

Complementarities and synergies between the Finnish Recovery and Resilience Plan and the Innovation and Skills in Finland 2021–2027 – EU regional and structural policy programme

This report¹ compares funding from the Finnish Recovery and Resilience Plan (RRP) in 2021-2026 with that from the cohesion policy funds (ERDF, ESF+ and the Just Transition Fund²) for the 2021-2027 period. The assessment is motivated by the need, both practical and regulatory, to ensure that the actions planned and implemented under the Recovery and Resilience Facility (RRF) and cohesion policy foster synergies and are effectively coordinated. The report focuses on the content and substance of EU-funded investments from the two instruments/policies in Finland. The report also makes cursory reference to the differences and similarities of the respective administrative set-ups.

The report concludes that the RRP and the Innovation and Skills programme embrace largely converging objectives and priorities. At the same time, each programme also addresses specific areas of support not covered by the other programme. Overall, the support from the two programmes does not seem to overlap in concrete terms to any significant extent. There is, however, a limited set of measures with a potentially overlapping target audience. In such measures, it is important to address, as needed, any unnecessary overlays as well as risks of double funding³ between the RRP and the Innovation and Skills programme.

1. Underlying differences and similarities between the RRP and the Innovation and Skills programme

Strategic level differences and similarities

When comparing the contents of the Finnish RRP⁴ and the Innovation and Skills cohesion policy programme⁵, it is worthwhile to refer to the fundamentals and logic of the RRF and the cohesion policy funds in general. The European Court of Auditors (ECA) review 01/2023⁶ has outlined the similarities and differences between the two instruments/policies. Such characteristics are explained below to the extent they affect the way the funds have been programmed and are being implemented in the Finnish context.

Cohesion policy is the main long-term investment policy in the EU budget, whereas the RRF, as part of the NextGenerationEU, is a one-off temporary instrument for recovery from the global pandemic. Correspondingly, the Innovation and Skills programme represents continuation for an established longstanding regional development method in Finland, with the exception of the extra allocations through the JTF for the 2021-2027 period⁷. The RRP however is mainly geared towards fast deployment of funds in selected areas relevant to economic recovery as well as to social and employment services.

At EU strategic level, both the RRF and the cohesion policy funds aim at contributing to the EU's political priorities, in particular those of green transition and digital transformation. While there are slight

¹ The RRF Coordination and Support Team of the Ministry of Economic Affairs and Employment has prepared the report with the kind assistance of the Regions and Growth Services department of the Ministry of Economic Affairs and Employment and the RRP Coordination Unit of the Ministry of Finance.

² Although the Just Transition Fund (JTF), strengthened by NextGenerationEU (NGEU), is formally not part of cohesion policy, it is under the same framework and integrated into its programmes.

³ Double funding here refers to a situation where the same costs for the same activity are funded twice with Union support.

⁴ [Suomen elpymis- ja palautumissuunnitelma](#), Valtioneuvosto 27.5.2021.

⁵ [Uudistuva ja osaava Suomi 2021-2027](#), EU:n alue- ja rakennepolitiikan ohjelma, täydennetty ohjelma-asiakirja 20.10.2022 versio.

⁶ [EU financing through cohesion policy and the Recovery and Resilience Facility: A comparative analysis](#), European Court of Auditors, Review 01/2023.

⁷ 56 percent of JTF funding consist of allocations from NextGenerationEU.

differences in the EU spending priorities for the RRF and the cohesion policy, such variances do not prevent Member States from spending on similar types of actions from the two instruments/policies. This is also evident in the broad thematic set-up of the Finnish RRP and the Innovation and Skills programme, which dedicate a great deal of their resources to matching priority areas, namely green transition and carbon neutrality, research and innovation, as well as employment and skills. Chapter 2 of this report further explores this thematic convergence.

In addition, both the RRF and the cohesion policy funds require Member States to address the Country Specific Recommendations. RRF funding is more directly linked with national structural reforms. Thus, the Finnish RRP sets out a number of legal and administrative reforms, which do not necessarily involve RRF funding, but the completion of which nevertheless remains a condition for Finland's RRF allocation.

Eligibility periods and budgets

A key separating feature between the two instruments/policies has to do with the eligibility periods. The eligibility period for the 2021-2027 cohesion policy funds is nine years and runs beyond the end of the programming period, while for the RRF it is six and a half years, with investments and reforms to be completed by August 2026 and the last payments from the European Commission to Finland to be made by the end of 2026.

