

FINLAND

More ambition required – Reflections on the SDGs implementation plan of Finland

Outi Hakkarainen
Kepa

The Finnish government's commitment to and performance on the SDGs has been both promising and disappointing. Finland took a quick and positive start by volunteering to be among the first countries to present its voluntary report in the 2016 HLPF. Government's commitment to the SDGs is demonstrated also by its locating the coordination of national implementation under the Prime Minister's Office (PMO). The national secretariat works together with the Coordination Network, comprising all government ministries.

The government has the primary responsibility for the national implementation of the SDGs but other stakeholders have an integral role in planning, implementation and follow-up. Two previously existing multi-stakeholder committees have been given the task to support and promote the SDGs. Their members include a wide variety of non-governmental stakeholders, including private sector actors, academics, interest groups and civil society organizations (CSOs). The Development Policy Committee is a parliamentary body which will follow the implementation of the 2030 Agenda from the development policy perspective. The National Commission on Sustainable Development aims to integrate sustainable development into Finnish policies, measures and everyday practices. Hence, an independent Sustainable Development Expert Panel of eminent scholars from different disciplines was formed especially for the SDG work, to be a critical voice in the national debate.¹

¹ Sustainable Development Expert Panel is hosted by Sitra, a fund directly accountable to the Finnish Parliament.

Modest national implementation plan

The government published the national implementation plan of the SDGs in February 2017.² CSOs came up with a common press release to express their disappointment as there was a contradiction between the open and participative preparatory process and the final content of the plan. Besides certain positive elements there was lack of ambition and the universal spirit of the SDGs was largely missing. The time-span of policy actions was limited to that of the current government (until mid-2019) and the plans for policy coherence were not spelled out concretely.

One of the positive aspects the CSOs brought up was the status of the plan as a government report ("selonteko" in Finnish). It meant that there was a wide round of parliamentary hearings on the plan, that several parliamentary committees discussed it and asked for written and oral comments from different sectors of society, including civil society actors. The voice of civil society can be partly heard in the committee statements but not as much as was hoped for. It is also positive that the plan welcomes initiatives to intervene against racism and hate speech and focuses on social integration of immigrants.

² Prime Minister's Office (2017). Government Report on the Implementation of the 2030 Agenda for Sustainable Development. Sustainable Development in Finland – Long-term, Coherent and Inclusive Action. VNS 1/2017.
https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/79455/VNK_1117_Government_Report_2030Agenda_KANSILLA_netiti.pdf?sequence=1

It acknowledges culture and sports as elements of social welfare and identifies the importance of municipal and regional level decision-making in the sustainability of the public procurement.

The implementation plan was built on two focus areas that stakeholders, including civil society actors, have been raising as the main challenges for Finland: the inadequacy of our climate policies (SDG 13) and decent work and economic growth (SDG 8). However, concrete means to overcome the shortcomings are not presented, and the global context is weak. The plan recognizes that national actions in Finland have an impact outside of the country and that it is important to guarantee other people's possibilities to achieve sustainable development but the means to enhance policy coherence between actions undertaken at national and global level are missing.

Similar tendencies of Finnish performance were brought up by the external gap analysis which the government commissioned in 2016 to receive information on Finland's readiness to implement the 2030 Agenda.³ The analysis confirmed the findings of various international studies, which all state that Finland's strengths are good education and competence as well as societal stability. In general, the starting level of Finland is rather good, but it is worrisome, that in several aspects the direction of development is not promising.

Economic growth and business opportunities are emphasized throughout the plan. Several CSOs have been critical about this approach because it will not reduce global inequality or help conserve natural resources for future generations. The economy should be a tool to achieve sustainable welfare and growth should not be seen an absolute value as such. Finnish CSOs have underlined that the social and ecological responsibility in

businesses requires, besides dialogue, binding legislation. France and the Netherlands have legislated recently that businesses active in these countries must take care of human rights along the entire supply chain. Finland should follow their example as soon as possible. Hence, responsibility in public procurement needs to be enhanced by increasing the availability of consultation services. Social and economic responsibility are in a marginalized role in the implementation plan. In addition to ecological impacts human rights issues should be taken more effectively into account.

