# ANNEX 6 Immediate consolidation measures, 27.5.2015

EUR million		Gene	ral governi	ment finar	nces			Centr	al governr	ment			Ми	ınicipalitie	es .		Social secu	rity/empl	oyment pei	nsion contr	ibutions
	2016	2017	2018	2019	2020	lti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Education, science and culture	-178	-466	-511	-541	-556	-681	-137	-265	-291	-299	-302	-40	-200	-220	-243	-254	0	0	0	0	0
Social and health services	-71	-181	-281	-361	-451	-451	-22	-34	-47	-56	-66	-38	-135	-222	-294	-374	-11	-11	-11	-11	-11
Service charges, fines, etc.	-243	-322	-322	-322	-322	-322	-83	-98	-98	-98	-98	-160	-224	-224	-224	-224	0	0	0	0	0
Social benefits	-437	-710	-770	-800	-860	-920	-132	-303	-337	-348	-378	-71	-90	-116	-135	-165	-234	-317	-317	-317	-317
Agriculture and forestry	-29	-48	-60	-70	-70	-70	-29	-48	-60	-70	-70	0	0	0	0	0	0	0	0	0	0
Business and industry	-76	-145	-221	-315	-332	-266	-76	-145	-216	-307	-324	0	0	-5	-8	-8	0	0	0	0	0
Housing and the environment	-42	-55	-59	-59	-59	-84	-42	-55	-59	-59	-59	0	0	0	0	0	0	0	0	0	0
Transport	-15	-15	-15	-135	-135	-135	-15	-15	-15	-135	-135	0	0	0	0	0	0	0	0	0	0
Public order and security	48	48	28	3	3	3	48	48	28	3	3	0	0	0	0	0	0	0	0	0	0
Military defence	45	69	92	110	130	135	45	69	92	110	130	0	0	0	0	0	0	0	0	0	0
Foreign Service, development cooperation, etc.	-300	-300	-300	-300	-300	-300	-300	-300	-300	-300	-300	0	0	0	0	0	0	0	0	0	0
Administration and ICT expenses	-43	-81	-133	-176	-179	-179	-43	-81	-133	-176	-179	0	0	0	0	0	0	0	0	0	0
Index freezes	-70	-284	-621	-1.064	-1.094	-1.094	-124	-404	-780	-1227	-1.257	55	124	174	195	195	0	0	0	0	0
TOTAL	-1.409	-2.489	-3.173	-4.030	-4.225	-4.364	-909	-1.631	-2.216	-2.961	-3.035	-255	-525	-614	-708	-829	-245	-328	-328	-328	-328

<sup>\*</sup> Iti = long-term impact

These are indicated with grey colour. The effects of these measures will be included in the general government fiscal plan as preparations and estimates become more detailed. The overall central government spending limits will be reduced accordingly.

NB: Financial investment expenditure is not included in the calculation, as it included in general government expenditure in the national accounts.

NB2: Some of the savings effects are a rough estimate and their impact assessment will be revised in the course of further preparation.

#### **Education and culture**

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ltem	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	lti*	201	6 2017	2018	3 2019	9 202	0 201	6 2	017	2018	2019	2020	2016	2017	2018	2019	2020
Early childhood educati	ion																								
Limitation of subjective right to day care (28.90.30), phase 1	taking care of another child of the family while on maternity, paternity or child care leave or under home-care allowance. A similar limitation will apply to the private child care allowance.	not made to them, they could possibly be sub- mitted to Parliament in the form of legislative proposals quite rapidly. The original date of en-	table the impact in 2016 is based on this timing).	-24	-24	-24	-24	-24	-2	24	-6 -	6 -	6 -	6 -	6 -	18	-18	-18	-18	-18	3				
Limitation of subjective right to day care (28.90.30), phase 2	The limitation of the right to day care to half a day will also apply when a parent is unemployed.	With respect to unemployment, the limitation should not be unconditional but based on the duration of unemployment (e.g. 3 months). The limitation would presumably also influence the cost impact estimate.			-30	-30	-30	-30	-3	80	-	8 -	8 -	8	8		-23	-23	-23	-23	3				
Day care / early childhood education (28.90.30)	In day care, the child/trained adult staff ratio in groups of children over 3 years will be raised from 1/7 to 1/8.		This requires an amend- ment to the Decree on Child Day Care. The amendment could be im- plemented in 2016, but full materialisation of the cost reduction is not likely to take place immediately.		-30	-50	-60	-75	-7	75	-	8 -1	3 -1	5 -	9		-22	-37	-45	-56	5				
Day care / early childhood education (28.90.30)	Municipalities are given the opportunity to organise the care of children in pre-school education in the form of club activities for a fee.	Municipalities could organise the care of children in pre-school education in the form of less expensive club activities instead of day care, which would create savings.	This requires amendments to the Basic Education Act and the Day Care Act. They could enter into force in 2017.		-5	-10	-25	-25	-2	2.5		0	0	0	0		-5	-10	-25	-25	5				
Basic education																									
Group sizes in basic education (29.10.330)	The discretionary government transfers granted to reduce group sizes in basic education will be withdrawn.		This does not require legislative amendments.	-30	-30	-30	-30	-30	-3	- 80	30 -3	0 -3	0 -3	0 -3	0										
General education allowances (29.10.30)	Other transfers granted for the improvement of the quality of general education (quality development, educational equality, club activities, education environments, etc.) will be partly withdrawn.		This does not require legislative amendments.	-10	-10	-10	-10	-10	-1	-	10 -1	0 -1	0 -1	0 -	0										

