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The regional development decision 2020–2023

Sustainable and vital regions



Ministry of Economic Affairs
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<p>Abstract</p> <p>The regional development decision 2020–2023 establishes the priorities within the Government’s remit to be observed during Prime Minister Sanna Marin’s term of office, and objectives at the central government level to which the ministries have committed. The regional development decision steers the development of the different administrative branches and regions, and the coordination of these measures.</p> <p>The aims and measures of regional policy, which is based on regional strengths and balanced regional development, are linked to the Government Programme. A dynamic, thriving and socially strong Finland will be built on the combined successes of the Greater Helsinki region, growing city regions, sub-regions and rural areas alike. In this regional development decision, the themes and strategic measures are structured into six key priorities:</p> <ul style="list-style-type: none"> • Mitigating climate change and safeguarding biodiversity • Building sustainable communities with good connections • Innovating business life and accelerating R&D&I • Making skills and education a resource for regional development • Increasing inclusion and wellbeing and preventing inequality • Creating an operating model for regional development <p>Cross-cutting themes in all six priorities are sustainable development and digitalisation. The regional development approach referred to in the Government Programme is a regional or theme based framework of activities that corresponds to the specific characteristics of each region, devised through partnership and agreement.</p> <p>Contact person at the Ministry of Economic Affairs and Employment: Hanna-Maria Urjankangas</p>		
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Tiivistelmä	<p>Aluekehittämispäätös 2020-2023 sisältää pääministeri Sanna Marinin hallituskaudella noudatettavat valtioneuvoston toimivallassa olevat painopisteet ja keskushallintotason tavoitteet, joihin ministeriöt ovat sitoutuneet. Aluekehittämispäätös ohjaa eri hallinnonalojen ja maakuntien alueiden kehittämistä ja niiden toimenpiteiden yhteensovittamista.</p> <p>Alueiden omiin vahvuuksiin ja tasapainoiseen aluekehittämiseen nojaavan aluepolitiikan tavoitteet ja toimenpiteet kytkeytyvät hallitusohjelmaan. Elinvoimainen ja sosiaalisesti vahva Suomi rakentuu metropolialueen, kasvavien kaupunkiseutujen ja maaseudun yhteisestä menestyksestä. Tässä aluekehittämispäätöksessä teemat ja strategiset toimenpiteet on jäsennetty kuuteen kokonaisuuteen, joita ovat:</p> <ul style="list-style-type: none">• Ilmastonmuutoksen hillintä ja luonnon monimuotoisuuden turvaaminen• Kestävä yhdyskuntakehitys ja toimivat yhteydet• Uudistuva elinkeinoelämä ja TKI-toiminnan vauhdittaminen• Osaaminen ja sivistys aluekehityksen voimavarana• Osallisuuden ja hyvinvoinnin lisääminen sekä eriarvoistumisen ehkäisy• Aluekehittämisen toimintamalli <p>Kestävä kehitys ja digitalisaatio ovat kaikkia painopisteitä poikkileikkaavia teemoja. Hallitusohjelmassa mainittu aluekehittämisen toimintamalli on alue- tai teemälähtöisesti kumppanuuteen ja sopimusperustaisuuteen perustuva, kunkin alueen erityispiirteisiin vastaava toiminnan kehikko.</p> <p>Työ- ja elinkeinoministeriön yhdyshenkilö: Hanna-Maria Urjankangas</p>		
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Referat	<p>Regionutvecklingsbeslutet 2020–2023 innehåller de prioriteringar som ska följas inom statsrådets kompetensområde under statsminister Sanna Marins regeringsperiod och de mål på centralförvaltningsnivå som ministerierna har förbundit sig till. Regionutvecklingsbeslutet styr regionutvecklingen inom de olika förvaltningsområdena och landskapen och samordningen av åtgärderna.</p> <p>De regionalpolitiska målen och åtgärderna, som grundar sig på regionernas starka sidor och en balanserad regionutveckling, anknyter till regeringsprogrammet. Ett livskraftigt och socialt starkt Finland bygger på att metropolområdet, de växande stadsregionerna och landsbygden tillsammans når framgång. Temana och de strategiska åtgärderna i detta regionutvecklingsbeslut har delats in i sex helheter enligt följande:</p> <ul style="list-style-type: none">• En begränsning av klimatförändringen och tryggnad av den biologiska mångfalden• En hållbar samhällsstruktur och fungerande förbindelser• Förnyelse i näringslivet och påskyndande av FoU-verksamheten• Kompetens och bildning som en resurs för regionutvecklingen• En ökning av delaktighet och välfärd samt förebyggande av ojämlikhet• Handlingskoncept för regionutveckling <p>Hållbar utveckling och digitalisering är genomgående teman i alla prioriteringar. Det handlingskoncept för regionutveckling som nämns i regeringsprogrammet är en verksamhetsram som utgår från regioner eller teman, baserar sig på partnerskap och avtal samt svarar mot särdragen hos varje region.</p> <p>Kontaktperson vid arbets- och näringsministeriet: Hanna-Maria Urjankangas</p>	
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I Purpose and basis

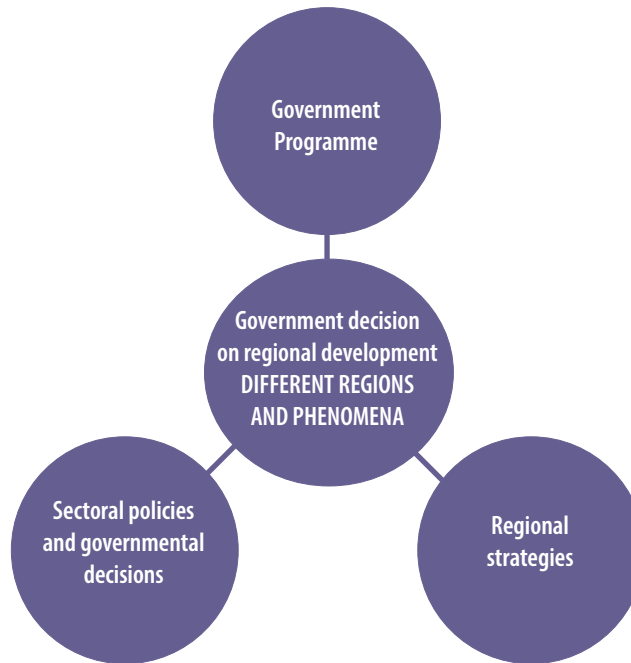
The regional development decision is a government decision in accordance with the Act on Regional Development and the Administration of Structural Funds (section 6, 7/2014) determining the regional development priorities and objectives to be implemented during the government term. The decision links the objectives of the Programme of Prime Minister Sanna Marin's Government to regional development and puts particular emphasis on cross-administrative themes and phenomena. The regional development decision is used to create preconditions for an economically, ecologically, socially and culturally sustainable future, and safeguard the wellbeing of residents and the operating conditions of business life in all regions of Finland.

The decision is valid for the duration of the government term. Persistent work is needed to achieve the ambitious objectives set for sustainable development, economic growth, climate change mitigation, employment, competence and inclusion. Therefore, the decision also involves examining a longer period, until 2030. An implementation plan prepared based on this decision will concretise the measures to be taken during the government term to achieve the objectives.

Regional development includes examining the objectives and activities of different administrative branches and regional councils as a whole from both the national and regional perspectives. The ministries take the objectives of the regional development decision into account in their own activities as well as those of their administrative branch. In the Government, the Ministry of Economic Affairs and Employment is responsible for regional development as a whole.