Due to the relatively short implementation window for the RRF, the investments within the Finnish RRP had to be launched in a front-loaded manner, starting from summer 2021, with the majority of competitive calls completed and funding decisions made by the beginning of 2023. Similarly, the majority of RRF spending for the development of public administration and public services was initiated early to the implementation period.

For the Innovation and Skills programme, the implementation profile is more back-loaded. Even though the intermediate bodies launched the first calls in 2022, the Innovation and Skills programme will not be running and operative in its full extent (including payments to the projects) earlier than in the autumn of 2023.

The total budget (EUR 3 159 million) of the Innovation and Skills programme consist of EUR 1 935 million of Union financing (ERDF 867, ESF+ 602, JTF 466) and EUR 1 224 million of national public co-financing. A key difference compared to the RRP is that the RRF does not require national co-financing. The Finnish RRP budget consist of EUR 1 822 million of Union financing alone. In the implementation of both the Innovation and Skills programme and the RRP, intensities of public support at project level are subject to national rules governing each authority granting the aid.

Key factors of practical demarcation

The EU regulatory basis as such does not prevent the RRF and the cohesion policy funding from addressing similar types or sizes of projects or beneficiaries. In the case of Finland, the demarcation and complementarities between the RRF and the cohesion policy funds stem essentially from the level and scale of implementation. While neither EU level nor national rules are specifically in place to govern the demarcation between the two instruments/policies, the key defining features in the Finnish context are:

- Geographical scope

A fundamental difference between the RRP and the Innovation and Skills programme has to do with national vs. regional focus.

From its inception, the Finnish RRP was planned and implemented without predetermined, earmarked contributions to the administrative regions. All competitive funding within the RRP is open for applicants across the nation. In addition, the RRP public sector development actions include few pre-set regional or local activities.⁸

The geographical design of the Innovation and Skills programme is different from that of the RRP and stems from both national priorities and regional considerations. The regional perspective is largely based on strategy work on smart specialisation for ERDF and ESF+ co-financed activities – as well as on territorial just transition plans for JTF co-financed activities – in the regions. The content-related choices reflect the regional differences and regional focus areas. In the regions, funding is directed to projects that meet the objectives of the regional strategic programme and the region's smart specialisation strategy. This separates the strategic scope of the Innovation and Skills programme from that of the RRP. Part of the funding provided within the Innovation and Skills programme from the ERDF (up to 6 percent) and the ESF+ (up to 20 percent) will however be allocated to national themes, and supra-regional projects are possible.

In terms of indicative amounts of cohesion policy financing, the regional concentration is evident. Within the Innovation and Skills programme, 69 percent of ERDF funding, 60 percent of ESF+ funding and 70 percent of JTF funding is earmarked in advance for Eastern and Northern Finland^{9,10}

Within the RRP, it is possible to observe the realised funding and its regional balance. The majority of beneficiaries of decided competitive RRF financing are placed in Southern and Western Finland. For instance, projects from Southern and Western Finland represent 95 percent¹¹ of the decided RRF grant amounts by Business Finland and 70 percent¹² of the decided RRF energy investment grant amounts by the Ministry of Economic Affairs and Employment. Through observing a sample of the already decided RRF support, the regional focus of the RRP as compared to the Innovation and Skills programme is noticeable. The RRP balance in favour of Southern and Western Finland is a direct result from the strategic scope of the RRP and its individual measures. For instance, by design, the RRP places strong emphasis on maximum benefit in terms of leveraging private investment and larger scale energy and RDI projects. The conditions for such types of investments are more favourable in the Southern and Western Finnish regions.

- **Authorities granting the financial support**

The authorities granting the financial support are, with minor overlap¹³, largely different between the two instruments/policies.

⁸ A certain exception to the geographical logic of the RRP is the RRF support made available by the Ministry for Social Affairs and Health to the wellbeing services counties and the City of Helsinki. This support, granted under pillar 4 of the RRP, follows a predetermined formula for the division of maximum RRF resources between the counties and the City of Helsinki. The allocation criteria take into account the population base of the area.

⁹ The area of Eastern Finland includes the regions of South Savo, North Savo and North Karelia. The area of Northern Finland includes the regions of North Ostrobothnia, Lapland, Kainuu and Central Ostrobothnia.

