



FINLAND'S NATIONAL FOREST PROGRAMME 2015

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Director, Secretary General

Stocholm, Nowember 14 th 2013



- General and background
- Priorities, goals and actions
- Organization and process
- Important
- Challenges



Forestry in Finland

- Forest land 20.3 mill. ha
- Growing stock 2.3 bill. m³
- Annual increment 104 mill. m³/a
- Forest ownership:



- **Private 61%: 630 000** forest owners
- State, municipalities, parishes and other public entities 28%
- Limited companies 9%
- Jointly owned forests 2%



Forestry and forest-based industry in the national economy of Finland



- Share in GDP:
 - Forestry 1.9%
 - Forest based industry 2.0
 - Forest sector in total 4.9%
- Employed persons
 - Forestry 22 000
 - Forest based industry 47 000
- Gross stumpage earnings 1.5-2.0 billion €/a (to forest owners)
- Costs of silvicultural and forest improvement work over 200 million €/a

Forestry and forest-based industry in the national economy of Finland

- Gross value of the production of forest industries 19 bill. €/a
- Total goods exports 10-11 bill. €/a (=19-20% of the total value of goods exports):
 - Wood products 2 bill. €/a (sawn goods 1.1 bill.€, plywood 0.4 bill.€)
 - Pulp and paper 8.5 bill. €/a (paper 5 bill. €, paperboard 1.8 bill €, pulp 1.2 bill. €)



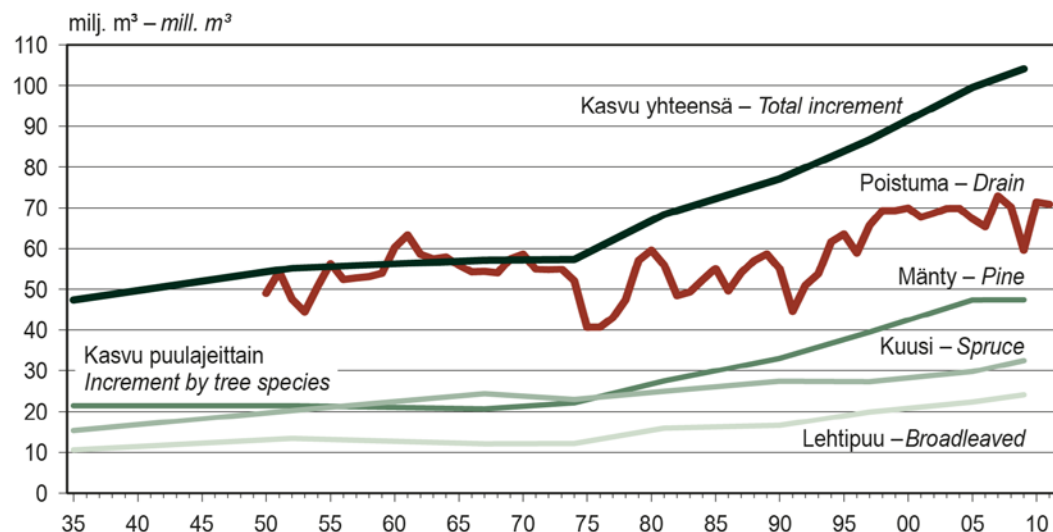
Long tradition of programmes

- TEHO; MERA I-III 1960-
- Forest 2000 1985-
- NFP 2010 1999
- NFP 2015 2008-/2010-



Active forest policy since the 1960s

Annual growth and harvesting of forests



- Increased investments in silviculture since 1965
- Result: annual growth of forests has increased from 98 to 104 million m³
- Potential: total harvesting can be increased by 10-15 million m³/a

