Mineral policy in Finland

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Agenda

- The role of the ministry
- Mining in Finland, current status
- Permitting
- Finnish Mining Act
- Minerals strategy
The Ministry of Employment and the Economy is responsible for

• Operational environment for entrepreneurship and innovation activities,
• Securing the functioning of the active labour market,
• Regional development within the global economy.
Mining industry in 2015

Mines
- 40 mines (10 metals, 35 industrial minerals and rocks)
- Turnover €1.5 billion
- Employees 3400 (ex. subcontracting)
- The total extraction of rock 89 million tonnes (ore 33 mt)
- Kevitsa 37 mt (6.6 mt)

Exploration
- Exploration expenditure €35 million
- 42 active companies
- Main commodities Au, Ni, Cu, PGM, ferrous metals, high-tech metals

Annual ore output (Mt)
- > 10
- 1.0 - 10
- 0.5 - 1.0
- 0.1 - 0.5
- < 0.1

Metals
- Gold
- Nickel
- Copper
- Zinc
- Chrome
- Talc
- Phosphorus

Industrial minerals
- Calcite
Underground mines 2015

- Kittilä - gold
- Pahtavaara - gold
- Kemi - chrome
- Pyhäсалми – zinc, copper, sulphur
  - Deepest in Europe, 1.5 km
- Hitura - nickel
- Kylylahti – copper
- Pampalo – gold
- Orivesi – gold
- Lohja - calcite

Annual ore output (Mt)

- > 10
- 1.0 - 10
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- < 0.1

Metals

Industrial minerals
Network of authorities in mining operations

- **Centre for Economic Development, Transport and the Environment**
  - Environmental impact assessment (EIA)
  - Permit to construct a mine dam
- **Regional State Administrative Agency**
  - Environmental permit
  - Supplied by the AVI Agency
- **MAANMITTASLAITOS**
  - Proceedings establishing a mining area
- **MUNICIPALITY**
  - Land-use planning
  - Building permit
- **STUK**
  - Radiation monitoring of mines and environment
  - Permit for starting up a uranium extraction facility and its supervision
- **GOVERNMENT**
  - Uranium extraction permit
- **Tukes**
  - Mining permit
  - Right to exploit mineral deposits
  - Mine safety permit
  - For excavation
  - Permit for industrial handling and storage of dangerous chemicals
  - Preparation of ore
  - Production and storage of explosives
Objectives of the Mining Act

• To have up to date legislation
• Ensure the preconditions for mining and exploration in a socially, economically and ecologically sustainable manner
• To find a balance between diverse competing private and public interests
Renewal process of the Mining act

• Mining Law Committee report in Oct 2008
• About 100 statements from various stakeholders and administration
• Further developments in the Ministry during 2009
• Government proposal to the parliament in Dec 2009
• The New Mining Law accepted in March 2011
• The New Mining Law in force 1.7.2011
Core elements

- Safeguard exploration and mining also in future
- Constitutional rights of various stakeholders
- Private land and property-owners
- Local communities; possibility to influence
- Environmental issues
Changes

- No major changes to the application process
- Public consultation & communication
- More details and documentation required
- Exploration and mining licenses are attached with orders
- New regulation for mining closure
- A new mining authority unit was established in the Finnish Safety and Chemicals Agency Tukes, in Rovaniemi
- Fees and compensations
Ore prospecting

• A part of the so-called everyman's right
• Geological observations and measurements, as well as limited sampling, can be carried out everywhere, provided no damage is done to the landowner's property or to the environment
• Landowners must be informed of any sampling
Reservation

A request for priority (first right) to claim a particular area for max two years

- Reservation gives priority right to exploration permit
- Mining Authority has to accept the reservation if no obstacles mentioned in the mining law exists
- Maximum size of reservation area not limited
- Plan on preparation of exploration application must be presented
- Does not permit any drilling or sampling without the landowner's permission
Exploration permit

- The maximum area is not limited (100 ha)
- Valid up to 15 years (8 years)
- Regulations in the permit
- Transferable to another person eligible to claim
- No right to exploitation
- annual reporting on conducted work and exploration results
- after termination of the exploration permit immediate rehabilitation of the area and within 6 months report, exploration data and relevant amount of drilling samples to the Mining Authority
Mining permit

• Deposit technically and economically exploitable
• The competence of the applicant
• Impacts on the environment and other impacts
• Plan for closure and post-mining use of the area

• Land use plan
• Municipality has veto if uranium mine
• Mining permit is granted for undefined or fixed time, control by the Mining Authority at minimum every 10 y

• Land access must be arranged separately, purchase or lease ...
Land access

If no agreement with the landowner:

• an application is to be addressed to the Ministry in order to have the land expropriated for mining, decision is made by the government

