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# PROJECT ON DEVELOPING STRATEGIC LEADERSHIP INSTRUMENTS IN GOVERNMENT: RECOMMENDATIONS



FINNISH  
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## Project on developing strategic leadership instruments in government: Recommendations

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<p><b>Abstract</b></p> <p>When the Government led by Prime Minister Sipilä started its four-year term in 2015, a policy-making model required by the strategic Government Programme was launched in Finland. The aim was to adopt a more cross-administrative approach in the Government's work and to achieve greater impact for government policy. The mission of the Project to develop strategic leadership instruments in government (PAKURI) was to prepare recommendations for the next Government to make decisions on.</p> <p>The key areas for development identified in the project are better coordination of the policy and resource processes, strengthening joint government communications, more effective coordination and implementation of government policy, and ensuring that policy preparation extends across parliamentary terms. A total of 20 proposals are presented, divided into three stages during the government term: the Government Programme preparation phase, the commencement phase, and the government term phase.</p> <p>The most important recommendations concerned the need to specify clear and measurable main objectives and a prioritised set of policies in the Government Programme and to identify reforms that require preparation across parliamentary terms. The Government concludes a written agreement on the management procedures right at the beginning of its term. Sufficient time is set aside for interpreting the Government Programme both within the Government and with the senior public officials. An action plan to be updated on an annual basis is prepared on the implementation of the objectives, key reforms and prioritised set of policies, and their implementation is ensured through strategy meetings and situation review sessions to be held on a regular basis. The allocation of resources is guided by policy.</p>			
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<b>Tiivistelmä</b>	<p>Suomessa siirryttiin vuonna 2015 strategisen hallitusohjelman edellyttämään politiikanteon malliin pääministeri Sipilän hallituksen aloittaessa, jotta hallitustyöskentely olisi poikkihallinnollisempaa ja hallituspolitiikka vaikuttavampaa. Hallituksen strategisten johtamisvälineiden kehittämishankkeessa (ns. Pakuri-hanke) on valmisteltu suosituksia seuraavan hallituksen päätettäväksi.</p> <p>Hankkeessa on tunnistettu keskeisiksi kehittämiskohteiksi politiikka- ja resurssiprosessien parempi yhteensovittaminen, hallituksen yhteisen viestinnän vahvistaminen, hallituspolitiikan koordinaation ja toimeenpanon tehostaminen sekä ylivaalikautisen politiikkavalmistelun varmistaminen. Hankkeessa on tuotettu 20 suositusta. Ne on jäsennelty ajallisesti kolmeen vaiheeseen: hallitusohjelmavaihe, liikkeellelähtövaihe ja hallituskauden kuluessa.</p> <p>Keskeisiä suosituksia ovat, että hallitusohjelmassa osoitetaan selkeät ja mitattavat päätavoitteet ja priorisoidut politiikkakokonaisuudet sekä tunnistetaan ylivaalikautista valmistelua edellyttävät uudistukset. Hallitus sopii kirjallisesti poliittisen johtamisen menettelytavoistaan heti kautensa alussa. Varataan aikaa hallitusohjelman tulkintaan hallituksen sisällä, ja ylimmän virkamiesjohdon kanssa. Hallitusohjelman tavoitteiden, avainuudistusten ja politiikkakokonaisuuksien toimeenpanosta laaditaan vuosittain päivitettävä toimintasuunnitelma ja niiden toteutuminen varmistetaan strategiaistunnoilla ja säännöllisillä tilannekuvaistunnoilla. Poliitiikka ohjaa resurssien kohdentamista.</p>	
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<b>Referat</b>	<p>När statsminister Juha Sipiläs regering tillträdde 2015 övergick man i Finland till den politiska modell som förutsätts i det strategiska regeringsprogrammet och vars mål är att regeringsarbetet ska vara mer förvaltningsövergripande och regeringspolitiken effektivare. Inom projektet för utveckling av regeringens strategiska ledningsverktyg, det s.k. Pakuri-projektet, har det beretts rekommendationer som nästa regering ska fatta beslut om.</p> <p>Inom projektet har identifierats följande viktiga utvecklingsmål: att bättre samordna de politiska processerna och resursprocesserna, att stärka regeringens gemensamma kommunikation, att effektivisera samordningen och genomförandet av regeringspolitiken samt att säkerställa den politiska beredningen över valperioderna. Projektet har resulterat i 20 rekommendationer. De har tidsmässigt delats in i tre faser: Regeringsprogramfasen, startfasen och regeringsperioden.</p> <p>Centrala rekommendationer är att man i regeringsprogrammet ska fastställa tydliga och mätbara centrala mål och prioriterade politikhelheter samt identifiera de reformer som förutsätter beredning över valperioderna. Regeringen kommer skriftligen överens om sina förfaranden för den politiska ledningen genast i början av sin regeringsperiod. Tid reserveras för tolkningen av regeringsprogrammet inom regeringen och med den högsta tjänstemannaledningen. För genomförandet av regeringsprogrammets mål, nyckelreformerna och politikhelheterna utarbetas en handlingsplan som ska uppdateras årligen, och förverkligandet av dessa säkerställs genom strategisessioner och regelbundna lägesbilds-sessioner. Politiken styr hur resurserna riktas.</p>		
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## FOR THE READER

On 20 December 2017, the Prime Minister's Office launched a project to prepare recommendations during 2018 for strengthening strategic leadership instruments in government. As Prime Minister Sipilä's Government took office in 2015, Finland adopted a model of policy-making that was necessary for the introduction of a strategic Government Programme, in order to facilitate a more cross-administrative approach in the Government's work and to achieve government policy with greater impact. As part of the Project to develop strategic leadership instruments in government (PAKURI), recommendations were drawn up for the next Government to make decisions on.

The aims of the project were:

1. to secure the continuity of the strategic Government Programme reform process
2. to support the Prime Minister's capabilities of leading the Government as a collective body
3. to ensure that the Government's priorities are supported by the best possible instruments and procedures as well as sufficient resources
4. to strengthen unity within the Government and enhance a cross-administrative approach to leadership.

The project work was headed by State Secretary Paula Lehtomäki, State Secretary Martti Hetemäki and Permanent State Under-Secretary Päivi Nerg.

The members of the **project group** were:

Chair Sirpa Kekkonen	Senior Adviser for Government Programme Monitoring, Prime Minister's Office
Vice Chair Sami Yläoutinen	Economic Policy Coordinator, Ministry of Finance

Members:

Liisa Heinämäki	Project Manager, Prime Minister's Office
Katju Holkeri,	Senior Financial Adviser, Ministry of Finance
Mika Niemelä,	Director of Finance, Ministry of Economic Affairs and Employment
Päivi Paasikoski,	Assistant Head of Communications, Prime Minister's Office
Johanna von Knorring	Senior Ministerial Adviser, Budget Department, Ministry of Finance

## Secretaries:

Ulla Rosenström, Chief Senior Specialist, Prime Minister's Office

Jouni Varanka, Ministerial Adviser, Prime Minister's Office

The project had a **support and monitoring group** tasked with discussing and commenting on the material produced by the project group, providing expert support for and stimulating the work of the project group, and formulating a position and comments on the recommendations prepared by the project group.

The members of the support and monitoring group were:

Chair Paula Lehtomäki	State Secretary, Prime Minister's Office
Vice Chair Martti Hetemäki	State Secretary, Ministry of Finance
Timo Lankinen	Permanent State Under-Secretary, Prime Minister's Office
Päivi Nerg	Permanent State Under-Secretary, Ministry of Finance
Kari Anttila	General Secretary, Social Democratic Party
Minna Kelhä	General Secretary, Left Alliance (initially Merja Kyllönen)
Anssi Kujala	Special Adviser, National Coalition Party
Juha Pylväs	Member of Parliament, Centre Party
Päivi Räsänen	Member of Parliament, Christian Democratic Party
Riikka Slunga-Poutsalo	Secretary, Finns Party
Stefan Wallin	Member of Parliament, Swedish People's Party
Antero Vartia	Member of Parliament, Green Party
Samuli Virtanen	State Secretary, Blue Reform Party

The progress of the project, and the recommendations made, have been discussed by the Ministerial working group for reforming operating practices and at the Government's strategy meetings. The project team networked closely with those working on other reform and development projects relevant to its themes. Important contributions to the drafting of these development recommendations were made by the Meeting of Permanent Secretaries and the network of senior-level staff at the ministries as well as individual experts requested to submit stimulus papers during various stages of the work.

The Project to develop strategic leadership instruments in government (PAKURI) was closely coordinated with work on the central government reorganisation programme inaugurated by the Ministry of Finance on 1 August 2018 and headed by Päivi Nerg. The central government reorganisation project is a strategic umbrella programme aiming to secure the productivity of the Government's work and to create preconditions for sustainable reform.

# 1 Starting points for developing strategic leadership instruments in government

As Prime Minister Sipilä's Government took office in 2015, Finland adopted a policy-making model necessary for introducing a strategic Government Programme. The programme of the current Government, which is more focused than in previous government terms, broke the pattern of increasingly detailed Government Programmes. The strategic Government Programme was introduced to promote more cross-administrative government work and government policy-making with a greater impact. A starting point for implementing major reforms is to have a realistic expectation to what can be achieved in a single government term.

In addition to more selective contents, the current Government Programme identifies desirable trends extending over a longer time span for the objectives and actions of the government term: the programme contains a vision of the future and ten-year objectives. The purpose of this was to identify the development directions in which the Government wished to steer Finnish society, while acknowledging that the objectives cannot be achieved during a single government term.

The strategic Government Programme was created through a new way of conducting government formation negotiations. Departures from conventional procedures included:

- starting the government formation negotiations by defining the big picture
- determining the main strategic objectives in the Government Programme and appointing ministerial working groups to lead the efforts to achieve them
- assigning stronger leadership roles to the chairs of the parties in Government
- using a process map in government formation negotiations, helping the negotiations to progress systematically
- determining the target areas for savings in general government finances in detail already at the Government Programme level
- setting aside EUR 1 billion as reform funding for the Government's key projects
- reducing reliance on public officials in the negotiations.

A third-party evaluation of the strategic Government Programme reform concluded that the Government's *strategic policy-making model* followed from 2015 was generally well received and regarded as an important step towards more focused government work with greater impact. The respondents' views of whether or not the *strategy model was successfully implemented* were divided, and further development of the achieved reforms was considered essential by the stakeholders, including political parties, lobbying organisations and the media.

Good headway has been made in reforming the instruments and practices of government policy-making. Lessons should also be learned from the experiences of this government term. Reforms continue to be needed, among other things by ensuring that the Government's political objectives channel resources to the most important issues. Policy foresight and evidence-based decision-making also need to be strengthened further. The complexity and long time span of policy issues highlight the significance of preparation spanning several government terms.

The Project to develop strategic leadership instruments in government (PAKURI) prepared recommendations aiming to strengthen strategic policy-making. *The final decision on adopting the recommendations will be made by the incoming Government.*

As key development areas, the project identified more cohesion in policy and resource allocation processes, stronger joint Government communications, more effective implementation of the Government Programme and other policy coordination as well as systematic policy preparation across government terms.



**Figure 1.** Development areas identified by the project

## 2 Summary of the recommendations

The project produced 20 recommendations based on the three phases of the government term: Government formation phase, the commencement phase, and the government term phase. This chapter contains a summary of the recommendations. For details see Chapters 3, 4 and 5.

