



16 January 2004

## Reporting of Implemented Policies and Measures by Finland under the Monitoring Mechanism of Community CO<sub>2</sub> and Other Greenhouse Gas Emissions

### General

The Finnish National Climate Strategy is over two years old; debate on the strategy in the Finnish Parliament came to a conclusion in summer 2001. The Climate Strategy includes the outlines and actions that help Finland reach the targets set for greenhouse gas emissions in the Kyoto Protocol and in the subsequent burden-sharing agreement of the European Union during the first commitment period of 2008–2012.

Updating of the strategy has been started while the strategy is being implemented. The principal reasons for updating the strategy are the forthcoming emissions trading within the EU and the Kyoto flexible mechanisms. When the strategy was being prepared in 1999–2001, there was not yet any Directive on emissions trading, and no international rules for the flexible mechanisms had been laid down.

In addition to emissions trading within the EU and the flexible mechanisms, the revised Climate Strategy will include outlines for the use of carbon sinks, measures called for by the adaptation to climate change, and the extension of actions and implementation to regional and municipal levels.

The Energy Conservation Programme and The Action Plan for Renewable Energy Sources have both been revised in December 2002 and these will be included in the new strategy.

Next to updating the strategy also GHG emissions projections are being revised. The manner of representation of the new projections will be made compatible with international reporting requirements.

The updated Climate Strategy should be finalized by the end of 2004.

### Report on year 2003

#### A. Projections

As stated above, the emissions projections are being revised in connection with the updating of the National Climate Strategy. The new projections will be reported in the next annual report on year 2004. In the interim the projections presented in Finland's 3<sup>rd</sup> National Communication under the UNFCCC are still valid and we refer to our previous report concerning these.

#### B. Policies and Measures

The implementation of policies and measures has continued according to the National Climate Strategy. All developments concerning the key measures are indicated in the following table. Changes compared to the last year's report have been indicated by bolded text.

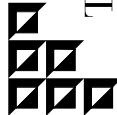
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**Table: Detailed Information on Policies and Measures**

Sector	Name	Objective	GHG affected	Type of instrument	Status	Implementing entity	Estimate of savings (MtCO <sub>2</sub> )	CCPM
<b>Policies and measures in the with measures projection</b>								
Energy	Electricity Market Act	Increased competition	CO <sub>2</sub>	Regulatory	Implemented in 1995, last modified in 2003	Ministry of Trade & Industry	y	y
Energy	Energy Taxation	Reduced energy consumption & improved competitiveness of renewables	CO <sub>2</sub>	Fiscal	Implemented in 1997, latest change in 2003 (raised tax rates, extension of tax subsidies)	Ministry of Finance	y	y
Energy	Energy Conservation Programme	Reduced energy consumption	CO <sub>2</sub>	Technical, regulatory, economic, information, education	Implemented in 1995	Ministry of Trade & Industry	n	n
Energy	Voluntary agreement on energy conservation & energy auditing	Agreements on monitoring, conservation plans, energy audits, energy investment, new technology	CO <sub>2</sub>	Voluntary agreement	Implemented in 1997, extension of agreements beyond 2005 planned	Ministry of Trade & Industry, Motiva Oy, industry, municipalities	n	n
Energy	Action plan for renewable energy sources	Reduced CO <sub>2</sub> & non-GHG emissions	CO <sub>2</sub>	Fiscal, technical, information, education, economic	Implemented in 1999	Ministry of Trade & Industry	y	y

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Sector	Name	Objective	GHG affected	Type of instrument	Status	Implementing entity	Estimate of savings (MtCO <sub>2</sub> )	CCPM
							2010	2020
Transport	Voluntary agreement with European, Japanese & Korean car industries	Reduction of CO2 emissions from passenger cars	CO2	Voluntary agreement	Implemented	EU with car industry	y	y
Transport	Differentiation of vehicle taxation	Increased purchase & use of energy-efficient vehicles	CO2	Fiscal	Planned	National government	n	
Transport	Promotion of public & non-motorised transport	Increased share of public & non-motorised transport	CO2, N2O	Economic, education, information, voluntary agreement	Implemented, new measures taken in 2001	National government in co-operation with local authorities	n	
Transport	Eco-driving	Adoption of eco-efficient driving skills & habits	CO2	Information, education, economic	Implemented	National government in co-operation with local driving schools	n	
Transport	Informing about the fuel consumption and CO <sub>2</sub> -emission levels of new cars	Increased consumer awareness, promotion	CO2, N2O	Regulatory, information	Implemented	National government	y	



