



Finland is implementing the Kyoto Protocol

Climate change mitigation is one of the top environmental policy priorities in Finland. Finland is actively working towards fulfilling its commitments under the Kyoto Protocol.

Finland ratified the United Nations Framework Convention on Climate Change (UNFCCC) in 1994 and the Kyoto Protocol in 2002 together with other EU countries. **According to the burden-sharing agreement between EU Member States, Finland is committed under the Kyoto Protocol to bringing national average annual emissions down to their 1990 level in the 2008–2012 period.** In the international climate negotiations, Finland follows the common position of the European Union.

In 2008 and 2009, Finland's greenhouse gas emissions corresponded to 70.5 and 66.4 Mt of CO₂ eq respectively. Finland's GHG emissions typically show quite large annual variation depending on the amount of energy used and the proportion of imported electricity. This variation has been the principal feature of the overall trend in emissions in the period since 1990. The energy sector emissions are, for the most part, included in the EU emissions trading scheme, which should help in meeting the emissions targets for the 2008–2012 period.

Finland's latest National Long-term Climate and Energy Strategy was accepted by the Government in November 2008.

The Ministerial Working Group on Climate Change and Energy prepared the strategy and the practical preparatory work was carried out by the Climate and Energy Policy network, consisting of representatives from six ministries. Parliament gave its statement on the strategy in June 2009. Finland's assigned amount of emissions for the first commitment period corresponds to 355.0 million tonnes of carbon dioxide (or about 71.0 Mt of CO₂ eq/year). After concluding the UNFCCC review process, Finland became eligible for international emissions trading and Track I joint implementation (JI) on 22 April 2008. Additionally, the national registry was connected to the international transaction log (ITL) of the UNFCCC secretariat in October 2008.

European Union's climate and energy package

In spring 2007, the European Council adopted conclusions concerning climate and energy policy. As a result of those decisions, the European Commission published a major legislative

package on climate and energy policy in January 2008. **The European Union is committed to reducing greenhouse gases by at least 20% by 2020**, as agreed by the EU leaders in March 2007. Additionally, the EU has set itself a mandatory target of 20% renewable energy use by 2020, including a 10% biofuels target. The EU is considering a transition towards an increase in the reduction target to 30% by 2020, if a new global climate change agreement is reached. The package also includes a directive amending the EU Emissions Trading Directive and a decision on effort sharing in sectors not covered by the EU emissions trading scheme (e.g. transport, buildings, services, smaller industrial installations, agriculture and waste). Other directives of the package include a directive for renewable energy sources (RES) and a directive for a legal framework on carbon capture and storage (CCS). It also includes legislation concerning transportation. The effort-sharing decision has legally enforceable targets which are divided equitably between Member States. Finland's obligation for its sectors not covered by the emissions trading scheme (non-ETS sectors) is a 16% reduction by 2020. The reduction target is based on the 2005 levels. The climate and energy package was concluded by the European Council and approved by the European Parliament in December 2008.

ec.europa.eu/clima > Policies > Climate and energy package

European Climate Change Programme

The European Commission launched already in June 2000

WORK IN PROGRESS

>> Update to the National Strategy for Adaptation to Climate Change 2011–2013

>> Implementation of the National Long-term Climate and Energy Strategy

>> ERA 17: a programme for an Energy-Smart Built Environment 2017

EU'S CLIMATE AND ENERGY PACKAGE

20% GHG reduction compared to 1990

- Independent commitment

30% GHG reduction compared to 1990

- In the context of an international agreement

20% renewables share of final energy consumption

10% biofuels in transport, with

- production being sustainable
- second generation biofuels commercially available

the European Climate Change Programme (ECCP). The goal of the ECCP is to identify and develop all the necessary elements for an EU strategy to implement the Kyoto Protocol. The first ECCP was prepared by all the relevant groups of stakeholders working together, including representatives from the Commission's different departments (DGs), the Member States, industry and environmental groups. The second European Climate Change Programme (ECCP II) was launched in October 2005. All European-wide climate actions are considered to be a part of the ECCP.

