

Finland's National Reform Programme 2024

Economic Prospects

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Finland's National Reform Programme 2024

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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 2019-2023 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	EU, employment, climate, research and development operations, education and training, economic policy, economic prospects
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Suomen kansallinen uudistusohjelma 2024

Valtiovarainministeriön julkaisuja 2024:28
Julkaisija Valtiovarainministeriö **Teema** Talousnäkyvät

Yhteisötekijä Valtiovarainministeriö
Kieli englanti **Sivumäärä** 164

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 tukevaksi. Suomelle vuosina 2019-2023 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 EU, työllisyys, ilmasto, tutkimus- ja kehittämistoiminta, koulutus, talouspolitiikka, talousnäkyvät

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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 2019-2023 gäller hållbarhet i den offentliga ekonomin, social- och hälsovårdstjänster, arbetsmarknad, forskning, innovation och koldioxidneutral 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	EU, ekonomisk politik, sysselsättning, klimat, forskning och utveckling, utbildning, finanspolitiken, ekonomiska utsikter
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Contents

1	Introduction	7
2	Macroeconomic situation	11
2.1	Macroeconomic outlook during the programming period	11
2.2	Macroeconomic impact of structural reforms	13
3	Implementation of country-specific recommendations and policy priorities	15
3.1	Long-term sustainability of general government finances.....	15
3.1.1	Measures of the Recovery and Resilience Plan.....	16
3.1.2	Other measures taken	17
3.2	Labour market	22
3.2.1	Measures of the Recovery and Resilience Plan.....	23
3.2.2	Other measures taken	29
3.3	Investments in research, innovation and the low-carbon economy and increasing security of supply in energy infrastructure	33
3.3.1	Measures of the Recovery and Resilience Plan.....	34
3.3.2	Other measures taken	36
3.4	Household debt.....	42
3.4.1	Measures of the Recovery and Resilience Plan.....	42
3.4.2	Other measures taken	43
3.5	Anti-money laundering policies.....	45
3.5.1	Measures of the Recovery and Resilience Plan.....	46
3.5.2	Other measures taken	46
3.6	Implementation of the Recovery and Resilience Plan and cohesion policy programmes.....	50
4	Progress with the UN SDGs	51
5	EU funds	55
6	Institutional issues and the participation of stakeholders, especially social partners and other administrative levels in the preparations	64
6.1	Preparation of the National Reform Programme and participation of stakeholders	64
6.2	Stakeholder participation in the preparation of key reform projects	65
	References	66
	Appendix tables	67
	Appendix 1. Implementation of the country-specific recommendations (CeSaR).....	67
	Appendix 2. Implementation of the recovery and resilience plan (Fenix).....	101
	Appendix 3. Implementation of the European Pillar of Social Rights	140
	Appendix 4. Implementation of the UN Sustainable Development Goals (SDGs).....	158

1 Introduction

The extensive crises of recent years, as well as geopolitics and changes in the operating environment, have had profound effects on the global, European and Finnish economies. The outlook for the global economy is still quite foggy and the change in the operating environment has increased the risks of economic development. The Finnish economy contracted in 2023. The worst-off sector is construction. Growth is expected to start slowly in 2024. As inflation slows, interest rates also start to fall. Real earnings will start to grow in 2024, but the growth in the purchasing power of households will remain subdued as the downturn in employment and cuts in social benefits slow the growth in disposable income. According to the independent forecast of the Economics Department of the Ministry of Finance, Finland's economy is not expected to grow in 2024.

The employment and growth measures of the Government of Prime Minister Orpo aim to create 100,000 new jobs and, in the longer term, the Government's goal is to raise the employment rate to 80%. The fall in production has reduced the demand for labour and the number of people in employment, and the contraction in construction, in particular, will increase unemployment. In 2024, employment will decrease temporarily, and the employment rate is estimated to be 73,2%. In 2025 and 2026, economic growth will be relatively strong and employment growth broad-based, in part supported by the government's measures to support the labour supply, the first of which will enter into force in 2024.

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 Finland's Recovery and Resilience Plan¹

1 Finnish Government (2021): <http://urn.fi/URN:ISBN:978-952-383-694-5>

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, Finland's economy will turn to sustainable growth.

The weak economic situation is also affecting Finland's general government finances, which remain in deficit. The situation of the general government finances will be discussed in more detail in the Finnish Stability Programme to be published at the same time as the National Reform Programme.

Finland's National Reform Programme focuses on reporting on progress in implementing the country-specific recommendations (CSRs) for the period 2019–2023. The reform programme was prepared in accordance with the guidance received from the European Commission in December 2023, and it also addresses the actions set out in Finland's Recovery and Resilience Plan. 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.

Measures in support of the objectives concerning health and social services of the Programme of Prime Minister Orpo's Government are being implemented in the national service reform organised at the Ministry of Social Affairs and Health. The reform will modernise the health and social services legislation and the related guidance. The purpose of the reform is to provide effective health and social services. Section 3.1 of the National Reform Programme discusses the measures included in Finland's Recovery and Resilience Plan and other measures to improve the cost-effectiveness, capacity and equal availability of health and social services. In order to ensure the sufficiency, availability and working capacity of social and rescue workers, the Good Work Programme 2023–2027 was launched to solve the staff shortage threatening the availability of services. The social security reform will be implemented through the work of the Parliamentary Social Security Committee, which began in spring 2020, as well as other government projects, including the preparation of a general social security benefit, the reform of income support and the reform of general housing allowance.

Labour market reforms are discussed in Section 3.2 of the National Reform Programme. The measures contained in the Recovery and Resilience Plan aim to support employment and strengthen the functioning of labour markets. The plan also promotes the development of skills, for example by streamlining procedures for work-based and study-based immigration and by reforming the continuous learning system. The plan includes the improvement of integrated services for the unemployed and the inactive. In addition to the measures of the Recovery and

Resilience Plan, a transfer of Employment and Economic Development Services (TE Services) to the municipalities is being prepared, with the aim of a complete transfer during 2025. The service centre for continuous learning and employment promotes the competence development of working-age people and the availability of skilled labour. New available study places at universities and universities of applied sciences are being directed at growth centres and at sectors and regions where significant labour shortages are anticipated.

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 in accordance with the green transition, as well as to frontload ready investment projects and promote private investment (Section 3.3). Finland's 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 investments support the production and distribution of clean and renewable energy. Increased investment in sustainable transport 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 Section 3.4.). A package of new macroprudential tools to limit household debt was passed in January 2023 and entered into force at the beginning of July 2023. A positive credit register is a key measure for preventing over-indebtedness. The laws concerning the register were approved at the beginning of July 2022, and the register is intended to be open in terms of consumer credit in April 2024. Finland's Recovery and Resilience Plan includes the establishment of a centralised register of housing company loans as part of the credit register measures.

The new national risk assessment of money laundering and terrorist financing, completed in March 2021, was updated in 2023 (Section 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 in 2024 and 2025. The measures of the previous plan were implemented between 2021 and 2023. 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 in implementing the UN SDGs and the 2030 Agenda (Chapter 4). According to international comparisons, Finland is on track to achieve the 2030 Agenda goals relating to poverty reduction, wellbeing and health, water and sanitation, reducing inequalities and gender equality, as well as innovation and infrastructure. The biggest challenges are related to ecological sustainability and global responsibility, as well as the negative externalities that transcend the boundaries of measures. 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.

Prime Minister Orpo's Government decided on new measures to support growth in the government spending limits discussion on 15-16 April 2024. The decisions concerned, among other things, a tax credit for large-scale industrial investments, the new Finnish Industry Investment group and increasing R&D funding. The decisions of the Government spending limit discussion are described in more detail in the General Government Fiscal Plan 2025–2028 to be published at the same time as this document.

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

2 Macroeconomic situation

2.1 Macroeconomic outlook during the programming period

The Finnish economy was in a technical recession in the second half of 2023. The rise in prices and interest rates has reduced economic activity. The worst-off sector is construction. In 2023, gross domestic product (GDP) contracted by 1.0%. However, the economy is expected to return to growth during 2024. The slowdown in inflation and the decline in interest rates, together with the reasonably good income development of households, will increase the purchasing power of households. Private consumption growth will strengthen in 2025. The decline in interest rates supports investments, which are also supported by the energy transition and defence investments. In 2024, GDP will not grow, and the growth will strengthen in 2025 and 2026 to 1.6% and 1.5% respectively.

Production increased further in the second quarter of 2023 but clearly decreased in the last two quarters. This was especially due to the drop in construction and its effects, but production also contracted in many other sectors. Growth is expected to slowly recover in 2024. The recovery in demand will boost production not only in exports, but also in construction and its support services and domestic production from 2025 onwards.

The rise in prices slowed considerably over the last year, although it was still 6.2% on average in 2023. The main reason for the slowdown in inflation has been the fall in energy prices, but the slowdown is currently very wide-ranging, which reflects a slowdown in core inflation. Most price pressures remain in services but, even there, price increases are slowing. The decline in inflation has continued in the early part of the year. In 2024, inflation will average no more than 1.9% and will fall below 2% in 2025 and 2026.

As inflation slows, interest rates also start to fall. Market interest rates have already fallen and the key interest rates are expected to fall this year. The biggest positive impact of the decline in interest rates will be seen in 2025.

Real earnings will start to grow in 2024, but the growth in the purchasing power of households will remain subdued as the downturn in and cuts in social benefits slow the growth in disposable income. From 2025 onwards, the growth of household purchasing power and consumption will accelerate.

The fall in production has reduced the demand for labour and the number of people in employment. In particular, the contraction in construction will increase unemployment in 2024, and the unemployment rate will rise to 7.4%. In 2024, employment will decrease temporarily and the employment rate will fall. In 2025 and 2026, economic growth will be relatively strong and the number of employed people will increase. Employment growth will be broad-based, in part supported by the government's measures to support the labour supply, the first of which will enter into force in 2024. The employment rate of 15–64-year-olds will rise to 74.5% in 2026.

Despite the challenging short-term outlook, expectations for productive investments are positive and companies will have high investment needs in the coming years. In addition to climate change and the energy transition, the ever-increasing digitalisation and utilisation of artificial intelligence will increase investments. Indeed, there is a record number of production-related investment plans.

The volume of public investment will increase in the coming years, although the tight situation in general government finances reduces investment opportunities. State investments are maintained by strengthening cybersecurity, border control and national defence, as well as EU investment funding. In local government, investment pressure will continue due to population migration and the repair backlog of the building stock.

There is a lot of uncertainty about the economic situation. It is possible that the decline in residential construction will be greater and last longer than expected. The outlook for the global economy is also still quite foggy. The economy has not yet fully adapted to the crises of recent years and, in addition, negative risks related to geopolitics and the environment may increase uncertainty and economic disruption if realised. On the other hand, the economy is undergoing an energy transition and rapid technological development, which are likely to have major impacts. Household consumption can also come as a positive surprise if the economy otherwise develops according to the forecast.

General government finances show a persistent deficit over the forecast horizon. Economic growth turned to decline last year, and inflation-induced expenditure growth is weakening the financial standing of general government finances. Tax revenue growth will be weak and the deficit will increase to 3.5% of GDP in 2024. Over the next few years, the deficit will slowly decrease, thanks to the Government's measures and economic growth. Irrespective of economic cycles, general government finances will be structurally weakened by the ageing of the population.

The macroeconomic and fiscal situation and scenarios of Finland are described in more detail in the General Government Fiscal Plan 2025–2028 to be published at the same time as this document and in Finland's Stability Programme.

2.2 Macroeconomic impact of structural reforms

The economic impact of the whole is described in the Recovery and Resilience Plan. 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 Recovery and Resilience Plan 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.

The most important structural reforms affecting employment during the government term are related to the reform of unemployment security. The first legislative proposal on the reform of unemployment security has been passed and the amendments will enter into force during 2024. The activities included in the first package include converting the work requirement to an income-related requirement and extending it from six months to twelve months, sequencing annual holiday compensations, increasing the deductible days, and removing child increases. In the second package, the Government proposes the variation of the level of earnings-related per diem allowance according to the duration of unemployment, changes to the employment condition accruing from wage-subsidised work, and for older people regarding the accumulation of the employment condition and the abandonment of exceptions protecting the level of per diem allowance. The above-mentioned amendments would also enter into

force in 2024. According to an estimate by the Ministry of Finance, the reforms concerning unemployment security will increase employment by about 40,000 people.

The Government proposes the abolition of the adult education allowance. The conditions for receiving an adult education allowance are defined in such a way that the allowance is targeted at persons who are strongly attached to the labour market and who reduce their work during their studies. In the short term, the allowance reduces the labour supply and, in the longer term, it does not strengthen the labour market income of those who leveraged it to study. The abolition of the adult education allowance is expected to increase employment by around 10,000 people.

In the autumn of 2023, Parliament approved part of the social security benefits concerning the freezing of index increases for the period 2024–2027. If the increase in consumer prices is implemented as predicted and the Government's social security reforms are mainly implemented in legislation as agreed in the Government Programme, the Ministry of Finance estimates that the freezing of indices will strengthen structural employment by about 18,600 people.

3 Implementation of country-specific recommendations and policy priorities

3.1 Long-term sustainability of general government finances

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

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

CSR 1 (2022): Ensure in 2023 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 general government finances.

CSR 1 (2023): Wind down the emergency energy support measures in force, using the related savings to reduce the government deficit, as soon as possible in 2023 and 2024. Should renewed energy price increases

necessitate new or continued support measures, ensure that such support measures are targeted at protecting vulnerable households and firms, are fiscally affordable, and preserve incentives for energy savings. Ensure prudent fiscal policy, in particular by limiting the nominal increase in nationally financed net primary expenditure in 2024 to not more than 2,2 %. Preserve nationally financed public investment and ensure the effective absorption of grants under the Facility and of other Union funds, in particular to foster the green and digital transitions. For the period beyond 2024, continue to pursue a medium-term fiscal strategy of gradual and sustainable consolidation, combined with investments and reforms conducive to higher sustainable growth, in order to achieve a prudent medium-term fiscal position. Pursue the reform of the social security system in order to increase the efficiency of the social benefits system, which would improve incentives to work and also support the long-term sustainability of public finances

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

3.1.1 Measures of the Recovery and Resilience Plan

Finland's Recovery and Resilience Plan includes measures to improve the availability and cost-effectiveness of health and social care services (CSR 2019 and 2020). Pillar 4 (Strengthening access to health and social services and increasing availability and cost-effectiveness), component P4C1 aims to improve cost-effectiveness through ongoing investments that (i) promote the implementation of access to treatment and manage the service backlog caused by the COVID-19 pandemic (P4C111); (ii) enhance the prevention and early identification of health problems (P4C112); (iii) improve the knowledge base and effectiveness-based guidance supporting the cost-effectiveness of health and social services (P4C113); and (iv) introduce digital innovations in health and social services (P4C114). Government grant decisions to implement measures in the wellbeing services counties were issued in April 2022 and December 2022, as well as in December 2023 regarding the impact study. The aim is to make the last decisions on government grants during the spring of 2024. The pillar's four measures will be implemented in the wellbeing services counties during 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 1.2–3/2020). 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 milestones on health and social services reform legislation (P4C1R1), which have been completed, and the wellbeing services counties defined in the reform started operations on 1 July 2021. The responsibility for organising healthcare, social welfare and rescue services was transferred to the wellbeing services counties on 1 January 2023.

In particular, the measures related to faster access to treatment are expected to improve equal access to health and social services by changing operating models, providing new (including digital) solutions, ensuring early identification of problems and developing low-threshold health and social services. Information on the speed of access to treatment and the programme's pilot measures is being collected during the projects. The aim is to alleviate the shortage of health and social services personnel by enhancing the digitalisation of services.

3.1.2 Other measures taken

The Programme of Prime Minister Orpo's Government for the government term from June 2023 to April 2027 contains several measures supporting the health and social services objectives of the Recovery and Resilience Plan. They are being implemented in the national service reform organised at the Ministry of Social Affairs and Health, which includes most of the objectives and measures concerning health and social services in the Government Programme.

The national service reform will reform the legislation concerning the contents of health and social services and the related guidance to correspond to the current structures of and the national objectives for health and social services. The purpose and vision of the reform is to provide effective health and social services. Five objectives have been set for the national service reform: strengthening prevention, improving the integration, availability and continuity of services, clarifying the service system, increasing effectiveness and cost effectiveness, and improving preparedness for and management of incidents.

The implementation of the national service reform will take place through legislative changes, the guidance system reform, programmes and projects. The measures concerning social and health services in the Sustainable Growth Plan for Finland have been included in the joint plan and steering model for the service reform.

There will be close cooperation with the Ministry of Finance with regard to the steering system of the wellbeing services counties in particular. The national service reform supports the wellbeing services counties' own restructuring programmes, which aim, among other things, to improve the efficiency of healthcare and social welfare operations, reform operating practices and develop remote and digital services. The preparation assesses and monitors the implementation of the regulatory changes and other cost impacts recorded in the Government Programme in the wellbeing services counties.

As stated in the Programme of Prime Minister Orpo's Government, solving the shortage of healthcare and social welfare personnel that threatens the availability of services of the welfare society calls for both short-term and long-term measures. The Good Work Programme 2023–2027, one of the programmes of the national service reform, was launched to ensure the sufficiency, availability and working capacity of social and rescue workers. It will continue its work in line with the roadmap of the previous parliamentary term and implement measures in line with the Government Programme in six strategic priorities:

1. knowledge base and foresight,
2. increasing the intake of students and developing the structures of education and training,
3. reducing tasks,
4. clarifying the division of tasks between personnel,
5. improving the attraction and retention rate, and
6. expanding recruitment.

The Programme will be implemented and its implementation monitored and evaluated by the working group on the Good Work Programme, which consists of experts from ministries and different branches of government. The working group will produce an annual summary of the progress made with the measures, and the implementation plan will be updated based on this.

Social security reform

The social security reform will be implemented in accordance with the Programme of Prime Minister Orpo's Government through the Government's own social security reform projects and the work of the Parliamentary Social Security Committee. Government projects reforming social security include the preparation of the general social security benefit, the reform of income support and the reform of general housing allowance. The social security reform aims to streamline and simplify the social security system and to introduce more incentives for work.

The term of office of the Parliamentary Social Security Committee is from 23 March 2020 to 31 March 2027. The Social Security Committee is tasked with making proposals and initiatives for the reform of social security and carrying out preliminary studies and evaluations of them. The committee will outline the vision and principles for future social security. It will address questions related to basic social security, earnings-based benefits and social assistance, and will examine the financing and connections between these forms of support. It will also give attention to ways to better integrate services with benefits. The work will take into account the diversity of people's life situations and changes in people's lives, and the transition from one benefit to another. The Social Security Committee does not prepare legislative proposals.

During its first term, the Social Security Committee prepared an interim report containing 31 proposals for future governments to reform social security, as well as guidelines for the committee's work during the second term. The interim report was published in early 2023 and was subject to extensive consultation.

During its second term, which began in the autumn of 2023, the Social Security Committee is considering the individual and family-specific nature of benefits, combinations of benefits and the level of social security. In addition, the committee assesses how different benefits and services respond to people's different life situations. The committee also monitors the progress of the preparation of the general social security benefit.

The reform of the Act on Social Assistance continues with the aim of strengthening the role of income support as a last-resort and short-term form of support and increasing customers' incentives to promote their own livelihood and employment. A working group is preparing the comprehensive reform of the Act on Social Assistance during 2024 and is to prepare a Government proposal for consideration in the autumn term of 2025. In connection with the reform of the Act on Social Assistance, the Government's preparations related to the general social security benefit and integration support will also be monitored. The advisory boards for income support have started operations, which improves the prerequisites for the cooperation between the authorities required for the implementation of the support both at the national level and at the regional level. The income support reform is estimated to strengthen general government finances by approximately EUR 70 million.

The Act on the General Housing Allowance has been amended in accordance with the entries in the Programme of Prime Minister Orpo's Government. Part of the amendments entered into force on 1 April 2024, and the rest will enter into force on 1 January 2025.

In future, housing allowance cannot be granted for owner-occupied housing. In addition, the reimbursement rate of the housing allowance would be lowered from the current 80% to 70%. The Government also proposes abolishing the earned-income deduction of EUR 300 (known as the protected portion) that concerns earned and entrepreneurial income and is deducted from that monthly income of a member of the household that affects the allowance.

Abolishing the earned income allowance and the housing allowance for owner-occupied homes will allow support to be targeted at households with the lowest income and the most limited means. The purpose of abolishing the earned-income deduction is to better encourage jobseekers to work full-time. This change is also part of the preparations for launching the general social security benefit in accordance with the Government Programme.

The City of Helsinki will be merged into the same municipal group with the rest of the Greater Helsinki area. The legislative amendment will reduce the maximum amount of housing costs that is taken into account in the housing allowance in Helsinki.

The basic deductible is determined when calculating the amount of housing allowance. There is no basic deductible for those on the lowest income. When determining the basic deductible, 50% of the income exceeding the lower limit would in future be taken into account instead of the current 42%. In addition, the coefficients for adults and children affecting the basic deductible would be changed so that the basic deductible would be slightly lower for families with children and they would receive a slightly higher allowance. The proposal will mitigate the impact of the changes in general housing allowance on families with children. The general housing allowance reforms are expected to strengthen general government finances by approximately EUR 270 million.

The Programme of Prime Minister Orpo's Government also contains entries concerning general housing allowance which have not yet been implemented. The related preparatory work has not yet started.

Other changes related to social security

The Act on Index Adjustments of Certain Benefits and Amounts Linked to the National Pension Index and the Cost of Living Index 2024–2027 entered into force on 1 January 2024. According to the act, certain benefits and amounts that are tied to the national pension index or the cost-of-living index are not adjusted for the change in the national pension index or the cost-of-living index in the period 2024–2027. The act applies, among other things, to the minimum daily allowance benefits and the minimum rehabilitation allowance, the unemployed person's basic daily allowance and labour market subsidy, student aid and housing allowances paid by Kela, the Social Insurance Institution of Finland. The absence of index adjustments is expected to strengthen general government finances by up to approximately EUR 380 million. In addition, employment is estimated to increase by up to 22,700 people.

Unemployment security will be reformed in order to give more incentives to work. Unemployment security reforms are expected to reduce public expenditure by EUR 525 million. The reforms are expected to increase employment by 39,000 people per year, which would strengthen general government finances by approximately EUR 1 billion. The key reforms concern the amount of unemployment benefits and the work requirement that is a prerequisite for the payment of the employee's unemployment allowance. The work requirement has been extended from 26 calendar weeks to 12 months and it has been made income-based. The protected portion of unemployment benefit adjustment and the child increases of the unemployment benefit have been removed, and the qualifying period at the beginning of unemployment has been extended. The Government has also proposed to Parliament that, as a rule, wage-subsidised work should no longer count towards the work requirement. The subjective right of older unemployed persons to meet the work requirement of earnings-related daily allowance again in compulsory work or in the employment promotion service when the maximum period for the payment of earnings-related daily allowance is reached would be removed from the legislation. In addition, earnings-related unemployment allowance would be staggered so that the daily allowance would decrease in the event of prolonged unemployment.