¹⁰ [Finnish Government](#), EU:n alue- ja rakennepolitiikan rahoituksen alueellinen jako.

¹¹ [Business Finland](#), situation as of 12 April 2023.

¹² [Ministry of Economic Affairs and Employment](#), situation as of 12 April 2023.

¹³ The four dedicated regional centres for Economic Development, Transport and the Environment, which act as intermediate bodies for cohesion policy support, are also authorities granting the assistance for two RRP measures relevant to SME support.

Within the RRP, there is a selection of 30 different authorities granting the financial support¹⁴, ranging from special agencies to ministries. The sphere of activity in implementing the RRP for all these authorities is national instead of regional. The Ministry of Economic Affairs and Employment (energy investment aid), Business Finland (RDI and business development) and the Academy of Finland (research) grant the great majority of competitive RRF funding in Finland. Several other ministries and agencies are responsible for relatively smaller though significant RRF grant schemes. In addition, much of the RRF allocation is directed towards public development projects, whereby the authorities granting the financial support are either beneficiaries of assistance themselves or responsible for administrative decisions for the allocation of resources further down the public service chain.

Regional authorities play a prominent part in the planning and implementation of cohesion policy assistance from the Innovation and Skills programme: four dedicated regional centres for Economic Development, Transport and the Environment and 14 regional councils, as well as the Finnish Food Authority, act as intermediate bodies (granting the financial support).

- **Project size**

The majority of competitive RRF funding is directed to projects of large size. This is a direct result from the design and strategic scope of the RRP and its specific measures. For instance, 97 percent of RRF support approved by Business Finland consists of grant decisions above EUR 200 000, whereas 83 percent consist of grant decisions above EUR 1 million.¹⁵ Similarly, 97 percent of RRF support granted by the Academy of Finland consists of grant decisions above EUR 200 000, whereas 21 percent consist of grant decisions above EUR 1 million.¹⁶ The RRF energy investment aid granted by the Ministry of Economic Affairs and Employment is fully directed to large-scale projects with decided individual grant amounts ranging between EUR 1 million and EUR 35 million.¹⁷

On another hand, the RRP includes also smaller-scale competitive project funding, especially within the support measures directed at the creative industries, tourism sector and SMEs. Project size is therefore not an overarching demarcation line between the two instruments/policies.

In any event, cohesion policy financing is more strictly limited to projects of smaller scope. In the 2014-2020 programming period, the average size of ERDF projects was EUR 170 000 and that of ESF projects EUR 369 000. However, the average size of ERDF projects in particular varies depending on the nature of the project: The average amount of business subsidies granted to SMEs was EUR 100 000, while the average size of infrastructure investments was EUR 1.1 million.

- **Types of beneficiaries**

The aforementioned differences in the strategic scope and implementation structure (national vs. regional) and project size (predominantly large vs. small) result in a mostly different profile of typical beneficiaries for the two instruments/policies. As regards the typical size of business beneficiaries, 68 percent of decided RRF support by Business Finland¹⁸ and 81 percent of that decided by the Ministry of Economic Affairs and Employment¹⁹ was granted to large companies. On the other hand,

¹⁴ Within the RRP, the authorities granting the financial support refer to authorities that either grant aid to beneficiaries or use state budget appropriations for a project implemented by the authority itself.

¹⁵ [Business Finland](#), situation as of 12 April 2023.

¹⁶ [Tutkihallintoa.fi](#), situation as of 24 March 2023.

¹⁷ [Ministry of Economic Affairs and Employment](#), situation as of 12 April 2023.

¹⁸ [Business Finland](#), situation as of 12 April 2023.

¹⁹ [Ministry of Economic Affairs and Employment](#), situation as of 12 April 2023.

SMEs and micro-enterprises are direct beneficiaries of a range of RRP measures. Conclusive data on the size of business beneficiaries is not currently available at the level of the RRP as a whole. The RRP also directs major parts of the RRF funding to actions of national significance for the development of public services and infrastructures.

For the Innovation and Skills programme, typical beneficiaries are SMEs, municipalities, universities of applied sciences, universities, joint municipal authorities, publicly owned development companies as well as non-profit associations and organisations.