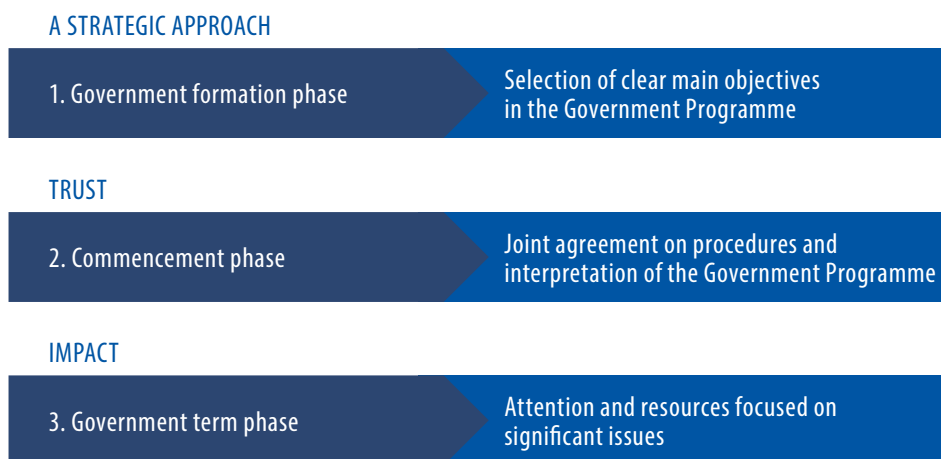


Figure 2. Core messages of the project

### Phase 1: Government formation negotiations and Government Programme formulation

*The Government only has political capital for and potential to focus on a limited number of issues, and public officials only have capacity for acting on a certain number of initiatives. This is why identifying the main objectives is a prerequisite for success.*

1. At the beginning of the government formation negotiations, the Government forms a shared idea of the current situation in different sectors. Clear and preferably measurable main objectives for the government term are adopted in the Government Programme. Issues with a longer time span requiring parliamentary preparation are also identified.

2. In government formation negotiations, the broad principles are agreed upon first: the Government's main objectives, the outlines of economic and financial policy, the selection of priorities/phenomena, the identification of key reforms, and the outlines of EU policy as well as foreign and security policy.
3. In the field of economic and financial policy, the Government Programme contains at minimum goals for the general government finances for the government term, including the central government spending limits (setting the Government's financial room for manoeuvre) and the calibration of appropriations for supporting changes in priorities (cf. the current EUR 1 billion for the key projects).
4. In the government formation negotiations, one working group focuses on leadership procedures for use in government policy-making, which are already *partly* set down in the Government Programme. For example:
  - Enhancing the Prime Minister's capacity for leading the statutory ministerial committees.
  - Organisation of ministerial work (one ministerial working group for each Government Programme priority, cross-administrative ministerial responsibilities).
  - state secretaries, numbers of special advisers.
  - The Prime Minister's State Secretary as the leader of the Government's strategy process.
  - Collective political leadership model for strategy work (collective of chairpersons of parties in Government, strategy meetings, and the State Secretaries' leadership collective).
  - Preparation of a communications strategy.
5. Using facilitation to support negotiations as a systematically progressing process is recommended. ITKÄ

## Phase 2: Commencement phase

*A well-prepared commencement phase ensures that implementation of the Government Programme can be initiated without delay and on the right track. As the implementation of the Government Programme relies on cooperation between the entire Government and all ministries, it is necessary to set aside time specifically for arriving at a shared interpretation of the Government Programme and reaching an agreement on responsibilities and practices. Finland's Presidency of the Council of the European Union in the second half of 2019 will emphasise the need for effective advance preparation.*



## Organising the Government

6. A more *detailed* written agreement on leadership procedures for use in government policy-making is drawn up at the first strategy meeting.
7. Induction training on the Government's and ministries' leadership instruments is provided for ministers, state secretaries and special advisers.

## Launching the implementation of the Government Programme

8. Specific time is set aside for formulating a shared interpretation of the Government Programme between the Government and senior public officials.
9. Preparations are made in advance for the additional workload created by Finland's Presidency of the Council of the European Union.
10. A Government Action Plan is prepared for the government term, setting out how the objectives, key reforms and prioritised set of policies will be implemented.
11. The administration will build, in advance, special capacity for supporting the Government's key reforms right from the commencement phase.
12. Phenomenon-based budgeting primarily takes place from the perspective of reallocating rather than increasing resources.
13. Financial room for manoeuvre is left for the government term.

## Phase 3: Steering the Government Programme during the government term

*The Government's main objectives are kept clear, both within the Government and in communications, during the government term. Foresight information and research evidence are always available to support Government policies.*

14. The Government holds regular joint strategy sessions. These meetings keep the Government's shared idea of the current situation up to date and support the implementation of the Government's main objectives.
15. The implementation of Government Programme projects and realisation of objectives is monitored systematically.
16. The contents of the General Government Fiscal Plan are prepared according to the political priorities determined by the Government. The Government issues common policy guidelines for initiating each Fiscal Plan review, and multi-party budget negotiations are introduced.
17. Research and foresight information is used more effectively to underpin the Government's strategic policy-making.

18. The Government's strategy and steering documents are compiled into a single, easily managed hierarchical system, ensuring that the resource needs of the strategies are compatible with the General Government Fiscal Plan.
19. The Government promotes changes in practices and systematically supports an innovative public sector reform.
20. The impact of the Government's strategy on the ministries' leadership and the implementation of the Government Programme is ensured by, among other things, reforming the operating model of the Permanent Secretaries' collective.

**To support implementation**, the Government's strategy process will be made more systematic and reinforced through regulation as necessary. The Prime Minister's Office will prepare the required changes to the Government's rules of procedure in spring 2019.

### 3 Government formation negotiations and Government Programme formulation

*The Government only has political capital for and potential to focus on a limited number of issues, and public officials only have capacity for acting on a certain number of initiatives. This is why identifying the main objectives is a prerequisite for success.*

- 1. At the beginning of the government formation negotiations, the Government forms a shared idea of the current situation in different sectors. Clear and preferably measurable main objectives for the government term are adopted in the Government Programme. Issues with a longer time span requiring parliamentary preparation are also identified.**

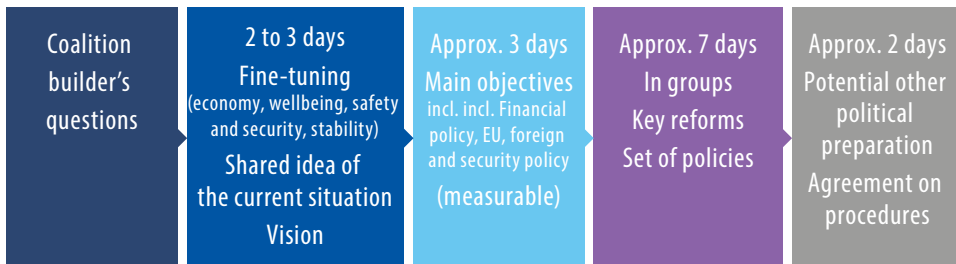
Government formation negotiations are preceded by talks between the leader of the preliminary discussion on the formation of a new government and potential coalition partners. The list of questions drawn up by the leader of the discussions should include a question concerning the nature, significance and structure of the Government Programme and a stance on the principles of joint government work, including the principles of composing ministerial working groups and the groups' roles. The purpose of this question is to establish whether the parties in the Government have a shared view of the rules of political leadership and are prepared to comply with the strategic leadership instrument model of government policy-making (recommendations on which are contained in this report) during the government term.

Trust within the Government and the collective impact of government work will be supported by having a shared idea, as far as possible, of the current situation in important issues for the Government, such as the economy, Finland's status in the world and societal development. A thorough discussion on the current situation is thus needed at the beginning of the government formation negotiations. The futures work carried out within the Government should be utilised in this.

During the government formation negotiations of 2015, a vision extending beyond the government term was formulated for the first time in the Government Programme. This has been seen as an important glue that holds the different policy sectors together and promotes the achievement of the Government’s main objectives. The project group recommends that a similar vision spanning a period longer than the government term will also be defined in the next government formation negotiations. It would be a good idea for the Government to base the work on its vision on some framework of longer-term objectives. The 2030 Agenda for Sustainable Development is one option; the Government could state its own priorities and goals within the Agenda. Over time, Finland could develop its own national long-term framework for societal development. Scotland’s experiences of its National Performance Framework could be used in this work and also in the Government’s communications. Later sections of this report contain more detailed recommendations on longer-term policy-making. Lengthy reforms requiring parliamentary preparation should be identified in the Government Programme, and the manner in which their preparation is organised should already be agreed upon at this stage.

Government Programme talks

Outline for three-week talks



Facilitation throughout the government formation negotiations.  
Active and regular communication about the progress and outcomes of the negotiations.

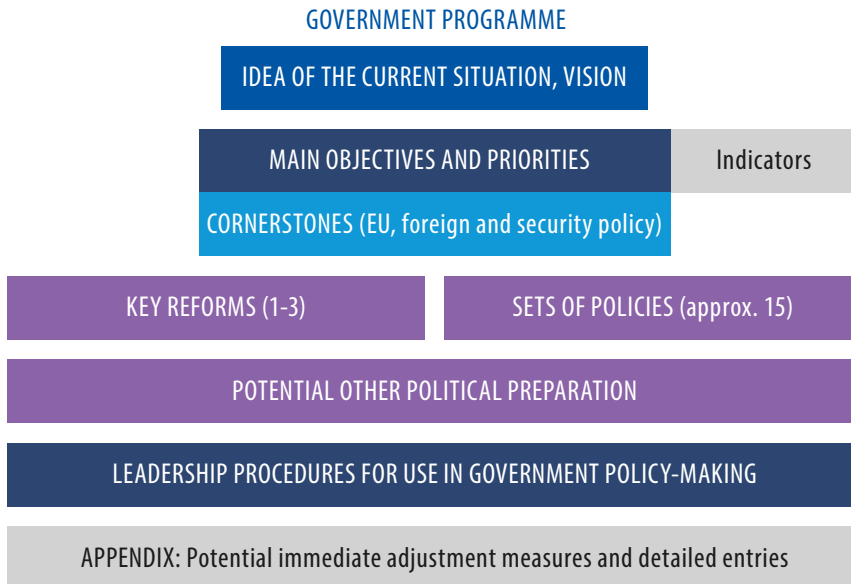
Figure 3. Stages of government formation negotiations

- In government formation negotiations, the broad principles will be agreed upon first: the Government’s main objectives, the outlines of economic and financial policy, selection of priorities/phenomena, identification of key reforms, and the broad principles of EU and foreign and security policy.**

To ensure the smooth running of government formation negotiations, it is important that the progress of the process has been planned and divided into stages in advance. While this is up to the party leading the negotiations, it is a good idea to agree on the scheduling of the issues to be discussed with the chairpersons of the other parties in the Government. A decision on a media plan for the government formation negotiations will be made at the

beginning of the negotiation phase. The preparation of this plan is led by the Government Communications Department.

In addition to the vision, the fact that the current Government Programme clearly identifies the Government’s priorities, or focus areas, was seen as an important step forward compared with previous Government Programmes. During the current government term, five such priorities were selected. Identifying priorities and limiting the level of detail have helped to focus the Government’s joint work on key cross-administrative issues while individual branches of government have seen to sector-specific issues.