On 15 February 2024, the Government submitted a Government proposal to Parliament for the repeal of the Act on Adult Education Benefits and the Act on Job Alternation Leave, which would discontinue the payment of the adult education allowance, the scholarship for qualified employees and the job alternation compensation. The adult education allowance could still be granted for studies beginning on 31 July 2024 at the latest, provided that the allowance period start no later than on 31 July 2024. The allowance could be granted until the end of

2025. The scholarship for qualified employees could be granted on the basis of a qualification completed by 31 July 2024. Job alternation leave could start by 31 July 2024. Those who started their job alternation leave by that date would have the right to take the maximum number of 180 calendar days of job alternation leave. The abolition of the adult education allowance, job alternation compensation and scholarship for qualified employees is expected to reduce public expenditure by EUR 170 million and increase employment by 10,000 people per year, which would strengthen general government finances by approximately EUR 285 million.

In October 2023, an assessment of the combined impacts of the changes to social security was published. The memorandum on the joint impact assessment assesses the combined impacts on household income of the social security and tax changes proposed by the Government for 2024. The assessment compares the current legislation with the proposed changes. The assessment takes into account the proposed changes to income taxation, housing allowance, unemployment security, child benefits and student aid, as well as the freezing of index increases in social security.

Parliament's replies on the legislative amendments to social security benefits that will enter into force in 2024 include several statements on monitoring and ex-post evaluation of the effects of the legislation. The plan for the implementation of the monitoring is currently being worked on. The Government's social security and tax changes will gradually enter into force during 2024 and will not be fully in force until 2025, so the effects of the proposed changes can be statistically discerned and assessed in 2026 at the earliest.

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.

CSR 3 (2023): Address labour and skills shortages by reskilling and upskilling the workforce and widening the higher education offer, in particular for the study fields most in demand in the labour market.

3.2.1 Measures of the Recovery and Resilience Plan

Reform of services for the unemployed and unemployment security sanctions – the Nordic labour market service model

The Nordic labour market service model (P3C1R1) was introduced in May 2022. The aim of the reform is to shorten periods of unemployment and encourage job search. The employment plan to be drawn up with the unemployed person will include an obligation to apply for a certain number of employment opportunities. In addition, the plan sets out services supporting job search and employment. The reform emphasises the personal service of job seekers at the TE Office and in the municipalities participating in the municipal experiments to promote employment. To this end, the resources of TE Offices and municipalities have been significantly increased.

As part of the reform, unemployment benefit sanctions were amended to establish a more reasonable balance of rights and obligations of unemployed persons. In practice, this means that the duration of unemployment security sanctions has been moderated.

The Nordic labour market service model and the phasing out of additional days of unemployment benefit include activation factors and incentives to accept work. The amendment concerning the removal of additional days of unemployment security 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. In addition, the setting up of the Incomes Register, important for addressing bureaucratic traps in combining work income and social benefits, has been completed.

Supporting unemployed persons with partial work ability

As outlined in the Government Programme, the work ability programme was jointly implemented by the Ministry of Economic Affairs and Employment and the Ministry of Social Affairs and Health. The work ability programme started in 2019 and ended in March 2023. Through the measure Development of work ability, productivity and wellbeing at work (P3C1I1) of Finland's Recovery and Resilience Plan, Työkanava Oy was capitalised and the work ability programme's extension measure was funded.

In its actions related to the work ability programme, the Ministry of Economic Affairs and Employment focused on dismantling barriers to employment for people with partial work ability, accelerating employment and preventing prolonged unemployment. The task of the work ability coordinators funded through Finland's

Recovery and Resilience Plan is to build and strengthen the interfaces between the work ability support service packages, labour services and health and social services. Regions are supported in building cooperation practices between different service systems into a smooth service path for the customer.

A new special assignment company wholly owned by the state, Työkanava Ltd, was established to promote the employment of persons with partial work ability. The Act on a Limited Liability Company called Työkanava Oy entered into force in the summer of 2022. In its first years of operation, Työkanava Oy was financed from the Sustainable Growth Programme for Finland (P3C111).

The aim of the work ability programme implemented by the administrative branch of the Ministry of Social Affairs and Health is to provide unemployed individuals with partial work ability with better prerequisites for employment and to enhance their work ability, functional capacity and social inclusion by 1) creating a multisectoral service structure that identifies what kind of support unemployed persons with partial work ability need for their work ability and that provides client-oriented services and service paths, 2) developing the competence of professionals so that they are familiar with the structure of the work ability support services and are able to use the structure for the benefit of their clients, and 3) producing information to combine the services and benefits for unemployed individuals with partial work ability and to support legislative development. The key was also to increase the national coverage of services and to get equal services to support work ability for all working-age people.

The purpose of the measures was to make the work ability support services a permanent part of the service system so that unemployed persons can make better progress on their employment paths.

The IPS – Invest and Coach! development project will implement a substantive and functional reform of working life rehabilitation services of the National Mental Health Strategy in the period 2020–2023. In the regional experiments 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 was 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 funded five regional IPS experiments.

Between 2022 and 2024, EU RRF support will be used to implement under pillar 3 a multisectoral service package for the support of work ability and the financing of its investments, which includes the work ability programme and extensions of the IPS Invest and Coach operating model (P3C1I2). The aim of the extension of the work ability programme 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 development project will promote the use of the IPS operating model nationally. The aim is to support the entry, re-entry and retention in the labour market of persons with mental health problems and mental health rehabilitees.

Mental Health at Work Programme

The Mental Health at Work Programme (2021–2022) was led and coordinated by the Ministry of Social Affairs and Health, and it was part of the implementation of the National Mental Health Strategy and the Programme of Prime Minister Marin's Government. The Ministry of Social Affairs and Health implemented the Programme in cooperation with the Finnish Institute of Occupational Health, mental health organisations, labour market organisations, other partners and an extensive stakeholder network. The Finnish Institute of Occupational Health and MIELI Mental Health Finland were responsible for the operational implementation of the programme.

The core objective of the Mental Health at Work Programme was to change the focus of the support for mental health in working life from solving existing problems in an individual-focused way to preventing work ability problems. The aim with this was to prevent, for example, absences and retirement due to mental health issues and the related costs in the long term.

As concrete solutions to the situation, the programme created a Mental Health Support Toolkit and a model for occupational health cooperation that helps build a working culture supporting mental wellbeing. The programme also supported a change in the operating culture and a change in attitudes towards mental health issues by means of communications, more specifically by increasing knowledge about how to support mental health at work.

Between 2022 and 2024, the EU Recovery and Resilience Facility will be used to implement mental health and work ability as a prerequisite for employment and productivity through investment. The work is a continuation of the measures of the Mental Health at Work programme (2021–2022). It is also premised on the

objectives of supporting mental health set out in the Government Programme. The aim of the investment is to strengthen mental health and work ability in working life and change the operating culture, with an emphasis on preventive work ability support instead of tackling problems after they have arisen. The Ministry of Social Affairs and Health is responsible for pillar 3 investments.

The investment will take place as four projects: the Mental Health Toolkit, Finnish Institute of Occupational Health; Digital Guide to Work Ability for Employers and Supervisors, Digital and Population Data Services Agency; Mental Health Support for Young People in Working Life and Transition to Working Life, Silta-Valmennus ry, and Sustainable Working Life, Keva (under Ministry of Social Affairs and Health). The projects strengthen competence related to good mental health in workplaces and occupational health care and support mental health in everyday work practices.

Reform of continuous learning

The reform of continuous learning (P3C2R1) 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 and the flexibility and responsiveness of the service system. The aim is to ensure that a lack of skills does not become an obstacle to the recovery of society and working life or to economic growth. The reform will also improve the conditions for employment of under-represented groups and enable those working in the sectors undergoing a structural change to move on to new tasks.

A key item in the implementation has been the establishment of the Service Centre for Continuous Learning and Employment. One of the main tasks of the service centre is the financing of education and competence services, especially for the employed and the inactive, based on foresight information. A particular advantage of the service centre over the basic system has been its ability to quickly direct the supply with the accuracy of individual training courses and to tailor training to specific needs and specific target groups.

A total of EUR 30 million will be channelled from the EU's RRF to training in support of structural change in working life, including at least EUR 4.5 million to be allocated to training in support of digital skills and digitalisation, and at least EUR 1.5 million to training in support of green skills and the green transition. The aim is for the training to have at least 7,800 participants, of whom 1,500 belong to various underrepresented groups. The service centre is responsible for the distribution of funding.

The EU RRF will also support the development of anticipation of labour and skills needs, skills identification and lifelong guidance. The foresight system for labour and competence needs will be developed especially from the perspective of the skill development needs of the working-age population and to improve labour market matching. The development of guidance services supports a smooth transition between working life and education throughout a person's life. The RRF funding will strengthen the coordination, quality and knowledge-based management of guidance, as well as compiling information on good practices and tools of guidance services for guidance actors. The competence of instructors will be developed by implementing in-service training for instructors in relation to their digital skills, language and cultural awareness, the green transition and the promotion of gender equality. The funding will also be used to create tools and procedures for identifying skills accumulated in workplaces and non-formal education.

Digitalisation programme for continuous learning

The Digitalisation programme for continuous learning (P3C2I1) will enable and accelerate the transformation of the education and skills development system across administrative borders by implementing an extensive digitalisation programme to develop digital services and information resources that support continuous learning. The measure responds to the 2019 CSR to develop skills and active inclusion. In addition, the reform responds to the 2020 CSR to strengthen measures to support employment and to focus investments on, among other things, digital transformation. The digitalisation programme for continuous learning also supports the 2023 CSR related to the labour shortage and skills shortage by providing up-to-date information on training opportunities and relevant job opportunities.

The digitalisation programme for continuous learning consists of two mutually supportive components: a digital service package for continuous learning covering the entire education system apart from early childhood education and care and crossing administrative borders, and a package for digitalisation and flexible learning in higher education covering all higher education institutes. The development of existing and new digital services is intended to provide services, service chains and packages that respond significantly better to customers' needs, reduce overlapping work between different actors, improve the efficiency of the resources and operating methods used, increase the innovation capacity of higher education and facilitate access to digital educational services. The implementation of the service package is carried out in close cooperation with other national continuous learning projects implemented with RRF funding.

A target architecture has been developed for digital continuous learning services, which creates a framework for updating existing digital services and developing new digital services. The development of services has been started based on this target architecture. The largest costs of the operation are caused by the development of digital services and service design. The programme will be completed by the end of 2025, at which point 70% of the new digital services presented in the target architecture will be in use.

Increasing available study places in higher education

Increasing the available study places in higher education institutions (P3C2I1) aims to raise the level of education by increasing the number of university graduates, speeding up young people's access to higher education, and accelerating economic reform. EUR 15 million was earmarked from the EU RRF for increasing the available study places in higher education institutes, especially in the health and social sectors suffering from labour shortages, as well as in the technology, computing and ICT sectors, to support the skills required for sustainable growth, digitalisation and the green transition. The investment financed a total of 633 additional available study places in higher education in 2022 and complemented the educational increases implemented with national funding.

Strengthening the multidisciplinary service of young people (Ohjaamo services)

The incentive model for Ohjaamo municipalities (P3C1R4) aims to strengthen the multidisciplinary nature of one-stop shop youth services (Ohjaamo), and in particular to take into account the needs of young people not in employment, education or training to improve their employment prospects. This is achieved by means of a temporary incentive targeted at municipalities and wellbeing services counties, either to recruit new personnel or to transfer resources to Ohjaamo services. This will improve the response to the diverse needs of young people through the provision of integrated education, health, social and employment services. Ohjaamo services form a hub of organisations, and most of the experts working in them still hold offices in their own organisations. EUR 6.5 million from the EU RRF will be directed to the implementation of the incentive model for 2021–2026. The aim is to increase expertise in the health, social or education sectors in Ohjaamo services by a total of 100 person-years.

Streamlining procedures for work-based and study-based immigration and facilitating international recruitment

The Roadmap for Education-based and Work-based Immigration, published in the autumn of 2021, defines the goals and guidelines for longer-term development work until 2035. The development project for permit procedures, launched in spring 2020, has continued as planned. The cross-administrative digitalisation project Streamlining procedures for work-based and study-based immigration and facilitating international recruitment (P3C1R3), with a total funding of EUR 20 million, was prepared for the EU Recovery and Resilience Plan, and the project has been successfully implemented. The provisions of the Aliens Act concerning employment and entrepreneurship (Chapter 5) have been subject to a comprehensive reform that entered into force in February 2023. The regulation on permit conditions and the permit procedure was clarified and the employer's certification was introduced. The amendments supporting the retention of students in Finland entered into force on 15 April 2022. In June 2022, a fast-track was introduced for specialists, growth entrepreneurs and their family members, guaranteeing a 14-day processing time for eligible applications. For example, according to 2022 statistics, the processing time of a specialist's first residence permit application had decreased from an average of 22 days (2020) to 9 days. The reduction of the average processing time of work-based and study-based residence permit applications to 30 days should be achieved by the end of 2024.

3.2.2 Other measures taken

Employment and entrepreneurship policy

One of the central employment reforms, the Nordic labour market service model, was introduced in May 2022. In the new labour market service model, jobseekers seek employment independently and receive individual support for their job search more closely and at an earlier stage. In order to maintain the right to unemployment benefit, jobseekers must apply for a certain number of job opportunities. The reform is explained in more detail above in this report.

The opportunities for unemployed people to study without losing their unemployment benefit while looking for a job have been improved as of the beginning of 2023. After the change, more study programmes are considered as part-time studies, and the studies do not have an impact on the right to unemployment security. The handling of unemployment security matters related to studies was also streamlined.

In March 2021, municipal experiments to promote employment were launched in a total of 25 regions and 118 municipalities. The municipalities participating in the experiments are partly responsible for providing employment and economic development services (TE services) in their area. The aim of the employment experiments is to enhance effectiveness by combining central and local government resources, competence and services. In April 2022, a continuation of the municipal experiments was provided until employment and economic development services (TE services) are transferred to the municipalities.

The responsibility for organising TE services will be transferred to municipalities or to the employment areas to be established on 1 January 2025. The reform aims to create a service structure that will contribute to rapid employment of jobseekers and increase the productivity, availability, effectiveness and diversity of employment and business services. The reform will take into account equal access to services. In connection with the transfer, a funding model will be created for municipalities to develop their employment promotion activities in order to increase employment by 7,000–10,000 people. The Act on the Organisation of Employment and Economic Development Services was passed in March 2023 (23 March 2023/380).

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 to 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 the period 2021–2026. Of this, EUR 35.5 million will be funded by the EU RRF.

Other development projects related to employment services include the reform of pay subsidy, the launch of a recruitment support experiment, raising the employment rate of people over the age of 55 and the development of legislation on multisectoral services. The recruitment support experiment started in March 2022 and ended on 31 December 2023. As part of the TE Services 2024 reform, the

Act on Multidisciplinary Promotion of Employment (381/2023) will enter into force at the beginning of 2025. The Act on Multidisciplinary Joint Service Promoting Employment (1369/2014) will remain in force until the end of 2024.

The pay subsidy reform entered into force on 1 July 2023. The Government wants to simplify the rules on pay subsidy and thereby increase the use of pay subsidy, especially in companies. Increasing the use of pay subsidies in companies is aimed at making the subsidy more effective in promoting employment and raising the employment rate. The long-term employment impact of the reform is estimated at 500–1,000 people.

The amount of wage subsidy granted on the basis of professional skill shortages was harmonised at 50% of wage costs, regardless of the duration of unemployment. The amount of pay subsidy to be granted for persons with reduced working capacity was raised to 70% of labour costs. In addition, employers receiving a 100% wage subsidy can continue to receive 100% subsidy for non-business activities. If the subsidy is granted for business activities, it is granted in the form of de minimis aid, with a maximum of EUR 300,000 available over a period of three years. The change brings new organisations within the scope of the 100% pay subsidy, while organisations engaged in economic activity can apply for support for their non-economic activity.

The employment of persons aged 55 or over may be promoted by means of a new, non-discretionary employment subsidy if the conditions laid down in the law are met. The subsidy covers 70% of the eligible payroll costs for 10 months, but no longer than for the duration of the employment relationship. The same rules on eligible payroll costs as for pay subsidy apply for this form of support.

Education policy

The main objectives of the education policy are related to the increase in learning outcomes and educational attainment. Particular attention is paid to strengthening the competence in basic skills, the ability of education to better respond to the needs of working life and the reduction of the mismatch problem. The aim is to reduce the number of young people outside working life and education.

The Government of Prime Minister Orpo is committed to taking measures to increase the number of young adults with higher education to as close as possible to 50% by 2030. In order to raise the level of education, the degree targets of higher education institutions have been raised and funding allocated to increasing the number of available study places. Between 2020 and 2022, the Ministry of

Education and Culture financed an increase of about 11,000 available study places in higher education. The increases will continue in the coming years. In total, nearly EUR 50 million in additional funding has been allocated to universities of applied sciences and universities to increase the number of new available study places between 2023 and 2026. The new available study places are being directed in particular at growth centres and at sectors and regions where significant labour shortages are anticipated. To raise skills levels, measures are also being examined to reduce the unnecessary accumulation of higher education so that degree-awarding education could be directed more towards those completing their first degree.

Rehabilitation reform

The rehabilitation reform will continue in accordance with the Action Plan for Reforming Rehabilitation Services 2024–2027 published in spring 2024. 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. From the employment point of view, the key factors are supporting work ability and functional capacity, developing the rehabilitation path, piloting the generic work ability and functional capacity indicator, and strengthening the rehabilitation knowledge base. Rehabilitation is integrated into multidisciplinary cooperation. The National Criteria for Referring People to Medical Rehabilitation, published at the end of 2022, are a guide intended to increase the efficiency of referral to medical rehabilitation. User experiences of the guide are being monitored, and an update of the guide is being prepared.

Reforms to labour law and the labour market

The Programme of Prime Minister Orpo's Government includes several proposals on labour law aimed at better functioning of the labour market and higher employment.

One example is the amendment to industrial peace legislation, on which the Government submitted its proposal to Parliament on 29 February 2024. The aim of the reform is to reduce labour market disruptions. This would safeguard the productivity and better competitiveness of Finnish companies compared with key competitors and promote the image of Finland as a stable operating and investment environment abroad. The aim is to bring them into effect on 1 July 2024.

The Government is also preparing legislation to increase the opportunities for local bargaining at company level. Increasing local bargaining is one of the Government's reforms to develop the Finnish labour market into a more flexible direction. The Government's goal is that local collective bargaining will be equally possible in all

companies, regardless of whether the company belongs to an employer association or the kind of employee representation the company has. A working group's report on the subject is currently being circulated for comment. The aim is to bring the legislative proposals to Parliament in June 2024.

The objective is to strengthen the export-driven labour market model in order to boost Finland's long-term competitiveness. A tripartite working group has been set up to prepare the legislative amendments.

3.3 Investments in research, innovation and the low-carbon economy and increasing security of supply 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 permit procedures, and boost investment in the decarbonisation of industry, including the electrification of transport. Develop energy infrastructure to increase security of supply.

CSR 4 (2023): Reduce overall reliance on fossil fuels by accelerating the deployment of renewables, including by further speeding up permitting procedures, and boost public and private investment in the decarbonisation of industry and transport, including through electrification. Develop energy infrastructure to increase security of supply by strengthening the transmission of electricity. Step up policy efforts aimed at the provision and acquisition of skills and competences needed for the green transition

3.3.1 Measures of the Recovery and Resilience Plan

Research and innovation

Pillar 1 of the plan includes green transition innovation measures in the construction sector, for example. The Low-carbon Built Environment Programme has been implemented in cooperation between the Ministry of the Environment and Business Finland. The total budget for the programme is EUR 40 million. The programme has already funded around 140 government grant projects and procurements.

The Land Use and Building Act has been reformed and a related Construction Act has been passed, which will enter into force in 2025. The Construction Act requires, among other things, an increase of the circular economy of construction and the drawing up of low-carbon climate reports and material descriptions.

The investments included in pillars 2 and 3 are part of Finland's measures aimed at offsetting the gradual decline in research and innovation that was registered over the last decade after the setback of the country's ICT sector and to address the recommendations to focus investment-related economic policy on research and innovation (CSR 3/2019 and CSR 3/2020). The P3C3 component directs investments at R&D activities. The actions will strengthen investments in research and development related to climate change mitigation and adaptation, the promotion of cooperation and research and innovation infrastructures, and the R&D activities of growth companies. The investments are being implemented through open application procedures of the Research Council of Finland and Business Finland.

Component P3C4 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 3/2020). The measures of this component comprehensively support SME development, innovation and investments needed for green and digital transition in particular in clean and efficient production and use of energy, sustainable and efficient infrastructure, and research and innovation.

Through component P2C2 measures, Finland contributes to the digital transition by funding applied RDI activities and the infrastructure supporting them: testing and experimentation environments, related to microelectronics, 5G/6G technologies, artificial intelligence or quantum technology. The measures also cover public investment projects (CSR 3/2020) and related investments in sustainable and efficient infrastructure.

Pillar 5 of the plan contains Finland's REPowerEU plan. Component P5C1 reduces dependence on fossil fuels, promotes the deployment of renewable energy and increases research and development activities related to the green transition, increasing the production and acquisition of the skills required for the green transition in Finland (CSRs 3/2019, 3/2020, 3/2022 and 4/2023). In the investment P5C1I2, three strategic research and development projects will be implemented by VTT Technical Research Centre of Finland, Natural Resources Institute Finland, the Finnish Environment Institute and the Geological Survey of Finland.

Transition to low-carbon economy and energy

Measures in pillars 1 (green transition) and 5 (REPowerEU) of the plan, as well as a number of measures in pillars 2 and 3, contribute to the achievement of Finland's carbon neutrality objective and to the implementation of the CSRs on investment in the green transition (CSRs 3/2019, 3/2020, 3/2022 and 4/2023). This includes the CSRs to focus investment-related policy on low-carbon economy and energy transition and on sustainable transport, as well as those on energy transition, in particular clean and efficient production and use of energy, and sustainable and efficient infrastructure.

In the investments of components P1C1 and P1C2, grant support is directed towards energy infrastructure, the promotion of new energy technologies, such as hydrogen production, carbon capture and utilisation, the replacement of fossil fuels with electricity in industrial processes, and the reuse and recycling of key materials and industrial by-products. The Ministry of Economic Affairs and Employment and Business Finland are responsible for organising open application procedures.

Component P5C1 of the plan helps to meet the challenge of reducing dependence on fossil fuels. Investment P5C1I1 accelerates the deployment of renewable energy sources by supporting the implementation of large-scale renewable energy projects. Measures P5C1R1 and P5C1I2 promote the deployment of renewable energy sources by streamlining and accelerating licensing procedures and by increasing research and development activities related to the green transition, which supports the production and acquisition of the skills required for the green transition in Finland. (CSRs 3/2022 and 4/2023)

As part of reform P5C1R1, the processing of environmental permits (including permit issue, supervision and guidance tasks) will be centralised to a national body that will function as a single judicial authority and will make use of the opportunities for multi-local working. To promote investments, procedures will move towards a one-stop-shop model, where the use of services and application

for permits is centralised and digitalised into one effective and user-friendly permit process. An act on environmental permit procedures will be enacted by combining the Act on the Coordination of Certain Environmental Permit Procedures and other acts that promote the one-stop-shop model. The act will lay down provisions on appropriate and effective procedural rules, including processing principles.

