

**FINLAND**  
**Procurement Monitoring Report**

**Under the Directives 2014/23/EU, 2014/24/EU and 2014/25/EU**

**I. Key quantitative indicators**

<b>I.1. The number of procurement procedures</b>	<p>2018 the number of above EU thresholds procurement notices was 4517 and the number of contract award notices was 2503. Number of awarded contract is not collected.</p> <p>2019 the number of above EU thresholds procurement notices was 4454 and the number of contract award notices was 3738. Number of awarded contract is not collected.</p>
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	<p>2020 the number of above EU thresholds procurement notices was 4950 and the number of contract award notices was 4130. Number of awarded contract is not collected.</p> <p>2018 the number of below EU thresholds procurement notices was 8418. Number of awarded contracts or contract award notices is not collected.</p> <p>2019 the number of below EU thresholds procurement notices was 7129. Number of awarded contracts or contract award notices is not collected.</p> <p>2020 the number of below EU thresholds procurement notices was 6421. Number of awarded contracts or contract award notices is not collected.</p> <p>The statistics method was changed in 2019. Therefore, the statistics from year 2018 and 2019 and 2020 are not comparable. Below EU threshold numbers also include small value procurement (below 60.000 EU for goods and services; below 150 000 EUR for works; below 400 000 EUR for social and welfare services – schedule E: 1-4; below 300 000 EUR for other specific services (schedule E: 5-15; and below 500 000 EUR for concessions For annex E please see:</p> <p><a href="https://www.finlex.fi/fi/laki/kaannokset/2016/en20161397">https://www.finlex.fi/fi/laki/kaannokset/2016/en20161397</a></p> <p>Above thresholds numbers include the following notices: TED F02, TED F05, TED F17, TED 21 calling for tenders and TED F22 calling for tenders (in F21 and F22 one can publish various notice types with the same form – PIN and contract award notices for these forms have been excluded).</p> <p>Above thresholds numbers include the following notices: TED F02, TED F06, TED F18, TED 21 CAN and TED F22 CAN (in F21 and F22 one can publish various notice types with the same form – PIN and CN for these forms have been excluded).</p>
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<b>I.2. The total value of procurement</b>	<p>Above EU thresholds procurement</p> <p>2018 the total value of awarded contracts was 14 4475 578 989 euros.</p> <p>2019 Data of the total value of awarded contracts is not available due to changes in the statistics.</p> <p>2020 Data of the total value of awarded contracts is not available due to changes in the statistics</p> <p>Below EU thresholds</p> <p>2018 the total value of awarded contracts was 3 659 463 168 euros.</p> <p>2019 Data of the total value of awarded contracts is not available due to changes in the statistics</p> <p>2020 Data of the total value of awarded contracts is not available due to changes in the statistics</p> <p>As regards the under EU threshold procurement, the Finnish central eNotification platform HILMA collects the data for <i>the estimated value</i>. Comprehensive data for <i>the value of the awarded contracts</i> (as requested in the template) under the EU thresholds is not available for the years 2018-2020. At the moment, the contracting authorities are not filling in a contract award notice for the procurement the value of which is under EU threshold but above national thresholds.</p> <p>In October 2018 as the eSubmission has become mandatory and has therefor influenced the statistics for the year 2019 onwards. The HILMA tendering platform was renewed in 1.1.2020. The data collection methodology changed to better serve our needs in understanding the overall volume of public procurement and in utilizing the data. Consequently, the statistics for 2020 are not fully comparable with the figures for 2018 and 2019.</p>
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Annex II provides a suggestion on how to present the above general quantitative indicators. The data and methodologies used to compute quantitative indicators should be clearly indicated in the report or by providing the relevant documents, (this is valid for all quantitative indicators of this template). Whenever relevant, the value of national thresholds and the scope of their application should be provided.

## **II. Most frequent sources of wrong application or of legal uncertainty, including possible structural or recurring problems in the application of the rules**

<b>II.1. Qualitative reporting on application of public procurement rules</b>	
Main sources of wrong application or of legal uncertainty	<p>In Finland the Finnish Competition and Consumer Agency (monitoring body), the Market Court (first instance court) and the Supreme Administrative Court (appeal court) have their decisions freely available on their web sites.</p> <p>The Procurement Advisory Unit carried out a study on the public procurement case law of the Market Court. The errors identified in the Market Court's decisions were divided into four categories according to the steps of the procurement process: the notification procedure, the tender stage, the tender processing stage and the procurement decision stage.</p> <p>The most common error in the call for tenders was the setting of evaluation criteria. In particular, problems arose in describing the criteria for qualitative selection, so that tenderers were not able to assess how the tenderers would be compared. Excluding a tender was the most difficult part of the process for contracting entities, and such errors accounted for more than half of the processing errors. According to the study there were problems both with the fact that contracting entities did not exclude tenders which do not comply with the procurement documents but also with the fact that contracting entities had excluded tenders or tenderers that met the requirements of the procurement documents.</p> <p>This report was a benchmark for report for the report published by the Advisory Unit in 2011. Comparing the figures in these two reports, it can first be seen that the number of cases handled by the Market Court has decreased. As a general finding, the number of errors at different stages of the process also seems to have decreased. The report also showed that certain types of errors no longer occurred: it would appear that contracting entities have learned from past errors. Where the 2011 report revealed the most errors in the tender processing phase, the current report mostly focused on the preparation of the call for tenders. Changes in procurement law can also be assessed to have had a significant impact on the decrease in the number of cases and the occurrence of errors as for example, in the 2017 Procurement Act, national thresholds were raised.</p> <p>The Finnish Competition and Consumer Agency (FCCA) has had the powers to monitor the public procurement as of 1.1.2017.</p>

	<p>Many of the cases of alleged illegal direct awards concerned amendments of procurement agreements during the agreement period. The FCCA evaluated whether the amendment was permitted in accordance with the Procurement Act. Also, relatively many of the alleged illegal direct award cases concerned direct awards implemented for technical reason, for a reason related to protecting an exclusive right or due to extreme urgency. In some cases, the FCCA had to interpret the in-house exception provisions.</p> <p>In most cases the FCCA stated after preliminary investigation that further measures were not necessary. It was either clear that there was no significant contravention of legislation, the FCCA did not have the jurisdiction over the issue (usually due to the fact that the procurement had taken place before the FCCA got the monitoring powers or since the procurement did not exceed the thresholds), or the case was not prioritised for some other reasons. Problems associated with calculating the estimated procurement value also stood out frequently during the FCCA's preliminary investigations.</p>
<p>Specific legal provisions (from EU or national law) which appear to raise significant problems of application</p>	<p>The Public Procurement Advisory Unit is giving advice to all contracting authorities. The unit doesn't gather comprehensive data on the specific legal provisions or the type of difficulties on which they get most questions on.</p> <p>However, the unit has made an indicative list of the issues they are most frequently requested for guidance:</p> <ul style="list-style-type: none"> <li>• Evidence for the absence of the mandatory exclusion grounds <ul style="list-style-type: none"> <li>○ in general the applying of these provisions to different situations, including negotiated procedure without a prior notice</li> <li>○ should contracting authority ask for new extract from the relevant register when the contract is modified during the contract period?</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>• European Single Procurement Document <ul style="list-style-type: none"> <li>○ complex language in the ESPD causes confusion among contracting authorities</li> <li>○ at the period of transition: when the ESPD should be provided in electronic form</li> <li>○ contracting authorities have not fully understood the meaning of the ESPD; contracting authorities demand the EO's to provide ESPD, but still often oblige them to provide the same information also separately</li> </ul> </li> <li>• Clarifying and completing tenders <ul style="list-style-type: none"> <li>○ the new more flexible provisions in the 2014 Public Procurement Directive compared to the previous case law; can contracting authorities ask tenderers to clarify those details of a tender which are to be used at the comparison of tenders.</li> <li>○ when can the clarifying be made during the process?</li> </ul> </li> <li>• Modification of contracts during their term <ul style="list-style-type: none"> <li>○ changes affecting the contracting partner and subdivision of the contract</li> </ul> </li> <li>• In-house provisions</li> <li>• Services referred to in article 74 (annex XIV) (national legislation annex E) <ul style="list-style-type: none"> <li>○ what does "other specific services" include in practice</li> </ul> </li> <li>• Framework contract</li> </ul>
An assessment of patterns and behaviours that are not illegal or non-compliant, but still indicate possible problems	The FCCA reports their findings yearly to the Ministry of Economic Affairs and Employment. The specific type of problems identified or assessment of the impact of these difficulties on the efficiency of the public procurement process are small amount of received bids and tendering in large combinations, which makes it difficult for SMEs to participate in procurement process.
<b>II.2 Supporting documents</b>	
Please provide any available evidence of the issues identified under section II.1.	<ul style="list-style-type: none"> <li>- <a href="https://www.markkinaoikeus.fi/fi/index/paatokset/hankinta-asiat.html">https://www.markkinaoikeus.fi/fi/index/paatokset/hankinta-asiat.html</a> (in Finnish)</li> <li>- <a href="https://www.kho.fi/fi/index/paatokset.html">https://www.kho.fi/fi/index/paatokset.html</a> (in Finnish)</li> </ul>

