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MINISTRY OF THE ENVIRONMENT

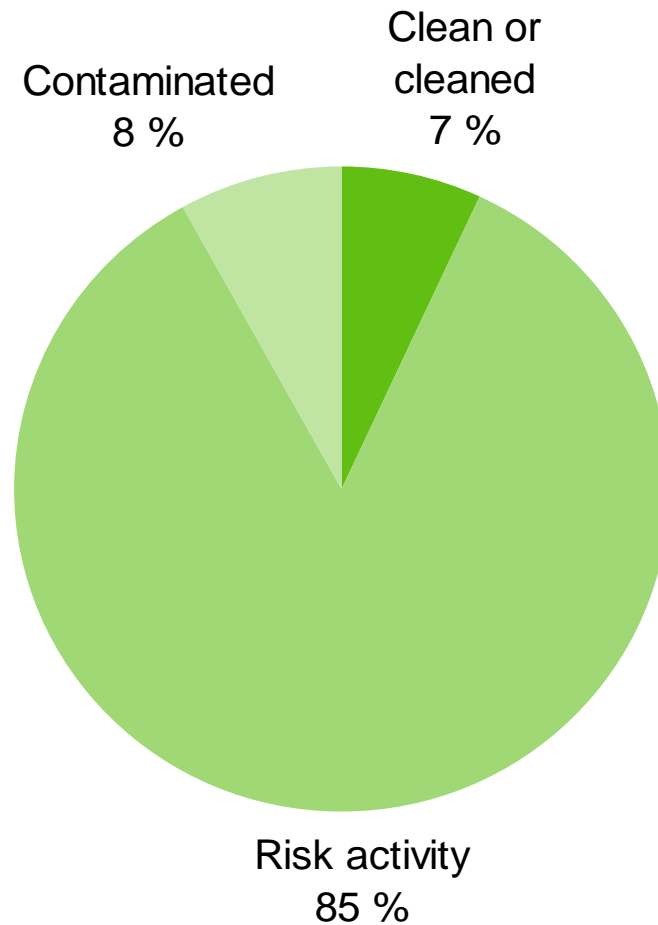
State aid and remediation of contaminated sites in Finland

Anna-Maija Pajukallio
2.11.2006 CF, Bilbao

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- Content of the presentation

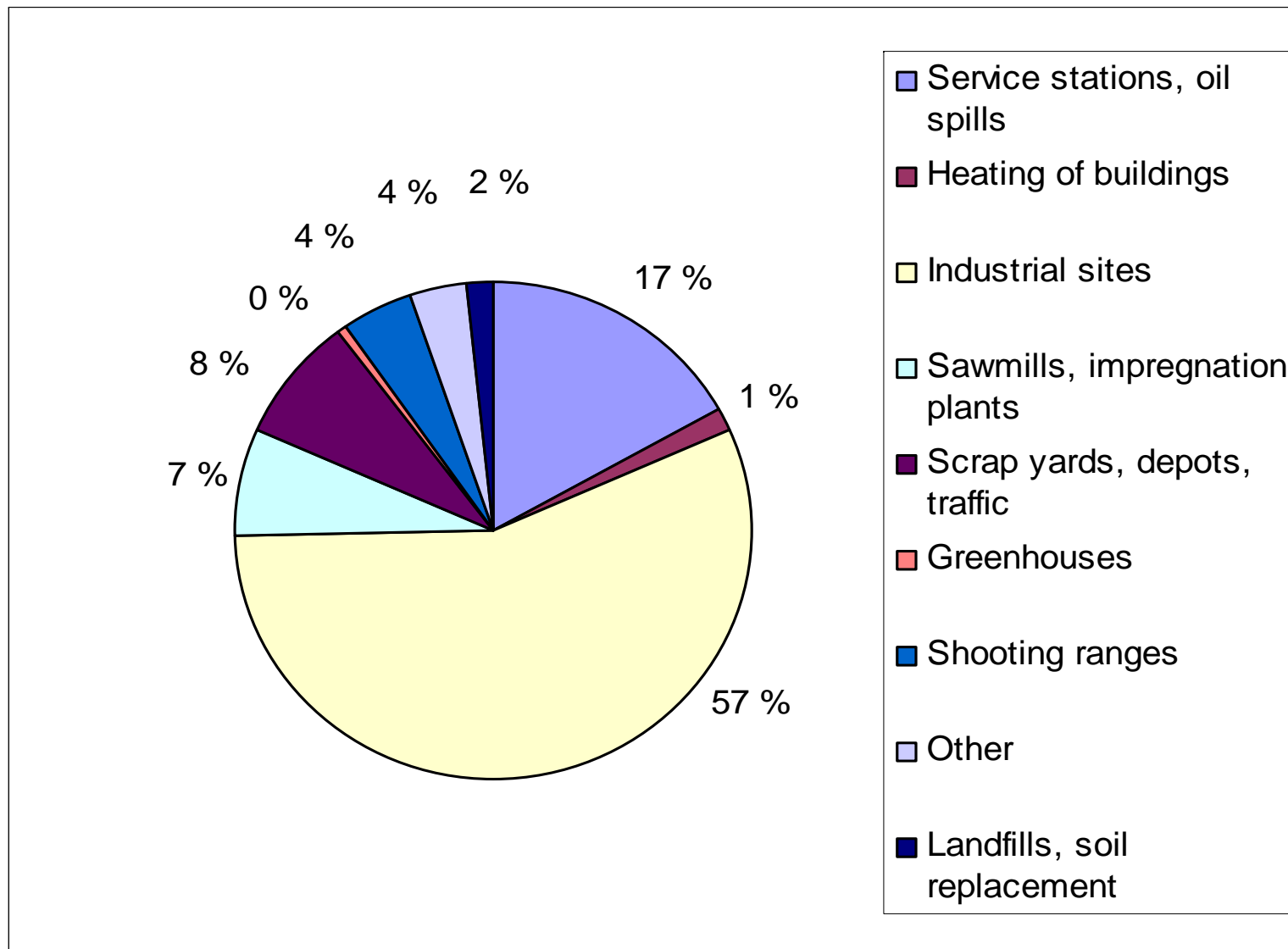
- Some background information
- Waste management works
- Oil Compensation Fund
- Some conclusions