Payments linked to targets and milestones vs. payments linked to real costs

A key difference between the two instruments/policies is that the RRF payments from the Commission to the Member State are not linked to the costs, even though Member States must provide the Commission with cost estimates for the measures included in their RRFs. Under the “financing not linked to costs” (FNLC) model, an operation receives EU funding when it achieves results or meets conditions established previously in legislation. For the RRF, the achievement of milestones and targets is the only criterion for authorising a Commission payment to the Member State. Thus, also the control and audit requirements at the EU level focus on the satisfactory fulfilment of milestones and targets. The FNLC model is mandatory for the RRF. For individual operations within the RRF, Member States may choose any financing model in accordance with their national rules.

For cohesion policy, the Union contribution by the Commission to the Member State may take the form of FNLC, simplified cost options (SCOs), real costs and combination of the previously mentioned forms in accordance with Article 51 CPR (EU) 2021/1060 and an assurance on the regularity of the expenditure declared by the Member State. So far, FNLC has not been used under cohesion policy in Finland. For cohesion policy funds, control and audit requirements at the EU level depend on the form of Union contribution.

For the 2021-2027 period, simplified cost options that reimburse expenditure at a rate calculated in advance have become mandatory for ERDF, ESF+ and JTF-funded operations where the total cost of an operation does not exceed EUR 200 000.

Whereas the rules governing payments from the Commission to Finland are different within the two instruments/policies, this as such did not have any significant effect on the thematic priority formulation of the two programming documents. The differing payment methods however did influence the choice for separate national management and control systems for the two instruments/policies.

Different administrative arrangements

In terms of governance, the key difference is that the cohesion policy funds are implemented under shared management, whereas the RRF is implemented under direct management. Thus, also the Commission counterparts for the two instruments/policies differ: for the Innovation and Skills programme these are DG REGIO and DG EMPL, and for the RRF these are SG RECOVER and DG ECFIN.

Cohesion policy funds are implemented based on the Common Provisions Regulation (CPR)²⁰, whereas the RRF is governed by the EU’s RRF Regulation²¹ and implemented through national systems specific to each Member State. While the nature of programming documents for the two instruments/policies

²⁰ [Common Provisions Regulation 2021/1060](#)

²¹ [Regulation establishing the RRF 2021/241](#)

differs, in Finland they both are programmed through single programming documents: the RRP and the Innovation and Skills cohesion policy programme respectively²². In the implementation of the RRP, the legally binding key documents are the Council decision²³ on the Finnish RRP and the operational arrangements²⁴ agreed between Finland and the Commission.

The aforementioned differences in the governance set-up and in the level and scale of support for the two instruments/policies have contributed to a decision in Finland to use separate, differentiated administrative arrangements for the RRF and the cohesion policy funding:

- The cohesion policy funding is governed within the established administrative set-up in line with the CPR. The applications, payments and controls within the Innovation and Skills programme are managed through the EURA IT system specific for cohesion policy financing.
- The RRF management and control structure in Finland is largely based on the exercise of standard administrative competencies across the ministries and government agencies. The additional governance structures as required by the EU's RRF Regulation were set up through a specific RRF implementation act²⁵, which e.g. established the coordination function for the Ministry of Finance as well as additional mandates and responsibilities for the State Treasury, the involved ministries and the Government Financial Controller's Function. For applications, payments and controls, the RRF authorities granting the aid use their respective existing IT systems. In addition, the State Treasury has built a common national IT system for RRF reporting and control purposes. The cohesion policy EURA system is not used for RRF financing.

2. Thematic convergence between the RRP and the Innovation and Skills programme

At thematic level, it is possible to pin down the converging nature of the two instruments/policies in Finland through a straightforward comparison between the *pillars* of the RRP and the *policy objectives* of the Innovation and Skills programme.

The below table 1 exemplifies the thematic convergence between the two instruments/policies in Finland, namely in the six extensive subject areas of

- green transition,
- RDI and related business support,
- digitalisation,
- employment and inclusion,
- learning and skills, and
- social services and innovations.

²² ERDF and ESF+ are however programmed separately for Åland through [Ålands strukturfondsprogram 2021–2027](#).

²³ [Council implementing decision 6991/23](#) of 7 March 2023 amending the Council Implementing Decision of 29 October 2021 on the approval of the assessment of the recovery and resilience plan for Finland.

²⁴ As of 12 April 2023, the operational arrangements had not been agreed between Finland and the Commission.

