



# Report on Development Policy Across Parliamentary Terms

Ministry for Foreign Affairs of Finland

## Kehityspolitiikan ylivaalikautinen selonteko

Selonteossa linjataan Suomen toimintaa ja tavoitteita kehityspolitiikassa ja kehitysyhteistyössä. Tarkoituksena on vahvistaa suomalaisen kehityspolitiikan ja -yhteistyön pitkäjänteisyyttä periaatteiden, arvojen ja tavoitteiden näkökulmasta. Selonteon valmisteluun on osallistunut kaikkia eduskuntapuolueita edustava parlamentaarinen seurantaryhmä.

Kehityspolitiikka on erottamaton osa Suomen ulko- ja turvallisuuspolitiikkaa, joka tähtää turvallisuuden ja hyvinvoinnin vahvistamiseen kansainvälisen yhteistyön keinoin.

Suomen kehitysyhteistyön tavoitteena on kehittyvien maiden oman kantokyvyn vahvistaminen. Suomen vahvuuksiin nojautuvat kehityspolitiikan päätavoitealueet ovat naisten ja tyttöjen oikeudet; koulutus; kestävä talous ja ihmisarvoinen työ; rauhanomaiset, demokraattiset yhteiskunnat; sekä ilmastonmuutos, luonnon monimuotoisuus sekä luonnonvarojen kestävä hallinta ja käyttö. Humanitaarinen apu on itsenäinen osa kehityspolitiikkaa hädänalaisten ihmisten auttamiseksi kriisitilanteissa.

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Kehityspolitiikka, kehitysyhteistyö, kestävä kehitys, kansainvälinen yhteistyö, Suomi, selonteot, köyhyys

## Utvecklingspolitisk redogörelse för de kommande valperioderna

I redogörelsen fastställs riktlinjerna för Finlands verksamhet och mål i utvecklingspolitiken och utvecklingssamarbetet. Syftet är att stärka långsiktigheten i Finlands utvecklingspolitik och utvecklingssamarbete ur principernas, värderingarnas och målens perspektiv. I beredningen av redogörelsen deltog en parlamentarisk uppföljningsgrupp med representanter från alla riksdagspartier.

Utvecklingspolitiken är en oskiljaktig del av Finlands utrikes- och säkerhetspolitik, som siktar på att stärka säkerheten och välfärden genom internationellt samarbete.

Finlands utvecklingssamarbete syftar till att stärka bärkraften i utvecklingsländerna. De viktigaste utvecklingspolitiska målen, som bygger på Finlands styrkor, är kvinnors och flickors rättigheter; utbildning; hållbar ekonomi och anständigt arbete; fredliga och demokratiska samhällen; klimatförändringen, naturens mångfald samt hållbar förvaltning och användning av naturresurser. Det humanitära biståndet utgör en självständig del av utvecklingspolitiken för att hjälpa nödställda människor i krissituationer.

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Utvecklingspolitik, utvecklingssamarbete, hållbar utveckling, internationellt samarbete, Finland, redogörelser, fattigdom

## Report on Development Policy Extending Across Parliamentary Terms

The Report on Development Policy sets out the activities and objectives for Finland's development policy and development cooperation. The purpose is to strengthen Finland's long-term approach to development policy and development cooperation from the perspective of principles, values and objectives. A parliamentary monitoring group representing all parliamentary parties took part in the preparation of this report.

Development policy is an integral part of Finland's foreign and security policy, which aims to enhance security and wellbeing through international cooperation.

The objective of development cooperation is to strengthen developing countries' own carrying capacity. Finland's development policy priorities are based on its own strengths, which include the rights of women and girls; training and education; sustainable economy and decent work; peaceful, democratic societies; and climate change, biodiversity and sustainable management and use of natural resources. Humanitarian assistance is an independent part of development policy to help people in distress in the event of a crisis.

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# Introduction

Article 1 of the Constitution of Finland stipulates that Finland participates in international cooperation for the protection of peace and human rights and for the development of society. This policy report extends across parliamentary terms and its purpose is to outline Finland's activities and goals in development policy and development cooperation. The purpose is in particular to strengthen the long-term approach of Finnish development policy and cooperation from the perspective of principles, values and goals. The policies outlined in this report acknowledge future needs, at the same time they are based on solid Finnish continuity in the sector, as well as on the strong support shown by Finnish people for development cooperation. This report promotes the consistency and effectiveness of development policy as commissioned by the 2019 Government Programme.

**'Development policy' refers to Finland's consistent activities in all those sectors of international cooperation and national policy that have an impact on the status of developing countries.** A parliamentary advisory group representing all parliamentary groups took part in the preparation of this report. The Development Policy Committee and representatives of various sectors of society were consulted during the preparation process and also had the opportunity to comment on the report. The preparatory work aimed at formulating a common overall view on development policy that Finnish society could support

broadly. The implementation of the policies outlined in this report as well as the achievement of goals and results of development policy and development cooperation will be monitored and reported on at the end of each parliamentary term.

## Cooperation is necessary to ensure sustainable development

The future of all countries and nations is increasingly dependent on the capability of the international community to collectively solve major problems of historic proportions. Ensuring sustainable development calls for determined efforts at the national level. At the same time engaging in multilateral cooperation in international organisations and strengthening the rules-based international system plays an increasingly important role. In promoting sustainable development, the role of non-state actors is also important.

**The 2030 Agenda and the Sustainable Development Goals (SDGs) are so far the international community's biggest, most comprehensive and most ambitious effort to safeguard the future of humanity and to achieve sustainable development worldwide.** From the developing countries' perspective, the changes required are particularly substantial. Due to the COVID-19 pandemic, achieving the SDGs has become even more challenging than before. Nevertheless, the SDGs still set the right course to achieve sustainable development.

At the same time, promoting the SDGs calls for unprecedented capacity to direct international and national expertise and financing for the SDGs. The global need for financing for sustainable development is estimated to total thousands of billions of euros at the annual level, with a substantial part of the financing gap seen in developing countries. Official Development Assistance (ODA) is only one part of the funding. Other forms of financing, such as private investments and credit, as well as developing countries' own private and budget financing, also play an essential role. Public financing for development is, however, particularly strategic and effective by nature: it can help to achieve development where no other financing is available and to boost the allocation of other financial flows to achieve the SDGs in difficult and high-risk circumstances.

## Development policy is part of foreign and security policy

Global interdependence is a fact that also applies to Finland. **Our wellbeing, safety and security are in many ways interlinked with international sustainable development, the rules-based multilateral system and global security and economy.** It pays for Finland to be part of international cooperation seeking solutions to problems and to make use of our own competences and resources to solve global issues. Success on this front will make Finland stronger, too.





Finland's development policy is an integral part of our foreign and security policy, which aims to enhance security and wellbeing through international cooperation. Promoting sustainable development and strengthening the rules-based multilateral system through development policy is an important and modern component of foreign policy and international cooperation. Development policy is closely linked to the broader context of Finland's external relations, which includes political, foreign trade, commercial and economic cooperation together with many other sectors. It must be ensured that all sectors promote sustainable development and the same aims in a consistent and silo-free manner.

It is important that Finnish society participates broadly and multisectorally in international work on sustainable development. Finland's development policy is characterised by diverse domestic partnerships, particularly with civil society, the private sector as well as with research and educational institutions. Finland shoulders its responsibility also

by setting an example in implementing the SDGs of the 2030 Agenda nationally and by reporting on progress made towards the SDGs, including internationally.

Sustainable development is best achieved in democratic countries that are built on the rule of law and have well-functioning institutions and civil society, where human rights are respected and where economic policy and commercial and economic activity support the SDGs, creating decent jobs. Finland emphasises development cooperation with the least developed and most vulnerable countries where the need for support is greatest.

Finland's development cooperation aims to strengthen developing countries' resilience and capacities. Each country's responsibility for their development plays a key role. **Development cooperation provides the tools for solving development challenges, reinforcing the economic base and developing tax collection as well as for strengthening developing countries' capacities**

**to provide for their own wellbeing and security.** This has also been Finland's historical development path. Finland, too, received resources and know-how from abroad to support its development, and some Finns, too, have left the country to seek protection or better income abroad.

Considering Finland's resources and size, it is important for Finland to use its resources in a strategic manner and to strive for such systemic changes that not only ensure the effectiveness but also the long-term impact of development cooperation. Activities should focus particularly on those Finnish strengths that are of specific significance for the achievement of the interlinked SDGs.