Lähde: Metsäntutkimuslaitos – Source: Finnish Forest Research Institute

Puuston kasvu ja poistuma

Annual increment of growing stock and growing stock drain

Finnish Forest Research Institute

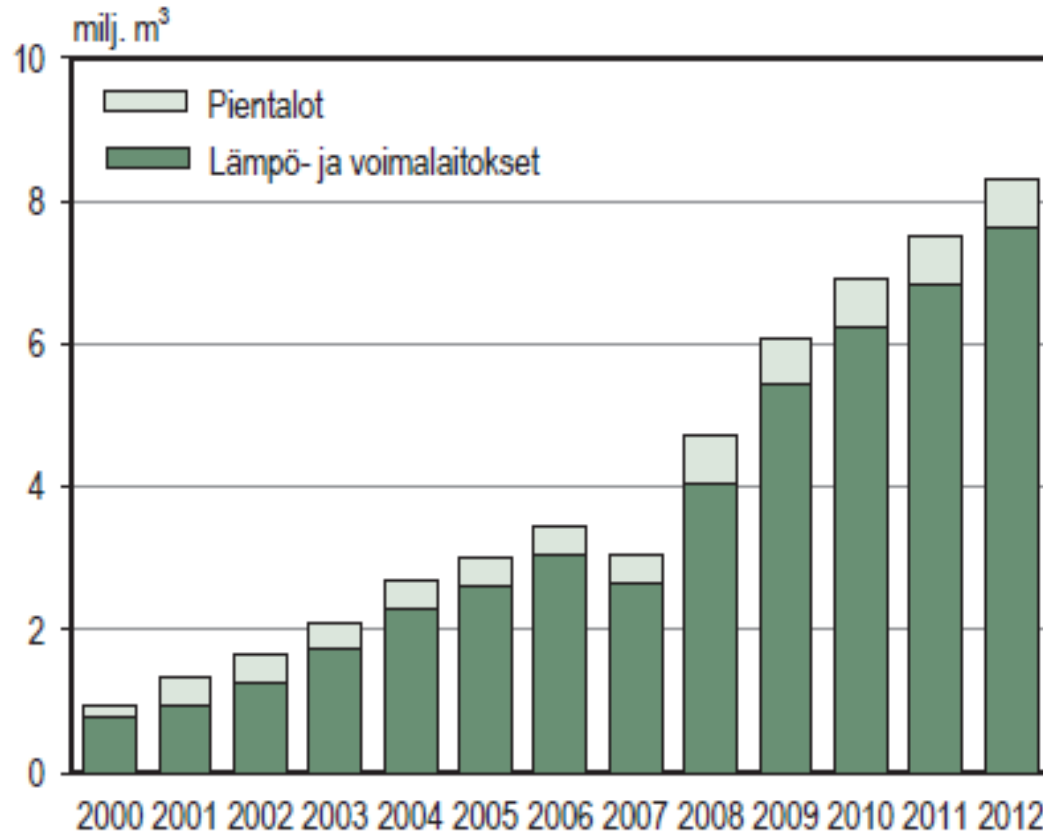
National Forest Inventory since the 1920s



Consumption of forest chips has grown

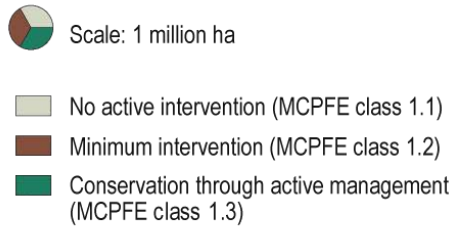
Private houses

Heat and power plants

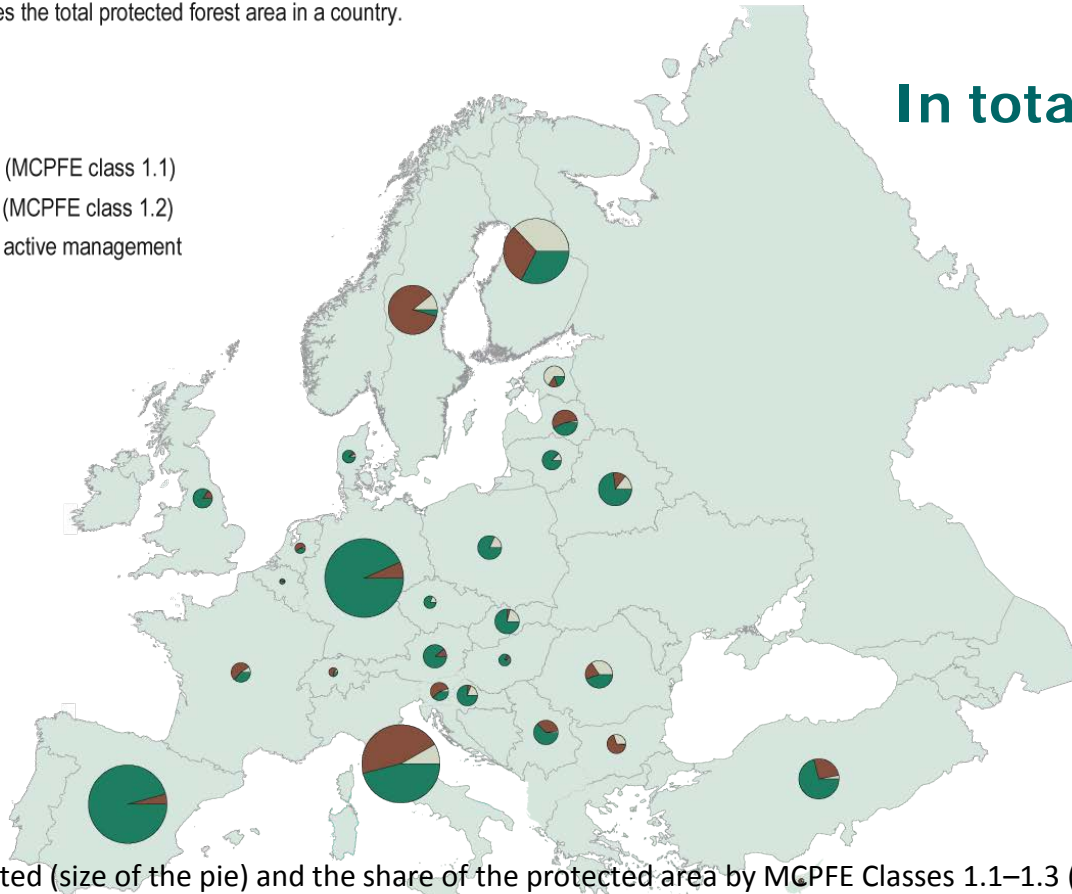


Finland is a pioneer in forest protection

Size of the pie chart indicates the total protected forest area in a country.



