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OF FINANCE

# Finland's National Reform Programme 2023

Economic Prospects

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# Finland's National Reform Programme 2023

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## Finland's National Reform Programme 2023

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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 2019-2022 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 2023

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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 jäsenmaille suosituksia, joilla pyritään ohjaamaan kansallista päätöksentekoa kasvua ja työllisyyttä tukevasti. Suomelle vuosina 2019-2022 annetut suositukset liittyvät julkisen talouden kestävyteen, sosiaali- ja terveyspalveluihin, työmarkkinoihin, tutkimuksen, innovoinnin ja vähähiilisen talouden investointeihin, kotitalouksien velkaantumiseen ja rahanpesun torjuntaan.

Hallituksen nyt antamassa 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** Talousnäkyvät, EU, talouspolitiikka, työllisyys, ilmasto, tutkimus- ja kehittämistoiminta, koulutus

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## Finlands nationella reformprogram 2023

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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 2019-2022 gäller hållbarhet i den offentliga ekonomin, social- och hälsovårdstjänster, arbetsmarknad, forskning, innovation och koldioxidnsål 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 widespread crises of the past few years – the COVID pandemic and Russia’s war of aggression against Ukraine – have profoundly affected the global, European and Finnish economies. The changes in the operating environment have added to the risks to economic development. The growth of Finland’s economy halted in late 2022 after swiftly recovering from the pandemic. Economic growth is projected to remain slow as household purchasing power is eroded by high inflation and rising interest rates, thus reducing consumption. However, slowing inflation will turn real incomes to growth already in 2023. The independent forecast of the Economics Department of the Ministry of Finance estimates that Finland’s economy will contract by 0,2% in 2023.

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. The employment rate bounced back from the COVID crisis very quickly and by the end of 2022, both the employment and participation rates stood at record-high levels. While the recession is expected to increase unemployment in 2023, the rise in the unemployment rate will be limited by the lack of skilled labour. The employment rate in 2023 is estimated to stand at 73,6%.

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 impacts of the war in Ukraine will also extend to Finland's general government finances due to the deteriorating economic situation. The situation of public finances will be discussed in more detail in the Finnish Stability Programme prepared with the assumptions of an unchanged policy 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 2019–2022. The reform programme was prepared in accordance with the guidance received from the European Commission in December 2022, 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 June 2021, the Finnish Parliament approved an extensive health and social services reform. From the beginning of 2023, responsibility for organising health, social and rescue services was transferred from municipalities and joint municipal authorities to 21 wellbeing services counties, except in the City of Helsinki. Chapter 3.1 of Finland's National Reform Programme discusses the measures included in Finland's Recovery and Resilience Plan as well as other measures to improve the cost-effectiveness, resilience and equal accessibility of health and social services. In November 2021, the Government launched a programme for ensuring the sufficiency and availability of healthcare and social welfare personnel that seeks sustainable solutions to meet the labour needs in the sector. In spring 2020, a Parliamentary Social Security Committee launched its work to prepare a social security reform. The interim report of the Committee was approved in January 2023. The aim is for the next Government to continue the reform efforts on the basis of the Committee's proposals.

In respect of the labour market, the Government of Prime Minister Marin has both launched and promoted numerous reforms (chapter 3.2). The measures included in the Recovery and Resilience Plan seek to support employment and strengthen the functioning of the labour market. The RRP also promotes competence enhancement through means including the streamlining of procedures for work-based and education-based immigration and reform of the system of continuous learning. The RRP further involves improvement of the integrated services for unemployed and inactive people. In addition to the measures under the RRP, a transfer of employment and economic development services (TE services) to the municipalities is under preparation and a full transfer is envisioned to be effected during 2025. The service centre for continuous learning and employment (Jotpa) promotes the competence development of working-age people and the availability of skilled labour. A proposal on the overhaul of the Integration Act was also submitted to Parliament in October 2022.

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 package to rein in household indebtedness was approved in January 2023 as part of the legislative proposal for new macro-prudential tools and it is intended to enter into force at the start of July 2023. The positive credit register is a key measure in preventing households from accumulating excessive debts. The bills on the register were approved in early July 2022 and the register is envisioned to be operational in respect of consumer credit in spring 2024. The Finnish Recovery and Resilience Plan also includes the establishment of a centralised register of housing company loans as part of the ensemble of credit register measures.

The updating of the new national risk assessment of money laundering and terrorist financing completed in March 2021 was initiated during 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 the measures are already underway. 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 is at the forefront of the implementation of the UN Sustainable Development Goals and the 2030 Agenda (Chapter 4). International benchmarking indicates that 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 as well as the level of development cooperation funding, for example. 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.

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

## 2 Macroeconomic situation

### 2.1 Macroeconomic outlook in the programming period

Finland's GDP turned into slight decline in the latter half of 2022 and economic development is expected to remain weak through the winter. GDP is projected to have grown by 2,1% in 2022. In 2023, GDP will contract by 0,2%, as rising prices erode household purchasing power and reduce consumption. However, slowing inflation will turn real incomes to growth already in 2023. The Finnish economy is indeed projected to grow by 1,3% and 1,6% in 2024 and 2025, respectively. Russia's war of aggression will have a prolonged impact on the economy, and the economy will not return to the previously anticipated path of growth.

Output growth remained positive in the first two quarters of 2022 whereas in the latter half of the year, output levels declined in nearly all sectors and industries. The stagnation in output growth has its origins especially in consumer demand, which is reflected in the trade, financial and insurance services and construction sectors alike. Manufacturing sectors have also seen demand-related challenges.

Economic growth will slow in 2023. Uncertainty continues to prevail in Europe and will in particular affect energy-intensive sectors, such as the chemicals industry and the energy supply industry. The outlook in the export industry is stabilising with regard to prices, especially if competitive advantage can be gained on raw material prices. The most negative prospects for 2023 are faced by the trade sector and especially the construction sector, which is reflected in turn on transport as well as financial and insurance activities.

In 2024, economic growth is projected to slowly pick up. Manufacturing will recover faster than other sectors, supported by the recovery of export markets. Service production will recover as consumer confidence returns, and business services will recover in the wake of other industries. Output growth in forestry is expected to accelerate the recovery of primary production. The resumption of growth in construction may be delayed until 2025 due to the excessive supply of housing.

The average rate of inflation for the full year 2022 was 7.1%. The rise in prices in 2022 was for the most part due to the rise in energy prices, yet towards the end of the year, prices rose quickly in nearly all other consumption categories as well. While the rate of inflation slowed slightly in the first months of 2023, it remains very rapid and extremely broad-based. The inflation rate is anticipated to continue to slow down in 2023 as the prices of goods and food follow those of energy and raw materials into decline. Prices

will be brought down by the unwinding of global bottlenecks and a clear fall in the cost of transport. However, prices will remain above pre-crisis levels and upward pressure on prices continues to be seen in the services sector in particular.

Rising prices and interest rates have weakened household finances. Real purchasing power fell in 2022, turning household consumption into decline towards the end of the year. The greatest impacts of the rise in interest rates will only be seen in 2023 and consumption is likely to continue to fall throughout the early part of the year.

Households will see some relief in 2023, however. Inflation will slow, while wages and social benefits will rise by more than is customary. Real household purchasing power will see growth already in 2023 and this in turn will put consumption, too, on an upward trajectory by 2024. This is also evident in consumer expectations, as consumers have grown clearly more confident about their finances.

The labour market is on the brink of a transformation. The number of employed persons has continued to grow and there is a very high number of job vacancies – also in relation to the number of unemployed jobseekers – yet at the same time, unemployment is also rising. Consequently, there is a lot of labour in the labour market, as demand for labour draws new people into working life.

The employment rate is record-high. Continued very strong growth over the past two years in the number of persons employed raised the employment rate of persons aged 15–64 to 73.8% in 2022. This figure is the highest seen since the current Labour Market Survey has been in place and was last at a similar level in 1990. The increase in labour force participation is of even greater significance, as the rise in the employment rate was due more to the higher growth in number of people returning to the labour market than to lower unemployment. At 0.9%, the increase in the amount of work performed, i.e. the number of hours worked, was indeed less than half of the increase in the number of persons employed. In other words, average hours worked continued to decline for the fifth consecutive year.

In 2023, GDP is projected to slightly contract and demand for labour decrease, bringing down the number of employed people by roughly 0,5%. The significant shortage of skilled labour motivates companies to hold on to their employees, as the recession is expected to be short-lived, and it is likely that employers will elect to use temporary lay-offs and other labour flexibility solutions instead of dismissals. Economic recovery will increase the number of employed persons in 2024 and 2025, especially in the service sectors. The employment rate will surpass 74% in 2025, partly due to the decrease in the working-age population.

Strong employment growth led to a substantial decrease in unemployment in 2022, although unemployment did not decline as much as it does on average in conditions of similarly strong employment. The recession is expected to increase unemployment in

2023. The contraction of construction activity, in particular, will increase unemployment in secondary production. If labour market mismatches and region-specific and occupation-specific availability of labour do not become an obstacle to the functioning of the labour market, the unemployment rate will fall to 6,5% in 2025.

Many new two-year collective agreements were signed in the private and public sectors in 2023. This year, the negotiated annual increases have generally been around 4.5%. Pay increases in the municipal and wellbeing sector are even higher, as the agreements in this sector include a pay programme as well as pay harmonisation costs. Nominal earnings will consequently rise by roughly 4,5% in 2023.

In the coming year, the negotiated private-sector and central government increases have an annual impact of approximately 1,5%, as the one-off payments made in the current year are no longer included in the agreements. The increases in local government will be clearly higher also in the year to come. Furthermore, wage drifts are projected to be higher than on average, approximately a percentage point. Nominal earnings would thus increase by nearly 4% in 2023.

The increase in earnings for 2025 is projected to reflect subdued growth in productivity. On the other hand, economic growth and the resulting rise in employment as well as labour shortages in some sectors are expected to keep wage drifts high. Nominal earnings are projected to increase by approximately 4% in 2025.

The general government deficit contracted considerably in 2022 and central government finances came close to being in balance. The balancing of general government finances was fostered by strong tax revenue growth and the expiration of many discretionary measures.

This strengthening in general government finances is expected to be short-lived, however. The economy will see no real growth in 2023, the employment rate will fall, interest rates are on the rise and the harmful effects of inflation are now being passed on to expenditure. The general government budgetary position will start to decline as a result of these factors. Moreover, general government finances will suffer from a number of discretionary measures, most significantly the numerous preparatory measures taken in response to Russia's war of aggression. Against the backdrop of economic cycles, general government finances are structurally undermined by the ageing population.

The macroeconomic and fiscal situation and scenarios of Finland are described in more detail in the 2024–2027 General Government Fiscal Plan, published at the same time as this document, and in the Finnish Stability Programme prepared with the assumptions of an unchanged policy.

## 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 on topics including 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 allowance 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 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. Address shortages of health workers to strengthen the resilience of the health system and improve access to social and health services.

**CSR 1 (2022):** In 2023, ensure that the growth of nationally-financed current expenditure is in line with an overall neutral policy stance, taking into account continued temporary and targeted support to households and firms most vulnerable to energy price hikes and to people fleeing Ukraine. Stand ready to adjust current spending to the evolving situation. Expand public investment for the green and digital transition and for energy security, including by making use of the RRF, RePowerEU and other EU funds. For the period beyond 2023, pursue a fiscal policy aimed at achieving prudent medium-term fiscal positions. Present policy proposals for the social security reform, aiming to increase the efficiency of the system of social benefits, improving incentives to work, and also supporting long-term sustainability of public finances.

Progress towards the medium-term budgetary objective for Finland is addressed 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 and CSR 2020). Component P4C1 of Pillar 4 of the plan (strengthen the resilience of the health system and improve access to social and health services) aims to improve cost-effectiveness through ongoing investments, which i) promote accomplishment of the maximum waiting time guarantee in access to care (also in respect of mental health services) and address the backlog in care arising from the COVID pandemic (P4C1I1); ii) promote accomplishment of the maximum waiting time guarantee by strengthening prevention and early identification of need for health and social services (P4C1I2); iii) strengthen the knowledge base supportive of the cost-effectiveness of healthcare and social welfare and its value-based steering (P4C1I3); and (iv) introduce service-designed digital innovations to promote the maximum waiting time guarantee (P4C1I4). The decisions on the discretionary government grants for implementing the measures in the wellbeing services counties were issued in April and December 2022. The four measures under the Pillar will be implemented in the wellbeing services counties in 2022–2025.

Finland's 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 passed 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 health, social and rescue services was transferred to the wellbeing services counties on 1 January 2023. In particular, the measures related to accelerating access to care are expected to improve equal access to health and social services by changing operating models, providing new solutions, digital ones included, ensuring early identification of problems and developing low-threshold health and social services. Data on the quantity and nature of the regional backlog of care and services as well as on the pilot measures in the programme has been collected during the first project period and the programme (P4C1I1) will kick off in full in April 2023. The plan aims to help address the shortage of health workers through the digitalisation of health services.

According to the plan, the planned increase in university places in sectors suffering from labour shortages envisioned 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.

The legislation establishing the wellbeing services counties responsible for health, social and rescue services was passed by Parliament in June 2021. From the beginning of 2023, responsibility for organising health, social and rescue services was transferred from municipalities and joint municipal authorities to 21 wellbeing services counties. The exception is the City of Helsinki, which retained responsibility for organising these services. In addition, the HUS Group has a separately regulated organisational responsibility for tasks related to specialised medical care in its own area.

The regional development of the actors formerly responsible for organising health and social services was supported with discretionary government grants in 2020–2022. The government grants were 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 is 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 customer-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 sufficiency and availability of healthcare and social welfare personnel has declined dramatically in recent years. The COVID pandemic, too, had numerous impacts on the service sector workforce in terms of both demand and stressfulness. The shortfall is seen in nearly all professional groups and across the entire country. Without an adequate number of skilled personnel, the aims of the health and social services reform will be difficult to achieve.

The programme for ensuring the sufficiency and availability of healthcare and social welfare personnel, which was launched by the Government in November 2021, seeks sustainable solutions to meet the labour needs of healthcare and social welfare. The strategic roadmap for 2022–2027 describes the analysis work on the sufficiency and availability of healthcare and social welfare personnel that was conducted within the programme as well as the proposals for ensuring the sufficiency and availability of healthcare and social welfare personnel that were made on the basis of the analyses. Over 40 practical measures will be put in place already in 2022–2023. Besides the Ministry of Social Affairs and Health, also the Ministry of Economic Affairs and Employment, the Ministry of Education and Culture and the Ministry of Finance have taken part in the work. The central organisations of employers and employees also contributed and committed to the proposals. Cooperation with the wellbeing services counties will be intensified in 2023.

Ensuring competent, sufficient and thriving personnel in the healthcare and social welfare sector to meet the future labour needs requires a number of different measures to address the challenges in the sector as well as sustainable solutions in the short, medium and long term alike, with due regard to regional differences.

1. A sufficient intake of students in education programmes for healthcare and social welfare workers shall be ensured and during the Government term, education in nearly all health and social services professions has been boosted by increasing, for a fixed term, the number of places in education. The field of nursing has seen the greatest increase in the number of education places. The long-term need for education will be assessed in 2023–2024 by combining data on health and social services personnel and population service needs with the practical potential for increasing education and staffing. In these efforts, regard must be had to the decline in the size of the younger demographic groups and to the financing of the wellbeing services counties. Additionally, the contents of education must be developed, especially with an eye to strengthening multidisciplinary cooperation in healthcare and social welfare. A study on this topic was completed in 2022.
2. Division of labour and the structures of duties are in need of an overhaul. It is important to focus the work input of healthcare and social welfare professionals on duties that correspond to their education. Because of this, it is necessary to increase the number of assisting personnel and support service personnel in a way that does not jeopardise customer and patient safety or lower the qualification requirements. Ministry guidelines prepared to this end will be issued in early 2023 and supported with effective real-life examples.

3. International recruitment and work-based immigration must be stepped up. Foreign workers currently account for 3–4% of personnel in many healthcare and social services worker categories. Expert discussions in autumn 2021 found that the estimated international recruitment needed would amount to at least 10% of the total staffing needs in the sector by 2030. Central government is only just in the process of launching its activities to support international recruitment. Smooth licensing processes and provision of training towards qualifications are needed in order to respond to the growing need for international recruitment. The process of licensing healthcare and social welfare professionals who have completed their education outside the EU/EEA and providing training towards qualifications in support of this will be developed in 2023 on the basis of an implementation plan prepared in 2022. Besides ensuring the smooth progression of the processes, central government may also generate added value by concluding bilateral agreements with countries of origin in order to ensure ethical and effective recruitment. Bilateral agreements on international recruitment in the field of health and social services will continue to be prepared and concluded in 2023–2027. At the same time, preparations are being made to expand country-of-origin education and training to the countries concerned. A set of responsibility recommendations in support of healthcare and social welfare sector international recruitment was published in February 2023.
4. Productivity and cost-effectiveness in healthcare and social welfare must be improved. Digitalisation has been estimated to represent one of the most important opportunities for boosting productivity and cost-effectiveness. Responding to future challenges calls for the development of new kinds of approaches, technologies and solutions. Leveraging digitalisation may improve the effectiveness of services and reduce the need for human resources. Digital solutions are developed and introduced under the Sustainable Growth Programme for Finland (RRP). The introduction of these solutions requires competences that in 2023 will be supported under the programme for ensuring the sufficiency and availability of healthcare and social welfare personnel.
5. A range of tools must be employed to improve the work ability and wellbeing of work of healthcare and social welfare workers. Extending beyond the Government term, the programme to enhance the conditions for good job performance in the health and social services sector will be implemented in 2022–2025. The aim of the programme is for health and social services workplaces to be such that people want to work there. Aspects covered by the programme include work ability management along with job development and increasing gender equality in workplace communities. It also addresses efforts to reduce psychosocial risk factors and increase occupational safety and health, prevent violence in the workplace and eradicate sexual violence and harassment.

A learning, education and development package will be deployed in all five collaborative areas in cooperation with the wellbeing services counties, making use of the cooperation networks that are already in place. The compilation of best practices on which to base these efforts will be published in early 2023.

6. The knowledge base concerning health and social services personnel as well as foresight in this sector must be improved. Knowledge base enhancement in 2023 is being undertaken by the Finnish Institute for Health and Welfare (THL). The ministries cooperate in the area of workforce and education needs foresight development.

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 and the relevant amendments mainly entered into force in July 2021. In accordance with the Government Programme, the Act was reformed, for example, by extending the free provision of services and by moderating charges. The amendments promote health equality and access to care in line with the health and social services reform.

The social security reform is being prepared by a parliamentary Social Security Committee. Launched in spring 2020, its work will extend over multiple parliamentary terms. In the first phase of the Committee's work, a problem-based situational picture of Finland's current social security was drawn up. An interim report summing up the work of the Committee in its first term was approved in January 2023 (publication in March 2023). The report contains 31 proposals from the Committee for reforming social protection which the future Governments will be able to incorporate into their programme. Aspects covered by the proposals include social security for children and families, benefits related to work ability and disability, unemployment security, studying and competence enhancement, housing benefits, social assistance, the effectiveness of benefit and service paths and the implementation and digitalisation of social security. The aim is that the next Government will initiate the analysis, legislative drafting and development projects proposed by the Committee for the phased reform of social security.