Government grants totalling approximately EUR 4.9 million were granted for the electric heavy transport measure under the Recovery and Resilience Plan pillar 3, component P3C4 in 2023. All supported projects are to be completed by autumn 2025.

Digitalisation and data economy

Pillar 3 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 support of the migration of skilled workers by building a digital infrastructure using automation to accelerate work and education-based residence permit processes. Pillar 2 (component P2C2) includes actions for the development of the digital economy ecosystem.

On the business and innovation side (components P2C2, P3C3 and P3C4), the plan contributes to the development of cutting-edge technologies and the deployment of digital solutions. Activities will focus on the objectives of the green and digital transition. The plan also strives to accelerate the growth of Finnish micro and small enterprises, including through the promotion of new digital solutions. The plan focuses on investments to accelerate digital transformation, notably in sectors that will help the country increase competitiveness, for instance development environments for 6G, artificial intelligence and quantum computing. In the REPowerEU chapter of the plan (component P5C1), the operating models of authorisation and supervision activities are reformed by utilising digitalisation.

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, strengthen cooperation, create globally successful innovations and renew and diversify the economic structure. This can lead to improved productivity in the national economy, a larger number of higher value-added jobs and stronger international competitiveness.

The Government is committed to the national goal of increasing Finland's research and development expenditure to 4% of GDP by 2030. The Act on State Financing of Research and Development 2024–2030 (1092/2022) entered into force on 1 January 2023. The act provides for the annual total amount of powers and appropriations intended for research and development activities to be entered in the state budget in the period 2024–2030. The act determines the level of annual government R&D funding 2024–2030 in a way that results in government R&D funding accounting for 1.2% of GDP by 2030.

Section 3 of the act states that the Government shall adopt a plan on the use of research and development funding for the next eight years once every parliamentary term. The plan for the period 2025–2032 is in preparation and it is planned to be completed in the spring season of 2024. The plan specifies the main guidelines for R&D activities in order to direct R&D funding.

In April 2024, the Government decided on the allocation of increases in R&D funding in the framework period 2025–2028. The allocation of funding is guided by the goals outlined by the Research and Innovation Council, the key ones of which have been identified as increasing cooperation between private and public R&D operators, leveraging private investments, the adequacy of R&D experts, wider support for research and technology infrastructures, and European and international cooperation.

The Research and Innovation Council is an advisory body chaired by the Prime Minister. The mission of the Research and Innovation Council is to support the Government in the development of a long-term and comprehensive research and innovation policy, to take initiatives for national strategic choices, to monitor changes in the operating environment of the sector and to promote the country branding of research and innovation policy. The Council is also responsible for coordinating and monitoring the implementation of the Act on State Financing of Research and Development 2024–2030 and the preparation and implementation of the multi-annual R&D funding plan, preparing research and innovation policy initiatives, and making proposals on the allocation of R&D funding.

The term of the Council extends the parliamentary term. The Government appointed the Research and Innovation Council as of 23 November 2023 for the Parliamentary term.

In addition, R&D policy measures are guided by, among other things, the Programme of Prime Minister Orpo's Government for 2023–2027 and the outlines of the final report of the Parliamentary Working Group on Research, Development

and Innovation on the direction of research and development funding published in March 2023, as well as the R&D system development principles contained therein. In addition to R&D funding, the final report contains guidelines for strengthening the management of the R&D system, increasing the availability of expertise and R&D workforce, strengthening cooperation, national strategic choices, assessing the effectiveness of R&D funding, and developing a research and innovation-friendly operating environment.

R&D funding

According to Statistics Finland, R&D expenditure accounted for 2.95% of GDP in 2022. There was no change from 2021.

According to Statistics Finland, research and development expenditure was EUR 7.9 billion in 2022. The expenditure increased by EUR 445 million from 2021, an increase of 5.9% in nominal terms. However, the increase in the volume of R&D expenditure from 2021 to 2022, adjusted for price changes, was 0.6%.

In 2022, government R&D funding was higher than ever (EUR 2.49 billion), with an intensity of 0.91. A year earlier, R&D intensity was 0.88%.

Transition to low-carbon economy and energy

On 30 June 2022, the Government submitted its national climate and energy strategy "Carbon Neutral Finland 2035"² to Parliament in the form of a report. It is a comprehensive medium-term action plan, with measures that will enable Finland to fulfil the EU's climate commitments for 2030 and achieve the goals of reducing greenhouse gases by 60% by 2030 and the carbon neutrality goal for 2035 in accordance with the Climate Change Act. The strategy focuses on the green transition and the phasing out of Russian fossil energy, the import of which has almost completely ceased. The current Government of Prime Minister Orpo is promoting Finland's position as a frontrunner by preparing a new energy and climate strategy aimed at carbon negativity, the key part of which is to promote a clean industrial transition and investment (CSR 4.3/2023). The Government will achieve climate impacts through effective emissions reduction measures, increased carbon sinks and Finnish clean economy solutions. The new energy and climate strategy and technological developments will help generate investments that Finland can use to pay off its emissions debt in the 2030s.

2 Ministry of Economic Affairs and Employment (2022):
<http://urn.fi/URN:ISBN:978-952-327-843-1>

In 2021, 34% of the total amount of primary energy was imported from Russia. Gazprom cut off the supply of natural gas to the pipeline from Russia on 21 May 2022 after Gasum refused to pay for the gas in roubles. Only a small amount of LNG is imported from Russia to the off-grid terminals on the basis of existing agreements. Rao cut off the electricity supply from Russia on 14 May 2022 because Rao Nordic could not transfer money to Russia. Electricity imports from Russia were cut off on 11 March 2022 when Russia imposed sanctions on “unfriendly countries”. In the summer of 2022, Finnish companies switched coal and oil deliveries to non-Russian alternatives. By the end of 2022, primary energy imports had almost ceased.

In its National Energy and Climate Plan (NECP), Finland declared a national target of 51% for the total final consumption of renewable energy in 2030. The NECP update in June 2024 is an opportunity to revise this target. The share of renewable energy in Finland’s total consumption has increased rapidly. Thanks to previous renewable energy support schemes and R&D efforts, expertise in renewable energy planning and supply chains has been established and strengthened extensively. At the same time, the successful development of global and domestic renewable technology, on the one hand, and the increased costs of fossil fuels, on the other, have contributed to the fact that new wind and solar energy, as well as large-scale utilisation of heat pump and waste heat, are increasingly feasible without subsidies. Renewable energy consumption increased by 9% in the first quarter of 2023, mostly due to the 12% increase in wood fuel consumption. During the same period, the combined consumption of fossil fuels and peat decreased by 11%. Consumption of natural gas and peat decreased the most, by 33% and 15% respectively.

In 2023, the production of wind power increased by 25% as the power plants erected in 2022 came into production. During 2023, production capacity grew by almost 1,300 MW, and at the end of the year wind power capacity was almost 7,000 MW. In 2023, Finland’s wind power produced nearly 14.5 TWh of electricity. In Finland, new wind turbines are built on market terms, and commercial interest is high.

In accordance with the Programme of Prime Minister Orpo’s Government, the Government will reform the appeal procedures concerning land use planning, construction and environmental permit processes so that a matter can only be appealed to the Administrative Court once. In addition, resources are directed to planning, building supervision, environmental and water permit authorities and administrative courts to speed up their processes and to streamline planning and permit processes and related procedures (CSR 4.2/2023).

In accordance with the entry in the previous Government Programme, a total of 13 Finnish industries prepared their own low-carbon roadmaps by summer 2020. New information and a new perspective on the climate challenge were wanted in the making of roadmaps, and sectors and their member companies were more strongly involved in climate work. The roadmaps provided valuable information on the scale, costs and conditions of the measures needed to achieve the carbon neutrality objective. With regard to industry and other sectors, the Government's target for 2035 can be achieved with existing or upcoming technologies, provided that investment environment is favourable and that a number of conditions are met. In accordance with the entry in the Programme of Prime Minister Orpo's Government (20 June 2023), the low-carbon roadmaps will be updated. The objective of the sectoral roadmap update is to maintain a situation picture and assessment of measures that are sufficient to meet Finland's emissions reduction targets and obligations. With the help of the roadmaps, sectors have an opportunity to present their views on the challenges and progress in their sector in light of the changes of recent years. Roadmaps will be used especially in the preparation of the energy and climate strategy and the industrial policy strategy.

Reducing industrial emissions will mainly be achieved on the basis of the low-carbon roadmaps of the aforementioned industries. The implementation of the roadmaps requires a predictable operating environment conducive to low-carbon investment and coordination by public authorities. Electrification aid for energy-intensive industries is a five-year support system introduced in Finland in 2022. The aid is targeted at sectors with a significant risk of carbon leakage, as defined by the European Commission. Companies must spend at least half of the aid granted on projects to reduce greenhouse gas emissions from production. In 2023, a total of EUR 117.7 million was paid for electrification aid for energy-intensive industries.

At the beginning of the parliamentary term, Prime Minister Orpo's Government prepared a long-term industrial policy strategy that includes sets of policies essential for the export industry, such as logistics. The Government's objective is to increase the number of growth-oriented and export-oriented companies that provide employment and to keep industrial jobs in Finland. A sufficient amount of labour will be trained to meet the needs of industry. The Government will strengthen the foundation of the economy and exports by committing to measures that will double the amount of growth-oriented, entrepreneur-led medium-sized companies (so-called *Mittelstand*) by 2030.

The emissions trading system and a long-term predictable climate and energy policy are key steering instruments in the national Climate and Energy Strategy. The measures outlined in the 2022 strategy will improve the opportunities for companies to make long-term investments in advanced clean technologies.

Finland has been actively involved in creating regional gas markets with the Baltic countries (CSR 3.5/2022). As a concrete result of the market opening that started at the beginning of 2020, Finland, Estonia and Latvia formed a common market area where uniform feed-in and take-out tariffs are used in the gas transmission network. This market constitutes Europe's first multi-country gas market. Lithuania is also joining the market.

Due to high gas prices, gas demand decreased by 50% in the first half of 2022 compared to the same period in 2021. In 2022, natural gas accounted for 3.1% of total energy consumption. The supply of natural gas by pipeline to Finland in accordance with Gasum Oy's procurement contract was interrupted in May 2022. The Balticconnector gas pipeline between Finland and Estonia, which was commissioned two years ago, offers Finland an alternative route for gas supply, and the existing LNG infrastructure can also be utilised. In addition, a floating LNG terminal was prepared for Inkoo on a short schedule to ensure the availability of natural gas. A leak was detected in the Balticconnector gas pipeline in October 2023, and the pipeline connection between Finland and Estonia has been out of service ever since. The leak point has been located and repair of the pipe is under way.

In accordance with the Programme of Prime Minister Orpo's Government, the functionality and adequacy of the electricity transmission network will be strengthened as the basis for the energy transition and Finland's key competitive advantage. Permit procedures for electricity network investments will be sped up and resources will be allocated to the processing of permit applications. The Government will formulate a strategic vision for electricity transmission demand throughout Finland in the 2030s and launch the necessary measures to remove bottlenecks that slow down investments. The electricity transmission needs of nationally important industrial hubs and reasonable electricity transmission costs are ensured to enable investments (CSR 4.5/2023).

Low-carbon transport

In May 2021, the Government adopted a resolution on a roadmap to fossil-free transport. The roadmap is also a measure of Finland's Recovery and Resilience Plan. The roadmap defines the means to halve greenhouse gas emissions from transport

by 2030 compared to 2005 and to achieve fossil-free transport by 2045. The roadmap includes measures to promote the energy transition of transport and the renewal of the vehicle stock, as well as to increase the share of sustainable modes of transport in transport work.

The alternative fuels distribution infrastructure has been supported since 2018. Grants can be distributed for electric charging, methane and hydrogen. EUR 35 million was allocated for this purpose in 2022 and 2023, with an additional EUR 10 million for 2024. The charging infrastructure of housing companies was supported until the end of 2023, and during 2022–2023, support was also available for workplaces. Around EUR 40 million was earmarked for this purpose during 2022–2023. At the end of 2022, the procurement of all-electric cars and the conversion of cars to methane and ethanol were supported. Purchases of methane-powered and electric vans and lorries and, as of 2024, hydrogen-powered vans and lorries, are supported. A total of EUR 25.5 million was allocated for these purposes for 2022–2023, and the funding will remain available until the end of 2024. Car tax on all-electric cars was abolished in 2021. Tax relief for low-emission company cars has also been introduced.

The development of transport emissions and emission reduction measures are examined as part of the preparation of a new energy and climate strategy according to the Prime Minister Orpo's Government program.

3.4 Household debt

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

In accordance with Finland's Recovery and Resilience Plan, a centralised register of housing company loans will be set up (P2C2R4). This is a necessary register complementing the positive credit register, from which the information on the shareholder-specific debt shares of housing company loans is to be later transferred to the positive credit register. The positive credit register aims to reduce the over-indebtedness of natural persons, monitor credit markets and promote financial stability. The legislation enabling data collection on housing company loans was passed by Parliament in November 2022 and approved in February 2023. A system project for the development of an apartment information system is currently under way. A legislative project to enable data transfers to the positive credit information register has been launched.

3.4.2 Other measures taken

Macro-prudential measures

In order to limit the increase in household debt, in its macro-prudential decision of June 2021, the Finnish Financial Supervisory Authority (FIN-FSA) reduced the maximum lending ratio for mortgages to 85% of the previous 90% for mortgages other than the borrower's first mortgage. The maximum lending ratio was restored to its baseline level of 90% in December 2023. For first-time home buyers, the maximum lending ratio has been kept at 95% for a long time now.

In September 2021, the Board of Directors of the 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 Directors of the Financial Supervisory Authority issued a recommendation on the upper limit for the debt service burden. The FIN-FSA recommends that mortgages be mainly granted to loan applicants whose total loan servicing costs are estimated to remain below 60% of their net income in a stress situation.

There are features in the indebtedness of Finnish households that are difficult to tackle with the macro-prudential instruments that have been in force until now. For example, extended loan terms for home loans and large housing company loans in new construction blur the indebtedness of households. In January 2023, Parliament passed a legislative package to limit household debt, which entered into force on 1 July 2023. The legislative package introduced provisions on the following measures:

- a maximum limit of 30 years for new mortgages;
- a 60% limit on the share of housing company loans in new construction in relation to the unencumbered price of housing to be sold; and
- 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 may deviate from the loan time limits stated above by 10% of the lending volume in each quarter.
- Prohibition of credit business models focusing on consumers with an unreasonably high default risk and extension of the default risk assessment obligation, in particular for non-bank lending.
- The maximum lending ratio was extended to non-credit institution operators providing mortgage credit to consumers.
- Regulatory oversight of consumer lenders outside the credit institution sector was transferred from the Regional State Administrative Agency of Southern Finland to the Financial Supervisory Authority.

Other measures aimed at preventing over-indebtedness of households

In recent years, over-indebtedness has been prevented, for example by legislative measures and by increasing the resources of the authorities, which has focused on the development of financial and debt counselling with the aim of preventing over-indebtedness. The implementation of the national financial literacy strategy began in February 2022 in cooperation with the Ministry of Justice, the Bank of Finland and various operators in the sector. The aim of the strategy is to strengthen citizens' understanding of the importance of financial literacy in their own lives and to manage their own finances in an ethical and sustainable way. The legislation has, among other things, shortened the retention periods of non-payment records, facilitated and accelerated access to debt restructuring for those in debt in business, and eased the enforcement procedure by increasing the number of free months and the protected portion. The indebtedness phenomenon will also be subject to an overall review by spring 2025.

The price regulation of consumer credit was reformed in 2023, and the new regulations entered into force in October 2023. The new provisions lowered the interest rate cap on consumer credit from the previous 20% to 15%. At the same time, the interest rate cap was tied to the reference interest rate referred to in the Interest Act; even now, the interest rate may not exceed 20% according to the credit agreement. As before, the act provides for maximum amounts for credit costs other than interest costs and for the costs of extending the payment period. The aim of the amendment is to reduce consumer over-indebtedness by limiting the ability of creditors to carry out lending at the current level of credit risk. In addition, the purpose of the amendment is to moderate the pricing of credit, especially in view of the large amount of credit granted over a long period of time. The legislative amendment also tightened credit marketing regulations and added provisions on the presentation of available payment methods when consumers purchase goods online. The Ministry of Justice also established a working group in October 2023 to implement the new Consumer Credit Directive, and at the same time the regulation of consumer credit is to be revised with regard to contractual sanctions. The regulatory reform contributes to the prevention of over-indebtedness.

Positive credit register

The positive credit register is one of the key national measures for preventing over-indebtedness. The register creates a better knowledge base for both individual lending situations and for monitoring and supervising financial stability and credit markets.

A Government proposal concerning the positive credit register was submitted to Parliament in February 2022. Parliament passed the bills in June 2022, and the acts mainly entered into force on 1 August 2022.

The Act on the Positive Credit Register defines the data content and controller of the register. In addition, the act provides for the obligation of creditors 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 will be extensive. The register will store comprehensive information on consumer credits and credits taken by natural persons for business purposes. Provisions on consumer credit are contained in chapter 7 and provisions on consumer credit relating to residential property in chapter 7a of the Consumer Protection Act (38/1978). As a rule, these provisions apply to all credits granted to consumers by business operators, including the credits within the scope of the directives 2008/48/EC and 2014/17/EU. In addition, the register contains 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 can also contain information on the voluntary prohibition of credit, which a natural person could register for themselves.

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

The register is intended to be open in terms of consumer credit in April 2024. Credits taken by a natural person for business purposes are intended to be included in the register 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 the FIN-FSA and the Financial Intelligence Unit (FIU Finland) and the inadequacy of the information exchange between the FIU Finland and the FIN-FSA.

3.5.1 Measures of the Recovery and Resilience Plan

The R1 measures of component C3 of pillar 2 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. It is planned that the bank and payment accounts control system will 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.

In 2022, work on the reform achieved a legislative change related to the composite application, which entered into force on 15 September 2022 and is part of the milestone included in the council's implementing decision. In 2023, in connection with the reform, the production use of a compiling application began. The update of the Trade Register Act became legally effective, the search for company information has been taken into production, and progress was also made on other projects to be implemented in the reform in accordance with the plan. For example, the first functionalities of the Financial Supervisory Authority's supervisor's desktop have been published for production use.

3.5.2 Other measures taken

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

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

National implementation of the action plan measures will be coordinated within the Ministry of Finance. The measures set out in the action plan have been allocated a body responsible for implementing them and a timetable for the implementation. The measures were implemented during 2021–2023.

The work to update the risk assessment began in 2022 and was continued in 2023, and an action plan was prepared for 2024 and 2025. On these, the Government Resolution VM/2024/27 was issued on 8 February 2024.

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

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

During 2022, the office for Anti Money Laundering division developed the anti-money laundering supervision strategy required by both the European Banking Authority (EBA) and the Financial Action Task Force (FATF), the global money laundering and terrorist financing watchdog. As part of the strategy, the new supervisor's specific risk assessment was published in the spring, which also included a risk assessment of terrorist financing. In addition, a risk assessment of the credit institution sector was published in the autumn and sector-specific risk

assessments concerning capital market supervised and virtual currency operators were prepared for internal use. As of 2023, the supervisory strategy will be implemented as part of the new strategy of the FIN-FSA as a whole.

In supervisory activities, the FIN-FSA completed a total of five anti-money laundering audits and one thematic assessment. The thematic assessment focused on the unjustified restriction of banking services for high-risk customers (“de-risking”). The results of the thematic assessment have been discussed with both banks and authorities, and the discussion continued during 2023. In addition, the FIN-FSA targeted several supervised entities for continuous supervision.

The Russian invasion of Ukraine, which began in early 2022, caused a significant change in the situation of international economic sanctions. The EU imposed very extensive sanctions on Russia and Belarus, which have also had an impact on the Finnish financial sector. The FIN-FSA has responded to the change in the sanction situation by recruiting a sanction specialist and at the same time has prepared for amendments to the Act on Preventing Money Laundering and Terrorist Financing, which will make the monitoring of compliance with sanctions an explicit task of the FIN-FSA.

During 2023, the audits were extended, for example, to payment service providers and various credit institutions, selecting the targets on a risk basis. During the year, the FIN-FSA took a total of more than 70 supervised measures regarding the prevention of money laundering and terrorist financing, as well as the enforcement of sanctions.

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

In order to further enhance the processing and operational analysis of reports of suspicious transactions and to improve strategic and tactical analysis, FIU Finland launched on 31 December 2021 a four-year EU RRF-funded RANKKA2 project to exploit AI in the fight against money laundering and terrorist financing based on the RANKKA project. In addition, FIU Finland implemented an ILMO robotics project (Ministry of Finance special funding for productivity-enhancing projects), which ran until the end of 2022 and further enhanced the processing of suspicious transaction reports, which are increasing in number overall.

During 2023, FIU Finland received 347,012 reports of suspicious transactions. The figure can be compared with the record figures for 2021 (3,692,640) and the total number of reports in 2022 (230,167). The differences, apart from the increase in the number of notifications and the large difference compared to 2023, are best explained by the increase in the number of notifications from payment service providers. Correspondingly, in 2021, the increased notification volume of virtual currency brokers explains the exceptional notification volume. In 2023, 0.9% of the suspicious transaction reports (STRs) were disclosed for the prevention and detection of money laundering and terrorist financing. Some 12.3% of risk-based STRs were disclosed.

In 2023, FIU Finland issued a total of 127 orders to suspend a transaction, that is, freeze orders (2021: 111 and 2022: 94). The number of freeze orders remains high. In addition, FIU Finland made 93 requests to foreign FIUs to freeze assets (a record-breaking 158 requests in 2021 and 132 in 2021).

Cyber-assisted fraud also kept FIU Finland busy in 2023. This was reflected in particular in the number of domestic and foreign inquiries received, most of which related to the interception and tracing of fraudulent assets. The range of fraud crimes was extensive, from romance scams to more multidimensional fraud that included elements of cybercrime.

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. There has been cooperation with the FIN-FSA, in particular with regard to high-risk obliged entities (hawalas, virtual currency providers and payment service providers). In 2023, the work of FIU Finland continued to focus on the Russian invasion of Ukraine. FIU Finland has been closely involved in monitoring the effects of the war, collecting data and forming a situational picture. In relation to sanctions against the Russian Federation, FIU Finland has also taken measures to detect and expose matters related to possible circumvention of the sanctions more effectively than before. In this regard, FIU Finland has cooperated closely within the National Bureau of Investigation and with key authorities. The increase in sanctions has led to an increase in regulation offences reported. Since the end of 2023, the operations of FIU Finland have also reflected the crisis in the Middle East and the related increase in the tasks of combating the financing of terrorism.

Until 2023, FIU Finland chaired the Public-Private-Partnership (PPP) working group of the Finnish Anti-Money Laundering Intelligence Task Force (FAMLIT), which was established in 2020 and consists of all banks, the two main obliged entities and Finance Finland. During 2024, FAMLIT will continue to chair the obliged entities, and FIU Finland will provide operational situation reports for the cooperation.

3.6 Implementation of the Recovery and Resilience Plan and cohesion policy programmes

CSR 2 (2022): Proceed with the implementation of the national 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.

