

# Government report on changes in the security environment

PUBLICATIONS OF THE FINNISH GOVERNMENT 2022:20

[vn.fi/en](https://vn.fi/en)



FINNISH  
GOVERNMENT

Publications of the Finnish Government 2022:20

# Government report on changes in the security environment

Finnish Government Helsinki 2022

**Publication sale**

**Online bookstore  
of the Finnish  
Government**

[vnjulkaisumyynti.fi](http://vnjulkaisumyynti.fi)

**Publication distribution**

**Institutional Repository  
for the Government  
of Finland Valto**

[julkaisut.valtioneuvosto.fi](http://julkaisut.valtioneuvosto.fi)

Finnish Government  
Ministry for Foreign Affairs of Finland

This publication is copyrighted. You may download, display and print it for Your own personal use.  
Commercial use is prohibited.

ISBN pdf: 978-952-383-811-6  
ISSN pdf: 2490-0966

ISBN printed: 978-952-383-586-3  
ISSN printed: 2490-0613

Layout: Government Administration Department, Publications

Helsinki 2022 Finland

Printed by: PunaMusta Oy, 2022



## Government report on changes in the security environment

---

### Publications of the Finnish Government 2022:20

**Publisher** Finnish Government

---

**Group author** Ministry for Foreign Affairs of Finland

**Language** English

**Pages**

51

---

### Abstract

Following Russia's invasion of Ukraine, a fundamental change has taken place in the security and operating environment of Finland and Europe. This Government report to Parliament assesses changes in the operating and security environment and the effects of the changed security situation on the economy, resilience, security of supply, internal security, cyber security, hybrid influence activities and critical infrastructure.

The report complements the Government Report on Finnish Foreign and Security Policy, Government Defence Report, Government Report on Internal Security, and Government Report on EU Policy. Maintaining national room to manoeuvre and freedom of choice remain integral parts of Finland's foreign, security and defence policy. Finland retains the option of joining a military alliance and applying for NATO membership. Finland conducts its human rights-based foreign and security policy consistently and emphasises the importance of the international rules-based order and compliance with international law.

The report examines the development of national defence capability, the European Union as a security policy actor and closer bilateral cooperation with Sweden, Norway, other Nordic countries, the United States and the United Kingdom, and multilateral defence cooperation initiatives. Closer cooperation with NATO and the effects of Finland's possible NATO membership are also assessed.

In response to the changed security situation, Finland will continue active and proactive diplomacy, strengthen its defence capability and intensify cooperation with key partners. The importance to Finland's security of maintaining resilience in society, national defence and internal security is highlighted.

Page 18 was updated on 2 May 2022 and this version replaces the previous one published on 13 April 2022. The word "impartiality" has been replaced with "neutrality".

**Keywords** foreign policy, security policy, defence policy, report, security of supply, internal security, cyber security, hybrid influence activities, critical infrastructure, resilience, civil defence, economy

---

**ISBN PDF** 978-952-383-811-6

**ISSN PDF** 2490-0966

**ISBN printed** 978-952-383-586-3

**ISSN printed** 2490-0613

---

**URN address** <https://urn.fi/URN:ISBN:978-952-383-811-6>

---

## Ajankohtaiselonteko turvallisuusympäristön muutoksesta

### Valtioneuvoston julkaisu 2022:20

**Julkaisija** Valtioneuvosto

**Yhteisötekijä** Ulkoministeriö

**Kieli** englanti

**Sivumäärä**

51

### Tiivistelmä

Suomen ja Euroopan turvallisuus- ja toimintaympäristössä on tapahtunut perustavanlaatuinen muutos Venäjän hyökättyä Ukraina. Selonteossa arvioidaan Venäjän hyökkäyksen aiheuttaman ulko- ja turvallisuuspoliittisen toimintaympäristön muutosta ja sen vaikutuksia Suomelle. Samoin arvioidaan muuttuneen turvallisuustilanteen vaikutuksia sekä Suomen kokonaisvaltaista varautumista talouteen, kriisinsietokykyyn, huoltovarmuuteen, sisäiseen turvallisuuteen, kyberturvallisuuteen, hybridi-vaikuttamiseen ja kriittiseen infrastruktuuriin kokonaisturvallisuuden mallin mukaisesti.

Selonteko täydentää valtioneuvoston ulko- ja turvallisuuspoliittista selontekoa, puolustuselontekoa, selontekoa sisäistä turvallisuudesta sekä valtioneuvoston selontekoa EU-politiikasta. Suomen ulko-, turvallisuus- ja puolustuspolitiikan perustana pysyy kansallisen liikkumatilan ja valintamahdollisuuksien ylläpitäminen. Suomi säilyttää mahdollisuuden liittoutua sotilaallisesti ja hakea Nato-jäsenyyttä. Suomi jatkaa johdonmukaisesti ihmisoikeusperustaista ulko- ja turvallisuuspolitiikkaa ja korostaa kansainvälisen sääntöpohjaisen järjestelmän tärkeyttä ja kansainvälisen oikeuden noudattamista.

Selonteossa tarkastellaan toimia kansallisen puolustuskyvyn kehittämiseksi, EU:n roolia turvallisuuspoliittisena toimijana sekä kahdenvälisen yhteistyön tiivistämistä Ruotsin, Norjan ja muiden Pohjoismaiden, Yhdysvaltojen ja Iso-Britannian sekä monenvälisen puolustusyhteistyökumppanien kanssa. Selonteossa arvioidaan myös yhteistyön tiivistämistä Naton kanssa sekä mahdollisen Nato-jäsenyyden vaikutuksia.

Vastauksena muuttuneeseen turvallisuustilanteeseen Suomi jatkaa aktiivista ja ennakoivaa diplomatiaa, vahvistaa puolustuskykyään sekä tiivistää yhteistyötä keskeisten kumppanien kanssa. Yhteiskunnan kriisinsietokyvyn, kansallisen puolustuskyvyn ja sisäisen turvallisuuden ylläpitämisen merkitys Suomen turvallisuudelle korostuu.

Sivua 18 on päivitetty 2.5.2022 ja aineisto korvaa aikaisemmin, 13.4.2022 julkaistun version. Sana "impartiality" on muutettu muotoon "neutrality".

### Asiasanat

ulkopolitiikka, turvallisuuspolitiikka, puolustuspolitiikka, selonteko, huoltovarmuus, sisäinen turvallisuus, kyberturvallisuus, hybridi-vaikuttaminen, kriittinen infrastruktuuri, kriisinsietokyky, väestönsuojelu, talous

**ISBN PDF** 978-952-383-811-6

**ISBN painettu** 978-952-383-586-3

**ISSN PDF** 2490-0966

**ISSN painettu** 2490-0613

**Julkaisun osoite** <https://urn.fi/URN:ISBN:978-952-383-811-6>

## Redogörelse om förändringarna i den säkerhetspolitiska miljön

### Statsrådets publikationer 2022:20

**Utgivare** Statsrådet

**Utarbetad av** Utrikesministeriet

**Språk** engelska

**Sidantal**

51

### Referat

Rysslands invasion av Ukraina har inneburit en grundläggande förändring i Finlands och Europas omvärld och säkerhetspolitiska miljö. I statsrådets redogörelse till riksdagen granskas förändringarna i Finlands omvärld och säkerhet och hur det förändrade säkerhetsläget påverkar ekonomin, resiliensen, försörjningsberedskapen, den inre säkerheten, cybersäkerheten, hybridpåverkan och den kritiska infrastrukturen.

Redogörelsen kompletterar statsrådets utrikes- och säkerhetspolitiska redogörelse, försvarsredogörelse, redogörelsen om den inre säkerheten och redogörelsen om EU-politiken. Till grunderna för Finlands utrikespolitik, säkerhets- och försvarspolitik hör även i fortsättningen en nationell rörelsefrihet och valmöjligheter. Finland bevarar möjligheten att alliera sig militärt och ansöka om medlemskap i Nato. Finland fortsätter konsekvent bedriva sin utrikes- och säkerhetspolitik med rättighetsperspektiv och framhåller betydelsen av en regelbaserad internationell ordning och respekt för internationell rätt.

I redogörelsen utreds olika åtgärder för att utveckla den nationella försvarsförmågan, EU:s roll som säkerhetspolitisk aktör samt möjligheterna att fördjupa det bilaterala samarbetet med Sverige, Norge och de andra nordiska länderna och med USA och Storbritannien samt försvarssamarbetet med multilaterala partner. I redogörelsen görs också en bedömning av ett intensifierat samarbete med Nato samt av konsekvenserna av ett eventuellt Natomedlemskap.

Som en reaktion på det förändrade säkerhetsläget fortsätter Finland bedriva en aktiv och förutseende diplomati samtidigt som landet stärker sin försvarsförmåga och fördjupar sitt samarbete med sina centrala partner. Upprätthållandet av samhällets resiliens, den nationella försvarsförmågan och den inre säkerheten får ökad betydelse för säkerheten i Finland.

Sidan 18 har uppdaterats 2.5.2, och materialet ersätter den version som publicerats 13.4.2022. Ordet "impartiality" har ändrats till "neutrality".

### Nyckelord

utrikespolitik, säkerhetspolitik, försvarspolitik, redogörelser, försörjningsberedskap, inre säkerhet, cybersäkerhet, hybridpåverkan, kritisk infrastruktur, resiliens, befolkningskydd, ekonomi

**ISBN PDF** 978-952-383-811-6

**ISSN PDF** 2490-0966

**ISBN tryckt** 978-952-383-586-3

**ISSN tryckt** 2490-0613

**URN-adress** <https://urn.fi/URN:ISBN:978-952-383-811-6>

# Contents

<b>1</b>	<b>Introduction</b> .....	7
<b>2</b>	<b>Security policy environment and strengthening Finland's security</b> .....	8
2.1	Changes in the operating environment .....	8
2.1.1	Russia's actions and their consequences .....	8
2.1.2	Reactions of the international community .....	11
2.1.3	2.1.3. Multilateral cooperation .....	12
2.2	Strengthening foreign, security and defence policy .....	14
2.2.1	Maintaining and developing national defence capability .....	15
2.2.2	European Union as a foreign, security and defence policy actor .....	18
2.2.3	Closer cooperation with Sweden, Norway and other Nordic countries .....	20
2.2.4	Closer cooperation with the United States .....	22
2.2.5	Closer cooperation with the United Kingdom .....	23
2.2.6	Strengthening multilateral defence cooperation initiatives .....	24
2.2.7	Closer cooperation with NATO .....	24
2.2.8	Assessment of the effects of Finland's possible NATO membership .....	26
<b>3</b>	<b>Strengthening resilience</b> .....	30
3.1	Countering governmental hybrid threats and influence activities .....	30
3.1.1	Combating information influence activities .....	31
3.1.2	Instrumentalisation of migration and updating the Emergency Powers Act .....	32
3.2	Cyber security .....	33
3.2.1	National cyber security and cyber defence .....	33
3.2.2	EU and international cooperation in cyber security .....	35
3.3	Effects on internal security and border security .....	36
3.4	Psychological resilience .....	37
3.5	Civil defence .....	38
<b>4</b>	<b>Economic impact and preparedness</b> .....	40
4.1	Effects on the economy, business and industry, and companies .....	40
4.2	Cooperation in security of supply, military security of supply and preparedness ..	43
4.3	Effects on central government, local government and wellbeing services counties .....	45
4.3.1	Reception of people fleeing Ukraine .....	45
4.3.2	Effects on local government and wellbeing services counties .....	46
4.3.3	Effects on the most critical functions in central government .....	47
<b>5</b>	<b>Critical infrastructure protection</b> .....	48
5.1	Foreign corporate acquisitions .....	48
5.2	Supervision of and requirement for special permission for real estate acquisitions .....	49
	<b>Annex 1 Main stages of accession to the North Atlantic Treaty, i.e. the Washington Treaty</b> .....	50
	<b>Annex 2 The stages of Finland's possible NATO accession process</b> .....	51

# 1 Introduction

Following Russia's invasion of Ukraine, a fundamental change has taken place in the security and operating environment of Finland and Europe. This Government report to Parliament assesses changes in the operating and security environment and the effects of the changed security situation on the economy, resilience, security of supply, internal security, cyber security, hybrid influence activities and critical infrastructure.