The Regional Councils are the regional authorities responsible for the strategic development of their regions as a whole. Regions determine their development priorities and objectives in a regional strategic programme. The Regional Councils take the regional development decision into account in their own work and promote the implementation of the decision in their regions together with municipalities, ELY Centres, Regional State Administrative Agencies and other state regional administration agencies, and development organisations.

The regional development decision in relation to the Government Programme, sector policies and regional strategies.



The objectives of regional development are laid down in the Act on Regional Development. The legislation will be reformed by early 2021. Under the currently valid Act, the objective of regional development is:

1. to promote the balanced development and national and international competitiveness of the regions;
2. to sustainably support and diversify the business structure of the regions and to promote economic balance;
3. to promote sustainable employment as well as the competence, equal opportunities and social inclusion of the population;
4. to narrow development gaps between and within regions and to encourage the full use of the available resources in a sustainable manner;
5. to enhance regional strengths and specialisation as well as to promote regional culture;
6. to enhance the quality of the living environment and a sustainable regional and community structure

According to the Government Programme, regional development is based on the strengths and special features of the regions. The regions have defined their areas of growth and strength in their regional strategic programmes and smart specialisation strategies, which are used to allocate the resources available in the region to create innovations, investments and jobs.

The development needs and opportunities that the Helsinki metropolitan area, cities central to the regions, regional towns, and rural and archipelago areas have are different. What is key is that all of these regions are provided with the tools and resources that enable them to make use of their own development opportunities. This is supported by a place-based approach. The key to the success of a vital Finland is the capability to seize the opportunities brought by change and offer solutions to them. All regions must have an opportunity to carry out profitable and effective regional development.

The most important factors affecting future prospects are climate change, globalisation, technological development, digitalisation, inequality, migration and demographic changes, such as ageing and declining birth rates. The effects of these factors are reflected in the regions in various ways, and not all of these effects are positive. By anticipating development trajectories and preparing for them, changes can be turned into opportunities.

The principal objectives of the Government Programme are carbon neutrality in 2035, 75 per cent employment rate at the end of 2023, promoting wellbeing and reducing inequality, raising the level of education and competence, and increasing R&D investments to 4 per cent of GDP by 2030. These objectives are also important for regional development. Achieving them requires national, regional and local measures as well as cross-administrative partnerships across sectoral boundaries.

The competitiveness of Finland and its regions in Europe and globally is based on, on one hand, the country's northern location, natural resources and natural values, cleanliness and status, and, on the other, a stable society, equality, a strong competence base and values of sustainable development. Developing competence and the cultural, education and welfare service system is one of the main approaches for influencing regional development. Education, competence and creative activities increase research, development and innovation activities, and improve wellbeing and the conditions for sustainable development. The long-term development of capabilities and the renewal of the competence base lay a strong foundation for the regions to cope with both national and global changes.

The implementation of the objectives set in the Government Programme requires sustainable economic growth and the additional income gained from this. Finland's

economic growth is primarily based on a growth in productivity, for which the most important factors are investments, competence and innovations. A well-functioning welfare state, infrastructure, education, research and attachment to the global economy lay the foundation for Finland's success and growth. The sustainable growth agenda aiming to promote competitiveness over the long term will be updated, and a strategy for sustainable growth will be drawn up for the government term.

II Summary: Priorities and strategic focal points

The regional development decision includes five priorities and an operating model for regional development. Based on these, strategic focal points have been prepared to summarise the guidelines most central to regional development.

Mitigating climate change and safeguarding biodiversity

- Regional development efforts will be strengthened to mitigate climate change and the transition to a carbon-neutral circular economy. Regional measures will be used to cut emissions, increase carbon sinks, promote the sustainability of the use of natural resources, and increase competitiveness.
- Attention will be paid to the impacts of climate change both nationally and in regions in strategic decision-making and the planning of operations. Preparedness and adaptation require risk analysis and anticipation of impacts.
- Cooperation between regional development agents will be strengthened to halt biodiversity loss. Safeguarding biodiversity will be taken into account preventively in the preparation of projects and plans, and related decision-making.
- The assessment and monitoring of climate impacts will be included in the implementation of regional development

Building sustainable communities with good connections

- A polycentric and networked regional structure based on well-functioning transport and communication connections will be enhanced to make full use of the strengths of the regions. The national transport system will be developed to improve the accessibility and vitality of the regions.
- Growth zones will be developed based on a polycentric regional structure that create investment opportunities and promote labour mobility, and the development of sustainable and low-carbon mobility and transport services.

- Digital services and the availability of communication links supporting business and work independent of location will be promoted. The tools provided by regions, central government and the EU will be utilised to boost digitalisation in a coordinated manner.
- Sustainable urban development will be promoted to meet the needs of different cities and regions. Special attention will be paid to mitigating climate change, sustainable mobility, the operating conditions of business life, and needs related to housing, a high-quality living environment and the cultural environment
- The interaction between cities, rural areas and the archipelago will be strengthened to ensure that these develop in a sustainable and mutually supportive manner. Sustainable, multi-location living will be promoted in cooperation between administrative branches.

Innovating business life and accelerating R&D&I

- To strengthen ecosystems and clusters and collect RDI resources, cross-administrative cooperation will be enhanced between higher education institutions, research institutes, business life and the public sector nationally and regionally.
- The services supporting the renewal, growth and internationalisation of companies and the availability of labour and opportunities for continuous learning will form a seamless entity. The service ecosystem is based on increasingly close cooperation and division of labour as well as partnerships, also with private service providers.
- Measures will be taken to strengthen digitalisation, investments in tangible and intangible capital and the utilisation of the creative economy and creative competence in R&D&I activities and the renewal of business and industry, taking into account regional premises.
- The international business opportunities brought by long-term, ambitious energy, climate and environmental policies will be utilised in the export of innovative and clean technologies.

Making skills and education a resource for regional development

- Increasing the employment rate in all regions is a key objective for both the economy and individuals. This also requires closer integration into the labour market of those who are difficult to employ, improving equal opportunities for education and supplementing competence.
- To ensure the availability of skilled labour, labour and business services will be targeted based on the regions' special features and needs, and the needs of the

regions will be taken into account as part of the national education provision for different levels of education.

- Education, competence, creative activities and RDI activities lay the foundation for citizens' well-being and the sustainable development of society. The regional availability of education services will be safeguarded.
- Higher education institutions will be encouraged to develop their digital service environments and transferable models for education provision, which can be used to strengthen the regional availability of higher education.
- Efforts to attract competent workforce from abroad will be increased significantly. Comprehensive services will be ensured for people who have moved to the country for various reasons and their attachment to the labour market in their regions enhanced.

Increasing inclusion and wellbeing and preventing inequality

- Multidisciplinary cooperation will be promoted by developing structures and tools that support this to break the trend of inequality and increase participation by utilising the special features and resources of regions.
- In the context of social change factors, such as climate change, immigration, shortages of competent workforce, the transformation of work and digitalisation, factors that increase inequality will be identified and a regionally and socially fair transition ensured.
- The active participation of and partnership between companies and third and fourth sector will be promoted alongside well-operating public services.
- Regional development work will take measures to renew working methods for strengthening the receptiveness of society and working life and the inclusion of different population groups and communities. Particular attention will be paid to the opportunities for participation among the indigenous Sámi people, minorities, different genders and people in a vulnerable position.
- Efforts will be made to strengthen interventions carried out as early as possible, the earlier support of those at risk of social exclusion, and promoting integration and good relationships between population groups.
- Cultural services will be developed as part of sustainable wellbeing and society. Cooperation between different administrative branches will be enhanced to increase the impacts of culture on wellbeing.

IV Operating model for regional development

- The operating model for regional development and its effectiveness will be developed over the long term within the framework of legislation on regional

development. An external assessment of the effectiveness of the model will be implemented.

