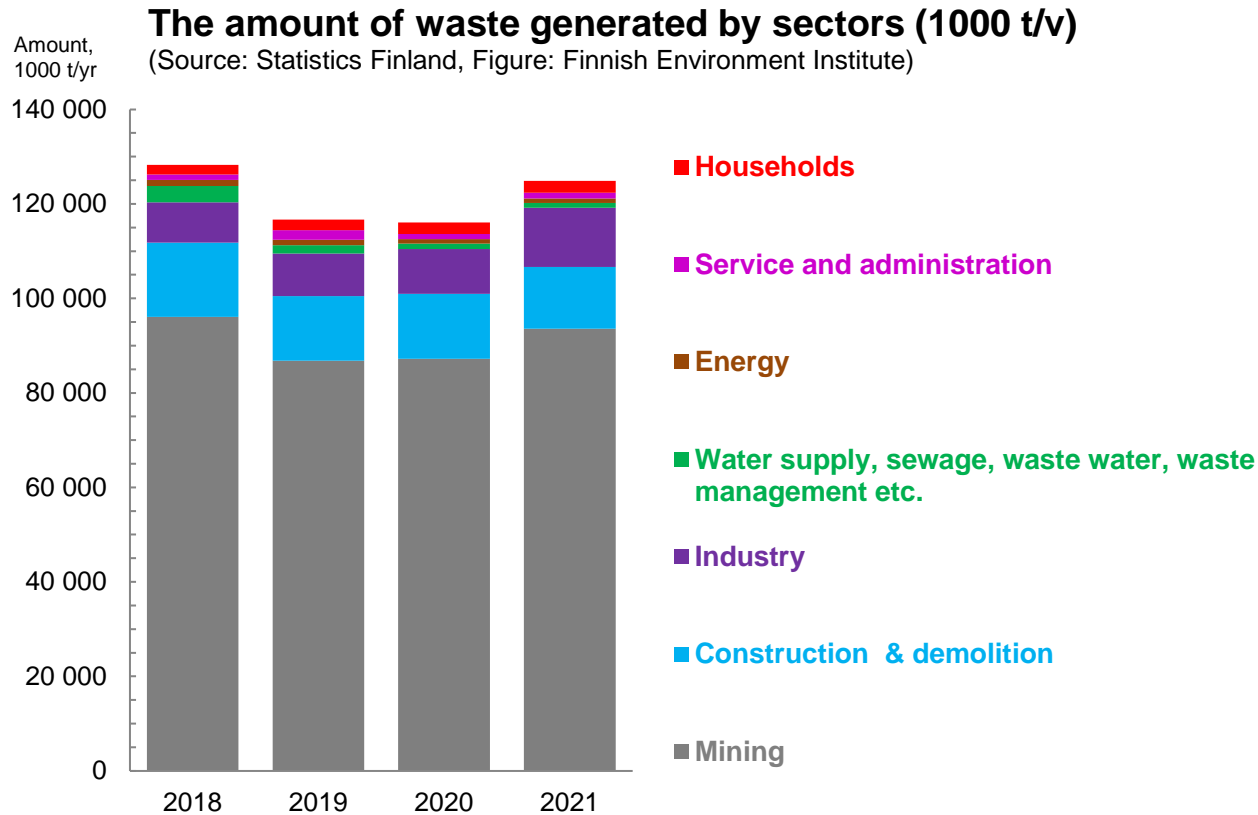


# The Finnish waste management system - role of municipalities, role of companies

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Ministry of the Environment  
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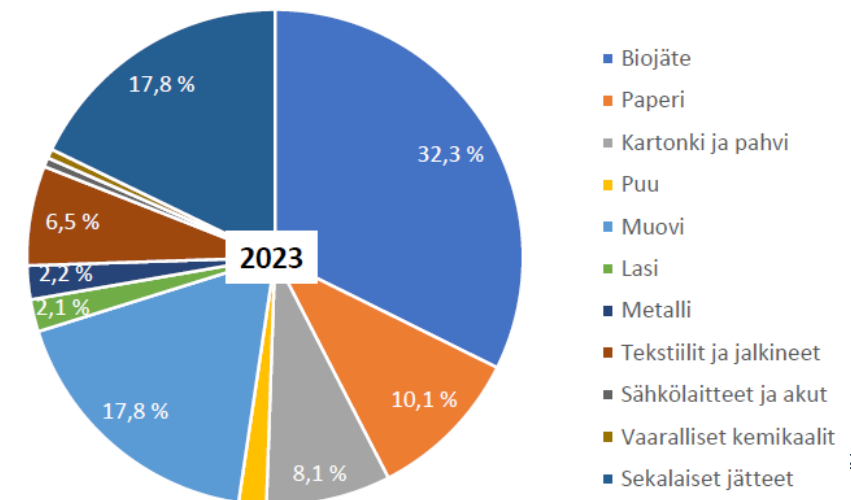
# Generation and treatment of waste in Finland



## In 2021, 125 million tonnes of waste was generated

- 92 % of waste was mineral waste (75 %-units from mining, 0 %-units from construction & demolition)
- 2 % was municipal solid waste MSW (household, services, administration)

## Composition of mixed MSW 2023 (source: KIVO)



# Waste legislation in Finland

- Finnish waste legislation covers all wastes (except certain special types of waste, such as radioactive wastes).
- The waste legislation is largely based on EU legislation, but in some cases stricter.
- General waste legislation in Finland:
  - Waste Act (646/2011), Waste Decree (978/2021)
  - **Ongoing preparation: towards a circular economy act**
- The environmental impacts of wastes are also addressed in legislation on environmental protection:
  - Environmental Protection Act (527/2014), Environmental Protection Decree (713/2014)
- Numerous government decrees and decisions on specific waste treatment, waste types or activities, and directly applicable EU regulations/decisions
- [646/2011 English - Translations of Finnish acts and decrees - FINLEX®](#);  
[Frontpage - FINLEX®](#)

- **Strategic plan** adopted by the Government laying down the objectives and measures for waste management and waste prevention (revised 2022)  
<http://urn.fi/URN:ISBN:978-952-361-266-2>