The report supplements the Government Report on Finnish Foreign and Security Policy (Publications of the Finnish Government 2020: 30), Government Defence Report (Publications of the Finnish Government 2021: 78), Government Report on Internal Security (Publications of the Finnish Government 2021: 48) and Government Report on EU Policy (Publications of the Finnish Government 2021: 4).

Matters relating to the need for financial resources will be processed and decided on in connection with the ordinary preparation of the central government spending limits in the national Budget and in the General Government Fiscal Plan, reconciling them with other general government expenditure needs.



## 2 Security policy environment and strengthening Finland's security

### 2.1 Changes in the operating environment

#### 2.1.1 Russia's actions and their consequences

The war started by Russia jeopardises the security and stability of the whole of Europe. Russia's declared goal is to change the European security order. The demands presented by Russia in December 2021 were similar to those it has presented earlier. Russia demands that NATO and the United States refrain from further NATO enlargement, establishment of military bases in the former Soviet territory and deployment of weapons systems in NATO member countries that joined NATO after 1997. Russia's demands that seek to restrict the freedom of sovereign states in their choices in foreign and security policy cannot be accepted.

On 24 February 2022, at the orders of President Putin, Russia launched a direct military offensive against Ukraine. The offensive blatantly violates international law. Russia's actions violate the United Nations Charter, the Organization for Security and Co-operation in Europe (OSCE) Helsinki Final Act, the OSCE Paris Charter and the Budapest Document of 1994. Russia is committed to all these documents. The aggression violates Ukraine's sovereignty and territorial integrity and poses a serious threat to international peace and security.

Russia was preparing for a large-scale use of military force against Ukraine last year by concentrating and deploying troops, materiel and equipment, and conducting exercises and using other means of military pressure. Preparations for military aggression were preceded by the illegal annexation of Crimea and the use of clandestine military force in Southeast Ukraine for several years, as well as hybrid influence activities. Russia has targeted cyber operations at Ukraine for a long time, including the use of spyware, disruptions in the electricity grid and denial-of-service attacks. Russia also paved the way for its invasion by means of sustained information campaigns against Ukraine and the West. The aim was to shape public opinion through threat scenarios and historico-political narrative. Russia did not achieve its objectives with these means and launched a full-scale military offensive against Ukraine on several fronts.

The Russian invasion has united Ukrainians and strengthened national identity. NATO membership is a goal enshrined in Ukraine's constitution. However, in the peace negotiations, Ukraine has expressed that it is prepared, in exchange for international security guarantees, to no longer press for NATO membership. Ukraine has also submitted its application for EU membership, and it is likely that closer links with the European Union will gain more weight than before. The European Council has confirmed Ukraine's European aspirations and choices.

Russia's objective is to question Ukraine's sovereignty and to put a stop to Ukraine's integration efforts with the West as well as to the strengthening of its rule of law.

Russia's aggression has led to a large-scale humanitarian emergency and a migration crisis. The number of internally displaced people and people fleeing Ukraine has risen to millions.

Belarus's independent room for manoeuvre is very limited. Russia has used Belarusian territory to carry out its aggression against Ukraine, which makes Belarus complicit to the act of aggression. The situation may also lead to a permanent presence of the Russian Armed Forces in Belarus. In the second half of 2021, Belarus used migrants to pursue its political objectives at the borders with Poland, Lithuania and Latvia. The EU strongly condemned the hybrid activities carried out by Belarus.

Russia aims to increase its influence in the territory of the former Soviet Union. Russia's aggression against Ukraine has further destabilised the situation in the EU's eastern neighbourhood. Russia's aggression against Ukraine is a continuation of its actions in Georgia in 2008 and in Crimea and in Eastern Ukraine since 2014, but the scale of the aggression is clearly larger than before. The war against Ukraine shows even more clearly that the use of force is a key part of Russia's range of instruments and that it is ready to use extensive military force against civilian targets to pursue its political goals. Russia has shown that it can also use chemical weapons.

The UN Charter prohibits all forms of threat of force. Russia has stated that it could use nuclear weapons in a situation where it feels that its existence is threatened. Since the start of the war of aggression against Ukraine, Russia has repeatedly highlighted its preparedness to use nuclear weapons. By using threatening rhetoric on nuclear weapons, Russia is seeking to prevent foreign countries from interfering with its actions. This is in conflict with the Joint Statement by the Five Nuclear-Weapon States, including Russia, in January 2022, which states that nuclear weapons should serve only defensive purposes and that a nuclear war cannot be won and must never be fought.

As a society, Russia has become even more closed. Freedom of expression and civil society activities are being restricted ever more harshly. A prison sentence of up to 15 years may be imposed for criticism of military actions. Independent media has been suppressed and misinformation and disinformation is circulating widely. The increasingly more oppressive internal atmosphere in Russia has led to an increase in emigration, and educated Russian nationals, in particular, are leaving the country.

The Russian invasion of Ukraine has long-term effects on the security environment in Europe and Finland's neighbouring areas. Russia has shown that it does not respect the sovereignty and territorial integrity of states, and it has violated the UN Charter and breached the European security order.

The security situation in Europe and in Finland is more serious and more difficult to predict than at any time since the Cold War. The change in the security situation is expected to be long-lasting. Russia's demands and military actions that purport to change the European security architecture also affect Finland's room for manoeuvre in foreign, security and defence policy.

Increased tensions also undermine the security situation and its predictability in the Baltic Sea region. A possible pan-European military conflict or a military conflict in the Baltic Sea region would affect Finland, and it would be difficult for Finland to remain outside such a conflict.

The military situation in Finland's neighbouring areas is currently calm, and Finland is not facing an immediate military threat. However, Finland must be prepared for the use or the threat of use of military force against it as well as political pressure. Finland is also preparing for the contingency that military force might be used solely against Finland. The military actions against Ukraine show that a high level of readiness, the ability to counter sustained military pressure and the ability to repel large-scale offensive operations on several simultaneous fronts are important.

Russia has announced that it has added Finland and all other EU Member States to the list of "unfriendly countries". Russia's invasion of Ukraine has wide-ranging effects on the bilateral relations and cooperation between Finland and Russia. However, efforts have been made in bilateral relations to maintain the necessary channels for cooperation related to matters such as border security, crime prevention, migration issues, transport and security of supply in accordance with the sanctions.

Confidence in Russia also as a trading partner has deteriorated dramatically. Russia's actions have shown the confines of a policy of interdependence based on economic and other interaction. The sanctions imposed by the EU will have long-term effects on the Russian economy and the standard of living of its citizens. The implementation of sanctions may also increase tensions bilaterally.

The war that Russia started in Ukraine will affect the security of Europe and Finland both in the short and long term. The active security policy debate in Finland is likely to be reflected in Russia's attempts to exert influence. It is also likely that cyber operations and information operations against Finland will increase in the coming months. The threshold for externally exerting influence on Finnish society will be heightened by means of preparedness in different administrative branches in line with the model for comprehensive security and by means of citizens' resilience to crisis.

## 2.1.2 Reactions of the international community

The international community has strongly and widely condemned Russia's aggression. Within a short period of time, the European Union, the United States, the United Kingdom and several other countries have imposed extensive sanctions against Russia, which isolate Russia economically and have major consequences for the country's economy. Sanctions have also been imposed against Belarus. Close transatlantic and international cooperation strengthens the impact of sanctions. Maintaining unity is important.

The European Union has condemned Russia's aggression and reacted exceptionally swiftly, consistently and efficiently. The sanctions imposed by the EU on Russia are unprecedented and widely affect many sectors and people involved in decision-making. As part of the sanctions, EU Member States have closed their airspace to Russian and Belarusian aircraft. The EU is also prepared to broaden sanctions if necessary. In addition, the EU has decided to deliver defence materiel to Ukraine. The EU is reducing its dependence on Russian energy and other products. It is important to continue people-to-people contacts.

Many European countries have reassessed their foreign and security policies. Germany's decision to deliver defence materiel to Ukraine and the proposal to increase the defence budget mark a shift in the country's long-term policy and a significant change on the European level. Denmark is planning to abandon the opt-out clause on the European Union's Common Security and Defence Policy and to hold a referendum on the matter in June.

Sweden has initiated a debate between the parliamentary parties on the security situation. Sweden will prepare a parliamentary report by the end of May, assessing the impact of the changes in the security environment on Sweden's security policy. The Swedish Government has announced that it will strengthen its total defence by speeding up reforms and strive to raise defence appropriations to 2 per cent of GDP. Support for NATO membership has risen significantly in both Sweden and Finland. In Finland, citizens' initiatives to join NATO have been submitted to Parliament.

The Russian aggression has further strengthened NATO's role as a defence alliance, and unity within the alliance has been maintained. NATO has strengthened the defence of the eastern member countries, continued its support to Ukraine, worked in close cooperation with the EU, and actively consulted other key partners. Cooperation between the EU and NATO has intensified. NATO's collective defence will also be strengthened in the long term. The Alliance is also developing its response to hybrid and cyber threats, and supports the member countries in improving their resilience. NATO has strengthened its political role in defending the rules-based international order and the principles of European security. It is essential for NATO to avoid becoming a direct party to the military conflict. The Alliance has consistently pointed out that it will not send troops to support Ukraine.

Russia's invasion of Ukraine also has an effect on the relations between the great powers. China has not condemned Russia's aggression despite the fact that Russia has breached principles that China deems important, namely sovereignty and territorial integrity. China and Russia share the objective of diminishing the leading role of the United States and of shaping the international order from their own premises. Russia's actions have put China in a difficult situation, one in which it will also have to find its stance as a permanent member of the UN Security Council. The stance that China adopts in relation to the war started by Russia will affect China's international position, and there is a risk that the existing divisions will deepen further. China aims, in particular, to seek support for its own policies in the global South.

### 2.1.3 Multilateral cooperation

The aggression by Russia, a permanent member of the UN Security Council, is a blatant violation of international law and an assault against the multilateral rules-based order. The UN Charter prohibits the use of force or the threat thereof against the territorial integrity or political independence of any state. Through its actions, Russia has also shown serious disregard for international humanitarian law.

The war against Ukraine is also an assault against democracy, the rule of law and the universality of human rights. As a result of Russia's war of aggression, many human rights, including the right to life and the right to water, food and housing, cannot be ensured in Ukraine. The most vulnerable groups are the ones who are hardest hit by war.

Due to the use of Russia's right of veto, the UN Security Council, which is responsible for maintaining international peace and security, has been unable to make decisions related to Ukraine. The UN General Assembly, on the other hand, has issued a strong message condemning Russia's aggression. A resolution stating that Russia's actions violate the sovereignty and territorial integrity of Ukraine was supported by 141 UN Member States. It is important to maintain this broad support for Ukraine.

