

Other multiannual liabilities

The itemisation includes commitments with a value of EUR 500,000 or over.

Regular agreements and commitments entered into on the basis of the “Operating Expenditure Appropriations” item of the general provisions of the detailed Budget notes.

| million EUR | Budget expenditure 2017 | Appropriation requirement 2018 | Appropriation requirement 2019 | Appropriation requirement 2020 | Appropriation requirement post-2020 | Appropriation requirement total |
|---|-------------------------|--------------------------------|--------------------------------|--------------------------------|-------------------------------------|---------------------------------|
| Parliament | 2 | 1 | 1 | 1 | 4 | 7 |
| Government | 42 | 55 | 59 | 62 | 0 | 176 |
| Administrative branch of the Ministry for Foreign Affairs | 11 | 12 | 13 | 11 | 40 | 77 |
| Administrative branch of the Ministry of Justice | 93 | 95 | 70 | 62 | 251 | 478 |
| Administrative branch of the Ministry of the Interior | 96 | 105 | 88 | 79 | 439 | 711 |
| Administrative branch of the Ministry of Defence | 159 | 161 | 159 | 150 | 145 | 615 |
| Administrative branch of the Ministry of Finance | 220 | 226 | 146 | 85 | 169 | 626 |
| Administrative branch of the Ministry of Education and Research | 35 | 32 | 26 | 24 | 174 | 256 |
| Administrative branch of the Ministry of Agriculture and Rural Development | 20 | 26 | 16 | 14 | 52 | 107 |
| Administrative branch of the Ministry of Transport and Infrastructure | 54 | 55 | 46 | 26 | 222 | 348 |
| Administrative branch of the Ministry of Employment and Labour Relations | 31 | 34 | 30 | 25 | 56 | 145 |
| Administrative branch of the Ministry of Social Affairs and Equal Opportunities | 17 | 24 | 18 | 15 | 59 | 117 |
| Administrative branch of the Ministry of the Environment, Energy and Climate Change | 9 | 5 | 2 | 1 | 3 | 11 |
| Regular agreements and commitments total | 787 | 831 | 673 | 554 | 1 615 | 3 673 |

Regular agreements and commitments entered into on other basis than the “Operating Expenditure Appropriations” item of the general provisions of the detailed Budget notes

| million EUR | Budget expenditure 2017 | Appropriation requirement 2018 | Appropriation requirement 2019 | Appropriation requirement 2020 | Appropriation requirement post-2020 | Appropriation requirement total |
|--|-------------------------|--------------------------------|--------------------------------|--------------------------------|-------------------------------------|---------------------------------|
| Other agreements and commitments | | | | | | |
| Administrative branch of the Ministry for Foreign Affairs | - | - | - | - | 1 357 | 1 357 |
| <i>Asian Development Bank AsDB¹⁾</i> | - | - | - | - | 489 | 489 |
| <i>African Development Bank AsDB²⁾</i> | - | - | - | - | 352 | 352 |
| <i>European Bank for Reconstruction and Development</i> | - | - | - | - | 297 | 297 |
| <i>Inter-American Development Bank IDB⁴⁾</i> | - | - | - | - | 220 | 220 |
| Administrative branch of the Ministry of Justice | 1 | 8 | 6 | 6 | 18 | 37 |
| <i>Legal Register Centre's decision 14.2.2014 45/018/13.1.4, Data bank (AIPA) main contract Accenture Oy (sub-item 25.10.03)</i> | - | 2 | 2 | 2 | 2 | 8 |
| <i>Legal Register Centre's decision 14.2.2014 45/018/13.1.3, Data bank (AIPA) main contract Accenture Oy (sub-item 25.10.03)</i> | - | 1 | 1 | 1 | 1 | 3 |
| <i>Legal Register Centre's decision no. 35/07.02/2017, Data bank (AIPA) CGI (sub-item 25.10.03)</i> | - | 1 | - | - | - | 1 |
| <i>Legal Register Centre's decision no. 35/07.02/2017, Data bank (AIPA) Tieto</i> | - | 2 | 2 | 2 | 1 | 6 |
| <i>Agreement VAT - Technical support and election preparedness</i> | - | 0 | - | - | - | 0 |