The interim report furthermore lays down guidelines for the Committee's work in its second term. The Committee will continue the structural and operational reform of social security with a focus on topics such as the coordination of benefits and services, increasing the participation of benefit recipients and the status of last-resort income security in the social security system. The guidelines state that the reform must contribute to ensuring the sustainability of general government finances by strengthening employment and the population's ability to work and functional capacity. This will primarily be achieved through structural reforms that increase employment, inclusion and effectiveness. The Committee's work will continue during the next parliamentary term 2023–2027 in accordance with the decisions of the next Government.

## 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 Measures of the Recovery and Resilience Plan

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

The reforms collectively referred to as the Nordic labour market service model (P3C1R1) were introduced at the start of May 2022. The aim of the reforms is to shorten the periods of unemployment and encourage job-seeking. A quantitative requirement to apply for job opportunities will be incorporated into the employment plan prepared together with the unemployed person. The plan will also cover services to support job-seeking and employment. The reforms emphasise personal service to jobseekers at Employment and Economic Development Offices (TE Offices) and in the municipalities enrolled in the local government employment pilot programme. To this end, the resources of TE Offices and municipalities have been boosted considerably.

In the context of the reforms, unemployment benefit sanctions have been changed to establish a more reasonable balance of rights and obligations of the unemployed. In practice, this translates into moderating the duration of sanctions.

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.

The Nordic labour market service model and the phasing out of additional days of unemployment allowance include activation factors and incentives to accept work. The legislative amendment on phasing out the right to additional days of unemployment allowance entered into force on 1 January 2023. 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. The setting up of the Incomes Register, important for addressing bureaucratic traps in combining work income and social benefits, has also been completed.

## Support for 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. The programme started in 2019 and ends in March 2023. Cooperation is pursued at the ministry level in particular.

Through its actions, the Ministry of Economic Affairs and Employment focuses on removing barriers to the employment of people with partial work ability, boosting employment and preventing prolonged unemployment. In the work ability programme, the Ministry of Economic Affairs and Employment is responsible for the following six projects:

- increasing the number of work ability coordinators at TE Offices
- improving the relevance of TE services for people with partial work ability (TE service model pilots)
- launching a centre of expertise for social enterprises
- boosting employment through the use of employment conditions and criteria in public procurement
- establishing the special assignment company Työkanava Oy to employ people with partial work ability who are in the most difficult position
- creating a model for knowledge-based management and monitoring of performance of support measures to employ people with partial work ability (social impact)

The number of work ability coordinators at TE Offices was increased in 2020–2023. The aim of the additional resourcing is to improve the services available to persons with partial work ability so that the labour market demand for this group of people would increase. Work ability coordinators work as experts at TE Offices and ensure that jobseekers with partial work ability have access to all services promoting employment, irrespective of the body organising the service. Stepping up cooperation with employers is also a part of their job description.

The TE services pilots have improved the relevance of TE services for people with partial work ability and created new service models. Particular areas of development have

included recruitment services and service packages that best support people with partial work ability. At the same time, the service pilots have sought ways to improve the availability and supply of relevant training. Closer cooperation between jobseeker services and employer services has also been an area under development.

The project of the Ministry of Economic Affairs and Employment programme to boost employment through procurement is part of the implementation of the Government's work ability programme, one of the aims of which is to improve the labour market position of people with partial work ability. Employment through procurement means that the public procuring entity attaches a condition concerning employment to the invitation to tender and the procurement contract. The employment condition requires that the selected contracting partner employs persons in a vulnerable labour market position defined by the client during the contract period, such as the long-term unemployed, persons with partial work ability or young people.

A new special assignment company wholly owned by the State, Työkanava Oy, was established to promote the employment of persons with partial work ability. The Act on a limited liability company by the name of Työkanava Oy entered into force in summer 2022. The special assignment company employs people with partial work ability and other unemployed people who are in the most difficult labour market position. The business idea of the company is to sell the work input of its employees, – people with partial work ability – to companies and organisations. Combining public services and those offered by the company as an employer will improve employees' competence and labour market skills so that many of them can advance in their careers and move to the open labour market. Työkanava sells to its customers subcontracted service packages that its employees produce. Potential customers include companies, organisations, public sector entities and households in need of labour. The Ministry of Economic Affairs and Employment is in charge of the ownership steering of the company. In its first years of operation, Työkanava will be funded from Finland's Sustainable Growth Programme (P3C111). In addition, the company received national funding in the form of an annual appropriation of EUR 10 million (2022) with which employment for 1,000 persons is sought.

Social business is one of the Government's policies aimed at creating a labour market based on trust and equality and raising the employment rate. To ensure the implementation of the strategy, the Government decided to establish a network-based centre of expertise for social enterprises. It aims to increase the number of social enterprises in Finland and to promote the employment of people with partial work ability at the same time.

Effective promotion of employment requires management by knowledge. This work is carried out by the centre of expertise for impact investing, In 2021, it developed an impact-based employment model together with the cities of Helsinki, Rovaniemi, Kemijärvi and the ELY Centre of Central Finland. The model is based on customer groupings created with the help of statistical analysis. The grouping anticipates the customers' needs for services and assesses their employment opportunities.

The aim of the arm of the work ability programme implemented by the administrative branch of the Ministry of Social Affairs and Health was to provide unemployed individuals with partial work ability with better prerequisites for employment and to enhance their ability to work, functional capacity, and social inclusion. The means to this end were

1. to create a multisectoral service structure that identifies what kind of support unemployed persons with partial work ability need so that they might be able to work and provides customer-oriented services and service paths;
2. to 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 customers; and
3. to produce information to coordinate the services and benefits for unemployed persons with partial work ability and to develop legislation. A further key aspect was to increase the nationwide coverage of the services and to provide equal work ability support services to all people of working age.

The aim was pursued through four sets of measures:

- developing support for work ability for the future health and social services centres
- increasing the use of supported employment methods
- strengthening the competence of professionals
- generating research data on services and benefits to the unemployed and their coordination.

The measures sought to make work ability support services a permanent element in the service system to allow the unemployed to make better progress along their paths to employment.



In 2021–2022, the Ministry of Social Affairs and Health awarded EUR 17 million in discretionary 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. The programme was implemented with the support of the Finnish Institute for Health and Welfare (THL) and the Finnish Institute of Occupational Health (FIOH).

Three sets of measures were implemented in the projects receiving discretionary government grant.

The set of measures to integrate support for work ability into the services of future health and social services involved establishing low-threshold work ability support services for customers. Customers were provided with the support of a multi-professional team of experts as well as a dedicated case manager to coordinate the services needed by the customer.

The set of measures on supported employment methods involved projects to introduce supported employment job coaching based on quality criteria. The method was used to support jobseekers in entering the open labour market. Job coaching is a part of the social welfare service path.

In both of the aforementioned service ensembles, specialised health and social services were integrated with the services of occupational safety and health as well as those of other key authorities, such as the TE services and Kela.

The third set of measures strengthened the competences of professionals in work ability support so as to allow them to better make use of multisectoral networks and work ability service packages and coordinate services. The professionals designated for the projects took part in training provided by the Finnish Institute of Occupational Health and universities of applied sciences.

The project portfolio tool was used to monitor the project activities. In addition, the projects produced information such as operating models and final reports for publication on the Innovillage platform. Recommendations and generic operating models concerning the service package for work ability support are being drawn up. A work ability support guidebook is also being prepared for the decision-makers in the wellbeing services counties launched at the start of 2023.

The accomplishment of the aims of the work ability programme was monitored by means of a follow-up study that will be published in April 2023.

An external assessment of the entirety of the programme (measures of both ministries involved) is to be carried out by the company Owl Groupin Oy. The assessment report as well as the ministries' joint final report will be published in April 2023.

The IPS (Invest and Coach!) Individual Placement Support development project implemented a substantive and functional reform of working life rehabilitation services of the National Mental Health Strategy in 2020–2023. In the regional pilots of the development project, IPS job coaching for supported employment based on research evidence and quality criteria was 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 pilots.

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 Individual Placement Support operating model (P3C1I2). Government grant applications opened 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. The extension of the IPS Individual Placement Support development project promotes the nationwide adoption of the IPS approach. The aim is to support people suffering and recovering from mental health problems in gaining access to or returning to the labour market as well as their retention in the labour market job market.

### **Reform of continuous learning**

The reform of continuous learning (P3C2R1) supports the long-term growth potential and regeneration of working life, enterprises and society as well as employment and regional vitality. It also will make the education and training offering better responsive to the needs of working life and improve the flexibility and resilience of the service system. The aim is for lack of competences not to constitute a barrier to the recovery of society and working life or to economic growth. The reform will also improve the employment opportunities of

under-represented groups and allow workers in sectors experiencing structural change to transition to new duties.

One of the key elements in the implementation of the reform has been the establishment of the Service Centre for Continuous Learning and Employment. A core duty of the Service Centre is to provide funding, based on foresight data, to education and training services and competence services especially for employed and inactive people. A specific strength of the Service Centre relative to the basic system has been its ability to quickly direct its offering down to the level of individual training provision and to tailor the training provided to needs and target groups involved in each case.

A total of EUR 30 million will be directed from the EU Recovery and Resilience Facility to training in support of structural change in working life and outreach activities. Of this sum, at least EUR 4.5 million will be allocated to training in support of digital skills and digital transformation and at least EUR 1.5 million to training in support of green skills and green transition. The aim is for the training to be provided to at least 7,800 persons, 1,500 of them belonging to various under-represented groups. The Service Centre is responsible for the distribution of the funding.

Support from the EU RRF will also be used to develop labour and competence needs foresight activities, competence identification and lifelong guidance.

### **Strengthening multisectoral services for young people (Ohjaamo one-stop services)**

The aim of the incentive model for municipalities that provide Ohjaamo services (P3C1R4) is to strengthen the multisectoral nature of the Ohjaamo One-Stop Guidance Centres for young people, taking into particular account the needs of young people not in employment, education or training (NEETs) in order to improve their employment prospects. The aim is pursued by means of a temporary incentive allocated to municipalities and wellbeing services counties either to recruit new staff or shift resources to Ohjaamo services. This allows better response to the multiple needs of young people, when combined services are provided in the areas of education and training, healthcare, social welfare and employment. Ohjaamo services make up a consortium of organisations and most of the experts employed in these services continue to hold office in their respective organisations. The sum of EUR 6.5 million will be directed from the EU RRF for the implementation of the incentive model in 2021–2024. The objective is to raise the number of Ohjaamo centres that provide not only employment services but also services in education and training, healthcare and social welfare from 33% to 60% by the end of 2024.

### **Streamlining work-based and education-based immigration and facilitating international recruitment**

The Roadmap for Education-based and Work-based Immigration published in autumn 2021 determines the objectives and guidelines for longer-term development efforts extending until 2035. The permit process development project launched in spring 2020 has continued as planned. A cross-sectoral project to digitalise entry into Finland was prepared for the EU Recovery and Resilience Plan. With total funding of EUR 20 million, the project is being successfully implemented. An overall reform of the provisions of the Aliens Act concerning employment and entrepreneurship (chapter 5) has been prepared and will enter into force in February 2023. The regulation of permit conditions and permit processes was clarified and employer certification was introduced. The legislative amendments to support foreign students remaining in Finland entered into force on 15 April 2022. A fast-track for the residence permit applications of highly skilled individuals and growth entrepreneurs as well as their family members was introduced in June 2022 to promise processing within 14 days for applications that meet the criteria. The processing time of the first residence permit application of a highly skilled individual, for example, has fallen from an average of 22 days (2020) to 9 days.

### **3.2.2 Other measures taken**

#### **Reform of the Act on Social Assistance**

The reform of the Act on Social Assistance was carried out in the term of the current Government and the amendments entered into force at the start of 2023. The aim of the reform is to improve the position of social welfare customer and vulnerable customers as applicants for income support and to improve their access to services. As part of the reform, it was decided to establish a national advisory board on social assistance matters at the Ministry of Social Affairs and Health as well as regional advisory boards in each wellbeing services county, which will increase the conditions for cooperation among the authorities that is required for providing the assistance.

#### **Social security reform**

The social security reform is discussed on page 16 of this report in response to CSR 1 2022. The measures implemented in the context of reforming social security were previously in response to CSR 2 2019.

## Action Plan for Reducing Poverty and Social Exclusion by 2030

Finland has set itself the target of reducing the number of people living at risk of poverty and social exclusion by 100,000 by the year 2030. One third of these people should be children. A national action plan<sup>2</sup> has been prepared in order to achieve this target. The action plan pools information on the measures to reduce poverty and emphasises how reducing poverty and exclusion is a broad-based intersectoral theme. The action plan contains measures that have already been taken or are being prepared to reduce poverty and social exclusion as well as recommendations for future measures. It also brings together indicators for measuring poverty that will be used to nationally monitor progress towards the target. Stakeholders and non-governmental organisations were consulted during the preparation of the action plan.

## Rehabilitation reform

Rehabilitation reform has continued in accordance with the Action Plan for Reforming Rehabilitation Services. 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 ability and functional capacity of the unemployed and developing the rehabilitation path as part of the development of TE services. Rehabilitation has been integrated into multidisciplinary cooperation. Rehabilitation services are being developed in the regional projects under the Future Health and Social Services Centres programme as well as in Kela. Published in late 2022, the guide on national criteria for referral to medical rehabilitation is intended to make such referrals more effective.

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. Legislation governing the timeframes for reviewing entitlement to sickness allowance entered into force at the start of 2023. The reform allows the need for rehabilitation to be identified more systematically during illness. As of the start of 2023, the legislation on sickness allowance and rehabilitation allowance was amended to support earlier return to work.

The reform of rehabilitation was assessed in a report published in late 2022. The report also includes ideas for the further development of rehabilitation in years to come.

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2 Finnish Government (2022): <http://urn.fi/URN:ISBN:978-952-00-9999-2>

## Employment and entrepreneurship policy

One of the most central employment reforms, the Nordic labour market service model, was introduced in May 2022. Under the new model, jobseekers apply for jobs on their own initiative and are provided with more intensive individualised support in their job-seeking at an earlier stage than before. In order to maintain the right to unemployment benefit, jobseekers must apply for a certain number of job opportunities. The reform is discussed in more detail above in this report.

The opportunities of unemployed persons to pursue studies alongside their job-seeking without losing entitlement to unemployment benefits were enhanced as of the start of 2023. Following the change, an increased range of studies are considered to be part-time studies that do not affect the right to unemployment benefit. The handling of unemployment security matters relating to the pursuit of studies was also streamlined.

Local government pilots on employment were launched in March 2021 in a total of 25 regions and 118 municipalities. The participating municipalities are in part responsible for the provision of employment and economic development services (TE services) in their area. The pilots aim to increase the effectiveness of employment services by integrating central and local government resources, skills and services. In its mid-term policy review session in April 2021, the Government decided to continue preparations for the transfer of TE services to municipalities. The services will be transferred entirely to municipalities in 2025. In order to ensure a smooth transfer, legislation was enacted in April 2022 to continue the local government pilots on employment until the TE services transfer to 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 relating to labour services include the wage guarantee reform, the launch of the recruitment subsidy pilot, raising the employment rate of over-55s and developing the legislation on multisectoral services. The recruitment subsidy pilot was launched in March 2022, the others will be initiated in 2023.

## Integration policy

A proposal for the overall reform of the Integration Act submitted to Parliament in October 2022 would increase the responsibility of the municipality for promoting integration and would streamline pathways to working life as well as improve how well immigrant women and other immigrants who are outside the labour force are reached in services. The reform is envisioned to enter into force at the start of 2025. The specific needs of immigrants have been taken into account, efforts made to boost their competence levels and promote their employment also within the context of the labour market services reform, the local government employment pilots, the wage guarantee reform and the reform of continuous learning.

## 3.3 Investments in research, innovation and low-carbon economy and increasing supply security in energy infrastructure

**CSR 3 (2019):** 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.

**CSR 3 (2022):** Reduce overall reliance on and diversify imports of fossil fuels by accelerating the deployment of renewables, including by further streamlining permitting procedures, and boost investment in the decarbonisation of industry and electrification of transport; develop energy infrastructure to increase security of supply.

### 3.3.1 Measures of the Recovery and Resilience Plan

#### Research and innovation

The Components relating 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). Component P3C3 strengthens investment in research relating to climate change mitigation and adaptation, in promoting cooperation, and in research and innovation infrastructures. The investments are implemented through the Academy of Finland and Business Finland.

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 the green transition and digital transformation 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.

Under Component P2C2, Finland will contribute to the digital transformation by funding applied RDI activities and the infrastructure supporting them: testing and experimentation environments related to microelectronics, 5G/6G technologies, artificial intelligence and quantum technology.

#### 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 country-specific recommendations to invest in the green transition (CSR 3.2 and 3.3 2019, CSR 3.4 and 3.5 2020 and CSR 3.1–3.5 2022). This includes the recommendations to focus investment-related policy on a 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.

The reforms of Pillar 1 are accompanied by the reform of climate legislation, enshrining the 2035 carbon neutrality target into Finnish law. The new Climate Act entered into force on 1 July 2022 and sets targets for percentage reductions in emissions for the decades



ahead. Similarly, Pillar 1 is linked to a reform of the Land Use and Building Act so that the legislation takes greater account of the energy efficiency aspects of buildings. The government proposal was submitted to Parliament in early autumn 2022, and the new Act would enter into force on 1 January 2024.

Also linked to Pillar 1 reforms is the enactment of the new Nature Conservation Act, which enters into force on 1 June 2023. New provisions in the Act include those strengthening the protection of strictly protected habitat types and those introducing voluntary ecological compensation. Climate change adaptation is also included in the objectives of the Nature Conservation Act.

### Sustainable transport

The Ministerial Working Group on Sustainable Growth in Finland outlined on 22 June 2022 that Finland's Recovery and Resilience Plan will be updated to reflect Finland's lower final share of funding from the RRF. Measures included in Component P1C4 of Pillar 1 and Component P3C4 of Pillar 3 were cut in respect of investments in distribution infrastructure for alternative transport fuels and in alternative propulsion vehicles. National funding has, however, been allocated to support for private charging infrastructure and the vehicle conversions and purchases no longer included in the plan, with additional national funding also allocated to the support for public distribution infrastructure cut back in the recovery programme.

Decisions were made in 2022 on the allocation of a total of EUR 25.5 million in the 2022 and 2023 Budgets to subsidise purchases of full electric cars, electric and gas-fuelled vans and electric and gas-fuelled trucks. This funding implements the government resolution of May 2021 on a roadmap to fossil-free transport aiming to halve greenhouse gas emissions from domestic transport from the 2005 level by 2030.

The first call for applications for discretionary government grants for electric heavy-duty transport in accordance with the electric heavy-duty transport measure under Component P3C4 of Pillar 3 of the RRP opened in 2022.

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 train control system on the entire railway network in Finland by 2040. The system will be built according to the European interoperability requirements.

## 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 under Component P2C3 aim to help create a comprehensive framework for addressing cybersecurity and information security issues, which is a prerequisite for a successful digital transformation.

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 talent and to accelerate the processing of work and residence permits based on employment or studies.