- A policy will be drawn up on the continuation of contractual cooperation in situations involving a structural change and, as the procedure continues, an operating model for the cooperation and related selection criteria for regions will be prepared.

V. Implementation and monitoring

- An implementation plan and monitoring indicators will be drawn up for the regional development decision under the leadership of the Advisory Council on Regional Renewal.

VI. Resources used for implementing the decision

- Where possible, the objectives of the regional development decision will be taken into account in the allocation of appropriations in various administrative branches.

III Priorities

The priorities of the regional development decision describe the target until 2030. The most important proposals for directing development towards the target are also summarised for each priority. During Prime Minister Sanna Marin's government term, the implementation and monitoring of the decision will take place under the guidance of the Advisory Council on Regional Renewal.

The themes of sustainable development and digitalisation are themes cutting across all of the priorities of the decision.

Finland is committed to the UN's 2015 Agenda for Sustainable Development and its 17 Sustainable Development Goals. These guide the promotion of sustainable development in the period 2016–2030 (2030 Agenda). The dimensions of sustainable development include social, economic, ecological and cultural sustainability. When the aim is to safeguard the prerequisites for a good life for the next generations, the choices made today and their impacts must be assessed over a longer period of time. The Sustainable Development Goals lay the foundation for regional development. It is important to take into account the different dimensions of sustainability, whether it is a question of developing industries or preventing inequality. Regional and local solutions make goals and measures concrete, and make sustainable choices visible in people's daily lives.

Digitalisation is another cross-cutting theme in the decision. As digitalisation, automation and artificial intelligence become increasingly widespread, the importance of digital skills becomes more pronounced. Digitalisation is important for the development of society – it improves productivity, revolutionises value chains, value creation and business models, and makes services accessible to everyone regardless of location. While the automation powered by digitalisation will reduce the number of jobs in several sectors, it simultaneously leads to the emergence of new work and entrepreneurship requiring different skills and organised in different ways. Digitalisation promotes engaging in work and business independent of location, and supports life, development and growth in multiple locations. At the same time, it is important to pay attention to the equality of

digital opportunities and ensure that the increasing digitalisation does not exclude any population groups.

Mitigating climate change and safeguarding biodiversity

Target for 2030

Finland will be carbon neutral in 2035, and carbon negative soon afterwards. Finland has emerged as a pioneer in the circular economy and will achieve the goals of the UN Convention on Biological Diversity. The 2030 agenda aiming to improve habitats has halted biodiversity loss. Low-carbon roadmaps have been drawn up for all regions. The risks posed by climate change are identified and preparing for them is systematic in all areas of regional development.

Current status and related challenges

Climate change and biodiversity loss are among the most serious problems facing humanity. Solving the sustainability crisis requires rapid systemic change in society. Finland has good opportunities for ecological reconstruction in line with sustainable development as the country has a stable and sustainable social structure, a highly educated population and high technological competence. To support the assessment, monitoring and anticipation of the systemic impacts of climate change and the measures used to mitigate it, multidisciplinary research and tools are needed.

Finland is committed to the objectives of the UN Convention on Biological Diversity, the achievement of which requires halting the development of the endangerment of species and natural habitats. Climate change is a growing threat to biodiversity. Nature conservation areas and other areas in their natural state mitigate the negative impacts of climate change on habitats and species. The status of the nature conservation area network and the impact of conservation efforts are improved through restoration and management. Beyond the conservation areas, the land use sector plays a crucial role.

Achieving the goals set in the 2030 Agenda requires significant societal modernisation in the economy, consumption and production. The related climate solutions made in society are based on cutting emissions, transitioning to new sustainable energy sources, the circular economy, sustainable transport solutions and securing carbon sinks. The regions serve as growth platforms for innovative carbon-neutral business and the circular economy, and these climate solutions contribute to reducing the carbon footprint of production and consumption at a global level. The technological innovations related to climate change mitigation and adaptation may be a global competitive advantage and competitive factor for Finland. A well-functioning circular economy reduces the

use of new raw materials, material losses, emissions and transport needs, improves the competitiveness of companies and meets the needs of consumers.

Needs for change and opportunities brought by a carbon-neutral circular economy

Regions and cities can act as international pioneers in the design and construction of carbon-neutral housing and residential areas. In addition, regions and cities play a key role in promoting carbon-neutral mobility, sustainable from the perspectives of climate and health. Regional trials create good practices, solutions and innovations, which can be used as good examples of a pioneer in sustainable development at the national and international levels. Reducing emissions from transport requires improving the energy efficiency of the transport system and vehicles, and replacing fossil fuels with renewable low-emission or zero-emission power sources. The introduction of alternative power sources requires, among other things, the renewal of the vehicle stock and the development of the distribution network for alternative transport power sources in Finland.

Regional choices have a significant impact. Several cities and municipalities have already prepared roadmaps to achieve carbon neutrality. These are ambitious and concrete plans, solutions and recommendations for reducing greenhouse gas emissions at the local and regional level. In accordance with the Government Programme, different sectors have started drawing up industry-specific low-carbon roadmaps describing emission cuts. The road maps lead the way for renewal and make the sector's carbon handprint visible.

Promoting fairness and wellbeing across generations and between population groups requires finding solutions to climate issues, improving the state of the environment, safeguarding biodiversity and ensuring the sustainable use of nature, and sustainable regional development. Diverse nature and clean waters create opportunities for providing services used for recreational purposes that are important for the well-being and health of citizens. Opportunities for sustainable nature and cultural tourism will increase. The transition to a resource-wise circular economy offers solutions to all the aforementioned challenges. The modern and resource-wise management of natural resources creates added value to processing chains and increases their global competitiveness. This also creates jobs requiring new competence at the local level.

It is important to examine the climate impacts of food consumption and production from the perspective of a sustainable food system, as these also have a significant impact on the agricultural and food economy and food markets. It is also important to strengthen the introduction of energy efficiency, the circular economy and other sustainability principles that are part of good design in construction and the maintenance of the existing building stock, as this helps mitigate climate change by extending the life cycle of building use.

Preparing for and adapting to climate change

Climate change is a strategic risk for local and regional agents. For this reason, proactive measures are largely concerned with risk management and preparedness for unprecedented changes. The consequences of climate change are encountered at the local level. The correct and efficient allocation of resources requires planning some of the measures regionally. Adaptation to climate change must be adopted as a key premise in community planning, the steering of construction and the development of technical networks. Climate change will lead to an increase in extreme weather conditions, such as heavy rainfall, floods, drought and heat periods. In addition to these extreme conditions, the climate is also subject to other, more slowly visible changes, such as increasing precipitation and changing humidity conditions in soil, for instance.

Phenomena related to climate change have a direct impact on citizens' wellbeing and health. They increase certain illnesses and risks for developing an illness, and the phenomena may also affect the functioning of social welfare and healthcare. They also increase the risks of disruptions in the society's vital infrastructure, such as energy and water supply. In addition to the impacts of climate change on Finland, the socio-economic impacts of climate change occurring in other countries may be reflected in the livelihoods, health and wellbeing of Finns in various ways: those with the least resources to adapt to climate change will suffer the most as a result of climate change. Climate change involves risks of inequality emerging between regions and population groups, and climate actions affect various income classes in different ways. For example, as the prices of energy and consumer products spike, the status of low-income people and those with little means deteriorates unless they are supported by society.