CSR 2 (2023): Proceed with the steady implementation of its revised recovery and resilience plan and swiftly finalise the REPowerEU chapter with a view to rapidly starting the implementation thereof. Proceed with the swift implementation of cohesion policy programmes, in close complementarity and synergy with the recovery and resilience plan.

The implementation of Finland's Recovery and Resilience Plan is largely progressing according to plan and only a few measures are behind schedule. Finland sent its first request for payment to the Commission on 10 November 2023, and the Commission published its positive assessment on 25 January 2024.

An update of the Recovery and Resilience Plan containing the REPowerEU chapters was sent by Finland to the Commission on 5 October 2023 and approved by the EU's Economic and Financial Affairs Council on 8 December 2023. Finland will receive up to EUR 127 million of REPowerEU funding and will use the funds on

- i) speeding up permit procedures in a manner compatible with the regional government reform, EUR 32 million,
- ii) R&D and pilot projects relating to clean energy and material flows, EUR 40 million,
- iii) investments in the clean transition, EUR 54.5 million, and
- iv) transition of Åland's energy system, EUR 0.7 million.

The implementation of Finland's cohesion policy programmes continues. The complementarity and synergy benefits of cohesion policy with the Finland's Recovery and Resilience Plan are examined, among other things, in connection with the program's monitoring committee.

4 Progress with the UN SDGs

Organisation of the national implementation of the 2030 Agenda

The national implementation of the 2030 Agenda for Sustainable Development in Finland is guided by the Government. A government report on the implementation of the 2030 Agenda, based on the Programme of Prime Minister Orpo's Government, will be submitted to Parliament during the spring session of 2024. The report will serve as the Government's action plan to achieve the SDGs. The Government is concurrently preparing a report on Finland's trade and development policy, which will outline Finland's work on sustainable development in terms of the global dimension and partnership.

During 2023, a social sustainability assessment was launched as expert work at the Prime Minister's Office, which produces a situational picture of sustainability issues, an analysis of the interconnections between sustainability and development trends to support the Government's long-term policy planning.

An independent Expert Panel for Sustainable Development started its work in connection with the Prime Minister's Office from the beginning of 2023. The science-based expert panel aims to have a wide-ranging impact on society, and its special task is to support the Finnish National Commission on Sustainable Development in its work. The panel's work is focused on promoting the shared wellbeing of the environment and people and the societal change aimed at it, taking into account fairness and the crosslinks between sustainability goals. The aim of the panel is to raise issues relevant to sustainable development in public debate, and this work has been carried out in various forums and independent publications.

Broad-based inclusion of society in the work on sustainable development is the responsibility of the Finnish National Commission on Sustainable Development, a multi-stakeholder forum chaired by the Prime Minister. The commission updated its strategy in spring 2022³. The new strategy builds on the recommendations of the Global Sustainable Development Report prepared by an independent research

3 Prime Minister's Office (2022): <http://urn.fi/URN:ISBN:978-952-383-084-4>

group appointed by the UN for a systemic review of the sustainability transition. At the heart of the strategy are six areas of change where Finland needs to catch up in implementing sustainable development in particular. Established in February 2024 for a new four-year term, the National Commission on Sustainable Development is working hard to accelerate the implementation of the strategy in all areas of change.

Progress in the objectives

According to the evaluation of Finland's national implementation of the 2030 Agenda published in February 2023, Finland must intensify the implementation of all the Sustainable Development Goals (SDGs) in order to achieve them by 2030⁴. There are challenges especially concerning ecological sustainability and global responsibility, as well as the negative externalities that transcend the boundaries of measures (spill-over effects).

Despite the challenges, in 2023 Finland topped the European and global SDG Index country comparison for the third time in a row⁵. According to the index and Eurostat's annual indicator report⁶, Finland is on track to achieve the 2030 Agenda goals relating to poverty reduction, wellbeing and health, water and sanitation, reducing inequalities and gender equality, as well as innovation and infrastructure. According to the SDG Index⁷, Finland is not making the desired progress in terms of outsourced climate emissions, health-sustainable diets and inequality in consumption with regard to the livelihoods of the elderly.

The Commission's assessment highlights Finland's key SDG implementation challenges as sustainable nutrition (increasing obesity), sustainable urban development with an emphasis on the share of public transport, and biodiversity on land, especially deforestation. Finland is making good progress in implementing goals related to economic sustainability, reducing inequality and other aspects of social sustainability. According to the Commission's assessment, progress has also been made in sustainable consumption and production, which has long been a challenge for Finland.

4 Prime Minister's Office (2023): <http://urn.fi/URN:ISBN:978-952-383-381-4>

5 SDG Index (2023b): <https://dashboards.sdgindex.org/rankings>

6 Eurostat (2023).

7 SDG Index (2023a): <https://dashboards.sdgindex.org/static/profiles/pdfs/SDR-2023-finland.pdf>

Sustainable nutrition: The Government, together with civic organisations, will implement a cross-sectoral national health and welfare programme to strengthen the effectiveness of health and welfare promotion by adopting practices assessed to be effective and developing new solutions. EUR 9 million has been earmarked for the implementation of the programme.

The Programme of Prime Minister Orpo's Government also includes the Get Finland Moving programme, which aims to strengthen the health, mental and physical wellbeing and functional capacity of people of all ages by increasing varied physical activity. The programme will be implemented in broad-based cooperation with various interested parties, such as ministries, businesses, labour market organisations, civil society and the media. The programme will make use of best international practices for increasing physical activity.

Sustainable urban development: The widespread implementation and management of sustainable development in cities and municipalities was accelerated during 2019–2023 with the [Sustainable City programme](#) coordinated by the Ministry of the Environment. The programme's activities promoted, among other things, the planning of sustainable cities, diverse green environments and socially sustainable cities, improved the prerequisites for strategic management of sustainability, such as budgeting, and produced new ways of participation and interaction. According to the external final evaluation, the programme was an impressive and agile catalyst for broad-based sustainability thinking and multidisciplinary cooperation, which produced commensurate sustainability solutions for municipalities, strengthened the dialogue between the state and municipalities, and highlighted cities and municipalities as actors in sustainable development. According to the evaluation, a particular success of the programme was the development of strategic management of sustainable development.

The popularity of public transport in Finland decreased due to the COVID-19 pandemic and has not yet recovered despite national subsidies of about EUR 300 million for its support and development. The Government will develop public transport as a whole together with cities and regions and invest significantly in, for example, the development of rail connections. In addition, the Government will improve conditions for walking and cycling, including by updating the programme to promote walking and cycling, implementing an action plan to promote cycling to school and work, and investing in the road safety of walking and cycling routes.

Biodiversity: The revised Nature Conservation Act entered into force on 1 June 2023. New aspects of the act include strengthening the protection of strictly protected habitats, voluntary ecological compensation and strengthening the role

of the Finnish Nature Panel. Ecological compensation is used to compensate for the damage caused to biodiversity by human activity, on the one hand, by increasing biodiversity, on the other, for example, by restoring degraded habitats. Climate change adaptation has also been recorded in the objectives of the act.

The Government will prepare a Strategy for the Conservation and Sustainable Use of Biodiversity and a related action plan on a cross-sectoral basis. The Ministry of the Environment launched the preparation of the strategy and action plan in 2021, and it has been carried out in extensive cooperation with stakeholders. The strategy will guide nature conservation, restoration and management policies, aiming to reduce pressures on biodiversity. The strategy is aimed at halting the decline of biodiversity and reversing the development by 2030.

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. In 2023, the programme produced good results, for example in relation to the rehabilitation and management of waterfowl habitats, the rehabilitation of coastal meadows, the protection and restoration of peatlands, and the capture of invasive alien species.

The Forest Biodiversity Programme for Southern Finland (METSO) combines the protection and management of forest biodiversity and commercial use. The goal of METSO is to contribute to halting the decline of forest habitats and forest species and to consolidate the favourable development of biodiversity by 2025.

5 EU funds

Activities and support of EU funds to Finland's Recovery and Resilience Plan

The complementarity and synergies between Finland's Recovery and Resilience Plan (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, the REACT-EU revitalisation instrument, which was in place until the end of 2023, 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 EU's regional and structural policy is guided by Innovation and Skills in Finland 2021–2027, the multi-fund Finnish regional and structural policy programme. The programme supports business, energy, climate, innovation, education and employment policies, as well as activities against exclusion and poverty. The programme includes measures of the European Regional Development Fund (ERDF), the European Social Fund Plus (ESF+) and the Just Transition Fund (JTF).

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

The funding of this priority area is also complementary to the RRF actions 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 under RRF pillars P1 and P5 (Chapter REPowerEU). 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 Finland's Recovery and Resilience Plan to support the raising of the employment rate and skills levels, in particular under components P3C1 and P3C2.

The specific objective is to strengthen measures for the integration of immigrants into the labour market by, for example, customising 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 competence level of immigrants, as well as speeding up the employment of educated immigrants and international students in particular, in jobs matching their skills. The measures will be supported both regionally and nationally. The specific objective will finance a nationwide strategic project on immigrants' smooth daily life in Finland.

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

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

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

The objective of the JTF priority area, just transition Finland, is a regionally fair transition, with the aim of halving the energy use of peat by 2030. The JTF will address the socio-economic and environmental impacts of the low-carbon transition to secure employment and sustainable regional economies in the 14 regions most affected by the transition. Measures to diversify businesses take into account, in particular, green economy jobs and new green technology solutions and the new business opportunities they bring. The measures for re-educating and re-employing the workforce will primarily be targeted at individuals who have remained unemployed in the peat sector and those who are at a risk of unemployment in the sector, focusing on young people. The skills and capabilities of peat suppliers will be developed in the sectors of harvesting and peatland remediation, for example, to enable new business. Regions 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 business. The actions of the fund support RRF pillar 1 in particular.

The implementation of Finland's regional and structural policy programme got fully moving during 2023. By the end of the year, nearly 1,800 projects had been launched in the programme, and a quarter of the programme's public financial framework of over EUR 3 billion had been allocated to projects.

The Asylum, Migration and Integration Fund (AMIF) promotes the streamlining of legal channels, strengthens knowledge-based management in immigration administration and develops permit procedures. Migration and mobility of talent will be streamlined in third countries (countries of origin), for example through information provision in the country of origin and the development of communication on Finnish working life and society prior to entry.

Measures aimed at the streamlining of work-based and study-based residence permit processes are primarily funded with RRF funding, while taking into account the limitations and conditions for RRF funding. RRF funding is available for EUR 20 million between 2021 and 2024, and the Ministry of Economic Affairs and Employment is responsible for steering the funding.

AMIF funding may be used to complement RRF-funded measures insofar as RRF funding is not sufficient or the measures are not suitable for RRF funding in terms of content. In addition to smoother development, RRF funding can also be used to implement measures to improve the overall performance of the information system, while AMIF-funded measures should focus more clearly on improving the efficiency of the different stages of the permit process for third-country nationals. The AMIF complements RRF funding by, for example, supporting the competence development of personnel, the ex-post supervision of permit applicants, the development of full automation and wider client relationship development activities. AMIF funding can also complement RRF activities with other system development measures. AMIF funding can be allocated to actions with impacts that focus, for example, on permit processes based on family ties.

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

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

The aim is to continue, with the ISF support, national development work in the field of administrative crime prevention by intensifying the exchange of information and sharing of practices between authorities, organisations and the private sector, such as the financial sector and industry, in the confiscation of the proceeds of organised

crime and in the implementation of criminal liability, for example, in order to combat money laundering and fraud. The analytical work, technical solutions and tools of the authorities will also be improved.

The 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 Finland's Recovery and Resilience Plan to reduce greenhouse gas emissions. According to the Farm to Fork strategy, food production should facilitate consumers' transition to a healthy and sustainable diet. The replacement of other animal proteins with fish reduces the carbon footprint of the diet. In addition, fishing removes nutrients from water bodies, reducing eutrophication. According to an estimate by the Finnish Institute for Health and Welfare (THL), increasing the consumption of fish to the level of the dietary guidelines would bring annual health benefits worth EUR 1–2 billion.

Division of tasks and complementarity of funding sources

Pillar 1 of Finland's Recovery and Resilience Plan: **Green transition supports structural change in the economy and a carbon-neutral welfare society**

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. In some cases, the preparation and planning of energy projects can also be financed through the ERDF and the JTF.

Pillar 2 of Finland's Recovery and Resilience Plan: **Using digitalisation and the data economy to strengthen productivity and make services available to all**

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). Development and investment projects that strengthen digitalisation and the data economy are also supported through the ERDF and the JTF.

Pillar 3 of Finland's Recovery and Resilience Plan: **Raising the employment rate and skills levels to boost sustainable growth**

One of the national themes of the EU programming period 2021–2027 is continuous learning. The national ESF+ activities strengthen the ability of education providers, higher education institutes and other actors in continuous learning to act in accordance with the continuous learning objectives. The main focus is on the development of the structures and operating models of the training providers, and no training will be implemented with the funding. RDI projects will also increase the capacity to apply for funding from the EU's competitive programmes, such as Horizon Europe. Funding from the EU programming period 2021–2027 is possible for the development of research infrastructures in regions where it is available. Of the development targets linked to the investment package of the digital infrastructure for immigration, the system development of ex-post control automation and the cross-administrative orientation on migration processes are development targets that could receive AMIF funding.

Complementary financial instruments

With regard to the Recovery and Resilience Plan 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 perspective is emphasised in the JTF fund, the implementation of which is based on the regional just transition plan prepared by each JTF region.

The complementarity of ERDF funding is based on implementation level and scale. ERDF funding supports local development measures and investments, which benefit SMEs, in particular. The 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 RRP measures are targeted at speeding up work-based and study-based processes and developing digital services. The ESF+ measures include local and regional development measures in cooperation with education and training providers and employers, targeted at the participating individuals.

ESF+ supports the reform of continuous learning and the development of services and methods that support access to the open labour market and ability to work of people who find it hard to find employment, which are also supported by RRP measures. The ESF+ measures are working-life oriented measures to support the upgrading of the skills of participating individuals, to improve the quality of services received by participants, and to improve the inclusion and life management of targeted individuals.

The complementarities and synergies between the EU's regional and structural policy funds and Finland's Recovery and Resilience Plan are regularly discussed in the framework of the monitoring committee of the EU's regional and structural policy funds.

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

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

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

EU fund activities to promote country-specific recommendations

In line with the country-specific recommendations, Finland will continue the rapid implementation of cohesion policy programmes, complementing and building synergies with the Recovery and Resilience Plan.

In Finland's country-specific recommendations (CSRs), the Council of the European Union recommended strengthening measures to support employment and active labour market policies. The ESF+ measures support the 2019 CSR by developing pathways to work, developing new skills for working life and supporting social inclusion. In addition, ESF+ co-financing, in line with the 2020 CSR, can strengthen measures to support employment and strengthen active labour market policies. In the context of the third CSR of 2023, ESF+ funding will also address labour shortages and skills shortages by promoting the re-skilling and up-skilling of the workforce.

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. 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 the third point of the 2022 CSRs and the fourth CSR of 2023, ERDF and also JTF funding will be allocated to the development and electrification of energy efficiency and low-carbon production methods, RDI work on renewable energy and energy infrastructure, and the production and acquisition of skills and competences for the green transition.

For example, at the end of 2023, approximately EUR 80 million of public funding had already been earmarked for projects related to energy efficiency, climate change adaptation and the circular economy under priority area 2, which is co-financed by the ERDF. Correspondingly, nearly EUR 30 million had been earmarked for projects related to digitalisation in particular.

EU funds support the principles of the European Pillar of Social Rights and the UN's Sustainable Development Goals

ESF+ actions will support the principles of the European Pillar of Social Rights, in particular the development of employment, continuous learning and working life, gender equality and equity, equal opportunities and inclusion. The ESF+ and, in part, the JTF support the UN SDGs 1 to 5 and 8 in particular. The ERDF and the JTF support SDGs 7 to 10 and 12 to 13 in particular.

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

6.1 Preparation of the National Reform Programme and participation of stakeholders

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

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

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

The National Reform Programme is presented to Parliament. The National Reform Programme was discussed in a written procedure of the Ministerial Committee on European Union Affairs 17–19 April 2024 and presented in the Government plenary session on 25 April 2024, 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

Municipal experiments on employment

Of the social partners, the Association of Finnish Municipalities in particular has been closely involved in the preparation of the municipal experiments and is still involved in various working groups related to the operation and monitoring of municipal experiments. All the social partners and others have been able to comment on the legislative proposal on the municipal experiment on employment during its consultation round. Public and open events were organised during the preparation and before the start of the experiments.

Labour legislation reforms

The Government Programme includes proposals on labour law aimed at better functioning of the labour market and higher employment. Legislative amendments will be prepared on a tripartite basis.

Social security reform

Stakeholders, such as central labour market organisations, civic organisations and research institutes, are represented as permanent experts on the Parliamentary Social Security Committee. The committee also hears the views of a large number of citizens and non-governmental organisations, and makes use of participatory working methods. For example, during the committee's first term, hearings with civic organisations were held, and children and young people were consulted on social security and its development. The Social Security Committee's interim report was submitted for a wide-ranging consultation in spring 2023. The committee will also use participatory working methods in its work during its second term.

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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 2024

CSR.2023.1

CSR 1 Subpart 1: Wind down the emergency energy support measures in force, using the related savings to reduce the government deficit, as soon as possible in 2023 and 2024. Should renewed energy price increases necessitate new or continued support measures, ensure that these are targeted at protecting vulnerable households and firms, fiscally affordable, and preserve incentives for energy savings.

CSR 1 Subpart 2: Ensure prudent fiscal policy, in particular by limiting the nominal increase in nationally financed net primary expenditure in 2024 to not more than 2.2%.

CSR 1 Subpart 3: Preserve nationally financed public investment and ensure the effective absorption of RRF grants and other EU funds, in particular to foster the green and digital transitions.

CSR 1 Subpart 4: For the period beyond 2024, continue to pursue a medium-term fiscal strategy of gradual and sustainable consolidation, combined with investments and reforms conducive to higher sustainable growth, to achieve a prudent medium-term fiscal position.

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

CSR 1 Subpart 5: Pursue the reform of the social security system to increase the efficiency of the social benefits system, which would improve incentives to work and also support the long-term sustainability of public finances.

Measures

Entry 1: MEASURE TYPE: Announced (08/03/2024 13:37 PM)⁸

Actions to reform the social security system by 2027. The goal of the social security reform is a more functional and clearer system than the current one, which enables work and social security to be coordinated in changing life situations. The key is social justice and securing a livelihood in the face of social risks. Reforming social security also aims to reduce the need for long-term income support.

Comments: -

State of play: -

CSR.2023.2

CSR 2 Subpart 1: Proceed with the steady implementation of its revised recovery and resilience plan and swiftly finalise the REPowerEU chapter with a view to rapidly starting its implementation. Proceed with the swift implementation of cohesion policy programmes, in close complementarity and synergy with the recovery and resilience plan.

Measures

Entry 1: MEASURE TYPE: Adopted (15/03/2024 15:21 PM)

Finland has continued the steady implementation of its recovery and resilience plan. Finland has finalised the REPowerEU chapter. The chapter was subsequently endorsed by the Commission and the Council.

Comments: -

State of play, Entry 1:

Finland's REPowerEU chapter consists of three new investments and one new reform to deliver on the REPowerEU Plan's objective of making Europe independent from Russian fossil fuels well before 2030. These measures focus on accelerating the deployment of renewable energy, renewable hydrogen, decarbonising industry and investing in the net-zero industry value chain. The implementation of Finland's REPowerEU chapter has swiftly started in 2024. The implementation of Finland's cohesion policy programme is continuing, and the complementarities and synergies with the recovery and resilience plan are being addressed for instance in the context of the programme's monitoring committee.

8 Date of reporting in brackets.

CSR.2023.3

CSR 3 Subpart 1: Address labour and skills shortages by reskilling and upskilling the workforce and widening the higher education offer, in particular for the study fields most in demand in the labour market.

Measures

Entry 1: MEASURE TYPE: Announced (13/03/2024 10:12 AM)

- i) The continuous learning reform will improve employment opportunities of working age people by developing their skills and competences and to support the long-term growth potential of companies and the vitality of regions. The reform will be implemented by several key measures included in the national RRP. The Ministry of Education and Culture and the Ministry of Economic Affairs and Employment are jointly responsible for the progress of the reform and for steering the continuous learning and employment service centre,
- ii) Prime Minister Petteri Orpo's government is committed to increase the number of young adults with higher education as close as possible to 50 percent by 2030. In order to raise the level of education, under the guidance of higher education institutions, goals on completed degrees have been raised and funding has been allocated to increase the number of starting places in higher education institutions. In the years 2020-2022, the Ministry of Education and Culture financed an increase of about 11,000 starting places in the education leading to a university degree. Additions will continue in the coming years. New starting positions are directed especially to centers of growth and to sectors and regions where a significant labor shortage is expected. In order to raise competence levels, measures are also being considered to reduce unnecessary accumulation of higher education and directed more towards those completing a first degree.

Entry 2: MEASURE TYPE: Adopted (15/03/2024 15:21 PM)

Component P3C2 of the Finnish recovery and resilience plan addresses challenges arising from globalisation, technological and demographic changes, which affect the Finnish economy and threaten employment's level. Developing skills of working age people (through reskilling and upskilling), including the low-skilled, in areas relevant to the labour market is key to strengthening workforce's employability in an increasingly digital and greener economy.

Comments: -**State of play, Entry 1:**

The measures financed from the EU's Recovery and Resilience Facility are being implemented according to the plan: the reform of continuous learning, the digitalisation programme for continuous learning, and the measure improving the level of education by increasing student places in higher education.

CSR.2023.4

CSR 4 Subpart 1: Reduce overall reliance on fossil fuels by

Measures

Entry 1: MEASURE TYPE: Implemented (15/03/2024 15:30 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: Announced (12/03/2024 11:17 AM)

Increased climate ambition to be implemented through climate policy planning system. The update of medium-term climate plan is underway and will be finalized in 2025. The plan includes the reduction of fossil fuels usage e.g. through the electrification of transport. Additionally, sector-specific low-carbon roadmaps including measures for reducing fossil fuel usage will be updated by the summer 2024.

Entry 3: MEASURE TYPE: Adopted (15/03/2024 15:30 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.

Entry 4: MEASURE TYPE: Adopted (12/03/2024 11:17 AM)

The conversion of oil-based heating systems in the building stock into low-carbon forms of energy has been supported with discretionary government grants.

Comments: -

State of play: -

CSR 4 Subpart 2: accelerating the deployment of renewables, including by further speeding up permitting procedures, and

Measures

Entry 1: MEASURE TYPE: Announced (12/03/2024 11:18 AM)

Included in the REPowerEU chapter as a reform the speeding up of permitting through establishing a single authority and one-stop-shop for environmental procedures.

Entry 2: MEASURE TYPE: Adopted (15/03/2024 15:31 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. There is a decision to accelerate permitting procedures for green transition investments by allocating more resources to permit authorities (AVI, ELY Centre, TUKES). The objective is that the licensing 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. The processing of environmental permits (including permit, supervision and guidance tasks) will be centralised to a national body that will function as a single judicial authority and will make use of the opportunities for multi-local working. In future, there will continue to be an adequate number of service points that process environmental permits in different parts of Finland, and measures will be taken to ensure that supervision tasks are carried out independently.