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Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	lti*	2016	5 2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Upper secondary educa	tion																							
Structural reforms	We commit to a general government savings level of €190m beginning in 2017. The actions could consist of many different measures. If the upper secondary education reforms produce more savings later on, they will be marked as entries fulfilling the target level of structural reforms in so far as the impacts are identified in the Ministry of Finance estimate. In addition, more substantial long-term structural savings will be sought through reformist restructuring.	It is difficult to divide the €190m savings between the municipalities and the central government before more detailed information about the practical implementation of the structural reforms or immediate savings measures are available. Therefore the very approximate allocation of funding contributions in the table is subject to changes.	From 2017 onwards		-190	-190	-190	-190	-19	10	-81	0 -80	-80	-80		-110	-110	-110	-11					
Other measures concer	ning upper secondary education																							
Apprenticeship (29.20.21, 29.30.32)	granted to the expansion of apprenticeship for young people will be withdrawn as from 2018. The withdrawal of the additional funding will not influence the basic funding of apprenticeship training.	In the decision on spending limits for 2014–17, additional funding was channelled to strengthen apprenticeship for young people through an initial period for apprenticeship training and by means of trial mechanisms for a flexible changeover from institutional vocational training to apprenticeship training while maintaining the unit price in apprenticeship training at the same level as in an education institution: furthermore, the objective was to diversify on-the-job learning practices in a joint effort by training providers and workplaces. The total value of the grants and transfers to these ends is €18.7m per year.	funding is meant to run for a fixed period of time, but it is included in the spending limits base. In connection with the decision on spending limits for 2014–17, a decision was made to review the continuation of the projects and funding in 2017.			-19						,	-18,7	,										
Vocational upper secondary education (29.20.30, impacts also 29.30.31, 29.30.32)	Section 23b of the Act on Education and Culture Funding (1705/2009) will be amended so that the impact on the unit price of the savings decided during the previous electoral term and withdrawal of the guaranteed increase of write-offs concerning vocational education will materialise fully as is stated in the rationale of Government Proposal 304/2014.	The fixed-term guaranteed increase of write-offs concerning vocational education will end in 2015. However, the withdrawal of the increase on the unit price of basic vocational education will not materialise fully because of the reformulation of Section 23 of the Act on Education and Culture Funding that comes into force on 1 January 2016 and which states that the unit price is at least at the 2015 level.  The effect of the withdrawal of the guaranteed increase was already included in a government proposal in winter 2015, but was invalidated by oversight through some other government proposal.	This requires an amendment to Section 23 of the Act on Education and Culture Funding. Its entry into force is possible from 2016 onwards.	-39	-39	-39	-39	-39	-3	99 -1	6 -10	6 -10	6 -16	-16	-22	-22	22	-22	2 -2	2				

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Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	9 202	20 I	lti*	2016	2017	2018	2019	2020	2016	5 201	17 20	18	2019	2020	2016	2017	2018	2019	2020
Higher education instit	utions																									
Higher education institutions (29.40.50, 29.40.55) appropriations	The system of higher education institutions and research activities will be made more cost-effective and the administration and the network of higher education institutions will be streamlined with an emphasis on securing the quality of research and education. The anticipated cost benefits will be taken into account as reductions in government funding. At the same time, the funding models of higher education institutions will be developed so that rapid graduation and high quality of education (based on, for example, employment) are rewarded.  Respecting the universities' autonomy, the power of decision on how the savings will be put into effect will remain their responsibility. The funding reductions must not be targeted at activities that would lead to a deterioration of the level of teaching and research, but particularly at measures in financial, human resources, information and education administration. The Ministry of Education and Culture will use performance agreements to ensure that the savings and measures focus on administration in higher education institutions.	- eliminating administrative overlap (e.g. between service centres and faculties, departments and central government), which will result in a smaller number of administrative staff relative to total personnel - cooperation in the procurement and development of IT systems and possibly making one actor responsible for all basic information technology in the same way as Valtori (Government ICT Centre) does - intensifying cooperation between universities and universities of applied sciences in support, libraries and language training services - relaxing the practice of transfer of credits from previous studies	ment of the Universities Act in respect of the level of funding and the joint organisation of language		-75	5 -75	5 -7	75 -	7.75	-75	-75	-75	-75	-75	-75											
Higher education degree	The lower university degree will have more elements of work-based learning. The objective is that a significant number of students would transfer to working life after completing the Bachelor's degree. Qualification requirements will be updated.	This would accelerate transfer to working life and lower the costs arising from higher education and financial aid for students.  Data are not available on the basis of which it would be possible to estimate by how much the completion the Master's degree would decrease after the reform. According to a technical estimate, completion of a Master's degree would decrease by 20%: universities would save about €50m on an annual basis, savings in financial aid for students would be €25m and the faster transfer to the labour market would improve the balance of public finances by around €50m.	This requires the amond		-3(	) -30	) -3	20		-125		-30	-30	-30	-30											
Special central govern- ment transfer to the teaching and research activities in the University of Helsinki and the University of Eastern Finland (29.40.52)	The funding earmarked to the University of Helsinki and the University of Eastern Finland corresponding to the corporate income tax and pharmacy level paid on the basis of income received from their pharmacy business activities will be withdrawn.	In line with this change and based on earlier decisions, the additional funding allocated to Aalto University will be withdrawn and it will be open for application by all universities by 2020.	This requires the amendment of the Universities Act. According to the final accounts of 2015, the special funding will be paid in 2016, which means that the withdrawal can become effective from 2017 at the earliest.		-3(	-3(	J -3	5U -	.30	-30		-30	-30	-30	-30											

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Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))		2017	2018	2019	2020	lti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Research																								
Academy of Finland	The budget authority of the Academy of Finland will be cut by EUR 10 million beginning in 2016.				-3	-5	-10	-10	-10		-3	-5	-10	-10										
		* long-term impact	TOTAL	-178	-466	-511	-541	-556	-681	-137	-265	-291	-299	-302	-40	-200	-220	-243	-254	0	0	0	0	0

#### Social and health services

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Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	lti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Working-age adults																								
AURA rehabilitation	The AURA rehabilitation programme will be abolished as of the beginning of 2016, i.e. before its initiation.  The AURA rehabilitation is a new appropriation combining vocational rehabilitation programmes Aslak and TYK that was planned to start as of the beginning of 2016 with an annual budget of €20.6m. It was to be funded from health insurance. The central government's funding contribution was planned to be 44.9% and the share of the insured 55.1%.		GP s2015	-21	-21	-21	-21	-21	-21	-9	-9	-9	-9	-9						-11	-11	-11	-11	-11

				Impact	_			€m				entral it costs	, <b>€</b> m		mun	nated icipali ributio	ties' fu	unding	9	socia	nated in al welfa funds,	re and		
Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	lti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019 2	020
Older people																								
Adjustment of the staff- client ratio in services to older people	The quality recommendation to guarantee a good quality of life and improved services for older persons published by the Ministry of Social Affairs and Health and the Association of Finnish Local and Regional Authorities in 2013 will be reviewed so that the absolute minimum staffing level would be 0.40-0.50 care workers per client in sheltered housing with 24-hour assistance and in older people's homes (current ratio 0.50). In long-term care in health centre in-patient wards, the recommended ratio would remain at 0.60-0.70 care workers per client.  Other quality recommendations relating to certain groups to be included in the staffing levels (persons in apprenticeship training, social and health care sector) will be reviewed so that the persons in these groups could be included in the staffing level as care workers on more relaxed grounds than at present.				-25	-50	-70	-70	-70		-6	-13	-19	-19		-15	-3;	-5	1 -5					
Bureaucracy																								
Reduction of planning obligations in social and health care services	The following obligations relating to the drafting of a service plan will be changed so the plan will be drafted only if the service need of a social welfare and health care client so requires it:  - plan on supporting the elderly population (Act on Care Services for the Elderly, Section 5)  - plan on service, care, rehabilitation or other such social welfare plan (Act on Social Welfare Clients, Section 7) and  - plan on examination, care, medical rehabilitation etc. (Act on the Status and Rights of Patients, Section 4a)				-10	-10	-10	-10	-10			0	0	0	0	-10	-10	0 -1	0 -1	0				

