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Application notice: Low-carbon Built Environment Programme. 2nd round

Application for EU recovery funding for the green transition of the built environment

VN/12192/2022

Background

The Low-carbon Built Environment aid scheme contributes to the implementation of the Finnish Sustainable Growth Programme, which is part of the EU's Recovery and Resilience Facility (RRF). RRF funding is intended to support economic recovery after a pandemic while at the same time stimulating the structural renewal of society and the green transition. The objective of the scheme is to mitigate and adapt to climate change and to find and implement low-carbon solutions in the built environment.

The aid scheme is implemented by the Ministry of the Environment and Business Finland through their own programmes. The programme supports the development of low-carbon solutions for the built environment with a total of EUR 40 million in 2021-2023. The Ministry of the Environment's share in the programme is EUR 6 million. The Ministry of the Environment will grant aid in several open application rounds during 2021-2023. Business Finland focuses on supporting export companies and the internationalisation of the sector.

The Ministry of the Environment may also grant aid to national actors for both economic and non-economic activities. Beneficiaries may be companies, associations, municipalities or other legal persons that have a business ID and have carried out their duties, such as taxes and fees, appropriately.

The Act on Discretionary Government Transfers (688/2001) will apply to the grant. The terms and conditions for the use of the financial aid are from the National Programme for Sustainable Growth, Regulation (EU) 2021/241 on the Recovery and Recovery Instrument, the terms of the Block Exemption Regulation (Commission Regulation 651/2014) and the Do No Significant Harm (DNSH) conditions of the EU recovery funding (2021/C 58/01).

A report on the application of the DNSH principle was published in Finnish at the beginning of 2022.

- **Ei merkittävää haittaa -periaatteen (DNSH) soveltaminen Suomen elpymis- ja palautumissuunnitelman hankkeissa (publications of the Finnish Environment Institute 3/2022)** [↗](#)

Amount of aid and application period

EUR 2 million can be allocated in the second aid application round in accordance with the budget for 2022 (subsection 35.20.06). Discretionary government grants cannot account for more than 40% of a project's eligible costs. Eligible costs may be incurred until the end of 2024, but payments and reporting can be carried out until 30 June 2025.

The application period begins on 9 May 2022 and ends on 10 June 2022 at 16:15. Applications received after the deadline will not be processed. An effort will be made to make all decisions before the end of September 2022.

A more low-carbon solution needed for construction, but adaptation is also important

Construction and buildings produce about one third of Finland's greenhouse gas emissions. In order for Finland to achieve its national and international climate targets, emissions from the construction sector must also be reduced. The objective of the Low-carbon Built Environment aim scheme is to accelerate the introduction of technologies, services and operating models that mitigate climate change and support a low-carbon approach in the construction sector, a change in approaches and an increase in productivity. The aim is also to promote adaptation to climate change.

The scope of application of the aid scheme comprises the built environment and construction, including planning, zoning, permit processes, construction, the design and manufacture of construction products, built heritage, building engineering, real estate management, real estate business and property management, links to infrastructure and energy efficiency, and service providers.

The projects that receive aid must be research, development and innovation projects that experiment and develop novel ideas. Projects may be related to, for example, energy efficiency, climate and environmental solutions, new energy solutions or a low-carbon built environment and related digital solutions. A programme may facilitate the acquisition of knowledge base and evaluation tools that support the development of the sector and the increasing of competence, for example through education. The aim is that the results of the projects can be utilised openly and that the programme also produces new partnerships and business opportunities.

Project proposals concerning low-carbon renovation building, infrastructure development and climate change adaptation are also welcome.

For more information on low-carbon construction, see the Ministry of the Environment website:

- [Low-carbon Built Environment Programme](#)

Impact and innovation valued in applications

Aid is discretionary. The assessment and comparison of applications will be based on an overall assessment taking into account grounds such as the following:

1. Feasibility: The project can be implemented as planned, within the schedule and with the resources available.
2. Impact, scalability: The project relates to a challenge that is central to the realisation of a low-carbon built environment. Good practices can be scaled for as many other actors as possible.
3. Availability, openness: The results of the project are also available and open to other actors.
4. Innovation, creativity: The project or a solution presented within the project is new and special or implemented in a novel way.

All projects selected for the programme must meet the selection and eligibility criteria in line with the 'Do No Significant Harm' (DNSH) principle. The project must support either the climate change mitigation or adaptation objective.

The significance of projects in terms of climate change mitigation and adaptation, mutual superiority and eligibility are assessed by the Ministry of the Environment. The Ministry of the Environment may, if it so wishes, request an external evaluation independent of projects, in which the confidential processing of applications is ensured.

Reporting on results and the use of the aid

The beneficiary undertakes to report on the project in connection with payments. Reporting is carried out by using the report guidelines prepared by the Ministry of the Environment. The projects communications will be conducted in compliance with the Ministry of the Environment's communication guidelines.

The Ministry of the Environment will report to the EU on the aid scheme, as required by the Commission Regulation on the EU recovery instrument. The EU Regulation's national implementation law will enter into force in 2022 and will determine the reporting obligations of the aid authority. If the implementation act requires that reporting obligations also be imposed on project actors, these will be specified in more detail in connection with the grant decision.

Apply for an experimental project no later than on 10 June 2022

1. [Read the aid scheme and its more detailed criteria \(pdf\)](#) PDF 265kB
2. Read the 'Do No Significant Harm' (DNSH) principles, appendix 2 below
3. [Check out the FAQ \(kirailmasto.fi\)](#)
4. [Fill in the application form online \(hakulomake.fi\)](#)

- [Appendix 1 Terms and restrictions concerning special discretionary government transfers granted by the Ministry of the Environment \(pdf\)](#) PDF 624kB
- [Appendix 2 Additional information on the DNSH requirement \(pdf\)](#) PDF 336kB
- [Appendix 3 Report template, interim report \(pdf\)](#) PDF 200kB
- [Appendix 4 Report template, final report \(pdf\)](#) PDF 294kB

More information

Projects funded from the first round of applications by the Ministry of the Environment under the Low-carbon Built Environment Programme [↗](#)

The aid scheme in general:

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