

12 February 2025

**Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the second payment request submitted by Finland on 11 October 2024, transmitted to the Economic and Financial Committee by the European Commission**

**Executive summary**

In accordance with Article 24(2) of Regulation (EU) 2021/241, on 11 October 2024, Finland submitted a request for payment for the second instalment of the non-repayable support. The payment request was accompanied by the required management declaration and summary of audits.

To support its payment request, Finland provided due justification of the satisfactory fulfilment of the 27 milestones and targets of the second instalment of the non-repayable support, as set out in Section 2.1 of the Council Implementing Decision of 29 October 2021 on the approval of the assessment of the recovery and resilience plan for Finland<sup>1</sup>.

In its payment request, Finland has confirmed that measures related to previously satisfactorily fulfilled milestones and targets have not been reversed. The Commission does not have evidence of the contrary. This includes audit and control milestone M72 (*Repository system for audit and controls: information for monitoring implementation of RRF*), and the commitment on audit and controls undertaken in the context of the first payment request to ensure continuous compliance with this milestone and its obligations under the Financing Agreement. The commitment involves implementing a quality control procedure with automated and manual checks, adopting and disseminating guidance for implementing bodies on data collection and storage, and introducing regular training for staff of implementing bodies. The new updated Guidelines have been signed and distributed to the implementing bodies by the Ministry of Finance. Based on the assessment of the commitment and the evidence provided, the Commission considers that Finland has ensured compliance with milestone M72 and its obligations under the Financing Agreement with respect to the commitment undertaken. Upon receipt of the payment request, the Commission has assessed on a preliminary basis the satisfactory fulfilment of the relevant milestones and targets. Based on the information provided by Finland, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of all 27 milestones and targets.

The milestones and targets positively assessed as part of this payment request demonstrate significant steps in the implementation of Finland's Recovery and Resilience Plan. They notably highlight the continuation of the reform momentum in key policy areas. This includes, among others, the entry into force of the revised Climate Act, the publication of the action plan for phasing out fossil oil heating and the entry into force of the Law on Public Employment and Business Services regulating the Nordic Employment Service Model for the jobseeker's service process. The milestones and targets also confirm progress towards the completion of investment projects related to microelectronics projects and the award of grants for the renewal and development of local and national research infrastructures.

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<sup>1</sup> ST 12524/21; ST 12524/21 ADD 1 as amended by ST 6991/23; ST 6991/23 ADD 1, ST 15836/23; ST15836/23 ADD 1, ST 11535/24; ST 11535/24 ADD 1.

By the transmission of this positive preliminary assessment and in accordance with Article 24(4) of Regulation (EU) 2021/241, the Commission asks for the opinion of the Economic and Financial Committee on the satisfactory fulfilment of the relevant milestones and targets.

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## Non-repayable support

**Number and name of the Milestone:** 9 - Publication of the first call for applications for investment in renewable energy in Åland

**Related Measure:** P1C1I3 - Transformation of the energy system – Investment and reform package in Åland

**Qualitative Indicator:** Publication of the first call for applications on the website of the Government of Åland

**Time:** Q2 2022

### 1. Context:

The objective of the investment is to promote the production of renewable energy in the Åland autonomous region. The investment consists of support to the preparatory phase of an offshore wind power project and to solar energy production.

Milestone 9 requires the publication of the first call for applications for solar energy projects in the Åland autonomous region. The milestone foresees the inclusion of “Do No Significant Harm (DNSH)” criteria in the terms of reference of the call.

Milestone 9 is the first step of the implementation of the investment measure and it will be followed by Milestone 10, which requires the completion of all supported projects. The investment has a final expected date for implementation by 30 June 2026.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Decision to adopt the requirements/terms for funding (terms of reference)	Decision on the project plan and terms for funding (terms of reference) by the Deputy Head of the Government of Åland, including the contents of the call for proposals
3	Decision of funded projects	Decision on the award of grants by the Deputy Head of the Government of Åland
4	Newspaper ad, published on 1 December 2022	Advertisement published in the newspaper Nya Åland
5	Newspaper ad, published on 1 December 2022	Advertisement published in the newspaper Ålandstidningen
6	Press release, published on 1 December 2022	Press release published by the Government of Åland

### 3. Analysis:

The justification and substantiating evidence provided by the Finnish authorities cover all constitutive elements of the milestone.

**The first competitive call for proposals for investment in renewable energy in Åland has been published [...]**

Item 6 of the evidence list is a press release published on 30 November 2022, announcing the opening of the call for proposals for renewable (solar) energy projects. Moreover, items 4 and 5 of the evidence list are the newspaper advertisements published in both of the local daily newspapers in Åland, Ålandstidningen and Nya Åland. The advertisements were published on 1 December 2022 and announced the opening of the call for proposals for investment in renewable (solar) energy projects in Åland.

**[...] with terms of reference including eligibility criteria that ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.**

Furthermore, in line with the description of the measure, **In order to ensure that the measure complies with the 'Do no significant harm' Technical Guidance (2021/C58/01), the eligibility criteria contained in terms of reference for upcoming calls for projects shall exclude the following list of activities: (i) activities related to fossil fuels, including downstream use; (ii) activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks; (iii) activities related to waste landfills, incinerators and mechanical biological treatment plants; and (iv) activities where the long-term disposal of waste may cause harm to the environment. The terms of reference shall additionally require that only activities that comply with relevant Union and national environmental legislation can be selected.**

Item 2 of the evidence list is the decision by the Åland government to launch the call for applications. This document includes the terms of reference of the call for applications as well as the call instructions. Pages 2-4 of this document specify the eligibility criteria for applicants. Page 4 specifies the requirement of compliance with the Do No Significant Harm principle as a condition for the eligibility of all projects applying for funding under this call for applications. In particular, this section of the document requires compliance with the "Do No Significant Harm (DNSH)" Technical Guidance and page 5 specifies that projects are required to comply with EU and national environmental legislation. The exclusion list is also specified in detail on page 5 of the same document and includes all activities listed in the description of the measure.

Furthermore, in line with the description of the measure, **selection criteria shall ensure that all projects contribute to the climate change objectives are linked to the intervention fields 028 and 029 that have a 100% climate coefficient in accordance with Annex VI to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility.**

Footnote 4 on page 2 of item 2 of the evidence list (terms of reference), which applies directly to the text about the support for solar power investment in Åland, states that the project supported by this scheme contribute to the climate change objectives linked to the intervention fields 028 and 029 with a 100 % climate coefficient in accordance with Annex VI to Regulation (EU) 2021/241 of the European Parliament and of the Council on 12 February 2021 establishing the Recovery and Resilience Facility.

Furthermore, in line with the description of the measure, **the investment shall grant support for solar energy production projects promoted by companies, municipalities or communities.**

Page 2 of item 2 of the evidence list (terms of reference) states that EUR 1 million of support is available for investment aid for photovoltaic parks.

Pages 2-4 of item 2 of the evidence list describe the eligible entities for support as being companies with a registration number allowing them to practice business in Åland. As explained by the authorities, while this does not include municipal authorities themselves, it does include companies owned by municipalities as well as public-private partnerships. This follows from the statutory role of municipalities in Åland. Finland has explained that Åland's decentralised municipal field is built so that municipalities should only invest in their core activities including childcare, school, elderly care, social care, municipal technology and building inspection. This core municipal activity does not include energy production. Finland has explained that large-scale public investments of this type do not usually occur in Åland, but the investment aid provided under this measure allowed municipalities (or municipal companies) to partner with private actors to set up companies to apply for investment aid for a large-scale solar power plant in the form of public-private partnerships.

Furthermore, in line with the description of the measure, **the projects shall be implemented between 2021 and 2025.**

Pages 2-4 of item 2 of the evidence list (terms of funding) refers to the launch of the call for applications on 29 November 2022 and states that projects shall be completed by 31 December 2025.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Number and name of the Milestone:** 11 - Entry into force of the revised Climate Act

**Related Measure:** P1C2R1 - Reform of the Climate Act and low-carbon industrialisation

**Qualitative Indicator:** Provision in the law indicating the entry into force of the Act

**Time:** Q2 2022

### 1. Context:

Finland is reforming the Climate Act to take encode the target of carbon-neutrality by 2035 into law. The reformed Climate Act will also include the corresponding emission reduction targets for 2030, 2040 and 2050. The reformed Climate Act enables the use of climate plans to achieve the mitigation and adaptation obligations set out in the Act.

Milestone 11 provides for the entry into force of the reformed Climate Act and prescribes that the amendment shall include targets for 2030, 2040 and 2050 as well as objectives concerning the land use sector and strengthening carbon sinks.

Milestone 11 is the first step of the implementation of the reform. It will be followed by milestone 12, related to the entry into force of the updated climate and energy strategy, medium-term climate change policy plan and sector-specific low-carbon roadmaps. The reform has a final expected date for implementation in Q4 2025.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Copy of the publication of the legislative amendment(s) to the Climate Act (423/2022) in the Statute Book of Finland, with entry into force on 1 July 2022. Also available online at <a href="https://www.finlex.fi/fi/laki/alkup/2022/20220423">https://www.finlex.fi/fi/laki/alkup/2022/20220423</a>	Legislative amendment to the Climate Act
3	Government proposal to parliament for the new Climate Change Act (HE 27/2022 vp)	Transmission to the national parliament by the government of the legislative amendment to the Climate Act

### 3. Analysis:

The justification and substantiating evidence provided by Finland authorities cover all constitutive elements of the milestone.

### Entry into force of the revised Climate Act

The revised Climate Act 423/2022 (item 2 on the evidence list) was adopted and published in the Finnish Statute Book on 10 June 2022. It entered into force on 1 July 2022 in line with its section 22.



**The amendment of the Climate Act shall include:**

**- emission reduction targets for 2030 and 2040 in line with the carbon neutrality path,**

Section 2 of the Climate Act (item 2 on the evidence list) includes a requirement for a decrease in the combined anthropogenic greenhouse gas emissions to the atmosphere from the effort-sharing and emissions trading sectors by at least 60 per cent by 2030 and by at least 80 per cent by 2040 compared to the 1990 levels. In addition, Section 2 of the Climate Act requires an increase in removals by carbon sinks so that, at the latest by 2035, Finland has reached a situation where its greenhouse gas emissions are at most equal to the removals and that the removals continue to increase and emissions decrease after that as well. In this way, these two elements included in Section 2 of the Climate Act combine to ensure alignment of the emission reduction targets with Finland's objective of achieving zero net carbon dioxide emissions by 2035 (when actual emissions will be fully offset by carbon sinks; "the carbon neutrality path").

**- updated 2050 targets,**

Section 2 of the Climate Act (item 2 on the evidence list) updates the 2050 targets by including a requirement for a decrease in the combined anthropogenic greenhouse gas emissions to the atmosphere from the effort-sharing and emissions trading sectors by at least 90 per cent but aiming at a reduction of 95 per cent by 2050 compared to the 1990 levels. This compares to a target of 80 per cent reduction by 2050 compared to 1990 in the previous Climate Act of 2015, which was repealed by the adoption of the updated Climate Act.

**- objectives concerning the land use sector and strengthening carbon sinks.**

Section 12 of the Climate Act (item 2 on the evidence list) requires the government to adopt a Climate Plan for the Land Use Sector at least every second parliamentary term in order to achieve the targets for 2030, 2040 and 2050 included in Section 2 of the Climate Act. Section 12 of the Climate Act also describes the information to be included in the plan.

Section 2 of the Climate Act requires the strengthening of carbon sinks to the extent that "at the latest by 2035, Finland has reached a situation where its greenhouse gas emissions are at most equal to the removals and that the removals continue to increase, and emissions decrease after that as well."

Section 7 of the Climate Act refers to the Climate policy planning system, which describes how the use of climate plans sets out the targets for reducing greenhouse gas emissions, strengthening sinks and climate change adaptation as well as the measures required to achieve the targets in different administrative branches.

Furthermore, in line with the description of the measure, **the reformed Climate Act shall enable the use of climate plans to achieve the mitigation and adaptation obligations set out in the Act.**

Section 7 of the Climate Act (item 2 on the evidence list) describes the climate policy planning system set up by the Climate Act, which enables the use of climate plans. This section includes references to the long-term climate plan, national climate change adaptation plan, medium-term climate plan, and climate plan for the land use sector. Section 7 describes that the climate policy planning system sets out the targets for reducing greenhouse gas emissions, strengthening sinks and climate change adaptation as well as the measures required to achieve the targets in different administrative branches.

Section 8 of the Climate Act sets out the general requirements for these climate policy plans, including the objectives and measures concerning climate change mitigation and adaptation set out in the climate policy plans.

Furthermore, in line with the description of the measure, **the Finnish government shall submit its proposal for a revised Climate Act to Parliament by 31 January 2022, with entry into force expected by 30 June 2022.**

Item 3 on the evidence list is the government proposal for an amendment to the Climate Act, as submitted to the Finnish parliament on 3 March 2022. The Council Implementing Decision required the submission by the Finnish government to Parliament by 31 January 2022. Instead, Finland submitted the proposal for a revised Climate Act to parliament only on 3 March 2022. Whilst this constitutes a minimal deviation from the requirement of the Council Implementing Decision, the delay in submitting the revised Act to Parliament did not lead to a delay in the entry into force of the revised Act. The delay in submission to parliament is therefore considered both limited and proportional. Moreover, the revised Climate Act otherwise fulfils all requirements included in the Council Implementing Decision. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform this milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Number and name of the Milestone:** 26 - Publication of the action plan for phasing out fossil oil heating

**Related Measure:** P1C3R2 - Action plan to phase out fossil oil heating

**Qualitative Indicator:** Publication of the action plan on the website of the government of Finland

**Time:** Q2 2022

### 1. Context:

Finland has adopted a target to phase out the use of fossil oil heating by 2030. This measure includes an action plan presenting concrete measures to achieve this target. Additional measures could include new instruments or the improvement of existing ones.

Milestone 26 requires Finland to publish the action plan for phasing out fossil oil heating, setting out all the necessary measures to support the phasing out of fossil oil heating in all buildings in Finland by 31 December 2030.

Milestone 26 is the first step of the implementation of the reform. It will be followed by milestone 27, related to the reduction in the number of detached houses using separate oil heating by Q4 2025, in line with the path towards a full phase-out by 2030. The reform has a final expected date for implementation by 31 December 2025.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Copy of Government Resolution YM 029:00/2024 "Action plan for phasing out fossil oil heating", adopted on 11 April 2024	Copy of the publication of the action plan for phasing out fossil oil heating as published on the website of the government of Finland.
2	Copy of governmental decision on the action plan for phasing out fossil oil heating, published on 11 April 2024	Copy of the publication of the governmental decision on the action plan for phasing out fossil oil heating on the website of the government of Finland.
3	Extract from the report "Finnish Housing in 2019" ( <i>Suomi asuu 2019</i> )	Copy of relevant sections of a report commissioned by the Finnish Heating Energy Association (Lämmitysenergiayhdistys LEY ry). The Finnish Ministry of the Environment has been granted permission to use section 9.5 of the report, which deals with the heating of buildings.
4	Copy of the project page of the Ministry of the Environment	Copy of the page on the website of the Ministry of the Environment with additional information on the preparation of the resolution, also available at <a href="https://ym.fi/hankesivu?tunnus=YM029:00/2024">https://ym.fi/hankesivu?tunnus=YM029:00/2024</a>
5	Copy of energy efficiency agreement HÖYLÄ IV of 14 October 2016 with identifier TEM/1739/05.05.01/2016	Copy of the HÖYLÄ IV energy efficiency agreement for the distribution of heating fuels, agreed between the Ministry of Employment and the Economy, the Ministry of the Environment, the Energy Authority and the Oil and biofuel sector

		association, the heating energy association and the companies Neste Oy, STL Oy and Teboil AB.
6	Copy of the website of the KEINO Competence Centre for Sustainable and Innovative Public Procurement	Copy of information available on the website of KEINO, which supports public procurement experts and authorities with the development of sustainable and innovative procurement

### 3. Analysis:

The justification and substantiating evidence provided by the Finnish authorities cover all constitutive elements of the milestone.

#### **The action plan shall set out all the necessary measures to support the phasing out of fossil oil heating in all buildings in Finland by 31 December 2030.**

The Finnish government adopted the Action plan for phasing out fossil oil heating on 11 April 2024 (item 1 on the evidence list). Section 1 of this document clarifies that the measures apply to the entire building stock in Finland. Section 3 of the action plan presents all the necessary measures to support the phasing out of fossil oil heating by 31 December 2030, including subsidies and grants (section 3.1), taxes and tax subsidies (section 3.2), financial instruments (section 3.3), information steering (section 3.4), regulatory steering (section 3.5), energy efficiency agreements (section 3.6), public procurement (section 3.7). Moreover, section 3.9 clarifies that the progress towards the phasing out of fossil oil heating will be examined in 2025 and 2028, when new or reinforced measures can be introduced if Finland is not on track to achieve the 2030 target with existing measures.

#### **Furthermore, in line with the description of the measure, this reform measure shall enable Finland to establish an overview of buildings with fossil oil heating and their owners, emissions and energy consumption.**

Item 3 on the evidence list is the report "Finnish housing in 2019" (*Suomi asuu 2019*), which provides an overview of the number of buildings with fossil oil heating, the average energy consumption associated with fossil oil heating installations, an aggregated overview of the ownership types of houses with fossil oil heating and an overview of CO<sub>2</sub> emissions from building-specific heating for 2018, 2019 and 2020. This report is referenced in the third paragraph of Section 1 of the government action plan (item 1 on the evidence list).

#### **Furthermore, in line with the description of the measure, Finland shall adopt an action plan with the aim to reach the target for phasing out oil heating by 2030.**

Item 1 on the evidence list is the Action plan for phasing out fossil oil heating adopted on 11 April 2024 by the Finnish government. This document presents the action plan containing the proposed measures to reach the target for phasing out oil heating by 2030. Section 1 of this document presents the action plan, while Section 3 contains concrete measures to phase out fossil oil heating. The action plan entered into force upon its publication on 11 April 2024.

#### **Furthermore, in line with the description of the measure, the action plan shall include subsidies and grants, taxes and tax subsidies, information steering, regulatory steering, energy efficiency agreements, public procurement and financial instruments to achieve this target.**

Item 1 on the evidence list is the Action plan for phasing out fossil oil heating adopted on 11 April 2024 by the Finnish government. This document presents the action plan containing the proposed measures to reach the target for phasing out oil heating by 2030. Section 3 of this document contains concrete measures to phase out fossil oil heating. Subsection 3.1 presents subsidies and grants, subsection 3.2 presents taxes and tax subsidies, subsection 3.4 presents information

steering, subsection 3.5 presents regulatory steering, subsection 3.6 presents energy efficiency agreements, subsection 3.7 presents public procurement measures and subsection 3.3 presents financial instruments to achieve the target for phasing out fossil oil heating by 2030. The action plan entered into force upon its publication on 11 April 2024.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Number and name of the Milestone:** 38 - Entry into force of legislative amendments to the Income Tax Act (1205/2020) regarding an exemption from tax on the charging benefit of a fully electric car or a rechargeable hybrid car

**Related Measure:** P1C4R2 - Low-carbon solutions for cities and transport – Tax reform for sustainable transport

**Qualitative Indicator:** Provision in the law indicating the entry into force of the amendments to the Act

**Time:** Q2 2021

### 1. Context:

The objective of this reform is to introduce tax incentives to favour sustainable transport. It includes incentives to stimulate the use of electric vehicles, public transport and bicycle.

Milestone 38 requires the entry into force of legislative amendments to the Income Tax Act (1206/2020) regarding an exemption from tax on the charging benefit of a fully electric car or a rechargeable car.

Milestone 38 is the second and last milestone of the reform, and it follows the completion of milestone 37, which introduced incentives for the use of lower-emission transport.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
2	Copy of the publication of the legislative amendments to the Income Tax Act (1205/2020) in the Statute Book of Finland; Entry into force 1 January 2021 in line with its enacting clause	Copy of the publication of the legislative amendments to the Income Tax Act (1205/2020) in the Statute Book of Finland;

### 3. Analysis:

Analysis:

The justification and substantiating evidence provided by the Finnish authorities covers all constitutive elements of the milestone.

**A temporary amendment to the Income Tax Act will support the charging of fully electric cars and rechargeable hybrid cars. Entry into force of legislative amendments to the Income Tax Act**

**(1205/2020) regarding an exemption from tax on the charging benefit of a fully electric car or a rechargeable hybrid car.**

Annex 1 of the Act amending and temporarily amending of the Income Tax Act (Act 1205/2020), as per item 2 on the evidence list, entered into force on 1 January 2021 in line with its enacting clause and was published in the Statute Book of Finland.

**As a result of the amendment, charging a fully electric car or a rechargeable hybrid car at the workplace or at a public charging point, paid by the employer, will be a tax-exempt benefit in 2021-2025. The benefit concerns the charging of the employee's own car or a company car with limited benefit.**

The 2<sup>nd</sup> paragraph in section 64a of the Act amending and temporary amending of the Income Tax Act (Act 1205/2020), as per item 2 of the evidence list provides that when an employee charges a fully electric car or a rechargeable hybrid car at the workplace or a public charging point and it is paid by the employer, this activity will be exempt from income tax. This same section also states that the car can be the employee's own car or a company car with limited benefit.

The heading of section 64a (Act 1205/2020) determines that the changes to taxation included in the section are temporary in nature and are in force during the years 2021-2025.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Number and name of the Milestone:** 39 - Publication of the calls for applications to improve distribution infrastructure for electric and hydrogen vehicles

**Related Measure:** P1C4I1 - Low carbon solutions for cities and transport – Public recharging and refuelling infrastructure for transport electricity and hydrogen

**Qualitative Indicator:** Publication of the calls for application

**Time:** Q2 2022

### 1. Context:

The objective of this investment is to provide a higher availability of charging and refuelling points to encourage the transition to lower-emissions vehicles.

Milestone 39 requires the launching of calls for the installation of publicly available charging and refuelling stations.

Milestone 39 is the first step of the implementation of the reform and is followed by target 40, which is related to budgetary commitments to implement eligible projects for the installation of the charging and refuelling stations.

The investment has a final expected date for implementation by 30 June 2025.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
2	Government Decree (178/2022) on infrastructure aid for transport electricity, biogas and renewable hydrogen for the period 2022-2025	The Government Decree establishes the requirements for the call for applications for tender procedure and the eligibility criteria for projects receiving the support. The decree is based on the Finnish Act on Discretionary Government Grants as well as the Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (General Block Exemption Regulation). According to the Government Decree the Energy Authority shall arrange competitive calls for high-power chargers and renewable hydrogen refuelling stations. Published on 17 March 2022 on the electronic Statute Book of Finland ( <a href="http://www.finlex.fi">www.finlex.fi</a> ). Available here:



		<a href="https://www.finlex.fi/fi/laki/alkup/2022/20220178">https://www.finlex.fi/fi/laki/alkup/2022/20220178</a>
3	Call for tenders for high-power recharging points for electric vehicles 2022/05	Call for tenders for high-power recharging points for electric vehicles, established under the Government Decree (178/2022) on infrastructure aid for transport electricity, biogas and renewable hydrogen for the period 2022-2025. The call for tenders was open from 16 May 2022, closing on 13 June 2022. The call was published on 11 May 2022, on the website of the Energy Authority, available here: <a href="#">Transport infrastructure support   Energy Authority</a> (see full link in the analysis section below)
4	Call for tenders for renewable hydrogen refuelling points 2022/06	Call for tenders for renewable hydrogen refuelling points, established under the Government Decree (178/2022) on infrastructure aid for transport electricity, biogas and renewable hydrogen for the period 2022-2025. The call for tenders was open from 20 June 2022, closing on 22 August 2022. The call was published on the 13 June 2022, the website of the Energy Authority, available here: <a href="#">Transport infrastructure support   Energy Authority</a> (see full link in the analysis section below)
5	Decision awarding support to a successful applicant for hydrogen refuelling points.	Decision to award support to a successful applicant from 21 December 2022, electronically signed by the Energy Authority.
6	Submitted application for support to the Energy Authority	Application for a hydrogen refuelling project submitted on 26 October 2022, signed by applicant.

### 3. Analysis:

The justification and substantiating evidence provided by the Finnish authorities covers all constitutive elements of the milestone.

#### **Launch and publication of the first two calls for proposals for the distribution infrastructure for electric and hydrogen vehicles,**

The Finnish Energy Authority opened calls for both high-power chargers and renewable hydrogen refuelling stations in 2022. The call for high-power chargers was published on 11 May 2022 and took place from 16 May 2022 until 13 June 2022, corresponding to evidence item 3. A separate call for renewable hydrogen refuelling stations was published on 13 June 2022 and took place from 20 June 2022 until 22 August 2022, corresponding to evidence item 4. Tenders are accessible at Finnish Energy Authority's page here:

Call for tenders for high-power recharging points for electric vehicles 2022/05: <https://energiavirasto.fi/documents/11120570/117902255/Energiaviraston+ilmoitus+s%C3%A4hk%C3%B6isen+liikenteen+infrastruktuurituen+tarjouskilpailun+tarjousten+j%C3%A4tt%C3%B6ajasta+jam%C3%A4%C3%A4r%C3%A4p%C3%A4iv%C3%A4st%C3%A4+11.5.2022.pdf/5bea44c0-6885-311e-c5b1-997b6ad2652a/Energiaviraston+ilmoitus+s%C3%A4hk%C3%B6isen+liikenteen+infrastruktuurituen+t>

[arjouskilpailun+tarjousten+i%C3%A4tt%C3%B6ajasta+ja+m%C3%A4%C3%A4r%C3%A4p%C3%A4iv%C3%A4st%C3%A4+11.5.2022.pdf?t=1652695590804](https://energiavirasto.fi/documents/11120570/117902255/Energiaviraston+ilmoitus+vedyn+tarjouskilpailusta,+allekirjoitettu.pdf/b5ac4f2a-f850-9ee1-960e-126afafea5f0/Energiaviraston+ilmoitus+vedyn+tarjouskilpailusta,+allekirjoitettu.pdf?t=1652695590804)

Call for tenders for renewable hydrogen refuelling points 2022/06:  
<https://energiavirasto.fi/documents/11120570/117902255/Energiaviraston+ilmoitus+vedyn+tarjouskilpailusta,+allekirjoitettu.pdf/b5ac4f2a-f850-9ee1-960e-126afafea5f0/Energiaviraston+ilmoitus+vedyn+tarjouskilpailusta,+allekirjoitettu.pdf?t=1655363672353>

**Launch of the first two calls ... with terms of reference including eligibility criteria that ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.**

The terms of reference describing the eligibility criteria of both calls are reflected in Government Decree (178/2022) on infrastructure aid for transport electricity, biogas and renewable hydrogen for the period 2022-2025. Both calls for tender directly reference the Government Decree in the first paragraph of their respective first pages.

The legal background, eligibility criteria and basic principles for the tender procedure are laid down in the Government Decree. The calls for applications are used to ensure compliance with the Government Decree, for example with regard to the obligation to notify participants of the time period during which a tender must be placed.

Section 6 of the Government Decree specifies that applicants must demonstrate compliance with the do no significant harm principle, in line with the guidance for the application of the principle under the Recovery and Resilience Regulation (2021/C 58/01)

Section 6 of the Government Decree goes on to describe an exclusion list for which aid cannot be granted, covering (i) fossil fuel related activities, (ii) activities under the European Trading Scheme whose projected greenhouse gas emissions are not below the relevant benchmarks, (iii) activities related to landfills, waste incineration plants and mechanical biological treatment plants and (iv) activities where long-term disposal of waste may cause harm to the environment.

Finally, the section concludes that applicants must comply with the environmental legislation of Finland and the European Union for any given project.

