



# The Governance of Land Use

## Country fact sheet Finland

### The planning system

#### *Levels of government and their responsibilities*

Finland is a unitary country with 313 municipalities. At an intermediate administrative level are the regional councils, but only the regional council of the island of Åland has the status of an autonomous regional government. The other 18 regional councils are statutory joint municipal boards. As of the time of writing, an on-going reform aims at reforming the regional structure and at establishing full regional governments.

The national government adopts the framework legislation that structures the planning system and other relevant legislation, such as environmental laws. Furthermore, the national government may adopt national objectives regarding land use and the regional spatial structure. The Ministry of Environment is in charge of drafting national land-use objectives. It also provides guidance on the land-use planning process and the regulation of building activities. The national government also influences spatial policy indirectly through its *Centres for Economic Development, Transport and the Environment (ELY Centres)*, which are deconcentrated branches of the national administration. They are responsible for economic development, transport and environmental issues and also issue planning permissions in exceptional cases.

Regional councils have two main functions; the promotion of regional development and regional land-use planning, which occurs primarily through the preparation of *Regional Plans*. Furthermore, regional councils are mainly responsible for implementing programmes supported by EU structural funds and can use them to affect the spatial structure of the region.

Local self-government is ensured by the Finnish constitution. With respect to land-use planning, municipalities meet this responsibility by preparing *Local Master Plans* and *Local Detailed Plans*. Furthermore, they are responsible for issuing planning permissions and building permits.

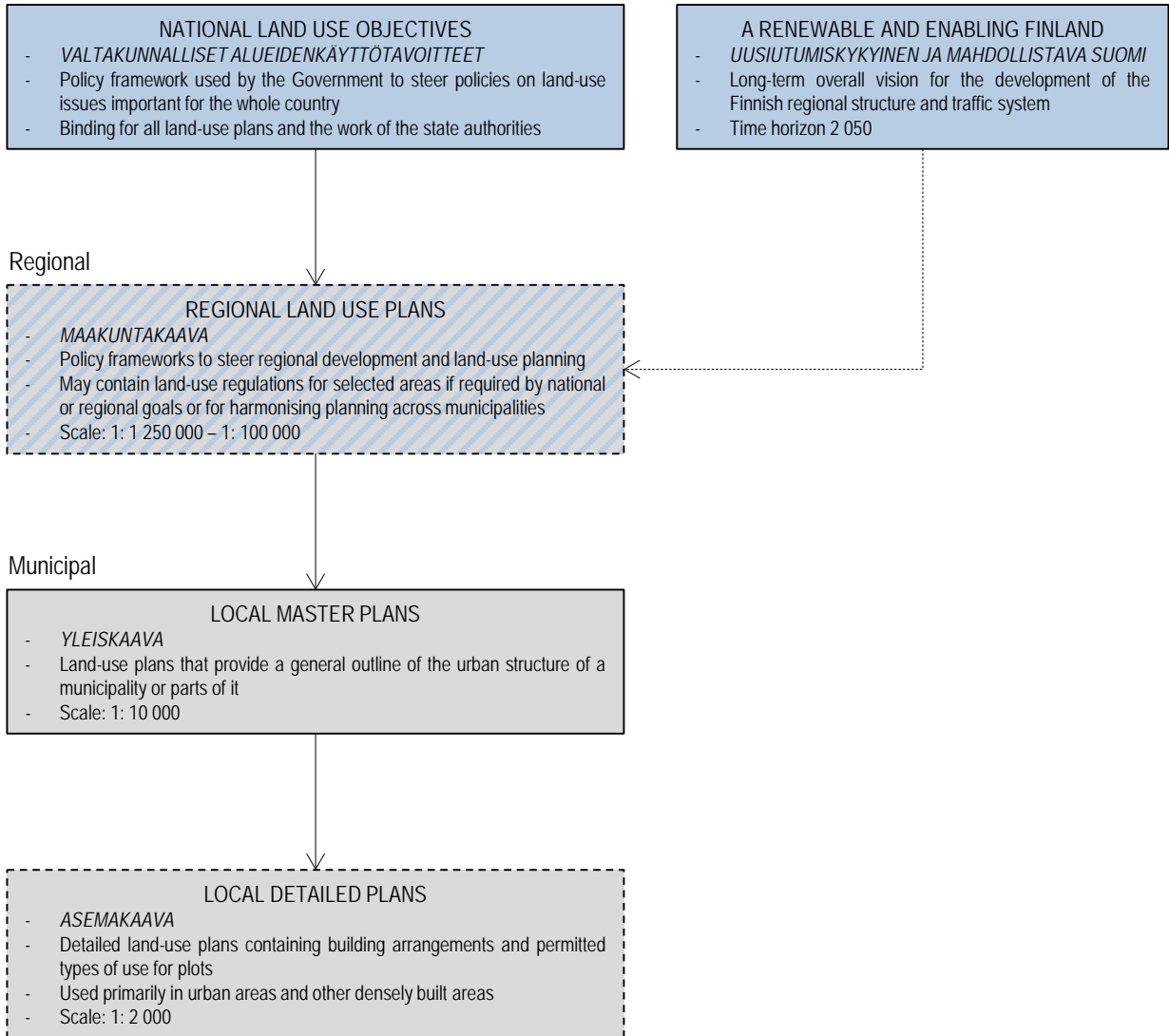
#### *Spatial and land-use plans*

Finland uses a hierarchical system of plans. No spatial plan exists at the national level, but the government develops national land-use objectives to steer policy on land use and regional spatial structures that are important for the whole country. Lower levels of government are required to take them into account in their planning process. Furthermore, the *Ministry of the Environment* in co-operation with other ministries has developed a non-binding vision for the regional structure and the transport system of Finland in 2050 (named "*A renewable and enabling Finland*"). It envisions a polycentric regional structure for the country.

## