

FINLAND

14 November 2007

**FORESTS AND ENERGY; FAO Conference Special Event, Rome 20 Nov 2007**

**Statement by Mr Talvela, Director General of the Ministry of Agriculture and Forestry**

Mr/Mrs Chairperson,

Today, the increased need for renewable energies generates both challenges and opportunities for forests. We need to address the role of forests in energy production, and also impacts of energy production on forests.

Changes in land use are one of the key factors influencing greenhouse gas concentrations in the atmosphere. For example, deforestation accounts for a significant share of global carbon dioxide emissions. Latest scientific findings reported by the IPCC demonstrate clearly that negative impacts of climate change are increasingly posing a serious risk to ecosystems, food production, the attainment of sustainable development and poverty reduction.

The Government of Finland is responding to forestry, climate and energy challenges at global level. We are committed to sustainable forest management at all levels. We believe that international forest cooperation since Rio Conference 1992 has made significant progress and we welcome the outcome of the United Nations Forum on Forests earlier this year, including the Non-Legally Binding Instrument on Forests. We are also committed to implement Kyoto Protocol and we look forward to the Bali Climate Conference later this year leading to the engagement of all countries in an inclusive negotiation process.

The Government of Finland has also recently drafted a new white paper on Development Policy, which is focusing on a balance between economic and social development and environment protection. Forests, water and rural development will be important areas of our future development co-operation..

In recent years, renewable energy and wood energy have become hot policy topics in Europe. For example, the European Union has agreed on ambitious energy and climate targets for the future. The EU would reduce its greenhouse gas emissions by at least 20 percent by 2020. The generation of renewable energy as a share of overall energy would increase three-fold to 20 percent by 2020. In addition, energy efficiency should be improved by 20 percent. Within each country, by 2020, biofuels must constitute a minimum 10 percent share of transport fuels.

Mr/Mrs Chairperson

On climate and energy policies, the goal of my Government is to find effective means for simultaneously securing energy savings, improving energy efficiency and availability, increasing energy self-sufficiency, and reducing emissions.

I believe that the forest resources both in Finland and largely in Europe provide a good basis for both industrial and energy use. We need to develop incentive schemes and other mechanisms balancing better between the needs of forestry, forest industries and energy production. Key questions include how to mobilize increased amount of wood from forests and how to make better use of our valuable resources while maintaining a balance between conservation and utilisation. This includes addressing sustainability of the production and consumption of bioenergy.

The use of bioenergy has grown steadily in Finland. In 2006, the share of wood-based energy of our total energy consumption was about 20 per cent. The raw material of this share is by and large residue and by-products which otherwise would have no alternative economic use but would end up in waste. In Finland, the forest industry is at the same time the largest producer and consumer of wood-based energy and several plants are entirely self-sufficient in energy. What is however needed is further work on innovations, research and development.

Wood-based energy, together with other sources of bioenergy, has a significant role in the economies of rural areas in Finland as they provide opportunities for employment. This is very important for us, because we are constantly looking for possibilities for rural income diversification as means of maintaining the viability of rural areas.

Mr/Mrs Chairperson

We have also recognized the need to work together to improve the consistency and compatibility of information and data including statistics, on wood-based energy and other sources of bioenergy on both the supply and demand side. That is why we welcome the work by FAO and other organizations in this regard.

Thank you!