Furthermore, in line with the description of the measure, **this measure shall provide support for the construction of a widely available network of public infrastructure for the charging of electric vehicles, and refueling of hydrogen vehicles, including heavy duty vehicles, in order to reduce emissions by encouraging the replacement of fossil-fueled vehicles with vehicles powered by alternative fuels. Support shall be made available for i) high-power chargers and ii) renewable hydrogen refueling stations.**

As mentioned above, Finland has successfully launched calls for application for both i) high-power chargers and ii) renewable hydrogen refueling stations, substantiated respectively by evidences 3 and 4. The calls specify the timeframe and object of the tendering process, while the conditions and selection criteria are reflected in the the Government Decree (178/2022) on infrastructure aid for transport electricity, biogas and renewable hydrogen for the period 2022-2025 (evidence 2). Through this scheme, support is being provided to expand the supply and network of available charging stations and refuelling points. Section 7 of the government decree specifies that, in order to

be eligible for support, investments financed under the scheme must be publicly accessible: “a refueling point for gas or hydrogen or a high-power recharging point for vehicles is freely accessible to all users and consumers...”. In addition, evidence 4 is a decision for support to a successful applicant for a project concerning hydrogen refuelling points that will include facilities for heavy duty vehicles. The project description can be found in evidence 5, which is the application submitted for this support. The specific reference to heavy duty vehicles can be found in section 2 (Project Data) of the application in page 2 and corresponds to the awarding decision through the applicant’s code in the first page of the document. This project was submitted under a round for application open from 5 October 2022 to 26 October 2022, under the Government Decree (178/2022) on infrastructure aid for transport electricity, biogas and renewable hydrogen for the period 2022-2025, entered into force on 17 March 2022, as evidence in the “Offer” section of the Decision in its second page.

Furthermore, in line with the description of the measure, **the support takes the form of competitive calls under the responsibility of the Energy Authority through a top-up of an existing aid scheme which is currently based on the Government Decree (498/2018) on infrastructure aid for transport electricity and biogas for the period 2018-2021. A new Government Decree shall be adopted in 2022 to cover the period of 2022-2025.**

Government Decree (178/2022) on infrastructure aid for transport electricity, biogas and renewable hydrogen for the period 2022-2025, entered into force on 17 March 2022. With its first period of call for tender conducted in May 2022, the new Government Decree was applied to all calls for applications executed during 2022. According to the section 20 of the Government Decree it entered into force on 17 March 2022 and shall remain in force until 31 December 2025.

This new aid scheme, covering the period 2022-2025, is run by the Energy Authority, as reflected in section 3 of Government Decree (178/2022), and put in place to give continuation to Government Decree (498/2018) on infrastructure aid for transport electricity and biogas for the period 2018-2021.

Furthermore, in line with the description of the measure, **the calls shall be open to individual companies as well as municipalities.**

Section 8 of the Government Decree (178/2022) on infrastructure aid for transport electricity, biogas and renewable hydrogen for the period 2022-2025 states that the support may be granted to a company, a municipality or other legal entity.

Furthermore, in line with the description of the measure, **the investments shall be implemented in line with Directive (EU) 2018/2001.**

Directive (EU) 2018/2001 sets out specific conditions for the use of biofuels and biogas in the transport sector. Paragraph 2 of the Government Decree (178/2022) on infrastructure aid for transport electricity, biogas and renewable hydrogen for the period 2022-2025 defines the concepts of biofuels and biogas, directly referencing the Act on Biofuels and Bioliquids (393/2013). This Act, first adopted in 2013 was amended in 2020 (967/2020), in accordance with Directive (EU) 2018/2001, setting out provisions for the use of biofuels and biogas in line with the Directive.

**4. Commission Preliminary Assessment:** satisfactorily fulfilled.

**Number and name of the Milestone:** 48 - Projects for the supply, transport and distribution of gypsum are awarded

**Related Measure:** P1C5I1 – Environmental sustainability and nature-based solutions - Gypsum treatment and nutrient recycling

**Qualitative Indicator:** Award of projects in line with the call for tender for the supply, transport and distribution of gypsum

**Time:** Q4 2022

### 1. Context:

The measure supports climate and environmental objectives by treating arable land with gypsum that aims at reducing the phosphorus load from agriculture to the Baltic Sea. The measure also aims at reducing the discharge of nutrients into water bodies by promoting nutrient recycling from nutrient rich waste streams from urban areas, which is expected to contribute to prevent eutrophication and degradation. The investment is composed of two elements: treatment of fields with gypsum; and R&D projects on nutrient recycling.

This milestone is about the treatment of fields with gypsum, in particular about the launch of the competitive call for proposals for the supply, transport and distribution of gypsum, and the award of those projects

Milestone 48 is the first step of the implementation of the first element of the investment, and it will be followed by target 49 related to hectares of fields treated with gypsum and a combined decrease in conventional fertiliser use. Milestone 50 and target 51 relate to the second element of the investment: R&D projects on nutrient recycling.

The investment has a final expected date for implementation by 31 December 2025.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Supply, transport and distribution of gypsum -tender	The call for tenders by Southwest Finland Centre for Economic Development, Transport and the Environment, that was dispatched through the TED (Tenders Electronic Daily) portal on 15 March and closed on 19 <sup>th</sup> of April 2022.
3	Supply, transport and distribution of gypsum -procurement	All the documents related to the procurement of the call for tenders for supply, transport and

		<p>distribution of gypsum. These documents are:</p> <ul style="list-style-type: none"> <li>i) the procurement decision (in Finnish Hankintapäätös)</li> <li>ii) the justification memo "Perustelumuistio";</li> <li>iii) the DNSH document filled by the Movere Oy, Hankkija Oy and Yara Suomi Oy consortium.</li> </ul>
4	Application of gypsum for farmers	A copy of the application form and all the necessary documents included in the application of subsidy for gypsum amendment of agricultural fields for the farmers prepared by Southwest Finland Centre for Economic Development, Transport and the Environment.
5	Decision for gypsum application	Copy of an application of the subsidy for gypsum amendment of agricultural fields and a decision for the said application.
7	Act on the Organisation of River Basin Management and the Marine Strategy 30.12.2004/1299	Act on the Organisation of River Basin Management and the Marine Strategy in Finland ( <i>Laki vesienhoidon ja merenhoidon järjestämisestä 30.12.2004/1299 in Finnish</i> ).
8	Government decree 510/2020 that entered into force on 1 July 2020, regarding the subsidy of gypsum amendment of agricultural fields between 2020-2025	The government decree regarding the subsidy of gypsum amendment of agricultural fields ( <i>Valtioneuvoston asetus maatalousmaan kipsikäsitteilyyn vuosina 2020-2025 myönnettävästä tuesta in Finnish</i> ) from the 30 <sup>th</sup> of June 2020. The decree came into effect on the 1 of July 2020 and is valid until the 31 of December 2025.
9	Updated government decree 160/2022 that entered into force on 1 April 2022, regarding the subsidy of gypsum amendment of agricultural fields between 2020-2025	Government decree 160/2022. Entered into force on 1 April 2022
10	Assessment of DNSH exclusion list	The description and affirmation how the DNSH Exclusion list was evaluated during the procurement of the spreading and transport of gypsum within the GYPSUM project prepared Southwest Finland Centre for Economic Development, Transport and the Environment.

### 3. Analysis:

The justification and substantiating evidence provided by the Finnish authorities cover all constitutive elements of the milestone.

**Launch of the competitive call for proposals for the supply, transport and distribution of gypsum [...]**

Item 2 in the evidence list is the call for tender for the supply, transport and distribution of gypsum published by *Varsinais-Suomen Elinkeino-, liikenne- ja ympäristökeskus (Southwest Finland Centre for Economic Development, Transport and the Environment)* on 8 March 2022.

**[...] with terms of reference including eligibility criteria that ensure that the selected contractors comply with the requirement that at least 50%, in terms of weight, of the processed separately collected non-hazardous waste into secondary raw material[...]**

Annex 1 (Description of the procurement) of the item 2 (call for tender for the supply, transport and distribution of gypsum) in the evidence list contains the minimum requirements in the eligibility criteria for the gypsum, including the requirement that the gypsum used contains at least 50 % by weight secondary raw material converted of the processed separately collected non-hazardous waste in order to ensure compliance with intervention field 045a of Annex VI of the RRF Regulation.

**[...]and in compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.**

Annex 1 (Description of the procurement) of the item 2 (call for tender for the supply, transport and distribution of gypsum) in the evidence list contains the requirement that the gypsum, its transport and distribution have to fulfil the requirements of 'Do no significant harm' (DNSH) principle. Annex 8 is the DNSH self-evaluation table that the tenderers were asked to fill in.

The Council Implementing Decision required that the terms of reference in the call for tenders had to include eligibility criteria that ensure that the selected projects comply with the "Do no significant harm" Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation. However, the exclusion list and the references to the compliance with the relevant EU and national environmental legislation are missing from the call for tender. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, Finland has, however, not chosen a contractor whose activities related to the supply, transport and distribution of gypsum would be in the exclusion list, namely those related to fossil fuel-based power generation and distribution, activities covered by the EU Emission Trading System with projected CO<sub>2</sub> equivalent emissions that are not substantially lower than the relevant benchmarks established for free allocation, actions related to waste treatment, or actions for which the long-term disposal of waste may cause significant and long-term environmental harm. Item 10 of the evidence list provides adequate evidence on this through the administrative certificate of *Southwest Finland Centre for Economic Development, Transport and the Environment* that includes an assessment of the selected project against the exclusion list. The administrative certificate also adequately evidences the adherence to the EU and national environmental law. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the investment that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**Award of projects in line with the call for tender for the supply, transport and distribution of gypsum**

Item 3 of in the evidence list include the procurement decision awarding the project to the Movere Oy, Hankkija Oy and Yara Suomi Oy consortium, as well as and justification memo.

**Financing under this investment shall not be used to apply gypsum to grow food-based biofuel/bioenergy crops.**

Item 4 in the evidence list is a copy of the application form and all the necessary documents included in the application of subsidy for gypsum amendment of agricultural fields for the farmers. Farmers that apply for the subsidy are required to familiarise and comply with all the requirements and guidelines regarding the gypsum amendment and the subsidy. The requirements contained in the funding conditions of the application form state e.g. that gypsum cannot be spread on fields that are used to grow food-based biofuel/bioenergy crops. Item 5 in the evidence list is a copy of an award decision of a subsidy that includes a prohibition to spread gypsum on fields that are used to grow food-based biofuel/bioenergy crops.

Furthermore, in line with the description of the measure, **the support for the treatment of fields with gypsum shall be granted under government decree 510/2020, which was issued under the Act on the Organisation of Water Resources and the Marine Strategy (1299/2004).**

Item 5 in the evidence list is a copy of an application of the subsidy for gypsum amendment of agricultural fields and a decision for the said application. The decision lists all the decrees and regulations applicable to the granted subsidy. The list includes the government decree 510/2020 regarding the subsidy of gypsum amendment of agricultural fields between 2020-2025 that entered into force on 1 July 2020 (item 8 in the evidence list), its modification by the government decree 160/2022 that entered into force on 1 April 2022 (item 9 in the evidence list) and the Act on Organisation of River Basin Management and the Marine Strategy (1299/2004) that entered into force on 31 December 2004 (item 7 in the evidence list).

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled



**Number and name of the Milestone:** 55 Entry into force of legislative amendments to the broadband aid legislation

**Related Measure:** P2C1I1 Digital connectivity – Developing the quality and availability of communication networks

**Qualitative Indicator:** Provisions in the amendments to the broadband aid legislation indicating their entry into force

**Time:** Q4 2022

### 1. Context:

The investment is a support scheme to broadband providers, based on the Broadband Support Act, to increase the quality and availability of communication connections, with a capacity of at least 100 Mbit per second, in areas where they are not provided based on market mechanisms alone. The measure envisages the adoption of the legislation for the support programme, containing provisions on the conditions for granting and disbursing funds, as well as on the competent support authority and its tasks, including the selection of the areas where market-based solutions are not available, in line with the General Block Exemption Regulation. A coordinator position is also created in the National Broadband Office.

Milestone 55 requires the entry into force of changes to the Broadband Support Act, laying down the provisions on the conditions for granting and disbursing funds, such as targeted areas, the competent support authority and its tasks, and taking into account the amended General Block Exemption Regulation. The milestone also requires the update of a government decree with the minimum speeds for the eligible connections.

Milestone 55 is the first step of the implementation of the investment. It will be followed by target 56 and target 57, related to additional dwellings with access to fast broadband connectivity. The investment has a final expected date for implementation on 30 June 2026.

### 2. Evidence provided:

	Name of the evidence	Short description
1	A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.	
2	Broadband Support Act (1262/2020) published on 30 December 2020 in the Statute Book of Finland and entered into	A copy of and link to the publication of the Broadband Support Act (1262/2020), published on 30 December 2020 in the Statute Book of Finland and entered into force on 1 January 2021



	force on 1 January 2021	<a href="https://www.finlex.fi/fi/laki/alkup/2020/20201262">https://www.finlex.fi/fi/laki/alkup/2020/20201262</a>
3	Government Decree 203/2021, published on 11 March 2021 in the Statute Book of Finland and entered into force on 15 March 2021	A copy of and link to the publication of the Government Decree 203/2021, published on 11 March 2021 in the Statute Book of Finland and entered into force on 15 March 2021 <a href="https://www.finlex.fi/fi/laki/alkup/2021/20210203">https://www.finlex.fi/fi/laki/alkup/2021/20210203</a>
4	Government Decree 1184/2021 adopted on 16 December 2021 in the Statute Book of Finland and entered into force on 3 February 2022	A copy of and link to the publication of the Government Decree 1184/2021 adopted on 16 December 2021 in the Statute Book of Finland and entered into force on 3 February 2022 <a href="https://www.finlex.fi/fi/laki/alkup/2021/20211184">https://www.finlex.fi/fi/laki/alkup/2021/20211184</a>
5	Act 1185/2021 amending the Broadband Support Act, published on 16 December 2021 in the Statute Book of Finland and entered into force on 3 February 2022	A copy of and link to the publication of the Act 1185/2021 amending the Broadband Support Act, published on 16 December 2021 in the Statute Book of Finland and entered into force on 3 February 2022 <a href="https://www.finlex.fi/fi/laki/alkup/2021/20211185">https://www.finlex.fi/fi/laki/alkup/2021/20211185</a>
6	Decision of the assignment of the expert	A copy of the decision of the assignment of the expert, signed by the Finnish Transport and Communications Agency.
7	Justification note for the appointment of the expert	A copy of a justification note for the appointment of the expert by the Finnish Transport and Communications Agency.

### 3. Analysis:

The justification and substantiating evidence provided by the Finland authorities cover all constitutive elements of the milestone.

#### **The necessary changes to the legislation of the broadband aid legislation have entered into force.**

Section 20 of item (2) of the list of evidence, the Broadband Support Act (1262/2020), determines its entry into force on 1 January 2021. It was amended, as evidenced by item (5) of the list of evidence, by Act 1185/2021, which entered into force on 3 February 2022. The necessary amendments due to the amended General Block Exemption Regulation are explained below.

Furthermore, in line with the description of the measure, **the measure includes the adoption of the legislation for the support programme**, as explained in the above paragraph.

**The Broadband Support Act shall lay down the provisions on the conditions for granting and disbursing funds, including targeted areas criteria, as well as on the competent support authority and its tasks.**

Furthermore, in line with the description of the measure, **The non-repayable support from the Facility shall complement the national broadband support programme, based on the Broadband Support Act, which contains provisions on the conditions for granting and disbursing funds, as well as on the competent support authority and its tasks. The supporting authority shall carry out analysis to ensure that projects are selected only in areas where market-based solutions are not available in line with the General Block Exemption Regulation.**

Section 4 of the Broadband Support Act indicates that the Finnish Transport and Communications Agency has the responsibility of carrying out market analyses of project areas to ensure projects are eligible for areas where market-based solutions are not available. Section 4a defines the requirements for mapping the geographical areas, while sections 6-7, 9-10 and 12 define the criteria

for comparison of the applicants, the aid application process from the Regional Council to the Finnish Transport and Communications Agency, the eligible costs and the conditions for granting aid. Section 11 defines the responsibility of the Finnish Transport and Communication Agency on granting aid. The Facility support complements the funding from municipalities, as defined in Sections 8 and 9 of the amended Broadband Support Act, ensuring in section 9 that no aid is granted for costs for which other public aid has already been granted.

**It shall take into account any necessary amendments due to the amended General Block Exemption Regulation**

The Broadband Support Act was amended by Act 1185/2021, namely in sections 3, 4, 4a, 4b, 9, 10, 10a and 12, related to the definition of high-speed broadband connection, state aid mapping and granting conditions, the pricing of wholesale products, and the eligible costs. Following the General Block Exemption Regulation amendment on state aid to 4G and 5G projects and fixed broadband networks, the Broadband Support Act was limited to fixed broadband connections, and the conditions for granting aid were limited to areas where download speeds of at least 100 Mbps do not exist or are not expected to be deployed within the following three years.

**...including the update of a government decree with the minimum speeds for the eligible connections.**

Item (4) of the list of evidence, Government Decree 1184/2021, adopted on 16 December 2021 and entered into force on 3 February 2022, amends section 2 of the Government Decree 203/2021 on the municipalities contribution and the minimum speed of a high-speed broadband connection in a broadband project, item (3) of the list of evidence, establishing a minimum speed for high-speed broadband connections of 300 megabits per second for incoming traffic and of 100 megabits per second for outgoing traffic.

Furthermore, in line with the description of the measure, **broadband connections supported under the scheme shall offer at least a capacity of 100 Mbit per second**, as explained in the above paragraph.

Finally, in line with the description of the measure, **Finland shall establish a coordinator position in the National Broadband Office with the aim of promoting broadband and planning the coordination of national and EU broadband funding to avoid overlaps and ensure complementarity.**

Items (6) and (7) of the list of evidence, respectively, the decision to hire and the justification note for the selection of the candidate for the position of expert, show the creation of this employment position. Item (7) outlines in section "Description of the position" the task description, namely the responsibility of coordinating and reporting the work of the Finnish Broadband Office, which includes the promotion of high-speed and effective communication links in Finland, information, advice and content development responsibilities, coordination tasks related to broadband aid and construction, coordination of distribution of State aid between different State aid authorities and of cooperation between provincial federations, other aid authorities and municipalities, and contribution to international work related to broadband state aid issues.

**4. Commission Preliminary Assessment: Satisfactorily fulfilled**

**Number and name of the Milestone:** 58 - Test laboratory on modelling equipment for the common European automatic train protection system (ERTMS) is operational

**Related Measure:** P2C1I2 – Transport and land use - Digirail project

**Qualitative Indicator:** The test laboratory has been set up in the Rail Training Centre, Kouvola, and is available to run the virtual simulation tests.

**Time:** Q4 2022

## 1. Context:

The objective of this investment is to modernize Finland's railway communication and management systems by implementing the European Rail Traffic Management System (ERTMS) across the entire national network by 2040, along with the Future Railway Mobile Communication System (FRMCS) based on 4G and 5G technologies. The investment will finance the Digirail development and verification phase, which includes preparation, testing, and piloting activities. The new radio-based system will then undergo realistic testing on a test track and then be deployed on a commercial pilot track.

The milestone concerns the setting up of the test laboratory on modelling equipment for the ERTMS in the Rail Training Centre, in Kouvola. The test laboratory must be operational and available to run virtual simulation tests and impact assessments.

Milestone 58 is the first step of the implementation of the investment, and it will be followed by targets 59 and 60, related to equipping a 50-km test track and a 30 km commercial pilot track with radio-based ERTMS. The investment has a final expected date for implementation by 30 June 2026.

## 2. Evidence provided:

	Name of the evidence	Short description
1	FI-CP2C1-II2-M58	Summary document duly justifying how the milestone (including the constitutive elements) was satisfactorily fulfilled.
2	Kokoha Thales agreement	Copy of signed test laboratory tender agreement between Finnish Transport Infrastructure Agency (FTIA) and the supplier
3	Annex 16 ETCS	Copy of test laboratory tender agreement attachment with laboratory technical

		requirements
4	Kokoha_option_2_order_20210412	Copy of the purchase order of the test laboratory
5	Option 2 ETCS L2 PO confirmation	Copy of the purchase order confirmation of the test laboratory by the supplier
6	Joint declaration FTIA-Thales	Copy of a joint declaration between FTIA and supplier of delivery and readiness to use of the test laboratory
7	Offer from Sweco 20211214	Copy of an offer from the laboratory testing consultant
8	Order IR219039A22 from Sweco	Copy of the purchase order for the laboratory testing consultant
9	PO confirmation_IR219039A22	Copy of the purchase order confirmation by the laboratory testing consultant
10	Acceptance inspection_IR219039A22	Copy of the minutes for the accepting inspection of the laboratory testing
11	Certificate of completion of the test laboratory	Copy of the certificate of completion of the test laboratory signed by FTIA
12	Test result example	Copy of a test result example

### 3. Analysis:

The justification and substantiating evidence provided by the Finnish authorities cover all constitutive elements of the milestone.

**Test laboratory on modelling equipment for the common European automatic train protection system (ERTMS) is operational. The test laboratory has been set up in the Rail Training Centre, Kouvola, and is available to run the virtual simulation tests.**

Finland has provided evidence that a test laboratory on modelling equipment for ERMTS has been set up, is operational in the Rail Training Centre in Kouvola and has run virtual simulation tests. Finland shared the tender agreement with the supplier for the laboratory, item (2) of the list of evidence, which includes in section 6.3 the Finnish Transport Infrastructure Agency's option (option 2) of acquiring the development of the European Train Control System (ETCS), further defined in the agreement's annex, item (3) of the list of evidence, that determines in point 2 the setting up of a testing and virtual simulation centre (ERTMS laboratory) with testing capability. Furthermore, items (4) and (5) of the evidence list consist of a purchase order and a purchase order confirmation from the laboratory supplier, explicitly agreeing for option 2. Finally, Finland provided a signed document by the supplier and the Finnish Transport Infrastructure Agency, item (6) of the evidence list, confirming the supplying and usage of the ERTMS test laboratory in the Rail Training Centre in Kouvola, demonstrating that it is operational. The virtual simulation tests run in the laboratory consisted of impact assessments of the ECTS specifications, as shown in the certificate of completion of the test laboratory by FTIA, item 11 of the evidence list. The testing of these specifications allows for testing and implementing the necessary modifications to the European Train Control System for the future phase of testing in a pilot test track.

**Development work shall be started by means of impact assessments carried out by the test laboratory.**

Testing and impact assessments of the specifications of the European Train Control System were carried out in the test laboratory with the support of a consultant, tasked with planning and carrying out the impact tests done on the laboratory, reporting the results and collaborating with the laboratory supplier. Finland provided an offer from the consultant, which includes in the "work

content” section the operation of the laboratory, test plan and test cases, structuring and reporting, as well as the respective purchase order and the purchase order confirmation, items (7), (8) and (9) of the evidence list, as well as the minutes from the acceptance inspection signed by the supplier and the Finnish Transport Infrastructure Agency, indicating that the contract was concluded and the ETCS tests in the laboratory were carried out, item (10) of the evidence list. Finland has also provided an example of an extract from the system database, item 12 of the evidence list, including the testing of system specifications, in a virtual scenario, of a train departing from a station into an occupied track section.

Furthermore, in line with the description of the measure, **the investment shall fund the Digirail development and verification phase, which encompasses the preparation and carrying out of testing (...) activities in the period 2021-2026. Following successful testing in a laboratory environment (...).**

As seen above, the Digirail preparation encompasses the establishment of the laboratory and the development of impact assessment testing activities, which have been concluded successfully in a laboratory environment, in order to prepare the subsequent testing in a real test track.

#### **4. Commission Preliminary Assessment: Satisfactorily fulfilled**

**Number and name of the Milestone:** 61 - Minimum Viable Ecosystem is created and operational

**Related Measure:** P2C2I1 - Digital economy – Real-time economy (RTE) programme

**Qualitative Indicator:** A minimum viable ecosystem has been created, as evidenced by the publication of the common documented rules and standards on the website of the Program

**Time:** Q4 2022

### 1. Context:

This measure aims to create common solutions and structures to facilitate the exchange of digital financial data between organisations in a structured machine-readable format (such as e-invoices, e-receipts, procurement documents and financial statements), in line with the vision of a “real-time economy”, to support the automation of processes and sharing of information between businesses, between businesses and public authorities, and within the public sector, based on the ‘Once-only’ principle. The investment includes a first step with the establishment of an “ecosystem for the real-time economy” by creating a minimum viable ecosystem (MVE), i.e. a production version of the basic digital platform and related infrastructure/software solutions able to transmit at least e-invoices, and a second step with the creation of digital infrastructure, allowing sharing, receiving and using a company’s financial data for at least e-receipts, e-invoices and procurement messages, with common interface solutions for sharing financial data in a structured form and standardised machine-readable format for electronic business documents.

Milestone 61 envisages the establishment in a production environment of the Minimum Viable Ecosystem (MVE), based on common documented rules and standards published on the website of the programme. The MVE allows for the circulation of e-invoices in a structured machine-readable format to increase process automation.

Milestone 61 is the first step of the implementation of the investment. It will be followed by milestone 62, related to the full operability of the exchange of digital business information. The investment has a final expected date for implementation by 31 December 2024.

### 2. Evidence provided:

	Name of the evidence	Short description
1	A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.	
2	Publication of the Minimum Viable Ecosystem Report	Copy of and link to the Minimum Viable Ecosystem Report, by the Real-Time Economy program
3	Report by an independent third-party	Report by an independent third party certifying the Minimum Viable Ecosystem
4	Legislative study on e-documents	Legislative study on e-documents
5	Report of marketing campaign	Report of marketing campaign

6	Guide for one-time invoicing	Guide for one-time invoicing
7	Guide for e-invoices	Copy of and link to guide for e-invoices for municipalities
8	E-invoice metrics	Copy of and link to e-invoice metrics
9	Study of founding Peppol Authority	Study of founding Peppol Authority in Finland.
10	The decision to set the Real-Time Economy program	Copy of and link to decision to set up the Real-Time Economy program
11	Evidence of the publication on 30 Dec 2022	Copy of and link to the publication of the Minimum Viable Ecosystem in the Program website, dated 30 December 2022
12	Decision of setting Steering group for RTE program_PR2	Copy of decision on setting up the steering group for Real-Time Economy program, dated 27 October 2021
13	ACL Procurement contract	Procurement contract for ACL. Contract made by Finnish State Treasury on 7 September 2023.
14	ACL conclusion report	Conclusion report of the ACL project. Created by Finnish State Treasury on 23 February 2024.
15	ACL steering group minutes	Supplier's minutes of the Steering group of 29 January 2024.
16	Semantic compliance matrix	Compliance matrix for Finvoice and Peppol BIS formats. Made by Finnish State Treasury 23 <sup>rd</sup> of March 2022 and published on State Treasury's web page.
17	Minutes of RTE program's steering group	RTE program's steering group minutes dated 21 December 2022.
18	Minutes of RTE program's steering group	RTE program's steering group minutes dated 22 March 2023.
19	Order from Ministry of Finance to State Treasury	Order from the Minister of Finance establishing the State Treasury as Peppol Authority, of 20 May 2022

### 3. Analysis:

The justification and substantiating evidence provided by the Finland authorities cover all constitutive elements of the milestone.

