

DELIVERABLE 5



5.7.2022

Final Report

REFORM/SC2020/054

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Disclaimer

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1. Executive summary

Reaching the ambitious Sustainable Development Goals (SDGs) by 2030 will require major societal transformations and establishing finance systems that more systematically mobilize SDG aligned investments at required scale and pace. This project “Developing Finland’s Sustainable Finance Ecosystems”, launched in July 2020 and funded by the Structural Reform Support Programme of the European Union, has during the past 2 years focused on this challenge (Figure 1).

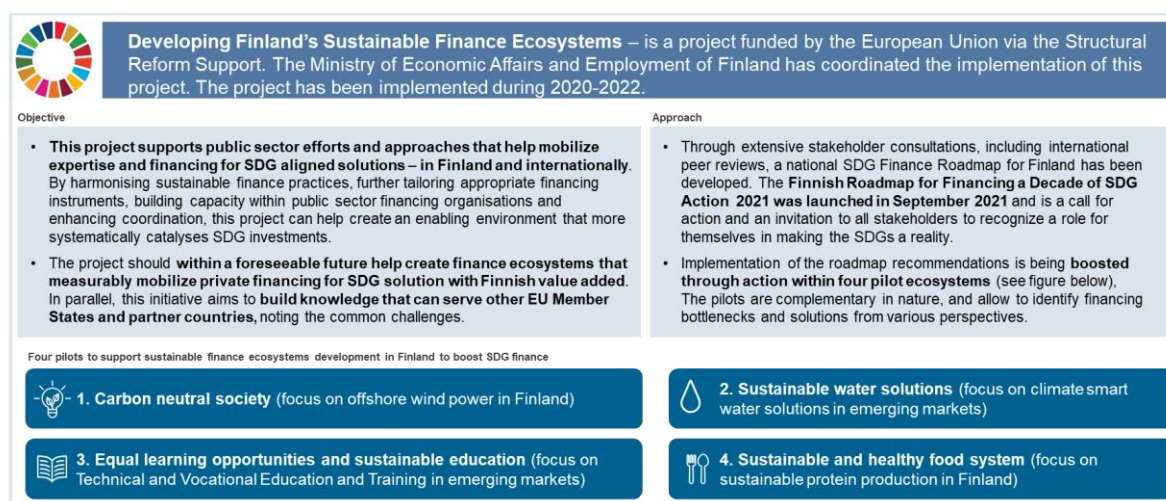


Figure 1. Summary of project objectives and implementation

The project has brought together a considerable number of Finnish stakeholders to help analyse the key bottlenecks and identify solutions for mobilising finance, in particular private finance, that can help address the SDG challenges in Finland and internationally.

Based on extensive stakeholder discussions, workshops and pilot ecosystem work, accompanied by interviews and surveys, as well as actively seeking lessons learned from national and international forerunners, the project has been able to develop a set of roadmaps, tools, recommendations and guidelines that can serve in national level sustainable finance development as well as putting SDG aligned finance into action, hence concretely contributing to the mobilisation of private finance.

The deliverables include *Deliverable 2: Political framework and sustainable finance of ecosystems analysis – The Finnish Sustainable Finance Roadmap (2021)*, a call for action and an invitation to all stakeholders to recognize a role for themselves in making the SDGs a reality. The project worked intensively within four pilot finance ecosystems, with the key findings and recommendations included in *Deliverable 3: Toolkit for mobilising SDG -aligned investments - Experiences from sustainable finance pilot ecosystems (2022)*. To complement these reports, the project concluded its work by producing recommendations and guidance for how to better coordinate and organize the mobilisation of sustainable finance on national level, included in *Deliverable 4: Recommendations for how Finland can develop sustainable finance at the national level (2022)*.

All project activities have been conducted in close collaboration with key Finnish stakeholders, in order to support and enhance uptake of the recommendations, as well as to support awareness raising and capacity building, identified as critical elements to be focused upon, if the funding challenge for reaching the SDGs is to be reached.

2. Project overview

2.1 Project context

While there is broad consensus that economic policy and financial flows should better serve a greener post-Covid recovery, and more broadly the Agenda 2030 implementation, there is a pressing need to share lessons on how to concretely establish **finance ecosystems that systematically mobilize SDG aligned investments at required scale and pace** - locally, nationally and internationally.¹

The Paris Agreement (PA), reached under the UN Framework Convention on Climate Change (UNFCCC), together with the SDGs, aim at a fundamental transition of societies to ensure a sustainable and equitable future for all. The resulting international commitments, shared and supported by all EU Members States including Finland, stress the importance of active collaboration and tailored partnerships between governments, the private sector and other non-state actors in order to mobilize the needed expertise, resources and finance. The European Green Deal (EGD) and its investment pillar, the Sustainable Europe Investment Plan (SEIP), are an integral part of the Commission's strategy to implement the UN 2030 Agenda and the SDGs.² Next to the SEIP, the Next Generation EU programme, being the EU's landmark instrument for recovery from the COVID-19 pandemic and with the Recovery and Resilience Facility (RRF) as its main funding window, will fast-track the green transition ambitions under the EGD. The same applies for the recently adopted REPowerEU plan, which should reduce the EU's dependence on Russian fossil fuels in response to the Russian invasion in Ukraine.

With regards to financial resources, additional investments worth 2.5 trillion USD are needed in developing countries on an annual basis until 2030 in order to achieve the SDGs. While these amounts may seem considerable at first glance, they are moderate compared to for example the size of the global bond market of around 130 trillion USD in 2020³ or the 84

¹ The 2030 Agenda for Sustainable Development, adopted by all UN Member States in 2015, outlines a shared blueprint for peace and prosperity for people and the planet. The subsequent 17 SDGs form the core of that agenda, which can only be achieved by developed and developing countries working in partnerships. See e.g., UN Secretary-General's Roadmap for Financing the 2030 Agenda for Sustainable development: <https://www.un.org/sustainabledevelopment/wp-content/uploads/2019/07/UN-SG-Roadmap-Financing-the-SDGs-July-2019.pdf>

² https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_24

³ [https://www.icmagroup.org/Regulatory-Policy-and-Market-Practice/Secondary-Markets/bond-market-size/#:~:text=As%20of%20August%202020%2C%20ICMA,tn%20corporate%20bonds%20\(32%25\)](https://www.icmagroup.org/Regulatory-Policy-and-Market-Practice/Secondary-Markets/bond-market-size/#:~:text=As%20of%20August%202020%2C%20ICMA,tn%20corporate%20bonds%20(32%25))

trillion USD level in gross world product in 2020⁴. This underlines the importance to ensure that during this decade, stepwise all finance must systematically be reorientated towards SDG alignment (Figure 1). **Noting extensive on-going work on sustainable finance within the European Union**, there is an urgent need to shift the focus of all finance from brown to green⁵, and from green to sustainable comprehensively – hence finance should “do no significant harm” (DNSH) to the SDGs.