Humanitarian assistance is an independent component of development policy and its aim is to assist people in distress during crisis situations. Global humanitarian needs have multiplied as crises increase and conflicts persist. Climate change has made natural disasters more common and devastating. Finland provides humanitarian assistance and



participates actively in the protection and strengthening of international humanitarian law, development of the humanitarian system as well as strengthening coherence between humanitarian assistance, development cooperation and peace efforts.

### Finland's role in the international community

Finland works both in bilateral cooperation with developing countries internationally as part of the multilateral system. The Nordic countries are Finland's closest reference group. **The European Union (EU) and its Member States together comprise the world's largest provider of development finance and, as part of the Union, Finland must actively influence the Union's development policy and external relations.** Finland supports the Team Europe approach adopted during the COVID-19 pandemic to strengthen the total contribution of

the EU and its Member States and highlighting the role of the EU.

The United Nations (UN) is the cornerstone of international rules-based activities. Finland must operate actively both within the UN system and with international development finance institutions, supporting and developing their activities as well as participating in decision-making, taking into account sustainable development and the needs and role of developing countries.

**Finnish development cooperation is carried out professionally and on the basis of knowledge and the needs of developing countries.** The planning of development cooperation aims to achieve results and target resources correctly. Results are measured using indicators and are regularly evaluated and reported upon. Each Finnish government is accountable to the Parliament and Finnish taxpayers and voters for the effectiveness of development cooperation. Results data is also vital from the

perspective of work development and risk management. It is challenging and demands a long-term commitment to operate and bring about change in the often difficult conditions of developing countries.

Development cooperation is a long-term commitment, but it also undergoes continuous renewal: the operating environment changes and new information and capabilities become available. Finnish development cooperation is innovative. Creating and applying new social and technological innovations play a key role in the achievement of the SDGs of the 2030 Agenda.



# 1. Major Threats – Major Opportunities

In recent decades, poverty has decreased worldwide and developing countries have made significant societal and economic progress. Societies are shaped by improved flows of information, digitalisation, innovative solutions and the growth of large urban areas. Young Africans have organised a social media campaign on how Africa has changed and modernised itself. Many states have also undergone democratisation and become more open, and their economic base has strengthened.

At the same time, people all over the world have become increasingly aware of the opportunities provided by development but also of the problems faced by their countries. The expectations of the populations of developing countries and the reality of the prevailing conditions may be far from each other.

**The development challenges and problems facing developing countries are enormous in scale. They have global implications, including for Finland.**

Population growth is levelling off at the global level and is projected to decline towards the end of the century. This trend is also visible in big cities of many developing countries. At the same time, in many regions and especially outside major cities, population growth may be very rapid. **Demographic trends are particularly influenced by girls' access to education, access and availability of**

**reproductive health services and the general level of wellbeing.** When the rate of population growth outpaces economic growth, it is very difficult to combat poverty and strengthen wellbeing.

In many countries, population growth calls for speedy solutions to improve young people's access to education, training and employment. Particularly in Africa, millions of young people enter the labour market every year. Their access to employment is complicated even further by an economic recession caused by the COVID-19 pandemic and by weak working life skills. For economic growth to boost development, it should benefit the entire society, for example through enhanced access to income and increased tax revenues. **Climate change, loss of biodiversity, more frequent natural disasters, inequalities and over-indebtedness of developing countries hamper the achievement of sustainable development goals and increase instability.** Strengthening the foundation of the economy will become more difficult, and employment, livelihoods and access to income will be weakened. **Acute and prolonged conflicts jeopardise development results that have already been achieved,** reverse positive development trends, result in forced migration and threaten to plunge entire societies into chaos and turmoil. This has regional and global impacts, too.

Development has also been highly segregated both within and between countries in recent years: On the one hand, developing countries' internal inequalities have slowed development, and experiences of unfairness have increased tensions within societies. On the other hand, some developing countries have succeeded in increasing their wellbeing, while others are struggling with increasingly profound and multifaceted problems. According to international estimates, over the medium term the majority of least developed countries will be located in Africa. The instability of fragile and conflict-affected countries is prolonged not only due to internal tensions but often also due to external parties promoting their own interests, further reinforcing tensions. Absence of political will may, at the same time, prevent both the resolution of a conflict as well as success in finding solutions to development problems, which in turn increases and prolongs distress, and displacement of refugees.

**The COVID-19 pandemic has increased socioeconomic problems in developing countries.** Their capacity to cope with the combined challenges created by the pandemic and its economic consequences, climate change, crises or refugee situations is often weak. There are major differences in their access to sufficient recovery finance and in their general resilience. In exceptional



In all parts of the world, people have become increasingly aware of the opportunities development is providing but also of issues their countries are facing.

situations, capacity is further weakened by the already high debt burden of states, the weakness of their economy and employment, and insufficient preparedness in many areas of society, such as education, access to health services, and social security. Faced with the pandemic, societies' resilience is weakened not only by the public debt burden but also by private indebtedness or difficulties of enterprises and households to access loans. The goal set in international cooperation for COVID-19 recovery measures is sustainable development and green growth as well as the implementation of the necessary reforms as part of the recovery process. Eradicating poverty and reducing inequality will remain key goals.

**Climate change mitigation and adaptation** is one of the most important issues affecting the future of humanity. Coupled with environmental degradation and loss of biodiversity, climate change causes particularly substantial problems for developing countries and tests their resilience. Climate change and biodiversity loss undermine the foundations of economic activity and have a significant impact on food and nutrition security as well as access to water and energy in many countries. They also increase

forced and other migration, poverty and inequality, conflicts and the risk of zoonotic pandemics. Climate change affects water quantity and water cycle, which increases the likelihood of serious water-related natural disasters such as extensive floods and exceptionally long periods of drought.

When responding to development challenges, developing countries can, however, be a key element of international solutions by implementing sustainable development and by choosing solutions that are climate resilient, maintain biodiversity and are low in emissions. Clean energy solutions play a key role in this. It may, however, be difficult for poor countries to utilise new solutions.

**Achieving gender equality** is one of humanity's most crucial development challenges and an important human rights issue. Gender equality is important for the status and rights of the individual and at the same time a good way to promote the wellbeing of society as a whole. Gender-equal societies enjoy higher stability and wellbeing and often also a higher level of equality in other respects. For example, countries where girls have access to education as well as to a trade or profession are on average

more prosperous. Women's equitable participation in economic activity increases equality, reduces poverty and boosts inclusive economic growth.

The elements of gender equality are mutually reinforcing. When women can choose the number and timing of their children, it provides better opportunities for socially, environmentally and economically sustainable development. For example, ensuring sexual and reproductive health and rights provides girls with the opportunity to complete their schooling. This, in turn, gives them better opportunities to make decisions about their lives and to participate as adults in the development of society and the economy through professions and entrepreneurship.

Girls and women with disabilities often have poorer access to education or health services. Ensuring equality and non-discrimination is a significant and urgent challenge.

One of the key prerequisites for development is **access for all to high-quality education**. Although today the majority of the world's children have access to school, the drop-out rate, especially among girls, is high in many developing countries. In addition, there are still



significant problems relating to the quality and equality of education, often students do not even learn basic skills at school. Poor quality of teaching is linked to inadequacies in teacher training and competences, learning conditions and the availability of teaching staff. Equal access to education for children, including children with disabilities and children and young people living in areas affected by conflicts and crises, or in remote areas, is not achieved. The COVID-19 pandemic has deepened the learning crisis in many developing countries. There is often no capacity for digital teaching.

Education is a necessary step to strengthen employment and equality. It is particularly important to strengthen **access to employment among the growing youth population** and to support the inclusion of young people, including opportunities to influence decisions affecting them and their lives. Education boosts the ability of developing economies to generate jobs. Job creation will be one of the most essential development challenges long into the future.

Decent work helps to reduce poverty and inequality as well as to create conditions for a better future. This has a major impact on the wellbeing and stability of societies as well as on migration.

**Democracy and the rule of law** as well as human rights are increasingly challenged by countries that are authoritarian or have such tendencies. This also takes place in developing countries, even though in recent decades democracy has been strengthened in many parts of the world. Successes in strengthening democracy and the rule of law support peaceful and sustainable development as well as wellbeing of societies in many ways. Democratic and prosperous states based on the rule of law are often perceived as aspirational examples and even as places of asylum among citizens of authoritarian countries.

**The multilateral, rules-based systems'** ability to function plays a key role in solving international problems and promoting sustainable development. The multilateral international system, the UN's ability to act and international

law have been challenged in many ways. Violations of international law, including deliberate breaches of state sovereignty, human rights and humanitarian law, have increased. Simultaneously, the pursuit of national self-interests at the expense of international obligations and the functional capacity of the international multilateral system has become more common.