**Figure 4. A proposal for the structure of the Government Programme**

The project group recommends that the following concepts be used to structure the Government Programme:

- *Government’s strategic main objective.* Clearly defined main objectives in the Government Programme will support leadership and prioritisation in the Government’s work. The number of main objectives cannot be very high. The main objective may be an exact target linked to an indicator (e.g. the employment rate) or more open to interpretation (e.g. reducing inequality). It is likely that the work to promote the main objective will be divided into numerous separate actions, some of which will be part of the ministries’ basic work, while others will comprise reform projects contained in the

Government Action Plan. Political responsibility for the main objectives as a whole rests with the Prime Minister, in addition to which particular responsibility for promoting the achievement of individual main objectives may be assigned to a ministerial working group. At public official level, responsibility for the main objectives is assumed by the entire Government, and the objectives are integrated into performance guidance.

- *Government's key reforms.* The Government will presumably strive to accomplish a handful of particularly sweeping, demanding, multidimensional and far-reaching reforms. During Prime Minister Sipilä's term, such reforms have included the regional government and health and social services reform. As these reforms are demanding and often require long-term drafting, their preparation must be launched efficiently and as early as possible. They should also be identified in sufficient detail in the Government Programme, making it possible at a later date to avoid conflicting interpretations, which will delay the preparation process. Key reforms can mostly be structured as projects with both a dedicated minister and a ministerial working group. At public official level, it is recommended that Permanent Secretary groups be appointed to support key reform implementation.
- *Government Programme priority or phenomenon.* Depending on the Government Programme structure, the priorities or phenomena may serve as concepts on the basis of which content areas can be grouped. Responsibility for priorities can be assigned to ministerial working groups.
- *Prioritised set of policies.* In Prime Minister Sipilä's Government Programme, priorities were further sub-divided into key projects. The number of key projects in the current government term is 26, which has been considered a large number to manage. In some cases, the concept of a key project has guided the organisation of the work to implement the Government's objectives in a certain direction. A more neutral concept could work better and leave more room for manoeuvre for translating the Government Programme into a more specific action plan. For instance, we could refer to the Government's *prioritised set of policies*, whose number should be limited, for example to no more than 15.

When drawing up the Government Programme, it is important to perceive the links between the prioritised set of policies on the one hand and the Government's main objectives and key reforms on the other. In the current government term, some of the key projects failed to find their place as parts of the whole, and there were some overlaps. The more clearly the set of policies can be defined and their logical links to the main objectives can be identified, the better possibilities there will be for their effective implementation during the government term.

Responsibility for each one of the set of policies will primarily be assigned to a single minister and one ministerial working group. The Permanent Secretary of the minister responsible for a set of policies will carry the primary responsibility for dividing it into manageable parts (for example, separate projects and programmes or tasks included in the regular official duties) and allocating sufficient resources to these priorities. In the Government Action Plan, the focus is at the level of the prioritised set of policies. The monitoring of policy implementation can be supported by dividing the implementation of each set of policies into concrete milestones linked to exact points in time.

The project group recommends that the chairpersons of parties in Government first agree upon the broad principles of the Government Programme: the Government's main objectives, economic policy, EU policy as well as foreign and security policy, the targets of key reforms, and the selection of the societal phenomena which the Government will prioritise and for which it particularly intends to build a prioritised set of policies (currently key projects). Only once the Government has agreed upon the broad principles will the detailed preparation in working groups be organised. At this stage, a strategic set of policies will be put together for the selected phenomena. The recommended principle is that detailed methods would only be specified in the Government Programme for 'imperative reasons', for example if there is a political need to agree on the details, as in the case of large-scale reforms.

No more than five phenomena/priorities should be selected. Discussions at this initial-phase should also include making decisions on the Government's key reforms. Based on the experiences of the current term, their number should also be limited. During a single government term, it is not realistic to expect that any more than three large-scale reforms can be prepared. Any targeted savings in general government finances should be set down in detail in the Government Programme.

The Government Programme should specify the appropriations the Government will allocate to support the achievement of its targeted key reforms (the 'EUR 1 billion for the key projects' of the current government term) and the funding sources for these inputs.

The procedure for monitoring and evaluating the implementation of the Government Programme should be determined at a rough level in the Programme. Monitoring based on indicators, a procedure which has been used in previous government terms, can be considered a good practice. Experts should be relied on to define the indicators, which should be relevant to the Government's main objectives. In addition to monitoring objective achievement, the progress of the Government's projects should also be followed up using milestones selected by ministerial working groups, in keeping with the practice followed in the current government term (Recommendation 15).

Communication about progress in government formation negotiations should be active and open. A reference to the common communications strategy to be prepared by the Government should be included in the Government Programme. If the Government's objectives for the government term were specified more clearly at the beginning of the government formation negotiations and set down unambiguously in the Government Programme, this would help the Government get its message across.

**3. In the field of economic and financial policy, the Government Programme contains at minimum goals for the general government finances for the government term, including the overall central government spending limits (setting the government's financial room for manoeuvre) and the calibration of appropriations for supporting changes in priorities (the current EUR 1 billion for the key projects).**

Defining the Government's financial room for manoeuvre strongly guides the achievement of Government Programme objectives. In the Government Programme, the Government determines the government spending limits based on the Ministry of Finance's forecasts. Setting out any fiscal adjustment measures in as much detail as possible in the Government Programme, as was done in 2015, will make it considerably easier for the Government to commence its work.

In the previous Government Programme, an appropriation of approximately EUR 1 billion was reserved for the key projects through which the central government reorganisation programme of Prime Minister Sipilä's Government was implemented. This appropriation provided important leverage for the reorganisation. The fact that the EUR 1 billion for the key projects was allocated at the very beginning of the government term has to some extent meant that the key projects assumed an excessively project-like quality and restricted the flexibility needed during the government term. The division and allocation methods of funding can be decided upon later. It is important to avoid creating the impression that separate funding is used to make up for potential cutbacks.

**4. In the government formation negotiations, one working group focuses on leadership procedures for use in government policy-making, which are already partly set down in the Government Programme.**

The project group recommends that the *main principles* of policy-making during the government term be already agreed upon during the government formation negotiations. The group proposes that in the government formation negotiations, a working group be appointed to prepare leadership procedures for use in government policy-making



and, especially, the organisation of ministerial cooperation. The model for the political steering of the implementation of the Government Programme should be clearly defined right at the outset, including the State Secretaries' and Special Advisers' roles. The project group recommends that the Government's strategy meetings be continued. The rules concerning the objectives of strategy meetings should be determined at the latest when the Government is being organised, but it's good to reach an understanding on this issue during the government formation negotiations. The role of the ministerial working groups appointed for the priority areas vis-a-vis the strategy meetings, among other things, should be specified. It is proposed that the Prime Minister's capacity for heading the statutory ministerial committees chaired by him or her be strengthened.

The political coordination of the implementation of the Government Programme can be supported not only through ministerial cooperation but also by redefining the roles of other political actors. The project group recommends appointing one State Secretary from each party in the Government to form a political group supporting the strategy process. This collective would be headed by the Prime Minister's State Secretary, and its task would be to support the advance preparation of the Government's strategy process in its different stages, including planning strategy meeting agendas.

The instruments and processes of cross-administrative implementation of the Government Programme play a key role in organising the Government's work. They include deciding which instruments and processes will be used to coordinate, monitor and evaluate the implementation of the Government Programme (currently, the Action Plan). It is also important to agree that the Government will prepare a communications strategy, right at the beginning of its term in office, covering all Government work, and include responsibilities and actions related to communicating about the implementation of its main objectives in its Action Plan.

Some of the rules concerning the political leadership of government policy-making should be included in the Government Programme. To the extent that this is not done, the rules should be contained in the first Government Action Plan. Issues set down in the Government Programme could include:

- Organisation of cooperation between ministers (one ministerial working group for each Government Programme priority)
- Statutory ministerial committees' meeting practices and the tasks of their secretariats
- State Secretaries and numbers of Special Advisers
- The Prime Minister's State Secretary as the leader of the Government's strategy process

- A political leadership model for strategy work (the chairs of the parties in the Government, the objectives of strategy meetings, a collective of State Secretaries representing each party in the Government to support the advance preparation of different stages of the process)
- Preparation of a communications strategy.

### Potential for broad-based cross-administrative ministerial portfolios

The Government has prior experience of cross-administrative ministerial portfolios. They refer to a portfolio containing tasks and responsibilities that would normally be within the remit of several ministries. The cross-administrative character of such portfolios has been limited, however, by the minister only having a ministerial role in one or two ministries.

Issues important in terms of government policy do not always remain within the boundaries of the branches of government. In the Finnish context, significant organisational changes (establishments, mergers or transfers of tasks on the scale of an entire department) are extremely rare, however.

Creating an exceptionally broad-based and weighty cross-administrative minister's portfolio is one option for creating a competent 'phenomenon minister'. As part of preparing the Project to develop strategic leadership instruments in government (PAKURI), the portfolio of a minister responsible for climate change mitigation was created as an exercise. This exercise showed that a precondition for building a broad-based and cross-administrative ministerial portfolio is more careful consideration than usual of how the portfolio is delimited. A 'climate change minister', for example, would probably lead a significant share of issues in a number of ministries (Ministry of the Environment, Ministry of Economic Affairs and Employment, Ministry of Transport and Communications, Ministry of Agriculture and Forestry, and the Ministry for Foreign Affairs). In other words, in order to create a broad-based ministerial portfolio, careful consideration would be needed of its relationship with the leadership structures based on the different ministries' line organisations.

### Ministerial working groups, State Secretaries, Special Advisers

The number of ministerial working groups mandated in addition to the statutory ministerial committees has been reduced during the current government term. The project group recommends that in the future, ministerial working groups be basically only appointed for the Government Programme's priority areas for the entire government term. Careful consideration should be given to specifying the principles on which the composition of ministerial working groups is determined to avoid overlaps in the groups' mandates and, also, to ensure information flows and relevant competence.

The ministerial working groups play an extremely important role in coordinating the policy measures of the strategic Government Programme. This is why their mandates should be decided and set down as specifically as possible already during the government formation negotiations and before the ministerial portfolios are handed out. The ministerial working groups prepare and coordinate the reform measures targeting the phenomenon assigned to them, and the most important of these measures are discussed at the Government's strategy meetings. At the strategy meetings, tasks will also be assigned to the ministerial working groups that necessitate coordination across the boundaries of the branches of government.

The State Secretaries' role in monitoring and evaluating the Government Programme as a whole should be strengthened further. The number and roles of State Secretaries, and also Special Advisers, should already be determined during the government formation negotiations. Regardless of whether there will be a State Secretary for each minister or not, it is important to consider the mandates and coordination duties assigned to the State Secretaries of the chairpersons of parties in the Government.

The collective nature of the Government's strategy process could be strengthened if, for example, the State Secretaries of the chairpersons of parties in the Government formed a community which would meet regularly to examine the implementation of the broad principles of the Government Programme and to evaluate progress made in the cross-administrative set of policies. The collective of State Secretaries operating under the leadership of the Prime Minister's State Secretary would serve as a type of political steering group for the strategy process. This practice would reduce the number of issues and details dealt with by the chairs of the parties in the Government (the 'trio', 'quartet' or similar). It would also be the first political actor to receive monitoring and evaluation data related to the Government Programme, and it could have initial discussions on any political observations before the Government's strategy meetings. The State Secretaries could also plan the strategy meeting agendas together, for example every six months.