ec.europa.eu/clima > Policies > European Climate Change Programme

Finland's strategies and programmes

National Long-term Climate and Energy Strategy

In 2001, the Finnish Government prepared a National Climate Strategy containing a programme of measures for meeting Finland's target in the Kyoto Protocol period 2008–2012. This strategy was updated in November 2005, when the Government finalized a revised National Long-term Climate and Energy Strategy. According to the strategy, the programme promoting renewable energy, energy taxation and the energy conservation programme were important means to reduce greenhouse gas emissions. **In 2008, the Government approved a new ambitious Long-term Climate and Energy Strategy for Finland, with detailed insights into climate and policy measures up to 2020, and recommendations up to 2050.**

The strategy clearly shows that Finland's objectives proposed regarding emissions reductions, promoting renewable energy, and enhancing the efficiency of energy consumption cannot be attained without new, prominent climate and energy policy measures. The main instrument to be used is the European Union's emissions trading scheme (EU ETS). In addition, there will be domestic policies and measures, such as promoting energy conservation and using renewable energy sources. Finland will also utilize the flexible mechanisms of the Kyoto Protocol, such as joint implementation (JI) and the clean development mechanism (CDM), to increase the cost-efficiency of climate policies. The Ministry of Employment and the Economy is coordinating the implementation of the strategy.

www.tem.fi/english > Energy > National Climate and Energy Strategy

The Government Foresight Report

The Government adopted in October 2009 the Foresight Report on Long-term Climate and Energy Policy. The report includes **a target to reduce Finland's greenhouse gas emissions by at least 80% from the 1990 level by 2050, as part of an international effort, and outlines targets and measures showing the way to a low-carbon society by 2050.** The Prime Minister's Office prepared the report in cooperation with key ministries. The authors have consulted with a group of experts and over a hundred other specialists and representatives of stakeholders who have participated in a variety of workshops and thematic discussions. Citizens and stakeholders have been encouraged to present their views via Internet questionnaires and online discussions. A number of studies and scenario calculations were commissioned to support the work.

www.vnk.fi/english > Projects and bodies > Government report on the future

Finnder buys carbon credits

The Finnish Carbon Procurement Programme (Finnder) buys carbon credits on behalf of Finland from the two project-based mechanisms, the clean development mechanism (CDM) and joint implementation (JI), included in the Kyoto Protocol to the UNFCCC. Finnder, which was established in May 2006, has been managed by a private company Green Stream Network since 2010.

Coping with climate change through adaptation

Finland has been a pioneer in implementing climate policy. The National Strategy for Adaptation to Climate Change was adopted in 2005 as an independent part of the National Long-term Climate and Energy Strategy.

The aim of the adaptation strategy is to reinforce and boost the capacity to adapt to climate change and to mitigate the costs to society. The strategy describes the impacts and potential adaptation measures by sectors up to 2080. Altogether, measures were outlined for 15 different sectors. The work on the strategy, which was coordinated by the Ministry of Agriculture and Forestry, began towards the end of 2003. The need to draft a programme for adaptation was identified in Parliamentary responses to the first National Climate Strategy, which was submitted to Parliament in March 2001.

Along with the strategy, a consortium of 11 partner institutions called FINADAPT (assessing the adaptive capacity