At the same time, humanity is evermore dependent on its abilities to solve key global problems through multilateral cooperation and to safeguard peace and wellbeing in compliance with international law and the UN Charter. This is why it is crucial to maintain a constructive approach to multilateral cooperation, comply with international law and make efforts to find common solutions to the most difficult issues.



## 2. Value base of Finland's development policy

Finland's development policy is based on an internationally agreed and Finnish value base. These values are promoted domestically as well as in cooperation with other countries and institutions. Important values include democracy and the rule of law; human rights and non-discrimination; gender equality; freedom of speech and free civil society; sustainable market economy; and the sustainable management and use of energy and natural resources. Those who are in the most vulnerable situations are provided for.

Finland's development policy strengthens peace and security and prevents conflicts by supporting the search for peaceful solutions and the creation of stable societies. The Nordic social model and Finnish society's experiences and practices, including access to education for all and competence relating to social security and society's safety nets, come in useful when addressing challenges faced by developing countries.

The 2030 Agenda adopted by the UN emphasises human dignity as the foundation of all aspirations. The overarching principle is to leave no one behind.

Finland's development policy is based on human rights. According to the UN Universal Declaration of Human Rights, all human beings are born free and equal in dignity and rights. Human rights belong to everyone. International and

**Human rights is a key objective of development policy.**

regional human rights conventions secure the minimum level of human rights. The realisation of human rights is a key development policy goal. The aim is to strengthen people's capacity to recognize, demand and realise their rights, and the authorities' capacity to respect, promote and protect human rights and safeguard their realisation, including the rights of the child. Protecting and supporting human rights defenders is a key element of Finland's development policy. Trafficking in persons is prevented through compliance with the human rights-based approach.

Non-discrimination, equality and inclusion are key principles in Finland's development policy. The rights of the most vulnerable people and people with disabilities in particular are taken into account in all activities, also ensuring their opportunities to influence matters concerning them.

A key objective is to ensure at the same time that development cooperation will not inadvertently or unintentionally cause harm, such as undermine human rights or hamper sustainable development in terms of climate or the environment (the 'do no harm' principle), and that everyone has the right to participate in decision-making in matters concerning them.



# 3. Sustainable development goals and Finland's international commitments guide development policy

Finland's development policy is guided by the Finnish Constitution and other national legislation, international law and Finland's international obligations and commitments. Through development policy and development cooperation, Finland strengthens the rules-based international system and its underlying set of norms as well as multilateral cooperation.

The goal of development cooperation is poverty eradication and reduction of inequalities.

The international Sustainable Development Goals (SDGs) guide Finland's development policy. Adopted by the UN in 2015, the 2030 Agenda for Sustainable Development aims at sustainable development in the economic, social and environmental dimensions and at eradicating poverty. The aim is to turn global development onto a positive trajectory for people, planet, prosperity and peace. The

2030 Agenda also recognises the important role of the private sector as a source of innovation, employment and finance.

All countries have committed to the SDGs. Finland implements the SDGs nationally, while assuming its global responsibility. The Prime Minister chairs the National Commission on Sustainable Development, and the Government is responsible for the implementation of the 2030 Agenda and sustainable development in Finland. Progress made in implementation is monitored by indicators and reported regularly to Parliament. Internationally, Finland reports to the UN on progress on the SDGs.

In developing countries, Finland supports the achievement of the 2030 Agenda and the SDGs through development policy and cooperation as well as through foreign policy, economic external relations and national sustainable development measures.

In response to the 2030 Agenda, the EU, including Finland, formulated in 2017 a joint strategy concerning European development policy. The EU implements its development policy in accordance with the European Consensus on Development to eradicate poverty and promote sustainable development. Finland is actively involved in the EU as well as in the Nordic framework to promote sustainable development.

The Paris Agreement, adopted in 2015, as well as other international environmental agreements such as the Convention on Biological Diversity, are legally binding to Finland and important in the promotion of sustainable development. Finland supports developing countries' climate measures through development cooperation funds and as part of foreign and development policy.



# 4. Development policy priorities are based on Finland's strengths

When implementing development policy and development cooperation, Finland focuses particularly on those strengths that provide Finland with good opportunities to support sustainable development.

Finland targets development financing as well as expert contributions and influencing activities particularly at the following set of goals based on Finland's strengths. These enable the achievement of results and long-term impacts and the reinforcement of developing countries' resilience.

## Rights of women and girls

Finland promotes the rights and status of women and girls through measures such as supporting the education and training of women and girls, decent jobs for and political and economic participation of women, including participation in decision-making.

Improving the rights and status of women and girls is also taken into account in all other cooperation, such as education and digitalisation, economy and livelihoods, and services and functioning of societies. In addition, aspects relating to gender and disability are crucial in food and nutrition security, climate and energy

as well as in water, sanitation and hygiene issues and land governance.

Finland supports the safeguarding of sexual and reproductive health and rights (SRHR) of women and girls, including those with disabilities, and their right to access high-quality and non-discriminatory sexual and reproductive health services. Finland seeks to strongly reduce maternal and child mortality and promotes comprehensive sexual education as well as the inclusion of men and boys in the realisation of these rights. Finnish expertise relating to maternal and child health as well as contraception clinics is also taken into account. At the same time, all these measures are linked with the broader health policies pursued by developing countries.

Finland promotes the ability of women and girls, including those with disabilities, to live without becoming victims of violence, abuse or harassment and to make decisions on their bodies. In this context, Finland also supports efforts to eliminate harmful practices, such as child, early and forced marriage and female genital mutilation.

Finland promotes such legislation and policies in developing countries that improve the realisation of women's rights,

in support of the above-mentioned objectives.

Strengthening the rights of women and girls also requires Finland's contribution to global influencing activities. The capacity of societies to change existing structures and attitudes plays a decisive role for the achievement of this goal. Success (in this) also calls for the participation of men and boys..

## Education

As the Finnish education system is highly regarded globally, Finland has the opportunity and responsibility to participate in solving the global learning crisis over the long term. Finland's development policy in the education sector aims to increase access to high-quality basic education as well as upper secondary education and vocational education and training, taking particularly into account girls and vulnerable children and young people. Support provided by Finland helps to strengthen both the inclusiveness of education systems and the quality of teaching and learning outcomes.

Finland also has a great deal of expertise in the development of teacher education, school meals and school



health care. The role of digital learning as a driver for development is significant and emphasised particularly in difficult conditions such as crisis and pandemic situations.

### **Sustainable economies and decent work**

Finland promotes the strengthening of economies in developing countries in a sustainable manner. Strengthening the economic base, including encouraging sufficient investments to achieve sustainable development, plays a key role in this work. Finland strives for more people to have access to decent work, livelihoods and income, with a special focus on the status of women and young people as well as poor people and people in vulnerable situations. The aim is that enterprises in developing countries are able to grow and develop responsible business practices that create decent jobs, which will diversify the economic base and promote local production of goods and services. This also calls for investments in high-quality infrastructure and sustainable connectivity. Finland strengthens the role of women in the economy, paying

particular attention to the eradication of discriminating structures and obstacles to their participation.

Finland aims to ensure that governments of developing countries pursue industrial policies that bolster the private sector, promote responsible business conduct and support an environment conducive for innovation. The majority of livelihoods and jobs in developing countries are related to agriculture and food production, which in turn also requires solutions relating to land governance and market access. It is important for Finland that developing countries promote the realisation of decent working conditions as well as the respect for the fundamental principles and rights at work that safeguard these conditions.

Finland promotes developing countries' innovation, digitalisation and international innovation partnerships, supporting new mechanisms and solutions for the achievement of the Sustainable Development Goals (SDGs).

Finland's activities take into account that a sustainable economic base in developing countries is best strengthened in societal conditions where institutions and progress in the rule of law, as well

as access to social security and health care and other services are strengthened and improved.

The prosperity of developing countries will not increase without foreign trade. Finland supports their capacities to connect to international value chains, participate in regional economic cooperation, and engage in foreign trade in compliance with international trade rules and participate in their formulation. Ability to trade, and trade policy measures, such as free trade agreements, are important elements of economic and societal development. This builds developing countries' capacity to provide inputs to international economy and value chains.

For its part, Finland will act consistently in the field of trade policy, strengthening and monitoring the implementation of the sustainable development goals included in the EU's trade and partnership agreements and supporting the creation of well-functioning and responsible labour markets and the prohibition of forced and child labour. Finland works to develop a multilaterally regulated, fair and balanced system of investment agreements to channel



## Finland supports a well-functioning, transparent and responsible public sector.

foreign direct investments on the basis of sustainable development principles.