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 transition and digital transformation. 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 relating to the maximum waiting time guarantee in access to care. The aim is to support the development of health and social services through digital solutions and to promote compliance with the maximum waiting times. Established in 2021, the Ministerial Working Group on Developing the Digital Transformation, the Data Economy and Public Administration coordinates key public projects to promote digitalisation. In 2022, cybersecurity was also included in the guidance duties of the Ministerial Working Group. Commissioned by the Ministerial Working Group and completed in 2022, Finland's national digital compass is a strategic roadmap for development measures to be taken by 2030 and is in line with the Europe's

Digital Decade policy programme of the EU. The implementation of the plan will be monitored annually using a specific monitoring tool.

Medium- to long-term recovery prospects for Finland will benefit from investments to increase productivity and innovation, while the weak productivity growth seen 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 to 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 the 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, quantity and effectiveness of R&D activities, carry out a structural and functional reform of public research, create globally successful innovations and diversify the business structure. 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 Programme of Prime Minister Marin's Government (2019– 2023), the vision and roadmap for 2030 (drawn up in 2017) of the Research and Innovation Council, the National Roadmap for Research, Development and Innovation (RDI) for 2030 adopted by the Ministerial Working Group on Competence, 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 vision of the Research and Innovation Council brings four science and innovation policy themes together at a general level: ensuring the competence base, strategic choices that support renewal, development of competence platforms and growth ecosystems, and internationality as a prerequisite for quality and effectiveness.

The RDI roadmap aims for sustainable growth and wellbeing based on a high level of competence, education, research and innovation. The roadmap features three strategic

development themes: competence, 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 and increase cooperation between R&D actors. Instruments relating to these include Finnish Flagship Programmes of the Academy of Finland and leading companies of Business Finland as well as agreements concluded with university towns and cities. The competence-related aim is to increase the percentage of those who have completed higher education and to step up efforts to attract international talent to Finland and facilitate their access to employment here. The measures of the roadmap improve the global attractiveness of the Finnish RDI environment and encourage companies to increase their RDI investments. The capacity of the public sector to make use of RDI in the implementation of policy objectives will be strengthened and an operating environment favourable to the dissemination and deployment of innovations will be developed. Measures to develop the operating environment include enhancing public-sector capabilities in innovative procurements, developing regulation to make it more research and innovation friendly, and strengthening the utilisation of intellectual property rights and the commercialisation of research outcomes.

Based on a proposal of the Parliamentary Working Group on RDI, the Government submitted a bill for increasing public R&D funding, and the Act on Research and Development Funding entered into force on 1 January 2023. The Act determines the level of annual R&D funding in 2024–2030 so that central government R&D funding accounts for 1.2% of GDP by 2030 over the projected trajectory of economic development. Alongside the Act, a multiannual plan for the use of R&D funding extending beyond individual budget planning periods will be drawn up. The plan would specify the policy guidelines for and content of long-term research and development activities and establish the basic principles for the allocation of R&D funding. The Parliamentary Working Group has formulated a set of ten principles to inform the development of Finland's RDI system in the years to come.

A tax incentive for more extensive R&D activities was also introduced on the basis of the Parliamentary Working Group's proposal. The tax incentive complements direct subsidies for R&D and is anticipated to encourage SMEs in particular to scale up their R&D activities.

R&D and innovation funding will be targeted to increase the quality and quantity of RDI and at activity supporting economic regeneration and growth. The Government Programme sets the strategic science and innovation policy objective for Finland to be an internationally attractive place to study, conduct research and invest.

## Fixed-term funding increases during the pandemic

As a result of the COVID crisis and in order to increase R&D activity, the Government allocated 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 to 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 activities including the launch of a new partnership model, a flagship programme, research related to crisis preparedness and security of supply, as well as for strengthening research infrastructure. An additional EUR 20.7 million was allocated to VTT Technical Research Centre of Finland for building a quantum computer. Furthermore, in 2021, 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 by 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 2.98% in 2021 and, according to the preliminary estimate, at about 2.88% in 2022. The year-on-year increase in expenditure was 8.1% in 2021. Although R&D expenditure increased in the sectors of business enterprises and higher education as well as in the public sector, enterprises accounted for 90% of the increase. At the time, R&D expenditure in the business enterprise sector increased by 11% compared to 2020 and reached almost EUR 5.2 billion (up by EUR 509 million). According to preliminary data, the R&D expenditure to GDP ratio for 2022 is estimated to be 2.9%.

Central government R&D funding was at a record high level (EUR 2.49 billion) in 2022, with its intensity at 0.91%, up from 0.88% in 2021. Based on the central government budget proposal for 2023, R&D funding is likely to fall below EUR 2.4 billion in 2023, with this rough estimate putting R&D intensity at around 0.85%.

In the 2023 Budget, the amount allocated to central government R&D funding is around EUR 133.7 million below the 2022 level. EU RRF funding granted via Business Finland accounts for the majority of the increase. The intensity of central government R&D funding is estimated to decline to around 0.85%.

## 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. This is essential, for example, in the development of public-private partnerships and new partnership models.

## Transition to low-carbon economy and energy

The Government submitted its National Climate and Energy Strategy “Carbon Neutral Finland 2035”<sup>3</sup> to Parliament on 30 June 2022 as a government report. The document is an extensive medium-term action plan outlining measures Finland will take to meet the climate obligations of the EU by 2030 and reach the objectives laid down in the Climate Act to reduce greenhouse gas emissions by 60% by 2030 and to reach carbon neutrality by 2035. The strategy focuses on the green transition and on phasing out Russian fossil energy, with such imports from Russia having already ended almost entirely (CSR 3.1 2022).

In 2021, 34% of total primary energy was imported from Russia. Gazprom suspended pipeline natural gas deliveries from Russia on 21 May 2022 when Gasum refused to pay for gas in rubles. Only a small volume of LNG is imported from Russia to off-grid terminals under existing contracts. Rao suspended electricity supply from Russia on 14 May 2022, as Rao Nordic was no longer able to transfer funds to Russia. Import of electricity from Russia was suspended on 11 March 2022, as Russia imposed sanctions on “unfriendly countries”. In summer 2022, Finnish companies were switching to non-Russian coal and oil supplies. By the end of 2022, imports of primary energy had virtually ceased.

Finland’s National Energy and Climate Plan (NECP) sets the national target of increasing the share of renewable energy to 51% of total final energy consumption by 2030.

In 2021, the share of renewable energy of total energy consumption increased to a level 8% higher than the share of fossil energy. The share of renewable energy in Finland’s total consumption has increased rapidly. Earlier renewable energy aid schemes and R&D work have resulted in Finnish competence having become more established and strengthened in planning and supply chains relating to renewable energy. At the same time, successful global and domestic development of renewables technology along with higher fossil fuel costs have contributed to the increasingly better deployment of new wind and solar energy as well as large-scale utilisation of heat pump and waste heat without any subsidies.

For example, in 2022 Finnish wind power production increased by 41% compared to the previous year. Moreover, 2022 was also a record year in terms of capacity, with 2.4 GW of new wind power capacity introduced to almost double total wind power capacity (CSR 3.3 2022).

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3 Finnish Government (2022): <http://urn.fi/URN:ISBN:978-952-327-843-1>

A total of 13 sectors prepared their own sectoral low-carbon roadmaps in accordance with the Government Programme objective by summer 2020. The purpose of the roadmaps was to obtain new information and fresh perspectives on the climate challenge and to ensure the increased commitment of the sectors and their enterprises to climate action. The roadmaps provided valuable information on the scale, costs and conditions of the actions required. A key conclusion drawn from the roadmaps was that, with regard to industry and other sectors, the Government's target for 2035 can be achieved with existing or upcoming technologies, provided that the investment environment is favourable and that a number of conditions are met.

The reductions in industry emissions will mainly be made on the basis of the above-mentioned sectoral low-carbon roadmaps. The implementation of the roadmaps will require not only a predictable operating environment that promotes low-carbon investment but also coordination by the public authorities. Electrification aid for energy-intensive enterprises will be introduced to promote low-carbon investment in industry. The sectoral low-carbon roadmaps will be updated, where appropriate, in 2023.

The emissions trading system and long-term and predictable climate and energy policy are the key steering instruments of the National Climate and Energy Strategy. The measures outlined in the strategy will improve the opportunities for companies to make long-term investments in advanced clean technologies.

Finland has been actively involved in the creation of the regional gas market with the Baltic States (CSR 3.5 2022). As a concrete outcome of the opening up of the market that commenced at the beginning of 2020, Finland, Estonia and Latvia formed a common market area with uniform entry and exit tariffs. This market area forms the first European gas market covering multiple countries. Lithuania is also planning to join the market.

In 2021, natural gas accounted for just 5% of Finland's total energy consumption. The demand for gas declined by 50% due to the high price of gas in the first half of 2022 compared with the corresponding period in 2021. Pipeline gas supply from Russia under the supply contract of Gasum Ltd was suspended in May 2022. Taken into use two years ago, the Balticconnector gas pipeline between Finland and Estonia provides Finland with an alternative gas supply route, and the existing LNG infrastructure can also be utilised. In addition, an LNG floating terminal vessel was deployed in Inkoo within a short timeframe.

### **Streamlining permitting procedures**

Finland has increased its efforts to speed up permit-granting procedures and other administrative procedures (CSR 3.2 2022).

An Act on the temporary prioritisation of certain green transition projects in the permit procedures of the Regional State Administrative Agencies in 2023–2026 and in administrative courts in 2023–2028 was drafted in 2022 and entered into force on 1 January 2023. The aim is to strengthen Finland’s self-sufficiency and phasing out of fossil energy and to accelerate investments that genuinely boost the green transition.

Under the new Act, certain applications under the Environmental Protection Act and the Water Act relating to investments supporting the green transition are temporarily prioritised in all stages of the permit procedures under the Act on the Processing of Environmental Protection and Water Matters in the Regional State Administrative Agencies. The aim of the priority treatment is to speed up the processing of permit applications so that the total processing time would be shorter than the average. The priority treatment applies to energy production establishments specified in more detail in the Act: industrial projects based on renewable energy or electrification that replace the use of fossil fuels or raw materials; manufacture and utilisation of hydrogen; capture, utilisation and storage of carbon dioxide; and battery factories and manufacture, recovery and reuse of battery materials. In addition to the priority treatment, the Act requires that appeals concerning these permit decisions or land use plans that are important with respect to renewable energy production are to be considered as matters of urgency by the administrative courts.

### **EU Emergency Regulation**

Council Regulation (EU) 2022/2577 laying down a framework to accelerate the deployment of renewable energy entered into force on 30 December 2022. The Regulation is applied directly in national systems, but in Finland joint guidelines for its application by the authorities are being issued by the Ministry of Economic Affairs and Employment and the Ministry of the Environment. In addition, Finland is considering making use of certain restriction options permitted under the Regulation, with national provisions to be laid down on these.

### **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 State of Finland and 26 municipalities established project companies promoting the planning of the Finland Railway and the Turku One Hour Train. The project companies are responsible for planning and funding the rail projects up to the construction phase. The Finland Railway is a high-speed rail link between Helsinki and Tampere. The planning comprises several parts, including the Airport Railway line between Pasila and Kerava via Helsinki Airport and the continuation of the railway line



to Tampere. The Turku One Hour Train is a high-speed rail link between Helsinki and Turku. The planning comprises the Espoo–Salo direct line and the double-tracking of the section between Salo and Turku. High-speed rail links facilitate commuting to work and improve regional accessibility. The Ministry of Finance and the Ministry of Transport and Communications together with the project companies implemented a project to study<sup>4</sup> the financing and investment opportunities of large-scale rail projects, which looked into the potential for investment relating to the rail projects in question, including real estate development opportunities, traffic operation income and other potential financing methods. In particular, the goal was to determine how large a public share of payment (central government and local government) would be required to implement each project and what other potential sources of financing could be used. The objective of the study was to create an understanding of the scale of investment capacity. This understanding will support decision-making on long-term policies concerning the construction of the rail connections.

### 3.4 Household indebtedness

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

#### 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. The systems project is currently pending. The legislation enabling the collection of data on housing company loans was passed by Parliament in November 2022 and approved in February 2023.

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4 Finnish Government (2023): <http://urn.fi/URN:ISBN:978-952-367-245-1>

## 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 home loans to 85% of the previous 90% for home loans other than the borrower's first home loan. The maximum lending ratio has since been kept at the same level.

In September 2021, the Board 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.

In June 2022, the Board of FIN-FSA issued a recommendation on maximum debt-servicing burden. FIN-FSA recommends that home loans in future be granted, as a rule, to loan applicants whose total loan-servicing costs are assessed to remain below 60% of their net income under stress conditions.

There are 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. A legislative package to limit household indebtedness was passed by Parliament in January 2023 and it is intended to enter into force on 1 July 2023. The package comprises the following measures:

- A maximum limit of 30 years for new home loans;
- 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;
- However, lenders would be allowed to deviate from the maximum loan term stated above in 10% of their lending volume in each quarter.
- A prohibition of lending business models focusing on consumers with high default risk and extension of the obligation to assess default risks especially in non-banking sector lending

- An extension of the maximum lending ratio to non-credit institution operators providing home loan credit to consumers.
- The official supervision of non-credit institution consumer credit providers will be transferred from the Regional State Administrative Agency of Southern Finland to FIN-FSA.

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

In recent years, action has been taken to prevent the over-indebtedness of households through measures including legislative action and providing the authorities with additional resources. By acquiring more resources, the authorities are better placed to provide financial and debt counselling, which in turn helps to prevent over-indebtedness. The joint implementation of the national strategy to promote financial literacy was started in February 2022 by the Ministry of Justice, the Bank of Finland and various operators in the sector. Legislation has been put in place to shorten the retention periods of registered payment defaults, ease and accelerate access to debt restructuring for persons who have accumulated debt for business purposes, and to moderate enforcement procedures by increasing the number of months in which attachment may be suspended as well as raising the protected portion of wages.

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 COVID 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. The direct marketing of credit was also restricted in the same period.

In February 2023, Parliament approved an amendment to the Consumer Protection Act, in which the interest rate on consumer credit is capped at 15% instead of the current 20%. At the same time, the interest rate cap will be linked to the reference rate of interest referred to in the Interest Act so that even according to the terms of the credit contract, the interest rate could not exceed 20%. The change aims to reduce consumer over-indebtedness by limiting the opportunities of credit providers to engage in lending at the current level of credit risk. A further aim of the change is to moderate the pricing of credit, especially as concerns long-term credit of high euro amount. The law change also includes changes to the provisions on the marketing of credit and regulation of the presentation of the

manners of payment available for consumers buying goods online. The changes are scheduled to enter into force in October 2023.

### Positive credit register

The positive credit register is one of the key national measures to prevent over-indebtedness. It will provide a better knowledge base for both individual lending situations and for the monitoring and supervision of financial stability and the credit markets.

The government proposal on the positive credit register was submitted to Parliament in February 2022. The bills were passed by Parliament in June 2022 and approved in early July 2022.

The Act on the Positive Credit Register defines the data content and controller of the register. In addition, the Act lays down provisions on the obligation to report credit information and the purposes for which data can be disclosed from the register. The register will 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 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 may also contain information on the voluntary prohibition of credit, which a natural person could register for themselves.

The register will 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 will 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.

Work on the reform in 2022 achieved a legislative amendment relating to the compiling application. Entering into force on 15 September 2022, the amendment is an element of the milestone included in the Council Implementing Decision.

### 3.5.2 Other measures taken

Finland's 2021 national risk assessment of money laundering and terrorist financing is the second of its kind for Finland. The risk assessment was prepared under the coordination of the Ministry of Finance and the Ministry of the Interior and it 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 was started 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 is 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 underway.

FIN-FSA established a separate Anti-Money Laundering Division 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.

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.

In 2022, the Anti-Money Laundering Division prepared the anti-money laundering supervision strategy required by both the European Banking Authority (EBA) and the Financial Action Task Force (FATF). A revised supervisor-specific assessment of inherent risk, which also contained a terrorist financing risk assessment, was published in spring as part of the strategy. In addition, in autumn the risk assessment for the credit institution sector was published and sector-specific risk assessments on supervised entities in the capital markets and on virtual currency operators were prepared for internal use.

Implementation of the supervision strategy will start in 2023 as an element of the new strategy for all of FIN-FSA.

In supervision activities, FIN-FSA completed five anti-money laundering inspections and one thematic assessment. The thematic assessment concerned the unnecessary restriction of banking services to high-risk clients ('de-risking'). The findings of the assessment have been discussed with both banks and the authorities, and these discussions will continue into 2023. Additionally, FIN-FSA carried out ongoing supervision of several supervised entities.

The Russian war of aggression against Ukraine that started in early 2022 brought about a significant change in respect of international financial sanctions: the very extensive sanctions imposed by the EU against Russia and Belarus have also impacted the finance sector in Finland. FIN-FSA has responded to the change in respect of sanctions by recruiting a sanctions expert while at the same time preparing for changes to anti-money laundering legislation that will make supervision of compliance with sanctions a specific duty of FIN-FSA.

FIU Finland increased its staff by five officials in 2019 and at all times it also has an additional two or three project personnel. 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 handling and operational analysis of reports of suspicious transactions and also to improve strategic and tactical analysis, FIU Finland launched a four-year EU RRF-funded RANKKA2 project, based on the RANKKA project that ended on 31 December 2021, to exploit AI in the fight against money laundering and terrorist financing. 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, the number of which is increasing overall.

During 2022, FIU Finland received 230,167 reports of suspicious transactions. A total of 1,798 data transfers relating to 1,430 investigations were made in 2022.

FIU Finland issued a total of 94 orders to suspend the transaction, i.e. 'freeze orders' (2021: 111 and 2020: 126). The number of freeze orders remains high even though it has been in decline for several years now. In addition, FIU Finland made 93 requests to foreign FIUs to

freeze assets (record number of 158 in 2021; 43 in 2020). A record amount of assets were frozen on the basis of requests sent abroad: EUR 7,249,120.

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 2022, various types of fraud, in particular cybercrime, 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 also 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 launched in 2020 and comprising all banks, the two main obliged entities and Finance Finland.

### 3.6 Implementation of the recovery and resilience plan and cohesion policy programmes

**CSR 2 (2022):** Proceed with the implementation of its recovery and resilience plan, in line with the milestones and targets included in the Council Implementing Decision of 29 October 2021. Proceed with the implementation of the agreed 2021–2027 cohesion policy programme for Finland, and swiftly finalise the negotiations with the Commission of the 2021–2027 cohesion policy programming documents for the Åland Islands and the Just Transition Fund with a view to starting their implementation.

Finland's Recovery and Resilience Plan was adopted at the turn of October/November 2021. The plan update was approved by the EU Council in March 2023. Implementation of the RRP has proceeded in line with the milestones and targets included in the Council Implementing Decision. The 2021–2027 cohesion policy programmes have been approved by the Commission and their implementation has started and is proceeding.



