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## COVER NOTE

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date of receipt:	5 October 2021
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
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Subject:	Proposal for a COUNCIL IMPLEMENTING DECISION on the approval of the assessment of the recovery and resilience plan for Finland

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EUROPEAN  
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Brussels, 4.10.2021  
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2021/0317 (NLE)

Proposal for a

**COUNCIL IMPLEMENTING DECISION**

**on the approval of the assessment of the recovery and resilience plan for Finland**

{SWD(2021) 284 final}

Proposal for a

## **COUNCIL IMPLEMENTING DECISION**

**on the approval of the assessment of the recovery and resilience plan for Finland**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility<sup>1</sup> and in particular Article 20 thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) The COVID-19 outbreak has had a disruptive impact on the economy of Finland. In 2019, the gross domestic product (GDP) per capita of Finland was 139% of the Union average. According to the Commission's summer 2021 forecast, the real GDP of Finland declined by 2,8% in 2020 and is expected to decline by 0,1% cumulatively in 2020 and 2021. Long standing aspects with an impact on medium-term economic performance include slow productivity growth, high investment needs in the green transition and in research and development, rising levels of household debt and the performance of the social and healthcare system.
- (2) On 9 July 2019 and on 20 July 2020, the Council addressed recommendations to Finland in the context of the European Semester. In particular, the Council recommended Finland to improve the cost-effectiveness of and equal access to social and healthcare services, address shortages of health workers, improve incentives to work, enhance skills and active inclusion, support employment and bolster active labour market policies, focus investment-related policy on research and innovation, green and digital transition, strengthen the monitoring of household debt and ensure effective supervision and enforcement of the anti-money laundering framework. Having assessed progress in the implementation of these country-specific recommendations at the time of submission of the recovery and resilience plan ('RRP'), the Commission finds that the recommendations on taking all necessary measures, in line with the general escape clause of the Stability and Growth Pact, to effectively address the pandemic, sustain the economy and support the ensuing recovery has been fully implemented. Substantial progress has been achieved with respect to the recommendation on taking measures to provide liquidity to the real economy, in particular to small and medium-sized enterprises.

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<sup>1</sup> OJ L 57, 18.2.2021, p. 17-75

- (3) The Council Recommendation on the economic policy of the euro area recommended to euro area Member States to take action, including through their RRP, to, *inter alia*, ensure a policy stance which supports the recovery and to further improve convergence, resilience and sustainable and inclusive growth. The Council Recommendation also recommended euro-area Member States to strengthen national institutional frameworks, to ensure macro-financial stability, to complete the economic and monetary union and to strengthen the international role of the euro.
- (4) On 27 May 2021, Finland submitted its national RRP to the Commission, in accordance with Article 18(1) of Regulation (EU) 2021/241. That submission followed a consultation process, conducted in accordance with the national legal framework, involving local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders. National ownership of the RRP underpins their successful implementation and lasting impact at national level and credibility at European level. Pursuant to Article 19 of Regulation (EU) 2021/241, the Commission has assessed the relevance, effectiveness, efficiency and coherence of the RRP, in accordance with the assessment guidelines set out in Annex V to that Regulation.
- (5) The RRP should pursue the general objectives of the Recovery and Resilience Facility established by Regulation (EU) 2021/241 (the 'Facility') and of the European Union Recovery Instrument set up by Council Regulation (EU) 2020/2094<sup>2</sup> in order to support the recovery in the aftermath of the COVID-19 crisis. They should promote the Union's economic, social and territorial cohesion by contributing to the six pillars referred to in Article 3 of Regulation (EU) 2021/241.
- (6) The implementation of the Member States' RRP will constitute a coordinated effort involving reforms and investments across the Union. Through coordinated and simultaneous implementation and the implementation of cross-border and multi-country projects, such reforms and investments will mutually reinforce each other and generate positive spillovers across the Union. Therefore, about one third of the impact of the Facility on Member States' growth and job creation will come from spillovers from other Member States.