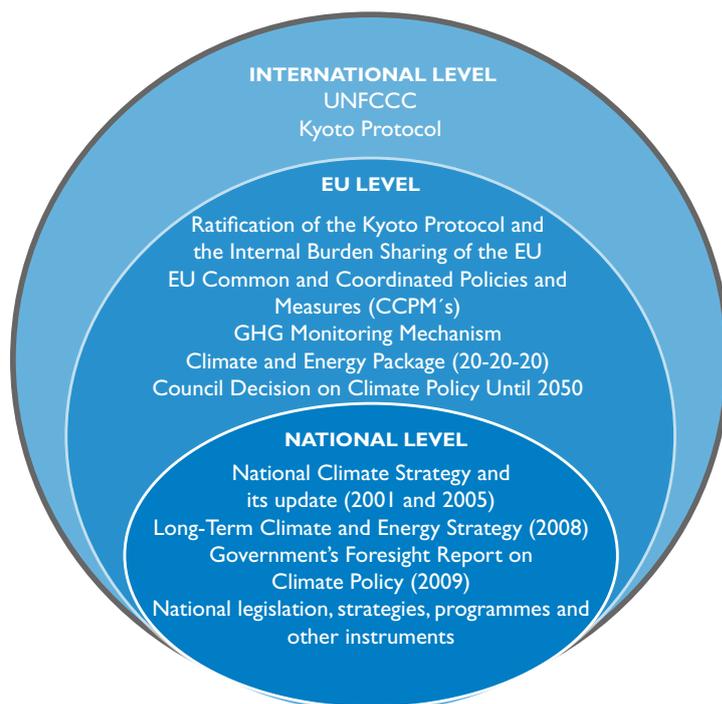
of the Finnish environment and society under a changing climate) studied adaptation to the potential impacts of climate change in Finland. The studies were carried out during 2004–2005 as a part of the Finnish Environmental Cluster Research Programme, which was coordinated by the Ministry of the Environment. The FINADAPT Summary for Policy Makers was published in March 2007.

The Ministry of Agriculture and Forestry is coordinating ISTO – the Climate Change Adaptation Research Programme, which is aimed at supporting the implementation of the National Strategy for Adaptation to Climate Change. The work is done in cooperation with relevant research bodies and other parties with the aim to ensure the science–policy interface. A steering group of representatives of relevant ministries and scientific and funding institutions steers the research work, monitors its progress and organizes its evaluation.

An update on the adaptation strategy will be prepared in 2011–2013.

www.mmm.fi/en > Climate change and adaptation

Framework for Climate Policy



Official reporting to the UNFCCC and the European Union

The Fifth National Communication

In 2009, Finland published the Fifth National Communication under the UNFCCC. All Parties are obliged to report regularly (every 3–4 years) on the steps they are taking to implement the Convention and the Kyoto Protocol. In Finland, the national communication is prepared jointly by several governmental bodies. Statistics Finland coordinates the work and compiles the report. In 2010, Finland's Fifth National Communication was reviewed by an international group of experts. According to the final report of the expert review team, **Finland has so far fulfilled all of its obligations under the Kyoto Protocol.** A special reference was made to the Government Foresight Report and the review team encouraged Finland to continue working on implementing the convention and protocol.

unfccc.int > [National Reports > National Communications \(Annex I\)](#) > [Submitted National Communications](#)

National inventory report (NIR)

The annual national greenhouse gas inventory and the international reporting of the results provide the factual basis for the planning and monitoring of climate policy. Finland was the first Party to the Protocol to establish a permanent mechanism for monitoring greenhouse gas emissions in 2004. Statistics Finland is the national authority responsible for the greenhouse gas inventory in Finland. One task is the annual reporting of greenhouse gas emissions, specified in the Kyoto Protocol, to the secretariat of the UNFCCC. The emission data reported yearly in April are used to monitor the fulfilment of the commitments under the Kyoto Protocol.

National legislation in implementation of the Kyoto Protocol

FURTHER INFORMATION

Ministry of the Environment
www.environment.fi

Statistics Finland
www.stat.fi

Finnish legislative database (FINLEX)
www.finlex.fi/en/

UNFCCC
www.unfccc.int

European Union: Climate Action
ec.europa.eu/clima

Ministry of Employment and the Economy
www.tem.fi/en

Ministry of Agriculture and Forestry
www.mmm.fi/en

Act and decree on the Kyoto Protocol

According to Article 94 of the Constitution of Finland, the approval of Parliament is required for such treaties and other international obligations that contain provisions of a legislative nature, are otherwise significant, or otherwise require approval by Parliament under the Constitution. In accordance with this article, the Kyoto Protocol was approved by the Finnish Parliament on 8 May 2002. The final decision to ratify the Protocol was taken by the President of the Republic on 24 May 2002, in accordance with Article 93 of the Constitution of Finland, after the approval of Parliament. At the same time, an act transposing such provisions of the Kyoto Protocol that are of a legislative nature was adopted (Finnish Act Series 383/2002). That act entered into force at the same time as the Kyoto Protocol, that is,