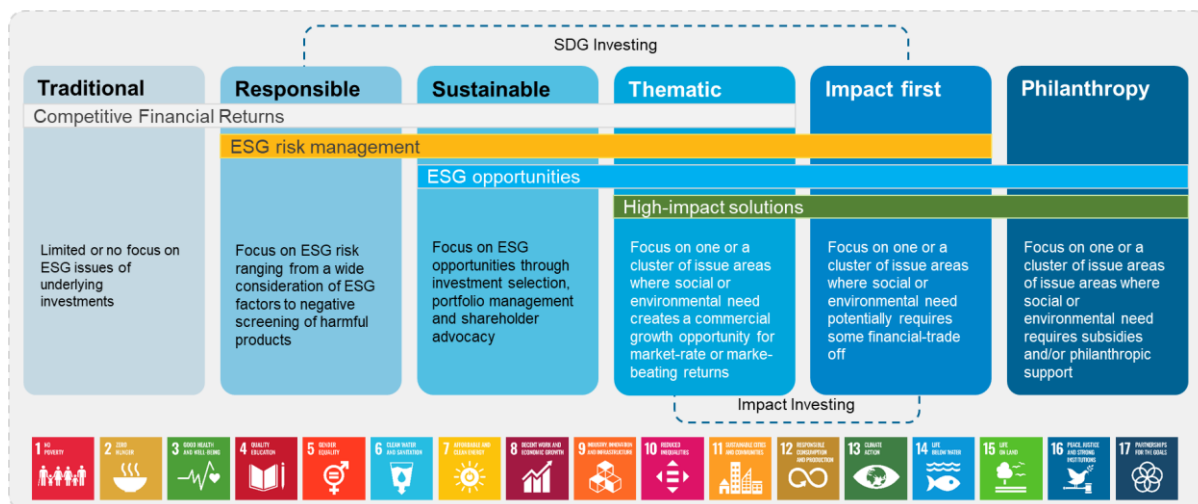


Figure 2. The current finance flows do not allow us reaching our 2030 targets indicating a need for stepwise SDG alignment of all financial flows (source: adapted from European SRI Study 2012, Bridges Ventures 2016).

At the launch of this project in 2020, readiness to improve the enabling environment of the Finnish financial ecosystem was clearly visible, driven among other by EU-level regulatory development, and the broader international commitment to the SDGs. In addition, a growing pressure and market demand for sustainable financing products and services could be identified - from customers, competitors and other stakeholders that could drive a sustainability transformation in the financial sector.

This project has carefully analysed these developments and engaged key national and international stakeholders to further improve the enabling environment, harnessed any synergies for accelerating the transformation, and provided targeted recommendations to address any key bottlenecks that hamper more systematic SDG-alignment in the financial system. It should help in creating ecosystems that measurably mobilize increased financing for SDG-aligned solutions within the foreseeable future in Finland, and internationally. Based on the Finnish experience, the project has aimed to build and transfer knowledge to other EU Member States and partner countries, noting the common challenges faced internationally. For a more detailed description of project objectives, main tasks and deliverables, see section 2.2 below.

⁴ <http://statisticstimes.com/economy/world-gdp.php>

⁵ After development of the EU Taxonomy for Sustainable Activities, the EC is investigating the development of a list of "unsustainable and/or brown" activities. Such taxonomies could further accelerate the shift of capital towards more sustainable activities, and improve transparency around climate-related and other ESG risks

A summary of project activities is provided in chapter 3, with chapter 4 presenting lessons learned from this project and chapter 5 highlighting key recommendations. All central project deliverables (deliverables 1-4) are annexed to this final deliverable (D5).

2.2 Project objective

| Project title | Developing Finland's Sustainable Finance Ecosystems |
|-----------------------|---|
| Overall objectives | <ul style="list-style-type: none"> ◆ The objective of the project is to contribute to increasing financing for ecosystems that provide solutions to the SDGs in Finland and globally, and in which Finland has strong expertise. ◆ The project shall contribute to institutional, administrative and growth-sustaining structural reforms in Finland, in line with Article 4 of the SRSP Regulation. |
| Main Tasks | <ul style="list-style-type: none"> ◆ Preparation of an inception report, on the detailed scope, timeline, information needs as well as the responsibility for providing the necessary information ◆ Production of an updated SDG financing roadmap, based on the changes to the political framework that are relevant for sustainable finance in Finland ◆ Identification of at least four relevant pilot ecosystems, that have the greatest potential in terms of serving as cases for developing models of sustainable finance ◆ Identification of implementation partners for each pilot ecosystem and other relevant stakeholders. ◆ Analysing pilot ecosystems and developing investment pipelines ◆ Developing solutions as how to build functional impactful financing of the pilot ecosystem ◆ Elaborating recommendations on how to enhance information exchange and coordination in relation to sustainable finance in Finland ◆ Refining recommendations on how to leverage the lessons learned from the pilot ecosystems ◆ Producing a final report containing the summary of all tasks undertaken in the project. |
| Deliverables | <ul style="list-style-type: none"> ◆ Deliverable 1: Inception report ◆ Deliverable 2: Report and presentation - Political framework and sustainable finance of ecosystems analysis ◆ Deliverable 3: Report - Sustainable finance pilot ecosystems ◆ Deliverable 4: Report - Developing sustainable finance at national level ◆ Deliverable 5: Presentation and Final report. |
| Project starting date | <ul style="list-style-type: none"> ◆ The contract was signed by DG REFORM on 19.7.2020. The Kick-off meeting with the Steering Group was held on 4.9.2020. |
| Project duration | <ul style="list-style-type: none"> ◆ 24 months from contract signing, 19.7.2020 – 19.7.2022. |

3. Summary of project activities

3.1 Inception phase

The **official project start date was the 19th July 2020 (contract signing date)**, with the formal kick-off meeting held on the 4th September 2020. This was followed by a **submission of the inception report on the 25th September 2020**.