## 4 Progress with the UN Sustainable Development Goals (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 Programme of Prime Minister Sanna Marin's Government<sup>5</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. Progress with the measures contained in the report may also be monitored through the monitoring of the Government Action Plan.<sup>6</sup>

In April 2021, the Government published a sustainability roadmap for the Government<sup>7</sup>. In the roadmap, the Government makes visible the goal of the Government Programme for a socially, economically and ecologically sustainable Finland. It describes the current state of social, economic and ecological sustainability and the Government's sustainability targets moving towards the 2030s. The sustainability roadmap also identifies the key themes and areas where new policy measures and initiatives are needed in the near future and in the longer term. The roadmap was updated in February 2022, and the update was published in October 2022. The sustainability roadmap analyses the effects of combining different dimensions of sustainability, for example. This involved pilot studies on the monitoring and evaluation of policy coherence. As proposed in the roadmap, the Prime Minister's Office is providing sustainability analyses with a more permanent role in preparatory work to support the strategic policymaking of future Governments.

To strengthen central government capacity for knowledge-based policymaking and cooperation with the academic community, an Expert Panel on Sustainable Development was established in connection with the Prime Minister's Office in December 2022<sup>8</sup>.

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

6 Finnish Government (2019): <http://urn.fi/URN:ISBN:978-952-287-791-8>, Finnish Government: <https://valtioneuvosto.fi/marinin-hallitus/hallitusohjelman-seuranta/toimintasuunnitelma>

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

8 Government Communications Department (2022): [https://vnk.fi/-/kestavyyspaneeli-vahvistaa-yhteiskunnan-kokonaiskestavyys-teen-tahtaavan-paatoksenteon-tietopohjaa?languageId=en\\_US](https://vnk.fi/-/kestavyyspaneeli-vahvistaa-yhteiskunnan-kokonaiskestavyys-teen-tahtaavan-paatoksenteon-tietopohjaa?languageId=en_US)

Comprising 15 members representing a broad range of fields of research in societal sustainability, the Sustainability Panel is an independent scientific panel tasked with promoting sustainability in Finnish society. The panel assesses the goals and implementation of work to promote sustainability, seeks to strengthen the acceptability of research-based actions in society, and supports long-term decision-making, among others.

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 and celebrating its 30th anniversary in 2023. During 2021, the National Commission prepared the national 2030 Agenda roadmap, which was adopted in February 2022. The 2030 Agenda roadmap<sup>9</sup> approaches Finland’s medium-term sustainability challenges from the systems perspective through six areas of change, which form the content of the new strategy of the National Commission<sup>10</sup> and guide the participation of Finnish society in the work on sustainable development. The National Commission works actively to accelerate the implementation of the strategy in all of the areas of change and will overhaul the monitoring system during 2023.

Finland and the other Nordic countries are at the forefront of the implementation of the SDGs of the 2030 Agenda. In 2022, Finland was ranked for the second consecutive year as the European and world leader in the SDG index country comparison<sup>11</sup>. According to the SDG index and other international reports including Eurostat’s annual indicator report<sup>12</sup>, Finland is in the process of achieving the SDGs relating to poverty reduction, education, water and energy, reducing inequalities, infrastructure and innovation, and sustainable cities. According to the SDG index country comparisons, Finland’s biggest challenges relate to biodiversity, consumption and production patterns, climate change, food system and, as regards global partnership, the level of development cooperation funding, for example.

The European Commission’s assessment<sup>13</sup> is in line with the above findings, apart from climate change, where the Commission ranks Finland’s performance higher, and biodiversity, where Finland is ranked lower by the Commission. However, it should be

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9 National Commission on Sustainable Development (2022); Prime Minister’s Office (2022): <http://urn.fi/URN:ISBN:978-952-383-084-4>

10 Prime Minister’s Office (2022): <http://urn.fi/URN:ISBN:978-952-383-085-1>

11 Sachs et al. (2022): <https://www.sdgindex.org/>

12 Eurostat (2022)

13 European Commission (2022): [2022-european-semester-country-report-finland\\_en.pdf](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&code=sdg-2022-european-semester-country-report-finland_en.pdf) (europa.eu)

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.

**Finland's key challenges in the implementation of the SDGs identified in the Commission report** are biodiversity (SDG 15) and SDG 2 concerning food and food systems with regard to Finland's rising obesity rate. The Eurostat indicator report shows that the size of terrestrial protected areas as a percentage of total land area in Finland is the lowest in the EU. Finland is also making slower progress than the rest of the EU in responsible consumption and production (SDG 12). Efforts are needed to develop digital infrastructure, although Finland is performing well in other targets relating to productivity.

**Biodiversity:** The new Nature Conservation Act enters into force on 1 June 2023. Drafted by the Government and passed by Parliament in December 2022, new provisions in the Act cover aspects including stronger protection of conserved habitat types, voluntary ecological compensation, and a stronger role for the Finnish Nature Panel. Ecological compensation means offsetting of biodiversity losses caused by human activity on a site by increasing biodiversity outside the impacted site by, for example, restoring occurrences of habitat types that have deteriorated. Adaptation to climate change is also included in the objectives of the new Act. The Act prohibits mineral exploration in national parks and strict nature reserves and imposes stricter conditions for these operations in other state nature reserves. While the provisions on nature reserves have remained largely unchanged in the new Act, the Act facilitates measures such as the removal of invasive alien species from nature reserves.

The Ministry of the Environment is in the process of preparing Finland's National Biodiversity Strategy, the main aim of which is to halt biodiversity loss by 2030 and turn the trend towards recovery by 2035.

The Helmi Habitats Programme 2021-2030 strengthens biodiversity in Finland and safeguards the vital ecosystem services provided by nature, while also mitigating climate change and promoting adaptation to it. The Forest Biodiversity Programme for Southern Finland (METSO) in turn combines forest biodiversity protection and the management and commercial use of forests. It aims to contribute towards halting the decline in forest habitats and species and establish favourable trends in biodiversity by 2025.

**Responsible consumption and production, strengthening the circular economy:** Finland has prepared a strategic programme to promote the circular economy. Completed in January 2021, the Circular Economy Programme aims to transform the economy into one that is based on the principles of circular economy by 2035. The programme sets the first-ever quantitative objectives for the consumption of natural resources: a) The

consumption of non-renewable natural resources will decrease, and the sustainable use of renewable natural resources may increase to the extent that the total consumption of primary raw materials in Finland in 2035 will not exceed what it was in 2015. The natural resources used to manufacture exported products are not covered by the objective; b) The productivity of resources will double by 2035 from what it was in 2015; c) The circular material use rate (CMU) will double by 2035.

To implement the objectives of the Circular Economy Programme, an agreement on a low-carbon circular economy is being drafted, with municipalities, enterprises and other actors hoped to join the agreement with their commitments. Launched in September 2022, Circular Economy Finland (KiSu) is a network of expertise supporting work by enterprises, municipalities and regional ecosystems to promote a carbon-neutral circular economy. Funded by the EU recovery package, the Sustainable Growth Programme for Finland supports the objectives and implementation of the Circular Economy Programme.

**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 aid programme and the EU's European Agricultural Fund for Rural Development (EAFRD). The aid 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.

## 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 EU's regional and structural policy funds (Structural 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 European Regional Development Fund (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) were included in the programme by decision of the Commission issued on 16 December 2022.

The objective of the ERDF Priority Area 1, Innovative Finland, is to promote the research and innovation capabilities of regions and enterprises, 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 the local, regional and urban development levels. 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 RRF 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, which is 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 raising the employment rate and skills levels, in particular under Components P3C1 and P3C2.

The specific objective strengthens measures for the integration of immigrants into the labour market through means that include 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 pilots to which TE services can direct clients.

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

The ESF+ funding supports RRF activities to raise skills levels and to support the implementation of the continuous learning reform. ESF+ funding supports the anticipation of skills needs and the utilisation 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 JTF Priority Area, Finland of Just Transition, seeks regionally just transition in moving towards halving peat energy use by 2030. JTF mitigates the socioeconomic and environmental effects caused by decarbonisation in order to safeguard employment

and regional economies in the 14 regions most affected. Measures to diversify regional industries will take into particular account green economy jobs and new green technology solutions as well as the business opportunities arising from these. Measures for re-training and re-employing the workforce will primarily be targeted at individual who have lost or are at risk of losing their jobs in the peat sector, especially young people. The skills and competences of peat industry operators in wood harvesting and peatland restoration, for example, will be developed in order to create new business. Areas no longer used in peat production will be restored and remediated, and their purpose of use will be changed to reduce environmental and emissions impacts and to diversify industries. JTF measures support RRF Pillar 1 in particular.

The implementation of the Finnish regional and structural policy programme has started. The Government adopted the programme on 21 October 2021. The European Commission approved the ERDF and ESF+ elements of the programme in May 2022 at the same time as it adopted the Partnership Agreement with Finland. The inclusion of the JTF element in the programme was approved by the European Commission on 16 December 2022.

The Asylum, Migration and Integration Fund (AMIF) promotes the use of legal channels and develops permit procedures. The migration and mobility of talent will be promoted in third countries (countries of origin), for example through the provision of education and training in the country of origin and the development of communication on Finnish working life and society prior to entry. Measures aimed at streamlining work-based and education-based residence permit processes are financed primarily with RRF (Recovery and Resilience Facility) funding, however taking into account the restrictions on and conditions to RRF funding. RRF funding will be available in the amount of EUR 20 million in 2021-2024 and the Ministry of Economic Affairs and Employment is responsible for managing the funding. The AMIF funding may complement RRF-funded measures insofar as RRF funding is insufficient or the measures are unsuited to RRF funding owing to their substance. AMIF complements RRF funding by supporting measures such as personnel competence enhancement, ex post control of permit applicants, the development of full automation, and wider customer relationship enhancement measures. The AMIF funding can complement RRF measures also by means of other systemic development measures. The AMIF funding may be allocated to measures where the primary focus in impacts is other than processes based on work or education.

The overlapping themes of the Finnish RRF plan and the ISF (Internal Security Fund) programme are cybersecurity and money laundering. The focus of the ISF in cybersecurity is on the prevention and investigation of cybercrime and on 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 promote the implementation of 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 provision to authorities will be implemented in order to promote the objectives of the Cyber Security Development Programme published in 2021. The areas where the competences of law enforcement and judicial personnel need enhancement as well as the current offering of training provision will be identified in order to promote and maintain cybercrime prevention skills. Cooperation in education and training will be strengthened with national and international authorities and higher education institutions.

The aim is, with the ISF support, 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, on the topics of confiscation of the proceeds of organised crime and implementation of criminal liability in the interests of combating offences such as 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 have been approved by the Government. The Commission approved the ISF programme on 29 July 2022 and the AMIF programme on 21 September 2022.

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, thus 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 approved by the Commission on 3 August 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 project preparation and planning may in some cases also be financed through the ERDF or 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 institutions 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 per se will be implemented with the funding. RDI projects will also increase capabilities in applying 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 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 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 improved introduction 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 local and regional perspectives are underscored in the JTF, the implementation of which is based on the regional just transition plan drawn up by each JTF region.

The complementarity of ERDF funding is based on implementation level and scale. ERDF funding supports local development measures and investments that benefit SMEs in particular. The RRF 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 RRF measures are targeted at accelerating 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 RRF 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 aid 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 aid 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 guidelines 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 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 CSR 2019 by developing pathways to work, developing new skills for working life and supporting social inclusion. In addition, ESF+ co-funding may, in line with CSR 2020, strengthen measures to support employment, and bolster active labour market policies.

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. In relation to CSR 3 2022, ERDF funding is allocated not only to the development of energy efficiency and low-carbon production methods but also to RDI relating to renewable energy and energy infrastructure.

### **EU Fund support for the principles of the European Pillar of Social Rights and the SDGs**

The principles of the European Pillar of Social Rights supported in particular by measures under ESF+ are employment, development of working life and continuous learning, gender equality, equal opportunities and inclusion. ESF+ supports in particular SDGs 1–5 and 8. ERDF supports in particular SDGs 7–10 and 12–13.

## **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, when 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 15–17 March 2023 and presented in the Government plenary session on 23 March 2023, 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 takes place in the 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 council for older people and a disability council are to be appointed in each wellbeing services county. The county executive must also ensure the operating conditions of these bodies for exerting influence.

### Social security reform

The social security reform is being prepared by a parliamentary Social Security 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. In 2022, two extensive consultations were held with student and youth organisations as well as child and family organisations. A workshop on alternative ways of organising social security was held in cooperation with healthcare and social welfare organisations. Children and young people were consulted on social security and its development within the framework of implementing the National Child Strategy. The consultations reaches more than 1,500 people aged 12–23 and the report on the outcomes of the consultations was published in December 2022.

### New Climate Act

The replacement of the existing Climate Change Act was under preparation in 2019–2022. The new Climate Act (423/2022) entered into force on 1 July 2022. Extensive consultations were held during the preparation of the new Climate Act. The aim was to hear the views of the general public and different stakeholders on what changes should be made to the earlier Climate Change Act. Among the particular target groups were young people and the indigenous Sámi people.

The events organised in 2019 included a roundtable discussion between ministers and young people and the 'Children take over the Government' event, where the key theme was climate change mitigation through legislative means. Besides these consultations, towards the end of 2019 the Ministry of the Environment conducted small-scale social media surveys on the proposed new Climate Act, and a more extensive online survey that brought about 2,500 responses.

In spring 2020, four consultation events were organised for the relevant stakeholders, specifically targeted at the agricultural and land use sector, business and industry, municipalities and regions, and law scholars. Several civic events relating to the proposed new Climate Act were moreover held across Finland in 2020 in cooperation with parties including the Timeout Foundation. In October/November 2020, the Ministry of the Environment organised an online consultation together with the 'Tackling Biases and Bubbles in Participation (BIBU)' research project. The participants were asked to relate their views on civic participation, social justice, access to information and the rights of the indigenous Sámi people in the proposed new Climate Act.

Three rounds of the negotiations required under the Act on the Sámi Parliament took place between the Ministry of Environment and the Sámi Parliament during the preparation of the Act. In addition, the Ministry of the Environment consulted the Skolt Village Assembly on the proposed new Act.

The draft government proposal was widely circulated for comments between 2 July and 6 September 2021. A total of 448 comments were received by the deadline. Workshop consultations organised by the Youth Academy centre of expertise on participation were attended by 108 children and young people, who also submitted their comments.

### **Employment objectives under the Government Programme**

The Ministerial Working Group on Promoting Employment was established in 2019 at the Ministry of Economic Affairs and Employment in order to accomplish the employment objectives under the Government Programme. Four tripartite sub-groups were set up to prepare matters for consideration by the Ministerial Working Group in the following areas: service structure of labour market policy; services, benefits and inclusion; regulation; and local collective bargaining. The social partners have been widely represented on the sub-groups. (<https://tem.fi/en/ministerial-working-group-on-promoting-employment>)

### Local government pilots

Among the social partners, the Association of Finnish Local and Regional Authorities has been particularly closely involved in the preparation of local government pilots and it continues to serve on various working groups relating to the functioning and follow-up of the pilots. Comments on the legislative proposal concerning the local government pilot on employment could be submitted by all social partners and other interested parties during the consultation round. Public events open to all were held during the preparatory stage and before launching the pilots, for example the local government employment pilots' kick-off in December 2020. (<https://tem.fi/tyollisyyden-kuntakokeilujen-tapahtumat>)

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## Appendix tables

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



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

Semester cycle 2023

##### CSR.2022.1

**CSR 1 Subpart 1:** In 2023, ensure that the growth of nationally financed primary current expenditure is in line with an overall neutral policy stance, taking into account continued temporary and targeted support to households and firms most vulnerable to energy price hikes and to people fleeing Ukraine. Stand ready to adjust current spending to the evolving situation.

**CSR 1 Subpart 2:** Expand public investment for the green and digital transitions, and for energy security taking into account the REPowerEU initiative, including by making use of the Recovery and Resilience Facility and other Union funds.

**CSR 1 Subpart 3:** For the period beyond 2023, pursue a fiscal policy aimed at achieving prudent medium-term fiscal positions.

The progress made by Finland towards achieving the medium-term budgetary objective recommendation is discussed in Finland's Stability Programme. Programme prepared with the assumptions of an unchanged policy.

**CSR 1 Subpart 4:** Present policy proposals for the social security reform, aiming to increase the efficiency of the system of social benefits, improving incentives to work, and also supporting long-term sustainability of public finances.

#### Measures

##### Entry 1

MEASURE TYPE: Implemented (17/02/2023 12:39 PM)<sup>1</sup>

In the first phase of the Parliamentary Committee's work, a problem-based situational picture of Finland's current social security was drawn up. An interim report summing up the work of the Committee for its first term was approved in January 2023 (publication in March 2023). The report contains 31 proposals from the Committee for reforming social protection, which the future Governments will be able to incorporate into their programme. The aim is that the next Government will initiate the analysis, legislative drafting and development projects proposed by the Committee for the gradual reform of social security. The report also includes guidelines for the Committee's work during its second term. The Committee will continue the structural and operational reform of social security with a focus on the coordination of benefits and services, increasing the participation of benefit recipients and the status of last-resort income security in the social security system. The guidelines state that the reform must contribute to ensuring the sustainability of general government finances by strengthening employment and the population's work ability and functional capacity. This will primarily be achieved through structural reforms that increase employment, inclusion and effectiveness. The Committee's work will continue during the next parliamentary term 2023-2027 in accordance with the decisions of the next Government.

##### Comments

##### State of play

## CSR.2022.2

**CSR 2 Subpart 1:** Proceed with the implementation of its recovery and resilience plan, in line with the milestones and targets included in the Council Implementing Decision of 29 October 2021.

#### Measures

##### Comments

##### State of play

<sup>1</sup> Date of reporting in brackets.

**CSR 2 Subpart 2:** Proceed with the implementation of the agreed 2021–2027 cohesion policy programme for Finland, and swiftly finalise the negotiations with the Commission of the 2021–2027 cohesion policy programming documents for the Åland Islands and the Just Transition Fund with a view to starting their implementation.

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#### Measures

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#### Comments

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#### State of play

### CSR.2022.3

**CSR 3 Subpart 1:** Reduce overall reliance on fossil fuels and diversify imports of fossil fuels.

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#### Measures

##### Entry 1

MEASURE TYPE: Adopted (16/02/2023 14:11 PM)

In April 2022, the Ministerial Working Group on Preparedness agreed on a set of measures aimed at significantly accelerating the abandonment of fossil energy and supporting the adoption of new technologies. The measures include accelerating energy investments, abandoning fossil fuels in transport and heating solutions for single-family houses and public properties.

##### Entry 2

MEASURE TYPE: Adopted (14/02/2023 15:44 PM)

To strengthen energy self-sufficiency and security of supply, a package of measures has been decided on with a view to significantly accelerating disengagement from fossil energy and supporting the introduction of new technology.

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#### Comments

##### Entry 1

Entry 10n 30 June 2022, the Government submitted its national climate and energy strategy to Parliament as a report. English version of the climate and energy strategy (Carbon neutral Finland 2035 – national climate and energy strategy) is available at <http://urn.fi/URN:ISBN:978-952-327-843-1>

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#### State of play

**CSR 3 Subpart 2:** Accelerate the deployment of renewables, including by further streamlining permitting procedures,

#### Measures

##### Entry 1

MEASURE TYPE: Adopted (16/02/2023 14:19 PM)

Finland has increased its efforts to speed up permitting and other administrative procedures. There has already been a large “one-stop-shop” project for environmental permits and Finland has recently opened a coordination unit for renewable energy projects in line with the renewable energy directive. Also maximum durations have been set in line with the directive. Government has recently decided to accelerate permitting procedures for green transition investments by allocating more resources to permit authorities (AVI, ELY Centre, TUKES). The objective is that the licencing process for priority investments by the permit authority will have a maximum duration of 12 months. In addition, grants will be allocated to municipalities and regional councils to speed up permit and planning procedures for green transition investments and wind power construction.

#### Comments

#### State of play

**CSR 3 Subpart 3:** and boost investment in the decarbonisation of industry

#### Measures

##### Entry 1

MEASURE TYPE: Adopted (17/02/2023 09:39 AM)

Both the Government Programmes of Prime Minister Antti Rinne and Prime Minister Sanna Marin stated that sector-specific low-carbon roadmaps would be developed in cooperation with operators in each sector. The roadmaps’ purpose was to provide a more accurate picture of the scale, costs and conditions of the measures needed to move to a carbon neutral Finland. An electrification subsidy for energy-intensive companies will be introduced to promote low-carbon investments in industry. The low-carbon roadmaps created for the sectors will be updated where applicable in 2023. In the climate and energy strategy, incentives are focused on the development and commercialisation of technology. This also creates sustainable exports for Finnish companies and reduces emissions globally with the help of the carbon handprint of Finnish companies.

#### Comments

#### State of play

**CSR 3 Subpart 4:** and transport, including electrification of the transport sector.**Measures****Entry 1**

MEASURE TYPE: Not Defined (17/02/2023 12:43 PM)

Subsidies for publicly accessible charging, biomethane refueling and hydrogen refueling infra are in place. For years 2022-23 altogether 35 million euros has been allocated for this purpose (app 1/3 of this are RRF funds). Subsidies for charging infra in housing cooperatives and working place are in place. For years 2022-23 altogether 32.5 million euros has been allocated for this purpose. Purchase subsidies for fully electric vehicles and subsidies for converting combustion engines of cars to ethanol and biomethane were in place until the end of 2022. Purchase subsidies for fully electric and biomethane-fuelled vans as well as purchase subsidies for fully electric and biomethane-fuelled trucks are in place. In 2022-23, altogether 25.5 million euros were allocated these purposes. Decision to remove car tax for fully electric vehicles was taken in Oct 2021. Changes made to employee benefits support decarbonisation of our vehicle fleet.

**Comments****Entry 1**

The green transition of heavy duty vehicles will require investments and public support in the coming years. An already proven technology for heavy duty vehicles is locally-produced biomethane. The range of electric trucks is becoming longer and hydrogen is emerging. There are no publicly available charging pools for heavy duty vehicles or hydrogen refueling stations yet in Finland.

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

The share of EVs in the Finnish car fleet has grown rapidly. In 2021, from all new vehicles, 10.3 were fully electric, in 2022 – 17.8 %. The share of plug-in hybrids in new registrations is app. 20 %. Also, the charging network for cars and vans is growing rapidly, especially fast chargers have become more common. In most of Finland, the maximum distance to a public charging station is 50 km. In Southwestern part of the country, the distance is 25 km. Biogas has been an affordable option for greener driving for those who cannot afford an electric car. However, new biogas fuelled cars will not be emerging in the market anymore in the near future. Therefore Finland needs to speed up the switch of EVs in order to achieve the 2030 goals. The estimate is that we need to have 880 000 EVs in the car fleet in order to achieve our goals. At the moment, there is no public charging infra for heavy duty electric vehicles and the amount of electric trucks is low. This infra need to be developed, starting from the South of Finland where the traffic volumes are the highest. In Northeastern part the low volumes of transport provide a challenge for market-based development of the charging infra.

**CSR 3 Subpart 5:** Develop energy infrastructure to increase security of supply.**Measures****Entry 1**

MEASURE TYPE: Adopted (17/02/2023 10:18 AM)

Finland's natural gas market was opened up to competition in accordance with the provisions on the European Union's internal market in natural gas with the introduction of the Balticconnector pipeline connection from Finland to the Baltic gas network at the beginning of 2020. The opening up of the market will foster an increasingly versatile supply of natural gas, as along with biogas and LNG, the alternatives to Russian pipeline gas include the supply of natural gas from the Baltic states and also from Central Europe following the completion of a gas interconnection between Poland and Lithuania. On 20 May 2022, Gasgrid Finland Oy and Exceleerate Energy, Inc., from the United States, signed a ten-year lease agreement for the floating LNG terminal vessel Exemplar. The terminal vessel is located in Inkoo in Southern Finland. In April 2022, the Ministerial Working Group on Preparedness agreed on a set of urgent measures to ensure national delivery reliability in a rapidly changing security environment and to safeguard the production and availability of affordable energy in the current situation and in the near future. The measures include increasing the availability of forest chips and ensuring peat production to safeguard the delivery reliability. The National Emergency Supply Agency decided to establish an emergency reserve for peat. Nuclear power plant unit Olkiluoto 3 (OL3) started electricity production on 12 March 2022. During the test phase, the power of the OL3 plant unit was increased gradually to 1,600 MW. The unit is expected to start market operation in March 2023.

[Comments](#)[State of play](#)

## 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. Programme prepared with the assumptions of an unchanged policy.

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

### Measures

<p><b>Entry 1</b></p>	<p>MEASURE TYPE: Implemented (15/02/2022 13:49 PM)</p> <p>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.</p>
<p><b>Entry 2</b></p>	<p>MEASURE TYPE: Implemented (17/12/2020 13:41 PM)</p> <p>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</p>
<p style="text-align: center;"><b>Comments</b></p>	
<p style="text-align: center;"><b>State of play</b></p>	

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

<b>Entry 1</b>	<p>MEASURE TYPE: Implemented (15/02/2022 13:50 PM)</p> <p>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.</p>
<b>Entry 2</b>	<p>MEASURE TYPE: Adopted (17/12/2020 13:13 PM)</p> <p>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.</p>
<b>Comments</b>	
<b>State of play</b>	



## CSR.2020.2

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

#### Measures

##### Entry 1

MEASURE TYPE: Implemented (21/02/2023 13:31 PM)

Employment possibilities of the partially disabled will be further enhanced: The Finnish Government approved the strategy for social enterprises in spring 2021. To ensure the implementation of the strategy, the Government decided to establish a network-based Centre of Expertise for social enterprises. It aims to attract more social enterprises to Finland and at the same time to promote the employment of people with partial work ability. The Ministry of Economic Affairs and Employment has awarded three million euros in discretionary government grants for the launch of the Centre of Expertise for 2021-2023. The government grant was awarded to a network-based consortium of six organisations. The Centre of Expertise started its work in October 2021. The expansion and consolidation of activities will also be supported with ESF+ funding in 2023-2027.

##### Entry 2

MEASURE TYPE: Implemented (16/02/2022 07:31 AM)

Employment possibilities of the partially disabled will be further enhanced: • 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 (-> 3/2023). Employment through procurement is also included in the Procurement Finland strategy launched by the Ministry of Finance.

##### Entry 3

MEASURE TYPE: Implemented (21/02/2023 13:34 PM)

Employment possibilities of the partially disabled will be further enhanced:

- The Act on Työkanava Ltd entered into force on 1 July 2022. Työkanava Ltd is a wholly state-owned special assignment company. Its task is to employ the most disadvantaged people with impaired capacity to work whose employment prospects cannot be markedly enhanced by measures and services to promote employment. Työkanava is a company operating with a new kind of business idea. The company employs the employees directly in an employment relationship and continues to sell their work input to its customers. The company's objective is to improve and support the labour market and other skills of its employees so that they could be employed independently in the open labour market.
- In the early stages of its operations, the company is estimated to employ a few hundred people with impaired capacity to work each year. After the operations have been established, the company aims to have approximately 1,000 persons in an employment relationship.

<b>Entry 4</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 5</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 6</b>	<p>MEASURE TYPE: Adopted (15/02/2023 11:24 AM)</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. The amendment to this Act entered into force on 1 January 2023.</p>
<b>Comments</b>	
<b>State of play</b>	

## CSR 2 Subpart 2: bolster active labour market policies.

### Measures

<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 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>

**Entry 3**

MEASURE TYPE: Adopted (14/03/2022 13:48 PM)

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:

- Additional 70 M€ dedicated to the PES
- Requirement of regular contact between PES and jobseekers every two weeks at the beginning of unemployment spell
- Obligation for the unemployed to apply for at least 0-4 jobs/month,
- Unemployment benefit sanctions will be slightly reduced

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[Comments](#)

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[State of play](#)

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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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**Entry 1**

MEASURE TYPE: Adopted (17/12/2020 12:28 PM)

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.

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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**

<b>Entry 1</b>	<p>MEASURE TYPE: Implemented (17/03/2022 08:07 AM)</p> <p>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.</p>
<b>Entry 2</b>	<p>MEASURE TYPE: Adopted (18/12/2020 10:43 AM)</p> <p>The government has taken following measures in the construction sector: <ul style="list-style-type: none"> <li>o In order to add affordable housing to state-subsidised housing production, interest subsidy authorisations were increased by EUR 340 million.</li> <li>o For basic infrastructure network maintenance: 58 MEUR (3-year transfer)</li> <li>o Development of infrastructure networks: 41 MEUR (3-year transfer)</li> <li>o State grant for broadband projects: 11 MEUR (3-year transfer)</li> </ul> </p>
<b>Comments</b>	
<b>State of play</b>	

**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.
<b>Comments</b>	
<b>State of play</b>	

**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 au-tomation 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) o 2020: EUR 336 600 000 o 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

**CSR 3 Subpart 5:** sustainable and efficient infrastructure

Measures
Comments
State of play

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

Measures
<p><b>Entry 1</b>                      MEASURE TYPE: Implemented (15/02/2022 15:39 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>
<p><b>Entry 2</b>                      MEASURE TYPE: Announced (15/02/2022 15:41 PM)</p> <p>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&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>
Comments
State of play

## 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: Not Defined (07/02/2023 09:10 AM)</p> <p>FIN-FSA (Financial Supervisory Authority): Set of regulations still pending on Parliament approval of amendments of AML legislation. Also supervision of financial sanction (UN+ EU) is pending on amendments of AML legislation (1 additional resource for this purpose). If amendments enter in the force 1.3.2023, Set of regulations may be in force on 1.4.2023.</p>
<b>Entry 2</b>	<p>MEASURE TYPE: Implemented (07/02/2023 09:13 AM)</p> <p>FIU (Financial Intelligence Unit): During 2022 FIU Finland has received from obliged entities a total of 230 167 reports of which it has disseminated approximately 2,83 % to foreign FIUs and competent domestic authorities.</p>
<b>Entry 3</b>	<p>MEASURE TYPE: Implemented (07/02/2023 09:12 AM)</p> <p>FIU (Financial Intelligence Unit): FIU Finland and the FSA, in accordance with the MoU signed in 2020, have maintained and developed cooperation during 2022 especially in the area of high risk sectors.</p>
<b>Entry 4</b>	<p>MEASURE TYPE: Implemented (07/02/2023 09:12 AM)</p> <p>FIU (Financial Intelligence Unit): During 2022 FIU Finland has started the EU RRF funded 4-year AI and intelligent automatization project DIGI. It utilizes the experience of the previous proof-of-concept RANKKA AI project. The implementation has, however, been slowed down by extraordinary difficulties in recruiting qualified AI experts. This issue has been resolved and the Project Team has been established by the end of 2022.</p>
<b>Entry 5</b>	<p>MEASURE TYPE: Implemented (07/02/2023 09:11 AM)</p> <p>FIU (Financial Intelligence Unit): FIU Finland finalized the two-year RPA project (ILMO) which has produced 8 applications which have been taken into operative use in the FIU</p>
<b>Entry 6</b>	<p>MEASURE TYPE: Implemented (07/02/2023 09:08 AM)</p> <p>Ministry of Finance: Government proposal (HE236/2021vp) for acts amending the Act on preventing money laundering and terrorist financing and sections 3 and 20b of the Act on the Financial Supervisory Authority</p>
<b>Entry 7</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 8</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 9</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 10</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 11</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 12</b>	<p>MEASURE TYPE: Adopted (07/02/2023 09:09 AM)</p> <p>FIN-FSA (Financial Supervisory Authority): Supervisory strategy for 2023-2025 accepted / confirmed by FIN-FSA Board on 16.12.2022. Gives structure for supervisory activities on sectoral bases. Also annual supervisory plan confirmed (5 on-site inspections 2023).</p>
<b>Entry 13</b>	<p>MEASURE TYPE: Adopted (07/02/2023 09:09 AM)</p> <p>Ministry of Finance: As a part of RRP P2C3R1 the Government proposal (HE163/2021vp) on the reform of the Act on the Control System of Bank and Payment Accounts was adopted as an act that entered into force on 15.9.2022</p>
<b>Entry 14</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 15</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>
<b>Entry 16</b>	<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>
<b>Comments</b>	
<b>State of play</b>	

## 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. Programme prepared with the assumptions of an unchanged policy.

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

### Measures

<b>Entry 1</b>	<p>MEASURE TYPE: Implemented (15/02/2022 13:39 PM)</p> <p>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.</p>
<b>Entry 2</b>	<p>MEASURE TYPE: Adopted (17/12/2020 13:15 PM)</p> <p>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.</p>

### Comments

### State of play

## CSR.2019.2

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

#### Measures

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#### Comments

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#### State of play

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### CSR 2 Subpart 2: and enhance skills

#### Measures

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**Entry 1** MEASURE TYPE: Implemented (15/02/2022 13:37 PM)

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.

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**Entry 2** MEASURE TYPE: Adopted (18/12/2020 07:54 AM)

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.

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#### Comments

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#### State of play

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**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>

### Comments

### State of play

## CSR.2019.3

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

### Measures

<p><b>Entry 1</b></p>	<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>
<p><b>Entry 2</b></p>	<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>
<p><b>Comments</b></p>	
<p><b>State of play</b></p>	

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

#### Measures

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##### Entry 1

MEASURE TYPE: Adopted (17/12/2020 11:45 AM)

The 2019 budget included a number of measures in order to promote low carbon and energy transition, for example:

- Promotion of energy efficiency and the use of renewable energy (transfer appropriation 3 years) – 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) - EUR 47 250 000
- Feed-in tariff for renewable energy (estimated appropriation) – EUR 250 600 000
- Promotion of infrastructure for electric vehicles and the use of biogas – EUR 3 000 000

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#### Comments

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#### State of play

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**CSR 3 Subpart 3:** and focus investment-related economic policy on sustainable transport, taking into account regional disparities

#### Measures

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#### Comments

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#### State of play

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## 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 (07/02/2023 09:05 AM)</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 (07/02/2023 09:04 AM)</p> <p>The Act (739/2022) on a positive credit register (Laki positiivisesta luottotietorekisteristä 739/2022 - Säädökset alkuperäisinä - FINLEX® <a href="https://www.finlex.fi/fi/laki/alkup/2022/20220739">https://www.finlex.fi/fi/laki/alkup/2022/20220739</a>) entered into force on 1 August 2022. The technical implementation is on-going. The register is expected to be operational for consumer credits on 1 April 2024, and for business credits of a natural person on 1 April 2026.</p>
<b>Entry 4</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 5</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**

<b>Entry 1</b>	<p>MEASURE TYPE: Implemented (17/12/2020 14:20 PM)</p> <p>The steering group and working groups for establishing the positive credit registry system were set up in March 2020.</p>
<b>Entry 2</b>	<p>MEASURE TYPE: Announced (03/03/2022 11:43 AM)</p> <p>The draft government proposal was in public consultation until 10 May 2021. Government Proposal was submitted to the Parliament in February 2022 (<a href="https://www.eduskunta.fi/FI/vaski/KasittelytiedotValtiopaivaasia/Sivut/HE_22+2022.aspx">https://www.eduskunta.fi/FI/vaski/KasittelytiedotValtiopaivaasia/Sivut/HE_22+2022.aspx</a>). Work on establishing the register is on going.</p>
<b>Comments</b>	
<b>State of play</b>	



## Appendix 2. Implementation of the recovery and resilience plan (Fenix)<sup>1</sup>

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2019.CSR1.subpart2	Preparation of the social welfare and health care reform in support of implementing the care guarantee	Operationalisation of regional welfare areas with the capacity to take responsibility for organising social, health and rescue services	2023, Q2	On track
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	On track
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.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	Completed
2019.CSR2.subpart1	Employment and labour market – Development of work ability, productivity and well-being at work	Number of persons with disabilities employed by the intermediate labour market operator on 31 December 2023	2023, Q4	Not completed
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	Completed
2019.CSR2.subpart1	Nordic Model of Employment Services	Increase in the annual number of job search interviews conducted in line with the Nordic model of employment services	2023, Q4	Not completed
2019.CSR2.subpart1	Nordic Model of Employment Services	All five digital functionalities required by the Nordic employment service model are integrated into the public employment services' (TE-PES) information system and are operational	2023, Q4	Not completed

<sup>1</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 April 2023.