**A minimum viable ecosystem has been created and is operational, as evidenced by the publication of the common documented rules and standards on the website of the Program.**

**The Minimum Viable Ecosystem (MVE) has been successfully established in a production environment, based on common documented rules. It allows for the circulation of e-invoices in a structured machine-readable format to increase process automation.**

The ecosystem for the real-time economy is defined in both section 1 of the Minimum Viable Ecosystem (MVE) report, item 2 of the evidence list, and on the decision to set up the Real-Time Economy (RTE) program, item 12 of the evidence list, as a national ecosystem of the digital economy, including a seamless, real-time and secure flow of structured orders, e-invoices, e-receipts and other business data between entities, interoperable nationally, with other Nordic countries and the EU. The Minimum Viable Ecosystem report of the Real Time Economy program, under the responsibility of the National Board of Patents and Registration, was published on the website of the Real Time Economy program on 30 December 2022, as evidenced by item 11 of the evidence list, an



extract of the webpage of the RTE program where it was published, and item 2 of the evidence list, the report outlining the Minimum Viable Ecosystem. A copy of the decision of the RTE steering group minutes approving the MVE report was also provided, item 17 of the evidence list. The MVE report includes description and guidance of the common rules and standards to support the use of structured machine-readable e-invoices and an online invoicing ecosystem, namely in sections 3 and 4, with 4.1 and 4.4.1 describing the actors, roles and implementation model and section 4.4.2 describing the agreements, rules and instructions of the e-invoice ecosystem. Section 4.5 of the MVE report describes the implementation actions taken to develop the e-invoice ecosystem, including:

- a legislative study on e-documents, further evidenced by item 4 of the evidence list and approved according to the minutes of the steering meeting, item 17 of the evidence list;
- a marketing campaign to promote the use of e-invoices in companies, further reported in item 5 of the evidence list and approved according to the minutes of the steering meeting, item 17 of the evidence list;
- instructions and service description on digitalisation of one-time invoicing aimed at consumers, further evidenced by item 6 of the evidence list;
- a guide for e-invoices for municipalities, further evidenced item 7 of the evidence list, and;
- a monitoring tool to measure e-invoice usage, further evidenced by item 8 of the evidence list.

The publication of common documented rules and standards is further evidenced by an independent report, item 3 of the evidence list, certifying that criteria, common documented rules and guidelines on the circulation of e-invoices in a structured machine-readable format had been published in the e-invoicing Forum, of TIEKE, the websites of the two main e-invoicing formats, Finvoice and TeapplXML and on the RTE website and were operational. The external report was adopted, as shown in the minutes of the steering meeting of 22 March 2023, item 18 of the evidence list.

Furthermore, in line with the description of the measure, **The financial support shall be used to create a minimum viable ecosystem (MVE), i.e. a production version of the basic digital platform and related infrastructure/ software solutions, by the end of 2022, which shall be able to transmit at least e-invoices;**

Besides the common documented rules on the e-invoice formats published in the MVE report, in order to further advance the e-invoicing usage in Finland, a need to improve software solutions for international e-invoicing and digital procurement processes was identified, and the creation of a Peppol Authority and usage of PEPPOL (Pan-European Public Procurement Online) in Finland was proposed as a solution, as evidenced by sections 7.1 and 11 of item 9 of the evidence list, a study on the possibility of creating a Peppol Authority. Section 4.6.1 of the MVE report, item 2 of the evidence list, describes the creation of the Peppol Authority within the State Treasury, established in Finland in July 2022 to promote the use of standardised e-documents using the Peppol network, through which different actors can transfer electronic business documents to each other in a standardized, industry-independent manner.

As evidenced in the order by the Minister of Finance of 20 May 2022, item 19 of the evidence list, the State Treasury was instructed to start the operation as the national Peppol authority, in order to create a new e-invoicing address registry for companies to adopt the usage of the Peppol network in Finland, for international e-invoicing and digital procurement processes.

A national Peppol's Address and Capability Registry (ACL) service was created, integrated and compatible with the existing e-invoice registry, as shown in item 16 of the evidence list, a conversion between Finvoice, one of the two most common e-invoice formats, and the Peppol e-invoice format. As evidenced by section 4 of item 13 of the evidence list, financial support was used to procure the delivery and deployment of an ACL service for the National Peppol, including the development of the



digital infrastructure/software solutions and interface implementation and integration with the e-invoice system. The ACL service of the Peppol network was finalised and released to a production environment on 1 February 2024, as evidenced in section 2.2 of item 14 and item 15 of the evidence list, respectively the conclusion report and the steering group meeting minutes of the supplier.

Whilst this constitutes a minimal deviation from the requirement of the Council Implementing Decision Annex that a production version of the basic digital platform would be created by the end of 2022, the delay is considered both limited and proportional, notably because the pre-existing e-invoicing ecosystem was already fully functional in 2022 and remained functional, and the system improvements resulting from the ACL registry were developed in full-compatibility with the pre-existing system. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the investment that the milestone represents. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

In line with the description of the measure, **the investment shall cover the following elements: the establishment of an “ecosystem for the real-time economy”, which shall be developed in public-private cooperation.**

Finland has provided documentation of the decisions to establish the Real Time Economy (RTE) program, item 10 of the evidence list, to create the steering group for the Real Time Economy program, item 12 of the evidence list, and to approve the MVE report, item 17 of the evidence list.

The project has been developed in public-private cooperation as shown in sections 3.1, 4.5.1 and 4.6.2 of the MVE report, item 2 of the evidence list, involving the public sector, business, financial service providers and software houses. The decision to establish the Real-Time Economy program, item 10 of the evidence list, also indicates the implementation of the project is based on cooperation between private actors and public authorities. The steering committee, as shown in item 12 of the evidence list, includes representatives of both public entities and private stakeholders.

Furthermore, in line with the description of the measure, **under the steer of the Ministry of Employment and Economy, the project implementation shall be under the responsibility of the National Board of Patents and Registration in cooperation with the Tax administration and the State Treasury.**

The Ministry of Employment and Economic Affairs decided on 14 June 2021 to set up the Real-Time Economy program under the responsibility of the National Board of Patents and Registration, as shown in item 10 of the evidence list, and on 27 October 2021 to set up the steering group for the program, as shown in item 12, including representatives from the Tax Administration and the State Treasury.

#### **4. Commission Preliminary Assessment: Satisfactorily fulfilled**

**Number and name of the Target:** 64 - Micro-electronics projects are awarded

**Related Measure:** P2C2I3 Accelerating key technologies (microelectronics, 6G, artificial intelligence and quantum computing)

**Quantitative Indicator:** Number

**Baseline:** 0

**Target:** 2

**Time:** Q4 2022

### 1. Context:

The investment consists in funding, through Business Finland, applied RDI activities and the infrastructure supporting them, in microelectronics, 5G/6G technologies, artificial intelligence and quantum technology. Open calls for project selection must ensure their digital contribution and DNSH compliance.

Target 64 concerns the notification of the award of at least 2 financing decisions by Business Finland in micro-electronics projects, including DNSH and EU and national environmental compliance. The selection must also assess the RDI activities, how they promote digitalisation, the project quality and impact, the suitability of the project for the IPCEI's core idea and national and EU strategies, and the quality of the project consortium.

Target 64 is the first step of the implementation of the investment, and it is accompanied by milestone 66 in this payment request. It will be followed by milestone 65 and milestone 67, related to, respectively, the completion of micro-electronics projects and the completion of the remaining 6G, artificial intelligence and quantum computing projects. The investment has a final expected date for implementation on 31 December 2025.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled
2	Call for applications	Copy of and link to the publication of the call for applications published on 12 July 2021 <a href="https://businessfinland.fi/ajankohtaista/haut/2021/kestavan-kasvun-ohjelman-haku">businessfinland.fi/ajankohtaista/haut/2021/kestavan-kasvun-ohjelman-haku</a>
3	Call instructions	Copy of and link to the call instructions published on 9 July 2021 <a href="https://www.businessfinland.fi/49f97b/globalassets/finnish-customers/news/calls/2021/me-ct-ipcein_ohjeet_ja_hakemuspohja-2021-final.pdf">www.businessfinland.fi/49f97b/globalassets/finnish-customers/news/calls/2021/me-ct-ipcein_ohjeet_ja_hakemuspohja-2021-final.pdf</a>
4	Decision-making	Copy of Business Finland's internal decision-making manual

	manual	published on 1 November 2021
5	Call for applications	Copy of and link to the publication of the call for applications published on 20 February 2023 <a href="http://www.businessfinland.fi/en/whats-new/calls/2023/rrf-infrastructure-funding-call">www.businessfinland.fi/en/whats-new/calls/2023/rrf-infrastructure-funding-call</a>
6	Call instructions	Copy of and link to the call instructions published on 20 February 2023 <a href="https://www.businessfinland.fi/492582/globalassets/finnish-customers/news/calls/2023/infrastructure-rrf-funding-call-instructions-6g-ai-quantum-microelectronics-2023.pdf">https://www.businessfinland.fi/492582/globalassets/finnish-customers/news/calls/2023/infrastructure-rrf-funding-call-instructions-6g-ai-quantum-microelectronics-2023.pdf</a>
7	Grant award notifications	Copy of the grant award notifications (2)
8	List of selected projects	List of the selected projects for microelectronics
9	Funding memoranda	Copy of the funding memoranda (2)
10	Table of criteria	Matching table of the criteria and the funding memoranda

### 3. Analysis:

The justification and substantiating evidence provided by the Finland authorities cover all constitutive elements of the target.

#### **Notification of the award of at least 2 financing decisions by Business Finland.**

Furthermore, in line with the description of the measure, **in particular, the measure shall support the following technologies: - Microelectronics.**

Item 7 of the evidence list includes two grant award notifications by Business Finland for two financing decisions of microelectronics projects. The projects are also listed in item 8 of the evidence list.

Furthermore, in line with the description of the measure, **funding shall be channelled through Business Finland's competitive financing instruments.**

**The eligibility criteria shall ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.**

Furthermore, in line with the description of the measure, **projects shall be selected based on open calls (...) and their compliance with the 'do no significant harm' principle.**

Business Finland launched two competitive calls for financing of microelectronics projects, on 12 July 2021 and 20 February 2023, respectively items 2 and 5 of the evidence list.

The instructions of the first call, published on 9 July 2021 (item 3 of the evidence list), include in chapter 4.2 a requirement for compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01).

The Council Implementing Decision required all calls for tenders to contain eligibility criteria to exclude certain activities in order to ensure compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01). However, the call was published prior to the Council Implementing

Decision adoption on 29 October 2021. At that time, the call for applications did not include an explicit reference to the use of an exclusion list nor the requirement that only activities that comply with relevant EU and national environmental legislation may be selected. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the evaluation and selection of projects has been done by Business Finland's experts who used an internal manual for the evaluation. The manual contains all the required eligibility criteria, and its compliance is mandatory in funding decisions. The evidence of the mandatory selection criteria, including but not limited to the "Do No Significant Harm (DNSH)" assessment, through the use of an exclusion list and the requirement of compliance with the relevant EU and national environment legislation, are found in the internal manual of Business Finland, as per item 4 of the evidence list on page 1 (second and third paragraphs), page 4 (second paragraph) and page 9 (paragraph 3.1). Paragraph 3.1. on page 9 of the internal decision-making manual states that: "Due to the environmental objectives, certain content or applications are not eligible for funding. Prohibited conduct shall include: i) activities related to fossil fuels, including refining and downstream use, ii) activities covered by the EU ETS resulting in the estimated greenhouse gas emissions exceeding the applicable benchmark, iii) operations related to landfills, incinerators, and mechanical biological treatment plants, iv) actions where long-term disposal of waste may cause harm to the environment." Furthermore, on pages 2 and 5, in the chapters entitled "Justification for funding" and "Legal provisions", of Business Finland's Funding Notification (item 7 in the evidence list) provides evidence of the requirement to follow and meet the eligibility criteria: "The project complies with the Do No Significant Harm (DNSH) principle" and "The project to be financed must be carried out in accordance with relevant EU and national environmental legislation."

As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving to support projects in microelectronics that the target 64 represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The instructions of the second call launched (item 6 of the evidence list) outline in chapter 2.3 the 'Do no significant harm' compliance requirements, including an exclusion list and the requirement of compliance with EU and national environmental legislation.

Furthermore, in line with the description of the measure, **funding shall be provided for national applied RDI activities and the infrastructure supporting them, i.e. testing and experimentation environments, which shall be related to microelectronics.**

The instructions of the first call, for Important Project of Common European Interest projects (IPCEI projects; item 3 of the evidence list) state in chapter 4 that the aid relates to applied research and deployment of new technologies, aims to increase the capacity of semiconductor circuit design and component manufacturing and targets the development of the Finnish microelectronics value chain.

The instructions of the second call, item 6 of the evidence list, outline in section 2.1 the funding goals, including funding for testing, experimentation, research and innovation environment projects for microelectronics.

**The selection of projects shall assess the quality and effectiveness of RDI activities and how they promote digitalisation. The selection criteria shall include the quality and suitability of the project, the future direct and indirect business impacts of the project, the suitability of the project for the IPCEI's core idea and national and EU strategies, and the quality of the project consortium.**

Furthermore, in line with the description of the measure, **projects shall be selected based on open calls and the selection criteria shall ensure the digital contribution of the projects.**

The call instructions of the first call (item 3 of the evidence list) determine in chapter 4 that the selection criteria include the effectiveness of the activities, including effects on exports, employment and other Finnish industries, and its relevance for Finland's and the EU's strategic objectives. Chapter 4.1 of the same document indicates that Business Finland assesses how the projects meet the criteria and objectives of the IPCEI and their support of the green and digital transitions. Finland has also provided the funding memorandum for the selected project (item 9 of the evidence list), as well as a matching table (item 10 of the evidence list), showing the inclusion of the remaining assessment criteria in the selection of the project, namely the quality and effectiveness of RDI activities and how they promote digitalisation and the quality of the project consortium.

The call instructions of the second call (item 6 of the evidence list), determine in chapter 2.3 that the "selection criteria include the quality and suitability of the project, its future direct and indirect impact on business, its suitability for national and EU strategies, and the quality of the project consortium", as well as that the "assessment will also cover the quality and impact of the RDI activities and their contribution for digitalisation". ,.

#### **4. Commission Preliminary Assessment:** Satisfactorily fulfilled

**Number and name of the Milestone:** 66 - Projects developing 6G, AI and quantum computing are awarded

**Related Measure:** P2C2I3 Accelerating key technologies (microelectronics, 6G, artificial intelligence and quantum computing)

**Qualitative Indicator:** Notification of the award of all grants for projects developing 6G, AI and quantum computing

**Time:** Q4 2022

### 1. Context:

The investment consists in funding, through Business Finland, applied RDI activities and the infrastructure supporting them, in microelectronics, 5G/6G technologies, artificial intelligence and quantum technology. Open calls for project selection must ensure their digital contribution and DNSH compliance.

Milestone 66 concerns the notification of the award of all grants selected by Business Finland in 6G, AI and quantum computing projects, including DNSH and EU and national environmental compliance. The selection must also assess the RDI activities, how they promote digitalisation, the project quality and impact, the suitability of the project for national and EU strategies, and the quality of the project consortium.

Milestone 66 is the second milestone of the investment, and it is accompanied by target 64 in this payment request. It will be followed by milestone 65 and milestone 67, related to, respectively, the completion of micro-electronics projects and the completion of the remaining 6G, artificial intelligence and quantum computing projects. The investment has a final expected date for implementation on 31 December 2025.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled
2	Call for applications	Copy of and link to the publication of the first call for applications published on 18 March 2022 <a href="https://www.businessfinland.fi/en/whats-new/calls/2022/infrastructure-funding-call">https://www.businessfinland.fi/en/whats-new/calls/2022/infrastructure-funding-call</a>
3	Call instructions	Copy of and link to the call instructions published on 22 March 2022 <a href="https://www.businessfinland.fi/4956e1/globalassets/finnish-customers/news/calls/2022/infrastructure-rrf-funding-call-instructions-6g-ai-quantum.pdf">https://www.businessfinland.fi/4956e1/globalassets/finnish-customers/news/calls/2022/infrastructure-rrf-funding-call-instructions-6g-ai-quantum.pdf</a>
4	Call for applications	Copy of and link to the publication of the second call for applications published on 20 February 2023 <a href="https://www.businessfinland.fi/en/whats-new/calls/2023/rrf-infrastructure-funding-call">https://www.businessfinland.fi/en/whats-new/calls/2023/rrf-infrastructure-funding-call</a>

5	Call instructions	Copy of and link to the call instructions published on 20 February 2023 <a href="https://www.businessfinland.fi/492582/globalassets/finnish-customers/news/calls/2023/infrastructure-rrf-funding-call-instructions-6g-ai-quantum-microelectronics-2023.pdf">https://www.businessfinland.fi/492582/globalassets/finnish-customers/news/calls/2023/infrastructure-rrf-funding-call-instructions-6g-ai-quantum-microelectronics-2023.pdf</a>
6	List of selected projects	List of the selected 6G, AI and quantum computing projects
7	Grant award notifications	Copies of the grant award notifications (11)
8	Funding memos	Copies of the funding memos (11)
9	Table of criteria	Matching table of the criteria and the funding memoranda

### 3. Analysis:

The justification and substantiating evidence provided by the Finland authorities cover all constitutive elements of the milestone.

#### **In the framework of an open call for projects in which companies and research institutes develop and utilise testing and testing environments...**

Business Finland launched two calls for projects concerning building and development of testing, experimentation, research and innovation environments on the fields of 5G/6G, artificial intelligence and quantum computing technologies on 18 March 2022 and 20 February 2023, respectively items 2 and 4 of the evidence list. Items 3 and 5 of the evidence list, the instructions of both calls, indicate in their sections 2.5.5 that the applicants may be companies and research institutions.

#### **...Business Finland shall select the projects to be funded according to the criteria of the call.**

Furthermore, in line with the description of the measure, **funding shall be channelled through Business Finland's competitive financing instruments.**

Finland provided evidence of the selection of projects by Business Finland, selected by the two competitive calls for financing of projects mentioned above. The 11 projects selected are listed in item 6 of the evidence list, and grant award notifications were shared for all projects, item 7 of the evidence list.

#### **The eligibility criteria shall ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.**

Furthermore, in line with the description of the measure, **projects shall be selected based on open calls and the selection criteria shall ensure (...) their compliance with the 'do no significant harm' principle.**

The instructions of the two calls, items 3 and 5 of the evidence list, outline in chapter 2.3 the 'Do no significant harm' compliance requirements, including an exclusion list and the requirement of compliance with EU and national environmental legislation.

Furthermore, in line with the description of the measure, **funding shall be provided for national applied RDI activities and the infrastructure supporting them, i.e. testing and experimentation environments, which shall be related to (...) 5G/6G technologies, artificial intelligence or quantum technology and in particular, the measure shall support the following technologies: - 6G, artificial intelligence and quantum computing: Financial support shall be given to investments into the development of 6G, artificial intelligence and quantum computing.**

The instructions of the two calls, items 3 and 5 of the evidence list, outline in sections 2.1 the funding goals, including funding for testing, experimentation, research and innovation environment projects for 6G, AI and quantum computing. Sections 2.4 of the two calls indicate that the funding is provided for research infrastructure, infrastructure of innovation clusters and their supporting activities, and for co-innovation projects that promote the development of 6G, AI and quantum computing infrastructures.

**The selection criteria shall include quality and suitability of the project, the future direct and indirect business impacts of the project, the suitability of projects for national and EU strategies, and the quality of the project consortium. The selection of projects assesses the quality and effectiveness of RDI activities and how they promote digitalisation.**

Furthermore, in line with the description of the measure, **projects shall be selected based on open calls and the selection criteria shall ensure the digital contribution of the projects.**

Section 2.3 of the instructions of the first call, item 3 of the evidence list, indicates that projects are required to meet criteria for promoting digital transformation in line with measure 021c of Annex VII to Regulation (EU) 2021/241. Section 3.3 includes requirements to describe direct and indirect business impacts of the project. Furthermore, Finland has provided the funding memoranda of the 3 projects selected by the first call, (included in item 8 of the evidence list), as well as a matching table, item 9 of the evidence list, showing the inclusion of the remaining assessment criteria in the selection of the project, namely the quality and suitability of the project, the suitability of projects for national and EU strategies, the quality of the project consortium and the quality and effectiveness of RDI activities.

Section 2.3 of the instructions of the second call, item 5 of the evidence list, outlines that the project selection criteria include the quality and suitability of the project, its impact on business, its suitability for national and EU strategies, the quality of the project consortium and the quality and impact of the RDI activities and their contribution to digitalisation.

#### **4. Commission Preliminary Assessment: Satisfactorily fulfilled**



**Number and name of the Milestone:** 72bis - Entry into force of the Decree of the Ministry of Finance on risk management and controls to ensure protection of the financial interests of the Union and compliance with applicable Union and national legislation and the publication of Guidelines of the coordinating body for the RRF implementing bodies.

**Related Measure:** P2C2R2 Enhancing the effectiveness and transparency of RRP reforms and investments by developing information systems, administration and audit

**Qualitative Indicator:** Provisions in the decree on risk management and controls indicating its entry into force and publication of the Guidelines of the coordinating body.

**Time:** Q1 2024

### 1. Context:

The objective of this measure is to ensure the protection of the Union's financial interests and compliance with applicable EU and Finnish regulations through enhanced risk management and control activities within the Recovery and Resilience Facility (RRF) framework.

The decree of the Ministry of Finance on risk management and controls for the Recovery and Resilience Facility (RRF) shall establish binding minimum standards for risk management and control activities for all implementing bodies. These standards will ensure the protection of the financial interests of the Union and compliance with applicable EU and national rules. The decree will be complemented by guidelines from the coordinating body, detailing procedures for risk assessment, prevention and the detection of fraud, corruption, conflict of interest and double funding, as well as verifications of compliance and the use of data for the purposes of detecting fraud, corruption, conflict of interest, and double funding.

Milestone 72bis is the third and last milestone of the measure, and it follows the completion of milestone 71 and milestone 72.

Following the completion of this milestone, in line with the description of the measure in the Council Implementing Decision, Finland will continue to enhance its administrative capacity by further developing and implementing the necessary information systems, improving the efficiency of audits, and ensuring the transparency of RRP reforms and investments. This is a further step of this measure that is not linked to the milestones and targets in the Council Implementing Decision.

### 2. Evidence provided:

	Name of the evidence.	Short description
1	<u>Annex I:</u> Copy of the publication of the Decree of the Government on risk management and control activities in the Statute Book of Finland The decree entered into force on 10 October 2024. <a href="https://finlex.fi/fi/laki/alkup/2024/20240547">https://finlex.fi/fi/laki/alkup/2024/20240547</a>	The Decree provides an obligation and minimum standards for the risk management and control activities performed by the implementing bodies under the RRF
2	<u>Annex II:</u> Guidelines issued by the coordinating body on adequate risk management procedures to support the RRF	The Guidelines provides guidance to implementing bodies on (i) assessing the key

	<p>The new updated Guidelines were signed and formally distributed to the implementing bodies by the Ministry of Finance via the Government document management system VAHVA on 5 December 2024.</p> <p>The extract from the distribution data - VAHVA-system was provided by the Ministry of Finance on 09 December.</p> <p>The guidelines have been adapted for accessibility and are published on the Ministry of Finance's website.  <a href="https://vm.fi/suomen-elpymis-ja-palautumissuunnitelma">https://vm.fi/suomen-elpymis-ja-palautumissuunnitelma</a></p> <p>Direct access to the Guidelines:  <a href="https://www.finlex.fi/fi/laki/alkup/2022/20220537">Suomen elpymis- ja palautumissuunnitelmaa koskevien riskienhallinta-, petostentorjunta-, ja valvontamenettelyiden järjestäminen tukiviranomaisessa</a></p>	<p>risks, factors and practises of fraud, conflict of interest and corruption and ensuring effective prevention, detection and correction of fraud and corruption;</p> <p>(ii) (ii) fraud risk assessment framework, which shall comply with the tool annexed to the Guidance Note on Fraud Risk Assessment and Effective and Proportionate Anti-Fraud Measures for ESIF 2014-2020, for their respective RRF measures. In addition, the guidelines provide guidance on adequate procedures on a) verification of conflict of interests; b) verifications of double funding; c) verifications of the compliance with the EU and national rules; and d) the use of data for the purposes of detecting fraud, corruption, conflict of interest and double funding.</p>
3	<p>Annex III: Copy of the publication of the Law on the implementation of the RRP in the Statute Book of Finland  <a href="https://www.finlex.fi/fi/laki/alkup/2022/20220537">https://www.finlex.fi/fi/laki/alkup/2022/20220537</a></p> <p><u>The law entered into force on 4 July 2022.</u></p>	<p>The Law establishes the legal mandates for the bodies involved in the coordination, monitoring, control and audit of the implementation of the Finnish recovery and resilience plan.</p> <p>The Law sets out the roles and responsibilities of those bodies ensuring: (a) the collection and reliability of data linked to and monitoring of the achievement of milestones and targets; (b) that procedures are in place for the drawing up of management declarations, audit summaries and payment requests; (c) that the necessary principles underlying the collection and</p>

		storing of data on beneficiaries, contractors, subcontractors, and beneficial owners in accordance with Article 22 of Regulation (EU) 2021/241 establishing the Recovery and Resilience Facility are in place.
4	<p>Annex IV: Copy of the order of State Treasury on submitting audit and control data related to the recovery and resilience Facility (RRF) to the central repository systems.</p> <p><a href="https://www.valtiokonttori.fi/maatarkastus-ja-ohjeet/elpymis-ja-palautumistukivalineeseen-rrf-liittyvien-tarkastus-ja-valvonta-tietojen-toimittaminen-valtiokonttorin-vastuulla-oleviin-keskitetyn-seurannan-tietojarjestelmiin/">https://www.valtiokonttori.fi/maatarkastus-ja-ohjeet/elpymis-ja-palautumistukivalineeseen-rrf-liittyvien-tarkastus-ja-valvonta-tietojen-toimittaminen-valtiokonttorin-vastuulla-oleviin-keskitetyn-seurannan-tietojarjestelmiin/</a></p> <p>The order by the State Treasury was entered into force on 14 July 2023.</p>	The Order requires the implementing bodies, the ministries and the Government Financial Controller's Function to submit data related to audits and controls to the central repository systems maintained by the State Treasury.
5	<p>Annex V: Annex V – Copy of the publication of the Act on Public Procurement and Concession Contracts in the Statute Book of Finland</p> <p><a href="https://www.finlex.fi/fi/laki/ajantasa/2016/20161397">https://www.finlex.fi/fi/laki/ajantasa/2016/20161397</a></p> <p>The act was published on 29 December 2016.</p>	The Act sets obligations for public procurement to ensure transparency, non-discrimination, and fair competition. It applies to public entities and requires them to publish tenders, follow competitive procedures, and select suppliers based on clear, predefined criteria.
6	<p>Annex VI: Copy of the publication of the Act on the application of certain European Union provisions on State aid in the Statute Book of Finland</p> <p><a href="https://finlex.fi/fi/laki/ajantasa/2001/20010300">https://finlex.fi/fi/laki/ajantasa/2001/20010300</a></p> <p>The act was published on 28 March 2001.</p>	The Act complements the EU regulation on state aid and, among other things, sets national provisions on the repayment and recovery of state aid.
7	<p>Annex VII: – Copy of the publication of the Act on Discretionary Government Grants in the Statute Book of Finland</p> <p><a href="https://www.finlex.fi/fi/laki/ajantasa/2001/20010688">https://www.finlex.fi/fi/laki/ajantasa/2001/20010688</a></p> <p>The act was published on 27 July 2001.</p>	The Act establishes the criteria and procedures to be followed when granting Discretionary Government Grants. The Act applies to Discretionary Government Grants granted from an appropriation in the State budget or from a State fund outside the budget.

8	<p><u>Annex VIII:</u> Copy of the publication of the Decree of the Government on State Budget in the Statute Book of Finland</p> <p><a href="https://www.finlex.fi/fi/laki/ajantasa/1992/19921243">https://www.finlex.fi/fi/laki/ajantasa/1992/19921243</a></p> <p>The decree was published on 11 December 1992.</p>	The Decree sets out the detailed obligations for authorities and other bodies to establish internal control systems (Chapter 9).
9	<p><u>Annex IX:</u> RRP Anti-Fraud and Risk Management Strategy</p> <p>RRP Anti-Fraud and Risk Management Strategy was signed and formally distributed to the implementing bodies by the Ministry of Finance via the Government document management system VAHVA on 5 December 2024.</p> <p>The extract from the distribution data - VAHVA-system was provided by the Ministry of Finance on 09 December.</p>	The Strategy identifies guidelines and measures for risk management and anti-fraud measures to strengthen the national management and control system for the RRP and respond to the findings of the audits. Chapter 9 of the strategy sets out a roadmap of actions to be taken in response to the findings of the strategy process.
10	Summary document	

### 3. Analysis:

The justification and substantiating evidence provided by the Finland authorities cover all constitutive elements of the milestone.

