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# Report on the technical expert review of the first biennial transparency report of Finland

*Summary*

This report presents the results of the technical expert review of the first biennial transparency report of Finland, conducted by a technical expert review team in accordance with the modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement. The review took place from 5 to 9 May 2025 in Helsinki.

# Abbreviations and acronyms

| | |
|---|---|
| 2006 IPCC Guidelines | *2006 IPCC Guidelines for National Greenhouse Gas Inventories* |
| AEA | annual emission allocation |
| BTR | biennial transparency report |
| $CO_2$ | carbon dioxide |
| $CO_2$ eq | carbon dioxide equivalent |
| CRT | common reporting table |
| CTF | common tabular format |
| ESR | European Union effort-sharing regulation |
| EU | European Union |
| EU ETS | European Union Emissions Trading System |
| FMI | Finnish Meteorological Institute |
| GHG | greenhouse gas |
| HFC | hydrofluorocarbon |
| IPCC | Intergovernmental Panel on Climate Change |
| IPPU | industrial processes and product use |
| LULUCF | land use, land-use change and forestry |
| MFA | Ministry for Foreign Affairs of Finland |
| MPGs | modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement |
| NA | not applicable |
| NAP | national adaptation plan |
| NDC | nationally determined contribution |
| NE | not estimated |
| ODA | official development assistance |
| PaMs | policies and measures |
| QA/QC | quality assurance/quality control |
| TERT | technical expert review team |
| WM | ‘with measures’ |

# I. Introduction and summary

## A. Introduction

1. This report covers the technical expert review of the BTR1 of Finland. The review was organized by the secretariat and conducted by the TERT in accordance with the MPGs,[1] particularly chapter VII thereof. Finland, on a voluntary basis, requested the secretariat to organize a review of the information reported pursuant to chapter IV of the MPGs as part of the technical expert review.[2] The outcome of the voluntary review is presented in annex I.

2. A draft version of this report was transmitted to the Government of Finland, which provided comments that were taken into account, as appropriate, in this final version of the report.[3]

3. The review was conducted as an in-country review from 5 to 9 May 2025 in Helsinki by the following team of nominated experts from the UNFCCC roster of experts: Maryna Bereznytska (Ukraine), Nicoleta Florentina Datcu (Romania), Britta Maria Hoem (Norway), Aleksandar Jovovic (Serbia), María Lourdes Manrique (Argentina), Corey McClintock (Cyprus), Sekai Ngarize (Zimbabwe) and Kiyoto Tanabe (Japan). Sekai Ngarize and Kiyoto Tanabe were the lead reviewers. The review was coordinated by Alma Jean (secretariat).

## B. Scope

4. The TERT conducted a technical expert review of the information reported in the BTR1 of Finland as per the scope of the review defined in paragraph 146 of the MPGs and decision 9/CMA.4, consisting of:

(a) Review of the consistency of the information submitted by the Party under Article 13, paragraphs 7 and 9, of the Paris Agreement with the MPGs (see chap. II.A below);

(b) Consideration of the Party's implementation and achievement of its NDC under Article 4 of the Paris Agreement (see chap. II.B below);

(c) Consideration of the support provided by the Party, as relevant (see chap. II.C below);

(d) Identification of areas of improvement[4] for the Party related to implementation of Article 13 of the Paris Agreement (see chap. II.D below);

(e) Voluntary review of the information reported by the Party pursuant to chapter IV of the MPGs (see annex I).

## C. Summary

5. Finland submitted its BTR1 on 19 December 2024, before the deadline of 31 December 2024 mandated in decision 18/CMA.1. Finland submitted its national inventory document as a stand-alone document on 17 December 2024, before the deadline of 31 December 2024. Finland also submitted its CRTs on 17 December 2024, before the deadline of 31 December 2024, and CTF tables on 19 December 2024, before the deadline of 31 December 2024.

6. A list of the areas of improvement identified on the basis of the review of the consistency of the reported information with the MPGs can be found in the assessment tables.[5]

[1] Decision 18/CMA.1, annex.
[2] See decision 9/CMA.4, para. 1.
[3] As per para. 162(e) of the MPGs.
[4] As referred to in paras. 7, 8, 146(d) and 162(d) of the MPGs.
[5] Contained in document FCCC/ETF/TERR.1/2024/FIN/Add.1, available at https://unfccc.int/first-biennial-transparency-reports.

### D. Information provided by the Party pursuant to paragraphs 143–145 of the modalities, procedures and guidelines

7. Finland considers itself a developed country Party under the Paris Agreement and as such did not report information on support needed and received for implementing Article 13 of the Paris Agreement and transparency-related activities, including for transparency-related capacity-building.

## II. Technical expert review[6]

### A. Review of the consistency of the submitted information with the modalities, procedures and guidelines[7]

#### 1. National inventory report[8]

8. The TERT assessed the information reported in the BTR1 of Finland and identified areas of improvement relating to consistency with the MPGs, which are described in tables 3–7 of the assessment tables referred to in paragraph 6 above and summarized in table 1.

[6] As per para. 187 of the MPGs.
[7] As per para. 146(a) of the MPGs.
[8] As per para. 150(a) of the MPGs.

Table 1
**Information reported in Finland's national inventory report and review of consistency with the modalities, procedures and guidelines**

| *Element* | *Elements of information to be reported* | *Summary of information reported* | *ID#(s) for the area(s) of improvement identified*[a] |
|---|---|---|---|
| Submission type (para. 12 of the MPGs) | Has the national inventory report been submitted as a stand-alone document? | Yes | No areas of improvement were identified |
| Time series (paras. 57–58 of the MPGs) | What years have been reported and is the time series in accordance with the MPGs? | 1990–2022 in accordance with the MPGs | No areas of improvement were identified |
| Metrics (para. 37 of the MPGs) | Has the Party used the 100-year global warming potential values from the IPCC Fifth Assessment Report? | Yes | No areas of improvement were identified |
| | Has the Party used other metrics? | No | No areas of improvement were identified |
| Gases (paras. 47–49 and 51 of the MPGs) | Which gases have been reported? | $CO_2$, methane, nitrous oxide, HFCs, perfluorocarbons, sulfur hexafluoride, nitrogen trifluoride | No areas of improvement were identified |
| Indirect emissions (para. 52 of the MPGs) | Has the Party reported indirect $CO_2$ emissions and national totals with and without indirect $CO_2$? | Yes | No areas of improvement were identified |
| | Has the Party reported indirect nitrous oxide emissions from sources other than those in the agriculture and LULUCF sectors as a memo item? | Yes | No areas of improvement were identified |
| National circumstances and institutional arrangements (paras. 18–19 of the MPGs) | Has the Party reported information on the functions related to inventory planning, preparation and management? | Yes | No areas of improvement were identified |
| Methodologies, parameters and data (paras. 20–24 of the MPGs) | Has the Party used the 2006 IPCC Guidelines? | Partly | 3.E.2, 5.A.3 |
| | Has the Party used other IPCC methodological guidance? | Yes, the *2013 Supplement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories: Wetlands*, the *2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories* and the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories* | No areas of improvement were identified |

