sustainable ways for housing, transport and food production and consumption.

Sustainable consumption and production: www.ymparisto.fi > Environmental protection > Programme to promote sustainable consumtion and production
Material efficiency centre: www.motiva.fi
Petra waste benchmarking: www.ytv.fi/ENG/waste/petra/

ENVIMAT

Versatile tool for assessing the environmental impacts of material flows caused by the Finnish economy

Steering consumption and production towards less material and energy intensity has been recognized as an important way for the Finnish economy to contribute to sustainable development. An environmentally extended input-output model at the macro-economic level in Finland offers a wealth of new information for identifying life-cycle impacts on the environment and socio-economic aspects and helps in finding measures to improve sustainable consumption and production in Finland. The results also show how the Finnish economy affects the environment abroad through imports and what is the role of exports in the domestic impacts.



The structure of the ENVIMAT model. It can produce material flow account indicators, value added and employment values for industries and their product groups. Environmental impact assessment interprets emissions, land use and natural resource data based on environmental indicators.

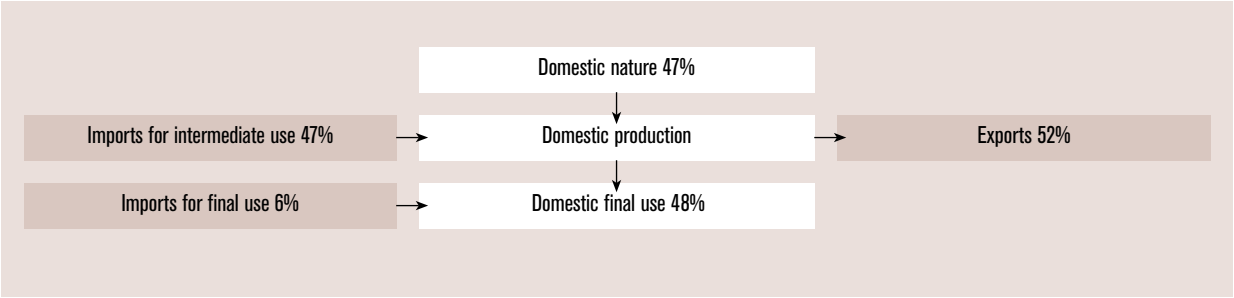
Towards a better understanding of the cause-effect relationships in the economy

In order to achieve sustainable development major efforts will be needed to change unsustainable patterns of production and consumption, especially in developed countries such as Finland. Sustainable development has been promoted in Finland, for example, through adopting national strategies on sustainable consumption and production and on the use of natural resources. The preparation and monitoring of the strategies require new knowledge of environmental, economic and social issues in the Finnish economy. The ENVIMAT model can offer new ways to collect and analyze the needed information.

From the use of natural resources to their impacts

The ENVIMAT model consists of 151 industries with their 918 domestic products. It describes the interactions of monetary and physical material flows between industries. In addition, the model has been extended by data on environmental interventions (emissions, raw material extractions, land use) within each industry. Furthermore, the model is able to link information on 772 imported products.

Through the application of life-cycle impact assessment methodologies the model can estimate environmental impacts for the following impact categories: climate change, stratospheric ozone depletion, acidification, tropospheric ozone formation, aquatic and terrestrial eutrophication, human toxicity, ecotoxicity, particulate matter, depletion of natural resources, and impacts on biodiversity due to land use. In addition, it is possible to aggregate different impact category results into an ecoindex value with the help of subjective weighting factors, describing the total environmental impact.



Material flows of the Finnish economy measured as the total material requirement (TMR) in 2005.
TMR includes both materials used in the economy and materials mobilised in extraction processes but left in nature.

Utilization of the model

All the environmental and material flow indicators and the value added and employment values can be analyzed for consumption and production. The indicator results of imports and domestic activities can be also studied separately. In addition, the indicator values of 151 industries and their products can be calculated according to their use in domestic consumption, investments and exports.

With the help of the model it is possible to study the contributions of industries and their products to the other industries in the economy. Furthermore, the complex networks of cumulative environmental impacts, value added and employment can be identified. The model can be used for monitoring and assessing how the eco-efficiency of the economy is changing. The model will be developed further to include new sustainability indicators. In addition, the aim is to use the model for forecasting purposes in the future.