	<ul style="list-style-type: none"> <li>- <a href="https://www.kkv.fi/globalassets/kkv-suomi/julkaisut/raportit/julkisten-hankintojen-valvonnantulosten-raportointi-2018.pdf">https://www.kkv.fi/globalassets/kkv-suomi/julkaisut/raportit/julkisten-hankintojen-valvonnantulosten-raportointi-2018.pdf</a> (in Finnish)</li> <li>- <a href="https://www.kkv.fi/globalassets/kkv-suomi/julkaisut/raportit/julkisten-hankintojen-valvonnantulosten-raportointi-2019.pdf">https://www.kkv.fi/globalassets/kkv-suomi/julkaisut/raportit/julkisten-hankintojen-valvonnantulosten-raportointi-2019.pdf</a> (in Finnish)</li> <li>- Study on the public procurement case law of the Market Court. <a href="https://www.kuntaliitto.fi/julkaisut/2020/2086-hankintaprosessien-virheet-markkinaoikeudessa-2017-2019">https://www.kuntaliitto.fi/julkaisut/2020/2086-hankintaprosessien-virheet-markkinaoikeudessa-2017-2019</a> (in Finnish)</li> </ul>
<b>II.3. Quantitative indicators</b>	
Indicators about the national review system	<p>The following three indicators have been defined based on the findings of a study commissioned by DG GROW in 2017 and further discussed with the Member States in the framework of the Network of first instance public procurement review bodies.</p> <p>The following numbers base on the data collection from indicators for measuring the performance of remedy systems.</p> <p>1. <b>Number of first instance review decisions -</b></p> <p>2018 Number of first instance review decisions: 408. FCCA gave 6 decisions (administrative reprimand) upon complaint and decisions (administrative reprimand) ex officio. In addition, the authority filed 5 cases in the Market Court .</p> <p>2019 Number of first instance review decisions: 356. FCCA gave 2 decisions (administrative reprimand) upon complaint and 4 decisions (administrative reprimand) ex officio. In addition, the authority filed 4 cases in the Market Court .</p> <p>2020 Data is not available.</p> <p>2. <b>Median length of first instance reviews –</b> <b>2018</b> 227 days (7,5 months)</p>

	<p><b>2019</b> 230 days (7,6 months)</p> <p><b>2020</b> FCCA : 243 days (8 months). FCCA files cases in the Market Court within six months. For administrative reprimands the median length of review was somewhat above 9 months. .Data is not available</p> <p><b>3. Number of first instance review decisions that were appealed to the (next) judicial level and its results –</b></p> <p><b>2018</b>  Number of decisions appealed to the Supreme Administrative Court: 65  Number of decisions given by the Supreme Administrative Court: 62  Number of first instance review decisions that were a) (primarily) upheld: 23  Number of first instance review decisions that were b) (primarily) rejected; 7  Number of first instance review decisions that were or c) neither upheld nor rejected by the (next) judicial level (because permission to appeal was not granted, retracted or was inadmissible) 28.  The average length of the review procedure was 9,3 months.  FCCA: Administrative reprimands by the Competition and Consumer Authority cannot be appealed.</p> <p><b>2019</b>  Number of decisions appealed to the Supreme Administrative Court: 41  Number of decisions given by the Supreme Administrative Court: 46  Number of first instance review decisions that were a) (primarily) upheld: 14  Number of first instance review decisions that were b) (primarily) rejected; 4  Number of first instance review decisions that were or c) neither upheld nor rejected by the (next) judicial level (because permission to appeal was not granted, retracted or was inadmissible) 29.  The average length of the review procedure was 11,5 months .  FCCA: Administrative reprimands by the Competition and Consumer Authority cannot be appealed.</p> <p><b>2020</b>  Number of decisions appealed to the Supreme Administrative Court: 40</p>
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	<p>Number of decisions given by the Supreme Administrative Court: 39  Number of first instance review decisions that were a) (primarily) upheld: 7  Number of first instance review decisions that were b) (primarily) rejected; 8  Number of first instance review decisions that were or c) neither upheld nor rejected by the (next) judicial level (because permission to appeal was not granted, retracted or was inadmissible) 20.  The average length of the review procedure was 17,4 months.  FCCA: Administrative reprimands by the Competition and Consumer Authority cannot be appealed.</p> <p><a href="https://www.markkinaoikeus.fi/fi/index/ajankohtaista/vuositilastot.html">https://www.markkinaoikeus.fi/fi/index/ajankohtaista/vuositilastot.html</a>  <a href="https://www.kho.fi/fi/index/ajankohtaista/vuosikertomukset.html">https://www.kho.fi/fi/index/ajankohtaista/vuosikertomukset.html</a></p> <p>Annex III provides a suggestion on how to present the indicators about the national review system.</p>

**III. Prevention, detection and adequate reporting of cases of procurement fraud, corruption, conflict of interests and other serious irregularities**

<b>III.1. Qualitative reporting on fraud, corruption, conflict of interests etc.</b>	
Describe the actions undertaken and/or mechanisms put in place to ensure compliance with the new provisions on the prevention, detection and adequate	<p>The relevant provisions of the Directive were efficiently transposed in the national Act on Public Procurement and Concession Contracts (1397/2016) and the required certificates are mainly obtainable in electronic form. At the moment the extract from the criminal record is still however mainly used in paper format due to the data protection rules.</p> <p>In addition to the Procurement Act the issues relevant to prevent the grey economy are dealt with in the Act on the Contractor's Obligations and Liability.</p>

<p>reporting of public procurement irregularities including fraud and corruption and conflicts of interests.</p>	<p>The Act applies to any contractor (also private): 1) who in Finland uses temporary agency workers; or 2) at whose premises or work site in Finland is working an employee, who is in the service of an employer having a subcontract with the contractor, and whose tasks relate to the tasks normally performed in the course of the contractor's operations or to transportation relating to the contractor's normal operations.</p> <p>The purpose of the Act is to promote equal competition among businesses and to ensure the compliance with statutory terms and conditions of employment. The Act enables contractors to ensure that their partners comply with what is required of them by law. Contractors must obtain the reports specified in the Act on all partners before signing any agreements on subcontracting or temporary agency work. In order to comply with the obligation to investigate, contractors must obtain the same reports for both Finnish and foreign partners.</p> <p>Before signing any agreements, the contractor must obtain the following reports on the hired-labour companies (temporary work agencies) and subcontractors concerned:</p> <ul style="list-style-type: none"> <li>• report on entries in the withholding tax register, the employer register and the register of taxable persons liable for VAT,</li> <li>• Trade Register extract or a document with comparable content,</li> <li>• report on tax payment status,</li> <li>• certificate stating that employee pension insurance has been taken out and that pension insurance contributions are paid up, or a report stating that a payment agreement concerning outstanding pension insurance contributions has been signed,</li> <li>• report on the collective agreement or principal terms and conditions of employment applying to the work in question,</li> <li>• report on how occupational health care is provided, and</li> <li>• certificate stating that statutory accident insurance has been taken out (agreements concerning construction).</li> </ul> <p>Envisaged amendments in the national Competition Act (948/2011) are planned to enhance the exchange of the information between different authorities in order to better enable the national authorities to prevent corruption and fraud.</p>
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On 28 April 2016, the Government issued a Resolution on a National Strategy for Tackling the Shadow Economy and Economic Crime for 2016–2020. In accordance with the Resolution, to implement the Strategy, a separate Action Plan was drawn up. The Action Plan against the Shadow Economy and Economic Crime comprises 20 projects that have been grouped according to the key projects set out in the Strategy. KEY PROJECT 1: Well-Functioning markets and healthy competition will be ensured by improving the opportunities for honest business for companies and people by reducing the administrative burden and by enhancing anti-corruption action. Sub-project 1.4 enhancing the prevention, identification and detection of corruption was launched 20th of January 2018. One of the goals of this working group is to focus on the corruption related to procurement: “prevent corruption by enhancing the supervision of the public procurement, improving the contracting authorities’ access to information, as well as expanding and adding the contracting authorities possibilities to intervene and react when corruptive behavior is detected. Corruption prevention will be also enhanced by legislative amendments but, also by guiding the contracting authorities through training and written information.” Another goal of the working group is to enhance the reporting possibilities when corruption is detected. In addition to this, Working group should also find ways to improve the existing whistleblowing protection.

