

## ANNEX

### Observations on the draft programme ‘Innovation and Skills in Finland 2021-2027’

#### 2021FI16FFPR001

The following observations are made in reference to Article 23(1) and (2) of the Common Provisions Regulation. Finland is asked to provide to the Commission the necessary additional information and, where appropriate, revise the programme.

The observations laid out below have been made within the framework of the Common Provisions Regulation and the fund-specific regulations. The observations take into account the country-specific recommendations (CSRs) adopted by the Council on 9 July 2019 and 20 July 2020 and the 2019 and 2020 European Semester Country Reports and their Annexes D.

The observations address issues based on the currently available draft programme. Where the provided information is insufficient or new elements are added later on, the Commission may come back with further observations once a complete file is provided.

The observations are presented following the structure of the programme as laid out in the template.

#### **SECTION 1 PROGRAMME STRATEGY: MAIN DEVELOPMENT CHALLENGES AND POLICY RESPONSES**

(Reference: Article 22(3)(a)(i)-(viii) and point (a)(x) and Article 22(3)(b) CPR)

- (1) Overall the quality of the programme has improved compared to the previous informal version. The support to relevant CSRs (2019 and 2020) should be more clearly spelled out in this section, notably for the ESF+. Explicit references to the relevant CSRs would improve the presentation and would clearly make the link to the proposed actions. The ESF+ secondary theme 10 should be used under the relevant specific objectives to help to verify the indicative amount targeted to support of implementation of the CSRs.
- (2) This section should explain social and employment challenges of the Northern Sparsely Populated Areas (NSPA).
- (3) ESF+ support to Integrated Territorial Investments should be mentioned in this section, since it is supported under the ESF+ specific objective (SO) (g).
- (4) Please refer to the Partnership Agreement in the paragraph under the strategy section of the programme which summarises the Partnership Agreement’s description on complementarities and synergies with the Recovery and Resilience Fund (RRF).
- (5) The text should provide a justification for 0% allocation to the capacity building of social partners and civil society under the ESF+ specific objectives.

- (6) For PO1 SO(i), SO(ii); PO2 SO(i), SO(iv), SO(vi)<sup>1</sup> Please provide justification for the form of support for the SOs taking into account the purpose of the activities as well as targeted ultimate recipients of support which will be supported under the SOs and the respective priority. Justification should be provided for specific objectives individually (and not just cross-referenced as the activities and measures will vary). For PO1 SO(iii) it is not clear why no financial instruments (FI) are considered for SME support, even if it is for start-ups, new and small projects.
- (7) Support to risky SMEs and energy efficiency are normally areas for ERDF FI to intervene. Could the MA justify better the choice of forms of support. Was combination of FI and grants considered? Some of the activities set out under the priority axis suggest to be revenue generating or cost-saving, therefore there is potential to use FI.
- (8) For ESF+ Priority 4 SO's while the choice of grants is understandable, it would be appropriate to provide justification specific to the specific objective as envisaged activities described under the priorities may vary.
- (9) Please add a reference to the 'New European Bauhaus' concept in the programme as follows: "During the implementation of this programme, where relevant, the investments will take into account principles of the New European Bauhaus initiative."

## **SECTION 2 PRIORITIES**

(Reference: Article 22(2) and 22(3)(c) CPR)

### Horizontal comments on priorities

- (10) The high ambition for climate expenditure at 34% clearly exceeds the target of 30% for the ERDF. Yet the Finnish authorities could consider increasing this share, further opportunities may at least be worth exploring under specific objectives 1.1, 1.2 and 3.2.
- (11) It is recommended to include in the requirements for actions to be supported by the programme the obligation that, where relevant, datasets resulting from the action should be made available as open data under the conditions defined in the Open Data Directive (Directive (EU)2019/1024 of 20/6/2019) as "high value datasets", i.e.: a) available free of charge; b) machine readable; c) provided via APIs; d) provided as a bulk download, where relevant.
- (12) The importance of horizontal principles, including in relation to sustainable development, is highlighted upfront. However, "Sustainable development as a cross-cutting principle" is then coming back as a sub-heading for each specific objective (not required by the programme template) with only generic text, not going into any operational aspects. Please avoid generic texts and repetition.

---

<sup>1</sup> For the ERDF specific objectives, the numbering follows that of the Regulation in these informal observations, i.e. e.g. PO3 SO(ii) or SO 3.2 is being used rather than SO 3.1 used in Finland's draft programme.