Contaminated sites in Finland

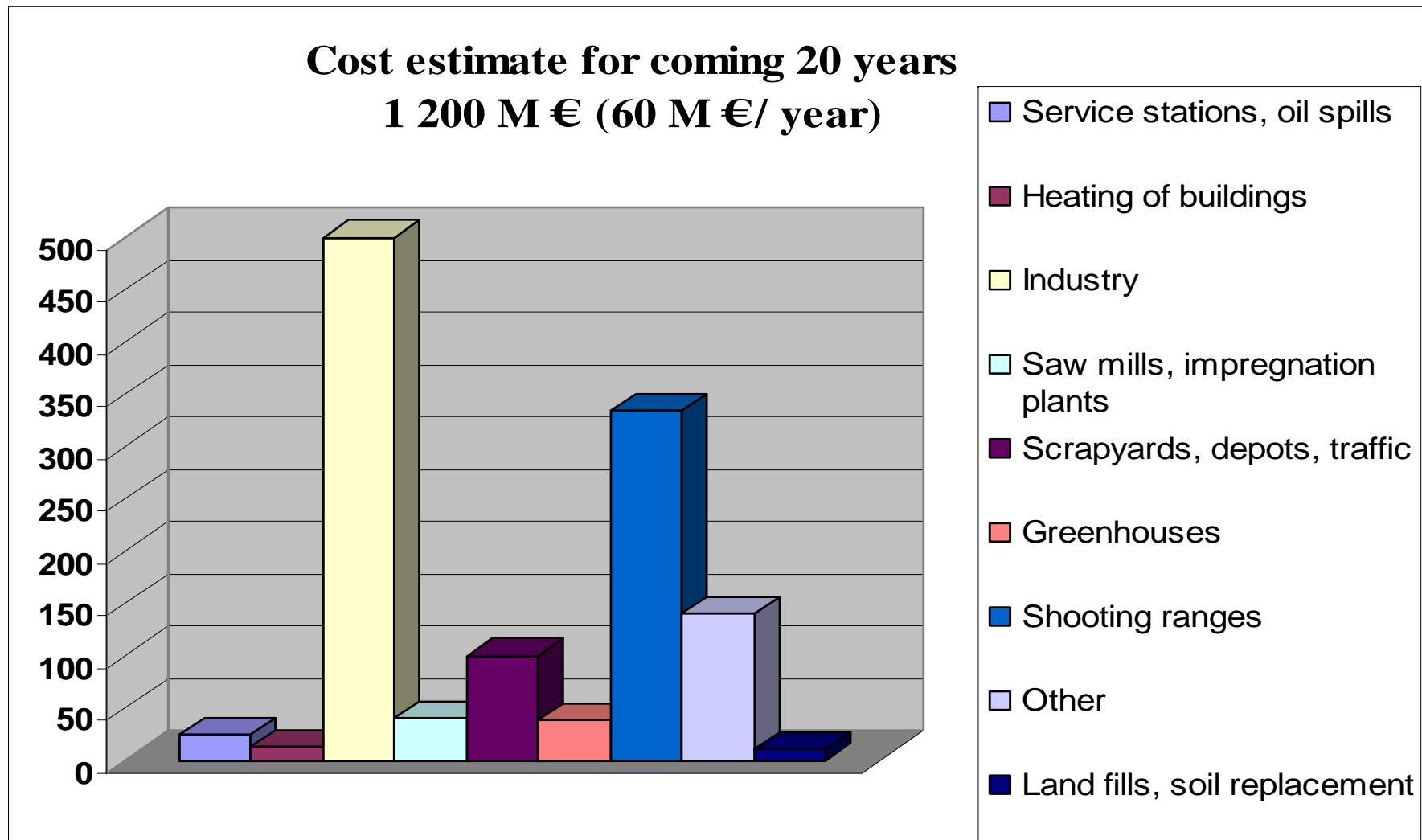


- Inventories:
 - early 1990's and 1998-1999
- Updating going on
- Total amount of sites
 - 20 000
- 85 % risk activity

- Number of sites remediated 430 (2003):
total costs of remediation 50 – 60 M€



- Future costs of remediation



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- # Liability to remediate

- Environmental Protection Act (86/2000)
 - 1st: polluter
 - 2nd: property owner
 - 3rd: local municipalities
 - if the costs increase so that they become excessive, the local authority shall establish a need for and carry out soil treatment
 - for these cases where the polluter cannot be assigned, it is possible to get financing from the state budget

Who pays?

- Current shares:
 - 2/3 private sector
 - 1/3 public sector (municipalities, state)
- Industry's share is 40 %
- The Environmental Damage Insurance Act (81/1998)
 - guarantees full compensation for environmental damage in cases where those liable for compensation are insolvent, or the liable party cannot be indentified,
 - covers costs of rehabilitating abandoned contaminated sites
 - only clean-up costs which has occurred after 1.1.1999. (= 0)

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- # Types of state funding

- No large-scoped environmental fund
- The state budget
 - Environmental works
 - Funding for "orphan sites" 3 – 4 M€/year
 - Funding for development and demonstration projectes
 - ended 2002
- The Oil Pollution Compensation Fund
 - Cleaning of orphan sites contaminated by oil
 - About 2 M€/year

State Budget – waste management works

- State budget money for remediation of "orphan" sites.
 - **3 – 4 million euros/year**
- Waste Act (1072/1993), section 35

State participation in waste management work

If waste in the environment or some other discarded object or **substance causes hazard, harm or other consequence** as referred to in ...section 7 of the Environmental Protection Act (soil contamination prohibition), and the **costs of work or measures necessary to prevent or eliminate this are, or may prove, unreasonable for the municipal waste management system**, the **regional environment centre** can, having so agreed with the relevant municipality ... carry out the work or measure...under the State budget as waste management work or otherwise contribute to the costs referred to above.