| *Element* | *Elements of information to be reported* | *Summary of information reported* | *ID#(s) for the area(s) of improvement identified*[a] |
|---|---|---|---|
| Key category analysis (paras. 25 and 41–42 of the MPGs) | Has the Party reported a key category analysis? | Yes, a key category analysis was performed using approach 2 and a 95 per cent threshold for level and trend assessment for the starting year (1990) and the latest reporting year (2022) and with and without LULUCF | No areas of improvement were identified |
| Time-series consistency and recalculations (paras. 26–28 and 43 of the MPGs) | Has the Party reported a consistent time series? | Yes | No areas of improvement were identified |
| | Has the Party provided justification and explanatory information for recalculations? | Yes | No areas of improvement were identified |
| Uncertainty assessment (paras. 29 and 44 of the MPGs) | Has the Party reported the results of the uncertainty analysis and the methods used, underlying assumptions and trends? | Yes, including level and trend uncertainty, reported using approach 2 (Monte Carlo analysis) for the starting year (1990) and the latest reporting year (2022) | No areas of improvement were identified |
| QA/QC plan and procedures (paras. 34–36 and 46 of the MPGs) | Has the Party elaborated information on an inventory QA/QC plan, including information on the inventory agency responsible for implementing QA/QC, and current and future QA/QC procedures? | Yes, including information on the inventory agency responsible for implementing QA/QC, an inventory QA/QC plan, general QC procedures and category-specific QC for key categories and for individual categories for which significant methodological changes and/or data revisions have occurred | No areas of improvement were identified |
| Assessment of completeness (paras. 30–33, 45 and 50 of the MPGs) | Have any areas of improvement for lack of completeness been identified for the following sectors? | | |
| | Energy | Yes | 3.E.1 |
| | IPPU | Yes | 4.I.1 |
| | Agriculture | No | No areas of improvement were identified |
| | LULUCF | No | No areas of improvement were identified |
| | Waste | Yes | 7.W.2, 7.W.3 |
| Threshold for reporting significant categories (para. 32 of the MPGs) | For categories reported as “NE” owing to insignificance, has information been | Yes | No areas of improvement were identified |

| *Element* | *Elements of information to be reported* | *Summary of information reported* | *ID#(s) for the area(s) of improvement identified*[a] |
|---|---|---|---|
| | reported showing that the likely level of emissions is below the threshold of significance? | | |
| Methodologies, emission factors, parameters and activity data (paras. 39–40 and 53–56 of the MPGs) | Has information been reported on categories, gases, methodologies (including the rationale for selecting them), emission factors and activity data at a disaggregated level for the following sectors? | | |
| | Energy | Partly | 3.E.2 |
| | Has information been reported on international aviation and marine bunker fuel emissions as two separate entries and such emissions distinctly reported from national totals? | Yes | NA |
| | Has information been reported indicating how feedstocks and non-energy use of fuels have been accounted for in the inventory, under the energy or IPPU sector? | Yes | NA |
| | IPPU | Partly | 4.I.2, 4.I.3, 4.I.4 |
| | Agriculture | Partly | 5.A.1, 5.A.2, 5.A.4 |
| | LULUCF | Partly | 6.L.1, 6.L.2, 6.L.3 |
| | Did the Party provide supplementary information on the approach to reporting emissions and removals from harvested wood products in accordance with IPCC guidance other than the production approach, and provide supplementary information on emissions and removals from harvested wood products estimated using the production approach? | Yes | No areas of improvement were identified |
| | Waste | Partly | 7.W.1 |

[a] See document FCCC/ETF/TERR.1/2024/FIN/Add.1. The areas of improvement referred to in this table comprise only those relating to recommendations in that document.

### 2. Information necessary to track progress in implementing and achieving the nationally determined contribution[9]

9. The TERT assessed the information reported in the BTR1 of Finland and identified areas of improvement relating to consistency with the MPGs, which are described in tables 11 and 13 of the assessment tables referred to in paragraph 6 above and summarized in table 2.

Table 2
**Information reported in Finland's submission**

| *Topic* | *ID#s for the area(s) of improvement identified*[a] |
|---|---|
| National circumstances and institutional arrangements (paras. 59–63 of the MPGs) | No areas of improvement were identified |
| Description of the NDC under Article 4 of the Paris Agreement, including updates (para. 64 of the MPGs) | No areas of improvement were identified |
| Information necessary to track progress in implementing and achieving the NDC under Article 4 of the Paris Agreement (paras. 65–79 of the MPGs) | No areas of improvement were identified |
| Mitigation PaMs, actions and plans related to implementing and achieving the NDC under Article 4 of the Paris Agreement (paras. 80–90 of the MPGs) | 11.1, 11.3, 11.4 |
| Summary of GHG emissions and removals (para. 91 of the MPGs) | No areas of improvement were identified |
| Projections of GHG emissions and removals (paras. 92–102 of the MPGs) | 13.1, 13.2 |

[a] See document FCCC/ETF/TERR.1/2024/FIN/Add.1. The areas of improvement referred to in this table comprise only those relating to recommendations in that document.

### 3. Financial, technology development and transfer, and capacity-building support provided[10]

10. Finland reported information on financial, technology development and transfer, and capacity-building support provided under Articles 9–11 of the Paris Agreement.

11. The TERT assessed the information reported in the BTR1 of Finland and identified areas of improvement relating to consistency with the MPGs, which are described in tables 15, 19 and 20 of the assessment tables referred to in paragraph 6 above and summarized in table 3.

Table 3
**Review of the consistency of the information on financial, technology development and transfer, and capacity-building support reported in Finland's submission with the modalities, procedures and guidelines**

| *Topic* | *ID#(s) for the area(s) of improvement identified*[a] |
|---|---|
| National circumstances and institutional arrangements (paras. 119–120 of the MPGs) | 15.1 |
| Underlying assumptions, definitions and methodologies (paras. 121–122 of the MPGs) | No areas of improvement were identified |
| Information on financial support provided under Article 9 of the Paris Agreement (paras. 123–124 of the MPGs) | No areas of improvement were identified |

[9] As per para. 150(b) of the MPGs.
[10] As per para. 150(c) of the MPGs.

| *Topic* | *ID#(s) for the area(s) of improvement identified*[a] |
|---|---|
| Information on support for technology development and transfer provided under Article 10 of the Paris Agreement (paras. 126–127 of the MPGs) | 19.1 |
| Information on capacity-building support provided under Article 11 of the Paris Agreement (paras. 128–129 of the MPGs) | 20.1 |

[a] See document FCCC/ETF/TERR.1/2024/FIN/Add.1.