***Element a) The decree of the Ministry of Finance on risk management and controls to ensure protection of the financial interests of the Union and compliance with applicable Union and national rules for the RRF shall enter into force.***

The Government Decree on risk management and control activities (Valtioneuvoston asetus elpymis- ja palautumistukivälineestä annettavaa tukea koskevista riskienhallinta- ja petostentorjuntatoimista) was adopted on 10 October 2024 during a Government session and entered into force on 12 October 2024, as outlined in the entry-into-force provision (Annex I, p. 2, section 7). The adoption of the Decree as a Government Decree ensures its binding effect on all implementing bodies in accordance with section 6.3 of the RRP Law (Annex III, p. 3, section 6.3). This Decree complies with the legal hierarchy, providing additional obligations and clarity compared to a Ministerial Decree. The official publication in the Statute Book of Finland confirms the enforceability of the measure.

***Element b) The decree shall be binding for all implementing bodies.***

The scope of application of the Decree is defined in paragraph 1 of the Decree (Annex I, p. 1, section 1), which explicitly states that it is binding for all implementing bodies under the Finnish Recovery and Resilience Plan (RRP). The term "implementing body" is clearly defined in the RRP Law (Annex III, p. 1, section 3), ensuring consistency and coverage across all entities engaged in the implementation of RRP measures.

***Element c) The decree shall provide a minimum standard for, respectively, the risk management and control activities performed by the implementing bodies under the RRF.***

The minimum standards for risk management are detailed in sections 3, 4, and 5 of the Decree (Annex I, pp. 1-2). Section 3 establishes requirements for regular risk assessments, including the identification, evaluation, and mitigation of risks, and mandates that these assessments be updated at least annually. Section 4 outlines measures to prevent, detect, and correct irregularities, while section 5 mandates control plans based on the identified risks, emphasizing regular monitoring and compliance with EU and national rules. These provisions align with the milestone requirement by ensuring that all implementing bodies adopt a structured and uniform approach to risk management and control activities.

***Element d) The coordinating body shall additionally issue guidelines on adequate risk management procedures to support the RRF, which shall include (i) assessing the key risks, factors and practises of fraud, conflict of interest and corruption and ensuring effective prevention, detection and correction of fraud and corruption.***

The Guidelines were signed and distributed to the implementing bodies on 5 December 2024. by the coordinating body (Annex II). These guidelines provide comprehensive instructions for implementing bodies on assessing key risks, such as fraud, conflicts of interest, and corruption, and ensuring effective prevention, detection, and correction mechanisms (Annex II, chapters 1-7). The guidelines are aligned with the national framework and reinforce the requirements of the Decree by offering concrete tools, templates, and instructions tailored to the needs of implementing bodies.

***Element e) Fraud risk assessment framework, which shall comply with the tool annexed to the Guidance Note on Fraud Risk Assessment and Effective and Proportionate Anti-Fraud Measures for ESIF 2014-2020, for their respective RRF measures.***

Chapter 2 of the guidelines provides instructions on conducting fraud risk assessments in line with the Commission's Guidance Note on Fraud Risk Assessment and Effective and Proportionate Anti-Fraud Measures for ESIF 2014-2020 (Annex II, pp. 4-6). The framework incorporates the risk assessment tool annexed to the Guidance Note, ensuring compatibility with EU standards. A modified version of the tool has been adapted for the Finnish RRP and is annexed to the guidelines, providing practical support to implementing bodies (Annex II, p. 5-6).

***Element f) In addition, the guidelines shall include adequate procedures on a) verification of conflict of interests.***

Chapter 5 of the guidelines addresses the verification of conflicts of interest (Annex II, pp. 10-13). It includes guidance on identifying potential conflicts, procedures for excluding and addressing conflicts of interest, and guidance on declarations of interest. These measures align with the milestone requirements by providing implementing bodies with structured approaches to mitigate risks related to conflicts of interest.

***Element g) verifications of double funding.***

Procedures for verifying double funding are detailed in Chapter 6 of the guidelines (Annex II, pp. 13-16). This chapter outlines the definition of double funding, methods for identifying potential cases, and steps for verification and control. The instructions ensure consistency in addressing this risk across implementing bodies.

***Element h) verifications of the compliance with the EU and national rules.***

Chapter 8 of the guidelines highlights the obligation of implementing bodies to comply with applicable EU and national rules (Annex II, p. 19). It references other relevant guidelines on public procurement, state aid, and government grants. Verification processes are linked to sections 6 and 12 of the RRP Law and are supported by the State Treasury's requirement to submit data to central repository systems (Annex IV).

***Element i) the use of data for the purposes of detecting fraud, corruption, conflict of interest and double funding.***

The guidelines provide a list of key databases and their intended uses for detecting irregularities such as fraud, corruption, conflicts of interest, and double funding (Annex II, pp. 14-15). These databases enable implementing bodies to enhance their detection and monitoring capabilities, ensuring compliance with the milestone requirements.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled

**Number and name of the Milestone:** 77 - Entry into force of the Law on Public Employment and Business Services regulating the Nordic Employment Service Model for the jobseeker's service process

**Related Measure:** P3C1R1 Nordic Model of Employment Services

**Qualitative Indicator:** Provision in the Act on Public Employment and Business Service, indicating its entry into force

**Time:** Q2 2022

### 1. Context:

The measure aims to reform the public employment services process, transitioning towards a new Nordic model of employment services, enhancing active labour market policies by improving personalised and integrated services for jobseekers.

The measure includes the development of a digital information system for public employment services, including customer relations management and appointment booking systems, as well as messaging and online guidance services.

Milestone 77 entails the entry into force of the Law on Public Employment and Business Services regulating the Nordic model of employment service for the jobseeker's service process.

Milestone 77 is the first step of the implementation of the reform. It will be followed by milestone 79 and target 78, related, respectively, to the development of digital functionalities related to the Nordic employment service model and to the increase in the number of jobseeker interviews.

The reform has a final expected date for implementation by 30 June 2024.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	A copy of the Act 1379/2021 amending the Act on Public Employment and Business Service (916/2012) - entered into force on 2 May 2022	A copy the Act 1379/2021 and the link to where it is published in the Statute Book of Finland <a href="https://www.finlex.fi/fi/laki/alkup/2021/20211379">https://www.finlex.fi/fi/laki/alkup/2021/20211379</a> amending the Act on Public Employment and Business Service (916/2012 <a href="https://finlex.fi/fi/laki/alkup/2012/20120916">https://finlex.fi/fi/laki/alkup/2012/20120916</a> )
3	A copy of the Act 1380/2021 amending the Act on Unemployment Security (1290/2002) - entered into force on 2 May 2022	A copy the Act 1380/2021 and link to where it is published in the Statute Book of Finland <a href="https://www.finlex.fi/fi/laki/alkup/2021/20211380">https://www.finlex.fi/fi/laki/alkup/2021/20211380</a> amending the Act on Unemployment Security (1290/2002 <a href="https://www.finlex.fi/fi/laki/alkup/2002/20021290">https://www.finlex.fi/fi/laki/alkup/2002/20021290</a> )

### 3. Analysis:

The justification and substantiating evidence provided by the Finland authorities cover all constitutive elements of the milestone.

#### **Entry into force of the Law on Public Employment and Business Services regulating the Nordic model of employment service for the jobseeker's service process.**

Item 2 on the list of evidence is the amendment (1379/2021) to the Act on Public Employment and business Service (916/2012). It entered into force on 2 May 2022 in accordance with the enacting clause in the final provisions of the act.

Furthermore, in line with the description of the measure, **the reform consists of transitioning towards a new Nordic model of employment services, which shall enhance active labour market policies by improving personalised and integrated services for job seekers.**

Item 2 on the list of evidence is the amendment (1379/2021) to the Act on Public Employment and Business Service (916/2012). Sections 5, 6 and 7 of chapter 2 of this document include provisions to accelerate and increase the job search discussions between jobseekers and the employment services, by decreasing the time taken for the first meeting from within two weeks of the start of the job search to five working days and oblige the employment authority to organise additional discussions once every two weeks in the first three months, compared to the obligatory follow-up after 3 months under the previous version of the act (section 4 of amendment 496/2020 <https://finlex.fi/fi/laki/alkup/2020/20200496>). Sections 8-12 of the chapter 2 under the amendment 1379/2021 outline the content of the initial meeting and additional discussions, as well as the details for the assessment of the jobseekers' needs, considering their individual skills, objectives, and capacity. The employment authority guides the jobseeker to apply for suitable job opportunities and supports the job search, including by developing a job plan integrating the obligation for the job search, identification of the necessary services for the job seeker and the obligatory follow up of the plan. The employment authority redirects the jobseeker to the necessary personal services.

#### **The model shall also include an active search obligation for job seekers.**

Item 2 on the list of evidence is the amendment (1379/2021) to the Act on Public Employment and Business Service (916/2012). Section 3 of chapter 3 of this document introduces an obligation to apply to four job opportunities during each of the month-long review periods, which demonstrates the active search obligation for job seekers. Sanctions on the employment benefits are imposed for non-compliance according to chapter 2a, sections 9 and 10 of the Amendment (1380/2021) to the Act on Unemployment Security (1290/2002), item 3 on the evidence list.

### **4. Commission Preliminary Assessment: Satisfactorily fulfilled**



**Number and name of the Milestone:** 81 - Entry into force of legislative amendments to the Act related to students, researchers and trainees (719/2018)

**Related Measure:** P3C1R3 - Employment and labour market – Streamlining the work and education-based immigration process

**Qualitative Indicator:** Provisions in the amendments to the Act 719/2018 related to students, researchers and trainees, indicating their entry into force

**Time:** Q2 2022

## 1. Context:

The objective of the reform is to streamline procedures for granting residence permits based on work and education, aiming to increase immigration of skilled workers and facilitate employment of international students to address labour shortages. The reform includes the entry into force of improvements on immigration legislation, including legislation concerning students, researchers, and trainees, the shortening of permit procedures for growth entrepreneurs, specialists and their family members. The legislative reform is supported by a digital infrastructure investment to support work- and education-based immigration systems, procedures, guidance and communication.

Milestone 81 concerns the entry into force of a legislative amendment concerning students, researchers and trainees (719/2018), including changes to the residence permit type for higher education students to allow for faster residence permits, extending the residence permit to cover the entire duration of the studies, and to centralise and clarify regulation related to the right to work.

Milestone 81 is the first step of the implementation of the reform, and it is accompanied by milestone 83 in this payment request. It will be followed by milestone 82 and target 84, related, respectively, to legislative amendments to the Aliens Act and decreasing the time for processing residence permits and the average processing time for granting work- and education-based residence permits.

The reform has a final expected date for implementation on 31 December 2024.

## 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Copy of the Act 277/2022 amending the Act on the Conditions of Entry and Residence of Third-Country Nationals on the Basis of Research, Studies, Training and	A copy of the publication of the Act Amending the Act on the Conditions of Entry and Residence of Third-Country Nationals on the Basis of Research, Studies, Training and Voluntary Service (Act 277/2022), and a link to where it is published in the Statute Book of Finland <a href="https://www.finlex.fi/fi/laki/alkup/2022/20220277">https://www.finlex.fi/fi/laki/alkup/2022/20220277</a>

	Voluntary Service, entered into force on 15 April 2022	
3	Copy of the Government proposal to Parliament for legislation (HE 232_2021 vp)	A copy of the Government proposal to the Parliament for the amendment of the Act on the Conditions of Entry and Residence of Third-Country Nationals on the Basis of Research, Studies, Training and Voluntary Service and related acts (HE 232/2021), and a link to where it is published in the S electronic FINLEX database <a href="https://www.finlex.fi/fi/esitykset/he/2021/20210232">https://www.finlex.fi/fi/esitykset/he/2021/20210232</a>
4	Copy of the Original Act on the Conditions of Entry and Residence of Third-Country Nationals on the Basis of Research, Studies, Training and Voluntary Service (719/2018) entered into force on 1 September 2018	A copy of the publication of the Act on the Conditions of Entry and Residence of Third-Country Nationals on the Basis of Research, Studies, Training and Voluntary Service (Act 719/2018), and a link to where it is published in the Statute Book of Finland <a href="https://finlex.fi/fi/laki/alkup/2018/20180719">https://finlex.fi/fi/laki/alkup/2018/20180719</a>
5	Copy of the Act amending the Aliens Act (278/2022) entered into force on 15 April 2022	A copy of the publication of the Act Amending the Aliens Act (278/2022), and a link to where it is published in the Statute Book of Finland <a href="https://www.finlex.fi/fi/laki/alkup/2022/20220278">https://www.finlex.fi/fi/laki/alkup/2022/20220278</a>
6	Copy of the Aliens Act (301/2004) before amendment of 15.4.2022	Copy of the Aliens Act (301/2004) as it was 15.4.2022
7	Appointment decision for the cross administrative project April 2020	A copy of the appointment decision for the cross-administrative project for developing immigration legislation and permit procedures of 17 April 2020
8	Decision to amend the Appointment Decision June 2022	A copy of the decision to amend the appointment decision of 17 April 2020, of 10 June 2022

### 3. Analysis:

The Commission considers that there is a clerical error in the text of the Council Implementing Decision as regards the description of milestone P3C1R3-M81 and has undertaken the assessment on a revised basis. In such description, it is stated the duration of a residence permit based on studies is extended from one year to cover the entire duration of the studies. However, the section 7 of the act 719/2018 sets the original maximum duration to two years rather than one year. Against this background, the justification and substantiating evidence provided by the Finland authorities cover all constitutive elements of the milestone.

### **Entry into force of a legislative amendment concerning students, researchers and trainees (719/2018).**

Item 2 on evidence list, the Act Amending the Act on the Conditions of Entry and Residence of Third-Country Nationals on the Basis of Research, Studies, Training and Voluntary Service (Act 277/2022),

stipulates in the enacting clause in the final provisions of the act its entry into force on 15 April 2022. The Act 277/2022 is based on the Government Proposal HE 232/2021, item 3 on the evidence list. This Act amends Act 719/2018, item 4 on the evidence list.

Furthermore, in line with the description of the measure, **the measure consists in an extensive cross-administrative project on improving immigration legislation (namely, amendments to (...) the Act concerning students, researchers and trainees 719/2018)**. To that effect, as evidenced in items 7 and 8 on the evidence list, an appointment decision was, respectively, made on 17 April 2020 and amended on 10 June 2022, to establish the cross-administrative project for developing immigration legislation and permit procedures. The appointment letter of 17 April 2020 and its amendment of 10 June 2022 specify the involved ministries and agencies in the overall development project and its sub-projects.

**The amendment shall include at least the following:**

- **changing the residence permit type for higher education studies leading to a degree from temporary (B) to continuous (A). This shall result in the possibility of a permanent residence permit being granted more quickly;**

Section 34 of the Aliens Act 301/2004 – item 6 on the evidence list - defines A as the continuous and B as temporary resident permit type.

Sections 7 and 7a of, item 2 on the evidence list, the Act Amending the Act on the Conditions of Entry and Residence of Third-Country Nationals on the Basis of Research, Studies, Training and Voluntary Service (Act 277/2022), change the type of residence permit from temporary to continuous for students “in education leading to a university of applied sciences degree or a bachelor’s or master’s degree in a higher education institution in Finland”.

A continuous residence permit for a period of four years is required to apply for a permanent residence permit, according to Section 56 of item 6 of the evidence list, the Aliens Act (301/2004). Item 5 on the list of evidence, Amendment (278/2022) to the Aliens Act specifies that the condition is met as long as the degree for which the continuous permit has been granted, has been completed. The change of residence permit type from temporary to continuous allows for the study time in higher education in Finland to be counted towards the four-year requirement, thus resulting in faster granting of a permanent residence for students in higher education.

- **extending the duration of a residence permit based on studies from one year to cover the entire duration of the studies when these studies lead to a degree;**

The section 7 of the previous Act on the Conditions of Entry and Residence of Third-Country Nationals on the Basis of Research, Studies, Training and Voluntary Service (719/2018), item 4 on the evidence list, specifies that in order to have the permit, the student would have had to prove sufficient funds for the duration of the residence permit. The legislative baseline of two years has in practise resulted in a baseline of one year, due to income requirements attached to the permit.

Item 3 on the evidence list - the Government proposal to Parliament for legislation (HE 232\_2021 vp) in page 25, last paragraph, provides background for the extension of the validity period of the residence permit granted for students as follows: This change will release the students from applying annually or bi-annually for an extended residence permit and paying the application fee. Also, the student needs to present proof of sufficient funds for the first year only. The change is essential for the fulfilment of the income requirement, taking into account that prior to amendment only 18% of

applicants for a residence permit based on studies has obtained a residence permit for a period of more than one year and not more than two years. The proposed change in the income requirement thus has a significant impact on the length of the residence permit granted to the applicant.

According to the section 7 of the amended Act 277/2022, the applicant will need to present proof of funds for the first year only.

Paragraphs 1 and 2 of section 7 and paragraphs 1-3 of section 7a of the item 2 list of evidence, the Act Amending the Act on the Conditions of Entry and Residence of Third-Country Nationals on the Basis of Research, Studies, Training and Voluntary Service (Act 277/2022), determine that the residence permit is granted continuously for the duration of the studies if the student has been accepted by and paid the required fees for a university of an applied sciences degree or education leading to a bachelor's or master's degree at a higher education institute located in Finland.

**- centralising and clarifying the regulation related to the right to work.**

In order to remove overlapping regulations between the Act 719/2018 on the Conditions of Entry and Residence of Third-Country Nationals on the Basis of Research, Studies, Training and Voluntary Service, item 4 of the evidence list and the Aliens Act (301/2004), item 6 on the evidence list, the reference to on the residence permits for researchers has been removed from the Aliens Act (301/2004), through the Act Amending the Aliens Act (278/2022), section 77(1)(4), item number 5 on the evidence list. Provisions for the residence permits for the researchers are centralised in Act 719/2018 on the Conditions of Entry and Residence of Third-Country Nationals on the Basis of Research, Studies, Training and Voluntary Service, in force (<https://www.finlex.fi/fi/laki/ajantasa/2018/20180719>).

The Act 277/2021 amending the Act on the Conditions of Entry and Residence of Third-Country Nationals on the Basis of Research, Studies, Training and Voluntary Service, item 2 of the evidence list, clarify the regulation related to the right to work as follows:

- section 14 is amended to be more flexible in terms of duration and timing of the work combined with studies
- section 15 is amended to specify circumstances regarding right to start working and duration of the right to work.
- Sections 16 and 18 are amended to make the right of the family members to work more flexible.

The government proposal to the Parliament (HE 232\_2021 vp), item 3 on the evidence list, outlines in section 4.2.4.1 pages 24 and 25 that these changes reduce the need for interpretation of the regulation, adding flexibility to decide more freely when to work, and facilitating the monitoring of hours worked for both students and employers.

**4. Commission Preliminary Assessment: Satisfactorily fulfilled**

**Number and name of the Milestone:** 83 - Establishing a fast-track process for specialists, growth entrepreneurs and their accompanying family members

**Related Measure:** P3C1R3 - Employment and labour market - Streamlining the work and education-based immigration process

**Qualitative Indicator:** The implementation of a fast-track residence permit process for specialists, growth entrepreneurs and their accompanying family members.

**Time:** Q4 2022

### 1. Context:

The objective of the reform is to streamline procedures for granting residence permits based on work and education, aiming to increase immigration of skilled workers and facilitate employment of international students to address labour shortages. The reform includes the entry into force of improvements on immigration legislation, including legislation concerning students, researchers, and trainees, the shortening of permit procedures for growth entrepreneurs, specialists, and their family members. The legislative reform is supported by a digital infrastructure investment to support work- and education-based immigration systems, procedures, guidance, and communication.

Milestone 83 concerns the creation of a fast-track process for residence permits for specialists (namely middle or top management of a company or in jobs that require special expertise, and EU Blue Card specialists), growth entrepreneurs and their accompanying family members. This fast-track includes a service pledge of processing time of 14 days.

Milestone 83 is the first step of the implementation of the reform, and it is accompanied by milestone 81 in this payment request. It will be followed by milestone 82 and target 84, related to legislative amendments to the Aliens Act and decreasing the time for processing residency permits, respectively. The reform has a final expected date for implementation on 31 December 2024.

### 2. Evidence provided:

	Name of the evidence	Short description
1	A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.	
2	The process of fast track, 29 February 2024	Report of 29 February 2024 on The Process of fast track for specialists, growth entrepreneurs and their family members by the Finnish Immigration Service in co-operation with the Ministry of Foreign affairs.
3	Signature from the	Official signature of the fast-track report by the

	Director General of Migri to Annex IV, 5 June 2024	Director General of the Finnish Immigration Service
4	Ministry endorsement for Annex IV, 17 June 2024	Copy of the minutes of the meeting of the Management Board of the Labour Migration and Integration Unit on 17 June 2024
5	Extracts from the webpages, 28 February 2024	Copy of and link to the fast-track webpage of the Finnish Immigration service <a href="https://migri.fi/en/fast-track">https://migri.fi/en/fast-track</a>
6	Copy of Aliens Act 301_2004 in force in June 2022	Copy of the consolidated Aliens Act 301/2004 in force on June 2022 and link to Act 121/2022 amending the Aliens Act, entered into force on 1 June 2022 <a href="https://www.finlex.fi/fi/laki/alkup/2022/20220121">https://www.finlex.fi/fi/laki/alkup/2022/20220121</a>
7	Copy of Aliens Act 301_2004 in force in December 2022	Copy of the consolidated Aliens Act 301/2004 in force on December 2022 and link to Act 1088/2022 amending the Aliens Act, entered into force on 22 December 2022 <a href="https://www.finlex.fi/fi/laki/alkup/2022/20221088">https://www.finlex.fi/fi/laki/alkup/2022/20221088</a>
8	Copy of Aliens Act 301_2004 in force in January 2025	Copy of the translated and consolidated Aliens Act 301/2004 with amendments up to 389/2023 included, entering into force on 1 January 2025 <a href="http://www.finlex.fi/fi/laki/kaannokset/2004/en20040301.pdf">www.finlex.fi/fi/laki/kaannokset/2004/en20040301.pdf</a>
9	Statistics from the UMA case processing system, 28 February 2024	Statistics report of 28 February 2024 from the Finnish Immigration Service

### 3. Analysis:

The justification and substantiating evidence provided by the Finnish authorities cover all constitutive elements of the milestone.

**A fast-track for processing residence permits shall be created and implemented for specialists (working in the middle or top management of a company or in jobs that require special expertise, and EU Blue Card specialists), growth entrepreneurs and their accompanying family members[...]**

Furthermore, in line with the description of the measure, **a “fast-track” shall be created for growth entrepreneurs, specialists and their accompanying family members.**

Sections 17a to 17c of chapter 3 of the Aliens Act (301/2004), as amended by Act 121/2022 and Act 1088/2022, items 4 and 7 of the evidence list, regulate the issuing of long-stay visas (17a and b) and create an accelerated entry upon application for people working in jobs that require special expertise (17c subsection 1), in senior or middle management positions in a company (subsection 6), EU Blue Card specialists (subsection 2), growth entrepreneurs (subsection 3) and their accompanying family members (subsection 7). The amending Act 121/2022 and Act 1088/2022 entered into force on 1 June 2022 and 22 December 2022, respectively, pertaining to the elements relevant to the milestone. The implementation of the fast-track is evidenced in the paragraphs to follow.

**[...]in which the target group opting for the fast track shall be given a service pledge that includes a processing time of 14 days. The fast track-service pledge applies to electronic applications that fill the requirements set out for the fast track process.**

Furthermore, in line with the description of the measure, **the digital infrastructure shall include the following areas of development: iv) implementation of the “Fast Track”**.

A 14-day service is pledged on the website of the Finnish Immigration Service, item 5 of the evidence list, applying to all target groups in the measure, indicating that the fast-track will be given to those applicants that fill in and pay an application in the online service EnterFinland and prove their identity within five working days of submitting their application. This pledge is also outlined in a report on the fast-track system, item 2 of the evidence list, prepared by the Finnish Immigration Service and signed by its Director General, item 3 of the evidence list, and accepted by the Ministry of Economic Affairs and Employment in its minutes, item 4 of the evidence list. This report also outlines the fast-track process and functionality, including its technical development and print-screens of the EnterFinland system. Finally, the report also outlines the faster immigration process, due to the possibility for applicants to enter Finland without having to wait for delivery of their residence permit card in their country of origin. The fast-track process, the functionality of the EnterFinland website and the faster immigration process is also explained on the fast-track website (item 5 of the evidence list) and on the linked webpages dedicated for each type of specialist. Finland has, additionally, shared a statistics report prepared by the Finnish Immigration Service and signed by its Director General, items 9 and 10 of the evidence list, showing an average number of processing days below 14, as well as print-screens and a link to the fast-track application online service, item 5 of the evidence list.

**The definition of a growth entrepreneur and of a specialist and the criteria for granting them a residence permit are those set out in the Aliens Act (301/2004).**

Section 80 and 73 of Chapter 5 of the Aliens Act (301/2004), item 8 of the evidence list, define and stipulate the criteria for granting residence to, respectively, a growth entrepreneur and a specialist. Section 17c, that determines the issuance of long-stay visas, references these sections (subsections 1 and 3).

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled

**Number and name of the Milestone:** 93 - Publication of the first call for applications to provide training to strengthen digital and green skills

**Related Measure:** Reform of continuous learning

**Qualitative Indicator:** Publication of the call for applications by the Academy of Finland

**Time:** Q2 2022

### 1. Context:

The objective of this reform is to improve employment opportunities of working-age people by developing their skills and competences. The reform aims at increasing the matching between the provision of educational courses and the labour market's needs.

Milestone 93 concerns the launch of the first call for applications for trainings. This first call will cover trainings in digital and green skills.

Milestone 93 is the second milestone of the reform, and it follows the completion of milestone 91, related to the entry into force of the Act on the Fin

nish Service Centre for Continuous Learning and Employment. It will be followed by milestone 92 regarding the establishment of a forecasting system for labour and competence needs, as well as target 95 which requires the provision of trainings to career guidance professionals to increase their level of expertise and, finally, target 94, related to completed trainings to respond to changes in working life, including green and digital skills. The reform has a final expected date for implementation by 30 June 2026.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.



2	Copy of the publication of the call for applications	Copy of the first call for applications “Advancing Digitalisation and a Green Transition”, translated into English. The copy includes application instructions, technical specifications, and the eligibility criteria of the call. The call was published on SECLE’s web page on 4 April 2022 and was open until 16 May 2022. <a href="https://iotpa.devsite.fi/fi/ajankohtaista/rahoitushaut/valtionavustukset-kevat-2022/digitalisaatio-javihrea-siirtyma/">iotpa.devsite.fi/fi/ajankohtaista/rahoitushaut/valtionavustukset-kevat-2022/digitalisaatio-javihrea-siirtyma/</a>
3	3.a. Copy of the extracts from the government budget for the year 2021	Extracts from the Government’s budget for the year 2021, showing the allocations to the Service Centre for Continuous Learning. <a href="https://budjetti.vm.fi/indox/sisalto.jsp?year=2021&amp;lang=fi&amp;maindoc=/2021/aky/aky.xml&amp;opennode=0:1:11:263:709:711:719:">https://budjetti.vm.fi/indox/sisalto.jsp?year=2021&amp;lang=fi&amp;maindoc=/2021/aky/aky.xml&amp;opennode=0:1:11:263:709:711:719:</a>
	3.b. Copy of the extracts from the government budget for the year 2022	Extracts from the Government’s budget for the year 2022, showing the allocations to the Service Centre for Continuous Learning. <a href="https://budjetti.vm.fi/indox/sisalto.jsp?year=2022&amp;lang=fi&amp;maindoc=/2022/aky/aky.xml&amp;opennode=0:1:11:261:711:713:721:">https://budjetti.vm.fi/indox/sisalto.jsp?year=2022&amp;lang=fi&amp;maindoc=/2022/aky/aky.xml&amp;opennode=0:1:11:261:711:713:721:</a>
	3.c. Copy of the extracts from the government budget for the year 2023	Extracts from the Government’s budget for the year 2023 showing the allocations to the Service Centre for Continuous Learning. <a href="https://budjetti.vm.fi/sisalto.jsp?year=2023&amp;lang=fi&amp;maindoc=/2023/aky/aky.xml&amp;opennode=0:1:11:261:715:717:725:">https://budjetti.vm.fi/sisalto.jsp?year=2023&amp;lang=fi&amp;maindoc=/2023/aky/aky.xml&amp;opennode=0:1:11:261:715:717:725:</a>
	3.d. Copy of the extracts from the government budget for the year 2024	Extracts from the Government’s budget for the year 2024, showing the allocations to the Service Center for Continuous Learning. <a href="https://budjetti.vm.fi/sisalto.jsp?year=2024&amp;lang=fi&amp;maindoc=/2024/aky/aky.xml&amp;opennode=0:1:11:271:737:739:747:">https://budjetti.vm.fi/sisalto.jsp?year=2024&amp;lang=fi&amp;maindoc=/2024/aky/aky.xml&amp;opennode=0:1:11:271:737:739:747:</a>

### 3. Analysis:

The justification and substantiating evidence provided by the Finnish authorities cover all constitutive elements of the milestone.