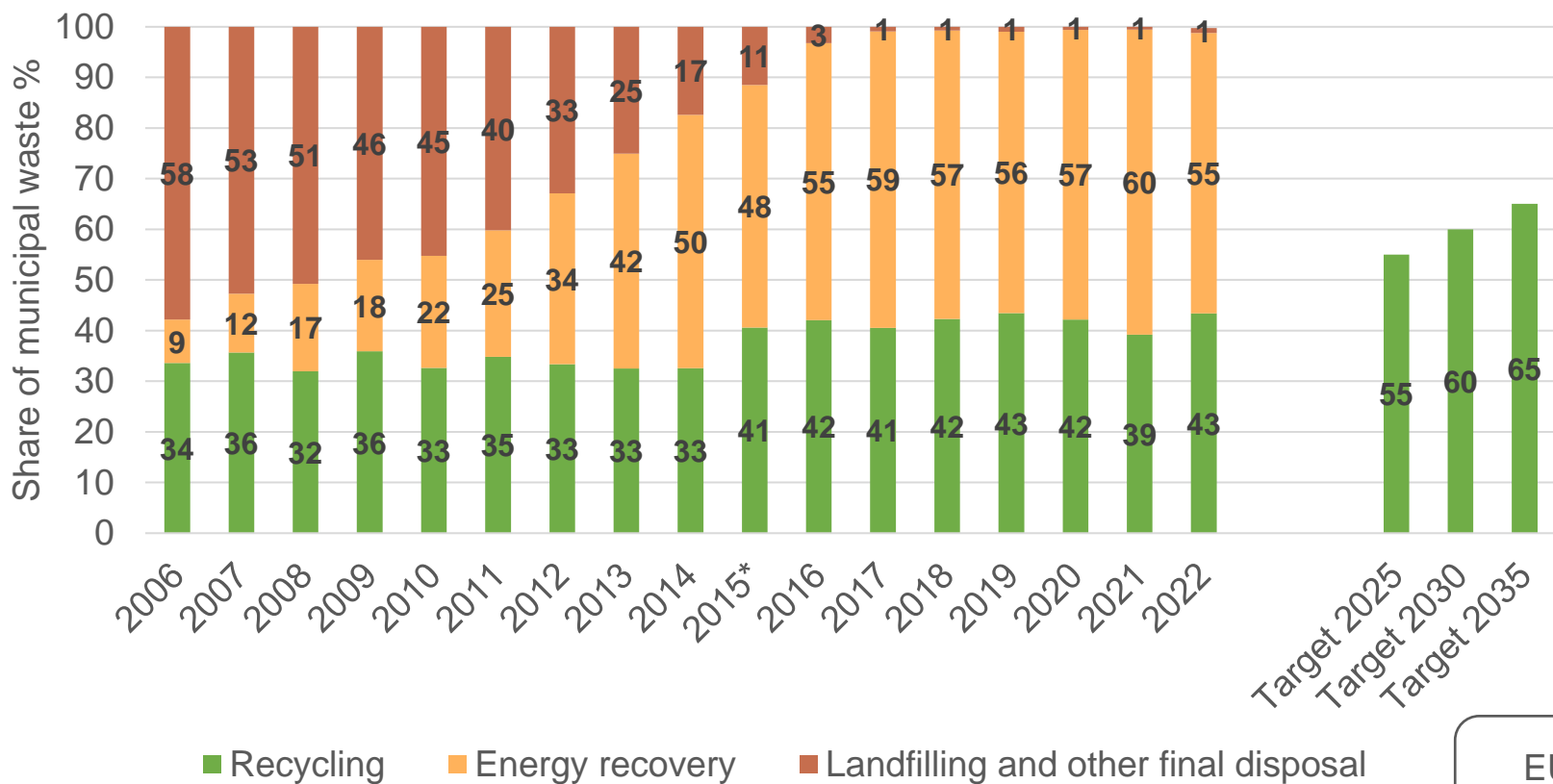


**From Recycling to Circular Economy**  
National Waste Plan until 2027

# Finnish waste management has developed a lot during the last 20 years – but there is still a lot to do

Treatment shares of municipal waste in 2006-2022 and EU recycling targets

(Source: Statistics Finland and VALTSU indicators)



The big change: from landfills to energy recovery

Key drivers:

- EU landfill directive (1994→)
- Waste tax (1996 →)
- Ban on landfilling of organic waste (2016 →)

Challenge: too much energy recovery, insufficient recycling

EU target 2030:  
max 10 % to landfills

\* The statistical method of fibre packaging was changed

# Responsibilities of waste management (municipal solid waste MSW)

Waste from the business/ industries: waste holder, property holder or anyone in possession of the waste have the responsibility for organising waste management  
**(~25 % of the total amount of the MSW)**

## **Municipal responsibility (national)**

- The municipality must organize waste management for the following waste:
  - Waste from households;
  - Solid municipal waste from the municipality's administrative and service activities.

**(~50 % of the total MSW)**

## **Extended producer responsibility EPR (EU-based)**

- Tyres of motor vehicles, passenger cars and vans, electrical and electronic equipment, batteries and accumulators, newspapers and magazines
- Packaging (e.g. metal, plastic, glass, paper/board, wood)
- Certain plastic products (SUP)