Strategic focal points:

- Regional development efforts will be strengthened to mitigate climate change and the transition to a carbon-neutral circular economy. Regional measures will be used to cut emissions, increase carbon sinks, promote the sustainability of the use of natural resources, and increase competitiveness.
- Attention will be paid to the impacts of climate change both nationally and in regions in strategic decision-making and the planning of operations. Preparedness and adaptation require risk analysis and anticipation of impacts.
- Cooperation between regional development agents will be strengthened to halt biodiversity loss. Safeguarding biodiversity will be taken into account preventively in the preparation of projects and plans, and related decision-making.
- The assessment and monitoring of climate impacts will be included in the implementation of regional development

Building sustainable communities with good connections

Target for 2030

Sustainable regional and community development as well as transport and communications connections improve the operating conditions of business, the smoothness of everyday life for people of different ages and the transition to a low-carbon society. These enable the utilisation of the strengths and resources of different regions. The availability of fast and reliable communication connections promotes the conditions for sustainable growth throughout the country and tackles the risk of increasing digital inequality. Finland has a regional structure that utilises the strengths of different types of areas, is networked and supported by developing transport connections. The country also has a vibrant natural and cultural environment. Urban development supports the vitality of cities, rural areas and the archipelago and interactions between these.

A regional structure and transport and communication system that support the strengths of regions

The vitality of regions is increasingly based on the capability of different types of centres and regions to become specialised based on their strengths. Physical and digital accessibility within and between regions as well as at the international level have a significant impact on the competitiveness of regions. Sustainable urban development, living environment and cultural heritage significantly influence the attractiveness and strengths of business life in a region as well as the comfort and wellbeing of its residents. The development of the bioeconomy, a circular economy and tourism particularly requires a functioning and capable transport network and services throughout the country. Large and medium-sized cities serve as node points in a networked regional structure that interacts closely with the surrounding regions. Growth corridors connect centres and regions of different sizes nationally and internationally.

The concentration of population resulting from migration has a significant impact on the development of the regional structure. Population development as a whole takes on more shades when multi-locality is considered alongside with the permanent population. Multi-locality includes migrating, commuting, working outside the residential area, and living in more than one region. Multi-locality sets new requirements for both transport and communications connections as well as services.

The indicators of economic growth or demographic change do not give an overall picture of the vitality of the region. Experienced vitality and good life also include aspects such as inclusion and safety, social networks and the different dimensions of sustainable development. In regions with an ageing and decreasing population, the conditions for a good life and vitality can be perceived through a “smart shrinking” approach. In practice, this means active adaptation efforts in the regions, which take into account the decrease

in the population and its impacts on economic development and, as a result, on issues such as the delivery of services.

The national transport system plan, currently under preparation, will guide how the transport network will be designed, built, repaired and maintained in the future, and what kinds of transport services will be procured with public funds. The content of the plan will also affect the accessibility and vitality of regions, and the opportunities for engaging in life and business in multiple locations. The objective is to promote a well-functioning, safe and sustainable transport system that supports the conditions and vitality of regional development.

Transport and communications services supporting building sustainable communities

The development of communities of different sizes will meet the demands of the population and job development, and foster smoothly running daily life, and the operating conditions and renewal of industries. Climate change particularly requires a reduction in transport-related greenhouse gas emissions. In this context, there is need for close cooperation between different agents, measures at all levels of administration, and new innovations and open-minded solutions. Cities and regions play a key role in cutting transport-related emissions. The plans drafted for urban areas and regions including concrete measures significantly support the achievement of the Government's climate targets.

Developing the urban structure allows promoting the good accessibility of housing, services, workplaces and recreational sites, and the steering of transport needs to sustainable modes of transport. Land use planning and utilising the existing transport system create preconditions for public transport, walking and cycling and the use of new transport services. Sustainable urban regions are developed with programmes such as the Sustainable City programme and the suburban programme. Housing policy measures must meet the different needs of the regions, for example to promote labour mobility and eliminate homelessness.

In developing the transport system, it is important to identify the different mobility opportunities available in various regions. In many regions, a lower-level road network is central to the operating conditions and vitality of business life. Cities, rural areas and archipelagos will be used as development platforms for various mobility solutions. At the same time, the regions' capability to utilise the latest solutions to support intelligent and low-carbon transport will be supported. New transport services that reduce the harm caused by mobility, combination of different services and services implemented at home should be piloted and introduced.

The future of transport and telecommunications lies in technological solutions involving low carbon consumption and replacing fossil fuels, sustainable shared means of transport, mobility services enabled by digitalisation (such as MaaS), and smart and autonomous public transport solutions. National, regional and local solutions that reduce emissions also have significant export potential. Innovative public procurement creates preconditions for new smart solutions.

The availability of well-functioning communication links throughout the country is essential for the competitiveness of the regions. The links enable work independent of location and diverse business activities extensively, and reduce the need for commuting and emissions. In rural areas and archipelagos, there is an emphasised need for new electronic services, such as remote medical care services and teaching. Working and secure communication connections provide people with access to the data economy, artificial intelligence, virtual reality and the Internet of Things.

Strategic focal points:

- A polycentric and networked regional structure based on well-functioning transport and communication connections will be enhanced to make full use of the strengths of the regions. The national transport system will be developed to improve the accessibility and vitality of the regions.
- Growth zones will be developed based on a polycentric regional structure that create investment opportunities, promote labour mobility, and the development of sustainable mobility and transport services.
- Digital services and the availability of communication links supporting business and work independent of location will be promoted. The tools provided by regions, central government and the EU will be utilised to boost digitalisation in a coordinated manner.
- Sustainable urban development will be promoted to meet the needs of different cities and regions. Special attention will be paid to mitigating climate change, sustainable mobility, the operating conditions of business life, and needs related to housing, a high-quality living environment and the cultural environment.
- The interaction between cities, rural areas and the archipelago will be strengthened to ensure that these develop in a sustainable and mutually supportive manner. Sustainable, multi-location living will be promoted in cooperation between administrative branches.

Innovating business life and accelerating R&D&I

Target for 2030

Public and private R&D investments are on a growth path approaching 4 per cent of the gross domestic product. The share of highly educated workforce is growing, and the network of

higher education institutions covering all regions is strengthening research and innovation capabilities in across the country. Education and R&D&I activities are regionally specialised, nationally and internationally networked and operate in a close partnership with business life. Public services supporting employment, competence development, sustainable growth of companies, internationalisation and networking support the renewal and growth of business life. Regional ecosystems are globally attractive investment targets that are creating new jobs.

Utilising the resources of all regions

It is essential for Finland's competitiveness and the vitality of its regions that the operating environment across the country encourages innovation activities and entrepreneurship. Entrepreneurship contributes to producing a dynamic economy and is more and more often perceived as an alternative for individuals to find employment. Higher education institutions, university consortia and upper secondary education institutions are essential for innovations and the renewal of the competence base. The Helsinki metropolitan area and large cities serve as centres of high competence, often providing more opportunities for interaction between business, research and education and the construction of ecosystems compared to other regions. On the other hand, innovations are not always location-based. The innovations created in rural areas are often more practice-oriented than those originating from cities.

Renewal of business life and sustainable growth

Changes in the industrial structure have accelerated and intensified. As a result of situations involving sudden structural change, many regions have lost their traditionally strong means of livelihood, companies and jobs within a short period of time. Correspondingly, those regions and sectors affected by a positive structural change have become stronger as a result of new companies and job opportunities. A diverse industrial structure, a solid competence base and full utilisation of capabilities lay a foundation for flexibility for change in the regions. Competent and creative individuals with good wellbeing are a precondition for a vibrant economy.

