

## **Appendix: Strategy of the Regional State Administrative Agencies and the Centres for Economic Development, Transport and the Environment for 2024–2027 - Impact assessment**

### *Method of assessment*

The impacts of the strategy drawn up for the Regional State Administrative Agencies and the Centres for Economic Development, Transport and the Environment (ELY Centres) for 2024–2027 were assessed by the secretariat of the strategy working group as part of their official duties. In the assessment, the secretariat used the list of impacts presented below. The amount, extent and significance of impacts are described at a general and qualitative level. Each of the strategic priorities was first examined by means of a table, followed by the drawing up of this summary.

#### Impacts:

1. Economy, livelihoods, regional structure: a. Livelihoods, b. Employment, c. Regional and community structure, d. Functioning of transport and community management
2. People and communities: a. Health, living conditions and comfort, b. Households, c. The status and equality of people, gender equality
3. Environment and natural resources: a. Climate change, b. Soil, water, air, vegetation, organisms and biodiversity, d. Natural resources and their use
4. Service capacity and operations of the agencies: a. Tasks, procedures and cooperation, b. Staff and organisation

### **Summary of the strategy impacts**

The impacts of implementing the strategic priorities of the Regional State Administrative Agencies and ELY Centres for 2024–2027 (We increase vitality, We carry out a sustainable and clean transition, We facilitate preparedness and comprehensive security and We secure wellbeing and equality) were assessed to be mainly positive and direct, and partly indirect. Potentially adverse or conflicting impacts can be prevented and mitigated by coordinating, for example, land use and traffic planning, promoting the material and circular economy and preparedness. In practice, only after the measures to implement the strategy have been selected will it become clear what kinds of impacts the agency activities will have.

The agencies must identify the impacts that their activities will have on different areas, different groups of people and businesses. For example, in sparsely populated areas, core rural areas, urban-adjacent rural areas, urban areas and the capital region, the consequences of implementation may be different. In addition, the impacts of decisions and measures on women, men and different customer groups must be identified. In their activities, the agencies must systematically promote gender equality and non-discrimination and prevent inequalities between different population groups. Agencies must take into account the objectives of the Government Action Plan for Combating Racism and Promoting Good Relations between Population Groups.

No separate implementation plan will be drawn up for the strategy. Instead, the performance agreement of each agency will play this role by setting and specifying the objectives at the operational level. The strategy implementation is monitored annually during normal performance guidance at ELY Centres and Regional State Administrative Agencies. In practice, the agencies' performance agreements serve as the strategy

implementation documents and the implementation is assessed directly based on the performance agreements. The working group considers it important that the agencies, in cooperation with guiding bodies, stakeholders and customers, actively identify and monitor the impacts of the strategy implementation so that the strategy can be specified, if needed. In particular, the assessment will take into account regional impacts and impacts related to different groups of people, business and industry. One objective of the monitoring is to examine whether the impacts of the strategy and its implementation will be realised in line with the assessment. If necessary, the impact assessment will be made more specific.

#### *Impacts on the economy, livelihoods and regional structure*

As a rule, the objective of the 'We increase vitality' strategic priority is to support sustainable development of the economy, employment, livelihoods and a good regional structure. In this regard, most of the strategy's impacts are positive. The impacts of the ELY Centres' activities are largely direct and those of the Regional State Administrative Agencies mostly indirect. Renewing, growing and diversifying businesses with new global connections will have immediate positive effects as the number of companies and the production capacity increase. Well-functioning and agile licencing and permit processes for businesses will enable productivity growth. Increasing investment in RDI will generate innovations and provide international links for the regions. Economic growth will increase people's wellbeing in the regions. Innovation will also give rise to new kinds of expertise and training. Employment will increase, people with impaired capacity to work will find work, and companies' shortage of skilled labour will ease. Regional economies will benefit from increased purchasing power and tax revenue. A transport system that supports accessibility is of major importance to industry and commerce and to regional structures. Economic growth will have indirect adverse impacts arising from growing transport and mobility needs, as infrastructure costs will increase. Through licensing and enforcement authorities can ensure that business operators have, among other things, appropriate facilities, equipment and competent staff. The requirements may have a cost-increasing effect on companies.

The impacts of sustainable growth and the clean transition are largely positive. By creating new business opportunities, these objectives will have direct impacts on the development of industries. In some areas, the targets for becoming carbon negative may require that the environment and health take precedence over everything else. While reducing emissions may at times slow down economic growth, managing climate and environmental risks on the whole promotes the positive development of the economy, livelihoods and regional structures. According to the assessment, the impacts of the strategic focus on regional development, regional and community structure, and transport and community maintenance are also positive.