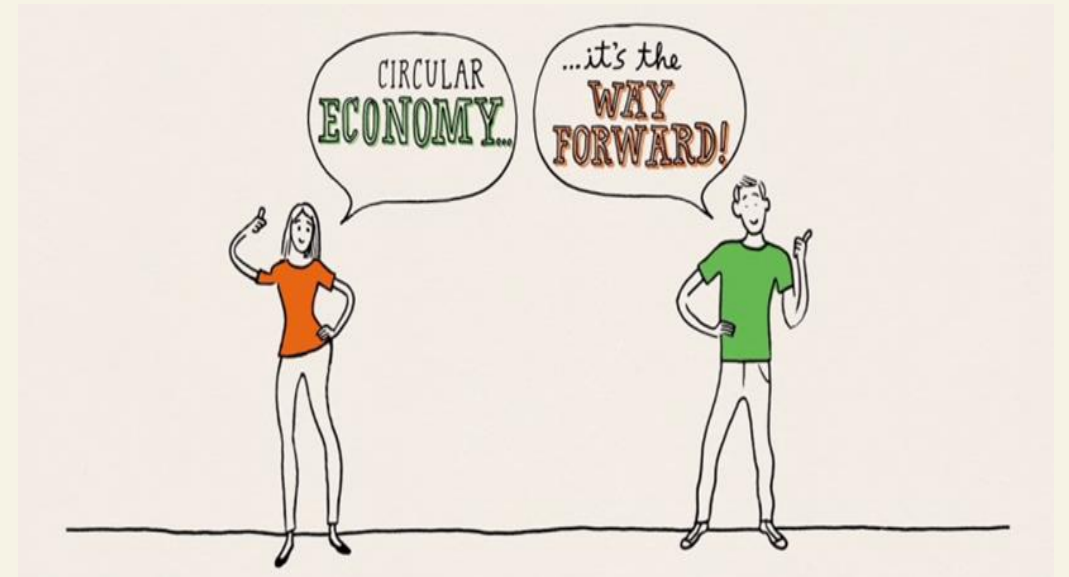
**(~25 % of the total MSW)**

*Co-operation between responsible bodies, authorities and waste management companies is important*



# Background: why the duties have been assigned to the municipality?

- The Finnish Constitution: Every citizen has the right to a healthy environment.
- Waste management is a service that must work for everyone, everywhere and in all circumstances - even when it's not profitable business.
- Cooperation between municipalities and all other waste sector actors is important.
  - municipalities have many responsibilities and it is not easy to manage tasks and investments without cooperation.
  - private companies play a key role in producing services and innovating.
- The aim is also that efficient competitive tendering leads to a well-functioning market and cost-effectiveness.
- **A well-functioning waste management system is needed for more efficient recycling and in the development towards a circular economy.**



# Different roles of municipalities

**The municipal-owned company:** takes care of the operational service tasks related to the organisation of waste management

- collection, transport, treatment, customer service, invoicing, waste advice etc

**Municipals as owners (shareholders):** ownership steering of municipal-owned waste companies

**Municipal waste management authority:** joint waste management authorities, operating the same area as the municipal company

- Regional waste management regulations, waste tariffs, other duties

**Environmental protection authority:** supervisory authority



***Co-operation between municipalities, companies and authorities is important!***



# The most common alternative: Municipal-owned companies

- Municipalities can decide what kind of organisation they want.
- Majority of the municipalities have assigned most of their operational waste management duties to local waste management companies owned by municipalities (all together 26 companies).
  - Municipalities' shareholding in the company is usually based on the number of inhabitants. Private ownership is not allowed.
  - Only reasonable profit is allowed, no dividend distribution to owners.
- In addition, some municipalities operate in the form of a joint municipal authority (the municipal federation).
- All together 33 local municipal-owned waste management companies or municipal federations in Finland provide services to over 95 % of the population.
- Cooperation between municipalities has been a good way of meeting the obligations cost-effectively.
  - only around 30 (total amount 309) municipalities carry out their duties independently, without joining cooperation between municipalities.



# Operational tasks of the municipality

- Municipalities have a duty to manage the waste management of households and municipal waste from the municipal sector (statutory services).
- Municipal responsibility means also exclusive right. Other actors cannot provide services that have been assigned to municipalities (without agreeing with the municipality).
- Municipalities can choose the way services are organised. Competitive tendering (public procurement) or as own production (not a complete list):
  - Separate collection of waste and transport services
    - Mixed MSW, bio-waste and packaging waste (in cooperation with the packaging EPR-organisations) from the properties
  - The treatment for bio-waste and mixed MSW
  - The sorting stations and other regional reception of waste, landfills and their 'aftercare', customer service and invoicing, waste advice and information ...