The implementation plan states clearly that that the sustainable development programme requires profound social transformation and perseverance, and acknowledges global responsibility and policy coherence as important targets. The Finnish CSOs will advocate and follow up to ensure that the current and following governments will fulfil these statements. The decisions taken on different policy sectors, for example, in relation to tax, trade or environmental issues, influence significantly the achievement of the SDGs in Finland and globally. The SDGs are interlinked and the implementation of the 2030 Agenda requires a strong effort to enhance policy coherence. Although the government plan also expresses the involvement of the 2030 Agenda in the legislative work and national budgeting, the concrete steps of how this will be done are missing. For the sake of consistency, it would be crucial that the implementation of the SDGs would be integrated into national legislative work and budgeting as soon as possible.

Relevant monitoring plan, challenging process with indicators

The monitoring and evaluation system of the plan provides a good foundation for the coming years. Promoting sustainable development will be incorporated into the Government Annual Report, enabling the review of sustainable development in the government's work. There will also be an external evaluation every four years.

3 Lyytimäki, Jari & Satu Lähteenoja & Mikael Sokero & Satu Korhonen & Eeva Furman (2016). Agenda 2030 in Finland: Key questions and indicators of sustainable development. Publications of the Government's analysis, assessment and research activities 32/2016; available at: http://vnk.fi/documents/10616/2009122/32_Agenda+2030+in+Finland-Key+questions+and+indicators+of+sustainable+development.pdf/cb556cc7-05bf-446a-b3c4-dd63ce154958?version=1.0

The monitoring system opens several opportunities for public discussion and gives a chance for civil society to advocate for more ambitious measures to achieve sustainable development.

An inclusive process to define the national indicators was a positive initiative, but it looks like the outcome will not be as good as it could be. Ten thematic baskets of indicators have been decided. Each basket includes from three to four indicators, some of them being combined indicators. Only such indicators for which the required data is already available annually are accepted, as the indicator work has not been allocated any special resources. Each basket will be coordinated by a public institution, a ministry or a research institute.

The lack of resources threatens the monitoring of all such information which would be relevant regarding sustainable development and relatively easily gathered. An example of an important missing indicators proposed by civil society are those of good governance and democracy. The CSO participants in the follow-up network have expressed that in line with the universal nature of 2030 Agenda, global responsibility should be seen throughout the baskets. It looks like that this will not be the case.

Contradictions between promises and commitments on development cooperation

Finnish civil society actors have several concerns regarding the discrepancy between the government rhetoric on 2030 Agenda⁴ and its actions. With the current reality of Finnish development cooperation, which faces historic cuts, Finland's credibility as a globally responsible actor is at stake.

The national plan does not explain how Finland plans to secure sufficient resources to implement the 2030

Agenda globally. It does not explain how and when Finland will meet its international commitment to use 0.7 percent of its GNI for development cooperation. While the current government has committed to the 0.7 percent target in the long term, it made huge cuts in development cooperation funds starting in 2016. Aid cuts hit particularly hard on the funds for multilateral cooperation (-60%) and support for CSOs (-39%). As result, Finland is just a little more than halfway to the target commitment. ODA has been estimated to remain on an average level of 0.4 percent of GNI during the entire period of the current government.

The government plan states that at least 0.2 percent of GNI is directed to the least developed countries (LDCs) as per Finland's global commitments. While the current Finnish development policy prioritizes private sector support, progress on directing aid to LDCs has in fact been negative. The share of development cooperation targeted for the LDCs is sharply declining and it is predicted to be as low as 0.16 percent of overall ODA in 2017. This is a significant difference compared to the year 2015, when the figure was 0.22 percent.

The plan confirms that the main objectives of Finnish development policy are reduction of poverty and inequality and the realization of human rights. The cuts in development cooperation and the changes in focus areas may contradict this aim. ODA cuts impact the lives of millions of the poorest people and erode the international reputation of Finland. Cuts were carried out in the middle of the worst humanitarian crisis in history and significantly hindered countries' ability to resolve root causes of current development challenges.

It is clear that the SDGs cannot be reached without the contribution of the private sector. However, aid remains of vital importance for the poorest. Only 2 percent of the companies' foreign investments are directed to LDCs. Giving a stronger role to the private sector to boost economic growth does not automatically increase sustainable development, nor the efficiency of global partnerships. It is important to guarantee the companies responsible behaviour. The same development policy goals and rules for effective

⁴ Besides the national plan for SDGs an important part of Finland's national response is Finland's development policy report which was updated in February 2016 and is guided by the 2030 Agenda; available at: <http://formin.finland.fi/Public/default.aspx?contentid=341918&nodeid=49540&contentlan=2&culture=en-US>

operations – that is, openness and accountability – should concern all operators, including the private sector.