In international relations, trust in Russia has collapsed. International organisations have responded strongly to Russia's aggression, and regional and multilateral cooperation with Russia has been cut back. The United Nations Human Rights Council (UNHRC) adopted a resolution that strongly condemns violations of human rights and humanitarian law in Ukraine caused by the aggression. UNHRC also decided to set up a Commission of Inquiry to investigate violations. The OSCE also launched its human rights mechanism to gather information on violations and possible war crimes and crimes against humanity. The UN General Assembly decided to suspend Russia's membership of the UN Human Rights Council. The Council of Europe has unanimously decided on the cessation of Russia's membership. Finland has supported all these decisions. Russia's actions have intensified cooperation between those states that defend the universality of human rights and democracy.

Intergovernmental regional cooperation, including within the framework of the Arctic Council, the Barents Euro-Arctic Council and the EU Northern Dimension, has been suspended and the content of the cooperation is now being reassessed. From Finland's perspective, however, it is important to maintain these collaborative structures.

Russia's demands to change the European security order challenge the basic principles of the OSCE and have undermined its activities. This also has a bearing on Finland's preparations for the OSCE Chairmanship in 2025. In the longer term, we need to prepare for a discussion on the European security order.

The international community aims to hold Russia and its representatives accountable for the consequences and effects of the illegal war of aggression through different courts and mechanisms. New ways for ensuring accountability are being explored. Deliberately targeting military operations at civilians and civilian targets is a war crime, according to international humanitarian law. War crimes must be investigated and those responsible must be brought to justice. The International Criminal Court (ICC) has launched an

investigation into the situation in Ukraine, which Finland supports. Russia's human rights violations in Ukraine is adding to the pressure for a stronger response from the international community.

The effects of Russia's war of aggression are reflected not only in security but also widely in global developments, in achieving sustainable development goals, and in regional crises. The need for humanitarian assistance will increase further in Ukraine and its neighbouring countries and more broadly as a result of rising food and energy prices, for example. World market prices for cereals have risen sharply as a result of the war, and it is feared that export restrictions will further accelerate the price hike. Fragile and developing countries and countries where humanitarian needs are already high are the ones being affected the most. It is expected that this will result in increased migration.

Russia's invasion of Ukraine hinders progress in arms control. The United States has suspended the United States–Russia Strategic Stability Dialogue related to nuclear weapons. The International Atomic Energy Agency (IAEA) has expressed its concern over the safety of the nuclear power plants of Zaporizhzhia and Chernobyl in Ukraine located in areas where Russian aggression is taking place. These developments highlight the importance of arms control treaties, such as the Nuclear Non-Proliferation Treaty.

## 2.2 Strengthening foreign, security and defence policy

Maintaining a national room to manoeuvre and freedom of choice are integral parts of Finland's foreign, security and defence policy. This retains the option of joining a military alliance and applying for NATO membership. The decisions are always considered in real time, taking account of the changes in the international security environment. Interoperability achieved through cooperation ensures the elimination of any practical impediments arising to a potential membership.

Finland's foreign and security policy and active and proactive diplomacy strengthen security in Finland and our neighbouring areas both through national measures and international cooperation. As the war is ongoing in Ukraine, it is difficult to assess all its effects. In response to the changed security situation, Finland will in any case have to strengthen its security and defence capability and intensify long-term cooperation with key partners. The emphasis is on ensuring security, sovereign decision-making, room for manoeuvre and society's capacity to function. Finland makes its foreign and security policy decisions independently.

Finland examines security from a broad perspective. Finland conducts its human rights-based foreign and security policy consistently and emphasises the importance of the international rules-based order and compliance with international law. Through proactive diplomacy, for which sufficient resources must be secured, Finland must prepare for and respond to changes in foreign and security policy.

Finland will continue its support for negotiations between Ukraine and Russia for achieving peace. In addition to high-level contacts, the promotion of dialogue at other levels will continue. International support for Ukraine strengthens its negotiating position. Ukraine has proposed that security guarantee arrangements be part of a possible solution to the negotiations. Achieving sustainable peace requires a negotiated solution that is approved by the parties.

### **2.2.1 Maintaining and developing national defence capability**

Finland's defence capability has been developed on a long-term, systematic and comprehensive basis. Russia's invasion of Ukraine has, for its part, proved that the basis on which we have developed our defence capabilities is right. Russia's large-scale aggression highlights the necessity of a credible defence capability in a situation where military aggression would have to be repelled by national forces, at least initially.

Finland will defend its territory, citizens and society with all available resources. The primary goal of maintaining defence capability is to deter the use of military force or the threats of using military force. In addition to monitoring and safeguarding Finland's territorial integrity and ensuring continued preparedness, preparations must be made for a situation similar to the ongoing war in Ukraine where the scale, duration and multidimensional nature of the crisis pose a greater challenge to the defence capability than previously estimated.

By allocating additional resources to defence, Finland's defence capability will be developed on an accelerated timetable to meet the increased demands of the operating environment. A credible defence capability requires up-to-date and usable defence materiel that meets the battlefield requirements, sufficient reserves of munitions and spare parts, sufficient competence of the Defence Forces personnel and reservists, and the strong will of the entire nation to defend the country.

The Defence Forces will immediately launch the procurement process for additional defence materiel. This will supplement the shortcomings that have formed over a longer period of time and respond to the changes in the operating environment brought about



by the war in Ukraine. As the availability of critical materiel is uncertain in emergencies, the storage volumes of munitions in particular will be increased. The Defence Forces' production of explosives will also be developed.

As of 2022, the number of reservists participating in refresher training will be increased. In this way Finland will respond to the demands of the security environment and the temporarily reduced number of refresher exercises caused by the pandemic. The number of reservists participating in refresher training will be raised above the level stated in the Government Programme. Refresher training improves, in particular, the readiness to establish wartime troops, the command of combat troops and use of fires, and the interoperability of different branches. Operational troops, local troops undergoing reform and Border Guard troops will be called to refresher training.

In the changed operating environment, the importance of the Border Guard in the surveillance and safeguarding of territorial integrity and national defence tasks is emphasised. The military capability of the Border Guard and border troops will be improved.

Voluntary national defence will be strengthened as part of the development of local defence and the training of reserves. The efficiency of the National Defence Training Association's activities will be increased in 2022 by doubling the number of training days, by developing the conditions for firearms training and by launching a legislative reform. At the same time, the opportunities for citizens to participate in national defence will be improved and the use of reservist trainers in the Defence Forces' voluntary exercises and refresher training will be increased. The operational partnership between the Defence Forces and the National Defence Training Association will be deepened in the 2023–2026 spending limits period to meet the demands created by incidents during normal conditions and emergencies.

The number of personnel in the Defence Forces will be increased. The increase in the number of personnel by 500 person-years, as outlined in the Government's Defence Report, will be accelerated. The number of contractual military personnel will also be increased. The number of the Border Guard personnel will be increased to the level of 3,000 person-years in accordance with the Government Report on Internal Security. These measures will be taken immediately. The Defence Forces will map the additional personnel needs arising from the changed security situation.

Official responsibilities and powers related to cyber defence will be clarified. Structures for exchange of information and cooperation in cross-governmental activities related to cyber defence will be defined and built.

Finland needs a strong national defence capability in all situations and in all security policy solutions. The Defence Forces is already carrying out extensive strategic capability projects on naval and air defence that will have an impact on the entire defence system. The reform of land defence has already been launched, among other things, by developing local defence, which will be implemented in a way that secures the capabilities and capacity for action of the troops. This will lay the foundation for a more extensive reform that has been envisaged for land defence. The grave deterioration of the security situation and the possible continuation of the situation highlight the need to accelerate the reform.

As a result of the changes in the operating environment, defence cooperation has in recent years focused more strongly on issues in neighbouring areas related to the security situation, evolving threat environments, military capabilities, situation awareness and cooperation in crisis situations. Regular and diverse international exercises are an important part of cooperation. Defence cooperation is based on Finland's own national premises and shared interests.

In recent years, Finland's defence cooperation has been actively and systematically developed by building a bilateral and multilateral defence cooperation network that strengthens Finland's defence capability in a number of ways. It is key that through defence cooperation, Finland gains interoperability and support for developing our own capabilities and military security of supply. In the current security situation, the importance of defence cooperation has been further emphasised, especially in increasing Finland's situation awareness.

The development of defence cooperation will be pursued as outlined in the Government's Defence Report. One of the objectives of defence cooperation is to develop ability to act together with Finland's key partners including in times of crisis. This strengthens Finland's security and creates prerequisites for coordinating and combining activities, according to separate decisions. Military security of supply will also improve.

Defence cooperation with groups of countries and bilateral partners will be intensified. Cooperation increases the likelihood of receiving assistance in a crisis situation and raises the threshold for military action against Finland. The necessary legislative amendments required for cooperation will be prepared as part of amending the legislation on providing and receiving international assistance. The defence cooperation structures or arrangements in which Finland is involved are not a security solution similar to collective defence and do not include security guarantees or obligations. It must be possible to defend Finland using national capabilities.

The autonomous province of Åland has a recognised status under international law. This does not prevent Finland from deepening military cooperation with various actors. Finland is obliged to take necessary measures to ensure the neutrality of the Åland Islands. The Defence Forces is prepared to defend Åland. As a civilian authority, the Border Guard has continuous presence in Åland and is prepared for different contingencies. The Border Guard is able to increase its presence in the area quickly, if necessary.

Russia's invasion of Ukraine has not led to significant effects on military crisis management operations. Ukraine has repatriated some of its troops while Finland's participation in crisis management will continue at approximately the current level. The level of participation will be reassessed if tensions in Finland's neighbouring areas further increase.

## 2.2.2 European Union as a foreign, security and defence policy actor

The European Union is Finland's most important frame of reference, community of values and security community. Finland is responding to Russia's actions as part of the Union. Russia's actions have deeply damaged EU-Russia relations and made them even more difficult to manage.

The role of the EU as a foreign security and defence policy actor has strengthened during the war. The EU has shown considerable unity and, first and foremost, exercised economic power. Ukraine is the first country to which the EU decided to send arms assistance through the European Peace Facility. Member States that have supplied arms, ammunition, protective equipment and other materiel to Ukraine are entitled to apply for monetary compensation for this support from the Facility. The EU also supports Ukraine in many other ways, such as financially and by mitigating cyber threats. Moreover, EU Member States support Ukraine on a bilateral basis.

The EU has reacted strongly to the invasion of Ukraine, an EU Eastern Partnership country. If an EU Member State were attacked, the Union would react even more strongly. The more unified and stronger the EU is, the more secure is Finland's position.

Finland has emphasised the importance of mutual assistance and solidarity within the EU and is working actively to ensure that the EU's obligation to provide assistance is credible and effective. The Union's mutual assistance clause (Article 42(7) TEU) is intended to apply if a Member State is the victim of armed aggression on its territory. Finland is prepared to provide and receive assistance in accordance with the mutual assistance clause and solidarity clause (Article 222, TEU). According to the Treaty on European Union, each Member State is obligated to provide assistance. Requests for and provision of assistance are based on a national decision, and each Member State itself would determine what

kind of assistance – military or any other assistance – it would be willing and able to provide. Article 42(7) has been activated once, at the request of France after the terrorist attack in November 2015.