In total 2.9 mill. ha



Total forest area protected (size of the pie) and the share of the protected area by MCPFE Classes 1.1–1.3 (1.1 no active intervention, 1.2 minimum intervention, 1.3 conservation through active management) for biodiversity by countries in Europe (1,000 hectares and per cent), 2010/12. Germany and Spain: Natura 2000 forest areas included in the MCPFE class 1.3. Source: State of Europe's Forests 2011.

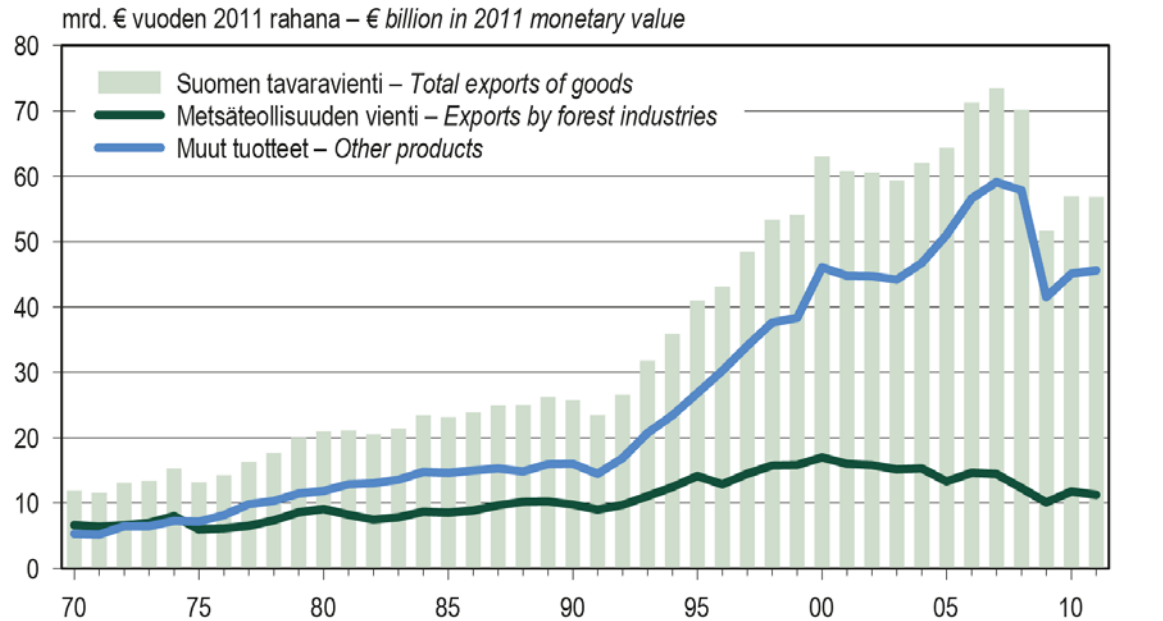


Global and national trends in operating environment (> nfp 2015)

- Globalisation of production and economy
- Demand for natural resources
- Climate change and low carbon society
 - Possibilities in renewable energy
 - Carbon sequestration
- Possibilities of greener consumption and production
- Demographic changes
- Change in attitudes



The value of Finnish wood industry exports has not risen in line with the total goods exports



Rahanarvot on muunnettu tukkuhintaaindeksillä (1949=100). – Monetary values are deflated using wholesale price index (1949=100)

Lähteet: SVT: Metsäntutkimuslaitos; SVT: Tullihallitus – Sources: OSF: Finnish Forest Research Institute; OSF: Board of Customs

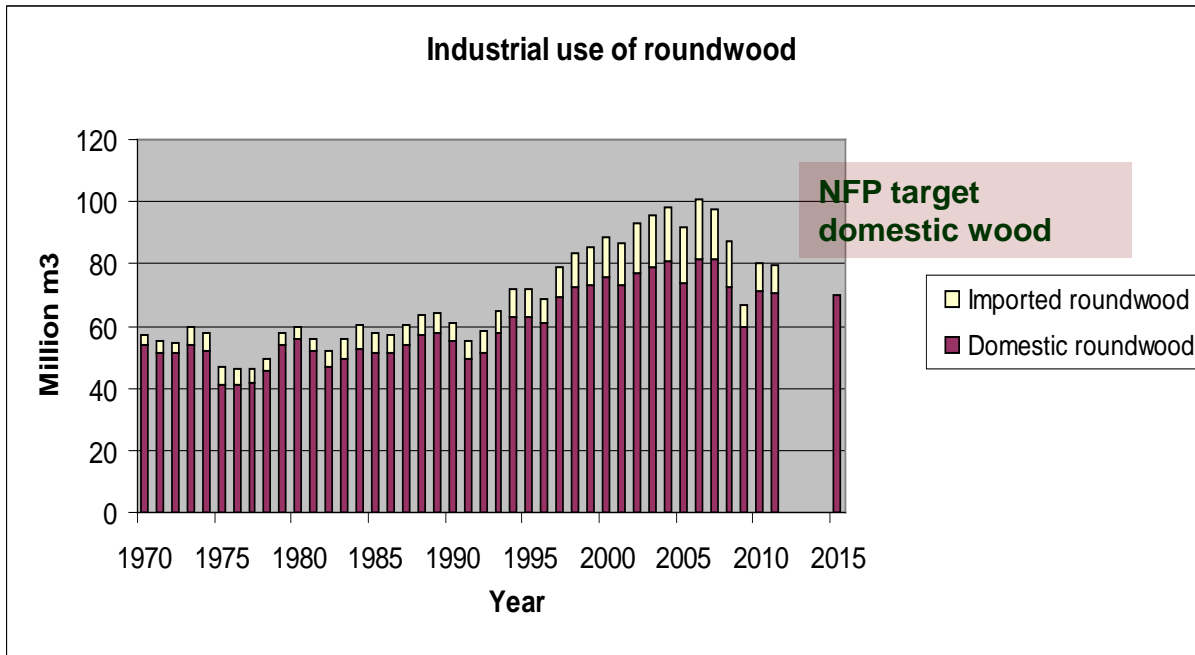
Suomen tavaraviennin reaaliarvo 1970–2011
Total real value of exports of Finland, 1970–2011