***Balanced response contributing to the six pillars***

- (7) In accordance with Article 19(3), point (a), of and Annex V, criterion 2.1, to Regulation (EU) 2021/241, the RRP represents to a large extent (Rating A) a comprehensive and adequately balanced response to the economic and social situation, thereby contributing appropriately to all of the six pillars referred to in Article 3 of that Regulation, taking the specific challenges faced by and the financial allocation for the Member State concerned into account.
- (8) The RRP includes measures that contribute to all the six pillars, with a significant number of the RRP's components addressing multiple pillars simultaneously. Such an approach helps to ensure that each pillar is comprehensively addressed in a coherent manner. Furthermore, given Finland's specific challenges, the particular focus on the green transition as well as on smart, sustainable and inclusive growth, along with the

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<sup>2</sup> Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis (OJ L 433I, 22.12.2020, p. 23).

overall weighting across pillars, the RRP provides to a large extent a comprehensive and adequately balanced response to the economic and social situation.

- (9) With respect to the green transition pillar, a large number of measures throughout the RRP contribute to Finland's objective of becoming carbon neutral by 2035. Such measures include notably reforms and investments boosting the share of renewables in the energy mix, decarbonisation of industry, reducing emissions of public and private buildings and promoting low-emission forms of transport.
- (10) To promote smart, sustainable and inclusive growth, the RRP provides for measures to raise the employment rate, to attract international talent and to increase productivity. To mitigate adverse shocks and better respond to crises, the RRP contains actions to tackle the long standing issues of equal access to and cost-effectiveness of the social and healthcare system. The RRP comprehensively covers the digital transformation pillar in its different dimensions, with several components targeting the digital transformation directly or indirectly. While Finland is a world leader in the digital domain, the RRP is expected to address remaining gaps in digital infrastructure by improving and extending high-speed broadband networks. Moreover, reforms and investments are expected to support the digitalisation of businesses and the public sector, including in the area of social and health care, to enhance digital skills, foster research and innovation in digital technologies, support the development of cyber and information security, and invest in the digitalisation of rail services.
- (11) The RRP is expected to positively contribute to cohesion and convergence by addressing existing regional differences in the provision of public services as well as remaining gaps in broadband access. Regarding the policies for the next generation, reforms and investments aim at supporting continuous learning, including through more integrated digital platforms and online services, and increasing higher education study places related to sectors affected by labour shortages.

***Addressing all or a significant subset of challenges identified in country-specific recommendations***

- (12) In accordance with Article 19(3), point (b), of and Annex V, criterion 2.2, to Regulation (EU) 2021/241, the RRP is expected to contribute to effectively addressing all or a significant subset of challenges (Rating A) identified in the relevant country-specific recommendations addressed to Finland, including fiscal aspects thereof, or challenges identified in other relevant documents officially adopted by the Commission in the context of the European Semester.
- (13) The RRP includes an extensive set of mutually reinforcing reforms and investments that contribute to effectively addressing all or a significant subset of the economic and social challenges outlined in the country-specific recommendations addressed to Finland by the Council in the European Semester in 2019 and in 2020, notably in the areas of skills, active inclusion, integrated services for the unemployed and the inactive, research and innovation, low carbon and energy transition and monitoring of household debt. The reforms and investments in the RRP also aim to contribute to the cost-effectiveness of and equal access to social and healthcare services. Moreover, measures to strengthen effective supervision and enforcement of the anti-money laundering framework are included.
- (14) The RRP contains several targeted reforms and investments to support employment and increase the employment rate by improving integrated services for the

unemployed and the inactive as well as active labour market policies focused specifically on youth and people with partial work capacity. Measures are included to enhance skills for the labour market, especially in the context of the digital and green transition, including for those in under-represented groups with low skills.

- (15) The RRP is expected to contribute to the resilience of the social and healthcare system. The structural reform addressing the care guarantee as part of the social and health care reform coupled with substantial investments are expected to improve the equal access to and cost-effectiveness of social and healthcare services. The focus is primarily on changing patterns of health care, the provision of new, in particular digital, solutions, early problem identification, and the development of low-threshold social and health services. This is coupled with measures to improve cost-effectiveness through targeted digitalisation efforts, including enhanced data availability and evidence-based decision-making, as well as the use of e-health solutions. The RRP also aims to increase the number of higher education study places related to sectors affected by labour shortages. This is expected to contribute to addressing the shortage of health workers in the medium-term.
- (16) The RRP has a robust focus on investments in research and innovation, the green and digital transition, the low carbon and energy transition, and sustainable and efficient infrastructure. Subsidy schemes aim at boosting investments in new clean energy technologies, promoting the use of low and zero emissions vehicles and decarbonising industry. Targeted measures support digital investments, including in digital infrastructure, microelectronics, 6G, artificial intelligence and quantum computing.
- (17) The recommendations related to the immediate fiscal policy response to the pandemic can be considered to fall outside the scope of Finland's RRP, notwithstanding the fact that Finland has generally responded adequately and sufficiently to the immediate need to support the economy through fiscal means in 2020 and 2021, in line with the general escape clause of the Stability and Growth Pact. Moreover, the recommendation to make sufficient progress towards the medium-term budgetary objective in 2020 is no longer relevant, due both to the lapsing of the corresponding budgetary period and the activation in March 2020 of the general escape clause of the Stability and Growth Pact in the context of the COVID-19 crisis.

