

Conclusions and recommendations of the National Audit Office

Bioeconomy as a key Government project – overall key project funding

One of the strategic priorities in Prime Minister Juha Sipilä's Government Programme was 'Bioeconomy and clean solutions', for which four government-term objectives were set. A separate ministerial working group was appointed for this strategic priority. The Government allocated a total of EUR 323 million to this strategic priority.

The purpose of the audit was to assess how well the preparation and implementation of the actions in this strategic priority promoted the achievement of the government-term objectives. In addition, it was assessed in the audit how well the government-term objectives set for the strategic priority had been achieved.

On the basis of the audit findings, the preparation and implementation of the actions within the strategic priority promoted the achievement of the government-term objectives. However, the objectives were achieved only partly. The energy and climate objectives will be achieved, and the deregulation objective was well achieved. Only a few jobs were created within bioeconomy and cleantech. The balance of trade for foodstuffs and the economic viability of agriculture did not improve.

The selection of the key projects was well-grounded, and appropriations were allocated as soon as actions were launched

Four government-term objectives were set for the strategic priority. The priority consisted of five key projects. The key projects selected were projects that, according to public officials' expert estimates, were considered the most efficient in view of the objectives set by the Government Programme. The Prime Minister's Office used indicators in the monitoring of the objectives in the Government's strategy meetings.

The appropriations for the strategic priority were allocated to three ministries: the Ministry of Agriculture and Forestry, the Ministry of Economic Affairs and Employment, and the Ministry of the Environment. The appropriations were allocated in full by ministers as soon as the actions were launched. As a result of this, there was no financial leeway for new actions requiring resources during the government term.

The work of the ministerial working group was organised efficiently

The organisation of the entire key project system consisted of two parts. The Government's strategy sessions were responsible for the strategic steering of the priorities and all the key projects specified in the action plan. The ministerial working group was the operational actor within the strategic priority.

The Government's strategy model was a completely new kind model for organisation and management. There were no guidelines on how to organise the operations of the ministerial working group. The working group had a secretariat, which consisted of three public officials of the Ministry of Agriculture and Forestry, the Ministry of Economic Affairs and Employment, and the Ministry of the Environment. The secretariat prepared the items on the agenda of the ministerial working group meetings together with the permanent secretaries of the ministries in

meetings with them. The items on the agenda were introduced in advance to the minister that would serve as the chairman of the next working group meeting. Three ministers shared the rotating chairmanship of the working group. The political steering of the operations was strong: of each governing party, at least the minister's special adviser attended the meetings. Of the public officials, the meetings were attended by departmental heads of ministries and the presenting officers in addition to the secretariat and the permanent secretaries. A representative of the Strategic Secretariat of the Prime Minister's Office also attended the meetings, which ensured coordination and provision of information to Government's strategy sessions. The ministerial working group met regularly about once a month.

The work of the ministerial working group was described as inspiring and committed, and it was considered to increase cross-sectoral cooperation. The meetings were characterised by a lot of dialogue. Minutes were taken of the working group meetings and the meetings with the permanent secretaries. They provide a good account of the course of the meetings and the decisions made. Based on the dialogue, the chairman of the ministerial working group made a summary of each item in the minutes and took a decision accordingly. The organisation of the working group enabled efficient communications between the working group, the Government's strategy sessions, and the ministries.

Risk management and communications were not planned

If the organisation does not have effective risk management, it risks not identifying significant risks threatening the achievement of its goals or affecting its operations and not getting them under control. The ministerial working group did not plan risk management in advance. However, the working group did monitor the dependencies related to the operating environment, particularly actions taken by the EU within the strategic priority. The ministerial working group also discussed the risks related to the achievement of the 2050 emission targets.

The aim of communications was, under the leadership of the Prime Minister's Office, to create a consolidated communications group for the strategic governance model to cover the entire key project system. However, this failed: communications were not planned or coordinated as a whole, and no communications strategy was drawn up for Government.

No shared communications plan was prepared within the strategic priority 'Bioeconomy and clean solutions'. Communications did not even have a representative in the ministerial working group. Nevertheless, the ministries carried out communications in many different ways, e.g. by drawing up and implementing action-specific communications plans. Information was also provided continuously on the website of the Prime Minister's Office and the bioeconomy.fi website.

Implementation was successful

The actions specified in the action plan of the strategic priority were implemented successfully. The Prime Minister's Office monitored the objectives of the strategic priority in the Government's strategy sessions. The monitoring was based on planned indicators and on the schedules and timelines for the achievement of the objectives.

The assessment of the efficiency or effectiveness in the strategic priority was not planned. However, the ministerial working group commissioned impact assessments on the bioeconomy and cleantech

strategies, on which the actions within the strategic priority were based. In the meeting of the working group at the end of October 2018, the ministries presented their self-assessments on the achievement of the objectives and on the functioning of the key project system. The ministries presented the assessments in the strategy session of December.

Reporting on the operations and the achievement of the objectives was not planned. However, reporting took place through many different channels: in the annual updates of action plans, in the Government's annual reports, and on the website of the Prime Minister's Office. A weakness of the Government's annual reports was that the trend related to the job objective remains unclear.

The functioning of the entire key project system was assessed while the operations were still underway. This project on developing strategic leadership instruments in government, the Pakuri project, published its report in January 2019. The report presents twenty recommendations for the development of the strategy model.

Government-term objectives were partly achieved

Four government-term objectives were set for the strategic priority.

The energy and climate objectives will be achieved quite well. The deregulation and the lightening of the administrative burden were also successful. However, there was only a slight increase in the number of jobs within bioeconomy and cleantech. The objectives related to the economic viability of food production were not achieved. The income level of farmers has further weakened during the past few years. The balance of trade for food production (foodstuffs) has not improved.

Recommendations of the National Audit Office

The National Audit Office finds that, in the further development of the Government's new strategy model and key project system, special attention should be paid to providing systematic instructions for the ministerial working groups of the strategic priorities.

1. The Prime Minister's Office should prepare guidelines on the issues, measures, plans and practices that the ministerial working groups should agree in writing as soon as they start their work in order to ensure that the operations run smoothly, systematically and efficiently. These guidelines would constitute the ministerial working group's jointly approved operating manual. The guidelines can utilise the assessment criteria and findings of this audit, and the good practices and recommendations presented in the Pakuri project.