Figure 1. Finnish goods exports in 1970–2011 at the value of money in 2011 (conversion into wholesale price index, 1949=100)

SOURCE: Metla



Decrease of timber harvesting



Timber harvesting		
<u>2008</u>	<u>2009</u>	<u>2010</u>
- 10%	-20%	+26%

Industrial use of roundwood 1970 - 1912



VISION

THE FINNISH FOREST SECTOR IS A RESPONSIBLE PIONEER IN BIOECONOMY. FOREST-BASED ECONOMIES ARE COMPETITIVE AND PROFITABLE. FOREST BIODIVERSITY AND OTHER ENVIRONMENTAL BENEFITS HAVE BEEN STRENGTHENED.



STRATEGIC OBJECTIVES AND TARGETS

Strengthening forest-based business and increasing the value of production

- Value added, ecoefficiency, and new products and services
- Wood-based energy
- Ecotourism and the natural produce industry
- Transport networks

Improving the profitability of forestry

- Sustainability of timber supply and diversification of forest management methods
- Efficient timber trade
- Profitability and holding size in private forestry

Strengthening forest biodiversity, environmental benefits, and welfare implications

- Forest biodiversity
- Climate change
- Water and soil
- Quality of life

CROSS-CUTTING THEMES

Increasing contribution to international and EU-level forest policy development

Diversifying and strengthening forest sector know-how

ACTIONS



action

action

action

action

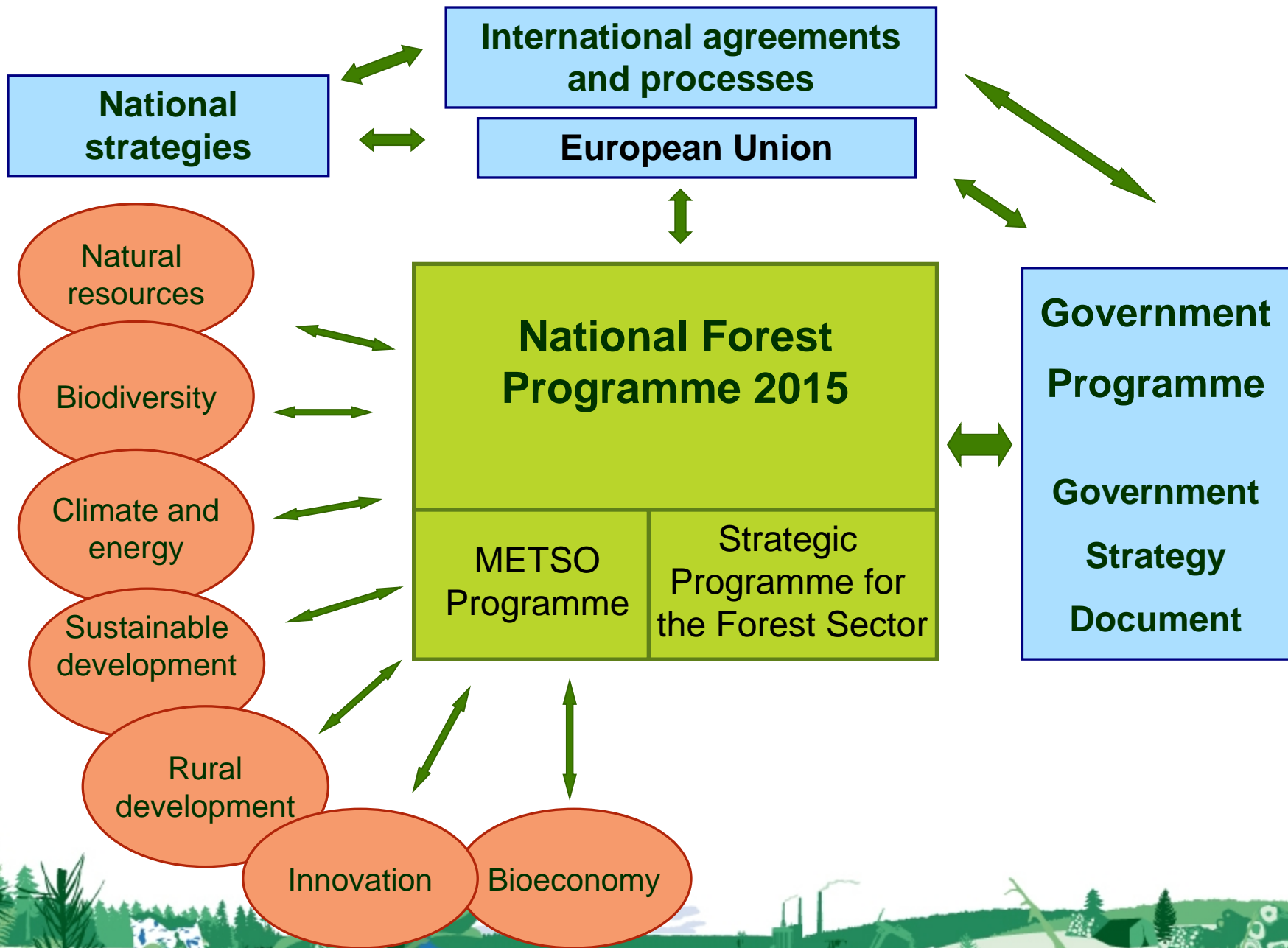
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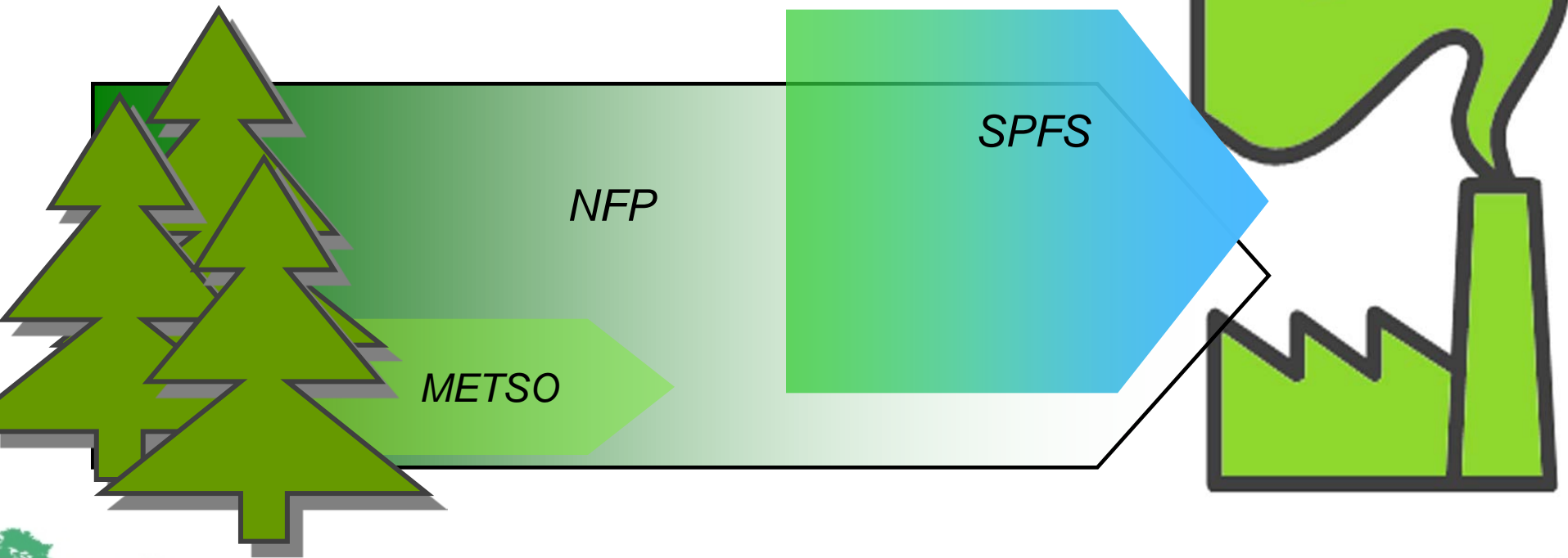


REGIONAL FOREST PROGRAMMES



Forest sector development strategy: NFP and Strategic Programme for the Forest Sector (SPFS)

- NFP mainly attending the forepart of the value chain whereas the SPFS focus on the final part
- There is a common part of the chain for both programmes
- The programmes balance out one another



Main objectives

- Increasing the value of forest and wood products industry production and exports by 20%
- Increasing the use of forest chips to 10–12 million m³/y
- Maintaining the annual increment at 100–110 mill. m³/y
- Silvicultural and basic improvement works at high level
- Increasing domestic roundwood removals to 65–70 mill. m³/y
- Maintaining profits in private forestry at € 100-110 / ha
- Developing transport network and terminals



- Deterioration of forest biotopes and species will cease and the positive development of biodiversity will stabilise itself
- Carbon sequestration and stocks in forest ecosystems at 10–20 million tonnes CO₂e per year
- Public research and development funding €200 million / year
- Adjusting the number of graduates from all levels of education to the sector's needs
- Focused coordination of international and EU-level forest policy is strengthened



Ways of implementing

- As an ordinary part of public administration
 - legislation, budgeting, incentives, management by results, strategic planning, advising, research, media sdf
- Cross-sectoral programmes and strategies
- National and regional projects
- Private sector activities
- Financing from different ministries (7+1) and private sector



