

Frans Timmermans,
Executive Vice President, Green New Deal

Elisa Ferreira
Commissioner Cohesion and Reforms

European Commission
Rue de la Loi / Wetstraat 200
1049 Brussels

30th June 2020

Subject: Just Transition Fund regional allocation in Finland

Dear Mr Timmermans and Mrs Ferreira,
the Finnish Association for Nature Conservation fully supports the new Just Transition Fund in its aim to ensure a socially and economically just transition while achieving the unions climate goals. However, we must express our concern on the regional allocation of funding planned for Finland.

The litmus test of just transition in Finland is the phase out of peat use that is prominent especially in the Western and Northern parts of the country. Based on a recent [working paper by Sitra](#) 12 percent of Finland annual emissions are related to peat burning on top of which extraction of peat produces emissions on the land sector. Reducing peat use is a delicate matter especially regionally, that is also reflected in the working paper. Thus special effort is needed to ensure a just transition.

In the 2018 statistics compiled by Finnish Energy, peat amounted to over 40 per cent of the fuel used by district heat companies in Central Ostrobothnia, Central Finland, Lapland, North Ostrobothnia and South Ostrobothnia (see picture 1 and 2 as Annex). The majority of peat-production areas are located in or near these same regions. Based on Sitras analysis the majority of impacts on the workforce will be felt in South and North Ostrobothnia. The current allocation of the funding from Just Transition Fund does not cover all of these areas, which would seriously constraint the effect of the available funding and the transition we have a head.

Thus we urge the EU commission to ensure that funding from the Just Transition Fund can be applied for also from Western and Central Finland.

Secondly we want to draw your attention to other uses of peat. Peat not burned for energy (approximately 10 percent of extracted peat) is used, for instance, in horticulture (substrates)

and husbandry (litter). The environmental impact of peat in such use is similar to burning of peat. Regardless of the end use peat production releases greenhouse gas emissions from the products themselves as well as from the soil and permanently destroys the bog environment in the affected area. It also contaminates bodies of water with solids, iron, nutrients, humus and acidification. Protection and restoration of peatlands would keep carbon in the soil and help the climate in long term.

Thus we urge you to ensure robust criteria for the JTF funding to ensure that regardless of the end use extraction of peat can not be funded from it.

Sincerely,



Harri Hölttä, President of the Board

Additional information

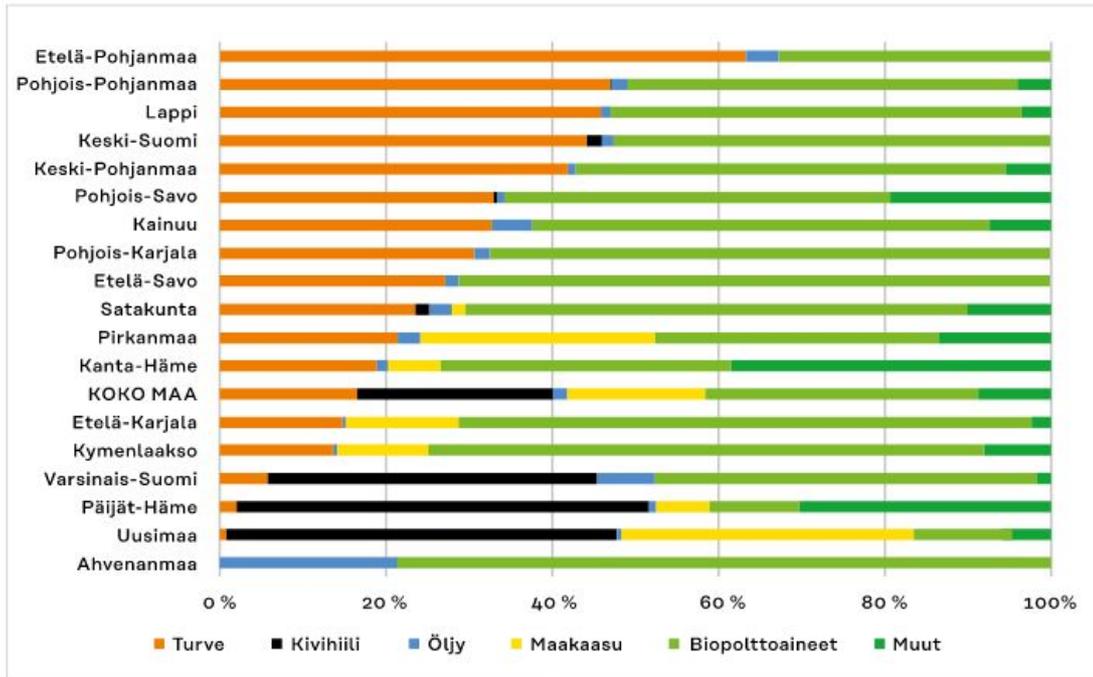
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Annex



Picture 1: Map of Just Transition Fund proposed territorial eligibility (green) and areas heavily affected by transition away from peat (South Ostrobothnia and Central Finland), that are not included in the Commissions proposal. Source: European Commission

KUVA 3. POLTTOAINEIDEN OSUDET ENERGIATEOLLISUUS RY:N JÄSENYRITYSTEN KAUKOLÄMMÖN TUOTANNOSSA



Lähde: Energiateollisuus 2019.

Picture 2: Proportions of different energy sources in district heating. Peat is portrayed by orange colour. Source Finnish Energy, 2019, compiled by Sitra.