### **Centre of Government leadership system**

A clear-cut leadership role in the Government's strategy process should be defined for the Prime Minister's State Secretary. The leadership system, responsibilities and implementation capabilities of the Centre of Government (CoG: namely, the Prime Minister's Office and the Ministry of Finance) should, as a whole, be clarified and strengthened to allow it to serve the Government optimally. The CoG has a key role in supporting the Prime Minister's and the entire Government's leadership, the objective of which is cross-administrative policy coordination of the implementation of the Government Programme, as well as ensuring the programme's capability for renewal.

### Agreeing on a communications strategy

A Government communications strategy will be drawn up as stated in the Government Programme. This strategy describes the broad principles by which the Government will communicate about its main objectives, key reforms and implementation of the Government Programme. The Government will discuss communications regularly. The initial strategy proposal will be prepared under the leadership of the Government Communications Department and in cooperation with the ministries' communications departments and the Government Strategy Department even before the government formation negotiations begin. The communications strategy will be adopted at the first strategy meeting.

## 5. The project group recommends using facilitation to support negotiations as a systematically progressing process.

In the government formation negotiations of 2015, an outside facilitator was used to support the negotiation process, and the parties in the Government were largely satisfied with the results. The project group recommends that facilitation also be used in the next government formation negotiations, drawing on the expertise within the Government. In that case, the group recommends that a discussion channel between the party of the leader of the preliminary discussion on the formation of a new government and the Prime Minister's Office concerning the way the facilitation will be carried out (both process and information support) and its scope be initiated immediately after the elections. This would support the quality of the facilitation and success of the negotiations.

During the negotiations, appointing Permanent Secretaries and key experts to deal with central issues covered by the negotiations and making arrangements for their physical presence at the negotiation venue would be a good idea. This way, the necessary expertise would be at the disposal of all parties negotiating to form a new government if required.

In addition to the 2030 Agenda, Finland is bound by other commitments spanning several government terms, and the parties negotiating to form a new government should be aware of their existence. Strategies covering periods longer than a single government term are also handed down from previous Governments, including the Energy and Climate Strategy and the Government Report on Finnish Foreign and Security Policy. In the government formation negotiations, it would also be a good idea to go through significant and extensive valid strategies and state explicitly if, and to what extent, they remain valid. Before the government formation negotiations, public officials can put together material on such strategies for the representatives of parties negotiating to form a new government.

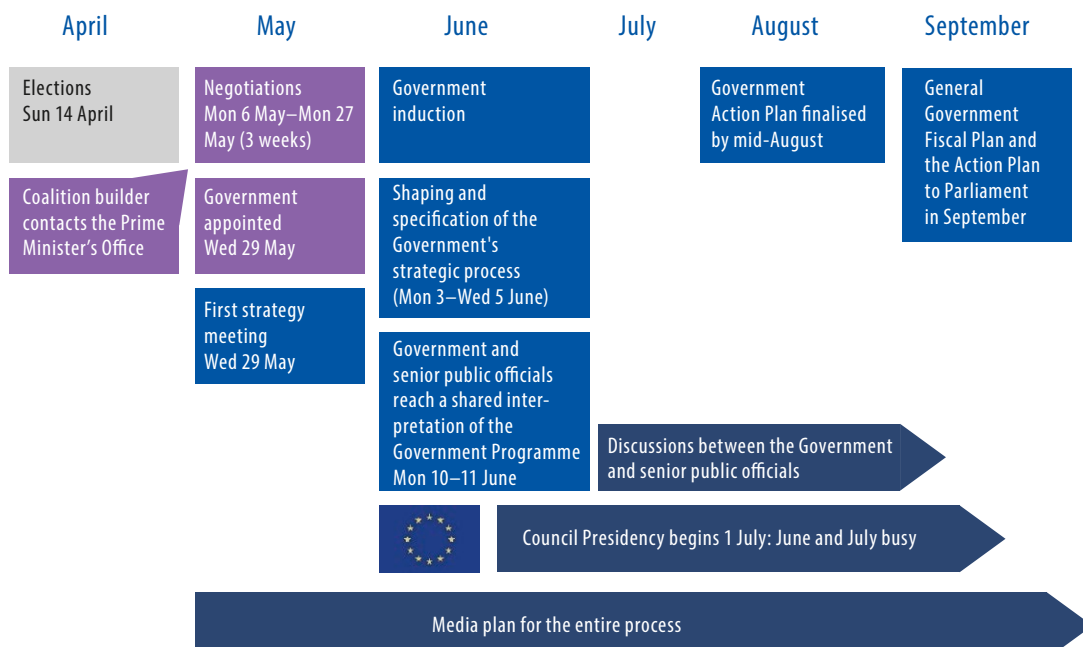
### **Information support for government negotiations**

If the parties negotiating to form a new government so wish, the process of government formation negotiations may be supported by a joint information support function coordinated by the Prime Minister's Office and the Ministry of Finance (the 'back office'). Official information support for the negotiations would be channelled through the back office, from which memorandums, calculations and, if necessary, experts for the negotiations could be requested. The contents would be prepared at the ministries. This material would be at the disposal of all representatives of parties negotiating to form a new government.

The information support function could also put together background memos between the negotiation days. For example, once the parties negotiating to form a new government have agreed upon their main objectives, the information support function can put together background memos concerning these to support the following days' negotiations.

## 4 Commencement phase of the Government's work

A well-prepared commencement phase ensures that implementation of the Government Programme can be initiated without delay. The commencement phase takes about 100 days, during which period all stages of launching the Government's work will have been completed. During the commencement phase, the Government is organised, initiates implementation of the Government Programme, and adopts the key documents directing the policy-making of the entire Government (Government Action Plan and the General Government Fiscal Plan).



**Figure 5.** Outline of the main stages of the commencement phase. The timeline is for reference only, and it is based on the assumption that the government formation negotiations are concise. The Government's strategy process is shaped to serve the needs and preferences of the Prime Minister and the entire Government.

As the implementation of the Government Programme relies on cooperation between the entire Government and all ministries, it is necessary to set aside time specifically for arriving at a shared interpretation of the Government Programme and reaching an agreement on practices. Finland's Presidency of the Council of the European Union in the second half of 2019 will stress the need for advance preparation.

The parliamentary elections of 2019 will take place on 14 April. After the election, the leader of the preliminary discussion on the formation of a new government will be selected, and it has usually been possible to start government formation negotiations approximately three weeks after the elections.

## Organising the Government

### **6. A more detailed written agreement on leadership procedures for use in Government policy-making will be formulated at the first strategy meeting.**

In this context, procedures specifically means issues concerning the roles and responsibilities related to Government policy-making, questions relevant to communications and openness as well as, for example, the relationship between the Government Programme and the Government Action Plan.

A written agreement on the procedures is an important element in building trust between the parties in the Government. Putting the procedures down in writing, as the Government's shared 'operating manual', right at the beginning of the government term will ensure that everyone shares the same idea of the procedures and will also reduce the need for case-by-case agreements on the procedures later. It will also facilitate the induction of new ministers and Special Advisers during the Government term. Thirdly, putting the practices down in writing will make it easier to change them later if necessary.

A written summary of political management procedures will specify and add depth to policy outlines already put together during the government formation negotiations. The procedures would be adopted at the Government's first strategy meeting. This meeting could even be organised in the evening of the day on which the Government is appointed, for example at an informal meeting in the Prime Minister's Official Residence (Kesäranta). A check list of the issues that should be agreed on in different phases has already been prepared in the Project to develop strategic leadership instruments in government (PAKURI); see Appendix 4.

Headed by the Prime Minister, the Government jointly commissions the preparation of an Action Plan that adds detail to the Government Programme and reconciles it with the General Government Fiscal Plan.

The project group proposes that the practice of the Government's strategy meetings, which was started during the current government term, be continued. The venue and frequency (for example, once a month) of strategy meetings will be set out in the operating manual. The manner in which strategy meeting agendas are prepared and the person who leads their preparation should also be agreed. It would be natural for the Prime Minister's State Secretary to have a leading role in this preparation process. It would be a good idea to agree separately right from the start whether the Prime Minister's State Secretary will be assisted by a 'management team' consisting of the State Secretaries of the chairpersons of the other parties in the Government (Recommendation 4).

The ministerial working groups play a key role in preparing major cross-administrative reforms and policy sets. If the priorities selected to promote the main objectives are identified in the Government Programme, establishing ministerial working groups to coordinate them would be a natural step. What is expected of the ministerial groups, how their work will be scheduled in relation to the Government's strategy meetings, and how they will be organised are key questions in the discussions on procedures during the commencement phase. The ministerial working groups' practices should also be decided as part of organising the Government. If the practices were clear in this respect, too, it would reduce the ministers' workload and facilitate implementation and communication.

The working group recommends the following consistent practices:

- The ministerial working groups prepare a rough plan for their schedules and agendas for the entire government term, and a more detailed one for six months in advance. In these schedules and agendas, the times of the strategy meetings are taken into account.
- The ministerial working groups' agendas are public.
- The ministerial working groups have their own secretariats consisting of public officials, who liaise with the Government Strategy Department at the Prime Minister's Office.
- The ministerial working groups should include a representative of communications as well as Permanent Secretaries.
- Each ministerial working group specifies its own operating methods and meeting practices, for instance whether the group is mainly a forum for ministers, to what extent expert public officials attend it regularly or as rapporteurs on individual issues, and whether or not the Permanent Secretary is part of the group.



## **7. For ministers, State Secretaries and Special Advisers, induction training on the Government's and the ministries' leadership instruments is provided.**

Providing as good an induction as possible, right at the beginning of the government term, will help the new Government work successfully and effectively. Introduction to the leadership tools (the shared electronic workspace, and Government Programme monitoring) will be organised as part of more extensive induction training for ministers. Experienced ministers also need to undergo induction training as the procedures and tools are constantly being developed. If finding a time slot for the entire Government is difficult, several induction sessions can be organised.

Key induction materials will be gathered together into a shared workspace to be set up in the Government's shared Intranet (Kampus) for later use.

Continuous induction is also important throughout the government term as ministers, State Secretaries, Special Advisers and secretaries are replaced. The ministers' secretaries should also be taken into account as a key target group both in developing the activities and as a group needing induction.

## **Launching the implementation of the Government Programme**

### **8. Time is set aside for the Government and senior public officials to reach a shared understanding of the Government Programme.**

However systematically and carefully it was prepared, a Government Programme will always have scope for interpretation. Right at the start, the Government should set aside sufficient time for joint internal discussions to clear up any differences of interpretation. These clarification discussions could easily form part of the discussions on guidelines for preparing the Government Action Plan and the General Government Fiscal Plan.

It would also help smooth implementation of the Government Programme if sufficient communication between the Government and senior public officials regarding the contents of the programme is established right from the outset. For example, this could take the form of a working seminar at which the Government is represented by the Prime Minister and other chairs of parties in the Government or, if preferred, the entire Government as well as the Permanent Secretaries and key public officials. The goal of this 'kick-off event' would be ensuring that everyone shares the same idea of how the Government Programme should be interpreted and what the key milestones of the commencement phase are. Similarly, it would be a good idea to inform the body of public officials more extensively about the Government Programme, for example through meetings between the State Secretaries' group that supports the Prime Minister's State

Secretary and the other top management of the ministries and the heads of key agencies and institutions. The organisation of these meetings could be based on the various priorities.

### 9. Advance preparations will be made for the additional workload created by Finland’s Presidency of the Council of the European Union.