***Contribution to growth potential, job creation and economic, social and institutional resilience***

- (18) In accordance with Article 19(3), point (c), of and Annex V, criterion 2.3, to Regulation (EU) 2021/241, the RRP is expected to have a high impact (Rating A) on strengthening the growth potential, job creation, and economic, social and institutional resilience of Finland, contributing to the implementation of the European Pillar of Social Rights, including through the promotion of policies for children and youth, and on mitigating the economic and social impact of the COVID-19 crisis, thereby enhancing the economic, social and territorial cohesion and convergence within the Union.
- (19) Simulations by the Commission services show that the RRP, together with the rest of measures of the European Union Recovery Instrument, has the potential to increase the GDP of Finland by 0,4% to 0,6% by 2026, not including the possible positive impact of structural reforms, which can be substantial. The RRP includes a significant number of reforms and investments that are expected to promote smart and sustainable growth, in line with the European Industrial Strategy, to support the green and digital



transitions, and to address the impact of the crisis whilst increasing Finland's competitiveness and growth potential. The measures are also expected to tackle the shortage of skilled labour, address structural unemployment and support private investment and growth of SMEs. The substantial focus of the RRP on digitalisation should boost productivity growth and investment in innovation.

- (20) The RRP contributes to the implementation of the European Pillar of Social Rights, including the principles on gender equality, equal opportunities, active support to employment, inclusion of persons with disabilities, and education, training and life-long learning, as well as other EU initiatives, such as the EU Skills Agenda, the EU's flagship initiative Reskill and upskill, the Council Recommendation on Vocational Education and Training (VET) and Upskilling Pathways, and the Effective Active Support to Employment (EASE) Recommendation. The RRP is in line with the Youth Guarantee. In particular, the envisaged support of integrated employment, health, social and education services for young people is expected to help prevent social exclusion of young people and improve their employment prospects.
- (21) The RRP also aims to mitigate the backlog of care services caused by the COVID-19 pandemic and to improve resilience of the social and healthcare system, hence strengthening institutional resilience, reducing vulnerabilities to shocks and contributing to the implementation of the European Pillar of Social Rights.
- (22) The RRP is expected to positively contribute to cohesion and convergence by addressing existing regional differences in provision of services. Improved cohesion shall be achieved mainly through more integrated public employment services, extension of the integrated work capacity and mental health services to new regions, and strengthening of the integrated one-stop-shop youth services in municipalities.

#### ***Do no significant harm***

- (23) In accordance with Article 19(3), point (d), of and Annex V, criterion 2.4, to Regulation (EU) 2021/241, the RRP is expected to ensure that no measure (Rating A) for the implementation of reforms and investments projects included in the RRP does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council<sup>3</sup> (the principle of 'do no significant harm').
- (24) The RRP ensures for each reform and investment that no significant harm is done to any of the six environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, namely climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. Finland provided justifications in accordance with the 'do no significant harm' technical guidance of the European Commission (2021/C 58/01) for all measures included in the RRP. Where needed, Finland has proposed mitigating measures or included specific elements in the design of the measures to avoid significant harm, which should be ensured through relevant milestones.

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<sup>3</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

- (25) Particular attention has been paid to measures whose impact on environmental objectives warrants close scrutiny. Finland's RRP includes several broad investment schemes, whose compliance with the principle of 'do no significant harm' cannot be established prior to their implementation phase. This is particularly the case for strategic support schemes covering installations under the EU Emissions Trading System as well as other broad support schemes including energy infrastructure investments, support to hydrogen and carbon capture and utilisation, and the R&D&I investments in support of the green transition. The eligibility criteria for upcoming calls for projects should exclude harmful activities and require that only activities that comply with EU and national environmental legislation can be selected. The verification of the 'do no significant harm' compliance of the investments should be made binding through a milestone linked to the launch of each call for projects.