## B. Consideration of the Party's implementation and achievement of its nationally determined contribution[11]

12. In considering Finland's progress in implementing and achieving its NDC, the TERT noted that the EU and its member States have a joint NDC with a target of an economy-wide net domestic reduction in emissions of at least 55 per cent by 2030 compared with the 1990 level.[12]

13. Finland reported information on the actions and PaMs that support the implementation and achievement of its NDC. Three overarching EU PaMs – the EU ETS, the ESR and the EU LULUCF regulation – significantly influence Finland's portfolio of PaMs. The EU ETS covers mainly GHG emission point sources in the energy, industry, maritime shipping and aviation sectors. An EU-wide emission cap was put in place for 2021–2030 for the EU ETS with the goal of reducing emissions by 62 per cent below the 2005 level by 2030. The ESR sets binding annual GHG emission targets for member States covering the transport, buildings, agriculture and waste sectors, as well as industry sectors not covered by the EU ETS. The ESR-covered sectors are required to collectively contribute to a 40 per cent reduction in emissions at the EU level by 2030 compared with the 2005 level, with individual member States' reduction targets ranging from 10 to 50 per cent below the 2005 level. Finland's ESR target for 2030 is a 50 per cent reduction compared with the 2005 level. EU member States must achieve binding national LULUCF targets to contribute to the EU-wide target for 2030. The member States' targets for 2030 are defined as the average of net emissions and removals in 2016–2018 plus an individual binding target, which collectively corresponds to 42 Mt $CO_2$ eq. The EU LULUCF regulation sets a net removal target of 310 Mt $CO_2$ eq within the scope of NDCs.

14. Table 4 provides a summary of the reported information on the key national PaMs of Finland.

Table 4
**Summary of information on key national policies and measures reported by Finland**

| *Sector* | *Key PaMs* | *Estimate of mitigation impact in 2030 (kt $CO_2$ eq)* | *Estimate of mitigation impact in 2040 (kt $CO_2$ eq)* |
|---|---|---|---|
| Policy framework and cross-sectoral measures | EU ETS | NE | NE |
| | Energy taxation | NE | NE |
| | Organic soil activities (e.g. intensifying long-term grass cultivation, cultivation of wet peatlands and agricultural land converted into climate wetlands)[a] | 758.00 | 1 110.00 |
| | Emissions trading system for road transport and buildings[a] | 330.00 | NE |
| | Mineral soil carbon increase activities[a] | 305.00 | 519.00 |
| | Promoting the use of biogas in agriculture[a] | 175.00 | 310.00 |

[11] As per para. 146(b) of the MPGs.

[12] The consideration of the implementation and achievement of the joint EU NDC is in the context of the NDC submitted by the EU on 17 December 2020 and updated on 17 October 2023.

| *Sector* | *Key PaMs* | *Estimate of mitigation impact in 2030 (kt $CO_2$ eq)* | *Estimate of mitigation impact in 2040 (kt $CO_2$ eq)* |
|---|---|---|---|
| Energy | | | |
| Energy efficiency | Ecodesign and energy labelling[a] | 9 222.00 | 9 222.00 |
| | Energy Efficiency Agreements 1997–2007, 2008–2016 and 2017–2025 (voluntary energy efficiency agreements)[a] | 9 133.00 | 9 574.00 |
| | Building regulations (2003, 2008, 2010)[a] | 5 801.00 | NE |
| | Renewed building regulations (2012, 2017)[a] | 535.00 | NE |
| | Minimum standards for improving the energy performance of buildings undergoing renovation or alteration[a] | 1 069.00 | NE |
| | Subsidies for retrofitting in housing[a] | 673.00 | 673.00 |
| Energy supply and renewables | Promoting wind power[a] | 19 667.00 | 27 927.00 |
| | Promoting woodchips[a] | 8 098.00 | 6 410.00 |
| | Promoting solar power[a] | 3 308.00 | 5 181.00 |
| | Phasing out coal in energy production[a] | 650.00 | 350.00 |
| Transport | Promoting the use of renewable fuels in the transport sector[a] | 2 622.00 | 721.00 |
| | $CO_2$ emission performance standards for new passenger cars and for new light commercial vehicles, including the alternative fuels infrastructure regulation[a] | 210.00 | 1 027.00 |
| IPPU | EU and national regulatory PaMs that are implemented, related to fluorinated gases[a] | 3 189.00 | 3 518.00 |
| Agriculture | Recycling of nutrients in the agriculture sector[a] | 9.00 | 18.00 |
| LULUCF | Promoting of forest fertilization on mineral soils[a] | 460.00 | NE |
| | Owner policy of Metsahallitus (climate actions in state-owned forests)[a] | 400.00 | NE |
| | Actions to promote afforestation[a] | 170.00 | NE |
| | Catch the Carbon programme | NE | NE |
| Waste | Implemented PaMs related to the waste sector (biowaste strategy 2004, decree on waste, decrees on landfills, decree on packaging and packaging waste, updated national waste plan 2027, waste act and waste tax act)[a] | 4 568.00 | NE |

*Sources*: Finland's BTR1 and CTF table 5, and information provided by the Party during the review.
[a] Included in the WM scenario projections.

15. The TERT noted that PaMs, actions and plans have contributed to GHG emission reductions in the energy, transport, IPPU, agriculture, LULUCF and waste management sectors. GHG emissions decreased in 1990–2022 for most sectors, but most significantly for the energy (a decrease of 44.1 per cent) and transport (a decrease of 19.1 per cent) sectors, which indicates that the country's cold climate and energy-intensive industry, as well as the long distances travelled by individuals across the country, were counteracted by the effects of mitigation PaMs in this period. The TERT noted that the main factors that caused the decrease in GHG emissions in the energy sector were the increase in the use of biofuels, decreases in the amount of imported electricity and the production of energy from fossil-fuel-based condensing power, improvements made to energy efficiency in the service and building sectors and growth in the consumption of renewable energy. Regarding the industry,

agriculture and waste sectors, the reductions were mainly due to improvements to energy efficiency, the decrease in leakage rates for and the replacement of HFC refrigerants with high global warming potential with alternative non-HFC refrigerants with low global warming potential, the reduction in the use of synthetic fertilizer and lime, the increase in the efficiency of manure management and the reduction in the amount of waste deposited in landfill sites. The TERT noted that although the land-use sector was a net carbon sink for 1990–2017, it has been either a net sink or a net source of emissions since 2018, mainly owing to the decline in tree growth, and the increase in logging and emissions from peat soil owing to global warming.

16. The TERT also noted that Finland's Climate Act (revised in 2022), Medium-term Climate Policy Plan, national climate and energy strategy (Carbon Neutral Finland 2035), Climate Plan for the Land Use Sector, National Forest Strategy 2035, Forest Act and Act on Temporary Forestry Incentive Scheme are key policies that are relevant to Finland's climate policy. The Medium-term Climate Change Policy Plan complements the national climate and energy strategy and the Climate Plan for the Land Use Sector and sets a target for reducing GHG emissions in the ESR sectors by 50 per cent by 2030 compared with the 2005 level.