Entry 3: MEASURE TYPE: Adopted (12/03/2024 11:18 AM)

From 2023 until 2026 speeding up of certain green transition investment permit procedures with so-called priority law.

Comments: -

State of play: -

CSR 4 Subpart 3: boost public and private investment in the decarbonisation of industry and

Measures:

Entry 1: MEASURE TYPE: Implemented (15/03/2024 15:31 PM)

The support for the electrification of energy-intensive industries is a five-year support system introduced in Finland in 2022. According to the EU Commission's definitions, the support is aimed at industries with a significant risk of carbon leakage.

Entry 2: MEASURE TYPE: Announced (12/03/2024 11:19 AM)

The climate act and low-carbon industrialization (roadmaps) foster the public and private investment in the decarbonisation of industry indirectly through the variety of instruments (e.g. public procurement, RDI funding).

Entry 3: MEASURE TYPE: Adopted (15/03/2024 15:31 PM)

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. Government program of the current Prime Minister Petteri Orpo states that sector-specific low-carbon roadmaps will be updated. At the beginning of the parliamentary term, the Government of Prime Minister Petteri Orpo will prepare a long-term industrial policy strategy that will include sets of policies essential for the export industry, such as logistics. The Government's objective is to increase the number of growth-oriented and export-oriented companies that provide employment and to keep industrial jobs in Finland. An important role of the strategy is the utilization of the clean transition and the promotion of low-carbon industry and low-carbon investments.

Entry 4: MEASURE TYPE: Adopted (12/03/2024 11:19 AM)

A low-carbon built environment programme has been implemented in cooperation between the Ministry of the Environment and BF. Total budget of the programme being 40 million euros. Approximately 140 government grant projects and procurements have already been funded from the programme.

CSR 4 Subpart 4: transport, including through electrification.

Measures:**Entry 1:** MEASURE TYPE: Not Defined (13/03/2024 10:13 AM)

In May 2021, a Roadmap for fossil free transport was adopted by the Government. The roadmap defines measures to achieve a 50 % reduction in GHG emissions from transport in year 2030 compared to 2005 levels and a fossil-free transport by 2045. The Roadmap includes measures to encourage fuel switch in transport, measures to renew the car fleet and measures to increase the share of sustainable modes of transport from overall transport performance. Subsidies for refueling infra of alternative fuels have been in place from year 2018. Currently 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) and for year 2024 an additional 10 meur has been allocated. Subsidies for charging infra in housing cooperatives were in place until the end of 2023 and in 2022-23 also recharging at working place was supported. During years 2022-23 altogether some 40 million euros was 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 and from 2024 onwards available also for hydrogen trucks. 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 have been made to employee benefits supporting decarbonisation of our vehicle fleet in Finland.

Entry 2: MEASURE TYPE: Implemented (15/03/2024 15:32 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 take in Oct 2021. Changes made to employee benefits support decarbonisation of our vehicle fleet. The legislation will be amended so that the distribution obligation will be the same as at present, 13.5 per cent, in 2024. Between 2025 and 2027, the distribution obligation will be

moderately increased so that it will be 16.5 per cent in 2025, 19.5 per cent in 2026 and 22.5 per cent in 2027. The additional obligation related to advanced category will be raised from the present about two per cent to three per cent in 2025 and four per cent in 2026. Efforts will be made to maximise the share of domestic biogas in fulfilling the additional obligation.

Comments: -

State of play: -

CSR 4 Subpart 5: Develop energy infrastructure to increase security of supply by strengthening the transmission of electricity.

Measures:

Entry 1: MEASURE TYPE: Implemented (15/03/2024 15:32 PM)

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 Excelebrate 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 was expected to start market operation in March 2023.

Entry 2: MEASURE TYPE: Adopted (15/03/2024 15:32 PM)

Finland will improve the functioning and adequacy of the electricity transmission network as the basis for the energy transition and as a key competitive advantage. Permitting procedures for electricity network investments will be speed up and resources will be allocated to the processing of permit applications. The Government will formulate a strategic vision for electricity transmission demand throughout Finland in the 2030s and launch the necessary measures to remove bottlenecks that slow down investments. Measures will be taken to ensure that the demand for electricity transmission in nationally important industrial clusters is met and that electricity transmission costs remain reasonable in order to enable investments. To reduce the need for further construction of the main grid and to mitigate bottlenecks, efforts will be made to promote the placement of large-scale electricity-consuming and electricity-generating investments close to one another without the need to connect to the main grid. Incentives will be created to locate weather-dependent production in places that are favorable with respect to the existing transmission capacity of the main grid, future construction and overall optimisation of the energy system.

Comments: -

State of play: -

CSR 4 Subpart 6: Step up policy efforts aimed at the provision and acquisition of skills and competences needed for the green transition.

Measures

Entry 1: MEASURE TYPE: Implemented (12/03/2024 11:15 AM)

Continuous learning and employment service centre is launching the provision of training to address structural changes in working life, focusing training specifically to strengthen digital skills and/or green skills. The objective of the training is to support the structural change in economy and a carbon dioxide neutral welfare society through a green transition. The measure is part of the reform of continuous learning in the national RRP. From the Recovery and Resilience Facility, EUR 15 million was channeled to increase the starting places at universities and polytechnics, especially in the social and health sector, which suffers from a labor shortage, as well as in the fields of technology and data processing and telecommunications to support the skills required for sustainable growth, digitalization and the green transition. The investment financed a total of 633 additional starting places in education leading to a university degree in 2022 and complemented the educational additions implemented with national funding.

Entry 2: MEASURE TYPE: Adopted (15/03/2024 15:32 PM)

One of the objectives for the government term of Prime Minister Petteri Orpo in respect of skills and competences is that education and training will become better at responding to the needs of the world of work and reduce labour market mismatches. This record will include also future skills and competences needed for the green transition. For example, the opportunities offered by artificial intelligence and digitalisation will be taken better into account in developing the education system. Universities serve to find new solutions to the big questions of our time. For example, safeguarding biodiversity in Finland, the transformation of energy technology, digitalisation and demographic change require new kinds of solutions that cannot be found without cutting-edge research. To ensure high-quality academic research, higher education institutions encourage and reinforce a cross-disciplinary and open culture of academic discussion and open-minded innovative thinking.

Comments: -

State of play: -

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.

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 (15/03/2024 15:23 PM)

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: -

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.

Measures: -

Comments: -

State of play: -

CSR.2022.3

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

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.

Comments: -

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 take in Oct 2021. Changes made to employee benefits support decarbonisation of our vehicle fleet.

Comments: -**State of play:** -**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 Excelebrate 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.

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

Measures:

Entry 1: MEASURE TYPE: Implemented (15/02/2022 13:49 PM)

The legislation on establishing wellbeing services counties and reforming the organisation of healthcare, social welfare and rescue services was adopted by Parliament in June 2021. The new 22 wellbeing service counties responsible for all healthcare, social welfare and rescue services will start in January 2023.

Entry 2: MEASURE TYPE: Implemented (17/12/2020 13:41 PM)

In its supplementary budget 2020, the Government increased the student intake in higher education institutions; more than 400 of the additional places are directed to nursing training.

Comments: -

State of play: -

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

Measures

Entry 1: MEASURE TYPE: Implemented (15/02/2022 13:50 PM)

The legislation on establishing wellbeing services counties and reforming the organisation of healthcare, social welfare and rescue services was adopted by Parliament in June 2021. The new 22 wellbeing service counties responsible for all healthcare, social welfare and rescue services will start in January 2023.

Entry 2: MEASURE TYPE: Adopted (17/12/2020 13:13 PM)

Availability is one of the main objectives of the Government Programme—improving equal access and timeliness of services. One of the key objectives of the Government Programme is to put into practice models that improve the availability of services. A wide range of different types of measures will be introduced, including new operation methods and digital solutions. Government Aid totalling EUR 190 million have been granted in June 2020 to future counties for preparation of restructuring health and social services as well as improved access to basic level social and healthcare services and service integration. The launch of development programmes has been implemented as planned and the Programmes will continue to operate until the health and social services counties are established.

Comments: -

State of play: -

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.

Entry 4: MEASURE TYPE: Announced (15/03/2024 15:27 PM)

The Government is currently preparing reforms to the labour market and labour legislation. The aim is to support employment, economic growth, competitiveness and productivity. For example, the Government gave its legislative proposal on improving industrial peace to the Parliament on 29th February 2024. The Government aims also to increase local collective bargaining and to strengthen the export-driven labour market model.

Entry 5: MEASURE TYPE: Announced (14/03/2022 10:43 AM)

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.

Entry 6: MEASURE TYPE: Announced (15/02/2022 13:52 PM)

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.

Entry 7: MEASURE TYPE: Adopted (15/02/2023 11:24 AM)

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.

Comments: -

State of play: -

CSR 2 Subpart 2: bolster active labour market policies.

Measures

Entry 1: MEASURE TYPE: Implemented (16/12/2020 10:25 AM)

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€

Entry 2: MEASURE TYPE: Adopted (14/03/2022 08:56 AM)

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.

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

Comments: -

State of play: -

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:

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.

Comments: -

State of play: -

CSR 3 Subpart 2: Front-load mature public investment projects and

Measures:

Entry 1: MEASURE TYPE: Implemented (17/03/2022 08:07 AM)

The central government has granted major subsidies for municipalities and joint municipal authorities to ensure basic services and sustain activity of municipalities during the covid-19 crisis. The additional subsidies for local government were worth EUR 3 billion in 2020 and EUR 2.5 billion in 2021. Majority of the subsidies went to cover additional expenses and losses of income caused by the covid-19 epidemic. Only a small proportion of the subsidies was aimed at accelerating investments.

These included investments in walking and cycling infrastructure (EUR 18 million in 2020, 4th supplementary budget), support for municipal properties to give up oil heating (EUR 15 million in 2020, 4th supplementary budget and EUR 2.5 million in 2022, budget), increasing the capacity of testing equipment and other medical equipment (EUR 20 million in 2020, 1st supplementary budget), nutrient recycling and energy efficiency in water services (EUR 10 million in 2020, 4th supplementary budget) and renovation and construction of cultural facilities (EUR 2.4 million in 2020, 4th supplementary budget) etc.

Entry 2: MEASURE TYPE: Adopted (18/12/2020 10:43 AM)

The government has taken following measures in the construction sector:

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

Comments: -

State of play: -

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

Measures:

Entry 1: MEASURE TYPE: Implemented (18/12/2020 11:13 AM)

The industrial electricity tax is reduced to the minimum level set by the EU.

Entry 2: 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.

Entry 3: 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.

Entry 4: MEASURE TYPE: Announced (18/12/2020 11:46 AM)

The round of public consultations for the Government's entrepreneurship strategy was completed.

Entry 5: 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.

Entry 6: MEASURE TYPE: Announced (18/12/2020 11:44 AM)

An expert working group was appointed to examine which measures would best support the growth of Finnish companies and their success in international competition during and after the COVID-19 crisis.

Comments: -

State of play: -

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

Measures

Entry 1: MEASURE TYPE: Announced (17/12/2020 13:00 PM)

The digital transition of industry and the SME sector will be supported by a dedicated policy program Artificial Intelligence 4.0 (launched 11/2020) and related programs in VTT and Business Finland. Co-ordinated implementation of European policy instruments RRF, ERDF, ESF and Digital Europe Program (starting 2021) will also play an important role in supporting digital transformation. The roll out of 5G will be market driven. In public sector digitalization key areas include promotion of AI in public services (Aurora AI, launched 2019) and development of data spaces enabling 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)
 - 2020: EUR 336 600 000
 - 2021: EUR 282 803 000
- Infrastructure support for electric vehicles and the use of biogas in transport (transfer appropriation 3 years)
 - 2020: EUR 8 400 000
 - 2021: EUR 8 000 000

These measures are included in the “renewal and low carbon” section of the budget, which totals EUR 2 331.7 million for 2020 and EUR 1 222 million for 2021. In addition, EUR 822 million will be allocated to the priority “Green Transition” in Finland’s Recovery and Resilience Plan.

Comments: -

State of play: -

CSR 3 Subpart 5: sustainable and efficient infrastructure

Measures: -

Comments: -

State of play: -

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

Measures

Entry 1: MEASURE TYPE: Implemented (15/02/2022 15:39 PM)

Investments in RDI of green transition and advanced digital technologies will be accelerated by several measures included in the national roadmap for RDI (launched 5/2020) and in the national RRP. A new partnership model included in the national roadmap is being implemented to increase investments in RDI and research infrastructures will be further developed.

Entry 2: MEASURE TYPE: Announced (15/02/2022 15:41 PM)

In its new report, the Parliamentary Working Group on Research, Development and Innovation proposes introducing a legislative act on the financing of research and development and drawing up a statutory plan for R&D funding that would extend beyond the spending limits period. The working group also proposes introducing a permanent and more extensive tax incentive for research and development activities

Comments: -

State of play, Entry 1: The act on government funding for research and development for the period 2024–2030 entered into force 1 January 2023. The aim of the legislation is to increase R&D expenditure to 4% in relation to gross domestic product (GDP) by 2030. In its final report in March 2023, the Parliamentary Working Group on Research, Development and Innovation (RDI) set objectives for the allocation of research and development funding. In addition to proposals on funding, the working group made recommendations related to strengthening the management of the RDI system, increasing the availability of R&D skills and labour force, advancing cooperation, making strategic choices at the national level, assessing the effectiveness of R&D funding and developing a favourable operating environment for research and innovation.

CSR.2020.4

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

Measures:

Entry 1: MEASURE TYPE: Implemented (03/01/2024 09:10 AM)

Amendments to the Money Laundering Act entered into force on March 1, 2023, the Financial Supervisory Authority's collection of regulations and instructions regarding the prevention of money laundering and terrorist financing entered into force on June 28, 2023. In addition, the issued order - and a collection of instructions regarding compliance with international economic sanctions, which entered into force on March 1, 2024.

Entry 2: MEASURE TYPE: Implemented (07/02/2023 09:13 AM)

During 2022, the Money Laundering Investigation Center has received a total of 230,167 reports from debtors, of which it has distributed approximately 2.83% to foreign money laundering investigation centers and competent domestic authorities. In 2023, the Money Laundering Investigation Center received 347,012 reports of suspicious transactions. Of these, 0.9 percent of information has been released to prevent and investigate money laundering and terrorist financing. Of the risk-based (STR) notifications, 12.3 percent were handed over.

Entry 3: MEASURE TYPE: Implemented (07/02/2023 09:13 AM)

In accordance with the memorandum of understanding signed in 2020, the Money Laundering Investigation Center and the Financial Supervisory Authority have maintained and developed cooperation during 2022 and 2023, especially in the areas of risky industries such as hawalas and virtual currency brokers.

Entry 4: MEASURE TYPE: Implemented (07/02/2023 09:12 AM)

In 2022, the Money Laundering Investigation Center launched the RRF-funded four-year DIGI project on artificial intelligence and intelligent automation. It utilizes the experiences of the previous RANKKA-project concerning the functionality of artificial intelligence. However, the implementation of the project has been slowed down by exceptional difficulties in recruiting qualified artificial intelligence experts. The problem has since been resolved and the project group has been established at the end of 2022. Personnel recruitment has been completed during 2023 and the project has produced applications that are in operational use of the intelligence center.

Entry 5: MEASURE TYPE: Implemented (07/02/2023 09:11 AM)

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.

Entry 6: MEASURE TYPE: Implemented (07/02/2023 09:08 AM)

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.

Entry 7: MEASURE TYPE: Implemented (14/03/2022 15:10 PM)

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.

Entry 8: MEASURE TYPE: Adopted (15/02/2022 15:12 PM)

FIU Finland completed the two-year artificial intelligence technology project (RANKKA) by the end of 2021. FIU Finland implemented a two-year RPA project (ILMO) which has produced 8 applications that have been put into operational use by the intelligence center. FIU Finland has started a four-year artificial intelligence project (RANKKA2) funded by EU RRF, which is based on the previous RANKKA project.

Entry 9: MEASURE TYPE: Implemented (15/02/2022 15:00 PM)

In accordance with the Memorandum of Understanding signed in 2020, the Money Laundering Investigation Center and the Financial Supervisory Authority have maintained and developed cooperation during 2021, especially in the areas of risky industries such as hawalas and virtual currency brokers.

Entry 10: MEASURE TYPE: Announced (15/02/2022 15:15 PM)

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.

Entry 11: MEASURE TYPE: Announced (04/03/2024 16:24 PM)

The Financial Supervisory Authority is working on a comprehensive supervision strategy, which would include industry-specific risk assessments and selection criteria for individual objects of supervision measures in 2023–2025. Change 1/3/2024: The supervision strategy has been updated on 1/24 to reflect the changed situation, i.e. the compliance with financial sanctions being part of the scope of the Financial Supervisory Authority and the changes that will come into force during 2024 in the supervision of crypto asset operators and the Payment Information Regulation.

Entry 12: MEASURE TYPE: Adopted (07/02/2023 09:09 AM)

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).

The number of annual on-site inspections will continue to be determined over a period of 5/12 months. At the same time, the goal is to increase other control measures (including off-site inspections, control visits, meetings with those to be controlled, etc.).

Entry 13: MEASURE TYPE: Adopted (07/02/2023 09:09 AM)

Ministry of Finance: As a part of RRP P2C3R1 the Government proposal (HE163/2021 vp) 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.

Entry 14: MEASURE TYPE: Adopted (14/03/2022 15:14 PM)

As a part of RRP P2C3R1 Government proposal (HE163/2021 vp) on the reform of the Act on the Control System of Bank and Payment Accounts.

Entry 15: MEASURE TYPE: Adopted (04/03/2024 16:26 PM)

FIU Finland has launched the RRF-funded 4-year artificial intelligence project (RANKKA2), which is based on the results of the previous RANKKA project. The project has progressed in 2023 despite challenges in recruiting experts in artificial intelligence, RPA and machine learning.

Entry 16: MEASURE TYPE: Adopted (15/02/2022 15:12 PM)

FIU Finland implemented a two-year RPA project (ILMO) which has produced 8 applications that have been put into operational use by the intelligence center. FIU Finland has started a four-year artificial intelligence project (RANKKA2) funded by EU RRF, which is based on the previous RANKKA project.

Comments: -

State of play: -

CSR.2019.1

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

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

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

Measures

Entry 1: MEASURE TYPE: Implemented (15/02/2022 13:39 PM)

The legislation on establishing wellbeing services counties and reforming the organisation of healthcare, social welfare and rescue services was adopted by Parliament in June 2021. The new 22 wellbeing service counties responsible for all healthcare, social welfare and rescue services will start in January 2023.

Entry 2: MEASURE TYPE: Adopted (17/12/2020 13:15 PM)

Government Aid totalling EUR 190 million have been granted in June 2020 to future counties for preparation of restructuring health and social services as well as improved access to basic level social and healthcare services and service integration. County development projects in each county will help the counties to be better prepared for the structural reform and decrease the differences in service delivery between counties. Programmes have started as planned in all Regions.

Comments: -

State of play: -

CSR.2019.2**CSR 2 Subpart 1:** Improve incentives to work**Measures:** -**Comments:** -**State of play:** -**CSR 2 Subpart 2:** and enhance skills**Measures****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.

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.

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

Measures:**Entry 1:** MEASURE TYPE: Implemented (18/12/2020 08:10 AM)

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€

Entry 2: MEASURE TYPE: Implemented (18/12/2020 07:42 AM)

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.

Entry 3: MEASURE TYPE: Implemented (18/12/2020 07:33 AM)

Coordinators have started to implement the work ability programme from 1.1.2020 onwards.

Entry 4: MEASURE TYPE: Announced (18/12/2020 08:09 AM)

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

Entry 5: MEASURE TYPE: Adopted (18/12/2020 07:52 AM)

The Act on municipal trials was adopted on 17 December 2020.

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:

Entry 1: MEASURE TYPE: Implemented (15/02/2022 15:41 PM)

Investments in RDI of green transition and advanced digital technologies will be accelerated by several measures included in the national roadmap for RDI (launched 5/2020) and in the national RRP. A new partnership model included in the national roadmap is being implemented to increase investments in RDI and research infrastructures will be further developed.

Entry 2: MEASURE TYPE: Announced (15/02/2022 15:42 PM)

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&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.

Comments: -

State of play, Entry 1: The act on government funding for research and development for the period 2024–2030 entered into force 1 January 2023. The aim of the legislation is to increase R&D expenditure to 4% in relation to gross domestic product (GDP) by 2030. In its final report in March 2023, the Parliamentary Working Group on Research, Development and Innovation (RDI) set objectives for the allocation of research and development funding. In addition to proposals on funding, the working group made recommendations related to strengthening the management of the RDI system, increasing the availability of R&D skills and labour force, advancing cooperation, making strategic choices at the national level, assessing the effectiveness of R&D funding and developing a favourable operating environment for research and innovation.

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

Measures**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

Comments: -**State of play:** -

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

Measures: -**Comments:** -**State of play:** -**CSR.2019.4****CSR 4 Subpart 1:** Strengthen the monitoring of household debt**Measures:****Entry 1:** MEASURE TYPE: Implemented (15/02/2022 15:52 PM)

The legislation relating to consumer credit was 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.

Entry 2: MEASURE TYPE: Implemented (07/02/2023 09:05 AM)

The legislation relating to consumer credit was 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 was temporarily lowered to 10% on some types of consumer credit (not including for instance credit cards). Such temporary legislation was in force between July 1 – September 30, 2021.

Entry 3: MEASURE TYPE: Adopted (07/02/2023 09:04 AM)

The Act (739/2022) on a positive credit register (Laki positiivisesta luottotietorekisteristä 739/2022 - Säädökset alkuperäisinä - FINLEX® <https://www.finlex.fi/fi/laki/alkup/2022/20220739>) 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. The register for business credits of a natural person will be introduced on 1 April 2026.

Entry 4: MEASURE TYPE: Adopted (15/02/2022 15:52 PM)

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.

Entry 5: MEASURE TYPE: Adopted (15/02/2022 15:53 PM)

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.

Entry 6: MEASURE TYPE: Adopted (5/04/2024 11:53 AM)

The legislation relating to consumer credits has been tightened and the interest rate cap on consumer loans was lowered from the previous 20 percent to 15 percent. At the same time, the interest cap was tied to the reference interest rate

referred to in the Interest Act, so that the interest rate may not exceed 20 percent according to the credit agreement. The amendment to the Act also tightened the credit marketing regulations and added provisions to the Act on the presentation of available payment methods when consumers purchase goods online. The new regulations entered into force on 1 October 2023.

Comments: -

State of play: The legislation mentioned in point 5 above has entered into force on July 1, 2023, as proposed.

CSR 4 Subpart 2: and establish the credit registry system

Measures:

Entry 1: MEASURE TYPE: Implemented (17/12/2020 14:20 PM)

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

Entry 2: MEASURE TYPE: Announced (03/03/2022 11:43 AM)

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

Comments: -

State of play: The Act on Positive Credit Register (739/2022) entered into force on August 1, 2022 (<https://www.finlex.fi/fi/laki/alkup/2022/20220739>). The register has been introduced for consumer credits on April 1, 2024. The register will be put into use for credits granted for a natural person's business activities on April 1, 2026. In addition, at the beginning of 2024, the Ministry of Justice has set up a working group to prepare a legislative amendment that would allow shareholder-specific housing company loan shares to be included in the positive credit register. The technical implementation related to the collection of information about housing company loan shares from housing companies has been implemented as part of the apartment information system's further development project.