Also the Finnish Competition and Consumer agency is active in fighting the grey economy. The FCCA and the Tax Administration launched a joint outreach project in 2016. The project targets major cities in Finland. The main themes are corruption, various forms of bribery and unethical conduct in procurement and cartels. The aim is to:

- gather information on how cities have are handling the risk of various misconducts in their procurement,
- raise the procuring organizations’ awareness of these risks and
- give advice on conduct, best practices and internal guidelines.

Based on the experience of the FCCA and the Tax Administration the themes of the meetings and the seminars remain relevant to the public buyers over time. Both authorities see that there is need for this information among purchasers and by now the “tour” is a well-established element of both authorities’ outreach operations. The tour is to be continued also in 2021. Due to the circumstances the meetings this year will be virtual:

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Open access to the information of the public spending is an important tool to prevent fraud and corruption.

- Many municipalities publish data on their purchases as open data <https://www.avoindata.fi/en>
- Information on the state purchasing invoices can be view in the Tutkihankintoja.fi (only in Finnish at the moment) <https://tutkihankintoja.fi/>

<b>III.2. Supporting documents</b>	
Please provide any available evidence on the actions/mechanisms and measures described under section III.1. above demonstrating compliance with the new provisions on the prevention, detection and adequate reporting of public procurement irregularities and conflicts of interests.	<p>Information on the webpages of</p> <ul style="list-style-type: none"> <li>- Ministry of Economic Affairs and Employment <a href="http://tem.fi/en/contractor-s-obligations-and-liability">http://tem.fi/en/contractor-s-obligations-and-liability</a></li> <li>- Occupational Safety and Health Administration <a href="http://www.tyosuojelu.fi/web/en/black-economy/contractor-s-obligations-and-liability/agreement-with-a-foreign-company">http://www.tyosuojelu.fi/web/en/black-economy/contractor-s-obligations-and-liability/agreement-with-a-foreign-company</a> <a href="http://www.tyosuojelu.fi/documents/95118/1317087/Compliance_with_obligation_to_check_for_enterprises_registered_abroad/dbbe7bb4-d13d-c292-e07e-f61f999a2164">http://www.tyosuojelu.fi/documents/95118/1317087/Compliance_with_obligation_to_check_for_enterprises_registered_abroad/dbbe7bb4-d13d-c292-e07e-f61f999a2164</a></li> <li>- Parliamentary monitoring group for tackling of the shadow economy and economic crime <a href="http://valtioneuvosto.fi/en/article/-/asset_publisher/10616/harmaan-talouden-ja-talousrikollisuuden-torjunnan-parlamentaarinen-seurantaryhma-asetettu">http://valtioneuvosto.fi/en/article/-/asset_publisher/10616/harmaan-talouden-ja-talousrikollisuuden-torjunnan-parlamentaarinen-seurantaryhma-asetettu</a></li> <li>- <a href="http://valtioneuvosto.fi/en/article/-/asset_publisher/10616/harmaata-taloutta-ja-talousrikollisuutta-voidaan-parhaiten-torjua-ennalta-estavalla-tyolla">http://valtioneuvosto.fi/en/article/-/asset_publisher/10616/harmaata-taloutta-ja-talousrikollisuutta-voidaan-parhaiten-torjua-ennalta-estavalla-tyolla</a></li> <li>- <a href="https://www.kkv.fi/ajankohtaista/ura-kkvssa/mita-kkv-tekee/kartellien-valvonta/">https://www.kkv.fi/ajankohtaista/ura-kkvssa/mita-kkv-tekee/kartellien-valvonta/</a></li> </ul> <p>Act on Public Procurement and Concession Contracts (1397/2016) <a href="https://www.finlex.fi/fi/laki/kaannokset/2016/en20161397.pdf">https://www.finlex.fi/fi/laki/kaannokset/2016/en20161397.pdf</a></p> <p>Act on the Contractor's Obligations and Liability <a href="http://www.finlex.fi/en/laki/kaannokset/2006/en20061233.pdf">http://www.finlex.fi/en/laki/kaannokset/2006/en20061233.pdf</a></p> <p>Competition Act (948/2011) <a href="https://www.finlex.fi/fi/laki/kaannokset/2011/en20110948">https://www.finlex.fi/fi/laki/kaannokset/2011/en20110948</a></p>
<b>III.3. Quantitative indicators</b>	<i>This section contains examples of quantitative indicators related to section III.1. Other indicators can also be included in the report.</i>
Quantitative assessment of collusion risks	Currently we are not able to collect comprehensive data suggested in this section.

	<p>The eProcurement system to enable to collect such data is still under development. The data gathered at the moment is only partial for the year 2018-2020.</p> <p>The Ministry of Justice is planning to take on a project to set up relevant indicators to obtain information, but at the moment it is too soon to foresee the development</p>
Risk of undiscovered conflict of interest	<p>Comprehensive data not available for the years 2018- 2020. Information for this indicator should be available in central registers of beneficial ownership, which are to be established by all Member States under the 4<sup>th</sup> Anti-Money Laundering Directive (2015/849 Art. 30) by June 2017.</p> <p>For more context for this indicator, please see the Commission's Anticorruption Report available at <a href="http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/organized-crime-and-human-trafficking/corruption/anti-corruption-report/index_en.htm">http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/organized-crime-and-human-trafficking/corruption/anti-corruption-report/index_en.htm</a>.</p>

#### IV. Level of SMEs' participation in public procurement

SMEs are defined in the Commission Recommendation (2003/361/EC) as having less than 250 persons employed and an annual turnover of up to EUR 50 million or a balance sheet total of no more than EUR 43 million. Further information is available at [http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition\\_en](http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en).

IV.1. Qualitative reporting on SME participation	
New developments	<p>The relevant provisions of the Directive were efficiently transposed in the national Act on Public Procurement and Concession Contracts (1397/2016).</p> <p>A national strategy for improving the conditions for entrepreneurship has being implemented. One area of the strategy is to make suggestions how the public sector can promote entrepreneurship by offering a reference market for small businesses. The Federation for Finnish enterprises has received partial funding from the Ministry of Economic Affairs and Employment to their network of public procurement advisor to enhance the participation of SME's in public procurement. The focus has been in informing the small entrepreneurs and the municipalities about the different possibilities. The work was starting in the beginning of 2017 and the work continues with determination. The advisors have advised both the public sector and the tenderers. The advisors have participated in the preparation of municipalities' guidance regarding public procurement. Altogether, several dozens of guidances and policy papers have been reviewed and commented from the SME's point of view. Also, the principle to divide purchases in smaller parts has been communicated to nearly all the municipalities in Finland. As a result, the municipalities have agreed to publish also smaller purchases, under the national thresholds, in open public procurement platform.</p> <p>The National Public Procurement Strategy will also improve the SMEs possibilities to participate in public procurement in several different areas of the strategy.</p> <p>The national thresholds were increased as the new procurement legislation entered into force in the beginning of 2017. According to The Federation for Finnish enterprises, small enterprises seem to</p>

	<p>have suffered from this. High thresholds make it difficult for new or small companies to enter into the market. On the other hand, the legislative change regarding dividing the procurement in smaller lots, has led to dividing purchases to smaller parts. This has been beneficial for the SME's giving them the opportunity to bid as well. In addition, The Federation for Finnish enterprises has seen a trend that the municipalities are voluntarily publishing procurement below the national thresholds and this has as well helped SME's to participate in public procurement.</p> <p>According to The Federation for Finnish enterprises, another observation that is harmful for the smaller companies is that the municipalities have been making framework agreements with several companies (often accepting all bidders). However, it is not always clear on which prioritizing grounds the purchases are allocated. The companies consider this as unopen process subject to corruption. It remains unclear has there been as well a breach of the procurement rules if the contracting authority didn't use mini-competition.</p> <p>The interest on bidding as a consortia has been increasing. The SME's have not yet gained experience in innovative public procurement, but the preparatory measures are in progress.</p> <p>According to The Federation for Finnish enterprises, the state is less SME friendly in its procurement compared to the municipalities. The purchases are often larger and not divide into lots and the requirements for the turnover are as well respectively higher.</p> <p>The Federation for Finnish enterprises carried out an research about companies' views on participation in public procurement in January 2020</p> <p>1/5 of the companies felt that the purchases were divided into parts so that SME companies could participate in them. Forty-two percent of companies say they need advice if they plan to bid for a municipal call for tenders.</p> <p>Municipal barometer of entrepreneurs, more than 10,000 respondents. According to the survey, entrepreneurs nationwide estimate that municipal procurement policy has been the least successful</p>
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	<p>of the traditional areas of business policy. However, entrepreneurs consider procurement policy to be quite important in the areas of business policy.</p> <p>The Federation for Finnish enterprises has prepared material for the network of the advisors to offer it to the small businesses and the contracting authorities. The network has as well improved significantly the dialogue between small businesses and public procurers. The Finnish Entrepreneurs and the Book Trade Association has drawn up joint recommendations for municipalities on the implementation of book purchases so that SMEs can participate (published in November 2020).</p> <p>Guides</p> <p>The Federation for Finnish enterprises has prepared a guide for SMEs and start-ups on how to submit tenders (published autumn 2019):</p> <p>The Federation for Finnish enterprises has prepared a guide on the implementation of public procurement so that SMEs are taken into account (published in February 2020):</p> <p>Joint recommendations by entrepreneurs and municipalities: The Finnish Entrepreneurs and the Association of Finnish Municipalities issued joint recommendations to municipalities on the implementation of procurement in the Covid -19 crisis in spring 2020. The aim of the recommendations is to restore the operating conditions of companies and secure the vitality of regions and municipalities. The recommendations pay particular attention to the ability of SMEs to respond to tenders.</p> <p>Supporting documents :</p> <p><a href="https://vm.fi/en/-/national-public-procurement-strategy-identifies-concrete-ways-in-which-public-procurement-can-help-achieve-wider-goals-in-society">https://vm.fi/en/-/national-public-procurement-strategy-identifies-concrete-ways-in-which-public-procurement-can-help-achieve-wider-goals-in-society</a></p> <p>The Federation for Finnish enterprises has published some results and guidance in Finnish:</p>
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	<p>Information on public procurement  <a href="https://www.yrittajat.fi/sites/default/files/faktaa_palvelusetelista_hankinnoista.pdf">https://www.yrittajat.fi/sites/default/files/faktaa_palvelusetelista_hankinnoista.pdf</a></p> <p>Information on the advisory network for SME friendly procurement <a href="https://www.yrittajat.fi/etela-pohjanmaan-yrittajat/a/uutiset/568221-autamme-hankinnoissa-yrittajia-ja-hankintayksikoita">https://www.yrittajat.fi/etela-pohjanmaan-yrittajat/a/uutiset/568221-autamme-hankinnoissa-yrittajia-ja-hankintayksikoita</a></p>
<b>IV.2. Quantitative indicators</b>	<p>We are collecting data in the eNotification system HILMA to find out how often the winner is a SME.</p> <p>At the moment we are developing the central eNotification system towards eProcurement system. We shall be able to obtain much richer data on SME participation from the year 2020 onwards.</p>
Please provide, when available, any quantitative data (statistics, etc.) regarding SMEs' participation in public procurement	<i>The following list includes suggested indicators for the participation of SMEs in public procurement (</i>

## **V. Information on the practical implementation of national strategic procurement**

<b>V.1 Green procurement ('GPP')</b>	Green Public Procurement ('GPP') is defined as "a process whereby public authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured." <sup>1</sup> A voluntary target of 50 % GPP per Member State in number and value of relevant procedures was proposed by the Commission and welcomed by the Council in 2008.
<b>V.1.1 Qualitative reporting</b>	
Key challenges encountered	<p>Carbon and environmental footprint in procurement - legislation and measuring project (HILMI): The objective of project HILMI was to find out how legislation and other means of governance should be developed, and the procurement activities monitored and measured, in order to decrease the carbon and environmental footprints of public procurement in a cost-efficient manner.</p> <p>The key challenge in promoting GPP is the lack of credible and valid data on the uptake of GPP and the effects of it. Studies show that procuring authorities use GPP, but the majority does not do it systematically. There is still a lack of information on what to prioritise and how to conduct GPP in practice. The key challenges for public authorities are however the lack of strategic leadership and resources to conduct GPP more systematically and more ambitiously.</p> <p>The recently started Competence Centre for Sustainable and Innovative Public Procurement (KEINO) will take actions to overcome the challenges. <a href="http://www.procurementcompetence.fi">www.procurementcompetence.fi</a> No statistical data exists on the above mentioned.</p> <p>Report on the status of sustainable public procurement (in Finnish) <a href="https://helda.helsinki.fi/handle/10138/228340">https://helda.helsinki.fi/handle/10138/228340</a></p> <p>According to the survey carried out by KEINO in 2018, roughly 30% of public procurements in Finland included sustainability targets and criteria. The percentage is lower than that indicated by previous surveys, which is probably due to the fact that the survey and sample emphasised innovative procurements.</p>

<sup>1</sup> Commission Communication (COM (2008) 400) "Public procurement for a better environment".

	<p>In most cases, the sustainability targets are linked to improving energy efficiency (39 projects), reducing waste (31 projects) and reducing emissions (27 projects). Targets related to the ethical and social sustainability of procurement, such as promoting fair trade or improving employment opportunities, are distinctly less common.</p> <p>The National Audit Office of Finland (NAOF) carried out an evaluation of the policy objectives set for cleantech procurement have been achieved and how the implementation of strategies related to such procurement could be improved. The state administration has only partially succeeded in implementing the cleantech decision-in-principle. The decision-in-principle has guided quite a bit of action at the municipal level.</p>
<b>V.1.2. Supporting documents</b>	
<p>Please report any available evidence or supporting document for point V.1, illustrating the measures, achievements or challenges faced, relating to the use of green public procurement.</p>	<p>The key challenge in promoting GPP is the lack of credible and valid data on the uptake of GPP and the effects of it. Studies show that procuring authorities use GPP, but the majority does not do it systematically. There is still a lack of information on what to prioritise and how to conduct GPP in practice. The key challenges for public authorities are however the lack of strategic leadership and resources to conduct GPP more systematically and more ambitiously.</p> <p>Competence Centre for Sustainable and Innovative Public Procurement (KEINO) will take actions to overcome the challenges.  <a href="https://www.hankintakeino.fi/en">https://www.hankintakeino.fi/en</a></p> <p>Sustainability of public procurement in Finland: <a href="https://www.hankintakeino.fi/en/sustainable-and-innovative/statistics-finland/innovativeness-and-sustainability-public-1">https://www.hankintakeino.fi/en/sustainable-and-innovative/statistics-finland/innovativeness-and-sustainability-public-1</a>  <a href="https://www.hankintakeino.fi/en/sustainable-and-innovative/statistics-finland">https://www.hankintakeino.fi/en/sustainable-and-innovative/statistics-finland</a></p> <p>The National Audit Office of Finland (NAOF) carried out an evaluation of the policy objectives set for cleantech procurement have been achieved and how the implementation of strategies related to such procurement could be improved. The state administration has only partially succeeded in implementing the cleantech decision-in-principle. The decision-in-principle has guided quite a bit of action at the municipal level.</p> <p>Supportive documents:</p>