17. Finland's AEAs, which correspond to its national emission reduction target for ESR sectors, decrease from 2021 to 2030. Finland reported information on its ESR emissions as a way to track its contribution towards the joint NDC target. The level of emissions in 2021 and 2022 was 5.6 and 5.1 per cent respectively below the AEAs for those years. The TERT noted that the Party's cumulative surplus of AEAs through 2022 is 3,053 kt $CO_2$ eq, which suggests that Finland is contributing to the joint EU target.

18. Finland reported projections for 2025–2040 under the WM scenario.[13] The WM scenario reported by the Party includes PaMs implemented and adopted until 2027. Finland did not report a 'with additional measures' or 'without measures' scenario, explaining the reasons for this in the BTR. The projected emission levels are presented in table 5. The TERT noted that information on Finland's GHG emission projections was not used in considering the progress of the EU and its member States in implementing their joint NDC.

Table 5
**Summary of greenhouse gas emission projections for Finland**

| | *GHG emissions (kt $CO_2$ eq/year)* | *Change in relation to 2022 level (%)* | *Change in relation to 2020 level (%)* |
|---|---|---|---|
| Inventory data 2020 | 47 586.77 | 4.2 | NA |
| Inventory data 2022 | 45 648.91 | NA | –4.1 |
| WM projections for 2030 | 29 960.90 | –34.4 | –37.0 |
| WM projections for 2040 | 17 985.73 | –60.6 | –62.2 |

*Sources*: Finland's BTR1 and CTF tables 6–9.
*Note*: The projections are for GHG emissions without LULUCF and excluding indirect $CO_2$ emissions.

19. In its BTR1 and during the review, Finland described the progress towards the joint EU NDC target. The TERT noted that the consideration of progress by the EU and its member States towards the joint EU NDC is contained in the report on the technical expert review of the BTR1 of the EU,[14] which states that the EU and its member States are on track to achieving the joint 2030 NDC target by implementing mitigation actions; however, maintaining this pace of emission reductions will require the full implementation of the EU 2030 legal framework and its related investment flows.

[13] Note that, as per para. 93 of the MPGs, projections shall not be used to assess progress towards the implementation and achievement of an NDC under Article 4 of the Paris Agreement unless the Party has identified a reported projection as its baseline.

[14] Available at https://unfccc.int/first-biennial-transparency-reports.

## C. Consideration of the Party's support provided[15]

20. In its BTR1 Finland reported information on national circumstances and institutional arrangements relevant to reporting on the provision and mobilization of support. The Party reported information on the systems and processes used to identify, track and report on support provided; challenges and limitations; and efforts to enhance the comparability and accuracy of the information reported on financial support provided.

21. Finland described its national circumstances and institutional arrangements relevant to the provision of technology development and transfer, and capacity-building support. MFA is the only ministry and national focal point responsible for development cooperation, including technology development and transfer, and capacity-building support.

22. Finland's BTR1 contains key information on underlying assumptions, methodologies and definitions used by the Party to identify and/or report information on financial support provided.

23. Finland's BTR1 contains key information on underlying assumptions, methodologies and definitions used by the Party to identify and/or report information on technology development and transfer, and capacity-building support provided.

### 1. Financial support provided under Article 9 of the Paris Agreement

#### (a) Bilateral, regional and other channels

24. Finland provided financial support through bilateral, regional and other channels, focusing mainly on adaptation and cross-cutting programmes at the global level and specific support provided to various countries, mainly in Africa (e.g. Ethiopia and United Republic of Tanzania). The projects, programmes and activities that received financial support from Finland include the Forestry and Value Chains Development programme in the United Republic of Tanzania, improving the meteorological observation infrastructure and the forecasting capabilities of the Ethiopian Meteorological Institute, upgrading the rainfall, storm and lightning detection capabilities of the National Centre for Hydro-Meteorological Forecasting in Viet Nam and implementing an agricultural programme in Nepal.

25. The majority of financial support provided through bilateral, regional and other channels was allocated to the following sectors: cross-cutting (91.5 per cent), agriculture (1.9 per cent), forestry (5.8 per cent) and water and sanitation (0.8 per cent). The cross-cutting objectives that Finland promotes in its development policy are gender equality; non-discrimination, with a focus on disability inclusion; climate resilience; low-emission development; and protection of the environment, with an emphasis on safeguarding biodiversity.

26. Table 6 summarizes information on financial support provided by the Party through bilateral, regional and other channels by type of support.

Table 6
**Summary of financial support provided through bilateral, regional and other channels in 2021–2022 by Finland**

| | *Amount (climate-specific) (face value – USD million)* | | | | *Share of total for bilateral, regional and other channels (%)* |
|---|---|---|---|---|---|
| *Type of financial instrument* | *Adaptation* | *Mitigation* | *Cross-cutting* | *Total* | |
| Grant | 11.06 | 0.69 | 22.08 | 33.84 | 40.6 |
| Non-concessional loan | 0.00 | 0.00 | 16.16 | 16.16 | 19.4 |
| Equity | 0.00 | 0.00 | 33.34 | 33. 34 | 40.0 |
| **Total** | **11.06** | **0.69** | **71.58** | **83.33** | **100.0** |
| **Share of total for bilateral, regional and other channels (%)** | **13.2** | **0.8** | **85.8** | **–** | – |

*Sources*: Finland's BTR1 and CTF table III.1, and information provided by the Party during the review.

[15] As per para. 146(c) of the MPGs.

### (b) Multilateral channels

27. Finland provided financial support through multilateral channels, focusing mainly on global funds (USD 141.33 million as climate-specific inflows and USD 135.07 million as climate-specific outflows), but also on development banks and funds in Africa and Asia. All such projects are financed as ODA. The largest sources of approved funding for adaptation interventions are currently the Green Climate Fund (cross-cutting USD 46.11 million, of which 50 per cent adaptation), the Least Developed Countries Fund (administered by the Global Environment Facility) and the Adaptation Fund. The majority of financial support provided through multilateral channels was allocated to the cross-sectoral support and agriculture sectors (85.3 and 14.7 per cent respectively as climate-specific inflows and 99.3 and 0.7 per cent respectively as climate-specific outflows).

28. Table 7 summarizes information on financial support provided by the Party through multilateral channels by type of support.