## Non-statutory services

- Municipal-owned companies also produce other than statutory waste management services on the market
  - limit: 10 % of the turnover
  - separate accounts must be kept
- Many municipal companies have established new companies operating fully on the market.
- In this case, they can offer any waste management services and operate alongside private companies.



# Finnish model for consumer packaging waste

- Operational cooperation between the municipalities and packaging EPR-organisations (PRO)
  - enacted by an amendment to the waste act, entry into force in July 2023
  - a municipality may be excluded from the system, but in this case it will not receive compensation for the costs.
- Operational roles
  - Municipalities collect from the households (competitive tendering)
  - PROs organise the regional reception points, terminals and recycling treatment (competitive tendering)
- Cost compensation from PROs to the municipalities for the household collection (80 % of the total costs, waste framework directive 8 a art.)
- Focus on national separate collection requirements (over 5 apartments properties). This work is still under way.

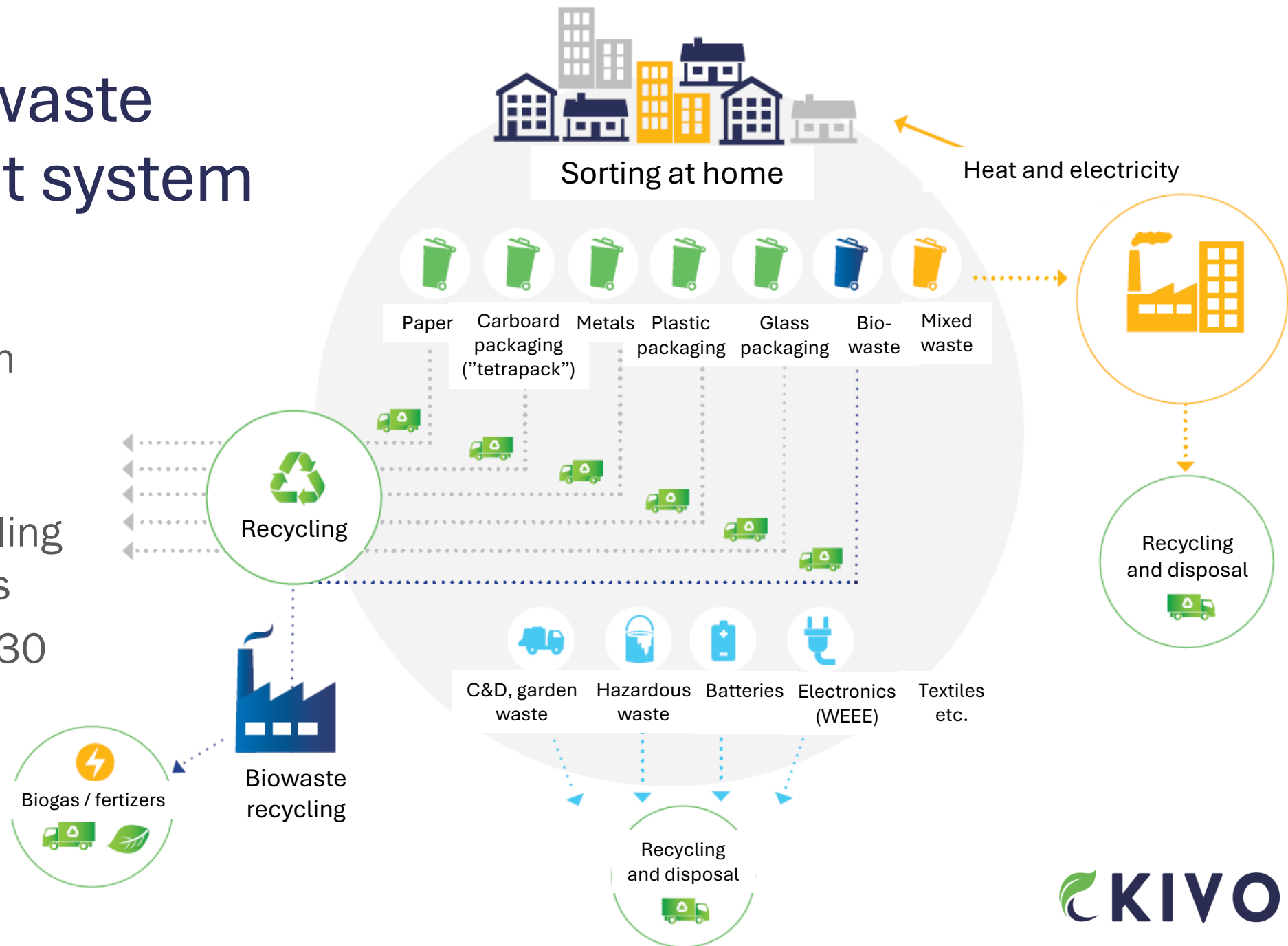


The model was supported by the municipal and packaging EPR sectors. Private companies did not support the model and small companies were concerned about whether they could participate in competitive tendering (too large contract areas?).



# Household waste management system

- Source separation
- Separate collection
  - "recyclables"
  - mixed waste
- Collection at recycling stations and shops
- Altogether almost 30 waste fractions



# The joint waste management authority

- A public authority whose decisions are based on the waste act and the decrees and regulations issued under it.
- Independent, autonomous status. The city council cannot take over an administrative matter decided by the authority.
- Authority is composed of councillors and deputy councillors of each member-municipality.
- Authority operates in the same area as the municipal-owned waste management company.
- Decides on the general principles for the organization of waste management, but also makes decisions concerning individual properties.
- The main tasks: municipal waste management regulations, waste tariff.



# The private waste management companies

- Produce all waste management services for the industry and business (97 % of all waste, 25 % of MSW).
- Develop and innovate new solutions.
- Act as active contracting partners for municipalities and PROs.
- Participate in municipalities competitive bidding processes (waste collection, transport, treatment (mixed MSW, bio-waste), other services).
  - Produce practically all waste transport services (municipalities don't have their own vehicles).
- Participate in PROs competitive bidding processes (recycling treatment, regional recycling points, terminals, transport, etc.)
- Are an important and essential part of the waste management system!