Finland will take on the Presidency of the Council of the European Union on 1 July 2019. New ministers should, however, participate in Council of Ministers meetings already in June (10 meetings) to enable them to chair the councils in question in July. This is why Government Programme negotiations should be completed according to a schedule similar to the one followed in 2015, and the Government should be appointed by the end of May.

From the perspective of successful policy-making, this situation underscores the need to outline the Government’s possible operating practices and principles prior to the elections taking place. For example, attention should be paid to the selection of the Minister for European Affairs. It is also important to realise that Finland’s Presidency of the Council will put a significant workload on the ministries’ senior experts and line management. It will slow down the launch of the implementation of the Government Programme as a whole and underline the need to identify key reforms and actions that should be launched immediately.

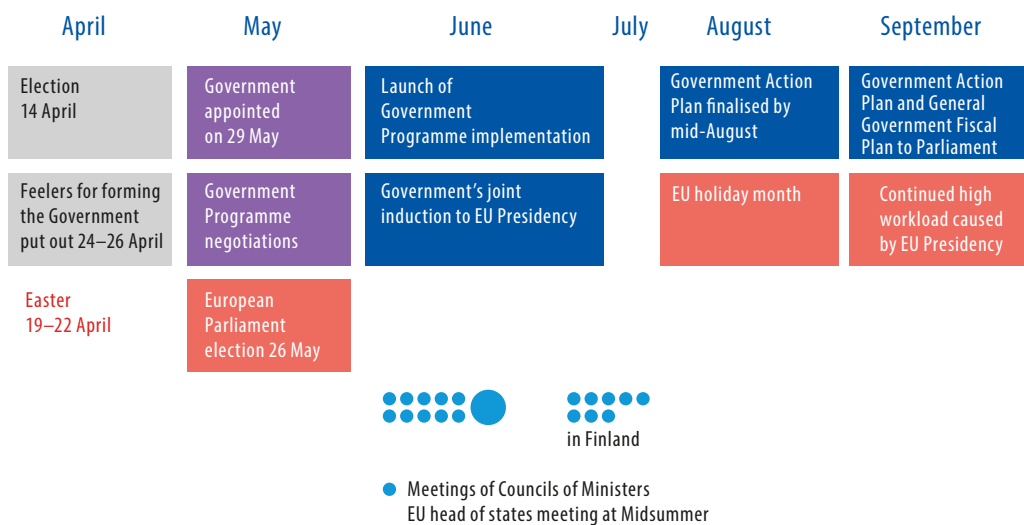


Figure 6. Commencement phase milestones, taking the Council Presidency schedules into account

In particular, Finland's Presidency of the Council of the European Union will increase the workload of the Minister of Finance whose tasks will include, in addition to chairing the Council of Ministers as usual, heading the negotiations on the Union's 2020 budget. This will in any case mean a number of additional trips and call for the flexibility to reschedule if necessary, depending on the state of the negotiations. The need for special arrangements in the Government's division of duties in order to prepare for this should be considered.

## **10. A Government Action Plan will be prepared for the government term, setting out how the objectives, key reforms and prioritised set of policies will be implemented.**

A Government Programme fixed for four years does not provide sufficient flexibility for responding to rapid changes in the operating environment or enable the introduction of new instruments if the objectives cannot be reached through the means agreed upon at the beginning. Responding to change with separate programmes will make the whole more difficult to manage, disrupt implementation and create confusion about the Government's main objectives.

As the Government Action Plan is prepared, the actions contained in the Government Programme are specified and operationalised to form a rough roadmap with its milestones for the government term. Regardless of the nature and contents of the Government Programme, this is about structuring and interpreting its contents into meaningful and manageable entities for which political responsibility can be clearly assigned. Preparing the Government Action Plan is a key process in the Government's commencement phase. An essential element in its preparation is ensuring the Government's commitment to and ownership of the Action Plan, avoiding a situation where the Action Plan merely becomes a separate process for the public officials. This is particularly critical because of Finland's Presidency of the Council of the European Union, as ministers will have limited time for participating in its preparation in June.

The Action Plan will focus on the strategic level. This means that it will not contain itemised projects or actions, unless the projects in question are significant in scale. Following the example set by Prime Minister Sipilä's Government, not all work carried out by the ministries needs to be in the Action Plan. The reason for this is that the Action Plan should be strategic in nature and especially prioritise those issues in which cooperation between the parties in Government is required, or which bring about significant change compared to how things were done before. If everything the ministries do was compiled in the Action Plan, it would be too cumbersome to manage as a whole.

The first Action Plan would contain the Government's media plan based on the communications strategy, a plan on the steering documents to be prepared (including strategies and reports), and a general legislative programme for the government term. Funding will only be addressed in the General Government Fiscal Plan, which could contain a separate section related to the Action Plan. If the contents and level of openness of the Government's procedures so require, they too can be linked to the preparation process of the Action Plan, as far as necessary. Additionally, any significant new political departures emerging during the government term can be included in the Action Plan. The Government Action Plan will be updated regularly, at least once a year, but it may also be reviewed each session. During the government term, the Action Plan also provides monitoring data related to the achievement of objectives and progress made with the projects.

The Government will adopt its first Action Plan simultaneously with the General Government Fiscal Plan at its plenary session. The Action Plan will be issued to Parliament in the form of a government statement together with the General Government Fiscal Plan. To facilitate the coordination of the actions with economic policy, the 'annual review' of the Action Plan will coincide with the General Government Fiscal Plan update. The decision to adopt the Action Plan and the General Government Fiscal Plan will conclude the commencement phase.

## **11. The administration will build, in advance, special capacity for supporting the Government's key reforms right from the commencement phase.**

Each Government can realistically implement no more than a handful of major, large-scale and far-reaching key reforms. These reforms play an essential role when the success of the Government's policy-making is assessed, for example in public. Due to their large scale, key reforms often prove particularly difficult to carry out. For all the reasons listed above, it is of primary importance to make an effort to maximise the preconditions for the success of the Government's key reforms.

The project group recommends that the Government

- identify its key reforms in its Government Programme. The Government may launch new key reforms during its term
- reserve a sufficient portion of separate funding for the set of policies for preparing the key reforms
- assign responsibility for political leadership related to a key reform to the relevant ministerial working group and responsible minister
- appoint a Permanent Secretaries' group to support each key reform.

The principles of organising key reforms should be agreed upon as soon as the Government starts its work as part of a more extensive agreement on procedures. Making rapid progress with key reforms in the early part of the government term will be stressed, as it tends to get more difficult for the parties in the Government to work together towards the end of the term. The Prime Minister's Office will build capacity for supporting a few key reforms in advance. The plan is also to come up with an operating model that can be developed further during future government terms. Capacity building is an alternative to the practice of identifying needs relating to the operating model throughout the course of the government term and responding to them with a delay – and thus unnecessarily slowing down the reform.

The operating model for supporting key reforms contains funding set aside for the reforms (a small portion of the separate funding for the Government's prioritised set of policies). This funding allows the following to be organised for each key reform:

- cross-administrative facilities (a 'situation room')
- core project staff (management, project managers and planning officers, substance experts)
- project support staff (for example, support for legislative drafting or communications, or information and analytics support)
- the necessary procurements.

A possible way of organising the leadership of key reforms is to appoint a manager detached from the line organisation who answers directly to the Government.

## **12. Phenomenon-based budgeting will primarily take place from the perspective of reallocating rather than increasing resources.**

Phenomenon-based budgeting offers possibilities for cross-administrative resource management and decision-making focused on complex issues, rather than approaching the issues from within the silos of each branch of government. The phenomena to be examined should be derived from the Government Programme (Recommendation 2).

There has been a lot of discussion of phenomenon-based budgeting in Finland recently. In principle, it means looking at the resources and resource allocations for a set of policies from the perspective of the whole, crossing the boundaries of the branches of government. Climate change mitigation, for instance, is linked to the budget items of several branches of government. In climate change mitigation, phenomenon-based budgeting would mean that the resources reserved for this issue would be examined as

a whole, and the decisions on them could be optimised in terms of achieving the goals related to the phenomenon across the boundaries of the branches of government.

In discussions on phenomenon-based budgeting, the emphasis is often on centralising or increasing resources. Less attention may be paid to how the resources will be centralised and where they will come from. The use of phenomenon-based budgeting can be supported by means of expenditure analyses of selected areas.

The multidimensional and challenging nature of phenomenon-based budgeting stresses the importance of selecting a limited number of clear priorities in the Government's strategy work. This is why it could potentially be applied to selected priorities identified by the Government. A working group examining viewpoints associated with phenomenon-based budgeting headed by the Ministry of Finance will conclude its work in early 2019.

As part of the efforts to develop the operation of central government, analyses have been produced since autumn 2018 that seek to identify potential for increased productivity and digitalisation within the administration. The purpose of the analyses was to achieve increased efficiency and savings amounting to 10%, as well as to identify significant benefits either for the clients or society. Continuing this operating model would be justified.

### **13. Financial room for manoeuvre is left for the government term.**

Significant financial room for manoeuvre will be left for strategic use and for unexpected situations during the government term, and this margin will not be used at the beginning of the term. Separate funding for the Government's prioritised set of policies will also not be allocated in full at a precise level at the beginning of the government term.

It is important for the Government to maintain its financial room for manoeuvre: new needs may emerge during the government term, as happened with the asylum crisis of 2015. Additionally, new possibilities and needs related to achieving the Government's main objectives will be identified during the government term. If there is no room for manoeuvre, the Government may fail to grasp new opportunities in particular, as there will be no resources for doing so. Similarly, funding for the acute phase of a crisis can be arranged if necessary, as it 'must be taken care of'. However, without the room for manoeuvre, preventing the recurrence of such crises may be neglected if there is no flexibility for meeting unexpected needs in the spending limits.

The separate funding for the restructuring programme of Prime Minister Sipilä's Government (the 'EUR 1 billion for the key projects') was arranged through separate

measures, mainly dividend income and the sale of property. Similar methods cannot be used by the next Government to organise such separate funding unless the central government's ownership limits are lowered. Over the long term, some other methods will therefore be needed. Separate funding should be arranged through continuous reallocation of the appropriations in the Budget. Separate funding has been considered a useful instrument, which is why a sustainable procedure for securing its availability should be established. Dropping projects and reallocating funds should have a larger role in the Government's strategic resources review. Among other things, this can be supported by strengthening regular expenditure analyses aiming for reallocations. In the cycle of government policy, it would be appropriate to emphasise this at the beginning of the government term.

The project group recommends that, in the main, the separate funding for the Government's prioritised set of policies (the 'EUR 1 billion for the key projects') be allocated on a rough basis right at the start of the government term (when the first General Government Fiscal Plan and the Government Action Plan are being prepared). In practice, this could mean at the level of ministerial portfolios, for example. Doing so would make it possible to use the funding in the most appropriate way during the government term phase, while avoiding conflicts of interests between parties or ministers. The allocation method should enable the step-by-step roll-out of projects and actions. However, the funding allocated to individual projects should be decided at once to allow for their overall planning.

The EUR 100 million funding reserved for promoting the digitalisation of public services was a good use of key project funding in the government term that started in 2015. During that term, the funding was treated as an investment portfolio, which had a specified owner and from which resources were committed as needed, based on cost-benefit analyses. The working group recommends that this method be used more extensively in the following government term, however recognising the fact that it is particularly well suited for a set of policies where clear-cut project packages, separate from other activities, can be identified (for example, digitalisation projects or the establishment of a new organisation).