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Buildings for a better world

The Marrakech Task Force on
Sustainable Buildings and Construction

CITY OF HELSINKI

What does it take for a building to be sustainable? Is it the same as a "green building"? How to mainstream sustainability, in particular energy efficiency, of the built environment? Can the public sector be a driver and lead by example?
– These are questions that the Task Force helps to answer.

What is a Marrakech Task Force?

The Marrakech Process on Sustainable Consumption and Production (SCP) (http://www.unep.fr/scp/marrakech/) was initiated in 2003 after the Johannesburg World Summit on Sustainable Development. The now seven Marrakech Task Forces (MTFs) are government-led voluntary initiatives to support the implementation of the Marrakech Process. The process will be up for policy review and recommendations in the 2010/2011 cycle of the UN Commission on Sustainable Development (CSD), but SCP is a cross-cutting issue for all CSD cycles. The Finnish-led MTF consists of a core group of nine national and local governments, but it is open to the participation of observers from all walks of life.

"To whom it may concern?"

A complex network of stakeholders is required in the construction, maintenance and refurbishment of buildings. The production and consumption chain links together real estate owners and financiers, design professionals and construction companies, construction material industries and maintenance workers, and building owners and users. The public sector has a twofold role as a policy-maker on the one hand, and as a landlord, tenant and user on the other.

Why focus on energy and public policies?

Of all energy, almost 40% is consumed in buildings. This means that also the savings potential is enormous. To reduce greenhouse gases, various simultaneous approaches are needed: energy savings, increased energy efficiency and greater use of renewable energy sources. At the same time, access to clean energy has to be provided for people who lack it now. To implement these goals in both new and existing buildings, innovative policies and financing mechanisms have to be put into place and their compliance secured.

What do we want to achieve?

The mission of the Task Force is to contribute to both the concept and the substance of the 10-Year Framework of Programmes of Sustainable Consumption and Production (10YFP), which will on the agenda of CSD-19. Targets and criteria for sustainable building, as well as tools for capacity building and policy development, will be needed.

How does the Task Force work?

The MTF travels light: it organizes side events and workshops back-to-back with other events, be they professional or policy-oriented. It cooperates with UNEP's Sustainable Buildings and Construction Initiative (SBCI) and other key projects and organizations. It publishes reports and newsletters and maintains a website, www.environment.fi/sbc.

Marrakech Task Force on Sustainable Buildings and Construction |
Established: 2006 | **Participants:** China, France, India, Lithuania, Mexico, Sweden, the United States, the City of Cape Town, and Finland as the lead country | **Observers:** a network of over 200 experts worldwide |
Goal: To provide input into the 10YFP for UNCSD-19 on issues of sustainable buildings and construction, in particular, energy efficiency |
Chair and coordinator: Kaarin Taipale, Ph.D **Website:** www.environment.fi/sbc

Mainstreaming National Adaptation Strategy to Climate Change

Climate change is expected to have significant impacts on societies and ecosystems around the globe. The best way to minimize adverse impacts is to reduce greenhouse gas emissions. However, global warming will continue and mitigation efforts start to affect the speed of warming only in the last part of the century. Therefore, it is also essential to adapt to climate change. Finland is one of the European forerunners in mainstreaming adaptation strategy.

Increasing the adaptive capacity

The implementation of the National Strategy for Adaptation to Climate Change has been taking place in Finland since 2005 when the strategy was released. The objective of the strategy is to reinforce the adaptive capacity of the society and minimize the adverse impacts of climate change, but also when appropriate to take advantage of its benefits.

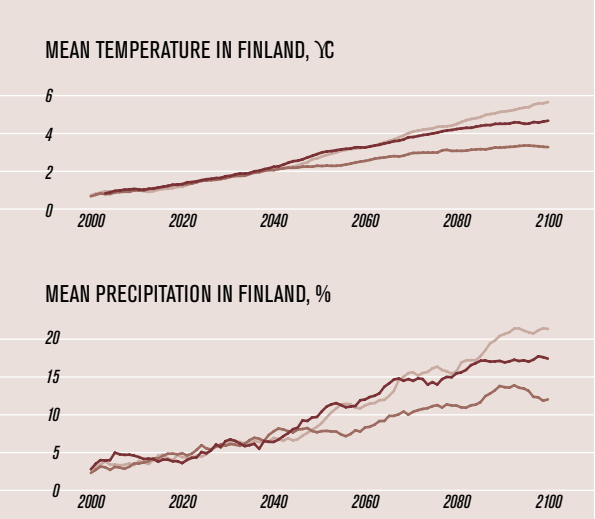
Priorities identified for increasing adaptation capacities include (i) mainstreaming climate change impacts into sectoral policies; (ii) targeting long-term investments; (iii) coping with extreme weather events; (iv) improving monitoring systems; (v) strengthening research and development and (vi) international cooperation.