**Launch of the first call for applications for the provision of training to respond to changes in working life, including digitalisation and the green transition.**

Item (ii) of the evidence list is the copy of the first call for applications by the Service Centre for Continuous Learning and Employment (SECLE), which was published on 4 April 2022. The application period of the first call began on 4 April 2022 and ended on 16 May 2022. This publication can be found on SECLE's webpage on the following link: [jotpa.devsite.fi/fi/ajankohtaista/rahoitushaut/valtionavustukset-kevat-2022/digitalisaatio-ja-vihreä-siirtymä/igitalisaatio-ja-vihreä-siirtymä](https://jotpa.devsite.fi/fi/ajankohtaista/rahoitushaut/valtionavustukset-kevat-2022/digitalisaatio-ja-vihreä-siirtymä/igitalisaatio-ja-vihreä-siirtymä) | [Jatkuvan oppimisen ja työllisyyden palvelukeskus \(jotpa.fi\)](https://jotpa.fi), accessed by the Commission on 15/10/2024.

The section named “Background to the grant” of the publication of the call (item (ii) in the evidence list) specifies the background and objectives of the grant, which is focused on the green and digital transition. This section includes a general description of the targeted policy areas by the call, namely (i) to “...strengthen productivity and make services available to everyone through digitalisation and the data economy.”, (ii) to “...support structural change and a carbon-neutral welfare state through the green transition.” Further down the same section, the call describes in more detail the sub-areas, or “areas of expertise” as mentioned in the call, that may benefit from these grants. This detailed description includes one list of sub-areas for the green transition and one for digitalisation.

**At least 20% of the training shall be targeted to support in particular the digital transition (15%) and a just transition to a carbon-neutral society (5%). To this end, the terms of reference for the calls for applications or competitive bidding shall include selection/eligibility criteria corresponding to the applicable intervention fields set out in Annexes VI and VII to the Recovery and Resilience Facility Regulation, namely “Contributing to green skills and jobs and green economy (01)” and “Support for the development of digital skills (108)”**

The call for application assessed under this milestone is entirely based on supporting the development of skills on the green and digital transitions as outlined above. The selection criteria for this call, detailed in the sections “Background and objectives of the grant of evidence (ii), as mentioned above, target the policy areas of green transition and digitalisation. In addition, section 3 of the call “What grants are awarded for”, describes the training activities supported which are:

- one or more parts of a vocational qualification, combinations thereof or smaller modules, including apprenticeship training
- higher education with the aim of completing part of the degree
- liberal adult education
- activities supporting access to and participation in education and training
- development and experimentation of activities within the sector joint projects, and
- combinations of the above.

The call finances, therefore, training activities in the fields of the green transition and digitalisation. This approach is completely aligned with the policy areas represented by intervention fields 01 (Contributing to green skills and jobs and the green economy) and 108 (support for development of digital skills) of Annexes VI and VII of Regulation (EU) 2021/241 establishing the Recovery and Resilience Facility.

The call is entirely dedicated to training in the area of the green transition and digitalisation, therefore allocating 100% of the support under this call to these areas. The extracts from the State Budget for the years 2021, 2022, 2023 and 2024 show the annually allocated budget to the Service Centre for Continuous Learning, the entity managing this investment. The extract from the State Budget includes the following provision: “The measures in the Recovery and Resilience Plan are

*related to the objective of Finland's Sustainable Growth Programme to raise the level of competence and reform continuous learning (RRF pillar3). The objectives of supporting the green and digital transitions will be ensured through the selection criteria for the training to be funded."*

**4. Commission Preliminary Assessment:** satisfactorily fulfilled

**Number and name of the Target:** 98 – Increase of students' admission in higher education institutions

**Related Measure:** P3C2I2 – Improving the level of education by increasing student places in higher education

**Quantitative Indicator:** Number

**Baseline:** 0

**Target:** 600

**Time:** Q4 2022

### 1. Context:

The objective of the investment is to raise the level of education by increasing the number of people with a higher education degree. The measure consists in increasing the level of education in Finland by creating at least 600 new study places in higher education institutions. The new study places cover various sectors experiencing labour shortages or supporting sustainable growth.

Target 98 requires Finland to increase the intake of students by creating at least 600 new study places in 1<sup>st</sup> cycle degree programmes at higher education institutions, supporting sustainable growth and addressing labour shortages.

Target 98 is the only target of this investment.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the target (including all the constitutive elements) is satisfactorily fulfilled
2	Extract from Vipunen.fi database	An extract from Vipunen.fi database contains statistics of student intake in Universities and Universities of Applied Sciences for the years 2017-2019 and for the academic year 2022/2023
3	Report of the Ministry of Education and Culture	Report of the Ministry of Education and Culture describes the process of the investment, including the allocation of new study places in degree studies in the intake of the academic year 2022/2023 and the selection criteria.
4	Funding decision of 19.12.2022 to Aalto University (OKM/134/523/2022)	Funding decision by the Ministry of Education and Culture for an increased student intake of 35 study places in 2022 in the field of information and communication technologies
5	Funding decision of 19.12.2022 to University of Helsinki	Funding decision by the Ministry of Education and Culture for an increased intake of 20 study

	(OKM/135/523/2022)	places in 2022 in the field of education
6	Funding decision of 19.12.2022 to University of Eastern Finland (OKM/150/523/2022)	Funding decision by the Ministry of Education and Culture for an increased intake of 20 study places in 2022 in the field of natural sciences
7	Funding decision of 19.12.2022 to University of Jyväskylä (OKM/136/523/2022)	Funding decision by the Ministry of Education and Culture for an increased intake of 20 study places in 2022 in the field of Education
8	Funding decision of 19.12.2022 to Lappeenranta-Lahti University of Technology LUT (OKM/137/523/2022)	Funding decision by the Ministry of Education and Culture for an increased intake of 20 study places in 2022 in the field of business, administration and law
9	Funding decision of 19.12.2022 to Tampere University (OKM/138/523/2022)	Funding decision by the Ministry of Education and Culture for an increased intake of 14 study places in 2022 in the field of engineering and technology
10	Funding decision of 19.12.2022 to University of Turku (OKM/139/523/2022)	Funding decision by the Ministry of Education and Culture for an increased intake of 37 study places in 2022 in the field of engineering and technology
11	Funding decision of 19.12.2022 to Centria University of Applied Sciences (OKM/141/523/2022)	Funding decision by the Ministry of Education and Culture for an increased intake of 40 study places in 2022 in the field of health and welfare
12	Funding decision of 19.12.2022 to Haaga-Helia University of Applied Sciences (OKM/143/523/2022)	Funding decision by the Ministry of Education and Culture for an increased intake of 25 study places in 2022 in the field of business, administration and law, and 40 study places in 2022 in the field of information and communication technologies
13	Funding decision of 19.12.2022 to Jyväskylä University of Applied Sciences (OKM/148/523/2022)	Funding decision by the Ministry of Education and Culture for an increased intake of 20 study places in 2022 in the field of health and welfare
14	Funding decision of 19.12.2022 to Häme University of Applied Sciences (OKM/146/523/2022)	Funding decision by the Ministry of Education and Culture for an increased intake of 30 study places in 2022 in the field of health and welfare
15	Funding decision of 19.12.2022 to Karelia University of Applied Sciences (OKM/152/523/2022)	Funding decision by the Ministry of Education and Culture for an increased intake of 25 study places in 2022 in the field of health and welfare
16	Funding decision of 19.12.2022 to Laurea University of Applied Sciences (OKM/153/523/2022)	Funding decision by the Ministry of Education and Culture for an increased intake of 65 study places in 2022 in the field of health and welfare
17	Funding decision of 19.12.2022 to Oulu University of Applied Sciences (OKM/155/523/2022)	Funding decision by the Ministry of Education and Culture for an increased intake of 25 study places in 2022 in the field of engineering and technology, and 15 study places in 2022 in the field of information and communication technologies
18	Funding decision of 19.12.2022 to Satakunta University of Applied Sciences (OKM/157/523/2022)	Funding decision by the Ministry of Education and Culture for an increased intake of 10 study places in 2022 in the field of health and welfare, and 5 study places in 2022 in the field of

		information and communication technologies
19	Funding decision of 19.12.2022 to Savonia University of Applied Sciences (OKM/158/523/2022)	Funding decision by the Ministry of Education and Culture for an increased intake of 30 study places in 2022 in the field of health and welfare
20	Funding decision of 19.12.2022 to Seinäjoki University of Applied Sciences (OKM/159/523/2022)	Funding decision by the Ministry of Education and Culture for an increased intake of 25 study places in 2022 in the field of health and welfare
21	Funding decision of 19.12.2022 to Tampere University of Applied Sciences (OKM/160/523/2022)	Funding decision by the Ministry of Education and Culture for an increased intake of 50 study places in 2022 in the field of health and welfare
22	Funding decision of 19.12.2022 to Turku University of Applied Sciences (OKM/161/523/2022)	Funding decision by the Ministry of Education and Culture for an increased intake of 7 study places in 2022 in the field of health and welfare
23	Funding decision of 19.12.2022 to Vaasa University of Applied Sciences (OKM/162/523/2022)	Funding decision by the Ministry of Education and Culture for an increased intake of 30 study places in 2022 in the field of engineering and technology
24	Funding decision of 19.12.2022 to Novia University of Applied Sciences (OKM/163/523/2022)	Funding decision by the Ministry of Education and Culture for an increased intake of 25 study places in 2022 in the field of health and welfare
25	A letter from the Ministry of Education and Culture to Universities and Universities of Applied Sciences	Instructions for the higher education institutions on how to make proposals for additional study places for 2022 (VN/16980/2021-OKM-4)
26	New nationally funded study places 2020–2022	Figures for nationally funded additional study places in 2020–2022

### 3. Analysis:

The justification and substantiating evidence provided by the Finnish authorities cover all constitutive elements of the target.

#### **Higher education institutions shall expand their intake with at least 600 study places in 2022 on the 1st cycle degree programmes [...]**

As shown in the Report of the Ministry Education and Culture, the Ministry of Education and Culture allocated funding for 633 additional study places for new students in 1<sup>st</sup> cycle degrees, at various universities and universities of applied sciences, for the student intake in 2022 (item 3 on the evidence list, pages 2–5).

Item 25 on the evidence list is a letter sent by the Ministry of Education and Culture to higher education institutions, which contains instructions to higher education institutions on how to make proposals for additional study places for 2022. Those instructions explain that funding will only be paid following an actual increase in student intake (item 25 on the evidence list, page 3). The subsequent funding decisions (items 4 to 24 on the evidence list) explain that they are based on proven increase in actual student intake by the beneficiaries, showing that the increase of 633 study places actually took place. Moreover, statistical information (item 2 on the evidence list) shows that the increase in study places in 1<sup>st</sup> cycle degrees materialised: In the study programmes funded under the target at the beneficiary higher education institutions, the annual student intake increased from

at most 9 773 in 2017–2019 to 12 471 in 2022, an increase of 2 698 places inclusive of both places funded under the target (633) and those funded nationally (2 065).

**[...] aimed at supporting the implementation of Finland’s sustainable growth programme and to address labour shortages.**

Item 25 on the evidence list, pages 1 and 2, shows that when requesting the higher education institutions to propose new study places, the Ministry of Education and Culture had explained that the target finances study places in sectors suffering from labour shortages and supporting Finland’s sustainable growth programme. The Ministry of Education and Culture followed this criterion when allocating the funds under the target, as shown in the Report of the Ministry (item 3 on the evidence list). In practice, places were allocated to healthcare and welfare with an emphasis on nursing (327), technology (106), ICT (95), natural sciences (20) and education (40) as well as to business, administration and law (45), as shown in the Report by the Ministry (item 3 on the evidence list, pages 2–5) and in the funding decisions (items 4–24 on the evidence list). Most places were thus allocated to sectors that were explicitly named in the description of the target as examples of focus sectors (health, advanced technologies and ICT).

**This is expected to complement national funding that has already been allocated to expand the intake of higher education institutions from 2020 onwards.**

Instructions given by the Ministry of Education and Culture to higher education institutions show that the funding provided under the target is additional to national funding allocated to expand the intake of higher education institutions in 2021–2024 (item 24 on the evidence list, page 1).

The Report of the Ministry of Education and Culture and the funding decisions also explain that the funding provided is explicit to the RRF: The Report (item 3 on the evidence list, pages 2–5) explains how the ministry decided on the “allocation of the additional intake places of the investment included in Finland’s Recovery and Resilience Plan” (*“Suomen elpymis- ja palautumissuunnitelmaan sisältyvän investoinnin lisäaloituspaikkojen kohdentamisesta”*); and the funding decisions (items 4 to 24 on the evidence list) explain that the “increase is included in Finland’s Recovery and Resilience Plan” (*“lisääminen sisältyy Suomen elpymis- ja palautumissuunnitelmaan”*) and that the funding comes from “EU’s Rescue and Recovery Facility” (*“EU:n elpymis- ja palautumistukivälineestä (Rescue and Recovery Facility, RRF)”*).

Further, calculations provided by the Member State show that the total number of new study places funded nationally across all fields of higher education exceed 10 000 places in 2020–2022 and was over 3 000 in 2022 alone (item 26 on the evidence list). Statistical information moreover shows that the total increase in 1<sup>st</sup> cycle study places (whether funded nationally or under the target) in each of the respective fields of study at the beneficiary institutions in 2022, compared to the maximum figure in 2017–2019, exceeds the number of new places funded under the target (item 2 on the evidence list). This supports the finding that the study places funded under the target complemented study places funded nationally.

**By end-2021 the Ministry of Education and Culture and the higher education institutions are expected to agree on which fields of study and which higher education institutions to target. Increase of study places shall be targeted at areas where there is the greatest demand for education and a shortage of skills. The selection criteria shall include regional and national labour demand, demand for education and how effectively programmes support new skills demands for the future, including a focus on the health sector, on advanced technologies and ICT sectors.**



According to the procedure described in the Report of the Ministry of Education and Culture (item 3 on the evidence list, pages 1 and 2) and in the instructions given to higher education institutions (item 25 on the evidence list, pages 2 and 3), the additional study places were allocated by the Ministry of Education and Culture on the proposals of the higher education institutions in 2021.

Item 25 on the evidence list is a letter sent by the Ministry of Education and Culture to higher education institutions, which establishes the selection criteria used for the new study places to be funded. The criteria included (but were not limited to) regional and national labour demand and employment levels, demand for education and forecast needs for new skills in the future (page 2, under heading “Esitysten arviointi”). In practice, places were allocated to healthcare and welfare with an emphasis on nursing (327), technology (106), ICT (95), natural sciences (20) and education (40) as well as to business, administration and law (45) (item 3 on the evidence list, pages 2–5; and items 4–24 on the evidence list); the focus was thus on, and most places were allocated to, the health sector, advanced technologies and the ICT sector.

**New students are expected to enrol in degree programmes in autumn 2022 at the latest (academic year 2022/2023).**

As shown in the Report of the Ministry of Education and Culture (item 3 on the evidence list, page 5) and in the funding decisions (items 4–24 on the evidence list), higher education institutions filled the additional study places using their regular application and admissions procedures during 2022 so that the students started their studies at the beginning of the academic year 2022/2023 in autumn 2022 the latest. Statistical evidence shows that the study places were actually created and filled in 2022 (item 2 on the evidence list; item 3 on the evidence list, page 5; items 4–24 on the evidence list).

**The Ministry of Education and Culture shall monitor that the increase in student intake has taken place by comparing the intake of students in 2022 to the baseline defined as the maximum yearly intake in years 2017-2019.**

Item 2 on the evidence list contains an analysis from the Vipunen database used by Ministry of Education and Culture. The analysis compares the student intake in 2022 to the maximum annual figure in the period 2017-2019, showing that the increase in student intake was achieved in the funded fields of study at the beneficiary institutions of higher education. The Ministry of Education and Culture verified that the agreed increase in study places had taken place before issuing the funding decisions (item 3 on the evidence list, page 5; items 4–24 on the evidence list).

**Furthermore, in line with the description of the measure, the investment shall cover the costs of students’ education to the higher education institution for the entire duration of the studies.**

The amount of funding was calculated based on the number of new study places and the duration of the relevant study programme, as shown in the Report of the Ministry of Education and Culture (item 3 on the evidence list, page 5) and in the funding decisions (items 4–24 on the evidence list). The funding provided was EUR 6 000 for each new study place and year of study, and it was provided for 5 years at universities and for 3.5–4 years at universities of applied sciences.

The Report of the Ministry of Education and Culture shows that the sum used (EUR 6 000 per year of study, as shown also in items 4–24 on the evidence list) is the same as that used for national funding (item 3 on the evidence list, page 5)

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.



**Number and name of the Milestone:** 100 - Publication of a call for applications for leading companies' projects

**Related Measure:** P3C3I1 RDI funding package promoting the green transition – Leading companies

**Qualitative Indicator:** Publication of the call for applications by Business Finland

**Time:** Q2 2022

### 1. Context:

The objective of the investment is to support partnerships and ecosystems between companies and other research organisations that strengthen the competitiveness of business and enhance the effectiveness of Research & Development activities. The partnerships to be funded shall focus on areas of activity that support the green transition. The investment consists of supporting the creation of new sectors, products, businesses and operating models as well as the use of research results from universities, universities of applied sciences and research institutes for the needs of companies.

Business Finland shall launch a call for applications for leading companies' research projects into low-carbon economy and climate change adaptation and resilience. The terms of reference of the call should include eligibility criteria that ensure the selected projects comply with the Do No Significant Harm technical guidance and require compliance with EU and national environmental legislation.

Milestone 100 is the first step of the implementation of the investment. It will be followed by target 101 and target 102, related to awarding of grants for the projects and completion of projects, respectively. The investment has a final expected date for implementation by 31 December 2025.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Copy of the publication of the call for applications published by Business Finland on 2 June 2021 and open until 30 March 2022	Copy of and the link to the publications of the call for applications, showing that the competition was open for applications and the publication contains a call instruction for applicants. <a href="https://www.businessfinland.fi/en/whats-new/calls/2021/challenge-competition-for-leading-companies">https://www.businessfinland.fi/en/whats-new/calls/2021/challenge-competition-for-leading-companies</a>
3	Copy of the call instructions	Copy of and the link to the call instructions, showing that eligibility criteria of the call is fully aligned with the description of the milestone in the CID Annex <a href="https://view.officeapps.live.com/op/view.aspx?s">https://view.officeapps.live.com/op/view.aspx?s</a>

		<a href="https%3A%2F%2Fwww.businessfinland.fi%2F4aba19%2Fglobalassets%2Ffinnish-customers%2F01-funding%2F06-ecosystems%2Finstructions-and-forms-for-challenge-competition.docx&amp;wdOrigin=BROWSELINK">rc=https%3A%2F%2Fwww.businessfinland.fi%2F4aba19%2Fglobalassets%2Ffinnish-customers%2F01-funding%2F06-ecosystems%2Finstructions-and-forms-for-challenge-competition.docx&amp;wdOrigin=BROWSELINK</a>
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### 3. Analysis:

The justification and substantiating evidence provided by the Finnish authorities cover all constitutive elements of the milestone.

#### **Business Finland shall launch a call for applications for leading companies' projects.**

Item 2 of the evidence list is a copy of the publication of the call for applications for leading companies, published by Business Finland on 2 June 2021 and open until 30 March 2022. Item 3 of the evidence list outlines in chapter 2, page 1 that the call is for "leading companies with global operations and plans to significantly expand RDI activities in Finland". As evidenced by item 3, chapter 2, page 3, companies that do not meet the selection criteria described below can still apply through the same call and if selected, will be funded through other sources.

#### **The eligibility/selection criteria shall require that research is targeted at the low-carbon economy and climate change adaptation and resilience according to intervention field 022 in Annex VI of the RRF Regulation.**

In item 3 the eligibility criteria regarding low-carbon economy and climate change adaptation and resilience is demonstrated in chapter 2, page 3 where it states that projects must focus "on the low-carbon economy and the ability to cope with and adapt to climate change."

#### **The eligibility criteria shall also ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation. Projects promoting the use of fossil fuels shall not be funded. A project proposed by a company covered by the EU Emissions Trading System (ETS) may only be financed if it significantly reduces greenhouse gas emissions.**

Item 3 of the evidence list is the copy of the call instructions where pages 2-5 of item 3 specify the eligibility criteria for applicants. Pages 3-4 specifies the requirement of compliance with the 'Do No Significant Harm' principle as a condition for the eligibility of projects funded through the RRF applying for funding under this call. The exclusion list is specified in accordance with the DNSH Technical Guidance and covers the activities listed in the description of the measure, namely activities related to fossil fuels, including downstream use, and activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks. Page 4 specifies that projects are required to comply with EU and national environmental legislation.

#### **Furthermore, in line with the description of the measure, the partnerships to be funded shall focus on areas of activity that support the green transition.**

Page 5 of item 3 of the evidence list specifies that the projects to be funded through the RRF are those which support the green transition.

Furthermore, in line with the description of the measure, **the investment consists of supporting the creation of new sectors, products, businesses and operating models as well as the use of research results from universities, universities of applied sciences and research institutes for the needs of companies.**

In item 2 section 2, the purpose and scope of the competition is outlined and includes that “notable spillover and effects on the ecosystem must be demonstrated (particularly on SMEs and research organizations)” (page 2) and that “the funding and its monitoring will focus on the direct impacts of the project on new RDI investments and jobs in Finland and the creation of cooperation with SMEs and research organizations” (page 4). These indicators were used to select winning projects, demonstrating that there was a commitment for innovation and development of ecosystems including research institutes. Section 2 provides further evidence for the commitment for supporting innovations where it states that “attention will be paid to the impacts on the national economy, society, the green transition and the creation of new information and expertise” (page 4). The use of research results from higher education institutions and research institutes is further supported by the evidence in section 3 with an explicit mention of leading companies supporting research organisations (and SMEs) in research for needs of companies and of cooperation between higher education institutions. notable spillover and effects on the ecosystem must be demonstrated (particularly on SMEs and research organizations).

Furthermore, in line with the description of the measure, **partnerships shall significantly leverage other national RDI funding, companies’ own RDI investments, and the utilisation of EU and other international funding.**

Page 5 of item 3 of the evidence list specifies that the absolute increase in RDI spending will be used to assess the competitiveness of the proposal and that a failure to meet expected additional funding could lead to decrease in reduction or discontinuation of funding. Page 5 also specifies the specific requirement to utilise as effectively as possible European and other international sources of additional funding. Additionally, page 8 specifies the use of other funding, including national funding, as one of the selection criteria.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Number and name of the Milestone:** 106 - Publication by Business Finland of a call for applications for RDI projects aiming at increasing competences in key sectors

**Related Measure:** P3C3I3 - RDI funding package supporting the green transition – Accelerating key sectors and strengthening competence (Business Finland)

**Qualitative Indicator:** Publication of the call for applications by Business Finland

**Time:** Q2 2022

### 1. Context:

The objective of this investment is to boost RDI activities supporting the green transition, focusing on the key sectors and technologies of the green transition in order to promote utilisation and sharing of know-how and to improve the quality and effectiveness of partnerships and ecosystems. The scheme shall be cutting across all branches of science and sectors including the hydrogen economy, high-value bioproducts and emission-free energy systems and competences in data analysis and social sciences related to resilience and adaptation to climate change.

The milestone required Business Finland to launch a call for applications for RDI projects aiming to increase competences in key sectors of the green transition. The eligibility/selection criteria shall require that research is targeted at the low-carbon economy and climate change adaptation and resilience, and that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list.

Milestone 106 is the first step of the implementation of the investment. It will be followed by target 107 and target 108, related to notification of 10 grants for projects and completion of the projects, respectively. The investment has a final expected date for implementation by 31 December 2025.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Publication of the call for applications published by Business Finland on 30 September 2021 and open until 30 September 2022	Copy of and link to the publications of the call for applications, showing that the competition was open for applications and the publication contains a call instruction for applicants. <a href="https://www.businessfinland.fi/en/whats-new/calls/2021/partnership-model-funding-call-for-companies-and-research-organizations#stored">https://www.businessfinland.fi/en/whats-new/calls/2021/partnership-model-funding-call-for-companies-and-research-organizations#stored</a>
3	The call instructions published on 26 June 2021	Copy of the call instructions, showing that eligibility criteria of the call are fully aligned with the description of the milestone in the CID Annex
4	The Leading company's roadmap (Wärtsilä)	Copy of and link to the Leading company's roadmap (Wärtsilä), showing that ecosystems covered the key sectors of the green transition. <a href="https://www.businessfinland.fi/494cf9/globalassets/finnish-">https://www.businessfinland.fi/494cf9/globalassets/finnish-</a>

		<a href="https://www.businessfinland.fi/4a5208/globalassets/finnish-customers/01-funding/06-ecosystems/wartsila-zem-leading-company-ecosystem-roadmap.pdf">customers/01-funding/06-ecosystems/wartsila-zem-leading-company-ecosystem-roadmap.pdf</a>
5	The Leading company's roadmap (Valmet)	Copy of and link to the Leading company's roadmap (Valmet), showing that ecosystems covered the key sectors of the green transition. <a href="https://www.businessfinland.fi/4a5208/globalassets/finnish-customers/01-funding/06-ecosystems/beyond-circularity-roadmap-valmet-september-2023.pdf">https://www.businessfinland.fi/4a5208/globalassets/finnish-customers/01-funding/06-ecosystems/beyond-circularity-roadmap-valmet-september-2023.pdf</a>
6	The Leading company's roadmap (Nokia)	Copy of and link to the Leading company's roadmap (Nokia), showing that ecosystems covered the key sectors of the green transition. <a href="https://www.businessfinland.fi/494a77/globalassets/finnish-customers/01-funding/06-ecosystems/nokia-veturi_competitive-edge_roadmap_2601_2022.pdf">https://www.businessfinland.fi/494a77/globalassets/finnish-customers/01-funding/06-ecosystems/nokia-veturi_competitive-edge_roadmap_2601_2022.pdf</a>
7	The Leading company's roadmap (Neste)	Copy of and link to the Leading company's roadmap (Neste), showing that ecosystems covered the key sectors of the green transition. <a href="https://www.businessfinland.fi/4a9cd1/globalassets/finnish-customers/01-funding/06-ecosystems/neste_veturi_tiekartta.pdf">https://www.businessfinland.fi/4a9cd1/globalassets/finnish-customers/01-funding/06-ecosystems/neste_veturi_tiekartta.pdf</a>
8	the Leading company's roadmap (ABB)	Copy of and link to the Leading company's roadmap (ABB), showing that ecosystems covered the key sectors of the green transition. <a href="https://www.businessfinland.fi/492bb4/globalassets/finnish-customers/01-funding/06-ecosystems/abb-green-electrification-2035-veturi-roadmap.pdf">https://www.businessfinland.fi/492bb4/globalassets/finnish-customers/01-funding/06-ecosystems/abb-green-electrification-2035-veturi-roadmap.pdf</a>
9	The Leading company's roadmap (Fortum&Metsä)	Copy of and link to the Leading company's roadmap (Fortum&Metsä), showing that ecosystems covered the key sectors of the green transition. <a href="https://www.businessfinland.fi/49a764/globalassets/finnish-customers/01-funding/06-ecosystems/expandfibre_ecosystem-roadmap_may-2023.pdf">https://www.businessfinland.fi/49a764/globalassets/finnish-customers/01-funding/06-ecosystems/expandfibre_ecosystem-roadmap_may-2023.pdf</a>

### 3. Analysis:

The justification and substantiating evidence provided by the Finnish authorities cover all constitutive elements of the milestone.