Limited ambition on climate and energy related targets

Mitigation of and adaptation to climate change are among the key elements of sustainable development. Climate change threatens especially the poorest countries which have least possibilities to adapt to quick changes. The Paris Agreement on climate change obligates Finland to contribute to the common goal of keeping the world well below 2°C degrees of warming and to aim at 1.5°C. With its current policy commitments, Finland is not doing its fair share to reach the common goal. Finland should get rid of all its CO₂ emissions well before 2050 and remove all its greenhouse gas emissions by at the latest 2060-2080. According to a study by Climate Analytics,⁵ if Finland wanted to be in line with the Paris Agreement long-term goals, its equitable emissions reductions should be 60 percent below 1990 levels. By 2050 under equitable emissions reductions for Finland would need to become negative with reductions of 150 percent below 1990 levels.

The government's vision for "a carbon neutral and resource wise Finland" is based on its recent energy and climate strategy which is not in line with the 2030 Agenda nor with the Paris Agreement on climate change. The strategy includes several elements which are in direct contradiction with the 2030 Agenda. The energy use of peat, a heavy increase in logging made in the name of bio-economy, and the compensation of the assumed indirect costs of the EU emissions trading scheme for Finnish industry are prime examples of unsustainable policies.

Civil society organizations have regularly brought up the insufficiency of government's actions on climate and energy policies. Also, the independent Sustainable

Development Expert Panel has pointed out⁶ that in comparison to its peers, Finland's progress has been modest and that the policy efforts to move energy production in the direction of sustainable renewable energy as well as energy savings and efficiency have been insufficient.

Finland has the means to be far more ambitious and coherent than what is now stated in the implementation plan. For example, the plan states that mitigation of climate change requires giving up fossil fuels. However, the government continues still to subsidize peat production with a 146 million Euro tax exemption in 2017.⁷ At the same time the Sustainable Development Expert Panel has stated that renewable energy production has been largely based on wood and peat, which makes Finland different from its peer countries. The panel also notes that peat can be considered as renewable energy only in a very long time-span. It is necessary to give up the use of peat altogether before 2025.

The government's implementation plan acknowledges that rich countries have the responsibility to support poor countries in their climate actions, as for example via international climate finance. However, drastic cuts in development cooperation funding and shifts in development policy have also influenced Finnish climate finance. For example, discontinuing the channelling of revenues from the EU Emissions Trading Scheme (ETS) auction to climate and development funding, as well as channelling more and more funding through private sector actors threatens both the level and balanced division of climate finance between mitigation and adaptation actions.

5 Climate Analytics (2016). What does the Paris Climate Agreement mean for Finland and the European Union?; available at: http://climateanalytics.org/files/ca_paris_agreement_finland_eu.pdf

6 Kestävän kehityksen asiantuntijapaneeli (2016). Viisi kärkeä kestävämpään kehitykseen; available at: https://media.sitra.fi/2017/02/27175312/Viisi_karkea_kestavampaan_kehitykseen-2.pdf

7 Treasury of Finland (2016). Verotuet 2015 – 2017 e. <http://vm.fi/documents/10623/307601/Verotuet+2015+-+2017e/d873f2e5-6272-4ce1-a3fc-5b82e0c547f3>

The government's plan does not include concrete ideas about how Finland will fulfil its climate financing responsibilities or how the predictability of climate finance will be guaranteed in the long run.

Over-consumption of natural resources is a real challenge for Finland. If all people in the world were to live like Finns, we would need the natural resources of more than three planets. Finnish civil society actors have stated that the Finnish economy needs to respect the limits of our globe and stay within the limits of the carrying capacity of the nature, while at the same time respecting human rights. The state needs to set the coordinates to achieve a significant and absolute decrease in the consumption of natural resources. For example, the public procurement chain needs to support the achievement of sustainable development goals.

Lack of ambition in tax issues and corporate accountability

The government's implementation plan lacks coherence on issues related to tax and capital flight. The plan correctly recognizes that strengthening the ability of developing countries to collect taxes is crucial for improving their capacity to produce welfare for their citizens. Reducing inequality within and between countries is one of the key objectives of the Sustainable Development Goals. Tax avoidance and tax havens increase inequality and diminish societal trust, the importance of which is correctly emphasized in the plan. UNCTAD estimates that developing countries lose annually more than US\$100 billion due to aggressive tax planning. In Finland the same figure is EUR 430–1400 million a year.