- To support the project activities and ensure effective coordination and engagement, a Steering Committee (SC) was established. The role of the SC during the project was to review and provide feedback and suggestions on project activities, workplans, and draft reports. The core members of the SC were composed of representatives of the following stakeholders:
 - European Commission (DG REFORM), Ministry of Economic Affairs and Employment (the main beneficiary of the project), Ministry of Environment, Ministry of Finance, Prime Minister's Office, Ministry for Foreign Affairs, Ministry of Agriculture and Forestry, and Finnish National Agency for Education.
- A series of consultations were held between the Steering Committee members and the Project Team to clarify the scope and approach to specific tasks. The project team also consulted relevant data sources and undertook reviews of material and literature considered relevant to the work.
- Weekly check-up meetings were started between the Project Team and the main beneficiary (Ministry of Economic Affairs and Employment) during the Inception Phase and continued during the whole project.
- The **official launch event** of the project was held on 11th November 2020. The launch event was held virtually in Teams, with 194 participants from the public and private sector as well as NGOs and academia. Speakers of the launch event consisted of high-level persons including:
 - Mario Nava (Director General of DG REFORM)
 - Mika Lintilä (Minister of Economic Affairs of Finland)
 - Ville Skinnari (Minister for Development Cooperation and Foreign Trade of Finland)
 - Leena Mörttinen (Permanent Under-Secretary for International and Financial Markets, Ministry of Finance).
- Bi-weekly meetings were held between the European Commission (DG REFORM), the Project Team and the main beneficiary from early 2021 until the end of the project.

Deliverable 1: Inception report (see Annex 1)

- The Inception report contained a description of the Inception Phase, the project context, the approach of the project and project tasks, the workplan and timetable for the project, as well as project management, governance and quality control procedures.

- A draft of the inception report was submitted on the 25th September 2020 and presented at the Steering Committee kick-off meeting on 6th October 2020, following a week of feedback period. The Inception Report was approved on the 13th October 2020.

3.2 Phase 2 – Analysis and Roadmap development

Deliverable 2: Report and presentation - Political framework and sustainable finance of ecosystems analysis

- Deliverable 2 consists of the **Finnish Sustainable Finance Roadmap** (of which an initial, lighter version was published in Spring 2019 in Finnish only⁶). The original Roadmap needed updating because the context had evolved since then as some public and/or private sector stakeholders had taken initial steps aligned with the original Roadmap, built new partnerships, jointly developed impact investing funds, started to upgrade their mandates and/or organisational theories of change, with some of them specifically targeting certain SDGs through their investments.
- In order to produce the updated Sustainable Finance Roadmap, a comprehensive review of the latest developments in the sustainable finance landscape was conducted. The desk review was complemented with **national and international key stakeholder interviews, and three virtual stakeholder workshops**. The workshops were held on 1st December 2020 (59 participants), 9th December 2020 (50 participants) and 19th January 2021 (56 participants) in Finland, utilising the interactive Howspace virtual platform due to COVID-19 restrictions. These events helped also build further awareness and commitment to the roadmap update and its recommendations.
- In addition to the Roadmap update, Deliverable 2 included the **identification of candidates for SDG finance pilot ecosystems as well as appropriate implementation partners** (“home bases”) for each pilot ecosystem. The selection of these four ecosystem pilots was based on an initial long list of potential thematic areas in the ecosystem, identified and compiled from ongoing relevant policy and assessment processes in Finland, such as the **Growth Portfolio 2.0 project** of the Ministry of Employment and Economy and the **voluntary national review report on the implementation of SDGs** in Finland in 2020. To evaluate the potential of pilot ecosystems to generate SDG impact and contribute to building successful cases of sustainable financing, a set of primary criteria was used, including impact, demand, scalability and market potential. Complementary criteria included assessment of the pilots’ alignment with just transition principles and the EU Taxonomy’s technical screening criteria. Subsequently the selected pilot ecosystems include:
 - **Carbon neutral society** (case offshore wind power)

⁶ <https://valtioneuvosto.fi/-/1410837/kestavan-kehityksen-tavoitteiden-edistaminen-suomalaisilla-sijoituksilla>

- Implementation lead partner: Ministry of Economic Affairs and Employment
- **Sustainable water solutions** (case smart water solutions enhancing water management, access and security)
 - Implementation lead partner: Finnish Water Forum
- **Equal learning opportunities and sustainable education** (case vocational education and training)
 - Implementation lead partner: Oppiva Invest on behalf of Finnish National Agency for Education
- **Sustainable and healthy food systems** (case sustainable protein production and value chain development)
 - Implementation lead partner: Ministry of Agriculture and Forestry.
- The results of Deliverable 2 were presented in the Steering Committee meeting on 3rd February 2021.
- The Steering Committee provided comments to the draft Deliverable 2 by 12th February 2021. The report was finalised taking these comments into account.
- The pilot ecosystems were then launched in March 2021. For each pilot ecosystem a core group of leading Finnish experts in the field was gathered, steered by the selected implementation partners from the public sector. The core groups consisted of representatives of private sector companies, public and private finance sector participants, NGOs and academia. Each pilot ecosystem core group had 5 coordination/workshop meetings during 2021. These meetings were facilitated by Gaia Consulting and steered by the selected implementation lead partners. The interactive virtual Howspace platform was used in gathering information from the core group participants in and between the meetings, in addition to oral discussions workshop activities in the meetings.
- The updated Sustainable Finance Roadmap was published⁷ on 24th September 2021 in an **international launch event and workshop**⁸ (see Annex 2). In this event, the speakers included e.g. Andrew Johnstone from Climate Fund Managers and Jeroen van der Laan from Trinomics. In addition to the joint launch session, the four pilot ecosystems were advanced in four separate workshop groups. This workshop is described more under Deliverable 3.