**Business Finland shall launch a call for applications for RDI projects aiming to increase competences in key sectors of the green transition, such as the hydrogen economy, high-value bioproducts and emission-free energy systems and competences in e.g. data-analysis and social sciences related to resilience and adaptation to climate change.**

Furthermore, in line with the description of the measure, **the scheme shall be cutting across all branches of science and sectors including the hydrogen economy, high-value bioproducts and emission-free energy systems and competences in data analysis and social sciences related to resilience and adaptation to climate change.**

Item 2 of the evidence list is a copy of the publication of the call for applications for partnership funding RDI projects in leading companies' ecosystems published by Business Finland on 30

September 2021 and open until 30 September 2022. As evidenced by item 3, the call instructions in chapter 2, on page 2, companies that do not meet the selection criteria described below can still apply through the same call and if selected, will be funded through other sources. Item 3 of the evidence list, also specify in section 2 that projects funded through RRF are for projects promoting the green transition. Items 4-9 of the evidence list, the roadmaps of the leading companies, demonstrate that the RDI projects funded through the call are in key sectors of the green transition and thus align with the requirements of the description of the milestone and the measure. Page 2 of item 4 of the evidence list demonstrates that Wärtsilä's project focuses on sustainable technology solutions and services in a zero-emission marine ecosystem. Page 2 of item 5 demonstrates that Valmet's project focuses on "carbon neutral production and energy efficiency". Page 3 of item 6, outlines Nokia's key themes for RDI projects which revolve around data-analysis related to resilience and adaptation to climate change including "technology enablers and innovations for future networks to enable local weather, climate and environmental sensing". Page 5 and page 8 of item 7, demonstrates that Neste's projects focus on high-value bioproducts such as algae, and in the hydrogen economy, respectively. Page 1 of item 8 demonstrates that ABB's project focuses on carbon neutral energy systems. Finally, item 8 demonstrates that Fortum's and Metsä's project focuses on the development of new bioproducts with a lower carbon footprint. The companies and projects selected cover various branches of science and economic sectors in line with the measure description.

**The eligibility/selection criteria shall require that research is targeted at the low-carbon economy and climate change adaptation and resilience according to intervention field 022 in Annex VI to the RRF Regulation.**

In item 3 of the evidence list, the copy of the call instructions, the eligibility criteria regarding low-carbon economy and climate change adaptation and resilience are demonstrated in chapter 2, page 2 where it refers to the intervention field 022 and states that projects must focus "on the low-carbon economy and the ability to cope with and adapt to climate change."

**The eligibility criteria shall also ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation. Projects promoting the use of fossil fuels shall not be funded. A project proposed by a company covered by the EU Emissions Trading System (ETS) may only be financed if it significantly reduces greenhouse gas emissions.**

Page 2 of item 3 of the evidence list specifies the requirement of compliance with the 'Do No Significant Harm' principle as a condition for the eligibility of projects funded through the RRF applying for funding under this call. The exclusion list is specified in accordance with the DNSH Technical Guidance and covers the activities listed in the description of the measure, namely activities related to fossil fuels, including downstream use, and activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks. The section also specifies that projects are required to comply with EU and national environmental legislation.

Furthermore, in line with the description of the measure, **the measure consists of interventions to strengthen the existing research clusters, increase the level of expertise, including outside the existing research clusters, and to support the renewal of business activities. The investments in RDI of key sectors and technologies shall also enhance partnerships and ecosystems of RDI actors. The measure shall provide support to private and public research organisations as well as companies or municipalities.**

The evidence for this can be found in section 3 of item 3 of the evidence list which describes the partnership scheme. Section 3.1 sets out the criteria for a company or research organisation to be included in the partnership model which include addressing knowledge and technology gaps, building and commitment to partnerships and the relevance of the partner for development and renewal of the thematic ecosystem. The call does not mention restrictions on whether the research cluster should be an existing one or a new one, meaning that the call is in line with the measure description offering support to strengthen existing research clusters and increasing level of expertise also outside the existing ones. Section 3.1 also states that leading companies must commit to measurable and substantial collaboration with SMEs and research organisations which would enhance partnerships and ecosystems of RDI actors and thus is in support of the measure description. Finally, the section specifies that the funding in this call is intended for the research organisations, making no differentiation between private or public ones, and SMEs to support the leading companies' research ecosystems.

Furthermore, in line with the description of the measure, **in particular, it shall provide support to the projects for leading companies selected under investment 1 above.**

Item 3 of the evidence list, a copy of the call instructions, on page 2 paragraph 1 lists the leading companies chosen through the 2021 call assessed under investment 1 and specifies that these leading companies' ecosystems are eligible to apply for funding under this call.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Number and name of the Milestone:** 109 - Publication by Business Finland of a call for applications for RDI projects supporting innovative growth companies

**Related Measure:** P3C3I4 - RDI funding package supporting the green transition – Supporting innovative growth companies

**Qualitative Indicator:** Publication of a call for applications by Business Finland

**Time:** Q2 2022

### 1. Context:

The objective of the investment is to increase small and medium enterprises' investments in RDI and to improve their preparedness for the digital and green transition. The investment aims to strengthen research-based businesses by developing the findings of higher education institutions and research institutes into new businesses supporting the green transition. The investment provides targeted support to companies with high growth potential that develop solutions for the green transition, to boost the growth of companies already engaged in exports and to increase the number of export companies.

Milestone 109 consists of Business Finland launching a call for applications for RDI funding allocated to supporting innovative growth companies. The eligibility/selection criteria shall require that research is targeted at the low-carbon economy and climate change adaptation and resilience, and that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list.

Milestone 109 is the first step of the implementation of the investment. It will be followed by target 110 and target 111, related to the award of grants and project completion, respectively. The investment has a final expected date for implementation by 31 December 2025.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Extracts from the publication of the call for applications, published by Business Finland on 23 August 2021	Copy of and link to the publications of the call for applications by Business Finland, showing that the competition was open for applications and the publication contains a call instruction for applicants. <a href="https://www.businessfinland.fi/en/whats-new/calls/2021/green-transition-for-growth-companies-innovation-funding-call">https://www.businessfinland.fi/en/whats-new/calls/2021/green-transition-for-growth-companies-innovation-funding-call</a>
3	Business Finland's internal decision-making manual	The manual contains all the required eligibility criteria and complying with it is mandatory in every funding decision made by Business



		Finland.
4	Extracts from the updated publication of the call for applications by Business Finland, updated on 12 November 2021	Copy of and link to the publications of the call for applications by Business Finland, showing that the competition was open for applications and the publication contains a call instruction for applicants. <a href="https://web.archive.org/web/20220124055142/https://www.businessfinland.fi/ajankohtaista/haut/2021/kasvuyritysten-vihrea-siirtyma-innovaatorahoitushaku">https://web.archive.org/web/20220124055142/https://www.businessfinland.fi/ajankohtaista/haut/2021/kasvuyritysten-vihrea-siirtyma-innovaatorahoitushaku</a>

### 3. Analysis:

The justification and substantiating evidence provided by the Finnish authorities cover all constitutive elements of the milestone.

**Business Finland shall launch a call for applications for RDI funding allocated to supporting innovative growth companies.**

Furthermore, in line with the description of the measure, **the measure consists of providing targeted support to companies with high growth potential that develop solutions for the green transition, in order to boost the growth of companies already engaged in exports and to increase the number of export companies.**

Item 2 of the evidence list is a copy of the publication of the call for applications for growth companies, published by Business Finland on 23 August 2021. Paragraph 1 of item 2 states that the call is “intended for startup and SME companies that create solutions to advance sustainable development and have the ability to grow in international markets”, aligning with the milestone and measure description. Under the header “For which projects can funding be applied?”, it is stated that the “aid is intended for research projects of companies”.

**The eligibility/selection criteria shall require that research is targeted at the low-carbon economy and climate change adaptation and resilience according to intervention field 022 in Annex VI to the RRF Regulation.**

The call was published prior to the Council Implementing Decision adoption on 29 October 2021. At that time, the call for applications did not include an explicit reference to the intervention field 022 in Annex VI to the RRF Regulation. Item 4 of the evidence list is the updated publication of the call for applications on 12 November 2021 which describes and references the relevant intervention field mentioned in the milestone description as selection criteria under the header “For which projects can funding be applied?”. The call remained open until 31 March 2023.

**The eligibility criteria shall also ensure that the selected projects comply with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation. Projects promoting the use of fossil fuels shall not be funded. A project proposed by a company covered by the EU Emissions Trading System (ETS) may only be financed if it significantly reduces greenhouse gas emissions.**

The original call, item 2 of the evidence list, was published prior to the Council Implementing Decision adopted on 29 October 2021. At that time, the call for applications did not include an explicit reference to all relevant DNSH requirements.

The eligibility criteria of the call for application were updated in November 2021 (item 4) to include DNSH requirements which state that projects supported need to comply with DNSH requirements. The exclusion list is specified in accordance with the DNSH Technical Guidance under the header “prohibited content or applications” and covers the activities listed in the description of the measure, namely activities related to fossil fuels, including downstream use, and activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks. Under the header “For which projects can funding be applied?”, it is stated that only projects that comply with relevant EU and national environmental legislation are eligible.

Furthermore, in line with the description of the measure, **the measure consists of providing targeted support to companies with high growth potential that develop solutions for the green transition, in order to boost the growth of companies already engaged in exports and to increase the number of export companies. The support for the selected companies shall include funding for RDI activities, advice and information and contacts in the target markets.**

Item 2 of the evidence list is a copy of the publication of the call for applications which states in the first paragraph that companies supported through the call “create solutions to advance sustainable development”. This paragraph also outlines that the companies have an “ability to grow in international markets” meaning that the call is funding companies developing solutions for the green transition and offering a boost for increasing exports. Item 2 of the evidence list, under the header “For which projects can funding be applied?”, specifies that the grants under the scheme are intended for research projects. Item 4, the link to the updated call for applications, includes a link to a presentation on [Business Finland's innovation funding and current calls](https://www.businessfinland.fi/4a5ae3/globalassets/finnish-customers/news/events/2021/rrf_info_080921_virpi-mikkonen.pdf) from 8 September 2021 ([https://www.businessfinland.fi/4a5ae3/globalassets/finnish-customers/news/events/2021/rrf\\_info\\_080921\\_virpi-mikkonen.pdf](https://www.businessfinland.fi/4a5ae3/globalassets/finnish-customers/news/events/2021/rrf_info_080921_virpi-mikkonen.pdf)) in which the other services available are presented on page 18. These services cover the final elements in the measure description, namely sharing advice and information as well as contacts in the target markets.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Number and name of the Milestone:** 112 - Publication of a call for applications for the renewal and development of local research infrastructures

**Related Measure:** P3C3I5 - Promoting innovation and research infrastructure – Local research infrastructures

**Qualitative Indicator:** Publication of the call for applications by the Academy of Finland

**Time:** Q2 2022

### 1. Context:

Milestone 112 is part of investment P3C3I5, whose objective is to finance the renewal and development of local research infrastructures with a focus on the green and digital transition, via the Academy of Finland.

Milestone 112 requires the Academy of Finland to launch a call for applications for national research infrastructures. The eligibility criteria should ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation. Projects promoting the use of fossil fuels will not be funded. A project proposed by a company covered by the EU Emissions Trading System (ETS) may only be financed if it significantly reduces greenhouse gas emissions. Selection criteria will include the impact of the projects on sustainable development, green transition, and digitalisation.

Milestone 112 is the first step of implementation of the investment, and it will be followed by targets 113 and 114, related to the award of grants for the renewal and development of local research infrastructures and the share of completed local research infrastructure projects respectively.

The implementation of the investment shall be completed by 30 June 2026.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Copy of and link to the call for applications	Copy of the call for applications as evidence that the competition was open for applications. <a href="https://www.aka.fi/en/research-funding/apply-for-funding/calls-for-applications/apply-now2/firi-call-for-local-research-infrastructures/">https://www.aka.fi/en/research-funding/apply-for-funding/calls-for-applications/apply-now2/firi-call-for-local-research-infrastructures/</a>
2	Copy of the terms of reference (application instructions)	Copy of the terms of reference in English (application instructions) include the technical specifications and the eligibility criteria of the call and it shows out how the call was fully aligned with the description of the milestone in the CID Annex.
3	Action plan	The application consisted of a form completed

		in the online services and its PDF appendices. The action plan was included in the application and evidences the application instructions and terms of reference in detail. In order to streamline the review, the action plan and the review form (Annex IV) had the same structure.
4	Review form	The evaluation of the projects was executed by external reviewers/evaluation panel, who followed given review form and guidelines (Annex V) in their evaluations. The review form evidences the application instructions and terms of reference in detail. In order to streamline the review, the action plan (Annex III) and the review form had the same structure.
5	Review guidelines	The evaluation of the projects was executed by external reviewers/evaluation panel, who followed given review form (Annex IV) and guidelines in their evaluations. The review guidelines evidence the application instructions and terms of reference in detail.
6	Strategy for national research infrastructures in Finland 2020–2030	The Strategy for National Research Infrastructures in Finland 2020–2030 (PDF) evidences that the funded projects and measure support its objectives.
7	DNSH form	The application consisted of a form completed in the online services and its PDF appendices. The DNSH self-assessment form was included in the application as an appendix and evidences the application instructions and terms of reference in detail.

### 3. Analysis:

The justification and substantiating evidence provided by the Finnish authorities cover all constitutive elements of the milestone.

**Academy of Finland shall launch a call for applications for development of local research infrastructures.**

The copy of (and link to) the call for applications for national research infrastructures (item (1) from the evidence list, page 1), provides evidence that the call for applications was launched by the Academy of Finland and open for applications from 6 April 2022 until 12 May 2022.

The copy of (and link to) the call shows that funding is intended for development of local research infrastructures (item (1) from the evidence list, page 1).

**The eligibility criteria shall ensure that the selected projects comply with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.**

The eligibility criteria ensured that the selected projects comply with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation, as it is evidenced in the copy of the terms of reference “*Background and objectives*” section (item (2) from the evidence list, page 2), where the exclusion list is also described in full.

The “*Background and objectives*” section of the copy of the terms of reference (application instructions) also specifies that compliance of selected projects with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) through the use of an exclusion list is applicable in addition to the requirement of projects complying with the relevant EU and national environmental legislation.

**Projects promoting the use of fossil fuels shall not be funded. A project proposed by a company covered by the EU Emissions Trading System (ETS) may only be financed if it significantly reduces greenhouse gas emissions.**

Explicit criteria excluding the promotion of the use of fossil fuels can be found in the text related to the DNSH and in particular in the exclusion list (item (2) from the evidence list, page 2).

Regarding the EU Trading System (ETS), projects not-complying with the above condition were not part of the call. Under section “*Who can apply?*”, (item (2) from the evidence list, page 4) the text reads as follows “*The beneficiaries of the funding cannot include companies subject to the EU Emissions Trading System (EU ETS).*”.

**Selection criteria shall include the impact of the projects on sustainable development, green transition and digitalisation.**

The Council Implementing Decision required the selection criteria to include the impact of the projects on sustainable development, green transition, and digitalisation. While the copy of the terms of reference submitted do not reference this requirement in the selection criteria, the “*application parts and guidelines*” section of the document (item (2) from the evidence list, page 7-9) requires the submission an action plan including items “*6. 1 Digitality*” and “*7.3 Green transition*” (item (3) from the evidence list).

In addition, the review form submitted (item (4) from the evidence list) includes the impact of the projects on sustainable development, green transition and digitalisation, in line with the review guidelines (item (5) from the evidence list), evidencing that the selection criteria took into account this requirement.

Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the investment that the milestone 112 represents due to the projects’ actual impact on sustainable development, green transition, and digitalisation demonstrated by the above documents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**The measure consists in providing financial support for the construction of local research infrastructure, such as for the acquisition of equipment and systems, the creation or updating of services.**

Financial support was provided for the construction of local research infrastructure, such as for the acquisition of equipment and systems, the creation or updating of services, as evidenced in the call text, under section “*Key Concepts*” (item (2) from the evidence list, page 3): “*Research*

*infrastructures are research-relevant equipment, information networks, databases, multidisciplinary research centres, research stations, collections, libraries and other memory organisations, as well as services related to their use. Large scientific research infrastructures are often shared and international, offering opportunities for cooperation for both domestic and foreign researchers and other actors.”*

**The measure shall also support the objectives of the National Research Infrastructure Strategy, cutting across all branches of science with an emphasis on the green transition and digitalisation.**

As is evidenced in the call text, the measure supports the objectives of the National Research Infrastructure Strategy (item (6) from the evidence list): *“The vision stated in the Strategy for National Research Infrastructures in Finland 2020–2030 (PDF) is that high-class research infrastructure services increase the impact and international attraction of the Finnish research, education and innovation system. The strategy identifies the lack of funding for local research infrastructures as a challenge. ... Local research infrastructures should be up-to-date and respond to the needs of research, education, business and other sectors”* (item (2) from the evidence list, page 2).

The local infrastructure funding call emphasised the green transition and digitalisation: *“The aim of the present call for local research infrastructures is to support the construction or upgrading of locally or regionally significant research infrastructures that take account of the growth in digitalisation and the green transition”* (item (2) from the evidence list, page 2). Specific criteria regarding the green and digital transition are included in the review form (item (4) from the evidence list, pages 3-4) under points 5 and 6.

**Special emphasis shall be put on strengthening of research infrastructures in line with the strategies and profiles of the hosting institutes such as universities, universities of applied sciences, research institutes and other research organisations.**

Special emphasis was put on strengthening of research infrastructures in line with the strategies and profiles of the hosting institutes such as universities, universities of applied sciences, research institutes and other research organisations, as is evidenced in the copy of the terms of reference provided: *“Research organisations, such as universities, universities of applied sciences and research institutes, have local research infrastructures at their disposal, which play an important role in the research activities and cooperation of these organisations with RDI actors in the region. They also lay the foundation for national and international research infrastructure cooperation. Local research infrastructures should be up-to-date and respond to the needs of research, education, business and other sectors”* (item (2) from the evidence list, page 2 and 3).

**The investment shall help to strengthen the openness and interoperability of the research infrastructures of various actors (universities, universities of applied sciences, research institutes, companies and other RDI actors).**

As is evidenced in copy of the terms of reference provided, the investment helped to strengthen the openness and interoperability of the research infrastructures of various actors (universities, universities of applied sciences, research institutes, companies and other RDI actors): *“The research infrastructure has a clear access policy that allows for a diverse user base and enables access to the services provided by the research infrastructure”* and *“The research infrastructure provides support and guidance to users in order to bring the research data and materials produced with it into line with the FAIR principles. The research infrastructure’s activities take into account the changes*

*created by the growth of digitalisation and data intensity”* (item (2) from the evidence list, page 3 and 4).

The above is also evidence in the required action plan submitted (item (2) from the evidence list, page 8–9, item (3) from the evidence list, the Action plan: FIRI 2022 local research infrastructures).

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Number and name of the Target:** 113 - Award of grants for the renewal and development of local research infrastructures

**Related Measure:** P3C3I5 - Promoting innovation and research infrastructure – Local research infrastructures

**Quantitative Indicator:** Number

**Baseline:** 0

**Target:** 10

**Time:** Q4 2022

### 1. Context:

Target 113 is part of investment P3C3I5, whose objective is to finance the renewal and development of local research infrastructures with a focus on the green and digital transition, via the Academy of Finland.

Target 113 consists of the awarding of at least 10 grants for projects selected following the call launched under Milestone 112. The projects selected for funding are done in accordance with the eligibility and selection criteria specified in the call.

Target 113 is the second target of the investment and follows the completion of milestone 112. It will be followed by target 114 related to the share of completed local research infrastructure projects.

The implementation of the investment shall be completed by 30 June 2026.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Copy of the minutes of the Research Infrastructure Committee	The copy of the minutes of the Research Infrastructure Committee of 13 December 2022 highlighting that the Academy of Finland is the responsible authority in charge of assessing the financed projects against the requirements of the local research infrastructure call launched under this measure including the compliance of selected projects with the CID requirements including the 'Do no significant harm' Technical Guidance (2021/C58/01) as specified in the CID Annex.
2	Preparatory material for the decision meeting 1.11.2022	The preparatory material for the Research Infrastructure Committee meeting 1.11.2022 highlighting that the Academy of Finland is the



		responsible authority in charge of assessing the financed projects against the requirements of the local research infrastructure call launched under this measure.
3	Preparatory material for the decision meeting 13.12.2022	The preparatory material for the Research Infrastructure Committee decision meeting 13.12.2022 highlighting that the Academy of Finland is the responsible authority in charge of assessing the financed projects against the requirements of the local research infrastructure call launched under this measure.
4	Copy of the grant award notification	Copy of the grant award notification (a press release of 14 December 2022; available at <a href="https://www.aka.fi/en/about-us/whats-new/press-releases/2022/25m-in-funding-under-finlands-recovery-and-resilience-plan-granted-for-local-and-regional-research-infrastructures/">https://www.aka.fi/en/about-us/whats-new/press-releases/2022/25m-in-funding-under-finlands-recovery-and-resilience-plan-granted-for-local-and-regional-research-infrastructures/</a> ) containing the successful applicants, date and the reference of the document.
5	List of all selected projects	List of all selected projects and successful applicants (Annex V) under the local research infrastructure call launched (only one call) under the measure P3C3I5 containing all successful applicants in the local research infrastructure call promoting innovation and research infrastructure.
6	Administrative certificate from the Academy of Finland	Administrative certificate from the Academy of Finland certifying that the funded projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) by not supporting DNSH non-compliant activities and complying with the relevant EU and national environmental legislation.
7	Copy of the terms of reference	Copy of the terms of reference (application instructions) containing the relevant selection and eligibility criteria to prove compliance of selected projects with the CID requirements including the 'Do no significant harm' Technical Guidance (2021/C58/01) as specified in the CID Annex.
8	Review form	The evaluation of the projects was executed by external reviewers/evaluation panel, who followed given review form and guidelines (Annex V) in their evaluations. The review form evidences the application instructions and terms of reference in detail. In order to streamline the review, the action plan (Annex III) and the review form had the same structure.
9	Action plan	The application consisted of a form completed

		in the online services and its PDF appendices. The action plan was included in the application and evidences the application instructions and terms of reference in detail. In order to streamline the review, the action plan and the review form (Annex IV) had the same structure.
10	Review guidelines	The evaluation of the projects was executed by external reviewers/evaluation panel, who followed given review form (Annex IV) and guidelines in their evaluations. The review guidelines evidence the application instructions and terms of reference in detail.
11	Strategy for national research infrastructures in Finland 2020–2030	The Strategy for National Research Infrastructures in Finland 2020–2030 (PDF) of 17 December 2019 adopted by the Board of the Academy of Finland evidences that the funded projects and measure support its objectives.

### 3. Analysis:

The justification and substantiating evidence provided by the Finnish authorities cover all constitutive elements of the milestone.

#### **Notification by the Academy of Finland of the award of at least 10 grants for projects selected in accordance with the eligibility/selection criteria specified in milestone 112.**

On 13 December 2022, the Research Infrastructure Committee of the Academy of Finland made the decision to award RRF funding to 19 projects (19 consortia, 36 decisions) selected in accordance with the eligibility/selection criteria specified in milestone 112 (Item (1) and (5) from the evidence list) for each 36 decisions). Copy of the grant award notification (Item (9) from the evidence list; Annex IV) evidence the successful applicants, date and the reference of the document. List of all selected projects and successful applicants (Item (8) from the evidence list; Annex V) under the local research infrastructure call launched (only one call) under the measure P3C3I5 evidence all successful applicants in the local research infrastructure call promoting innovation and research infrastructure.

**The target is further specified in the Operational Arrangements, which requires that the compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) through the use of an exclusion list shall be ensured by way of: (i) administrative certificate from the Academy of Finland certifying that the funded projects comply with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) by not supporting DNSH non-compliant activities and complying with the relevant EU and national environmental legislation; and [...]**

The Administrative certificate from the Academy of Finland (Item (6) from the evidence list) certifies that all funded projects comply with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) by not supporting DNSH non-compliant activities and complying with the relevant EU and national environmental legislation.

**[...] (ii) documentation including copy of the terms of reference (application instructions) containing the relevant selection and eligibility criteria and, where necessary, Funding Memos, to prove compliance of selected projects with the CID requirements including the ‘Do no significant**

**harm’ Technical Guidance (2021/C58/01) as specified in the CID Annex. The documentation shall include for awarded projects with activities under the EU ETS, the projected level of GHG emissions per unit of product and a list with the EUTL identifier numbers.**

The documentation provided by the Finnish authorities (items (1) – (11) from the evidence list), including the copy of the terms of reference (item (7) from the evidence list) contain all the relevant selection and eligibility criteria and, Funding Memos (copy of the minutes of the Research Infrastructure Committee, item (1) from the evidence list) to prove compliance of selected projects with the CID requirements including the ‘Do no significant harm’ Technical Guidance (2021/C58/01) as specified in the CID Annex. No projects were awarded with activities under the EU ETS (see item (1) from the evidence list, page 6).

**The objective of this investment is to finance – via scheme managed by the Academy of Finland - the renewal and development of local research infrastructures. It shall cut across all branches of science and research. Emphasis shall be put on the objectives of the green and digital transition.**

The copy of the minutes of the Research Infrastructure Committee (item (1) from the evidence list, page 5 -6) states that *“Finland’s Recovery and Resilience Plan (RRP) “Sustainable Growth Programme for Finland” includes a research infrastructure investment package aimed at financing the renewal and development of research infrastructures, with a focus on the goals of green and digital transition. The Sustainable Growth Programme outlines that a portion of the funding for the research infrastructures will be directed to local research infrastructures measure through the Finnish Academy”*. This is also reflected in the preparatory material for the decision meetings (1.11.2022 & 13.12.2022) submitted by the Finnish authorities (items (2) and (3) from the evidence list, slide 3).

Furthermore, the copy of the Research Infrastructure Committee (item (1) from the as evidence list, page 5 -6) also highlights that an emphasis should be put on of the green and digital transition, required in the investment. This requirement is also reflected in the “Background and objectives” section of the copy of the terms of reference (item (7) from the evidence list, page 1).

Finally, the characteristics of a local research infrastructure defined in the call text included the added value to the region by increasing the vitality, skills and innovation potential in the region and by supporting partnerships between RDI actors: *“The research infrastructure supports regional specialisation and business regeneration and growth. It also promotes collaboration opportunities in the public and private sectors and the provision of solution-oriented information to meet society’s needs”* (item (7) from the evidence list, page 3).

**In addition, the selection criteria shall take into account the experience gained in the selection of projects for national research infrastructures (Investment 6).**

The preparatory material for the decision meetings (1.11.2022 & 13.12.2022) shows that the selection criteria took into account the experience gained in the selection of projects for national research infrastructures (items (2) and (3) from the evidence list, slides 8-9), which is also reflected in the copy of the terms of reference provided (item (7), pages 3-4): *“Research infrastructures refer to a reserve of research instruments, data and related services that strengthens the impact and increases the international attraction of the Finnish research, education and innovation system. Research infrastructure services enable R&D activity, support researcher training, and maintain and develop research and innovation capacity, thus promoting the quality, renewal and competitiveness of research, strengthening the versatile impact of research environments and enhancing national and international cooperation. ... Research infrastructures may be based at a single location (single-sited), scattered across several sites (distributed), or provided via a virtual platform (virtual). They can also form mutually complementary wholes and networks”*.