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Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	lti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Reduction of cost dif- ferences in specialised health care	To curb costs in specialised health care, an incentive system will be introduced. This means that hospital districts or other specialised health care providers will be paid incentive support if their per capita operating costs adjusted by region-specific correction parameters (e.g. prevalence of diseases, age structure, population density and role in national centralisation) do not exceed the national average by more than 15%. The more the costs remain under the target level, the bigger the incentive support will be, taking account of that no single provider can be granted more than half of the entire support appropriation. Incentive support will also be granted to specialised health care providers that can significantly improve their cost effectiveness, unless they already receive the support under the 15% rule. Incentive support will amount to £250m annually. The same amount will be cut from central government transfers to local government.				-50	-100	-150	-200	-20(	0						-50	-100	-150	-200					
Improving efficiency in the organisation of regional specialised health care	In specialised health care, municipalities will be given a statutory obligation to transfer certain demanding surgical operations (operations to be prescribed separately, e.g. endoprosthesis, brain, heart, cataract, cancer and abdominal surgery) in their hospital districts or other entities to such health care units that meet certain competence-supporting minimum requirements. Section 4 of the Government Decree on the Organisation and Centralisation of Specialised Health Care (336/2011) on the Centralisation of Specialised Medical Care on a Regional Level, issued under Section 45 of the Health Care Act, will be amended so that it will give more detailed provisions on the content of centralised health care services mentioned above and on the units providing such care.	The aim is that centralised health care services would be offered, for example, in no more than two units in each hospital district.  The impact assessment of savings in municipalities' costs would gradually grow and would amount roughly to €50-100m in the early stages. In the longer term, the savings impact could be considerably higher. This will be included in the spending limits, not in the initial stages, but later when the cost impacts are known in more detail.		-50		-100		-150											-113					
			TOTAL	-71	-181	-281	-361	-451	-45	1 -22	-34	-47	-56	-66	-38	-135	-222	-294	-374	-11	-11	-11	-11	-1

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Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	lti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	202	20 20	116 2	2017	2018	2019	2020
Social and health services	Fees charged for long-term institutional care, assisted living facilities, home services and other social and health care services will be raised. At the same time, legislative amendments concerning fees for home services and sheltered housing provided by municipalities (under the Social Welfare Act) will be prepared so that the criteria for determining fees are harmonised, as far as possible, nationwide.	centre inpatient care for the elderly c. €150m.  The estimated revenues from home care services and home health care fees in 2013 are c. €150m.	The allocation of increases will be decided in connection with the budget proposal for 2016 on the basis of the preparations of the Ministry of Social Affairs and Health.		-150	-150	-150	-150	-150						-150	-150	-150	-15	0 -1	50					
Day care	Day care fees may be increased by either raising existing fees or introducing a new highest fee category. It will also be considered whether it is reasonable to apply a zero fee category, and the problem of incentive traps will be explored.	revenues from service fees. It is assumed that growth of fee income does not correspondingly	Increasing the fees requires amending the Act on Client Fees in Social Welfare and Health Care (734/1992). The amended act could enter into force in August 2016.		-54	-54	-54	-54	-54							-54	-54	-5	4 -	54					
Before and after school activities	Fees for before and after school activities will be updated, and the possibility of not charging a fee will be extended and restricted, for example in accordance with Section 11 of the Act on Social Welfare and Health Care (as amended on 13 March 2003). The maximum monthly fee would be €120 for 570 hours and €160 for 760 hours. A minimum level for fees could also be laid down by law, for example by increasing the current fee by €10 per month, i.e. the minimum monthly fee would €EUR 70 or €90 without a statutory maximum level.		Increasing the fees requires amending Section 48f of the Basic Education Act (as amended by the Act 1136/2003). The reform could be introduced as from 2016.	-10	-20	-20	-20	-20	-20						-10	-20	-20	-2	0 -	20					
Tuition fees for international students (29.40.50)	Tuition fees will be introduced for non-EU and non-EEA higher education students. The revenue from tuition fees will remain with the higher education institutions.	The reform requires establishing a scholarship scheme for non-EU and non-EEA students. The scholarship scheme must take account of the measure below aimed at shortening the duration of studies so that the impact on scholarship students will be similar to that of the fee payable at the end of studies which will be introduced for other students.	A draft government proposal has been drawn up, and the consultation process for the proposal was carried out in autumn 2014. The reform would require making minor amendments to the government proposal. Tuition fees could be introduced for studies beginning in autumn 2016 or, with longer preparation time, in autumn 2017.		0	0	0	0	C	(	0 0	0	0	0											

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penalties (12.39.01)	Item		Other (e.g. other key effects)	entry into force etc. of Government proposal	2016	2017	2018	2019	2020	lti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019 2020
amount of a unit fine under the Act is one thirtieth of the average monthly income of the person fined (currently) one sixtle this, i.e. the amount of a unit fine would double. The minimum amount of a unit fine would double. The minimum amount of a unit fine would double. The minimum amount of a unit fine will be raised from €6 to €12. In further preparations, the requirement to double the amount may be reduced if part of the desired additional revenue can be obtained by increasing cost-effective camera enforcement, for example.  Court fees and their scope Court fees (fees for court hearings and for handling petitionary matters) will be raised and their scope of application extended. As a result of the reform, revenues from court fees will cover at least 20% of the total expenditure of courts. It is estimated that the reform will bring additional revenue sof €15 million annually. Most of the additional revenue would be ob-		the amount of fixed fines under the Act and raise their maximum amount from €115 to €230 and that of ancillary forfeiture of property from €1,000 to €2,000.  The need for an increase will be considered	reviewed more than 15 years ago. Even if they were doubled, they would still be low by general European standards.  Close to 300,000 fixed fines are imposed every		-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20									
of application (12.25.10)  dling petitionary matters) will be raised and their scope of application extended. As a result of the reform, revenues from court fees will cover at least 20% of the total expenditure of courts It is estimated that the reform will bring additional revenue of c15 million annually.  Most of the additional revenue would be ob-	Unit fines (12.39.01)	amount of a unit fine under the Act is one thirtieth of the average monthly income of the person fined (currently one sixtieth), i.e. the amount of a unit fine would double. The minmum amount of a unit fine will be raised from 66 to 612. In further preparations, the requirement to double the amount may be reduced if part of the desired additional revenue can be obtained by increasing cost-effective camera			-48	-63	-63	-63	-63	-63	-48	-63	-63	-63	-63									
	· · · · · · · · · · · · · · · · · · ·	Court fees (fees for court hearings and for handling petitionary matters) will be raised and their scope of application extended. As a result of the reform, revenues from court fees will cover at least 20% of the total expenditure of courts It is estimated that the reform will bring additional revenues of €15 million annually. Most of the additional revenue would be ob-	from the start of 2016 (the working group has already drawn up an amendment proposal for		-15	-15	-15	-15	-15	-15	-15	-15	-15	-15	-15									