Reaching these goals at the country level requires that international cooperation ensures that international trade, investments and taxation rules support responsible and sustainable business. Finland's objective is that international Responsible Business Standards are more widely known and their implementation is monitored. A binding regulatory framework on corporate responsibility is being developed in cooperation with the private sector and civil society as part of the reform work carried out within the framework of the EU, UN and OECD.

Finland has strengths relating to the economy that are particularly useful to share with developing countries: vibrant start-up ecosystems, circular economy, sustainable connectivity, smart power grids and renewable energy forms, strong role of small and medium-sized enterprises, women entrepreneurship and responsible business conduct.

### **Peaceful, democratic societies**

Finland acts comprehensively and consistently to promote peaceful and

democratic societal development that is based on the rule of law and good governance.

As part of development policy and development cooperation, Finland promotes the democratic and rule-of-law development of societies. For this purpose, Finland strengthens the democratisation of developing countries' political institutions and supports the strengthening of the rule of law and required legislation and institutions as well as the capacity of the institutions, at the same time improving access to justice for individuals. Succeeding in this work and generating lasting and sustainable changes call for an in-depth understanding of local conditions, particularly when operating in fragile and conflict-prone situations.

Finland supports the capacity of public administration and good governance, including public sector openness and transparency, efficiency and accountability. Finland also supports reforms of tax and budget systems and administrations for fairer and more efficient taxation, and for developing countries to be better able to finance their public services and other public expenditure and to deliver services equitably.

Finland supports the peaceful resolution of conflicts and the prevention of armed conflicts, as well as the implementation of inclusive and participatory peace processes and national dialogues, as part of its development policy.

Reducing impunity for the most serious international crimes and transitional justice mechanisms are key requirements for lasting and sustainable peace and development. Development policy is also employed to strengthen state capacities to prevent and combat mass-scale atrocities. Strengthening of rule-of-law structures, human rights and civil society plays a key role in this, too.

Finland will strengthen the freedoms of assembly, speech and association as well as the opportunities for free, vibrant and multi-vocal civil societies. Finland supports the strengthening of media independence and the protection of whistle-blowers and human rights defenders.

In accordance with Women, Peace and Security – Finland's National Action Plan for the implementation of Resolution 1325, Finland supports the participation of women in peace processes and peace-building and strengthens the protection of women and girls and the realisation of



their rights. Young people's participation in conflict prevention and resolution and in post-conflict situations is promoted in accordance with UN Security Council Resolution 2250 on Youth, Peace and Security.

### Climate change, biodiversity and sustainable management and use of natural resources

Finland provides long-term support for climate change mitigation and adaptation, development that is low in emissions and climate resilient, as well as biodiversity protection.

Finland promotes the sustainable management, use and protection of renewable natural resources and ecosystems, including forests and water resources, and the halting of desertification and soil degradation. Finland also promotes afforestation measures to ensure the sustainable management of forest resources, and aims for increased protection and sustainable management of forest and water areas. Peaceful transboundary water resources management is part of Finland's foreign and development policy. Finland supports the sustainable management and exploitation of mineral resources.

Finland boosts the opportunities of people in developing countries to produce and source safe, healthy and nutritious food. Finland supports access for food producers to food value chains and markets in order to strengthen food systems and for the food systems to improve food and nutrition security, and increase access to income. Solutions to land governance issues are part of these efforts. Finland aims for the food systems of developing countries to be climate and environmentally friendly and economically and socially sustainable. This work also takes into account the interdependencies of food, water, forest and energy aspects.

Finland supports access to and sustainable use of safe and affordable drinking water as well as improvements in sanitation and hygiene so that that people in developing countries and also in humanitarian crisis situations have

access to at least basic water supply, toilets and know-how about basic hygiene. Finland's measures towards the achievement of the water-related targets of the 2030 Agenda are guided by the Finnish Water Way – International Water Strategy of Finland, which was adopted by five Finnish ministries in 2018 and extends until 2030. Finland promotes the production and sourcing of reliable and sustainable renewable energy as well as energy efficiency improvements and in this work takes into account the opportunities provided by circular economy. Finland contributes towards the public and private sectors of developing countries being able to produce sustainable energy solutions that are equally beneficial for society, including households and small and medium-sized enterprises. The aim is to create or strengthen local, affordable energy markets in a sustainable manner. In the energy sector and circular economy, the aim is to increase Finland's capacity to support the creation of comprehensive solutions and operating models.

Climate change and biodiversity are considered as a whole. Diverse, well-functioning ecosystems store carbon and are vital for climate change mitigation as well as for ensuring food and nutrition security, clean air and water access. Safeguarding the environment, food production and health as part of the One Health approach is a way for Finland to reduce the risk of pandemics in the future.

Finland strives for reducing vulnerability of people and societies to extreme weather events and natural disasters. Weather and climate services and early warning systems are employed to improve the preparedness, crisis resilience and carrying capacity of countries from the climate change perspective, tapping into the solid Finnish competence and extensive international experience in these fields.

Boosting circular economy systems is taken into account in development policy and development cooperation, including efforts to strengthen food and nutrition security, agriculture and sustainable use of natural resources. Sustainable management of waste and chemicals is an essential element of a circular economy.

### Cross-cutting objectives and perspectives

The **cross-cutting objectives** that Finland promotes in its development policy are gender equality, non-discrimination, climate resilience and low emission development as well as protection of the environment, with an emphasis on safeguarding biodiversity. These objectives are based on the principles of sustainable development, human rights and climate and environmental agreements and are promoted in all development cooperation regardless of the sphere of activity.

Based on the principle non-discrimination, Finland supports the autonomy of **persons with disabilities** and their right to live without discrimination, stigma or violence. To this end, Finland supports the capacities of developing countries to implement disability-inclusive legislation and development, promotes the wellbeing of persons with disabilities and strengthens the disability movement's operating capacity. Finland's development policy strives at persons with disabilities being guaranteed the full and equal enjoyment of all human rights and fundamental freedoms as well as promoting respect for their dignity.

In addition to the cross-cutting themes, development cooperation takes into account developing countries' **crisis resilience**, including conflict and disaster situations, climate change and environmental degradation as well as health threats and epidemics. Finland responds to these broad challenges through influencing and practical measures in development and other policies, as the general resilience of societies plays a key role in overcoming crisis situations.

As regards preparedness and response to **pandemics**, Finland has competence particularly in the fields of health security, One Health cooperation, vaccines, health technology, security of supply, and environmental administration.



# 5. Humanitarian principles guide emergency relief

Humanitarian assistance is an independent element of Finland's development policy. It is always granted on the basis of needs. Assistance is provided in emergency situations, such as crises caused by an armed conflict, a natural disaster or other disasters such as a dangerous communicable disease or climate change, that have been identified as a humanitarian emergency by the UN system, the International Red Cross and Red Crescent Movement or the receiving host government.

Finland's humanitarian assistance aims to save human lives during and immediately after crises. It also aims to alleviate human suffering and distress while respecting human dignity. Finland's humanitarian assistance is based on international humanitarian law, human rights conventions and refugee law and on the humanitarian principles

adopted by the UN. These principles are Humanity, Neutrality, Impartiality and Independence. Finland has also undertaken to comply with the principles of Good Humanitarian Donorship which have been agreed jointly by donors.

In its humanitarian assistance, Finland favours un-earmarked multi-year funding that enables efficient and strategic provision of assistance to people in need. It helps to ensure sufficient capacity for response also to acute crises such as natural disasters.

Finland engages actively in the development of the international humanitarian system. It is important in all humanitarian action to take into account the most vulnerable groups, such as women, girls and people with disabilities. Local actors play a key role in assistance efforts.

Finland strengthens and defends international humanitarian law. Humanitarian work takes place in increasingly dangerous conditions. Intentional attacks against humanitarian workers and civilian sites such as schools and hospitals have increased. Timely and unhindered humanitarian access is vital for those in distress. The adverse effects of counterterrorism measures and sanctions on humanitarian action must be avoided.





# 6. Development cooperation, humanitarian assistance and peace actions complement each other

The international community has not been able to respond adequately to the challenges posed by climate change, environmental degradation, conflicts, terrorism, natural disasters or epidemics nor to the need to strengthen the resilience of societies. These major issues coupled with extreme poverty and risks relating to human rights are particularly common in countries affected by prolonged crises and conflicts.

To solve these problems, the implementation of Finland's development policy is guided by the "triple nexus" approach, which enables the coherence, complementarity and effectiveness of development cooperation, humanitarian

assistance and peace processes. Strategic situational and risk assessments conducted jointly by actors are a key tool in the approach. Coordinating the strengths of the various actors helps to ensure a comprehensive approach, which is particularly necessary in difficult conditions. A well-coordinated approach increases the efficiency of resource use and is an essential contribution towards improved efficiency and effectiveness of aid and assistance in fragile and conflict situations. It also makes it quicker to find a comprehensive solution to the situation in the country and strengthen the country's resilience.