• a survey will be executed in order to form a mining district
Fees and compensations

• Permit fees are charged according to factual costs – a substantial raise from 60 eur to minimum
  • 1200-2200 eur for reservation (area)
  • 3000-10000 eur for exploration permit (area)
  • 6000 eur for mining permit

• Annual landowner fees
  • Exploration:
    20 eur/ha years 1-4
    30 eur/ha years 5-7
    40 eur/ha years 8-10
    50 eur/ha years 11-15
  • Earlier exploration fee was 10 eur/ha to landowner and 6,75 eur/ha to the state
  • Mining: 50 eur/ha and 0,15 % of the value of exploited metal minerals/ according to agreement when industrial minerals

• No royalty or tax to the state – but state is a landowner
Experiences so far

- New authority and new personnel, was a challenge
- New legislation, interpretation in real cases
- Longer processing of permits
  even before the changes, the queue has been growing until recently, the recession has cut down the queues
- Appeals more common – almost every day life
  - Announcing in the newspapers
  - Negative publicity, some cases
  - Permits within the Sami area

- Mining tax in public discussion
Corrective actions ongoing

Gold panning
• Licence period for gold panning, maximum area for gold panning, execution regardless of appeal
• Government proposal 7.4.2016 – in the parliament

Exploration and mining
• Public commentary period January-February 2016
• Approximately 50 comments
• Summarizing ongoing

Proposal to be developed further, preambles, public hearing, government proposal during autumn 2016
Mineral strategy
Mineral Policy Development in Finland in the 2000’s

Key task for the mineral policies in any country is:

• How to improve business environment of mining industry in a global context?

• And at the same time take into account the needs and requirements of national, regional and local societies?
Mineral Policy Development in Finland in the 2000’s

In case of **Finland**, we are speaking about the mineral policy for a country

- with strong Nordic democratic traditions
- with high percentage of **private** land ownership
- with high demands of environment protection
Finland as a mining cluster country

An important sector, supported by the government
- Geological potential
- Infrastructure, skilled personnel
- Eastern and Northern part of the country
- Value chains (machinery, equipment, technology, services)

Environmental impacts, can and must be mitigated
- Legislative framework
- Technical solutions
- Innovations

Social acceptance
Forms of government support

- Direct budget **financing of infrastructure investments** of new mines (for example powerline, exploration ramp)
- **Financing of mine investment: loans, guarantees** and capital investments
- **Financing of transport infrastructure** investments of new mines (railroads, roads, harbors)
- **Education and training** of staff required for the mines (cooperation of state, municipalities and companies – tailored education)
Minerals strategy process

• The process was steered by the Ministry and managed by Geological Survey of Finland
• All relevant mineral industry branches and other interest groups were invited to participate
• The strategy covers all sub-branches of mineral sector; mining, extracting and stone industries, machinery, equipment and services for mining
• The process was based on open discussion, seeking consensus
• The target of the strategy was to advise government policy making as well as mineral branch itself
Main targets for the Finnish mineral strategy

I. To contribute to the increase of employment, economic growth and welfare through vital mineral sector

II. To find solutions to global challenges of raw-material chains through Finnish innovations

III. To decrease total environmental impacts of mining industry
Finnish minerals strategy

• Vision to 2050

• 12 action proposals on 4 different areas
  • Strengthening the minerals policy
  • Securing the raw materials supply
  • Environmental impacts of mining
  • R&D

• http://projects.gtk.fi/minerals_strategy/index.html
Implementation of minerals strategy

- Focus on mining
- Green Mining – program, Tekes
- Financing: earmarked 30 MEUR for Finnish Industry Investment to be invested in mining sector
- Government program 2011
  - Securing resources of mining authority
  - More active role in EU
  - Strengthening of domestic value chains of mining
  - Increasing education and R&D
- Government program 2015
  - No direct entries of mining, but the sector is included through circular economy, sustainability, clean solutions, streamlining of permitting …
Government program 2015

• **Circular economy** is essential, includes feed of primary raw materials to the loop

• **Resource efficiency**, make the most of side streams

• **Cleantech** solutions need new raw materials

• **Innovations** – new raw materials utilised

• Research & skills >> **new business**
Improvements ongoing

• Slimming legislative requirements, deregulation

• Better coordination between authorities

• Merging of permitting procedures

• Transparent timeframe of permitting procedures
More information

Mineral policy
www.tem.fi/en/enterprises

Mining authority (mining legislation, maps of current permits)
www.tukes.fi

Geological information and maps
www.gtk.fi

Research and development funding www.tekes.fi/GreenMining

Venture capital and loans
www.finnvera.fi and www.industryinvestment.com

The national trade, internationalization and investment development organization in Finland
www.finpro.fi
Thank You for your attention!