⁷ https://tem.fi/documents/1410877/92029151/SDG+Finance+Roadmap_2021+Finnish+Roadmap+for+financing+a+Decade+of+Action_final.pdf/3c273980-f1f6-da98-acca-d767d13ca52d/SDG+Finance+Roadmap_2021+Finnish+Roadmap+for+financing+a+Decade+of+Action_final.pdf?t=1632389757818

⁸ https://tem.fi/documents/1410877/92029151/Launch_of_the_Finnish_SDG_finance_roadmap.pdf/24e54204-a47b-4a22-83f4-a79de765f40a/Launch_of_the_Finnish_SDG_finance_roadmap.pdf?t=1632826763081

3.3 Phase 3 – Pilot ecosystem work

Deliverable 3: Report - Sustainable finance pilot ecosystems

- Deliverable 3 consists of the **findings and recommendations from the work of the four pilot ecosystems** (offshore wind, sustainable protein, climate-smart water solutions and vocational education). The recommendations provide a comprehensive plan of action for accelerating SDG-aligned finance through these pilot ecosystems. Deliverable 3 serves as a **toolkit for mobilising SDG-aligned investments** in Finland more broadly and can serve as a blueprint for similar action in EU peer countries, too.
- In total, **46 recommendations** (see chapter 4, figure 6) have been elaborated throughout the four Finnish pilot ecosystems. In addition to the core pilot ecosystem stakeholders, a wider group of stakeholders has been engaged through national workshops, bilateral consultations, and national and international key stakeholder interviews, in order to integrate lessons learned and experiences from forerunners and peers. In total some 130 national and international stakeholders have been consulted and/or sparred with during the work on the pilot ecosystems.
- Deliverable 3 was discussed and data for it was gathered in **two stakeholder workshops**:
 - **Workshop 1** held on 18th June 2021, called “*Workshop Aligning public and private finance with the SDGs*”, which contributed to improving overall awareness and capacity for addressing SDG finance alignment in relevant public organisations, and collecting input for identification of development needs for more tailored and systematic capacity building and knowledge raising. This workshop was attended by 53 participants, mainly from the public sector.
 - **Workshop 2** held on 24th September 2021, with the national SDG finance workshop called “*Putting the Roadmap into action*”, which contributed to more concrete work on the pilot ecosystems through four breakout sessions, allowing to present and validate initial recommendations for public sector stakeholders. The final session compared key findings across four pilots and highlighted required further amendments. This event was attended by 128 persons, covering a wide range of participants from public and private sector, as well as NGOs and academia.
- The Deliverable 3 report was discussed during two Steering Committee meetings, held on 4th May 2021 and 7th September 2021. In these meetings the work done so far was presented, and the Steering Group provided their comments on the direction and contents of the work.
- The final draft Deliverable 3 report was sent to the Steering Committee for their comments on 3rd December 2021 and the results were presented in the Steering Committee meeting on 9th December 2021. Steering Committee comments to the report were received by 24th January 2022 and the report was finalised on 31st January 2022.

- The Deliverable 3 report was published on the Ministry of Economic Affairs and Employment website in February 2022, named “*Financing SDG Transformations - Experiences from four sustainable finance pilot ecosystems*”.⁹ (see Annex 3).

3.4 Phase 4 – National level development

Deliverable 4: Report - Developing sustainable finance at national level

- The Deliverable 4 report consists of recommendations on how Finland can further scale and develop sustainable finance at the national level. These recommendations included concrete actions and suggestions on enhancing information exchange and coordination regarding sustainable finance in Finland, and recommendations on leveraging lessons learned from the pilot ecosystems. The report is taking a forward-looking perspective and is directing on action needed on national level, in particular focusing on how the Finnish public sector could become a driver of SDG transitions from the perspective of SDG aligned financing.
- The work on Deliverable 4 started in January 2022 and was completed in April 2022. This work was done mostly by the core team, making use of existing information, expert opinion and stakeholder insights gathered during previous phases. However, in parallel meetings were held to support the hand-over of work in the pilot ecosystem groups, in particular the groups’ recommendations to be taken forward by the implementation lead partners.
- The Deliverable 4 report (see Annex 4) was sent to Steering Committee comments on 8th April 2022, and the results of the report were presented and discussed in the Steering Committee meeting on 13th April 2022. Comments from the Steering Committee were received by 22nd of April, and the report was finalised and approved at the end of April 2022.
- After the finalisation of Deliverable 4, the work on this final report (Deliverable 5) started in the beginning of May 2022. The draft Deliverable 5 was sent to the Steering Committee on 20th June 2022. The final Steering Committee meeting, presenting the final results took place on 27th June 2022, with comments received by 1.7.2022 integrated to the final Deliverable 5 version and submitted to the Steering Committee and DG Reform on 5th July 2022 for final approval.

3.5 Monitoring of project results

While this project’s progress has been reviewed and monitored through regular meetings with the Steering Committee (7 meetings, including DG Reform representatives, in line with

⁹ https://tem.fi/documents/1410877/92029151/Financing+SDG+Transformations_experiences+from+four+Finnish+pilots_January+2022_FINAL.pdf/4a061cd1-ba21-7a02-8694-5cb54ffcfa0/Financing+SDG+Transformations_experiences+from+four+Finnish+pilots_January+2022_FINAL.pdf?t=1646736151532

Terms of Reference, ToR), complemented by regular and more operational weekly/bi-weekly meetings with the national key beneficiary organization, Ministry of Economic Affairs and Employment (58 meetings) as well as bi-weekly meetings with DG Reform (20 meetings, also complemented during particularly intensive project work with written monthly progress reports), a number of key parameters have provided information of project progress.