Of separate funding for a set of policies, 1% (for instance, EUR 10 million if the separate funding amounts to EUR 1 billion) will be reserved for the Prime Minister's Office. This resource will be used for two purposes, in particular: firstly, to fund unanticipated projects launched by the Prime Minister, and secondly, to support the Government's key reforms or other significant prioritised set of policies as described in section 11 above. In particular, this funding can be used to support the coherence of the set of policies, for example through a uniform visual appearance in communications.

## 5 Steering implementation of the Government Programme during the government term

A coherent Government Programme and a well-managed commencement phase are preconditions for effective implementation of the Government Programme. The third significant phase is managing the implementation of the Government Programme throughout the government term. Having a clear picture of its implementation both within the Government and in communications throughout the government period is essential. The preconditions for this include assigning clear-cut roles to all actors, having regular discussions about the current situation and communications at the Government's strategy meetings, and producing up-to-date monitoring data on the implementation of the Government's projects and goals. Information about the situation is generated by the Government's analysis, assessment and research activities and futures work, as well as by separate monitoring efforts. Futures work can also help ensure that policy measures span longer time periods and extend across government terms.

Any significant new departures adopted during the government term will be integrated in the entity of the Government's strategy.

### **14. The Government will hold regular joint strategy sessions. These meetings keep the Government's shared idea of the current situation up to date and support the implementation of the Government's main objectives.**

Government evening sessions are a long-standing form of working which provide a discussion forum for ministers in addition to the Government plenary sessions, government formation negotiations, ministerial committees and ministerial working groups. All Prime Ministers have left their mark on the practice of government evening sessions during their government terms. Prime Minister Stubb made an effort to change



the government evening sessions into a more dialogical direction during his term in 2014–2015. At that time, the new name of strategy meetings and a more frequent meeting schedule were also proposed. Prime Minister Sipilä introduced regular government strategy meetings, which in the current government term have served as a discussion forum for all ministers. The table in Appendix 2 describes the practices adopted in Prime Minister Katainen's government evening sessions and strategy meetings. The Appendix also contains recommendations for the government term 2019–2023, based on earlier experiences.

The Government Action Plan, which complements the Government Programme, has been prepared and updated annually at the strategy meetings. The meetings have also examined implementation of the Government Programme as a whole and systematically reviewed the situational picture of key projects based on presentations given by the responsible ministers. The strategy meetings have provided a time and place for discussing the knowledge base of policy-making and, among other things, foresight information.

Regular meetings to examine the Government Programme and policy and the Government's strategy as a whole should be continued. Time should also be set aside for less formal discussions between the ministers at the strategy meetings.

Going forward, the Government's joint sessions focusing on the current situation, which would follow the lines of the strategy meetings, could be held approximately once a month. The number of participants should be restricted to enable genuine discussions. The ministers have not had deputies at the sessions.

In the future, better use should be made of the strategy meetings to support the shared idea of the situation and, in particular, the achievement of the Government's main objectives. In addition to examining the progress of the Government's most important reforms and key projects and objective achievement, the situation should be examined even more intensively, looking at the themes discussed at the strategy meeting in the light of research evidence and foresight information.

The project group recommends discussing the situation at the beginning of each session, and clearly linking the issues on the agenda to the Government's strategic main objectives and prioritised set of policies. Up-to-date communications policies should also be discussed at the strategy meetings. This would support the Government's strategy process.

Achievements relating to Government Programme objectives should actively be communicated, as should information forming the basis of the Government's view of the situation (see communications strategy, section 4). In other respects, too, communications

relating to strategy meetings should be similar to those concerning the government evening sessions.

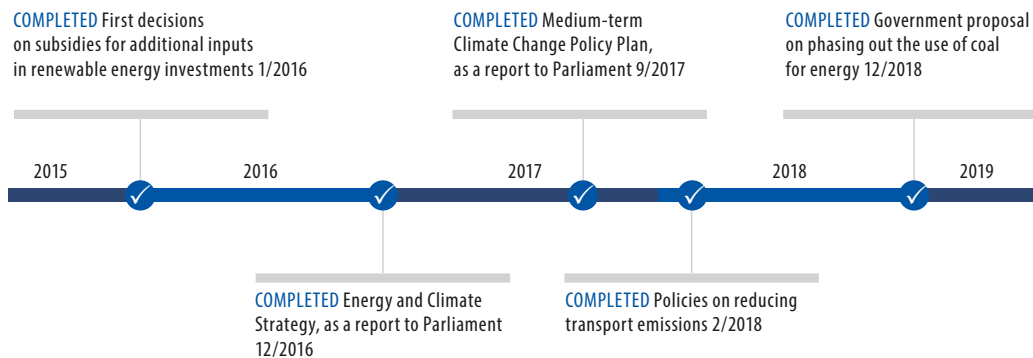
The Government should also hold annual in-depth situation review sessions, in which the state of the country is examined in the light of economic, wellbeing and environmental data alike. These sessions could take place in November in time to influence the General Government Fiscal Plan process.

As part of the Project to develop strategic leadership instruments in government (PAKURI), supporting the Government's view of the situation with indicators and, in particular, using wellbeing data going beyond GDP were considered (recommendations of the so-called GDP+ project, see Appendix 3). The Government's view of the situation should be expanded from the current reviews focusing on the economy (especially at the beginning of the Government Programme negotiations, the spending limits discussion and the budget session) to include sustainable wellbeing data. Additionally, research evidence and indicators related to sustainable wellbeing should be used in the preparation process of government policy-making, for example in the autumn at the Government's strategy meetings before the General Government Fiscal Plan process begins. As a third element, it is proposed that the Ministerial Committee on Economic Policy assess annually the impacts of economic policy on other policies.

## **15. The implementation of Government Programme projects and objectives will be monitored systematically.**

A precondition for successful implementation of the Government Programme is having up-to-date information about progress made with the actions and their impact. An increasing number of projects and objectives require cross-administrative implementation and concern several ministers. Consequently, discussing the monitoring data together is also essential. Monitoring implementation of the Government Programme is one of the key tasks of the Prime Minister's Office. The monitoring data allows the Government to assess its success and view of the situation, as well as to redirect its actions and communicate with citizens about its achievements.

The main objective of monitoring is to produce data that meets the needs of the Government and, in particular, the Prime Minister. During the current government term, the monitoring of the Government Programme has been based on milestones. Milestones to be reached were set for each key project for the entire government term, their achievement has been monitored on a monthly basis, and the situation has been published on the Government's website (Figure 7). Summaries of the data have been compiled for the Government's strategy meetings.



**Figure 7.** The Figure illustrates how milestones were used to monitor the key projects of Prime Minister Sipilä's Government Programme. Source: [https://valtioneuvosto.fi/documents/10184/1624322/Bio\\_K1.jpg](https://valtioneuvosto.fi/documents/10184/1624322/Bio_K1.jpg) Visited on 18 January 2019.

During the current government term, the monitoring of key projects has provided guidance for and helped to schedule the Government's work. The project group recommends that similar monitoring based on milestones be continued in the next government term as well. The Prime Minister's Office is currently developing a new technical solution for monitoring the implementation of the following Government Programme, in which Project Window tools will be used. The Project Window contains information about the ministries' and agencies' projects and their progress. The current design of the new solution will enable the embedding of links in the Project Window or the key projects' websites.

The impact of government policies should be monitored using both indicators and separate studies and reports. Under Prime Minister Sipilä's Government Programme, an indicator was to be agreed upon for each objective of the government term. Approximately 30 indicators, which the Prime Minister's Office has monitored, were adopted for the government term objectives. These indicators have been used, among other things, at the strategy meetings, by the ministerial groups and in the Government Annual Reports.

The relatively large number of objectives set for the government term, however, made the monitoring based on indicators challenging. During the next government term, a smaller number of indicators should be selected to measure only the Government's main objectives (such as employment), and efforts should be made to obtain more up-to-date statistics. The clearer the quantitative targets are, the easier it is to design suitable indicators.

In addition to the strategy meetings and the website, monitoring and impact data would continue to be published regularly in the Government Annual Report. These should also be actively and regularly communicated. Information on the progress and impact of the actions will also be included in updates of the Government Action Plan.

**16. The contents of the General Government Fiscal Plan will be prepared following the political priorities determined by the Government. The Government will issue common policy guidelines for initiating each Fiscal Plan review, and multi-party budget negotiations will be introduced.**

As the Government strategy is prepared and updated annually, political priorities will be agreed, in line with which the contents of the General Government Fiscal Plan will be drafted within the room for manoeuvre available in terms of financial policy. The economic impacts of the policies selected in the strategy process are reconciled with other expenditure needs in the General Government Fiscal Plan process. To make this possible, the project group recommends further strengthening the links between the General Government Fiscal Plan process, the Ministry of Finance's Budget Department and the Government's strategy process. Decisions on resource allocations are made in the General Government Fiscal Plan and budget processes.

Resource allocation will be guided by the main objectives and the Government's priorities. Spending limits and budget preparation will be guided by the structure of the Government Programme. The guide to the preparation of the General Government Fiscal Plan will be issued in the name of all the chairpersons of the parties in Government, not only in that of the Minister of Finance. The role of multilateral negotiations as part of the General Government Fiscal Plan and budget processes should be strengthened.

As part of the Government's strategy process, a situational review session will be held at the end of the autumn session, at which the economic outlook, fiscal room for manoeuvre, and the progress of the Government Programme's strategic objectives and their resource needs will be examined together. An initial estimate of the unallocated reserve for the General Government Fiscal Plan negotiations of the spring should be available for the Government's situation review session. It is important for the Government to recognise that the prevailing conditions may significantly change the initial estimate. The estimate underlies the Government's and the ministries' preparation for the spending limit discussions of the spring.

In summer 2018, the Ministry of Finance appointed a working group to assess the preparation and decision-making process related to the General Government Fiscal Plan and the Budget. The working group will finish its report in early 2019. Among other things,

the working group has considered the need to clarify the decision-making processes at the discussions.

The Government should be informed of significant long-term investment needs that have been discussed in Parliament. Examples of such needs are defence materiel procurements or transport infrastructure. For example, these investment needs could be integrated in the publication Outlook and challenges for Finland's public finances (Ministry of Finance 2017). The Government examines the outlook as part of each year's strategy process, for example at the situation review sessions.

The preparation of the budget and spending limit processes within the Government takes several calendar months. The project group recommends that these processes be made more concise, with more time spent on multilateral preparation.

## **17. Research and foresight information will be used more effectively to underpin the Government's strategic policy-making.**

Evidence-based policy-making should be strengthened further. The strategy meetings offer the entire Government a time and place for absorbing information and applying it together to cross-administrative policy-making. In addition to looking at the progress of the Government's most important reforms, progress made with key projects and achievement of objectives, the situation should be examined even more intensively in the light of research evidence and foresight information. The best way of making use of research evidence and foresight data is by linking them to political themes and decision-making situations of the moment.

### **Government's analysis, assessment and research activities**

In 2013, a comprehensive reform of state research institutes and research funding was carried out with the aim of turning research into a strategic resource for societal development and policy-making. The Government's analysis, assessment and research activities (VN TEAS) coordinated by the Prime Minister's Office were established at that time. In the current government term, research funding (approximately EUR 10 million annually) has been targeted at cross-administrative projects responding to information needs identified in association with Government Programme priorities and linchpin projects.