Table 7
**Summary of financial support provided through multilateral channels in 2021–2022 by Finland**
(USD millions)

| | *Climate-specific inflows (face value)* | | | | *Climate-specific outflows (face value)* | | | |
|---|---|---|---|---|---|---|---|---|
| *Institution* | *Adaptation* | *Mitigation* | *Cross-cutting* | *Total* | *Adaptation* | *Mitigation* | *Cross-cutting* | *Total* |
| Adaptation Fund | 8.28 | – | – | 8.28 | – | – | – | – |
| African Development Bank | – | – | – | – | – | – | 6.08 | 6.08 |
| European Bank for Reconstruction and Development | – | – | – | – | – | 3.36 | – | 3.36 |
| Global Environment Facility | – | 4.18 | – | 4.18 | – | – | – | – |
| Green Climate Fund | – | – | 46.11 | 46.11 | – | – | – | – |
| Inter-American Development Bank | – | – | – | – | – | – | 5.26 | 5.26 |
| Least Developed Countries Fund | 4.47 | – | – | 4.47 | – | – | – | – |
| United Nations Environment Programme | – | – | 1.12 | 1.12 | – | – | – | – |
| World Bank | – | – | – | – | – | – | 5.91 | 5.91 |
| **Other** | | | | | | | | |
| African Development Fund | – | – | 17.07 | 17.07 | – | – | – | – |
| African Development Fund – loan | – | – | 27.19 | 27.19 | – | – | – | – |
| Asian Development Fund | – | – | – | – | – | – | 1.02 | 1.02 |
| European Bank for Reconstruction and Development – loan | – | – | – | – | – | – | 46.98 | 46.98 |
| Food and Agriculture Organization of the United Nations | – | – | – | – | – | – | 1.05 | 1.05 |
| Inter-American Investment Corporation | – | – | – | – | – | – | 52.58 | 52.58 |
| International Development Association | – | – | 24.08 | 24.08 | – | – | – | – |
| International Fund for Agriculture Development | – | – | 4.71 | 4.71 | – | – | – | – |
| International Fund for Agriculture – loan | – | – | 18.65 | 18.65 | – | – | – | – |
| International Strategy for Disaster Reduction | – | – | 0.12 | 0.12 | – | – | – | – |
| Multilateral Fund for the Implementation | – | – | – | – | – | – | 0.08 | 0.08 |

| | *Climate-specific inflows (face value)* | | | | *Climate-specific outflows (face value)* | | | |
|---|---|---|---|---|---|---|---|---|
| *Institution* | *Adaptation* | *Mitigation* | *Cross-cutting* | *Total* | *Adaptation* | *Mitigation* | *Cross-cutting* | *Total* |
| Multilateral Fund for the Implementation – core | – | – | 2.22 | 2.22 | | – | – | – |
| Nordic Development Fund | – | – | – | – | – | – | 12.06 | 12.06 |
| Nordic Environment Finance Corporation | – | – | – | – | – | – | 2.39 | 2.39 |
| Other multilateral | – | – | – | – | – | – | 2.67 | 2.67 |
| United Nations Industrial Development Organization | – | – | – | – | – | – | 1.66 | 1.66 |
| United Nations Industrial Development Organization – core | – | – | 0.22 | 0.22 | – | – | – | – |
| United Nations Multi-Partner Trust Fund Office | – | – | – | – | – | – | 1.05 | 1.05 |
| **Total** | **12.75** | **4.18** | **141.47** | **158.40** | **0.00** | **3.36** | **138.81** | **142.17** |
| **Share of total (%)** | **8.1** | **2.6** | **89.3** | **100.0** | **0.00** | **2.4** | **97.6** | **100.0** |

*Sources*: Finland's BTR1 and CTF table III.2, and information provided by the Party during the review.

29. The total amount of USD 158.40 million shown in table 7 includes USD 0.12 million allocated by the International Strategy for Disaster Reduction for supporting activities related to preventing, minimizing and addressing loss and damage associated with the adverse effects of climate change.

### 2. Technology development and transfer support provided under Article 10 of the Paris Agreement

30. Finland implemented measures or activities related to technology development and transfer, including activities undertaken by both the public and the private sector, that benefited developing country Parties. Finland has specific programmes for transferring technology to developing countries and almost all of them are related to adaptation measures. These include improving the meteorological observation infrastructure and forecasting capabilities of the Ethiopian Meteorological Institute, promoting the modernization of hydrometeorological services in Viet Nam and enhancing the capacity of the Indonesian Agency for Meteorology, Climatology and Geophysics for forecasting weather, climate and air quality in Indonesia. Furthermore, the Party provided support to countries at different stages of the technology cycle, with involvement in, inter alia, the research and development, and implementation phases, and in disseminating lessons learned.

31. Finland provided support for the deployment and enhancement of the endogenous capacities and technologies of developing country Parties. Finland explained that the projects listed in CTF were meteorological projects and they were implemented in close collaboration with the national meteorological and hydrological services of the respective countries. Finland's development cooperation is based on the development needs defined by partner countries and those countries' own development plans. MFA has prepared a country programme for each of its long-term partner countries.

32. Finland encouraged private sector activities aimed at providing support to developing country Parties in the area of technology development and transfer. The Party's development policies recognize the role of the private sector in promoting climate action in developing countries. Finland uses the following instruments funded by ODA for promoting private sector mobilization: development policy investments, Finnfund, the Public Sector Investment Facility, Finnpartnership, and the Developing Markets Platform, as well as the Energy and Environment Partnership in Southern and East Africa. Development policy investments and, to a lesser extent, Finnfund broadly target the mobilization of private capital and investment in the private sector in developing countries, while the other instruments listed above are primarily intended for enhancing the opportunities of companies in Finland for participating in development cooperation. While development policy investments and Finnfund have been assigned climate targets, the other instruments do not have any, although climate change is mentioned in their remits.

33. Finland supported activities related to technology development and transfer that focused mainly on increasing the capacities of the national meteorological and hydrological services and improving the meteorological observation infrastructure and forecasting capabilities in Ethiopia, Indonesia, Uzbekistan and Viet Nam, promoting regional climate cooperation in Kenya, Rwanda and the United Republic of Tanzania and upgrading environmental policy and administrative management in Viet Nam. Such activities covered the following target sectors: cross-cutting (80 per cent of all activities) and other (20 per cent). All of the technology development and transfer support provided related to support for adaptation in the cross-cutting and other sectors. For the reporting period 2021–2022, most of the activities aimed at supporting technology development and transfer were reported as ongoing. The recipient entities for Finland's technology development and transfer support were operating at the national, regional or global level.

### 3. Capacity-building support provided under Article 11 of the Paris Agreement

34. Finland provided capacity-building support to developing country Parties for mitigation, adaptation and cross-cutting needs. The activities associated with most of Finland's bilateral projects and the multilateral climate funds supported by the Party include a strong capacity-building component. In addition, Finland has a number of funding instruments specifically aimed at capacity-building, including through research collaboration. Finland's capacity-building support responded to the existing and emerging capacity-building needs, priorities and gaps of developing country Parties by following the principles of country-driven demand. Considering the overall climate finance portfolio, the interventions supported by Finland are partially relevant to gender mainstreaming (e.g. the role of women in civil society organizations and bilateral interventions), with some of the dimensions of technology transfer and capacity-building.