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Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	lti*	2016	2017	7 201	18 20	019 2	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Financial aid for students (29.70.55)	- Savings target is €70m by 2019 and in the long term €150m Level of study grant, housing supplement and loan must be at least €1,100 Loan refund maintained within framework of financial constraints Number of months of financial aid for students will be limited. Financial aid for students may be single-or multi-stage.		Reform will come into force in autumn 2016		-20	-50	-70	-90	-15		-2	20 -	-50	-70	-90										
Housing	_	_																							
Pensioners' housing allowance	The pensioners' housing allowance will be adjusted to correspond with the general housing allowance, i.e. the systems will be combined.	pension recipient's housing allowance to the	Entry into force from 2016 as and when allowance decisions are adopted.	-40	-123	-123	-123	-123	-12	3 -40	) -12	23 -1	123	-123	-123										
Guaranteed pension	General increase of guaranteed pension €30m		from 2016	30	30	30	30	30	3	3(	) 3	80	30	30	30										
Adjustment of housing allowance criteria	Savings with budgetary impact in general housing allowance expenditure €25m. (Net effect, incl. growth of social assistance expenditure.)	Changes to allowance will always be done in conjunction with annual adjustment, so less impact in year of implementation. Calculated to be 60%.	Entry into force from 2016	-15	-25	-25	-25	-25	-2	5 -1:	5 -2	.5 -	-25	-25	-25										
Unemployment security and restriction of job alternation leave	Saving of €200m from earnings-related unemployment security and €50m from job alternation leave.			-250	-250	-250	-250	-250	-25	-104.	2 -104.	.2 -104	14.2 -1	04.2 -	104.2	0	0	0	C	)	0 -145.8	145.8	145.8	145.8	145.8
Reimbursements																									
Reimbursements payable for costs of consulta- tion with private dentist (33.30.60)	Health insurance reimbursements payable for private dentist fees will be reduced by one fifth. In terms of dental care, the average reimbursement per consultation is currently c. 26% of fees charged.		Entry into force from 2016	-20	-20	-20	-20	-20	-2	) - !	-	-9	-9	-9	-9						-11	-11	-11	-1 <sup>-</sup>	-11
Medicine reimbursements (33.30.60)	A €150m saving in public finances from 2017 will be directed at medicine reimbursements.				-150	-150	-150	-150	-15	)	-6	57 -	-67	-67	-67							-83	-83	-83	8 -83
In the same context, revision of pharmacies' pricing system (prescription and non-prescription medicines) will be studied.	The saving may be implemented e.g. by increasing significantly the starting co-payment share or by lowering reimbursement percentages or by changing reimbursement status.																								
Reimbursements payable for costs of consulta- tion with private doctor (33.30.60)	Health insurance reimbursement from doctor's fees will be cut. Average reimbursement of doctor's fees is currently c. 21% of fees charged.		Entry into force from 2016	-20	-20	-20	-20	-20	-2	-1	7 -1	17 -	-17	-17	-17						-3	-3	-3	-3	3 -3

					ct on g			€m				n centra ent cost			muni	icipalit	mpact ties' fu n, €m			Estima social care fu	welfar	e and		
Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))		2017	2018	2019	2020	lti*	2016	201	17 2018	2019	202	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Parental allowance	Accrual of holiday leave arising from maternity, paternity and parental leave periods will be restricted to a maximum of 6 months.	Proposal corresponds to the Swedish model. Compensation of leave costs is currently c. €70m per year.	GP 2015, entry into force 1.1.2016.	-28	3 -28	-28	3 -28	3 -28	B -2	28										-28	-28	-28	-28	-28
	Abolition of 30-day higher component payable for the parental leave period, where the reimbursement rate of parental allowance is currently 75%. Normal 70% reimbursement of imputed earned income will be paid for this period.	The reform will simplify the parental allowance system. When earned income is used as the criterion for the parental allowance, the parental allowance payable increases e.g. at the beginning of the parental leave period (30 working days). The fact that the level of allowance varies during the parental leave period has no significant incentive effect.	1.1.2016.	-10	-10	-10	-10	-10	) -	10										-10	-10	-10	-10	-10
Sickness allowance (33.30.60)	The earned income limits and reimbursement rate for the determination of sickness allowance will be changed. The annual earned income limit used in determining the daily allowance and granting entitlement to a 70% reimbursement level will be lowered from the present €36,419 to €30,000 and the reimbursement rate for income exceeding this income limit will be changed to 35%.		GP 2015, entry into force 1.1.2016.	-24	4 -24	-24	-24	-24	4 -:	24										-24	-24	-24	-24	-24
Diet allowance (33.40.60)	The diet allowance, the amount of which is currently £23.60/month, will be abolished.		GP 2015, entry into force 1.1.2016.	-10	-10	-10	-10	-10	) -	10 -1	0 -	-10 -1	0 -1	0 -	0									
Travel allowances (33.30.60)	The co-payment share per journey, the annual cost ceiling and the co-payment share of a tax journey ordered from elsewhere than a coordination centre will be increased.	The patient/rehabilitee pays a co-payment share for a journey. KELA reimburses necessary travel costs exceeding this. If the customer has used a taxi and the journey has been ordered from a coordination centre, the co-payment for a one-way journey is now €16.00. If the customer orders a taxi journey from elsewhere than a coordination centre, the co-payment for a one-way journey is €32.00. This higher co-payment is not added to the annual co-payment share. After the annual travel ceiling (€272.00) is reached, journeys are reimbursed in full with respect to necessary costs.		-20	0 -20	-20	-20	-20	0 -:	-	8	-8 -	8 -	8	8					-12	-12	-12	-12	-12

					ct on g rnmen			€m				n cent ent co	tral osts, €	m			ipaliti	npact ies' fur n, €m			Estima social care fo	welfar	e and		h
ltem	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	lti*	2016	201	17 20	018 2	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Relief services for agri- cultural entrepreneurs (33.80.40)	The right to relief services will be amended e.g. by increasing the entrepreneur's co-payment share and enhancing the relief services administration model.	A development working group established by the Ministry of Social Affairs and Health is currently preparing a new Act on Relief Services for Agricultural Entrepreneurs.  The system must be compatible with the European Commission's guidelines on state aid in the agriculture and forestry sectors and in rural areas 2014–2020. This may require to a certain extent changes to the present right to relief services. In the same context, the system may also be reformed so that the agricultural entrepreneur's co-payment share in relief services is increased. The working group's task is also to prepare changes required by the relief services administration model.  Saving €20m/year	1.1.2016.	-20	) -20	-20	0 -20	) -20	0 -2	20 -2	0 -	-20	-20	-20	-20										
Development of family care, mainly in care for the elderly	The terms and incentives of the family care system will be developed and in that context support also increased: the level of the family care allowance, further education, work counselling. Information about family care as an alternative in care for the elderly will be increased. Terms and incentives will be restricted so that the members of the working age active population are not attracted unjustifiably to become family carers.	The development of family care will give rise to additional costs, but family care is a less expensive option than institutional care or enhanced		10	) 15	20	20	) 20	0 2	20 1	0	15	20	20	20										
	In services for the elderly, a shift to family care will be supported by adding family care as an alternative in Section 14 of the Act on Care Services for the Elderly.																								
Relief for informal and family carers	Relief arrangements for informal carers and cor- responding voluntary carers and also family car- ers will be developed so that an opportunity for relief from care duties can be secured for carers. At the start of or during an informal or fam- ily care relationship, a care place promise will be given that the person being cared for will receive a care place at the stage when the infor- mal or family carer can no longer continue.	them to cope.		75	5 75	75	5 75	5 79	5 7	75 <b>7</b>	5	75	75	75	75										
	More expensive care will be replaced as informal and family care increase.			-95	-120	-155	-180	-220	0 -22	20 -2	4 -	-30	-39	-45	-55	-71	-90	-116	-135	-16	5				
State aid for the Finnish Institute of Occupational Health	State aid will be cut.			-5	5 -5	-5	-5	5 -5	5 -	-5 -	5	-5	-5	-5	-5										
EVO grants	University-level research grants (EVO) payable to health care units will be cut.			-5	5 -5	-5	-5	5 -5	5 -	-5 -	5	-5	-5	-5	-5										

				Impa	_			€m				central it costs	, €m		muni		npact es' fur n, €m			Estima social care fu	welfar	e and	on health	
Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))		2017	2018	2019	2020	lti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Child welfare and home assistance for families with children	Increase			10	10	10	25	25	25	5 10	) 1	0 10	25	25										
Home care for the elderly, veterans, and reducing the degree of disability of disabled war veterans					10	10	10	10	10	)	1	0 10	10	10										
			Total	-437	-710	-770	-800	-860	-920	-131.9	-303.	2 -336.9	-348.2	-378.2	-71.25	-90	-116.3	-135	-165	-233.8	-316.8	-316.8	-316,8	-316.8

## Agriculture and forestry

				Impac gover				€m			ct on o			contribution, €m care funds  9 2020 2016 2017 2018 2019 2020 2016 2017  19 -19  23 -23  15 -15			l welfa	re and		h				
Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))		2017	2018	2019	2020	lti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Structural changes	Merger of Natural Resources Institute Finland and Finnish Environment Institute, transfer to 3-tier management system for agricultural support, risk-based supervision of payments, abolition of early retirement aid (change in the scheme, significant savings in the 2020s)				-8	-18	-19	-19	-19		-8	-18	-19	-19										
National funding of the Rural Development Programme	Nature management fields, LFA, buffer zones, catch crops, project funds			-5	-16	-16	-23	-23	-23	-5	-16	-16	-23	-23										
Forestry	Forest Biodiversity Programme for Southern Finland Metso €3m, aid for energy use of small-diameter wood €12m (the rest of these funds in the budget item transferred to the financing of sustainable forestry)			-15	-15	-15	-15	-15	-15	-15	-15	-15	-15	-15										
Administration	Ministry, food chain, Finnish Food Safety Authority, Finnish Forestry Centre, cadastral surveys			-9	-9	-11	-13	-13	-13	-9	-9	-11	-13	-13										
			TOTAL	-29	-48	-60	-70	-70	-70	-29	-48	-60	-70	-70	0	0	0	0	0	0	0	0	0	C

#### **Business and industry**

					ct on g rnmen			€m				central nt costs	, €m		muni	cipalit	mpact ties' fu on, €m			socia		mpact re and €m		1
Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	lti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Grants and loans from the Finnish Funding Agency for Innovation Tekes (32.20.40)	Research and development funding granted by the Finnish Funding Agency for Innovation Tekes will be cut by €95m.	Funding will be increasingly directed to growth-oriented businesses and radical innovations.	Budget proposal 2016	-10	-40	-60	-95	-95	-95	-10	-40	-60	-95	-95										
Tekes Strategic Centres for Science, Technology and Innovation (SHOKs)	Tekes SHOKs will be gradually phased out. Grants €-35m. Loan authorisations may be transferred to Tekes's other loan authorisations.		Budget proposal 2016	-10	-20	-30	-35	-35	-35	-10	-20	-30	-35	-35										
Innovative Cities Programme INKA	The Innovative Cities Programme INKA will be stopped.	The programme is currently scheduled to run for the Structural Funds programming period.		-3	-5	-8	-8	-8	0	-3	-5	-8	-8	-8										
Restricting the wind power quota in the feed-in tariff system (32.60.44)	The wind tariff quota subject to feed-in tariff will be restricted. The wind power plants that are currently part of the feed-in tariff system and wind power plants that have applied for a quota decision will be included in the feed-in tariff system. The Government will issue as soon as possible a proposal on the quota restriction (from 2,500 MVA to approximately 2,000 MVA).  Cost-effective ways to promote wind power will be explored during the government term.	The savings potential will depend on the issuing of the related government proposal.	A government proposal for the amendment of the Production Subsidy Act will be issued as soon as possible.	0	0	-12	-42	-59	0	0	0	-12	-42	-59										
Investment and develop- ment subsidies to busi- nesses (32.30.45)	Support for companies' investment and development projects will be reduced. The said appropriation includes ordinary business subsidies, the reduction of which has been generally demanded. If necessary, funds from the European Regional Development Fund may be directed to this purpose.	Permanent saving €10m (annual budget authority)	Budget proposal 2016	-1	-5	-8	-9	-9	-10	-1	-5	-8	-9	-9										
Employment policy appropriations (32.30.51)	Employment policy funding will be gradually directed to more effective actions, and employment services opened for private actors.		Budget proposal 2016	-50	-70	-90	-110	-110	-110	-50	-70	-90	-110	-110										
Subsidies for internationalisation	The funding scheme for internationalisation will be reformed. New subsidies will not be granted from 2016.			-2	-5	-8	-8	-8	-8	-2	-5	-8	-8	-8										
Business support services	An overall assessment will be made of business services within central and local government (costs and different services). At the same time, an assessment will be made to estimate how much of the demand for business services results from various kinds of regulation. The provisions that generate the greatest need for advice will be identified.	Necessary amendments will be implemented on the basis of the study. If the need for advice services could be cut, for example, by 1 personyear in every second municipality, it could generate a saving of almost €10m in local government finances.				-5	-8	-8	-8								-5							
			TOTAL	-76	-145	-221	-315	-332	-266	-76	-145	-216	-307	-324	0	0	-5	-8	-8	0	0	0	0	0