Noting that in line with the ToR the project should “within a foreseeable future help create finance ecosystems that measurably mobilize private financing for SDG solution with Finnish value added”, these proxies have served during project implementation and can also serve in the future the overall monitoring:

During project implementation, the following indicators helped monitor that the project was on track and had potential to contribute to the overall impact goal noted above:

- Involvement and engagement of key Finnish stakeholders in project activities
 - o key public and private sector stakeholders have been actively participating in national workshops (see chapters 3.1-3.4, and Annexes 1-3)
 - o the pilot ecosystems managed to attract relevant and committed public sector chairs, and also leading Finnish public, private and civil society representatives to work on ecosystem development
- Contribution by key knowledge holders in sustainable finance, through interviews and survey, covering both Finnish stakeholders but also international peers,
 - o providing confidence that important lessons learned from forerunners is taken note of and benefits this work
 - o numerous international case studies completed and feeding into development of the Finnish sustainable finance ecosystem
- Number of recommendations that have already (during project implementation phase) been taken up, or are being considered for implementation by key public sector organisations
 - o Noting that other contributing factors may interplay with any such decisions, it can be stated that several of the recommendations provided in the SDG finance roadmap, and in particular recommendations from pilot ecosystem work are already being implemented, partly or fully.

After project completion, the following indicators can help monitor how the project contributes to the overall impact goal noted above:

- Number of recommendations being put into action after project completion (noting again that several drivers may contribute to this achievement), with some of the recommendations possibly feeding into the forthcoming new Government Programme 2023
- Number of sustainable finance ecosystems in other SDG themes / transformation areas, piloted and launched in Finland per year¹⁰

¹⁰ At the time of writing this report, there are on-going discussions at the Ministry of Economic Affairs and Employment of launching a sustainable finance ecosystem to support the implementation [of Finland's Circular Economy Programme](#)

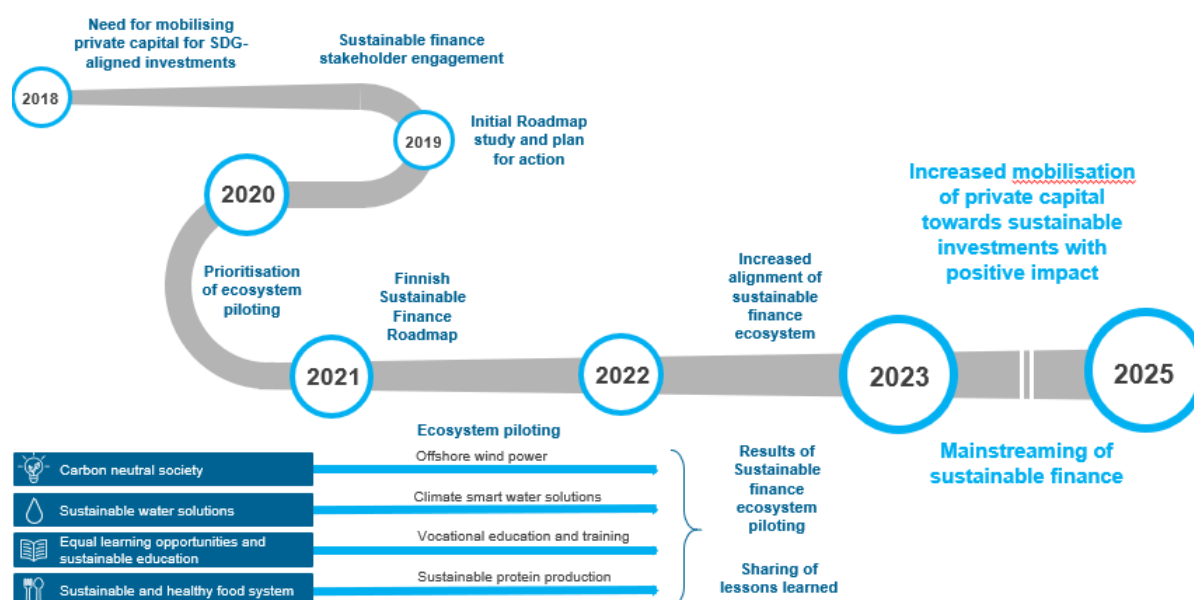
- Share of public finance organisations having in place guidance, capacities and processes for tracking the mobilising of SDG and/or taxonomy aligned finance
- Consolidated national estimates of SDG and/or taxonomy aligned private finance mobilised in Finland annually¹¹.

4. Lessons learned and recommendations

This chapter presents lessons learned and recommendations, which can inform DG REFORM and the broader Commission bodies for the programming and development of similar projects in the future. The presented insights may also offer value to other EU Member States undertaking similar activities in their own country(-ies).

4.1 On project objectives and reaching longer term impact

1. It is important to **bring all key stakeholders together and get them “on the same page”, and jointly define a longer-term vision which is broadly supported**. Such a long-term vision will help stakeholders identify their role to play within the green transition and mandate for mobilising SDG-aligned finance. During the execution of this project in Finland, such collaboration was achieved through developing a joint vision of the journey that project stakeholders were embarking upon (Figure 3).



¹¹ This project has contributed also to [interministerial work in Finland on green finance](#), highlighting the need to better track the SDG- and EU taxonomy alignment, as well as the DNSH alignment, of public finance.

Figure 3. The SDG finance ecosystem development journey visualised during project inception phase and refined during the project implementation based on project findings and stakeholder input.

2. In order to **help key stakeholders identify their respective roles, and help recognize opportunities for how they could contribute and be an active driver of required transformations**, the key elements of building sustainable finance ecosystems were identified, and served as input in updating and deepening the national SDG finance roadmap for Finland, included in Annex 1 (Figure 4).

