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# Making the circular economy a sustainable foundation of Finland's economy

Working group on the strategic programme proposal on the circular economy sets out the objectives and means by which we can slow the overconsumption of natural resources, combat climate change and the loss of biodiversity and strengthen the economy and employment.

# Why a circular economy?

**Finland's programme on the circular economy outlines how a Finland based on a circular economy will look like in 2035 and how our wellbeing can be built on a sustainable foundation.**

Climate change and the loss of biodiversity are some of the biggest challenges facing humankind. Consumption of natural resources to a degree that exceeds the Earth's capacity to regenerate such resources speeds up the negative developments. A circular economy is the solution to the major challenges facing both our environment and our economy. Economic wellbeing does not need to be based on the increased use of natural resources.

However, the circular economy is not just about the economy and technological solutions. It requires a change both in decision-making and in the attitudes and behaviour of companies, households and consumers. The Circular Economy Programme sets objectives on speeding up the introduction of circular economy by public administrations and municipalities and invites everyone to make everyday life more sustainable.

## Definition of a circular economy

In a circular economy, materials are utilised more sustainably and they are kept in circulation safely and for a long time. Products are also shared, rented, repaired and recycled. Servitisation is part of circular economy.

The circular economy is a new economic approach that generates economic wellbeing within the limits of the Earth's carrying capacity. It makes effective use of digitalisation and renews the structures and operating models of society. The circular economy is a way to reduce the use of natural resources.

## Vision: Finland's circular economy in 2035

**Finland's economic success in 2035 will be founded on a carbon neutral circular economy where:**

- Sustainable products and services are mainstream and the sharing economy is commonplace.
- Our choices are future-proof and they strengthen our fair welfare society.
- More for less: the use of natural resources is sustainable and materials remain in circulation longer and more safely.
- The breakthrough of the circular economy has been achieved through innovations, digital solutions, smart regulation, and responsible investors, businesses and consumers.
- With a circular economy, Finland is a player in the global arena and a provider of sustainable solutions on the international market.
- Making this vision true requires a sustainable and efficient use of natural resources.

**This is guided by the following steps and proposals for objectives\*:**

In 2035, the total domestic consumption of primary raw materials will not exceed the 2015 level.

Resource productivity will double in 2035 compared with 2015.

Circularity rate of materials will double by 2035.

\*The Ministry of Agriculture and Forestry presented a dissenting opinion. The Ministry of Economic Affairs and Employment stated it should be ensured that the objective does not conflict with the policies and measures of the climate and energy strategy currently under preparation.

## Highlights from the Circular Economy Programme for people who work...

**In education and research** We will increase education about the circular economy in all educational levels and promote the theme in the strategies of educational institutions. We will increase continuing education on the circular economy for teachers. We will ensure that in 2035 Finland will be a top country for research and an attractive destination for international talents in the circular economy. We will also ensure that companies continuously train their employees.

**In legislation and taxation** Legislation supporting the circular economy favours resource and energy efficient production processes, servitisation of products and distribution models, closed loops of materials and more sustainable products. We will engage together in the EU, so that legislation and product policy will lengthen the life cycle of products and improve their durability and support the use of recycled materials and the digitalisation of material flows and product information.

**In digitalisation** Data related to materials and products helps to increase their effective use and value. We will implement regional experiments on circular economy, where digital platforms will be developed, piloted and scaled to national and European operating models. Finland can be a pioneer and begin to develop and coordinate a European data system on the circular economy.

**In local government** The circular economy will become a part of local government strategies, management and budgeting. We will reduce material consumption in municipal investments, procurement and services. Life cycle thinking will guide planning in land use, transport and energy production, for example. We will coordinate with actors in local government, regions and joint municipal authorities and create conditions for business activities.

**In real estate and construction** We will introduce digital solutions that support the circular economy, make the use of real estate more efficient, improve their convertibility and increase renovation building, as well as improve the expertise and cooperation within the circular economy. In 2035, a large proportion of Finnish buildings, infrastructure and construction products will be made from recycled, renewable or low-carbon raw materials.

The circular economy applies to all, from public administration to businesses and consumers. The Circular Economy Programme focuses on issues that have the most effect on emissions in Finland and in which the public administration can play a role.

## How to achieve the goals

The programme proposes 41 measures and recommendations as well as the best ways to implement them. The key proposals are:



We will create the best circular economy expertise in the world in Finland by renewing the education system and updating work skills.



We will make the carbon neutral circular economy the centre of economic and industrial policy and the renewal of the economy. We will direct public funding to the circular economy and create circular economy ecosystems.



We will assess the possibilities for the pricing of natural resources in the sustainable taxation roadmap.



We will make Finland a leading country in digital circular economy. We will speed up traceability of material flows, resource efficiency of production, and data-based decision-making and business activities through digitalisation.



We will acquire and design low-carbon circular economy solutions in the public sector especially in construction, mobility, energy and infrastructure projects.



We will conclude a voluntary national agreement with companies and municipalities on the use of natural resources. We will draw up a scenario and plans and support the municipalities in achieving the objectives.



We will launch development and growth accelerators for ecosystems in the circular economy, where joint development and funding are used to transform ideas into comprehensive solutions.



We will create a sustainable market for the circular economy through legislation, economic guidance and digitalisation. Our objectives include improving resource efficiency, extending the life cycle of products and promoting the use of recycled materials.



We will significantly reduce the environmental impacts of construction. We will introduce financial incentives and new procurement practices to create competition in the sector through carbon neutral circular economy solutions.



We will make the circular economy one of the priorities of foreign policy. We are actively involved in the establishment of a global intergovernmental alliance on circular economy and in the discussion on a global agreement on natural resources.



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## Preparation of the Circular Economy Programme

The Circular Economy Programme is a proposal by the cross-administrative steering group led by **Reijo Karhinen** to promote the circular economy in Finland. A large number of representatives from the public sector, organisations and businesses as well as researchers and citizens have participated in the preparation of the programme. The programme was supported by four scientific panels, a citizens' jury and an online brainstorming group. The Government will issue a Government Resolution on the promotion of the circular economy in the spring. A consultation round will be organised before that.

## More information:

Chair of the steering group on the Circular Economy Programme  
**Reijo Karhinen**  
rt.karhinen@gmail.com

Ministry of the Environment:  
Ministerial Adviser **Taina Nikula**  
tel. +358 295 250 202, taina.nikula@ym.fi

Ministry of Economic Affairs and Employment:  
Senior Specialist **Sari Tasa**  
tel. +358 295 048 242, sari.tasa@tem.fi

<https://ym.fi/en/strategic-programme-to-promote-a-circular-economy>

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