#### ***Contribution to the green transition including biodiversity***

- (26) In accordance with Article 19(3), point (e), of and Annex V, criterion 2.5, to Regulation (EU) 2021/241, the RRP contains measures that contribute to a large extent (Rating A) to the green transition, including biodiversity, or to addressing the challenges resulting therefrom. The measures supporting climate objectives account for an amount which represents 50,1% of the RRP's total allocation calculated in accordance with the methodology set out in Annex VI of that Regulation. In accordance with Article 17 of that Regulation, the RRP is consistent with the information included in the National Energy and Climate Plan 2021-2030.
- (27) Reforms and investments are expected to make a significant contribution to advance the decarbonisation and energy transition objectives of Finland as set out in the National Energy and Climate Plan 2030 (NECP 2030), thereby contributing to the Union's climate target. A significant number of measures included in the RRP support the climate objective while a large number of measures also aim to contribute to the environmental objective, including biodiversity. Furthermore, some of the measures contributing to climate change mitigation may also be beneficial to the preservation of biodiversity, as climate change is one of the main threats to biodiversity. The implementation of these measures is expected to have a lasting impact, notably by contributing to the green transition, the enhancement of biodiversity, and environmental protection.
- (28) Investment in renewable energy technologies constitutes a large part of the measures supporting the climate objectives. Other significant measures that support climate or environmental objectives are provided by investments in decarbonising industry, reducing emissions of the building stock, reducing emissions in the transport sector and increasing recycling and reuse rates. A package of R&D&I investments to support the green transition is also included in the RRP.

#### ***Contribution to the digital transition***

- (29) In accordance with Article 19(3), point (f), of and Annex V, criterion 2.6, to Regulation (EU) 2021/241, the RRP contains measures that contribute to a large extent (Rating A) to the digital transition or to addressing the challenges resulting from it. The measures supporting digital objectives account for an amount which represents 27,0% of the RRP's total allocation calculated in accordance with the methodology set out in Annex VII of that Regulation.



- (30) The measures in the RRP contribute to addressing Finland's challenges related to the digital transition. In particular, while Finland's digital connectivity is overall well-advanced, digital infrastructure is lacking in rural areas. The support for high-speed broadband connectivity should help improve access to high-speed connections in sparsely populated areas, with benefits for productivity and maintaining economic activity in those regions. To address the shortage of skilled workers in the Information and Communication Technology (ICT) sector, despite the overall high level of digital skills among the Finnish population, the RRP contains measures to increase the availability of study places in areas relevant to the ICT sector and to reform the continuous learning framework, as well as strengthening the promotion of digital skills.
- (31) The reforms and investments in the RRP are expected to contribute to the digital transition in Finland in many areas, by supporting the digitalisation of businesses, in particular SMEs, and of the public sector, fostering cyber and information security, and supporting research and innovation in key technologies, including semi-conductors, artificial intelligence and 6G. Digitalisation is also addressed as a cross-cutting theme by using digital solutions as part of other measures to help reach climate and environmental objectives, including the digitalisation of transport and energy infrastructure. Likewise, there is a strong emphasis on digital health solutions, ranging from the use of data analytics to improve diagnostics to investments in e-health to ensure continuity of care.

#### ***Lasting impact***

- (32) In accordance with Article 19(3), point (g), of and Annex V, criterion 2.7, to Regulation (EU) 2021/241, the RRP is expected to have a lasting impact on Finland to a large extent (Rating A).
- (33) The implementation of the measures included in the RRP is expected to bring about structural changes to the public administration that should improve its effectiveness and efficiency. A reform of energy taxation is expected to contribute to a structural greening of tax policy in Finland. Reforms in active labour market policies, in accordance with the Nordic model of employment services should contribute to raising labour supply and improving the employability of jobseekers and under-represented groups in the labour market. The reform of social and healthcare services is expected to increase Finland's resilience in the long term.
- (34) The strong investment support included in the RRP for the green transition should further boost new and innovative low-carbon solutions for the economy. This should accelerate the growth of emerging sectors, further creating opportunities for economic growth. The plan's focus on investments in digitalisation across many sectors is expected to raise productivity in the long term. The lasting impact of the RRP can also be enhanced through synergies between the RRP and other programmes, including those financed by cohesion policy funds, in particular by addressing territorial challenges in a substantive manner and promoting a balanced development.