The implementation of the strategy has been evaluated. According to it the adaptation measures are most advanced in water resources and flood risk management and in agriculture and forestry. Detailed action plans are made in environmental administration considering e.g. spatial planning, construction and ecosystem services. Mainstreaming is gradually extending into regional and local level adaptation and even into institutional action plans.

Climate change in Finland

In northern countries the temperature is projected to increase more than the global average; in Finland the expected temperature increase varies between 1.5 to 7 °C by the end of the century, depending on the emission scenarios. Precipitation is also expected in increase in future. These changes are projected to be bigger in winter than in summer. In addition to the gradual changes in the average climate conditions more frequent extreme weather events are expected to cause serious problems to the society and have a tremendous impact on ecosystems and the utilisation of natural sources.

More information: www.mmm.fi/sopeutumisstrategia



The graphs show predicted changes in mean temperature and precipitation. The predictions are based on three different climate scenarios. Source: Finnish Meteorological Institute, 2009

Finland emphasizes horizontal and integrative rural policy

Finland is one of the most rural countries in the European Union and the OECD. According to the OECD rural policy review on Finland (2008), Finland has over the last decades built a unique model of rural policy. Finnish rural policy aims to improve the prerequisites for living and working in the countryside and preserve a viable countryside where jobs and services are close to people, roads and telecommunications are in place and in good condition and everyone is free to choose a suitable way to live.

Finnish rural policy is horizontal, comprising a great variety of aspects of life: education, transport, culture, healthcare, telecommunications, enterprises, employment, housing and planning. Rural policy influences villages, municipalities and regions, and operates on a local, sub-regional, regional, national and international level.

The Rural Policy Committee steers rural policy in Finland. It is a cooperative body appointed by the Government. The Committee promotes the viability of the countryside by influencing political and administrative decision-making in various ways. Through the Secretariat and extensive networks more than 500 people from several ministries, expert organisations and associations participate in the work of the Committee.

Actions based on programme work

The activity of the Rural Policy Committee is based on the Rural Policy Programme, which sets down the strategic outlines and proposes measures targeted at several sectors of society. The measures are implemented, apart from the state administration, by educational establishments, municipalities and NGOs. The Committee prepares the programme, pursues the measures and follows the implementation work.

The Special Rural Policy Programme and Report on Rural Policy adopted by the Finnish Government present the central government measures to enhance the viability of the countryside. The Rural Policy Committee assists the Government in implementing these programmes. The programmes are the outcome of extensive discussions in various parts of the country. The main task of the Rural Policy Committee is to bring the views of rural actors to the public forums, as well as to prepare central government strategies and measures which influence the conditions in the countryside.

Theme and work groups

The theme and work groups of the Rural Policy Committee work on various topics, such as living in the countryside, food, tourism, entrepreneurship and local action groups. The members of the groups come from NGOs, businesses, universities and administration. In their own specific area of expertise the groups prepare development programmes, assessments and statements, organise seminars and public events and publish magazines and newsletters. The theme groups also implement the Rural Policy Programme and Government programmes.

Projects and publications

The Rural Policy Committee steers the financing of the national rural research and development projects to important rural policy themes, as set down in the programmes. Various kinds of research reports and programme texts appear in the Committee's publication series.

More information: www.ruralpolicy.fi

Towards systemic changes in resource use

Finnish Natural Resources Strategy Process

GORILLA

Global exploitation of natural resources continues to grow. This is reflected in many ways on the international commodities market, the well-being of nations, and in the state of the environment, as well as policy steering. The Finnish Natural Resource Strategy is a unique initiative that brings together the worlds and perspectives of politics, government, business, research, NGOs and the media to collaborate on setting common goals on issues pertaining to all natural resources.