The impacts of the objective of promoting preparedness and comprehensive security are not exclusively positive for the economy. On the global scale, Finland has become an example of how to manage preparedness. While this creates efficiency losses, cross-administrative and multidisciplinary support, coordinated by the regional state administration, for preparing for incidents and emergencies will provide businesses and other regional operators with a solid basis for maintaining comprehensive security and resilience.

The impact of the 'Securing wellbeing and equality' strategic priority is assessed to be positive on the economy and livelihoods and partly neutral on the regional and community structure. Effective and impactful enforcement and legal protection both facilitate the anticipation of changes in the business environment and promote work that is of high quality and safe. Good availability of services and increased inclusion will indirectly boost economic and business growth.

### *Impacts on people and communities*

The strategic priority of 'We increase vitality' aims at renewing and diversifying businesses in order to increase employment and inclusion and raise the population's level of education, skills and knowledge. The impacts of this priority are mainly positive, and both direct and indirect. Economic growth and innovations open up more employment opportunities for people, improving employment and increasing wellbeing. Industry and commerce that are in the process of renewal also need new expertise with continuous training of employees. New networks of people with a high-level of competence will then drive the provision of services. A higher level of education, skills and knowledge among the population will increase people's employment opportunities and household incomes. Accessible services will safeguard the equality of people and the vitality of regions.

With regard to the 'We carry out a sustainable and clean transition' strategic priority, the impacts on people and communities are largely positive and indirect. Biodiversity, lower emissions and management of climate risks make a big difference for people's wellbeing. Increasing public environmental awareness and permit and enforcement processes have an impact on the state of the environment and the sustainable use of natural resources, promoting people's wellbeing. The impact chains are partly indirect and may also involve networking with other operators in environmental education. A more direct impact would result from financing business projects that support environmental and climate measures and from promoting infrastructure for sustainable mobility and land use as well as public transport. Improvements in biodiversity and the state of waters have a positive impact on matters such as people's living conditions and comfort.

Promotion of good living and working environments and animal health also safeguard human wellbeing. For example, food safety and health protection controls prevent, reduce and eliminate factors that may cause health problems to humans. A comprehensively sustainable food system takes into account the carrying capacity of nature. Services with a high level of availability and accessibility cause less emissions. Society and people manage incidents and emergencies by investing in resilience and cross-administrative preparedness. When people can meet their basic needs, they will have more resources to focus on environmental issues. In times of uncertainty, environmental issues are easily overlooked.

Indirect negative impacts may also occur, although these are difficult to predict. A potentially negative impact on people's equality may arise if, for example, transport costs rise significantly when fossil fuels are phased out. In this case, people living in sparsely populated areas may face a greater burden than those living in the urban centres in the south of Finland. The growing urban centres offer better opportunities for public transport, walking or cycling.

The strategic priority of 'We secure wellbeing and equality' is to ensure that basic public services are equally available, legal protection is provided proactively and quickly, and supervision is effective and timely. The impacts on people and communities are positive and direct. High-quality, healthy and safe work which responds to changes in the world of work increases employee wellbeing. Equally available and well-functioning integration services improve the integration of migrants into Finnish society and improve their employment prospects. Cooperation in the promotion of comprehensive security, the promotion of inclusion and the prevention of exclusion can, both indirectly and directly and positively, affect people's wellbeing and equality. All measures aim to reduce inequality and increase everyone's inclusion. In order to guarantee internal security, it may sometimes be necessary to impose guidelines and restrictions that may be considered negative.

### *Impacts on the environment and natural resources*

The strategy's desired impacts on the state of the environment and the sustainable use of natural resources are positive and, in many respects, direct. Sustainable economic activity and environmental and climate projects can create direct impacts. For example, the positive environmental impacts of business subsidies can be increased by allocating aid to projects that support the objective of carbon neutrality. High-quality land use planning at different planning levels and transport system work support the achievement of environmental goals. With regard to environmental permit processes and land use promotion, it is important to promote urban infill, enable carbon-free energy production and advance public transportation, walking and cycling. If housing or jobs are guided towards peripheral areas in towns or to rural areas, the number of transport performances by passenger cars will increase and emissions will grow.

With growing industrial and commercial activity, the use of natural resources will also increase. However, the promotion of newer technologies can reduce the need for resources and improve materials efficiency. Environmental and water permit processes can be used to promote entrepreneurship that increases the circular economy. Permit, licence and financing decisions can drive positive impacts on the state of biodiversity and waters. The positive impacts of securing wellbeing and equality are a result of factors such as enhanced internal security cooperation and improved risk management.