The EU plays an important role in providing the framework for European defence cooperation and as a comprehensive security actor. Twenty-one EU Member States have organised their defence through NATO and will continue to rely on NATO in terms of collective defence. The EU does not have joint command or force structures or military planning to defend the Member States. Creating overlapping structures within the European Union is not considered politically or financially feasible.

The EU is developing its partnership with NATO in an ambitious and pragmatic manner. The EU-NATO relationship is comprehensive, and the areas of cooperation include resilience, hybrid threats, space, maritime security, new technologies and military mobility.

Finland supports the strengthening of the EU security and defence policy in accordance with the Strategic Compass adopted in March 2022. The Strategic Compass is a comprehensive and concrete strategy for developing defence cooperation. It sets objectives for cooperation to enhance military capabilities, to strengthen resilience, to make the EU's rapid response and crisis management capabilities more effective, to improve military mobility and to enhance the EU common strategic culture and interoperability. The EU's rapid response capacity will be built up by 2025 so that the capabilities of the individual Member States will make it possible to form a rapid response capability consisting of up to 5,000 troops. In accordance with the Treaties, rapid response capabilities will only be used outside the EU borders. In the current security situation, the political will to promote the agreed areas of cooperation is strong. The Strategic Compass does not include proposals that would introduce a collective defence dimension into the European Union.

The EU has intensified its cooperation in defence issues since Russia's invasion of Ukraine. It is important for Finland that the EU now focuses not only on crisis management and training operations outside its territory but increasingly on supporting the defence of the Member States, developing military capabilities and the basis for European defence industries and technologies, and ensuring the security of citizens.

Permanent structured cooperation (PESCO) plays a key role in the EU's defence cooperation. Finland supports the development of permanent structured cooperation, implements the related commitments, and participates in cooperation projects. The European Defence Fund creates new opportunities for cooperation on research,

technologies and development between the Member States and their defence industries. Finland takes advantage of these opportunities when developing national capabilities and the industrial and technological basis for the national defence.

The EU is developing its defence industry cooperation, striving to reduce strategic dependencies and seeking solutions to questions of security of supply. Efforts are being made to develop capabilities comprehensively, including to counter cyber and hybrid threats. Alongside the joint development work, EU Member States are increasing their defence expenditure and investment in order to strengthen their defence capabilities in the short and the long term.

EU cooperation in border security management is being strengthened by means of participation in the activities of the European Border and Coast Guard and by increasing opportunities to also receive and use bilateral border management support at all borders.

### **2.2.3 Closer cooperation with Sweden, Norway and other Nordic countries**

Sweden is Finland's closest bilateral partner. Russia's invasion of Ukraine has further intensified and emphasised cooperation between Finland and Sweden, also in international contexts, and contacts are active at all levels. In recent years, Finland and Sweden have mainly advanced at the same pace in intensifying their partnership cooperation with NATO. The countries have given largely similar messages regarding the European security order.

Finland continues to deepen its foreign and security policy and defence cooperation with Sweden without predetermined restrictions, in accordance with the mutual Memorandum of Understanding on defence cooperation signed in 2018.

Joint action raises the threshold for incidents and attacks. Finnish-Swedish defence cooperation covers operational planning in all situations. The planning, building and practicing of interoperability during peacetime is intended to ensure that Finland and Sweden can together take pre-planned defensive action based on achieved capabilities in all conditions, as decided separately.

The changed security situation underlines the importance of Finnish-Swedish defence cooperation for strengthening the defence of both countries and ensuring security in the Baltic Sea region. Finland will continue to deepen its defence cooperation with Sweden.

Proceeding to a possible defence alliance would require broad parliamentary consensus in both countries. However, a defence alliance between Finland and Sweden would not be comparable to and would not replace NATO membership.

The timetable for deepening cooperation in areas of bilateral interest will be accelerated to the extent possible. Host Nation Support arrangements will be enhanced at an accelerated pace during 2022. The countries are studying whether cooperation could be expanded to cover the surveillance and safeguarding of territorial integrity. In addition to enhancing practical cooperation, the countries aim to deepen their security policy cooperation.

The COVID-19 pandemic has also led to new cooperation initiatives between Finland and Sweden in the fields of security of supply and civilian crisis preparedness. There is an obvious need for closer bilateral and multilateral cooperation on preparedness and comprehensive security.

The Nordic countries already cooperate closely, and this cooperation is being developed further on the basis of common values and interests. The key objective is to increase security and stability in Northern Europe, in the Baltic Sea region and in the Arctic region.

Multilateral Nordic defence cooperation is being enhanced in accordance of the NORDEFECO (Nordic Defence Cooperation) Vision, both for peacetime and for crises and conflicts. Moreover, transatlantic cooperation is being strengthened, and regular dialogue with the Baltic States continues. In the changed security situation, NORDEFECO has proved to be useful especially as a consultation forum for security and defence policy. The Nordic countries have actively consulted each other on the situation in Ukraine at the political and military levels.

The objective of the trilateral defence cooperation between Finland, Sweden and Norway is to create prerequisites to execute military operations in times of crisis and conflict, if separately decided. Finland and Norway are also intensifying their mutual bilateral defence cooperation due to the increasing military-strategic significance of the Arctic region.

Despite their different national defence solutions, the Nordic countries are committed to conducting and enhancing NORDEFECO cooperation. However, Norway, Denmark and Iceland continue to rely on NATO as their defence solution. In a possible Europe-wide military conflict, the Nordic NATO member countries would particularly emphasise the implementation of NATO's collective defence.

## 2.2.4 Closer cooperation with the United States

The United States' commitment to Europe through both bilateral arrangements and NATO is of central importance to security in Europe and to Finland, too. Russia's invasion of Ukraine has further strengthened the United States' commitment to NATO and security in Europe and has intensified transatlantic cooperation. In the United States, a strict policy on Russia has been adopted with bi-partisan support. The United States has reaffirmed its commitment to NATO's collective defence and NATO's open door policy.

The United States is an important and close partner of Finland, and defence cooperation with the US improves Finland's defence capability. In the United States, Finland is seen as providing security and sharing the burden. In the current situation, Finland has intensified high-level contacts with the United States in order to establish a shared situation awareness. The United States plays an important role in activities to develop interoperability with Finland's key partners, both for normal conditions and for incidents and emergency conditions. The current situation also emphasises economic and technological cooperation.

Finland and the United States have introduced further measures to deepen their bilateral defence cooperation. Work to this end is ongoing between the defence administrations. Bilateral security, defence policy and defence materiel cooperation between Finland and the United States is built on a solid, previously agreed foundation. This cooperation is guided by a bilateral Statement of Intent signed in 2016. Materiel cooperation is based on a materiel cooperation agreement concluded in 1991 and on a declaration of principles signed in 2007. From Finland's viewpoint, broad-based defence policy dialogue and military cooperation based on Finland's defence needs are the key elements of this cooperation.

New technologies and the related US expertise play an emphasised role in the development of military capabilities. Many of the current capabilities of the Finnish Defence Forces have been built in cooperation with the United States, and cooperation will continue, for example, in the maintenance and further development of these capabilities, but also in the development of new capabilities. The Air Forces of the two countries have continued to cooperate closely, Finland's decision to procure the Lockheed Martin F-35A Lightning II to replace the Hornet fleet's capability will further deepen existing defence cooperation. The Defence Forces will continue space-related cooperation with the United States.

Trilateral defence cooperation between Finland, Sweden and the United States is particularly important for enhancing defence policy dialogue, information exchange and interoperability. The aim is to promote security in the Baltic Sea region and to strengthen

the European security order. In a trilateral statement of intent signed in 2018, Finland, Sweden and the United States committed, among other things, to strengthening trilateral situation awareness in the Baltic Sea region, coordinating participation in training and exercises, and coordinating strategic communications. The transatlantic dimension also brings added value to Nordic security and defence cooperation. Finland will continue to support action to deepen the partnership between the EU and the United States and to initiate a security and defence dialogue.

The United States is the most important military actor, and, institutionally, NATO binds the United States to guarantee security in Europe. From the perspective of the United States, security in Europe and the implementation of the collective defence of Europe are primarily provided through NATO. The United States has not granted explicit bilateral security guarantees to non-NATO member countries in Europe.

### 2.2.5 Closer cooperation with the United Kingdom

The United Kingdom and Finland are close partners and are engaged in long-term and close cooperation in the security and defence sectors. Bilateral defence cooperation has been systematically developed within the framework of the bilateral cooperation arrangement concluded in 2016.

Examples of key areas of defence cooperation include training and exercises, exchange of information, and development of interoperability, which is subject to further development. This cooperation strengthens Finland's defence capability and the countries' commitment to regional security. Security policy dialogue and cooperation remains close between Finland and the United Kingdom.

The United Kingdom is a major military player in Northern Europe and the Baltic Sea region. The United Kingdom has assumed an active and proactive defence policy and military role after Russia's invasion of Ukraine. Finland appreciates the United Kingdom's increasingly strong commitment to the security of the Baltic Sea region. This commitment can be seen, for example, in the UK sending additional troops to Estonia as part of NATO's presence and in active participation in exercises. The current situation accentuates the importance of cooperation between the EU and the UK, and it is important that security policy cooperation will continue as closely as possible.

Finland has participated in the work of the Northern Group and the UK-led Joint Expeditionary Force (JEF). The JEF aims to develop the military capabilities of the participating countries, to prevent different types of crises and, should the need arise, respond to crises together. From the UK's perspective, it is also important to show unity in



the face of grey-zone activities that may precede a crisis, in which influence is exercised below the threshold of military force. The importance of the JEF is further accentuated by the possibility it provides for further defence cooperation with the United Kingdom.

In a crisis, the JEF would not necessarily function as an independent force but it could be used to support, for example, an EU, NATO or UN operation. The main geographic areas of interest for the JEF are the Baltic Sea, North Atlantic and Arctic regions. In line with its national decision-making, Finland would decide on its participation in any JEF operation.

## 2.2.6 Strengthening multilateral defence cooperation initiatives

Multinational country groups, such as the Joint Expeditionary Force, the European Intervention Initiative and the Framework Nations Concept, are an important part of Finland's defence cooperation network. Participation in the activities of country groups support the development of defence capability, interoperability and situation awareness. Bilateral and multilateral defence cooperation promotes Finland's objective to prevent various crises. It also develops the capability to work together with partner countries in the event of a crisis when necessary and subject to a separate decision.

Strengthening these forms of cooperation will increase the security of Finland and its neighbouring areas. Participation in the work of multinational groups of countries also opens up opportunities for developing relations with the lead countries, the United Kingdom, France and Germany, which are significant military actors in Europe and important partners for Finland. NATO remains the primary defence solution for these countries. In a crisis situation, the forces and capabilities of NATO countries would be primarily made available to NATO and deployed to operations and missions to support the Alliance's collective defence.

## 2.2.7 Closer cooperation with NATO

The North Atlantic Treaty Organisation (NATO) is a defence alliance and a transatlantic political community, whose main task is to ensure the security of its member countries through political and military means. In accordance with Article 5 of the North Atlantic Treaty, which is the Alliance's founding document, NATO member countries are committed to collective defence.

In addition to an armed attack, a cyber attack or other hybrid influence activities may also lead to the activation of Article 5. In all situations, invoking Article 5 is based on a case-by-case assessment and unanimity in the North Atlantic Council (NAC), in other words, the member countries.

NATO is a key consultation forum in transatlantic security policy matters. NATO holds regular foreign and security policy discussions on such international issues related to its operating environment as the security of the Baltic Sea region and NATO's relations with Russia and China, for example, as well as on emerging threats and challenges, arms control, and the impact of climate change on security.