Call for Systemic and Dynamic Approaches

In most countries, there is no natural resources strategy, which would simultaneously look at all natural resources and recognize their inter-connectedness. Instead, the responsibility for managing the use of natural resources has usually been divided between various administrative sectors. There are many existing measures that tackle certain aspects of global resource issues, such as policies on climate change and biodiversity, but in a globalized world, what is needed is a holistic approach to resource issues.

This is a challenge which the Finnish Natural Resources Strategy Process has aimed to solve. For years now, Finland has been high in international rankings on competitiveness and environmental performance, and in order to remain so, we believe that we must act strategically also in relation to natural resources. The Finnish Natural Resources Strategy promotes both sustainable development and competitive businesses. It looks at Finland as part of the global community. With this initiative, Finland also hopes to take its international co-operation for sustainable resource management to the next level.

In the Finnish Natural Resources Strategy systemic changes in society are called upon and dynamic approaches to manage the strategy are developed. First, long-term goals were set, then areas needing systemic changes in society were defined, and finally first steps needed to move in the direction of the goals were identified. The strategy is expected to be the starting point for a continuous process where strategic goals are constantly refined and new steps are initiated throughout implementation.

From a Collaborative Effort to Governmental Action

Instead of being a government initiative, the strategy work was launched as a wide collaborative effort of both private and public sector organizations. A working group comprising top-level representatives from politics, administration, the business world, research, NGOs and the media was invited to prepare the Strategy in a series of interactive workshops. A network of experts was invited to support the work through online working and seminars. By using a public Web tool, everyone interested in the subject was invited to communicate their views on the Strategy's core questions: what issues should the Strategy focus on and what measures are needed to address them?

Owing to its role as an independent fund acting under the supervision of the Finnish Parliament, Sitra, the Finnish Innovation Fund was assumed the leading role in the coordination of the strategy work. The Strategy was submitted to the Prime Minister of Finland in spring 2009.

For strategy document and report, see
www.sitra.fi/naturalresources


GORILLA

The Web Village

Innovative practice in education for sustainable development in Finland

There are 34 Agricultural Institutes around Finland given vocational education and training for over 3000 new students every year. Most of those agricultural schools have a school farm of their own as a learning environment. In order to educate better and serve more effective the new emerging sources of livelihood, the development work for agricultural institutes was launched in the beginning of 2007.

All agricultural institutes joined with each other creating a network. They are all virtually connected by the Web Village (www.virtuaali.info) which is the window to the world through www-sites to device and increase knowledge within the school farms, with teachers, students and farmers as well. The Web Village is based on blended learning (can be accomplished through the use of 'blended' virtual and physical resources) where every school will describe processes (for example milk production, crop production, beef production, horse management) needed to achieve skills in working life together with students.

Sustainable school farms

The school farms will be modern models to local farmers how to promote sustainable development. The promotion of sustainable development is based on openness of the school farms. They give all information of inputs and outputs while producing milk, meat, or other farm products. A consumption of nutrients and fertilizers, energy and water in everyday life at school farms are measured and showed openly at web-sites. Thus, everyone can compare which one of the school farms is the most eco-effective to produce milk or meat etc by the lowest level of inputs. They can learn from each other, share this information as a learning material and offer the best practices from 34 school farms not only to local farmers but every farmer who wants to get profit from the Web Village in Finland.

Innovative tools

This model encourages agricultural schools to develop their real learning environments in the sector of Natural resources, because results can be shared at once to all involved. In addition the model encourages agricultural schools to develop innovative tools for their learning environment, f.e, simulations, videoclips, photomaterials, web cameras and short notes. The model gives an opportunity to show the competence and strengths of each agricultural school in a diverse way.

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Empowerment of women makes local work more effective

Gender and climate change

MARKKU KURMI

The 4th report of the Intergovernmental Panel on Climate Change indicates that the impacts of Climate change will hit hardest the poorest regions and poorest people who have the least resources for meeting the changes brought by increasing droughts, floods or storms. As many as 70 per cent of these poor are women.

Poor women will have to struggle with the impacts of climate change in rural areas in developing countries. However, they can also be powerful agents of change. Empowerment of women in planning and decision-making as well as implementing measures influencing climate change will make our common efforts more effective especially at the local level.