	<p>The Government Decision-in-Principle on the promotion of sustainable environmental and energy solutions in public procurement <a href="http://www.ym.fi/download/noname/%7B3901F888-CDEF-4CA3-BFAB-C4E8163B6DED%7D/109838">http://www.ym.fi/download/noname/%7B3901F888-CDEF-4CA3-BFAB-C4E8163B6DED%7D/109838</a></p> <p>Development of cleantech procurement in public administration  <a href="https://www.vtv.fi/app/uploads/2019/01/16100757/VTV-Tarkastus-3-2019-Cleantech-hankintojen-kehittaminen-julkishallinnossa.pdf">https://www.vtv.fi/app/uploads/2019/01/16100757/VTV-Tarkastus-3-2019-Cleantech-hankintojen-kehittaminen-julkishallinnossa.pdf</a></p> <p>The national GPP criteria database and help Desk for GPP has been running since 2012 <a href="http://www.motivanhankintapalvelu.fi/en">www.motivanhankintapalvelu.fi/en</a></p> <p>The Finnish roadmap for circular economy <a href="http://www.ym.fi/download/noname/%7BECA99413-0543-420F-8999-7DD3F1BA18AF%7D/132864">http://www.ym.fi/download/noname/%7BECA99413-0543-420F-8999-7DD3F1BA18AF%7D/132864</a></p> <p>Press release on the newly established Competence centre: <a href="http://tem.fi/artikkeli/-/asset_publisher/osaamiskeskus-vauhdittamaan-kestavia-ja-innovatiivisia-julkisia-hankintoja?_101_INSTANCE_KbgSvtizPgsM_languageId=en_US">http://tem.fi/artikkeli/-/asset_publisher/osaamiskeskus-vauhdittamaan-kestavia-ja-innovatiivisia-julkisia-hankintoja? 101_INSTANCE_KbgSvtizPgsM_languageId=en_US</a></p> <p>Finnish Environment Institute is providing support (both market studies, financing opportunities and joint procurement ) for local governments in cleantech procurement and collecting best practices in “Cleantech Procurement Folder”. <a href="http://www.hinku-foorumi.fi/fi-FI">http://www.hinku-foorumi.fi/fi-FI</a></p> <p><a href="https://www.motiva.fi/files/15995/Henkilokuljetukset_-_Ohje_ymparistokriteereista_julkisissa_hankinnoissa_-_Versio_2.3.pdf">Guidance on environmental criteria in procurement of passenger transport</a>  <a href="https://www.motiva.fi/files/15995/Henkilokuljetukset_-_Ohje_ymparistokriteereista_julkisissa_hankinnoissa_-_Versio_2.3.pdf">https://www.motiva.fi/files/15995/Henkilokuljetukset - Ohje ymparistokriteereista julkisissa hankinnoissa - Versio 2.3.pdf</a> (in Finnish only)</p> <p>The Finnish Transport Agency completed a project in 2018 that involved developing operating models that enable taking carbon dioxide emissions and energy consumption into account in paving contracts and studying how these environmental perspectives can be incorporated into paving contracts more effectively.  <a href="https://julkaisut.vayla.fi/pdf8/lts_2018-61_ymparistonakokohtien_huomioiminen_web.pdf">https://julkaisut.vayla.fi/pdf8/lts_2018-61_ymparistonakokohtien_huomioiminen_web.pdf</a></p> <p>Ministry of the Environment Department of the Built: Environment guide for recommendations to implement in green public building procurement.  <a href="https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/80653/YO_2017_Vihrea_julkinen_rakentaminen_hankintaopas.pdf?sequence=1&amp;isAllowed=y">https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/80653/YO_2017_Vihrea_julkinen_rakentaminen_hankintaopas.pdf?sequence=1&amp;isAllowed=y</a></p>
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	<p>Ministry of the Environment Department of the Built: Procurement criteria for low-carbon building –guide for recommendations for Green Public Procurement (GPP)  <a href="https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/80654/YO_2017_Vahahiilisen_rakentamisen_hankintakriteerit.pdf?sequence=1&amp;isAllowed=y">https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/80654/YO_2017_Vahahiilisen_rakentamisen_hankintakriteerit.pdf?sequence=1&amp;isAllowed=y</a></p> <p>Circular economy criteria for built environment projects  <a href="https://translate.google.com/?sl=fi&amp;tl=en&amp;text=Kiertotalouskriteerit%20rakennetun%20ymp%C3%A4rist%C3%B6n%20hankkeille&amp;op=translate">https://translate.google.com/?sl=fi&amp;tl=en&amp;text=Kiertotalouskriteerit%20rakennetun%20ymp%C3%A4rist%C3%B6n%20hankkeille&amp;op=translate</a></p> <p>Guide for wise chemical procurement for municipalities <a href="http://julkaisut.turkuamk.fi/isbn9789522166982.pdf">http://julkaisut.turkuamk.fi/isbn9789522166982.pdf</a>  VTT Technical Research Centre of Finland Ltd and LUT University have developed a method and guidelines with Finnish companies for evaluating and communicating the carbon handprint of products.  <a href="https://projectsites.vtt.fi/sites/handprint/www.vtt.fi/sites/handprint/PublishingImages/Carbon_Handprint_Guide.pdf">https://projectsites.vtt.fi/sites/handprint/www.vtt.fi/sites/handprint/PublishingImages/Carbon_Handprint_Guide.pdf</a></p>
<b>V.1.3. Quantitative indicators</b>	.
Please provide, when available, any quantitative data (statistics, etc.) illustrating the achievements and challenges identified	<p>No statistical data exists on the above mentioned.  Report on the status of sustainable public procurement (in Finnish) <a href="https://helda.helsinki.fi/handle/10138/228340">https://helda.helsinki.fi/handle/10138/228340</a> (2017)</p> <p>In 2018, KEINO conducted a survey to map the current state of innovative and sustainable public procurement. A questionnaire to find out how, for example, sustainability targets and criteria were taken into account in public procurement – especially their inclusion in procurements with identifiable innovative elements. The content overview below is based on the survey of that year. According to the survey carried out by KEINO in 2018, roughly 30% of public procurements in Finland included sustainability targets and criteria. The percentage is lower than that indicated by previous surveys, which is probably due to the fact that the survey and sample emphasised innovative procurements.</p> <p>In most cases, the sustainability targets are linked to improving energy efficiency (39 projects), reducing waste (31 projects) and reducing emissions (27 projects). Targets related to the ethical and social sustainability of procurement, such as promoting fair trade or improving employment opportunities, are distinctly less common.</p> <ul style="list-style-type: none"> <li>•</li> </ul>

under section V.1.1 above. To the extent possible, these indicators should be further grouped by type of legal problem.	
<b>V.2 Socially responsible public procurement ('SRPP')</b>	Socially Responsible Public Procurement ('SRPP') is defined as procurement that takes into account one or several social considerations for advancing social objectives. SRPP covers a wide spectrum of social considerations, such as for example employment opportunities, decent work conditions, compliance with social and labour rights, social inclusion, equal opportunities and accessibility.
<b>V.2.1 Qualitative reporting</b>	
Key challenges encountered	<p>In 2018, KEINO conducted a survey to map the current state of innovative and sustainable public procurement. A questionnaire to find out how, for example, sustainability targets and criteria were taken into account in public procurement – especially their inclusion in procurements with identifiable innovative elements. The content overview below is based on the survey of that year. According to the survey carried out by KEINO in 2018, roughly 30% of public procurements in Finland included sustainability targets and criteria. The percentage is lower than that indicated by previous surveys, which is probably due to the fact that the survey and sample emphasised innovative procurements.</p> <p>In most cases, the sustainability targets are linked to improving energy efficiency (39 projects), reducing waste (31 projects) and reducing emissions (27 projects). Targets related to the ethical and social sustainability of procurement, such as promoting fair trade or improving employment opportunities, are distinctly less common.</p>

Also in general, the key challenge encountered in promoting socially responsible public procurement has been the lack of knowledge and experience among some of the contracting authorities as well as among the bidders. In some instances, the contracting authorities might not have been motivated to go through the extra effort if they cannot foresee the benefits. It has been as well encountered that the local branches of the international companies in Finland might need support or a permission from their head office to be able to meet the social requirements. In practice, this requires that the tender documents are drafted in English. Sometimes lack of political commitment can prevent the contracting authority from actively taking account of the social considerations.

#### Sustainability targets and criteria

The state central purchasing body Hansel has the principal of responsible central purchasing. They carry out responsible procurement in all competitive tenders. They award Hansel's own ecolabel to framework agreements, which meet their environmental criteria, defined separately for each framework agreement. Their framework agreements automatically comply with the central government corporate responsibility criteria and guidance.

The National Institute for Health and Welfare (THL) was piloting a model of promoting employment (of the persons in a weaker labour market position) with procurement with four large cities Helsinki, Vantaa, Espoo and Oulu during 1.5.2015 - 31.10.2017 in HANDU –project. The results were positive and the model has been established as a part of the procurement in these cities. A survey of the results was published in 2018. The results and the model were used in a next project “ Project Social Innovations and Employment through Public Procurement (SIEPP)” which aimed at creating employment opportunities for people far from the labour market. SIEPP was a transnational ESF project. Actions in Finland were coordinated by the Finnish Institute for Health and Welfare. The National Agency for Public Procurement in Sweden with its network was the partner. The transnational co-operation was executed as ten work packages and five European study trips. The aim for mutual learning was to increase the knowledge of using employment clauses in public procurements

Ministry of Social Affairs and Health carried out a project “Career opportunities for persons with partial work ability”. The project was tasked to map the situation of persons with partial work ability in the labour market and their transfers to using disability benefits, to map services promoting their employment, and to assess the various alternatives for ensuring the subsistence of these persons. It focused more and more clearly on long-term unemployed persons in the most difficult labour market situation.