- (13) The national authorities are invited to briefly outline (as regards productive investments/business support in the form of grants) how they assessed during the programming: the risks and factors which may affect the capacity of the businesses to be supported by the programme to deliver results in the long term, and the measures they intend to take to mitigate potential issues (if necessary). The national authorities should have sufficient monitoring mechanism in place to check the durability of investments during implementation. The outline can be presented outside programme, unless otherwise informed.
- (14) For support targeting the NSPA, under tables 3 (Territorial delivery mechanism and territorial focus) of Annex I of the CPR it would be good to use code 31 which is available for "other approaches" to identify action in sparsely populated areas, instead of code 33 currently used in the draft programme in the context of NSPA.
- (15) Concerning Sustainable Urban Development (SUD)
- Are the underlying growth agreements( between the individual cities/urban areas and the state) integrated and developed under the responsibility of the urban authorities in line with CPR Art. 29?
  - Since a joint strategy of 16 urban areas does not form a coherent territorial strategy in a way that can be expected from a SUD strategy designed for one city or its functional area, it is important that the underlying strategies demonstrate these characteristics for each city participating in this joint network type strategy.
  - In order to have clarity which selected cities the obligatory SUD allocation concerns, please identify the 16 cities in the programme.
  - Based on code 03 selected for the SUD Integrated Territorial Investment (ITI) in tables 3 (Territorial delivery mechanism and territorial focus) of Annex I of the CPR, the strategy refers to functional urban areas. It is however not always clear in the programme text if the ITI will concern a city or a functional urban area, which should be clarified in the programme.
  - There is analysis and information about other programme preparations and links to strategies but no information about the lessons learned from the 2014-2020 SUD ITI strategy, which is in principle expanded now by including more cities. What were the successes / what should be improved in terms of content, governance and results, when moving to the 21-27 period?
  - It is indicated that ITI strategy can also be supported through other EU funding. In the 2014-2020 period complementary ESF funding was foreseen. How will the social dimension be integrated in the SUD ITI for 2021-27? We note that code 03 for SUD ITI is used also under the ESF+ but not explained.
- (16) The information on cooperation under the SOs is mostly lacking as what type of actions (such as joint projects, aligned separate projects, etc.) are foreseen and what are their expected contributions in this respect, and what areas / regions this might involve. No further information is given on the possible cooperation partners in other Member States / third countries.

(17) Similarly to the approach taken under the RRF, the ex-ante compatibility with the 'Do No Significant Harm' (DNSH) principle under cohesion policy is to be ensured at the level of the definition of the types of actions in the programmes. It is essential that the DNSH principle shall be taken into account during the process of defining the types of actions in the programme (Article 22(3)(d)(i) CPR). The Finnish authorities should therefore assess whether the types of actions selected in the programme present any risk with respect to compliance with the DNSH principle. In order to demonstrate that the necessary assessment was carried out, the programme should include the following statement under the heading 'The related types of actions' in section 2.A.1.1.1 Interventions of the Funds, by selecting one of the options proposed: "*The actions have been assessed as compatible with the DNSH principle, since:*

- *they have no significant negative environmental impact due to their nature, or*
- *they have been assessed as compatible under the RRF, or*
- *there have been assessed as compatible under the RRF guidelines, or*
- *they have been assessed as compatible according to Member State's methodology."*

This can be presented for each action or a group of actions. In cases where potential risks to the compliance with the DNSH principle were identified, was the programme adjusted or did it define appropriate measures to be implemented during implementation (e.g. for the selection of operations).

### Priority 1

(18) Enterprises are indicated as beneficiaries under specific objectives 1.1, 1.2 and 1.3: as regards large enterprises, productive investments can only be supported if they involve cooperation with SMEs on R&I activities; and productive investments in mid-caps or small mid-caps can only be done via financial instruments.

#### Specific objective 1.1

(19) The programme says that the focus of investments will be on higher TRL levels (3-9) but that in some regions the supported TRL levels might be lower. It would be good to point out that TRL level 1 (basic/fundamental research) is legally excluded from the ERDF support, except where it is linked to higher level applied, demonstration or exploitation activities identified as a priority in a smart specialisation strategy through EDP, in particular related to demand-driven business and societal needs. Such link should be clearly demonstrated and take account of the requirements identified in the enabling condition concerning necessary reforms or R&I systems.

#### Specific objective 1.2

(20) The programme states that 'The objective of the programme is to promote the deployment of already built, efficient and robust optical fibre networks...'. It is not clear what it means in relation to specific objective 1.2, normally this would fall under specific objective 1.5 on broadband. Please clarify.

- (21) As for enhancing e-services in particular, there is no reference to the take-up of Europe-wide and cross-border interoperable services as mentioned in Annex D.