The transformation of industries blurs the boundaries of traditional industries; for example, in many industrial companies, the majority of turnover comes from various services built around physical products. Digitalisation provides opportunities for entirely new business activities, improving productivity, and creating more efficient business and working models. To ensure competitiveness in the future, it is essential that companies invest clearly more in the utilisation of digital solutions and R&D&I activities. The progress of climate change, increasing competition for depleted natural resources and population growth will guide the demand towards more low-carbon and sustainable solutions.

The Government's strategy for sustainable growth, which extends beyond government terms, creates a direction for the diversification of the economic structure, improved productivity, growth of exports, renewal of companies and strengthening of operating conditions. The role of the measures taken at the regional level is at least as important in the efforts to develop industries.

Ecosystem-based R&D&I activities and operating models encouraging cooperation

Increasing investments in innovation are used to rise up to global challenges as well as improve individual wellbeing. An ecosystem is a cooperation model that brings together companies, business services, research institutes, higher education institutions, financiers and end users to accelerate innovations and new business. Ecosystems are based on joining capabilities that complement one another to resources to achieve common objectives. In developing them, the emphasis is on crossing sectoral and geographical boundaries. The construction of internationally competitive ecosystems outlined in the Government Programme requires the coordination of regional and national measures, partnership, and the utilisation of international resources and experts.

Centres of excellence are built on high-quality expertise. They can be regional or thematic. Strengthening the centres and linking them to international value networks requires an ability to create more effective strategic wholes out of public and private R&D&I resources. To increase Finland's R&D&I investments, a R&D&I roadmap will be drawn up, which will serve as a frame of reference and support regionally based strategies for smart specialisation. The partnership between the state, counties and cities are strengthened in the implementation of the strategies and roadmap.

Companies' success creates vitality

Successful business activities that create jobs are directly reflected in the success of the regions. The Government's entrepreneurship strategy is a comprehensive programme that takes into account start-ups, micro-enterprises, SMEs and large enterprises alike. The strategy aims at improving the status of solo-entrepreneurs, improving the conditions of micro-enterprises to hire employees, developing value creation and business models for creative industries, supporting the growth orientation and internationalisation of SMEs and midcap companies, and promoting export by large, leading companies and the networks connected to them. The key objective of the entrepreneurship strategy aimed at sustainable economic growth in the long term is to improve the preconditions of profitable companies for obtaining skilled labour, availability of sufficient capital and innovation. At the same time, this creates pressure for low-productivity companies to improve their effectiveness.

The availability of competent workforce is a critical growth factor for companies. It is also a key criterion for the direction of investments, for example the decisions of international companies to place their operations in Finland. The national targeting of services must take into account the focus areas and development targets of the business life in regions and cities. Regional solutions are at least as important to improving the operating environment of entrepreneurship as measures by the central government. Through its own regional organisations, central government is taking steps to construct unified regional business, labour, competence and innovation services that can be used to improve the conditions for successful entrepreneurship in different regions. Employment and business services are used to strengthen the role of cities and municipalities, eliminate overlapping services and clarify responsibilities. In more sparsely populated regions, the availability of services is ensured by the means of different joint service solutions.

There is increasing competition for international, highly competent workforce. In addition to these employees, Finland needs new international investments, capital and innovative entrepreneurs. In addition to attracting new immigrants, it is important to better integrate those studying at higher education institutions and other educational institutions as well as those engaged in research work and other international experts in Finland into the Finnish labour market and ensure that they remain in the country. Making researchers and other experts a strong part of R&D&I ecosystems promotes the growth and internationalisation of the systems. Cross-administrative measures are required to support the integration of these workers into the labour market and society.

Public procurement is one tool for guiding the development of industries at the regional or local level. Procurement can promote new innovations and goals such as the achievement of carbon neutrality targets. Procurement by municipalities and municipal companies can serve as an important reference for companies as they develop new solutions and expand to new markets. At best, public procurement is an important strategic tool for developing the vitality of a region. Their full utilisation requires closer coordination between procurement services and industrial policy as well as strengthening procurement competence.

Strategic focal points:

- To strengthen ecosystems and clusters and collect RDI resources, there is a need for cross-administrative cooperation between higher education institutions, research institutes, business life and the public sector nationally and regionally.
- The services supporting the renewal, growth and internationalisation of companies and the availability of labour and opportunities for continuous learning will form a seamless entity. The service ecosystem is based on increasingly close cooperation and division of labour as well as partnerships, also with private service providers.

- Measures will be taken to strengthen digitalisation, investments in tangible and intangible capital and the utilisation of the creative economy and creative competence in R&D&I activities and the renewal of business and industry, taking into account regional premises.
- The international business opportunities brought by long-term, ambitious energy, climate and environmental policies will be utilised in the export of innovative and clean technologies.

Making skills and education a resource for regional development

Target for 2030

The employment rate has risen to at least 75 per cent. Education, competence, creative activities and RDI investments improve citizens' long-term ability to produce wellbeing and sustainable development. Finland's future success requires for the country to remain at the top of the world in education. The goal is to raise the level of education and competence at all levels. Learning differences are narrowing down and equality in education increasing. Companies will get the workforce that best suits their needs. Finland is an internationally attractive place for studying, working, conducting research and making investments.

Current status and future needs for change

According to international comparisons, Finland is one of the world's leading countries in basic education. However, the phenomena of inequality, learning differences and social exclusion seem to threaten the success story of Finnish education. Regional, socio-economic and gender differences and the social inheritance of education are increasingly reflected on learning and education. Maintaining the stability of society in education and training also requires ensuring that comprehensive education and everyday civic skills are strengthened.

Achieving the targets set related to achieving the 75-per-cent employment rate requires increasingly integrating various population groups into the labour market, including those perceived to have low employment potential. At the same time, work-related immigration must be significantly increased. Extending the age of compulsory education to 18 years of age affects different regions from the perspectives of education providers, individuals and the availability of skilled labour alike. Equal education opportunities promote citizens' participation in different regions and reduces inequality. These opportunities can be improved through means such as introducing new measures, operating models and digital solutions.

Universities, higher education institutions and upper secondary education institutions have a significant impact on the preconditions for regional development. Universities

and universities of applied sciences are crucial for the development of innovation-based ecosystems, especially in regional centres. Universities of applied sciences, university consortia and upper secondary education institutions also create prerequisites for vitality in central regions, smaller urban centres and rural areas. Higher education institutions have developed digital service environments and models for flexibly transferring education to regions in an aim to meet the needs for labour and overlooked education needs in different regions. New cooperation models, such as the Fitech network university, enable more extensive regional coverage of education in a cost-effective manner. Incentives are needed for higher education institutions to bring their education provision to various regions.

Problems in the availability of skilled labour hinder the growth of Finland's economy and companies across the country. Labour, entrepreneurship and education policy must support increasing the level of education and competence and learning new skills needed in the changing working life. Ensuring the availability of skilled labour requires taking the needs of the regions into account as part of the national targeting of education and employment and business services. Labour mobility needs to be increased. The parts of value chains in networked business activities and the platform economy can be more and more freely located geographically, which contributes to increasing opportunities for reconciling labour demand and supply. Knowledge of the new forms of work and entrepreneurship is increased in education as well as employment and business services.

The continuous learning reform encourages people of different ages and backgrounds to supplement their competence. Special measures are targeted at groups underrepresented in continuous learning services. The reform is also used to meet the needs arising from the transformation of companies and the labour market.

Immigrants moving to Finland on different grounds and those already living in Finland have potential for joining the workforce, and this must be harnessed by means of integration, employment and education policy, and by developing the receptiveness of the labour market. Employers' capabilities for recruiting international experts and immigrants living in Finland as well as managing diverse work communities should be supported. The preconditions for the entrepreneurship of immigrants and the recognition of competence acquired elsewhere will be improved. Immigration and integration on various grounds should be increasingly seen as a resource for regional development.