on 16 February 2005 pursuant to a decree by the President of the Republic (Finnish Act Series 13/2005). After the adoption of the Marrakesh decisions, decree 13/2005 was amended by decree 37/2006. The purpose of the amendment was to transpose the following decisions by the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol into the Finnish legislation: 2, 3, 5, 6, 9, 11, 13, 14, 15, 16, 19, 20, 22, 27 and 31/CMP.1.

Burden-sharing agreement

The burden-sharing agreement between the European Community and its member states was adopted by Decision No. 358/2002 of the Environment Council of the European Union. That decision was referred to in decree 37/2006 on the Kyoto Protocol. According to the burden-sharing agreement, Finland is committed to bringing national average annual emissions down to their 1990 level in the period 2008–2012.

National Greenhouse Gas Inventory System

After the ratification of the Kyoto Protocol, the Government decided on the necessary institutional, legal and procedural arrangements for Finland's national system. In January 2003, the Government defined the structure and the principal bodies responsible for the system. **Statistics Finland was designated as the national authority with overall responsibility for the greenhouse gas inventory system in Finland.** In addition, the Ministry of the Environment and Statistics Finland concluded in January 2005 an agreement concerning

the operation of the national system and on the fulfilment of the reporting requirements. Finland's annual inventory is compiled from calculations made by various expert organizations in accordance with an agreed division of responsibilities. The authorities participating in the compilation are Statistics Finland, the Finnish Environment Institute (SYKE), Agrifood Research Finland (MTT) and the Finnish Forest Research Institute (Metla). The responsible government ministries participating in the preparation of climate policy are the Ministry of Employment and the Economy, Ministry of the Environment, Ministry of Agriculture and Forestry, Ministry of Transport and Communications and Ministry of Finance. Statistics Finland is in charge of the compilation and finalization of inventory reports and of their submission to the UNFCCC Secretariat. As the national authority for the greenhouse gas inventory, Statistics Finland applies the Statistics Finland Act (48/1992) and the Statistics Act (280/2004).

In addition, Finland participates as a Member State of the European Union in the compilation of the Union's common greenhouse gas inventory. Decision No. 280/2004/EC of the European Parliament and of the Council of 11 February 2004 contains provisions concerning a mechanism for monitoring greenhouse gas emissions and for implementing the Kyoto Protocol.

www.stat.fi > [Environment and natural resources](#) > [Greenhouse gases](#)

Legislation on the Kyoto Mechanisms

The Act on the Use of the Kyoto Mechanisms (109/2007, the “Mechanisms Act”) was adopted on 2 February 2007.

The purpose of the Mechanisms Act is to provide an administrative framework for participation in project activities and emissions trading under the Kyoto Protocol, and to lay down provisions for the operation of the national registry required for the implementation of the Protocol, established under the Emissions Trading Act (683/2004).

The Mechanisms Act applies to

- projects under Article 6 (joint implementation), Article 12 (clean development mechanism) and Article 17 (international emissions trading), and
- the holding of Kyoto units in accounts in the national registry and transfers of such units to and from accounts in the national registry.