Activities must also be conflict sensitive, which means the ability to understand the operating environment and its conflicts and the ability to adapt the activities correctly to the prevailing circumstances in order to promote lasting peace.

At the same time, boosting the basic requirements for the economy, including enabling conditions for the private sector and job creation, is an essential element in efforts for the long-term stabilisation of societies.



# 7. Development policy can influence migration

People are forced to leave their homes or become refugees for an increasing variety of reasons. Migration is partly internal to the countries of origin or is directed towards neighbouring areas, but also further away, such as Europe. Most displaced persons flee within crisis-affected countries or to neighbouring countries, whose contexts are often also fragile. There has been a strong increase in forced migration, and international statistics show an alarmingly high number of refugees and internally displaced persons. A diverse set of tools is needed to respond to this situation.

Conflict prevention and peace mediation, crisis management, development policy, climate and environmental policy, and commercial and economic cooperation are foreign and security policy tools that can help to achieve a diverse and comprehensive impact on the root causes of migration and to support regional stability and development in order to reduce migration forced by circumstances. Development cooperation is an important tool in addressing the causes of such migration and the circumstances of the countries of origin and transit. Some of the costs incurred by refugees in Finland are included in development cooperation

**Finland's development cooperation addresses the root causes and other factors behind migration.**

appropriations, in accordance with the principles agreed in the OECD.

In migration issues, international law must be complied with and the realisation of fundamental and human rights must be ensured. Finland regards the

implementation of the UN Global Compact on Refugees and Migration as important. The burden of refugee crises must be shared globally. It is important to support refugee-hosting countries and address the root causes of forced migration. Refugees must not be used as instruments of exerting political influence or for the purposes of destabilisation.

Humanitarian assistance provided by Finland provides people who have had to flee their homes with the necessary shelter, protection and other emergency relief. Finland's development cooperation in turn addresses the root causes and underlying factors of migration. Strengthening democratic institutions and the rule of law in developing countries, improving the economic and employment situation, and advancing sustainable development help in many ways to strengthen the resilience and security of developing countries and their neighbouring areas, and improve people's opportunities to live and work in their home country. This in turn has a positive impact on international development and security, including in Europe.



# 8. Finland's development policy produces results

**Progress made towards Finland's development policy goals is measured, monitored and analysed systematically.** Data concerning results is collected on all types of cooperation. Cooperation partners selected by Finland must have the preparedness and the capacity to measure and evaluate the results of their activities. Where necessary, cooperation partners are provided with support for their capacity to measure, evaluate and develop their activities.

**Monitoring is based on the UN Sustainable Development Goals (SDGs).** Tools employed in this monitoring concretise the results expected within Finland's policy priorities. These include priority-specific theories of change and a large number of indicators. This work is also guided by documents such as the Guidelines on Finland's Humanitarian Assistance, the Guidelines for Civil Society in Development Policy, the Taxation for Development action programme, the Human Rights Based Approach in Finland's Development Cooperation guidance note, the Guideline for the Cross-Cutting Objectives in Finnish Development Policy, as well as the policies

and plans concerning Finnish and foreign partnerships mentioned below.

The results of Finland's development cooperation and the indicators to be used are defined in such a way that they are clearly linked to the achievement of the Sustainable Development Goal and help in monitoring the achievement of the Sustainable Development Goal. For example, global progress in the rights and status of women and girls is based on SDG indicators 5, 3 and 10 adopted by the UN. The Finnish development policy objective of access to sexual and reproductive health services is monitored by the UN indicator on child and adolescent pregnancies and on success in efforts to prevent them.

In addition, the direct results of activities supported by Finland are monitored using indicators determined nationally by Finland.

Quantitative and qualitative results data is analysed carefully. Information obtained and evaluations conducted by external parties are used in learning, development and planning. Successful target-setting is based on an understanding of the operating context, and the society,

partners and sector. At the same time, it is ensured that the beneficiaries of development cooperation are those who need it the most.

**Development policy strives for broader societal impacts that support the achievement of the sustainable development goals in developing countries.** At the global level, Finland monitors the achievement of these impacts and the SDGs in accordance with the UN 2030 Agenda monitoring.

The efficiency and effectiveness of development policy is supported by the value-based and long-term activities, combined with the capacity to respond to changes. Efficiency and effectiveness are also supported by capacity to focus resources on the most important goals. Similarly, it is important to be able to react quickly and efficiently to any misconduct.

A report on development policy results, based on results data and its analyses, is submitted to Parliament at the end of each parliamentary term. The implementation of the policies outlined in this Report are also reported on in that context.



# 9. Finland acts in a sustained and strategic manner

A key starting point for Finland's development policy is to support developing countries in achieving the Sustainable Development Goals (SDGs). Regardless of whether Finland and Finnish actors work bilaterally or through multilateral institutions, the starting point is always to strengthen developing countries' own capacity and resilience. Their ownership, needs and national plans play a key role in this.

Accordingly, Finnish resources are targeted especially at achieving systemic changes that strengthen the opportunities and ability of the partner country and its society and communities to secure the wellbeing and income of the people in an improved and more lasting and sustainable manner.

It is important that the development efforts of countries receiving Finnish public funding are, as a rule and even in difficult circumstances, in line with international development objectives as well as with internationally agreed principles and Finland's own values and goals. The way in which developing countries use their own public funds, including through anti-corruption measures, is important

**One of the guiding principles of Finland's development cooperation is to assist developing countries in achieving the Sustainable Development Goals (SDGs).**

for development. Development cooperation and related interaction and dialogue are an important means of influencing the kind of development path the countries have chosen.

Experience has shown that in the poorest countries and in fragile and conflict-prone situations in particular, it may take a long time to generate societal changes and lasting development results and impacts. Correspondingly, the need for development cooperation is often for a long term. Taking account of this, Finland works in long-term cooperation with partner countries and partner institutions to safeguard the necessary continuity to achieve results.

However, in its activities, Finland must always take into account the situation of each country and any changes taking place in the situation. When circumstances change, sufficient flexibility and responsiveness alongside continuity are also required to ensure success.





# 10. Sustainable development is supported with diverse financing

The Addis Ababa Action Agenda (AAAA) adopted in 2015 outlines a global framework for financing for sustainable development. **A key aim is to align all relevant international and national financing flows in support of sustainable development.** This is necessary, as achieving the Sustainable Development Goals (SDGs) requires finance inputs that are many times greater than what public financing for development cooperation enables. At the heart of the AAAA commitments is the notion that **joint efforts will be made to achieve a situation in which every nation will, over time, be able to finance its own development and wellbeing with domestic resources**, particularly through sufficient collection of taxes and tax-like contributions. It is not possible to achieve the SDGs without significant private financing as well as increasing financing by developing countries themselves.

**Official Development Assistance (ODA) is an important component of the overall financing for development.** ODA can help to solve the most difficult development challenges where no other funding is available. It can also be used to promote the targeting of other financial flows at sustainable development

and to enable sustainable investments in more challenging circumstances, too. In addition to grants, other forms of support used in international development cooperation include subsidised loans, investments, guarantees and combinations of these. **The need for grant-based financing is emphasised particularly when supporting the development of the poorest as well as fragile and conflict-prone areas.** Debt relief measures can also be employed to ensure sustainable development.

As ODA is only one of the components of financing for sustainable development, **it is vital to also steer extensive private finance flows and investments for sustainable development.** The implementation of the new development finance architecture requires new thinking and know-how as well as the development of the practices and development impact assessment of international development financiers and private sector actors. This is a significant area in need of further development.

Finland's support for sustainable development is based on the diverse approach referred to in the AAAA. This enables the form of financing to be chosen in a manner that is appropriate

considering the nature of the activity. This also allows the results and effectiveness to be expanded considerably.

**Finland's ODA is provided as grant-based aid as well as in the form of loans and investments.** The latter form of financing also seeks development impacts in line with Finland's development policy goals but, in addition, involves revenue yield and reflow expectations. The yield expectation ensures the targeting of finance at viable enterprises and sustainable development impacts and facilitates the use of funds for new investments and loans. Support in the form of loans and investments also makes it possible to promote Finnish added value and utilise Finnish competence as well as to enable sustainable development investments and projects in areas where they would otherwise not be launched.