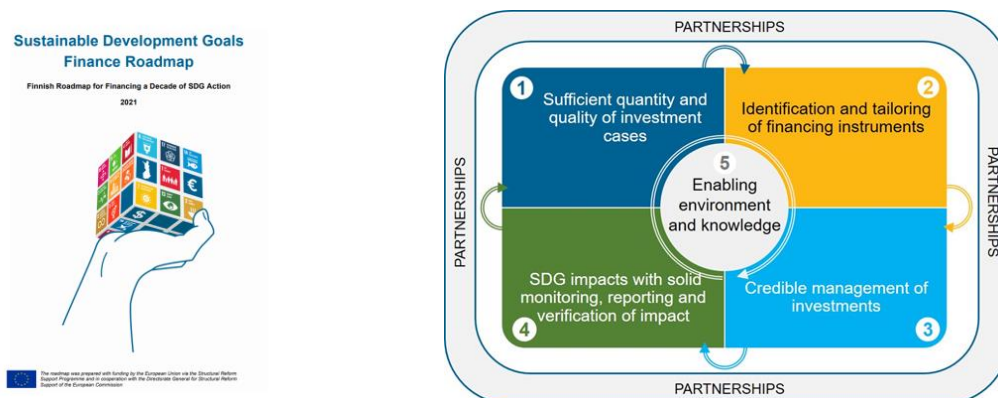


Figure 4. The roadmap (cover page to the left, launched in 2021) process and its key elements (to the right) provided the basis for analysing the current status of the SDG finance ecosystem in Finland. It allowed to conduct systematic analysis, organize learning and comparison of peer experiences, and allowed all key stakeholders, while focus of the project being on public sector in Finland, to recognize their respective roles in aligning all finance with the SDGs.

3. **Getting transformations conceptualised and happening at sufficient scale requires more concrete, hands-on piloting** and getting down into technical details, which was achieved through the project team's work in the selected four sustainable finance pilot ecosystems in Finland. In order to make these pilot ecosystems functional and have a clear SDG impact, it has been **critical to have transparency and clarity in selection processes** of pilot ecosystems as well as in defining the scope and vision of each pilot ecosystem. A **structured framework** for piloting helps compare findings from the pilots and **develop tailored recommendations with sufficient detail**. Such a framework also serves potential other SDG finance ecosystems in Finland, and delivers lessons learned for peer countries in Europe and internationally (Figure 5).

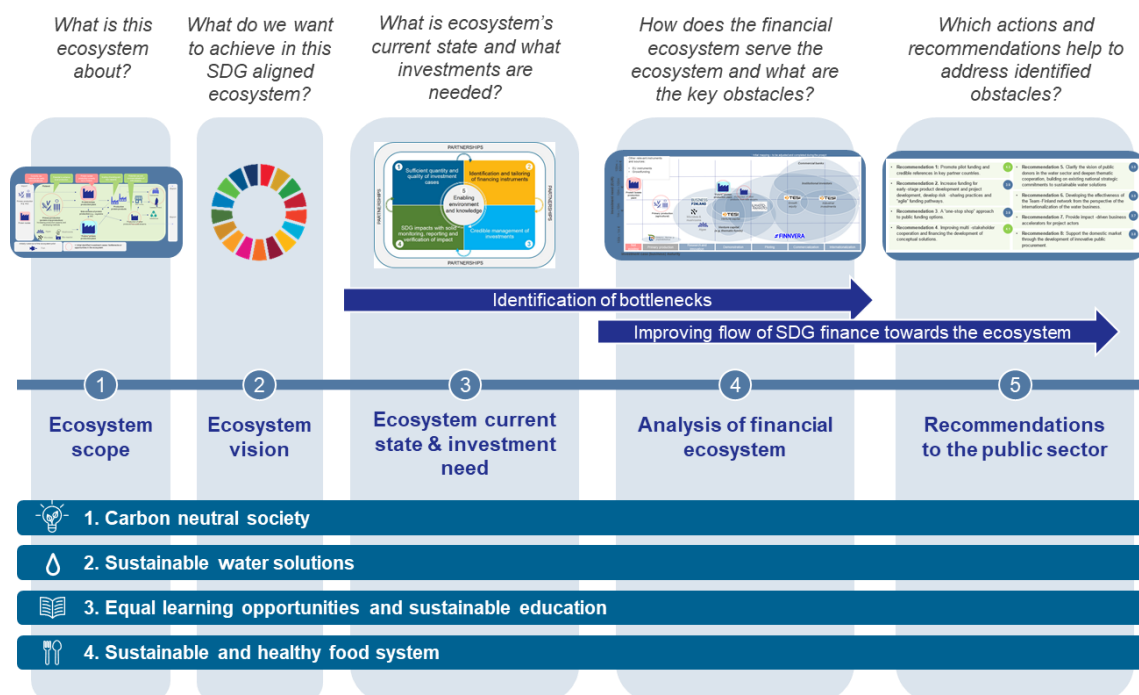


Figure 5. Visualisation of the key elements and phases of pilot ecosystem work

4. Recommendations aimed at removing bottlenecks for scaled SDG aligned investments flow rather naturally from pilot ecosystem work given that key stakeholders recognize their respective roles and how work in ecosystems can help address some of the key challenges. From the **perspective of uptake of the recommendations**, it has been crucial and essential to engage a wider group of stakeholders through national workshops and complementary interviews, also helping to **identify key public sector and other stakeholders for taking “ownership” of the process and committing the required resources / capacities for the actual implementation of the recommendations.**

As an outcome of the hard work happening within the four pilot ecosystems, a total of 46 recommendations (see Figure 6) were formulated by the ecosystem core groups and refined based on national stakeholder consultations and validation with key stakeholders and experts in the sector (see Deliverable 3, included in Annex 2).