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							2010	2020
Transport	Energy saving	Adoption of energy saving agreements between administration & transport operators	CO2	Voluntary agreement	Implemented	National government in co-operation with transport operators	n	
Waste Mgt	Government decisions on landfills	Reduced CH4 emissions	CH4	Regulatory	Implemented	Ministry of the Environment	y	
Waste Mgt	Waste minimisation, collection & recovery of waste paper & other waste fractions	Reduced CH4 emissions and waste levels	CH4	Regulatory	Implemented	Ministry of the Environment	n	
Waste Mgt	Waste tax	Reduced CH4 emissions	CH4	Fiscal	Implemented	Ministry of Finance	n	
Agriculture	Nitrate statute	Reduced N2O Emissions	N2O	Regulatory	Implemented	Ministry of Agriculture & Forestry		
Agriculture	Agenda 2000, including agri-environmental measures	Reduced GHG emissions	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	Economic	Implemented	Ministry of Agriculture & Forestry	n	

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							2010	2020
Energy	Revised energy conservation programme	Reduced energy consumption	CO2	Technical, information, education, fiscal, Regulatory	Implemented in 2003	Ministry of Trade & Industry, Motiva Oy, Ministry of Finance, Ministry of the Environment	n	n
Energy	New action plan for renewable energy sources	Reduced CO2 & non-GHG emissions	CO2	Fiscal, technical, information, education, economic	Implemented in 2003	Ministry of Trade & Industry	y	y
Energy	Supply of electricity	Reduced CO2 emissions	CO2	Regulatory, economic	Adopted (decision in principle to build new nuclear power reactor)	Ministry of Trade & Industry	y	y
Energy	Decree on thermal insulation in buildings, Decree on indoor climate and ventilation	Reduced energy consumption in new buildings	CO2	Regulatory	Implemented	Ministry of the Environment		
Energy	Voluntary agreement on energy conservation in residential buildings	Reduced energy and water consumption	CO2	Voluntary	Implemented	Ministry of the Environment, Ministry of Trade and Industry, Housing and Construction Association ASRA		

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Sector	Name	Objective	GHG affected	Type of instrument	Status	Implementing entity	Estimate of savings (MtCO <sub>2</sub> )	CCPM
							2010	2020
Energy	Energy grants for residential buildings	Reduced energy consumption in existing multistorey buildings	CO <sub>2</sub>	Economic	Adopted in February 2003 /ongoing	Ministry of the Environment	n	n
Transport	Public Transport Strategy 2001	Promotion of public transport	CO <sub>2</sub>	Information, education, economic	Adopted	Government in co-operation with local authorities	n	n
Transport	Broader energy savings agreements	Broadened scope & effectiveness of energy saving agreements	CO <sub>2</sub>	Voluntary agreement	Implemented (bus and coach co's)	Ministry of Transport & Communications	n	n
Transport	Land Use and Building Act 2000	Prevention of urban sprawl	CO <sub>2</sub>	Regulatory	Implemented	Government in co-operation with regional & local authorities	n	n
Waste Mgt	Landfill gas recovery	Reduced CH <sub>4</sub> emissions	CH <sub>4</sub>	Regulatory	Implemented	Ministry of the Environment	n	n
Waste Mgt	Further waste minimisation & increased utilisation of source-separated waste fractions as mate-	Reduced CH <sub>4</sub> emissions	CH <sub>4</sub>	Regulatory	Planned	Ministry of the Environment	n	n

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							2010	2020
<b>Industrial &amp; energy</b>								
Waste Mgt	Biomass Strategy	Reduced CH <sub>4</sub> emissions	CH <sub>4</sub>	Regulatory, economic, technical, informationaleducational	Proposal made, adoption expected in 2004	Ministry of the Environment		
Waste Mgt	Development of waste taxation	Reduced CH <sub>4</sub> emissions	CH <sub>4</sub>	Regulatory, Fiscal Implemented		Ministry of Finance	n	
Kyoto Mechanisms	Finnish CDM/JI Pilot Programme. <b>Investment in Prototype Carbon Fund</b>	Gain experience with mechanisms & generate emission credits	CO <sub>2</sub>	International co-operation	Started in 1999-2000, projects identified, practical implementation on-going	Ministry for Foreign Affairs, Finnish Environment Institute		