However, the implementation plan does not include activities to prevent capital flight and tax avoidance by multinational corporations. Finland should advocate for a comprehensive public country-by-country reporting obligation for multinational corporations. Companies should be obliged to publish taxes on income and key activities in each country where they operate. A proposal for public country-by-country reporting is currently being discussed in the European Union.

Finland has supported a very narrow model of reporting, and should be more active in preventing tax avoidance and increasing tax transparency both in its national policies and in the European Union.

The implementation plan reinstates well Finland's commitment to the UN Guiding Principles on Business and Human Rights. These principles require that companies assess and address the human rights impacts of their activities, including their supply chain. This cannot be achieved merely through dialogue and voluntary initiatives. Finland should introduce legislation that requires human rights due diligence.

Contradiction between ambition and practice in promoting gender equality

Finland ranks high in terms of gender equality in many aspects. Recent trends, however, are towards increasing inequality in terms not only of gender but also more generally. In the promotion of gender equality the Finnish SDG implementation plan refers to the government programme which is weaker regarding gender equality than the programmes of previous governments. The SDG implementation plan fails to look beyond the current term of the government and thus risks Finland being left behind among our peers in achieving SDG 5.

In terms of Finland's global responsibility for the achievement of SDG 5, there is a big gap between ambition and reality. Promoting the rights of girls and women is mentioned as the first priority of the government's development policy which is an important achievement. In official speeches and declarations Finland promotes gender equality as well as girls' and women's rights. In practice, however, according to several studies and evaluations, Finnish development co-operation lacks coherent integration of gender equality in the planning, implementation and reporting. The share of programmes and projects with promotion of gender equality as a main objective is low (in 2015, only 6% according to the OECD DAC gender marker 2). In addition, transferring funding from CSOs,

multilaterals and bilateral co-operation into private sector development funding further hinders closing the gap between high ambition and reality in terms of promoting gender equality.

Importance of global education

The implementation plan underlines well the importance of citizens' participation. Achievement of the sustainable development goals requires upbringing and education to secure that the Finnish people know the goals and commit to enhance them. Current national curriculum of education emphasizes the sustainable development commendably, but it is not enough. Finland should formulate a plan which would bring together all central formal and non-formal institutions working on education. This has been recommended by, among others, a working group of Ministry of Education and Culture and Ministry of the Environment.

Civil society organizations are important resources as they have for years developed pedagogical methodologies and constructive approaches to issues related to global responsibility by focusing on active citizenship. They act at the very local level and offer multiple ways to participate in the construction of a sustainable future. Sufficient resources are needed to support this work, including for training.

Reflections on civil society cooperation

The 2030 Agenda has brought together organizations and enhanced the creation of new partnerships and cooperation. A collaboration platform of a few national umbrella organizations from different sectors meets a couple of times each year.

There is also an active network of CSOs sharing information and planning activities and strategies. An important collective achievement has been the formulation of recommendations for the Finnish government and municipalities on all 17 SDGs.⁸ Altogether 47 CSOs participated in several workshops in 2016 in which recommendations were formulated on the global, national and local level.

The Finnish follow-up report which was published in May 2017 is a collective effort by ten CSOs. The report, published in English as part of the Social Watch Spotlight Report package, analyses the situation in Finland in relation to the seven goals to be the focus of discussion at the HLPF in 2017, namely poverty (SDG 1), hunger (SDG 2), health (SDG 3), gender equality (SDG 5), infrastructure (SDG 9), oceans (SDG 14) and means of implementation (SDG 17). It includes ideas as well as policy recommendations at the municipal, national and global level.

A national follow-up report will be produced every year with the focus on those goals which will be discussed at the HLPF. The combination of CSOs involved will vary every year, according to the topics of the goals discussed at the HLPF.

This text presents the overall situation of the implementation of the Sustainable Development Goals in Finland. It is complementary to the longer national report produced by ten Finnish civil society organizations (CSOs).

⁸ Recommendations by Finnish civil society organizations for Finland's 2030 Agenda implementation plan (2016).
<https://www.kepa.fi/tiedostot/agenda-2030cso-recommendationsfinland.pdf>