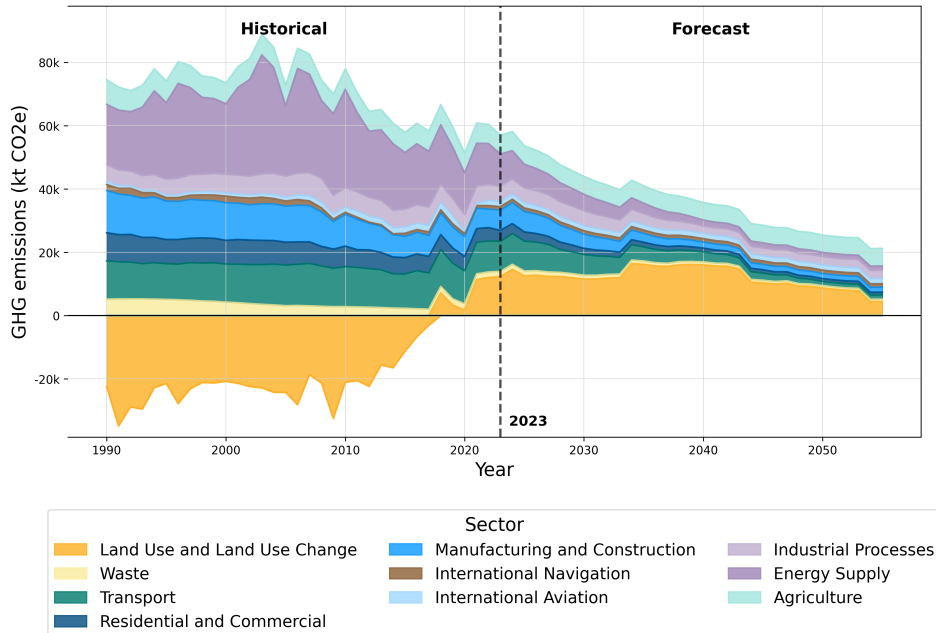


National system for policies and measures and greenhouse gas projections of Finland

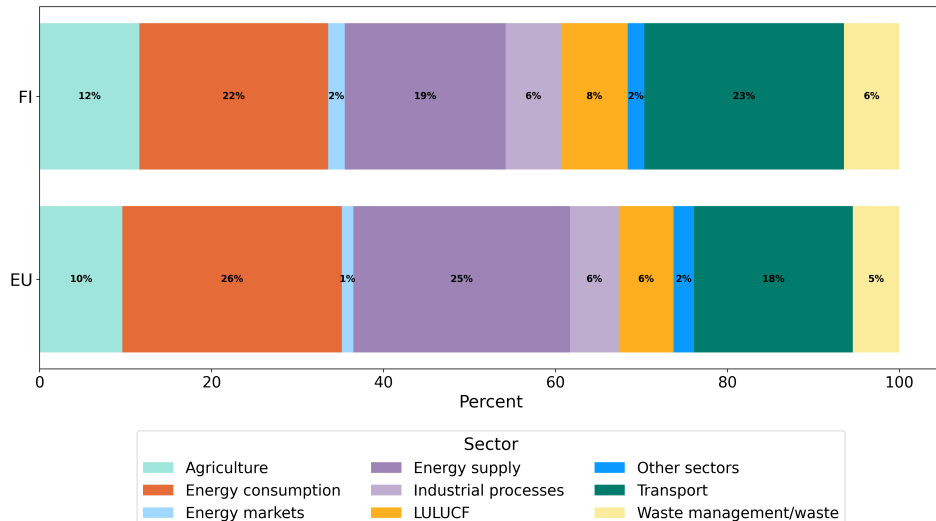
Information reported in 2025

A robust and complete national system ensures the delivery of good-quality information on the projections of anthropogenic greenhouse gas emissions by sources and removals by sinks, as well as policies and measures in place to implement National Climate and Energy Plans. The two figures provide an overview of the information submitted by Finland in 2025, enabled by the national system, as laid out below.

Historical and projected greenhouse gas emission in Finland by sector in 2025.



Reported climate and energy Policies and Measures by affected sector in Finland.