More investments will be made in both short and longer term foresight. Identifying the competence and recruitment needs of companies is increasingly important in the targeting of education, and employment and business services. As a result of increasing segregation of residential areas, there is an increasing need for anticipation at the regional and local levels. Regional cooperation between business life, higher education institutions,

educational institutions and employment and business services must be further strengthened in the context of the anticipation of development.

There is a need for increasingly close cooperation and service ecosystems for the development of competence in the regions. Multidisciplinary service systems transcending sectoral boundaries must be built for both companies and jobseekers. Digital, real-time solutions must be used more than currently to identify competence needs, target education and coordinate the demand for and supply of work.

Strategic focal points:

- Increasing the employment rate in all regions is a key objective for both the economy and individuals. This also requires closer integration into the labour market of those who are difficult to employ, improving equal opportunities for education and supplementing competence.
- Labour and business services will be targeted more precisely and flexibly based on the regions' special features and needs, and the needs of the regions will be taken into account as part of the national education provision for different levels of education.
- Education, competence, creative activities and RDI activities lay the foundation for well-being and the sustainable development of society. The regional availability of education services will be safeguarded.
- Higher education institutions will be encouraged to develop their digital service environments and transferable models for education provision, which can be used to strengthen the regional availability of higher education throughout the country.
- Efforts to attract competent workforce from abroad will be increased significantly. Comprehensive services will be ensured for people who have moved to the country for various reasons and their attachment to the labour market in their regions enhanced.

Increasing inclusion and wellbeing and preventing inequality

Target for 2030

Finland is the society with the best wellbeing in the world, providing everyone with equal opportunities for a good life. The country's regions use systematically effective and multidisciplinary tools for monitoring inequality, and preventing and reducing it, and invest in the well-being and inclusion of the population and communities. Differences in wellbeing and health between and within the regions have decreased. Investments by central government and regions in the wellbeing, health, competence and education of individuals are visible as functional capacity, work ability and employment potential, which prevents inequality and

segregation. The objective is for Finland to be an increasingly equal and equitable country where trust is growing and every person is valued.

There are differences in the wellbeing, work ability and functional capacity, and inclusion and perceived safety of the population between population groups and regions as well as within the regions. Residential segregation is also associated with increasing inequality of regions. People's opportunities for education, work, a sufficient livelihood, economic mobility as well as functional and accessible services and inclusion reduce the vulnerability of society and promote social peace. A strong competence base and full utilisation of capabilities strengthen the resilience of regions. A lack of these opportunities is visible as, among other things, social exclusion, which is often inherited from one generation to the next. When people feel included and are able to affect issues that affect their lives, their growth into an active citizen is promoted and they are provided with capabilities to act in a democratic and equal society.

Towards multidisciplinary cooperation and partnership

To break the trend of inequality, there is a need for multidisciplinary cooperation and measures at the national, regional and local level. The structural factors in society causing inequality must be addressed. In connection with societal change factors, such as climate change, immigration, shortage of competent workers, unemployment and digitalisation, it must be ensured that these factors do not increase or create new kind of regional inequality. It is also important for the currently ongoing reform of social welfare and healthcare services and structures to succeed in order to improve the equal availability of services and to narrow the differences in people's wellbeing and health.

Multidisciplinary cooperation and partnership is based on a place-based approach, which takes into account the special characteristics of regions (such as their population, industrial structure, nature and culture) and the interdependencies and opportunities these create. Safeguarding people's rights to participate commits individuals and communities to joint regional solutions and also to climate solutions. Cooperation between different agents lies at the core of inclusion and wellbeing. Cooperation between counties, municipalities, and non-governmental organisations, parishes and other communities formed by citizens is essential.

Good life – increasing involvement and wellbeing in regions

Promoting the conditions for a good life through long-term multidisciplinary regional development requires an ability to better identify wellbeing and its impact on all sectors, including environmental and housing policy and transport planning. A person with good wellbeing is able to study, work and function, and has opportunities and resources to

look after himself or herself and loved ones, apply for education, work and recreational activities and participate in his or her local communities. In regional development, identifying and recognising the importance of wellbeing is key to, for instance, the vitality of declining regions (smart shrinkage), but also for purposes such as preventing segregation in cities.

The best way to promote the conditions for a good life involves reducing the differences between different population groups and within the region. Wellbeing and health gaps are narrowed by equal opportunities for accessing services, opportunities for education, measures promoting and maintaining work ability and functional capacity, activities by non-governmental organisations, and available cultural and sports activities. Cultural and physical activity services strengthen participation among population and a socially sustainable society. In addition to ensuring the availability of universal services, preventive measures, support and services must be targeted at those who need them the most. Inclusion and wellbeing can be promoted by investing in the early identification and detection of those in need of most support and people at risk of social exclusion, and by targeting preventive measures at them. As immigration increases and becomes more diverse, integration must be promoted and the needs of immigrants taken into account in different services.

Communality and inclusion increase wellbeing and create traction and attraction in the regions, which is key from the perspectives of regional mobility and the availability of labour. The experience of inclusion also increases the safety of society. It is important to that everyone involved gets an opportunity to participate in regional development work, including both public organisations as well as individuals, communities, non-governmental organisations and companies. Approaches and cooperation structures must be reformed to ensure that they support the opportunities of different population groups to make their opinions heard. This also enables increasing a sense of community and the opportunities of those in the most vulnerable position to participate in making decisions on issues that concern everyone.

Civic activities and non-governmental organisations activities form the core of civil society in terms of both their volume and significance. Alongside third sector actors, more and more emphasis is put on the fourth sector, which includes the activities by individuals, households, neighbourhood help and social networks in the regions. The fourth sector is described as a new type of activism, which places particularly events and activities, and an experimental approach and community spirit at its centre. In the regions, this promotes the renewal of activities, communality, social responsibility, sustainability and inclusion. Organisations and civil society also play a role in finding carbon-neutral lifestyles and solutions. This should be supported.

Strategic focal points:

- Multidisciplinary cooperation will be promoted by developing structures and tools that support this to break the trend of inequality and increase participation by utilising the special features and resources of regions.
- In the context of social change factors, such as climate change, immigration, shortages of competent workforce, the transformation of work and digitalisation, factors that increase inequality will be identified and a regionally and socially fair transition ensured.
- In addition to well-functioning public services, efforts will be made to promote active participation and partnerships between companies and organisations, and advance a partnership with organisations and those involved in the civil society.
- Regional development work will take measures to renew working methods for strengthening the receptiveness of society and working life and the inclusion of different population groups and communities. Particular attention will be paid to the opportunities for participation among the indigenous Sámi people, minorities, different genders and people in a vulnerable position.
- Efforts will be made to strengthen interventions carried out as early as possible, the earlier support of those at risk of social exclusion, and promoting integration and good relationships between population groups.
- Cultural services will be developed as part of sustainable wellbeing and society. Cooperation between different administrative branches will be enhanced to increase the impacts of culture on wellbeing.

IV Operating model for regional development

The legislation concerning regional development will be reformed by early 2021. The new act will create a framework for a new operating model for regional development. A dialogue between both ministries and counties as well as other stakeholders has revealed a need for a more systematic and effective operating method for regional development. Having a clear operating model bolsters the setting of objectives and creates effectiveness in the implementation of the regional development decision and regional strategic programmes. The renewal of the operating model is above all concerned with improving the efficiency of the current system and operating methods.

The operating model takes into account the principles of the Government Programme for reforming societal decision-making. From the viewpoint of regional development, the most important principles include new kind of interaction, continuous learning, a knowledge-based approach and taking longer-term objectives into account. Non-discrimination and intergenerational fairness are also themes covered by regional development.