### Specific objective 1.3

- (22) One of the planned activities is on 'improving the skills of SMEs as part of business development'. It would be good to clarify what it means because skills should be normally supported under specific objective 1.4.
- (23) In the section "Main target groups" the text mentions that 'Municipalities, development companies, research and education organisations, associations and foundations can also be target groups'. Types of interventions described do not automatically suggest possibility of such target groups. Please elaborate on involvement of such target groups, in view that SMEs are a primary target under PO1 SO iii.
- (24) Interventions described suggest potential for the use of FI, or combination of FI with grants. Do the national authorities have evidence that grants are the only solution for the described interventions?

### Priority 2

- (25) Please review and consider whether FI or combination of FI and grants would be more appropriate form of support. As commented in relation to the strategy part of the programme choice of grants as a form of support should be better justified. See also related requests in the context of the specific objectives.

### Specific objective 2.1

- (26) The OP could provide a better link with the National Energy and Climate Plans and the Long Term Renovation Strategy.
- The visibility of the link between the main target of the programme and carbon neutrality could be improved. In particular it could be improved the link between innovation and energy efficiency in new buildings and building renovations which appears limited. It is not clear how the activities of this operational programme support more energy efficiency in buildings either new or renovated ones.
  - It is not clear what type of energy renovations will be supported. This affects both the types of buildings (e.g. residential and non-residential sector and for public buildings) and the types of renovations (deep, medium, integrated, etc.).
  - Although the description of the measures addressing energy efficiency and reducing greenhouse gas emissions includes a long list of supported activities, connection between identified needs and challenges could be improved.
- (27) SO 2.1: The description covers several activities that would rather fall under other SOs, in particular SOs 2.2 (there is a lot of focus on renewable energy) and 2.3 (there is also quite a lot of focus on smart energy systems, grids and storage), but also SO 2.6 (circular and resource efficient economy) and SO 2.8/PO3 (transport) and PO4 (e.g. energy efficiency renovation skills). Interventions linked in investments in the transport sector are proposed to be moved from SO 2.1 to PO3 (SO 2.8 'Urban

mobility' is also a possible destination, but Finland has not proposed SO 2.8 so far and PO3 SO 3.2 would benefit from enriching it with sustainable mobility elements). For the activities which include SO 2.2 and SO 2.3 type of elements, Finland is requested to justify why are they being proposed under SO 2.1 instead of introducing SOs 2.2 and 2.3 for the activities in question. Please explain also the division of work between SO 2.1 and SO 2.6 and why the energy efficiency renovation skills activity is proposed under SO 2.1 and not PO4. With regard to the reference to carbon capture and utilisation (CCU), please be reminded that the ERDF shall not support investment to achieve the reduction of greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC.

(28) Certain measures suggest potential for the use of FI or combination of FI and grants; for example in the following measures:

- promoting energy and material efficiency and smart solutions in buildings;
- developing business opportunities and technologies for renewable energy (e. g. biogas, renewable LBG);
- develop the application by companies of new energy and material efficiency policies, technologies and solutions related to a carbon neutral economy and promote related business and market skills;
- support the development, piloting and commercialisation of products, materials, services and production methods contributing to the carbon neutrality of SMEs (e. g. transport and wise mobility, construction and real estate management, new energy solutions);
- develop wood construction, building sustainability and long-term carbon binding products and production methods, as well as energy and material efficiency of construction and use of buildings, taking into account the whole life cycle of buildings.

#### Specific objective 2.4

(29) There are some very broad references which are not fully clear or do not seem to fully fit in this particular context: business-related activities related to carbon sequestration, biodiversity, water protection, the cultural environment, adaptation of livelihoods to climate change and development of sustainable eco-tourism, the development of sustainable public procurement, development of pilot and experimental environments for enterprises and regions in relation to carbon neutrality, or business activities related to ecosystem services, regarding each of which Finland is requested to further clarify what is meant as well as justify why are they presented under this particular SO and not e.g. some other SO.

(30) The following measures suggest potential for the use of FI or combination of FI and grants:

- support the development and commercialisation of SMEs' products and services and the development of innovative business concepts for climate change adaptation and risk prevention;

- developing products and solutions for climate change security and disaster preparedness, including digital technologies.

### Specific objective 2.6

- (31) There are some references which are not fully clear or do not seem to fully fit in this particular context, including R&I on carbon sequestration and carbon sinks and development of long-term carbon binding products and policies, supporting capacities of circular economy skills networks to provide internationally interesting solutions, implementation of nature-based solutions in the urban fabric, and reduction of environmental pollution, regarding each of which Finland is requested to further clarify what is meant as well as justify why are they presented under this particular SO and not e.g. some other SO.
- (32) The following measures suggest potential for the use of FI or combination of FI and grants:
- support the piloting, introduction and commercialisation of environmentally friendly products, materials, production methods and ecological compensation;
  - strengthening business and market know-how related to the circular economy and high-grade bioeconomy and developing new product and service concepts and supporting the necessary-investments;
  - supporting high value-added business in the context of the circular economy.