²⁵ [Laki Euroopan unionin elpymis- ja palautumistukivälineen hallinnoinnista, valvonnasta ja tarkastuksesta 537/2022](#)

Pillars of the RRP (and their RRF financial allocation)	Policy objectives of the Innovation and Skills programme (and their indicative EU cohesion policy financial allocation)
Green transition (EUR 695M) – P1	Carbon neutral Finland (ERDF) (EUR 261M) – PO2
Employment and Skills (EUR 575M) – P3	Finland of just transition (JTF) (EUR 466M ²⁶) – PO7
	Competent and inclusive Finland that provides work (ESF+) (EUR 542M) – PO4
Digitalisation (EUR 200M) – P2	Innovative Finland (ERDF) (EUR 537M) – PO1
Health and social services (EUR 353M) – P4	Finland of social innovations (ESF+) (EUR 30M) – PO5
	More accessible Finland (ERDF) (EUR 68M) – PO3
	Finland that prevents material deprivation (ESF+) (EUR 30M) – PO6

Table 1: Convergence between the thematic pillars of the RRP and the policy objectives of the Innovation and Skills programme

Green transition

- Within pillar 1 (Green transition) of the RRP, the key goals include making Finland a world leader in the hydrogen and circular economies and in emission-free energy systems and other climate and environmental solutions. The aim is also to improve energy efficiency and accelerate the transition to fossil-free transport. The measures to achieve these goals include actions to mobilise as much green transition investment as possible. Putting into effect the low-carbon roadmaps for industrial sectors is a significant component of the overall package.
- Within policy objective 2 (Carbon neutral Finland) of the Innovation and Skills programme, the aim through ERDF financing is to promote energy efficiency and the circular economy and to reduce greenhouse gas emissions. Funding will also be allocated to measures to prepare for climate change. Within policy objective 7 (Finland of just transition) of the Innovation and Skills programme, the objective by using JTF support is a regionally just transition for discounting the use of peat by diversifying business with the focus on green economy, adapting the sector's workforce and restoring adverse environmental impacts.

RDI and related business support

- Within priority 3 (Employment and skills) of the RRP the aim is to increase research and development intensity, enabling growth to pick up over the longer term as well. The majority of the RDI funding is directed at actions supporting the green transition. Research and innovation infrastructure of national relevance as well as local research infrastructure are also addressed by the funding. In addition, the priority includes measures with the goal of accelerating renewal, recovery and sustainable growth in sectors most affected by the pandemic crisis, i.e. travel and tourism, the

²⁶ Includes both the MFF and the NGEU contributions.

creative economy and the events sector. Focused support is directed to selected sectors with specific international growth potential.

- Within policy objective 1 (Innovative Finland) of the Innovation and Skills programme the objective is to promote through ERDF support research and innovation capabilities of regions and companies with a particular focus on business and working life, and the introduction of new technologies. Funding will advance the growth and competitiveness of SMEs.

Digitalisation

- Within priority 2 (Digitalisation) of the RRP the goals are to create a competitive operating environment for businesses and to turn Finland into a world-class producer of data-driven services for digital societies, together with secure solutions for these services. This includes solutions that promote digitalisation in the rail sector. The RRP will strengthen the digital transition in society through measures that boost digital, technological and data investments.
- Policy objective 1 (Innovative Finland) of the Innovation and Skills programme includes an ERDF-funded specific objective to utilise digitalisation for the benefit of citizens, businesses and public administration.

Employment and inclusion

- Within priority 3 (Employment and skills) of the RRP the goals include renewing jobseeker services by making them more customer-oriented and taking advantage of digitalisation in such services. Work-based immigration will also be streamlined and wellbeing at work promoted, and people with impaired capacity for work will be able to find employment more successfully.
- Within policy objective 4 (Competent and inclusive Finland that provides work) of the Innovation and Skills programme the objectives include channelling ESF+ support to employment and working life development.

Learning and skills

- Within priority 3 (Employment and skills) of the RRP, long-term growth will be promoted by raising skill levels among both young people and adults. Further opportunities will be created for continuous learning, with a focus on opportunities that are not location-dependent.
- Within policy objective 4 (Competent and inclusive Finland that provides work) of the Innovation and Skills programme, the objectives of ESF+ support include boosting skills, continuous learning and flexible educational paths. JTF support to the adaptation of the peat sector workforce within policy objective 7 (Finland of just transition) contributes to a similar yet more focused objective.