Institutional and procedural robustness

Institutional arrangements

This description covers the information on Finland's national system for reporting on policies and measures and for reporting on projections of anthropogenic greenhouse gas emissions pursuant to Commission Regulation (EU) 2018/1999 and Commission Implementing Regulation (EU) 2020/1208 as it is in place for the time being.

Arrangements for preparation of reports and reporting on policies and measures and projections have been stable in Finland for several years. The latest addition to the reporting practices comes from the national Climate Act that entered into force in 2022.

The Government and Parliament make all major decisions concerning Finland's energy and climate policy. Since 2003, the Finnish governments have appointed a ministerial working group on energy and climate policy with representatives from all government parties. The ministerial working groups have been responsible for preparing and updating the national strategies on energy and climate policy (first one published in 2001), the Medium-term Climate Change Policy Plan (first one published in 2017), the Climate Plan for the Land Use Sector (first one published in 2022) and the integrated national energy and climate plans (NECP).

The roles and responsibilities of the ministries and other authorities are determined in a Government Resolution on the Obligations of Climate Policy Activities of Government Authorities approved in 2003. According to the government resolution, the ministerial working group has a network of senior officials acting as its preparatory body. The Ministry of Economic Affairs and Employment chairs the network of senior officials and is in charge of the overall coordination and compilation of the energy and climate strategy work. Each sectoral ministry is responsible for the preparation concerning its respective remit. The network of senior officials comprise representatives from the Ministry of Economic Affairs and Employment, the Ministry of the Environment, the Ministry of Transport and Communications, the Ministry of Agriculture and Forestry, the Ministry of Education and Culture, the Ministry for Foreign Affairs, the Ministry of Finance and the Prime Minister's Office.

The Climate Act contains a provision on a Medium-term Climate Change Policy Plan adopted by the Government once every government term and an annual progress report to the Parliament. The Ministry of the Environment coordinates the preparation of the Medium-term Climate Change Policy Plan and the annual reports. All relevant ministries are involved in the work.

Since 2022, the Climate Act stipulates that a Climate Plan for the Land Use Sector shall be adopted by the Government once every second parliamentary term, at a minimum. The Ministry of Agriculture and Forestry coordinates the preparation of the plan. All relevant ministries are involved in the work.

As regards the obligation pursuant to Article 18 of the Commission Regulation (EU) 2018/1999, Finland complies with the deadline according to the Article to set up, operate and continuously improve the national reporting system.

In terms of the reporting on policies and measures and projections referred to in Article 18 of the Regulation (EU) 2018/1999 (hereinafter referred to as "the Reporting"), the Ministry of Economic Affairs and Employment is responsible for overall coordination, compilation of information and

submission it to the European Commission. The sectoral ministries are responsible for policies and measures, the projections and impact assessments concerning their own field. The network of senior officials gives the final approval concerning the information in the reporting tools to be submitted. A specific working group (hereinafter referred to as “the NECPR working group”) is established for each round of the Reporting to carry out the work. The working group consists of experts from the Ministry of Economic Affairs and Employment, Ministry of the Environment, Ministry of Transport and Communications, Ministry of Agriculture and Forestry and Ministry of Finance. Regarding the specific sectors, the responsibilities are as follows:

- The Ministry of Economic Affairs and Employment: energy use of industry, services and households, industrial processes, over-all energy consumption and production. Energy efficiency in these sectors falls under the responsibility of the Energy Authority.
- The Ministry of the Environment: F-gases, waste and energy use in buildings and machinery
- The Ministry of Agriculture and Forestry: agriculture, forestry, land use, land use change and forestry –sector (LULUCF)
- The Ministry of Transport and Communications: transport
- the Ministry of Finance: taxation, short-term economic development

The ministries and the Energy Authority can consult expert organisations for acquiring data, assessments of policies and measures and modelling sector-specific projections. Expert organisations such as Finnish Environment Institute (SYKE), Finnish Transport and Communications Agency (Traficom), VTT Technical Research Centre of Finland Ltd, Motiva Ltd, Natural Resources Institute Finland (LUKE) and Statistics Finland are regular contributors.

