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# Finland's National Reform Programme 2022

Economic Prospects

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# Finland's National Reform Programme 2022

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## Finland's National Reform Programme 2022

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### Abstract

According to the EU's growth strategy, the four dimensions of competitive sustainability – environmental sustainability, productivity, fairness, and macroeconomic stability – are the guiding principles of its recovery and economic policy. These dimensions guide the reform and investment programmes of Member States and form part of the objectives of the Recovery and Resilience Facility.

Finland's Recovery and Resilience Plan sets national objectives to support sustainable growth. The measures laid out in the plan will promote the green and digital transitions, promote the development of employment and skills, and improve the availability of health and social services.

The Council of the European Union adopts recommendations for Member States aimed at guiding national decision-making to ensure this supports growth and employment. The recommendations adopted for Finland in 2019 and 2020 relate to the sustainability of general government finances, health and social services, the labour market, investments in research, innovation and the low carbon economy, household indebtedness, and the prevention of money laundering.

The National Reform Programme now published by the Government describes the Government's measures to achieve Finland's national goals and respond to the EU's recommendations. The National Reform Programme will be used in the twice-yearly reports on the implementation of the Recovery and Resilience Facility and will describe progress on reaching the UN Sustainable Development Goals. The information in the programme will enable a detailed review of Finland's situation at the EU level.

**Keywords** economic outlook, EU, economic policy, employment, climate, research and development, education

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## Suomen kansallinen uudistusohjelma 2022

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### Tiivistelmä

EU:n elpymisen ja talouspolitiikan suunnan määrittävät sen kasvustrategian mukaisesti kilpailukykyisen kestävyuden neljä ulottuvuutta: ympäristön kestävyys, tuottavuus, oikeudenmukaisuus ja makrotalouden vakaus. Ne ohjaavat jäsenvaltioiden uudistus- ja investointiohjelmia ja ovat osa elpymis- ja palautumistukivälineen tavoitteita.

Suomen elpymis- ja palautumissuunnitelmassa on asetettu kansallisia tavoitteita kestävä kasvun tukemiseksi. Suunnitelman toimet edistävät vihreää ja digitaalista siirtymää sekä työllisyysasteen ja osaamistason kehittämistä ja vahvistavat sosiaali- ja terveydenhuollon palvelujen saatavuutta.

Euroopan unionin neuvosto hyväksyy jäsenvaltioille suosituksia, joilla pyritään ohjaamaan kansallista päätöksentekoa kasvua ja työllisyyttä tukevaksi. Suomelle vuosina 2019 ja 2020 annetut suositukset liittyvät julkisen talouden kestävyteen, sosiaali- ja terveyspalveluihin, työmarkkinoihin, tutkimuksen, innovoinnin ja vähähiilisen talouden investointeihin, kotitalouksien velkaantumiseen ja rahanpesun torjuntaan.

Hallituksen nyt antamassa kansallisessa uudistusohjelmassa kuvataan hallituksen toimia kansallisten tavoitteiden saavuttamiseksi ja EU:n antamiin suosituksiin vastaamiseksi. Kansallista uudistusohjelmaa käytetään elpymis- ja palautumistukivälineen toimeenpanon puolivuotisraportoinnissa ja siinä kuvataan YK:n kestävä kehityksen tavoitteiden saavuttamista. Ohjelman tiedot mahdollistavat Suomen tilanteen yksityiskohtaisen tarkastelun EU:n tasolla.

**Asiasanat** talousnäkömät, EU, talouspolitiikka, työllisyys, ilmasto, tutkimus- ja kehittämistoiminta, koulutus

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## Finlands nationella reformprogram 2022

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### Referat

I enlighet med Europeiska kommissionens strategi bestäms riktlinjerna för EU:s återhämtning och ekonomiska politik av de fyra principerna för konkurrenskraftig hållbarhet: miljömässig hållbarhet, produktivitet, rättvisa och makroekonomisk stabilitet. Dessa principer styr medlemsstaternas reform- och investeringsprogram och är en del av målen i faciliteten för återhämtning och resiliens.

I Finlands återhämtnings- och resiliensplan har det ställts upp nationella mål för att stödja hållbar tillväxt. Åtgärderna i planen främjar den gröna och digitala omställningen samt utvecklingen av sysselsättningsgraden och kompetensnivån och stärker tillgången till social- och hälsovårdstjänster.

Europeiska unionens råd antar rekommendationer för medlemsländerna i syfte att styra det nationella beslutsfattandet i en riktning som främjar tillväxt och sysselsättning. Rekommendationerna för Finland 2019 och 2020 gäller hållbarhet i den offentliga ekonomin, social- och hälsovårdstjänster, arbetsmarknad, forskning, innovation och koldioxidsnål ekonomi, hushållens skuldsättning och bekämpning av penningtvätt.

I regeringens nationella reformprogram beskrivs regeringens åtgärder för att uppnå de nationella målen och möta EU:s rekommendationer. Det nationella reformprogrammet används vid halvårsrapporteringen om genomförandet av faciliteten för återhämtning och resiliens, och i programmet beskrivs hur FN:s mål för hållbar utveckling har uppnåtts. Programmets uppgifter gör det möjligt att göra en detaljerad granskning av Finland på EU-nivå.

**Nyckelord** ekonomiska utsikter, EU, ekonomisk politik, sysselsättning, klimat, forskning och utveckling, utbildning

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# 1 Introduction

The coronavirus pandemic and the measures taken to prevent its spread brought the global economy to a standstill in 2020. Despite the persistence of the pandemic in 2021, the Finnish economy was recovering at a good pace from the negative economic impact of the crisis. GDP volume had reached its pre-crisis level by mid-2021. Russia's invasion of Ukraine in February 2022, however, has cast a dark shadow over the global economy, and the uncertainty caused by the war is undermining confidence in the economy. According to the independent forecast of the Economics Department of the Ministry of Finance, Finland's economy is expected to grow by 1.5% this year. At the moment, the risks to economic development are significant.

The Government's objective of achieving an employment rate of 75% under normal international and reflected domestic economic conditions has been supported by the economic growth that began again in 2021 and has sustained the demand for labour. However, the economic slowdown will temporarily cause a decline in employment in the first half of 2022, but it is still possible to achieve employment growth again in the course of this year. The employment rate is estimated to be 73.6% in 2023.

In the long term, economic growth is impacted by structural factors. In Finland, the growth potential of the economy is weakened by the continued decline in the working-age population and structural unemployment. The decline in average working time has also continued, which explains the weak growth potential of long-term labour input. In addition, the investment rate has developed poorly, undermining the capital stock and the growth potential of the economy. The investment and reform packages set out in the Sustainable Growth Programme for Finland<sup>1</sup> and other reforms set out in the National Reform Programme aim to promote structural change so that, in accordance with the objectives of the Government Programme, growth that is ecologically, socially and economically sustainable will be generated in the future.

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The effects of the war in Ukraine are also spreading to Finland's public finances due to the deteriorating economic situation. The situation of public finances will be discussed in more detail in the Finnish Stability Programme to be published at the same time as the National Reform Programme.

Finland's National Reform Programme focuses on reporting on progress in implementing the country-specific recommendations (CSR) for 2019 and 2020. The reform programme was prepared in accordance with the guidance received from the European Commission in December 2021, and it also addresses the actions set out in the Sustainable Growth Programme for Finland. In addition, the reform programme reports on the policy mix of the EU funds, the achievement of the United Nations Sustainable Development Goals (UN SDGs) and the implementation of the European Pillar of Social Rights.

In its spending limits discussion on 5 April 2022, Prime Minister Marin's Government outlined measures that will build sustainable growth, strengthen security and create prospects for the future. In order to strengthen future growth, the Government will, among other things, increase the total amount of the 2023 state R&D contributions by EUR 350 million compared to the previous framework and introduce an R&D tax incentive based on an additional reduction as part of the overall R&D funding. The General Government Fiscal Plan also provides for additional R&D expenditure in the coming years to increase R&D expenditure towards 4% of GDP in line with parliamentary policy, taking into account both public and private funding. The Government has also decided to strengthen energy self-sufficiency and accelerate green transition investments by, for example, preparing a fixed-term priority for the investments in permit processes. The aim is to move quickly away from foreign fossil energy and accelerate the green transition. In addition, the Government has earmarked appropriations for promoting employment. This year, an additional index increase will be made to social security benefits to compensate for the increase in the cost of living. The Government has also outlined investments to be made to improve Finland's security, such as a significant increase in the appropriations of the Finnish Defence Forces.

In June 2021, the Finnish Parliament approved an extensive health and social services reform. The reform is needed to reduce health and welfare disparities, ensure better and more equal access to the services, enhance cost-efficiency of the services and control costs. Chapter 3.1 of the National Reform Programme discusses the measures included in the Finnish Recovery and Resilience Plan and other measures to improve the cost-effectiveness, resilience and equal accessibility of health and social services.

With regard to the labour market, Prime Minister Marin's Government has initiated and promoted reforms (Chapter 3.2). The measures contained in the Recovery and Resilience Plan aim to support employment and strengthen the functioning of labour markets. The plan also promotes the development of skills, for example by streamlining procedures for work-based and study-based immigration and by reforming the continuous learning system. The plan includes the improvement of integrated services for the unemployed and the inactive. In addition to the measures of the Recovery and Resilience Plan, a social security reform is being prepared. The aim is to create a system that is more clearly structured, functions better than the existing one and allows citizens to better combine work and social security. In addition, the establishment of an Incomes Register has been completed.

As part of the overall economic policy package, efforts are being made to create a sound basis for long-term research and development (R&D) investments and for a transition to a low-carbon economy and sustainable transport, as well as to frontload ready public investment projects and promote private investment to foster economic recovery (Chapter 3.3). The Finnish Recovery and Resilience Plan includes measures to compensate for the lagging behind of research and innovation over the last decade following the country's ICT sector setback. In addition, a number of measures in the plan will contribute to the implementation of the CSRs on investment in the green transition. Several investment measures support the production and distribution of clean and renewable energy. Increased investment in sustainable transport and sustainable and efficient infrastructure will be pursued. The plan is expected to promote not only Finland's digital transformation, but also sustainable and efficient infrastructure.

The Government has introduced macro-prudential measures to restrict lending by banks and to prevent households from accumulating excessive debts (see Chapter 3.4). A legislative proposal for new macro-prudential tools was sent for consultation in January 2022. A positive credit register has been identified as an important way of preventing households from accumulating excessive debts. A Government proposal concerning the register was submitted to Parliament in February 2022. In addition, the Finnish Recovery and Resilience Plan includes the establishment of a centralised register of housing company loans as part of the credit register measures.

The new national risk assessment of money laundering and terrorist financing completed in March 2021 will be updated starting 2022 (Chapter 3.5). The risk assessment was accompanied by a national action plan for the risk assessment of money laundering and terrorist financing, which sets out measures to be implemented between 2021 and 2023. A significant number of measures are already under way. Measures contained in the Recovery and Resilience Plan (P2C3) are also expected to contribute to ensuring the effective monitoring and implementation of the anti-money laundering framework.

Finland has made progress in implementing the UN SDGs and is at the forefront of the implementation of the 2030 Agenda goals (Chapter 4). Finland has achieved or is in the process of achieving the goals of the 2030 Agenda relating to poverty reduction, health, education, water and energy, infrastructure and innovation, reducing inequalities and sustainable cities. Finland's biggest challenges relate to climate change, consumption and production patterns, natural diversity and the level of development cooperation funding, among other things. Finland has also made progress in the implementation of the European Pillar of Social Rights, and measures to promote its implementation are also included in the Recovery and Resilience Plan.

The Finnish National Reform Programme has been approved by Prime Minister Marin's Government.

## 2 Macroeconomic situation

### 2.1 Macroeconomic outlook during the programming period

Russia's invasion of Ukraine has cast a dark shadow over the global economy. The uncertainty surrounding the war is undermining confidence and accelerating inflation, with the energy sector in turmoil. In response to Russia's invasion of Ukraine, the EU, the USA and other Western countries have imposed economic sanctions on Russia. As a result of the sanctions imposed, Finland's foreign trade with Russia will virtually cease, which will cut economic growth in Finland most through exports and industrial production. As a result of rising world market and consumer prices, GDP growth will slow down as household purchasing power weakens and private consumption growth slows down. Increased uncertainty will postpone investments.

According to Statistics Finland's preliminary data, Finland's economy grew by 3.5% in 2021. The economy was recovering at a good pace from the negative economic impact of the COVID-19 crisis. GDP volume had already reached its pre-crisis level in mid-2021. Producer and consumer prices, which increased towards the end of 2021, slowed down economic growth. In 2021, the number of employed persons increased by 60,000 persons and the total number of employed persons exceeded the previous peak of 2019. The employment rate rose to 72.2%, the highest in over 13 years.

In 2022, GDP growth will slow down to 1.5%. As a result of the sanctions, market and consumer prices of energy, oil and gas, as well as electricity, have risen. Inflation had risen to almost 5% even before the Russian invasion, and price increases are expected to continue. The rapid rise in prices will reduce the purchasing power and savings rate of households, which will weaken the growth of private consumption. The consumption of services will increase as the COVID-19 epidemic subsides, which will support the growth of private consumption.

GDP will grow by 1.7% in 2023. Although the Russian export market will not return, it is expected that exports will gradually return when companies are able to find substitutes for their products. Private consumption growth will slow down as employment growth lags, and real disposable income growth will remain subdued next year. Uncertainty will postpone industrial investments from 2022. Investments in machinery and equipment will be relatively high in 2023, and other investments, including in research and development,

will increase. RDI investment will be supported over the forecast period, including through the Recovery and Resilience Facility (RRF).

The economic slowdown will temporarily cause a decline in employment in the first half of 2022. It is still possible to achieve employment growth again in the course of this year, in which case the employment rate would rise to 73%, partly as a result of the decline in the number of working-age people. The economic recovery will increase the number of employed people in the coming years, particularly in the services sector. Employment is projected to grow by just under one per cent in 2023, and the employment rate will be 73.6%.

Unemployment started to decline in early 2022, and the unemployment rate will fall to 7.2% as a result of the decline in the early part of the year. In particular, the recovery in the services sector will strengthen the fall in unemployment in the second half of this year, and the unemployment rate will fall below 7% in 2023.

The general government debt ratio contracted by around 3 percentage points to 65.8% of GDP last year. The effects of the war in Ukraine are also spreading to Finland's public finances due to the deteriorating economic situation.

The macroeconomic and fiscal situation and scenarios of Finland are described in more detail in the 2023–2026 General Government Fiscal Plan to be published at the same time as this document and in the Finnish Stability Programme.

## 2.2 Macroeconomic impact of structural reforms

The Sustainable Growth Programme for Finland describes the economic impact of the Recovery and Resilience Plan as a whole. In cumulative terms, GDP growth is estimated to be 0.8% as a result of domestic activities financed under the RRF between 2021 and 2026. At the end of 2023, GDP levels would be 0.2% higher than without the RRF. According to estimates, GDP would grow by just under 0.1% faster in 2021 than without the RRF, and by just under 0.2% faster in 2022. The Sustainable Growth Programme describes a temporary slight acceleration in potential output growth as investment increases and total productivity improves. GDP would be around 0.3% higher in 2026 than without the impact of the RRF. In the long term, the RRF could raise GDP levels by between 0.0% and 0.8%. In addition to structural reforms, public investment is expected to strengthen long-term growth through capital stock and productivity growth.

Many of the structural reforms of the government term have been aimed at increasing labour supply. The impact on employment of measures to increase labour supply depends

to a large extent on how sensitively people react to the economic incentives. It is therefore difficult to make accurate estimates of the impact of the measures on employment or economic growth. Evaluations have been carried out, for example, on the employment impact of the Nordic labour market service model. The Nordic model is estimated to increase employment by around 10,000 people. The most significant part of the impact arises from the impact of job-seeking discussions arranged every two weeks at the beginning of the job search. In addition, the job-seeking obligation associated with the model, together with tighter job-seeking controls, is expected to increase employment. The overall estimate is formed by totalling together the employment effects of the sub-entities. In addition, according to an estimate by the Ministry of Finance, the abolition of additional days of unemployment benefit will lead to the employment of about 7,900 people.

## 3 Implementation of country-specific recommendations and policy priorities

### 3.1 Long-term sustainability of general government finances

**CSR 1 (2019):** Ensure that the nominal growth rate of net primary government expenditure does not exceed 1.9% in 2020, corresponding to an annual structural adjustment of 0.5% of GDP. Improve the cost-efficiency and equal accessibility of health and social services.

**CSR 1 (2020):** Take all necessary measures, in line with the general escape clause of the Stability and Growth Pact, to effectively address the COVID-19 pandemic, sustain the economy and support the incipient recovery; When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment; Address shortages of health workers to strengthen the resilience of the healthcare system and improve access to health and social services.

Progress towards the medium-term budgetary objective for Finland is reflected in the Finnish Stability Programme.

#### 3.1.1 Measures of the Recovery and Resilience Plan

The Finnish Recovery and Resilience Plan includes measures to improve the cost-effectiveness of health and social services (CSR 1.2 2019). Component P4C1 of pillar 4 (health and social services) of the plan aims to improve cost-effectiveness through investments, which, inter alia, improve the data and evidence base for decision-making, and through digital and telephone services. Management solutions include the development and implementation of advanced data management and analysis solutions. They are expected to enable better control and national monitoring of service packages and to improve the cost-effectiveness of the service system.

The Finnish Recovery and Resilience Plan includes measures to improve the resilience and equal accessibility of health and social services (CSR 1.2 2019 and CSR 1.2 and 1.3 2020). The elements announced in the plan complement the health and social services reform, which was adopted by the Finnish Parliament on 23 June 2021. The plan includes a milestone on health and social services reform legislation (P4C1R1), which has been completed, and the wellbeing services counties identified in the reform started operations on 1 July 2021. Some of the provisions of the reform entered into force when the county councils became operational on 1 March 2022. The responsibility for organising social welfare, healthcare and rescue services will be transferred to the wellbeing services counties on 1 January 2023. In particular, the measures related to access to care are expected to improve equal access to health and social services by changing patterns, providing new (digital) solutions, ensuring early identification of problems and developing low-threshold health and social services. The plan aims to remedy the shortage of health workers to some extent through the digitalisation of health services. According to the plan, the planned increase in university places in sectors suffering from labour shortages under pillar 3 (employment and skills) would also reduce labour shortages in the medium term. If implemented successfully and in complementarity with existing national measures, the plan measures are expected to contribute to improving equal access to health and social services and to alleviating labour shortages in healthcare.

### 3.1.2 Other measures taken

#### Structural reform of health and social services

The main objective of the structural reform of health and social services is to reduce health and welfare disparities, ensure that all Finns have equal access to high-quality health and social services, enhance the availability of the services, safeguard the supply of skilled workers, respond to the challenges arising from changes in society and control cost increases.

Legislation establishing the wellbeing services counties responsible for healthcare, social welfare and rescue services was adopted by Parliament in June 2021. From the beginning of 2023, responsibility for organising healthcare, social welfare and rescue services will be transferred from municipalities and joint municipal authorities to 21 wellbeing services counties. The exception is the City of Helsinki, which will retain responsibility for organising healthcare, social welfare and rescue services. In addition, the HUS Group has a separately regulated organisational responsibility for tasks related to specialised medical care in its own area. Cooperation and implementation guidance between ministries and counties are implemented through networks and preparatory groups supporting implementation.



The regional development of current actors responsible for organising health and social services is being supported by government grants in 2020–2022. The government grants are being used for accepting organisational responsibility in all wellbeing services counties and for developing and harmonising the task of organising health and social services. One of the priorities of the health and social services reform is the development of basic services, which are being implemented in the Future Health and Social Services Centres programme. The programme aims to reform the operating methods of health and social services, improve access to services and develop client-oriented service packages. The programme and its objectives are linked to the national and regional preparations for the structural reform of health and social services.

The national programme will improve the availability and adequacy of healthcare and social services staff. In the autumn of 2021, the Government, led by the Ministry of Social Affairs and Health, launched a strategic programme aimed at finding sustainable solutions to provide the skilled workforce needed for health and social services in the short, medium and long term, taking into account regional differences. The programme involves close cooperation with the central ministries (Ministry of Social Affairs and Health, Ministry of Education and Culture, Ministry of Economic Affairs and Employment and the Ministry of Finance) and their administrative branches, coordinating and directing new and existing projects so that they are managed as a whole. The strategic priorities for the preparation phase of the programme are situational awareness and forecasting, competence management, work attractiveness and retention, changes in the task structure and division of labour, work-based immigration, the new skills needs of the service system in the education system, and the effectiveness and digitalisation of services and service structure. The intersectoral working group set up for the purpose of programming is responsible for preparing the strategic roadmap for the programme, maintaining the compiled knowledge base, analysis and forecasts, and contributing effectively to the objectives of the programme in accordance with the decisions of the ministerial working group. This is a permanent task of the Ministry of Social Affairs and Health. The priorities and targeting of the measures will be decided by the ministerial working group in a manner to be confirmed each government term.

At the same time as the preparation of the service structure reform of health and social services, a partial reform of the legislation on client charges in healthcare and social welfare was carried out. The Act on Client Charges in Healthcare and Social Welfare was adopted in December 2020. In accordance with the Government Programme, the Act was reformed, for example, by extending the free provision of services and moderation of charges. The amendments promote health equality and access to care in line with the health and social services reform. The amendments mainly entered into force in July 2021. Changes to the payment cap entered into force at the beginning of 2022.

## 3.2 Labour market

**CSR 2 (2019):** Improve incentives to accept work and enhance skills and active inclusion, notably through well-integrated services for the unemployed and the inactive.

**CSR 2 (2020):** Strengthen measures to support employment and strengthen active labour market policies.

### 3.2.1 3.2.1 Measures of the Recovery and Resilience Plan

All measures under component P3C1 of pillar 3 (employment and skills) aim to support employment and strengthen the functioning of labour markets (CSR 2.1 2019 and CSR 2.1 2020). The main objective of this component is to increase the employment rate and strengthen the functioning of the labour market. To achieve this goal, the component includes structural reforms and investments, such as the Nordic labour market service model, digitalisation of public employment services, abolition of unemployment benefits for older workers before the statutory retirement age, facilitation of work-based and study-based immigration, as well as the promotion of the integration of young people and people with partial work ability into the labour market. The Nordic labour market service model and the phasing out of additional days of unemployment benefit include activation factors and incentives to accept work. However, the Recovery and Resilience Plan does not include measures to support the ongoing social security reform, mainly because it is a long-term reform that will take two government terms to complete, and key policy decisions on the direction of the reform are not expected before 2023. At the same time, the setting up of the Incomes Register, important for addressing bureaucratic traps in combining work income and social benefits, has been completed.

The plan components P3C1 and P3C2 promote the development of skills, for example by streamlining procedures for work-based and study-based immigration and by reforming the continuous learning system (CSR 2.2 2019). Component P3C1 includes measures to streamline the administrative procedures for processing residence permit applications based on work and study in order to attract international talent. The reform is expected to increase the immigration of skilled workers and to improve the opportunities for international degree students to find employment in Finland. Consequently, the reform will contribute to addressing labour shortages in specific sectors, notably by enabling recruitment of experts, students and researchers in leading and growth sectors. The measures of P3C2 are expected to contribute to the ongoing continuous learning reform to enhance skills needed in the labour market, especially in the context of the green transition and digital transformation, including for those in the under-represented groups

with low skills. The Government decided to establish a Service Centre for Continuous Learning and Employment to promote the competence development of the working-age population and the availability of skilled labour. The Act on the Service Centre for Continuous Learning and Employment (682/2021) was approved by Parliament in June 2021 and entered into force on 1 September 2021. The plan also includes the increase of at least 600 new places in universities and universities of applied sciences in sectors affected by labour shortages (such as engineering, IT, health and social services), which will contribute to the employment of skilled workers in the long-term.