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2019.CSR2.subpart1	Removal of additional days of unemployment allowance	Entry into force of legislative amendments to the Unemployment Security Act concerning the phasing out of additional days of unemployment security	2023, Q1	On track
2019.CSR2.subpart2	Digitalisation programme for continuous learning	Completion of the IT architecture for digital continuous learning services	2022, Q2	Completed
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	On track
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	Completion of a medium-term foresight model for labour and competence needs	2023, Q4	Not 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	Completed
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	Completed
2019.CSR2.subpart3	Employment and labour market – Development of work ability, productivity and well-being at work	Number of persons with disabilities employed by the intermediate labour market operator on 31 December 2023	2023, Q4	Not completed
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	Completed
2019.CSR2.subpart3	Nordic Model of Employment Services	Increase in the annual number of job search interviews conducted in line with the Nordic model of employment services	2023, Q4	Not completed
2019.CSR2.subpart3	Nordic Model of Employment Services	All five digital functionalities required by the Nordic employment service model are integrated into the public employment services' (TE-PES) information system and are operational	2023, Q4	Not completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2019.CSR3.subpart1	Investments in new energy technologies	Publication of the first call for applications for investments in new energy technologies	2021, Q4	Completed
2019.CSR3.subpart1	Investments in new energy technologies	Award of all grants for energy technology investments	2023, Q4	Not completed
2019.CSR3.subpart1	Accelerating key technologies (microelectronics, 6G, artificial intelligence and quantum computing)	Micro-electronics projects are awarded	2023, Q2	Delayed
2019.CSR3.subpart1	Accelerating key technologies (microelectronics, 6G, artificial intelligence and quantum computing)	Projects developing 6G, AI and quantum computing are awarded	2023, Q2	Delayed
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 promoting the green transition – Leading companies	Award of grants for leading companies' projects	2023, Q4	Not 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 (Academy of Finland)	Award by the Academy of Finland of grants for research projects aiming at increasing competences in key sectors	2023, Q2	On track
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	Completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2019.CSR3.subpart1	RDI funding package supporting the green transition – Accelerating key sectors and strengthening competence (Business Finland)	Award by Business Finland of grants for RDI projects aiming at increasing competences in key sectors	2023, Q4	Not completed
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	RDI funding package supporting the green transition – Supporting innovative growth companies	Award of grants for support to innovative growth companies	2023, Q4	Not 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	Completed
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	On track
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	Completed
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, Q1	Completed
2019.CSR3.subpart1	Promoting innovation and research infrastructure – Competitive funding for innovation infrastructures	Award of grants for the development of innovation infrastructures	2023, Q4	Not completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2019.CSR3.subpart2	Investments in new energy technologies	Publication of the first call for applications for investments in new energy technologies	2021, Q4	Completed
2019.CSR3.subpart2	Investments in new energy technologies	Award of all grants for energy technology investments	2023, Q4	Not completed
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
2019.CSR3.subpart2	RDI funding package promoting the green transition – Leading companies	Award of grants for leading companies' projects	2023, Q4	Not completed
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 (Academy of Finland)	Award by the Academy of Finland of grants for research projects aiming at increasing competences in key sectors	2023, Q2	On track
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	Completed
2019.CSR3.subpart2	RDI funding package supporting the green transition – Accelerating key sectors and strengthening competence (Business Finland)	Award by Business Finland of grants for RDI projects aiming at increasing competences in key sectors	2023, Q4	Not completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
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	RDI funding package supporting the green transition – Supporting innovative growth companies	Award of grants for support to innovative growth companies	2023, Q4	Not completed
2019.CSR3.subpart2	Key programmes for international growth	Award of grants for all projects under key programmes for international growth	2023, Q4	Not completed
2019.CSR3.subpart2	Key programmes for international growth	Publication of the first three calls for applications under key programmes for international growth	2022, Q2	Completed
2019.CSR3.subpart2	Energy infrastructure investments	Publication of the first call for applications for energy infrastructure projects	2021, Q4	Completed
2019.CSR3.subpart2	Energy infrastructure investments	Award of all grants for energy infrastructure investments	2023, Q4	Not completed
2019.CSR3.subpart2	Investment and reform package in Åland	Publication of the first call for applications for investment in renewable energy in Åland	2022, Q4	Not completed
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	Completed
2019.CSR3.subpart2	Low-carbon hydrogen and carbon capture and utilisation	Award of all grants for low-carbon hydrogen and carbon capture and utilisation projects	2023, Q4	Not completed
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 CO <sub>2</sub> emissions from industry	2021, Q4	Completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2019.CSR3.subpart2	Direct electrification and decarbonisation of industrial processes	Award of all grants for direct electrification and low-carbon industrial processes projects	2023, Q4	Not completed
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	Re-use and recycling of key materials and industrial side streams	Award of all grants to the re- use and recycling projects	2023, Q4	Not completed
2019.CSR3.subpart2	Reform of the Climate Act and low-carbon industrialisation	Entry into force of the revised Climate Change Act	2022, Q3	Completed
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	Strategic promotion of the circular economy and reform of the Waste Act	Conclusion of a national agreement with key actors on a low-carbon circular economy	2023, Q4	Delayed
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
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)	2021, Q4	Completed
2019.CSR3.subpart2	Replacement of heating systems in buildings from fossil oil to low-carbon forms of heating	Award of all grants for projects supporting the replacement of heating systems in buildings from fossil oil to low-carbon forms of heating	2023, Q4	Not completed
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	Completed
2019.CSR3.subpart2	Action plan to phase out fossil oil heating	Publication of the action plan for phasing out fossil oil heating	2023, Q2	Not completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
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	2023, Q1	Not completed
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	Completed
2019.CSR3.subpart2	Private charging infrastructure	Award of all grants to the projects improving the charging infrastructure on residential buildings and workplaces based on the amendments to the budgetary decree 35.20.52	2023, Q4	Not completed
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	Completed
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	Completed
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	On track
2019.CSR4.subpart1	Development of the residential and commercial property information system	Adoption of legislation on extending the coverage of the residential and commercial property information system	2023, Q2	On track
2019.CSR4.subpart2	Development of the residential and commercial property information system	Adoption of legislation on extending the coverage of the residential and commercial property information system	2023, Q2	On track



CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2020.CSR1.subpart1	Preparation of the social welfare and health care reform in support of implementing the care guarantee	Operationalisation of regional welfare areas with the capacity to take responsibility for organising social, health and rescue services	2023, Q2	On track
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	On track
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	Supporting sustainable and digital growth in the tourism sector	Publication of the first call for applications for RDI projects for the tourism sector	2022, Q1	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.subpart2	Preparation of the social welfare and health care reform in support of implementing the care guarantee	Operationalisation of regional welfare areas with the capacity to take responsibility for organising social, health and rescue services	2023, 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 additional legal framework completing the establishment of welfare areas and the reform of the social and health care and rescue services	2023, Q1	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

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
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	On track
2020.CSR1.subpart3	Preparation of the social welfare and health care reform in support of implementing the care guarantee	Operationalisation of regional welfare areas with the capacity to take responsibility for organising social, health and rescue services	2023, Q2	On track
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	On track
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.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	Completed
2020.CSR2.subpart1	Employment and labour market – Development of work ability, productivity and well-being at work	Number of persons with disabilities employed by the intermediate labour market operator on 31 December 2023	2023, Q4	Not completed
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	Completed
2020.CSR2.subpart1	Nordic Model of Employment Services	Increase in the annual number of job search interviews conducted in line with the Nordic model of employment services	2023, Q4	Not completed
2020.CSR2.subpart1	Nordic Model of Employment Services	All five digital functionalities required by the Nordic employment service model are integrated into the public employment services' (TE-PES) information system and are operational	2023, Q4	Not completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2020.CSR2.subpart1	Removal of additional days of unemployment allowance	Entry into force of legislative amendments to the Unemployment Security Act concerning the phasing out of additional days of unemployment security	2023, Q1	On track
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	On track
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	Completion of a medium-term foresight model for labour and competence needs	2023, Q4	Not 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	Completed
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	Completed
2020.CSR2.subpart1	Streamlining the work and education-based immigration process	Entry into force of legislative amendments to the Aliens Act (301/2004)	2022, Q4	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	On track
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	Completed
2020.CSR2.subpart2	Employment and labour market – Development of work ability, productivity and well-being at work	Number of persons with disabilities employed by the intermediate labour market operator on 31 December 2023	2023, Q4	Not completed
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	Completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2020.CSR2.subpart2	Nordic Model of Employment Services	Increase in the annual number of job search interviews conducted in line with the Nordic model of employment services	2023, Q4	Not completed
2020.CSR2.subpart2	Nordic Model of Employment Services	All five digital functionalities required by the Nordic employment service model are integrated into the public employment services' (TE-PES) information system and are operational	2023, Q4	Not completed
2020.CSR3.subpart1	Key programmes for international growth	Award of grants for all projects under key programmes for international growth	2023, Q4	Not completed
2020.CSR3.subpart1	Key programmes for international growth	Publication of the first three calls for applications under key programmes for international growth	2022, Q2	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, Q1	Completed
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	Growth acceleration programme for small enterprises	Publication of the call for applications for support to companies' internationalisation capabilities	2022, Q2	Completed
2020.CSR3.subpart4	Investments in new energy technologies	Publication of the first call for applications for investments in new energy technologies	2021, Q4	Completed
2020.CSR3.subpart4	Investments in new energy technologies	Award of all grants for energy technology investments	2023, Q4	Not completed
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
2020.CSR3.subpart4	RDI funding package promoting the green transition – Leading companies	Award of grants for leading companies' projects	2023, Q4	Not completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
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 (Academy of Finland)	Award by the Academy of Finland of grants for research projects aiming at increasing competences in key sectors	2023, Q2	On track
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	Completed
2020.CSR3.subpart4	RDI funding package supporting the green transition – Accelerating key sectors and strengthening competence (Business Finland)	Award by Business Finland of grants for RDI projects aiming at increasing competences in key sectors	2023, Q4	Not completed
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	RDI funding package supporting the green transition – Supporting innovative growth companies	Award of grants for support to innovative growth companies	2023, Q4	Not completed
2020.CSR3.subpart4	Energy infrastructure investments	Publication of the first call for applications for energy infrastructure projects	2021, Q4	Completed
2020.CSR3.subpart4	Energy infrastructure investments	Award of all grants for energy infrastructure investments	2023, Q4	Not completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2020.CSR3.subpart4	Investment and reform package in Åland	Publication of the first call for applications for investment in renewable energy in Åland	2022, Q4	Not completed
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	Completed
2020.CSR3.subpart4	Low-carbon hydrogen and carbon capture and utilisation	Award of all grants for low-carbon hydrogen and carbon capture and utilisation projects	2023, Q4	Not completed
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 CO <sub>2</sub> emissions from industry	2021, Q4	Completed
2020.CSR3.subpart4	Direct electrification and decarbonisation of industrial processes	Award of all grants for direct electrification and low-carbon industrial processes projects	2023, Q4	Not completed
2020.CSR3.subpart4	Reform of the Climate Act and low-carbon industrialisation	Entry into force of the revised Climate Change Act	2022, Q3	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 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)	2021, Q4	Completed
2020.CSR3.subpart4	Replacement of heating systems in buildings from fossil oil to low-carbon forms of heating	Award of all grants for projects supporting the replacement of heating systems in buildings from fossil oil to low-carbon forms of heating	2023, Q4	Not completed
2020.CSR3.subpart4	Action plan to phase out fossil oil heating	Publication of the action plan for phasing out fossil oil heating	2023, Q2	Not completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
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	2023, Q1	Not completed
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	Completed
2020.CSR3.subpart4	Private charging infrastructure	Award of all grants to the projects improving the charging infrastructure on residential buildings and workplaces based on the amendments to the budgetary decree 35.20.52	2023, Q4	Not completed
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	Completed
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	Completed
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	Completed
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	On track
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

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
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	Completed
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, Q1	Completed
2020.CSR3.subpart5	Promoting innovation and research infrastructure – Competitive funding for innovation infrastructures	Award of grants for the development of innovation infrastructures	2023, Q4	Not completed
2020.CSR3.subpart5	Energy infrastructure investments	Publication of the first call for applications for energy infrastructure projects	2021, Q4	Completed
2020.CSR3.subpart5	Energy infrastructure investments	Award of all grants for energy infrastructure investments	2023, Q4	Not completed
2020.CSR3.subpart5	Investment and reform package in Åland	Publication of the first call for applications for investment in renewable energy in Åland	2022, Q4	Not completed
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	2023, Q1	Not completed
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	Completed
2020.CSR3.subpart5	Private charging infrastructure	Award of all grants to the projects improving the charging infrastructure on residential buildings and workplaces based on the amendments to the budgetary decree 35.20.52	2023, Q4	Not completed
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	On track



CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
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, Q1	Completed
2020.CSR3.subpart5	Digital economy – Real-time economy (RTE) programme	Minimum Viable Ecosystem is created and operational	2022, Q4	On track
2020.CSR3.subpart6	Investments in new energy technologies	Publication of the first call for applications for investments in new energy technologies	2021, Q4	Completed
2020.CSR3.subpart6	Investments in new energy technologies	Award of all grants for energy technology investments	2023, Q4	Not completed
2020.CSR3.subpart6	Accelerating key technologies (microelectronics, 6G, artificial intelligence and quantum computing)	Micro-electronics projects are awarded	2023, Q2	Delayed
2020.CSR3.subpart6	Accelerating key technologies (microelectronics, 6G, artificial intelligence and quantum computing)	Projects developing 6G, AI and quantum computing are awarded	2023, Q2	Delayed
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 promoting the green transition – Leading companies	Award of grants for leading companies' projects	2023, Q4	Not 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 (Academy of Finland)	Award by the Academy of Finland of grants for research projects aiming at increasing competences in key sectors	2023, Q2	On track

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
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	Completed
2020.CSR3.subpart6	RDI funding package supporting the green transition – Accelerating key sectors and strengthening competence (Business Finland)	Award by Business Finland of grants for RDI projects aiming at increasing competences in key sectors	2023, Q4	Not completed
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	RDI funding package supporting the green transition – Supporting innovative growth companies	Award of grants for support to innovative growth companies	2023, Q4	Not 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	Completed
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	On track
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	Completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
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, Q1	Completed
2020.CSR3.subpart6	Promoting innovation and research infrastructure – Competitive funding for innovation infrastructures	Award of grants for the development of innovation infrastructures	2023, Q4	Not completed
2022.CSR3.subpart1	Investments in new energy technologies	Publication of the first call for applications for investments in new energy technologies	2021, Q4	Completed
2022.CSR3.subpart1	Investments in new energy technologies	Award of all grants for energy technology investments	2023, Q4	Not completed
2022.CSR3.subpart1	RDI funding package promoting the green transition – Leading companies	Publication of a call for applications for leading companies' projects	2022, Q2	Completed
2022.CSR3.subpart1	RDI funding package promoting the green transition – Leading companies	Award of grants for leading companies' projects	2023, Q4	Not completed
2022.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
2022.CSR3.subpart1	RDI funding package supporting the green transition – Accelerating key sectors and strengthening competence (Academy of Finland)	Award by the Academy of Finland of grants for research projects aiming at increasing competences in key sectors	2023, Q2	On track
2022.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	Completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2022.CSR3.subpart1	RDI funding package supporting the green transition – Accelerating key sectors and strengthening competence (Business Finland)	Award by Business Finland of grants for RDI projects aiming at increasing competences in key sectors	2023, Q4	Not completed
2022.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
2022.CSR3.subpart1	RDI funding package supporting the green transition – Supporting innovative growth companies	Award of grants for support to innovative growth companies	2023, Q4	Not completed
2022.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	Completed
2022.CSR3.subpart1	Promoting innovation and research infrastructure – Local research infrastructures	Award of grants for the renewal and development of local research infrastructures	2022, Q4	On track
2022.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
2022.CSR3.subpart1	Promoting innovation and research infrastructure – National research infrastructures	Award of grants for the renewal and development of national research infrastructures	2022, Q2	Completed
2022.CSR3.subpart1	Promoting innovation and research infrastructure – Competitive funding for innovation infrastructures	Publication of a call for applications for development of innovation infrastructures	2022, Q1	Completed
2022.CSR3.subpart1	Promoting innovation and research infrastructure – Competitive funding for innovation infrastructures	Award of grants for the development of innovation infrastructures	2023, Q4	Not completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2022.CSR3.subpart1	Energy infrastructure investments	Publication of the first call for applications for energy infrastructure projects	2021, Q4	Completed
2022.CSR3.subpart1	Energy infrastructure investments	Award of all grants for energy infrastructure investments	2023, Q4	Not completed
2022.CSR3.subpart1	Investment and reform package in Åland	Publication of the first call for applications for investment in renewable energy in Åland	2022, Q4	Not completed
2022.CSR3.subpart1	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
2022.CSR3.subpart1	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	Completed
2022.CSR3.subpart1	Low-carbon hydrogen and carbon capture and utilisation	Award of all grants for low-carbon hydrogen and carbon capture and utilisation projects	2023, Q4	Not completed
2022.CSR3.subpart1	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	Completed
2022.CSR3.subpart1	Direct electrification and decarbonisation of industrial processes	Award of all grants for direct electrification and low-carbon industrial processes projects	2023, Q4	Not completed
2022.CSR3.subpart1	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
2022.CSR3.subpart1	Re-use and recycling of key materials and industrial side streams	Award of all grants to the re- use and recycling projects	2023, Q4	Not completed
2022.CSR3.subpart1	Reform of the Climate Act and low-carbon industrialisation	Entry into force of the revised Climate Change Act	2022, Q3	Completed
2022.CSR3.subpart1	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

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2022.CSR3.subpart1	Strategic promotion of the circular economy and reform of the Waste Act	Conclusion of a national agreement with key actors on a low-carbon circular economy	2023, Q4	Delayed
2022.CSR3.subpart1	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
2022.CSR3.subpart1	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)	2021, Q4	Completed
2022.CSR3.subpart1	Replacement of heating systems in buildings from fossil oil to low-carbon forms of heating	Award of all grants for projects supporting the replacement of heating systems in buildings from fossil oil to low-carbon forms of heating	2023, Q4	Not completed
2022.CSR3.subpart1	Low-carbon built environment programme	Publication of a first call for applications regarding support for a low-carbon built environment	2021, Q4	Completed
2022.CSR3.subpart1	Action plan to phase out fossil oil heating	Publication of the action plan for phasing out fossil oil heating	2023, Q2	Not completed
2022.CSR3.subpart1	Public electricity and gas charging and refuelling infrastructure	Publication of the call for applications to improve distribution infrastructure for gas, electric and hydrogen vehicles	2023, Q1	Not completed
2022.CSR3.subpart1	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	Completed
2022.CSR3.subpart1	Private charging infrastructure	Award of all grants to the projects improving the charging infrastructure on residential buildings and workplaces based on the amendments to the budgetary decree 35.20.52	2023, Q4	Not completed
2022.CSR3.subpart1	Roadmap for fossil-free transport	Adoption of the Government resolution LVM/2021/62 to reduce greenhouse gas emissions from domestic transport	2021, Q2	Completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2022.CSR3.subpart1	Roadmap for fossil-free transport	Publication of government decision regarding additional national measures to reduce emissions from domestic transport	2022, Q2	Completed
2022.CSR3.subpart1	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
2022.CSR3.subpart1	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	Completed
2022.CSR3.subpart1	Transport and land use – Digirail project	Test laboratory on modelling equipment for the common European automatic train protection system (ERTMS) is operational	2022, Q4	On track
2022.CSR3.subpart2	Investments in new energy technologies	Publication of the first call for applications for investments in new energy technologies	2021, Q4	Completed
2022.CSR3.subpart2	Investments in new energy technologies	Award of all grants for energy technology investments	2023, Q4	Not completed
2022.CSR3.subpart2	Investment and reform package in Åland	Publication of the first call for applications for investment in renewable energy in Åland	2022, Q4	Not completed
2022.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
2022.CSR3.subpart3	RDI funding package promoting the green transition – Leading companies	Publication of a call for applications for leading companies' projects	2022, Q2	Completed
2022.CSR3.subpart3	RDI funding package promoting the green transition – Leading companies	Award of grants for leading companies' projects	2023, Q4	Not completed
2022.CSR3.subpart3	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

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2022.CSR3.subpart3	RDI funding package supporting the green transition – Accelerating key sectors and strengthening competence (Academy of Finland)	Award by the Academy of Finland of grants for research projects aiming at increasing competences in key sectors	2023, Q2	On track
2022.CSR3.subpart3	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	Completed
2022.CSR3.subpart3	RDI funding package supporting the green transition – Accelerating key sectors and strengthening competence (Business Finland)	Award by Business Finland of grants for RDI projects aiming at increasing competences in key sectors	2023, Q4	Not completed
2022.CSR3.subpart3	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
2022.CSR3.subpart3	RDI funding package supporting the green transition – Supporting innovative growth companies	Award of grants for support to innovative growth companies	2023, Q4	Not completed
2022.CSR3.subpart3	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	Completed
2022.CSR3.subpart3	Promoting innovation and research infrastructure – Local research infrastructures	Award of grants for the renewal and development of local research infrastructures	2022, Q4	On track
2022.CSR3.subpart3	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



CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2022.CSR3.subpart3	Promoting innovation and research infrastructure – National research infrastructures	Award of grants for the renewal and development of national research infrastructures	2022, Q2	Completed
2022.CSR3.subpart3	Promoting innovation and research infrastructure – Competitive funding for innovation infrastructures	Publication of a call for applications for development of innovation infrastructures	2022, Q1	Completed
2022.CSR3.subpart3	Promoting innovation and research infrastructure – Competitive funding for innovation infrastructures	Award of grants for the development of innovation infrastructures	2023, Q4	Not completed
2022.CSR3.subpart3	Key programmes for international growth	Award of grants for all projects under key programmes for international growth	2023, Q4	Not completed
2022.CSR3.subpart3	Key programmes for international growth	Publication of the first three calls for applications under key programmes for international growth	2022, Q2	Completed
2022.CSR3.subpart3	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	Completed
2022.CSR3.subpart3	Low-carbon hydrogen and carbon capture and utilisation	Award of all grants for low-carbon hydrogen and carbon capture and utilisation projects	2023, Q4	Not completed
2022.CSR3.subpart3	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 CO <sub>2</sub> emissions from industry	2021, Q4	Completed
2022.CSR3.subpart3	Direct electrification and decarbonisation of industrial processes	Award of all grants for direct electrification and low-carbon industrial processes projects	2023, Q4	Not completed
2022.CSR3.subpart3	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

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2022.CSR3.subpart3	Re-use and recycling of key materials and industrial side streams	Award of all grants to the re- use and recycling projects	2023, Q4	Not completed
2022.CSR3.subpart3	Reform of the Climate Act and low-carbon industrialisation	Entry into force of the revised Climate Change Act	2022, Q3	Completed
2022.CSR3.subpart3	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
2022.CSR3.subpart3	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)	2021, Q4	Completed
2022.CSR3.subpart3	Replacement of heating systems in buildings from fossil oil to low-carbon forms of heating	Award of all grants for projects supporting the replacement of heating systems in buildings from fossil oil to low-carbon forms of heating	2023, Q4	Not completed
2022.CSR3.subpart3	Low-carbon built environment programme	Publication of a first call for applications regarding support for a low-carbon built environment	2021, Q4	Completed
2022.CSR3.subpart4	Key programmes for international growth	Award of grants for all projects under key programmes for international growth	2023, Q4	Not completed
2022.CSR3.subpart4	Key programmes for international growth	Publication of the first three calls for applications under key programmes for international growth	2022, Q2	Completed
2022.CSR3.subpart4	Energy infrastructure investments	Publication of the first call for applications for energy infrastructure projects	2021, Q4	Completed
2022.CSR3.subpart4	Energy infrastructure investments	Award of all grants for energy infrastructure investments	2023, Q4	Not completed
2022.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	2023, Q1	Not completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2022.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	Completed
2022.CSR3.subpart4	Private charging infrastructure	Award of all grants to the projects improving the charging infrastructure on residential buildings and workplaces based on the amendments to the budgetary decree 35.20.52	2023, Q4	Not completed
2022.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
2022.CSR3.subpart4	Roadmap for fossil-free transport	Publication of government decision regarding additional national measures to reduce emissions from domestic transport	2022, Q2	Completed
2022.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
2022.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	Completed
2022.CSR3.subpart4	Transport and land use – Digirail project	Test laboratory on modelling equipment for the common European automatic train protection system (ERTMS) is operational	2022, Q4	On track
2022.CSR3.subpart5	Investments in new energy technologies	Publication of the first call for applications for investments in new energy technologies	2021, Q4	Completed
2022.CSR3.subpart5	Investments in new energy technologies	Award of all grants for energy technology investments	2023, Q4	Not completed
2022.CSR3.subpart5	Energy infrastructure investments	Publication of the first call for applications for energy infrastructure projects	2021, Q4	Completed
2022.CSR3.subpart5	Energy infrastructure investments	Award of all grants for energy infrastructure investments	2023, Q4	Not completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2022.CSR3.subpart5	Investment and reform package in Åland	Publication of the first call for applications for investment in renewable energy in Åland	2022, Q4	Not completed
2022.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	2023, Q1	Not completed
2022.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	Completed
2022.CSR3.subpart5	Private charging infrastructure	Award of all grants to the projects improving the charging infrastructure on residential buildings and workplaces based on the amendments to the budgetary decree 35.20.52	2023, Q4	Not completed
2022.CSR3.subpart5	Roadmap for fossil-free transport	Adoption of the Government resolution LVM/2021/62 to reduce greenhouse gas emissions from domestic transport	2021, Q2	Completed
2022.CSR3.subpart5	Roadmap for fossil-free transport	Publication of government decision regarding additional national measures to reduce emissions from domestic transport	2022, Q2	Completed

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

Pillar principle	List of main measures	Estimated impact of measures
<b>1. Education, training and lifelong learning</b>	<p>1. Parliamentary reform of continuous learning: The policy 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. The activities key to implementation of the guidelines were initiated and their implementation will extend beyond the Government term. The Pillar 3 reform of the Sustainable Growth Programme for Finland, Continuous learning reform (P3C2R1), will create the structures and operating models required for the objectives of the guidelines and speed up the implementation of the reform.</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 as well as the flexibility and responsiveness of the service system, and also support the availability of talent.</p>
	<p><b>2. Extending compulsory education:</b></p> <p>In accordance with the Government Programme, the age of compulsory education was raised to 18 and compulsory education will be extended to include secondary education one age group at a time starting from 2021.</p> <p>Every 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 person reaches the age of 18 or when they complete an upper secondary qualification (matriculation examination or vocational qualification).</p> <p>As a result of the extension 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 travel to school over a distance 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>Extended compulsory education will ensure that every child who completes comprehensive school goes on to complete an upper secondary qualification. The extension 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
	<p><b>3. Right to Learn development programme</b></p> <p>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 discretionary government grants to strengthen, for example, learning and wellbeing, inclusion, equality and interaction, among others.</p>	
	<p><b>4. Action plan to support the learning skills and school readiness of immigrant pupils in basic education</b></p> <p>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 ensure 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.</p>	
	<p><b>5. Right to Know programme</b></p> <p>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.</p>	<p>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, socioeconomic 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</p>

Pillar principle	List of main measures	Estimated impact of measures
	<p><b>6. Quality and accessibility programme for general upper secondary education</b></p> <p>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 provide support to the organisers of general upper secondary education in matters including the implementation of the Act on General Upper Secondary Education and the general upper secondary curriculum as well as 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 sets of measures. A total of EUR 15 million has been earmarked for the implementation of the quality and accessibility programme in the years 2021– 2022.</p>	<p>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 the curricula.</p>
<b>2. Gender equality</b>	<p><b>1. Government action plan for gender equality</b></p> <p>The Government action plan for gender equality 2020–2023 lays out 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 assessments. The measures taken in the energy and climate strategy, for example, have been subject to a gender impact assessment.</p>	<p>The final report on the monitoring of the implementation of the Government action plan for gender equality will be published in February 2023.</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 entry on pay transparency 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.A. The legislative proposal is part of a package of equal pay measures.</b></p>	<p>2. The matter was under preparation by a tripartite working group from September 2020 to August 2021. The working group’s divided final report was published in November 2021. The draft government proposal on amending the Act on Equality between Women and Men was circulated for comments in late spring 2022. The Government could not reach political agreement on the matter and it did not proceed to Parliament.</p>

Pillar principle	List of main measures	Estimated impact of measures
	<p><b>3. Equal Pay Programme and Government projects to promote equal pay:</b></p> <p>Pay equality is being strengthened by a tripartite Equal Pay Programme as well as Government projects. The Equal Pay Programme 2020–2023 includes joint measures by the Government and the central labour market organisations to promote equality in pay. The measures relate to topics such as 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 reduce segregation according to gender in working life. A study will also be carried out to examine the impact of careers and occupational segregation on the gender pay gap.</p> <p>The Government’s own projects carried out in 2021–2023 are 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 assessment of job demands and promotes equal pay for equally demanding work. The results of the project were announced in December 2022.</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 the Government projects was carried out by an external rapporteur. The overall assessment of the equal pay measures was published in early February 2023. The assessment consists of sections on observations, conclusions and recommendations. The conclusions and recommendations of the overall assessment carried out by the rapporteur provide a basis for planning future equal pay measures.</p>
	<p>4. Pillar 3 Investment (P3C1I1) of the Sustainable Growth Programme for Finland: Raising the employment rate and skills levels to boost sustainable growth</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 gender equality in the labour market.</p>



Pillar principle	List of main measures	Estimated impact of measures
	5. Sub-component of Investment (P3C1I1) of the Sustainable Growth Programme for Finland: Extension of the work ability programme and the IPS -Individual Placement and Support development project	5. The Component of <b>extension of the work ability programme and the IPS - Individual Placement and Support development project</b> aims to utilise a variety of means to influence the labour market situation of persons who are in a vulnerable labour market position, in particular unemployed persons with partial work ability, persons with disabilities and persons with mental health problems. Effects include enhancements in the services that support work ability and employment as well as their high quality and better availability and accessibility. The monitoring and assessment study will pay attention to the gender and equality impacts of the measures.

Pillar principle	List of main measures	Estimated impact of measures
	6. Sub-component of Investment (P3C1I1) of the Sustainable Growth Programme for Finland: Mental health and work ability as prerequisites for employment and productivity.	6. The Component <b>Mental health and work ability as prerequisites for employment and productivity</b> has an impact on the promotion of gender equality; it aims to improve access to mental health support and proactive diverse support at workplaces, which can help to reduce the mental load experienced by women and to bridge the gap between women and men in wellbeing at work and coping at work. Stronger mental health skills in the workplace also have a positive impact on the ability of workers who have experienced mental health problems to continue to work. Three out of five people who took disability pension for mental health reasons were women. The increase in sickness allowance due to mental health disorders has been particularly high among young and early middle-aged women. Action to support mental health in the workplace and in occupational health cooperation may bridge gender inequalities and reduce disability pensions and sickness absences among women in particular in this regard. Experiencing psychosocial stress is also more common for women than for men. In recent years, there has been an increase in the harmful haste and mental load of work, especially among working women.
	7. Finland's Sustainable Growth Programme 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 Pillar 4 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 better, knowledge-based targeting of such measures can serve to promote gender equality.

Pillar principle	List of main measures	Estimated impact of measures
<b>3. Equal opportunities</b>	<p>1. National action plan on the UN Convention on the Rights of Persons with Disabilities (see item 17 for more details)</p> <p>2. The Government has issued a resolution on the third National Roma Strategy for 2023–2030.</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, such as housing, health, employment and education, for all age groups, taking particular intersectional account of vulnerable Roma.</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 - Individual Placement Support development project</li> <li>- Mental health and work ability as prerequisites for employment and productivity</li> </ul>	<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 people with partial work ability. Measures are targeted at groups of people for whom the effects of COVID make employment significantly more difficult. The measures will support the implementation of the updated European Pillar of Social Rights by means including the promotion of equal opportunities, active support for employment and the inclusion of people with disabilities as well as promotion of the employment of young people.</p>
	<p>4. Pillar 4 of the Sustainable Growth Programme for Finland: Strengthening access to health and social services and increasing cost-effectiveness, as well as related Reforms (P4C1R1) and Investments (P4C1I1–P4C1I4)</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 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 integrated into the services of the future health and social services centres.</li> <li>2. The use of supported employment methods for those who are struggling the most with finding employment will be increased.</li> <li>3. The work ability competences of professionals and experts (work ability coordinators) will be strengthened.</li> <li>4. Evaluation study launched on the impact of project interventions and on the reconciliation of services and benefits</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 procurements.</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. The State-owned special assignment company Työkanava phased in its operations in 2022. Työkanava provides employment for those people with partial work ability who would otherwise be excluded from employment. The legislative proposal on the company was approved on 1 April 2022. The Act entered 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 - Individual Placement Support 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: The amendments on phasing out the additional days of unemployment allowance entered into force on 1 January 2023.</li> </ol>	<p>The work ability programme shifts the focus from examining disability to strengthening the existing ability to work and function 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 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>Among people in a vulnerable labour market position, the promotion of employment through the various measures in the work ability programme will in particular impact on the labour market situation of unemployed persons with partial work ability, persons with disabilities and persons with mental health problems. Effects include enhancements in the services that support work ability and employment, their high quality and better availability and accessibility. Equality is reflected in improved equality in the job market. Equality also shows in the enhanced regional equality in the service offering when it comes to services in support of work ability and employment. The monitoring and assessment study will pay attention to the gender and equality impacts of the measures.</p>

Pillar principle	List of main measures	Estimated impact of measures
	<p>10. Ensemble of working life programmes in Government Programmes with the aim of promoting employment and 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>The measures included in Pillar 3 ‘Raising the employment rate and skills levels to boost sustainable growth’ will have a positive impact on gender equality. The aim in raising the age limit for and ultimately abolishing additional days of unemployment allowance is to extend working careers, thus reducing unemployment and increasing employment. The Ministry of Finance estimates that the abolition of additional days would lead to the employment of approximately 7,900 persons.</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 (ELY Centres)</li> <li>• Operations of the leadership network</li> <li>• Impact assessment</li> </ul> <p>The research and development programme on work, health and work ability develops research and the knowledge base in the sector in support of decisionmaking.</p> <ul style="list-style-type: none"> <li>• Dialogue between research data and experts</li> <li>• Compilation of research data, establishment of net-works</li> <li>• The HELP project on hybrid work, remote work and in-person work (Finnish Institute of Occupational Health) has compiled current research data.</li> </ul>

Pillar principle	List of main measures	Estimated impact of measures
		<p>Mental Health at Work Programme – reducing sickness absences and disability pensions for mental health reasons</p> <ul style="list-style-type: none"> <li>• Mental health support operating model for occupational health cooperation. Pilots are underway.</li> <li>• Toolbox: Used 60,000 times so far. Toolbox dissemination in progress. The Toolbox is being developed based on feedback received.</li> <li>• Impact assessment</li> <li>• Communication project</li> </ul>
	<p>A municipal experiment to promote employment was launched in March 2021 with the aim of enhancing regional cooperation between different authorities in employment management.</p>	<p>Approximately 230,000 clients and roughly one third of the staff of TE Offices (over 1,100 person-years) were transferred to municipalities in March 2021.</p>
	<p>Public employment services have been reformed by the introduction of the ‘Nordic labour market service model’ in May 2022. Contacts between the labour authorities and jobseekers has been significantly boosted. At the same time, a quantitative requirement to apply for job opportunities is incorporated into the employment plan prepared together with the jobseeker. Unemployment benefit sanctions were moderated upon introduction of the model.</p>	<p>Additional resources of EUR 70 million per year have been allocated to the TE Offices and the municipalities taking part in the local government pilot on employment for implementation of the Nordic labour service model.</p> <p>The model is estimated to increase employment by about 10,000 people. The impact on employment is expected to be fully achieved from the beginning of 2025.</p>
	<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>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 funding of education and skills services and other expenditures of the service centre in 2021–2026, of which sum EUR 35.5 million from the EU RRF (P3C2).</p>

Pillar principle	List of main measures	Estimated impact of measures
	<p>In spring 2021, the Government decided to continue preparations for the transfer of employment and economic development services (TE services) to municipalities. The services would be transferred to the municipalities in full in 2025. In order to ensure a smooth transfer, legislation has been enacted to continue the local government pilots on employment until the TE services transfer to municipalities. The government proposal on the transfer of TE services was submitted to Parliament in October 2022.</p>	
	<p>Other development projects relating to labour services include the reform of pay subsidy, the launch of the recruitment pilot, raising the employment rate of over-55s and developing the legislation on multisectoral services. The recruitment support experiment was launched in March 2022 and the other measures are envisioned to be launched in 2023.</p>	
<b>5. Secure and adaptable employment</b>		
<b>6. Wages</b>		<p>In Finland, wages and salaries are largely under the autonomy of the labour market organisations. However, this autonomy is limited by legislation on topics such as equality and non-discrimination. 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 dismissals</b>		<p>Compliance with labour legislation is overseen by the Occupational Safety and Health Administration. The Directive on transparent and predictable working conditions, which will improve workers' rights to information on terms of employment, is currently being implemented.</p>

Pillar principle	List of main measures	Estimated impact of measures
<b>8. Social dialogue and involvement of workers</b>		Dialogue with the labour market organisations is a key and well-established way of reforming social and labour legislation in particular. The Act on Co-operation within Undertakings has been amended and the principle of continuous consultation has been introduced to enhance consultation of and information provision to personnel.
<b>9. Work-life balance</b>	1. The legislative amendments concerning the family leave reform have been approved and the Acts entered into force on 1 August 2022. After the reform, parents will be able to make more flexible use of the parental allowance to achieve better work/family balance. The aim of the reform is for parental leave to be shared by both parents more equally. Going forward, both parents will be entitled to an equally long period of parental leave.	1. It is challenging to estimate, in numerical terms, the extent to which parents will actually make use of the allowance flexibility; this can only be assessed once the reform has been in place for longer.
<b>10. Healthy, safe and well-adapted work environment and data protection</b>	Ministry of Social Affairs and Health's Policy for the work environment and wellbeing at work until 2030: Safe and healthy working conditions and workability 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: <ul style="list-style-type: none"> <li>• Future challenges related to occupational safety and health and wellbeing at work</li> <li>• Safe and healthy working conditions</li> <li>• Promoting functional capacity and ability to work as well as employability.</li> </ul>	An implementation plan has been drawn up for 2022–2023 to express, in concrete terms, the measures by which the Ministry of Social Affairs and Health and its partners jointly promote achievement of the objectives in 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>	Amendments to the Act on Early Childhood Education and Care and the Act on Child Home Care Allowance and Private Daycare Allowance to remove the restrictions on subjective right to early childhood education and care (ECEC) entered into force at the start of August 2020. The policy specifies the strategy of the  The daycare group size for children over the age of 3 was reduced by restoring the daycare staffing ratio to 1:7 in respect of them. The amendment entered into force on 1 August 2020.	Following the amendments, all children will have equal right to ECEC and the socioeconomic status or place of residence of the family will no longer affect the scope of the child's right to ECEC.  The amendment improved the daycare staffing ratio and the opportunities of staff to support the development and learning of the children.



Pillar principle	List of main measures	Estimated impact of measures
	Amendments to the Act on Client Fees in Early Childhood Education and Care entered into force on 1 August 2021. ECEC client fees were reduced by raising the income limits for parents and guardians by 31%. In addition, the fees charged for siblings were reduced so that going forward, the fee charged for a second child will be 40% of the calculated full-time ECEC fee of the youngest child, when previously it was 50%.	The amendment made it financially more viable to accept work, as the rise in ECEC fees to the highest level is now moderated. An estimated 20,000 additional families became eligible for free ECEC.
	The Act on Early Childhood Education and Care was amended by adding to the Act provisions on support given to the child. The amendments entered into force on 1 August 2022.	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.
	National Child Strategy and National Implementation Plan for the European Child Guarantee	Improving the situation of vulnerable children.
	ECEC client fees will be reduced again under a legislative amendment that enters into force on 1 March 2023. The amendment raises by 33% the income limits for parents and guardians on which the client fees are based, thus making an estimated 30,000 additional families eligible for free ECEC.	
<b>12. Social protection</b>	1. Finland has prepared a national plan regarding the Council Recommendation on access to social protection for workers and the self-employed (2019/C 387/01)	

Pillar principle	List of main measures	Estimated impact of measures
13. Unemployment benefits	1. Pillar 3 Reform 2 (P3C1R2) of the Sustainable Growth Programme for Finland: The amendments to abolish the additional days of unemployment allowance were adopted and they entered into force on 1 January 2023.	1. The measures included in Pillar 3 ‘Raising the employment rate and skills levels to boost sustainable growth’ will have a positive impact on gender equality. The aim in raising the age limit for and ultimately abolishing the additional days of unemployment allowance is to extend working careers, thus reducing unemployment and increasing employment. The Ministry of Finance estimates that the abolition of the additional days would lead to the employment of approximately 7,900 persons.
14. Minimum income	1. The reform of the Act on Social Assistance was carried out in the term of the current Government and the amendments entered into force at the start of 2023. 2. Reform of social security by 2027.	1. 1. The aim of the reform is to improve the position of social welfare customers and vulnerable customers as applicants for income support and to improve their access to services. 2. The social security reform aims for a clearer and better-functioning system that enables the reconciliation of work and social security in changing life situations. Securing social justice and protecting income security for people who are faced with social risks is a key element of the reform. The reform also seeks to reduce the need for long-term social assistance.
15. Old age income and pensions	Family leave reform	The family leave reform balances the gender impact of family leave on pension accrual, as the reform introduces a more even distribution of child care responsibilities between the parents. If the reform results in parents making more even-handed use of family leave, this will also impact pension accrual and gender differences in pensions.