**Finnfund is a central and increasingly strengthening Finnish actor and a relevant international player in implementing public development financing through loans and investments** and in ensuring that other providers of finance also take part in sustainable development investments. Finnfund emphasises responsibility, the main goals of Finland's development cooperation,



Finland's official development assistance is either grant-based support or loans or investments. By combining public and private funding, it is possible to multiply the total funding of sustainable development and also accomplish broader developmental impacts.

Finnish added value and innovation, and zero tolerance of tax evasion.

Finnfund contributes to the objective that Finnish companies have fair opportunities to compete for access to development-funded projects when compared with other countries. In addition to bilateral cooperation with developing countries and financing allocated to multilateral institutions, **Finland supports activities of Finnish businesses, including small and medium-sized enterprises, research, higher education and other institutions, civil society and civil society organisations (CSOs) for the promotion of sustainable development and for stronger self-driven economic growth in developing countries.** Multi-actor cooperation and mutual collaboration between these actors is encouraged and inputs are provided for business solutions geared towards developing markets and for trade and development activities. Development cooperation financing for CSOs takes into account the special nature of CSOs' work in strengthening civil society and, at the same time, the foundation of democracy. The increase in their relative share in financing is safeguarded.

Finland strengthens the financing base for sustainable development by promoting the inclusion of private financing of sustainable development projects. **Combining public and private financing makes it possible to multiply the total funding available for sustainable development and to create broader development impacts.** Finnish and foreign actors are encouraged to create innovative finance ecosystems and participate in impact investments to support sustainable development. At the same time, it must be ensured that financing is also allocated to least developed countries and to sectors facing the greatest financing deficit, that financing is targeted in line with the countries' national development plans, and that financing will not have an adverse effect on the countries' ability to manage their debt.

**Finland requires that enterprises receiving support from development cooperation funds promote human rights and comply with corporate social responsibility principles,** including the criteria set for tax responsibility and transparency. The Government of Finland has a zero-tolerance policy on tax avoidance through tax havens.

**Strengthening the taxation capacity of developing countries is one of the means employed by Finland to support sustainable development** as agreed in Addis Ababa in 2015. This means measures such as developing national tax and budget systems, combating corruption, strengthening transparency and accountability, and creating training and peer support systems for tax authorities and other public administration professionals. Development cooperation can also build trust and confidence in accountability and responsibility in taxation and the use of public funds, acting in cooperation with CSOs, political actors and the media, too. Finland is proactive in curbing aggressive tax planning, tax evasion and harmful tax competition. Finland also promotes the strengthening of the UN Tax Committee to provide developing countries with access to influence in the work to reform international taxation.

Finland's contribution to international climate finance is channelled as part of financing allocated for development cooperation. Financing is continued in a manner taking Finland's international obligations into account and targeting resources equally to both mitigation of and adaptation to climate change.





## Finland's development cooperation funding

**Finland is committed in the UN to the target of directing 0.7% of gross national income (GNI) to development cooperation and 0.2% of GNI to the least developed countries.** Finland's 2019 Government Programme requires the preparation of a roadmap to attain these UN goals.

The need for financing for development cooperation remains considerable for the foreseeable future. The socioeconomic impact of the COVID-19 pandemic is particularly heavy for the poorest countries and for developing countries with a high level of public debt. These countries do not have the same access as more developed economies to extensive recovery funding, and their resilience was already weak before the outbreak of the pandemic. **The pandemic and its consequences have resulted in a significant increase in poverty and a worsening of the debt crisis.** The gap between countries like Finland and the poorest countries is growing ever larger. It is becoming more difficult for poor countries to progress towards the SDGs, to provide their young populations with

education and employment, to mitigate climate change and adapt to it or to become equal economic partners. The very survival of many countries is at stake. This is why long-term support by the international community is required.

**The Nordic countries are an important reference group for Finland.** They have already reached or exceeded the 0.7% target. Sweden's development cooperation budget is around five times and Norway's around four times larger than Finland's, while Denmark, which is the closest to Finland in terms of the size of the economy, has a development cooperation budget twice as large as Finland's.

In order to achieve the UN objective, Finland's development cooperation funding must be increased systematically and gradually over several parliamentary terms. Finland aims at a level of development cooperation funding that corresponds to the UN commitment to use 0.7% of GNI for development cooperation and 0.2% of GNI for the least developed countries. **The target year for reaching the 0.7% level is 2030. The 0.2% target for the least developed countries will be achieved as soon as possible.**

The UN targets are percentages of each country's GNI, with the shape of the country's economy affecting its ability to participate in development financing. Finland examines development cooperation financing against its overall economic situation.

Grants will remain Finland's primary form of financing for development cooperation. Development cooperation funding in the form of loans and investments, provided in addition to grants, does not increase the government deficit in national accounts; this form of financing involves return and return expectations. This form of funding will be used in particular as part of climate funding and in supporting climate change mitigation and adaptation, including in supporting the strengthening of clean energy and circular economy solutions in developing countries.



# 11. Sustainable development is promoted with innovations

New thinking and actions are required to reach the Sustainable Development Goals (SDGs). Innovative solutions and stronger cooperation between the state, private sector, civil society, and higher education and research institutions are required. Technological, social and operational innovations and, in particular, digitalisation and the circular economy are major drivers for change. They provide completely new kinds of opportunities for solving global development challenges, achieving sustainable economic growth, promoting employment and good governance and managing crisis

and disaster situations. They also provide tools for promoting human rights as well as gender equality and non-discrimination, including the rights and well-being of vulnerable groups. To ensure sustainable development, it is particularly important to strengthen the capacities of societies and citizens to utilise and benefit from digitalisation as well as artificial intelligence and other innovative solutions.

It is from these starting points that Finland makes use of capabilities, technology and digital solutions and innovation in its development cooperation

and humanitarian activities. Finland supports the strengthening of digital skills and the development of solutions that are suitable for local conditions. At the same time, Finland strengthens the opportunities of international and regional organisations to employ new solutions and technologies and participate in cooperation in the development of innovations and solutions. In this context, efforts need to be taken to ensure that technological solutions and digitalisation do not jeopardise human rights or democratic development.



# 12. Good partnerships are the foundation for activities

Finland strives to play a bigger role than its size would suggest by strengthening domestic and foreign partnerships and actively seeking complementarity and synergies between the various forms of policy, action and support. All activities involve assessments of how Finnish competences and strengths can generate added value in development cooperation.

## A. Domestic partnerships

The promotion of sustainable development requires the participation and cooperation of all actors in society, as agreed at the UN. Finland's development policy and development cooperation are based on the active participation of Finnish public-sector actors, civil society, the private sector as well as research and educational institutions, and on a strong partnerships between them. In this way, results that have a positive impact on people's wellbeing and the development of societies will be achieved more efficiently and in a more sustainable manner. It is important for Finnish society to be broadly involved: sustainable development is the sum total of the work carried out by a variety of actors, and

of multiple forms of cooperation. Finnish capabilities and Finnish actors are in great demand and highly valued in the field of sustainable development. All activities involve assessments of how it is possible to bring added value through Finnish expertise and strengths in order to achieve the objectives of sustainable development and Finnish development policy.

The Development Policy Committee brings together a variety of actors in Finnish society and strengthens development policy dialogue and effectiveness in Finland. The National Commission on Sustainable Development plays a key leader role in the promotion of sustainable development in Finland.

The role of Finnish **civil society** must be strengthened further in Finland's development policy and development cooperation. Through their activities, civil society organisations (CSOs) support solutions to development problems and reduction of inequalities in developing countries. Their local and field knowledge are important components of Finnish development policy. CSOs also reach vulnerable people and groups that may be challenging to reach in inter-governmental cooperation.

CSOs also play an important role in providing and developing humanitarian aid. They can also work effectively to promote democracy, peaceful solutions and protection of the environment.

Free, independent civil society and freedom of speech are key elements of societal peace, stability and wellbeing, including in developing countries. The capacity of civil society to raise attention to issues and propose solutions is an important prerequisite for the wellbeing and democratic development of societies. This is why the role of Finnish CSOs is particularly important in supporting the status of and space for developing countries' own civil society as well as in promoting universal human rights in these countries.

Finnish civil society organisations provide expertise and a model for how an active, free, multi-vocal and pluralistic civil society can work for the development of society as a whole. CSOs also make the voice of developing countries heard in Finnish society and decision-making. In addition, human rights defenders and civil society's human rights actors have a significant role in the assessment of human rights impacts relating to development cooperation, in



## Sustainable development is the sum total of the work carried out by different actors and of multiple forms of cooperation.

raising concerns, and in national and international dialogue.

Activities of pluralistic civil society actors are supported from Official Development Assistance (ODA) described in section 10 above, and these actors may also have access to other financing for sustainable development.

