

Conclusions of the National Audit Office

Consideration of the health and cost impacts of fine particles in the preparation of strategies

Fine particles in outdoor air are the most harmful environmental exposure agent in terms of health impacts. The European Environment Agency has estimated that fine particles cause the premature death of about 2,050 people in Finland. The economic losses caused by the health impacts of fine particles in Finland amount to billions of euros each year.

The audit was based on a premise that strategies are a steering instrument and an important tool in the allocation of resources in central government. The general principle governing the preparation of strategies is that different options should be presented and assessed so that the strategy option that provides the most feasible solution in terms of resources and operating environment can be selected. The preliminary assessment of the impacts of broadly based cross-administrative strategies should be particularly well-planned.

The purpose of the audit was to assess whether the emissions of fine particles and the costs arising from their health impacts have been considered in the preparation of the five strategies that are relevant to the emissions. Audit findings are presented in Table 1.

Table 1: Summary of the audit findings.

AUDIT QUESTIONS	Energy and climate strategy	Natural resources strategy	Environmental strategy for transport	Bioeconomy strategy	Social and health policy strategy
Have the impacts of the strategy been assessed?	Yes	Yes	No	No	No
Has the impact assessment been documented?	Yes	Yes	No	No	No
Have the health impacts of the fine particles been considered in the preparations?	Yes	No	Yes	No	No
Have the costs arising from health impacts of fine particles been assessed in the preparations?	Yes	No	Yes	No	No
Have cost-benefit assessments of strategy options been conducted as part of the preparatory work?	No	No	No	No	No

Most strategies lacked preliminary impact assessments or the assessments were of fairly general nature. There was little examination of the health impacts of fine particles. Moreover, the strategies did not contain any assessments of the costs arising from the health impacts of fine particles. Furthermore, no strategy options were formulated or assessed as part of the preparatory work and no cost-benefit comparisons of the options were produced.

During the audit, ministries gave various reasons for the absence of impact assessments. One reason was the interpretation of the application of the Act on the Assessment of the Effects of Certain Plans and Programmes on the Environment (200/2005). The view was that only statutory programmes and plans come under the scope of the act and that the act does not apply to voluntary strategies prepared in administrative branches.

Even in cases where no formal statutory environmental assessment or environmental report is required, an authority must, under section 3 of the act, examine the environmental impacts if the implementation may have significant environmental impacts. From the perspective of transparency, this means that the impacts must be documented in some manner.

The ministries' view was that assessing the health and cost impacts of fine particles was impossible during strategy preparation if the strategy did not contain any concrete implementation plans. Inadequate statistics and indicators were also given as reasons. The Ministry of the Environment has, however, prepared support material for the environmental impact assessment of plans and programmes. The purpose of the material, which is intended for the use of the authorities, is to facilitate the practical implementation of the impact assessment of plans and programmes.

Strategy options should be drafted as part of the preparatory work and the preliminary impact assessments should also contain information about the costs and benefits of the strategies. This allows comprehensive comparison between strategy options and a transparent selection process. The fact that no strategy options were presented for comparison demonstrated how little consideration was given to cost-benefit factors in the preparation of the audited strategies. Moreover, in many cases only the potential benefits of the strategies were highlighted, while no consideration was given to harmful health impacts.

Recommendations of the National Audit Office

The National Audit Office recommends that

1. the audited ministries should, under the auspices of the Ministry of Employment and the Economy, prepare an overall cost assessment of the health impacts generated by fine particles in Finland
2. when ministries prepare or update climate, energy, natural resources, transport and health strategies, they should give systematic consideration to the health impacts of fine particles and the costs arising from them
3. the expertise of the ministries in the field of preliminary assessment of environmental and health impacts should be systematically developed under the auspices of the Ministry of the Environment.