A substantial part of component P3C1 is focused on improving integrated services for the unemployed and the inactive as well as on bolstering active labour market policies (CSR 2.3 2019 and CSR 2.2 2020). This is particularly the case for the Nordic labour market service model, the one-stop-shop Ohjaamo youth services and the planned work ability-related services: a new intermediate labour market operator (Työkanava Oy), an expanded work ability programme and an expanded individual placement and support model for people suffering from mental health disorders as well as mental health services for individuals and workplaces.

## Supporting unemployed persons with partial work ability

### Measures of the work ability programme

As outlined in the Government Programme, the work ability programme will be jointly implemented by the Ministry of Economic Affairs and Employment and the Ministry of Social Affairs and Health.

Basic services will be strengthened as part of the health and social services reform, and they will also include services supporting the work ability and employment of the unemployed. The purpose of the work ability programme is to make the services a permanent part of the service system so as to support the work ability of the unemployed and enable them to make better progress on their employment paths. Supported employment job coaching based on quality criteria helps jobseekers to move to open labour markets. This requires integrated services provided by a broad range of different sectors. The key is to ensure equal services to support work ability for all working-age people.

In addition to the services of the Employment and Economic Development Office (TE Office), unemployed persons with partial work ability often need services to support work ability, which consist of the health, social and rehabilitation services of the administrative branch of the Ministry of Social Affairs and Health. The measures of the sector of the Ministry of Social Affairs and Health strengthen the preconditions for the employment of unemployed persons with partial work ability.

The aim of the work ability programme implemented by the administrative branch of the Ministry of Social Affairs and Health is to 1) provide unemployed individuals with partial work ability with better prerequisites for employment and to enhance their work ability, functional capacity, and social inclusion; 2) create a multisectoral service structure that identifies what kind of support unemployed persons with partial work ability need for their work ability and that provides client-oriented services and service paths; 3) develop the competence of professionals so that they are familiar with the structure of the work ability support services and are able to use the structure for the benefit of their clients; and 4) produce information to combine the services and benefits for unemployed individuals with partial work ability and to develop legislation.

In 2020, the Ministry of Social Affairs and Health awarded EUR 17 million in government grants to municipalities and joint municipal authorities to support the development of services for the work ability and employment of persons with partial work ability. Twenty-two regional projects received grants. In 2021–2022, the government grant projects have implemented the measures of the work ability programme. In order to strengthen the competence of professionals, work ability support training has been implemented and will be made available free of charge in autumn 2022. In addition, eight universities of applied sciences have started training work ability coordinators and are piloting a training programme for trainers of work ability coordinators. The evaluation and monitoring study will be carried out according to plan.

The IPS – Invest and Coach! development project will implement a substantive and functional reform of working life rehabilitation services of the National Mental Health Strategy in 2020–2022. In the regional experiments of the development project, IPS job coaching for supported employment based on research evidence and quality criteria will be introduced as a service integrated into psychiatric care and rehabilitation. The aim of the IPS development project is to 1) promote the employment of people with mental health problems, 2) increase the wellbeing and social inclusion of people with mental health problems, 3) strengthen the skills of professionals and 4) support the wider adoption of the IPS operating model in Finland. The Ministry of Social Affairs and Health is funding five regional IPS experiments.

In 2022–2024, EU RRF support will be used to implement under pillar 3 a multisectoral service package for the support of work ability and the financing of its investments, which includes the work ability programme and extensions of the IPS Invest and Coach operating model. State grant applications will open in autumn 2022. The aim of the expansion is to improve the employment rate in Finland by supporting the pathways to work, the ability to work and the continued employment of persons with partial work ability, and to ensure the national access to and quality of services to support the ability to work.

### Työkanava Oy

A new state-owned special-purpose company, Työkanava Oy ('Job Channel Ltd'), is being established to promote the employment of persons with partial work ability. The company's mission is to sell the labour input of its employees, who have partial work ability, to companies and communities. The special-purpose company is to employ the most difficult-to-employ unemployed persons and persons with partial work ability who want to work. Combining public services and services that the company offers as their employer will improve the skills and labour market capacity of the employees, enabling many to progress in their careers and move to open labour markets. The company's mission is to sell its customers service packages which are produced by its employees with partial work ability. The customers would be companies, organisations, public bodies and households that need labour. The Ministry of Economic Affairs and Employment will be responsible for the company's corporate governance. The act on Työkanava Oy was approved at the beginning of April 2022. The new company is expected to start up in 2022. The operations of Työkanava Oy will be financed by allocating EUR 20 million of core capital from the Sustainable Growth Programme for Finland (EU RRF) in the state budget. In addition, the company would be allocated an annual budget of EUR 10 million, which is aimed at employing 1,000 people.

### **Reforming unemployment security and services for the unemployed – Nordic labour market service model**

The Government has prepared the reform of unemployment security and services for the unemployed as part of the Nordic labour market service model. The aim is to shorten periods of unemployment and encourage job search. At the same time, unemployment benefit sanctions have been reformed to establish a more reasonable balance of rights and obligations of the unemployed. Starting from May 2022, a personal job search obligation and services supporting job search and employment will be set out in the personal employment plan to be prepared with the unemployed person. The reform emphasises the personal service of job seekers at the TE Office and in the municipalities participating in the municipal experiments to promote employment. To this end, the resources of TE Offices and municipalities have been significantly increased. The employment effect targeted by the changes is approximately 9,500 employed persons. It is estimated that the target will be fully achieved from 2025 onwards.

### **Right to additional days of unemployment security**

In the context of reform P3C1R2 of the Recovery and Resilience Plan, ageing unemployed persons are eligible for unemployment allowance until the age of 65 on certain conditions, notwithstanding the maximum payment period. This arrangement is called additional days of unemployment security.

On 17 December 2020, the Government decided on measures to promote the employment and wellbeing at work of persons age 55 and older. These measures include a decision to phase out the right to additional days. The draft proposal prepared by the Ministry of Social Affairs and Health and the Ministry of Economic Affairs and Employment was sent for a consultation round from 19 November 2021 to 5 January 2022.

The phasing out of the additional days is intended to promote employment among older people. Studies have shown that the additional days have a negative effect on employment. In situations where their employment still ends, re-employment will be supported by change security for those age 55 and older. The aim of the package is to increase employment by around 8,300 people by the end of 2029, including 7,900 people employed due to the abolition of additional days. In addition, the number of people municipalities are obliged to employ would increase by an estimated 1,000 people. The Government decision package also includes other decisions promoting the employment of persons age 55 and older, which will be prepared separately.

### 3.2.2 Other measures taken

#### Employment and entrepreneurship policy

Employment and entrepreneurship policy supports the development of workforce skills, business growth and start-ups, and combats unemployment and labour market mismatches. Employment and entrepreneurship policy measures have been targeted at responding to the coronavirus pandemic, matching labour demand and supply, promoting entrepreneurship, and reducing youth and long-term unemployment. In the exceptional changed circumstances of the operating environment, rapid support measures and significant additional resources for employment management have likely mitigated the impact of the pandemic on employment.

One of the central employment reforms of the Government, the Nordic labour market service model, is scheduled to be introduced in May 2022. In the new labour market service model, jobseekers seek employment independently and receive individual support for their job search more closely and at an earlier stage. In order to maintain the right to unemployment benefit, jobseekers must apply for a certain number of job opportunities. The first accidental or negligent lapse will result in a reminder (see above).

In March 2021, municipal experiments to promote employment started in a total of 25 regions and 118 municipalities. The municipalities participating in the experiments are partly responsible for providing employment and economic development services (TE services) in their area. The aim of the employment experiments is to enhance effectiveness

by combining central and local government resources, competence and services. At the mid-term policy review in April 2021, the Government decided to continue preparations for the transfer of TE services to municipalities. The services will be transferred to municipalities in full in 2024. In order to ensure a smooth transfer, a continuation of the municipal experiments will be provided until TE services are transferred to the municipalities.

The Service Centre for Continuous Learning and Employment (Jotpa) started operations in late 2021. The centre promotes the competence development of working-age people and the availability of skilled labour. The Act on the Service Centre for Continuous Learning and Employment entered into force on 1 September 2021. In accordance with the Act, the Service Centre for Continuous Learning and Employment coordinates and develops information, counselling and guidance services aimed at people of working age, analyses foresight information on labour and skills needs, supports regional networks and finances education and other skills services that complement education and training especially aimed at the employed and the inactive. Approximately EUR 1 million annually has been allocated for the centre's permanent operating expenditure. A total of EUR 115.5 million will be available for the funding of education and skills services and other expenditures of the service centre in 2021–2026. Of this, EUR 35.5 million will be funded by the EU RRF.

Other development projects related to employment services include the reform of pay subsidy, the launch of a recruitment support experiment, raising the employment rate of people over the age of 55 and the development of legislation on multisectoral services. The recruitment support experiment started in March 2022, and other activities are to start in 2023.

### **Reforming the Act on Social Assistance**

The Government proposal for the reform of the Act on Social Assistance is intended to be issued this spring. The aim of the reform is to improve the position of social welfare clients and vulnerable clients as applicants for income support and to improve their access to services. The amendments to the Act on Social Assistance that have been prepared are intended to enter into force in the beginning of 2023.

### **Social security reform**

A parliamentary committee was appointed to prepare the social security reform in March 2020 for a term lasting to 2027. The aim is to create a system that is more clearly structured and functions better than the existing one and that allows citizens to combine work and social security in changing life situations. The key is social justice and the safeguarding of livelihoods in the face of social risks. In the future, social security will support the balance

between an individual's rights and obligations in a manner that is compatible with achieving stronger public finances and a higher employment rate. Another objective of the social security reform is to reduce the need for long-term social assistance.

The Finnish Social Security Committee has identified four main problem areas and published in-depth problem reports. The main problems are the complexity of social security, reconciliation of paid employment and social security, last resort security, basic security and housing, and the reconciliation of services and benefits. On this basis, the Social Security Committee has issued 18 position statements to the reform of the current social security system, which will be worked on in 2022. Alternative ways of organising social security such as basic income, negative income tax, the combination of basic social security benefits and a basic account will be examined in the same context. The work of the parliamentary committee is supported by five subcommittees on employment and competence, work and functional ability, research and evaluation, housing and administration.

### Rehabilitation reform

Rehabilitation reform has continued in accordance with the Action Plan for Reforming Rehabilitation Services<sup>2</sup>. The plan includes measures related to raising employment, such as the early recognition of rehabilitation needs, the development of rehabilitation services and the coordination of services and benefits. Key results from the employment point of view are supporting the work and functional capacity of the unemployed and developing the rehabilitation path as part of the development of TE services. Rehabilitation is integrated into multidisciplinary cooperation. Rehabilitation services will be developed in the future health and social services centres.

As part of the Action Plan for Reforming Rehabilitation Services, rehabilitation legislation in the field of social insurance will be developed in a separate project in accordance with the Government Programme of Sanna Marin on the basis of the proposals of the Rehabilitation Reform Committee<sup>3</sup>. The Act amending chapter 8(5a) and chapter 12(6) of the Health Insurance Act entered into force at the beginning of 2022. The reform allows the need for rehabilitation to be identified more systematically during illness.

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2 Ministry of Social Affairs and Health (2020): <https://julkaisut.valtioneuvosto.fi/handle/10024/162622>

3 Ministry of Social Affairs and Health (2017): <https://julkaisut.valtioneuvosto.fi/handle/10024/160273>



### 3.3 Investments in research and innovation and the low-carbon economy

**CSR 3:** Focus investment-related economic policy on research and innovation, low-carbon economy and energy transition and sustainable transport, taking into account regional disparities.

**CSR 3 (2020):** Take measures to increase the liquidity of the real economy, in particular small and medium-sized enterprises; Frontload ready public investment projects and promote private investment to foster economic recovery; Focus investments on green transition and digital transformation, in particular clean and efficient energy production and use, sustainable and efficient infrastructure, and research and innovation

#### 3.3.1 Measures of the Recovery and Resilience Plan

##### Research and innovation

The measures linked to pillars 2 (digitalisation) and 3 (employment and skills) are part of Finland's set of measures to offset the gradual decline in research and innovation that was registered over the last decade after the setback of the country's IT sector and to address the recommendation to focus investment-related economic policy on research and innovation (CSR 3.1 2019 and CSR 3.6 2020).

In terms of innovation, the Finnish Recovery and Resilience Plan also aims to strengthen the private sector's involvement in research and industrial innovation. Overall, the measures envisaged in the Finnish Recovery and Resilience Plan are expected to have a positive impact on economic activity in a context of high uncertainty.

Under component P2C2, Finland will contribute to the digital transition by funding applied RDI activities and the infrastructure supporting them: testing and experimentation environments, related to microelectronics, 5G/6G technologies, artificial intelligence or quantum technology. Moreover, component P3C3 includes a package of investment measures to provide RDI funding to support the green transition, including by supporting public and private research organisations as well as leading and growth enterprises developing low-carbon climate change adaptation and coping activities.

Component P3C3 also contributes to RDI intensity; the aim is to raise the share of RDI expenditure in Finland from 2.9% (2019) to 4% of GDP by 2030 and to increase the ambition level of RDI activities, in line with the National Roadmap for Research,

Development and Innovation adopted in spring 2020. To this end, the component includes two investment packages aimed at promoting green transition and at investing in research and innovation infrastructure supporting sustainable growth and digitalisation.

During 2021, several projects focusing on research and innovation were funded under the plan and calls for applications for funding were launched. Funding or applications were targeted at leading companies, the development of hydrogen technology and microelectronics, the battery industry, the low-carbon construction environment, the green transition of growth companies, investments in recycling and reuse, the creative industries and health, wellbeing, expertise and technology.

In addition, plan-related funding was allocated in 2021 to research projects on the impact of environmental change on climate change, carbon dioxide conversion opportunities, energy efficiency and bio-materials. In addition, two projects focusing on the development of wind power were launched.

Component P3C4 of pillar 3 of the plan provides liquidity to the real economy, in particular to small and medium-sized enterprises, and promotes private investment to foster the economic recovery (CSR 3.1 and 3.3 2020). The planned support schemes in this component comprehensively support SME development, innovation and investments needed for green and digital transition in particular in clean and efficient production and use of energy, sustainable and efficient infrastructure, and research and innovation. The measures also partially address the frontloading of mature public investment projects (CSR 3.2 2020) and focusing investment on sustainable and efficient infrastructure.

### **Transition to low-carbon economy and energy**

The measures of pillar 1 (green transition) of the plan and a number of measures in pillars 2 and 3 contribute to the implementation of recommendations to invest in the green transition (CSR 3.2 and 3.3 2019 and CSR 4 3.4 and 3.5 2020). This includes the recommendations to focus investment-related policy on low-carbon economy and energy transition and on sustainable transport, as well as those on energy transition, in particular clean and efficient production and use of energy, and sustainable and efficient infrastructure.

Pillar 1 contains a number of reforms to support the green transition. Tax reforms will increase emissions control. The energy taxation reform, which entered into force at the beginning of 2021, promotes the electrification of industry and encourages low-carbon technologies, and will phase out energy tax subsidies for fuels in energy-intensive industries. In addition, the taxation of fossil heating fuels increased by EUR 2.7/MWh from the beginning of 2021.

The reforms of pillar 1 are accompanied by a reform of the Climate Change Act, which will enshrine the 2035 carbon neutrality target in Finnish law. The Government proposal for the new Act, which would set emission reduction targets for the coming decades, was presented in March 2022. Similarly, pillar 1 is linked to a reform of the Land Use and Building Act so that it takes greater account of the energy efficiency aspects of buildings. The Government proposal is due to be submitted to Parliament in early autumn 2022, and the act would enter into force on 1 January 2024.

Component P1C1 includes several investment measures to support the production and distribution of clean and renewable energy. This consists of investment in energy transmission and distribution to increase the capacity of the energy network and thereby support the growing share of renewable sources of energy in Finland's energy mix, as well as investments in new energy technologies. Component P1C2 focuses investment on the transition to a low-carbon economy by supporting the electrification and decarbonisation of industrial processes, including by investing in hydrogen to replace fossil fuels. The investments under P1C3 aim at reducing emissions from the building stock by introducing a support system for replacing fossil oil heating with low-carbon forms of heating as well as a low-carbon built environment programme. Component P1C3 includes an investment package for changes in the heating method of private, municipal and parish buildings aimed at eliminating oil heating, as well as investments/projects aiming at improving the energy performance of buildings. Component P1C5 features investments aimed at promoting nutrient recycling and improving the condition of water bodies and the Baltic Sea (gypsum treatment). The first applications for funding for investments related to the components opened in December 2021.

### **Sustainable transport**

Investment in sustainable transport and sustainable and efficient infrastructure is promoted through two tax reforms included in component P1C4, which encourage spending on sustainable transport by incentivising investments in electric and low-carbon vehicles, bicycles and commuter tickets through income tax subsidies for fringe benefits. The reforms entered into force in January 2021. Component P3C4 of pillar 3 also includes a measure to increase the share of alternative propulsion vehicles by granting aid for their acquisition. In addition, several large investment projects will be financed from the national budget and other EU funding sources, including the Connecting Europe Facility.

Component P2C1 of pillar 2 includes funding for the development and verification phase of the Digirail project aimed at introducing a new radio network-based railway access control system on the entire railway network in Finland by 2040. The system will be built according to the European interoperability requirements.

Other reforms include the roadmap for fossil-free transport, on which the Government adopted a resolution in May 2021. The objective of the roadmap is to halve all traffic emissions by 2030. The roadmap consists of three phases, the first of which covers the period 2022–2026 and includes several subsidies and incentives.

### Digitalisation and data economy

Pillars 2, 3 and 4 of the plan are expected to promote not only Finland's digital transformation, but also sustainable and efficient infrastructure (CSR 3.4 and 3.5 2020).

The focus of component P2C1 is on digital infrastructure, and the related investments will develop the quality and availability of communications networks and the digitalisation of rail transport services. Funding from the RRF will be used to increase the coverage and quality of broadband connections in rural areas. Component P2C2 includes reforms and investments to support data-driven innovation, the exchange of digital information and research in key technologies in order to increase Finland's competitiveness. Measures in component P2C3 aim to help create a comprehensive framework for addressing cybersecurity and information security issues, which is a prerequisite for a successful digital transition.

Pillar 3 of the plan includes measures to support employment and raise skills levels through the digitalisation of public services and information systems (components P3C1 and P3C2). These include the development of a digital information system for public employment services and the construction of a digital infrastructure using automation to support the migration of skilled workers and to accelerate the handling of work and residence permits. An extensive programme will aid the development of digital services and information resources to support continuous learning. The development of existing and new digital services is also expected to increase the innovation capacity of higher education and facilitate access to digital educational services.

On the business and innovation side (components P3C3 and P3C4), the plan will contribute to the renewal and development of national research infrastructures with an emphasis on the objectives of the green and digital transition. The plan also focuses on accelerating the growth of Finnish micro and small enterprises, including through the promotion of new digital solutions. In addition, component P4C1 aims to introduce digital innovations in the form of a service for access to care. The aim is to support the development of health and social services through digital solutions and to promote the implementation of access to care.

Medium to long-term recovery prospects for Finland will benefit from investments to increase productivity and innovation, while the weak productivity growth observed before

the crisis will also be addressed through investments in human capital. The plan focuses on investments to accelerate digital transformation, notably in sectors that will help the country increase competitiveness, for instance development environments for 6G, artificial intelligence and quantum computing. Measures supporting skills across different population groups (in particular in relation to green transition and digital transformation) and to increase the efficiency of public administration, including the public employment services systems and tools, are expected to promote productivity growth through investment in human capital.

### 3.3.2 Other measures taken

#### Science and innovation policy

The key objectives of science and innovation policy are to enhance the quality and effectiveness of R&D activities, create globally successful innovations, diversify the business structure, enhance the attractiveness of the Finnish RDI environment and encourage companies to increase their RDI investments in Finland. The aim is to increase R&D investment to 4% of GDP by 2030. This can lead to improved productivity in the national economy, a larger number of higher value-added jobs and stronger international competitiveness.

The policy measures are guided by the Government Programme of Prime Minister Marin (2019–2023), the National Roadmap for Research, Development and Innovation for 2030 (RDI roadmap) approved by the Ministerial Working Group on Competences, Education and Innovation in April 2020 and updated in December 2021, and proposals drawn up by the Parliamentary Working Group on Research, Development and Innovation in December 2021 on ways to commit to the public sector RDI funding increase required to achieve the RDI target by 2030. The Research and Innovation Council, chaired by the Prime Minister, is an advisory body on RDI policy. It examines key topics for the long-term development of research and innovation policy that supports wellbeing, growth and competitiveness and is a key actor in the preparation and monitoring of the RDI roadmap, for example.

The RDI roadmap forms a set of measures for the development of the RDI operating environment. The roadmap provides guidelines for sustainable growth and wellbeing and for raising the level of R&D effort and ambition. The roadmap contains three strategic development packages: knowledge, a new partnership model and an innovative public sector. In addition to increasing the amount and quality of RDI, the roadmap measures strengthen centres of excellence and ecosystems, increase cooperation between R&D actors and diversify the role of the public sector in boosting and exploiting innovation. In

addition, the measures of the roadmap improve the global attractiveness of the Finnish RDI environment and encourage companies to increase their RDI investments.

The measures of the RDI roadmap are aimed at raising the level of knowledge, developing a partnership model aimed at increasing cooperation between RDI actors, developing new operating models to address societal challenges, strengthening regional specialisation and the role of cities as innovation development platforms as well as the building of internationally networked innovation clusters through university city ecosystem agreements and other regional funding, attracting international talent, developing research infrastructures, increasing the utilisation of international funding and strengthening the capacity of the public sector to use RDI in the implementation of policy objectives. The Government also aims to strengthen the utilisation of intellectual property rights and the commercialisation of research results in cooperation with companies and higher education institutes.

The Parliamentary Working Group on Research, Development and Innovation proposes that a financing act be enacted to increase public R&D funding. The act would determine the level of annual government R&D funding in a way that would result in public sector R&D funding accounting for 1.33% of GDP by 2030 in the context of projected economic development. The preparation of the act has been started. In addition, the parliamentary working group has proposed the drafting of a research and development funding plan extending beyond the budget planning period, which will strengthen the commitment to the development of R&D funding and activities and specify the use and content of funding. The parliamentary working group drew up a set of ten principles to serve as the basis for the long-term RDI system.

The parliamentary working group also proposes the introduction of a permanent and more extensive tax incentive for R&D. The tax incentive would complement direct R&D subsidies. The tax incentive is expected to provide a particular incentive for SMEs to increase their R&D activities. The Act on the Additional Tax Deduction of Research and Development Activities for Tax Years 2021–2025 entered into force at the beginning of 2021. The 2022 budget session increased the amount of the additional deduction and extended its duration to 2027. The total annual tax revenue impact of the additional deduction of research cooperation is estimated to be approximately EUR -19 million in 2022–2027.

### **Fixed-term funding increases during the pandemic**

As a result of the coronavirus crisis and in order to increase R&D activity, the Government targeted temporary funding increases to the Academy of Finland, Business Finland and VTT Technical Research Centre of Finland. In 2020, EUR 76 million in additional funding

was directed at Business Finland to continue the large leading companies campaign and launch a new partnership model. Additional funding of EUR 91 million was allocated to the Academy of Finland for, for example, launching a new partnership model, a flagship programme, research related to crisis preparedness and security of supply, as well as strengthening research infrastructure. An additional EUR 20.7 million was allocated to VTT Technical Research Centre of Finland for the construction of a quantum computer. Furthermore, the Government increased Business Finland's funding for the development of the battery value chain by EUR 40 million as part of the low-carbon goals and EUR 6 million for the implementation of the health sector growth strategy and the development of a national vaccine ecosystem.

According to Statistics Finland, Finland's R&D intensity stood at 2.94% in 2020 and, according to the preliminary estimate, at about 2.88% in 2021. Corporate R&D expenditure increased by about 5% annually between 2019 and 2021. In the higher education sector, expenditure has been slightly decreasing.