Due to their social roles women are responsible for agriculture and water, which will be among main sectors of adaptation in developing countries. Likewise they will be in charge of household energy and make a contribution to reforestation, wich will be part of mitigation, if organized in a sustainable way.

What womens´s empowerment will require?

Therefore, Finland will pay attention to the positive role of women in the negotiations on the new climate agreement. It is important that the new agreement and UNFCCC activites supporting its implementiation will encourage participation of both women and men. Likewise, it is important that the financing instruments and the UN and other international organization´s activites will also support women´s efforts to influence climate change.

Active contribution of women requires that men and women understand the process of climate change and share information on counteracting its negative impacts. It is essential that women are provided equal access to knowledge, resources and technology, which are necessary in influencing climate change. It is also important that women participate more actively in the negotiations shaping the new comprehensive regime on climate change.

What can we do together?

Finland invites governments, relevant international organisations and financing institutions to cooperate and

- nominate female and male delegates to climate meetings and developed countries to support financially the participation of developing country representatives, both men and women, in these meetings;
- draw active attention to the gender-related impacts of climate change and to the positive role women could play in influencing climate change in the negotiations in order to get the gender integrated in the new climate agreement
- allocate funds and encourage financing institutions as well as the UN and other international organisations to support women and men to influence climate change and contribute effectively at the local level;
- invite developed countries to draw active attention in the bilateral cooperation with developing countries to women´s role in climate change and support gender-specific programmes financially.

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ANTTI INKINEN

Succesfully funding community-level development in Ethiopia

Rural Water Supply and Environmental Programme in Amhara Region

The Community Development Fund (CDF), a funding mechanism developed in the Finnish-Ethiopian bilateral Rural Water Supply and Environmental Programme in Amhara Region, has achieved great speed and efficiency of construction as well as sustainability of community-managed water and sanitation facilities. Unlike direct community support in the traditional sense, the CDF grant is disbursed through a local microfinance institution, against an application and plan by communities supported by district water teams.

The Finnish-Ethiopian bilateral Rural Water Supply and Environment Programme (RWSEP), has facilitated community-driven construction of small-scale rural water and sanitation infrastructure in Ethiopia since 1994, having so far served more than 1,2 million Ethiopians. A powerful lesson drawn is that speed and cost-efficiency of construction have increased significantly since the 2003 introduction of an innovative fund flow mechanism, the Community Development Fund (CDF).

CDF - A Funding Tool in the Core for Improving Rural WSS

With CDF, communities themselves are responsible for planning, implementation and maintenance of communal water points, while the government's role is limited to administration, facilitation and training. The grant is channelled to communities via a local Micro-Credit Institution known as the Amhara Credits and Savings Institute (ACSI). The system replaces the conventional local government development project funding mechanisms, where funding is channelled through a government organisation.

The minimum community contribution requirement is 15% of the total investment cost, consisting of both cash and in-kind contributions. A set minimum is collected as an up-front cash contribution from each household, deposited into a savings account in ACSI to cover operation and maintenance (O&M) costs. The communities, through elected Water, Sanitation and Hygiene Committees (watsancos) are fully responsible for the funds allocated to them during the construction phase, including procurement of materials, equipment, construction tools and construction services. The mechanism decentralizes financial management, empowers the communities, involves local suppliers and ensures fund use efficiency.

Demonstrated Benefits of CDF

The CDF, demand-driven and pro-poor, has resulted in clearly increased community ownership for the project, including the users' capacity for implementation and maintainance. This translates to performance rates clearly above national averages in terms of implementation and functional water points: with CDF, average 2008 RWSEP construction rates reached 60 water points /year/ woreda district, compared to a national average of ca. 35-40. Importantly, RWSEP woredas report a near-100% functionality rate. Furthermore, the CDF system builds locally available private sector capacity for construction and maintenance. This is done by training and employing local artisans for construction, maintenance, repair, rehabilitation and up-grading; as well as facilitating the establishment of local spare parts supply chains and; using a local Micro-Credit Institution for fund flow.