35. Finland supported capacity-building measures or activities that focused mainly on strengthening institutional arrangements and improving national data management systems in partner countries. Most of the capacity-building measures or activities related to cross-cutting (61.9 per cent), followed by adaptation (28.6 per cent) and mitigation (9.5 per cent). For the reporting period 2021–2022, most of the capacity-building measures or activities were reported as ongoing. The recipient entities for Finland's capacity-building support operated at the national, regional or global level. Part of the climate finance disbursement targets Africa (as Africa regional, north or south of the Sahara desert) and Asia as regional programming.

## D. Identification of areas of improvement[16]

36. During the technical expert review, the TERT identified areas of improvement in relation to Finland's implementation of Article 13 of the Paris Agreement, which are summarized in chapter II.A above and included in the assessment tables referred to in paragraph 6 above.

# III. Conclusions and recommendations

37. The TERT conducted a technical expert review of the information reported in the BTR1, national inventory document, CRTs and CTF tables of Finland in accordance with the MPGs.

38. The areas of improvement identified by the TERT on the basis of the review of the consistency of the information reported by Finland with the MPGs are summarized in chapter II.A above and included in the assessment tables referred to in paragraph 6 above.

39. The EU and its member States have a joint NDC with a target of an economy-wide net domestic reduction in emissions of at least 55 per cent by 2030 compared with the 1990 level. In its BTR1 Finland described its contributions towards the joint EU NDC target. The TERT noted that the consideration of progress by the EU and its member States towards the

[16] As per para. 146(d) of the MPGs.

joint EU NDC is contained in the report on the technical expert review of the BTR1 of the EU, which states that the EU and its member States are on track to achieving the joint 2030 NDC target by implementing mitigation actions; however, maintaining this pace of emission reductions will require the full implementation of the EU 2030 legal framework and its related investment flows.

40. The TERT notes that Finland has several climate change policies in place, such as the Medium-term Climate Policy Plan, the national climate and energy strategy (Carbon Neutral Finland 2035) and the Climate Plan for the Land Use Sector, which constitute a robust climate regulatory framework. The TERT also notes that GHG emissions decreased in 1990–2022 for all sectors, but mainly in the energy sector (a decrease of 38.5 per cent), which, since 1990, accounted for 72.0 per cent of total GHG emissions excluding LULUCF in 2022.

41. Finland continued to provide financial support through bilateral, regional and other channels and through multilateral channels to developing countries. The financial support through bilateral, regional and other channels in 2021–2022 totalled USD 83.33 million. Similarly, financial support through multilateral channels in 2021–2022 amounted to USD 158.40 million (inflows) and USD 142.17 million (outflows).

42. Finland continued to provide support for technology development and transfer, and capacity-building. Priority for technological support was given to projects and programmes in weather observation and climate services. Priority for capacity-building support was given to projects and programmes in higher education, meteorological services and natural and water resources management.

# Annex I

## Outcome of the review conducted on a voluntary basis of the information reported by the Party in its first biennial transparency report pursuant to chapter IV of the modalities, procedures and guidelines

## I. Summary of reported information

1. In its BTR1 Finland provided information related to climate change impacts and adaptation under Article 7 of the Paris Agreement pursuant to chapter IV of the MPGs and, as per paragraph 1 of decision 9/CMA.4, on a voluntary basis, requested the secretariat to organize a review of that information as part of the technical expert review pursuant to chapter VII of the MPGs. As per paragraph 3 of decision 9/CMA.4, the Party provided, in chapter 4 of the BTR1, a description of climate change vulnerability and impacts in the country and highlighted the adaptation response actions taken and planned at the national, regional and local level. Finland provided a description of climate change vulnerability and impacts on agriculture and forestry, natural resources, biodiversity, nature-based solutions, water management, health protection and promotion, infrastructure and built environment, cultural heritage and the cultural environment. Climate change adaptation is integrated into relevant policies, legislation, strategy and policy statements and road maps both within and across relevant sectors, notably the Climate Act and NAP2030.

2. Finland provided a description of the national circumstances relevant to its adaptation action, its institutional arrangements and governance, and legal and policy frameworks and regulations. Finland experiences maritime and continental climates, with its annual mean temperature ranging from 0 to 7 °C near the Arctic Circle and in the south-west respectively. The country's total area of 338,400 $km^2$ includes low hills, broad valleys and low-lying plains. Finland's population was 5.56 million in 2022 and increased to 5.60 million by the end of 2023, which represents a population increase of 0.36 per cent. Finland reported an open economy, dominated by the service and manufacturing sectors. In 2022, Finland's gross domestic product was EUR 268 billion and EUR 48,200 per capita. The Party reported the impact of reduced agricultural production, increased biodiversity loss and increased forest fires, as well as the impact on health. Stormwater floods were also identified as a possible impact, which can cause significant effects in urban areas. In recent decades in Finland, there have been more frequent and intense heatwaves, leading to local droughts, while the warming climate has extended the thermal growing season and increased the temperature. The Party reported that windstorms, which already cause damage such as power outages, are not expected to occur more frequently, and average wind speeds may decrease.

3. Finland indicated in its BTR that the institutional set-up for assessing climate vulnerability and risks is based on work done by research institutes and universities that carry out research on climate change impacts and adaptation. The Government provides funding instruments to support policy-relevant analyses on vulnerability assessments in the preparation of national and sector-specific adaptation plans, as well as adaptation planning at the regional and local level. A greater impetus has been given to addressing adaptation matters following the adoption of the Climate Act in 2022, which sets the legislative framework for adaptation planning, stipulates how Finland manages climate change as part of its wider environmental policy and establishes the management of natural hazards. NAP2030 sets the framework for assessing measures to achieve Finland's adaptation targets and estimate their effectiveness. These instruments are aimed at strengthening climate resilience and managing climate risks to ensure the well-being, safety and security of Finland's citizens in a changing climate. The three main goals of NAP2030 are ensuring strong societal commitment to adaptation, facilitating access to effective tools for risk management and improving Finland's capacity for responding to climate risks.

4. Finland provided information on climate change impacts, risks and vulnerabilities. The Party reported that the impacts of climate change are studied using climate scenarios based on climate models produced by the IPCC, with a number of different underlying emissions scenarios. The modelling of climate change impacts for the projections on adaptation is in line with the latest scientific developments and consistent with the model data contained in the IPCC Fifth Assessment Report. Finland's updated climate projections show that average temperatures could rise by 2–6 °C by 2100.

5. The Party also reported that the economic structure of the regions in Finland is expected to influence the impacts of climate change. In regions where industry is economically important, the vulnerability of climate change risks are likely to be indirect and to materialize as a result of weather events elsewhere in the world. Livelihoods reliant on natural resources, such as agriculture, forestry, reindeer husbandry and tourism, are likely to experience direct impacts as seasons and typical weather conditions change. The evaluation of NAP2022 found that the awareness of climate risks in Finland had improved, adaptation was increasingly being considered in legislation and planning, and efforts had grown at the regional and city level.