The administrative framework of drafting energy and climate policy in Finland is presented in the attached Figure 1.

Procedural and administrative arrangements and timescales

The Ministry of Economic Affairs and Employment is re-sponsible for ensuring the timeliness of the Reporting. No later than six to four months before the deadline of the Re-orting, a kick-off meeting between the NECPR working group members is organized to launch the work. A date is set, by which the NECPR working group members provide a list of their respective policies and measures to be included in the Reporting, along with a division between the WEM and WAM scenarios. The Ministry of Economic Affairs and Em-ployment then checks the lists to ensure the completeness of it, and that there are no overlaps.

Two to three months before the deadline of the Reporting, the NECPR working group members provide their respective information concerning the policies and measures and projections to the Ministry of Economic Affairs and Employment, which compiles all the information into the reporting tools and a single textual report. This schedule leaves sufficient time to perform the remaining QA/QC activities (described below).

The Reporting is prepared in a transparent manner. It is based on the latest versions of the Energy and Climate Strategy, Medium-term Climate Change Policy Plan, Climate Plan for the Land Use Sector and Finland’s Integrated National Energy and Climate Plan. Key assumptions, modelling results and assessments of policy measures are described and pub-lished in the reports of the expert organisations assisting with analysis and assessments. Furthermore, the Reporting uses publicly available data to a large extent. Not all data can be published, however, due to being

confidentially reported by companies. Out of the assumptions, methods and models used by expert organizations in evaluating policies and measures or used in making the projections, many are publicly available or have been described in public sources.

Accuracy is ensured through several measures. First, all the expert organizations providing information are well established and often also involved in the GHG inventory process. Second, the Reporting uses publicly available data and commonly agreed assumptions to as large an extent as possible, and most of the methods and models have been used before in national and international reporting. Third, projections follow the greenhouse gas source and sink categorization recommended by the European Commission (based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and revised UNFCCC CRF tables for inventory reporting). Fourth, effect on mitigation of climate change as well as costs and benefits are assessed for such individual or groups of policies and measures that can be assessed in an accurate manner, taking into account the reasonable amount of work and available data. Furthermore, the QA/QC procedures (described below) are strictly followed.

Consistency and comparability are ensured through several measures. The Reporting is based on Finland's most recent climate and energy policy documents and their scenarios.

At an early stage of preparing the Energy and Climate Strategy, the Medium-term Climate Change Policy Plan and the Climate Plan for the Land Use Sector, a common framework is determined for the baseline scenario. The framework is determined in a collaborative manner between the ministries and the expert organisations mentioned in the point above. The framework comprises several parameters related to economic growth, population growth, international climate policy, and price of energy. The framework also includes assumptions on the future use of different sources of energy and waste treatment, among other things. Consistency with air pollution policies is ensured by using the same scenarios are used for projections supporting the implementation of the Directive (EU) 2016/2284 on the reduction of national emissions of certain atmospheric pollutants. The assessments of climate actions also include a component for examining their compatibility with air pollution targets. The Finnish Regional Emission Scenario model FRES is used as the key tool in the analysis. These procedures ensure the consistency and comparability of the assumptions and results between the different sectors.

Common parameters provided by the European Commission for the Reporting ("Recommended parameters for reporting on GHG projections") are used whenever applicable. Sector-specific assumptions that are not available in the above mentioned sources are selected based on the expertise of the NECPR working group members or the expert organizations and rely on other relevant strategies, plans and research reports as much as possible.

To classify policies and measures under the WEM and WAM projections, a cut-off date is agreed by the NECPR working group. Across the different sectors, the reported policies and measures that are adopted or implemented on or before the cut-off date belong to the WEM projection and those adopted or implemented after the cut-off date or being in planning phase to the WAM projection.

In order to ensure completeness, early on, the NECPR working group members provide a list of their respective policies and measures to be included in the Reporting, along with a division between the WEM and WAM scenarios, to the Ministry of Economic Affairs and Employment. The Ministry then checks the lists to ensure completeness and that there are no overlaps. Furthermore, the projections follow the greenhouse gas source and sink categorization recommended by the

European Commission (based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and revised UNFCCC CRF tables for inventory reporting). The reported projections form seamless continuations of the greenhouse gas inventory time series.