In 2020, the intensity of government R&D funding was 0.97%, compared to 0.84% in 2019. The rise is particularly due to one-off additional investments made during the coronavirus crisis. According to Statistics Finland's estimate, the intensity of government R&D funding fell to 0.89% in 2021. The R&D intensities in 2020 and 2021 do not include Business Finland's grant and loan authorisations for business disruption financing in 2020 and 2021 because the funding mainly does not meet Statistics Finland's and the OECD's definition of R&D activities.

The budget for 2022 includes approximately EUR 272 million more earmarked for government R&D funding than in 2021. The increases are mainly due to the one-off EU RRF funding granted by the Academy of Finland and Business Finland. The intensity of government R&D funding is expected to rise to 0.95%.

### Coordination of research and innovation policy

The Government's objective is to strengthen the coordination and management of research and innovation policy across the administrative branches throughout central government. The promotion of RDI activities is a shared responsibility of all administrative branches and levels. The Government's comprehensive, proactive and broadly inclusive approach to RDI policy will be strengthened. This is essential, for example, in the development of public-private partnerships and new partnership models.

### International talent

Determined efforts will be made to attract and retain international talent. The Ministry of Education and Culture is implementing its internationalisation policies in higher education and research set out for the period 2017–2025. The Academy of Finland follows a policy of quality, impact and renewal in international cooperation (2017–2021). These policies are also in line with the Talent Boost action plan launched by the Government to attract international talent to Finland.

### Project companies

The aim is to promote the financing of large new investment projects from sources other than the national budget and other EU funding through project companies (Connecting Europe Facility). In early 2020, the Finnish Government and 26 municipalities established project companies promoting the planning of the Finland Railway and the Turku One Hour Train. The project companies will be responsible for planning and funding of the rail projects up to the construction stage. The Finland Railway is a high-speed rail link between Helsinki and Tampere. The planning of comprises several parts, including the Airport Railway between Pasila and Kerava via Helsinki Airport and the continuation of the rail line to Tampere. The Turku One Hour Train is a high-speed rail link between Helsinki and Turku. The planning comprises a shortcut between Espoo and Salo, and the double-tracking of the section between Salo and Turku. High-speed rail links facilitate work and improve regional accessibility.

## 3.4 Household indebtedness

**CSR 4 (2019):** Strengthen the monitoring of household debt and establish the credit register system.

The debt-to-income ratio of households has doubled since 2000 to 136.4% at end of the third quarter of 2021. The increasing indebtedness of households makes them vulnerable to income shrinkage and changes in interest rates. Today, the majority of household debts – more than 70% – are related to housing. Since the end of 2019, the mortgage volume has grown faster than before, at an annual rate of around 4%. Between 2012 and 2019, the volume of housing company loans grew at an annual rate of 13–28%.



### 3.4.1 Measures of the Recovery and Resilience Plan

The Finnish Recovery and Resilience Plan includes setting up a centralised register of housing company loans (P2C2R4). The register constitutes a necessary complementary element to the positive credit register, as information on housing company loans will be transmitted to the positive credit register, helping contain the current private over-indebtedness and fostering financial stability. Common procedures concerning the availability of administrative information on housing companies were defined in a project carried out by the Ministry of Agriculture and Forestry and the National Land Survey of Finland, and information is distributed through the residential and commercial property information system.

### 3.4.2 Other measures taken

#### Macro-prudential measures

In order to limit the increase in household debt, in its macro-prudential decision of June 2021, the Finnish Financial Supervisory Authority (FIN-FSA) reduced the maximum lending ratio for mortgages to 85% of the previous 90% for mortgages other than the borrower's first mortgage. In addition, in September 2021, the Board of Directors of FIN-FSA issued a recommendation urging lenders to exercise restraint in granting loans that are very large in relation to the income of the borrower and have a longer than usual maximum repayment term.

There are new features in the indebtedness of Finnish households that are difficult to tackle with existing macro-prudential instruments. For example, extended loan terms for home loans and large housing company loans in new construction blur the indebtedness of households. The Ministry of Finance's legislative proposal on new macro-prudential supervisory tools, which was sent for a public consultation on 28 January 2022, proposes to set:

- a maximum limit of 30 years for new mortgages;
- a 60% limit on the share of housing company loans in new construction in relation to the unencumbered price of housing to be sold;
- a maximum limit of 30 years for housing company loans for new construction and prohibition of repayment holidays for the first five years after completion of the building;
- an obligation to assess default risks in consumer lending;
- an extension of the maximum lending ratio to non-credit institution operators providing mortgage credit to consumers.

### Other measures aimed at preventing over-indebtedness of households

Over the past few years, action has been taken to address the problem of over-indebtedness of households through legislative action, by providing the authorities with additional resources and by introducing a number of other measures. By acquiring more resources, the authorities are better placed to provide financial counselling, which in turn helps to prevent over-indebtedness. New legislation has been introduced to tighten the terms and conditions of instant loans, and foreclosure legislation has been changed to encourage acceptance of work. In accordance with the Government position paper on employment measures of 11 February 2022, the Government is preparing the addition of an annual one month's suspension of attachment of salary to alleviate the strain on debtors in enforcement.

The current price controls of consumer credits were introduced in September 2019. Under the current act, the interest rates on consumer credits may not exceed 20%. There is also a cap for credit costs other than interest costs. In addition, the act determines the amount of the expenses that may be charged for the extension of the payment period. The purpose of the regulation limiting the price of credit has been, among other things, to prevent debt problems and to promote transparency in the pricing of credit. Due to the coronavirus crisis, the interest rate cap on credit not related to goods or services was lowered to 10% between 1 July 2020 and 30 September 2021 in order to prevent over-indebtedness. A broad-based working group set up by the Ministry of Justice is currently finalising a report on the permanent review of consumer credit regulation. The task of the working group has included considering, in accordance with the Government's policy, a possible lowering of the maximum interest rate of 20% for consumer credits and tightening up the provisions relating to the marketing of consumer credit. The working group report is due in March 2022, and the Government proposal is due to be submitted to Parliament in autumn 2022.

### Positive credit register

A positive credit register has been identified as an important way of preventing households from accumulating excessive debts. The establishment of the register is envisaged in Prime Minister Marin's Government Programme. On 9 March 2020, the Ministry of Justice set up working groups to prepare the positive credit register.

A Government proposal concerning the positive credit register was submitted to Parliament in February 2022.

The legislation is intended to define the data content and controller of the register. In addition, the act is to provide for the obligation to report credit information and the purposes for which data can be disclosed from the register. The register would be used,

in particular, for the assessment of creditworthiness and for the operations of certain authorities responsible for the monitoring of financial stability and supervision of credit markets. The data content of the register would be extensive. Comprehensive information on consumer credits and credits taken by a natural person for business purposes would be stored in the register. Provisions on consumer credits are contained in Chapters 7 and 7a of the Consumer Protection Act (38/1978). As a rule, these provisions apply to all credits granted to consumers by business operators, including the credits within the scope of the directives 2008/48/EC and 2014/17/EU. In addition, the register would contain some 'negative' credit information, including delays of more than 60 days in the repayment of the credit, as well as information on the restructuring of debts of a natural person and corporate restructuring. The register should also contain information on the voluntary prohibition of credit, which a natural person could register for themselves.

The register would also provide people with a means of protecting themselves against over-indebtedness. Consumers could access their data themselves through an e-service.

The register is intended to be in use for consumer credits in spring 2024. Credits taken by a natural person for business purposes would be registered as of spring 2026. The controller would be the Incomes Register unit of the Tax Administration.

## 3.5 Anti-money laundering policies

**CSR 4 (2020):** Ensure effective supervision and enforcement of the anti-money laundering framework

The country-specific recommendation for Finland highlighted in particular the obsolete nature of the risk assessment of national money laundering and terrorist financing, the shortfalls in the resources of FIN-FSA and the Financial Intelligence Unit (FIU Finland) and the inadequacy of the information exchange between the FIU Finland and FIN-FSA.

### 3.5.1 Measures of the Recovery and Resilience Plan

Component P2C3 of pillar 2 includes measures that are expected to help ensure effective supervision and enforcement of the anti-money laundering framework (CSR 4 2020). The reform for the prevention and detection of money-laundering (P2C3R1) aims at facilitating the collection and exchange of information between the competent authorities, including through the automation of data processing and analysis. Support will be provided to improve the data processing within the supervisory authority and the exchange of information among different authorities, and to implement a more effective risk-based

supervision of anti-money laundering measures. The bank and payment accounts control system is planned to be amended to increase the efficiency of the prevention, detection and prosecution of money-laundering and terrorist financing. Finally, the reform aims to improve the currency, coverage and accuracy of the register of beneficial owners.

### 3.5.2 Other measures taken

Finland's 2021 national risk assessment of money laundering and terrorist financing is the second national risk assessment for Finland. The risk assessment was prepared under the coordination of the Ministry of Finance and the Ministry of the Interior and was completed in March 2021. The risk assessment describes the threats, vulnerabilities and risks of money laundering and terrorist financing in all sectors with reporting obligations and in the operations of non-profit organisations (NPO sector). In addition, the risk assessment examines the risks of money laundering and terrorist financing related to selected phenomena. Based on the new risk assessment, prevention measures can be allocated proportionally to high-risk areas, taking into account the changing operating environment. The risk assessment will be updated every two years, subject to national or international obligations. The update of the risk assessment will start in 2022.

The risk assessment was accompanied by a national action plan for the risk assessment of money laundering and terrorist financing. The action plan sets out measures to reduce the risks identified in the risk assessment. The risk assessment and action plan form a whole that reflects Finland's national understanding of the risks of money laundering and terrorist financing and the means of their management. The action plan supports and enhances the fight against money laundering and terrorist financing and the allocation of resources, as well as the prioritisation of projects and measures by authorities and supervisors.

National implementation of the action plan measures will be coordinated within the Ministry of Finance. The measures set out in the action plan have been allocated a body responsible for implementing them and a timetable for the implementation. The measures are planned to be implemented between 2021 and 2023. A significant number of measures are already under way.

FIN-FSA established a separate anti-money laundering office in 2019, and at the same time increased the human resources allocated to anti-money laundering supervision to a total of 10 people. The unit is divided into two functions, one of which inspects how activities under the Act on Preventing Money Laundering and Terrorist Financing have been carried out under the supervision of FIN-FSA. Inspections were targeted at both financial institutions and other supervised entities in accordance with the Act in 2019–2020, and the inspections will be completed in 2021.

Improving the efficiency of inspection activities was a key objective of FIN-FSA during 2021. A dedicated leader was hired for the inspection team and the team's tasks were extended to all oversight: continuous oversight, supervisor assessments and follow-up of inspections. Although no significant additional resources have been made available, the reorganisation of operations and the strengthening of management have produced results. In the next few years, FIN-FSA will carry out at least five on-site inspections per year.

Supervision of the prevention of money laundering will be the focus of FIN-FSA's strategy in 2020–2022. The aim is to improve risk-based supervision, provide guidance and feedback, and direct effective control measures and sanctions to the sector. The measures taken in the implementation of the strategy include increasing the resources for anti-money laundering control, developing a money laundering risk assessment tool and directing it also towards assessing the risk of terrorist financing, as well as developing a risk-based control model.

During 2021, risk assessment work focused on the use of new data sources. A new functionality was created for the risk analysis tool to facilitate direct utilisation of inspection findings and other information that directly affects the level of risk of the person being monitored in determining the level of risk. The development of the information exchange between FIN-FSA and FIU Finland has been significant. In addition to Hawalas, information has been exchanged on virtual currency operators and other supervised entities selected for inspection. In addition, the information could be used to develop continuous oversight.

FIU Finland increased its staff by five officials in 2019, and has 2 to 3 project personnel working continuously. In addition to human resources, the utilisation and further development of the potential of information technology is central to the development of the work of FIU Finland. In 2020, FIU Finland launched RANKKA, a two-year ISFP-funded project for the deployment of artificial intelligence, which was successfully completed on 31 December 2021.

In order to further enhance the processing and operational analysis of reports of suspicious transactions and to improve strategic and tactical analysis, FIU Finland launched a four-year EU RRF-funded RANKKA2 project to exploit AI in the fight against money laundering and terrorist financing based on the RANKKA project. In addition, FIU Finland has launched an ILMO robotics project (Ministry of Finance special funding for productivity-enhancing projects), which runs until the end of 2022 and aims to further enhance the processing of suspicious transaction reports, whose number is increasing overall.

During 2021, FIU Finland received 3,692,640 reports of suspicious transactions. Virtual currency brokers became obliged to report these in December 2019. It should be noted that the transactions reported by virtual currency brokers in 2021 included information on some virtual currency transactions that were concluded before the start of the reporting obligation (December 2019) but which were subsequently found to be suspicious. Almost all of these transactions occurred abroad and were related to foreign customers. The number of reports from obliged entities other than virtual currency brokers also increased from the previous year to a total of 60,850 reports. In 2021, FIU Finland made the greatest number of data transfers ever. The cross-border data transfers related to virtual currency transactions made to foreign counterparts of FIU Finland numbered 458,801 in total. In addition, a total of 1,950 data transfers were made to mainly national authorities. This figure is also the highest to date.

In 2021, FIU Finland issued 111 orders to suspend the transaction, that is, freeze orders (2019: 73 and 2020: 126). The number of freeze orders remains high. In addition, FIU Finland made a record number of 158 requests to foreign FIUs to freeze assets (43 in 2020).

In addition to operational analysis, FIU Finland has continued to produce tactical and strategic analysis products, for example in connection with the financing of terrorism and violent right-wing extremism. Despite the pandemic, FIU Finland has continued its cooperation with supervisors and provision of feedback to key obliged entities. There has been cooperation with FIN-FSA, in particular with regard to high-risk obliged entities (hawalas, virtual currency providers and payment service providers).

In 2021, various types of fraud, in particular those committed in or through computer networks, continued to be significantly reflected in the work of FIU Finland. The prevention and detection of money laundering, fraud and drug-related crime using virtual currency continued to feature prominently in the activities of FIU Finland.

FIU Finland chaired the PPP working group of the Finnish Anti-Money Laundering Intelligence Task Force (FAMLIT), which consists of all banks, the two main obliged entities and Finance Finland, and was launched in 2020.

## 4 Progress with the UN SDGs

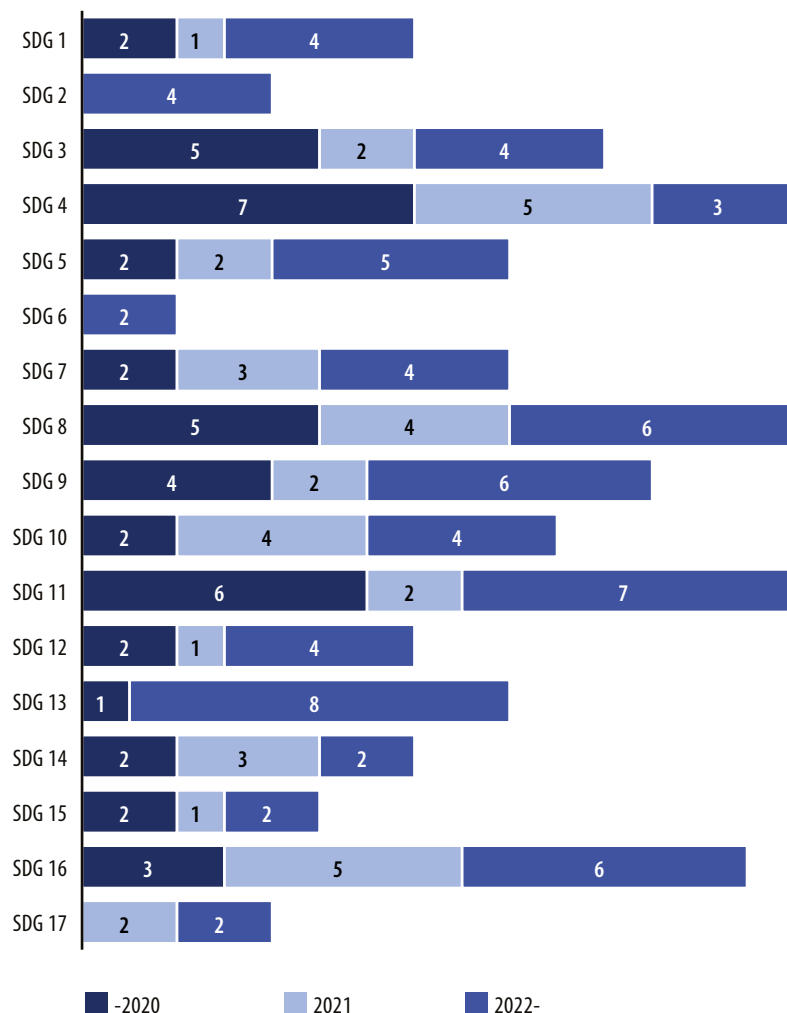
The implementation of the 2030 Agenda for Sustainable Development in Finland is guided by the Government's Agenda 2030 implementation plan prepared on the basis of the Government Programme of Prime Minister Sanna Marin<sup>4</sup>. The implementation plan was submitted to Parliament as a government report in October 2020. The Government has implemented the 2030 Agenda in accordance with the report. The report contains concrete actions for each SDG. Figure 1 shows the quantitative distribution of the activities in the report in accordance with the SDGs and the timetable for their completion. Progress with the measures contained in the report may also be monitored through the monitoring<sup>5</sup> of the Government's implementation plan.

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4 Prime Minister's Office (2020): <http://urn.fi/URN:ISBN:978-952-383-085-1>

5 Finnish Government (2019): <http://urn.fi/URN:ISBN:978-952-287-791-8>

**Figure 1.** Quantitative distribution and timetable for completion of the measures described in the 2030 Agenda report, broken down by SDG



In April 2021, the Government published a sustainability roadmap for the government<sup>6</sup>. On the roadmap, the Government makes visible the goal of the Government Programme for a socially, economically and ecologically sustainable Finland. The sustainability roadmap describes the current state of social, economic and ecological sustainability, as well as the Government's goals for the 2030s. The sustainability roadmap also identifies the key themes and subject areas where new policy actions and initiatives are needed in the near future and in the longer term. The further preparation of the sustainability roadmap will monitor the Government's sustainability targets, examine the interdependencies of the three areas of sustainability and their coherence as a whole, and produce international comparative data. The continuation of the roadmap will be completed in spring 2022 for the Government's negotiations on the fiscal plan.

6 Finnish Government (2021a): <http://urn.fi/URN:ISBN:978-952-383-797-3>



The Finnish National Commission on Sustainable Development is a multi-stakeholder forum chaired by the Prime Minister, responsible for involving the whole of society in the work on sustainable development. During 2021, the national commission prepared the national Agenda 2030 roadmap, which was adopted in February 2022. The Agenda 2030 roadmap<sup>7</sup> approaches Finland's medium-term sustainability challenges from a system perspective through six areas of change, which form the content of the new strategy of the national commission and guide the participation of Finnish society in the work on sustainable development.

Finland and the other Nordic countries are at the forefront of the implementation of the Agenda 2030 goals. In 2021, Finland was ranked as the European and world leader in SDG index country comparison<sup>8</sup>. According to the SDG index and other international reports (including Eurostat's annual indicator report<sup>9</sup> and the OECD's comparison report<sup>10</sup>), Finland has already achieved or is in the process of achieving the goals of Agenda 2030 relating to poverty reduction, health, education, water and energy, infrastructure and innovation, reducing inequalities and sustainable cities. According to the country comparisons, Finland's biggest challenges relate to climate change, consumption and production patterns, and natural diversity, as well as the level of development cooperation funding, among other things. The Commission's assessment is in line with the above findings. However, it should be noted that when the negative externalities of Finland or other developed countries to other countries are taken into account in international comparisons, the ranking is significantly lower.

**The Commission's assessment highlights Finland's key SDG implementation challenges** as reducing emissions from sectors not included in the EU Emissions Trading System (ETS) as regards climate change action (SDG12), strengthening the circular economy as regards sustainable consumption and production (SDG12) and urban development (SDG11), the healthcare deficit as regards good health (SDG3), investment in digital infrastructure as regards employment and the economy (SDG8) and industry and innovation (SDG9), and the shortage of IT professionals and the male-domination of the sector as regards education (SDG4) and gender equality (SDG5). Below is a brief description of the key measures taken to meet these challenges in 2021.

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7 Finnish National Commission on Sustainable Development (2022); Prime Minister's Office (2022): <http://urn.fi/URN:ISBN:978-952-383-496-5>

8 Sachs et al. (2021): <https://www.sdgindex.org/>

9 Eurostat (2021)

10 OECD (2019): <https://doi.org/10.1787/a8caf3fa-en>

**Reducing emissions from non-ETS sectors:** Finland has made many efforts to reduce emissions in the non-ETS sector, that is, the effort sharing sector, during the current government term. With regard to transport, in spring 2021 the Finnish Government adopted a roadmap to fossil-free transport, which defines measures to halve domestic transport's greenhouse gas emissions by 2030, as well as resolutions on reducing greenhouse gas emissions from maritime and inland waterway transport and from aviation.

In autumn 2019, the Government launched the reform of the Climate Change Act. The central aim of the new Climate Change Act is to ensure that Finland will be carbon-neutral by 2035 at the latest. The Climate Change Act is a framework act and only the authorities are obliged to comply with its provisions. The new act aims to strengthen the steering effect of the act. Finland will update its target for 2050 and add emissions reduction targets for 2030 and 2040 to the new act. The Climate Change Act will also be extended to the land use sector and the objective of strengthening carbon sinks will be added to the act. In the future, the Climate Change Act will also provide for the rights of the Saami people to be taken into account in the preparation of plans, and a new Saami Climate Council will be established. The Government proposal for a new Climate Change Act was submitted to Parliament on 3 March 2022. The act is intended to become effective as of 1 July 2022. The Medium-term Climate Change Policy Plan (KAISU) is being revised to meet the commitment proposed for Finland by the Commission to halve emissions from the effort sharing sector by 2030 and the Government's target of a carbon-neutral Finland by 2035. The plan is expected to go to Parliament in March.

**Strengthening the circular economy:** Finland drew up a strategic programme to promote a circular economy, which was published in January 2021. The strategic programme to promote a circular economy aims to make circular economy the new basis for the Finnish economy by 2035. For the first time, the programme sets quantitative targets for the consumption of natural resources: a) Consumption of non-renewable resources will decrease and the sustainable use of renewable resources may be increased as long as total domestic consumption of primary raw materials do not exceed 2015 levels by 2035. Natural resources used in the production of export products are not covered by the target; b) Resource productivity will double from the 2015 level by 2035; c) The circular material use rate will double by 2035.

In order to implement the objectives of the programme, a low-carbon circular economy agreement is being prepared, which municipalities, companies and other actors are expected to join with their own commitments. A new circular economy knowledge network is being established to support the work of companies, municipalities and regional ecosystems in promoting a carbon-neutral circular economy.

The Sustainable Growth Programme for Finland, funded by EU recovery funding, supports the objectives and implementation of the circular economy programme. The programme will, inter alia, fund investments to promote the re-use and recycling of key materials to the tune of EUR 110 million. In addition, the European Regional Development Fund (ERDF) programme's priority area of carbon-neutral Finland is aimed to promote the transition to a circular economy with approximately EUR 100 million.

**Elimination of healthcare deficits:** In November 2021, Finland launched a strategic programme aimed at finding sustainable solutions to the need for a skilled workforce in healthcare services in the short, medium and long term. An intersectoral working group has been set up to maintain the compiled knowledge base, analyses and forecasts and to contribute effectively to the objectives of the programme. One of the main tasks of the working group in 2022 is to draw up a strategic roadmap defining short-, medium- and long-term measures by area of responsibility and the parties responsible for them. The programme will be maintained through annual reviews. Various projects and measures under the programme will also be launched in 2022.