Appendix 2. Implementation of the recovery and resilience plan (Fenix)⁹

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, Q1	Completed
2019.CSR1.subpart2	Strengthening prevention and early identification of health problems	Development and implementation of regional integrated multi-sector service management models in 22 welfare areas	2024, Q4	Not completed
2019.CSR1.subpart2	Preparation of the social welfare and health care reform in support of implementing the care guarantee	Entry into force of the initial legal framework establishing welfare areas and reforming the social and health care and rescue services	2021, Q3	Fulfilled
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	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	2024, Q2	Delayed

⁹ 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 2024.

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
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	On track
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	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, Q3	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	2024, Q4	Delayed
2019.CSR2.subpart1	Employment and labour market – Development of work ability, productivity and well-being at work	Extension of the Work Ability Programme and the Individual Placement and Support model to 11 new areas	2024, Q4	Not completed
2019.CSR2.subpart1	Employment and labour market – Development of work ability, productivity and well-being at work	Number of workplaces and occupational health care units having participated in measures that support mental health and work ability	2024, Q4	Not completed
2019.CSR2.subpart2	Reform of continuous learning	Entry into force of the Act on the Service Centre for Continuous Learning and Employment	2021, Q4	Fulfilled
2019.CSR2.subpart2	Reform of continuous learning	Completion of a medium-term foresight model for labour and competence needs	2024, Q1	Delayed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
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.subpart2	Reform of continuous learning	Number of career guidance professionals having participated in training to increase their level of expertise	2024, Q4	Not completed
2019.CSR2.subpart2	Digitalisation programme for continuous learning	Completion of the IT architecture for digital continuous learning services	2022, Q2	Fulfilled
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	Completed
2019.CSR2.subpart2	Raising the level of competence and renewing continuous learning, digitalisation and modernisation of education in Åland	Share of modernised courses containing significant digital elements in tertiary education in Åland	2024, 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	2024, Q2	Delayed
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	On track
2019.CSR2.subpart3	Employment and labour market – Development of work ability, productivity and well-being at work	Entry into force of the Act on the State-owned new company-based intermediate labour market operator	2022, Q3	Completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
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	2024, Q4	Delayed
2019.CSR2.subpart3	Employment and labour market – Development of work ability, productivity and well-being at work	Extension of the Work Ability Programme and the Individual Placement and Support model to 11 new areas	2024, Q4	Not completed
2019.CSR2.subpart3	Employment and labour market – Development of work ability, productivity and well-being at work	Number of workplaces and occupational health care units having participated in measures that support mental health and work ability	2024, Q4	Not completed
2019.CSR3.subpart1	Investments in new energy technologies	Publication of the first call for applications for investments in new energy technologies	2021, Q4	Fulfilled
2019.CSR3.subpart1	Investments in new energy technologies	Award of all grants for energy technology investments	2023, Q4	On track
2019.CSR3.subpart1	Accelerating key technologies (microelectronics, 6G, artificial intelligence and quantum computing)	Micro-electronics projects are awarded	2023, Q4	Not completed
2019.CSR3.subpart1	Accelerating key technologies (microelectronics, 6G, artificial intelligence and quantum computing)	Projects developing 6G, AI and quantum computing are awarded	2023, Q4	Not completed
2019.CSR3.subpart1	RDI funding package promoting the green transition – Leading companies	Publication of a call for applications for leading companies' projects	2022, Q2	Completed
2019.CSR3.subpart1	RDI funding package promoting the green transition – Leading companies	Award of grants for leading companies' projects	2023, 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 (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	Fulfilled
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	Completed
2019.CSR3.subpart1	RDI funding package supporting the green transition – Accelerating key sectors and strengthening competence (Business Finland)	Publication by Business Finland of a call for applications for RDI projects aiming at increasing competences in key sectors	2022, Q2	Completed
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, Q2	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, Q2	Completed
2019.CSR3.subpart1	Promoting innovation and research infrastructure – Local research infrastructures	Publication of a call for applications for the renewal and development of local research infrastructures	2022, Q2	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	Completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
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	Fulfilled
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	Award of grants for the development of innovation infrastructures	2023, 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.subpart2	Investments in new energy technologies	Publication of the first call for applications for investments in new energy technologies	2021, Q4	Fulfilled
2019.CSR3.subpart2	Investments in new energy technologies	Award of all grants for energy technology investments	2023, Q4	On track
2019.CSR3.subpart2	RDI funding package promoting the green transition – Leading companies	Publication of a call for applications for leading companies' projects	2022, Q2	Completed
2019.CSR3.subpart2	RDI funding package promoting the green transition – Leading companies	Award of grants for leading companies' projects	2023, Q2	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	Fulfilled

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 – 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	Completed
2019.CSR3.subpart2	RDI funding package supporting the green transition – Accelerating key sectors and strengthening competence (Business Finland)	Publication by Business Finland of a call for applications for RDI projects aiming at increasing competences in key sectors	2022, Q2	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, Q2	Completed
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, Q2	Completed
2019.CSR3.subpart2	Key programmes for international growth	Award of grants for all projects under key programmes for international growth	2023, Q4	On track
2019.CSR3.subpart2	Key programmes for international growth	Publication of the first three calls for applications under key programmes for international growth	2022, Q2	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, Q1	Fulfilled
2019.CSR3.subpart2	Energy infrastructure investments	Publication of the first call for applications for energy infrastructure projects	2021, Q4	Fulfilled

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2019.CSR3.subpart2	Energy infrastructure investments	Award of all grants for energy infrastructure investments	2023, Q4	On track
2019.CSR3.subpart2	Investment and reform package in Åland	Publication of the first call for applications for investment in renewable energy in Åland	2022, Q4	Completed
2019.CSR3.subpart2	Reform of the Climate Act and low-carbon industrialisation	Entry into force of the revised Climate Act	2022, Q3	Completed
2019.CSR3.subpart2	Strategic promotion of the circular economy and reform of the Waste Act	Entry into force of the main processes of the revised Waste Act	2024, Q4	Not 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	Fulfilled
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	2024, Q1	Not 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	Fulfilled
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, Q2	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 CO2 emissions from industry	2021, Q4	Fulfilled
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	On track

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
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	Fulfilled
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, Q3	Completed
2019.CSR3.subpart2	Action plan to phase out fossil oil heating	Publication of the action plan for phasing out fossil oil heating	2024, Q1	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	Fulfilled
2019.CSR3.subpart2	Low-carbon built environment programme	Award of all grants and public contracts for projects in support of a low-carbon built environment	2024, Q2	On track
2019.CSR3.subpart2	Roadmap for fossil-free transport	Adoption of the Government resolution LVM/2021/62 to reduce greenhouse gas emissions from domestic transport	2021, Q2	Fulfilled
2019.CSR3.subpart2	Roadmap for fossil-free transport	Publication of government decision regarding additional national measures to reduce emissions from domestic transport	2022, Q2	Fulfilled
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, Q1	Fulfilled
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, Q1	Completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2019.CSR3.subpart2	Public recharging and refuelling infrastructure for transport electricity and hydrogen	Publication of the calls for applications to improve distribution infrastructure for electric and hydrogen vehicles	2022, Q4	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	Completed
2019.CSR3.subpart3	Transport and land use – Digirail project	Test track equipped with radio-based ERTMS (not in commercial railway traffic)	2024, Q4	Not completed
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, Q1	Completed
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, Q1	Completed
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, Q1	Completed
2020.CSR1.subpart1	Preparation of the social welfare and health care reform in support of implementing the care guarantee	Entry into force of the initial legal framework establishing welfare areas and reforming the social and health care and rescue services	2021, Q3	Fulfilled
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	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, Q1	Completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
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	Fulfilled
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	Completed
2020.CSR1.subpart2	Improving the level of education by increasing student places in higher education	Increase of students' admissions in higher education institutions	2022, Q4	Completed
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, Q1	Completed
2020.CSR1.subpart3	Strengthening prevention and early identification of health problems	Development and implementation of regional integrated multi-sector service management models in 22 welfare areas	2024, Q4	Not completed
2020.CSR1.subpart3	Preparation of the social welfare and health care reform in support of implementing the care guarantee	Entry into force of the initial legal framework establishing welfare areas and reforming the social and health care and rescue services	2021, Q3	Fulfilled
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	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

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
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	2024, Q2	Delayed
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	On track
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	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, Q3	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	2024, Q4	Delayed
2020.CSR2.subpart1	Employment and labour market – Development of work ability, productivity and well-being at work	Extension of the Work Ability Programme and the Individual Placement and Support model to 11 new areas	2024, Q4	Not completed
2020.CSR2.subpart1	Employment and labour market – Development of work ability, productivity and well-being at work	Number of workplaces and occupational health care units having participated in measures that support mental health and work ability	2024, Q4	Not completed
2020.CSR2.subpart1	Reform of continuous learning	Entry into force of the Act on the Service Centre for Continuous Learning and Employment	2021, Q4	Fulfilled

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2020.CSR2.subpart1	Reform of continuous learning	Completion of a medium-term foresight model for labour and competence needs	2024, Q1	Delayed
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	Reform of continuous learning	Number of career guidance professionals having participated in training to increase their level of expertise	2024, Q4	Not completed
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	Completed
2020.CSR2.subpart1	Raising the level of competence and renewing continuous learning, digitalisation and modernisation of education in Åland	Share of modernised courses containing significant digital elements in tertiary education in Åland	2024, Q4	Not 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)	2023, Q1	Completed
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	Completed
2020.CSR2.subpart1	Streamlining the work and education-based immigration process	Decrease in the average number of days for processing residence permit applications based on work and education	2024, Q4	Not 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	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.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	2024, Q2	Delayed
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	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, Q3	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	2024, Q4	Delayed
2020.CSR2.subpart2	Employment and labour market – Development of work ability, productivity and well-being at work	Extension of the Work Ability Programme and the Individual Placement and Support model to 11 new areas	2024, Q4	Not completed
2020.CSR2.subpart2	Employment and labour market – Development of work ability, productivity and well-being at work	Number of workplaces and occupational health care units having participated in measures that support mental health and work ability	2024, Q4	Not completed
2020.CSR3.subpart4	Investments in new energy technologies	Publication of the first call for applications for investments in new energy technologies	2021, Q4	Fulfilled

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2020.CSR3.subpart4	Investments in new energy technologies	Award of all grants for energy technology investments	2023, Q4	On track
2020.CSR3.subpart4	RDI funding package promoting the green transition – Leading companies	Publication of a call for applications for leading companies' projects	2022, Q2	Completed
2020.CSR3.subpart4	RDI funding package promoting the green transition – Leading companies	Award of grants for leading companies' projects	2023, Q2	Completed
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	Fulfilled
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	Completed
2020.CSR3.subpart4	RDI funding package supporting the green transition – Accelerating key sectors and strengthening competence (Business Finland)	Publication by Business Finland of a call for applications for RDI projects aiming at increasing competences in key sectors	2022, Q2	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, Q2	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, Q2	Completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
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, Q1	Fulfilled
2020.CSR3.subpart4	Energy infrastructure investments	Publication of the first call for applications for energy infrastructure projects	2021, Q4	Fulfilled
2020.CSR3.subpart4	Energy infrastructure investments	Award of all grants for energy infrastructure investments	2023, Q4	On track
2020.CSR3.subpart4	Investment and reform package in Åland	Publication of the first call for applications for investment in renewable energy in Åland	2022, Q4	Completed
2020.CSR3.subpart4	Reform of the Climate Act and low-carbon industrialisation	Entry into force of the revised Climate Act	2022, Q3	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	Fulfilled
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, Q2	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 CO2 emissions from industry	2021, Q4	Fulfilled
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	On track
2020.CSR3.subpart4	Action plan to phase out fossil oil heating	Publication of the action plan for phasing out fossil oil heating	2024, Q1	Not completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
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	Fulfilled
2020.CSR3.subpart4	Roadmap for fossil-free transport	Publication of government decision regarding additional national measures to reduce emissions from domestic transport	2022, Q2	Fulfilled
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, Q1	Fulfilled
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, Q1	Completed
2020.CSR3.subpart4	Public recharging and refuelling infrastructure for transport electricity and hydrogen	Publication of the calls for applications to improve distribution infrastructure for electric and hydrogen vehicles	2022, Q4	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	Completed
2020.CSR3.subpart5	Promoting innovation and research infrastructure – National research infrastructures	Publication of a call for applications for the renewal and development of national research infrastructures	2021, Q2	Fulfilled
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

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2020.CSR3.subpart5	Promoting innovation and research infrastructure – Competitive funding for innovation infrastructures	Award of grants for the development of innovation infrastructures	2023, 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	Energy infrastructure investments	Publication of the first call for applications for energy infrastructure projects	2021, Q4	Fulfilled
2020.CSR3.subpart5	Energy infrastructure investments	Award of all grants for energy infrastructure investments	2023, Q4	On track
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	Completed
2020.CSR3.subpart5	Public recharging and refuelling infrastructure for transport electricity and hydrogen	Publication of the calls for applications to improve distribution infrastructure for electric and hydrogen vehicles	2022, Q4	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	Completed
2020.CSR3.subpart5	Transport and land use – Digirail project	Test track equipped with radio-based ERTMS (not in commercial railway traffic)	2024, Q4	Not completed
2020.CSR3.subpart5	Digital connectivity – Developing the quality and availability of communication networks	Entry into force of legislative amendments to the broadband aid legislation	2022, Q1	Completed
2020.CSR3.subpart5	Digital connectivity – Developing the quality and availability of communication networks	Additional dwellings with access to fast (100/100 Mbit/s) broadband connectivity	2024, Q4	Delayed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2020.CSR3.subpart5	Digital economy – Real-time economy (RTE) programme	Minimum Viable Ecosystem is created and operational	2022, Q4	Completed
2020.CSR3.subpart5	Digital economy – Real-time economy (RTE) programme	The exchange of digital business information in structured form is fully operational	2024, Q4	Not completed
2020.CSR3.subpart6	Investments in new energy technologies	Publication of the first call for applications for investments in new energy technologies	2021, Q4	Fulfilled
2020.CSR3.subpart6	Investments in new energy technologies	Award of all grants for energy technology investments	2023, Q4	On track
2020.CSR3.subpart6	Accelerating key technologies (microelectronics, 6G, artificial intelligence and quantum computing)	Micro-electronics projects are awarded	2023, Q4	Not completed
2020.CSR3.subpart6	Accelerating key technologies (microelectronics, 6G, artificial intelligence and quantum computing)	Projects developing 6G, AI and quantum computing are awarded	2023, Q4	Not completed
2020.CSR3.subpart6	RDI funding package promoting the green transition – Leading companies	Publication of a call for applications for leading companies' projects	2022, Q2	Completed
2020.CSR3.subpart6	RDI funding package promoting the green transition – Leading companies	Award of grants for leading companies' projects	2023, Q2	Completed
2020.CSR3.subpart6	RDI funding package supporting the green transition – Accelerating key sectors and strengthening competence (Academy of Finland)	Publication by the Academy of Finland of a first call for applications for research projects aiming to increase competences in key sectors	2021, Q4	Fulfilled
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	Completed

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, Q2	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, Q2	Completed
2020.CSR3.subpart6	Promoting innovation and research infrastructure – Local research infrastructures	Publication of a call for applications for the renewal and development of local research infrastructures	2022, Q2	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	Completed
2020.CSR3.subpart6	Promoting innovation and research infrastructure – National research infrastructures	Publication of a call for applications for the renewal and development of national research infrastructures	2021, Q2	Fulfilled
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
2020.CSR3.subpart6	Promoting innovation and research infrastructure – Competitive funding for innovation infrastructures	Award of grants for the development of innovation infrastructures	2023, 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
2022.CSR3.subpart1	Investments in new energy technologies	Publication of the first call for applications for investments in new energy technologies	2021, Q4	Fulfilled
2022.CSR3.subpart1	Investments in new energy technologies	Award of all grants for energy technology investments	2023, Q4	On track
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, Q2	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	Fulfilled
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	Completed
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
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, 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 – 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, Q2	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	Completed
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	Fulfilled
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	Award of grants for the development of innovation infrastructures	2023, 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	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, Q1	Fulfilled

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	Fulfilled
2022.CSR3.subpart1	Energy infrastructure investments	Award of all grants for energy infrastructure investments	2023, Q4	On track
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	Completed
2022.CSR3.subpart1	Reform of the Climate Act and low-carbon industrialisation	Entry into force of the revised Climate Act	2022, Q3	Completed
2022.CSR3.subpart1	Strategic promotion of the circular economy and reform of the Waste Act	Entry into force of the main processes of the revised Waste Act	2024, Q4	Not 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	Fulfilled
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	2024, Q1	Not 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	Fulfilled
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, Q2	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	Fulfilled

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
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	On track
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	Fulfilled
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, Q3	Completed
2022.CSR3.subpart1	Action plan to phase out fossil oil heating	Publication of the action plan for phasing out fossil oil heating	2024, Q1	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	Fulfilled
2022.CSR3.subpart1	Low-carbon built environment programme	Award of all grants and public contracts for projects in support of a low-carbon built environment	2024, Q2	On track
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	Fulfilled
2022.CSR3.subpart1	Roadmap for fossil-free transport	Publication of government decision regarding additional national measures to reduce emissions from domestic transport	2022, Q2	Fulfilled
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, Q1	Fulfilled

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
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, Q1	Completed
2022.CSR3.subpart1	Public recharging and refuelling infrastructure for transport electricity and hydrogen	Publication of the calls for applications to improve distribution infrastructure for electric and hydrogen vehicles	2022, Q4	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	Completed
2022.CSR3.subpart1	Transport and land use – Digirail project	Test track equipped with radio-based ERTMS (not in commercial railway traffic)	2024, Q4	Not completed
2022.CSR3.subpart2	Investments in new energy technologies	Publication of the first call for applications for investments in new energy technologies	2021, Q4	Fulfilled
2022.CSR3.subpart2	Investments in new energy technologies	Award of all grants for energy technology investments	2023, Q4	On track
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, Q1	Fulfilled
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	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, Q2	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)	Publication by the Academy of Finland of a first call for applications for research projects aiming to increase competences in key sectors	2021, Q4	Fulfilled
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	Completed
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, Q2	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, Q2	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	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	Publication of a call for applications for the renewal and development of national research infrastructures	2021, Q2	Fulfilled
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	Award of grants for the development of innovation infrastructures	2023, 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	Key programmes for international growth	Award of grants for all projects under key programmes for international growth	2023, Q4	On track
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	Reform of the Climate Act and low-carbon industrialisation	Entry into force of the revised Climate Act	2022, Q3	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	Fulfilled
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, Q2	Completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
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 CO2 emissions from industry	2021, Q4	Fulfilled
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	On track
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	Fulfilled
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, Q3	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	Fulfilled
2022.CSR3.subpart3	Low-carbon built environment programme	Award of all grants and public contracts for projects in support of a low-carbon built environment	2024, Q2	On track
2022.CSR3.subpart4	Key programmes for international growth	Award of grants for all projects under key programmes for international growth	2023, Q4	On track
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	Fulfilled

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2022.CSR3.subpart4	Energy infrastructure investments	Award of all grants for energy infrastructure investments	2023, Q4	On track
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	Fulfilled
2022.CSR3.subpart4	Roadmap for fossil-free transport	Publication of government decision regarding additional national measures to reduce emissions from domestic transport	2022, Q2	Fulfilled
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, Q1	Fulfilled
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, Q1	Completed
2022.CSR3.subpart4	Public recharging and refuelling infrastructure for transport electricity and hydrogen	Publication of the calls for applications to improve distribution infrastructure for electric and hydrogen vehicles	2022, Q4	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	Completed
2022.CSR3.subpart4	Transport and land use – Digirail project	Test track equipped with radio-based ERTMS (not in commercial railway traffic)	2024, Q4	Not completed
2022.CSR3.subpart5	Investments in new energy technologies	Publication of the first call for applications for investments in new energy technologies	2021, Q4	Fulfilled

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2022.CSR3.subpart5	Investments in new energy technologies	Award of all grants for energy technology investments	2023, Q4	On track
2022.CSR3.subpart5	Energy infrastructure investments	Publication of the first call for applications for energy infrastructure projects	2021, Q4	Fulfilled
2022.CSR3.subpart5	Energy infrastructure investments	Award of all grants for energy infrastructure investments	2023, Q4	On track
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	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	Fulfilled
2022.CSR3.subpart5	Roadmap for fossil-free transport	Publication of government decision regarding additional national measures to reduce emissions from domestic transport	2022, Q2	Fulfilled
2022.CSR3.subpart5	Public recharging and refuelling infrastructure for transport electricity and hydrogen	Publication of the calls for applications to improve distribution infrastructure for electric and hydrogen vehicles	2022, Q4	Completed
2023.CSR3.subpart1	Reform of continuous learning	Entry into force of the Act on the Service Centre for Continuous Learning and Employment	2021, Q4	Fulfilled
2023.CSR3.subpart1	Reform of continuous learning	Completion of a medium-term foresight model for labour and competence needs	2024, Q1	Delayed
2023.CSR3.subpart1	Reform of continuous learning	Publication of the first call for applications to provide training to strengthen digital and green skills	2022, Q2	Completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2023.CSR3.subpart1	Reform of continuous learning	Number of career guidance professionals having participated in training to increase their level of expertise	2024, Q4	Not completed
2023.CSR3.subpart1	Digitalisation programme for continuous learning	Completion of the IT architecture for digital continuous learning services	2022, Q2	Fulfilled
2023.CSR3.subpart1	Improving the level of education by increasing student places in higher education	Increase of students' admissions in higher education institutions	2022, Q4	Completed
2023.CSR3.subpart1	Raising the level of competence and renewing continuous learning, digitalisation and modernisation of education in Åland	Share of modernised courses containing significant digital elements in tertiary education in Åland	2024, Q4	Not completed
2023.CSR4.subpart1	Investments in new energy technologies	Publication of the first call for applications for investments in new energy technologies	2021, Q4	Fulfilled
2023.CSR4.subpart1	Investments in new energy technologies	Award of all grants for energy technology investments	2023, Q4	On track
2023.CSR4.subpart1	RDI funding package promoting the green transition – Leading companies	Publication of a call for applications for leading companies' projects	2022, Q2	Completed
2023.CSR4.subpart1	RDI funding package promoting the green transition – Leading companies	Award of grants for leading companies' projects	2023, Q2	Completed
2023.CSR4.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	Fulfilled
2023.CSR4.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	Completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2023.CSR4.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
2023.CSR4.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, Q2	Completed
2023.CSR4.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
2023.CSR4.subpart1	RDI funding package supporting the green transition – Supporting innovative growth companies	Award of grants for support to innovative growth companies	2023, Q2	Completed
2023.CSR4.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
2023.CSR4.subpart1	Promoting innovation and research infrastructure – Local research infrastructures	Award of grants for the renewal and development of local research infrastructures	2022, Q4	Completed
2023.CSR4.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	Fulfilled
2023.CSR4.subpart1	Promoting innovation and research infrastructure – National research infrastructures	Award of grants for the renewal and development of national research infrastructures	2022, Q2	Completed
2023.CSR4.subpart1	Promoting innovation and research infrastructure – Competitive funding for innovation infrastructures	Award of grants for the development of innovation infrastructures	2023, Q2	Completed