The **private sector** and enterprises play a key role in Finnish development policy. Their diverse contributions in implementing sustainable development projects, providing finance, and strengthening the intellectual capital as well as the private sector operating capacity and overall economic resilience of developing countries are promoted.

As in Finland, a viable private sector is the foundation of a sustainable economy in developing countries. It plays an important role when creating wellbeing and prosperity for societies. A growing and strong private sector is a prerequisite for a strong economy and fiscal balance. It is a key source of tax revenue and can therefore improve the capacity of developing countries to finance their public spending, such as education, health and social services.

In developing countries, just like in Finland, the private sector is tasked with generating new added value by producing goods and services, creating decent jobs and strengthening the economy by engaging in foreign trade. The private sector in developing countries plays a key role in building future economic relations with regional and international trading partners. The private sector can innovate and produce climate and environmentally sustainable clean technology and circular economy solutions. Through its operations, the private sector can strengthen the economic status and participation of women and young people.

The opportunities of Finnish enterprises to take part in solving development challenges in developing countries are promoted and supported. Enterprises are encouraged and supported to create closer contacts with local enterprises. The starting point is that the competences and technology provided by Finnish enterprises are internationally competitive and can have relevance in responding to the genuine needs of the partner country. Enterprises specialised in development cooperation

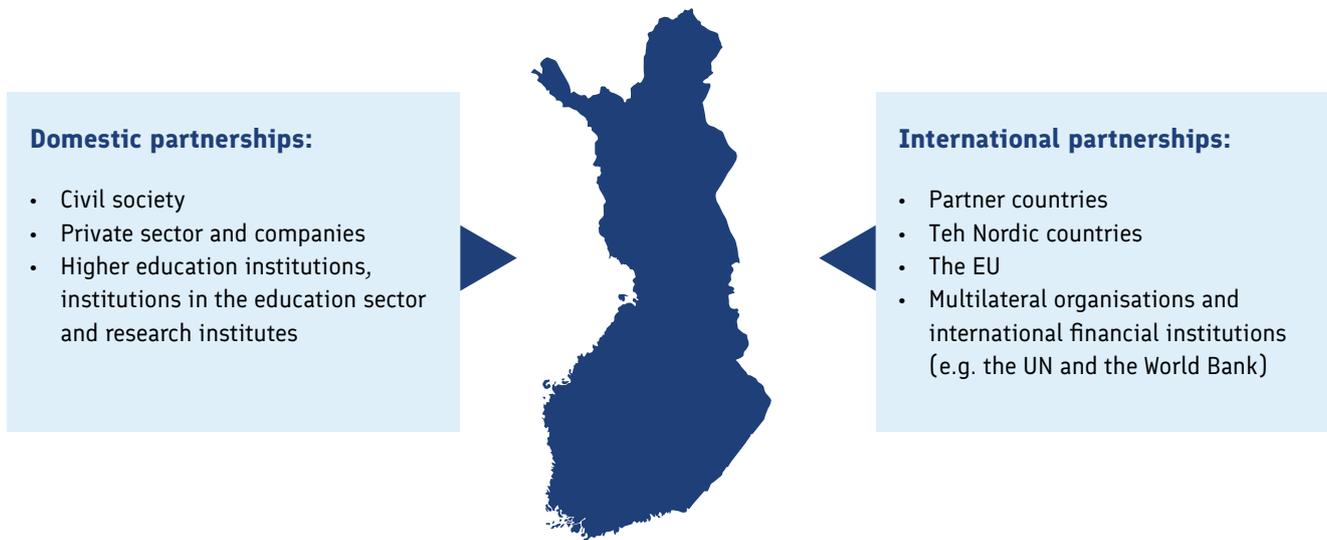
play an important role as promoters of sustainable development. Enterprises must promote the principles of responsible business conduct through their operations and comply with the values and principles of development policy in their work.

The aim is to increase the proportion of Finnish enterprises engaged in activities financed through development financing. Finnish enterprises have the opportunity to participate in sustainable development efforts on the basis of national development cooperation financing referred to in section 11 above or in other financing for sustainable development, and by participating in procurements and projects in developing countries that are funded by international development actors and institutions as well as by the EU. Naturally, they can also promote sustainable development by acting on a regular commercial basis and as private investors in developing markets.

The participation of Finnish enterprises in procurements of the EU, international organisations and development finance institutions is an important way to make good Finnish competences



## PARTNERSHIPS IN DEVELOPMENT POLICY



available for the needs of developing countries. Enterprises' opportunities and capacities to participate in these activities are supported more systematically at home, in the headquarters of institutions, and in developing countries.

In Finland, the state administration makes sustained efforts to develop its partnership with the Finnish private sector, improve the flow of information about opportunities for enterprises to participate in development cooperation and develop the principles and approaches relating to their participation. The aim is to strengthen the competences and inputs of the private sector for the promotion of sustainable development, and to increase their participation in the promotion of sustainable development in developing countries in compliance with Finnish development policy.

Finnish **higher education institutions, educational institutions and research institutes** play a key role in development policy. They can support the strengthening of multisectoral competences, education and solutions to the learning crisis through research cooperation, capacity building and other

cooperation. They can also offer new opportunities for a sustainable change through innovation cooperation and by expanding science networks to developing countries.

Higher education and research institutions have thematic and country-specific competences in global challenges as well as local and field knowledge that should be utilised in projects, and also more broadly to support Finnish development policy and private-sector actors. The scientific community can also strengthen the evaluation and development of Finnish development cooperation by providing academic expertise for the evaluation, monitoring and analysis of development cooperation objectives and results.

From the perspective of development policy, **partnerships between actors** in Finnish society and multi-actor partnerships are a significant strength. It is important for Finnish society to be able to act more actively and broadly in developing countries and to maintain a presence, promoting sustainable development. Cooperation and networking can generate significant synergies at the country level and particularly when

operating in more demanding circumstances. Stronger cooperation and networking of enterprises, CSOs and Finnish institutions is supported in Finland and in developing countries, and capacities for cooperation are built. Finnish embassies play a key role in this work.

### B. International partnerships

#### B.1. Bilateral partners and bilateral development cooperation

Finland advances its development policy goals both when acting directly with bilateral partner countries and when providing support together with multilateral international institutions and international CSOs. The tools are influencing, Finnish expertise and development financing – and often a combination of these.

**International development cooperation with partner countries** enables a direct contact with the leaders and society of the partner country, strengthens Finland's diverse relations with developing countries and provides a concrete way to impact sustainable development in



Finland's strength areas. In bilateral development cooperation, Finland plans the cooperation strategically and seeks to generate systemic changes while at the same time bolstering Finland's political, economic and cultural relations with the partner countries.

For bilateral cooperation partner countries, country strategies are formulated regularly. These examine the status of the partner country and its society and economy as well as Finland's cooperation with it in a broad and strategic manner covering a variety of aspects from the perspectives of foreign and security policy, commercial and economic, research and innovation relations as well as development issues. The country strategies take into account the overall inputs and activities of Finnish society in bilateral relations.

Country strategies will be accompanied by country programmes for bilateral development cooperation with each partner country. The preparation will take into account the Sustainable Development Goals, the country's situation and its needs and development plans, as well as Finland's objectives as part of the overall bilateral relations under the Country Strategy, and Finland's values and strengths. Country programmes can be used to safeguard the long-term nature of work. However, any changes in situations and exceptional situations will also be taken into account in their implementation. In bilateral activities, Finland focuses its support especially on its bilateral main partner countries and also supports other countries as appropriate. Finland provides funding for programmes and projects, but also participates in the implementation of bilateral projects where this is the best way to achieve results based on Finland's strengths. Even as a financier, Finland participates in decision-making on projects or programmes. Finland's bilateral development cooperation focuses on the least developed countries, while at the same time taking account of the need for sustainable, peaceful development particularly in fragile and conflict-prone situations where the need for assistance is greatest. In addition, Finland operates in countries and areas affected by acute crises.

The geographical focus of Finland's development cooperation is Africa. As countries become wealthier and more prosperous, an increasing proportion of the world's least developed countries are predicted to be located in Africa. However, there are also considerable differences between African countries in terms of both development challenges and opportunities for cooperation. In wealthier countries, Finland's relations focus on political, commercial and economic cooperation. Development cooperation will in particular support the least developed, fragile or conflict-prone countries that are in a difficult situation, also taking into account situations where climate change together with other serious development challenges slows down the achievement of sustainable development goals. Finland's Africa strategy focuses primarily on strengthening political, commercial and economic relations with African countries on the basis of a new partnership, while at the same time noting that development cooperation will continue to be an important part of these relations.