## Housing and the environment

					oact or vernme	_		otal €r	m			act on ernme				mun	icipa	l impa lities' f ion, €n	undii			social	ated in welfar unds, €	e and		h
Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))		6 201	7 2018	3 20	019 2	020	lti*	2016	5 2017	2018	2019	2020	2016	201	7 2018	8 20	19 2	2020	2016	2017	2018	2019	2020
Cutting acquisition and compensation expenditure for nature conservation areas (35.10.63)	If possible, more decisions on mire conservation and other decisions on nature conservation areas will be made on land managed by Metsähallitus, and protection measures (land surveys, management plans) concerning the sites already allocated for nature conservation will be completed with a single appropriation of &m. With respect to further measures carried out on state lands, acquisition and compensation appropriations for nature conservation areas will be reduced.  A reward system that could be applied to valuable sites in terms of nature conservation will be created for land owners who are ready to commit voluntarily to nature protection on a permanent basis.	The measure will reduce funding needs for private nature conservation areas. More conservation decisions under the Forest Biodiversity Programme will be made on sites outside the forestry activities managed by Metsähallitus.  Net effect in the table.	GP 2015, entry into force 1.1.2016.	-1	2 -2	0 -2	0	-20	-20	-20	-1.	2 -20	) -20	) -20	-20											
Investment grants	Activities, i.e. normal housing for students, young people and the elderly, targeted at population groups who are in good health will be excluded from the scope of high investment grants for special groups. Accessibility requirements in construction will be eased in housing for young people and students. The remaining grants will be used to safeguard housing for those in poor health and the homeless.		GP 2015, entry into force 1.1.2016.	-1	5 -1	5 -1	5	-15	-15	-15	-1.	5 -1	5 -15	5 -15	-15	5										
Authorisations for right- of-occupancy housing	Authorisations for right-of-occupancy housing will be reduced by one third.	The value of the authorisations is currently €320m. The growth in the outstanding amount of state-guaranteed loans and interest expenditure will be curbed. Particularly in the long term, this measure is expected to reduce central government costs relating to rising interest expenditure and possible risks materialising from renovations.  There is no resident selection in this form of grant.								-25																
		This is the potential saving, which has been calculated on the assumption that the interest rate is 4%.																								

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Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))		2017	2018	2019	2020	lti*	20	16 201	17 20	018 2	019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019 2	020
State-subsidised I	housing production																								
	The selection of residents for ARA dwellings will be changed to favour those receiving social assistance or housing allowance. In the selection of residents, municipalities or other actors are required to assign at least half of the dwellings to those receiving housing allowance or social assistance or to households in a similar financial situation.  ARA will examine correctness of resident selections with the help of Kela. The Ministry of Justice and the Ministry of the Environment will prepare, if necessary, legislative amendments and other changes which ensure the functioning of mixed housing (both privately financed and ARA dwellings in the same building).	housing allowance expenditure. In 2013, 47% of those receiving housing allowance lived in ARA dwellings. Households receiving the general housing allowance account for only 27% of the whole country's ARA housing stock, and even if all those receiving housing allowance lived in ARA dwellings, only 56% of the dwellings would be used by those receiving housing allowance (the proportion would also be approximately the same in Helsinki, where the risk of segrega-		-8	3 -13	-17	-17	7 -17	7 -1	17	-8 -	13	-17	-17	-17										
	Income limits will be brought back into use for selecting residents for state-subsidised housing. The eligibility for rental housing will be checked every five years. The transition period to move from the dwelling is two years.	Allocation of ARA rental dwellings to people on a low income will improve as the selection as residents of those with a high income is prevented. The measure will reduce costs of social assistance and housing allowance.																							
	Measures to lower rents of ARA rental dwellings:  - No more overpreparation for renovation. In ARA regulation, the co-payment in rents will be defined so that preparation for repairs is clearly specified and outlined.  - Competitive tendering (building management etc.) will be required in procurements above the threshold  - Evening out rents across regions and various types of production will be restricted, in which case rents will fall in tight housing market areas.	tive of the measures. The rents of ARA residents	posal which it has already drafted.  GP 2015, entry into force		7 -7	-7	-7	7 -7	7 .	-7	-7	-7	-7	-7	-7										
	The non-profit requirement for developers will be waived and the requirement made project-specific. Non-profit requirements of building projects will be tightened. State-subsidised rental housing production must be more clearly non-profit activity, which is why the required yield in the recognition of reasonable return on equity will be lowered to a maximum of 4%. Correspondingly, the interest on the owner's cofinancing contribution charged from the tenant will be limited to 4%.																								

						genera nt costs		l€m		Impa	ct on c				mun	nated i icipali ributio	ties' fu	unding		socia	nated i Il welfa funds,	are an	t on d heal	th
Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))		2017	2018	2019	2020	lti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
	To reduce incentive traps, those difficult to employ will be given priority in rental dwellings funded by the state. If in a municipality there is a vacant state-funded dwelling which is lower-priced than a privately financed one, housing expenses will be reimbursed only in accordance with the rent of the state-funded dwelling.	social assistance and housing allowance). The potential saving may be marginal and difficult																						
			TOTAL	-42	-55	-59	-59	-59	-84	-42	-55	-59	-59	-59	0	0	) (	0	0	0	0	0	(	0