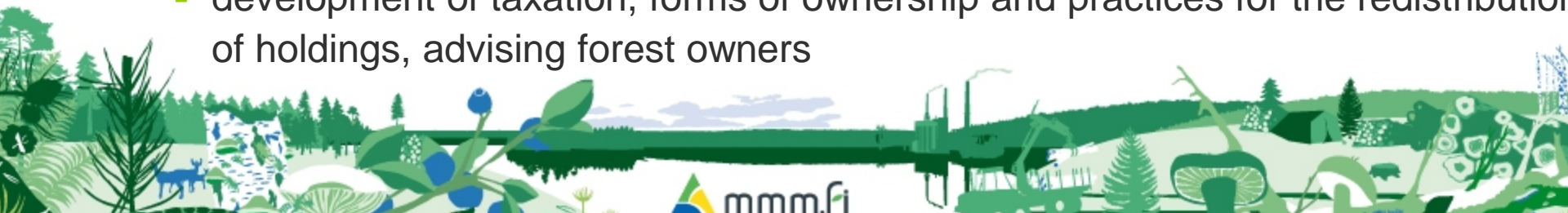
Focal actions (MAF)

- Reform of forest administration
 - Finnish Forestry Centre 2012-
 - Forestry Development Centre Tapio 2014 -> limited market-driven company
 - Metsähallitus - State enterprise 2015
- Reform of forest research structures and strategy (MAF, MBE, MEC)
- Amendments to the Forest Act
 - diverse objectives in forest management -> more freedom to choose for forest owners
 - clear and simple legislation, clear control system
- Amendments to the Forest Management Association Act to ensure balanced and equal competitive positions and freedom to choose for forest owners
 - no statutory fees - no restrictions to associations
- Improving forest resource information database and services provided to forestowners including electronic services (Metsään.fi)



Focal actions (MAF)

- Ensuring the growing use of renewable energy (aid for small diameter wood)
- Reform of the financial aid for forest management - Act on the Financing of Sustainable Forestry 2014 - ; ensuring sufficient funding
- Development of cooperation and functioning of wood markets; up-to-date and open price information, electronic wood exchange, price indices ...
- Development of the structure of forest ownership
 - development of taxation, forms of ownership and practices for the redistribution of holdings, advising forest owners



Focal actions (MBE, MEC, MAF)

- SPFS` s actions (MBE)
 - developing new products and services
 - improving competitiveness of current products
 - boosting eco-efficiency
- implementing the METSO programme (ME, MAF)
 - ensuring its funding
 - improving habitat management in commercial forests
 - attending on actions of water protection in forestry
- maintaining recreation structures and attractive forest nature (ME, MAF)



Focal actions

- Maintaining and developing the transport network (MTTC, MAF, MBE)
- Revising the content of forest sector education (on all levels) to meet the needs of the sector (MEC)
- Strong coordination of international and EU-level forest policy



FOREST COUNCIL (33 persons)

Secretary-General

SECRETARIAT (15 persons)

WORKING GROUPS

Forestry and energy

Environmental benefits

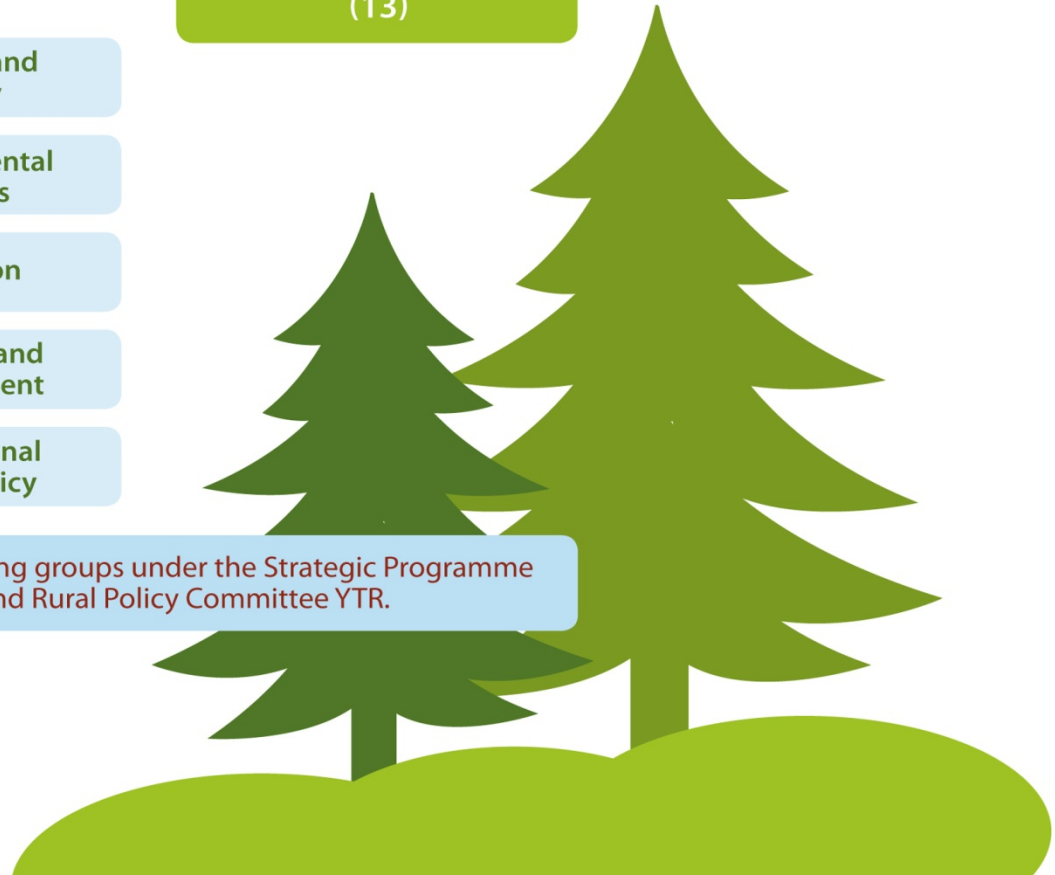
Education

Research and development

International forest policy

REGIONAL FOREST COUNCILS (13)

Besides the above, there are also working groups under the Strategic Programme for the Forest Sector MSO and Rural Policy Committee YTR.