#### ***Monitoring and implementation***

- (35) In accordance with Article 19(3), point (h), of and Annex V, criterion 2.8, to Regulation (EU) 2021/241, the arrangements proposed in the RRP are adequate (Rating A) to ensure effective monitoring and implementation of the RRP, including the envisaged timetable, milestones and targets, and the related indicators.

- (36) The Ministry of Finance of the Republic of Finland will be responsible for coordinating the implementation and monitoring of the plan. It has clearly assigned responsibilities and an adequate structure for the implementation of the plan, the monitoring of the progress and reporting.
- (37) The milestones and targets defined in Finland's RRP are realistic and the proposed indicators for the milestones and targets are relevant, acceptable and robust. They are sufficiently clear and comprehensive to ensure that their completion can be traced and verified. Moreover, the sequencing of milestones and targets allows for appropriate monitoring of progress in achieving the plan's objectives and for scheduling of payments. Milestones and targets are also relevant for measures already completed which are eligible under Article 17(2) of Regulation (EU) 2021/241. The satisfactory fulfilment of these milestones and targets over time is required to justify a disbursement request.
- (38) Member States should ensure that financial support under the Facility is communicated and acknowledged in line with Article 34 of Regulation (EU) 2021/241. Technical support may be requested under the Technical Support Instrument established by Regulation (EU) 2021/240 of the European Parliament and of the Council<sup>4</sup> to assist Member States in the implementation of their RRP.

### *Costing*

- (39) In accordance with Article 19(3), point (i), of and Annex V, criterion 2.9, to Regulation (EU) 2021/241, the justification provided in the RRP on the amount of the estimated total costs of the RRP is to a medium extent (Rating B) reasonable and plausible, is in line with the principle of cost efficiency and is commensurate to the expected national economic and social impact.
- (40) Finland has provided individual cost estimates for all components of the RRP, relying on a number of sources to justify the costs of investments and reforms. These include past calls for projects in similar sectors or with similar characteristics, procurement contracts referring to similar services or past investments of similar nature, government impact assessments, academic studies and other external references, including on sectorial investment needs, provided by international organisations. On the basis of the provided documentation, the methodologies used to calculate the costs of most of the measures in the plan are deemed reliable and constitute sufficient grounds for a positive assessment of their reasonability and plausibility. However, the evidence submitted to underpin the methodologies could in some cases be more granular and provide more comprehensive costing information, in particular as regards some horizontal investment schemes. Finally, the estimated total cost of the RRP is in line with the principle of cost-efficiency and is commensurate to the expected national economic and social impact.

### *Protection of the financial interests of the Union*

- (41) In accordance with Article 19(3), point (j), of and Annex V, criterion 2.10, to Regulation (EU) 2021/241, the arrangements proposed in the RRP and the additional measures contained in this Decision are adequate (Rating A) to prevent, detect and correct corruption, fraud and conflicts of interests when using the funds provided

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<sup>4</sup> Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, 18.2.2021, p. 1).

under that Regulation, and the arrangements are expected to effectively avoid double funding under that Regulation and other Union programmes. This is without prejudice to the application of other instruments and tools to promote and enforce compliance with Union law, including for preventing, detecting and correcting corruption, fraud and conflicts of interest, and for protecting the Union budget in line with Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council<sup>5</sup>.

- (42) The plan describes, in an appropriate way, the system put in place for its implementation, control and audit. The control and audit system is based on robust processes and structures. Part of the structure is newly established. The Ministry of Finance should have the overall responsibility for the implementation of the plan and should rely on other implementing ministries and bodies for operational and administrative aspects. The Ministry of Finance should be supported by the Technical Secretariat charged with ensuring the monitoring of the plan's implementation. The division of tasks between the Ministry of Finance and other relevant ministries is clear and their roles and responsibilities are adequately delineated. A milestone should require the entry into force of a national law establishing the legal mandates for the bodies involved in the coordination, monitoring, control and audit of the implementation of the Finnish RRP. The milestone should be fulfilled before the first payment request is submitted to the Commission.
- (43) The Ministry of Finance should ensure the fulfilment of the control and audit obligations stemming from Regulation (EU) 2021/241. The control and audit function includes a clear and appropriate segregation of tasks within the Ministry. The actors responsible for controls should have the legal empowerment and administrative capacity to exercise their foreseen roles and tasks. Overall, the control system and other relevant arrangements, including the set-up of a new repository system for collecting, storing and making available data on final recipients, are assessed as adequate with respect to preventing, detecting and correcting corruption, fraud, conflict of interest when using the funds under the Facility and to avoid double funding with other Union programmes.
- (44) A milestone should ensure that a repository system for monitoring the implementation of the plan is in place and operational before the submission of the first payment request to the Commission. The system should include, as a minimum, the following functionalities: (a) collection of data and monitoring of the achievement of milestones and targets; (b) collect, store and ensure access to the data required by Article 22(2), point (d) of Regulation (EU) 2021/241. A dedicated audit report on the system should be undertaken to confirm the functionalities of the repository system.