**Strengthening digital infrastructure:** At the end of September 2021, 4G connections offering 100 Mbps download speeds under ideal conditions were available to 93% of Finnish households and 5G connections to 78% of households. The gap between urban and rural areas in terms of access to high-speed connections is being bridged with public support where communications are not being built on market terms. Broadband construction is supported through a national support programme and the EU's European Agricultural Fund for Rural Development (EAFRD). The support programmes receive additional funding from the EU RRF. In areas where no functional communications are available on market terms, universal service obligations can be used as the last resort to secure basic services. The speed of universal service broadband was increased and the quality requirements for universal service connections were tightened in autumn 2021.

**Increase the number of IT experts and redress the gender imbalance of the experts:** In 2021, the national STEM strategy was updated to strengthen Finnish competence in the fields of science, technology, engineering and mathematics. The objective of the strategy is to ensure equal learning opportunities and adequate basic knowledge for all, regardless of gender, age, social or cultural background or language. The strategy takes account of the clear minority of women in the ICT sector and aims to change it.

Finnish universities have a LUMA science education network, which aims to inspire and motivate children and young people to participate in STEM subjects. The network develops new methods and activities for science and technology education and supports life-long learning for teachers working at all levels. The government also provides special support to providers of early childhood education and basic education for measures to increase the number of ICT experts, redress the gender imbalance and improve pedagogical practices.

## 5 EU funds

### Activities and support of EU funds to the Sustainable Growth Programme

The complementarity and synergies between the Sustainable Growth Programme for Finland (RRF funding) and the regional and structural policy funds are based on content on the one hand, and the level and scale of implementation on the other. The financing of the Structural Funds (the EU's regional and structural policy funds), the cohesion policy instrument (ReactEU) and the RRF form a complementary and effective block of finance. The coordination between the EU's regional and structural policy funds is set out in Finland's Partnership Agreement 2021–2027. It also describes the links with other EU financial instruments, including the RRF.

The implementation of the ERDF and European Social Fund Plus (ESF+) is guided by Innovation and Skills in Finland 2021–2027, the multi-fund Finnish regional and structural policy programme. Innovation and Skills in Finland 2021–2027 supports industrial, energy, climate, innovation, education and employment policies, as well as the fight against exclusion and poverty. The programme includes the measures of the ERDF and the ESF+. The measures of the Just Transition Fund (JTF) will be included in the programme when the regional plans are finalised.

The objective of the ERDF priority area 1, Innovative Finland, is to promote the research and innovation capabilities of regions and companies, with a particular focus on business and working life, and the introduction of new technologies. The funding will advance the growth and competitiveness of SMEs. Another objective is to utilise digitalisation for the benefit of citizens, businesses and public administration. Measures under priority area 1 are complementary to actions funded by the RRF to strengthen the interoperability of research infrastructures and to increase R&D intensity in order to stimulate growth. ERDF funding supports innovation, in particular industry-driven innovation, at local, regional and urban development level. ERDF funding will also be used to implement a strategic nationwide project package on innovation and skills networks.

The funding of this priority area is also complementary to the RRF's efforts to stimulate innovative and research-driven renewal, recovery and sustainable growth in the sectors most affected by the crisis, namely tourism, the creative economy and events, which are essential parts of component P3C4 of the Recovery and Resilience Plan. These activities will be complemented by funding SME development projects, in particular.

The objective of the ERDF priority area 2, Carbon-neutral Finland, is to promote energy efficiency and the circular economy and to reduce greenhouse gas emissions. Funding will also be allocated to measures to prepare for climate change. Measures under the priority area will complement those supported by the RRF in the context of the green transition, pillar P1 of the Recovery and Resilience Plan. ERDF funding is targeted at local, regional and national development measures that contribute to the achievement of the objectives.

The objective of the ESF+ priority area 4, Competent and inclusive Finland that provides work, is to support employment, skills, working life development, continuous learning and flexible educational paths. The specific objective complements the measures of the Finnish Recovery and Resilience Plan to support the raising of the employment rate and skills levels, in particular under components P3C1 and P3C2.

The specific objective is to strengthen measures for the integration of immigrants into the labour market by, for example, tailoring job opportunities together with employers, supporting the employment of immigrant spouses, supporting employers' recruitment capacity, promoting the recruitment of international experts to Finland and improving the skills level of immigrants, as well as speeding up the employment of educated immigrants and international students, in particular, in jobs matching their skills. The measures will be supported both regionally and nationally. The specific objective will finance a nationwide strategic project on immigrants' smooth daily life in Finland.

The specific objective supports RRF measures to strengthen the Nordic labour market service model and Ohjaamo one-stop guidance services by supporting various local and regional development projects and experiments to which TE services can direct clients.

ESF+ funding complements the work ability programme, which is being expanded with RRF funding, by supporting the employment of persons with partial work ability regionally and locally. The aim is to integrate multidisciplinary health, rehabilitation, welfare and social services closely with employment and education services.

ESF+ funding supports RRF activities to raise skills levels and continuous learning to support the implementation of the reform. ESF+ funding supports the anticipation of skills needs and the exploitation of foresight work, increases the offering of individualised, diverse and time- and place-independent training for continuous learning, and supports the completion of qualifications and parts thereof.

The implementation of the Finnish regional and structural policy programme has started. The Finnish Government adopted the programme on 21 October 2021. The European Commission is expected to give its final approval to the programme in late spring 2022.

The Asylum, Migration and Integration Fund (AMIF) promotes the use of legal channels, strengthens knowledge-based management in immigration administration and develops permit procedures. Migration and mobility of talent will be promoted in third countries (countries of origin), for example through information provision in the country of origin and the development of communication on Finnish working life and society prior to entry. EU RRF funding will be targeted at speeding up work-based and study-based processes. The AMIF complements this by supporting, for example, the induction of personnel, the ex-post supervision of permit applicants and wider client relationship development activities. In addition, AMIF funding complements the RRF measures in terms of automation of residence permit processes and e-services. Otherwise, AMIF funding is allocated to other permit processes.

The overlapping themes of the Finnish RRF plan and the ISF programme are cybersecurity and money laundering. The focus of ISF in cybersecurity is on cybercrime prevention, investigation and law enforcement training, while the RRF focuses on extensive cybersecurity exercises and research. The RRF measures enhance the activities of FIU Finland, while support from the ISF programme helps combat organised crime through anti-money laundering measures.

The ISF funding will be used to implement the objectives of the 2021 Cyber Security Development Programme, for example, by identifying the specific needs of the authorities conducting cybercrime prevention and by producing training offerings in accordance with them. During the programming period, specialisation studies in cybercrime prevention and training of authorities will be implemented in order to promote the objectives of the Cyber Security Development Programme, and the development needs of law enforcement and judicial personnel and existing training courses will be identified to promote and maintain cybercrime prevention skills. Cooperation in education and training will be strengthened with national and international authorities and higher education institutes.

With the ISF support, the aim is to continue national development work in the field of administrative crime prevention by intensifying the exchange of information and sharing of practices between authorities, organisations and the private sector, such as the financial sector and industry, in the confiscation of the proceeds of organised crime and in the implementation of criminal liability, for example, in order to combat money laundering and fraud. The analytical work, technical solutions and tools of the authorities will also be improved.

The programmes of the Home Affairs Funds were approved by the Government and sent to the Commission on 15 November 2021. The Commission has indicated that it will make comments in February.

The Finnish programme of the European Maritime, Fisheries and Aquaculture Fund (EMFAF) aims to support sustainable growth in the fisheries sector, speed up renewal and innovation, and improve the state of fishery resources. Sustainable fisheries growth also supports the European Union's green transition objectives and complements the objectives of the Sustainable Growth Programme to reduce greenhouse gas emissions. According to the Farm to Fork strategy, food production should facilitate consumers' transition to a healthy and sustainable diet. The replacement of other animal proteins with fish reduces the carbon footprint of the diet. In addition, fishing removes nutrients from water bodies, reducing eutrophication. According to an estimate by the Finnish Institute for Health and Welfare (THL), increasing the consumption of fish to the level of the dietary guidelines would bring annual health benefits worth EUR 1–2 billion. The Finnish EMFAF programme was submitted to the Commission for approval on 22 February 2022.

## **Division of tasks and complementarity of funding sources**

### **Sustainable Growth Programme RRP Pillar 1**

Finland will use TEN-E/CEF funding to fund a cross-border electricity transmission project (Sweden). Possible energy infrastructure investments promoted by the RRF will promote the operation and electrification of the electricity system in Finland, but RRF funding will not be used directly to fund the cross-border connection. Efforts will be made to leverage Horizon Europe funding and the Innovation Fund funding for the development and deployment of new energy technologies. Energy projects may also be financed through the JTF.

### **Sustainable Growth Programme RRP Pillar 2**

The Digital Europe Programme (DEP) contains a number of new technology targets that are topical to Finland. In addition, the EU invests significantly in development environments, for example through the Digital Europe and Horizon Europe programmes. Broadband connections are also financed by the EU's EAFRD, but the support is mostly focused on so-called village network projects. In other words, the EAFRD will not fund a national broadband support programme. It is possible to apply for funding for the implementation of the Digirail for the rail sections that are part of the Trans-European Transport Network (TEN-T) under the Connecting Europe Facility (CEF).

### **Sustainable Growth Programme RRP Pillar 3**

One of the national themes of the EU Structural Fund programming period 2021–2027 is continuous learning. The national ESF activities strengthen the ability of education providers, higher education institutes and other actors in continuous learning to

act in accordance with the continuous learning objectives. The main focus is on the development of the structures and operating models of the training providers, and no training will be implemented with the funding. RDI projects will also increase the capacity to apply for funding from the EU's competitive programmes, such as Horizon Europe. Funding from the EU Structural Fund for the programming period 2021–2027 is possible for the development of research infrastructures in regions where it is available. Of the development targets linked to the investment package of the digital infrastructure for immigration, the system development of ex-post control automation and the cross-administrative orientation on migration processes are development targets that could be receive AMF funding. One of the national themes of the EU's regional and structural policy funds for the 2021–2027 programming period is innovation competence in the creative and cultural sectors. ERDF funding will support better use of cultural RDI and creative knowledge through RDI cooperation and better use of advanced technologies. Creative and cultural innovation activities are also intended to be supported by REACT as part of RDI activities, as are the improvement of digital skills and capacity for change. In relation to the activities of the RRF, the REACT-EU measures emphasise the regional and local perspective and the possibility of tailoring projects in a more needs-oriented way.

With regard to the Sustainable Growth Programme for Finland (RRF), as described in the Partnership Agreement, synergies are formed based on content on the one hand, and on the level and scale of implementation on the other. The ERDF and ESF+ measures are mainly smaller-scale local or regional projects tailored to specific needs, while the RRF measures have a national perspective.

The complementarity of ERDF funding is based on implementation level and scale. ERDF funding supports local development measures and investments, which benefit SMEs, in particular. The RRP measures support large-scale nationally significant investments in energy systems and the circular economy.

ESF+ funding supports the integration of immigrants into the labour market. The RRP measures are targeted at speeding up work-based and study-based processes and developing digital services. The ESF+ measures include local and regional development measures in cooperation with education and training providers and employers, targeted at the participating individuals.

ESF+ supports the reform of continuous learning and the work ability programme, which are also supported by the RRP measures. The ESF+ measures are working-life oriented measures to support the upgrading of the skills of participating individuals, to improve the quality of services received by participants, and to improve the inclusion and life management of targeted individuals.



In the context of the decision to grant funding under the Sustainable Growth Programme (RRF), the support authorities are responsible for ensuring that no other EU/public funding is granted for the same costs in the measure/project. They are also responsible for monitoring the implementation of measures/projects and the use of funding in accordance with the relevant EU and national legislation. The State Treasury guides the support authorities in preventing and detecting double funding and organises related training in cooperation with other government-level authorities. In addition, the State Treasury monitors compliance with the instructions and cooperates with the authorities responsible for various EU programmes to ensure the exchange of information. The monitoring utilises information from different information systems and tools available to the authorities.

Applicants for funding from the EU's regional and structural policy funds must report other funding applied for or received for the same purpose. National and regional regulations, guidelines and coordination mechanisms ensure that the funds operate in a complementary manner and help avoid double funding.

In the case of Home Affairs Funds, the demarcation lines are ensured by the inclusion in the implementation plans of the Home Affairs Funds of the operations for which the funding is coordinated with the RRF. In the funding application, the applicant must state whether the requested activity is also funded by other EU funds. Coordination is ensured during the processing of applications.

### **EU fund activities to promote country-specific recommendations**

In Finland's country-specific recommendations (CSR), the Council of the European Union recommended strengthening measures to support employment and active labour market policies. The ESF+ measures support the 2019 CSR by developing pathways to work, developing new skills for working life and supporting social inclusion.

The measures under the ERDF respond in particular to the CSRs according to which Finland should focus on investment in research and innovation, low-carbon economy, energy transition and sustainable transport, taking into account regional differences. The ERDF funding supports local and regional research, development and innovation activities based on smart specialisation and driven by industry, as well as local and regional projects that improve energy efficiency and the circular economy and reduce greenhouse gas emissions. In sparsely populated areas, the development of sustainable transport can be supported through small-scale transport infrastructure projects promoting the activities of SMEs.

## **6 Institutional issues and the participation of stakeholders, especially social partners and other administrative levels in the preparations**

### **6.1 Preparation of the National Reform Programme and participation of stakeholders**

The Constitution of Finland lays down provisions on the national preparation of decisions made in the EU. Under these provisions, the Government is responsible for the national preparation of EU issues and decides on the measures to be taken by Finland in respect of them.

EU affairs are prepared in the competent ministries, in cooperation with other ministries as appropriate, and coordinated in the coordination system for EU affairs, that is, in subcommittees under the Committee for EU Affairs and, if necessary, in the Ministerial Committee on European Union Affairs.

Under the Constitution, Parliament has extensive rights to be informed on EU affairs. The provisions are designed to ensure that Parliament can influence the content of the decisions made in the EU. Parliament participates in the forming of the national position during the entire preparation and negotiation process taking place in the EU. The views of Parliament provide the basis for the Government's actions in the EU.

The National Reform Programme is presented to Parliament. The National Reform Programme was discussed in a written procedure of the Ministerial Committee on European Union Affairs on 7 and 8 April 2022 and presented in the Government plenary session on 13 April 2022, after which Parliament was informed of the completion of the National Reform Programme by means of a Europe communication.

## 6.2 Stakeholder participation in the preparation of key reform projects

### Health and social services reform

The health and social services reform was prepared in extensive cooperation. Stakeholders were consulted in the various working groups during the preparation of the Government proposal. A wide-ranging consultation on the Government proposal was held, and changes were also made on its basis. Stakeholders were consulted extensively during the parliamentary proceedings. The implementation of the reform will take place in wellbeing services counties. According to the Act on Wellbeing Services Counties, the county council must ensure that there are diverse and effective opportunities and methods for participation and influence. A youth council or similar group of youth influencers, a senior council and a disability council are to be appointed in each wellbeing services county. The county government must also ensure the operating conditions of the influencing bodies.

### Social security reform

The social security reform is being prepared by a parliamentary committee. Stakeholders, such as central labour market organisations, non-governmental organisations and research institutes, serve as permanent experts on the committee and are represented in its subcommittees. The committee also hears the views of a large number of citizens and non-governmental organisations, and makes use of participatory working methods. Children and young people in particular will be consulted in 2022.

### Reform of the Climate Change Act

Extensive consultations have been carried out in the preparation of the new Climate Change Act. The purpose of the consultations has been to gather the views of citizens and stakeholders on the reform of the Climate Change Act. The special target groups of the consultations have been the Saami and young people.

For example, in November 2019, a round table of ministers and young people was organised, as well as a 'children take over the Government' event on climate change mitigation through legislation. In addition to the consultations, the Ministry of the Environment organised small-scale surveys in social media in the end of 2019 related to the reform of the Climate Change Act and an extensive online survey that collected about 2,500 responses.

In spring 2020, four stakeholder consultations were organised targeting the agricultural and land-use sector, business, municipalities and regions, as well as legal scholars. In

addition, several citizens' events were organised around Finland in 2020 in connection with the reform of the Climate Change Act, some in cooperation with the Timeout Foundation. In October and November 2020, the Ministry of the Environment organised an online consultation together with the Tackling Biases and Bubbles in Participation (BIBU) research project. The consultation sought citizens' views on civic participation, social justice, access to information and the rights of the Saami in the Climate Change Act.

In connection with the preparation, three negotiations were held between the Ministry of the Environment and the Saami Parliament in accordance with the Act on the Saami Parliament. The Ministry of the Environment also heard the Skolt village assembly about the reform of the Climate Change Act.

The draft proposal was submitted for a wide-ranging consultation from 2 July to 6 September 2021. A total of 448 opinions were delivered by the deadline. In addition to the usual opinions, 108 children and young people participated in workshops organised by the Youth Academy's centre of excellence for participation.

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## Appendix tables

### 1. Implementation of the country-specific recommendations (CeSaR)



CeSaR

#### Finland's contribution to the Country-specific recommendations (CSR) assessment

Semester Cycle 2022

#### CSR.2020.1

**CSR 1 Subpart 1:** Take all necessary measures, in line with the general escape clause of the Stability and Growth Pact, to effectively address the COVID-19 pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment.

The progress made by Finland towards achieving the medium-term budgetary objective recommendation is discussed in Finland's Stability Programme.

**CSR 1 Subpart 2:** Address shortages of health workers to strengthen the resilience of the health system

### Measures

<b>Entry 1</b>	MEASURE TYPE: Implemented (15/02/2022 13:49 PM) <sup>11</sup>  The legislation on establishing wellbeing services counties and reforming the organisation of healthcare, social welfare and rescue services was adopted by Parliament in June 2021. The new 22 wellbeing service counties responsible for all healthcare, social welfare and rescue services will start in January 2023.
<b>Entry 2</b>	MEASURE TYPE: Implemented (17/12/2020 13:41 PM)  In its supplementary budget 2020, the Government increased the student intake in higher education institutions; more than 400 of the additional places are directed to nursing training.
<b>Comments</b>	
<b>State of play</b>	

**CSR 1 Subpart 3:** and improve access to social and health services.

### Measures

<b>Entry 1</b>	MEASURE TYPE: Implemented (15/02/2022 13:50 PM)  The legislation on establishing wellbeing services counties and reforming the organisation of healthcare, social welfare and rescue services was adopted by Parliament in June 2021. The new 22 wellbeing service counties responsible for all healthcare, social welfare and rescue services will start in January 2023.
<b>Entry 2</b>	MEASURE TYPE: Adopted (17/12/2020 13:13 PM)  Availability is one of the main objectives of the Government Programme – improving equal access and timeliness of services. One of the key objectives of the Government Programme is to put into practice models that improve the availability of services. A wide range of different types of measures will be introduced, including new operation methods and digital solutions. Government Aid totalling EUR 190 million have been granted in June 2020 to future counties for preparation of restructuring health and social services as well as improved access to basic level social and healthcare services and service integration. The launch of development programmes has been implemented as planned and the Programmes will continue to operate until the health and social services counties are established.
<b>Comments</b>	
<b>State of play</b>	

<sup>11</sup> Date of reporting in brackets.

## CSR.2020.2

### CSR 2 Subpart 1: Strengthen measures to support employment and

#### Measures

<b>Entry 1</b>	<p>MEASURE TYPE: Implemented (16/02/2022 07:31 AM))</p> <p>Employment possibilities of the partially disabled will be further enhanced:</p> <ul style="list-style-type: none"> <li>• A new programme for boosting employment through procurement launched at the beginning of August 2020 aims to increase support for employment through public procurement. The programme can help support access to employment for people with partial work capacity (implemented on 1 August 2020). The national project and local pilots have an objective to consolidate the operating model of employment through procurement in municipalities (-&gt; 3/2023). Employment through procurement is also included in the Procurement Finland strategy launched by the Ministry of Finance.</li> </ul>
<b>Entry 2</b>	<p>MEASURE TYPE: Announced (14/03/2022 10:43 AM)</p> <p>The government's proposal for the wage subsidy reform is scheduled to be submitted to Parliament in the autumn of 2022, and the reform is scheduled to enter into force at the beginning of 2023.</p>
<b>Entry 3</b>	<p>MEASURE TYPE: Announced (15/02/2022 13:52 PM)</p> <p>A parliamentary committee was set up by the Government in 2020 in order to reform the social security system. The committee's working term is two government terms (2020-2027). The aim is to reform the social security as a whole. The committee addresses questions related to basic social security, earnings-based benefits and social assistance, and examines the financing and connections between these forms of support. Attention will also be given to ways to better integrate services with benefits.</p>
<b>Entry 4</b>	<p>MEASURE TYPE: Announced (18/12/2020 07:45 AM)</p> <p>Employment possibilities of the partially disabled will be further enhanced:</p> <ul style="list-style-type: none"> <li>• Social Economy Strategy and Action Plan are being prepared.</li> </ul>
<b>Entry 5</b>	<p>MEASURE TYPE: Announced (18/12/2020 07:45 AM)</p> <p>Employment possibilities of the partially disabled will be further enhanced:</p> <ul style="list-style-type: none"> <li>• A study has been launched to define the content of the Finnish Model of Intermediary Labour Market Actors. The idea of the Finnish model is to collect the current heterogeneous actors under the same model (ready by 31 January 2021).</li> </ul>
<b>Entry 6</b>	<p>MEASURE TYPE: Announced (15/02/2022 15:49 PM)</p> <p>The Government decided on the necessary detailed measures in December 2020 to increase the employment rate of people aged over 55. The aim is to increase the employment of those over 55 years by 10 000 persons by 2029.</p>
<b>Comments</b>	
<b>State of play</b>	



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<b>Entry 1</b>	Comprehensive reform of the wage subsidy is under preparation. However, the abolishment of public-sector wage subsidies is not included. Wage subsidy reform is targeted to take place in the beginning of 2023. The goal of the reform is to decrease bureaucracy regarding to wage subsidies and increase subsidized job in enterprises. Proposed changes in legislation are mainly not related to a sector of employer, so the terms of subsidy will be still mainly same for municipalities and enterprises. Anyway, there might be some changes in wage subsidy percentages that decrease amount of wage subsidy when hiring those unemployed who are municipalities target groups. On the other hand, amount of wage subsidy for target groups of enterprises is proposed to increase. That is why, demand for subsidized job in enterprises is expected to increase and demand in municipalities is expected to decrease.
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## CSR 2 Subpart 2: bolster active labour market policies.

### Measures

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<b>Entry 1</b>	<p>MEASURE TYPE: Implemented (16/12/2020 10:25 AM)</p> <p>Due to COVID-19 pandemic TE-offices have received additional resources 40 M€ for years 2020-21. Funding for ALMP measures, especially for labour market training and employment services for the youth have been increased by 60M€</p>
<b>Entry 2</b>	<p>MEASURE TYPE: Adopted (14/03/2022 13:48 PM)</p> <p>Government has put together a comprehensive employment package involving a systemic change towards the Nordic Employment Service Model (enters into force 2022). Main measures of the model are:</p> <ul style="list-style-type: none"> <li>• Additional 70 M€ dedicated to the PES;</li> <li>• Requirement of regular contact between PES and jobseekers every two weeks at the beginning of unemployment spell;</li> <li>• Obligation for the unemployed to apply for at least 0-4 jobs/month;</li> <li>• Unemployment benefit sanctions will be slightly reduced.</li> </ul>
<b>Entry 3</b>	<p>MEASURE TYPE: Adopted (14/03/2022 08:56 AM)</p> <p>The Government is currently preparing the TE services 2024 reform, which involves a permanent transfer of TE services to municipalities. The local government pilots on employment began on March 2021 and, in accordance with the current Act, would end on 30 June 2023. The Government proposes to extend the validity of the Act on Municipal Experiments to Promote Employment until 31 December 2024. The amendments to the Act are scheduled to enter into force on 1 August 2022. Extending the Act would help avoid situations where customers of municipalities participating in the pilots would be transferred back to TE Offices before a permanent transfer of TE services to municipalities.</p>

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### Comments

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### State of play

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<b>Entry 1</b>	<p>Transfer of TE services to municipalities: A total of 25 areas and 118 municipalities participate in the ongoing pilot projects. Unemployed jobseekers and jobseekers covered by employment services who are not entitled to earnings-related unemployment allowance were transferred to the pilot projects in the areas. The target group also includes all jobseekers under the age of 30 and all immigrants and foreign-language speakers who are either unemployed or covered by employment services in the TE Offices in the pilot areas. The municipality is responsible for providing public employment and business services (TE services) to these customer groups. Over 1 100 person-years of PES staff was transferred to the municipalities, this is roughly 33 % of all PES resources and 50 % of all resources regarding job seeker services.</p>
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### CSR.2020.3

**CSR 3 Subpart 1:** Take measures to provide liquidity to the real economy, in particular to small and medium-sized enterprises.