In addition, Finland supports sustainable development in the poorest, most fragile countries in Asia and, where necessary, in crisis areas. Moreover, Finland supports sustainable development and reforms in countries important to Finland, for example in Eastern Europe and Central Asia.

## **B.2. Multilateral partners, the EU and Nordic partners**

**Operating as part of the Nordic group and the EU as well as participating in multilateral cooperation** are important ways for Finland to strengthen sustainable development globally and act as a frontrunner in promoting Finland's key objectives.

**The Nordic countries** are Finland's closest reference group in international influencing activities and also from the perspective of development cooperation goals, implementation and approaches. As part of the Nordic group, Finland engages in development policy influencing, for example, by participating in decision-making in multilateral institutions as part of the Nordic rotation

and taking part in Nordic influencing activities. Nordic cooperation takes place at multiple levels. Finland seeks to also strengthen Nordic parliamentary debate on development policy.

**In the European Union**, Finland influences the Union's development policy in line with Finland's development policy principles and goals and channels part of its development financing via the EU. The combined development funding of the EU and its member states makes the EU the biggest provider of development cooperation financing in the world.

As an EU Member State, Finland influences the future of development policy and participates in the steering of the EU's development cooperation and humanitarian assistance as well as development financing. Finland promotes the policy coherence of the EU and its Member States in development policy and development cooperation and supports the Team Europe efforts to strengthen the effectiveness of the EU's work and awareness of this work in third countries.

**Multilateral organisations and international development finance institutions** play a significant role in supporting sustainable development in developing countries. Cooperation with them is one of the cornerstones of Finnish development policy. Particularly relevant institutions include the UN system, the World Bank and the regional development banks. This cooperation also provides Finland with a good tool for strengthening the multilateral rules-based international system and its operational capacity. Through multilateral actors, Finland is able to have a larger impact on sustainable development and promote the realisation of values and principles that are important to Finland.

Policy influencing takes place at multiple levels, including through membership in decision-making and governing bodies of organisations and institutions and in other regular interaction with leaders and officials of institutions. The UN has a role both as a normative multilateral system strengthening international policies, as well as an operational actor. Policy influencing in the UN is a





Finland's bilateral development cooperation partner countries in 2021.

key component of Finland's overall UN policy and priorities.

Finland provides development cooperation funding for those actors that best promote the goals and priorities of Finland's development policy and that verifiably generate results. The strengths of organisations and financial institutions engaging in multilateral development cooperation include their extensive geographical and thematic coverage, large volume of available financing, good operating capacity, and effectiveness.

Finland contributes actively towards ensuring that the multilateral organisations and global and regional development finance institutions that receive funding from Finland support developing countries efficiently and effectively in achieving SDGs and take the goals, priorities and principles that are important to Finland into account in their work.

For cooperation with key multilateral partners, such as UN organisations and development finance institutions, regularly updated impact goals will be developed to reinforce Finland's impact and to crystallise the direction in which Finland wishes to develop the activities of these institutions. This is also important for Finland's bilateral development cooperation as it is often carried out in cooperation with multilateral organisations.

The selection of Finnish experts to the headquarters and field functions of multilateral institutions is an important way of strengthening multilateral cooperation for sustainable development. The participation and success of Finns in applying for such positions is supported.





# 13. Development policy implementation is based on mutually agreed international principles

Finland's development policy and development cooperation comply with internationally agreed principles. These are included in the quality criteria ensuring that activities funded by Finland generate sustainable and lasting results and positive long-term impacts. The results and impacts of development cooperation are monitored on the basis of data that is of high quality, verifiable and sufficiently detailed.

Development cooperation financed by Finland is based on broad and inclusive **ownership** by the partner country and cooperation partners as well as on their commitment to the development goals. Finland invests in strengthening of the local competences of developing countries. This helps to secure long-term sustainability of the results achieved through Finnish support. Finland strengthens multi-actor partnerships to attain development goals. It is also

important to ensure that the achieved development results are distributed as broadly as possible.

Finland is committed to promoting **openness and transparency** in development cooperation and supports this objective internationally. Development cooperation financed by Finland is based on open sharing of information. This way the allocation of funds can be monitored carefully while reducing the risks of misuse. Finland requires that its cooperation partners take responsibility for the achievement of development results and responsibility towards the beneficiaries.

Finland is committed to the OECD recommendation on **untied aid**. This means that provision of aid is not subject procurement from the donor country in question. This has been found to increase aid effectiveness and reduce the risk of aid being allocated to parties that do not need it the most.

Many different policy sectors play a key role in achieving sustainable development. These include security, trade, agricultural, health, environmental, climate and migration policies. **Policy coherence and silo-free activities** in development policy and cooperation, and between policy sectors, are vital for promoting sustainable development. Coherence of actions helps to maintain policy alignment in the advancement of Finland's goals. This also helps to ensure that policy sectors do not steer efforts in opposite directions. Finland must also promote a coherent approach in the EU and the international community. Good coordination helps partners to act more efficiently, save resources and attain better results and improved effectiveness.

Finland is committed to **promoting cooperation between donors and harmonisation of approaches**. Good division of tasks between actors, and



the optimal use of financial and human resources significantly promote the achievement of positive development. In the most difficult circumstances in particular, the actions and resources of the international community must be targeted through efficient coordination. Finland's development cooperation in its various forms as well as other foreign policy activities are also implemented in a manner that is mutually **complementary**. Finland supports the strengthening

of joint programming and other cooperation of the EU and its Member States in developing countries.

Other internationally agreed key principles include the relevance of activities in relation to the development goals, effectiveness, efficiency, impact and sustainability.

In Finland, the Ministry for Foreign Affairs is primarily responsible for the administration of development cooperation and development cooperation

funding. The necessary resources will be safeguarded for the preparation and implementation of tasks, and to ensure risk management. The Ministry for Foreign Affairs and other ministries work in good cooperation with each other in the field of development policy.

## SUSTAINABLE DEVELOPMENT GOALS



# 14. Risk management and risk prevention is efficient

Development cooperation takes place in demanding conditions and involves risks that are managed through proper planning and careful selection and monitoring of partners. Risk management is an important component of Finland's development cooperation management system. Risks relating to development cooperation and its operating environment are anticipated and managed in accordance with a risk management policy based on the general principles employed by the government. The policy defines the objectives, responsibilities and implementation of risk management, covering all financing forms and decisions in development cooperation. Sufficient human resources are required for proper risk management and professional implementation of development policy and cooperation.

Finland's selected partners have appropriate risk management, monitoring and financial audit systems. Reports are provided on results and the use of funds. Projects and programmes are monitored for example through field visits, donor coordination and participation

**To manage the risks involved in development cooperation, it is important to make thorough plans, select partners carefully, do monitoring and tackle detected problems.**

in multilateral institutions decision-making processes, and through bilateral discussions with cooperation partners at various levels. The Ministry for Foreign Affairs regularly commissions external audits and evaluations of its development cooperation. All suspected cases of misuse or misconduct are investigated. Necessary cooperation between authorities takes place at the various stages of risk management.

Finland does not tolerate harassment, inappropriate behaviour or abuse of superior position in development cooperation activities. Development cooperation carried out or supported by Finland is based on zero tolerance of sexual abuse, violence and harassment. Any suspicions of these must be responded to promptly and with appropriate measures.



# 15. Communication and global education are a part of open development policy that can be supported broadly by society

As a rule, support for development cooperation is strong and steady in Finland. According to annual surveys, in the 2000s around 80% of Finns have regarded development policy and development cooperation as either highly important or quite important. Access for people in Finland to information about global development issues and related challenges and successes is an important prerequisite for Finnish society to support international efforts to promote sustainable development.

High-quality communication is a key component of Finnish development policy. Communication and global

education are tasks for all development cooperation actors. Throughout Finland, small and large CSOs alike play a particularly important role in global education and development communication work. Global education encourages people to actively consider the global impacts of their own actions, and to take action for the promotion of the Sustainable Development Goals.

Open and diverse communication describes the activities, the need for them, and the achieved results and challenges. Communication and development journalism increase people's understanding about the world, major international

development trends and problems, their impact on Finland and Finland's opportunities to participate in finding solutions to international problems. Communication also illustrates the linkages between human development and climate and environmental issues. Good communication and cooperation with the media inspires a variety of Finnish actors to participate in development policy and development cooperation and expands the competence base of the sector as well as Finland's capacity to shoulder its responsibility by contributing to efforts to solve international problems.



[um.fi/developmentpolicy](http://um.fi/developmentpolicy)

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**REPORT ON DEVELOPMENT POLICY  
ACROSS PARLIAMENTARY TERMS**



**Ministry for Foreign  
Affairs of Finland**