6. Finland described its adaptation priorities and barriers to implementing adaptation actions. NAP2022 aimed to integrate adaptation into all sectors, provide tools for risk management and enhance public awareness of the impacts and risks of climate change through research and education. The evaluation identified key challenges faced when implementing the plan, including lack of coordination on planning actions, missing legal mandates and targets, limited resources and expertise, fragmented efforts, unclear responsibilities, and gaps in local knowledge about adaptation to climate change. Additionally, monitoring and assessing the effectiveness of adaptation measures remains difficult owing to insufficient data. To achieve the three main goals of NAP2030 (see para. 3 above), adaptation actions are organized under 10 key themes that align with the 11 targets outlined in the United Arab Emirates Framework for Global Climate Resilience.

7. Finland described its adaptation strategies, policies, plans and goals, and action to integrate adaptation into national policies and strategies. Adaptation policy emphasizes embedding climate-risk management into regular planning across administrative sectors, several pieces of legislation to guide adaptation and networks between subnational actors for supporting knowledge-sharing and cooperation. The Party implements adaptation actions in accordance with the global goal on adaptation as set out in Article 7, paragraph 1, of the Paris Agreement, which is articulated in NAP2030.

8. There is a growing emphasis on applying long-term research to practical solutions and incorporating fairness, including distributive and procedural justice, into adaptation planning, and various projects have been implemented. They offer significant potential for managing water in agriculture, forestry and urban areas, while supporting biodiversity and resilience. NAP2030 aims to expand the use of nature-based solutions until 2030 by emphasizing their multiple benefits. The revised Climate Act seeks to strengthen climate resilience and promote the integration of adaptation with biodiversity and the Sustainable Development Goals. Although some challenges exist in relation to coordinating adaptation, mitigation and biodiversity goals, increasing synergies and cross-sectoral cooperation between adaptation and mitigation is helping to align policies and actions, supported by existing guidelines for environmental impact assessments.

9. Finland described its progress in implementing adaptation action. In its BTR, Finland reported that adaptive capacity had generally improved through increased awareness of the potential impacts of climate change. A national framework has been introduced to assess the climate adaptability of flood and river basin management plans, using regional data to guide robust, climate-resilient decisions. Finland's National Forest Strategy 2035 promotes climate-resilient forestry by integrating mitigation and adaptation into forest management. Progress has been made, particularly in sectors where weather and climate fluctuations have long been relevant to normal operations. Although Finland does not have a disaster risk reduction strategy, preparedness is ensured through various laws, strategies and programmes. Climate change is recognized as a driver of security risks and is integrated into sectoral threat models and regional assessments. These assessments guide authorities in preparedness for policy measures on adaptation, highlight development needs and support prioritization efforts,

aligning with the Sendai Framework for Disaster Risk Reduction 2015–2030 through multi-actor collaboration.

10. Finland provided information on its monitoring and evaluation of adaptation actions and processes. Finland's climate adaptation efforts have primarily focused on monitoring progress in policy measures, with flood risk management being the most developed owing to EU requirements. The Party established a national system for monitoring, reporting and evaluation across several sectors, which is outlined in NAP2030. The revised Climate Act strengthens the general framework for adaptation management with the obligation to promote climate resilience and sustainable development. According to the Act, the assessment of climate risks should include administrative sector-specific and cross-cutting evaluations because the harmful impacts of climate change appear across sectoral boundaries. The progress in these areas contributes to a general reduction of vulnerabilities and risks, but it is not possible to quantify the extent of these reductions. The Party also highlighted the need to evaluate the funds allocated to adaptation to ensure the sustainability of Finland's adaptation actions.

11. Finland provided information related to averting, minimizing and addressing loss and damage associated with climate change impacts. Finland has a high resilience to extreme weather, but ongoing improvements are planned for reducing damage, especially from floods and power disruptions. Although detailed data on loss and damage related to climate change are limited, past studies, such as an assessment of the cost of inaction regarding climate change, show that proactive approaches to adaptation are more effective than reactive approaches. Economic impacts have been assessed in key sectors, though gaps remain, especially in the health sector. A new database combining historical weather impacts with forecasts now enables real-time predictions of weather-related incidents, supporting timely preparedness in sectors where safety is critical. Finland's 2022 evaluation of adaptation policy highlighted the need for strengthening coordination and communication between national, regional and local levels of Government.

12. Finland reported on cooperation, good practices, experience and lessons learned in relation to climate change impacts and adaptation. Finland reported that several ministries and institutes lead adaptation efforts within their sectors, and multiple networks focus on specific issues such as flood risk or climate strategy. Broad stakeholder consultations, including vulnerable groups such as youth, the elderly, people with disabilities and the Sami people, were held during the preparation for NAP2030 to ensure inclusive planning. Regional adaptation efforts in Finland are supported by the climate expert network and joint climate unit of the Centres for Economic Development, Transport and the Environment, which facilitate nationwide collaboration, peer learning and public–private partnerships. Cities, such as Helsinki and Tampere, and regional councils in Finland have developed specific adaptation strategies, networks and data tools for enhancing planning for and resilience to climate change. Universities and environmental authorities contribute to the development of specific strategies with research and innovation, such as land-cover mapping using artificial intelligence.

13. Finland actively engages in international climate adaptation efforts through research, cooperation and funding. Key institutions such as the Finnish Environment Institute and FMI contribute to European and global networks, research projects and strategic planning. Finland supports adaptation in the Arctic, Barents Sea and Baltic Sea regions through multilateral cooperation and targeted projects, such as forest fire management and the participation of Indigenous Peoples. Finland also promotes adaptation by cooperating with Norway, the Russian Federation and Sweden on transboundary waters and health initiatives. Owing to the political situation, only the bare operational minimum has been carried out with the Russian Federation since 2022, notably on the necessary management of discharges.

14. Table I.1 summarizes the information on vulnerability and adaptation to climate change presented in the BTR1 of Finland.

Table I.1
**Summary of information on vulnerability and adaptation to climate change reported by the Party**