### Priority 3

#### Specific objective 3.2

- (33) General comment - promoting smart and sustainable mobility.
- We note that 100% of the proposed PO3 allocation is planned exclusively for investments in secondary and local roads (codes of interventions (089 ‘New or improved secondary road connections to TEN-T road network and nodes’ and 090 ‘Other new or improved national, regional and local access roads’) with no indication whether such projects will involve deployment of smart and sustainable mobility solutions.
  - This is not in line with the Sustainable and Smart Mobility Strategy, which points out that:
    - o “Digitalisation will become an indispensable driver for the modernisation of the entire system, making it seamless and more efficient. Europe also needs to use digitalisation and automation to further increase the levels of safety, security, reliability, and comfort, thereby maintaining the EU’s leadership in transport equipment manufacturing and services and improving our global competitiveness through efficient and resilient logistics chains. This evolution should leave nobody behind: it is crucial that mobility is available and affordable for all, that rural and remote regions are better connected, accessible for persons with reduced mobility and persons with disabilities, and that the sector offers good social

conditions, reskilling opportunities, and provides attractive jobs.” (paragraphs 7 and 8);

- “More cross-border projects will be needed to integrate all Member States into the European rail system of the future, in turn establishing smooth interconnections for cross-border rail travel across Europe. This will be achieved while maintaining accessibility for rural and remote regions.” (paragraph 80);
- In rural, peripheral and remote areas, including the outermost regions and islands, improved public transport links will be essential to guarantee unhindered access to mobility for all. (paragraph 88);
- Most importantly, this goes against the proposed ERDF and CF regulation which requires transport investment supported from Specific objective 3.2 to develop mobility which is ‘sustainable, climate resilient, intelligent and intermodal national’. Dedicating 100% of funding to local roads without any complementary investments in public, sustainable and intermodal mobility solutions undermines efforts of transition towards zero-net carbon economy.
- Therefore, please ensure that ERDF co-financed transport investments in Finland involve deployment of innovative, intelligent solutions and/or development of sustainable mobility, with the aim to reduce transport related GHG emissions by 90% until 2050. This could be achievable e.g. by transferring energy efficiency for transport from SO 2.1 to SO 3.2 and, where feasible, taking up also other opportunities to increase the share of climate expenditure under SO 3.2. Moreover, the Finnish authorities are invited explain whether they expect to contribute towards these objectives from the other Policy Objectives of the programme.

(34) Identification of types of investments

- We observe that the description of investments supported under this SO is generic and does not indicate what elements of infrastructure will be supported (roads, railways, alternative fuels infrastructure, maritime ports, airports, cycling roads etc.). Such expressions as “transport and logistics links, the “development of transport routes and services”, “place-based smart transport solutions”, and “projects at local level to improve the connectivity of mobility and transport modes and the TEN-T network”, do not provide sufficient guidance for projects selection and prioritisation. As a result, the proposed scope of intervention in PO3 covers in principle all types of investment in all modes of the transport sector.
- This is not acceptable as investment supported under Specific objective 3.2 should aim at improving regional and local mobility that is sustainable, climate resilient, intelligent and intermodal as far as possible. Therefore, it should be sufficiently clear from the text of the programme, what types of projects in what elements of transport infrastructure will be supported in order to assess their contribution to sustainability, climate resilience, intelligence and intermodality of transport.



- Therefore, please rephrase the wording of the programme using more precise language, defining specifically what types of infrastructure, equipment and mobile assets can be supported and under what conditions, where relevant.
- (35) Embedding investment in transport infrastructure in relevant planning framework
- Cohesion policy programming, especially in the transport sector, needs to be based on solid analysis of needs and priorities in the Member States and regions concerned. Hence, clear references should be made linking the planned scope of the future intervention with the appropriate strategic transport planning framework (incl. at local level). Therefore, please include a reference to PO3 enabling condition.
  - Compliance of the planned transport investment with a relevant transport planning document will have to be verified by the managing authority as part of the process of projects selection, regardless of the fact whether this document fulfils of the transport enabling condition or not (the enabling condition does not cover the local level).