Scaling up CDF to reach rural water and sanitation MDGs

To test and ensure broader applicability of CDF, Finland has started a similar Programme in another region in Ethiopia. Building on CDF's apparent promise and an explicit recognition by Ethiopia and sector partners, Finland currently focuses on establishing the CDF as a feasible fund flow mechanism, through which an interested funding agency (GoE, donor, NGO, private or other) can use with high delivery rates and low transaction costs. In 2009, the CDF is a candidate for a main joint funding mechanism for the sector and - as such - a key component in reaching water and sanitation MDGs in rural Ethiopia.

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RWSEP | Entire Project Duration: 1994-2011 | Total GOF funding 1994-2011: 27 640 000 EUR | Waterpoints constructed pre-CDF (1994-2006) 3200 | Waterpoints to be constructed with CDF (2007-2011) 3000 | Total number of people served as of 2008 1,25 million people

Multi-stakeholder partnership

New innovative B2B concept in a G2G framework

MARKKU NURMI

In Central America the Finns have developed a new type of cooperation instrument. The model has been successful in promoting private sector participation by giving seed money to fill the gap between good project idea and a lucrative investment. Now, the model is being replicated in other parts of the world.

The Energy and Environment Partnership with Central America (EEP), launched during the United Nations World Summit on Sustainable Development in 2002 by the Government of Finland and Central American countries, has attained efficient, project centered operating principles. Following the evaluation of the first phase of the project (2003-2005), the Finnish Ministry for Foreign Affairs has continued the funding of the project for the 2006-2009 period, and has allocated a total of 7 million euros for the purpose. Austria joined the EEP in 2007, contributing a significant addition to the public financing of the partnership. The Dominican Republic joined in 2007, bringing the number of Central American partner countries up to eight. The recent second evaluation suggests the funding to be continued for the next three year period.

Within the collaborative framework, partial funding has thus far been granted to about 200 projects. These include research projects, such as feasibility studies, as well as pilot and demonstration schemes in all of the main fields of renewable energy production, and in all of the Central American countries. The projects have been developed by private and governmental organisations including, for example, companies and research institutes.

Another aspect of the partnership are the biannual thematic fora, taking place in Central America. These have become, in the field of renewable energies, perhaps the most important events in Central America. The fora have brought together a significant number of private sector, governmental and non-governmental actors and organizations and served to increase awareness on the potential of renewable energy sources. So far, altogether 13 such fora have been organised with more than 2500 participants.

- The partnership is open to other European donors
- The operating principles and the strategic foci of the partnership shall be developed further, based on the practical experience gained and recommendations made by the evaluation
- The thematic fora on renewable energies shall be continued on a biannual basis
- Cooperation with other EU renewable energy programmes and initiatives shall be continued in the extent that provides benefits to the parties, and that promotes further cooperation
- The Finnish Ministry for Foreign Affairs is currently in negotiations with the Central American Bank for Economic Integration (CABEI), with the aim of establishing a partial risk guarantee-facility for small and medium-sized enterprises
- Finland is investigating the possibility to replicate the partnership model in other regions in Asia, Africa and Latin America.

More information: www.sica.int/energia

Vietnam: Improving public water supply

MARKO KESKINEN

Finland is a long-term partner of Vietnam in water sector reform. The cooperation between Vietnam and Finland in the water sector dates back to 1985. In the beginning, Finland provided conventional investment-oriented support to relieve acute problems. Over the years, the co-operation has been diversified and deepened to tackle the root causes of the low level of water supply and sanitation, and Finland has taken on a broader role in the water sector reform in Vietnam.

Haiphong Water Supply and Sanitation Programme

The situation in Haiphong was very bad in 1993 when an acute water shortage in the city led to protests against Haiphong Water Supply Company (WSC). Under its new management, WSC was encouraged to adopt concepts, approaches and management from commercial companies.

The progress subsequently made by WSC has been impressive. Service levels and financial performance have improved dramatically, largely thanks to the more efficient use of assets instead of large-scale investment. For example, the population served more than doubled, metered connections increased from zero per cent to 99 per cent, non-revenue water decreased from 73 per cent to 28 per cent, and an annual loss of 35 per cent of total revenue turned a profit of 8 per cent between 1992 and 2004, when the programme ended. This has enabled a solid development since.

Commitment to the reform at a high level was an important precondition for success. Progress would have not been possible without the highly competent management and staff of WSC and without the newly adopted corporate-style management.

Finland's support to Haiphong (including support for sewerage and drainage and solid waste companies) during the years is totalling more than 20 million euros.