| | | | | | | |
|--|------------|------------|------------|------------|---------------|---------------|
| <i>Legal Register Centre's decision 70/07.02/2016, Contract on the preparation and delivery of combined elections 2018, Tieto Finland Oy (sub-item 25.50.20)</i> | - | 1 | - | - | - | 1 |
| <i>Legal Register Centre's decision 21.12.2011 2/559/2008, Rental agreement on the Sámi Cultural Centre (sub-item 25/01/1950)</i> | 1 | 1 | 1 | 1 | 15 | 19 |
| Administrative branch of the Ministry of Finance | 36 | 39 | 26 | 21 | 16 798 | 16 884 |
| <i>International Bank for Reconstruction and Development IBRD</i> | - | - | - | - | 1 082 | 1 082 |
| <i>Multilateral Investment Guarantee Agency MIGA</i> | - | - | - | - | 8 | 8 |
| <i>European Investment Bank EIB</i> | - | - | - | - | 3 099 | 3 099 |
| <i>Nordic Investment Bank NIB</i> | - | - | - | - | 1 088 | 1 088 |
| <i>Nordic Environment Finance Corporation NEFCO</i> | - | - | - | - | 22 | 22 |
| <i>Council of Europe Development Bank CEB</i> | - | - | - | - | 70 | 70 |
| <i>European Stability Mechanism ESM</i> | - | - | - | - | 11 144 | 11 144 |
| <i>The Employment Accidents Insurance Act (608/1948) and compensations paid according to the Act on the basis of other statutes ⁵⁾</i> | 32 | 36 | 24 | 19 | 199 | 278 |
| <i>Motor liability insurance compensation paid on the basis of the Motor Liability Insurance Act (279/1959) and the act on rehabilitation payable under the Motor Liability Insurance Act (626/1991) ⁵⁾</i> | 2 | 2 | 1 | 1 | 11 | 15 |
| <i>group life insurance and compensations paid according to the agreement on the basis of other statutes</i> | 1 | 1 | 1 | 0 | - | 2 |
| <i>Collateral securities, decision of Parliament on the amendment of the Government's borrowing powers (739/2009)</i> | - | - | - | - | 65 | 65 |
| <i>Value of expired and unredeemed bonds as of 31.12.2017, includes capital and interest.</i> | - | - | - | - | 11 | 11 |
| Administrative branch of the Ministry of Education | 20 | 22 | 21 | 21 | 156 | 220 |
| <i>Contributions to Unesco (decree 549/1956)</i> | 1 | 1 | 1 | 1 | 1 | 6 |
| <i>Central government transfer for facility costs, rental agreement of Hanaholmen Cultural Centre</i> | 1 | 1 | 1 | 1 | 5 | 8 |
| <i>Decision MV 132/005/2011 and TA 2014 1143/2013 (rental agreement for the National Museum property incl. underground facilities, sub-item 29.80.20)</i> | 4 | 4 | 4 | 4 | 28 | 41 |
| <i>Decision MV/9/02.07.00/2013 and TA 2014 1143/2013 (Rental agreements on cultural and sightseeing properties, sub-item 29.80.20)</i> | 13 | 15 | 13 | 13 | 120 | 161 |
| <i>Decision MV/2/02.07.00/2014 and TA 2014 1143/2013 (Rental agreements on cultural and sightseeing properties, sub-item 29.80.20)</i> | 0 | 0 | 0 | 0 | 1 | 1 |
| <i>Decision MV/3/02.07.00/2015 and OKM 7 670/2015 (Rental agreements on cultural and sightseeing properties, sub-item 29.80.20)</i> | 1 | 1 | 1 | 1 | 0 | 4 |
| Administrative branch of the Ministry of Agriculture and Forestry | 5 | 5 | - | - | - | 5 |
| <i>Government decree on central government transfers for costs incurred by livestock owners from the collection and disposal of cattle, sheep, goat, pig and poultry carcasses (96/2010)</i> | 5 | 5 | - | - | - | 5 |
| Administrative branch of the Ministry of Transport and Infrastructure | 658 | 660 | 383 | 202 | 215 | 1 460 |

| | | | | | | |
|---|------------|------------|------------|------------|---------------|---------------|
| Sections 1 and 2 of the decision for Budget 2017 sub-item 31.10.20 Basic transport infrastructure | 658 | 659 | 382 | 202 | 215 | 1 458 |
| Budget 2017 sub-item 31.10.77, decision section 31.10.77.5.2 Other development planning | 0 | 1 | 1 | 0 | 0 | 2 |
| Administrative branch of the Ministry of Employment and the Economy ⁷⁾ | | | | | | |
| Administrative branch of the Ministry of Social Affairs | 20 | 21 | 7 | 0 | 0 | 28 |
| Vaccination liabilities | 20 | 21 | 7 | 0 | 0 | 28 |
| Other agreements and commitments total | 740 | 756 | 443 | 249 | 18 544 | 19 992 |

¹⁾ Callable capital USD 586 069 088; exchange rate 1.1993 Bank of Finland 31.12.2017

²⁾ Callable capital UA 296 310 000; 0.842126, UA=SDR, Bank of Finland 31.12.2017

³⁾ Callable capital EUR

⁴⁾ Callable capital USD 263 368 856; exchange rate 1.1993 Bank of Finland 31.12.2017

⁵⁾ The annual appropriation requirement is an estimate of the capital value of compensation payments which are payable in the year in question on liabilities accrued at the time of calculation as of 31.12.2017.

⁶⁾ Excludes liabilities from universities' rental agreements. Their total appropriation requirement is EUR 656m (transferable liability according to section 5 of the Act on the implementation of the Universities Act 559/2009). They are presented in Chapter 6 of the year-end accounts of the Annual Report.

⁷⁾ According to section 18 of the Nuclear Liability Act (4884/1972, as amended by Act 581/2011), the liability of an operator of a nuclear installation situated in Finland in respect of nuclear damage caused by any single nuclear incident and suffered in Finland shall be unlimited. Under this Act, the liability of an operator of a nuclear installation situated in Finland in respect of nuclear damage caused by any single nuclear incident and suffered outside Finland shall not exceed 600 million Special Drawing Rights. An operator must take out nuclear liability insurance that covers the maximum liability of 600 million Special Drawing Rights. The Government may, in response to an application, taking into account the size and quality of the installation and the circumstances of the carriage as a whole, determine a maximum amount of liability lower than 600 million SDR but not lower than 5 million SDR. In the case of a nuclear incident in conjunction with transportation of nuclear substance, the operator's minimum liability for damage other than damage caused to the means of transport is up to 5 million SDR. The operator's maximum amount of liability shall not include any interest or any costs awarded by a court. (Section 18 as amended by Act 581/2011 is in force temporarily from 1 January 2012 until the enactment of Act 493/2005 by decree.)

According to section 29 of the Nuclear Liability Act, If a party that is, under this Act or the equivalent legislation of another Contracting State, entitled to compensation for nuclear damage from the operator of a nuclear installation situated in Finland shows that it has been unable to recover the compensation due from the operator's insurer, the outstanding compensation shall be paid by the State. The State's liability for compensation under subsection 1 ceases when the aggregate amount of compensation paid under the insurance and out of public funds totals the maximum liability of the operator under section 18(1).

In addition, Finland is a party to the Brussels Supplementary Convention, according to which SDR 125 million is to be made available from public funds contributed jointly by all the parties to the Convention for damage suffered on the territory of a contracting party (so-called third-tier compensation). Each country's contribution is calculated according to a pre-determined formula as specified in the Convention. The formula is based on GDP and installed nuclear capacity of 8,000 MW. According to recent calculations by the OECD, Finland's contribution to the compensation is just under 2%. Finland's share of the risk burden has been estimated as EUR 5.9 million per nuclear incident in a contracting state.