Furthermore, this requirement is also evidenced in the application instructions included in the copy of the terms and reference provided (item (7) from the evidence list, pages 6-9) and in the action plan required for applicants (item (9) from the evidence list), as well as in the review form and guidelines (item (8) from the evidence list).

**The measure consists in providing financial support for the construction of local research infrastructure, including for instance for the acquisition of equipment and systems, the creation or updating of services.**

Financial support was provided for the construction of local research infrastructure, such as for the acquisition of equipment and systems, the creation or updating of services, as reflected in the copy of the terms of reference provided by the Finnish authorities (item (7) from the evidence list, pages 3 and 5): *“Research infrastructures are research-relevant equipment, information networks, databases, multidisciplinary research centres, research stations, collections, libraries and other memory organisations, as well as services related to their use. Large scientific research infrastructures are often shared and international, offering opportunities for cooperation for both domestic and foreign researchers and other actors”*. This requirement is also reflected in page 5 of the same the copy of the terms of reference provided (item (7) from the evidence list).

The above is also evidenced in the preparatory material for the decision meetings (1.11.2022 & 13.12.2022), being reflected in the definition of a local research infrastructure that defines eligibility (items (2) and (3) from the evidence list, slide 8).

**The measure shall also support the objectives of the National Research Infrastructure Strategy, cutting across all branches of science with an emphasis on the green transition and digitalisation.**

The copy of the terms of reference provided require that *“The vision stated in the Strategy for National Research Infrastructures in Finland 2020–2030 (item (11) from the evidence list) is that high-class research infrastructure services increase the impact and international attraction of the Finnish research, education and innovation system. The strategy identifies the lack of funding for local research infrastructures as a challenge. ... Local research infrastructures should be up-to-date and respond to the needs of research, education, business and other sectors”* (item (7) from the evidence list, page 2).

**Special emphasis shall be put on strengthening of research infrastructures in line with the strategies and profiles of the hosting institutes including for instance universities, universities of applied sciences, research institutes and other research organisations.**

The copy of the minutes of the Research Infrastructure Committee provided show that emphasis was put on strengthening of research infrastructures in line with the strategies and profiles of the hosting institutes such as universities, universities of applied sciences, research institutes and other research organisations: *“Research organisations, such as universities, universities of applied sciences, and research institutes, have access to local research infrastructures that play a crucial role in the research activities and collaboration with regional RDI actors. Local research infrastructures also form the basis for national and international research infrastructure collaboration”* (item (1) from the evidence list, page 5).

The above is also evidence in the copy of the terms of reference provided (item (7) from the evidence list, page 2-3).

The emphasis is also highlighted in the definition of a local research infrastructure that defines eligibility, as evidenced in the preparatory material for the decision meetings (1.11.2022 & 13.12.2022) submitted by the Finnish authorities (items (2) and (3) from the evidence list, slide 8).

Finally, the investment shall help to strengthen the openness and interoperability of the research infrastructures of various actors (universities, universities of applied sciences, research institutes, companies and other RDI actors).

The preparatory material for the decision meetings (1.11.2022 & 13.12.2022) submitted by the Finnish authorities explain the definition of a local research infrastructure determining eligibility and decided by the Research Infrastructure Committee, evidencing that the investment strengthens the openness and interoperability of the research infrastructures of various actors (universities, universities of applied sciences, research institutes, companies and other RDI actors): *“A local research infrastructure is locally or regionally significant, taking into account the growth of digitalisation and the green transition. It serves as a repository of research instruments, equipment, materials, and services that promotes high-quality research as well as development and innovation activities. It may be an existing or under-construction research infrastructure. The local research infrastructure supports the host organisation's strategy, strengthens local/regional specialization and growth, and acts as a focal point for (local/regional) expertise, collaboration, or partnership. A local research infrastructure must have a plan for maintaining, developing, and ensuring the availability of services. Data produced by the local research infrastructure must be made as open as possible and as closed as necessary”* (items (2) and (3) from the evidence list, slide 8).

The above is also stressed in the copy of the terms of reference provided (item (7) from the evidence list, pages 3-4), and in the required action plan (item (9) from the evidence list).

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Number and name of the Target:** 116 – Award of grants for the renewal and development of national research infrastructures

**Related Measure:** P3C3I6 – RDI, research infrastructure and piloting - Promoting innovation and research infrastructure – National research infrastructures

**Quantitative Indicator:** Number

**Baseline:** 0

**Target:** 6

**Time:** Q2 2022

### 1. Context:

Target 116 is part of investment P3C3I6 whose objective is to finance the renewal and development of national research infrastructures with a focus on the green and digital transition, via the Academy of Finland.

Target 116 requires the Academy of Finland to make at least six notifications of the award of grants for projects selected in accordance with the criteria specified in milestone 115.

Target 116 is the second milestone or target of the implementation of the investment, and it follows the completion of milestone 115 related to the publication of a call for applications for the renewal and development of national research infrastructures. It will be followed by target 117 related to the share of completed national research infrastructure projects. The investment has a final expected date for implementation by 30 June 2026.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the target (including all the constitutive elements) is satisfactorily fulfilled
2	Copy of the Minutes of the Research Infrastructure Committee	Minutes of the meeting of 7.12.2021 of the Research Infrastructure Committee of the Academy of Finland, concerning decisions to award the grants
3	Preparatory material for the Research Infrastructure Committee for the decision meeting	The preparatory material for the Research Infrastructure Committee meeting concerning decisions to award the grants (FIRI2021-haku päätösvalmistelu, dated 15.11.2021)
4	Copy of the grant award notification	Grant award notification (a press release of 9 December 2021; available at <a href="https://www.aka.fi/en/about-us/whats-new/press-releases/2021/academy-of-finland-grants-close-to-36-million-for-15-research-infrastructures/">https://www.aka.fi/en/about-us/whats-new/press-releases/2021/academy-of-finland-grants-close-to-36-million-for-15-research-infrastructures/</a> and accessed by the Commission on 16.10.2024; together with a list of all selected projects)
5	List of all selected projects	List of all selected projects and successful

		applicants under the national research infrastructure call launched under the measure P3C3I6
6	Administrative certificate from the Academy of Finland	Administrative certificate from the Academy of Finland certifying that the funded projects comply with the 'Do no significant harm' (DNSH) Technical Guidance (2021/C58/01) by not supporting activities that are non-compliant with DNSH and not complying with the relevant EU and national environmental legislation
7	Copy of the Terms of reference	Copy of the terms of reference (application instructions), including the technical specifications and the eligibility criteria of the call
8	Review form	The review form that guided the project evaluation by the external evaluation panel ( <i>Application review form: The FIRI 2021 call for research infrastructures on the 2021–2024 roadmap and Finland's memberships in international research infrastructures (FIRI2021 Roadmap and international memberships)</i> )
9	Strategy for national research infrastructures in Finland 2020–2030	The Strategy for national research Infrastructures in Finland 2020–2030
10	Action plan	Action plan included in the applications, including the application instructions ( <i>Action plan guidelines for FIRI 2021 call: Research infrastructures on 2021–2024 roadmap and Finland's international RI memberships</i> )
11	Review guidelines	Review guidelines issued to the external reviewers/evaluation panel that evaluated the applications ( <i>Instructions for reviewing – The FIRI2021 call for research infrastructures on the 2021–2024 roadmap and Finland's memberships in international research infrastructures (FIRI2021 Roadmap and international memberships)</i> )
12	Decision notification	The decision notification (template) for funding granted by the Academy of Finland, generated once the decision to grant the award has been made
13	E-mail message sent from the Academy of Finland's online service	The email message automatically sent (template) from the Academy of Finland's online service regarding the decision notification for funding granted by the Academy of Finland.

### 3. Analysis:

The justification and substantiating evidence provided by the Finnish authorities cover all constitutive elements of the target.



**Notification by the Academy of Finland of the award of at least six grants for projects selected in accordance with the eligibility/selection criteria specified in milestone 115.**

As shown in the Minutes of the Research Infrastructure Committee of the Academy of Finland (item 2 on the evidence list), the Academy of Finland made, on 7 December 2021, decisions to award RRF funding to eight projects selected in accordance with the eligibility/selection criteria specified in milestone 115. The awards were made public on 9 December 2021 (item 4 on the evidence list). The list of all selected projects and successful applicants (item 5 on the evidence list; similarly, item 4 on the evidence list) specifies the projects and beneficiaries that benefitted from the funding under the measure P3C3I6, together with a reference to the respective funding decisions (decision number).

Moreover, the template decision notification (item 12 on the evidence list) and e-mail message from the Academy of Finland's online service sent to each applicant (item 13 on the evidence list) show that the applicants were shared the details of the decisions.

The evidence provided by the Finnish authorities further show that the successful projects were selected in accordance with the eligibility/selection criteria specified in milestone 115:

**Selected projects shall comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.**

As shown in the Terms of Reference, the underlying call text was supplemented regarding the 'Do no significant harm' (DNSH) Technical Guidance (2021/C58/01) compliance on 28 April 2021, via an addendum to the call instructions, where it is stated that the projects must respect the DNSH principle and that a separate report will be requested from the successful candidates (item 7 on the evidence list, page 1; see also item 2 on the evidence list, pages 7, 18, 23, 29, 36, 41, 45, 51, 56, 61 and 66).

As shown in the Minutes of the Research Infrastructure Committee of the Academy of Finland (item 2 on the evidence list, pages 7, 18, 23, 29, 36, 41, 45, 51, 56, 61 and 66), the selected projects adhere to the DNSH principle as laid down in the Technical Guidance 2021/C58/01: "In addition, all projects proposed to be funded are in line with the technical guidance on 'do not significant harm' principle (2021/C58/01) and they are in line with the requirement to comply with EU and national environmental legislation." (*"Lisäksi kaikki rahoitukseen esitetyt hankkeet ovat "ei merkittävää haittaa" -periaatetta koskevan teknisen ohjeen (2021/C58/01) mukaisia ja vastaavat vaatimusta EU:n ja kansallisen ympäristölainsäädännön noudattamisesta."*). Further, the DNSH-reports provided by the selected projects are annexed to the Minutes of the Research Infrastructure Committee of the Academy of Finland (item 2 on the evidence list, pages 71–85).

**The target is further specified in the Operational Arrangements, which require that the compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list shall be ensured by way of: (i) administrative certificate from the Academy of Finland certifying that the funded projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) by not supporting DNSH non-compliant activities and complying with the relevant EU and national environmental legislation; and [...]**

An administrative certificate from the Academy of Finland (item 6 on the evidence list) certifies that the funded projects comply with the DNSH Technical Guidance (2021/C58/01) by not supporting



DNSH non-compliant activities and by complying with the relevant EU and national environmental legislation.

**[...] (ii) documentation including copy of the terms of reference (application instructions) containing the relevant selection and eligibility criteria and, where necessary, Funding Memos, to prove compliance of selected projects with the CID requirements including the ‘Do no significant harm’ Technical Guidance (2021/C58/01) as specified in the CID Annex. The documentation shall include for awarded projects with activities under the EU ETS, the projected level of GHG emissions per unit of product and a list with the EUTL identifier numbers.**

The documentation provided by the Finnish authorities (items (1) – (13) on the evidence list), including the copy of the terms of reference (item (7) on the evidence list; see for example page 1) and Funding Memos (copy of the minutes of the Research Infrastructure Committee, item (2) on the evidence list; see for example pages 7, 18, 23, 29, 36, 41, 45, 51, 56, 61 and 66), contain all the relevant selection and eligibility criteria to prove the compliance of the selected projects with the CID requirements including the ‘Do no significant harm’ Technical Guidance (2021/C58/01) as specified in the CID Annex. No projects with activities under the EU ETS were awarded (see item (2) on the evidence list, for example pages 7, 18, 23, 29, 36, 41, 45, 51, 56, 61 and 66).

**Projects promoting the use of fossil fuels shall not be funded. A project proposed by a company covered by the EU Emissions Trading System (ETS) may only be financed if it significantly reduces greenhouse gas emissions.**

As shown in the Minutes of the Research Infrastructure Committee of the Academy of Finland (item 2 on the evidence list, for example pages 7, 18, 23, 29, 36, 41, 45, 51, 56, 61 and 66), none of the selected projects promotes the use of fossil fuels, and no beneficiary is covered by the ETS: “Projects that foster the use of fossil fuels are not funded. The beneficiaries do not include companies covered by the Emission Trading System (ETS)” (*“Hankkeita, joilla edistetään fossiilisten polttoaineiden käyttöä, ei rahoiteta. Rahoituksen edunsaajina ei ole päästökauppajärjestelmän (ETS) alaisia yrityksiä”*).

**Selection criteria shall include the impact of the projects on sustainable development, green transition, and digitalisation.**

As shown in the Minutes of the Research Infrastructure Committee of the Academy of Finland, the selection criteria included the impact of the projects on sustainable development, green transition and digitalisation (item 2 on the evidence list, pages 7, 18, 23, 29, 36, 41, 45, 51, 56, 61 and 66). Moreover, the Preparatory material for the decision meeting (item 3 on the evidence list, slide 8) indicates that the promotion of the green and digital transition was considered when selecting successful projects: “[i]n addition to the overall rating, the panel has evaluated the performance of the research infrastructure in the dual transition context (rating scale 1-6)” (*“[y]leisarvosanan lisäksi paneeli on arvioinut tutkimusinfrastruktuurin toimintaa kaksoisiirtymäkontekstissa (arvosana-asteikko 1-6)”*), with specific evaluation questions related to the digital and green transition explicitly mentioned in the document. Furthermore, the Review form that guided the evaluation of the projects by the external evaluation panel covered assessment on the impact of the projects on sustainable development, green transition and digitalisation (item 8 of the evidence list, pages 4–6). Moreover, the Review guidelines issued to the external reviewers included a section on sustainable development, stated that it is required that “Academy-funded projects consider the principles of sustainable development when following good scientific practice” and explained the reporting obligations of applicants in this respect (item 11 on the evidence list, pages 11–2).

**In the selection of projects, it shall also be ensured that at least EUR 8 000 000 shall be allocated in accordance with the intervention field 009bis (Investment in digital-related R&I activities) in Annex VII to the RRF Regulation.**

The Commission notes that the relevant intervention field is referred to as “009bis” in the English language version of Annex VII to the RRF Regulation but as “009 a” in the Finnish language version of the same document.

As shown in the Minutes of the Research Infrastructure Committee of the Academy of Finland, at least EUR 8 000 000 was allocated by the Academy of Finland in accordance with the intervention field 009bis in Annex VII to the RRF Regulation: “[w]hen selecting the projects, it has been ensured that at least EUR 8 000 000 is allocated to intervention field 009bis (Investment in digital-related research and innovation) of Annex VII to the RRF Regulation” (*“Hankkeita valittaessa on varmistettu, että vähintään 8 000 000 euroa osoitetaan elpymis- ja palautumistukivälineestä annetun asetuksen liitteessä VII olevan tukitoimialan 009 a (Investoinnit digitaaliin liittyvään tutkimukseen ja innovointiin)”*) (item 2 on the evidence list, page 7 and repeated on pages 18, 23, 29, 36, 41, 45, 51, 56, 61 and 66).

Furthermore, in line with the description of the measure, **the measure consists in providing financial support for the construction of national research infrastructures, such as for the acquisition of equipment and systems, the creation or updating of services.**

The Terms of reference (item 7 on the evidence list, page 1) show that the funding is intended “to cover investment costs in the construction phase of the research infrastructure, such as the acquisition of equipment and systems and the formation of services. The funding may also be applied for to significantly upgrade an existing research infrastructure”. This is supplemented in the same document under the sub-heading “Funding to be applied for and funding period” with: “The funding is intended for the construction or significant upgrading of the research infrastructure, such as the acquisition of equipment and systems and the formation of services. The acquisitions must be incorporated into an existing or upcoming national or international research infrastructure that is open to use by the scientific community” (item 7 on the evidence list, page 4).

In addition, in line with the description of the measure, **at least 40 % of the value of the investment shall be allocated to RDI activities related to digitalisation.**

The Minutes of the Research Infrastructures Committee (item 2 on the evidence list, page 7 repeated on pages 18, 23, 29, 36, 41, 45, 51, 56, 61 and 66) state that “[t]he selection criteria for projects proposed to be funded under the additional EUR 20 million received from the EU Recovery and Resilience Facility (RRF) include the contribution of the projects to sustainable development, green transition and digitalisation. When selecting projects, it has been ensured that at least EUR 8 000 000 is allocated to intervention field 009bis (Investment in digital-related research and innovation) of Annex VII to the RRF Regulation.” (*“EU:n elpymis- ja palautumistukivälineen (RRF) kautta saadulla 20 miljoonan euron lisärahoituksella rahoitettavaksi esitettävien hankkeiden valintaperusteisiin sisältyy hankkeiden vaikutus kestäväan kehitykseen, vihreään siirtymään ja digitalisaatioon. Hankkeita valittaessa on varmistettu, että vähintään 8 000 000 euroa osoitetaan elpymis- ja palautumistukivälineestä annetun asetuksen liitteessä VII olevan tukitoimialan 009 a (Investoinnit digitaaliin liittyvään tutkimukseen ja innovointiin)”*). EUR 8 000 000 corresponds to 40% of the additional EUR 20 000 000 made available under the EU Recovery and Resilience Facility.

For clarity, the Commission notes that the intervention field discussed in the quotes in the preceding paragraph is called “009bis” in the English language version of Annex VII to the RRF Regulation but “009 a” in the Finnish language version of the same document.

In line with the description of the measure, **the measure shall also support the revision of the Academy of Finland’s research infrastructure grant criteria in accordance with the objectives of the National Research Infrastructure Strategy, with an emphasis on the green transition and digitalisation.**

The Terms of reference (item 7 on the evidence list, page 2, second paragraph) state that “[t]he call is aimed at advancing the strategic objectives outlined in the Strategy for National Research Infrastructures in Finland 2020-2030”. The Terms of reference also explain (page 2, first paragraph) that the objective of the call is to promote the quality, renewal and competitiveness of research, to strengthen the versatile impact of research environments and to increase national and international cooperation. These are the main strategic objectives laid down in the Strategy for National Research Infrastructures in Finland 2020-2030 (item 9 on the evidence list, page 2).

Further, the Minutes of the Research Infrastructure Committee of the Academy of Finland (item 2 on the evidence list, page 6, repeated on pages 17, 22, 28, 35, 40, 44, 50, 55, 60 and 65) explain that “[t]he objective of the competitive call of the Academy of Finland on research infrastructures is to enhance the quality, renewal, competitiveness and interdisciplinary nature of Finnish research, as well as to increase the attractiveness of Finnish research environments. The objective is further to promote national and international collaboration among universities, research groups and researchers” (*“Suomen Akatemian kilpailtujen tutkimusinfrastruktuurihakujen tavoitteena on parantaa suomalaisen tutkimuksen laatua, uudistumista, kilpailukykyä ja tieteidenvälisyyttä sekä lisätä suomalaisten tutkimusympäristöjen vetovoimaisuutta. Tavoitteena on myös edistää yliopistojen, tutkimusryhmien ja tutkijoiden kansallista ja kansainvälistä yhteistyötä.”*)

As to green transition and digitalisation in particular, the Minutes of the Research Infrastructure Committee of the Academy of Finland explicitly explain that the selection criteria included the impact of the projects on sustainable development, green transition and digitalization (item 2 on the evidence list, page 7, repeated on pages 18, 23, 29, 36, 41, 45, 51, 56, 61 and 66). Moreover, the preparatory material for the decision meeting emphasises the promotion of the green and digital transition and show that there were specific evaluation questions related to the digital and green transition (item 3 on the evidence list, slide 8). Similarly, the Review form that guided the evaluation by the external evaluation panel included explicit sections on green transition, sustainable development and digitalisation (item 8 of the evidence list, pages 5–6).

**Finally**, in line with the description of the measure, **the investment shall help to strengthen the openness and interoperability of the research infrastructures of various actors (universities, universities of applied sciences, research institutes, companies and other RDI actors).**

As evidenced by the Terms of reference (item 7 on the evidence list), the services and data produced by the funded research infrastructure are required to be openly available, thus the funded projects strengthen the openness and interoperability of the research infrastructures of various actors. To that effect, the Terms of Reference state that “[t]he project must add value to the research infrastructure’s access policy, service range, and/or user base” and that “[t]he research infrastructure must offer feasible guidelines, practices and incentives/demands for researchers in order to support open access to research data” (item 7 on the evidence list, page 3 under the heading “Services and users” and “Digital platforms and data” respectively).

Moreover, as shown in the Review form that guided the evaluation by the external evaluation panel (item 8 on the evidence list, page 4, under section “5.1 Services and users”) and in the Review guidelines issued to the external reviewers (item 11 on the evidence list, pages 10–1 under section “8.3 Open science”), openness and interoperability were explicitly verified when selecting the successful projects.

The Minutes of the Research Infrastructure Committee of the Academy of Finland (item 2 on the evidence list) and the list of selected projects (item 5 on the evidence list) show that the funded projects concerned research infrastructures of various actors. Moreover, the Terms of Reference show that eligible applicants were required to be research organisations or consortia of research organisations (item 7 on the evidence list, pages 1 and 3).

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Number and name of the Milestone:** 118 - Publication of a call for applications for development of innovation infrastructures

**Related Measure:** P3C3I7 - RDI, research infrastructure and piloting – Promoting innovation and research infrastructure – Competitive funding for innovation infrastructures

**Qualitative Indicator:** Publication of the call for applications by Business Finland

**Time:** Q2 2022

### 1. Context:

The objective of the investment is to support the development of testing environments (innovation infrastructures), with emphasis on the objectives of the green and digital transition.

To this end, the measure consists of support to developing the environments needed for the development and testing of solutions that promote carbon neutrality and digitalisation in genuine user conditions. Such environments may include different research infrastructures of cities, municipalities and other public actors, or innovation environments jointly built by companies and other actors.

The milestone requires Business Finland to launch a call for applications for the development of such innovation infrastructures. The selected projects have to comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.

Milestone 118 is the first step of the implementation of the investment and will be followed by targets 119 and 120, related to awarding the grants and completing innovation infrastructure projects. The investment has a final expected date for implementation 31 December 2025.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements, as listed in the description of the milestone and of the corresponding measure in the CID annex) was satisfactorily fulfilled.
2	Annex 1: published call of applications	Copy of the publication of the call for applications: Business Finland "FUNDING CALL FOR BUILDING AND DEVELOPING INFRASTRUCTURES THAT SUPPORT LEADING TECHNOLOGIES AND SUSTAINABLE GROWTH AND DIGITALIZATION" 18.3-23.5 2022. Furthermore, the link to the closed call was still available in July 2024 on the website of Business Finland for evidence: <a href="https://www.businessfinland.fi/en/whats-new/calls/2022/infrastructure-funding-call">https://www.businessfinland.fi/en/whats-new/calls/2022/infrastructure-funding-call</a>
3	Annex 2: application instructions	Copy of the application instructions for the call dated 22.3.2022, including technical specifications and the eligibility criteria of the call, fully aligned with the description of the milestone in the CID Annex. Furthermore, the link to the instructions is still available in July 2024 through the closed call on the website of Business Finland: <a href="https://www.businessfinland.fi/4956e1/globalassets/finnish-customers/news/calls/2022/infrastructure-rrf-funding-call-instructions-digitalization-and-sustainable-growth.pdf">https://www.businessfinland.fi/4956e1/globalassets/finnish-customers/news/calls/2022/infrastructure-rrf-funding-call-instructions-digitalization-and-sustainable-growth.pdf</a>

### 3. Analysis:

The justification and substantiating evidence provided by the Finnish authorities cover all constitutive elements of the milestone.

#### **Business Finland shall launch a call for applications for the development of innovation infrastructures.**

Business Finland published a call for applications for the development of innovation infrastructures on 18 March 2022 on their website, as indicated by the call (item 2 of provided evidence). According to page 1, the funding call concerns building or developing testing, experimentation, research, or innovation infrastructures that support sustainable growth and digitalisation, and was open for applications from 18 March to 23 May 2022. The goal of the call is stated in the call on pages 1-2. It is explained in more detail in the application instructions (item 3 of provided evidence), in section 2 “Funding call for building or developing testing, experimentation, research or innovation infrastructures that support sustainable growth and digitalization”. Section 2 starts by explaining that Business Finland will launch a funding call for projects aimed at building or developing testing, experimentation, research and innovation environments that support sustainable growth and digitalization. Furthermore, the general goals of the funding are found in the dedicated section 2.1.

In line with the description of the measure, **the measure consists of support to developing the environments needed for the development and testing of solutions that promote carbon neutrality and digitalisation in genuine user conditions.**

The call (item 2 of the evidence) on page 2 in section titled “What kinds of projects are eligible for this funding” explains that the call funds investment-focused projects aimed at building and developing testing, experimentation, research and innovation infrastructures. The application instructions (item 3 of the provided evidence) in its section 2 “Funding call for building or developing testing, experimentation, research or innovation infrastructures that support sustainable growth and digitalization” point out that the funded projects must make a significant contribution to the development of digitalization or make extensive use of it to address the challenges underlying the infrastructure plan. In addition, projects will be evaluated with an emphasis on the general sustainable growth objectives of the Sustainable Growth Program for Finland.

Section 2.2. “Focus areas in selecting projects for funding” confirms that the selection of projects to be funded focuses on:

- meeting the requirement for significantly promoting or utilizing digitalization
- promoting the development of sustainable growth and the green transition.

These points in the application instructions adequately cover the requirement of the measure description.

#### **The eligibility/selection criteria shall ensure that the intervention focuses on promoting elements directly linked to the digitalisation of business (according to intervention field 019 in Annex VII to the RRF Regulation).**

In line with Annex VII to the RRF Regulation, this intervention field 019 foresees support for innovation clusters including between businesses, research organisations and public authorities and business networks primarily benefiting SMEs. The call (item 2 of provided evidence) details that the goal is to launch testing, experimentation, research or innovation environment projects that support SMEs, Finland’s export sector, and related research. Furthermore, the call states that every funded project must promote or take advantage of digitalization in a significant manner. In addition, the funding call emphasizes the general sustainable growth objectives of the Sustainable Growth Program for Finland. This eligibility/selection criteria is specifically referred to in the instructions for the call (item 3 in the provided evidence) on page 4, in section “2.3. Special criteria for RRF funding



under the Sustainable Growth Program for Finland”, which emphasizes that the innovation infrastructures investment and development package supports 40% of digitalization at the level of the Sustainable Growth Program for Finland. Projects funded under this funding call must meet the criteria for promoting digital transformation set out in measure 019 of Annex VII to Regulation (EU) 2021/241 establishing the Recovery and Resilience Facility. Furthermore page 4 of Annex 2, section “2.2. Focus areas in selecting projects for funding”, lists areas that Business Finland will focus on in the selection of projects to be funded. These areas include a) meeting the requirement for significantly promoting or utilizing digitalization, and b) impact on the SMEs’ opportunities for RDI activities.

Taking the above into account, the requirement is satisfactorily covered in the provided evidence.

