

Opening speech

NATURAL RESOURCE POLICIES IN EUROPE – VISIONS FOR THE FUTURE

Mr Pekka Pesonen
State Secretary
Ministry of Agriculture and Forestry in Finland

Mr Chairman, Dear Participants, Ladies and Gentlemen,

It is a great honour for both our country and the Finnish Forest Sector to host this forum. On behalf of the Finnish Government, I wish you all most welcome.

Over the past 50 years, man has changed ecosystems more rapidly and extensively than in any comparable period in human history. The growing use of food, fresh water, timber, fibre, fuel, minerals etc. has resulted in substantial gains in human well-being and economic development, but these gains have been achieved at growing costs in the form of the degradation of many ecosystems and climate change.

The European model of wealth is also based on a high level of resource and energy consumption. But if we compare the situation in different parts of the world, I certainly believe that in Europe we have succeeded quite well in solving many environmental challenges. Europe is well known for advanced environmental technology and highly ambitious environmental legislation - and the serious efforts to put this to practice. The truth is, however, that there are still enormous challenges to be faced.

The way and speed of using both renewable and non-renewable resources is rapidly eroding the planet's capacity to regenerate the resources and environmental services on which our prosperity and growth is based. Therefore, we need new ways of sustainable use and consumption of resources both within the EU and globally. A real challenge is to reduce the negative environmental impacts of resource use without risking the economic growth. In practice this means that we have to break the linkages between economic growth and the use of natural resources. It is evident that we have to replace the use of non-renewable resources by renewable resources. Efficiency of using resources needs to be improved as well – we need “to get more from less”

I urge Europe to turn this necessity into virtue and competitive advantage. Europe should continue to be an active pioneer, both in increasing eco-efficiency and in shifting the focus from non-renewable resources to renewable resources. The success of European economic and business life hinges upon the efficient use of resources and sustainable consumption and production patterns. Renewable natural resources offer



numerous opportunities to promote competitiveness, sustainable development and well-being in Europe. Products and services based on renewable resources will be a major success factor in the future, as long as the principle of sustainability is being followed all through the production chain.

To conclude, I also want to emphasise that the national governments have to take the responsibility in defining their policies so that the use of natural resources and economic growth rest on a sustainable basis.

The key challenge is to find ways to be both sustainable and competitive

Some argue that the implementation of environmental protection and sustainable production patterns are costly and complicated, and that they reduce competitiveness. However, sustainable management of resources and economic growth are not necessarily competing or conflicting goals. On the contrary, coherent policy response usually has positive economic effects. Increasing the efficiency of resource use in sectors with high material and energy costs is often a win-win opportunity, which can help to improve competitiveness and increase employment at the same time. Hence, sustainable use of resources is a key ingredient of long-term prosperity.

In the past, technological innovations have increased the efficiency and solved many environmental problems. Know-how and technology constitute the main competitive advantages of Europe on the global market, and they will be increasingly significant in the future. Sustainable use of natural resources - especially the renewable ones - is an excellent example of a sector where Europe has true potential to spearhead the development.

Large investments in environmental protection have already helped to create around two million jobs in the European eco-industry. This eco-industry, which accounts for about one-third of the global market, is already highly competitive, especially in the fields of efficient use of fossil fuel energy and technologies for renewable energy use.

The benefits of renewable natural resources are particularly significant for regional and rural economies, that is, for keeping the rural areas populated and viable. In the energy sector we can reduce our dependence on fossil fuels and increase Europe's energy self-sufficiency. Increasing the production of biomass and other bioenergy and the use of biofuels also contribute to the efforts to mitigate climate change.

Since we Finns find the eco-efficient use of natural resources of primary importance, we have also taken this up in various contexts during the Finnish Presidency. Finland's initiative "towards a new generation of environmental policy" was presented to the EU Ministers of the Environment in July. We hope this will initiate fresh environmental policy approaches and encourage the European ministers to discuss the priorities for the future.