NATO member countries retain their national right to self-determination, and decisions within NATO are taken by consensus. The North Atlantic Council is the organisation's most important political decision-making body, which meets at different levels, including heads of state level. NATO's military structure is subject to political guidance provided by its member countries.

In recent years, NATO has focused on strengthening its collective defence. This is reflected in the comprehensive development of defence and deterrence. In the foreseeable future, NATO will be the only collective defence organisation. Its capability to implement collective defence is based on the NATO Command Structure, the NATO Defence Planning Process (NDPP), operational plans and joint exercises. By means of collective defence, NATO aims to raise the threshold for an attack as high as possible. NATO's deterrence is ultimately based on the United States' military capability and its nuclear arsenal.

Finland's current partnership with NATO means close and deep cooperation. Finland develops its partnership with NATO from its own premises and interests, and effectively employs the partnership tools and cooperation programmes provided by NATO, to strengthen its national defence capabilities. In the changed security environment, the strategic importance of Northern Europe has increased, which is why NATO has opened new avenues for cooperation for Finland and Sweden. Dialogue and practical military cooperation on the security situation in the Baltic Sea region increase Finland's opportunities to influence its security environment and improve predictability and stability in the region. After Russia's invasion of Ukraine, Finland and Sweden have deepened their bilateral cooperation and enhanced their contacts with NATO to improve their shared situation awareness.

Finland considers it important that NATO has consistently reaffirmed its open door policy. The admission of new members is based on political assessment and a unanimous decision of NATO member countries. In line with Article 10 of the North Atlantic Treaty, the Parties may continue to invite new member countries to the Alliance.

## 2.2.8 Assessment of the effects of Finland's possible NATO membership

From NATO's perspective, Finland has a strong defence capability and resilient society. Finland is a country that provides security, is interoperable with NATO and meets the membership criteria. Should Finland and Sweden become NATO members, the threshold for using military force in the Baltic Sea region would rise, which would enhance the stability of the region in the long term.

As a member, Finland would participate in NATO's security policy consultations and the development of NATO's role as a foreign and security policy actor, as well as commit to the Alliance politically. The relations between NATO and Russia would also become a part of Finland's relationship with Russia.

New member countries accede to the North Atlantic Treaty with full rights and obligations. For Finland, the most significant effect of its possible NATO membership would be that Finland would be part of NATO's collective defence and be covered by the security guarantees enshrined in Article 5. The deterrent effect of Finland's defence would be considerably stronger than it is at present, as it would be based on the capabilities of the entire Alliance. However, if Finland were a NATO member country and became a target of military force, it would defend itself with the support of the Alliance based on collective defence arrangements prepared and rehearsed in advance.

Similarly, Finland would be prepared to support other NATO member countries in a possible Article 5 situation. The expected level of Finland's contribution to the collective defence of the Alliance would be negotiated between Finland and NATO in connection with the accession talks. Deployment of Finnish troops to NATO operations would always be decided at the national level. In addition, separate decisions would be made concerning Finland's possible participation in NATO's peacetime missions to support collective defence and deterrence.

If Finland became a NATO member country, its defence would be integrated into the Alliance's collective defence in a manner jointly negotiated by Finland and NATO. Considering Finland's strategic location, the country's most important contribution as a NATO country would remain its ability to defend its own territory.

One of the questions raised in the accession talks would be NATO's possible military presence in Finland. Membership would not oblige Finland to accept nuclear weapons, permanent bases or troops in its territory. For example, in the early stages of their membership, founding members Norway and Denmark imposed unilateral restrictions on their membership and have not permitted permanent troops, bases or nuclear weapons of the Alliance in their territory during peacetime. NATO's enlargement policy, which took shape in the latter half of the 1990s, has been based on the principle that it will not

place nuclear weapons, permanent troops or permanent bases in the territory of any new member country. The policy was based on the assessment of the security situation and threat environment at the time. As a result of Russia's aggression, NATO is currently assessing ways to strengthen its deterrence and defence and the arrangement for collective defence within the Alliance.

Should Finland become a NATO member, it would continue to maintain and develop its own strong national defence capability as well as its bilateral and multilateral defence cooperation. Finland would continue to decide on the principles governing the implementation of its military national defence. NATO membership would not mean that general conscription would be discontinued. Possible membership would improve Finland's military security of supply and the overall crisis preparedness of society. Membership would not involve major changes in the level of Finland's participation in NATO's crisis response operations.

The annual additional cost of possible NATO membership would be approximately 1–1.5 per cent of Finland's current defence budget. In addition, NATO member countries have jointly agreed to spend at least two per cent of their GDP on defence expenditure, which in Finland would mean maintaining the defence budget at approximately the current level. The amount of the defence budget and the allocation of funding within the budget would also be decided nationally even if Finland were a member of NATO.

Finland's accession agreement to the North Atlantic Treaty would be handled nationally in accordance with the procedures applying to the adoption of international obligations laid down in the Constitution. As a rule, Parliament adopts decisions on international obligations by a majority of votes, unless the matter concerns, for example, the Constitution or the transfer of powers significant to Finland's sovereignty to an international organisation. Finland's possible NATO membership would require a more detailed examination of constitutional law, especially from the perspective of Finland's sovereignty and national defence obligation. During the preparation of accession, attention would have to be paid not only to constitutional questions but also to the effects of accession on other international obligations binding on Finland and on national legislation. In addition, as part of the preparations, certain other international agreements that a new NATO member country should join would need to be examined.

Finland's possible membership in NATO would significantly expand the area of the Alliance, double its land border with Russia, and move the Alliance closer to strategically important areas in Russia (the Kola Peninsula, St Petersburg). Finland would aim to continue to maintain functioning relations with Russia in the event it becomes a NATO member.

Russia has publicly expressed a negative view towards NATO enlargement. On the one hand, Russia has stated that it is up to Finland and Sweden to decide whether they join NATO and, on the other hand, that the accession of Finland and Sweden to NATO would result in military-political consequences, and would require Russia to rebalance the situation. If Finland applied for NATO membership, it should be prepared for extensive efforts to exercise influence and risks that are difficult to anticipate, such as increasing tensions on the border between Finland and Russia. Finland will strengthen its preparedness for becoming a target of wide-ranging hybrid influence activities and in order to prevent and respond to such efforts to exercise influence.

Close cooperation between Finland and Sweden during possible accession processes would be important. Simultaneous accession processes could also facilitate preparation for and response to Russia's possible reaction.

If both Finland and Sweden were to join NATO, defence arrangements in Northern Europe could be examined as a whole and as part of NATO's collective defence. Correspondingly, if only one of the countries were to join NATO, the situation would possibly be reflected in the two countries' bilateral defence cooperation and in their foreign and security policy cooperation.

The accession process to NATO begins on the initiative of the aspirant country (Appendix 1). In Finland, a possible process could start with the Government submitting a report or communication to Parliament based on discussions among the state leadership. Parliament would consider the report or communication in plenary session (Appendix 2.)

The initiation of accession talks requires a unanimous decision from NATO member countries. NATO member countries must ratify the accession protocol in accordance with their national procedures. Ratification procedures and their duration in the member countries vary.

The timing of possible accession and the speed of the accession process are of particular importance in the current situation. The length of the process would depend on the duration of the parliamentary proceedings in the member countries and, possibly, on the security situation in Europe. Previously, NATO's accession process has lasted at least one year. It is likely that the aspirant country and NATO member countries would be subjected to external influence and pressure already during the membership talks and the transition phase. Various means will be used to prepare for this. It is important for a country interested in joining NATO to hold preliminary discussions with NATO member countries. This spring, the Finnish state leadership has discussed the changes in the security environment with partners.

Russia is likely to adhere to its demands concerning European security and keep them on the agenda in the future. In a situation where Russia aims to build a sphere of influence through demands and military means, failing to react to the changes in the security environment could lead to changes in Finland's international position and a narrowing of Finland's room for manoeuvre.

During the parliamentary reading of the report, the Government will give more detailed information and assessments to Parliament, which cannot be included in the public report.

## 3 Strengthening resilience

### 3.1 Countering governmental hybrid threats and influence activities

As the security environment changes, Finland is preparing for the possibility of becoming a target of exceptional, extensive and multifaceted hybrid influence activities both in the short and long term. These activities may involve the use of military pressure or military force. Governmental hybrid influence activities are linked to Finland's security policy choices. This requires that we adapt our concept for comprehensive security to the current security situation. Effective prevention of hybrid influence activities is based on the deterrent effect created through preparedness and other activities of society as a whole and all branches of government. Ensuring high-level comprehensive security is a key element in creating a preventive effect.

The changed security environment requires that the Government constantly assess threats, improve overall coordination, and better identify and counter hybrid threats. Ministries, agencies in their branch of government and international cooperation structures, including the EU and NATO partnership, are closely involved in the threat assessment activities.

In addition to assessing threats, Finland needs to set up an arrangement for carrying out cross-sectoral vulnerability assessments and continuous monitoring of resilience. Every branch of government is responsible for identifying and reducing vulnerabilities for their part. To be able to counter hybrid threats more effectively, we need to have shared situation awareness and a cross-sectoral structure for countering hybrid threats. In addition to up-to-date situation awareness, clear lines of authority and responsibility, sufficiently flexible and possibly partially overlapping powers, and an ability to utilise the overall resources of society in an appropriate manner to repel different threats play a key role.

International intelligence cooperation has an important role in identifying and countering hybrid threats. By directing and overseeing intelligence activities, we can ensure that our resources are appropriately allocated with a view to producing information on hybrid influence activities targeted at Finland and that we have timely access to the necessary intelligence information.

### 3.1.1 Combating information influence activities

The significance of information security is highlighted in an information society where every citizen can be both a recipient and processor of information and a producer and distributor of information.

Russia's aggression against Ukraine has led to a strong segregation of information environments. Russia aims to influence the formation of opinions both in Russia and abroad, and it creates a narrative to justify its actions. Russia's information influence activities in western countries have proven less effective than expected. Developing countries, on the other hand, are more receptive to Russia's narratives than the western world.

Ukraine has successfully utilised various digital platforms and networks for its information influence activities. Western countries and NATO have expressed their strong support for Ukraine through their strategic communications. Ukraine has managed to boost the morale of the Ukrainian general public and weaken the capabilities and morale of the enemy troops through its information influence activities.

Open, multilingual and active communication by the authorities plays a key role in combating information influence activities. It also strengthens trust in society and the sense of security and inclusion among the public. This helps combat different forms of large-scale influence activities and strengthen social cohesion.

Building information security, including the development of artificial intelligence, requires cooperation at the EU and international level and bringing together Finnish and international expertise and knowledge. Finland's national knowledge base must be better protected against information influence activities.

For the stability of society, it is important to ensure that all Finnish people have access to the necessary information in the event of serious incidents and in emergency conditions. As the security policy situation changes, it is important that the Finnish Broadcasting Company (YLE) and other media are able to produce and share reliable and up-to-date information, support citizens' psychological resilience to crisis, and identify and counter information influence activities.

Media freedom is our strength, but it can also be used for influence activities. Information influence activities increase during crises, and this requires stronger preparedness and expertise from the media. Assessing the reliability and credibility of information shared on social media and in other online environments is becoming increasingly difficult.