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2023.CSR4.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
2023.CSR4.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, Q1	Fulfilled
2023.CSR4.subpart1	Energy infrastructure investments	Publication of the first call for applications for energy infrastructure projects	2021, Q4	Fulfilled
2023.CSR4.subpart1	Energy infrastructure investments	Award of all grants for energy infrastructure investments	2023, Q4	On track
2023.CSR4.subpart1	Investment and reform package in Åland	Publication of the first call for applications for investment in renewable energy in Åland	2022, Q4	Completed
2023.CSR4.subpart1	Reform of the Climate Act and low-carbon industrialisation	Entry into force of the revised Climate Act	2022, Q3	Completed
2023.CSR4.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	Fulfilled
2023.CSR4.subpart1	Low-carbon hydrogen and carbon capture and utilisation	Award of all grants for low- carbon hydrogen and carbon capture and utilisation projects	2023, Q2	Completed
2023.CSR4.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	Fulfilled
2023.CSR4.subpart1	Direct electrification and decarbonisation of industrial processes	Award of all grants for direct electrification and low-carbon industrial processes projects	2023, Q4	On track

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2023.CSR4.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	Fulfilled
2023.CSR4.subpart1	Re-use and recycling of key materials and industrial side streams	Award of all grants to the re- use and recycling projects	2023, Q3	Completed
2023.CSR4.subpart1	Action plan to phase out fossil oil heating	Publication of the action plan for phasing out fossil oil heating	2024, Q1	Not completed
2023.CSR4.subpart1	Low-carbon built environment programme	Publication of a first call for applications regarding support for a low-carbon built environment	2021, Q4	Fulfilled
2023.CSR4.subpart1	Low-carbon built environment programme	Award of all grants and public contracts for projects in support of a low-carbon built environment	2024, Q2	On track
2023.CSR4.subpart1	Public recharging and refuelling infrastructure for transport electricity and hydrogen	Publication of the calls for applications to improve distribution infrastructure for electric and hydrogen vehicles	2022, Q4	Completed
2023.CSR4.subpart1	Investment for Clean Transition	Launch of a call for applications for clean transition projects	2024, Q2	Not completed
2023.CSR4.subpart1	R&D for the green transition	Selection of doctoral students in the LUKE Doctoral School programme	2024, Q3	Not completed
2023.CSR4.subpart2	Investments in new energy technologies	Publication of the first call for applications for investments in new energy technologies	2021, Q4	Fulfilled
2023.CSR4.subpart2	Investments in new energy technologies	Award of all grants for energy technology investments	2023, Q4	On track

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2023.CSR4.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, Q1	Fulfilled
2023.CSR4.subpart2	Energy infrastructure investments	Publication of the first call for applications for energy infrastructure projects	2021, Q4	Fulfilled
2023.CSR4.subpart2	Energy infrastructure investments	Award of all grants for energy infrastructure investments	2023, Q4	On track
2023.CSR4.subpart2	Investment and reform package in Åland	Publication of the first call for applications for investment in renewable energy in Åland	2022, Q4	Completed
2023.CSR4.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	Fulfilled
2023.CSR4.subpart2	Low-carbon hydrogen and carbon capture and utilisation	Award of all grants for low- carbon hydrogen and carbon capture and utilisation projects	2023, Q2	Completed
2023.CSR4.subpart2	Investment for Clean Transition	Launch of a call for applications for clean transition projects	2024, Q2	Not completed
2023.CSR4.subpart2	R&D for the green transition	Selection of doctoral students in the LUKE Doctoral School programme	2024, Q3	Not completed
2023.CSR4.subpart3	RDI funding package promoting the green transition – Leading companies	Publication of a call for applications for leading companies' projects	2022, Q2	Completed
2023.CSR4.subpart3	RDI funding package promoting the green transition – Leading companies	Award of grants for leading companies' projects	2023, Q2	Completed
2023.CSR4.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	Fulfilled

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2023.CSR4.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	Completed
2023.CSR4.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
2023.CSR4.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, Q2	Completed
2023.CSR4.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
2023.CSR4.subpart3	RDI funding package supporting the green transition – Supporting innovative growth companies	Award of grants for support to innovative growth companies	2023, Q2	Completed
2023.CSR4.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
2023.CSR4.subpart3	Promoting innovation and research infrastructure – Local research infrastructures	Award of grants for the renewal and development of local research infrastructures	2022, Q4	Completed
2023.CSR4.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	Fulfilled
2023.CSR4.subpart3	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)
2023.CSR4.subpart3	Promoting innovation and research infrastructure – Competitive funding for innovation infrastructures	Award of grants for the development of innovation infrastructures	2023, Q2	Completed
2023.CSR4.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
2023.CSR4.subpart3	Key programmes for international growth	Award of grants for all projects under key programmes for international growth	2023, Q4	On track
2023.CSR4.subpart3	Key programmes for international growth	Publication of the first three calls for applications under key programmes for international growth	2022, Q2	Completed
2023.CSR4.subpart3	Reform of the Climate Act and low-carbon industrialisation	Entry into force of the revised Climate Act	2022, Q3	Completed
2023.CSR4.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	Fulfilled
2023.CSR4.subpart3	Low-carbon hydrogen and carbon capture and utilisation	Award of all grants for low- carbon hydrogen and carbon capture and utilisation projects	2023, Q2	Completed
2023.CSR4.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 CO2 emissions from industry	2021, Q4	Fulfilled
2023.CSR4.subpart3	Direct electrification and decarbonisation of industrial processes	Award of all grants for direct electrification and low-carbon industrial processes projects	2023, Q4	On track

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2023.CSR4.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	Fulfilled
2023.CSR4.subpart3	Re-use and recycling of key materials and industrial side streams	Award of all grants to the re- use and recycling projects	2023, Q3	Completed
2023.CSR4.subpart3	Investment for Clean Transition	Launch of a call for applications for clean transition projects	2024, Q2	Not completed
2023.CSR4.subpart4	Key programmes for international growth	Award of grants for all projects under key programmes for international growth	2023, Q4	On track
2023.CSR4.subpart4	Key programmes for international growth	Publication of the first three calls for applications under key programmes for international growth	2022, Q2	Completed
2023.CSR4.subpart4	Roadmap for fossil-free transport	Adoption of the Government resolution LVM/2021/62 to reduce greenhouse gas emissions from domestic transport	2021, Q2	Fulfilled
2023.CSR4.subpart4	Roadmap for fossil-free transport	Publication of government decision regarding additional national measures to reduce emissions from domestic transport	2022, Q2	Fulfilled
2023.CSR4.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, Q1	Fulfilled
2023.CSR4.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, Q1	Completed
2023.CSR4.subpart5	Energy infrastructure investments	Publication of the first call for applications for energy infrastructure projects	2021, Q4	Fulfilled

CSR Subpart	Measure name	Milestone/target name	Target date for implementation (latest reporting)	Status (MS reporting)
2023.CSR4.subpart5	Energy infrastructure investments	Award of all grants for energy infrastructure investments	2023, Q4	On track
2023.CSR4.subpart6	Reform of continuous learning	Entry into force of the Act on the Service Centre for Continuous Learning and Employment	2021, Q4	Fulfilled
2023.CSR4.subpart6	Reform of continuous learning	Completion of a medium-term foresight model for labour and competence needs	2024, Q1	Delayed
2023.CSR4.subpart6	Reform of continuous learning	Publication of the first call for applications to provide training to strengthen digital and green skills	2022, Q2	Completed
2023.CSR4.subpart6	Reform of continuous learning	Number of career guidance professionals having participated in training to increase their level of expertise	2024, Q4	Not completed
2023.CSR4.subpart6	R&D for the green transition	Selection of doctoral students in the LUKE Doctoral School programme	2024, Q3	Not completed

Appendix 3. Implementation of the European Pillar of Social Rights

Pillar principle	List of main measures	Estimated impact of measures
1. Education, training and life-long learning	<p>1. Parliamentary reform of continuous learning:</p> <p>The guidelines for the parliamentary reform of continuous learning in accordance with the Government Programme were completed on 17 December 2020. The reform project continued until 31 March 2023. Key actions to implement the policies have been launched, and the implementation will continue beyond the government term. The pillar 3 reform Continuous learning reform (P3C2R1) in Finland's Recovery and Resilience Plan 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, the flexibility and responsiveness of the service system and the availability of talent.</p>
1. Education, training and life-long learning	<p>2. Extension of compulsory education:</p> <p>In accordance with the Government Programme, the age of compulsory education was raised to 18 and compulsory education was extended to secondary education one age group at a time starting from 2021.</p> <p>Each young person completing basic education must apply for further education either in the joint application procedure in spring or in the continuous application procedure. Compulsory education ends when the young person turns 18, or earlier if the young person gains an upper secondary qualification (matriculation examination or vocational qualification).</p> <p>As a result of the 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 journeys to school of more than seven kilometres.</p> <p>In addition, study counselling and student welfare services were improved, 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 skills 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>1. Education, training and life-long learning</p>	<p>3. Right to Learn development programme</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 government grants to strengthen, for example, learning and wellbeing, inclusion, equality and interaction.</p>	<p>The Government of Prime Minister Marin allocated a total of EUR 343 million to the programme for 2020–2022.</p> <p>The most significant entity of the programme has been a government grant for strengthening early childhood education, equality in pre-primary and primary education, equality and the principle of locally accessible services and local schools, as well as an inclusive operating culture, a ‘gender equality allowance.’ The grant supports schools located in socio-economically disadvantaged areas. The grant was established as part of the legislation of primary and lower secondary education. The act entered into force on 1 January 2023.</p> <p>The working group of the Right to Learn programme prepared a proposal for a comprehensive reform of support for learning in primary and lower secondary education.</p> <p>In addition, the Right to Learn programme supported, for example, hospital education and developed early childhood education in hospitals, piloted flexible pre-primary and primary education, reformed support for early childhood education, strengthened pupil guidance and digital skills, and developed measures to reduce school segregation.</p>

Pillar principle	List of main measures	Estimated impact of measures
<p>1. Education, training and life-long learning</p>	<p>4. Action plan to support the learning and schooling capacity of immigrant pupils in basic education</p> <p>In particular, the action plan strengthens the language skills, study capacity and basic skills of foreign-language and newly-arrived immigrant pupils, as well as ensuring smooth transitions to upper secondary education and from preparatory to general education. The plan is being implemented during 2022–2026 and is aimed especially at pupils in grades 7–9.</p>	<p>The Ministry of Education and Culture and the Finnish National Agency for Education have launched an action plan to support the learning and schooling capacity of pupils from an immigrant background studying in basic education for 2022–2026. On 2 December 2022, the Ministry of Education and Culture set up a steering group for the action plan to strengthen the basic skills and language of instruction of pupils from an immigrant background in order to support the implementation of the programme.</p> <p>The action plan ensures long-term, knowledge-based development of the basic skills of pupils from an immigrant background. The Ministry of Education and Culture, the Finnish National Agency for Education and the Finnish Education Evaluation Centre (FINEEC) contribute to the implementation of the action plan. Stakeholders and expert organisations are consulted in the preparation and implementation of the action plan. The action plan was updated in 2022 on the basis of FINEEC’s evaluations and reports and in 2023 regarding the Government Programme’s policies.</p> <p>The action plan will strengthen preparatory education, native language education and education in Finnish as a second language, develop measures to strengthen the language skills, study capacity and basic skills of pupils from an immigrant background in grades 7–9 of lower secondary education in particular, as well as ensure smooth transitions to upper secondary education and from preparatory to general education.</p>

Pillar principle	List of main measures	Estimated impact of measures
1. Education, training and life-long learning	<p>5. Right to Know programme</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 implemented the development programme in cooperation with the Finnish National Agency for Education from 2020 to 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' skills levels, reduces and prevents disparities in learning and learning outcomes due to gender, socio-economic background, place of residence or need for support, thus promoting equality and parity in vocational education and training. In addition, the development programme promotes the wellbeing and participation of students.</p>
1. Education, training and life-long learning	<p>6. Quality and accessibility programme for general upper secondary education</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 support the organisers of general upper secondary education, for example in the implementation of the new Act on General Upper Secondary Education and the curriculum, as well as in improving the quality of education. The quality and accessibility programme for general upper secondary education is being implemented as five sets of measures. Student-orientation and strengthening of communality, wellbeing and security are cross-cutting themes in all measures. A total of EUR 15 million has been earmarked for the implementation of the quality and accessibility programme for the years 2021–2022.</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 general upper secondary education as well as in the implementation of the Act on General Upper Secondary Education and curricula.</p>
2. Gender equality	<p>Pillar 3 investment (P3C1I1) in Finland's Recovery and Resilience Plan: Raising the employment rate and skills levels to boost sustainable growth</p>	<p>The measures included in 'Raising the employment rate and skills levels to boost sustainable growth' will have a positive impact on gender equality. According to regulations, public employment services must actively promote parity and the equality between women and men in the labour market.</p>

Pillar principle	List of main measures	Estimated impact of measures
2. Gender equality	Sub-component of Investment (P3C1I1) in Finland's Recovery and Resilience Plan: Extension of the work ability programme and the IPS – Invest and Coach development project	The aim of the extension of the work ability programme and the IPS – Invest and Coach development project is to influence the labour market situation of vulnerable persons, especially unemployed persons with partial work ability, persons with disabilities and persons with mental health problems. Effects include the development of services that support work ability and employment, their high quality and better availability and accessibility. The monitoring and evaluation study will pay attention to the gender and equality impact of measures.
2. Gender equality	Sub-component of Investment (P3C1I1) in Finland's Recovery and Resilience Plan: Mental health and work ability as prerequisites for employment and productivity.	The Mental health and work ability as prerequisites for employment and productivity component has an impact on the promotion of gender equality, as it aims to improve access to mental health support, and proactive diverse support at workplaces can help to reduce the mental burden experienced by women and to even out the gap between women and men in wellbeing at work and ability to cope at work. Strengthening mental health skills in workplaces also has a positive impact on the ability of workers with mental health problems to continue to work. Three out of five people who took a disability pension for mental health reasons were women. The increase in sickness allowance due to mental disorders has been particularly high among young and early middle-aged women. Actions to support mental health in the workplace and in occupational health cooperation can even out gender inequalities and reduce disability pensions and sickness absences for women in particular in this regard. Experiencing psychosocial stress is also more common in women than in men. In recent years, there has been an increase in the harmful haste and mental burden of work, especially among working women.

Pillar principle	List of main measures	Estimated impact of measures
2. Gender equality	In Finland's Recovery and Resilience Plan Pillar 4 reform 1 Strengthening access to health and social services and increasing availability and cost-effectiveness (P4C1R1), as well as the investments included (P4C1I1–P4C1I4).	The pillar 4 reform 'Strengthening access to health and social services and increasing availability 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, so gender equality can be promoted through improved access to services and more effective preventive action, as well as their better, knowledge-based targeting.
3. Equal opportunities	UN Convention on the Rights of Persons with Disabilities (CRPD) National Action Plan (see paragraph 17 for more details)	Measures to promote the equality of persons with disabilities have been specified.
3. Equal opportunities	The Government has adopted a resolution on Finland's third National Roma Strategy for 2023–2030.	The equality, inclusion and participation of the Roma population will increase and improve in all sectors of society, including housing, health, work and education, for different age groups, taking into account especially vulnerable Roma intersectionally.
3. Equal opportunities	<p>Pillar 3 investment 1 (P3C1I1) in Finland's Recovery and Resilience Plan: Raising the employment rate and skills levels to boost sustainable growth, including the following components:</p> <ul style="list-style-type: none"> – Expansion of the work ability programme and the IPS – Invest and Coach development project – Mental health and work ability as prerequisites for employment and productivity 	Pillar 3, component 1 strengthens employment, improves labour market matching, extends working lives and improves competitiveness. In order to increase employment, the aim is to mobilise the entire potential labour force, especially young people and persons with partial work ability, and measures are targeted at groups of people for whom the effects of COVID-19 made finding employment significantly more difficult. The measures will support the implementation of the updated European Pillar of Social Rights, including by promoting equal opportunities, actively supporting employment and the inclusion of people with disabilities and promoting the employment of young people.
3. Equal opportunities	Pillar 4 in Finland's Recovery and Resilience Plan, Strengthening access to health and social services and increasing availability and cost-effectiveness, as well as related reforms (P4C1R1) and investments (P4C1I1–P4C1I4)	The reforms and investments proposed under pillar 4 strengthen social sustainability by increasing access to health and social services for all population groups, and by reducing inequality and investing in earlier identification of problems and effective prevention. Pillar 4 measures support the reform of health and social services in accordance with the Government Programme and the improvement of the availability of services.

Pillar principle	List of main measures	Estimated impact of measures
4. Active support to employment	<ol style="list-style-type: none"> 1. Integrating support for work ability into the services of future health and social services centres 2. Increasing the use of supported employment methods for those who are struggling the most with finding employment 3. Strengthening the work ability competence of professionals and experts (work ability coordinators) 4. Launching an evaluation study on the impact of project interventions and on the coordination of services and benefits 5. Promoting the employment of unemployed persons with partial work ability in enterprises by increasing the use of the employment criterion in public procurement 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 (such as the employment of persons with partial work ability) through business activities. 7. The special purpose company Työkanava Oy started operations in stages in 2022. The company employs persons with partial work ability who would otherwise be excluded from working life. A legislative proposal on Työkanava Oy was approved on 1 April 2022. The act came into effect on 1 July 2022. 8. Pillar 3 investment 1 (P3C1I1) in Finland’s Recovery and Resilience Plan: Raising the employment rate and skills levels to boost sustainable growth, including the following component: <ul style="list-style-type: none"> – Expansion of the work ability programme and the IPS – Invest and Coach development project – Mental health and work ability as prerequisites for employment and productivity 9. Pillar 3 reform 2 (P3C1R2) in Finland’s Recovery and Resilience Plan: ‘Amendments concerning the phasing out of additional days of unemployment allowance’ came into effect on 1 January 2023. 	<p>The work ability programme shifts the focus from examining incapacity for work to strengthening the existing ability to work and function and promoting access to 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>Promotion of employment through the various measures of the work ability programme will influence the labour market situation of vulnerable persons, especially unemployed persons with partial work ability, persons with disabilities and persons with mental health problems. Effects include the development of services that support work ability and employment, their high quality and better availability and accessibility. Equality is reflected in better equality in the labour market. Equality in services supporting work ability and employment also means better regional equality in the provision of services. The monitoring and evaluation study will pay attention to the gender and equality impact of measures.</p> <p>The measures included in pillar 3 under ‘Raising the employment rate and skills levels to boost sustainable growth’ will have a positive impact on gender equality. The aim of raising the age limit for and ultimately abolishing additional days is to reduce unemployment and boost employment by extending working careers. According to an estimate by the Ministry of Finance, the abolition of additional days of unemployment benefit would lead to the employment of about 7,900 people.</p>

Pillar principle	List of main measures	Estimated impact of measures
4. Active support to employment	<p>Working life programmes as a whole in government programmes with the aim of promoting employment, strengthening work ability, wellbeing at work, productivity and mental health in working life</p> <ul style="list-style-type: none"> • WORK2030 • Work ability programme • Research and development programme on work, health and work ability • Mental Health at Work Programme 	<p>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"> • Conceptualisation, dissemination and embedding of good practices in industrial and regional projects of Centres for Economic Development, Transport and the Environment • Operations of the leadership network • Impact assessment <p>The development programme on work, health and work ability develops research and the knowledge base in the field to support decision-making.</p> <ul style="list-style-type: none"> • Dialogues between research data and experts • Collecting research data, building a network • The HELP project on hybrid work, remote working and contact working (Finnish Institute of Occupational Health) has compiled current research data. <p>Mental Health at Work Programme – reducing sickness absences and disability pensions due to mental health issues</p> <ul style="list-style-type: none"> • Mental health support operating model for occupational health cooperation. Pilots are under way. • Toolbox: Used 60,000 times so far. Dissemination of toolbox in progress. The toolbox is being developed based on feedback received. • Impact assessment • Communication project

Pillar principle	List of main measures	Estimated impact of measures
4. Active support to employment	In March 2021, a municipal experiment to promote employment was launched with the aim of enhancing regional cooperation between different authorities in employment management. In April 2022, a continuation of the municipal experiments was provided until employment and economic development services (TE services) are transferred to the municipalities.	In March 2021, approximately 230,000 clients of TE Offices were transferred to municipalities, along with approximately one third of the staff of TE Offices (more than 1,100 person-years).
4. Active support to employment	Public employment services were reformed by introducing the Nordic labour market service model in May 2022. Contacts between the employment authority and the jobseeker have been significantly increased. At the same time, the employment plan to be drawn up with the jobseeker includes an obligation to apply for a certain number of employment opportunities. In connection with the introduction of the model, unemployment security sanctions were made equitable.	Additional resources of EUR 70 million per year have been allocated to the TE Offices and municipalities participating in the local government pilot on employment for the implementation of the Nordic labour market service model. The Nordic labour market service model is expected to increase employment by around 10,000 people. It is estimated that the full employment impact will be achieved from 2025 onwards.
4. Active support to employment	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.	Significant additional resources have been allocated to continuous learning development projects and developing the competence of the working-age population. Approximately EUR 1 million annually has been allocated to the centre's permanent operating expenditure. A total of EUR 115.5 million will be available for the financing of education and skills services and other expenditure at the service centre between 2021 and 2026, EUR 35.5 million of which will be funded by the EU RFF (P3C2).