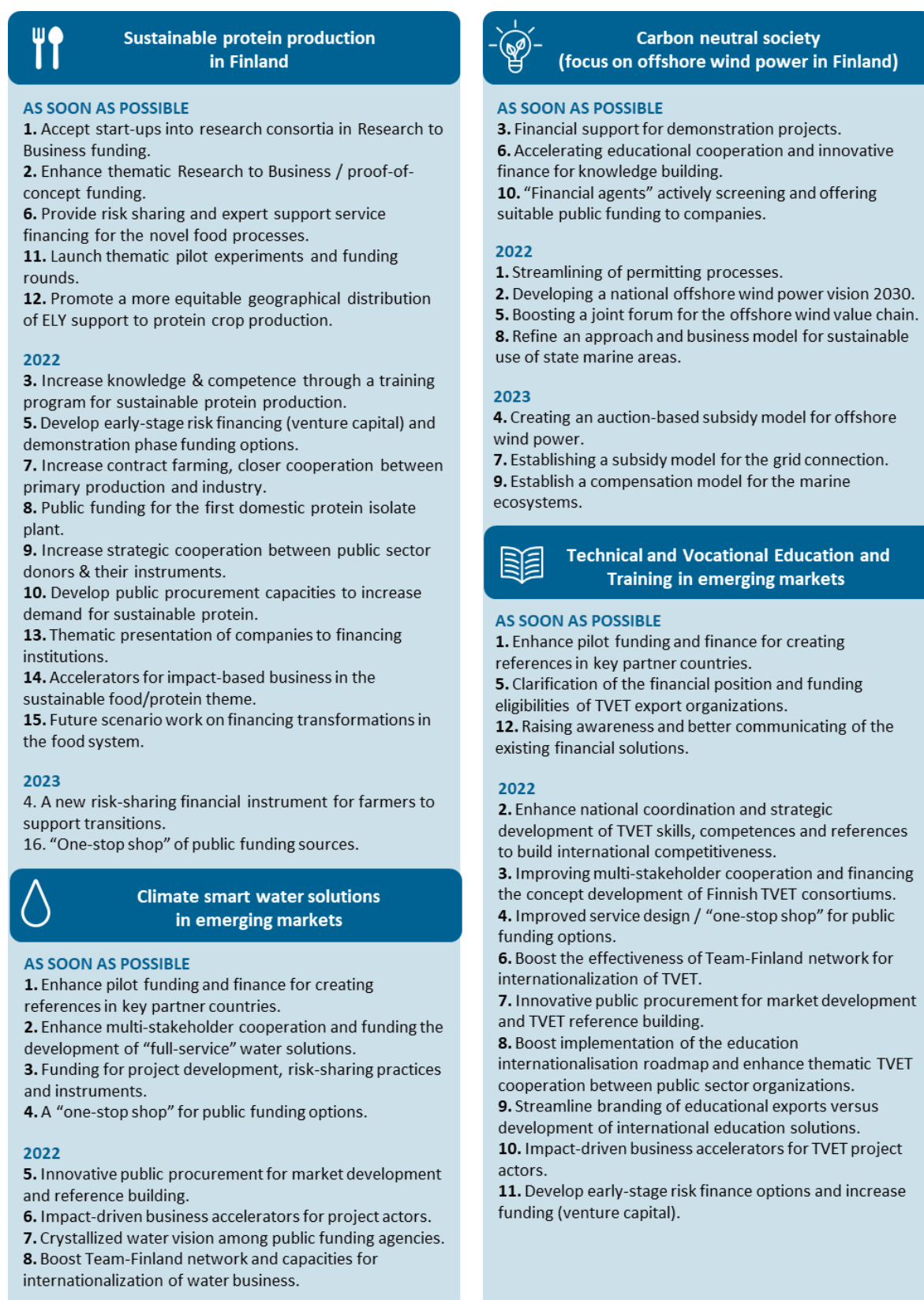


Figure 6. Recommendations given by all four pilot ecosystems

5. Finally, an important lesson learned from this project, is **to proactively prepare the up-take of the recommendations**, and **commit sufficient time for analysing the potential synergies of the recommendations**, their interlinkages with other national (or relevant international) initiatives and for preparing the “hand-over” of the recommendations. In many cases synergies between recommendations are evident and many of the recommendations are applicable to several or all four pilot ecosystems. The recommendations could most likely also serve other ecosystems that can advance the financing of SDG transformations. In other cases, pilot specific solutions and recommendations must be tailored, in order to efficiently tackle identified bottlenecks.

4.2 On project implementation processes and management

1. Developing and working through ecosystems requires **extensive efforts in engaging key stakeholders**. It is critical to commit sufficient resources for stakeholder engagement activities in such projects. Figure 7 summarises key stakeholder engagement processes, and various ways, levels and tools for bringing on board key stakeholders.

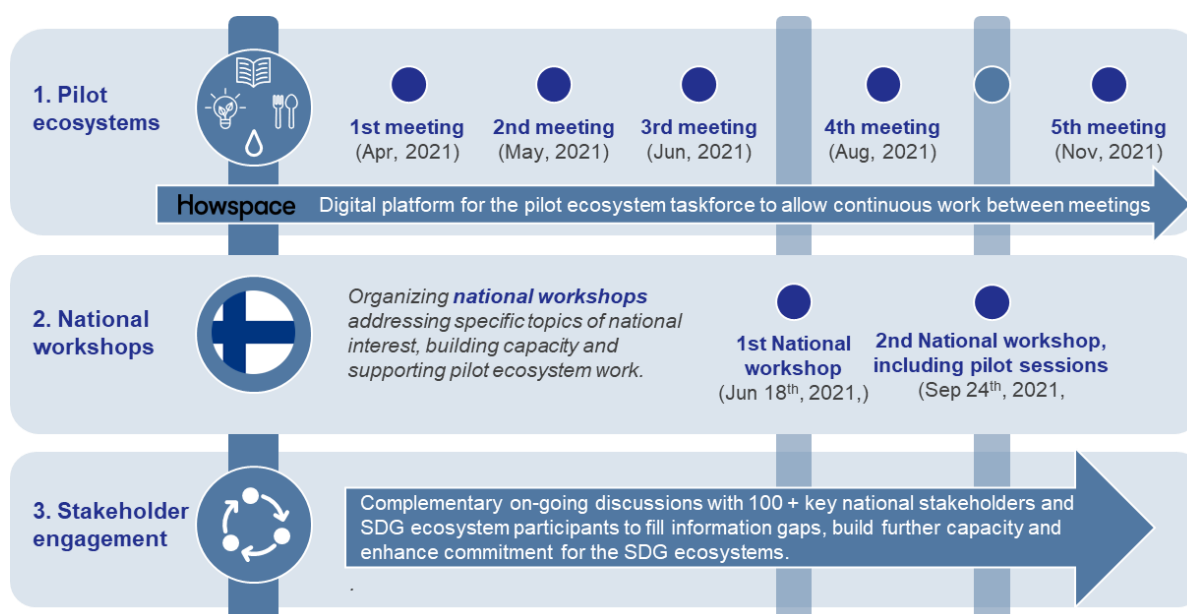


Figure 7. Examples of stakeholder engagement activities during this project

This crucial aspect specifically applies to circumstances where direct contact, including physical engagement is not possible – noting that this entire project has been implemented under COVID-19 restrictions. Given the nature of the project, with stakeholder engagement and dialogue being centric to the work, the project team had to work under very exceptional circumstances with no physical steering group and/or stakeholder or workshop meetings being possible. While virtual platforms and meetings have still enabled to implement the project within the planned time frame, engaging stakeholders to ecosystem work and building stakeholder commitment through virtual meetings, has multiplied the need for more tailored outreach and engagement efforts with severe budgetary impacts.