In Finland, SIB as an instrument of outcomes contracting has been tested in two projects, one for promoting occupational wellbeing in the public sector and the other for the rapid employment of immigrants. Projects currently underway focus on providing access to employment to the long-term unemployed, on preventing the placement of children in care, and on preventing the exclusion of young people. Well-being at work SIB was the first Social Impact Bond-based project in Finland and the world's first impact investing project aimed at improving well-being at work. The project commenced during 2015–2017 in four public organizations of different sizes, representing different sectors. The project will end in the last organization to join in May 2020. The organizations had a total of approximately 1,600 employees. Each organization received services realized by four different service providers for three years, aimed at developing well-being at work through diverse means. The service providers offered the organizations a ready-to-use set of services, resourced organization-specifically

The state central purchasing body Hansel and a municipal central purchasing body KL Kuntahankinnat have been co-operating with a Finnish NGO Finnwatch to draft a code of conduct for suppliers of ICT to ensure that procured goods and services are manufactured under sustainable and socially responsible conditions.

According to the code of conduct:

According to the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, business enterprises should, within the framework of internationally recognized human rights, the international human rights obligations of the countries in which they operate as well as relevant domestic laws and regulations:

- respect human rights, which means that they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved; and
- within the context of their own activities, avoid causing or contributing to adverse human rights impacts and address such impacts when they occur; and
- seek ways to prevent or mitigate adverse human rights impacts that are directly linked to their business operations, products or services by a business relationship, even if they do not contribute to those impacts.

In the national Act on Public Procurement and Concession Contracts (1397/2016) is a clause concerning minimum terms and conditions of employment:

Section 98 Special terms and conditions of a procurement agreement



<b>V.2.2. Supporting documents</b>	
<p>Please report any available evidence or supporting document for point V.2.1 illustrating the measures, achievements or challenges faced, relating to the promotion of SRPP.</p>	<p>Sustainability of public procurement in Finland: <i>The KEINO Competence Centre study report about the current state of innovative and sustainable public procurement.</i> <a href="https://www.hankintakeino.fi/sites/default/files/media/file/innovatiivisten-ja-kestavien-hankintojen-tilanne-2018_KEINO_FINAL.ScVe_.pdf">https://www.hankintakeino.fi/sites/default/files/media/file/innovatiivisten-ja-kestavien-hankintojen-tilanne-2018_KEINO_FINAL.ScVe_.pdf</a></p> <ul style="list-style-type: none"> <li>- <a href="https://www.hankintakeino.fi/en/sustainable-and-innovative/statistics-finland/innovativeness-and-sustainability-public-0">https://www.hankintakeino.fi/en/sustainable-and-innovative/statistics-finland/innovativeness-and-sustainability-public-0</a></li> <li>- <a href="https://www.hankintakeino.fi/en/sustainable-and-innovative/statistics-finland/innovativeness-and-sustainability-public-2">https://www.hankintakeino.fi/en/sustainable-and-innovative/statistics-finland/innovativeness-and-sustainability-public-2</a></li> <li>- <a href="https://www.hankintakeino.fi/en/sustainable-and-innovative/statistics-finland/innovativeness-and-sustainability-public-3">https://www.hankintakeino.fi/en/sustainable-and-innovative/statistics-finland/innovativeness-and-sustainability-public-3</a></li> </ul> <p><a href="https://www.hankintakeino.fi/en/sustainable-and-innovative/statistics-finland">https://www.hankintakeino.fi/en/sustainable-and-innovative/statistics-finland</a></p> <p>The ministry of Economic Affairs and Employment <a href="http://tem.fi/en/socially-responsible-public-procurement">http://tem.fi/en/socially-responsible-public-procurement</a></p> <p>The National Institute for Health and Welfare <a href="https://thl.fi/fi/tutkimus-ja-kehittaminen/tutkimukset-ja-hankkeet/hankinnoista-duunia-handu/in-english">https://thl.fi/fi/tutkimus-ja-kehittaminen/tutkimukset-ja-hankkeet/hankinnoista-duunia-handu/in-english</a></p> <p>Model of promoting employment with procurement <a href="https://thl.fi/documents/10531/2407080/Toimintamalli_en_netisivuille.pdf/9a46dd5d-651f-48ab-ae7-1744cda83100">https://thl.fi/documents/10531/2407080/Toimintamalli_en_netisivuille.pdf/9a46dd5d-651f-48ab-ae7-1744cda83100</a></p> <p><i>SIAPP project:</i> <a href="https://thl.fi/en/web/thlfi-en/research-and-development/research-and-projects/social-innovations-and-employment-through-public-procurement-siepp">https://thl.fi/en/web/thlfi-en/research-and-development/research-and-projects/social-innovations-and-employment-through-public-procurement-siepp</a></p> <p><i>Summary report:</i> <a href="https://thl.fi/documents/189940/0/Summary_Eng.pdf/2154fe0d-989b-a06e-f64c-db687d6d21c0?t=1591348684839">https://thl.fi/documents/189940/0/Summary_Eng.pdf/2154fe0d-989b-a06e-f64c-db687d6d21c0?t=1591348684839</a></p> <p>Hansel's principal of responsible central purchasing - more information about the corporate responsibility actions <a href="#">2016 Corporate Responsibility Report</a>.</p> <p>Hansel's Code of Conduct for Suppliers in ICT (in english from page 26) <a href="http://finnwatch.org/images/pdf/Vastuulliset-hankinnat.pdf">http://finnwatch.org/images/pdf/Vastuulliset-hankinnat.pdf</a></p> <p>Experiences of the social criteria in public procurement (abstract in English in the end of the document)</p>

	<p><a href="http://tem.fi/documents/1410877/2869440/Kokemuksia+sosiaalisten+kriteerien+käytöstä+julkisissa+hankinnoissa.pdf/01cf8f1f-dc5d-4dd1-b183-befa419cd102/Kokemuksia+sosiaalisten+kriteerien+käytöstä+julkisissa+hankinnoissa.pdf.pdf">http://tem.fi/documents/1410877/2869440/Kokemuksia+sosiaalisten+kriteerien+käytöstä+julkisissa+hankinnoissa.pdf/01cf8f1f-dc5d-4dd1-b183-befa419cd102/Kokemuksia+sosiaalisten+kriteerien+käytöstä+julkisissa+hankinnoissa.pdf.pdf</a></p> <p>Pathways to employment for people with partial work ability - benefits, services, support measures. <a href="https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/161151/STM%20rap%2043%202018%20Osatyokykyisten%20reitit%20tyollisyyteen.pdf?sequence=4&amp;isAllowed=y">https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/161151/STM%20rap%2043%202018%20Osatyokykyisten%20reitit%20tyollisyyteen.pdf?sequence=4&amp;isAllowed=y</a> (In Finnish, abstract in English)</p> <p>The Online Handbook on Disability Services in Finland supports social workers in their work with persons with disabilities: <a href="https://thl.fi/en/web/handbook-on-disability-services">https://thl.fi/en/web/handbook-on-disability-services</a></p> <p>SIB projects: <a href="https://tem.fi/en/sib-projects">https://tem.fi/en/sib-projects</a> , <a href="https://www.julkari.fi/bitstream/handle/10024/138570/TTL_TyHy-SIB_netti.pdf?sequence=13&amp;isAllowed=y">https://www.julkari.fi/bitstream/handle/10024/138570/TTL_TyHy-SIB_netti.pdf?sequence=13&amp;isAllowed=y</a></p> <p>The National Institute for Health and Welfare's project to promote participation in public procurement: <a href="https://thl.fi/fi/web/hyvinvoinnin-ja-terveyden-edistamisen-johtaminen/osallisuuden-edistaminen/heikoimmassa-asemassa-olevien-osallisuus/osallisuuden-edistamisen-mallit">https://thl.fi/fi/web/hyvinvoinnin-ja-terveyden-edistamisen-johtaminen/osallisuuden-edistaminen/heikoimmassa-asemassa-olevien-osallisuus/osallisuuden-edistamisen-mallit</a></p>
<b>V.2.3. Quantitative indicators</b>	Comprehensive data not available for the years 2018-2021.
Please provide, when available, any quantitative data (statistics, etc.) illustrating the	<p>Comprehensive data not available for the years 2018-2021, The KEINO Competence Centre surveyed the current state of innovative and sustainable public procurement in 2018.</p> <p>The KEINO Competence Centre surveyed the current state of innovative and sustainable public procurement in 2018. Based on KEINOs survey:</p> <ul style="list-style-type: none"> <li>- 75% of procurers estimated that a slightly or significantly improved solution had a positive effect on the procurement organisation's service quality and ability to meet with the set operational effect targets.</li> <li>- 67% of innovative acquisitions were deemed to have at least some kind of positive effect on the procurement organisation's cost level or productivity.</li> <li>- 40% of procurers thought that the procurement had positive effects on the environment, living conditions or well-being.</li> </ul>