Role of different bodies

Forest council

- is a cooperation forum for public administration, private sector and other NGOs
- supports cooperation of different administrative sectors
- supports Ministry when large scale and principally important questions are under discussion
- follows and encourages the implementation of the NFP

Secretariat

- prepares meetings of Forest council
- coordinates the work of follow-up groups during the implementation

Working groups

- promote and monitor the implementation of the NFP



Role of governmental and non-governmental actors

Government

- approval of the NFP, government's programme
- state budget

Ministries and regional administration

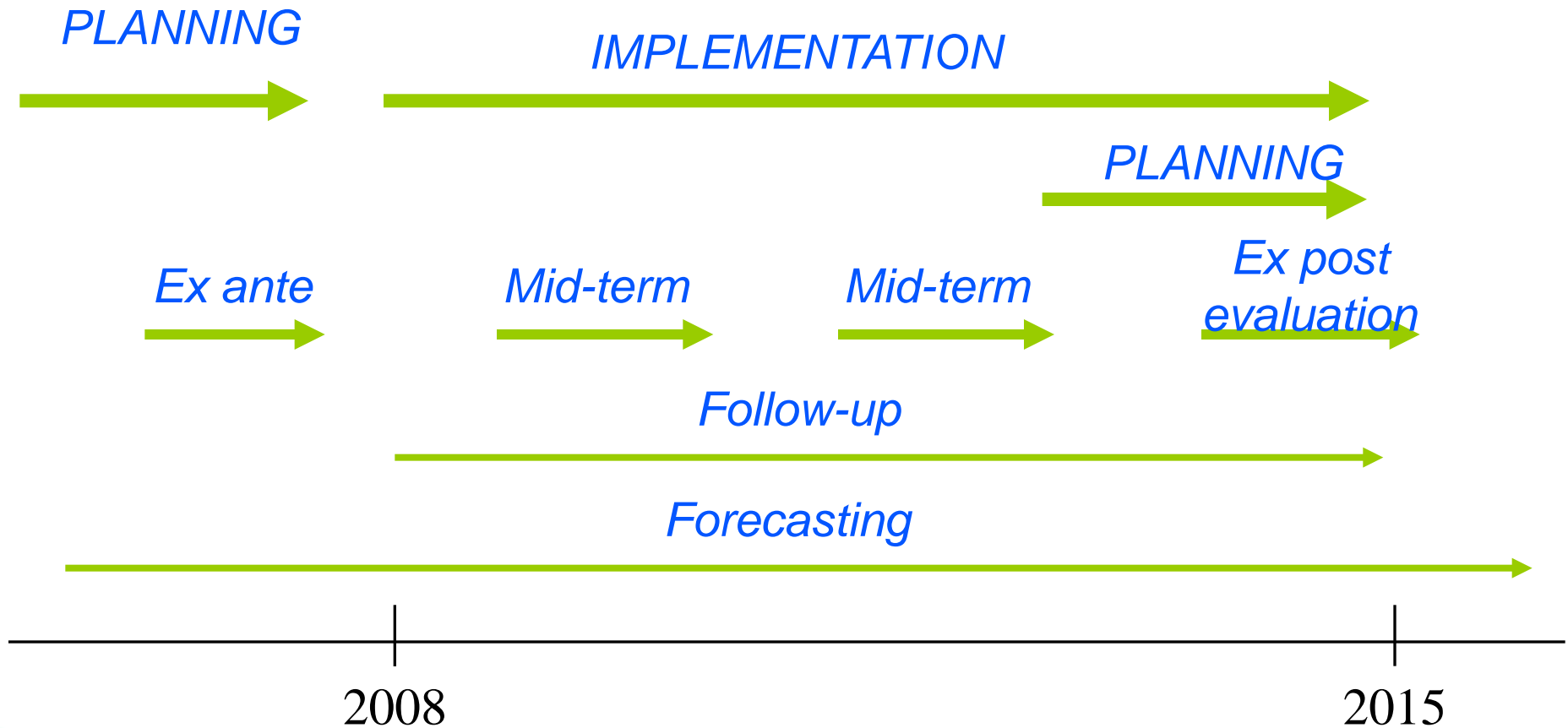
- planning, implementation of the NFP
- public funding
- Ministry of Agriculture and Forestry:
 - coordination of planning and implementation of the NFP with the help of Forest Council
 - evaluation (planning, selecting the evaluator, following up its work)

NGOs

- participation in the planning of NFP and follow-up of the implementation (representatives of NGOs in NFP organisations, www-feedback, seminars)
- implementation of NFP on voluntary basis