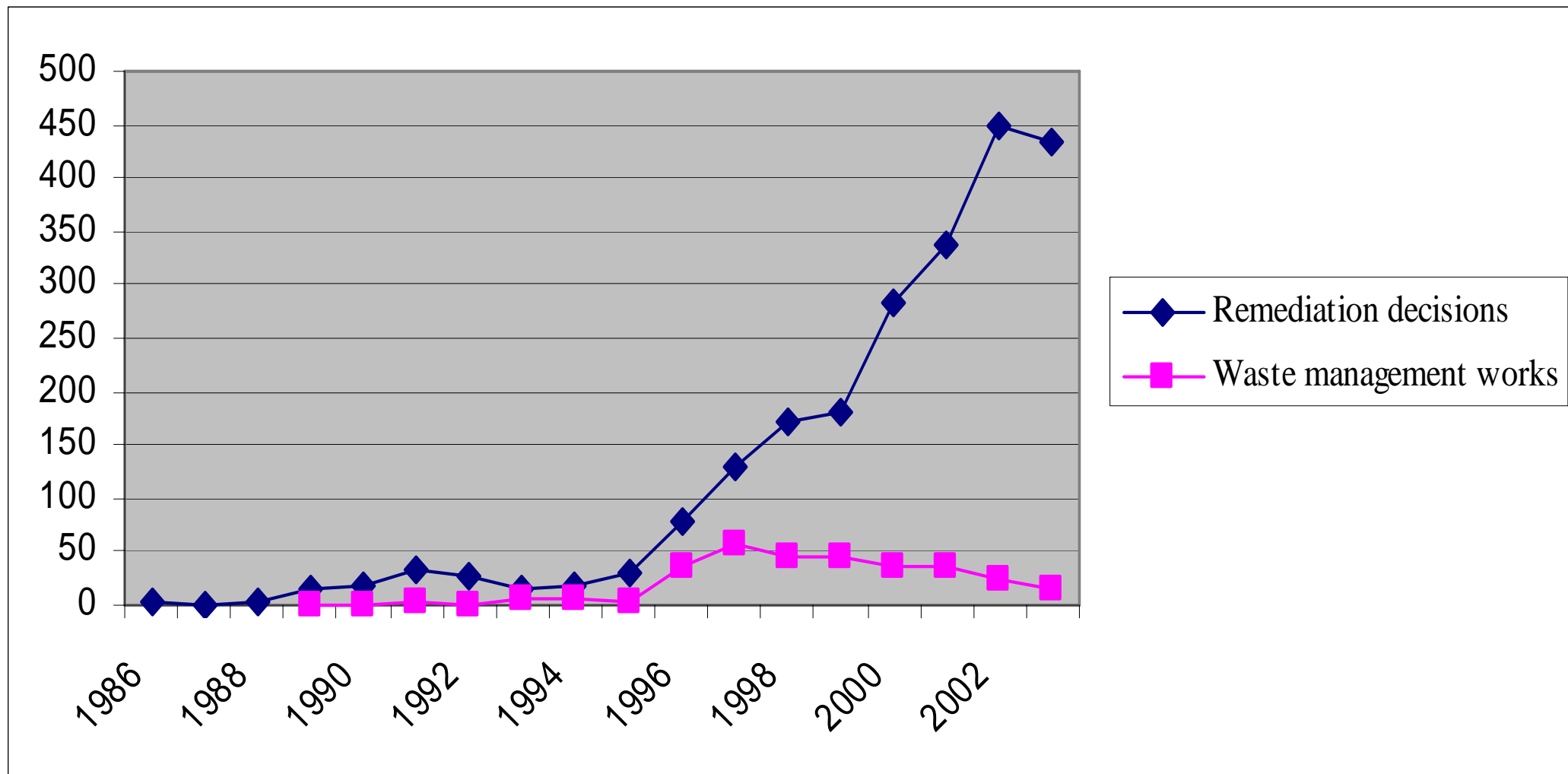
- Environment centre either has the site remediated (full competition of constructors) or the other party can also do it.

Some facts (2003)

- 275 (partially) state-funded remediation projects completed
- Main activities: old landfills, saw mills, impregnations plants, scrap yards and repair shops
 - Gas stations mainly funded by Oil Compensation Fund
- Share for state funding 5 – 90 %
- Very often 50 – 50 between state and the other party
- The other party is in most cases municipality, but it can also be a private person or an enterprise
- Costs:
 - 3000 € - >1 M€
 - average 138 000 €
- Unpleasant facts:
 - Lack of appropriate funding
 - Budget frames demand cutting down the already too modest funding

Remediations 1986 – 2003

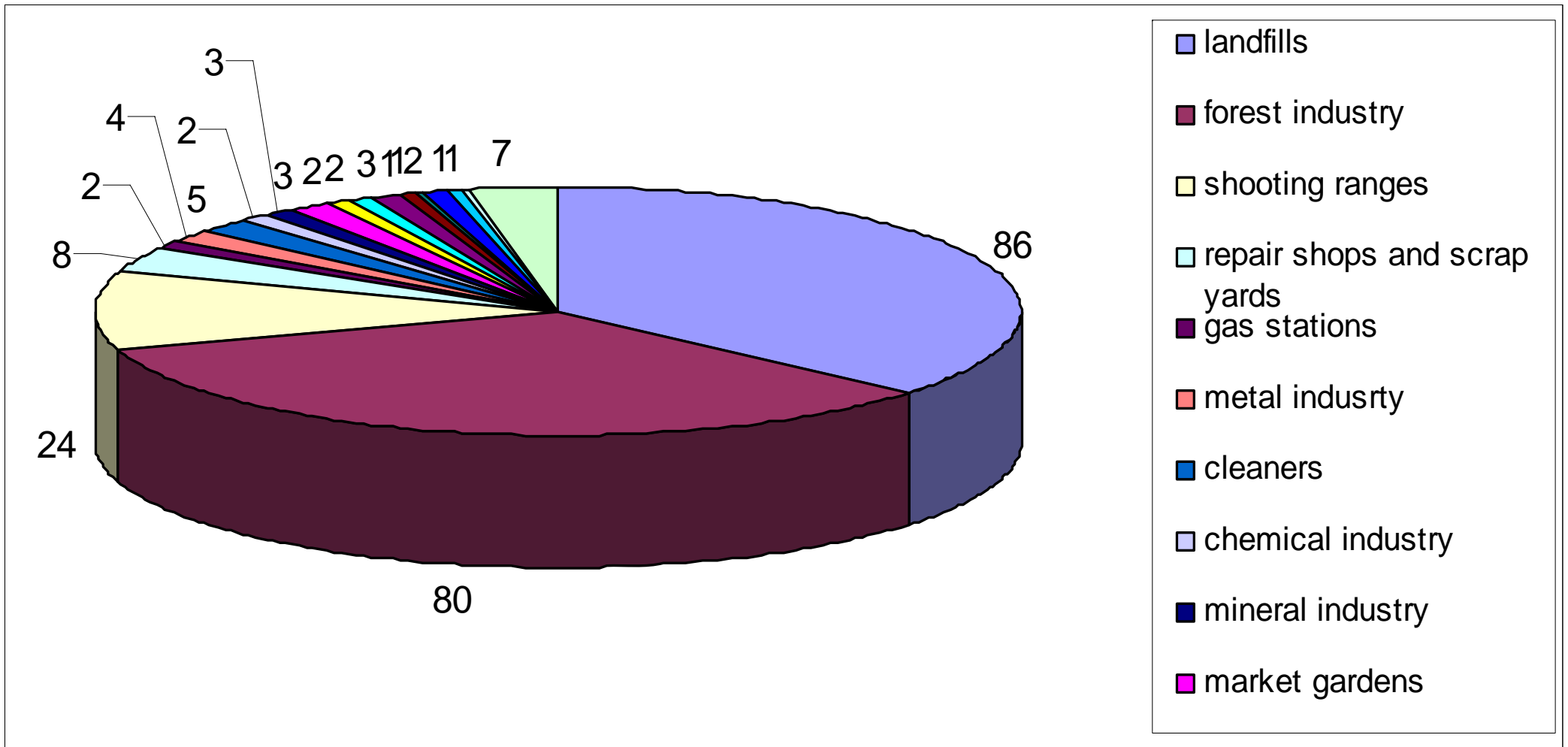
(Pyy & Fredriksson 13.8.2004)



REMEDIATION PROGRAMME FOR 2004 – 2008

- Planned projects 250
- Finnish Environmental Institute gathers the information from the regional centres

(Pyy & Fredriksson 13.8.2004)



Criteria

- **Soil is proved to be contaminated**
AND
- **the contamination threatens areas in need for special care, like nature conservation areas OR**
- **an (important) groundwater body or surface-water body is endangered OR**
- **contamination poses a risk for human health in present land-use**
AND
- **the pollution activity no longer exists**
AND
- **the polluter is not known or can not be held liable or can not bear the costs**
AND
- **the profit that follows from the remediation is not noticeable for the liable part**
AND
- **the municipality or private part takes party in financing the costs**
AND
- **the state funding is argued by for instance because of the minor ability of the municipality to pay the costs**

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- ## Prioritization of waste management works

- A new prioritizing model (KUPPI) has been developed.
- It prioritizes the contaminated soils in their remediation order according to
 - Harmful substances
 - Exposure through soil, air and water
 - Diffusion
 - Social pressure
- If the site gets over 70 points from the model and it fulfills the before mentioned criteria it is considered as a potential waste management work

Oil Pollution Compensation Fund (OPCF)

- The funds of the **Oil Pollution Compensation Fund** can be used for cleaning up abandoned sites, which have been contaminated by oil.
 - ca 2 million/year
 - Based on the Law on OPCF
 - Oil protection fee (0,5 €/tn) collected from oil importing enterprises
 - Managed by the Ministry of the Environment
 - A board handles applications
- SOILI programme (since 1996)
 - an agreement between petroleum industry enterprises and public bodies on the remediation of polluted decommissioned service station sites (public and private part)

SOIL-programme

Public part (orphan sites):

- application period was closed 31.12.2005
- 1100 applications submitted
- Remedial action has been taken at 350 sites

Criteria:

- The gas station has been closed (some years ago)
- The real estate does not belong any more to the owner of the gas station
- The polluter is not known or can not be held liable or can not bear the costs according to the law
- The liability of the property owner is excessive

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- ## Some conclusions

- Funding mechanisms do exist in Finland
- But not enough money to do the job
- The money that we have is used rather eco-effectively
 - SOILI organization
 - Environmental centres
- Some of the criteria for waste management work are rather hard to fulfill
 - especially taking part in financing
- SFD??



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Thank You!

anna-maija.pajukallio@ymparisto.fi