#### Priority 4

##### Specific objective (a)

- (36) Measures that would address the gender pay gap in the labour market are not clearly described under this specific objective. The issue of relatively high gender pay gap is expected to be addressed by the ESF+ according to the Country Report 2019 and the Annex D.
- (37) The main expected results of interventions should explain in addition what results are expected in the areas of work-life balance as well as gender inclusivity and gender pay gap.
- (38) Actions safeguarding equality, inclusion and non-discrimination should include description of how accessibility for persons with disabilities is ensured.
- (39) Delivery mechanisms for transnational cooperation (ie. exchange of practices, joint projects under the specific objective) could be identified in the text field for the interregional, cross-border and transnational actions.

##### Specific objective (g)

- (40) Setting a target value for the common output indicator EECO04 (inactive), should be better justified. Currently, the intervention logic does not support the choice of that output indicator. Based on the intervention logic presented in the draft programme, the common output indicator for participants with lower secondary education or less (ISCED 0-2) would be more suitable.
- (41) In principle, there is no issue from a content point of view when referring to occupational safety and health (OSH) in SO (g), because training is an important longstanding topic in OSH and is mentioned, among others, in the Framework

Directive 89/391. Anyhow, the Commission services recommend Finland to consider other important aspects of EU OSH policy topics that include activities such as OSH and digitalisation, as well as climate change. In case Finland wishes to expand the OSH activities to these areas, the Commission services recommend Finland to use the specific objective (d).

- (42) The main expected results of interventions should explain in addition what is expected in the area of addressing early-school leaving for at-risk groups.
- (43) Actions safeguarding equality, inclusion and non-discrimination should include description of how accessibility for persons with disability is ensured.
- (44) Delivery mechanisms for transnational cooperation (ie. exchange of practices, joint projects under the specific objective) could be identified in the text field for the interregional, cross-border and transnational actions.

#### Specific objective (h)

- (45) The main expected results of interventions should explain in addition what results are expected in the area of improvement of community-based services.
- (46) Actions safeguarding equality, inclusion and non-discrimination should include description of how accessibility for persons with disability is ensured.
- (47) Delivery mechanisms for transnational cooperation (ie. exchange of practices, joint projects under the specific objective) could be identified in the text field for the interregional, cross-border and transnational actions.

#### Priority 5

- (48) Regarding the coordination and support for social innovation in other specific objectives, the Commission services welcome the mainstreaming approach and encourage using ESF+ for supporting innovative actions in all relevant priorities. With a view of gradually promoting a social innovation ecosystem as well as awareness and visibility of social innovation in the country, it could be interesting to empower the “round table” which will be established for the dedicated priority to follow up and support social innovation horizontally. In this context, it would be useful notably to refer to the forthcoming national competence centre for social innovation. Given that the programme covers both ERDF and ESF+, the future competence centre could also cover both areas regarding capacity building, networking and communication. Building such a focal point could be a more practical approach than replicating a coordination mechanism in several parts of the programme.
- (49) Regarding the upskilling of relevant staff, the measures should be justified: if the up-skilling needs are motivated by the specific challenges and objectives of the dedicated priority, then they can be funded under this priority. However, if the up-skilling is motivated by the general need for keeping the skills of the staff up-to-date, then they should be funded under the specific objective (g).

- (50) Delivery mechanisms for transnational cooperation (ie. exchange of practices, joint projects under the specific objective) could be identified in the text field for the interregional, cross-border and transnational actions.

#### Priority 6

- (51) Finland should describe the intervention logic in more detail – the plan on how it will be delivered and how often. In addition, the information about material support (hygiene equipment) and vouchers is quite limited. Moreover, if possible, Finland should present at least the indicative the breakdown of the allocation by food, material assistance and vouchers.
- (52) From the indicator perspective, Commission services would expect three result indicators with reference values:
- Number of end recipients receiving food support
  - Number of end recipients receiving material support
  - Number of the end recipients benefiting from vouchers or cards
- (53) In case some of the operations will be minor (e.g. vouchers,) there is no need to provide reference values as reference values should be set for a limited number of result indicators. Then the selection of these indicators should be based on the intervention logic, as the selected indicators ought to measure the main deliverables to be achieved in the specific objective.

### **SECTION 3 FINANCING PLAN**

(Reference: Article 22(3)(g)(i)-(iii), Article 112(1)-(3), Article 14, and Article 26 CPR)

- (54) Please verify the coherence of the proposed allocation by priorities between the table “Total financial appropriations by fund and national co-financing” and the indicative breakdown of the programmed resources by type of intervention per priority. In the current draft programme, the ESF+ amounts do not match.
- (55) As noted also in the informal observations in the Partnership Agreement, we have noticed a number of small differences of EUR 1 in the allocations of the categories of Regions between the Partnership Agreement tables and the provided overview table. Please attempt to match figures in all tables. A revised template for the overview table is attached. You are requested to fill it in submit it together with the revised programme.