2. On a practical level, while most stakeholders in Finland operate quite naturally also in English, **building ecosystems with interactive stakeholder dialogue** – i.e. bringing key stakeholders together, speaking openly about key challenges that are typical for the Finnish finance ecosystems, interactively identifying solutions to key bottlenecks, recognizing and sharing responsibilities of putting into action key recommendations etc – **happens most naturally in the native languages**. It is good to recognize this early on when preparing similar assignments, as this **has implications for the resources required – in some cases to work in parallel in two (or more, depending on countries¹²) languages**. Taking such aspects into consideration early-on helps effective implementation of similar projects.

3. The importance of communication and outreach

Beyond analysis, and delivering conclusions with targeted recommendations, this project has highlighted the need for systematic communication and outreach. **The core project activities must be accompanied with good communication and outreach, where possible linking and seeking synergies with other similar initiatives, in order to get the most of such projects**. In addition to communicating about project progress and results regularly through the Steering Group that this project had established (the SG included representatives of several key ministries), this project established an extensive stakeholder list of relevant Finnish stakeholders that received regularly updates of project progress by email. The national workshops and pilot ecosystem meetings were prepared in a manner to allow for comprehensive updates of overall project progress, also sharing lessons learned and information between the four pilot ecosystems.



Figure 8. The key project deliverables were edited and designed to reach an optimal audience, shared directly with a long-list of stakeholders and also made available on project website. The content of these report correspond directly with deliverable 2,3 and 4. However, the cover design has been amended to help in communication and outreach.

¹² E.g. in Finland most of the work in pilot ecosystems and workshops was conducted in Finnish, with materials also produced in English as all reporting is delivered in English. In Finland also all communication e.g. though ministry websites has been produced by Gaia both in Finnish and Swedish. In some cases workshops have been conducted in Finnish and simultaneous interpretation has been arranged for DG Reform and other international participants.

During this project, the key project deliverables (D2-4, see Figure 8) were also built and edited in a manner (with tailored cover designs for the Finnish sustainable finance community, but also designed to be as appealing as possible to international peers) to serve formal DG Reform project reporting as well as reach out to key stakeholders that should make SDG finance happen.

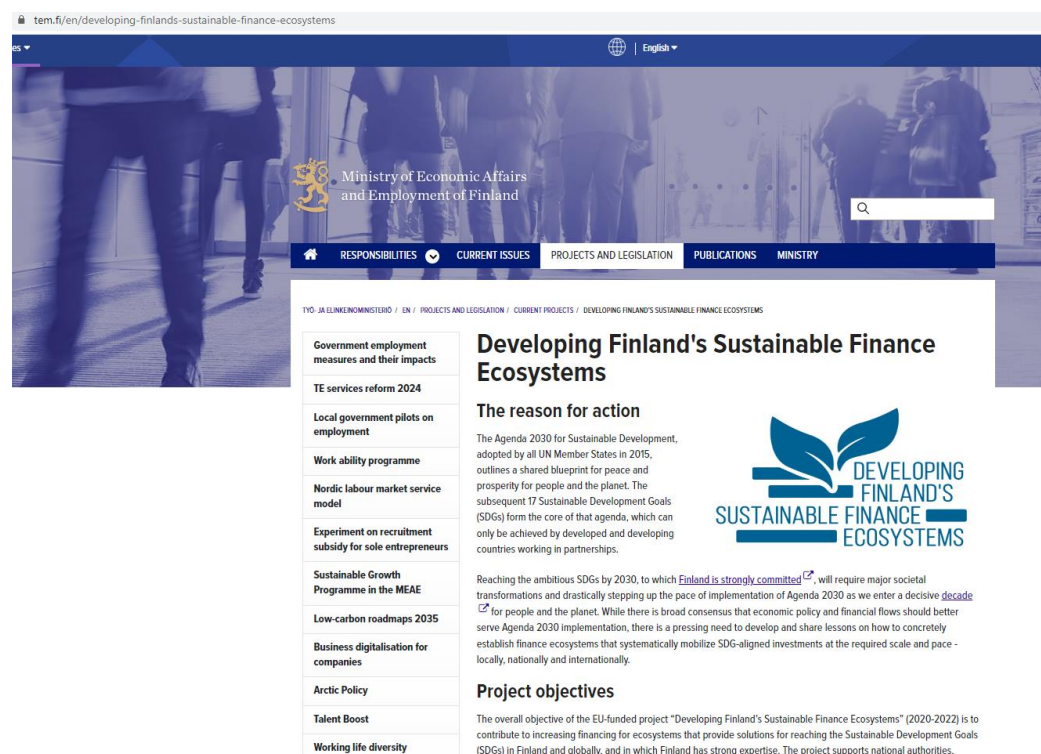


Figure 9. The project website was hosted by the Finnish Ministry of Economic Affairs and Employment, with content available in three languages.

An integral part of the communication and outreach consisted of regularly updating the ministry (project beneficiary) project website (Figure 9) with the latest material and news bytes and/or blogs. This is an area where DG Reform could in future projects provide further input and support, by better harnessing the communications and outreach capacities of the commission, noting that one of the objectives of the project is to share lessons learned with EU peers. Also in this activity all content was produced in three languages, a point to take into account in planning resource allocations for such projects in countries where several official languages exist.

Annex 1 Inception report (Deliverable 1)

See separate file

Annex 2 Sustainable Development Goals Finance Roadmap (Deliverable 2)

See separate file

Annex 3 Toolkit for mobilising SDG -aligned investments - Experiences from sustainable finance pilot ecosystems (Deliverable 3)

See separate file

Annex 4 Developing sustainable finance at national level - Enhancing information exchange and coordination & leveraging lessons learnt from the pilot ecosystems (Deliverable 4)

See separate file