Pillar principle	List of main measures	Estimated impact of measures
4. Active support to employment	<p>The responsibility for organising TE services will be transferred to municipalities or to the employment areas to be established on 1 January 2025. The reform aims to create a service structure that will contribute to rapid employment of jobseekers and increase the productivity, availability, effectiveness and diversity of employment and business services. The reform will take into account equal access to services.</p> <p>Other development projects related to employment services include the reform of pay subsidy, the launch of a recruitment support experiment, raising the employment rate of people over the age of 55 and the development of legislation on multisectoral services. The recruitment support experiment started in March 2022 and ended on 31 December 2023. As part of the TE Services 2024 reform, the Act on Multidisciplinary Promotion of Employment (381/2023) will enter into force at the beginning of 2025. The Act on Multidisciplinary Joint Service Promoting Employment (1369/2014) will remain in force until the end of 2024.</p>	<p>In connection with the transfer of the responsibility to organise TE services, a funding model will be created for municipalities to develop their employment promotion activities in order to increase employment by 7,000–10,000 people. The Act on the Organisation of Employment and Economic Development Services was passed in March 2023 (23 March 2023/380).</p>
4. Active support to employment	<p>The pay subsidy reform entered into force on 1 July 2023. The Government wants to simplify the rules on pay subsidy and thereby increase the use of pay subsidy, especially in companies.</p>	<p>Increasing the use of pay subsidies in companies is aimed at making the subsidy more effective in promoting employment and raising the employment rate. The long-term employment impact of the reform is estimated at 500–1,000 people.</p>
4. Active support to employment	<p>The Government has submitted proposals for amendments to labour legislation. A proposal for amendments to industrial peace legislation was submitted to Parliament on 29 February 2024. The aim is to bring them into effect on 1 July 2024. The Government is also preparing legislation to increase the opportunities for local bargaining at company level. A working group's report on the subject is currently being circulated for comment, and the aim is to bring the legislative proposals to Parliament in June 2024.</p> <p>The objective is to strengthen the export-driven labour market model in order to boost Finland's long-term competitiveness. A tripartite working group has been set up to prepare the legislative amendments.</p>	<p>Proposals on labour law aim at better functioning of the labour market, flexibility and higher employment.</p>
5. Secure and adaptable employment	-	-

Pillar principle	List of main measures	Estimated impact of measures
6. Wages and salaries		In Finland, wages and salaries are largely under the autonomy of the labour market organisations, which is, however, limited by legislation on equality, among other things. Occupational safety and health authorities and trade unions help workers to obtain the remuneration they are entitled to under collective agreements. The Government has endeavoured to ensure that immigrants also receive proper pay.
7. Information about employment conditions and protection in case of dismissal		The Occupational Safety and Health Administration monitors compliance with the labour code. The Directive on transparent and predictable working conditions is currently being implemented, which will improve workers' rights to information on the terms of employment.
8. Social dialogue and involvement of workers		Dialogue with the social partners is a key and well-established way to reform labour and social legislation in particular. The Act on Co-operation within Undertakings has been amended and the principle of continuous consultation has been introduced to improve consultation and information of staff.
9. Work-life balance	The legislative changes for the family leave reform have been approved, and the acts entered into force on 1 August 2022. After the reform, parents are able to use parental allowance more flexibly and better reconcile work and childcare. The aim of the reform is to distribute parental leave more evenly between both parents. In future, both parents will be entitled to the same period of parental leave.	It is difficult to numerically estimate the extent to which parents will actually use the allowance flexibility. It will only be possible to evaluate it later after the reform has been in force for a longer period of time.

Pillar principle	List of main measures	Estimated impact of measures
10. Healthy, safe and well-adapted work environment and data protection	<p>The Ministry of Social Affairs and Health's Policy for the work environment and wellbeing at work until 2030: Safe and healthy working conditions and work ability for everyone</p> <p>The policy specifies the strategy of the Ministry of Social Affairs and Health and guides the activities of the ministry and its administrative branch to ensure healthy and safe work at all workplaces, regardless of the form of employment. The policy has three focus areas:</p> <ul style="list-style-type: none"> • Future challenges concerning occupational safety and health, occupational safety and wellbeing at work • Safe and healthy working conditions • Promoting functional and working capacity and employability. 	<p>An implementation plan was prepared for 2022–2023 to give concrete expression to the actions by which the Ministry of Social Affairs and Health and its partners will jointly contribute to achieving the goals of the focus areas. The implementation plan has been drawn up with the participation of a wide range of actors in working life, from ministries to labour market organisations, research and development organisations and other actors in working life.</p>
11. Childcare and support to children	<p>An amendment to the Act on Early Childhood Education and the Child Home Care and Private Day Care Allowance Act entered into force at the beginning of August 2020, abolishing the restriction of the subjective right to early childhood education.</p>	<p>After the amendments, all children have the same right to early childhood education, and the family's socio-economic status or place of residence no longer affect the extent of the child's right to early childhood education.</p>
11. Childcare and support to children	<p>The group size of children over the age of 3 in daycare centres was reduced by restoring the staff allocation in daycare centres to 1:7 for children over 3. The amendment entered into force on 1 August 2020.</p>	<p>The amendment improved the staff allocation of daycare centres and the opportunities of the staff to support the development and learning of the children.</p>

Pillar principle	List of main measures	Estimated impact of measures
11. Childcare and support to children	<p>The Act on Client Charges in Healthcare and Social Welfare entered into force on 1 August 2021. Early childhood education client charges were reduced by raising the income limits for parents and guardians by 31%. In addition, the charges for siblings were reduced so that the charge for the second child will in future be 40% of the calculated full-time early childhood education fee for the youngest child, compared to the 50% of before.</p> <p>Early childhood education client fees were further reduced with a legislative amendment that entered into force on 1 March 2023. The amendment increased the income limits of parents/guardians, which are the basis for client fees, by 33%, entitling an estimated 30,000 new families to free early childhood education.</p>	<p>The amendment made it more financially viable to accept work, as early childhood education fees will not rise so quickly to the highest level. An estimated 20,000 new families received the right to free early childhood education.</p>
11. Childcare and support to children	<p>The Act on Early Childhood Education and Care was reformed to include provisions on support given to the child. The amendments entered into force on 1 August 2022.</p>	<p>The reform of the Act on Early Childhood Education and Care strengthens the right of children to receive the support they need in a timely manner and in accordance with the needs of each child. The reform supports the implementation of the child's legal protection and also builds a stronger continuum for pre-primary and basic education.</p>
11. Childcare and support to children	<p>The National Child Strategy and the National Implementation Plan for the European Child Guarantee</p>	<p>Improve the situation of vulnerable children.</p>
12. Social protection	<p>Finland has drawn up a national plan on the Council Recommendation on access to social protection for workers and the self-employed (2019/C 387/01).</p> <p>The amendment to the Self-Employed Persons' Pensions Act, which came into effect on 1 January 2023, clarified the definition of the self-employed person's income from work and provided for a regular review procedure so that the income from work would better correspond to the value of the self-employed person's work input, both in the early stages of business operations and in the continuation of operations.</p>	<p>The reform improves the level of social security for entrepreneurs and self-employed persons as the level of income from work rises. Already after the first year's labour income revisions, income from work increased by an average of 7% and the level of income from work increased the most in the bracket of the lowest income from work.</p>

Pillar principle	List of main measures	Estimated impact of measures
13. Unemployment benefits	Pillar 3 reform 2 (P3C1R2) in Finland’s Recovery and Resilience Plan: Amendments concerning the removal of additional days of unemployment allowance have been passed, and the reform entered into force on 1 January 2023.	The measures included in pillar 3 under ‘Raising the employment rate and skills levels to boost sustainable growth’ will have a positive impact on gender equality. The aim of raising the age limit for and ultimately abolishing additional days is to reduce unemployment and boost employment by extending working careers. According to an estimate by the Ministry of Finance, the abolition of additional days of unemployment benefit would lead to the employment of about 7,900 people.
14. Minimum income	The reform of the Act on Social Assistance continues. The comprehensive reform of the Act on Social Assistance is being prepared by a working group, the purpose of which is to prepare a Government proposal for consideration in the autumn term of 2025. The amendments will enter into force at the beginning of 2026.	The aim of the changes is to reinforce the role of income support as a last-resort and short-term form of support, as well as to increase customers’ incentives to promote their own livelihood and employment.
14. Minimum income	Social security reform by 2027.	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. The key is social justice and the safeguarding of livelihoods in the face of social risks. Another objective of the social security reform is to reduce the need for long-term social assistance.
15. Old age income and pensions	Family leave reform	The family leave reform balances the impact of family leave on pension accrual between the sexes, as the responsibility for childcare will be more evenly distributed between parents. If, as a result of the family leave reform, the use of family leave becomes more evenly distributed between parents, this will also have an impact on pension accrual and the gender pension gap.

Pillar principle	List of main measures	Estimated impact of measures
16. Healthcare	<p>Rehabilitation reform</p> <p>Measures of the Action Plan for Reforming Rehabilitation Services 2024–2027, such as early identification of rehabilitation need, development of the rehabilitation path and rehabilitation services, support for work and functional capacity, reconciliation of services and benefits, piloting of the generic work and functional capacity indicator and strengthening the rehabilitation knowledge base.</p>	<p>The rehabilitation reform will strengthen the functional capacity of the entire population and the working capacity of the working-age population and support employment.</p>
16. Healthcare	<p>Pillar 4 in Finland’s Recovery and Resilience Plan, Strengthening access to health and social services and increasing availability and cost-effectiveness, as well as related reforms (P4C1R1) and investments (P4C1I1–P4C1I4)</p> <p>In the autumn of 2023, the statutory maximum waiting time for access to treatment in public primary health care was significantly reduced (from three months to 14 days). The further decrease to 7 days planned for autumn 2024 has been abandoned due to staff shortages.</p> <p>The Future Health and Social Services Centres programme, implemented in regional development projects, ended at the end of 2023. Development work continues in the national service reform.</p>	<p>The reforms and investments proposed under pillar 4 strengthen social sustainability by increasing access to health and social services for all population groups, and by reducing inequality and investing in earlier identification of problems and effective prevention. Pillar 4 measures support the reform of health and social services in accordance with the Government Programme and the improvement of the availability of services.</p>
17. Inclusion of people with disabilities	<p>A national action plan, Right to social inclusion and equality 2020–2023, has been prepared to promote the implementation of the UN Convention on the Rights of Persons with Disabilities (UN CRPD). The action plan includes 110 measures, which the various ministries are committed to implement.</p>	<p>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 is aimed at raising awareness of the rights of persons with disabilities and mainstreaming their rights in different administrative sectors and in society in general.</p>

Pillar principle	List of main measures	Estimated impact of measures
17. Inclusion of people with disabilities	<p>Pillar 3 investment 1 (P3C1I1) in Finland’s Recovery and Resilience Plan: Raising the employment rate and skills levels to boost sustainable growth, including the following component:</p> <ul style="list-style-type: none"> – Expansion of the work ability programme and the IPS – Invest and Coach development project. 	<p>Promotion of employment through the various measures of the work ability programme will influence the labour market situation of vulnerable persons, especially unemployed persons with partial work ability, persons with disabilities and persons with mental health problems. Effects include the development of services that support work ability and employment, their high quality and better availability and accessibility. Equality is reflected in better equality in the labour market. Equality in services supporting work ability and employment also means better regional equality in the provision of services. The monitoring and evaluation study will pay attention to the gender and equality impact of measures.</p>
17. Inclusion of people with disabilities	<p>In Finland’s Recovery and Resilience Plan Pillar 4 reform 1 Strengthening access to health and social services and increasing availability and cost-effectiveness (P4C1R1), as well as the investments included (P4C1I1–P4C1I4).</p>	<p>The reforms and investments proposed under pillar 4 improve access to health and social services for all population groups, reduce inequality and promote earlier identification and prevention of problems. Pillar 4 measures support the reform of health and social services in accordance with the Government Programme and the improvement of the availability of services.</p>

Pillar principle	List of main measures	Estimated impact of measures
18. Long-term care	<p>Amendments to the Act on Supporting the Functional Capacity of the Older Population and on Social and Health Services for Older Persons 2020–2023:</p> <p>Staff allocation in 24-hour service housing and long-term institutional care:</p> <ul style="list-style-type: none"> • from 1 October 2020, 0.5 employees per client; • from 1 January 2021, 0.55 employees per client; • from 1 January 2022, 0.6 employees per client; • from 1 April 2023, 0.7 employees per client; • introduction of the Resident Assessment Instrument (RAI) by 1 April 2023. <p>The amendment to the Act before Parliament proposes the following:</p> <ul style="list-style-type: none"> • Home care would include home nursing according to the client’s needs, support services as a separate service, and a safety assistance service as a new social service. • Home care should be provided at all hours of the day, including at night, as needed by the person. • Utilisation of technology for home care. • The adequacy of home care will be confirmed by careful planning and the adequacy of staff will also be monitored through self-monitoring. • Diverse and flexible housing solutions will be promoted. • Communal housing will replace the current so-called ordinary service housing. The aim is to enable the provision of services in the same housing unit when the person’s service needs change. • Abolition of long-term institutional care 2027 	<p>The statutory minimum allocation is meant to safeguard the constitutional right of older people to essential care and adequate health and social services.</p> <p>The amendment to the Act before Parliament will improve the availability and quality of services provided at home, as well as promote the adequacy of home care staff. Reform of all the provisions on services provided at home and in housing services. The amendment introduces informative provisions to promote diverse living arrangements for older people.</p>

Pillar principle	List of main measures	Estimated impact of measures
19. Housing and assistance for the homeless	<p>Cooperation Programme to Halve Homelessness 2020–2022</p> <ol style="list-style-type: none"> a. All persons in need must be provided with social rental housing or a service to ensure housing. b. Vulnerable persons have the right to appropriate assistance and protection against eviction. c. Adequate protection and services must be provided to the homeless in order to promote their social inclusion. <p>The Cooperation Programme to Halve Homelessness ended at the end of 2022 but, as its sub-project, the development of social and health services to reduce homelessness continued until the end of 2023. The project improved the position of homeless people by developing low-threshold health and social services.</p>	<p>The cooperation programme improved the position of homeless people in key cities, for example by increasing the number of housing units intended for homeless people and developing low-threshold health and social services.</p>
20. Availability of basic services	<p>Pillar 4 in Finland’s Recovery and Resilience Plan, Strengthening access to health and social services and increasing availability and cost-effectiveness, as well as related reforms (P4C1R1) and investments (P4C1I1–P4C1I4)</p>	<p>The reforms and investments proposed under pillar 4 strengthen social sustainability by increasing access to health and social services for all population groups, and by reducing inequality and investing in earlier identification of problems and effective prevention. Pillar 4 measures support the reform of health and social services in accordance with the Government Programme and the improvement of the availability of services.</p>

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

Sustainable Development Goals	List of main measures	Estimated impact of measures (qualitative and/or quantitative)
1. No poverty	1. Social security reform	A smoother, simpler and more employment-friendly social security system and the structural and operational development of social security in the long term
1. No poverty	2. Cooperation Programme to Halve Homelessness , Programme to End Long-Term Homelessness	Increased supply of housing for homeless people and stronger work on homelessness in basic municipal services
1. No poverty	3. Child Strategy	A society whose respect for the rights of the child transcends government terms and unites administrative branches
1. No poverty	4. Africa Strategy	Strengthen political and economic relations between Finland and Africa
1. No poverty	5. Action Plan for Reducing Poverty and Social Exclusion	Reduced number of people at risk of poverty and social exclusion
2. Zero hunger	1. Food waste roadmap	Halving food waste by 2030
2. Zero hunger	2. Sustainable and profitable food system project	Finnish food production strategy and growth programme to implement the fair sustainability transition of the food system
2. Zero hunger	3. Nutrient cycle action plan 2019–2030	The highest possible degree of nutrient self-sufficiency in Finland by promoting, for example, the recovery and utilisation of nutrients and organic substances in wastewater
3. Good health and wellbeing	1. Social security reform	A smoother, simpler and more employment-friendly social security system and the structural and operational development of social security in the long term

Sustainable Development Goals	List of main measures	Estimated impact of measures (qualitative and/or quantitative)
3. Good health and wellbeing	2. National health and wellbeing programme	Reduced wellbeing deficit caused by key national diseases and their risk factors, increased work ability and functional capacity, and reduced health and welfare disparities
3. Good health and wellbeing	3. National Mental Health Strategy 2020–2030	Ensuring the continuity, purposefulness and availability of services in mental health work, and suicide prevention
3. Good health and wellbeing	4. Future Health and Social Services Centres 2020–2023	Comprehensive health and social services centres, strengthening trust in public health and social services
4. Quality education	1. Education Policy Report 2021	Maintenance of the high quality and effectiveness of education and development of the performance and competitiveness of the Finnish system in an international operating environment
4. Quality education	2. Extend compulsory education and make upper secondary education free	Increased level of education and skills at all levels of education, reduced disparities in learning and increased educational equality
4. Quality education	3. Climate and sustainability education project 2021–2023	Changing the operating culture of schools towards a more ecologically sustainable lifestyle and strengthen the skills of pupils to mitigate climate change
4. Quality education	4. Right to Learn development programme 2020–2023	Stronger quality and equality of early childhood education and care
5. Gender equality	1. Action Plan for Gender Equality 2020–2023	Making Finland a global leader in gender equality The measures concern, for example, working life, economic equality and gender mainstreaming
5. Gender equality	2. Family leave reform , effective as of 1 August 2022	Implementation of the changes required by the Work-life Balance Directive. More even distribution of family leave and equality of diverse families

Sustainable Development Goals	List of main measures	Estimated impact of measures (qualitative and/or quantitative)
5. Gender equality	3. Government Report on Gender Equality Policy 2022	Finland's long-term national and international goals for achieving gender equality
5. Gender equality	4. Equal Pay Programme 2020–2023 of the Government and central labour market organisations (description sheet in English)	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.
5. Gender equality	5. Action Plan for Combating Violence against Women for 2020–2023.	Prevention of violence against women, improvement of work with perpetrators of violence, development of pre-trial investigation and criminal proceedings and competence of criminal sanctions authorities
6. Clean water and sanitation	1. Water protection programme	Better water management in agriculture and forestry and rehabilitation of water bodies. The programme creates continuity for water protection
6. Clean water and sanitation	2. Nutrient cycle action plan	The highest possible degree of nutrient self-sufficiency in Finland by promoting, for example, the recovery and utilisation of nutrients and organic substances in wastewater
6. Clean water and sanitation	3. Water responsible Finland 2030 action plan	Development of the water stewardship of Finnish companies
6. Clean water and sanitation	4. Archipelago sea programme for agriculture	Promotion of water protection measures and, in particular, reduction of the burden of agriculture in the archipelago catchment area
7. Affordable and clean energy	1. National Climate and Energy Strategy	Policies to promote clean energy production on the way to a carbon-neutral society by 2035

Sustainable Development Goals	List of main measures	Estimated impact of measures (qualitative and/or quantitative)
8. Decent work and economic growth	1. WORK2030 development programme for work and wellbeing	Reform of operating methods to influence employment, the economy, competitiveness and Finland's working life brand around the world.
8. Decent work and economic growth	2. Lifelong guidance and other employment services	The guidance of lifelong learning helps individuals to recognise their abilities and skills and improves employment, wellbeing and participation.
8. Decent work and economic growth	3. Working life diversity programme 2021–2023	Businesses and organisations benefit from diversity, and immigrants' access to jobs that match their skills and career advancement are facilitated.
8. Decent work and economic growth	4. Work ability programme for persons with partial work ability 2019–2023	Persons with partial work ability receive individual and timely services related to work ability and employment.
9. Industry, innovation and infrastructure	1. Final report of the Parliamentary RDI Working Group 2022 and its recommendations on changing the RDI system	Guidelines for the development of the Finnish RDI system
9. Industry, innovation and infrastructure	2. Sectoral work on low-carbon roadmaps in industry	Industry sectors promote the transition to a carbon-neutral society through voluntary commitments.
9. Industry, innovation and infrastructure	3. Finnish Bioeconomy Strategy 2022–2035	Dependence on fossil fuels will decrease, green growth and new jobs will increase
10. Reduced inequalities	1. Government statement to Parliament on promoting equality, gender equality and non-discrimination in Finnish society	Guidelines on the Government's work to strengthen equality and non-discrimination and to reduce racism
10. Reduced inequalities	2. Government Report on Gender Equality Policy 2022	Finland's long-term national and international goals for achieving gender equality

Sustainable Development Goals	List of main measures	Estimated impact of measures (qualitative and/or quantitative)
11. Sustainable cities and communities	1. Building Act reform (enters into force 1 January 2025)	Reduced administrative burden, clarification of the right of appeal for construction and liability issues. Climate change mitigation, promoting the circular economy, improving the quality of construction, supporting the digitalisation development of the built environment
11. Sustainable cities and communities	2. Cooperation Programme to Halve Homelessness , Programme to End Long-Term Homelessness	Increased supply of housing for homeless people and stronger work on homelessness in basic municipal services
11. Sustainable cities and communities	3. Sustainable City Programme 2019–2023	Promotion of the sustainable development of cities and municipalities. The main themes of the programme promote low-carbon, smart, healthy and socially sustainability cities.
12. Responsible consumption and production	1. Strategic Programme to Promote a Circular Economy	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
12. Responsible consumption and production	2. Sectoral work on low-carbon roadmaps	Industry sectors promote the transition to a carbon-neutral society through voluntary commitments.
12. Responsible consumption and production	3. Plastics Roadmap	A national programme to boost the sustainable circular economy of plastics in a cross-cutting way
13. Climate action	1. Climate Change Act reform	Framework legislation towards carbon neutrality by 2035
13. Climate action	2. Sectoral work on low-carbon roadmaps	Industry sectors promote the transition to a carbon-neutral society through voluntary commitments.
13. Climate action	3. Climate Change Plan for the Land Use Sector	Reduced of emissions from land use, forestry and agriculture, increased removals from carbon sinks, and adaptation to climate change as part of the achievement of Finland’s national climate targets and EU obligations

Sustainable Development Goals	List of main measures	Estimated impact of measures (qualitative and/or quantitative)
14. Life below water	Some key measures for each SDG are highlighted below. A more comprehensive list of measures will be included in the new government report on the implementation of the 2030 Agenda, which is currently being prepared. 1. National action plan for maritime policy https://vnk.fi/en/maritime-policy	The Baltic Sea is protected, the maritime cluster and maritime production are sustainable.
14. Life below water	2. Nutrient cycle action plan	The highest possible degree of nutrient self-sufficiency in Finland by promoting, for example, the recovery and utilisation of nutrients and organic substances in wastewater
14. Life below water	3. Water protection programme	Better water management in agriculture and forestry and rehabilitation of water bodies. The programme creates continuity for water protection
14. Life below water	4. Migratory fish programme NOUSU	National programme for the recovery of migratory fish stocks, with a particular focus on improving fish access, removing barriers to migration or adjusting them to enable fish passage
15. Life on land	1. Nature Conservation Act reformed as of 1 June 2023	Safeguarding species, habitats and important services provided by nature, adaptation to climate change, securing the functioning of the scientific Finnish Nature Panel
15. Life on land	2. Helmi Habitats Programme	Stronger biodiversity, climate change mitigation and adaptation in Finland
15. Life on land	3. METSU Programme	Halting the decline of forest habitats and species and promotion of biodiversity
16. Peace, justice and strong institutions	1. National Action Plan on Fundamental and Human Rights	Stronger fundamental and human rights structures and development of monitoring of the implementation of the rights in Finland
16. Peace, justice and strong institutions	2. National Democracy Programme 2025	Actions to promote civil society and inclusion, an umbrella for ministries' projects to promote democracy – a new programme is being prepared

Sustainable Development Goals	List of main measures	Estimated impact of measures (qualitative and/or quantitative)
17. Cooperation and partnership	1. Report on Development Policy Extending Across Parliamentary Terms (2021)	Effective action in the main development policy areas and cross-cutting objectives supports developing countries in achieving the 2030 Agenda goals – new trade and development policy report in preparation 2024
17. Cooperation and partnership	2. Government Report on Finnish Foreign and Security Policy 2020.	The objectives of Finland’s foreign and security policy are to promote foreign and security policy cooperation, strengthen multilateral cooperation, take global responsibility and build peace – new foreign and security policy report in preparation 2024
17. Cooperation and partnership	3. Taxation for development – Finland’s Action Programme 2020–2023	Supporting developing countries’ efforts to strengthen their own tax systems and making their voice heard in global tax policy negotiations



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