The Government's regional development decision is a strategic document that outlines national priorities for regional development. The significance and governance of the decision will be strengthened as part of regional development by paying particular attention to implementation and related monitoring throughout the government term.

The effectiveness of the regional development decision is strongly linked to the examination of decision-making in different sectors per region and based on different phenomena. The decision is prepared in cooperation with ministries, regional councils and other stakeholders.

The Advisory Board on Regional Renewal (AUNE) coordinates and contributes to specifying the strategic entity of regional development, and promotes the implementation of strategic policies. The Advisory Board plays a key role in promoting

cooperation between national and regional agents, compiling the regions' situational picture and development needs, and in monitoring the effectiveness of the measures.

Contract-based approach and partnership in regional development

The operating model for regional development is based on increasingly effective interaction and partnerships within the Government, between central government and counties as well as within the counties, and between public and private actors, organisations and citizens.

In regional development, a contract-based approach refers to both the operating method and separately determined contracts used for targeting development measures and allocating resources. This contract-based approach may be implemented as agreements between central government and regional councils or cities, but also in the counties between those involved in regional development efforts. In the Programme of Prime Minister Sanna Marin's Government, the elements for contract-based regional and urban development include ecosystem agreements and the promotion of positive structural change. As the contractual procedure concerning structural change continues, the aim is to use a transparent approach based on which regions are selected under the contractual procedure. This approach has been jointly determined by the ministries whose administrative branch is responsible for the issues covered by the agreement.

Regional strategic programmes, which have been prepared in the counties through an extensive collaborative process, should ideally serve as a strategy guiding the activities of everyone involved in development work in the county. The implementation plan for regional strategic programme will be developed into a partnership agreement outlining the key development measures of the county, its municipalities and other regional developers. This agreement is based on the regional strategic programme, the priorities of the regional development decision and the guidelines concerning regional development in the Government Programme. The agreement can be used as the basis for allocating national regional development appropriations. The plan must be based on the special features and strengths of the county as a whole and its sub-regions and take into account different cities, rural areas and the archipelago. Regional councils play a key role in bringing together different parties, launching cooperation, and coordinating regional objectives and measures together with various stakeholders.

The decision-making concerning regional development must be based on knowledge and an up-to-date situational picture. The situational picture consists of a statistical and qualitative analysis and is used to create a shared understanding and interpretation of the development of regions, also within and between regions.

The partnership between central government and the counties is realised through regularly organised cross-administrative regional development discussions and the conclusions drawn on them. No binding decisions are made in these discussions. The discussions may cover issues such as how the counties have progressed towards the objectives of the regional development decision and regional strategic programme, and the need for cooperation within the counties and between the counties and central government. The need for discussions and the manner in which they are organised, their nature and their content are assessed annually. In addition, the annual clock used to organise the regional development activities as a whole and the related continuous dialogue will be developed in cooperation between the Government and counties.

Within the Government, cooperation between administrative branches to examine the regional perspective of different social policies will be intensified. This is concretely visible as activities such as joint preparations for discussions on regional development.

Thematic network cooperation between regions, exchange of experiences and development of capabilities will be strengthened. When the operating model for regional development is reformed, a learning forum will be created for those involved in regional development. This forum can serve as a meeting place for regional councils, municipalities, central government, the private and the third sector, and different population groups (e.g. young people, immigrants). The forum's tasks may include work concerning the future of regions and the preparation of themes for collaboration originating from the regional level.

Strategic focal points:

- The operating model for regional development and its effectiveness will be developed over the long term within the framework of legislation on regional development. An external assessment of the effectiveness of the model will be implemented.
- A policy will be drawn up on the continuation of contractual cooperation in situations involving a structural change and, as the procedure continues, an operating model for the cooperation and related selection criteria for regions will be prepared.

V Implementation and monitoring

The Advisory Board on Regional Renewal plays a key role in the cross-administrative planning, steering and monitoring of the implementation of the regional development decision. Under the leadership of the Advisory Board, an implementation plan for the regional development decision is prepared, and its implementation is monitored regularly by the Advisory Board. Each administrative branch promotes the implementation of the plan through its activities and performance guidance. If necessary, the Government will review and amend the regional development decision based on a proposal by the Advisory Board for Regional Renewal. The regional councils consider the priorities in the regional strategic programmes and implement the decision together with cities, municipalities, and other agents involved in regional development.

The implementation plan for the regional development decision determines the indicators used for monitoring the direction of regional development and the achievement of the targets set for the priorities. These indicators are prepared by utilising sustainable development indicators, the monitoring indicators of the operational programme of the Government Programme, budget indicators, and the performance management indicators of various agencies.

The implementation of the regional development decision is processed in discussions on regional development between central government and the counties. The quantitative and qualitative situational picture of regional development will be updated regularly in connection with these discussions, and the work related to forming the situational picture will be further developed to meet the needs of foresight work at the national and regional level. A digital platform will be created for the work related to constructing the situational picture to enable joint and open use of data as well as extensive participation.

Strategic focal points:

- An implementation plan and monitoring indicators will be prepared for the regional development decision under the direction of the Advisory Board on Regional Renewal

VI Resources used for implementing the decision

The regional development decision will be implemented within the framework of central government spending limits and the General Government Fiscal Plan. The decision will be implemented with the resources of different administrative branches, both nationally and through EU funds. The most important sources of EU funding are the structural funds, the Just Transition Fund, the European Agricultural Fund for Rural Development (EAFRD), and the LIFE programme, and the Framework Programme for Research as a source of competitive funding. At the national level, appropriations for enterprises, employments and R&D&I as well as other appropriations by various administrative branches for investment and development are central to the vitality of the regions.

As of 2020, a national appropriation is available for the purpose of strengthening the sustainable growth and vitality of the regions, used to support both counties' independent development efforts and contract-based cooperation. This funding is allocated to measures in accordance with the Government Programme and the regional development decision, such as achieving positive development related to the economy, employment and investments, strengthening competence, renewing business life, developing internationally competitive ecosystems and combating climate change in different regions. Network cooperation between regions based on themes or operational areas or zones strengthens partnership, exchange of experiences and national effectiveness of development measures. The funding is used to seek new ideas and experiments as well as development processes launched based on these.

Strategic focal point:

- Where possible, the objectives of the regional development decision will be taken into account in the allocation of appropriations in various administrative branches.

ANNEX 1 Regional development decision 2020–2023 impact assessment (SEA)

The general duty to investigate environmental effects as laid down section 3 of the SEA Act (Act on the Assessment of the Impacts of the Authorities' Plans and Programmes on the Environment, 200/2005) applies to the regional development decision. The authority responsible for a plan or programme must ensure that the environmental impacts of the plan or programme are sufficiently analysed and assessed during preparation if the implementation of the plan or programme may have significant environmental impacts.

In this environmental impact assessment, the environmental impact is widely understood as defined in the section 2 of the SEA Act. In this context, an environmental impact refers to the direct and indirect impact of the regional development decision 1) on the economy, livelihoods and regional structure; 2) on people and communities; 3) on the environment and natural resources, and 4) on the interactions between the factors mentioned in paragraphs 1–3. The cross-cutting themes of the regional development decision are sustainable development and digitalisation. The aim is to increase the impact and effectiveness of regional development measures in accordance with the principles of sustainable development.

In the preparation of the regional development decision, environmental aspects as part of sustainable development were taken into account as a principle cutting through the entire process. An assessment report on the environmental impacts of the decision was drawn up at the final stage of preparing the decision based on the strategic measures determined in the decision. Taking environmental aspects constantly into account as part of sustainable growth will be key in the preparation and implementation of an action plan to be drawn up later for the regional development decision.

