



FUNDAMENTAL RIGHTS  
AND THE RULE OF LAW

## **Authorities' observations on the report on the visit to Finland**

2-3 June 2022



European Economic  
and Social Committee



## Observations from the authorities concerning the draft Report

As was established during the discussions with the representatives of the Finnish Government, the issues and topics brought up during the discussion and consequently in the report, were things that were known and acknowledged by the Government. On some issues, work is already ongoing and on some issues, the need to move forward has been recognised. Of course, sometimes planned work does not proceed or commence as swiftly as intended – for instance, during the last couple of years, drafting urgent legislation linked to addressing and mitigating the effects of the COVID-19 pandemic has been prioritized over other ongoing work.

The remarks from civil society are pertinent and on the authorities' part, there is no need to offer any other interpretation. Civil society actors are an important contributor to the functioning of Finnish society.

## New funding model for activities funded with gambling proceeds

Gambling proceeds have traditionally been an important public funding source for many civil society organisations in Finland. In its discussion on spending limits in 2021, the Government agreed to set up a project to prepare a proposal for a new funding model for funding activities funded with gambling proceeds from the beginning of 2024.

On the Prime Minister's proposal, the [Government appointed a fixed-term project \(26.8.2021 - 17.12.2021\)](#) to prepare a proposal for a new funding model regarding activities funded with gambling proceeds from the beginning of 2024. The aim of the new funding model was to ensure that beneficiaries who operated with gambling proceeds receive predictable, stable and sufficient funding that ensures their autonomy. The funding model is based on the report of the working group chaired by Erkki Liikanen titled "The Finnish gambling system in transition - Options for the future" ([Government publications 2021:12](#)).

The group completed their proposal for a new funding model for activities funded with lottery proceeds on 04.02.2022. In the new funding model, Finnish gaming company's (Veikkaus) profits are recognised as revenue to the state in the form of universal coverage without earmarking the intended use. The purpose of the Lotteries Act will continue to be to prevent the harmful effects of gambling. In the future, decisions on the funding from Veikkaus will be made part of the regular preparation of the state budget.

The level of government grant funding will be decided by political decision in the general government fiscal plan for the coming four years, that is, for the entire spending limits period in order to improve continuity and predictability. The annual level of appropriations proposed for the government grant funding in the budget proposal will be decided on in the budget discussions.



The model also proposes that a parliamentary advisory board be appointed to monitor the funding for non-profit organisations and the development of their activities. The advisory board will be appointed for the duration of the parliamentary term.

As part of the reform of the funding model, new sector-specific framework acts will be prepared for the relevant ministries (those being the Ministry of Agriculture and Forestry, the Ministry of Education and Culture and the Ministry of Social Affairs and Health), which will harmonise the current practice and include a provision according to which general cost level development will be taken into account in the overall level of funding.

An agreement on the funding level for the period 2024-2026 was also reached at parliamentary level. The funding level for 2024 was determined to be EUR 990 000 000 based on the average of Veikkaus' long-term profit development. The funding level is expected to fall to EUR 974 900 000 by 2026 as a result of a reduction in veterans' rehabilitation appropriations. The parliamentary agreement also stipulated that the current distribution relations (4% for the Ministry of Agriculture and Forestry, 53% for the Ministry of Education and Culture and 43% for the Ministry of Social Affairs and Health) will be respected during the transition period.

The work to implement the new financing model has commenced. For example, the Ministry of Social Affairs and Health has started preparing a new Act on the financing of Social Welfare and Health Organisations. The proposal is being prepared urgently so that it can be presented in autumn 2022 as part of the overall reform of the funding model.



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