Key responsibilities

- According to the Mechanisms Act, any decision on the approval of a project such as a joint implementation project, to be issued in the name of Finland, is made by the Ministry of the Environment, and any decision on the approval of a project such as a clean development mechanism project is made by the Ministry for Foreign Affairs.
- According to Article 6(3) of the Protocol, the Ministry of the Environment takes decisions on any authorizations for preparation of and participation in a joint implementation project, and the Ministry for Foreign Affairs takes decisions on authorizations for preparation of and participation in a clean development mechanism project.
- Decisions on separate authorizations for holding Kyoto units in a holding account in the national registry and making transfers under

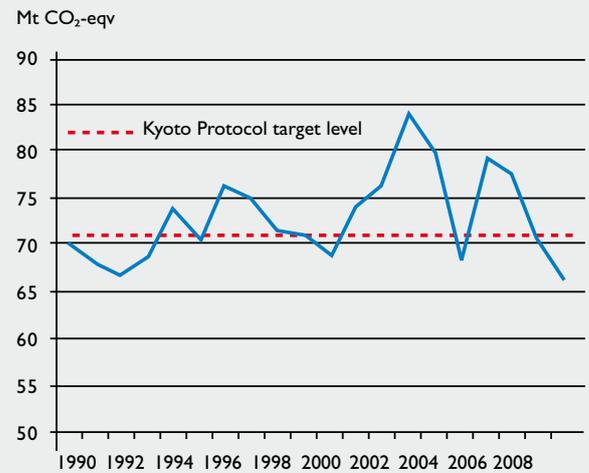
international emissions trading to and from the account are made by the Ministry of the Environment.

- The Ministry of the Environment also participates in international emissions trading on behalf of the State of Finland. In accordance with the Mechanisms Act, it is possible to implement joint implementation projects in the territory or the exclusive economic zone of Finland.

The presumption of the Mechanisms Act is that Finland will fulfil the eligibility criteria set out in paragraph 21 of Decision 9/CMP.1 and it will therefore be eligible to verify emissions reductions independently (the verification procedure is called “Track I”). The Mechanisms Act provides for the main elements of the national Track I procedures and authorizes the Ministry of the Environment to enact more detailed regulations regarding further provisions on the monitoring of emissions, the report to be filed on the emissions, the verifier’s statement, the approval procedure of the verifier, the evaluation of approval criteria and the implementation of the verification process.

The Ministry of the Environment Decree on Joint Implementation Projects (913/2007, the “JI Decree”) was given on 28 September 2007 and the Ministry for Foreign Affairs Decree on the Clean Development Mechanism (915/2007, the “CDM Decree”) was given on 25 October 2007. Both decrees entered into force on 1 November 2007. The decrees specify the regulations of the Mechanisms Act and give guidance on the contents of applications for project approvals and authorizations. In addition to this, the JI Decree includes regulations on Finland’s national Track I procedures.

GHG emissions in Finland 1990–2009 compared to the Kyoto Protocol emissions target



SOURCE: STATISTICS FINLAND

Legislation on emissions trading

Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas allowance trading within the Community and amending Council Directive 96/61/EC has been implemented in Finland by the:

- Emissions Trading Act (683/2004)
- Act Amending Article 43 of the Environmental Protection Act (86/2000)
- Act Amending Article 1 of the Act on the Energy Market Authority (507/2000)
- Government Decree on Emissions Trading (194/2007)

With the entry into force of the Linking Directive (2004/101/EC) on 13 November 2004, an Act Amending the Emissions Trading Act (108/2007) was passed in Finland, entering into force on 12 February 2007. As amended, the Emissions Trading Act

enables the utilization of Kyoto units within the European Union emissions trading scheme by companies participating in the scheme. The Emissions Trading Act has been amended on several occasions. The act specifies the emissions allowance allocation criteria included in Finland’s National Allocation Plan for Emissions Allowances for the trading period 2008–2012. The Commission made its decision on the Finnish national allocation plan on 4 June 2007. The Finnish Government decided on the allocations to installations on 14 February 2008. The new Emissions Trading Directive 2009/29/EC amending Directive 2003/87/EC was published in 2009 and the national implementation of the new rules is ongoing. According to the new directive, the trading scheme is harmonized and centralized, which means less discretion for the Member States. A gradual shift towards auctioning instead of free allocation is among the major changes in the revised scheme.

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