achievements and challenges identified under section V.2.1 above.	<p>The KEINO Competence Centre study report about the current state of innovative and sustainable public procurement. <a href="https://www.hankintakeino.fi/sites/default/files/media/file/innovatiivisten-ja-kestavien-hankintojen-tilanne-2018_KEINO_FINAL.ScVe.pdf">https://www.hankintakeino.fi/sites/default/files/media/file/innovatiivisten-ja-kestavien-hankintojen-tilanne-2018_KEINO_FINAL.ScVe.pdf</a></p> <ul style="list-style-type: none"> <li>- <a href="https://www.hankintakeino.fi/en/sustainable-and-innovative/statistics-finland/innovativeness-and-sustainability-public-0">https://www.hankintakeino.fi/en/sustainable-and-innovative/statistics-finland/innovativeness-and-sustainability-public-0</a></li> <li>- <a href="https://www.hankintakeino.fi/en/sustainable-and-innovative/statistics-finland/innovativeness-and-sustainability-public-2">https://www.hankintakeino.fi/en/sustainable-and-innovative/statistics-finland/innovativeness-and-sustainability-public-2</a></li> <li>- <a href="https://www.hankintakeino.fi/en/sustainable-and-innovative/statistics-finland/innovativeness-and-sustainability-public-3">https://www.hankintakeino.fi/en/sustainable-and-innovative/statistics-finland/innovativeness-and-sustainability-public-3</a></li> </ul>
<b>V.3 Public procurement of innovation</b>	An innovative solution is defined in 2014/24/EU Art.2 (1.22) as "a new or significantly improved product, service or process". This includes not only those solutions resulting from R&D but also those solutions resulting from activities, "including but not limited to production, building or construction processes, a new marketing method, or a new organisational method in business practices, workplace organisation or external relations." Please report both dimensions of innovation procurement: procurement of R&D and procurement of innovative solutions.
<b>V.3.1 Qualitative reporting</b>	
Key challenges encountered	<p>The KEINO Competence Centre surveyed the current state of innovative and sustainable public procurement in 2018.</p> <p>Based on KEINOs survey:</p> <ul style="list-style-type: none"> <li>- 75% of procurers estimated that a slightly or significantly improved solution had a positive effect on the procurement organisation's service quality and ability to meet with the set operational effect targets.</li> <li>- 67% of innovative acquisitions were deemed to have at least some kind of positive effect on the procurement organisation's cost level or productivity.</li> <li>- 40% of procurers thought that the procurement had positive effects on the environment, living conditions or well-being.</li> </ul> <p>Innovative procurement has a positive impact on the</p> <ol style="list-style-type: none"> <li>1) quality of services</li> <li>2) the ability to meet with operational effect targets</li> <li>3) cost level/productivity</li> <li>4) the reduction of environmental effects.</li> </ol> <p>Estimates on the positive impacts of innovative procurement on the sections 1-3 above regarding procurement categories are particularly highlighted in service procurements. On the other hand, more than 50% of the actors who had carried out innovative service procurements said that there had not been any changes to the environmental effects (4) as a result of the procurement.</p>

	<p>Nonetheless, a higher-than-average number of positive environmental effects were identified in building contract and material acquisitions.</p> <p>Regardless of the category of procurement, positive estimates regarding environmental impacts were more common in the innovative procurements that included sustainability targets or criteria.</p> <p>Based on the survey carried out by KEINO, innovative acquisitions that included sustainability targets had, on average, the most positive effects on the procured solution's cost level/productivity and social impacts.</p> <p>On the other hand, innovative acquisitions that did not include sustainability targets had the most positive effects on service quality and the ability to meet with the set operational effectiveness objectives.</p>
<b>V.3.2. Supporting documents</b>	
Please report any available evidence or supporting document illustrating the measures, achievements or challenges faced, relating to the promotion and implementation	<p><i>The KEINO Competence Centre study report about the current state of innovative and sustainable public procurement.</i>  <a href="https://www.hankintakeino.fi/sites/default/files/media/file/innovatiivisten-ja-kestavien-hankintojen-tilanne-2018_KEINO_FINAL.ScVe_.pdf">https://www.hankintakeino.fi/sites/default/files/media/file/innovatiivisten-ja-kestavien-hankintojen-tilanne-2018_KEINO_FINAL.ScVe_.pdf</a></p> <ul style="list-style-type: none"> <li>- <a href="https://www.hankintakeino.fi/en/sustainable-and-innovative/statistics-finland/innovativeness-and-sustainability-public-0">https://www.hankintakeino.fi/en/sustainable-and-innovative/statistics-finland/innovativeness-and-sustainability-public-0</a></li> <li>- <a href="https://www.hankintakeino.fi/en/sustainable-and-innovative/statistics-finland/innovativeness-and-sustainability-public-2">https://www.hankintakeino.fi/en/sustainable-and-innovative/statistics-finland/innovativeness-and-sustainability-public-2</a></li> <li>- <a href="https://www.hankintakeino.fi/en/sustainable-and-innovative/statistics-finland/innovativeness-and-sustainability-public-3">https://www.hankintakeino.fi/en/sustainable-and-innovative/statistics-finland/innovativeness-and-sustainability-public-3</a></li> </ul> <p><a href="https://www.hankintakeino.fi/fi/ajankohtaista/2019/lahes-puolet-julkisista-hankinnoista-ovat-tilaajan-kannalta-uusia-tai-aiempia-parempia-ratkaisuja">https://www.hankintakeino.fi/fi/ajankohtaista/2019/lahes-puolet-julkisista-hankinnoista-ovat-tilaajan-kannalta-uusia-tai-aiempia-parempia-ratkaisuja</a></p> <p><i>The KEINO Center of Expertise has compiled list about the research on sustainable and innovative public procurement in Finland:</i>  <a href="https://www.hankintakeino.fi/fi/kestavyys-ja-innovatiivisuus/tilanne-suomessa/tutkimukset">https://www.hankintakeino.fi/fi/kestavyys-ja-innovatiivisuus/tilanne-suomessa/tutkimukset</a></p> <ul style="list-style-type: none"> <li>•</li> </ul>

tion of innovation procuremen t.	
For purchases made under the EU thresholds, please report any information or document demonstrating that purchase of innovative solutions have been made (e.g.: innovation partnerships or the use of the innovation criterion).	

## **VI. Information on monitoring and reporting bodies**

This section should include a list of the body/bodies performing the public procurement monitoring activities required by the public procurement directives and the entities in charge with the drafting of the report to be provided to the European Commission on the results of the monitoring activities (e.g. review bodies, anti-corruption bodies).

Reporting body:

- Ministry of Economic Affairs and Employment is the entity in charge of drafting the report based on the information received from numerous different stakeholders.

Monitoring bodies:

- The Finnish Competition and Consumer Agency (FCCA) supervises compliance with procurement rules in general. The FCCA has had the powers starting 1<sup>st</sup> January 2017.
- The National Audit Office (NAO) is Finland's Supreme Audit Institution and operates in affiliation with Parliament. It audits the state's finances, monitors and evaluates fiscal policy and oversees party and election funding. Through its independent audit work the National Audit Office ensures that public funds are spent according to Parliament's decisions, in compliance with legislation and wisely and that fiscal policy is exercised in a sustainable manner.
- In the municipalities the duties of local councils are laid down in the Local Government Act (410/2015) in the section 14 for the principles for internal control and risk management, and in the section 121 to set up a local authority audit committee.
- The Chancellor of Justice endeavours to ensure that the courts of law, other authorities and other persons or bodies assigned to perform public tasks comply with the law and fulfil their assigned obligations. The Chancellor of Justice supervises the authorities by handling any written complaints arising from their actions. A complaint may be filed with the Chancellor of Justice if the complainant believes that an authority, civil servant or public official or other person or

body assigned to perform public tasks has acted in an unlawful manner, otherwise wrongfully or failed to fulfil their responsibilities. The Chancellor of Justice can also open an investigation on an issue on his own initiative, such as matters brought forth in the media.