#### Measures

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<b>Entry 1</b>	<p>MEASURE TYPE: Adopted (17/12/2020 12:28 PM)</p> <p>The Ministry of Economic Affairs and Employment has observed that currently the reporting ability of SMEs regarding the carbon impacts of their products and operations is still weak. This is a major barrier for SMEs to access green finance. To receive support in implementing sustainable finance within public sector and to mobilize expertise and financing for SDG aligned solutions, the Ministry of Economic Affairs and Employment applied for technical support funded by the European Union via the Structural Reform Support Programme (SRSP) in 2019. The ultimate objective of project is to create more effective sustainable finance ecosystem to Finland that mobilizes SDG aligned finance. While the project covers more broadly sustainable investment theme in the Agenda 2030 context, practices and tools for implementing green finance in Finland are in central role. The project aims at, for example, build capacity within public sector financing organisations and to harmonise sustainable finance practices, and on the other hand, develop tools for SMEs to measure and report about their sustainability impact in order to better utilize green finance. The project started in September 2020 and the final results will be delivered in June 2022.</p>
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#### Comments

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#### State of play

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**CSR 3 Subpart 2:** Front-load mature public investment projects and**Measures****Entry 1**

MEASURE TYPE: Implemented (17/03/2022 08:07 AM)

The central government has granted major subsidies for municipalities and joint municipal authorities to ensure basic services and sustain activity of municipalities during the covid-19 crisis. The additional subsidies for local government were worth EUR 3 billion in 2020 and EUR 2.5 billion in 2021. Majority of the subsidies went to cover additional expenses and losses of income caused by the covid-19 epidemic. Only a small proportion of the subsidies was aimed at accelerating investments. These included investments in walking and cycling infrastructure (EUR 18 million in 2020, 4th supplementary budget), support for municipal properties to give up oil heating (EUR 15 million in 2020, 4th supplementary budget and EUR 2.5 million in 2022, budget), increasing the capacity of testing equipment and other medical equipment (EUR 20 million in 2020, 1st supplementary budget), nutrient recycling and energy efficiency in water services (EUR 10 million in 2020, 4th supplementary budget) and renovation and construction of cultural facilities (EUR 2.4 million in 2020, 4th supplementary budget ) etc.

**Entry 2**

MEASURE TYPE: Adopted (18/12/2020 10:43 AM)

The government has taken following measures in the construction sector:

- In order to add affordable housing to state-subsidised housing production, interest subsidy authorisations were increased by EUR 340 million.
- For basic infrastructure network maintenance: 58 MEUR (3-year transfer)
- Development of infrastructure networks: 41 MEUR (3-year transfer)
- State grant for broadband projects: 11 MEUR (3-year transfer)

**Comments****State of play**

**CSR 3 Subpart 3:** promote private investment to foster the economic recovery.**Measures**

<b>Entry 1</b>	MEASURE TYPE: Implemented (18/12/2020 11:13 AM) The industrial electricity tax is reduced to the minimum level set by the EU.
<b>Entry 2</b>	MEASURE TYPE: Implemented (18/12/2020 11:09 AM) An additional tax deduction will be granted for research cooperation expenditure related to research and development in 2021-2025.
<b>Entry 3</b>	MEASURE TYPE: Implemented (18/12/2020 11:06 AM) Generally, the depreciation percentage on machinery and equipment in a company's income taxation is 25% of the residual value of initial outlay. From the years 2020 to 2023 companies are allowed to depreciate 50% of residual of initial outlay.
<b>Entry 4</b>	MEASURE TYPE: Announced (18/12/2020 11:46 AM) The round of public consultations for the Government's entrepreneurship strategy was completed.
<b>Entry 5</b>	MEASURE TYPE: Announced (18/12/2020 11:42 AM) A joint high-level public-private advisory board in the field of technology has been set up.
<b>Entry 6</b>	MEASURE TYPE: Announced (18/12/2020 11:44 AM) An expert working group was appointed to examine which measures would best support the growth of Finnish companies and their success in international competition during and after the COVID-19 crisis.

**Comments****State of play**

**CSR 3 Subpart 4:** Focus investment on the green and digital transition, in particular on clean and efficient production and use of energy,

## Measures

### Entry 1

MEASURE TYPE: Announced (17/12/2020 13:00 PM)

The digital transition of industry and the SME sector will be supported by a dedicated policy program Artificial Intelligence 4.0 (launched 11/2020) and related programs in VTT and Business Finland. Co-ordinated implementation of European policy instruments RRF, ERDF, ESF and Digital Europe Program (starting 2021) will also play an important role in supporting digital transformation. The roll out of 5G will be market driven. In public sector digitalization key areas include promotion of AI in public services (Aurora AI, launched 2019) and development of data spaces enabling automation and novel data-driven public services (continuous activity).

### Entry 2

MEASURE TYPE: Adopted (15/02/2022 14:48 PM)

In the budgets for 2020 and 2021, a number of measures will promote the green transition, for example:

- Promotion of energy efficiency and the use of renewable energy (transfer appropriation 3 years)
  - 2020: EUR 4 420 000
  - 2021: EUR 3 420 000
- Energy aid for investment projects and studies that eg. promote renewable energy, energy efficiency of energy generation or otherwise the transition towards a low-carbon energy system (estimated appropriation)
  - 2020: EUR 60 750 000
  - 2021: EUR 101 250 000
- Feed-in tariff for renewable energy (estimated appropriation)
  - 2020: EUR 336 600 000
  - 2021: EUR 282 803 000
- Infrastructure support for electric vehicles and the use of biogas in transport (transfer appropriation 3 years)
  - 2020: EUR 8 400 000
  - 2021: EUR 8 000 000
- These measures are included in the "renewal and low carbon" section of the budget, which totals EUR 2 331.7 million for 2020 and EUR 1 222 million for 2021. In addition, EUR 822 million will be allocated to the priority "Green Transition" in Finland's Recovery and Resilience Plan.

## Comments

## State of play

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<b>Entry 1</b>	Reducing CO2 emissions in energy production and use as well as industry play a key role in achieving the Government's objective to reach carbon neutrality by 2035, as the world's first fossil-free social society. At the same time, the commercialization of new energy solutions and clean technologies will be integrated into Finnish growth policy. In addition to these national measures, green transition is one of the four priorities in which Finland's Recovery and Resilience Plan is centred.
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### CSR 3 Subpart 5: sustainable and efficient infrastructure

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#### Measures

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#### Comments

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#### State of play

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### CSR 3 Subpart 6: as well as research and innovation.

#### Measures

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<b>Entry 1</b>	MEASURE TYPE: Implemented (15/02/2022 15:39 PM)  Investments in RDI of green transition and advanced digital technologies will be accelerated by several measures included in the national roadmap for RDI (launched 5/2020) and in the national RRP. A new partnership model included in the national roadmap is being implemented to increase investments in RDI and research infrastructures will be further developed.
<b>Entry 2</b>	MEASURE TYPE: Announced (15/02/2022 15:41 PM)  In its new report, the Parliamentary Working Group on Research, Development and Innovation proposes introducing a legislative act on the financing of research and development and drawing up a statutory plan for R&D funding that would extend beyond the spending limits period. The working group also proposes introducing a permanent and more extensive tax incentive for research and development activities.

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#### Comments

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#### State of play

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## CSR.2020.4

**CSR 4 Subpart 1:** Ensure effective supervision and enforcement of the anti-money laundering framework.

### Measures

<b>Entry 1</b>	<p>MEASURE TYPE: Implemented (14/03/2022 15:10 PM)</p> <p>As a by-product of the national risk assessment for public sector an Action Plan was created and was completed with the NRA in April 2021. Similarly as a by-product, a yearly schedule including updating plans will be drawn up during the NRA project. Government Decision on the National Risk Assessment for Money Laundering and Terrorist Financing 2021 and the Action Plan 2021-2023</p>
<b>Entry 2</b>	<p>MEASURE TYPE: Implemented (15/02/2022 15:13 PM)</p> <p>FIU Finland finalized the two-year AI technology project (RANKKA) by the end of 2021. In addition the two-year RPA project (ILMO) will run until the end of 2022 and has already produced the VALTA validation and verifying tool which has been taken into operative use in the FIU.</p>
<b>Entry 3</b>	<p>MEASURE TYPE: Implemented (15/02/2022 15:00 PM)</p> <p>FIU Finland and the FSA, in accordance with the MoU signed in 2020, have maintained and developed cooperation during 2021 especially in the area of high risk sectors namely Hawalas and VASPs.</p>
<b>Entry 4</b>	<p>MEASURE TYPE: Announced (15/02/2022 15:15 PM)</p> <p>FIN-FSA Has issued draft of set of regulations which gives OEs a detailed overview of how FIN-FSA interprets current legislation and how OEs should apply them: will be effective on H2/2022.</p>
<b>Entry 5</b>	<p>MEASURE TYPE: Announced (15/02/2022 15:14 PM)</p> <p>FIN-FSA is working on creating comprehensive supervisory strategy, which would include sectoral risk assessments and selection criteria for individual entities subject for supervisory action on 2023 -2025.</p>
<b>Entry 6</b>	<p>MEASURE TYPE: Adopted (14/03/2022 15:14 PM)</p> <p>As a part of RRP P2C3R1 Government proposal (HE163/2021vp) on the reform of the Act on the Control System of Bank and Payment Accounts</p>
<b>Entry 7</b>	<p>MEASURE TYPE: Adopted (15/02/2022 15:13 PM)</p> <p>FIU Finland has initiated the RRF funded 4-year AI project (RANKKA2) which bases on the results of the previous RANKKA project.</p>

<p><b>Entry 8</b></p>	<p>MEASURE TYPE: Adopted (15/02/2022 15:12 PM)</p> <p>FIU Finland has initiated the two-year RPA project (ILMO) which will run until the end of 2022 and has already produced the VALTA validation and verifying tool which has been taken into operative use in the FIU.</p>
<p><b>Comments</b></p>	
<p><b>State of play</b></p>	
<p><b>Entry 1</b></p>	<p>During 2021 FIU Finland has received from obliged entities a total of 3 692 640 reports of which it has disseminated approximately 12,5 % to foreign FIUs and competent domestic authorities. FIN-FSA Has issued draft of set of regulations which gives OEs a detailed overview of how FIN-FSA interprets current legislation and how OEs should apply them. FIN-FSA is working on creating comprehensive supervisory strategy, which would include sectoral risk assessments and selection criteria for individual entities subject for supervisory action on 2023 -2025. FIN-FSA has created separate supervisory plan to better target its resources and clearer use its different supervisory tools. Subjects for inspections are selected annually. FIN-FSA continues work on developing Risk Assessment (RA) -tool for evaluating individual entities ML/TF risk scoring. A new functionality was added on 2021 tool, giving possibility to add information from different sources and changing risk scoring based on this external information. FIN-FSA legal department and ML Division are working in close co-ordination in order to work in dissuasive and preventive manner with sanctions.</p>



## CSR.2019.1

**CSR 1 Subpart 1:** Ensure that the nominal growth rate of net primary government expenditure does not exceed 1.9 % in 2020, corresponding to an annual structural adjustment of 0.5 % of GDP.

The progress made by Finland towards achieving the medium-term budgetary objective recommendation is discussed in Finland's Stability Programme.

**CSR 1 Subpart 2:** Improve the cost-effectiveness of and equal access to social and healthcare services.

### Measures

<b>Entry 1</b>	MEASURE TYPE: Implemented (15/02/2022 13:39 PM)  The legislation on establishing wellbeing services counties and reforming the organisation of healthcare, social welfare and rescue services was adopted by Parliament in June 2021. The new 22 wellbeing service counties responsible for all healthcare, social welfare and rescue services will start in January 2023.
<b>Entry 2</b>	MEASURE TYPE: Adopted (17/12/2020 13:15 PM)  Government Aid totalling EUR 190 million have been granted in June 2020 to future counties for preparation of restructuring health and social services as well as improved access to basic level social and healthcare services and service integration. County development projects in each county will help the counties to be better prepared for the structural reform and decrease the differences in service delivery between counties. Programmes have started as planned in all Regions.

### Comments

### State of play

## CSR.2019.2

**CSR 2 Subpart 1:** Improve incentives to work

### Measures

### Comments

### State of play

**CSR 2 Subpart 2:** and enhance skills**Measures**

<b>Entry 1</b>	<p>MEASURE TYPE: Implemented (15/02/2022 13:37 PM)</p> <p>The work ability programme for unemployed people with partial work ability is managed and implemented by the Ministry of Employment and the Economy in cooperation with the Ministry of Social Affairs and Health. Measures will be implemented between 2019 and 2023. The administrative activities of the Ministry of Social Affairs and Health develop services to support the work ability of unemployed people. The measures are implemented through 22 projects.</p>
<b>Entry 2</b>	<p>MEASURE TYPE: Adopted (18/12/2020 07:54 AM)</p> <p>Parliamentary Group has adopted the guidelines on continuous learning and how to enhance work-related skills development and the availability of skilled workforce on 17 December 2020.</p>
<b>Comments</b>	
<b>State of play</b>	

**CSR 2 Subpart 3:** and enhance active inclusion, notably through well-integrated services for the unemployed and the inactive.**Measures**

<b>Entry 1</b>	<p>MEASURE TYPE: Implemented (18/12/2020 08:10 AM)</p> <p>Due to COVID-19 pandemic TE-offices have received additional resources 40 M€ for years 2020-21. Funding for ALMP measures, especially for labour market training and employment services for the youth have been increased by 60M€</p>
<b>Entry 2</b>	<p>MEASURE TYPE: Implemented (18/12/2020 07:42 AM)</p> <p>A new programme for boosting employment through procurement launched at the beginning of August 2020 aims to increase support for employment through public procurement. The programme can help support access to employment for people with partial work capacity.</p>
<b>Entry 3</b>	<p>MEASURE TYPE: Implemented (18/12/2020 07:33 AM)</p> <p>Coordinators have started to implement the work ability programme from 1.1.2020 onwards.</p>

<b>Entry 4</b>	<p>MEASURE TYPE: Announced (18/12/2020 08:09 AM)</p> <p>Government has put together a comprehensive employment package involving a systemic change towards the Nordic Employment Service Model (enters into force 2022). Main measures of the model are:</p> <ul style="list-style-type: none"> <li>• Additional 70 M€ dedicated to the PES;</li> <li>• Requirement of regular contact between PES and jobseekers every two weeks at the beginning of unemployment spell;</li> <li>• Obligation for the unemployed to apply for at least 0-4 jobs/month;</li> <li>• Unemployment benefit sanctions will be slightly reduced.</li> </ul>
<b>Entry 5</b>	<p>MEASURE TYPE: Adopted (18/12/2020 07:52 AM)</p> <p>The Act on municipal trials was adopted on 17 December 2020.</p>
<b>Comments</b>	
<b>State of play</b>	

## CSR.2019.3

**CSR 3 Subpart 1:** Focus investment-related economic policy on research and innovation, taking into account regional disparities,

### Measures

<b>Entry 1</b>	<p>MEASURE TYPE: Implemented (15/02/2022 15:41 PM)</p> <p>Investments in RDI of green transition and advanced digital technologies will be accelerated by several measures included in the national roadmap for RDI (launched 5/2020) and in the national RRP. A new partnership model included in the national roadmap is being implemented to increase investments in RDI and research infrastructures will be further developed.</p>
<b>Entry 2</b>	<p>MEASURE TYPE: Announced (15/02/2022 15:42 PM)</p> <p>Parliamentary Working Group on Research, Development and Innovation proposes in its report (launched 12/2021) introduces a legislative act on the financing of research and development and drawing up a statutory plan for R&amp;D funding that would extend beyond the spending limits period. The working group also proposes introducing a permanent and more extensive tax incentive for research and development activities.</p>
<b>Comments</b>	
<b>State of play</b>	

**CSR 3 Subpart 2:** focus investment-related economic policy on low carbon and energy transition, taking into account regional disparities,

### Measures

<b>Entry 1</b>	<p>MEASURE TYPE: Adopted (17/12/2020 11:45 AM)</p> <p>The 2019 budget included a number of measures in order to promote low carbon and energy transition, for example:</p> <ul style="list-style-type: none"> <li>• Promotion of energy efficiency and the use of renewable energy (transfer appropriation 3 years) – EUR 3 420 000</li> <li>• Energy aid for investment projects and studies that eg. promote renewable energy, energy efficiency of energy generation or otherwise the transition towards a low-carbon energy system (estimated appropriation) - EUR 47 250 000</li> <li>• Feed-in tariff for renewable energy (estimated appropriation) – EUR 250 600 000</li> <li>• Promotion of infrastructure for electric vehicles and the use of biogas – EUR 3 000 000</li> </ul>
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### Comments

### State of play

<b>Entry 1</b>	<p>The government's objective is to make Finland carbon neutral by 2035 and the world's first fossil-free social society. There is growing pressure in energy and climate policy to tighten emission reduction targets globally and in the EU. In addition to traditional measures, emphasis is placed on the promotion of low-carbon energy technologies. Functionalization requires the identification of companies with the ability and desire to grow and find new markets, and the allocation of limited resources to promote new technologies.</p>
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**CSR 3 Subpart 3:** and focus investment-related economic policy on sustainable transport, taking into account regional disparities

### Measures

### Comments

### State of play

## CSR.2019.4

### CSR 4 Subpart 1: Strengthen the monitoring of household debt

#### Measures

<b>Entry 1</b>	<p>MEASURE TYPE: Implemented (15/02/2022 15:52 PM)</p> <p>The legislation relating to consumer credit has been tightened and the interest cap (20%) on consumer credit came into force in September 2019. During the Covid-19 pandemic the interest rate cap was temporarily lowered to 10% on some types of consumer credit. Temporary legislation was in force between July 1, 2020 and September 30, 2021.</p>
<b>Entry 2</b>	<p>MEASURE TYPE: Implemented (11/12/2020 16:26 PM)</p> <p>The legislation relating to consumer credit has been tightened and the interest cap (20%) on consumer credit came into force in September 2019. This reform also limited the right to collect other loan-related costs from consumers. During the Covid-19 pandemic the interest rate cap has been temporarily lowered to 10% on some types of consumer credit (not including for instance credit cards). Such temporary legislation is in force between July 1 – December 31, 2020, but that will be extended up to the end of September 2021.</p>
<b>Entry 3</b>	<p>MEASURE TYPE: Adopted (15/02/2022 15:52 PM)</p> <p>Finnish Financial Supervisory Authority recommended in its 17th December 2021 macroprudential policy decision lenders to exercise restraint in granting loans that are large relative to income and have a long repayment period.</p>
<b>Entry 4</b>	<p>MEASURE TYPE: Adopted (15/02/2022 15:53 PM)</p> <p>Ministry of Finance released a legislative proposal to limit household indebtedness for public consultation in late January 2022. Proposal consist of 30-year duration limit for new housing and housing company loans. Latter are also proposed to have 60 % LTV limit in new construction finance and restrictions for loan moratoria in the first 5 years after the construction is finished. Consumer creditors are also obliged to implement credit risk assessment in their customer business and the supervision of consumer credit organisations will be transferred to the Finnish Financial Supervisory Authority. New legislation is expected to enter into force on 1 July 2023.</p>

#### Comments

#### State of play

**CSR 4 Subpart 2:** and establish the credit registry system**Measures****Entry 1**

MEASURE TYPE: Implemented (17/12/2020 14:20 PM)

The steering group and working groups for establishing the positive credit registry system were set up in March 2020.

**Entry 2**

MEASURE TYPE: Announced (03/03/2022 11:43 AM)

The draft government proposal was in public consultation until 10 May 2021. Government Proposal was submitted to the Parliament in February 2022 ([https://www.eduskunta.fi/FI/vaski/KasittelytiedotValtiopaivaasia/Sivut/HE\\_22+2022.aspx](https://www.eduskunta.fi/FI/vaski/KasittelytiedotValtiopaivaasia/Sivut/HE_22+2022.aspx)). Work on establishing the register is on going.

**Comments****State of play****Entry 1**

The register is planned to be in operation for consumer credits in spring 2024. The credits taken by a natural person for business purposes would be entered in the register as of spring 2026.

## 2 Implementation of the recovery and resilience plan (Fenix)<sup>12</sup>

CSR Subpart	Measure name	Milestone/target name	Due date	Status
2019.CSR1 subpart2	Preparation of the social welfare and health care reform in support of implementing the care guarantee	Entry into force of the initial legal framework establishing welfare areas and reforming the social and health care and rescue services	2021 Q3	Completed
2019.CSR1 subpart2	Preparation of the social welfare and health care reform in support of implementing the care guarantee	Entry into force of the additional legal framework completing the establishment of welfare areas and the reform of the social and health care and rescue services	2023 Q1	Not completed
2019.CSR2 subpart1	Employment and labour market – Development of work ability, productivity and well-being at work	Entry into force of the Act on the State-owned new company-based intermediate labour market operator	2022 Q2	On track
2019.CSR2 subpart1	Nordic Model of Employment Services	Entry into force of the Law on Public Employment and Business Services regulating the Nordic Employment Service Model for the jobseeker's service process	2022 Q2	On track
2019.CSR2 subpart2	Digitalisation programme for continuous learning	Completion of the IT architecture for digital continuous learning services	2021 Q4	On track
2019.CSR2 subpart2	Improving the level of education by increasing student places in higher education	Increase of students' admissions in higher education institutions	2022 Q4	Not completed
2019.CSR2 subpart2	Reform of continuous learning	Entry into force of the Act on the Service Centre for Continuous Learning and Employment	2021 Q4	Completed
2019.CSR2 subpart2	Reform of continuous learning	Publication of the first call for applications to provide training to strengthen digital and green skills	2022 Q2	On track
2019.CSR2 subpart3	Employment and labour market – Development of work ability, productivity and well-being at work	Entry into force of the Act on the State-owned new company-based intermediate labour market operator	2022 Q2	On track
2019.CSR2 subpart3	Nordic Model of Employment Services	Entry into force of the Law on Public Employment and Business Services regulating the Nordic Employment Service Model for the jobseeker's service process	2022 Q2	On track
2019.CSR3 subpart1	Investments in new energy technologies	Publication of the first call for applications for investments in new energy technologies	2021 Q4	On track

<sup>12</sup> The table will be updated twice a year (in November and April) in the Commission's Fenix information system. The next update will be by 30 April 2022.