### *Impacts on the service capacity and operations of the agencies*

Agencies have demanding operational objectives: excellent job satisfaction and employer image, effective communication and interaction, active and effective cooperation with networks and partnerships, excellent customer experience, smoothly running and digitalised service provision, and seamless and uninterrupted implementation of the agency reform. In order to achieve these demanding objectives, agencies need good management and communication, prioritisation of tasks and adequate resources. They also need enough employees who are motivated and have the required skills. The key issue is the sufficiency of resources in a situation where the preparatory and implementation tasks required by the Government Programme objectives, the reform of several substantive laws as well as an administrative reform must be balanced with the requirements of basic work. The reduction in human resources and skills in different areas unevenly at times can have a negative impact. Successful preparation of the regional state administration agency reform needs to be supported by a well-structured implementation plan and active employee involvement. This underlines the importance of acquiring new skills and the need for development. It is crucial that the organisation is able to combine skillsets that already exist in the agencies (learning organisation) and to offer different learning methods to staff in order to develop their skills.

Digitalised services that leverage artificial intelligence promote the streamlining of processes and efficiency of work. As regards the implementation of digitalisation projects, it is essential that the staff is trained, operating processes are developed and customers are involved in the development. The provision of expertise in procurement will support the progress of the projects on schedule.

Investing in management and the development of practices will streamline work and support reform processes. Involving staff in the development of operations strengthens participation. The central government also competes for skilled workers. A good reputation of the central government and regional administration as employers is therefore of paramount importance for the reform. The opportunities offered by multi-location and location-independent central government work provide attractive and modern job options for skilled workers living in the regions. Flexible ways of working will improve wellbeing at work.

Developing operations and completing tasks quicker will benefit staff, customers and the agency. Cooperation between the Regional State Administrative Agencies and ELY Centres can be further deepened and joint solutions developed, as they move towards a new agency structure. The development of common and smoothly running practices is, as a rule, positive for customers, staff and the quality of services. Consistent solutions for the same issues and generally understandable language are also important for customers. Equality of customers is a key issue, ensured by equal practices. But as differences between fields of activity and regions may require "tailoring", switching to a single model may have both positive and negative impacts, both direct and indirect. Good and effective cooperation with stakeholders and customers is a basic prerequisite for the comprehensive implementation and development of operations towards the new agency structure.

# Strategy of the Regional State Administrative Agencies and the Centres for Economic Development, Transport and the Environment for 2024–2027 - Impact assessment Table Summary

Strategic priorities and objectives. Green = very positive (++) Light green = fairly positive (+) Violet = positive and negative (+/-) Gray = no effect (0)

<b>We increase vitality</b>	Renewing, growing and diversifying businesses with new global connections	Increasing investments in research, development and innovation in all regions	Improving levels of education, training and competence which promote economic renewal, employment and wellbeing	Accessible and available services	Regional state administration boosting municipal employment services	Comprehensively sustainable, competitive and resilient food system	Transport system which supports sustainable growth and accessibility
<i>Economy, livelihoods and regional structure</i>	++	++	++	+	+	+	++
<i>People and communities</i>	+	+	++	++	++	++	++
<i>Environment and natural resources</i>	+/-	++	+ (indirect impact)	+	no effect	++	+

<b>We carry out a sustainable and clean transition</b>	Clean transition which supports economic restructuring and growth and the sustainable use of natural resources	Progressing towards carbon negativity and halting biodiversity loss	Reducing harmful emissions and managing climate risks	Built environment which supports people's wellbeing and relationship with nature and makes their daily life easier and safer
<i>Economy, livelihoods and regional structure</i>	++	+/-	+	++
<i>People and communities</i>	+	++	++	++
<i>Environment and natural resources</i>	+	++	++	++

<b>We facilitate preparedness and comprehensive security</b>	Strong sense of security across all population groups	Resilient society	High level of preparedness across administrative boundaries and cooperation for maintaining comprehensive security
<i>Economy, livelihoods and regional structure</i>	+	+	+
<i>People and communities</i>	++	++	++
<i>Environment and natural resources</i>	+ (indirect impact)	++	+

<b>We secure wellbeing and equality</b>	Basic services that are equally available	Proactive, prompt and effective legal protection	Effective and timely enforcement	High-quality, healthy and safe work which responds to changes in the world of work	Reduced inequality and increased inclusion	Equally available and well-functioning integration services
<i>Economy, livelihoods and regional structure</i>	+ (indirect impact)	++	++	++	+ (indirect impact)	+ (indirect impact)
<i>People and communities</i>	++	++	++	++	++	++
<i>Environment and natural resources</i>	no effect	+	++	+	+ (indirect impact)	no effect

<b>Thriving staff and work communities / Excellent customer experience and stakeholder cooperation / Digitalised and streamlined processes</b>	Excellent job satisfaction and employer image	Effective communication and interaction	Active and effective engagement in networks and partnerships	Excellent customer experience	Streamlined and digitalised services	Seamless and uninterrupted implementation of the agency reform
<i>Tasks, procedures and cooperation</i>	++	++	++	+	++	++
<i>Staff and organisation</i>	++	++	+	+	++	++