### 3.1.2 Instrumentalisation of migration and updating the Emergency Powers Act

We must use the necessary operative, legal, diplomatic and economic means to respond to the instrumentalisation of migration as a form of hybrid influence activity. Responding to hybrid influence activities requires, in some respects, a different approach than migration management as such. Hybrid influence activities may cause serious disruptions of public order and security, and they can be used to create tensions between people arriving in the country and groups opposing them.

In the most serious situations, the target country must weigh the measures it needs to take to safeguard social stability, legal order, national security, territorial integrity, public order and security or public health while simultaneously complying with the obligation to duly process applications for international protection. Under international law, anyone subjected to persecution has the right to apply for asylum, and Finland must provide this opportunity even in exceptional situations.

In reaction to the activities of Belarus, in particular, the EU is preparing legislation that would provide the Member States with new tools for managing the instrumentalisation of migration. Under this legislation, reception services for asylum seekers could be reduced and their cases dealt with in an accelerated procedure in the vicinity of a Member State's external border.

Finland has also examined the need to enact or amend national legislation governing normal conditions to be able to respond to the instrumentalisation of migration. An urgent legislative project has been launched to introduce the border procedure enabled by EU legislation in Finland. The aim is to urgently draft the legislative amendments that have been found necessary to improve border security, preparedness for threatening situations, and the authorities' capacity to maintain border security.

The Ministry of Justice has launched both a project for a comprehensive reform of the Emergency Powers Act and a project to urgently review the current Emergency Powers Act. The aim of the review project is, in particular, to add situations involving hybrid threats to the list of emergency conditions included in the Emergency Powers Act. In addition, the project will assess which of the current emergency powers specified in the Emergency Powers Act could be used in situations involving hybrid threats and what new emergency powers could be added to the Emergency Powers Act on a fast schedule.

## 3.2 Cyber security

Changes in the foreign and security policy environment are also reflected in the cyber environment. Russia is conducting cyber attacks as part of its aggression against Ukraine and is likely to expand its cyber and information operations from Ukraine to the west.

Many states and other operators have cyber capabilities that they can use to disrupt, damage or exploit another party's information systems. Threats in the cyber environment have become more complex and widespread, especially as a consequence of digitalisation across the different sectors of society.

In recent years, cyber attacks have become increasingly common around the world, and both central government and local government actors and the business community have been targeted in Finland, too. Our national cyber security and cyber defence and the related counter-measures must be planned so that we are capable of averting a wide-ranging cyber attack conducted by a state actor against Finland's national decision-making, activities of the security authorities or critical infrastructure.

The situation in Ukraine has further emphasised the importance of supply chain management, also in respect of software and digital services. In addition, the global shortage of components has affected the maintenance of systems. It is increasingly important to understand the potential risks related to the entire value chain and to identify different junctions. The change has further highlighted the importance of cooperation between the public and private sectors in the cyber environment and the role of companies in building comprehensive security.

### 3.2.1 National cyber security and cyber defence

In addition to denial-of-service attacks, breaches and malware attacks and the threat of more serious malicious cyber activities has clearly increased. Companies must constantly ensure that their control systems for energy supply, logistics chains or other critical infrastructure cannot be breached directly through an open network. Even if Finland is not directly targeted by a cyber attack, extensive spillover effects could still occur here, as digital systems are globally interconnected.

The National Cyber Security Centre of the Finnish Transport and Communications Agency, the police, the intelligence authorities and the Defence Forces work in close cooperation with each other to ensure national cyber security and prevent cyber attacks. In addition to the authorities, information security professionals working at companies and organisations play an essential role in cyber preparedness.

Due to changes in the foreign and security policy environment, projects aiming to improve preparedness have been launched. Authorities, the public sector and critical infrastructure operators have raised their level of preparedness. The National Cyber Security Centre has issued more detailed guidelines and provided support to improve the preparedness and continuity management of organisations that are critical for our security of supply.

The cyber security of information resources and information networks that are vital for the functioning of society is continuously being strengthened and improved. The Act on Electronic Communication Services, which entered into force in 2021, aims to improve the security of communications networks. Under the Act, devices that may endanger national security or national defence must not be used in the critical parts of the communications network.

In addition to the national level, regional operators also play an important role during incidents and crises. Local authorities and wellbeing services counties, which are about to start their operations, are responsible for many functions that are highly critical for society and citizens, such as water and energy supply, rescue services, and healthcare and social welfare. The cyber security capabilities and expertise of these operators will be strengthened.

Companies play an essential role in safeguarding the cyber environment in Finland. A strong cyber security ecosystem is being developed in Finland, bringing together public and private sector operators. Investing in information security products and services is one of the key measures in this respect. As part of preparedness measures, the public sector and companies conduct joint exercises at regular intervals. Furthermore, the digital and cyber security skills of all companies, organisations and citizens as well as their ability to operate in the cyber environment will be improved. These measures were outlined in the Cyber Security Development Programme.

To counter threats more effectively, civilian and military authorities will further intensify their cooperation and mutual exchange of information. Authorities must have timely, comprehensive and shared situation awareness to be able to anticipate cyber threats and detect cyber incidents as early as possible. This is a prerequisite for stopping a possible attack and limiting its effects.

Cyber security authorities and operators are examining the generation of cyber situation awareness and the legal basis and practices for information exchange. An assessment of the authorities' operating conditions in terms of their possibilities to ensure national cyber security, prevent cyber crime and implement cyber defence is currently underway. The necessary measures will also be determined in this connection.

Cooperation within and between the cyber security authorities and the ministries responsible for national cyber security, cyber defence and cyber diplomacy will be further intensified. Decision-making by the state leadership during serious cyber incidents or situations involving cyber influence activities will be supported even more strongly than before.

### 3.2.2 EU and international cooperation in cyber security

International cooperation is vital for cyber security and cyber defence both in the EU and in Finland. It benefits Finland to closely cooperate with international actors multilaterally, regionally and bilaterally. This applies to technical cooperation, development of international norms and standards, and political dialogue alike.

Russia's invasion of Ukraine has also affected international cooperation, for example within the UN, further aggravating value-based polarisation between countries. It is expected that in future, cooperation will take place in more limited configurations among participants with a shared set of values and respect for democracy rooted in human rights and a rules-based approach.

The current situation has also caused the EU to form up with respect to cyber security. To support political decision-making, a shared cyber security situation awareness has been generated and it should be incorporated into the overall strategic situation awareness. The assistance provided to Ukraine in cyber security issues has also been coordinated together with EU institutions and other Member States.

The development of cyber crisis management will be continued in order to reconcile internal and external responses, create shared situation awareness and implement mutual assistance, including through regular exercises. Cooperation will be deepened within and between different cyber communities.

A coordinated ability to identify threats and take counter-measures will be developed both within the EU and together with other like-minded countries. In addition, the possibilities to expand the range of tools offered by cyber diplomacy and to speed up decision-making procedures will be examined. To prevent cyber crime, it is necessary to further develop cooperation between the judicial and law enforcement authorities of the EU and its Member States. The EU will also continue to develop its cyber defence.

Finland participates in the development of international cyber norms and standards together with its partner countries. It benefits Finland to closely cooperate with international actors within the EU and in key international organisations. Finland will

actively develop its cyber defence cooperation with Sweden, which is one of Finland's key partners in the field of cyber defence in addition to the United States and NATO. Cyber defence will also be developed within the NORDEFECO framework. Finland has developed cyber defence cooperation with NATO for several years, but this cooperation has remained limited as a partner.

### 3.3 Effects on internal security and border security

Wars also cause significant internal security threats. This may result, for example, in illicit trafficking of military supplies and in military supplies ending up in criminal use. There is already evidence of this in Ukraine. Organised criminal groups or parts of such groups may also travel with migration, which can alter the traditional balance of power, types of activities and methods of organised crime in the destination countries. People in distress may become victims of organised crime. Without normal support networks, they are at risk of falling victim to human trafficking and other forms of criminal exploitation.

Large-scale migration may cause local tensions between different population groups, disrupt public order and security, and increase the incidence of hate crimes in the target country. Tensions can also be used to accelerate polarisation and instigate unrest. The primary method of combating the threats to internal security described above is to intensify cooperation between the authorities at all levels.

Finland controls the longest border between the EU and Russia. Border security measures prevent unauthorised border crossings, prevent cross-border crime and secure public order and security, public health, and territorial integrity. The operating environment is changing significantly, which is driving the development of border security measures relating to the maintenance of external security.

The integrity of the situation awareness of border security is ensured at all levels through national and international cooperation among authorities. Finland's readiness to secure its territorial integrity is immediate. Finland maintains a high level of preparedness to manage a large-scale influx of immigrants, with the focus on the eastern border.

Finland keeps powers up to date by reforming legislation governing the Border Guard and emergency powers. The Schengen Borders Code and the development of other EU statutes increase opportunities to use the standing corps of the European Border and Coast Guard. In addition, opportunities to receive and use bilateral border security aid at all borders will be developed.

It is necessary to strengthen Finland's capability to maintain border security and to improve readiness and crisis preparedness. This includes critical material procurement, cyber expertise and the modernisation of technological border surveillance as well as infrastructures and surveillance technology in high-risk areas of the eastern border.

The capabilities of border troops to maintain border security and defence readiness and secure territorial integrity will be improved in cooperation with the Defence Forces. This means more reservist training for border troops and more material development.

### 3.4 Psychological resilience

The two-year COVID-19 pandemic can be expected to have weakened the population's psychological resilience. Critical factors with respect to psychological resilience are undisrupted basic services, ensured minimum income and the possibility to maintain contacts with loved ones and other communities. Maintaining cultural and library services support psychological wellbeing and social inclusion. In addition to the authorities, organisations, religious communities and other groups play a significant role. The capacity of individuals, communities, society and the nation to persevere under the psychological pressures of a crisis will be incorporated into the government communications programme.

It is particularly important to care for society's most vulnerable people. The mental health situation of young people, in particular, has deteriorated further due to the underlying effects of the COVID-19 pandemic. The safe routines and interactions of early childhood education and care and schools are essential for the wellbeing of children and young people. Concerns over income increase mental stress. Ensured minimum income and the functioning of basic public services are important for maintaining people's inclusion in society, capacity to function and wellbeing and, consequently, for the resilience of society as a whole.

Responding to the population's need for information plays an important role from the perspective of resilience to crisis. Communication should instil certainty and trust in the actions and preparedness of the authorities. The media also plays an important role in this. The ability to continue normal daily life with as few disruptions as possible plays a key role in crisis resilience.

Russia's invasion of Ukraine has given rise to concern and insecurity among citizens, but also to a will to defend and promote the values of democracy on every level of society, from daily life to politics and national defence. It is important that citizens are able to discuss the war and that they have opportunities to reflect on their own experiences,

participation and means to strengthen democracy in local communities, in the country as a whole and internationally. Non-governmental organisations and the national dialogue to be launched play an important role in this.

Society must prepare for the fact that the measures that have been and that will be taken due to Russia's invasion of Ukraine will be felt in the daily life of everyone who lives in Finland, potentially over the long-term. It is vital to prevent any discrimination against and unequal treatment of Russian minorities and any other minorities.

A sufficient level of national unity and the experience that Finland and the Finnish way of life are worth defending are at the core of the will to defend the country. Military national defence is an integral part of Finnish society. Finland's defence solution is based on conscription and relies on a strong will to defend the country, which is maintained and developed as part of comprehensive security. The will to defend the country is also based on comprehensive defence and comprehensive security and strengthens the resilience of Finnish society. Russia's invasion of Ukraine has further strengthened the will of the Finnish people to defend the country, which can be seen, for example, in the increased interest in voluntary national defence training.