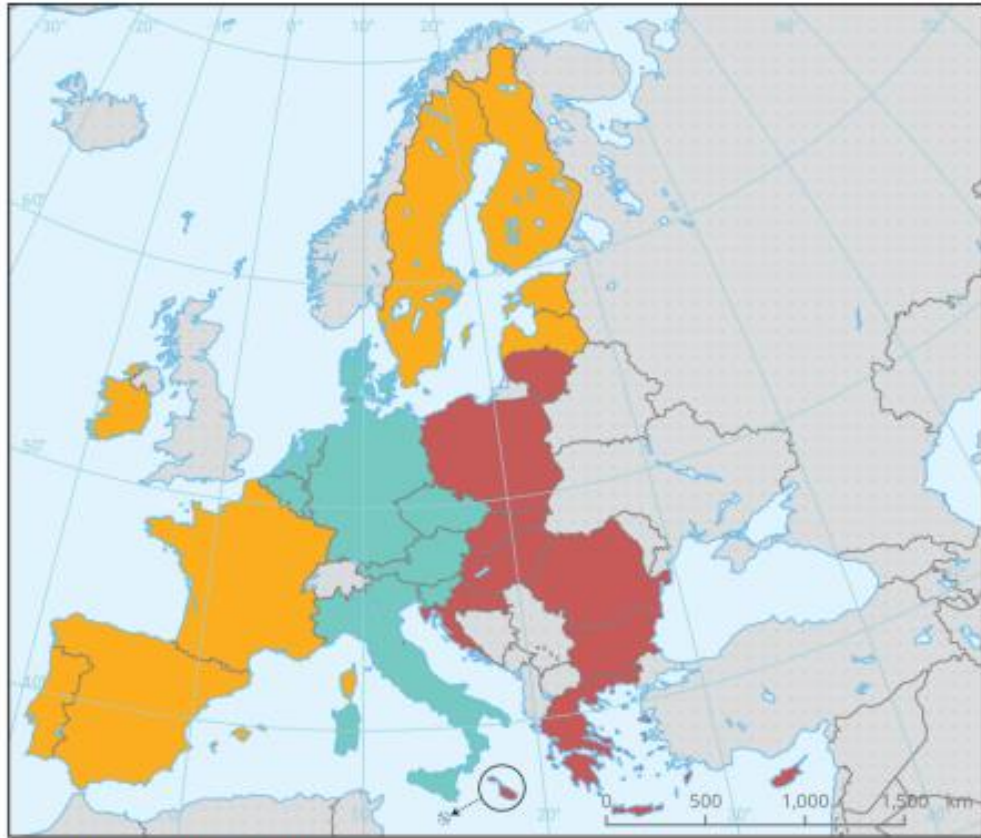


# Competition neutrality in the waste management sector

- Municipal-owned companies may operate on the market for 10% of their turnover (section 145 a in the waste act):
  - This is an exception to the act on public procurement, which has been tightened to 5% / 500 000 € at the national level. The restriction does not apply to market-based municipal-owned companies.
  - In addition, the Government Programme states that an owner of an in-house company must own at least 10% of the company. This may cause changes in almost all municipal-owned waste management companies. The Ministry of Economic Affairs and Employment is responsible for the preparation.
- Municipality's secondary waste management service (section 33 in the waste act): if there is lack of waste management services, the municipality can organise waste management services for the waste holder based on its secondary responsibility.
  - A competitive platform (<https://materiaalitori.fi/>) should be used to prove the lack of services. If the waste holder does not receive tenders, it may request a service from the municipality.
- Competition neutrality problems have been reported in both operating on the market and secondary liability services. The ongoing legislative project tries to improve the situation.
  - the aim is a well-functioning market and a permanent solution to competition neutrality challenges.