CSR Subpart	Measure name	Milestone/target name	Due date	Status
2019.CSR3 subpart1	Accelerating key technologies (microelectronics, 6G, artificial intelligence and quantum computing)	Micro-electronics projects are awarded	2022 Q4	Not completed
2019.CSR3 subpart1	Accelerating key technologies (microelectronics, 6G, artificial intelligence and quantum computing)	Projects developing 6G, AI and quantum computing are awarded	2022 Q4	Not completed
2019.CSR3 subpart1	RDI funding package promoting the green transition – Leading companies	Publication of a call for applications for leading companies' projects	2022 Q2	Completed
2019.CSR3 subpart1	RDI funding package supporting the green transition – Accelerating key sectors and strengthening competence (Academy of Finland)	Publication by the Academy of Finland of a first call for applications for research projects aiming to increase competences in key sectors	2021 Q4	Completed
2019.CSR3 subpart1	RDI funding package supporting the green transition – Accelerating key sectors and strengthening competence (Business Finland)	Publication by Business Finland of a call for applications for RDI projects aiming at increasing competences in key sectors	2022 Q2	On track
2019.CSR3 subpart1	RDI funding package supporting the green transition – Supporting innovative growth companies	Publication by Business Finland of a call for applications for RDI projects supporting innovative growth companies	2022 Q2	Completed
2019.CSR3 subpart1	Promoting innovation and research infrastructure – Local research infrastructures	Publication of a call for applications for the renewal and development of local research infrastructures	2022 Q2	On track
2019.CSR3 subpart1	Promoting innovation and research infrastructure – Local research infrastructures	Award of grants for the renewal and development of local research infrastructures	2022 Q4	Not completed
2019.CSR3 subpart1	Promoting innovation and research infrastructure – National research infrastructures	Publication of a call for applications for the renewal and development of national research infrastructures	2021 Q2	Completed
2019.CSR3 subpart1	Promoting innovation and research infrastructure – National research infrastructures	Award of grants for the renewal and development of national research infrastructures	2022 Q2	On track
2019.CSR3 subpart1	Promoting innovation and research infrastructure – Competitive funding for innovation infrastructures	Publication of a call for applications for development of innovation infrastructures	2022 Q2	On track
2019.CSR3 subpart2	Investments in new energy technologies	Publication of the first call for applications for investments in new energy technologies	2021 Q4	On track
2019.CSR3 subpart2	RDI funding package promoting the green transition – Leading companies	Publication of a call for applications for leading companies' projects	2022 Q2	Completed



CSR Subpart	Measure name	Milestone/target name	Due date	Status
2019.CSR3 subpart2	RDI funding package supporting the green transition – Accelerating key sectors and strengthening competence (Academy of Finland)	Publication by the Academy of Finland of a first call for applications for research projects aiming to increase competences in key sectors	2021 Q4	Completed
2019.CSR3 subpart2	RDI funding package supporting the green transition – Accelerating key sectors and strengthening competence (Business Finland)	Publication by Business Finland of a call for applications for RDI projects aiming at increasing competences in key sectors	2022 Q2	On track
2019.CSR3 subpart2	RDI funding package supporting the green transition – Supporting innovative growth companies	Publication by Business Finland of a call for applications for RDI projects supporting innovative growth companies	2022 Q2	Completed
2019.CSR3 subpart2	Energy infrastructure investments	Publication of the first call for applications for energy infrastructure projects	2021 Q4	On track
2019.CSR3 subpart2	Investment and reform package in Åland	Publication of the first call for applications for investment in renewable energy in Åland	2022 Q2	On track
2019.CSR3 subpart2	Reform of energy taxation to take account of technological developments	Entry into force of the Act on Excise Duty on Electricity and Certain Fuels	2021 Q2	Completed
2019.CSR3 subpart2	Low-carbon hydrogen and carbon capture and utilisation	Publication of the first national call for applications for the production and utilisation of low-emission hydrogen as well as carbon dioxide capture and utilisation	2021 Q4	On track
2019.CSR3 subpart2	Direct electrification and decarbonisation of industrial processes	Publication of the first call for proposals for direct electrification and low- carbonisation of industrial processes aimed at reducing CO2 emissions from industry	2021 Q4	On track
2019.CSR3 subpart2	Re-use and recycling of key materials and industrial side streams	Publication of the first call for applications for investment projects promoting the reuse of waste materials and side streams.	2021 Q4	Completed
2019.CSR3 subpart2	Reform of the Climate Act and low-carbon industrialisation	Entry into force of the revised Climate Change Act	2022 Q2	On track
2019.CSR3 subpart2	Strategic promotion of the circular economy and reform of the Waste Act	Adoption of the Government resolution on the implementation of the Strategic Programme for a Circular Economy	2021 Q2	Completed
2019.CSR3 subpart2	Replacement of heating systems in buildings from fossil oil to low-carbon forms of heating	Entry into force of the Government Decree defining the details of the aid scheme for detached houses	2021 Q4	Completed

CSR Subpart	Measure name	Milestone/target name	Due date	Status
2019.CSR3 subpart2	Replacement of heating systems in buildings from fossil oil to low-carbon forms of heating	Entry into force of the Government Decree or state budget decision defining the details of the aid scheme for other buildings (not detached houses)	2022 Q2	On track
2019.CSR3 subpart2	Low-carbon built environment programme	Publication of a first call for applications regarding support for a low-carbon built environment	2021 Q4	On track
2019.CSR3 subpart2	Action plan to phase out fossil oil heating	Publication of the action plan for phasing out fossil oil heating	2022 Q2	On track
2019.CSR3 subpart2	Public electricity and gas charging and refuelling infrastructure	Publication of the call for applications to improve distribution infrastructure for gas, electric and hydrogen vehicles	2022 Q2	On track
2019.CSR3 subpart2	Private charging infrastructure	Entry into force of the government decisions to extend the budget for the support for charging infrastructure of residential buildings and to extend the scope of the support for private charging infrastructure to working places	2021 Q4	On track
2019.CSR3 subpart2	Roadmap for fossil-free transport	Adoption of the Government resolution LVM/2021/62 to reduce greenhouse gas emissions from domestic transport	2021 Q2	Completed
2019.CSR3 subpart2	Roadmap for fossil-free transport	Publication of government decision regarding additional national measures to reduce emissions from domestic transport	2022 Q2	Delayed
2019.CSR3 subpart2	Tax reform for sustainable transport	Entry into force of legislative amendments to the Income Tax Act (1205/2020) regarding the taxation of employment benefits of mobility	2021 Q2	Completed
2019.CSR3 subpart2	Tax reform for sustainable transport	Entry into force of legislative amendments to the Income Tax Act (xx/2021) regarding the taxation of company cars	2022 Q2	On track
2019.CSR3 subpart2	Key programmes for international growth	Publication of the first three calls for applications under key programmes for international growth	2022 Q2	On track
2019.CSR3 subpart3	Transport and land use – Digirail project	Test laboratory on modelling equipment for the common European automatic train protection system (ERTMS) is operational	2022 Q4	Not completed

CSR Subpart	Measure name	Milestone/target name	Due date	Status
2020.CSR1 subpart1	Preparation of the social welfare and health care reform in support of implementing the care guarantee	Entry into force of the initial legal framework establishing welfare areas and reforming the social and health care and rescue services	2021 Q3	Completed
2020.CSR1 subpart1	Preparation of the social welfare and health care reform in support of implementing the care guarantee	Entry into force of the additional legal framework completing the establishment of welfare areas and the reform of the social and health care and rescue services	2023 Q1	Not completed
2020.CSR1 subpart1	Support for the renewal of the cultural and creative sectors	Publication of two calls for applications for projects supporting the renewal of cultural and creative sectors, respectively for development aid and pilot aid	2021 Q4	Completed
2020.CSR1 subpart1	Supporting sustainable and digital growth in the tourism sector	Publication of the first call for applications for RDI projects for the tourism sector	2022 Q2	On track
2020.CSR1 subpart2	Preparation of the social welfare and health care reform in support of implementing the care guarantee	Entry into force of the initial legal framework establishing welfare areas and reforming the social and health care and rescue services	2021 Q3	Completed
2020.CSR1 subpart2	Preparation of the social welfare and health care reform in support of implementing the care guarantee	Entry into force of the additional legal framework completing the establishment of welfare areas and the reform of the social and health care and rescue services	2023 Q1	Not completed
2020.CSR1 subpart2	Improving the level of education by increasing student places in higher education	Increase of students' admissions in higher education institutions	2022 Q4	Not completed
2020.CSR1 subpart3	Preparation of the social welfare and health care reform in support of implementing the care guarantee	Entry into force of the initial legal framework establishing welfare areas and reforming the social and health care and rescue services	2021 Q3	Completed
2020.CSR1 subpart3	Preparation of the social welfare and health care reform in support of implementing the care guarantee	Entry into force of the additional legal framework completing the establishment of welfare areas and the reform of the social and health care and rescue services	2023 Q1	Not completed
2020.CSR2 subpart1	Employment and labour market – Development of work ability, productivity and well-being at work	Entry into force of the Act on the State-owned new company-based intermediate labour market operator	2022 Q2	On track
2020.CSR2 subpart1	Nordic Model of Employment Services	Entry into force of the Law on Public Employment and Business Services regulating the Nordic Employment Service Model for the jobseeker's service process	2022 Q2	On track

CSR Subpart	Measure name	Milestone/target name	Due date	Status
2020.CSR2 subpart1	Improving the level of education by increasing student places in higher education	Increase of students' admissions in higher education institutions	2022 Q4	Not completed
2020.CSR2 subpart1	Reform of continuous learning	Entry into force of the Act on the Service Centre for Continuous Learning and Employment	2021 Q4	Completed
2020.CSR2 subpart1	Reform of continuous learning	Publication of the first call for applications to provide training to strengthen digital and green skills	2022 Q2	On track
2020.CSR2 subpart1	Streamlining the work and education-based immigration process	Entry into force of legislative amendments to the Act related to students, researchers and trainees (719/2018)	2022 Q2	On track
2020.CSR2 subpart1	Streamlining the work and education-based immigration process	Decrease in the average number of days for processing residence permit applications that are part of a fast track for specialists and growth entrepreneurs	2022 Q4	Not completed
2020.CSR2 subpart2	Employment and labour market – Development of work ability, productivity and well-being at work	Entry into force of the Act on the State-owned new company-based intermediate labour market operator	2022 Q2	On track
2020.CSR2 subpart2	Nordic Model of Employment Services	Entry into force of the Law on Public Employment and Business Services regulating the Nordic Employment Service Model for the jobseeker's service process	2022 Q2	On track
2020.CSR3 subpart1	Key programmes for international growth	Publication of the first three calls for applications under key programmes for international growth	2022 Q2	On track
2020.CSR3 subpart1	Support for the renewal of the cultural and creative sectors	Publication of two calls for applications for projects supporting the renewal of cultural and creative sectors, respectively for development aid and pilot aid	2021 Q4	Completed
2020.CSR3 subpart1	Supporting sustainable and digital growth in the tourism sector	Publication of the first call for applications for RDI projects for the tourism sector	2022 Q2	On track
2020.CSR3 subpart1	Growth acceleration programme for small enterprises	Publication of the call for applications for support to companies' internationalisation capabilities	2022 Q2	On track
2020.CSR3 subpart4	Investments in new energy technologies	Publication of the first call for applications for investments in new energy technologies	2021 Q4	On track
2020.CSR3 subpart4	RDI funding package promoting the green transition – Leading companies	Publication of a call for applications for leading companies' projects	2022 Q2	Completed

CSR Subpart	Measure name	Milestone/target name	Due date	Status
2020.CSR3 subpart4	RDI funding package supporting the green transition – Accelerating key sectors and strengthening competence (Academy of Finland)	Publication by the Academy of Finland of a first call for applications for research projects aiming to increase competences in key sectors	2021 Q4	Completed
2020.CSR3 subpart4	RDI funding package supporting the green transition – Accelerating key sectors and strengthening competence (Business Finland)	Publication by Business Finland of a call for applications for RDI projects aiming at increasing competences in key sectors	2022 Q2	On track
2020.CSR3 subpart4	RDI funding package supporting the green transition – Supporting innovative growth companies	Publication by Business Finland of a call for applications for RDI projects supporting innovative growth companies	2022 Q2	Completed
2020.CSR3 subpart4	Energy infrastructure investments	Publication of the first call for applications for energy infrastructure projects	2021 Q4	On track
2020.CSR3 subpart4	Investment and reform package in Åland	Publication of the first call for applications for investment in renewable energy in Åland	2022 Q2	On track
2020.CSR3 subpart4	Reform of energy taxation to take account of technological developments	Entry into force of the Act on Excise Duty on Electricity and Certain Fuels	2021 Q2	Completed
2020.CSR3 subpart4	Low-carbon hydrogen and carbon capture and utilisation	Publication of the first national call for applications for the production and utilisation of low-emission hydrogen as well as carbon dioxide capture and utilisation	2021 Q4	On track
2020.CSR3 subpart4	Direct electrification and decarbonisation of industrial processes	Publication of the first call for proposals for direct electrification and low- carbonisation of industrial processes aimed at reducing CO2 emissions from industry	2021 Q4	On track
2020.CSR3 subpart4	Reform of the Climate Act and low-carbon industrialisation	Entry into force of the revised Climate Change Act	2022 Q2	On track
2020.CSR3 subpart4	Replacement of heating systems in buildings from fossil oil to low-carbon forms of heating	Entry into force of the Government Decree defining the details of the aid scheme for detached houses	2021 Q4	Completed
2020.CSR3 subpart4	Replacement of heating systems in buildings from fossil oil to low-carbon forms of heating	Entry into force of the Government Decree or state budget decision defining the details of the aid scheme for other buildings (not detached houses)	2022 Q2	On track
2020.CSR3 subpart4	Action plan to phase out fossil oil heating	Publication of the action plan for phasing out fossil oil heating	2022 Q2	On track

CSR Subpart	Measure name	Milestone/target name	Due date	Status
2020.CSR3 subpart4	Public electricity and gas charging and refuelling infrastructure	Publication of the call for applications to improve distribution infrastructure for gas, electric and hydrogen vehicles	2022 Q2	On track
2020.CSR3 subpart4	Private charging infrastructure	Entry into force of the government decisions to extend the budget for the support for charging infrastructure of residential buildings and to extend the scope of the support for private charging infrastructure to working places	2021 Q4	On track
2020.CSR3 subpart4	Roadmap for fossil-free transport	Adoption of the Government resolution LVM/2021/62 to reduce greenhouse gas emissions from domestic transport	2021 Q2	Completed
2020.CSR3 subpart4	Roadmap for fossil-free transport	Publication of government decision regarding additional national measures to reduce emissions from domestic transport	2022 Q2	Delayed
2020.CSR3 subpart4	Tax reform for sustainable transport	Entry into force of legislative amendments to the Income Tax Act (1205/2020) regarding the taxation of employment benefits of mobility	2021 Q2	Completed
2020.CSR3 subpart4	Tax reform for sustainable transport	Entry into force of legislative amendments to the Income Tax Act (xx/2021) regarding the taxation of company cars	2022 Q2	On track
2020.CSR3 subpart5	Promoting innovation and research infrastructure – Local research infrastructures	Publication of a call for applications for the renewal and development of local research infrastructures	2022 Q2	On track
2020.CSR3 subpart5	Promoting innovation and research infrastructure – Local research infrastructures	Award of grants for the renewal and development of local research infrastructures	2022 Q4	Not completed
2020.CSR3 subpart5	Promoting innovation and research infrastructure – National research infrastructures	Publication of a call for applications for the renewal and development of national research infrastructures	2021 Q2	Completed
2020.CSR3 subpart5	Promoting innovation and research infrastructure – National research infrastructures	Award of grants for the renewal and development of national research infrastructures	2022 Q2	On track
2020.CSR3 subpart5	Promoting innovation and research infrastructure – Competitive funding for innovation infrastructures	Publication of a call for applications for development of innovation infrastructures	2022 Q2	On track
2020.CSR3 subpart5	Energy infrastructure investments	Publication of the first call for applications for energy infrastructure projects	2021 Q4	On track

CSR Subpart	Measure name	Milestone/target name	Due date	Status
2020.CSR3 subpart5	Investment and reform package in Åland	Publication of the first call for applications for investment in renewable energy in Åland	2022 Q2	On track
2020.CSR3 subpart5	Public electricity and gas charging and refuelling infrastructure	Publication of the call for applications to improve distribution infrastructure for gas, electric and hydrogen vehicles	2022 Q2	On track
2020.CSR3 subpart5	Private charging infrastructure	Entry into force of the government decisions to extend the budget for the support for charging infrastructure of residential buildings and to extend the scope of the support for private charging infrastructure to working places	2021 Q4	On track
2020.CSR3 subpart5	Transport and land use – Digirail project	Test laboratory on modelling equipment for the common European automatic train protection system (ERTMS) is operational	2022 Q4	Not completed
2020.CSR3 subpart5	Digital connectivity – Developing the quality and availability of communication networks	Entry into force of legislative amendments to the broadband aid legislation	2022 Q4	Not completed
2020.CSR3 subpart5	Digital economy – Real-time economy (RTE) programme	Minimum Viable Ecosystem is created and operational	2022 Q4	Not completed
2020.CSR3 subpart6	Investments in new energy technologies	Publication of the first call for applications for investments in new energy technologies	2021 Q4	On track
2020.CSR3 subpart6	Accelerating key technologies (microelectronics, 6G, artificial intelligence and quantum computing)	Micro-electronics projects are awarded	2022 Q4	Not completed
2020.CSR3 subpart6	Accelerating key technologies (microelectronics, 6G, artificial intelligence and quantum computing)	Projects developing 6G, AI and quantum computing are awarded	2022 Q4	Not completed
2020.CSR3 subpart6	RDI funding package promoting the green transition – Leading companies	Publication of a call for applications for leading companies' projects	2022 Q2	Completed
2020.CSR3 subpart6	RDI funding package supporting the green transition – Accelerating key sectors and strengthening competence (Academy of Finland)	Publication by the Academy of Finland of a first call for applications for research projects aiming to increase competences in key sectors	2021 Q4	Completed
2020.CSR3 subpart6	RDI funding package supporting the green transition – Accelerating key sectors and strengthening competence (Business Finland)	Publication by Business Finland of a call for applications for RDI projects aiming at increasing competences in key sectors	2022 Q2	On track

CSR Subpart	Measure name	Milestone/target name	Due date	Status
2020.CSR3 subpart6	RDI funding package supporting the green transition – Supporting innovative growth companies	Publication by Business Finland of a call for applications for RDI projects supporting innovative growth companies	2022 Q2	Completed
2020.CSR3 subpart6	Promoting innovation and research infrastructure – Local research infrastructures	Publication of a call for applications for the renewal and development of local research infrastructures	2022 Q2	On track
2020.CSR3 subpart6	Promoting innovation and research infrastructure – Local research infrastructures	Award of grants for the renewal and development of local research infrastructures	2022 Q4	Not completed
2020.CSR3 subpart6	Promoting innovation and research infrastructure – National research infrastructures	Publication of a call for applications for the renewal and development of national research infrastructures	2021 Q2	Completed
2020.CSR3 subpart6	Promoting innovation and research infrastructure – National research infrastructures	Award of grants for the renewal and development of national research infrastructures	2022 Q2	On track
2020.CSR3 subpart6	Promoting innovation and research infrastructure – Competitive funding for innovation infrastructures	Publication of a call for applications for development of innovation infrastructures	2022 Q2	On track



### 3. Implementation of the European Pillar of Social Rights

Pillar principle	List of main measures	Estimated impact of measures
<b>1. Education, training and life-long learning</b>	<p><b>1. Parliamentary reform of continuous learning:</b> The guidelines for the parliamentary reform of continuous learning in accordance with the Government Programme were completed on 17 December 2020. The reform project will continue until 31 March 2023. During 2021 and 2022, activities requiring the implementation of the guidelines, such as changes in legislation, financing and operating models, will be identified and started. The pillar 3 reform Continuous learning reform (P3C2R1) of the Sustainable Growth Programme for Finland will create the structures and operating models required for the objectives of the guidelines and speed up the implementation of the reform.</p> <p><b>2. Expanding compulsory education:</b> In accordance with the Government Programme, the age of compulsory education was raised to 18, and compulsory education will be extended to the secondary education one age group at a time starting from 2021.</p> <p>Each young person completing basic education must apply for further education either in the joint application procedure in spring or in the continuous application procedure. Compulsory education ends when the young person turns 18, or earlier if the young person gains an upper secondary qualification (matriculation examination or vocational qualification).</p> <p>As a result of the expansion of compulsory education, free education was also extended from basic education to upper secondary education. Items that are free of charge for students include tuition and lunch, teaching materials and tools, working clothes and materials, matriculation exams and school trips of more than seven kilometres.</p> <p>In addition, study counselling and student welfare services were strengthened, as were the opportunities of comprehensive school to provide everyone with sufficient skills to complete upper secondary education.</p>	<p>The reform of continuous learning supports the long-term growth potential and renewal of working life, businesses and society, as well as employment and regional vitality. In addition, it will improve the responsiveness of education and training provision to the needs of working life, the flexibility and responsiveness of the service system and the availability of talent.</p> <p>Extended compulsory education will ensure that every child who completes comprehensive school goes on to complete an upper secondary qualification. The expansion of compulsory education will raise the skill level of young people, reduce disparities in learning, increase educational equality and parity, promote the wellbeing of young people and, in the long term, improve the employment rate.</p>

## Pillar principle

## List of main measures

## Estimated impact of measures

**3. Right to Learn development programme**

The Right to Learn development programme promotes learning, equality and wellbeing, and strengthens the quality of early childhood education and pre-primary and basic education. The aim is to narrow and prevent disparities in learning and to strengthen support for learning by developing legislation, financing systems and operating methods. The programme has also awarded government grants to strengthen, for example, learning and wellbeing, inclusion, equality and interaction.

4. Action plan to support the learning and schooling capacity of immigrant pupils in basic education.

In particular, the action plan will strengthen the language skills, study capacity and basic skills of foreign-language and newly-arrived immigrant pupils, as well as ensuring smooth transitions to upper secondary education and from preparatory to general education. The plan will be implemented in 2022–2026 and will be aimed especially at pupils in grades 7–9.

**5. Right to Know programme**

The Right to Know programme to develop equality and quality in vocational education and training contributes to ensuring that all students in vocational education and training have a solid level of professional competence and a good level of basic skills for work, life and life-long learning. The programme comprises four broad sets of measures. The Ministry of Education and Culture is implementing the development programme in cooperation with the Finnish National Agency for Education in 2020–2022. A total of over EUR 270 million has been earmarked for the implementation of the programme. In addition, strategy funding will be directed to support the objectives of the development programme.

**6. Quality and accessibility programme for general upper secondary education**

The quality and accessibility programme creates a basis for systematic and long-term development of the quality of general upper secondary education. The aim is to support the organisers of general upper secondary education, for example, in the implementation of the Act on General Upper Secondary Education and the curriculum, as well as in improving the quality of education. The quality and accessibility programme for general upper secondary education is being implemented as five sets of measures. Student-orientation and strengthening of communality, wellbeing and security are cross-cutting themes in all measures. A total of EUR 15 million has been earmarked for the implementation of the quality and accessibility programme for the years 2021–2022.

The Right to Know programme supports the continuous improvement of the quality of vocational education and training in accordance with the effectiveness objectives and guidelines of the quality strategy for vocational education and training. The programme raises students' skill levels, reduces and prevents disparities in learning and learning outcomes due to gender, socio-economic background, place of residence or need for support, thus promoting equality and parity in vocational education and training. In addition, the development programme promotes the wellbeing and participation of students.

The quality and accessibility programme for general upper secondary education promotes the wellbeing of general upper secondary school students and strengthens the equality, parity and accessibility of education. In addition, it raises the level and quality of competences and reduces disparities in learning. The programme supports education providers in the quality management of upper secondary general education as well as in the implementation of the Act on General Upper Secondary Education and curricula.