### **SECTION 4 ENABLING CONDITIONS**

(Reference: Article 22(3)(i) CPR)

- (56) For each enabling condition: please verify that the hyperlinks are valid and lead to the correct and up-to-date internet site or document.

- (57) Effective monitoring mechanisms of the public procurement market: fulfilled
- (58) Tools and capacity for effective application of State aid rules: fulfilled
- (59) Implementation and application of the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD):
- Please update the hyperlink to the National Action Plan 2020-2023.
  - Please provide information in terms of standards and legislation considering the transport sector in the criterion 2.
  - Please provide the referred checklists to the Commission services when those are finalised.
- (60) National strategic policy framework for social inclusion and poverty reduction:
- In the criterion 4, please describe the arrangements to ensure that the civil society is included in the design, implementation, monitoring and review of the policy framework.
- (61) Good governance of national or regional smart specialisation strategy:
- The revised S3 self-assessment and the additional documents do not address the issues raised in our comments on the Finnish self-assessment from March. More concretely:
  - The main issue for Finland is the fact that a vast majority of the regional S3 strategies have not yet been revised. Given that, they do not include information related to the new criteria of the S3 enabling condition and therefore it is not clear how will be the new S3 elements tackled. The biggest issues are with regions that do not have a real S3 as such but consider their regional development plan as S3 and where only the old version of the plan exists.
  - Some regions are surely more advanced than others. Finland will fulfil the S3 enabling condition by 18 regional S3 strategies, which means that each of the strategies needs to fulfil all criteria of the S3 enabling condition. Given the space limitations in the programme template, we would suggest to submit individual S3 self-assessments for each of the S3 strategies as annex to the main table. This will allow us to conclude which criteria are fulfilled for each strategy and it will also allow the Finnish authorities to submit more detailed justification.
  - - On additional documents:
    - o Criterion 1: we fail to see how a webpage about EU and other funding possibilities (that is the only new document added) addresses the questions raised in relation to missing analysis of challenges for innovation diffusion in many current versions of the S3 strategies.

- Criterion 2: The draft law clearly specifies the role of the Regional Councils in relation to the S3 strategy which is very positive. However, as already explained earlier, we would welcome more information about the coordination between the national and regional level since the programme is set up on the national level. The R&I Roadmap that is supposed to be the guiding document does not give many information on the issue.
  - Criterion 6: Again, the additional documents submitted (namely the evaluation document and a brochure about 2014-2020 programming period with successful projects) do not address the fact that any information about possible challenges and necessary activities to tackle industrial transition is missing in most of the current S3 strategies.
  - Criterion 7: Involvement of the regions in the cooperation activities, including the S3 thematic platforms, varies significantly. Hence the suggestion on separate S3 assessments in the second bullet point.
- Particular attention should be paid to the following areas: a) coordination at national level between the different regional S3 (how far is the draft Legislation that defines regional and national RDI activities in this context?) including synergies with other R&I funds like from RRF, b) make advancements with implementing the S3 monitoring and evaluation in all regions, and c) the reinforcement of business engagement in S3 design and implementation.
- (62) Strategic policy framework to support energy efficiency renovation of residential and non-residential buildings: fulfilled
- (63) Effective disaster risk management framework:
- Finland has partially fulfilled the enabling condition 2.4 in the sense that for sub-criterion 1 risks, including climate risks have been identified. However, the situation remains the same as regards the relevant level for risk assessment and measure identifications at regional level, and that assessment is in progress (methodology for end 2021). The self-assessment in itself provides information at national level, on generic measures, but not sufficiently detailed for sub criterion 2 and 3 in order to be considered completely fulfilled.
- (64) Updated planning for waste management:
- There are clear indications on the mainland/national plan, but it is indicated that Åland has its own plan. According to our knowledge an Åland plan is from 2010 so clearly out-dated and not in line with the new requirements on WMPs in the waste framework directive. Moreover we are not 100% sure about planning like this, ie. whether the national plan would be applicable as such also for Åland or at least whether the general aims, for instance in relation to reuse/recycling/separate collection would be binding across the whole territory. So the Finnish authorities are requested to clarify this to be entirely clear.
- (65) Comprehensive transport planning at the appropriate level