- The Ombudsman has the task of providing oversight to ensure that authorities and officials observe the law and carry out their duties. In addition to authorities and officials, the scope of the Ombudsman's oversight includes also others that perform tasks of a public nature. The Ombudsman oversees compliance with the law mainly by examining the complaints that are received. He can also intervene in perceived shortcomings on own initiative.

## **VII. Replicability**

This section should provide information allowing anyone to fully replicate the quantitative results presented in the report. The data and methodologies used to compute quantitative indicators should be clearly indicated in the report or by providing the relevant documents, (this is valid for all quantitative indicators of this template).

Links to datasets used to prepare the report	<a href="https://www.hankintailmoitukset.fi/fi/">https://www.hankintailmoitukset.fi/fi/</a> <a href="https://services.fsd.tuni.fi/index?lang=en">https://services.fsd.tuni.fi/index?lang=en</a>
Files used to obtain the results from the datasets	<a href="https://services.fsd.tuni.fi/catalogue/search?query_document=study&amp;lang=fi&amp;query_lang=fi&amp;sortdir=descending&amp;sortkey=score&amp;page=0&amp;limit=50&amp;default_query=Ty%C3%B6+ja+elinkeinoministeri%C3%B6+julkisten+hankintojen+ilmoitustilastoaineisto&amp;new_query=Hae">https://services.fsd.tuni.fi/catalogue/search?query_document=study&amp;lang=fi&amp;query_lang=fi&amp;sortdir=descending&amp;sortkey=score&amp;page=0&amp;limit=50&amp;default_query=Ty%C3%B6+ja+elinkeinoministeri%C3%B6+julkisten+hankintojen+ilmoitustilastoaineisto&amp;new_query=Hae</a>
Other complementary data	The submission of any other disaggregated datasets (e.g. flat files containing below EU threshold contracts) is encouraged.

**Annex I:**

**Methodology for estimating the value of procurement, which would have been covered by the directives if its value had exceeded the relevant thresholds and for the estimation of the aggregated total value of procurement above EU thresholds**

**1. Classification and methodology**

Indicate the basic characteristics of the methodology used by selecting from the options below. Description of the methodology is to be given in the subsequent section.

**1.1. General approach:**

- a) [data available under national notice/contract publication requirements]
- b) [sample-based estimates]
- c) [combined]

Please note that in our opinion using existing administrative data is preferable, as it implies both lower administrative burden (no additional data collection is necessary) and higher data quality.

If a sampling approach is taken, both the source of the sample and the sampling methodology, provided in the following subsection, must be able to withstand careful scrutiny. This ensures that the estimate is representative of the whole Member State.

**1.2. Source of data:**

Source of data: \ Scope:	above national publication thresholds [✓]	below national publication thresholds [✓]	Above EU thresholds [✓]
[e-notification platforms]	<a href="https://www.hankintailmoitukset.fi/fi/">https://www.hankintailmoitukset.fi/fi/</a>		<a href="https://www.hankintailmoitukset.fi/fi/">https://www.hankintailmoitukset.fi/fi/</a>
[e-submission platforms]			
[invoices]			
[budgets]			

[other]			
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## 2. Methodology description

Indicate, amongst others, information on the sources of data, approaches taken to deal with possible missing data and erroneous data, and representativeness of the sample used (if a sample-based approach was taken). If methodology is different depending on the thresholds or source of data, please clearly indicate this, including the relevant thresholds.

The number of public procurements and the annual values are based on information obtained from the electronic notification platform HILMA. For procurements above the EU thresholds, contract award notices and ex-ante notices have been used as a source of information. The values of procurements below the EU thresholds are based on procurement notices, as there is no contract award notices for national procurements. Procurement below the national thresholds is not included in these statistics.

The HILMA tendering platform was renewed in 1.1.2020. The data collection methodology changed to better serve our needs in understanding the overall volume of public procurement and in utilizing the data. Consequently, the statistics for 2020 are not fully comparable with the figures for 2018 and 2019. The limitations in data collection have also contributed to the fact that we do not have statistical data based on the HILMA system for the use of innovative, social or environmental criteria in tenders. The data are based on studies of various actors. The sources of information and their links are described in these sections of the report.

The statistics method was changed in 2019. Therefore, the statistics from year 2018 and 2019 and 2020 are not comparable. Below EU threshold numbers also include small value procurement (below 60.000 EU for goods and services; below 150 000 EUR for works; below 400 000 EUR for social and welfare services – schedule E: 1-4; below 300 000 EUR for other specific services (schedule E: 5-15; and below 500 000 EUR for concessions For annex E please see:

<https://www.finlex.fi/fi/laki/kaannokset/2016/en20161397>

Above thresholds numbers include the following notices: TED F02, TED F05, TED F17, TED 21 calling for tenders and TED F22 calling for tenders (in F21 and F22 one can publish various notice types with the same form – PIN and contract award notices for these forms have been excluded).

Above thresholds numbers include the following notices: TED F02, TED F06, TED F18, TED 21 CAN and TED F22 CAN (in F21 and F22 one can publish various notice types with the same form – PIN and CN for these forms have been excluded).



**Annex II:**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Number of notices announcing a call for competition above thresholds</b>	4517	4454	4950

<b>Number of notices announcing a call for competition below thresholds</b>	8418	7129	6421
<b>Number of awarded contracts above thresholds</b>	statistics not available	statistics not available	statistics not available
<b>Number of awarded contracts below thresholds</b>	statistics not available	statistics not available	statistics not available
<b>Total value of procurement above EU thresholds (EUR/National currency)</b>	14 4475 578 989 euros	Data of the total value of awarded contracts is not available due to changes in the statistics	Data of the total value of awarded contracts is not available due to changes in the statistics
<b>Total value of procurement below EU thresholds (EUR/National currency)</b>	3 659 463 168 euros	Data of the total value of awarded contracts is not available due to changes in the statistics	Data of the total value of awarded contracts is not available due to changes in the statistics

**Annex III:**

	2018	2019	2020
Number of decisions	Number of first instance review decisions - 408	Number of first instance review decisions - 356. FCCA gave 2 decisions (administrative reprimand) upon complaint and 4 decisions (administrative reprimand) ex officio. In addition, the authority filed 4 cases in the Market Court	Data not available
upon a complaint	Number of first instance review decisions - 408 FCCA gave 6 decisions (administrative reprimand) upon complaint	Number of first instance review decisions - 356. FCCA gave 2 decisions (administrative reprimand) upon complaint	Data not available
<i>ex officio</i>	FCCA filed 5 cases in the Market Court.	FCCA gave 2 decisions (administrative reprimand) upon complaint and 4 decisions (administrative reprimand) ex officio. In addition, the authority filed 4 cases in the Market Court.	Data not available
Comments			

<b>Median length of the review</b>	<b>Median length of first instance reviews – 227 days (7,5 months)</b>	<b>Median length of first instance reviews – 230 days (7,6 months)</b>  FCCA : 243 days (8 months). FCCA files cases in the Market Court within six months. For administrative reprimands the median length of review was somewhat above 9 months	Data not available
upon a complaint			
<i>ex officio</i>			
Comments			
Number of review decisions challenged	62	46	39
Number of decisions (primarily) upheld	23	14	7
Number of decisions (primarily) rejected	7	4	8
Number of decisions – other	28	29	20
Comments	Number of first instance review decisions other= neither upheld nor rejected by the (next) judicial level (because permission to appeal was not granted,	Number of first instance review decisions other= neither upheld nor rejected by the (next) judicial level (because permission to appeal was not granted,	Number of first instance review decisions other= neither upheld nor rejected by the (next) judicial level (because permission to appeal was not granted,

	<p>retracted or was inadmissible) 28.</p> <p>Number of decisions returned or lapsed: 4</p> <p><b>Median length of the review: 9,3 months</b></p>	<p>retracted or was inadmissible) 29.</p> <p>Number of decisions returned or lapsed: 3</p> <p><b>Median length of the review: 11,5 months</b></p>	<p>retracted or was inadmissible) 20.</p> <p>Number of decisions returned or lapsed: 4</p> <p><b>Median length of the review: 17,4 months</b></p>
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