Pillar principle	List of main measures	Estimated impact of measures
<b>2. Gender equality</b>	<p><b>1. Government action plan for gender equality</b> The Government action plan for gender equality 2020–2023 includes the Government’s measures to promote gender equality. The intersectoral programme is being implemented in all ministries. Targets have been set for listed companies and for state-owned companies to support the career development of women. One aim is gender balance on company boards. The Government stresses the importance of gender impact assessment. Gender impact assessment has been carried out, for example, on measures taken in the energy and climate strategy.</p> <p><b>2. A legislative proposal is being prepared to amend the Act on Equality between Women and Men based on the Government Programme item on pay transparency</b> to prevent gender-based pay discrimination by increasing pay transparency. The legislative proposal is to be discussed in Parliament in autumn 2022 and the Act is to enter into force in early 2023. The legislative proposal is part of a package of equal pay measures.</p> <p><b>3. Equal Pay Programme and Government projects to promote equal pay:</b> Pay equality is being strengthened by a tripartite Equal Pay Programme and Government projects. The Equal Pay Programme 2020–2023 includes joint measures by the Government and central labour market organisations to promote equality in pay. They relate, for example, to wage and contract policies, pay systems and the reconciliation of work and family life. As part of the programme, a large project will be implemented to dismantle segregation according to gender in working life. In addition, a study will be carried out to examine the impact of careers and occupational segregation on the gender pay gap.</p> <p>The Government’s own projects in 2021–2023 include the gender impact assessment of collective agreements and the Work of Equal Value project. The gender impact assessment examines the impact of collective agreements on the implementation of equal pay and develops recommendations for gender impact assessment. The Work of Equal Value project examines the criteria for assessing the complexity of work and promotes equal pay for work of equal complexity.</p> <p><b>4. Pillar 3 investment (P3C1I1) of the Sustainable Growth Programme for Finland: Raising the employment rate and skills levels to boost sustainable growth</b></p>	<p>Publication of the final report on the monitoring of the implementation of the Government action plan for gender equality is envisaged for the first quarter of 2023.</p> <p>3. Projects promoting equal pay provide new tools for promoting pay equality. In the longer term, they will contribute to narrowing the pay gap. A separate impact assessment of the Equal Pay Programme and projects will be carried out by an external evaluator. It will be published in 2023.</p> <p>4. The measures included in ‘Raising the employment rate and skills levels to boost sustainable growth’ will have a positive impact on gender equality. According to regulations, public employment services must actively promote parity and the equality between women and men in the labour market.</p>

Pillar principle	List of main measures	Estimated impact of measures
	5. Sub-component of investment (P3C111) of the Sustainable Growth Programme for Finland: Extension of the work ability programme and the IPS – Invest and Coach development project	5. <b>The aim of the extension of the work ability programme and the IPS – Invest and Coach development project</b> is to influence the labour market situation of vulnerable persons, especially unemployed persons with partial work ability, persons with disabilities and persons with mental health problems. Effects include the development of services that support work ability and employment, their high quality and better availability and accessibility. The monitoring and evaluation study will pay attention to the gender and equality impact of measures.
	6. Sub-component of Investment (P3C111) of the Sustainable Growth Programme for Finland: Mental health and work ability as prerequisites for employment and productivity.	6. The <b>Mental health and work ability as prerequisites for employment and productivity</b> component has an impact on the promotion of gender equality, as it aims to improve access to mental health support, and proactive diverse support at workplaces can help to reduce the mental burden experienced by women and to even out the gap between women and men in wellbeing at work and coping at work. Strengthening mental health skills in workplaces also has a positive impact on the ability of workers with mental health problems to continue to work. Three out of five people who took a disability pension for mental health reasons were women. The increase in sickness allowance due to mental disorders has been particularly high among young and early middle-aged women. Actions to support mental health in the workplace and in occupational health cooperation can even out gender inequalities and reduce disability pensions and sickness absences for women in particular in this regard. Experiencing psychosocial stress is also more common in women than in men. In recent years, there has been an increase in the harmful urgency and mental burden of work, especially among working women.
	7. Pillar 4 reform 1 Strengthening access to health and social services and increasing cost-effectiveness (P4C1R1), as well as related investments (P4C1I1–P4C1I4).	7. The <b>pillar 4</b> reform Strengthening access to health and social services and increasing and cost-effectiveness has an impact on gender equality and responds in particular to the needs of the most vulnerable groups to promote gender equality. In Finland, inequality between the sexes is reflected, for example, in life expectancy, which is lower for men of lower socio-economic status. Thus, improved access to services and more effective preventive action, as well as their better, knowledge-based targeting can contribute to gender equality.

Pillar principle	List of main measures	Estimated impact of measures
<b>3. Equal opportunities</b>	<p>1. UN Convention on the Rights of Persons with Disabilities (CRPD) National Action Plan (see paragraph 17 for more details)</p> <p>2. National Roma Strategy (ROMPO3, 2023–2030) (programme preparation 2022)</p> <p>3. Pillar 3 investment 1 (P3C1I1) of the Sustainable Growth Programme for Finland: Raising the employment rate and skills levels to boost sustainable growth, including the following components:</p> <ul style="list-style-type: none"> <li>- Expansion of the work ability programme and the IPS – Invest and Coach development project</li> <li>- Mental health and work ability as prerequisites for employment and productivity</li> </ul> <p>4. Pillar 4 of the Sustainable Growth Programme for Finland, Strengthening access to health and social services and increasing and cost-effectiveness, as well as related reforms (P4C1R1) and investments (P4C1I1–P4C1I4)</p>	<p>1. Measures to promote the equality of persons with disabilities have been determined.</p> <p>2. Equality, inclusion and participation of the Roma population will increase and improve at all levels of society for all age groups.</p> <p>3. Pillar 3 component 1 strengthens employment, improves labour market matching, extends working lives and improves competitiveness. In order to increase employment, the aim is to mobilise the entire potential labour force, especially young people and persons with partial work ability, and measures are targeted at groups of people for whom the effects of COVID-19 make employment significantly more difficult. The measures will support the implementation of the updated European Pillar of Social Rights, including by promoting equal opportunities, actively supporting employment and the inclusion of people with disabilities and promoting the employment of young people.</p> <p>4. The reforms and investments proposed under pillar 4 strengthen social sustainability by increasing access to health and social services for all population groups and preventing exclusion in the long term. Pillar 4 measures support the implementation of the structural reform of health and social services. The measures to be taken will contribute to the achievement of the objectives of the Government Programme related to the structural reform: to ensure equal and high-quality health, social and rescue services for all residents of Finland, to improve the availability and accessibility of these services, and to narrow the health and welfare disparities.</p>

Pillar principle	List of main measures	Estimated impact of measures
<b>4. Active support to employment</b>	<ol style="list-style-type: none"> <li>1. Support for work ability will be made a part of the future health and social services centres.</li> <li>2. Use of assisted employment methods to help those most difficult to employ will be increased.</li> <li>3. The work ability skills of professionals and experts will be strengthened (work ability coordinators).</li> <li>4. An evaluation study on the impact of project interventions and the reconciliation of services and benefits has been launched.</li> <li>5. The employment of unemployed persons with partial work ability in enterprises will be promoted by increasing the use of the employment criterion in public procurement.</li> <li>6. In 2021, a Centre of Expertise for Social Enterprises was established to support the emergence of entrepreneurial activities that aim to achieve a socially or ecologically important goal through business activities (including employment of persons with partial work ability).</li> <li>7. A state-owned special-purpose company is being established to employ persons with partial work ability who would otherwise be excluded from working life. The legislative proposal on Työkänava Oy was approved on 1 April 2022. The Act will enter into force on 1 July 2022.</li> <li>8. Pillar 3 investment 1 (P3C1I1) of the Sustainable Growth Programme for Finland: Raising the employment rate and skills levels to boost sustainable growth, including the following components: <ul style="list-style-type: none"> <li>- Expansion of the work ability programme and the IPS – Invest and Coach development project</li> <li>- Mental health and work ability as prerequisites for employment and productivity</li> </ul> </li> <li>9. Pillar 3 reform 2 (P3C1R2) of the Sustainable Growth Programme for Finland: Elimination of additional days of unemployment benefit</li> </ol>	<p>The measures of the work ability programme shift the focus from the examination of disability to strengthening existing work ability and functional capacity and promoting employment.</p> <p>The measures contribute to the employment and wellbeing at work of persons with partial work ability by providing them with appropriate services to support their ability to work. New means are being sought for the introduction of effective services and operating models through pilot projects. This has the effect of facilitating the identification of the support needs of persons with partial work ability and provision</p> <p>of individual and timely services related to support for work ability and promotion of employment. The expertise and resources of experts have been strengthened to improve the services for persons with partial work ability.</p> <p>Promotion of employment through various the measures of the work ability programme will influence the labour market situation of vulnerable persons, especially unemployed persons with partial work ability, persons with disabilities and persons with mental health problems. Effects include the development of services that support work ability and employment, their high quality and better availability and accessibility. Equality is reflected in better equality in the labour market. Equality in services supporting work ability and employment also means better regional equality in the provision of services. The monitoring and evaluation study will pay attention to the gender and equality impact of measures.</p> <p>The measures included in pillar 3 under Raising the employment rate and skills levels to boost sustainable growth will have a positive impact on gender equality. The aim of raising the age limit for and ultimately abolishing additional days is to reduce unemployment and boost employment by extending working careers. According to an estimate by the Ministry of Finance, the abolition of additional days of unemployment benefit would lead to the employment of about 7,900 people.</p>

Pillar principle	List of main measures	Estimated impact of measures
	<p>10. Working life programmes as a whole in government programmes with the aim of promoting employment, strengthening work ability, wellbeing at work, productivity and mental health in working life</p> <ul style="list-style-type: none"> <li>• WORK2030</li> <li>• Work ability programme</li> <li>• Research and development programme on work, health and work ability</li> <li>• Mental Health at Work Programme</li> </ul> <p>In March 2021, a municipal experiment to promote employment was launched with the aim of enhancing regional cooperation between different authorities in employment management.</p> <p>During 2022, the employment services will be reformed in accordance with the Nordic labour market service model. There will be more contacts with jobseekers through increasing interviews and job search discussions. Jobseekers will be obliged to apply for 0–4 jobs per month, taking into account their personal situation. Sanctions will be relaxed, for example by the introduction of a notice procedure before the temporary loss of unemployment benefit.</p>	<p>10. WORK2030 promotes wellbeing at work, innovations in working life and productivity at workplaces, and affects the attractiveness and labour market match of industries.</p> <ul style="list-style-type: none"> <li>• Conceptualisation, dissemination and embedding of good practices in industrial and regional projects of Centres for Economic Development, Transport and the Environment</li> <li>• Operations of the leadership network</li> <li>• Impact assessment</li> </ul> <p>The development programme on work, health and work ability develops research and knowledge base in the field to support decision-making.</p> <ul style="list-style-type: none"> <li>• Dialogues between research data and experts</li> <li>• Collecting research data, building a network</li> <li>• The HELP project on hybrid work, remote working and contact working (Finnish Institute of Occupational Health) has compiled current research data.</li> </ul> <p>Mental Health at Work Programme – reducing sickness absences and disability pensions due to mental health issues</p> <ul style="list-style-type: none"> <li>• Mental health support operating model for occupational health cooperation. Pilots are under way.</li> <li>• Toolbox: Used 60,000 times so far. Dissemination of toolbox in progress. The toolbox is being developed based on feedback received.</li> <li>• Impact assessment</li> <li>• Communication project</li> </ul> <p>Approximately 230,000 clients of TE Offices were transferred to municipalities and approximately one-third of the staff of TE Offices were transferred to municipalities (more than 1,100 person-years).</p> <p>Additional resources of EUR 70 million have been allocated to the TE Offices for 2022 for the implementation of the Nordic labour market service model.</p> <p>The Nordic labour market service model is expected to increase employment by around 10,000 people. It is estimated that the full employment impact will be achieved from 2025 onwards.</p>

Pillar principle	List of main measures	Estimated impact of measures
	<p>The Service Centre for Continuous Learning and Employment (Jotpa) started operations in late 2021. The centre promotes the competence development of working-age people and the availability of skilled labour. The Act on the Service Centre for Continuous Learning and Employment entered into force on 1 September 2021.</p> <p>In spring 2021, the Government decided to continue preparations for the transfer of TE services to municipalities. The services would be transferred to the municipalities in full in 2024. In order to ensure a smooth transfer, a continuation of the municipal experiments will be provided until TE services are transferred to the municipalities. The Government proposal concerning the transfer of TE services is scheduled to be submitted to Parliament in September 2022.</p> <p>Other development projects related to employment services include the reform of pay subsidy, the launch of a recruitment experiment, raising the employment rate of people over the age of 55 and the development of legislation on multisectoral services. The recruitment support experiment started in March 2022, and other activities are to start in 2023.</p>	<p>Significant additional resources have been allocated to continuous learning development projects and the competence development of the working-age population. Approximately EUR 1 million annually has been allocated for the centre's permanent operating expenditure. A total of EUR 115.5 million will be available for the financing of education and skills services and other expenditures at the service centre in 2021–2026, of which EUR 35.5 million will be funded by the EU RFF (P3C2).</p>
<b>5. Secure and adaptable employment</b>		
<b>6. Wages and salaries</b>		<p>In Finland, wages and salaries are largely under the autonomy of the labour market organisations, which is, however, limited by legislation on equality, among other things. Occupational safety and health authorities and trade unions help workers to obtain the remuneration they are entitled to under collective agreements. The Government has endeavoured to ensure that immigrants also receive proper pay.</p>
<b>7. Information about employment conditions and protection in case of dismissal</b>		<p>The Occupational Safety and Health Administration monitors compliance with the labour code. The Directive on transparent and predictable working conditions is currently being implemented, which will improve workers' rights to information on terms of employment.</p>



Pillar principle	List of main measures	Estimated impact of measures
<b>8. Social dialogue and involvement of workers</b>		Dialogue with the social partners is a key and well-established way to reform labour and social legislation in particular. The Act on Co-operation within Undertakings has been amended and the principle of continuous consultation has been introduced to improve consultation and information of staff.
<b>9. Work-life balance</b>	1. The legislative changes for the family leave reform have been adopted, and the acts will enter into force on 1 August 2022. After the reform, parents will be able to use parental allowance more flexibly and better reconcile work and childcare. The aim of the reform is to distribute parental leave more evenly between both parents. In future, both parents will be entitled to the same period of parental leave.	1. It is difficult to numerically estimate the extent to which parents will actually use the allowance flexibility.
<b>10. Healthy, safe and well-adapted work environment and data protection</b>	<p>The Ministry of Social Affairs and Health's Policy for the work environment and wellbeing at work until 2030: Safe and healthy working conditions and work ability for everyone – The policy specifies the strategy of the Ministry of Social Affairs and Health and guides the activities of the ministry and its administrative branch to ensure healthy and safe work at all workplaces regardless of the form of employment. The policy has three focus areas:</p> <ul style="list-style-type: none"> <li>• future challenges concerning occupational safety and health, and wellbeing at work;</li> <li>• safe and healthy working conditions;</li> <li>• promoting functional capacity, work ability, and employability.</li> </ul>	An implementation plan was prepared for 2022–2023 to give concrete expression to the actions by which the Ministry of Social Affairs and Health and its partners will jointly contribute to achieving the goals of the focus areas. The implementation plan has been drawn up with the participation of a wide range of actors in working life, from ministries to labour market organisations, research and development organisations and other actors in working life.
<b>11. Childcare and support to children</b>	<p>An amendment to the Act on Early Childhood Education and the Child Home Care and Private Day Care Allowance Act entered into force at the beginning of August 2020, abolishing the restriction of the subjective right to early childhood education.</p> <p>The group size of children over the age of 3 in daycare centres was reduced by restoring the staff allocation in daycare centres to 1:7 for children over 3. The amendment entered into force on 1 August 2020.</p> <p>The Act on Client Charges in Healthcare and Social Welfare entered into force on 1 August 2021. Early childhood education client charges were reduced by raising the income limits for parents and guardians by 31%. In addition, the charges for siblings were reduced so that the charge for the second child will in future be 40% of the calculated full-time early childhood education fee for the youngest child, compared to 50% in the past.</p>	<p>After the amendments, all children will have the same right to early childhood education, and the family's socio-economic status or place of residence will no longer affect the extent of the child's right to early childhood education.</p> <p>The amendment improved the staff allocation of daycare centres and the opportunities of the staff to support the development and learning of the children.</p> <p>The amendment made it more financially viable to accept work, as early education fees will not rise so quickly to the highest level. An estimated 20,000 new families received the right to free early childhood education.</p>

Pillar principle	List of main measures	Estimated impact of measures
	<p>The Act on Early Childhood Education and Care was reformed to include provisions on support given to the child. The amendments will enter into force on 1 August 2022.</p>	<p>The reform of the Act on Early Childhood Education and Care strengthens the right of children to receive the support they need in a timely manner and in accordance with the needs of each child. The reform supports the implementation of the child's legal protection and also builds a stronger continuum for pre-primary and basic education.</p>
	<p>The National Child Strategy and the National Implementation Plan for the European Child Guarantee</p>	<p>Improve the situation of vulnerable children.</p>
<b>12. Social protection</b>	<p>1. Finland has drawn up a national plan on the Council Recommendation on access to social protection for workers and the self-employed (2019/C 387/01)</p>	
<b>13. Unemployment benefits</b>	<p>1. Pillar 3 reform 2 (P3C1R2) of the Sustainable Growth Programme for Finland: Elimination of additional days of unemployment benefit.</p>	<p>1. The measures included in pillar 3 under Raising the employment rate and skills levels to boost sustainable growth will have a positive impact on gender equality. The aim of raising the age limit for and ultimately abolishing additional days is to reduce unemployment and boost employment by extending working careers. According to an estimate by the Ministry of Finance, the abolition of additional days of unemployment benefit would lead to the employment of about 7,900 people.</p>
<b>14. Minimum income</b>	<p>1. The Government proposal for the reform of the Act on Social Assistance will be submitted to Parliament no later than autumn 2022 and the reforms will enter into force on 1 January 2023.</p> <p>2. Social security reform by 2027.</p>	<p>1. The change will improve the position of especially social welfare clients and vulnerable clients as applicants for income support when the implementation of income support is divided between the Social Insurance Institution (Kela) and the social services of wellbeing services counties.</p> <p>2. The aim of the social security reform is to create a system that functions better and is more clearly structured than the existing one and that allows citizens to combine work and social security in changing life situations. The key is social justice and the safeguarding of livelihoods in the face of social risks. Another objective of the social security reform is to reduce the need for long-term social assistance.</p>
<b>15. Old age income and pensions</b>	<p>Family leave reform</p>	<p>The family leave reform balances the impact of family leaves on pension accrual between the sexes, as the responsibility for childcare will be more evenly distributed between parents.</p>

Pillar principle	List of main measures	Estimated impact of measures
<b>16. Healthcare</b>	<p>1. Pillar 4 of the Sustainable Growth Programme for Finland, Strengthening access to health and social services and increasing and cost-effectiveness, as well as related reforms (P4C1R1) and investments (P4C1I1–P4C1I4)</p> <p>2. In accordance with the Government Programme of Prime Minister Marin, the legislation on client charges in healthcare and social welfare was reformed, for example, by extending the free provision of services and moderation of charges. The amendments mainly entered into force in July 2021.</p> <p>3. The Ministry of Social Affairs and Health is currently preparing an amendment to the Health Care Act to improve the access to care in non-urgent cases in primary healthcare. If reform is implemented, in future a patient must be able to access care within one week (7 days) of the assessment of the need for treatment.</p> <p>4. Future Health and Social Services Centres programme</p>	<p>1. The reforms and investments proposed under pillar 4 strengthen social sustainability by increasing access to health and social services for all population groups and preventing exclusion in the long term. Pillar 4 measures support the implementation of the structural reform of health and social services. The measures to be taken will contribute to the achievement of the objectives of the Government Programme related to the structural reform: to ensure equal and high-quality health, social and rescue services for all residents of Finland, to improve the availability and accessibility of these services, and to narrow the health and welfare disparities.</p> <p>2. The amendments promote health equality and access to care in line with the health and social services reform.</p> <p>3. The proposed reform will ensure faster access to care for citizens in non-urgent situations in primary healthcare. The reform aims to strengthen primary healthcare services and improve the availability of services.</p> <p>4. One of the most important objectives of the development programme is to improve equal availability of health services.</p>
<b>17. Inclusion of people with disabilities</b>	<p>1. A national action plan, Right to social inclusion and equality 2020–2023, has been prepared to promote the implementation of the UN Convention on the Rights of Persons with Disabilities (UN CRPD). The action plan includes 110 measures, which the various ministries are committed to implement.</p>	<p>1. The action plan emphasises the importance of the inclusion of people with disabilities in the changing operating environment and the importance of accessibility as a prerequisite for the realisation of the rights of others. The objectives of the action plan are to raise awareness of the rights of persons with disabilities and the mainstreaming of the rights of persons with disabilities in different administrative sectors and society at large.</p>

Pillar principle	List of main measures	Estimated impact of measures
	<p>2. Pillar 3 investment 1 (P3C1I1) of the Sustainable Growth Programme for Finland: Raising the employment rate and skills levels to boost sustainable growth, including the following components:</p> <ul style="list-style-type: none"> <li>- Expansion of the work ability programme and the IPS – Invest and Coach development project.</li> </ul> <p>3. Pillar 4 reform 1 Strengthening access to health and social services and increasing and cost-effectiveness (P4C1R1), as well as included investments (P4C1I1–P4C1I4).</p>	<p>2. Promotion of employment through various the measures of the work ability programme will influence the labour market situation of vulnerable persons, especially unemployed persons with partial work ability, persons with disabilities and persons with mental health problems. Effects include the development of services that support work ability and employment, their high quality and better availability and accessibility. Equality is reflected in better equality in the labour market. Equality in services supporting work ability and employment also means better regional equality in the provision of services. The monitoring and evaluation study will pay attention to the gender and equality impact of measures.</p> <p>3. The reforms and investments proposed under pillar 4 strengthen social sustainability by increasing access to health and social services for all population groups (including vulnerable persons in particular) and preventing exclusion in the long term. Pillar 4 measures support the implementation of the structural reform of health and social services. The measures to be taken will contribute to the achievement of the objectives of the Government Programme related to the structural reform: to ensure equal and high-quality health, social and rescue services for all residents of Finland, to improve the availability and accessibility of these services, and to narrow the health and welfare disparities.</p>

Pillar principle	List of main measures	Estimated impact of measures
<b>18. Long-term care</b>	<p>Amendments to the Act on Supporting the Functional Capacity of the Older Population and on Social and Health Services for Older Persons 2020–2023:</p> <p>Staff allocation in 24-hour service housing and long-term institutional care:</p> <ul style="list-style-type: none"> <li>• from 1 October 2020, 0.5 employees per client;</li> <li>• from 1 January 2021, 0.55 employees per client;</li> <li>• from 1 January 2022, 0.6 employees per client;</li> <li>• from 1 April 2023, 0.7 employees per client;</li> <li>• introduction of the RAI assessment instruments by 1 April 2023.</li> </ul> <p>The amendment to the Act before Parliament proposes the following:</p> <ul style="list-style-type: none"> <li>• Home care would include home nursing according to the client’s needs, support services as a separate service, and a safety assistance service as a new social service.</li> <li>• Home care should be provided at all hours of the day, including nights, as needed by the person.</li> <li>• Utilisation of technology for home care.</li> <li>• The adequacy of home care will be confirmed by careful planning and the adequacy of staff will also be monitored through self-monitoring.</li> <li>• Diverse and flexible housing solutions will be promoted.</li> <li>• Communal housing would replace the current so-called ordinary service housing. The aim is to enable the provision of services in the same housing unit when the person’s service needs change.</li> <li>• Abolition of long-term institutional care 2027</li> </ul>	<p>This is a statutory minimum allocation to safeguard the constitutional right of older people to essential care and adequate health and social services.</p> <p>The amendment to the Act before Parliament will improve the availability and quality of services provided at home, as well as promote the adequacy of home care staff. Reform of all the provisions on services provided at home and housing services. The amendment introduces informative provisions to promote diverse living arrangements for older people.</p>
<b>19. Housing and assistance for the homeless</b>	<p>1. Cooperation Programme to Halve Homelessness 2020–2022</p> <ol style="list-style-type: none"> <li>a. All persons in need must be provided with social rental housing or housing protection services.</li> <li>b. Vulnerable persons have the right to appropriate assistance and protection against eviction.</li> <li>c. Adequate protection and services must be provided to the homeless in order to promote their social inclusion.</li> </ol>	<p>1. The cooperation programme improves the position of homeless people in key cities, for example, by increasing the amount of housing intended for homeless people and developing low-threshold health and social services.</p>

Pillar principle	List of main measures	Estimated impact of measures
<b>20. Availability of basic services</b>	1. Pillar 4 of the Sustainable Growth Programme for Finland, Strengthening access to health and social services and increasing and cost-effectiveness, as well as related reforms (P4C1R1) and investments (P4C1I1–P4C1I4)	1. The reforms and investments proposed under pillar 4 strengthen social sustainability by increasing access to health and social services for all population groups and preventing exclusion in the long term. Pillar 4 measures support the implementation of the structural reform of health and social services. The measures to be taken will contribute to the achievement of the objectives of the Government Programme related to the structural reform: to ensure equal and high-quality health, social and rescue services for all residents of Finland, to improve the availability and accessibility of these services, and to narrow health and welfare disparities.