Pillar principle	List of main measures	Estimated impact of measures
<b>16. Healthcare</b>	<ol style="list-style-type: none"> <li>1. Pillar 4 of the Sustainable Growth Programme for Finland: Strengthening access to health and social services and increasing cost-effectiveness, as well as related reforms (P4C1R1) and investments (P4C1I1–P4C1I4)</li> <li>2. As laid out in programme of Prime Minister Marin’s Government, the Act on Client Fees in Healthcare and Social Welfare was amended to extend the free provision of services and to moderate fees, among other things. The amendments for the most part entered into force in July 2021.</li> <li>3. The statutory maximum waiting times for access to public primary healthcare will be reduced considerably in autumn 2023, from three months to fourteen days. The maximum waiting time will be further shortened to seven days effective autumn 2024.</li> <li>4. Future Health and Social Services Centres programme</li> </ol>	<ol style="list-style-type: none"> <li>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.</li> <li>2. The amendments promote health equality and access to care in line with the health and social services reform.</li> <li>3. The amendments ensure that people will be able more quickly to access non-urgent primary healthcare. They seek to strengthen primary healthcare services and improve the availability of services.</li> <li>4. One of the most important objectives of the development programme is to improve the equal availability of health services.</li> </ol>

Pillar principle	List of main measures	Estimated impact of measures
<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 contains 110 measures that the ministries are committed to implementing.</p> <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 - Individual Placement Support development project</li> </ul> <p>3. Finland’s Sustainable Growth Programme Pillar 4 Reform 1: Strengthening access to health and social services and increasing cost-effectiveness (P4C1R1), and investments included therein (P4C1I1–P4C1I4)</p>	<p>1. The action plan emphasises that the participation of people with disabilities is essential in a changing operating environment, and that availability and accessibility are prerequisites for the implementation of other rights. The action plan aims to raise awareness of the rights of persons with disabilities and to mainstream their rights in different administrative sectors and in the whole of society.</p> <p>2. Among people in a vulnerable labour market position, the promotion of employment through the various measures in the work ability programme will in particular impact on the labour market situation of unemployed persons with partial work ability, persons with disabilities and persons with mental health problems. Effects include enhancements in the services that support work ability and employment, their high quality and better availability and accessibility. Equality is reflected in improved equality in the job market. Equality also shows in the enhanced regional equality in the service offering when it comes to services in support of work ability and employment. The follow-up and assessment study will pay attention to the gender and equality impacts of the 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 (vulnerable persons included) 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 Care Services for Older Persons 2020–2023</p> <p>Staffing level in 24-hour service housing and long-term institutional care:</p> <ul style="list-style-type: none"> <li>• As of 1 October 2020: 0.5 employees per client</li> <li>• As of 1 January 2021: 0.55 employees per client</li> <li>• As of 1 January 2022: 0.6 employees per client</li> <li>• As of 1 April 2023: 0.7 employees per client</li> </ul> <p>Introduction of the RAI assessment instruments by 1 April 2023</p> <p>The amendment of the Act on Care Services for Older Persons currently under consideration in Parliament proposes the following:</p> <ul style="list-style-type: none"> <li>• Home care would include home nursing in accordance with the customer’s individual needs, support services as a separate services, and care alarm services as a new social service.</li> <li>• Home care should be provided at all hours of the day, nights included, according to the individual needs of the customer.</li> <li>• Utilisation of technology in delivering home care.</li> <li>• The adequacy of home care will be strengthened through careful planning; staff adequacy will also be followed in self-monitoring.</li> <li>• Diverse and flexible housing solutions will be promoted.</li> <li>• Communal housing would replace the current ‘ordinary service housing’. The aim is that customers could get services at home without having to move when their service needs change.</li> <li>• Abolition of long-term institutional care 2027.</li> </ul>	<p>This is a statutory minimum staffing level that will safeguard older people’s constitutional right to essential care and adequate health and social services.</p> <p>The amendments to the Act on Care Services for Older Persons currently before Parliament improve the availability and quality of services provided at home and promote the adequacy of home care staff. The ensemble of provisions on services provided at home and housing services will be reformed. Informative provisions to promote the diverse housing of older persons will be added to the Act on Care Services for Older Persons.</p>

Pillar principle	List of main measures	Estimated impact of measures
<b>19. Housing and assistance for the homeless</b>	<p>1. Cooperation Programme to Halve Homelessness 2020–2022.</p> <p>a. Access to social rental housing or housing protection services must be provided for those in need.</p> <p>b. Vulnerable people have the right to appropriate assistance and protection against forced eviction.</p> <p>c. Adequate shelter and services shall be provided to the homeless in order to promote their social inclusion.</p> <p>While the Cooperation Programme to Halve Homelessness 2020–2022 has ended, its sub-project of enhancing the health and social services that reduce homelessness continues until the end of 2023. The sub-project improves the situation of the homeless by developing low-threshold health and social services.</p>	<p>1. The cooperation programme improves the situation of the homeless in key cities through means that include increasing the quantity of housing intended for homeless people and developing low-threshold health and social services.</p>
<b>20. Access to essential services</b>	<p>1. Pillar 4 of the Sustainable Growth Programme for Finland: Strengthening access to health and social services and increasing cost-effectiveness, as well as related reforms (P4C1R1) and investments (P4C1I1–P4C1I4)</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 health and welfare disparities.</p>

## Appendix 4. Implementation of the UN Sustainable Development Goals (SDGs)

SDG	List of main measures	Estimated impact of measures (qualitative and/or quantitative)
1. No poverty	<p>Some key measures for each SDG are highlighted below. A more comprehensive list of measures can be found in the Government Report on the Implementation of the 2030 Agenda<sup>1</sup>.</p> <ol style="list-style-type: none"> <li>1. Reform of healthcare, social welfare and rescue services <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. National Child Strategy <a href="https://stm.fi/en/child-strategy">https://stm.fi/en/child-strategy</a></li> <li>4. Finland's Africa Strategy <a href="https://um.fi/finland-s-africa-strategy">https://um.fi/finland-s-africa-strategy</a></li> <li>5. Action Plan for Reducing Poverty and Social Exclusion by 2030 <a href="https://julkaisut.valtioneuvosto.fi/handle/10024/164364">https://julkaisut.valtioneuvosto.fi/handle/10024/164364</a></li> </ol>	<ol style="list-style-type: none"> <li>1. Increased social justice and safeguarding livelihoods in the face of social risks.</li> <li>2. Increased supply of housing for homeless people and strengthened homelessness work in basic public services provided by municipalities.</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> <li>5. Reduce the number of people living at risk of poverty and social exclusion.</li> </ol>
2. Zero hunger	<ol style="list-style-type: none"> <li>1. National 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 Recycling 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>
3. Health and wellbeing	<ol style="list-style-type: none"> <li>1. Reform of healthcare, social welfare and rescue services <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 have smooth access to services and receive help suited to their individual needs. Strengthen trust in public health and social services.</li> </ol>

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

SDG	List of main measures	Estimated impact of measures
	Some key measures for each SDG are highlighted below. A more comprehensive list of measures can be found in the Government Report on the Implementation of the 2030 Agenda <sup>1</sup> .	(qualitative and/or quantitative)
4. Good education	<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. Extension 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, and pre-primary, primary and lower secondary education.</li> </ol>
5. Gender equality	<ol style="list-style-type: none"> <li>1. Government Action Plan for Gender Equality <a href="http://urn.fi/URN:ISBN:978-952-00-8666-4">http://urn.fi/URN:ISBN:978-952-00-8666-4</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>



SDG	List of main measures	Estimated impact of measures
	Some key measures for each SDG are highlighted below. A more comprehensive list of measures can be found in the Government Report on the Implementation of the 2030 Agenda <sup>1</sup> .	(qualitative and/or quantitative)
<b>6. Clean water and sanitation</b>	<ol style="list-style-type: none"> <li>1. Programme to enhance the effectiveness of water protection <a href="https://ym.fi/en/water-protection-programme">https://ym.fi/en/water-protection-programme</a></li> <li>2. Nutrient Recycling 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> <li>3. Water Responsible Finland 2030 action plan <a href="https://www.syke.fi/hankkeet/vesivastuu2030">https://www.syke.fi/hankkeet/vesivastuu2030</a></li> <li>4. Archipelago Sea Programme / Roadmap to water protection in agriculture <a href="https://urn.fi/URN:ISBN:978-952-398-069-3">https://urn.fi/URN:ISBN:978-952-398-069-3</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 stewardship of Finnish enterprises.</li> <li>4. Promotion of water protection measures and reduction of loading from agriculture in particular in the catchment area of the Archipelago Sea.</li> </ol>
<b>7. Affordable and clean energy</b>	<ol style="list-style-type: none"> <li>1. National Climate and Energy 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>

SDG	List of main measures	Estimated impact of measures (qualitative and/or quantitative)
<b>8. Decent work and economic growth</b>	<p>Some key measures for each SDG are highlighted below. A more comprehensive list of measures can be found in the Government Report on the Implementation of the 2030 Agenda<sup>1</sup>.</p> <ol style="list-style-type: none"> <li data-bbox="338 551 868 613">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 data-bbox="338 633 831 696">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 data-bbox="338 716 963 779">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 data-bbox="338 799 922 862">4. Strategic Programme for 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 data-bbox="1023 551 1469 680">1. The guidance of lifelong learning helps individuals to recognise their abilities and skills. The guidance improves access to employment, wellbeing and inclusion.</li> <li data-bbox="1023 701 1469 831">2. Enterprises and organisations benefit from diversity, and immigrants' access to jobs that match their skills and their career advancement are facilitated.</li> <li data-bbox="1023 851 1469 981">3. Employment rate of 75%. Persons with partial work ability receive individual and timely services related to work ability and employment.</li> <li data-bbox="1023 1001 1469 1137">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 data-bbox="338 1167 778 1229">1. The Government's National Roadmap for RDI <a href="https://okm.fi/en/rdi-roadmap">https://okm.fi/en/rdi-roadmap</a></li> <li data-bbox="338 1249 799 1312">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 data-bbox="338 1332 890 1429">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 data-bbox="1023 1167 1469 1263">1. Guidelines for sustainable growth and wellbeing. The measures will strengthen centres of excellence and ecosystems.</li> <li data-bbox="1023 1283 1469 1379">2. Industry sectors will promote the transition to a carbon-neutral society through voluntary commitments.</li> <li data-bbox="1023 1400 1469 1462">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 data-bbox="338 1491 890 1554">1. Government Report on the Administration of Justice <a href="https://oikeusministerio.fi/hanke?tunnus=OM063:00/2021">https://oikeusministerio.fi/hanke?tunnus=OM063:00/2021</a></li> <li data-bbox="338 1574 970 1671">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 data-bbox="338 1691 903 1722">3. Social security reform <a href="https://stm.fi/sosiaaliturvauudistus">https://stm.fi/sosiaaliturvauudistus</a></li> </ol>	<ol style="list-style-type: none"> <li data-bbox="1023 1491 1469 1554">1. Strengthen confidence in the administration of justice.</li> <li data-bbox="1023 1574 1469 1637">2. Digital services suitable for as many people as possible.</li> <li data-bbox="1023 1657 1469 1722">3. Increased social justice and safeguarding livelihoods in the face of social risks.</li> </ol>

SDG	List of main measures	Estimated impact of measures
	Some key measures for each SDG are highlighted below. A more comprehensive list of measures can be found in the Government Report on the Implementation of the 2030 Agenda <sup>1</sup> .	(qualitative and/or quantitative)
<b>11. Sustainable cities and communities</b>	<ol style="list-style-type: none"> <li>1. Reform of the Land Use and Building Act <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> <li>4. Sustainable City programme <a href="https://kestavakaupunki.fi/en/front-page">https://kestavakaupunki.fi/en/front-page</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 public services provided by municipalities.</li> <li>4. Promotion of sustainable development in cities and municipalities. The main themes of the programme promote low-carbon, smart, healthy and socially sustainable cities.</li> </ol>
<b>12. Responsible consumption and production</b>	<ol style="list-style-type: none"> <li>1. Strategic Programme for 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 in industry <a href="https://tem.fi/en/low-carbon-roadmaps-2035">https://tem.fi/en/low-carbon-roadmaps-2035</a></li> <li>3. Nutrient Recycling 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>4. Plastics Roadmap for Finland <a href="https://valtioneuvosto.fi">Plastics Roadmap for Finland (valtioneuvosto.fi)</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> <li>4. A national programme promoting the circular economy of plastics with a cross-sectoral approach</li> </ol>

SDG	List of main measures	Estimated impact of measures (qualitative and/or quantitative)
<b>13. Climate action</b>	<p>1. Climate 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></p> <p>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></p> <p>3. Sectoral 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></p> <p><a href="https://mmm.fi/maankayttosektorin-ilmastosuunnitelma/maankayttosektorin-ilmastosuunnitelman-laatiminen">https://mmm.fi/maankayttosektorin-ilmastosuunnitelma/maankayttosektorin-ilmastosuunnitelman-laatiminen</a></p>	<p>1. Carbon neutrality by 2035.</p> <p>2. Industry sectors will promote the transition to a carbon-neutral society through voluntary commitments.</p> <p>3. Reduction of total greenhouse gas emissions.</p>
<b>14. Life below water</b>	<p>1. Finland's Maritime Policy Action Plan <a href="https://vnk.fi/en/maritime-policy">https://vnk.fi/en/maritime-policy</a></p> <p>2. Domestic Fish Promotion Programme <a href="https://mmm.fi/kalat/strategiat-ja-ohjelmat/kotimaisen-kalan-edistamisojelma">https://mmm.fi/kalat/strategiat-ja-ohjelmat/kotimaisen-kalan-edistamisojelma</a></p> <p>3. Nutrient Recycling 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></p>	<p>1. The Baltic Sea is protected, the maritime cluster and marine production are sustainable.</p> <p>2. Promotion of the production of domestic fish based on the circular economy.</p> <p>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.</p>
<b>15. Life on land</b>	<p>1. Reform of the Nature Conservation Act <a href="https://ym.fi/en/reform-of-the-nature-conservation-act">https://ym.fi/en/reform-of-the-nature-conservation-act</a></p> <p>2. Reform of the Land Use and Building Act <a href="https://ym.fi/en/land-use-and-building-act">https://ym.fi/en/land-use-and-building-act</a></p> <p>3. Helmi Habitats Programme <a href="https://ym.fi/en/helmi-habitats-programme">https://ym.fi/en/helmi-habitats-programme</a></p> <p>4. Forest Biodiversity Programme for Southern Finland (METSÖ) <a href="https://mmm.fi/en/forests/biodiversity-and-protection/metso-programme">https://mmm.fi/en/forests/biodiversity-and-protection/metso-programme</a></p> <p>5. My Nature Gift campaign to encourage landowners to donate sites for protection</p> <p><a href="#">Luontolahja-kampanja innostaa suojelemaan suomalaista luontoa - Ympäristöministeriö</a></p>	<p>1. Safeguard species, habitats and important services provided by nature.</p> <p>2. Healthy, safe and attractive living environment where the needs of different population groups are taken into account.</p> <p>3. Strengthening Finland's biodiversity, and mitigating and adapting to climate change.</p> <p>4. Halt the decline of forest habitat types and species and promote biodiversity.</p> <p>5. Joint nature conservation campaign for private individuals and the public sector.</p>

SDG	List of main measures	Estimated impact of measures
<b>16. Peace, justice and strong institutions</b>	<p>Some key measures for each SDG are highlighted below. A more comprehensive list of measures can be found in the Government Report on the Implementation of the 2030 Agenda<sup>1</sup>.</p> <ol style="list-style-type: none"> <li>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></li> <li>2. Strategy for Public Governance Renewal <a href="https://vm.fi/julkisen-hallinnon-strategia">https://vm.fi/julkisen-hallinnon-strategia</a></li> <li>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></li> </ol>	<p>(qualitative and/or quantitative)</p> <ol style="list-style-type: none"> <li>1. The cross-cutting principles of Finland's development cooperation include promoting and safeguarding equality, climate resilience and biodiversity.</li> <li>2. The strategy supports cooperation and division of duties between central government authorities, municipalities and wellbeing services counties.</li> <li>3. Strengthen fundamental and human rights structures and develop monitoring of the implementation of the rights in Finland.</li> </ol>
<b>17. Cooperation and partnership</b>	<ol style="list-style-type: none"> <li>1. Implementation of the Report on Development Policy Across Parliamentary Terms <a href="https://um.fi/uutiset/-/asset_publisher/GRSnUwaHDPv5/content/kehityspolitiikan-ylivaalikautinen-selonteko-2">https://um.fi/uutiset/-/asset_publisher/GRSnUwaHDPv5/content/kehityspolitiikan-ylivaalikautinen-selonteko-2</a></li> <li>2. Government Report on Finnish Foreign and Security Policy <a href="https://um.fi/publications/-/asset_publisher/TVOLgBmLyZvu/content/government-report-on-finnish-foreign-and-security-policy">https://um.fi/publications/-/asset_publisher/TVOLgBmLyZvu/content/government-report-on-finnish-foreign-and-security-policy</a></li> <li>3. Implementation of Finland's Taxation and Development action programme <a href="https://um.fi/publications/-/asset_publisher/TVOLgBmLyZvu/content/julkaisu-verotus-ja-kehitys-suomen-toimintaohjelma-2020-2023-1">https://um.fi/publications/-/asset_publisher/TVOLgBmLyZvu/content/julkaisu-verotus-ja-kehitys-suomen-toimintaohjelma-2020-2023-1</a></li> </ol>	<ol style="list-style-type: none"> <li>1. Effective action in the development policy priorities and cross-cutting objectives help developing countries to achieve the goals of the 2030 Agenda.</li> <li>2. The objectives of Finland's foreign and security policy are to promote foreign and security policy cooperation, strengthen multilateral cooperation, bear global responsibility and build peace.</li> <li>3. Support developing countries' efforts to strengthen their own tax systems and make their voice heard in global tax policy negotiations.</li> </ol>



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