### 3.5 Civil defence

When making preparations for military national defence, it must also be possible to protect the population and secure the viability of society.

Preparations will be made to protect the population in existing civil defence shelters, in premises yielding maximum protection and, if necessary, through evacuations in accordance with risk assessments and threat situations. In terms of protecting the population and infrastructure and securing important functions, it is also essential to be able to carry out effective rescue operations and activities that support them.

The rescue authorities play a key operational and coordinating role in civil defence. Finland has the most extensive civil defence infrastructure in the EU and has plans for protecting the population. However, the changed security situation requires that civil defence and civil defence shelters be developed and that the need for resources be examined, which will be carried out by means of a national review.

The division of duties between civil defence authorities and other actors and the coordination of preparedness arrangements need to be clarified, and preparedness planning needs to be developed. This is necessary at both the national and regional level in terms of management and situation awareness functions, material readiness and logistics arrangements.

Radiological emergencies effect all of society extensively. In the changed security situation, national preparedness and continuous measurement capabilities of radiation monitoring must be enhanced and international cooperation intensified. In addition to the health effects of radiation, the effects of radiation on the population's sense of security must be taken into account and the trust of citizens in the preparedness of society must be secured.



## 4 Economic impact and preparedness

### 4.1 Effects on the economy, business and industry, and companies

The Finnish economy has recovered rapidly from the negative economic effects of the COVID-19 crisis. The rise in producer and consumer prices towards the end of 2021 slowed down economic growth. Prices continued to rise quickly in the early part of the year, with inflation increasing to 4.6 per cent in February 2022 even before Russia's invasion of Ukraine.

Although Russia and Ukraine are relatively small countries in terms of production, they are significant producers and exporters of certain key foods, intermediate products, minerals and energy. The war has already caused substantial economic and financial shocks, especially in the commodity markets, where the prices of oil, gas and wheat continue to rise sharply.

According to estimates from various sources, Russia's gross domestic product could decrease by 10–20 per cent in 2022. As a result of the sanctions and counter-sanctions, foreign trade between Russia and the Western countries will stop in all sectors other than strictly defined ones. For example, deliveries of gas and electricity have so far continued almost at a normal level despite restrictions on payment systems. However, as military operations continue, the pressure to impose restrictions on energy deliveries has increased.

According to the latest estimates by the OECD and the European Central Bank, Russia's invasion of Ukraine will reduce global economic growth by 0.5–1.5 percentage points and the growth in gross domestic product in the euro area by 1–2 percentage points in 2022. The estimates by the Ministry of Finance are in line with these estimates, and the global economy is expected to grow by 3.5 per cent and the euro area economy by 3 per cent in 2022. In the changed situation, the overall impact of the supply shock depends on the duration of the war, with uncertainty being high in general. Russia's invasion of Ukraine has significantly changed the market situation in Europe in the early part of the year. The first market reaction was a sharp fall in share prices, which has since stabilised. However, volatility has increased and uncertainty about the future has risen to a new level.

According to estimates made after the start of Russia's invasion, Finland's gross domestic product is expected to grow by 1–2 per cent in 2022. The Ministry of Finance estimates that Finland's gross domestic product will continue to grow by around 1.5 per cent in 2022. The loss of direct trade with Russia will cut growth mostly through exports and industrial production. As a result of higher prices, growth in gross domestic product will slow down, following weaker household purchasing power and slower growth in consumption. Growing uncertainty about the future will postpone investments. The challenges in the real economy will be reflected in general government finances. Government expenditure will rise as economic and employment growth slows and unemployment increases. It should be noted that the economic forecasts contain a significant degree of uncertainty related to Russia's war of aggression and effects of the war, among other factors.

The rise in energy prices will translate directly into higher consumer prices and will also be a factor increasing the production costs of companies. Inflation has accelerated rapidly and the peak has not yet been reached. Although inflation is projected to slow next year, prices will remain high. The closing of the Russian market will change the competitive situation for companies and make it more difficult to pass on the increased costs to product prices. The crisis will have a negative effect on the confidence of households and companies.

In practice, trade in goods and services with Russia is expected to cease completely. In addition to exports of goods subject to sanctions, exports of other products and services to Russia have already decreased considerably. Russia accounts for 4.5 per cent of Finland's exports and the export of goods and services to Russia accounts for approximately 1.6 per cent of Finland's value added. Russia is a more important trading partner to Finland than to the EU on average. The end to the supply of commodities and raw materials from Ukraine and Russia will also be reflected in Finland as disruptions to the availability of intermediate products. Finland's trade with Russia will not recover, because the sanctions are expected to have long-term effects. Companies will be able to find new suppliers of intermediate products and substitute markets for their end products, but this will be a slow process.

In Finland, the relatively strong solvency of the financial sector provides a buffer against the weakening operating environment. According to the Financial Supervisory Authority, the direct Russia-related risks of Finnish banks, insurance companies and employee pension institutions are comparably low, but the indirect risks caused by the effects of the war may be greater and difficult to predict. Finland also has certain Russia-related risks through export financing operations and state-owned companies.

An overall assessment of the effects on companies is affected by the continuity of business operations in Russia as a whole. Increased logistics, energy, and raw materials costs, supply difficulties, and financing issues cause uncertainty. Sectors sensitive to economic fluctuations suffer from uncertainty and disruptions to global value chains. A global shortage of components is growing. Uncertainties in the financial markets pose challenges to companies.

The OECD has lowered Russia's country classification to the riskiest class. Once the overall effects of the war become more clear, the business community will reassess value chains that are based on the utilisation of raw materials or intermediate products imported from Russia. The aim is to end dependency on Russian raw materials and fossil fuels on an accelerated timetable, which will mean increased investments in the green transition in different sectors, particularly in energy production. The employed solutions will contribute to self-sufficiency and security of supply.

Russia has imposed restrictive measures on foreign companies and investors in particular. It is not yet known where assets will end up and what the consequences will be for the management of subsidiaries or parent companies. According to various estimates, companies are facing challenging conditions with respect to continuing their business activities in Russia.

Russia's war of aggression and its consequences may cause a major structural change in the global economy and a reorganisation of value chains in a way that is difficult to predict at this time. The closing of the Russian market creates a need to find substitute export markets and to reorganise supply chains to ensure the supply of raw materials and intermediate products. Further expanding the EU trade agreement network and finalising and bringing into force negotiated agreements will help improve market access and make more efficient use of new markets.

There is no noticeable change in the attitudes of foreign investors towards Finland. The central government has been able to raise funds from international financial markets as planned during the first months of the year. There is no significant change in the foreign ownership of Finnish listed companies.

Finland's strengths in the evaluation of investment projects continue to be a stable and democratic political system, predictable legislation, an educated and skilled workforce, innovation activities and a good operating environment for companies. Relatively strong public finances and the predominantly strong balance sheets of banks and listed companies are factors that will continue to support international investors' interest in Finland. It is important to avoid Finland becoming a peripheral market.

Interest in Finland as an international tourist destination may decrease at least for a time. This is likely to slow the recovery of tourism exports following the COVID-19 crisis. At the moment, there are no signs that Finland's country image has deteriorated or that Finland is considered an unsafe country, but the development of the situation should be monitored extensively.

When seeking to attract international talent, Finland's main messages relate to Finland's stability, security and well-functioning society. Because of the changed situation, it is important to foster Finland's country image and appeal. Finland's security policy decisions have an impact on its country image.

Russia has been one of the most important countries of origin for work-based and education-based immigration to Finland and besides India is one of the main target countries for Talent Boost efforts. Due to the war in Ukraine, Finland has frozen its efforts to attract talent from Russia along with its higher education and research cooperation with Russia.

Systematic and up-to-date situation awareness is needed to detect possible changes in economic and industrial policy and to lay the basis for necessary policy measures. In addition, public measures are needed to identify substitute markets and value chains together with active country image work to respond to a potential increase in country risk. This requires stronger links with European innovation and business networks. In future, additional measures will be needed to increase the appeal of Finland's investment environment.

## **4.2 Cooperation in security of supply, military security of supply and preparedness**

Finland has an internationally unique and well-functioning security of supply system. The objective is that Finland can manage the most severe emergency conditions through national measures. Even though Finland's security of supply model has been created specifically to respond to serious disruptions in society, the adequacy of Finland's overall preparedness must also be evaluated in the changed operating environment. Finland's preparedness must be at an adequate level, and the country must be self-sufficient to the degree possible with regard to the most essential commodities.

The international operating environment in security of supply has changed due to the COVID-19 pandemic and, in particular, the war in Ukraine. Nordic security of supply cooperation has intensified, and several projects are currently ongoing in the European

Union with the aim of strengthening the Union's crisis resilience. Finland develops the preparedness for international rescue operations within the framework of the EU's Civil Protection Mechanism and is preparing to participate in the EU-level strategic emergency stockpiling system.

Finland has actively participated in NATO's civil preparedness and resilience activities since the beginning of partnership cooperation. Cooperation with NATO aims to increase predictability and stability and supports Finland's evaluation of its own preparedness arrangements and of necessary development measures. The purpose of NATO's civil preparedness activities is to strengthen the Alliance's crisis resilience and the support of civilian actors for defence. From the perspective of security of supply, Article 8 of the Treaty is significant, as it prevents NATO member countries from entering into agreements with third parties that take precedence over the obligations imposed by membership in NATO. This can be interpreted to mean that if a non-NATO country enters into an agreement with a NATO member country on security of supply cooperation during a crisis, the application of this agreement is always secondary to the simultaneous needs of NATO member countries.

The foundation and structures of Finland's security of supply system continue to function well in the changed operating environment. The system is built on a network model based on cooperation between the public and private sectors, the responsibility of each administrative branch for the security of supply in its sector, and the definition of tasks and resources of the security of supply organisation according to the needs of society at any given time.

The preparedness of critical infrastructure is developed through programmes focusing on its key areas. The funds and resources of security of supply operations are increasingly allocated to implementing these programmes. Particular priorities in safeguarding the operating capability of critical infrastructure include securing energy and water supplies, supporting preparedness for and recovery from cyber security threats, safeguarding the information systems of digital society and communication services and networks, safeguarding the critical services of financial markets in all circumstances, secure positioning and geographic information systems, and functioning logistics services and networks. Functioning infrastructure is also a prerequisite for food security. In addition to securing the availability of many other production inputs, the focus is on safeguarding the production and availability of fertilisers.

Russia's invasion of Ukraine has abruptly changed the operating environment with regard to military security of supply. Even before the invasion, delivery times for components, raw materials and spare parts had lengthened, prices had risen and the availability of certain critical raw materials as well as transport capacity had weakened due to the COVID-19 pandemic and the consequent changes in the world market.

The current materiel readiness of the Defence Forces can be improved quickly by investing in supplementing critical materiel to increase stockpiles and by ensuring the operational reliability of the materiel and equipment in stock.

The production and maintenance of critical materials will be secured by investing in production plants and by maintaining and developing the competence of personnel in industry. In addition to national self-sufficiency, Russia's invasion has highlighted the importance of international cooperation. Despite international cooperation, the operational capability of the Defence Forces must at all times be secured through adequate national measures.

The first report on security of supply will be submitted to Parliament in September 2022.