The Government's analysis, assessment and research activities (VN TEAS) funding instrument has worked well and is constantly being developed. It is vital to raise awareness of the Government's analysis, assessment and research activities (VN TEAS)

and increase its use also within the Government. The incoming Government will need to consider if the Prime Minister should be the minister responsible for the analysis, assessment and research activities in the future. This would stress the cross-administrative nature of the function and prevent potential conflicts of interest. As the Government's annual analysis, assessment and research plan is prepared, political participation, for example through a collective of State Secretaries or Special Advisers, should be ensured as early as possible.

The analysis, assessment and research activities should also be geared more boldly to supporting the Government's main objectives in the early part of the government term. Towards the end of the term, a more preemptive approach should be emphasised in the research, addressing challenges within sight in the near future and evaluating the impacts of completed policy measures. During the current government term, the share of funding allocated to separate research needs has been increased outside the annual plan. Continuing this practice would be a good idea.

### Foresight and futures work

The Government's shared foresight work produces state-of-play and development analyses concerning the state of society and issues on which political decisions need to be made, for the purposes of societal discussion and to underpin government formation negotiations, among other things. In the future, the foresight information should be linked more closely to policy-making, both regarding preparation by public officials and policy-making by the Government. To replace futures reviews produced by each ministry separately, the ministries should from now on draw up a joint futures review. As happened during the last government term, a joint outlook document of the Permanent Secretaries entitled *Opportunities for Finland* has already been produced, in addition to the different futures reviews, for the benefit of the incoming Government.

Through continuous foresight work, it will also be possible to produce information about the situation to support the Government's work when necessary. The Government's situation review sessions could be a particularly useful tool (Recommendation 14).

A Government's Report on the Future and the ministries' futures reviews are prepared in the Government with the aim of highlighting future challenges and opportunities and discussing, studying and making decisions on them together. The report could incorporate a higher number of themes, and they could reflect more strongly the ministries' futures reviews or the Government's priorities.

The two-part model of the current Report on the Future has proven beneficial, as has the increased interaction with Parliament and, in particular, its Committee for the Future.

Cooperation between the public officials' foresight activities and the Committee for the Future could be intensified further, ensuring that the Government's futures work draws more strongly on the work carried out in Parliament. The role of the parliamentary Committee for the Future as the builder of a long-term vision should be considered in the context of Parliament's internal development.

For example, stronger links could be wrought between the focus areas of the Committee's work and the Reports on the Future. In addition, better use could be made of the Report on the Future, and the related Committee report, in futures reviews and for providing information on the current situation for the Government Programme.

**18. The Government's strategy and steering documents will be compiled into a single, easily managed hierarchical system, ensuring that the resource needs of the strategies are compatible with the General Government Fiscal Plan.**

The project group recommends that the incoming Government start preparations for creating a model to manage the hierarchical system of strategies. This project would take into account the work aiming to develop Parliament's processes launched through Sitra's Renovation of Democracy project (Kansanvallan peruskorjaus).

As this report is being written, there are around one hundred steering documents adopted at Government level (strategies, reports, programmes etc., below referred to as 'strategies'). The areas covered by all these documents as a whole are partly random, and their steering effects are unclear. The relationships between individual strategies and the Government Programme have to a large extent not been defined. The goal should be a situation where steering documents form a clear-cut entity and the Government will be better equipped for the overall management of the different strategies. A sufficiently limited number of strategies with adequate steering impact and clear integration in the Government's leadership system would be required.

The planned Government-level steering documents should be attached as appendices to the Government Action Plan, thus facilitating their overall management. The project group proposes that a national Government-level hierarchy of strategies be created, which will be shared by the Government. A clear hierarchy of strategies would enable the incoming Government to decide which strategies or policies it wishes to modify, thus enhancing the Government's societal steering impact. The hierarchy would also boost the cross-administrative steering impact of the strategies.

Prime Minister Sipilä's Government made a decision on the validity of Government-level strategies adopted during previous government terms in 2015, managing to cut down the number of strategies by half. The project group recommends that the next government will also carry out a similar review and exercise restraint in adopting generic government resolutions on individual prioritised sets of policies. The actual cross-administrative steering impacts of such resolutions often remain insubstantial, as they lack legal power. Any resolutions to be prepared should be processed politically, preferably at the Government level but at least the ministerial working group level, before they are taken to the plenary session for adoption.

The relationship between Government-level steering documents and the General Government Fiscal Plan should be systematised by making decisions on strategy funding as part of the Fiscal Plan rather than as separate one-off decisions. While doing so, it should be noted that the time span of a significant part of the strategies extends beyond a single government term. The needs of those strategies whose implementation requires significant resources should already be addressed in the Government Programme, and/or sufficient room for manoeuvre should be provided in the spending limits. Before launching the drafting of a Government-level strategy, programme or similar long-term strategy, the Government should if necessary take a stance on the resources outlook within which its preparation will take place.

## **19. The Government will promote changes in practices and systematically support innovative public sector reform.**

Changes to the practices of public policy-making have been promoted energetically in Finland in order to respond actively to the systemic change needs of an increasingly complex society and to support capabilities for renewal. It is important to continue the renewal of operating methods and practices that enhance the impact of policy-making to ensure our national capabilities for renewal.

During the current government term, one of the Government's priorities has been a policy set consisting of the utilisation of digitalisation, deregulation, and promoting a culture of experimentation. All three areas have been underpinned by long-term development work. What has attracted international interest, however, has been the way in which systemic changes have been incorporated in a strategic reform policy. Around the mid-point of the government term, the selection of operative reforms was complemented as the Government identified a trial on ecosystem-based co-creation, the Ecosystem Forum, aiming to promote digitalisation as one of its new departures.



According to a summative political assessment, the key projects included in this package had brought about concrete changes. Perhaps even a more important role was played by the initiative focusing on a new mentality and operating culture that strives to turn the attention from the system level to the perspective of understanding people's lives and behaviour. However, criticism was levelled at the fragmented nature of development actions carried out by different actors and through different key projects. As yet, they have not combined into a sinuous set of actions that would systemically enhance innovation rather than remaining at the level of individual actions.

The identification of digitalisation bottlenecks, and finding solutions to these, using the so-called Ecosystem Forum operating model has proven fruitful. Co-creation leading to concrete solutions has taken place in open forums headed by the Prime Minister's State Secretary intended for the authorities, business representatives and researchers. The Ecosystem Forum as an operating model is a new way of shaping policies, preparing decisions and improving the efficiency of multi-actor implementation across the boundaries of sectors and branches of government. It can also be recommended to the incoming government. Compared to conventional administrative drafting based on working groups and the writing of reports, which can often be slow, its benefits include arriving at conclusions rapidly and freeing up the developers to innovate and to draw on their expertise without narrow roles or being restricted to the perspective of the organisations they represent.

Questioning existing operating models and active innovation are essential parts of strategic thinking. According to such authorities as the OECD, capability for renewal will be a key success factor for nations. In promoting the common good, old means of exerting influence based on strong regulation and detailed steering are no longer sufficient to respond to our greatest challenges at hand, which are brought up in such documents as the joint *Opportunities for Finland* report drawn up by the ministries' Permanent Secretaries.

It is important to ensure the continuity of the recently launched change in practices. However, the building of the public sector's innovation capability should be more comprehensive and coordinated in the future. This can be supported through both political arrangements and developing expert drafting. The project group recommends that Finland participate actively in international cooperation in innovative public sector development, for example under the auspices of the OECD. The group proposes that for the next government term, the ways in which cooperation between different actors in public sector innovation work could be strengthened at the Centre of Government be investigated. The objective is translating changes in operating methods into a logical political agenda and ensuring systemic support for strengthening the capability for renewal. This is relevant to developing the leadership system at the Centre of Government (Recommendation 4).

## 20. The impact of the Government's strategy on the ministries' leadership and implementation of the Government Programme will be ensured by, among other things, reforming the operating model of the Permanent Secretaries' collective.

### Implementation of the prioritised set of policies in the ministries

Strategic government policy stresses the importance of cross-administrative implementation and leadership in the ministries. In the current government term, the challenge has lain in integrating the key projects, which were designed to be cross-administrative, into the ministries' everyday work and leadership. The situation has varied in different ministries. Some have claimed that the key projects lead a life of their own, separate from the ministries' other normal work.

As a whole, the ministries' assessments of the key project concept introduced in 2015 have been positive. The key projects have helped focus the activities, created new cooperation structures and operating models, and served as a positive brand that has, among other things, increased key project stakeholders' interest in and commitment to the activities and objectives.

However, room for improvement remains in this concept, references to which have been made in several sections of this report above. To sum up the development needs:

- The project group recommends replacing the concept of a key project with the term *prioritised set of policies* to ensure that the Government Programme's concepts do not direct the way project implementation is organised.
- A smaller set of policies is recommended, for example 15.
- Should it so wish, the Government should be able to select a new set of policies during the government term.
- Separate funding for the prioritised set of policies should not be allocated in detail right at the start of the government term.
- More attention should be paid to the monitoring and management of the prioritised set of policies as a whole. In practice, giving a clear mandate of managing the Government's strategy process to the Prime Minister's State Secretary would significantly support this objective.
- Integrating the management of the prioritised set of policies into the ministries' line organisations was a challenge in some ministries. Attention should be paid to this when preparing the ministries' leadership system for the new government term. Among other things, a significant share of the resources for the set of policies should be allocated for use within the ministry's line organisation.

## Leadership role of Permanent Secretaries

A systematically established discussion channel between the Government and the Permanent Secretaries during the government term would strengthen cross-administrative leadership and implementation related to the Government Programme. For example, at the practical level this could take place by means of joint meetings between the collective of State Secretaries (one from each party in the Government) and the Meeting of Permanent Secretaries. Another practical possibility is related to the Government's situation review sessions.

In the current government term, short-term working groups of Permanent Secretaries have been used several times to produce proposals for certain questions. The experiences have been positive. The groups' recommendations have been discussed at the Government's strategy meetings, and their implementation has been launched quickly. Using this practice more widely is recommended. For example, the Government's priorities could be supported by a Permanent Secretaries' group appointed for a longer period, even for the entire government term.

The Permanent Secretaries come together every two weeks at the Meetings of Permanent Secretaries chaired by the Prime Minister's State Secretary. The project group recommends that this existing cross-administrative structure be used increasingly to support the Government's strategic leadership, for example as a platform of the Permanent Secretaries' groups described above.

Cross-administrative coordination and applying cross-cutting perspectives to the implementation of the Government's strategy have been identified as challenges for some time now. During the concluding government term, an effort was made to introduce cross-cutting perspectives (e.g. digitalisation) in the strategy process through ministerial working groups. The Meeting of Permanent Secretaries could be a more natural forum for this, as the meeting, and the network of senior-level staff supporting it, have long traditions in activities of this type. The project group also recommends that the Meeting of Permanent Secretaries be used more extensively as a body supporting the Government with coordination and cross-cutting analyses.

As a whole, shifting the emphasis of the Meeting of Permanent Secretaries towards a direction that provides stronger support for the Government's strategy process is recommended. The Permanent Secretaries are in a key role, especially when aiming for long-term and permanent reforms.

### Stronger advance approval and a consultation procedure

To strengthen the cross-administrative nature of the implementation of the Government Programme, the project group recommends that the introduction of a more robust coordination model be considered over the longer term. The advance approval and consultation procedure used in the European Union would be worth considering where applicable.