## **Transport**

				Impact on general government costs, total €m         Impact on ce government           2016         2017         2018         2019         2020         Iti*         2016         2017         2018           0         114         150         100         100         100         0         114           0         -114         -150         -220         -220         -220         0         -114           -15         -15         -15         -15         -15         -15         -15         -15						mun	icipalit	mpact ties' fu n, €m	nding		social		impact are and €m		:h					
Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))		2017	2018	2019	2020	lti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Basic transport infra- structure management (31.10.20)	An increase in the repair debt will be prevented by reallocating the financing of new projects to basic transport infrastructure management and basic improvement of private roads.		as of 2017	0	114	150	100	100	100		0 114	150	100	100										
Transport projects (31.10.77, 78, 79)	The provision for unnamed projects under transport infrastructure items will be reduced	The technical spending limits are scaled to €544m annually, which corresponds to the average level of appropriations allocated in 2012–2015. The spending limits will now allow unnamed projects as follows: 2016: €0m, 2017: €113.8m, 2018: €257m, 2019: €358.7m. A total of €729.5m for 2017–2019 is reserved for transport infrastructure projects under item 31.10.77 for new, unattached projects.		0	-114	-150	-220	-220	-220		0 -114	-150	-220	-220										
Public transport subsidies	Public transport subsidies will be reduced by €15m.		as of 2016	-15	-15	-15	-15	-15	-15	-15	5 -15	-15	-15	-15										
			TOTAL	-15	-15	-15	-135	-135	-135	-15	5 -15	-15	-135	-135	0	0	0	0	0	0	0	0	0	

					ct on g rnmen			€m				entral it costs			muni	icipali	mpact ties' fu on, €m			socia			on health	1
Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	lti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Extending the scope of application of summary proceedings (25.10.03, 25.10.04, 25.10.50, 25.30.01, 26.10.01)	Criminal cases involving offences punishable by a fine or a maximum imprisonment of two years will be removed from courts of first instance to be decided in summary proceedings.  Summary penal orders will be issued by the police in writing and confirmed by prosecutors. The defendants may take their cases to court.	It is estimated that c. 30,000 cases will be referred to the simplified procedure annually. This would generate savings for courts, prosecution, legal aid and private legal counsels, for example.	The reform could be introduced during 2018, for example.			-20	-40	-40	-40			-20	-40	-40										
Courts (25.10.02 and 03)	Reforming the system for granting leave for continued consideration will restrict the number of cases submitted to courts of appeal.	The reform may be implemented from early 2016 (-30 person work years). The estimated cost savings are c. €2m for 2016.	The reform will be introduced in 2016.	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2										
	The number of cases heard in administrative courts and the Supreme Administrative Court will be reduced. The scope of application of the rectification procedure will be extended to simplify appeal procedures. The scope of application of the procedure for leave to appeal will be extended to matters handled under the administrative judicial procedure.	The reform will be implemented over the long term in line with other judicial reforms. Savings will be generated with delay and mostly for administration, support services and office premises, for example. (€-5m in 2019)	The reform will be introduced in 2019 at the earliest.				-5	-5	-5				-5	-5										
Additional appropriation for internal security	An additional €50m will be allocated for internal security.			50	50	50	50	50	50	50	50	50	50	50										
			TOTAL	48	48	28	3	3	3	48	48	28	3	3	0	0	0	0	0	0	0	0	0	0

## Military defence

				Impact	_			€m				centra nt cost			mun	icipali	impact ties' fu on, €m	nding		social	ated ir I welfa unds, •	re and	on health
Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016 2	2017	2018	2019	2020	lti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019 2020
Finnish Defence Forces catering services	Catering services for the Defence Forces will be opened up for competition in 2017.	In line with Section 6 of the Act on the Incorporation of Catering Services in the Defence Forces (16.12.2011/1287), there is a four-year protection period for staff (terminates at the end of 2015). The 2014 turnover was €66.2m and profit €3.5m. In order to create genuine competition, the call for tenders should be in parts, e.g. tenders are invited for one-third of the catering services in the DF on a yearly basis. Cost effect 0, -1, -3, -5, -5		0	-1	-3	-5	-5		0	-1	-3	-5	-5									
Procurement of defence materiel (27.10.18)		As large procurement projects are spread over many years, it may take a long time before the impact of international cooperation can be seen on cash flows.  Good opportunities for efficiency will be generated by the FDF Logistics Command, which became operational as of 1 January 2015. It is composed of the materiel commands of the Army, the Navy and the Air Force, the Centre for Military Medicine, the Häme Regiment's Logistics School and the Joint Systems Centre.			0	0	0	0	C		0	0	0	0									
Military crisis management (24.10.20 and 27.30.20)	Participation in military crisis-management operations will be cut down and more focus will be placed on crisis-management operations that are more meaningful and impactful from Finland's perspective.  Sufficient funding will be secured (e.g. 5 to 10% of the budget item) under the so-called funds in reserve.  The military crisis management expenditure allocated for the Ministry for Foreign Affairs will be merged with the deferrable appropriation of the Ministry of Defence.	According to current plans, as of 2017 Finland will take part in 9 operations with a total of 90 soldiers. The current spending limit would allow for an increase of 1 to 2 operations and 20 to 30 staff.	The savings sum is smaller in 2016 and will grow from 2017. The number of planned operations will decline from 2017. In spring 2016, for example, Finland will have a leadership role in operations in Lebanon.	-5	-10	-15	-15	-15	-15	-5	-10	-15	-15	-15									
Supplementary appropriation of the Defence Forces	The final report of the parliamentary working group refers to a financing method introduced in the security and defence policy report. According to it, the defence administration has estimated that a further €50m will be needed in 2016 particularly to maintain military capability and, by year 2020, progressively €150m in addition to index increments.			50	80	110	130	150	150	50	80	110	130	150									
			TOTAL	45	69	92	110	130	135	45	69	92	110	130	0	0	0	0	0	0	0	0	0 0

				of State Sta								entral it costs			mun	nated icipali ributio	ties' fu	ınding		socia	mated i al welfa funds,	re and		h
Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	lti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Development cooperation (24.30.66)	The appropriations allocated for development cooperation will be cut by €200m. In addition, €100m of grant aid will be converted into loans / to capitalise Finnfund, which is not counted as expenditure in the national accounts.	operation staffing levels now that development	2016	-300	-300	-300	-300	-300	-300	-300	-300	-300	-300	-300										
	Income acquired from emissions trading will no more be channelled to development cooperation.		2016																					
			TOTAL	-300	-300	-300	-300	-300	-300	-300	-300	-300	-300	-300	0	0	(	) (	(	) (	0 0	0	0	0