**The eligibility criteria shall ensure that the selected projects comply with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation. Projects promoting the use of fossil fuels shall not be funded. A project proposed by a company covered by the EU Emissions Trading System (ETS) may only be financed if it significantly reduces greenhouse gas emissions.**

This requirement is satisfactorily met on page 4 in section “2.3. Special criteria for RRF funding under the Sustainable Growth Program for Finland” of the application instructions for the call (item 3 of the evidence), which contains the following eligibility criteria for the applicants, and on page 5 includes the full 4-point exclusion list and its footnotes:

*“In funding decisions, Finland complies with all valid state subsidy regulations and guidelines, and addresses DNSH technical guidance C(2021) 1054 final. Due to environmental objectives, certain types of content or applications are not eligible for funding. The following cannot be funded in the funding call:*

*i) Activities within the scope of the EU Emissions Trading System (ETS) that result in estimated greenhouse gas emissions above the benchmark for free allocation, as defined in the Commission Implementation Regulation (EU) 2021/4471;*

*(ii) Activities related to fossil fuels, including refining and further use;*

*(iii) Activities related to landfills, incineration plants and mechanical-biological processing plants;*

*(iv) Activities involving long-term waste disposal that may harm the environment;*

*The projects must fulfill relevant and binding environmental regulations valid in the EU and at a national*

*level. Projects to be funded must meet the selection and eligibility criteria of the “Do No Significant Harm”*

*(DNSH) Technical Guidance 2021/C58/01. The DNSH criteria are presented in Appendix (APPENDIX 1).”*

Appendix 1 then reiterates that the EU Recovery and Resilience Facility (RRF) requires that no measures do any significant harm to the environment and lists which Economic activities are considered to cause significant harm. Taking all these elements into account, the requirement is adequately covered in the provided evidence.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Number and name of the Milestone:** 121 - Publication of the call for applications for support to companies' internationalisation capabilities

**Related Measure:** P3C4.I1 Growth acceleration programme for small enterprises

**Qualitative Indicator:** Publication of the first call for applications

**Time:** Q2 2022

### 1. Context:

The objective of this investment is to accelerate growth of Finnish micro and small enterprises and boost their internationalisation capabilities. The investment consists of providing business development grants to micro and small enterprises.

Milestone 121 requires the launch of the first call for applications for support to companies' internationalisation capabilities. The eligibility/selection criteria should ensure that the selected projects have a significant digitalisation effect, including in particular the use of digital technology and operating methods in small companies' business operations and internationalisation activities.

Milestone 121 is the first step of the implementation of the investment. It will be followed by milestone 122 and target 123, related to the selection and completion of the projects, respectively. The investment has a final expected date for implementation by 30 June 2026.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Copy of the publication of the call for applications published on 22 June 2022	Publication of the call for applications in the Centre for Economic Development, Transport and the Environment (ELY Centre) website: <a href="https://www.ely-keskus.fi/-/kansainv%C3%A4lisen-kasvun-kiihdytysohjelman-rrf-rahoitushaku-on-avattu-">https://www.ely-keskus.fi/-/kansainv%C3%A4lisen-kasvun-kiihdytysohjelman-rrf-rahoitushaku-on-avattu-</a>
3	Copy of the terms of reference (application instructions) (hakuilmoitus).	Copy of the terms of reference (application instructions) including technical specifications and the eligibility criteria of the calls (hakuilmoitus) at the Centre for Economic Development, Transport and the Environment (ELY Centre) website: <a href="https://www.ely-keskus.fi/-/kansainv%C3%A4lisen-kasvun-kiihdytysohjelman-rrf-rahoitushaku-on-avattu-6150b037-d4a2-62e4-251f-01b6cc2b46a4">6150b037-d4a2-62e4-251f-01b6cc2b46a4 (ely-keskus.fi)</a>

### 3. Analysis:

The justification and substantiating evidence provided by the Finland authorities cover all constitutive elements of the milestone.



**Launch of the first call for applications for support to companies' internationalisation capabilities.**

Item 2) on the evidence list is the Centre for Economic Development, Transport and the Environment (ELY Centre) website where the national call for applications for acceleration of international growth was published on 22 June 2022. The Commission services accessed the link provided by the authorities on the 8 November 2024 at 16:25 pm to verify the national call for applications to support companies' internationalisation capabilities. This check was completed successfully, confirming that the call for application was published. The page specifies that the funding supports projects increasing digitalisation and low carbon solutions, which improve growth and internationalisation of small enterprises.

**The eligibility/selection criteria shall ensure that the selected projects have a significant digitalisation effect, including in particular the use of digital technology and operating methods in small companies' business operations and internationalisation activities.**

Item 3) on the evidence list includes the instructions for the applicants. Point 2 of this document specifies the key eligibility criteria. According to the 2<sup>nd</sup> bullet point, projects must have significant digitalisation effect, including in particular use of digital technology and operating methods in small companies' business operations and internationalisation activities.

**Furthermore, in line with the description of the measure, the investment consists in providing business development grants to micro and small enterprises.**

Item 3) of the list of evidence – the instructions to the applicants -, 1<sup>st</sup> paragraph, specifies that the aim of the call for applications is to promote growth and internationalisation capabilities of micro and small enterprises (companies employing less than 50 persons).

**Furthermore, in line with the description of the measure, key eligibility / selection criteria for projects shall include the promotion of new digital solutions, the green transition and RDI activities linked to these.**

Item 3) of the list of evidence, the instructions to the applicants, point 2, list the key selection criteria. Two last points of point 2 as well as point 3, financing of development measures, further specify that the projects must include use of digital technology and methods, green transition and RDI activities linked to these two areas.

**4. Commission Preliminary Assessment: Satisfactorily fulfilled.**

**Number and name of the Milestone:** 124 - Publication of the first three calls for applications under key programmes for international growth

**Related Measure:** P3C4I2 - Strengthening competitiveness and boosting growth in crisis-impacted sectors – Key programmes for international growth

**Qualitative Indicator:** Publication of the first three calls for applications

**Time:** Q2 2022

### 1. Context:

The objective of this investment is to support international growth of companies by means of specific development grants. The investment consists of the following interventions:

- i. programme to promote low-carbon, circular economy and digital renewal in industry and to increase exports of industrial services;
- ii. electric heavy-duty vehicle transport ecosystem;
- iii. health and wellbeing expertise and technology; this is designed to support the initiatives included in the Health Sector Growth Strategy's roadmap, which aim to develop health sector ecosystems as well as new solutions and innovations for export markets;
- iv. programme for growth and exports of water expertise; this is designed to promote the creation, piloting and internationalisation of technologies, methods, service concepts and solutions in the water management sector.

Milestone 124 requires launch of at least three calls for applications for key programmes for international growth, including:

- i. Promotion of low-carbon, circular economy and digital renewal in industry and increase of exports of industrial services;
- ii. Electric heavy-duty vehicle transport ecosystem;
- iii. Health and wellbeing expertise and technology, in support of the Health Sector Growth Strategy's roadmap;
- iv. Programme for growth and exports of water management expertise.

The eligibility criteria must ensure that projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.

Milestone 124 is the first step of the implementation of the investment. It will be followed by milestone 125 and target 126, related to the award of contracts and completion of at least 40 projects respectively.

The investment has a final expected date for implementation on 31 December 2025.

### 2. Evidence provided:

	Name of the evidence.	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Copy of the publication of the call for applications for Health and wellbeing competence and technology	A copy of the publications of the call for applications (health and wellbeing), showing that the competition was open for applications and the publication contains full call instructions for applicants. The document is available at the Business Finland website

	– Innovation, published on 1 November 2021 and open until 31 January 2022.	<a href="https://www.businessfinland.fi/en/whats-new/calls/2021/health-and-wellbeing-competence-and-technology-innovation-funding-call">https://www.businessfinland.fi/en/whats-new/calls/2021/health-and-wellbeing-competence-and-technology-innovation-funding-call</a>
3	Copy of the publication of the call for applications for industrial projects related to low-carbon circular economy, digitalization, and service exports, published on 21 January 2022 and open until 30 June 2022.	A copy of the publications of the call for applications (low-carbon, circular economy and digital renewal in industry and to increase exports of industrial services), showing that the competition was open for applications and the publication contains the call instructions for applicants. The document is available at the Business Finland website <a href="https://www.businessfinland.fi/en/whats-new/calls/2022/funding-call-industrial-projects-related-to-low-carbon-circular-economy">https://www.businessfinland.fi/en/whats-new/calls/2022/funding-call-industrial-projects-related-to-low-carbon-circular-economy</a>
4	Copy of the call instructions for industrial projects related to low-carbon circular economy, digitalization, and service exports, published on 21 January 2022	A copy of the call instructions (low-carbon, circular economy and digital renewal in industry and to increase exports of industrial services), showing that eligibility criteria of the call is fully aligned with the description of the milestone in the CID Annex. The document is available at the Business Finland website <a href="https://www.businessfinland.fi/48efe7/globalassets/finnish-customers/02-build-your-network/bioeconomy--cleantech/biocircular-finland/funding-call-for-low-carbon-circular-economy-digitalization-and-service-development-final.pdf">https://www.businessfinland.fi/48efe7/globalassets/finnish-customers/02-build-your-network/bioeconomy--cleantech/biocircular-finland/funding-call-for-low-carbon-circular-economy-digitalization-and-service-development-final.pdf</a>
5	Copy of the publication of the first call for applications for growth and internationalisation of water expertise, published on 8 February 2022 and open until 29 April 2022.	A copy of the publications (programme for growth and export of water expertise) of the first call for applications, showing that the competition was open for applications and the publication contains full call instructions for applicants. Document is available at Centre for Economic Development, Transport and the Environment (ELY-centre) website <a href="https://www.ely-keskus.fi/-/haku-vesiosaamisen-kasvu-ja-kansainvalistyminen-ohjelmaan-on-alkanut?p_l=1&amp;back_url=%2Fsearch%3Fcom_liferay_portal_search_web_search_bar_portlet_SearchBarPortlet_INSTANCE_elySearch_formDate%3D1708591168699%26com_liferay_portal_search_web_search_bar_portlet_SearchBarPortlet_INSTANCE_elySearch_emptySearchEnabled%3Dfalse%26q%3Dvesiosaamisen%2Bkasvu%26com_liferay_portal_search_web_search_bar_portlet_SearchBarPortlet_INSTANCE_elySearch_scope%3D">https://www.ely-keskus.fi/-/haku-vesiosaamisen-kasvu-ja-kansainvalistyminen-ohjelmaan-on-alkanut?p_l=1&amp;back_url=%2Fsearch%3Fcom_liferay_portal_search_web_search_bar_portlet_SearchBarPortlet_INSTANCE_elySearch_formDate%3D1708591168699%26com_liferay_portal_search_web_search_bar_portlet_SearchBarPortlet_INSTANCE_elySearch_emptySearchEnabled%3Dfalse%26q%3Dvesiosaamisen%2Bkasvu%26com_liferay_portal_search_web_search_bar_portlet_SearchBarPortlet_INSTANCE_elySearch_scope%3D</a>
6	Copy of the call instructions for growth and internationalisation of water expertise, published on 8 February 2022	A copy of the first call instructions (programme for growth and export of water expertise), showing that eligibility criteria of the call is fully aligned with the description of the milestone in the CID Annex.
7	Copy of the grant agreement by Finnish Transport and Communications Agency (Traficom)	The evidence provided is an example of a grant agreement (programme for growth and export of water expertise) which is also a funding decision showing the requirement of compliance with the relevant EU and national environmental legislation and DNSH requirements.
8	Copy of the publication of the first call for applications for promoting development of electric heavy-duty vehicle transport, published on 20 June 2022 and open	The evidence provided is a copy of the publication of the first call for applications (Electric heavy-duty vehicle transport ecosystem), showing that the competition was open for applications and the publication contains the call instructions for applicants. Available at the Finnish Transport and Communications Agency (Traficom) website: <a href="https://traficom.fi/fi/ajankohtaista/sahkoisen-raskaan-liikenteen-">https://traficom.fi/fi/ajankohtaista/sahkoisen-raskaan-liikenteen-</a>

	until 30 September 2022.	<a href="#">valtionavustuksen-haku-kaynnistynyt</a>
9	Copy of the call instructions for promoting development of electric heavy-duty vehicle transport, published on 20 June 2022.	A copy of the call instructions (Electric heavy-duty vehicle transport ecosystem), showing that eligibility criteria of the call is fully aligned with the description of the milestone in the CID Annex. Available at the Finnish Transport and Communications Agency (Traficom) website: <a href="https://traficom.fi/fi/sahkoinenliikenne">https://traficom.fi/fi/sahkoinenliikenne</a>
10	The publication of sustainable growth program for Finland (RRF). Suomen kestävä kasvun ohjelma – RRF - Business Finland	A copy of the publication of the <a href="#">sustainable growth program for Finland (RRF)</a> , showing that the FAQ section includes updated eligibility criteria of the calls (Health and wellbeing competence and technology – Innovation - Business Finland, Funding call for industrial projects related to low-carbon circular economy, digitalization, and service exports - Business Finland and Health and wellbeing competence and technology – Innovation funding supplementary call - Business Finland). The document is available at the Business Finland website: <a href="https://www.businessfinland.fi/kampanjasivut/suomen-kestavan-kasvun-ohjelma">https://www.businessfinland.fi/kampanjasivut/suomen-kestavan-kasvun-ohjelma</a>
11	Business Finland's internal decision-making manual	A copy of the decision-making manual. The manual contains all the required eligibility criteria and its compliance is mandatory in every funding decision made by Business Finland. The Selection criteria includes but not limited to DNSH assessment, use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.
12	Example of the funding decision by Business Finland	The evidence provided is a copy of the funding decision, showing that all applicants have been informed that the eligibility criteria listed in the Q&A section, published on the BF's website are binding on the grantees and that the project has to comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation throughout the project lifecycle
13	Centre for Economic Development, Transport and the Environment Copy of the DNSH Exclusion list	A document of DNSH exclusion list of every project in the First call concerning the programme for growth and export of water expertise. The manual (Finnish Environment Institute) which contains the exclusion list, has been used as a guideline stating explicitly that compliance with the list is a requirement for project funding.
14	Copy of the publication "Implementation of the DNSH principle for measures set out in Finland's Recovery and Resilience Plan" by Centre for Economic Development, Transport and the Environment	The evidence provides a copy of the publication Finnish Environment Institute (SYKE). This report has been guiding the call instructions and evaluation process.

### 3. Analysis:

The justification and substantiating evidence provided by the Finland authorities cover all constitutive elements of the milestone.

**At least three calls for applications shall be launched for international growth, including:**

- i. **Promotion of low-carbon, circular economy and digital renewal in industry and increase of exports of industrial services;**
- ii. **electric heavy-duty vehicle transport ecosystem;**
- iii. **health and wellbeing expertise and technology in support of the Health Sector Growth Strategy's roadmap**
- iv. **programme for growth and exports of water expertise;**

Corresponding evidence is provided by three institutions a) Business Finland, b) the Finnish Transport and Communications Agency (Traficom) and c) the Centre for Economic Development, Transport and the Environment (ELY-centre) who launched four calls (and later also supplementary calls or extended the running calls) as follows:

- i. Publication of the call for industrial projects related to low-carbon circular economy, digitalization, and service exports launched on 21 January 2022 and closed on 30 June 2022 (item 3 on the list of evidence)
- ii. Publication of the call for promoting development of electric heavy-duty vehicle transport launched on 20 June 2022 and closed on 30 September 2022 (item 8 on the list of evidence)
- iii. Publication of the call for Health and wellbeing competence and technology – Innovation launched on 1 November 2021 and closed on 31 January 2022 (item 2 on the list of evidence)
- iv. Publication of the first call for growth and internationalisation of water expertise launched on 8 February 2022 and closed on 29 April 2022 (item 5 on the list of evidence)

The dimension of **international growth** was emphasised in the four calls as follows:

- i. Under publication of the call for industrial projects related to low-carbon circular economy, digitalization, and service exports (item 3 on the list of evidence) *"The aim of the funding call is to significantly increase industrial low-carbon and circular economy solutions, the digital renewal of industries, as well as industrial service exports while also taking groundbreaking and new technologies into account."*
- ii. Under call instructions for the call for promoting development of electric heavy-duty vehicle transport (item 9 on the list of evidence): *"However, the research is also intended to lay the foundations for possible international growth".*
- iii. Under publication of the call for Health and wellbeing competence and technology – Innovation (Item 2 on the list of evidence): *"A competitive edge and productivity must be created through new business models and even better use of data. The long-term goal is to build new company-driven growth ecosystems in Finland, targeting global growth markets and seeking net sales in the range of billions."*
- iv. Under publication of the first call for growth and internationalisation of water expertise (Item 5 on the list of evidence): *"The call focuses on development projects increasing the Finnish water expertise, business based on the expertise, as well as internationalisation."*

Furthermore, according to the milestone description, **the eligibility criteria shall ensure that projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.**

- i. In the case of the call concerning the programme to promote low-carbon, circular economy and digital renewal in industry and to increase exports of industrial services, the exclusion list and the requirement of compliance with the relevant EU and national environmental legislation are included in the Call Instructions, point 6 (item 4 on the list of evidence).
- ii. In the case of the (first) call concerning electric heavy-duty vehicle transport ecosystem, the exclusion list and the requirement of compliance with the relevant EU and national environmental legislation are included in the call instructions, item 9 on the list of evidence.
- iii. In the case of the (first) call concerning health and wellbeing expertise and technology, the exclusion list and the requirement of compliance with the relevant EU and national environmental legislation were not explicitly included in the call documentation. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the evaluation and selection of projects has been done by Business Finland's experts who used an internal manual for the evaluation (item 11 on the list of evidence). The manual contains the exclusion list and a sample funding decision which says that DNSH has been applied and the project needs to comply with the environmental laws (item 12 on the list of evidence), and its compliance is mandatory in funding decisions. The evidence of the mandatory selection criteria, including but not limited to the DNSH assessment, through the use of an exclusion list and the requirement of compliance with the relevant EU and national environment legislation, are found in the internal manual of Business Finland, i.e. chapters 1, 2 and 3.1. Chapter 3.1. on page 7 of the internal decision-making manual states that: "Due to the environmental objectives, certain content or applications are not eligible for funding. Prohibited conduct shall include: i) activities related to fossil fuels, including refining and downstream use, ii) activities covered by the EU ETS resulting in the estimated greenhouse gas emissions exceeding the applicable benchmark, iii) operations related to landfills, incinerators, and mechanical biological treatment plants, iv) actions where long-term disposal of waste may cause harm to the environment." Furthermore, on page 1, chapter entitled "Project funded by the European Union", of Business Finland's Funding Decision (item (10) in the evidence list) provides evidence of the requirement to follow and meet the eligibility criteria, as listed in the Questions and Answers section: "Throughout its lifecycle, the project must meet the DNSH requirements, and any environmental and digital criteria set out in the funding application. The financing decision has been taken pursuant to Regulation (EU) 2021/241 establishing the Recovery and Resilience Facility." In addition, according to the publication of the call (item 2 on the list of evidence), this call implements the Sustainable Growth Programme for Finland (item 10 on the list of evidence). The latter also contains the exclusion list. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the investment that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.
- iv. In the case of the (first) call concerning the programme for growth and exports of water management expertise, the exclusion list and the requirement of compliance with the relevant EU and national environmental legislation were not explicitly included in the call documentation. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the Centre for Economic Development, Transport and the Environment provided a document explaining how each project was checked against the exclusion list (item 13 on the list of evidence). Experts performing an assessment used the SYKE report (item 14 on the list of evidence). In the SYKE report, Annex II, the exclusion list is provided in full. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled. In addition, an example of a grant agreement, which is also a funding decision, showing the requirement of compliance with

the relevant EU and national environmental legislation and the DNSH requirements, was submitted (item 7 on the list of evidence).

Furthermore, in line with the description of the measure, **the intervention for health and wellbeing expertise and technology is designed to support the initiatives included in the Health Sector Growth Strategy's Roadmap, which aim to develop health sector ecosystems as well as new solutions and innovations for export markets**

According to the Publication of the Call for Health and wellbeing competence and technology – Innovation (Item 2 on the list of evidence), results must promote the measures defined in the new roadmap of the health sector's growth strategy that strengthen the health sector's ecosystems and exports. The publication of the call further defines that the long-term goal is to build new company-driven growth ecosystems in Finland, targeting global growth markets and seeking net sales in the range of billions, and to support the development of top expertise, the creation of innovative products and services, and domestic and international visibility.

**Also, the description of the measure requires that the programme for growth and exports of water expertise is designed to promote the creation, piloting and internationalisation of technologies, methods, service concepts and solutions in the water management sector.**

The publication of the first call for growth and internationalisation of water expertise (item 5 on the list of evidence) defines that the projects should promote development, piloting or internationalisation of solutions in the water sector. As it is written in the documentation of the first call (item 6 on the evidence list): 'The projects support measures that will enable Finns to become more significant players in international water business in the future. Finnish expertise in the water sector is capable of producing solutions to global challenges in the water sector. Solutions refer to, for example, technologies, methods and service concepts, possibly for a specific market area that has already been preliminarily identified.'

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.



**Number and name of the Milestone:** 130 - Publication of the call for applications for RDI projects for the tourism sector

**Related Measure:** P3C4I4 - Strengthening competitiveness and boosting growth in crisis-impacted sectors – Supporting sustainable and digital growth in the tourism sector

**Qualitative Indicator:** Publication of the call for applications by Business Finland

**Time:** Q2 2022

### **1. Context:**

The objective of the investment is to boost sustainable growth and innovation in the tourism sector. The investment includes purchases of services to plan, develop and publish the digital carbon footprint calculator for tourism services, to plan and develop sustainable tourism service packages, and to implement a national operating model for knowledge-based management and coaching programmes for tourism companies and regions to support the sustainable and digital transition. In addition, the investment includes purchases of digital services for the tourism sector and RDI funding for research, experimentation and development projects that support the commercialisation of tourism business and innovations.

The milestone requires Business Finland to launch a call for applications for Research Development & Innovation funding and focuses on boosting sustainable growth and innovation in the tourism sector.

Milestone 130 is the first step of the implementation of the investment. It will be followed by target 131 for the number of entities having received support for tourism RDI projects selected under the call of milestone 130, and milestone 132 related to the entry into operation of the developed digital carbon footprint calculator for tourism services.

The investment has a final expected date for implementation by 30 June 2025.



## 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	<i>(Business Finland) Copy of the publication of the call for applications, published on 1 March 2022</i> The (now closed) call can also be found on Business Finland website: <a href="#">Funding call for the tourism industry - Business Finland</a>	<i>a copy of the publication of the call for applications</i>
3	<i>(Business Finland) Copy of the call instructions, published on 1 March 2022</i> Also available on Business Finland website: <a href="#">rrf-funding call for the sustainable growth and digitalization (businessfinland.fi)</a>	<i>a copy of the call instructions</i>
4	<i>(Business Finland) Business Finland's internal decision-making manual</i>	<i>a copy of the decision-making manual (publication BF/3/910/2020 MF 30029500 of Business Finland Funding Services, author Jussi Kivikoski, published 1.11.2021),</i>
5	<i>(Business Finland) - <a href="#">The publication of the sustainable growth program for Finland (RRF). Suomen kestävän kasvun ohjelma – RRF - Business Finland</a></i> Also available on Business Finland website: <a href="#">Suomen kestävän kasvun ohjelma – RRF - Business Finland</a>	<i>a copy of the publication of the <a href="#">sustainable growth program for Finland (RRF)</a>,</i>
6	<i>(Business Finland) – Example of the funding decision</i>	<i>a copy of a funding decision, submitted to illustrate that applicants have been informed that the eligibility criteria listed in the Q&amp;A section, published on the BF's website are binding on the grantees and that the project has to comply with supplementing criteria throughout the project lifecycle</i>

## 3. Analysis:

The justification and substantiating evidence provided by the Finnish authorities cover all constitutive elements of the milestone.

**Business Finland shall launch the call for applications for Research Development & Innovation funding to the tourism sector.**

Business Finland published a funding call for applications for the sustainable growth and digitalisation of the tourism industry on 1 March 2022 on their website, as indicated by item ii) on the evidence list. Page 2 of the call for applications mentions as the aim to increase the RDI intensity

of the tourism industry in the long term and strengthen cooperation between tourism businesses and research organisations. Furthermore, in section 2 on page 2, explain that Business Finland is launching a funding call for the research, development, and innovation (RDI) projects of companies and research organizations where the aim is to increase the RDI intensity of the tourism industry in the long term and strengthen cooperation between tourism businesses and research organizations. Page 8 of the same document notes that the call was open for individual companies from 1 March 2022 to 29 April 2022, and for joint projects between 4 April 2022 and 16 September 2022.

**The selection criteria shall focus on boosting sustainable growth and innovation in the tourism sector.**

On page 2 of the section 2 named “Funding call to support the sustainability and digitalization of the tourism industry”, the call instructions (item ii on the evidence list) state that the funded projects must be in line with the objectives of sustainable tourism and the green transition and to promote the development and use of digital solutions in the tourism industry. It also defines the aim as to increase the RDI intensity of the tourism industry in the long term and strengthen cooperation between tourism businesses and research organisations.

**The funding shall be targeted at research, experimentation and development projects that support the commercialisation of tourism business and innovations, for example in the themes of digital and green transition, anticipation and forecasting, sustainable tourism, virtual tourism and consumer understanding.** The milestone is further specified in the Operational Arrangements, which requires purchases of services for developing Visit Finland Data Hub and other digital services of the tourism data ecosystem.

The call instructions (item iii on the evidence list) detail in section 2 on page 2 that the funded projects can strengthen industry professionals’ ability to understand customer needs and buying behaviour, as well as the ability to anticipate and capitalize on changes affecting the tourism industry, such as innovations in virtual tourism. The developed digital and scalable solutions may relate to tourism products and services, customer experience, or value chains related to them. Business Finland also calls for new and creative earning models and methods of commercializing solutions.

Furthermore, section 3.1 on page 4 of the call instructions, “Requirements for funding”, confirms that the Sustainable Growth Program for Finland determines that funding will be allocated to research, experimentation, and development projects supporting the commercialization of the tourism business and innovations.

**The eligibility/selection criteria shall ensure that the intervention focuses on promoting elements directly linked to the digitalisation of business (according to intervention field 015 in Annex VII to the RRF Regulation).**

Appendix 1 of the call instructions (item iii on the evidence list) contains the criteria for projects funded through RRF, including the criteria set for the promotion of the digital change presented in intervention field 015 in Annex VII to Regulation (EU) 2021/241 on establishing the Recovery and Resilience Facility.

**The eligibility criteria shall also ensure that projects comply with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.**

Item iii) on the evidence list includes the call instruction, in which in section 2.1, the funding criteria, starting from page 2 and continuing on page 3, it is explained that all projects must meet the DNSH requirements. Appendix 2 starting on page 10 of the instructions contains more information on the DNSH principles. Appendix 1 of the call instructions on project criteria confirms that Finland

complies with DNSH Technical Guidance C(2021)1054. It further defines that estimated greenhouse gas emissions for projects within the scope of the EU Emissions Trading System (ETS) must be below the reference value. It requires that the projects must fulfil relevant and binding environmental regulations valid in the EU and at a national level. In addition, the projects to be funded must fulfil the selection and eligibility criteria set out in DNSH Technical Guidance 2021/C58/01.

The Council Implementing Decision required all calls for tenders to contain eligibility criteria to exclude certain activities in order to ensure compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01). However, the exclusion list referred to in the Council Implementing Decision is incomplete in the eligibility criteria. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the evaluation and selection of projects has been done by Business Finland's experts who used an internal manual for the evaluation. The manual contains all the required eligibility criteria, and its compliance is mandatory in funding decisions. The evidence of the mandatory selection criteria, including but not limited to the "Do No Significant Harm (DNSH)" assessment, through the use of an exclusion list and the requirement of compliance with the relevant EU and national environment legislation, are found in the internal manual of Business Finland, as per item (v) on page 3 (first paragraph), page 4 (second paragraph), and page 7 (paragraph 3.1). Paragraph 3.1. on page 7 of the internal decision-making manual states that: "Due to the environmental objectives, certain content or applications are not eligible for funding. Prohibited conduct shall include: i) activities related to fossil fuels, including refining and downstream use, ii) activities covered by the EU ETS resulting in the estimated greenhouse gas emissions exceeding the applicable benchmark, iii) operations related to landfills, incinerators, and mechanical biological treatment plants, iv) actions where long-term disposal of waste may cause harm to the environment." Furthermore, on page 1, chapter entitled "Project funded by the European Union", of Business Finland's Funding Decision (item (x) in the evidence list) provides evidence of the requirement to follow and meet the eligibility criteria, as listed in the Questions and Answers section: "Throughout its lifecycle, the project must meet the "Do No Significant Harm (DNSH)" requirements, and any environmental and digital criteria set out in the funding application. The financing decision has been taken pursuant to Regulation (EU) 2021/241 establishing the Recovery and Resilience Facility."

As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving to support sustainable and digital growth in the tourism sector that the milestone 130 represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.