- From a transport perspective, we notice that the main investments are planned in (local) road sector. However, there is a very limited reference for road safety that concerns the local level in northern sparsely populated regions. We would like to recall the reply given by FI to criteria 8 on road safety, Finland does not “currently have an applicable road safety strategy, but the preparations of the new Road Safety Strategy have started. The Strategy to be drawn up will approach road safety from a broad perspective and will address safety in all modes of transport. However, the focus will be on road safety. The strategy will be prepared for years 2022-2026. Finland plans to finalize the Strategy by the end of year 2021 and will inform the Commission and Member States when they reach this point.”
- Finland, however, already sent a “Strategic transport network situational picture” updated in 2021, which includes mapping of the affected roads and identifies the need for further improvements in road safety. No concrete actions are referred but Finland has very good performance in road safety. As it concerns the fulfilment of enabling conditions, we take note of the missing information.
- Please note that as long as the key documents fulfilling the enabling condition have not been formally adopted (we observe that some of them constitute only drafts of such documents) the enabling condition cannot be assessed as fulfilled.
- According to the requirements of the enabling condition the comprehensive transport planning should contain a complete map/list of all transport infrastructures at national and regional level as well as a complete map/list of transport infrastructure that is to be developed by 2030.
- Detailed comments will be transmitted during the formal process of assessment of fulfilment of the enabling condition.

## **SECTION 6 PARTNERSHIP**

(Reference: Article 22(3)(h) CPR)

- (66) Section 6 provides a good overview on partnership. However, it focuses on national cooperation within Finland only (partners, processes, fora), not providing information on cooperation with the EUSBSR and ETC/Interreg programmes in the same territory or outside the Baltic Sea Region, such as the other EU macro-regional strategies. A description would be needed on how actions under the EUSBSR and Interreg programmes and the Arctic Strategy will be coordinated.

## **SECTION 7 COMMUNICATION AND VISIBILITY**

(Reference: Article 22(3)(j) CPR)

- (67) The description of indicators for monitoring and evaluation (website users and social media followers and engagement; possible evaluation - although also relevant) remains limited in view of communication objectives. Whether other indicators to evaluate different communication actions are included in the yearly communication plan is not clear from the description.

## **APPENDIX 2A LIST OF PLANNED OPERATIONS WITH STRATEGIC IMPORTANCE WITH A TIMETABLE**

(Reference: Article 22(3) CPR)

- (68) The list of planned operations with strategic importance with a timetable did not accompany the draft programme. Please include it as an appendix.

## **METHDODOLOGY FOR THE ESTABLISHMENT OF THE PERFORMANCE FRAMEWORK**

(Reference: Article 17 CPR)

- (69) Concerning the ERDF, as indicated in our webinar in March 2020 and as will be reiterated in the Commission staff working document on performance monitoring (it will be published in coming weeks), it is important to have information on indicators also at action level to better understand the intervention logic, criteria applied to select indicators (i.e. relevance and financial coverage), data or evidence used, data quality, calculation method and factors that may influence achievement. It would be particularly important to have a clear methodology for specific objectives with multiple types of action and a variety of interventions. Therefore, we ask to provide in the annexes of methodological document indicator information also at action level as was indicated in the methodological document example provided by DG REGIO (see slide 41 of Webinar with Member States on 2021-2027 Cohesion policy programming which took place 5-6 March 2020, attached). If this is not at all possible, then the reasons should be explained in the methodological document.

- (70) It is important to use as many relevant common indicators to ensure that Finland's outputs and results are not under-reported in the ESIF Open Data Portal (Achievements based on indicators). Therefore, we have following suggestions for the ERDF:

- For SO 1.i National output indicator “NO01 Investments in RDI infrastructure” is used. Would it be possible to include also similar common output indicators RCO06 (Researchers working in supported research facilities) and RCO08 (Nominal value of research and innovation equipment)?
- For SO 1.i National output indicator “NO02 New platforms or networks to support co-development” is used. Would it be possible to include also similar common output indicators RCO07 (Research organisations participating in joint research projects)?
- For SO 1.i, please consider adding common result indicator RCR02 (Private investments matching public support (of which: grants, financial instruments));
- For SO 1.ii, please consider adding common result indicator RCR11 (Users of new and upgraded public digital services, products and processes) and/or RCR12 (Users of new and upgraded digital services, products and processes developed by enterprises);
- For SO1.iii would it be possible to add also RCO103 (High growth enterprises supported) and/or RCO15 (Firms: Capacity of incubation created) in addition to RCO01 and RCO02?