To coordinate public officials' work, the Commission holds a weekly meeting of the Directorate-General heads (in Finland, Permanent Secretaries) led by the Commission's Secretary-General (here, the Prime Minister's State Secretary) which discusses any legislative proposals to be adopted and coordinates the activities at the public official level. Developing the Meeting of Permanent Secretaries in Finland in this direction would bring about an essential change to the current operating method of the collective of Permanent Secretaries. The differences to the current activities of the Meeting of Permanent Secretaries in Finland include, first of all, the weekly schedule of the meetings and the de facto coordination of proposal contents.

At the political level, the Commission's Vice-Presidents lead groups of Commission members and coordinate the activities of different sectors at the political level. In Finland, the chairpersons of ministerial working groups leading significant projects/priorities of the Government Programme could assume the same role. Rather than necessitating provisions, an agreement on this can be reached during the Government Programme negotiations and, subsequently, a rule paper describing the operating model could be introduced. We already have a practice of weekly meetings between the ministers' Special Advisers (corresponding to the weekly coordination meetings of the Commission's Heads of Cabinet), at which contents of issues on which the Government must make decisions are reconciled, and Government agendas are coordinated.

The Commission also uses a procedure of mandatory consultation with its internal Legal Services: the Directors General and General Secretaries of the Directorates-General and the Legal Service complete an internal round of consultations as a written procedure, which reveals any coordination needs before the issue comes up on the agenda of the Commission's weekly meeting. This practice together with the political coordination by the Commission's Vice-Presidents helps to filter out views that genuinely correspond to political negotiation and bring them to the Commission's meeting agenda. It also serves as a systematic negotiation procedure at the level of senior public officials. The mandatory consultation of the Commission's Legal Services contributes to supporting the systematic nature of legal regulation and the quality of legislation.

# Appendices

## Appendix 1. Terminology

### Government strategy

The Government Programme and the Government Action Plan, which adds detail to it and which is reconciled with the General Government Fiscal Plan.

### Government's main objective

The project group recommends that the Government clearly identify its *main objectives* in the Government Programme. In the interest of the Government's strategic communications and leading the Government's work, the number of main objectives should be limited. A *main objective* should preferably be an exact target linked to an indicator, for example a targeted employment rate. The purpose of defining main objectives is to ensure that the Government's work is guided by a shared view of its most important objectives. Clear main objectives ensure that the Government's work as a whole can be led and directed in order to achieve the objectives.

It is likely that the promotion of the main objective will be divided into numerous separate actions, some of which are reform projects included in the Government Action Plan, while others are incorporated in the ministries' basic work. Political responsibility for the main objectives as a whole rests with the Prime Minister, in addition to which specific responsibility for promoting the achievement of individual main objectives may be assigned to a single minister or ministerial working group. At public official level, responsibility for the main objectives is assumed by the entire Government, and the objectives are integrated into performance guidance.

### Government's key reforms

A *key reform* refers to a particularly large-scale, demanding, multi-dimensional and far-reaching reform. Due to their challenging nature, it is recommended that only a handful of key reforms should be attempted during a government term. The project group recommends that the Government identify its key reforms in the Government Programme or at the beginning of the commencement phase. Once the key reforms have been identified, particular attention can be paid to the conditions required for their successful implementation. For example, the Prime Minister's Office will build capacity for supporting key reforms in advance, prior to the elections. The regional government and health and social services reform was a key reform during Prime Minister Sipilä's government term.

The time span of some reforms may clearly extend beyond the government term. In this case, parliamentary preparation will be appropriate. Reforms spanning several government terms should already be identified during the government formation negotiations.

### **Government priority**

*A priority or phenomenon identified in the Government Programme.* Depending on the Government Programme structure, the priorities or phenomena may serve as concepts on the basis of which content areas can be grouped. Responsibility for priorities can be assigned to ministerial working groups.

### **Prioritised set of policies**

*Prioritised set of policies.* In Prime Minister Sipilä's Government Programme, priority areas were further sub-divided into key projects. A similar approach is recommended, however using the concept of a (prioritised) set of policies. As a rule, it is not necessary to specify the manner in which the achievement of the Government's objectives will be organised (for example, using the concept of *key project*) in the Government Programme. Responsibility for each set of policies will primarily be assigned to a single minister and one ministerial working group. The Permanent Secretary of the ministry responsible for the set of policies will carry the primary responsibility for dividing it into manageable entities. The Government Action Plan mainly focuses on the level of the set of policies. To support the monitoring of policy implementation, each set of policies may be divided into concrete milestones linked to exact points in time.

## Appendix 2

*Comparison between government evening sessions and strategy meetings as well as a proposal for the elements of the model to be used in the next government term.*

Comparison factor	Government evening sessions during Prime Minister Katainen's term	Strategy meetings 2015–2019	Recommendations for government term 2019–2023
Content	A few larger issues relevant to the entire Government per government evening session.	Primarily reviews of Government Programme priorities and key projects but also other significant issues relevant to the entire Government.	Primarily reviews of Government Programme priorities and sets of policies but also other significant issues relevant to the entire Government.
Policy-making or discussions?	Mainly discussions, some policy-making.	Mainly discussions, some policy-making.	Discussions and policy-making.
Participants	Ministers, chairpersons of the parliamentary groups of the parties in Government, Chancellor of Justice, Prime Minister's State Secretary, Director of Government Communications, public officials as secretaries.	Ministers, chairpersons of the parliamentary groups of parties in the Government, a State Secretary from each party in the Government, Director of Government Communications, special advisers. Chancellor of Justice did not participate in the early part of the government term. The Government Strategy Department.	Ministers, chairpersons of the parliamentary groups of the parties in the Government, Chancellor of Justice, a State Secretary from each party in the Government, Director of Government Communications, special advisers, public officials as secretaries.
Preparation of the agenda	Prime Minister's staff.	Decided by the Special Adviser to the Prime Minister in Political Affairs, proposals made to the adviser both directly and through the Government Strategy Department. The Government Strategy Department also proposed topics important for the strategy process, including monitoring (e.g. employment, other indicators, key projects).	Prime Minister's staff. A clear role for the State Secretary in issues related to the strategy process.
Distribution of the agenda	Two days before the session (on Mondays), instructions in the Ministers' handbook.	At the latest on Friday (for the following Monday), not specified accurately.	Agreed in writing, two working days before the meeting.
Information flow	In Prime Minister Katainen's Government, a public official from the unit hosting the session made notes. The notes were not distributed to the participants. The notes contained a description of the discussions. The notes were archived.	No official minutes, the Government Strategy Department made unofficial notes. Notes distributed to the Government and others who attended, all Special Advisers, State Secretaries and Permanent Secretaries. Rather than noting individual speeches, the notes were more general in nature than the notes from government evening sessions. Archived.	Public officials from the Prime Minister's Office make notes, the Government's electronic workspace is used in the distribution, distribution and level of detail agreed separately.
Time	Usually on Wednesdays at 5 p.m. (Kesäranta).	On Mondays from 4 p.m. till 8 p.m. (Kesäranta).	On Wednesdays from 4 p.m. till 8 p.m.
Frequency	Prime Minister Katainen's Government: roughly once a month	In early part of the term, every two weeks, in spring 2018 every three weeks, in autumn 2018 monthly.	Monthly.
External communications	The agenda with its expert information distributed to the media and on the website on Tuesday. Preparations were made for communications every time, for instance by preparing draft press releases. Journalists were allowed into the media room in the Prime Minister's Official Residence (Kesäranta) during the government evening sessions, where the ministers and experts dropped in to give their comments if the media had questions. Press conferences were also sometimes organised. A press release was sent out on most government evening sessions, sometimes several.	The agenda was not public, information released after the sessions sometimes.	Similarly to the government evening sessions, the achievement of the Government's objectives and the big picture should be at the centre of the communications.
Distribution of materials	The Prime Minister's secretary distributed the materials by e-mail.	Collected by the Government Strategy Department to a workspace in Senaattori, where the ministers could use them electronically, or their secretaries could print them out. Senaattori enabled the distribution of materials in instalments and the making of potential corrections to the materials.	The Government's electronic workspace.

## Appendix 3. Main recommendations of the project on broader use of information on wellbeing for government decision making (GDP+)

Prime Minister Sipilä appointed a sub-group for the term 8 May – 31 October 2018 to consider how information on wellbeing could be used more in Government policy-making.

1. A single indicator cannot describe wellbeing adequately. The Government should use wellbeing data that goes beyond conventional economic indicators at dedicated situation review sessions (as part of its strategy process) at the beginning of the spending limit and budget discussions. In addition, the Ministerial Committee on Economic Policy should annually assess the impacts of economic policy on wellbeing.
2. The Prime Minister's Office and Statistics Finland are trialling a mobile application that offers key figures and statistical trends describing the state of the country. The application should also include indicators for monitoring the Government's key objectives.
3. Over time, key indicators extending beyond government terms should be identified for the nation to follow, similarly to the GDP or employment rate today. They could include greenhouse gas emissions and population growth.
4. The Government, and particularly the Prime Minister's Office and the Ministry of Finance, should communicate more extensively about the indicators and data used by the Government. Interaction with Parliament should also be stepped up.



## Appendix 4. A list of issues to be agreed upon and decided in different phases

In government formation negotiations, agreement should be reached on a number of issues related to the Government's internal division of duties and leadership system, a formal decision on which is made when the Government is appointed and when it becomes organised. This agreement must be reached before the President of the Republic makes the decision to appoint the Government and the first Government plenary session immediately following its appointment is organised.

### Subject to political decision during the government formation negotiations

- Number of ministers
- The ministers' titles and division of duties (contents of ministerial portfolios)
- At least initially during the negotiations: the number of State Secretaries, the number of Special Advisers, appointment of the Prime Minister's State Secretary
- The Prime Minister's deputy, the ministers' deputies, division of duties within the ministries
- Statutory memberships in ministerial committees
- Once the Government has been appointed, the Government Programme is issued to Parliament in the form of a government statement

### Agreement on common leadership and working practices at the kick-off strategy meeting

*The composition of the body leading the Government's strategy process as a whole (roles)*

- The Government's strategy meetings
- Role of the collective of Government party chairpersons
- The Prime Minister's State Secretary, the collective of State Secretaries, especially the chairpersons' State Secretaries
- Collective of Special Advisers

*Forms and rules of cooperation between ministers*

- Leadership of statutory ministerial committees and ministerial workings groups and the secretariat's work
- The Government's communications strategy (ready-made template)

*Mandate for preparing the Government Action Plan and reconciling it with the General Government Fiscal Plan (who, what, when; for example the collective of chairpersons' State Secretaries as a political steering body).*

## Appendix 5. Key publications supporting the Government Programme's knowledge base (situation in January 2019)

Ministries' Permanent Secretaries: Opportunities for Finland

<http://urn.fi/URN:ISBN:978-952-287-694-2>

Ministries' Futures Reviews

<https://vnk.fi/tulevaisuuskatsaukset>

Ministry of Education and Culture: Vision for higher education and research in 2030

<https://minedu.fi/korkeakoulutuksen-ja-tutkimuksen-visio-2030>

Prime Minister's Office: Government Report on the Future dealing with the transformation of work

<https://vnk.fi/tulevaisuusselonteko>

Prime Minister's Office: Project on basic social security and activeness (TOIMI)

<https://vnk.fi/en/social-security-2030>

Prime Minister's Office: Final report of the working group on inequality

<http://urn.fi/URN:ISBN:978-952-287-557-0>

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