### ***Coherence of the RRP***

- (45) In accordance with Article 19(3), point (k), of and Annex V, criterion 2.11, to Regulation (EU) 2021/241, the RRP includes to a high extent (Rating A) measures for the implementation of reforms and public investment projects that represent coherent actions.

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<sup>5</sup> Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433 I, 22.12.2020, p. 1).

- (46) The RRP of Finland presents a comprehensive and balanced package of reforms and investments. Measures within components are mutually reinforcing, with all components including a set of well-balanced reforms and investments. Furthermore, the link between reforms and investments is well established and measures reinforce and complement each other and help address the identified challenges. Measures are consistent with the relevant national policy frameworks and strategies, such as the government programme and the National Energy and Climate Plan. Measures proposed within components do not contradict or undermine each other's effectiveness, nor have any inconsistencies or contradictions between different components been identified.

### ***Equality***

- (47) The plan contains a series of measures that are expected to contribute to addressing the challenges in the area of gender equality and equal opportunities for all. These include employment and labour market reforms dedicated to developing more integrated services, which are available and accessible to all and address the needs of disadvantaged groups, including people with partial work capacity, people who are difficult to employ and migrants. Provisions are also made for vulnerable groups in the context of the reform of the social and health care system. Measures that address partial work capacity, especially measures to support mental well-being, are expected to contribute to gender equality. Other measures, including the acceleration of digitalisation and improving regional availability of high-speed broadband connections, aim at facilitating location-independent work making it easier for women and men to reconcile work and family life.

### ***Security self-assessment***

- (48) In accordance with Article 18(4), point (g), of Regulation (EU) 2021/241, for investments in connectivity infrastructure, development environments for 6G, artificial intelligence and quantum computing, as well as investments in cyber security exercises and trainings, the plan indicates that a risk assessment and risk management plan are prepared for each project and that security risks are addressed throughout the project's life cycle. The plan also indicates that the realisation of cyber security requirements will be ensured for the products and services associated with the project, and that possible certification systems will be used, if necessary. Security requirements will be ensured in public procurement procedures and, where necessary, personnel and company security clearance procedures will be applied. For connectivity investments, the plan describes the national legislative framework, which takes into account the EU's toolbox for secure 5G networks. For instance, devices that may endanger national security may not be used in critical parts of the communication networks.

### ***Cross-border and multi-country projects***

- (49) The RRP includes measures to enable Finnish companies to participate in potential Important Projects of Common European Interest (IPCEI) in the areas of micro-electronics and renewable hydrogen. The objective of the investment in cyber security research is to create a multilingual platform for developing and teaching cybersecurity skills that can be used across all Member States.

### ***Consultation process***

- (50) In order to increase the national ownership of the plan, Finland has consulted a wide range of stakeholders and other interest groups during the preparatory phase of the RRP. The consultations were conducted in various formats, including regional and thematic events to inform the participants about the preparation of the plan and to gather stakeholder views regarding the required funding priorities and the content of the plan. A wide range of actors were invited to the events, including representatives of regional councils, cities, social partners, industry and business organisations, non-governmental organisations and educational institutions.
- (51) To ensure ownership by the relevant actors, it is crucial to involve all local authorities and stakeholders concerned, including social partners, throughout the implementation of the investments and reforms included in the RRP.

### ***Positive assessment***

- (52) Following the positive assessment of the Commission concerning the Finnish RRP with the finding that the RRP satisfactorily complies with the criteria for assessment set out in Regulation (EU) 2021/241, in accordance with Article 20(2) of and Annex V to that Regulation, this Decision should set out the reforms and investment projects necessary for the implementation of the RRP, the relevant milestones, targets and indicators, and the amount made available from the Union for the implementation of the RRP in the form of non-repayable financial support.