- For SO2.i common output indicator RCO10 cannot be used as it belongs according to the latest version of the Annex 1 of the ERDF/CF regulation under Policy Objective 1 and it is not marked with a star (\*) enabling its use under Policy Objective 2 (or any other). As remaining common indicators do not reflect well the output of the planned interventions, we recommend to add other suitable common output indicators available for Policy Objective 2 (RCO18, RCO19, RCO20, RCO104, RCO123 or any other under Policy Objective 2 or any RCO marked with star (\*). Similarly result indicator RCR19 cannot be used under Policy Objective 2 as it is without star (\*). Please complement the list of indicators with available common result indicators under Policy objective 2, which reflect best the results of the planned intervention. Particularly, we would suggest to use RCR29 (Estimated greenhouse emissions) as according the programme description the main result of this intervention is “*Greenhouse gas emissions in the regions have decreased significantly*”.
- For SO2.iv, Similarly RCO10 cannot be used. Please consider using relevant common output and result indicators designed particularly for specific objective 2.iv for Promoting climate change adaptation, risk prevention and disaster resilience (RCO24, RCO122, RCO25, RCO106, RCO26, RCO027, RCO121).
- For SO2.iv the only common result indicator used is “*RCR01 New jobs created with aid*”, which however does not reflect directly the objectives of the planned measures under SO2.iv. Therefore we recommend to add common result indicator tailored for this SO (RCR35, RCR36, RCR37 or RCR96).
- For SO2.iv, Similarly RCO10 cannot be used. Please consider using relevant common output and result indicators designed particularly for specific objective 2.iv for Promoting climate change adaptation, risk prevention and disaster resilience (RCO24, RCO122, RCO25, RCO106, RCO26, RCO027, RCO121).
- For SO2.vi, Similarly RCO10 cannot be used. Please consider using relevant common output (RCO34, RCO107 or RCO119) and result indicators (RCR103, RCR47 or RCR48) designed particularly for specific objective 2.vi for Promoting the transition to a circular economy.
- For SO3.ii Please consider adding relevant common output and result indicators designed particularly for specific objective 3.ii for Developing national, regional and local mobility, including improved access to TEN-T and cross-border mobility.

(71) Concerning the ESF+, the way the target values are calculated in the methodological document is unusual, and generally, the methodology does not seem to be correct. Commission services suggest to consult the Data Support Issue paper on target setting methodology. The paper was designed to help the MAs to design their target setting methodologies and was presented in the ESF Evaluation Partnership meetings:



[https://ec.europa.eu/sfc/en/system/files/2021/ged/esf\\_data\\_support\\_centre\\_issue\\_paper\\_-\\_schematic\\_examples\\_on\\_esf\\_target\\_setting.pdf](https://ec.europa.eu/sfc/en/system/files/2021/ged/esf_data_support_centre_issue_paper_-_schematic_examples_on_esf_target_setting.pdf)

(72) Please find below the comments on the target setting methodology for ESF+:

#### Calculation of the unit costs

o Usually, the unit costs are calculated by dividing the allocated budget by the number of participants, but this is done differently in the methodological document. In the methodological document, the previous period's unit costs are obtained by dividing the total financing by the each of the groups of the participants separately.

o In order to calculate the unit costs, it is suggested to apply one of the two approaches: 1) Calculate average unit cost per participant = Total financing divided by total number of participants (unemployed+employed+inactive); 2) Unit cost for specific group = Financing allocated for that group divided by the indicator value for that group. For example, the financing for unemployed divided by the number of unemployed.

o If the S.O. includes also support to public authorities, in most cases this financing should be excluded from the total financing when calculating the costs per participant.

#### Calculation of the target values

o The calculated target values are obtained by dividing the total financing by the unit cost of each target group which does not seem to be appropriate because in this way the target values will be biased upwards. In order to calculate the target value several methods could be used. The total financing could be divided by the average unit cost for all groups and then the share of each target group among total number of participants can be estimated/assumed. Alternatively, the financing allocated to the specific target group can be divided by the unit cost for that target group (if the target groups are mutually exclusive like employed and unemployed).

o Calculated target values. The target values for each specific objective are calculated using the same amount of financing for each specific objective. For example, for the developed region the same amount of financing - 47.113.660 EUR - is used to calculate the targets for all specific objectives – 4a, 4g, 4h. In order to calculate the targets for each specific objective, only the financing allocated to that specific objective could be used.

o The targets for the result indicators are expressed in percentages, but it is not clear which is the corresponding output indicator from which the percentage is calculated (total number of participants or only a sub-group of them). According to the Toolbox page 15 “When targets for result indicators are expressed in percentage, it is very important that the corresponding output indicators are properly referenced.” The need to reference the targets refers also to the baseline target values as it is often not clear how they are calculated.

Annexes:

Revised template for BUDG overview table;

Slide 41 from the Webinar of 5-6 March 2020 with Member States on 2021-2027  
Cohesion policy programming