## **4.3 Effects on central government, local government and wellbeing services counties**

### **4.3.1 Reception of people fleeing Ukraine**

The refugee crisis caused by Russia's invasion requires extensive measures across the EU and in Finland. Member States have been very united in their willingness to help, and from the perspective of security and stability in crisis situations, it is important that a country like Finland, which is on the EU's external border, continues to seek common and solidary solutions in the EU.

Finland has developed its preparedness for and capability to respond to a mass influx of migrants based on its experiences in 2015. It is particularly important to ensure that the authorities have clear roles and that they cooperate and communicate well. Preparedness plans are now more comprehensive and of higher quality, and their effectiveness is tested through regular exercises. Preparedness cooperation has also been developed across administrative boundaries with municipalities and the third sector.

Health security requires particular attention in the event of a mass influx of migrants. People arriving from conflict areas could be susceptible to infectious diseases, for example, due to inadequate vaccination coverage. Particular attention must be paid to the risk of generally hazardous communicable diseases, including animal diseases, and to the prevention of their spread.

Many of the people who fled in the early stages of the war had family or other ties in Member States and, thus, did not immediately need to rely on services provided by the authorities. However, the need for support will continue to increase, and an increasing number of people will be in a vulnerable position. It is particularly important to secure the rights of children in this situation. Nearly half of arrivals are minors, and they need quick access to functioning early childhood education and care and school services. These needs are expected to be long-term. Many arrivals may also need extensive health and social services, and their need for psychosocial support will presumably be great over the long term.

The reception capacity of the Member States will need to be increased far beyond the normal level. It is estimated that between 40,000 and 80,000 Ukrainian citizens will come to Finland this year to apply for international protection. If the need for protection is prolonged, an increasing number of issues will have to be resolved relating to the provision and funding of reception services, basic public services, integration services and income and relating to securing educational and cultural rights and rights of children. Resolving these issues will require flexible cooperation across administrative boundaries and close cooperation with civil society. Local government will play an important role in this. The provision of language training will play a key role in ensuring integration.

### **4.3.2 Effects on local government and wellbeing services counties**

Local authorities and wellbeing services counties are obliged to prepare and to be able to continue their activities under all circumstances. In addition to financial preparedness, local authorities have an important role in general preparedness. Preparedness for everyday incidents, such as with respect to water supplies, energy distribution, telecommunications, disasters, natural phenomena, food supplies, social and health services and education, has been developed over the long term and will be further improved.

Urgent instructions pay particular attention to, for example, civil defence, the functioning of crisis management centres, cyber security and the management of critical infrastructure. The preparedness of local authorities also concerns the arrangement of services relating to the provision and funding of reception services, basic public services,

integration services and income. The Association of Finnish Local and Regional Authorities is a coordinating body, network administrator and provider of instructions that supports and promotes the preparedness of local authorities on the central level.

In the field of healthcare and social welfare, the guidance of preparedness planning and the creation of situation awareness has been established during the COVID-19 pandemic. In the wellbeing services county structure, this is implemented through the model of five collaborative areas for healthcare and social welfare. The same structure forms the basis for the material preparedness of healthcare and social welfare, which ensures the continuity of services.

### **4.3.3 Effects on the most critical functions in central government**

The legislative foundation, administrative measures and issues related to costs of the powers and responsibilities of the authorities are currently being assessed from the perspective of securing income. This assessment is focused on a situation in which an extensive disruption would occur in payment traffic that would cause long-term harm to a large part of the population. Disruptions in payment traffic also effect social security payments, though the right to benefits remains in force. There are preparedness and continuity plans in place for government transactions in the event of various disruptions.

The current situation will affect public procurement and, thus, the activities of government agencies and public bodies. Delivery and availability problems have already been experienced with respect to supplies and services required by agencies and public bodies. As the prices of products and services procured on the market increase, operating costs will grow. The Ministry of Finance has altered its Decision on Joint Procurement in Central Government with respect to the procurement of fuels, allowing agencies and public bodies to use their discretion in their procurement.



## 5 Critical infrastructure protection

The risks and threats associated with the vulnerabilities of infrastructure critical to the functioning of society have increased as a result of changes in the security environment in recent years. Critical infrastructure means basic structures, services and related functions that are essential for maintaining society's vital functions. Critical systems and services are increasingly cross-border, interdependent and produced by the private sector.

Technological development and digitalisation enable new ways of exerting influence. In accordance with the Government Programme, the vulnerability of society has been reduced by reinforcing the reliability of critical infrastructure in crisis situations.

With the proposal for a Directive on the resilience of critical entities, critical entities will be defined, identified and brought under authority supervision. The effective implementation of the Directive in Finland will improve the crisis resilience of national critical entities. In the current situation, it is justified to accelerate implementation and seek to establish a comprehensive regulatory framework. A legislative project will be launched to prepare a proposal for legislation on the strengthening of critical crisis resilience, to determine and assess the needs to develop and amend the activities of national authorities related to the Directive, and to prepare proposals for organising the authority activities required by the Directive in a centralised manner under the government. Implementation will make it possible to lay down the definition of national critical infrastructure as a whole in an act.

### 5.1 Foreign corporate acquisitions

As a basic principle, Finland has a positive attitude towards foreign corporate acquisitions and foreign investments. However, even transactions resulting from the transfer of partial ownership to a foreign ownership in companies responsible for the operation of critical infrastructure could increase uncertainty relating to such a company's ability to meet its commitments, particularly in a crisis. Foreign acquisitions may also exceptionally involve attempts by state actors to exert influence. If key national interests so require, it is possible to restrict the transfer of control of infrastructure critical to the vital functions of society to foreigner owners.

Developing the screening of foreign corporate acquisitions is an ongoing process and the procedures are developed in continuous cooperation with the National Authority Network that, among other things, has recently introduced a new common risk assessment tool. The relevant legislation has recently been reformed. Foreign corporate acquisitions are assessed on a case-by-case basis and on the basis of the security environment prevailing

at the time. It has been found necessary in the practical application of the Act on the Monitoring of Foreigners' Corporate Acquisitions in Finland to further examine issues relating to the ownership of critical infrastructure. Government principles concerning the ownership of critical infrastructure of strategic importance will be prepared in inter-ministerial cooperation.

## 5.2 Supervision of and requirement for special permission for real estate acquisitions

The authorities are now better able to monitor the ownership of real estate and use of land that play a key role in national security, prevent real estate ownership that is undesirable from the perspective of protecting critical infrastructure and, if necessary, take measures to expropriate areas that are necessary for national security.

The supervision and licensing requirement of real estate transactions in certain real estate acquisitions are based on the arrangement of national defence, the supervision and safeguarding of territorial integrity, and ensuring border security and security of supply. The consideration of whether to grant permission focuses particularly on the location and intended use of real estate and on the applicant. These factors are assessed as a whole with respect to all parties required to apply for permission. This assessment has been further tightened since Russia invaded Ukraine.

In the current situation, it is increasingly important that the authorities maintain good situation awareness of risk factors and have sufficient tools to prevent and intervene in acquisitions that undermine national security. The supervision of and a requirement for special permission for real estate leases and the right to own and lease residences in housing corporations are currently being examined. A project to develop legislation concerning real estate supervision has been launched to even better meet the set monitoring objectives and to take future needs into account.

## Annex 1 Main stages of accession to the North Atlantic Treaty, *i.e.* the Washington Treaty

### Initiation of accession process

The aspirant country informs NATO of its aspirations to accede to the Washington Treaty.  
NATO invites the aspirant country to accession negotiations.



### Accession negotiations

NATO carries out the accession talks (incl. a Membership Action Plan (MAP) when necessary) and negotiates the Accession Protocol with the invitee country.



### Letter of intent from the invitee country after the negotiations

The invitee country confirms its willingness and ability to join NATO by sending NATO a letter of intent.



### All NATO member countries sign and ratify the Accession Protocol of the invitee country in accordance with their national procedures



### All NATO member countries submit their instruments of ratification to the United States Government, the depositary



### The NATO Secretary General invites the invitee country to join the Washington Treaty



### The invitee accepts the Accession Agreement in accordance with its national procedures



### The invitee becomes a member of NATO upon depositing its instrument of accession with the United States Government

## Annex 2 The stages of Finland's possible NATO accession process

### Initiation of the accession process

Preparatory considerations by the Ministerial Committee on Foreign and Security Policy and the President of the Republic

The Government of the Åland Islands is notified.

The Government plenary session submits a report or a statement to Parliament.

Reading of the report or statement in Parliament (including possible committee readings and a possible vote of confidence regarding the statement) – parliamentary communication

The President of the Republic, on the basis of a presentation by the Government, decides on Finland's aspirations to initiate accession negotiations, appoints a delegation for the negotiations and accepts instructions for the negotiations.

NATO is notified of Finland's aspirations to initiate accession negotiations.

**NATO member countries invite Finland to accession negotiations, the negotiations begin (the status of the Åland Islands under public international law must be taken into consideration) and, at the same time, a Membership Action Plan (MAP) is possibly drawn up to prepare Finland for NATO membership.**

Considerations by the Ministerial Committee on Foreign and Security Policy and the President of the Republic

Committees of Parliament (the Foreign Affairs Committee, the Defence Committee and other relevant Committees) are notified of the negotiations.

The Government of the Åland Islands is notified of the negotiations.

### After the negotiations, Finland submits to NATO a Letter of Intent, containing commitments.

Considerations by the Ministerial Committee on Foreign and Security Policy and the President of the Republic

Committees of Parliament and the Åland Islands are notified of the outcome of the negotiations.

After the negotiations, the President of the Republic, on the basis of a proposal by the Government, decides on the submission to NATO of a Letter of Intent concerning the accession, and the NATO Secretary General replies by a letter.

### The Accession Protocol of Finland is signed and ratified.

All NATO member countries sign the Accession Protocol of Finland, and with the signature, Finland becomes an observer member of NATO. As an observer member, Finland is entitled to attend NATO meetings.

The Parties to the Convention Relating to the Non-Fortification and Neutralisation of the Åland Islands and the Agreement Concerning the Åland Islands are notified of Finland's intention to accede to NATO.

All NATO member countries ratify the Accession Protocol of Finland in accordance with their national procedures and notify the Depository thereof.

### Finland commits itself to the NATO Treaty.

When all NATO member countries have ratified the Accession Protocol of Finland, the NATO Secretary General invites Finland to accede to the North Atlantic Treaty, as amended by the Accession Protocol.

The Government plenary session submits to Parliament a government proposal for the acceptance and bringing into force of the Accession Agreement, including the necessary legislative amendments.

Readings of the government proposal in Parliament (incl. hearings by Committees) – parliamentary reply

The Government plenary session presents the parliamentary reply to the President of the Republic, who approves the accession and the bill for the Act to bring into force the Accession Agreement.

Finland deposits its instrument of accession with the Government of the United States.

The Accession Agreement is brought into force by an Act and a Decree simultaneously with the entry into force of the accession of Finland. The Agreement is published.

### The Accession Agreement enters into force = Finland becomes a Party to NATO.

**Finland, as a Party to NATO, commits itself to the other NATO agreements in accordance with Chapter 8 of the Constitution of Finland.**

SNELLMANINKATU 1, HELSINKI  
PO BOX 23, 00023 GOVERNMENT, FINLAND  
[valtioneuvosto.fi/en/](http://valtioneuvosto.fi/en/)  
[julkaisut.valtioneuvosto.fi](http://julkaisut.valtioneuvosto.fi)

ISBN: 978-952-383-811-6 PDF

ISSN: 2490-0966 PDF

ISBN: 978-952-383-586-3 printed

ISSN: 2490-0613 printed