Procedures for the official consideration and approval of the Member States national system

The national system for energy and climate policies and measures and projections is determined in a Government Resolution on the Obligations of Climate Policy Activities of Government Authorities approved in 2003. Each sectoral ministry is responsible for the preparation concerning its respective remit. The mandates of the ministries are defined in the Government Rules of Procedure.

Changes to current responsibilities and procedures would require government's decision as the Government Resolution and/or Government Rules of Procedure would need to be changed.

Description of the information collection process

The expert organisations and ministries providing data or using it in assessments of policies and measures and modelling sector-specific projections for the Reporting are listed in a point above. Mostly the same organisations using the same models and tools also prepare calculations and information for Finland's greenhouse gas emissions inventory or energy statistics, which are compiled by Statistics Finland with rigorous QA/QC procedures and very high standards for quality.

Statistics Finland produces the population forecast and publishes most of the historical data used in the Reporting. Statistics Finland is a public authority specifically established for statistics and has rigorous QA/QC procedures.

Other data and information is collected and developed by the well-established expert organizations from a variety of sector-specific sources, for example from databases and studies by consulting companies, research organizations, business associations and authorities.

Available information on individual policies and measures is compiled by the ministries and presented to the political decision-makers (ministers/ministerial working group) for political evaluation and decisions.

Description of the process for selecting assumptions, methodologies and models for making projections of anthropogenic greenhouse gas emissions

The process for selecting assumptions for policy evaluation and making the projections is described in detail in several points above.

The methodologies and models used in policy evaluation and in making projections are selected and developed by the expert organizations (listed in a point above). Most of the methodologies and models used for the Reporting have been used previously in the reporting to the EU and UNFCCC and are listed below and described in more detail in Finland's National Communications under the United Nations Framework Convention on Climate Change.

The models are presented in the Model Factsheet of the Reporting.

Institutional administrative and procedural arrangements for domestic implementation of EU's NDC

Domestic implementation of the EU's nationally determined contribution in the climate and energy sector is outlined and coordinated through national strategies and plans. The most important documents are the overall Climate and Energy Strategy, the Medium-term Climate Policy Plan and the Climate Plan for the Land Use Sector.

As described in another point above, roles and responsibilities of the ministries and other authorities considering the preparation of Finland's energy and climate policy are determined in a Government Resolution on the Obligations of Climate Policy Activities of Government Authorities approved in 2003. Each sectoral ministry is responsible for policy preparation and implementation of climate change mitigation measures in its respective remit.

The Annual Climate Report examines the trends in greenhouse gas emissions and the achievement of the 2020 and 2030 targets in the effortsharing sector, as well as the projections of total emissions in relation to the national 2035 carbon neutrality target and other emission reduction targets set in the Climate Act. The report also contains the implementation status and other information on the policy measures outlined in the Energy and Climate Strategy, the Medium-term Climate Change Policy Plan, the Climate Plan for the Land Use Sector and the National Climate Change Adaptation Plan.

Formality

Legal arrangements

The Government and Parliament make the major decisions concerning Finland's energy and climate policy.

The roles and responsibilities of the ministries and other authorities are determined in a Government Resolution on the Obligations of Climate Policy Activities of Government Authorities approved in 2003. According to the government resolution, the ministerial working group has a network of senior officials acting as its preparatory body. The Ministry of Economic Affairs and Employment chairs the network of senior officials and is in charge of the overall coordination and compilation of the strategy work. Each sectoral ministry is responsible for the preparation concerning its respective remit. The network of senior officials comprise representatives from the Ministry of Economic Affairs and Employment, the Ministry of the Environment, the Ministry of Transport and Communications, the Ministry of Agriculture and Forestry, the Ministry of Education and Culture, the Ministry for Foreign Affairs, the Ministry of Finance and the Prime Minister's Office.

The Climate Act contains a provision on a Medium-term Climate Change Policy Plan and a Climate Plan for the Land Use Sector. The Medium-term Climate Change Policy Plan includes an action plan that proposes the measures for reduction of anthropogenic greenhouse gas emissions and mitigation of climate change in the sectors outside the emissions trading system. The Climate Plan for the Land Use Sector promotes the reduction of emissions from land use, forestry, and agriculture, the strengthening of carbon sequestration and carbon storage, and adaptation to climate change in accordance with the Sustainable Development Goals.

The Climate Act also introduces yearly reporting to the Parliament in the form of an annual progress report monitoring the implementation of policy measures.

Alignment with other reporting frameworks

GHG inventory reporting

The reported projections follow the greenhouse gas source and sink categorization recommended by the European Commission and used in the greenhouse gas inventory. Like the inventory, the energy balances of the projections use energy statistics as one source of information. Also emission factors and other relevant data and calculation methods of the inventory are used in the projections to the extent possible. Consequently, the projections are well aligned with the inventory system and form a seamless continuation of the inventory time series.

Article 17 of the Governance Regulation (EU) 2018/1999 (NECPR)

National energy and climate-reports pursuant to Art. 17 of Regulation (EU) 2018/1999 are due to be delivered by 15 March 2023, and every two years thereafter. The reporting is carried out with the same institutional, legal and procedural arrangements that are in place for the reporting pursuant to Article 36 of the Commission Implementing Regulation (EU) 2020/1208. What is described in this document applies also for the integrated national energy and climate progress reporting and plans.

Accountability and transparency

Quality control activities

All the expert organizations providing information for the reporting are well-established and have their own QA/QC procedures. Furthermore, the ministries and Government agencies are responsible for the quality of information on their respective policies and measures and projections (as described in points above) and perform further checks where applicable, such as comparison to other estimates.

The Ministry of Economic Affairs and Employment is responsible for collecting and combining all the information and for performing further quality checks. For example, the ministry compares the sectoral projections to the scenarios of the latest Energy and Climate Strategy as well as compares the compatibility of the WEM and WAM projections with the effects of policies and measures. The Ministry of Economic Affairs and Employment also checks the completeness and that the reporting requirements are met.

Sensitivity analyses for projections are carried out for factors being especially significant in terms of greenhouse gas emissions in Finland, and they are described in detail in the report accompanying each round of the Reporting.

When the reporting tool data and textual report have been compiled by the Ministry of Economic Affairs and Employment, they are sent to the NECPR working group for approval and thereafter to the network of senior officials (described under points above) for final approval.

Public participation

Stakeholder engagement

Stakeholder engagement into preparation of policies and measures and projections is included in the process of preparing the Energy and Climate Strategy, Medium-term Climate Change Policy

Plan, the Climate Plan for the Land Use Sector and National Energy and Climate Plan. The policy documents include descriptions of the many seminars, stakeholder meetings, consultations and citizen surveys that have been arranged at different stages of the policy preparation processes and that have fully filled the requirement of stakeholder engagement.

According to the Climate Act, the rights of the Sámi people must be taken into account, and negotiations with the Sámi Parliament must be conducted in the processes to prepare climate change policy plans.

The Climate act also includes provisions on the duties of a multidisciplinary expert body, Finland's Climate Change Panel, in support of the planning of climate policy. The Finnish Climate Change Panel is an independent science advisory body, which consists of 15 researchers and science secretary. One term for the panel is 4 years. The panelists have their full-time work in academia. The role of the Finnish Climate Change Panel is to give its statements on the plans of the Climate Act and to provide scientific information for the policy making. The panel is very active also in the media and public discussion.

Contact information for entities with overall responsibility for National Systems

In terms of the reporting on policies and measures and projections referred to in Article 18 of the Regulation (EU) 2018/1999, the Ministry of Economic Affairs and Employment in Finland is responsible for the overall coordination and compilation of information and submission of it to the European Commission. The sectoral ministries are responsible for policies and measures, projections and impact assessments concerning their own field.

Contact person in the Ministry of Economic Affairs and Employment is

Mr. Petri Hirvonen

Senior Specialist

B.O. Box 32 FI-00023 GOVERNMENT

Tel. +358 295 047 048

Email: petri.hirvonen@gov.fi