Encouraged of the good results the regulations and practieses was further developed to be used in other towns.

Water and Sanitation Programme for Small Towns (WSPST)

Vietnam has taken many steps to move towards self-sustained, transparent, and service-oriented provision of urban water supply and sanitation. A major step was taken when a new decree on water supply was issued. Since 2004, Finland has supported the development of water supply in small towns including support to sector reform and its implementation. The programme approach is based on five fundamental principles:

- Flexibility and streamlined administration, and responsiveness to demand
- Sustainability and replicability of the pilot schemes
- Combination of concrete field activities (investments in facilities) with supportive and capacity-building technical assistance
- Focus on the involvement of consumers in the planning and management of water supply systems
- Attention to the specific problems of poor household

The WSPST, which will extend to 2013, includes capital for investments through a revolving fund, capacity building in pilot provinces, a study on inter-provincial raw water supply, technical assistance and institutional support. The revolving fund is expected to attract capital from other donors and the Government of Vietnam. The Finnish budget for the programme is around 30 million euros.

More information: Deparment for Asia and Latin America, Ministry for Foreign Affairs, Finland | www.formin.fi

Finland at a glance

Geography

Total area: 338,000 square kilometres, of which 10% is water and 69% forest; 187,888 lakes, 5,100 rapids and 179,584 islands;
Europe's largest archipelago, including the semi-autonomous province of Åland
Distances: 1,160 km north to south, 540 km west to east. Finland's land border with Russia (1,269 km) is the eastern border of the European Union.
Climate: The climate of Finland is marked by cold winters and fairly warm summers. In the far north of the country the sun does not set for about 73 days, producing the white nights of summer. In winter the sun remains below the horizon for 51 days in the far north.

In summer the temperature quite often rises to +20 Celsius or more and occasionally goes close to +30 in southern and eastern parts of the country. In winter, temperatures of -20 Celsius are not uncommon in many areas. Finnish Lapland invariably has the lowest winter temperatures. The mean temperature in Helsinki in July is +17 Celsius and in February -5.7 Celsius.

People

Population: 5.3 million, 15.7 inhabitants per square kilometre. 53% live in predominantly rural areas, 21% in intermediate areas and 26% in urban areas. Principal cities: Helsinki (564,000), Espoo (235,000), Tampere (206,000), Vantaa (189,000), Turku (175,000) and Oulu (130,000). About 1.25 million people live in the Helsinki metropolitan area. Finland has a Sami (Lapp) population of 8,700.
Languages: Finland has two official languages: Finnish and Swedish.
Finnish, a Finno-Ugric language, is spoken by 91.5% and Swedish by 5.5% of the population. Sami (Lappish) is the mother tongue of about 1,700 people.
Religion: 82.4% Lutheran and about 1.1% Orthodox

History

Some important events in the history of Finland:

1155 The first crusade to Finland by the Swedes.
Finland becomes part of the Swedish realm.
1809 Finland is handed over to Russia by Sweden and becomes a autonomous Grand Duchy under the Russian emperor.
1917 Finland's declaration of independence on December 6.
1919 The present constitution is adopted and Finland becomes a republic.
1939-40 The Soviet Union attacks Finland, which leads to the winter war.
1941-44 Fighting between Finnish and Soviet Forces resumes in the Continuation War. Some territory is ceded to the Soviet Union but Finland is never occupied and preserves its independence and sovereignty.
1955 Finland joins the United Nations
1995 Finland becomes a member of the European Union

Government

President Tarja Halonen (2000–).
Parliament consists of one chamber with 200 members. The members are elected for a four-year term by direct popular vote under a system of proportional representation.

The Economy

GNP per capita was around 31,700 euros (2006).
Currency: The Finnish currency unit is the euro.
Finland was one of the 12 EU countries that started using euro cash in 2002.


Norway
Arctic Circle
FINLAND
Russia
Helsinki
Sweden

MINISTRY FOR FOREIGN AFFAIRS

MINISTRY OF THE ENVIRONMENT

MINISTRY OF AGRICULTURE AND FORESTRY

FINNISH ENVIRONMENT INSTITUTE

THE FINNISH NATIONAL BOARD OF EDUCATION

THE FINNISH INNOVATION FUND (SITRA)

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