# Commission's Early Warning Report 2023



Reference data: ©ESRI

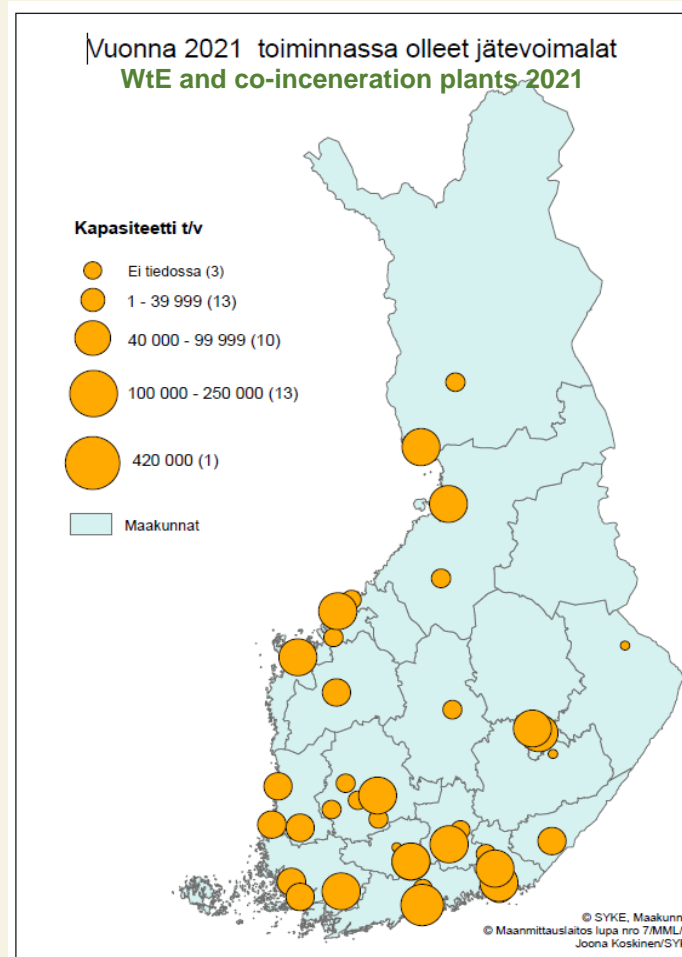
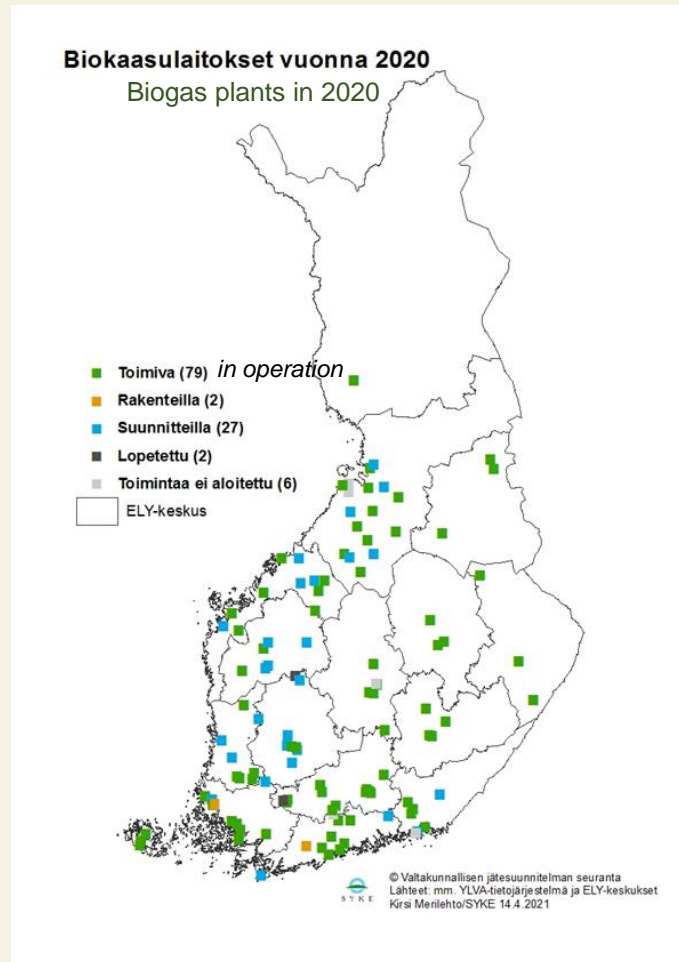
- Member states not at risk for both targets
- Member States at risk for the municipal waste preparing for re-use and recycling target but not at risk for the all packaging waste recycling target
- Member states at risk for both targets
- Outside coverage

- Finland has difficulties in achieving the 2025 targets for municipal waste and plastic packaging waste
- **Main reasons:**
  - Inefficient separate collection of plastic waste (< 20 %) and biowaste (< 50 %).
  - Weak sorting efficiency
  - Major part of MSW goes to incineration
- **Commission's recommendations to Finland**
  - More support to re-use, Further effort to separate collection (plastic packaging, biowaste)
  - Continue and improve advisory services (prevention, sorting)
  - Economic instruments (tax/emission trade system) to guide waste away from incineration
- **Finland entered the EU infringement procedure 2024: targets for MSW and WEEE [July infringement package: key decisions](#)**

<https://www.eea.europa.eu/publications/many-eu-member-states>

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2023%3A304%3AFIN&qid=1686220362244>

# Challenge: too much energy recovery, insufficient recycling



- Further steering instruments to reduce incineration of MSW under preparation/consideration
  - To be included in the EU Emission trading system (ETS)
  - Waste incineration tax? Extension of the scope of application of the waste tax?
  - Further legislative restrictions?
- Different means will also be considered as part of the development of the waste act towards a circular economy act.

# Thank you! Aitäh!

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