Stages of the Programme cycle



Important in NFP

- **Political action**

Government support, Updated legislation, sufficient budget, incentives

- **Private and public involvement**

Forest owners, forest industry, labour unions, forest administration

- **Involvement of NGOs**

Participation of non-governmental organisations

- **NFP organizations**

National Forest Council, Regional Forest Councils

- **Two levels and cross-sectorality**

National and regional programmes

Many ministries participating



Important in NFP

- **Iterative process**
Regular follow-up and evaluation
- **Common understanding**
Strong research base, commonly agreed concepts, criteria and indicators
- **International background**
Internationally agreed principles



Main objectives, results

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Challenges

- prioritizing
 - selecting objectives and setting their target levels
 - role of the state
 - crosssectoral cooperation
 - flexibility of process and actions
- > *The report for the Parliament and the next nfp/
National Forest Strategy 2025 will be better (again)*



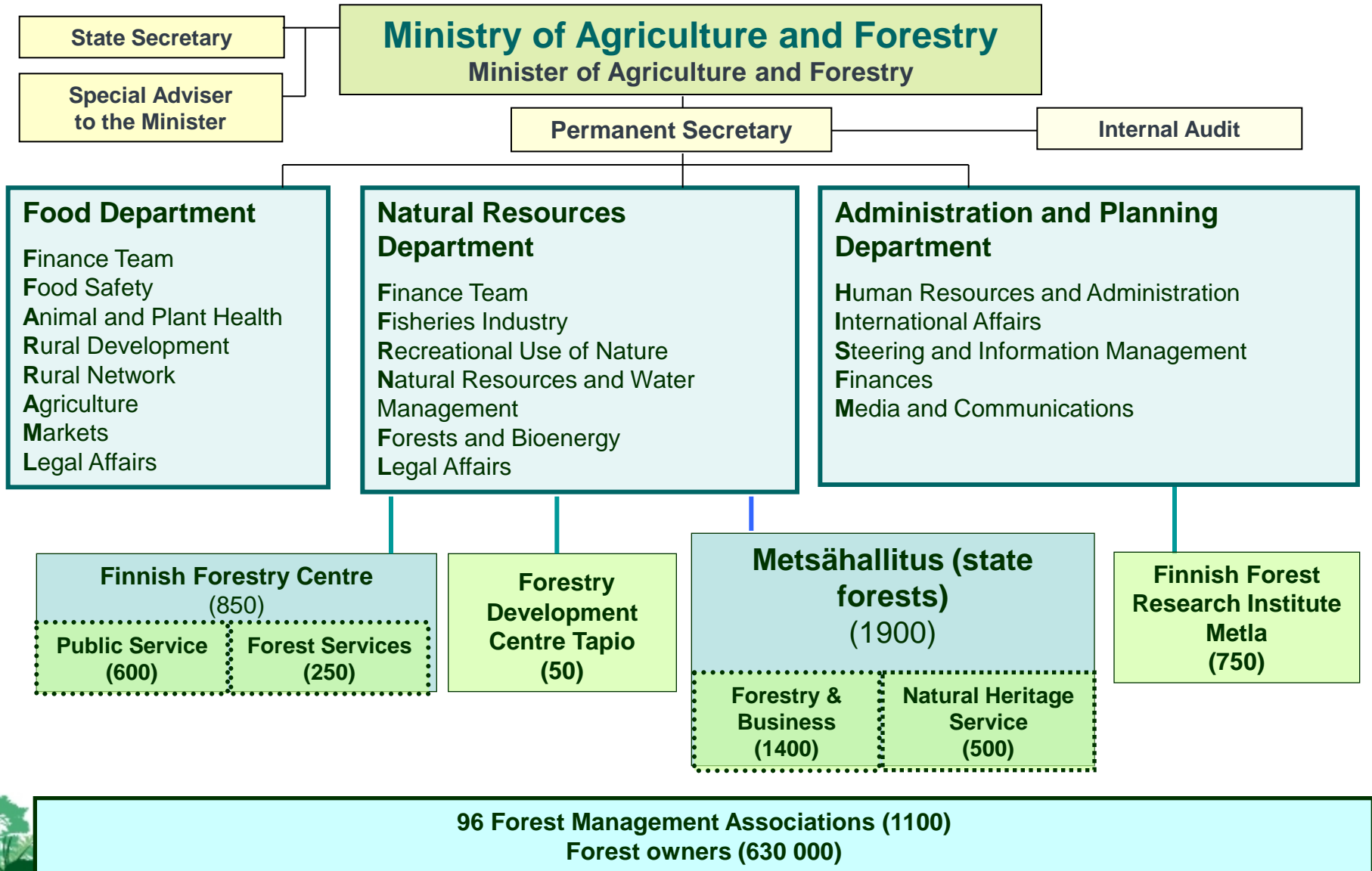
Thank you!



www.mmm.fi/nfp



Forest Administration



Roles of forest organisations in Finland

**FOREST RESEARCH
INSTITUTE METLA**

FORESTRY CENTRE

METSÄHALLITUS

**FORESTRY
DEVELOPMENT CENTRE
TAPIO**

FOREST ASSOCIATION

FOREST MANAGEMENT ASSOCIATIONS - FOREST OWNERS