Social services and innovations

- Within priority 4 (Social and health services) of the RRP a key aim is to reduce the backlog in care, rehabilitation and other services, which has built up as a result of the pandemic. The key goals also include adopting new multidisciplinary and multi-professional practices in healthcare and social welfare for promoting the health and wellbeing of the population. New digital services will also be introduced. Low threshold services will be used to better meet various needs, for example the needs of those who are vulnerable. The aim is quicker access to treatment and care, especially in primary healthcare.

- Within policy objective 5 (Finland of social innovations) of the Innovation and Skills programme, ESF+ funding is aimed at supporting the everyday lives and wellbeing of children who are clients of child welfare services and, in particular, those children and young people who are placed outside their home.

In addition to the converging areas of activities mentioned above, two such specific areas of support can be identified in the Innovation and Skills programme that have more limited correspondence with the priorities of the RRP:

- First, the ERDF-financed priority area 3 (More accessible Finland), which aims at developing local road transport infrastructure with separate funding for sparsely populated areas. In the broader sense, the ERDF road investments do address accessibility challenges similar to those being tackled by the RRP measure for broadband development within priority 2 of the RRP. A certain convergence can also be observed with the RRP measure for supporting public infrastructure for distribution and refuelling of electricity and renewable hydrogen in transport within priority 1 of the RRP.
- Secondly, policy objective 6 (Finland that prevents material deprivation) of the Innovation and Skills programme is a specific part of ESF+ support that stands apart from the joint converging thematic fields of the two instruments/policies. The aim of the policy objective is to help those in a disadvantaged position by providing support for the purchase of food and basic commodities. At the same time, the aim is to make available other services that improve the situation of those receiving aid.

3. Comparison based on indicative allocations of Union support to the different intervention fields

A look into the *intervention fields* provides a more particular backdrop for the comparison and crosschecking of the RRP and the Innovation and Skills programme. The intervention fields are codes identifying the scope of investments. The intervention fields have been used to track cohesion policy investments in different areas since the 2014-2020 programming period. They are introduced also in the EU's RRF Regulation mainly to track the levels of green and digital investments. The intervention fields relevant to the current cohesion policy instruments and the RRF are listed in Annex I of the CPR and Annexes VI and VII of the EU's RRF Regulation. The lists are mostly identical though with certain variations and differences in numbering.

All planned RRF and cohesion policy expenditure can be connected to a particular intervention field. In the case of the RRF, the intervention fields are instrumental to the methodologies for "climate tracking" and "digital tagging". RRF spending within a number of "green" or "digital" intervention fields has a mandatory character through detailed requirements written into the Council decision approving the RRP and the operational arrangements agreed with the Commission. For cohesion policy support, the intervention fields hold a more indicative character.

Tables 2 and 3 include all matching intervention fields within which (indicative) contributions of Union support have been programmed from both the RRF and the ERDF, ESF+ or JTF. The cited amounts are derived from the RRF and cohesion policy programming documents and their supporting documentation.

Table 2 captures the big picture: EUR 1852 million of Union support to Finland (around 49 percent of the combined indicative amounts of Union support from the two instruments/policies) is covered by matching intervention fields.

RRP only	Corresponding intervention fields	Innovation and Skills programme only
EUR 739 million Indicative amount of Union support covered by intervention fields specific to the RRP	EUR 1852 million Indicative amount of Union support covered by intervention fields financed both from the RRP and from the Innovation and Skills programme	EUR 1166 million Indicative amount of Union support covered by intervention fields specific to the Innovation and Skills programme

Table 2: Overview of indicative RRF and cohesion policy amounts of Union financing to corresponding intervention fields

A more detailed examination based on the individual intervention fields (see Table 3) reveals that four thematic areas in particular come up in terms of matching contributions:

- research, development and innovation,
 - SME support,
 - employment,
 - education and skills.
- The matching **RDI-relevant** intervention fields in particular stand out with a total indicative contribution of EUR 290 million from the RRP and EUR 323 million from the Innovation and Skills programme.

Business Finland (EUR 202 million mostly in areas relevant to green transition), the Academy of Finland (EUR 82 million in research infrastructure and green transition) and the Ministry of the Environment (EUR 6 million in the area of built environment) implement the RRF measures within this area. The typical beneficiaries of assistance are (predominantly large) businesses and research institutions (universities, government agencies and publicly owned research institutes).