### ***Financial contribution***

- (53) The estimated total cost of the RRP of Finland is EUR 2 094 687 000. As the RRP satisfactorily complies with the criteria for assessment set out in Regulation (EU) 2021/241 and, furthermore, as the amount of the estimated total costs of the RRP is higher than the maximum financial contribution available for Finland, the financial contribution allocated for Finland's RRP should be equal to the total amount of the financial contribution available for Finland.
- (54) In accordance with Article 11(2) of Regulation (EU) 2021/241, the calculation of the maximum financial contribution for Finland is to be updated by 30 June 2022. As such, in accordance with Article 23(1) of that Regulation, an amount for Finland not exceeding the maximum financial contribution referred to in Article 11(1), point (a), of that Regulation should be made available now for a legal commitment by 31 December 2022. Where necessary following the update of the maximum financial contribution, the Council, on a proposal from the Commission, should amend this Decision to include the updated maximum financial contribution, calculated in accordance with Article 11(2) of that Regulation, without undue delay.
- (55) The support to be provided is to be financed from the borrowing by the Commission on behalf of the Union on the basis of Article 5 of Council Decision (EU, Euratom) 2020/2053<sup>6</sup>. The support should be paid in instalments once Finland has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the RRP.
- (56) Finland has requested pre-financing of 13% of the financial contribution. That amount should be made available to Finland subject to the entry into force of, and in

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<sup>6</sup> OJ L 424, 15.12.2020, p. 1.



accordance with the agreement provided for in Article 23(1) of Regulation (EU) 2021/241 (the 'financing agreement').

- (57) This Decision should be without prejudice to the outcome of any procedures relating to the award of Union funds under any Union programme other than the Facility or to procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty. It does not override the requirement for Member States to notify instances of potential State aid to the Commission under Article 108 of the Treaty,

HAS ADOPTED THIS DECISION:

#### *Article 1*

##### *Approval of the assessment of the RRP*

The assessment of the RRP of Finland on the basis of the criteria provided for in Article 19(3) of Regulation (EU) 2021/241 is approved. The reforms and investment projects under the RRP, the arrangements and timetable for the monitoring and implementation of the RRP, including the relevant milestones and targets, the relevant indicators relating to the fulfilment of the envisaged milestones and targets, and the arrangements for providing full access by the Commission to the underlying relevant data are set out in the Annex to this Decision.

#### *Article 2*

##### *Financial contribution*

1. The Union shall make available to Finland a financial contribution in the form of non-repayable support amounting to EUR 2 085 341 084<sup>7</sup>. An amount of EUR 1 660 743 618 shall be available to be legally committed by 31 December 2022. If the update provided for in Article 11(2) of Regulation (EU) 2021/241 results in an updated maximum financial contribution for Finland that is equal to or more than EUR 2 085 341 084, a further amount of EUR 424 597 466 shall be available to be legally committed from 1 January 2023 until 31 December 2023. If the update provided for in Article 11(2) of Regulation (EU) 2021/241 results in an updated maximum financial contribution for Finland that is less than EUR 2 085 341 084, the difference between the updated maximum financial contribution and the amount of EUR 1 660 743 618 shall be available to be legally committed in accordance with the procedure set out in Article 20(8) of Regulation (EU) 2021/241 from 1 January 2023 until 31 December 2023.
2. The Union financial contribution shall be made available by the Commission to Finland in instalments in accordance with the Annex. An amount of EUR 271 094 341 shall be made available as a pre-financing payment, equal to 13 % of the financial contribution. The pre-financing and instalments may be disbursed by the Commission in one or several tranches. The size of the tranches shall be subject to the availability of funding.

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<sup>7</sup> This amount corresponds to the financial allocation after deduction of Finland's proportional share of the expenses of Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology of Article 11 of that Regulation.



3. The pre-financing shall be released subject to the entry into force of, and in accordance with the financing agreement. Pre-financing shall be cleared by being proportionally deducted against the payment of the instalments.
4. The release of instalments in accordance with the financing agreement shall be conditional on available funding and a decision by the Commission, taken in accordance with Article 24 of Regulation (EU) 2021/241, that Finland has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the RRP. In order to be eligible for payment, Finland shall complete the milestones and targets no later than 31 August 2026, subject to the entry into force of the legal commitments referred to in paragraph 1.

*Article 3*  
*Addressee*

This Decision is addressed to the Republic of Finland.

Done at Brussels,

*For the Council*  
*The President*