| *Priority adaptation sector or area* | *Vulnerability and adaptation measures reported* |
|---|---|
| Agriculture and food security | Vulnerability: adverse impacts of climate change and extreme weather events affect the patterns and productivity of crops and pasture; increased challenges in agricultural production owing to the increasing variability of weather conditions and increased risks of diseases; a decrease in global food availability, an increase in prices and, in the long term, a price crisis, which could affect Finland's food security owing to impacts on food supply and food and nutrition security. |
| | Adaptation: an example of a measure relating to preparedness and security of supply is a measure for continuing the emergency stockpiling of certain production inputs that are important for food security, which is ongoing. |
| Biodiversity and natural ecosystems | Vulnerability: increased temperature may alter biodiversity and ecosystem functions, which will lead to ecosystem disruption and direct negative impacts on communities, while loss of species will have implications for biodiversity functions and natural ecosystems. Climate change can impact the functioning of the ecological connection network; that is, the interaction and relationships between species. Habitat types could also disappear as a result of climate change. |
| | Adaptation: developing the protected area network and its management on the basis of research data, and restoring and managing degraded habitats to improve adaptive capacity in nature (timeline of 2023–2030 according to NAP2030). |
| Forests | Vulnerability: increasing drought and heatwave periods increase the risk of extensive forest fires, extreme winds, floods and the impact of pests on forest health. |
| | Adaptation: climate-resilient forestry is an integral part of the National Forest Strategy 2035. The main goal is to maintain and improve the resilience of forests by integrating climate change considerations into forest management. This will be achieved by improving knowledge on and practical tools for enhancing carbon storage and sequestration in forests and increasing awareness of the impacts of forests and forest management on climate change adaptation. |
| Human health | Vulnerability: direct public health threats from injury and illness from extreme weather events such as heatwaves are becoming more common. Climate change can impact health through increasing temperatures, extreme weather events and the mental health impacts caused by the changing climate and decreasing snow cover. Climate change and movement of persons can also result in new vector-borne diseases. |
| | Adaptation: incorporating climate impacts and health-related considerations into adaptation planning and public health surveillance; setting up a monitoring mechanism for heat-related mortality to monitor heat-related deaths on a weekly basis during the summer period; increasing operational capabilities to treat trauma-related psychological crises and stress disorders caused by possible extreme weather events; intensifying treatment to prevent the disease burden increasing as a result of hot summer periods; and increasing the use of timed light to prevent the harm caused by the darkening of winter days. |
| Infrastructure and economy | Vulnerability: the effects related to extreme weather phenomena and climate change impact the maintenance and service level of highways, external services for transport networks, traffic control organizations and the management of an operational road network. The effects also cause changes in the freeze–thaw cycle and the amount of slanting rain, which increase the risk of frost corrosion of buildings, and are expected to decrease the frequency of spring floods and increase the frequency of winter floods. |
| | Adaptation: assessing the state of private roads and bridges and consequently encouraging road maintenance associations to carry out necessary improvements and maintenance work for the private road network; and encouraging the voluntary preparedness measures of real estate and construction actors and raising the awareness of these actors on adaptation; mapping and assessing flood risk. |
| Water resources | Vulnerability: drought can cause problems with water sufficiency and decreased groundwater levels can cause problems with water quality. |
| | Adaptation: instructing the utilities supplying household water to consider climate change as part of their risk assessment concerning household water production and the quality and quantity of raw water, and creating a national drought risk management process that includes regional aspects of risk management. |

# II. Areas of improvement identified during the technical expert review of the reporting in the Party's first biennial transparency report on climate change impacts and adaptation under Article 7 of the Paris Agreement pursuant to chapter IV of the modalities, procedures and guidelines

15. The TERT assessed the information reported on climate change impacts and adaptation under Article 7 of the Paris Agreement pursuant to chapter IV of the MPGs in the BTR1 of Finland and identified areas of improvement relating to consistency with the MPGs, which are described in table I.2. All recommendations and encouragements contained in the table are for the next BTR, unless otherwise specified.

Table I.2
**Areas of improvement of the reporting on climate change impacts and adaptation under Article 7 of the Paris Agreement**

| *ID#* | *Reporting requirement* | *Description of area of improvement with recommendation or encouragement* |
|---|---|---|
| 1.2.1 | Specified in paragraph 113(c) of the MPGs | The Party did not report indicators for monitoring the effects of the adaptation measures reported in the BTR1 and NAP.<br>During the review, the Party clarified that indicators have not been implemented as the EU internal reporting process under EU regulation 2018/1999 is pending completion. The European Environment Agency is working on an adaptation indicator framework for monitoring and reporting on adaptation, which would include national and regional approaches. Further, Finland explained that it is awaiting the outcome of the global goal on adaptation, which would impact the indicators.<br>The TERT encourages the Party to include in its next BTR information, as appropriate, related to monitoring and evaluation, including the assessment of and relevant indicators for (1) how adaptation has contributed to increased resilience and reduced impacts, (2) when adaptation is insufficient to avert impacts and (3) the effectiveness of implemented adaptation measures. |
| 1.2.2 | Specified in paragraph 116(a) of the MPGs | The Party actively engages in international climate adaptation efforts through research, cooperation and funding; however, those examples of bilateral cooperation were not reflected in the BTR.<br>During the review, the Party clarified its cooperation with and good practices and experience in Ethiopia, Nepal and the United Republic of Tanzania. All the bilateral cooperation related to capacity-building, education, water, forestry and health.<br>The TERT encourages the Party to include, as appropriate, information on its efforts to share information, good practices, experience and lessons learned in helping developing countries to identify effective adaptation practices, needs, priorities, challenges and gaps. |

# Annex II

## Documents and information used during the review

### A. Reference documents

BTR1 of the EU. Available at https://unfccc.int/first-biennial-transparency-reports.

BTR1 of Finland. Available at https://unfccc.int/first-biennial-transparency-reports.

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"Guidance for operationalizing the modalities, procedures and guidelines for the enhanced transparency framework referred to in Article 13 of the Paris Agreement". Decision 5/CMA.3. FCCC/PA/CMA/2021/10/Add.2. Available at https://unfccc.int/documents/460951.

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Report on the technical expert review of the BTR1 of the EU. Available at https://unfccc.int/first-biennial-transparency-reports.

"Reviews on a voluntary basis of the information reported pursuant to decision 18/CMA.1, annex, chapter IV, and respective training courses needed." Decision 9/CMA.4. FCCC/PA/CMA/2022/10/Add.2. Available at https://unfccc.int/documents/626570.

### B. Additional information provided by the Party

Responses to questions during the review were received from Finnish experts from ministries, government agencies, research institutes and Statistics Finland, including additional material. The following references were provided by Finland and may not conform to UNFCCC editorial style as some have been reproduced as received:

Report on International Economic Relations and Development Cooperation (2024) Ministry for Foreign Affairs of Finland. Publications of the Finnish Government 2024:39. https://julkaisut.valtioneuvosto.fi/handle/10024/165757.

Savage, M., Ulbaek, S., Vormisto, J. Toikka, S., Tuomaala, R., & Nieminen, A. (2023) Evaluation of Finland's international climate finance 2016–2022. Volume 1: Main Report. Ministry for Foreign Affairs of Finland. Evaluation of Finland's Development Policy and Co-operation 2023:6, and Volume 2, Case studies, 2023:6, https://um.fi/development-cooperation-evaluation-reports-comprehensive-evaluations/-/asset_publisher/nBPgGHSLrA13/content/evaluation-of-finland-s-international-climate-finance-2016-2022/384998.

Guideline for the cross-cutting objectives in the Finnish development policy and cooperation (2023). Ministry for Foreign Affairs of Finland, https://um.fi/documents/35732/0/Guideline+for+the+Cross-Cutting+Objectives+in+the+Finnish+Development+Policy+and+Cooperation.pdf/e9e8a940-a382-c3d5-3c5f-dc8e7455576b?t=1618230452564.

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