The cohesion policy contributions to RDI projects are expected to promote RDI cooperation as well as the introduction of research and innovation capabilities and advanced technologies. The projects will develop business-oriented innovation activities and increase cooperation between the business community, higher education institutions and research institutes, vocational institutions and other education providers, other development actors (including cities and municipalities as well as the third sector) and end users (consumers, citizens) in the entire value chain of services and products. The steering framework includes the national roadmap for RDI and the regional strategic programmes, which define the approach to smart specialisation and the focus areas for development investments.

- The intervention field for **SME business development and internationalisation** comprises an indicative contribution of EUR 60 million from the RRP and EUR 163 million from the Innovation and Skills programme.

Within the RRP, this involves support to the creative industries granted by the Ministry of Education and Science (EUR 30 million) and Business Finland (EUR 10 million). Further, the intervention field concerns RRP support to the health and wellbeing technologies (EUR 4 million) and tourism industries (EUR 11.8 million, though mostly not through grants) by Business Finland. In addition, it includes support (EUR 4.6 million) provided by the four regional centres for Economic Development,

Transport and the Environment to the growth and internationalisation of micro, small and medium-sized businesses.

The cohesion policy contributions to SME business development projects are expected to focus on the promotion of digitalisation in business activities, growth and internationalisation of SMEs, RDI activities of SMEs, and the creation of new business opportunities and promotion of networking.

- The intervention fields of direct relevance to **employment** policy contain an indicative contribution of EUR 115 million from the RRP and EUR 108 million from the Innovation and Skills programme.

In the RRP, these amounts refer to specific, pre-described contributions to the implementation of the Nordic employment service model (EUR 70 million), the setting up of the new intermediary employment operator (EUR 12 million), the resourcing of municipal one-stop youth service points (EUR 6,5 million), and the implementation of the working capacity programme (EUR 26 million).

The cohesion policy contributions to the employment-related intervention fields are expected to comprise of project activities to find employment for jobseekers, the unemployed, those in employment, those outside the labour force and groups that have been identified as poorly connected to the labour market. The aim is to develop and produce multi-professional and multidisciplinary services. In addition, the aim is to respond to the competence needs arising from changes in working life and to raise the level of competence through continuous learning and flexible educational paths, and development of services.

- The intervention fields relevant to **education and skills** encompass an indicative contribution of EUR 60 million from the RRP and EUR 127 million from the Innovation and Skills programme.

The RRP contributions are directed at the implementation of the continuous learning programme (EUR 38 million), to increasing the number of available student places at universities (EUR 15 million) and to developing digital skills (EUR 7 million).

The Cohesion Policy contributions to the intervention fields specific to education and skills aim to respond to the competence needs arising from changes in working life. The key objectives include the development of digital skills as part of employment paths and the development of working life skills. The goals include the inclusion and attachment to education and the labour market of those in the weakest labour market position and at the greatest risk of disadvantage.

Intervention field	RRF	ERDF, ESF+, JTF
With reference to Annexes VI and VII of the RRF Regulation 2021/241 and Annex I of the Common Provisions Regulation 2021/1060	Indicative Union support for intervention field (EUR million)	Indicative Union support for intervention field (EUR million)
Research, development and innovation		
Research and innovation processes, technology transfer and cooperation between enterprises focusing on the low carbon economy, resilience and adaptation to climate change	232	204
Research and innovation activities in public research centres, higher education and centres of competence including	37	66

networking (industrial research, experimental development, feasibility studies)		
Support for innovation clusters including between businesses, research organisations and public authorities and business networks primarily benefiting SMEs	21	53
Total	290	323
SME support		
SME business development and internationalisation, including productive investments	60	163
Total	60	163
Employment		
Measures to improve access to employment	82	74
Measures for a healthy and well-adapted working environment addressing health risks, including promotion of physical activity	26	14
Specific support for youth employment and socio-economic integration of young people	7	20
Total	115	108
Education and skills		
Support for adult education (excluding infrastructure)	38	41
Support for tertiary education (excluding infrastructure)	15	18
Support for the development of digital skills	7	68
Total	60	127
Use of recycled materials		
Use of recycled materials as raw materials compliant with the efficiency criteria	130	16
Total	130	16
Energy investments		
Other renewable energy (including geothermal energy)	172	10
Smart Energy Systems (including smart grids and ICT systems) and related storage	155	9
Energy efficiency and demonstration projects in SMEs or large enterprises and supporting measures compliant with energy efficiency criteria	48	6
Renewable energy: biomass with high GHG savings	40	1
Total	415	26
Water management and nature conservation		
Water management and water resource conservation (including river basin management, specific climate change adaptation measures, reuse, leakage reduction)	4	3
Nature and biodiversity protection, natural heritage and resources, green and blue infrastructure	9	3
Total	13	6
Grand total	1083	769