The themes and strategic measures of the regional development decision are organised into six entities:

1. Mitigating climate change and safeguarding biodiversity
2. Building sustainable communities with good connections
3. Innovating business life and accelerating R&D&I
4. Making skills and education a resource for regional development
5. Increasing inclusion and wellbeing and preventing inequality
6. Operating model for regional development

The environmental impacts of the strategic focal points were assessed through these six entities. Overall, it can be noted that when implemented, the strategic focal points of the decision will have a positive impact on people and communities. Many of the focal points will have positive impacts from the perspective of the environment and natural resources. From a viewpoint of the economy, livelihoods and the regional

structure, the environmental impacts are also partly negative. Many of the focal points focus on developing operating approaches, cooperation and structures, increasing and utilising knowledge, and exchanging experiences. As a result, they do not cause direct environmental impacts and, instead, indirectly promote people's living conditions and wellbeing, sustainable activities in society, nature and the cultural environment, and the growth of human and social capital.

Impact assessment of the Government's regional development priorities in 2020–2023

The priorities and objectives of the strategy.

Green = very positive (++) Pale green = quite positive (+) Purple = positive and negative (+/-) Grey = no impact (0)

Priority: Climate change and biodiversity	Strengthening regional development efforts to mitigate climate change	Taking the impacts of climate change into account at national and regional levels	Halting biodiversity loss	Including the assessment of climate impacts in regional development		
Economy, industries and regional structure	+/-	+	+/-	-/+		
Citizens and communities	+	++	++	+		
Environment and natural resources	+	++	++	++		
Building sustainable communities with good connections	Strengthening a multi-centre regional structure and improving accessibility	Developing growth zones	Improving communication links	Developing cities and regions sustainably	Strengthening interaction between cities, rural areas and the archipelago	
Economy, industries and regional structure	++	++	++	+	+	
Citizens and communities	++	++	++	++	++	
Environment and natural resources	+	+	+	++	+	
Priority: Business life and R&D&I	Strengthening innovation ecosystems and clusters	Business services form a seamless entity	Reforming industries through digitalisation and creative competence	Creating new business through energy, climate and environmental policy		
Economy, industries and regional structure	++	++	++	++		
Citizens and communities	+/-	+	+/-	+		
Environment and natural resources	+/-	0	+	+		

Priority: Competence and education	Increasing employment rate in all regions	Ensuring the availability of competent labour force	Laying the foundation for wellbeing and sustainable development through education and competence	Improving the regional accessibility of higher education institutions	Attracting foreign experts to Finland	
Economy, industries and regional structure	++	++	++	++	++	
Citizens and communities	++	++	++	++	++	
Environment and natural resources	0	0	+	+	0	
Inclusion and the prevention of inequality	Multidisciplinary cooperation reduces inequality	Identifying the effect of change factors as a source of inequality and intervening in these	Strengthening the partnership between public and other sectors	Promoting the inclusion of different population groups	Promoting early intervention and good relationships between population groups	Creating sustainable well-being by strengthening cultural services
Economy, industries and regional structure	+	+/-	+	+	+	+
Citizens and communities	++	++	++	++	++	++
Environment and natural resources	0	+	0	0	0	
Operating model for regional development	Strengthening knowledge base	Interaction and partnership				
Impact of regional development	+	++				

To ensure accessibility, the results of the impact assessment table have also been given in writing.

1. Mitigating climate change and safeguarding biodiversity

The topics discussed in this priority include strengthening regional development measures affecting climate change mitigation, taking the impacts of climate change into account at the national and regional level, halting biodiversity loss and including climate impact assessments as part of regional development. The main objective of the priority is the introduction of new operating models in line with sustainable development.

The main impacts concern the environment and natural resources and are positive. The impacts on people and communities are either quite positive or very positive. By contrast, the effects on the economy, business and regional structure can be both positive and negative.

2. Building sustainable communities with good connections

The topics discussed in this priority include strengthening the polycentric regional structure and improving accessibility, developing growth zones, improving communication links, supporting the sustainable development of cities and regions, and strengthening interaction between cities, rural areas and the archipelago. The key objective of the priority is to support sustainable regional and community development.

All environmental impacts of this priority are either quite positive or very positive. Strengthening the regional structure and improving accessibility have a positive impact on people's living conditions and health. The development of communication links enables people to manage their issue electronically, which reduces the need for mobility. The preparation of the National Transport System Plan takes different modes of transport into account, which strengthens a comprehensive and systematic approach to organising transport services.

3. Innovating business life and accelerating R&D&I

The topics discussed in this priority include the renewal and sustainable growth of business life, ecosystem-based R&D&I activities and operating models that encourage cooperation, the promotion of entrepreneurship, international highly competent workers and public procurement. The key objective of the focus is to make use of the resources of different regions.

The main impacts concern the economy and industries, but some also affect employment. Economic growth may have both positive and negative impacts on the environment and natural resources. Climate, energy and environmental policy can be used to positively influence the development of the environment and also open up new opportunities for innovation-based business. The objective of sustainable growth is to minimise negative impacts on the environment. The renewal of business life through strengthening digitalisation and other intangible value creation can reduce the harmful environmental impacts of business activities. While business services are used to support the growth and renewal of companies, they also support the continuous learning of people.

4. Making skills and education a resource for regional development

The topics discussed in this priority include increasing the employment rate, securing the availability of skilled labour, the importance of education and competence for wellbeing and sustainable development, improving the regional accessibility of higher education institutions and attracting foreign experts to Finland. The main objective of the priority is to increase the employment rate and the level of education and competence.

The main impacts on people and communities as well as the economy and livelihoods are very positive. The impacts on the environment and natural resources are quite positive in terms of education and competence and the regional accessibility of higher education institutions, while other aspects are not expected to have environmental impacts.

5. Increasing inclusion and wellbeing and preventing inequality

The topics discussed in this priority include reducing inequality through multidisciplinary cooperation, identifying and intervening in the unequal impact of change factors, strengthening the partnership between public and other sectors, promoting the inclusion of different population groups, promoting early intervention and good relations between population groups, and creating sustainable wellbeing by strengthening cultural services. The key objective of the priority is to ensure the preconditions for a good life.

The main impacts on people and communities are expected to be very positive. The environmental impacts on the economy, business and regional structure are expected to be fairly positive. The environmental impacts on the environment and natural resources are assessed to be only quite positive in identifying and intervening in the impact of change factors as a source of inequality.

6. Operating model for regional development

The aim of renewing the operating model for regional development is to strengthen a systematic and effective approach. The cross-administrative operating model strengthens interaction and partnership between central government and the counties as well as a common knowledge base. In this assessment, the operating model is assessed through its effectiveness. The impact is assessed to be very positive in the area of interaction and partnership, and quite positive in the area of strengthening the knowledge base.

The regional development decision 2020–2023

Sustainable and vital regions

The regional development decision 2020–2023 establishes the priorities within the Government’s remit to be observed during Prime Minister Sanna Marin’s term of office, and objectives at the central government level to which the ministries have committed. The regional development decision steers the development of the different administrative branches and regions, and the coordination of these measures.

The aims and measures of regional policy, which is based on regional strengths and balanced regional development, are linked to the Government Programme. A dynamic, thriving and socially strong Finland will be built on the combined successes of the Greater Helsinki region, growing city regions, sub-regions and rural areas alike. Cross-cutting themes are sustainable development and digitalisation. The regional development approach referred to in the Government Programme is a regional or theme based framework of activities that corresponds to the specific characteristics of each region, devised through partnership and agreement.

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