## 4. Implementation of the UN SDGs

SDG	List of main measures	Estimated impact of measures (qualitative and/or quantitative)
<b>1. No poverty</b>	Some key measures for each SDG are highlighted below. A more comprehensive list of measures can be found in the Government's Agenda 2030 report. <sup>13</sup> <ol style="list-style-type: none"> <li>1. Health and social services and rescue services reform <a href="https://stm.fi/en/social-security-reform">https://stm.fi/en/social-security-reform</a></li> <li>2. Cooperation Programme to Halve Homelessness <a href="https://ym.fi/en/homelessness">https://ym.fi/en/homelessness</a></li> <li>3. Child Strategy <a href="https://stm.fi/en/child-strategy">https://stm.fi/en/child-strategy</a></li> <li>4. Africa Strategy <a href="https://um.fi/finland-s-africa-strategy">https://um.fi/finland-s-africa-strategy</a></li> </ol>	<ol style="list-style-type: none"> <li>1. Increase social justice and safeguard livelihoods in the face of social risks</li> <li>2. Increased supply of housing for homeless people and strengthened homelessness work in basic municipal services</li> <li>3. A society whose respect for the rights of the child transcends government terms and unites administrative branches</li> <li>4. Strengthen political and economic relations between Finland and Africa</li> </ol>
<b>2. Zero hunger</b>	<ol style="list-style-type: none"> <li>1. Food waste roadmap <a href="https://projects.luke.fi/ruokahavikkiseuranta/en/roadmap/">https://projects.luke.fi/ruokahavikkiseuranta/en/roadmap/</a></li> <li>2. Climate-friendly Food Programme <a href="https://mmm.fi/en/climatefriendlyfoodprogramme">https://mmm.fi/en/climatefriendlyfoodprogramme</a></li> <li>3. Nutrient cycle action plan <a href="https://ym.fi/documents/1410903/38439968/Ravinteiden-kierratyksen-toimenpideohjelma-2019-2030-allekirjoitettu-D7F9043A_0090_4785_B029_9C119B566BDD-146284.pdf/3896ea79-abd4-8d86-7b1f-6e615e6fe054/Ravinteiden-kierratyksen-toimenpideohjelma-2019-2030-allekirjoitettu-D7F9043A_0090_4785_B029_9C119B566BDD-146284.pdf?t=1603260574640">https://ym.fi/documents/1410903/38439968/Ravinteiden-kierratyksen-toimenpideohjelma-2019-2030-allekirjoitettu-D7F9043A_0090_4785_B029_9C119B566BDD-146284.pdf/3896ea79-abd4-8d86-7b1f-6e615e6fe054/Ravinteiden-kierratyksen-toimenpideohjelma-2019-2030-allekirjoitettu-D7F9043A_0090_4785_B029_9C119B566BDD-146284.pdf?t=1603260574640</a></li> </ol>	<ol style="list-style-type: none"> <li>1. Reduce the amount of food waste</li> <li>2. Move society towards a climate-resilient food system</li> <li>3. The highest possible degree of nutrient self-sufficiency in Finland by promoting, for example, the recovery and utilisation of nutrients and organic substances in waste water</li> </ol>
<b>3. Health and wellbeing</b>	<ol style="list-style-type: none"> <li>1. Health and social services and rescue services reform <a href="https://soteuudistus.fi/en/frontpage">https://soteuudistus.fi/en/frontpage</a></li> <li>2. Mental Health at Work Programme <a href="https://stm.fi/en/mental-health-at-work-programme1">https://stm.fi/en/mental-health-at-work-programme1</a></li> <li>3. Future Health and Social Services Centres programme <a href="https://soteuudistus.fi/tulevaisuuden-sosiaali-ja-terveyskeskus-ohjelma">https://soteuudistus.fi/tulevaisuuden-sosiaali-ja-terveyskeskus-ohjelma</a></li> </ol>	<ol style="list-style-type: none"> <li>1. Increase social justice and safeguard livelihoods in the face of social risks</li> <li>2. Reduce sickness absences and disability pensions. Capability of workplaces to support the mental health of the employee</li> <li>3. Comprehensive health and social centres where people can get their services smoothly and help with individual needs. Strengthen trust in public health and social services</li> </ol>

13 Prime Minister's Office (2020): <https://julkaisut.valtioneuvosto.fi/handle/10024/162575>

<b>4 Good education</b>	<ol style="list-style-type: none"> <li>1. Education Policy Report <a href="https://okm.fi/en/education-policy-report">https://okm.fi/en/education-policy-report</a></li> <li>2. Expansion of compulsory education and free upper secondary education <a href="https://okm.fi/en/extension-of-compulsory-education">https://okm.fi/en/extension-of-compulsory-education</a></li> <li>3. Climate and sustainability education project <a href="https://valtioneuvosto.fi/-/1410845/mittava-ilmasto-ja-kestavyyskasvatushanke-tukemaan-koulujen-ja-oppilaitosten-ilmastotyota">https://valtioneuvosto.fi/-/1410845/mittava-ilmasto-ja-kestavyyskasvatushanke-tukemaan-koulujen-ja-oppilaitosten-ilmastotyota</a></li> <li>4. Right to Learn development programme <a href="https://okm.fi/en/qualityprogramme">https://okm.fi/en/qualityprogramme</a></li> </ol>	<ol style="list-style-type: none"> <li>1. Maintain the high quality and effectiveness of education and develop the performance and competitiveness of the Finnish system in an international operating environment</li> <li>2. Increase the level of education and skills at all levels of education, reduce disparities in learning and increase educational equality</li> <li>3. Change the operating culture of schools towards a more ecologically sustainable lifestyle and strengthen the skills of pupils to mitigate climate change</li> <li>4. Strengthen the quality and equality of early childhood education and care</li> </ol>
<b>5. Gender equality</b>	<ol style="list-style-type: none"> <li>1. Action plan for gender equality <a href="https://julkaisut.valtioneuvosto.fi/handle/10024/162844">https://julkaisut.valtioneuvosto.fi/handle/10024/162844</a></li> <li>2. Equal Pay Programme of the Government and central labour market organisations <a href="https://julkaisut.valtioneuvosto.fi/handle/10024/162623">https://julkaisut.valtioneuvosto.fi/handle/10024/162623</a></li> <li>3. Family leave reform <a href="https://stm.fi/en/reform-aims-to-encourage-both-parents-to-take-family-leave">https://stm.fi/en/reform-aims-to-encourage-both-parents-to-take-family-leave</a></li> <li>4. Programme to combat violence against women <a href="https://oikeusministerio.fi/naisiin-kohdistuvan-vakivallan-torjuntaohjelma">https://oikeusministerio.fi/naisiin-kohdistuvan-vakivallan-torjuntaohjelma</a></li> </ol>	<ol style="list-style-type: none"> <li>1. Make Finland a leading country in equality. The measures concern, for example, working life, economic equality and gender mainstreaming.</li> <li>2. The measures agreed in the programme are aimed at reducing the pay gap between women and men through methods related to wage and contract policies, the development of salary systems and the improvement of wage awareness, the elimination of segregation and the reconciliation of work and family life.</li> <li>3. Implementation of the changes required by the Work-life Balance Directive. More even distribution of family leave and equality of diverse families</li> <li>4. Raise awareness of violence against women at the level of citizens and public authorities</li> </ol>
<b>6. Clean water and sanitation</b>	<ol style="list-style-type: none"> <li>1. Programme to enhance water protection <a href="https://ym.fi/vedenvuoro">https://ym.fi/vedenvuoro</a></li> <li>2. Nutrient cycle action plan <a href="https://ym.fi/documents/1410903/38439968/Ravinteiden-kierratyksen-toimenpideohjelma-2019-2030-allekirjoitettu-D7F9043A_0090_4785_B029_9C119B566BDD-146284.pdf/3896ea79-abd4-8d86-7b1f-6e615e6fe054/Ravinteiden-kierratyksen-toimenpideohjelma-2019-2030-allekirjoitettu-D7F9043A_0090_4785_B029_9C119B566BDD-146284.pdf?t=1603260574640">https://ym.fi/documents/1410903/38439968/Ravinteiden-kierratyksen-toimenpideohjelma-2019-2030-allekirjoitettu-D7F9043A_0090_4785_B029_9C119B566BDD-146284.pdf/3896ea79-abd4-8d86-7b1f-6e615e6fe054/Ravinteiden-kierratyksen-toimenpideohjelma-2019-2030-allekirjoitettu-D7F9043A_0090_4785_B029_9C119B566BDD-146284.pdf?t=1603260574640</a></li> <li>3. Water-responsible Finland 2030 action plan <a href="https://www.syke.fi/hankkeet/vesivastuu2030">https://www.syke.fi/hankkeet/vesivastuu2030</a></li> </ol>	<ol style="list-style-type: none"> <li>1. For example, better water management in agriculture and forestry and rehabilitation of water bodies. The programme creates continuity for water protection.</li> <li>2. The highest possible degree of nutrient self-sufficiency in Finland by promoting, for example, the recovery and utilisation of nutrients and organic substances in waste water</li> <li>3. Development of the water responsibility of Finnish companies</li> </ol>



<b>7. Affordable and clean energy</b>	<ol style="list-style-type: none"> <li>1. National energy and climate strategy <a href="https://tem.fi/en/energy-and-climate-strategy">https://tem.fi/en/energy-and-climate-strategy</a></li> <li>2. Energy taxation reform <a href="https://valtioneuvosto.fi/-/10623/energiaverotus-muuttuu-vuoden-2022-alusta">https://valtioneuvosto.fi/-/10623/energiaverotus-muuttuu-vuoden-2022-alusta</a></li> <li>3. National biogas programme and support to biogas investments <a href="https://valtioneuvosto.fi/hanke?tunnus=TEM079:00/2019">https://valtioneuvosto.fi/hanke?tunnus=TEM079:00/2019</a></li> </ol>	<ol style="list-style-type: none"> <li>1. Promotion of the production of non-combustion heat on the way to a carbon-neutral society</li> <li>2. Increased use and production of biogas</li> <li>3. Evaluation and planning of Finland's energy and emissions development on the way to a carbon-neutral society</li> </ol>
<b>8. Decent work and economic growth</b>	<ol style="list-style-type: none"> <li>1. Lifelong guidance and other employment services <a href="https://julkaisut.valtioneuvosto.fi/handle/10024/162576">https://julkaisut.valtioneuvosto.fi/handle/10024/162576</a></li> <li>2. Launch of the working life diversity programme <a href="https://tem.fi/en/working-life-diversity-programme">https://tem.fi/en/working-life-diversity-programme</a></li> <li>3. Work ability programme to improve employment of people with partial work ability <a href="https://stm.fi/en/work-ability-programme1">https://stm.fi/en/work-ability-programme1</a></li> <li>4. Strategic programme to promote a circular economy <a href="https://ym.fi/en/strategic-programme-to-promote-a-circular-economy">https://ym.fi/en/strategic-programme-to-promote-a-circular-economy</a></li> </ol>	<ol style="list-style-type: none"> <li>1. The guidance of lifelong learning helps individuals to recognise their abilities and skills. The guidance improves employment, wellbeing and participation.</li> <li>2. Businesses and organisations benefit from diversity, and immigrants' access to jobs that match their skills and career advancement are facilitated.</li> <li>3. Employment rate of 75%. Persons with partial work ability receive individual and timely services related to work ability and employment.</li> <li>4. The circular economy will form the new basis for the Finnish economy by 2035. The circular economy produces economic wellbeing within the limits of the carrying capacity of the Earth.</li> </ol>
<b>9. Industry, innovation and infrastructure</b>	<ol style="list-style-type: none"> <li>1. Government RDI roadmap <a href="https://okm.fi/en/rdi-roadmap">https://okm.fi/en/rdi-roadmap</a></li> <li>2. Sectoral low-carbon roadmap work in industry <a href="https://tem.fi/en/low-carbon-roadmaps-2035">https://tem.fi/en/low-carbon-roadmaps-2035</a></li> <li>3. Finnish Bioeconomy Strategy and development projects supporting its implementation <a href="https://mmm.fi/en/forests/strategies-and-programmes/finnish-bioeconomy-strategy">https://mmm.fi/en/forests/strategies-and-programmes/finnish-bioeconomy-strategy</a></li> </ol>	<ol style="list-style-type: none"> <li>1. Guidelines for sustainable growth and wellbeing. The measures will strengthen centres of excellence and ecosystems.</li> <li>2. Industry sectors will promote the transition to a carbon-neutral society through voluntary commitments.</li> <li>3. Dependence on fossil fuels will decrease, green growth and new jobs will increase.</li> </ol>
<b>10. Reduced inequalities</b>	<ol style="list-style-type: none"> <li>1. Judiciary report <a href="https://oikeusministerio.fi/hanke?tunnus=OM063:00/2021">https://oikeusministerio.fi/hanke?tunnus=OM063:00/2021</a></li> <li>2. Action programme: Making digital transport and communication services accessible <a href="https://julkaisut.valtioneuvosto.fi/handle/10024/79917">https://julkaisut.valtioneuvosto.fi/handle/10024/79917</a></li> <li>3. Social security reform <a href="https://stm.fi/en/social-security-reform">https://stm.fi/en/social-security-reform</a></li> </ol>	<ol style="list-style-type: none"> <li>1. Strengthen confidence in the administration of justice</li> <li>2. Digital services suitable for as many people as possible</li> <li>3. Increase social justice and safeguard livelihoods in the face of social risks</li> </ol>
<b>11. Sustainable cities and communities</b>	<ol style="list-style-type: none"> <li>1. Land Use and Building Act reform <a href="https://ym.fi/en/land-use-and-building-act">https://ym.fi/en/land-use-and-building-act</a></li> <li>2. Housing policy development programme <a href="https://valtioneuvosto.fi/hanke?tunnus=YM031:00/2019">https://valtioneuvosto.fi/hanke?tunnus=YM031:00/2019</a></li> <li>3. Cooperation Programme to Halve Homelessness <a href="https://ym.fi/en/homelessness">https://ym.fi/en/homelessness</a></li> </ol>	<ol style="list-style-type: none"> <li>1. Healthy, safe and attractive living environment where the needs of different population groups are taken into account</li> <li>2. Good and reasonably priced housing on an equal footing</li> <li>3. Increased supply of housing for homeless people and strengthened homelessness work in basic municipal services</li> </ol>

<b>12. Responsible consumption and production</b>	<ol style="list-style-type: none"> <li>1. Strategic programme to promote a circular economy <a href="https://ym.fi/en/strategic-programme-to-promote-a-circular-economy">https://ym.fi/en/strategic-programme-to-promote-a-circular-economy</a></li> <li>2. Sectoral low-carbon roadmap work <a href="https://tem.fi/en/low-carbon-roadmaps-2035">https://tem.fi/en/low-carbon-roadmaps-2035</a></li> <li>3. Nutrient cycle action plan <a href="https://ym.fi/documents/1410903/38439968/Ravinteiden-kierratyksen-toimenpideohjelman-2019-2030-allekirjoitettu-D7F9043A_0090_4785_B029_9C119B566BDD-146284.pdf/3896ea79-abd4-8d86-7b1f-6e615e6fe054/Ravinteiden-kierratyksen-toimenpideohjelman-2019-2030-allekirjoitettu-D7F9043A_0090_4785_B029_9C119B566BDD-146284.pdf?t=1603260574640">https://ym.fi/documents/1410903/38439968/Ravinteiden-kierratyksen-toimenpideohjelman-2019-2030-allekirjoitettu-D7F9043A_0090_4785_B029_9C119B566BDD-146284.pdf/3896ea79-abd4-8d86-7b1f-6e615e6fe054/Ravinteiden-kierratyksen-toimenpideohjelman-2019-2030-allekirjoitettu-D7F9043A_0090_4785_B029_9C119B566BDD-146284.pdf?t=1603260574640</a></li> </ol>	<ol style="list-style-type: none"> <li>1. The circular economy will form the new basis for the Finnish economy by 2035. The circular economy produces economic wellbeing within the limits of the carrying capacity of the Earth.</li> <li>2. Industry sectors will promote the transition to a carbon-neutral society through voluntary commitments.</li> <li>3. The highest possible degree of nutrient self-sufficiency in Finland by promoting, for example, the recovery and utilisation of nutrients and organic substances in waste water</li> </ol>
<b>13. Climate action</b>	<ol style="list-style-type: none"> <li>1. Climate Change Act <a href="https://ym.fi/en/the-reform-of-the-climate-change-act">https://ym.fi/en/the-reform-of-the-climate-change-act</a></li> <li>2. Sectoral low-carbon roadmap work <a href="https://tem.fi/en/low-carbon-roadmaps-2035">https://tem.fi/en/low-carbon-roadmaps-2035</a></li> <li>3. Sector-specific action plans, such as the roadmap for fossil-free transport and the climate plan for the land use sector <a href="https://valtioneuvosto.fi/hanke?tunnus=LVM050:00/2019">https://valtioneuvosto.fi/hanke?tunnus=LVM050:00/2019</a> <a href="https://mmm.fi/maankayttosektorin-ilmastosuunnitelma/maankayttosektorin-ilmastosuunnitelman-laatiminen">https://mmm.fi/maankayttosektorin-ilmastosuunnitelma/maankayttosektorin-ilmastosuunnitelman-laatiminen</a></li> </ol>	<ol style="list-style-type: none"> <li>1. Carbon neutrality by 2035</li> <li>2. Industry sectors will promote the transition to a carbon-neutral society through voluntary commitments.</li> <li>3. Reduction of total greenhouse gas emissions</li> </ol>
<b>14. Life below water</b>	<ol style="list-style-type: none"> <li>1. National action plan for maritime policy <a href="https://vnk.fi/en/maritime-policy">https://vnk.fi/en/maritime-policy</a></li> <li>2. Domestic fish promotion programme <a href="https://mmm.fi/kalat/strategiat-ja-ohjelmat/kotimaisen-kalan-edistamisohjelma">https://mmm.fi/kalat/strategiat-ja-ohjelmat/kotimaisen-kalan-edistamisohjelma</a></li> <li>3. Nutrient cycle action plan <a href="https://ym.fi/documents/1410903/38439968/Ravinteiden-kierratyksen-toimenpideohjelman-2019-2030-allekirjoitettu-D7F9043A_0090_4785_B029_9C119B566BDD-146284.pdf/3896ea79-abd4-8d86-7b1f-6e615e6fe054/Ravinteiden-kierratyksen-toimenpideohjelman-2019-2030-allekirjoitettu-D7F9043A_0090_4785_B029_9C119B566BDD-146284.pdf?t=1603260574640">https://ym.fi/documents/1410903/38439968/Ravinteiden-kierratyksen-toimenpideohjelman-2019-2030-allekirjoitettu-D7F9043A_0090_4785_B029_9C119B566BDD-146284.pdf/3896ea79-abd4-8d86-7b1f-6e615e6fe054/Ravinteiden-kierratyksen-toimenpideohjelman-2019-2030-allekirjoitettu-D7F9043A_0090_4785_B029_9C119B566BDD-146284.pdf?t=1603260574640</a></li> </ol>	<ol style="list-style-type: none"> <li>1. The Baltic Sea is protected, the maritime cluster and maritime production are sustainable.</li> <li>2. Promotion of the production of domestic fish based on the circular economy</li> <li>3. The highest possible degree of nutrient self-sufficiency in Finland by promoting, for example, the recovery and utilisation of nutrients and organic substances in waste water</li> </ol>
<b>15. Life on land</b>	<ol style="list-style-type: none"> <li>1. Nature Conservation Act reform <a href="https://ym.fi/en/reform-of-the-nature-conservation-act">https://ym.fi/en/reform-of-the-nature-conservation-act</a></li> <li>2. Land Use and Building Act reform <a href="https://ym.fi/en/land-use-and-building-act">https://ym.fi/en/land-use-and-building-act</a></li> <li>3. Helmi habitats programme <a href="https://ym.fi/en/helmi-habitats-programme">https://ym.fi/en/helmi-habitats-programme</a></li> <li>4. METSO programme <a href="https://mmm.fi/metso-ohjelma">https://mmm.fi/metso-ohjelma</a></li> </ol>	<ol style="list-style-type: none"> <li>1. Safeguard species, habitats and important services provided by nature</li> <li>2. Healthy, safe and attractive living environment where the needs of different population groups are taken into account</li> <li>3. Strengthening Finland's biodiversity, and mitigating and adapting to climate change</li> <li>4. Halt the decline of forest habitats and species and promote biodiversity</li> </ol>

<b>16. Peace, justice and strong institutions</b>	<p>1. Report on Development Policy across Parliamentary Terms <a href="https://um.fi/news/-/asset_publisher/GRSnUwaHDPv5/content/kehityspolitiikan-ylivaalikautinen-selonteko-2">https://um.fi/news/-/asset_publisher/GRSnUwaHDPv5/content/kehityspolitiikan-ylivaalikautinen-selonteko-2</a></p> <p>2. Strategy for Public Governance Renewal <a href="https://vm.fi/julkisen-hallinnon-strategia">https://vm.fi/julkisen-hallinnon-strategia</a></p> <p>3. National Action Plan on Fundamental and Human Rights <a href="https://oikeusministerio.fi/hanke?tunnus=OM025:00/2020">https://oikeusministerio.fi/hanke?tunnus=OM025:00/2020</a></p>	<p>1. The cross-cutting principles of Finland's development cooperation include promoting and safeguarding equality, climate resilience and natural diversity.</p> <p>2. The strategy supports cooperation and division of labour between state authorities, municipalities and wellbeing services counties.</p> <p>3. Strengthen fundamental and human rights structures and develop monitoring of the implementation of the rights in Finland</p>
<b>17. Cooperation and partnership</b>	<p>1. Implementation of the Report on Development Policy across Parliamentary Terms <a href="https://um.fi/news/-/asset_publisher/GRSnUwaHDPv5/content/kehityspolitiikan-ylivaalikautinen-selonteko-2">https://um.fi/news/-/asset_publisher/GRSnUwaHDPv5/content/kehityspolitiikan-ylivaalikautinen-selonteko-2</a></p> <p>2. Government Report on Finnish Foreign and Security Policy <a href="https://valtioneuvosto.fi/-/ulko-ja-turvallisuuspoliittinen-selonteko-2020-turvallisuus-ja-globaali-vastuunkanto-kuuluvat-yhteen">https://valtioneuvosto.fi/-/ulko-ja-turvallisuuspoliittinen-selonteko-2020-turvallisuus-ja-globaali-vastuunkanto-kuuluvat-yhteen</a></p> <p>3. Implementation of the Taxation for Development action programme <a href="https://um.fi/julkaisut/-/asset_publisher/TVOLgBmLyZvu/content/julkaisu-verotus-ja-kehitys-suomen-toimintaohjelma-2020-2023-1">https://um.fi/julkaisut/-/asset_publisher/TVOLgBmLyZvu/content/julkaisu-verotus-ja-kehitys-suomen-toimintaohjelma-2020-2023-1</a></p>	<p>1. Effective action in the main development policy objectives and in the cross-cutting objectives will support developing countries in achieving the Agenda2030 goals.</p> <p>2. The objectives of Finland's foreign and security policy are to promote foreign and security policy cooperation, strengthen multilateral cooperation, take global responsibility and build peace.</p> <p>3. Support developing countries' efforts to strengthen their own tax systems and make their voice heard in global tax policy negotiations.</p>



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