Table 3: Specific RRF and cohesion policy indicative amounts of Union financing to corresponding intervention fields

Apart from the four areas highlighted above, there are a number of matching intervention fields with a more modest scope of financial overlap in the energy investment sector, circular economy as well as water management and nature protection.

In particular, the RRP directs considerable support to energy and circular economy investments. Already decided RRF support for energy investments comprise 38 projects with grant amounts between EUR 1 and 35 million, totalling EUR 389 million of RRF support.²⁷ In the same timeframe, the decided support to recycling and reuse investments from the RRP consist of 22 projects with grant amounts between EUR 0,2 and 15 million, totalling EUR 49 million in RRF support.²⁸

The cohesion policy support to energy and circular economy projects is expected to enhance RDI activities that promote energy efficiency, use of renewable energy and the circular economy. The projects create circular economy concepts for SMEs and promote energy and material efficiency. The projects to be funded typically support research environments or the processing of ideas into products and their commercialisation into a market. Actual investment projects are not financed and the actual commercialisation stage usually takes place with other funding.

4. Conclusions

On the strategic level, the RRP and the Innovation and Skills programme embrace **largely converging objectives and priorities** – namely support to the green transition, RDI, economic competitiveness, employment, development of skills, and digitalisation. These synergies are also evident at the level of the priorities and policy objectives of the RRP and the Innovation and Skills programme. The objectives of the two programmes converge especially for green transition, RDI and the related business support, as well as employment, learning and skills.

In addition, both the RRP and the Innovation and Skills programme address **specific areas of support not covered by the other programme**: The investments in social and health services stand out from the RRP. In the Innovation and Skill programme, the investments in local roads' network development, as well as material aid to the deprived, are specific to cohesion policy assistance.

While the objectives between the two programmes largely converge, at the same time **the support does not seem to overlap to a substantial extent in terms of concrete measures and beneficiaries**. Within the converging thematic areas of support, the level and scope of support are mostly different. The key factors that produce this practical demarcation are the differentiated geographical scope, typical project sizes, and the types of beneficiaries. These differences in the level and scope of support from the RRP and the Innovation and Skills programme result into mostly diverging approaches and target groups between the two instruments/policies.

There is a limited set of measures with a potentially overlapping target audience. The types of beneficiaries that would seem to have the possibility to apply assistance both from the RRP and from the Innovation and Skills programme include, for instance, SMEs (mainly for their digitalisation and internationalisation activities) as well as research and education organisations. **Such types of measures should receive specific attention in terms of management and control activities aimed at the avoidance, detection and correction of potential double funding.**

²⁷ [Ministry of Economic Affairs and Employment](#), situation as of 12 April 2023.

²⁸ [Business Finland](#), situation as of 14 March 2023.

The examination based on the intervention fields provides a more detailed, yet indicative, outlook on the complementarities and potential overlaps between the two programmes. Two fields of support stand out in terms of high levels of corresponding financing: RDI and SME support. In these cases, the demarcation in terms of scope of support or potential beneficiaries is not evident between the two programmes.

In addition, significant levels of Union support from both the RRP and the Innovation and Skills programme are planned for corresponding intervention fields supporting employment, education and skills. In these cases, however, the RRP contributions focus on specific public development projects. Consequently, it is possible to conclude on the largely complementary nature of the respective interventions from the two programmes.

The exercise based on the study of the intervention fields can be of particular use for the red flagging of areas of Union support that may produce unnecessary overlays or, in the worst case, create risks of double funding. Therefore, such examination ought to be repeated later to the programming period based on the actually committed and decided amounts and the linked intervention fields.

Given that the arrangements for management and control are separate for the RRP and the Innovation and Skills programme, it is necessary to utilise shared national mechanisms – such as joint analysis and review on common fora – to ensure that the actions planned and implemented under the RRF and cohesion policy produce combined effects and are effectively coordinated.

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