#### Administration

						genera nt cost	ıl s, total	€m			act on o				mun	nated in icipaliti ribution	ies' fur			Estim social care f	l welfa	re and		h
Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	lti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Complete transfer of accounting and final accounts from the accounting units to the Government Shared Services Centre for Finance and HR (Palkeet) as its statutory responsibility (operating expenditure items)	The State Budget Act will be amended so that accounting and final accounts will become a statutory responsibility of Palkeet. At least two-thirds (around 120 person working years (pys)) of accounting personnel in the accounting units (187 pys in 2011, which was 81% of the total pys of accounting personnel) will transfer to Palkeet (with no change, however, on their physical place of work). This way, Palkeet could truly optimise the overall number of accounting personnel needed in central government and the number of personnel in each area of expertise (customers, substance, routines, systems etc.) and the opportunities offered by the Kieku information system.		Amendments to the State Budget Act and Decree and to the Decree con- cerning Palkeet during 2016. Entry into force and amendment as of the beginning of 2017.		-1	-3	-4	-4	-4		-1	-3	-4	-4										

				Impact on general government costs, total €m								central nt costs			muni	Estimated impact on municipalities' funding contribution, €m				socia	ated in I welfar funds, €	e and	on health	
Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	lti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019 20	020
Implementation of the financial management development project "purchase to pay" in all accounting units (operating expenditure items)	Implementation of the State Treasury's development project "purchase to pay" in all accounting units by the State Treasury, Palkeet and HAUS Finnish Institute of Public Management.	As a rule, all necessary order and expenditure processing systems and operating methods exist, but their use is minimal. The State Budget Act will be reviewed in terms of public procurement centralisation and, if necessary, the Budget Decree in terms of approval of expenditure in 2016. According to the State Treasury's development project, a transfer from "manual" to electronic orders and expenditure processing as well as best practices will bring productivity potential as follows: order management system and order planning 40–80 pys, agreement allocation 80–160 pys, posting code 15–45 pys, expenditure account statements 5–7 pys. Total 140–293 pys. Resources to be freed up from the Kieku project can be used in implementing the changes in the accounting units. Decision on the continuation of the Tilha agreement in 2017.	Amendments to the State Budget Act and, if nec- essary, to the Decree in 2016. Gradual implemen- tation as of 2016.	-3	-5	-10	-12	-15	-15	-3	-5	-10	-12	-15										
Reduction in central government premises expenditure	The investment authorisation of Senate Properties will be limited so that a permanent reduction of €30m be applied to rents. The measure will immediately reduce Senate Properties' expenditure. In the first phase, the profit accrued to Senate Properties will be entered as central government revenue. The profit accrued to the agencies in lower rents will be cut from the appropriations in 2019 ahead of schedule as a lump sum reduction.	Attempts will be made to reduce excess quality, but at the same time ensuring that the property maintains its utility value.			-5	-20	-30	-30	-30	0	-5	-20	-30	-30										
Subsidies to organisations and associations	·			-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5										
Savings in operating expenditure	Savings will be achieved in administrative expenditure by deregulating and cutting functions, giving up premises, and making use of the retirement attrition. The level of digitalisation will be increased and structures reformed. The saving targets apply to all administrative branches.			-30	-60	-90	-120	-120	-120	-30	-60	-90	-120	-120										
Political activities	Pay and operating expenses of ministers, state secretaries, special advisers and administrative assistants, support for political activities, other political activities.			-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5										
			TOTAL	-43	-81	-133	-176	-179	-179	-43	-81	-133	-176	-179	0	0	0	0	0	0	0	0	0	0

Item	Measures that will be carried out (in brief)	, , ,		Impact on general government costs, total €m						Impac gover		Estimated impact on municipalities' funding contribution, €m						social	welfar	ted impact on velfare and health nds, €m					
			Timing (submission, entry into force etc. of Government proposition)		2017	2018	2019	2020	lti*	2016	2017	2018	2019	2020	2016	5 201	17 20	118 2	2019	2020	2016	2017	2018	2019	2020
Index increases		Calculations made using April 2015 forecast. Effects dependent on actual price development.																							
	Index linking of child allowance and financial aid for students will be discontinued.		As of 2016	-3	-26	-55	-85	-115	-115	5 -3	-26	5 -5:	-85	-11	5										
	Freezing of index increases of central govern- ment transfers to local government (28.90.30, several items in administrative branch of Ministry of Education and Culture)	It is assumed that municipalities' duties, obliga- tions and financial contributions will be reduced by other measures comparable to the effect of freezing index increases.		-4	-11	-20	-3(	) -3(	) -3(	-65	-180	32	-490	-49	0 6	1 1	69	305	460	460					
	NPI/CPI-based index increases will not be made in 2016. Thereafter, increases will be made in accordance with an assumed very moderate pay settlement 2017-2019. Based on an earlier settlement, a level of 0.4% has been used as the calculation estimate. Inter alia 33.10.53, 33.10.54, 33.10.55, 33.20.50, 33.20.51, 33.20.55, 33.20.56, 33.30.60, 33.40.60, 33.50.50 33.50.51	ance and labour market support. Here a rough estimate of municipal impact.  Freezing does not apply to social assistance.	2016-2019	-20	-110	-230	355	5 -355	5 -355	5 -18	-100	) -210	) -324	4 -32	4 -:	2 -	-10	-20	-31	-31					
		The impact on tax revenues of the complete freezing of the NPI index in 2016 and the increase of 0.4% in 2017–2019 is to increase tax revenues, due to a lowering of the level of pension income deductions linked to the amount of the full national pension compared with existing legislation (rough estimate of magnitude).		-8	-62	-196	-419	-419	-419	-3	-23	3 -70	) -15	3 -15	3 -:	5 -	-35	-111	-234	-234					
	Freezing of index increases of universities and universities of applied sciences (29.40.50, 29.40.55)		2016-2019	-35	-75	-120	-175	5 -175	5 -17:	5 -35	-75	-120	) -17:	-17	5										
	Index increases will be made in future such that tobacco and alcohol are not taken into account when calculating the index increase of social benefits. Benefit increases will be linked to a new index deviating from the harmonised CPI index.	The EU's common harmonised CPI also includes tobacco and alcohol.																							
			TOTAL	-70	-284	-621	-1,064	-1,094	-1,094	-124	-404	-780	-1,22	7 -1,25	7 54	4 1	24	174	195	195	0	0	0	0	