The State's liability for damage caused by outer space activity and space objects is based on the outer space treaties of the UN to which Finland committed in the 1970s. Compensation of damage caused by space objects is provided for by Article VII of the Outer Space Treaty [Treaty on principles governing the activities of states in the exploration and use of outer space, including the moon and other celestial bodies (SopS 56-57/1967)] and the Liability Convention [Convention on International Liability for Damage Caused by Space Objects (SopS 8 and 9/1977)]. According to the treaties, the state party from whose territory or facility an object is launched, is liable for damage caused by its space objects. The liabilities have so far had no practical meaning for Finland, since it has previously had no outer space activity. However, the situation has changed as the first Finnish satellites have been launched into outer space.

According to section 7 of the Act on Space Activities (63/2018), compensation for any damage caused by a space object shall be paid from State funds, with the exception of damage caused to the operator.

According to subsection 2, the State has the right to recover the compensation paid to the injured party from the operator to the extent that the operator would have been liable for the damage to the injured party under the Tort Liability Act (412/1974).

According to subsection 3, by derogation from subsection 2, if the damage has been caused on the earth or to aircraft in flight or its passenger or crew member, the State has the right to recover the paid compensation from the operator even if the operator had not caused the damage deliberately or negligently as referred to in chapter 2, section 1, subsection 1 of the Tort Liability Act. The maximum amount of the State's right of recourse under subsection 3 is 60 million euros. The provision on the maximum amount does not, however, apply if the operator has failed to comply with this Act or the conditions attached to the authorisation granted under section 5.

According to section 8, the operator shall take out insurance against damage caused by the space activities to third parties at least up to the maximum amount of the State's right of recourse. The Ministry of Economic Affairs and Employment may refrain from requiring the insurance referred to in subsection 1 if

1) the insurance of the launching company or a corresponding insurance substantially covers the operator's and the State's liability for damage caused by the space activities to third parties; or

2) on the basis of the risk assessment conducted on the space activities as referred to in section 5, subsection 2, paragraph 2, the Ministry of Economic Affairs and Employment can accept the risk of damage caused by the space activities on the earth, in the airspace and in outer space.

State's pension liabilities

| million EUR | 31.12.2017 | 31.12.2016 | Change 2017-2016 |
|--|---------------|---------------|---------------------|
| State's pension liabilities total | 92 600 | 93 000 | -400 |

Pension liabilities refer to the capital value of pension entitlements accrued by 31 December 2017 under the state pension system. When discounting the capital values of pension entitlements, a discount rate of 2.7% has been used as representative of an effective interest rate to exceed future index increases to pension entitlements. For pension entitlements accrued during unpaid periods, the capital value has been calculated as an estimate of the state's share of the expenditure in unpaid periods. Pension liabilities on 31 December 2017 are presented at the

Pension liabilities on 31 December 2017 are based on an individual-level calculation of the capital value of pension entitlements accrued by 31 December 2016, and they include an estimate of new liabilities incurred in 2017 less discharged liabilities (pension expenditure) taking into account interest.

Funds from the State Pension Fund are not used directly for pension payments; instead, pensions under the state pension system are paid from budget appropriations. The amount transferred annually from the State Pension Fund to the budget for pension expenditure settlement is provided by the Act on the State Pension Fund (1297/2006).

The mark-to-market value of the assets funding the pension liabilities was EUR 19,702,450,153.25 on 31 December 2017. The pension funds assets include an investment portfolio at mark-to-market value, current and long-term receivables, current liabilities, and cash in bank. In addition, the fair value of open derivatives has been taken into account in the valuation of funds assets. The amount of uncovered pension liabilities was approximately EUR 72.9 billion.

The primary statutes on which the liabilities are based are the public sector pensions act (81/2016) and the act on the implementation of the public sector pensions act (82/2016).