Natural resource strategies in the EU - need for a coordinated cross-sectoral policy

In the European Union, coordination of different policies is one of the tricky questions. Almost every Community policy influences and is somehow related to the use and management of natural resources. Among the most important ones are the common



agricultural and fisheries policies and, certainly, also the regional development, transport and energy sectors. Without proper coordination, every policy domain tends to develop its own approach to using and managing natural resources.

Several cross-cutting environmental EU strategies address the sustainable use and management of natural resources - just to name a few: Sustainable Development Strategy, the 6th Environmental Programme, and the Thematic Strategy on the Sustainable Use of Natural Resources. These aim to provide strategic guidance and ensure policy coherence within all policy areas in EU. These strategies are very useful, but I'd still like to emphasise that the distinction between renewable and non-renewable resources should be even more prominent and clear-cut. We all know that there is a lot of pressure to replace the use of non-renewable resources by renewable ones - why not see this as an opportunity? It would also be most important to put more weight on the renewable sources in natural resource strategies.

Another challenge is the increasing need for information on natural resources. To adjust the use of natural resources to a sustainable level, we need more scientifically and politically relevant data. Altogether enhancing the sustainable use of resources is not a minor challenge, as what we need are a coordinated cross-sectoral policy, research, and relevant data on natural resources to support the decision making process.

I also wish to stress that the consumers need more information on the consumption of natural resources on which to base their purchase decisions - for example, the impacts of the total manufacturing process of a certain product.

The Finnish model - sustainability and competitiveness

Sustainable use of natural resources is a high priority in the Finnish society. Even though the concept of "sustainable use" varies, the basic principle as such has a long history. In Finland objectives aiming at securing sustainable use have been expressed in the legislation on forestry, fishing and hunting since the 17th century. For example in the forest sector, since the first Forest Act the destruction of forests has been prohibited and forest owners have been obliged to safeguard the regeneration of forests after felling.

Farmland, forests and other land, which constitute a significant part of our renewable natural resources, cover almost 95 % of the surface area of Finland. Thus the livelihood and employment of Finns is still largely based on benefits derived from renewable natural resources, and they are one of the main pillars of the Finnish economy. The management and use of these resources provide work to hundreds of thousands of Finns. Renewable natural resources are particularly important for the Finnish rural areas. By offering jobs and new business opportunities they have a significant role in keeping our countryside alive.

In Finland the Ministry of Agriculture and Forestry steers the sustainable use of renewable natural resources. To support this work, the Ministry has prepared a natural resources strategy. The aim is to ensure profitable utilisation of renewable natural resources while making sure that the needs of the society are being fulfilled. In my view the sustainable use of natural resources should be seen as a strategic strength also within the EU, which should be ensured as the foundation for our livelihoods. However, the use of natural resources should be adjusted, in a balanced way, among the various uses and objectives, including bioenergy, food, forestry products and protection of



biodiversity. Sound utilisation of renewable natural resources offers excellent opportunities to support growth, employment and welfare.

From the Finnish perspective, wood is obviously one of the most interesting renewable natural materials. Wood and forests were decisive in converting Finland from a poor agrarian society into one of the top industrial nations of the modern world. This has called for significant inputs in research in particular in the forest sector and renewable utilisation of wood resources. We would like to present us as major contributors to the development of the sustainable use of renewable natural resources in the European context as well.

Ladies and gentlemen,

Climate change is a serious threat to us all. In the discussions on the mitigation of the impacts of climate change, both in Finland and elsewhere in Europe and around the world, the necessary measures are often considered too costly. Well, the alternative of letting climate change proceed freely would certainly cost us much more.

According to the recent researchers, climate change is a scientific fact and it will have severe impact also on global economy. It is probable that climate change will disrupt the markets and economies at a scale which is comparable with, for example, the First and Second World War and the economic depression of the first half of the 20th century. The evidence is clear: we need urgent and strong actions. The benefits of such actions would considerably outweigh the cost. This was clearly indicated in the recently published British Research (Stern review) on the Economics of Climate Change.

As a conclusion, considering the serious challenges, but also opportunities ahead, I hope that I have been able to give you some ideas for further discussion and elaboration. **I have strong belief that this forum will be an important step forward in the European dialogue concerning the future aspects in the use and management of renewable natural resources. I wish you a pleasant and fruitful day!**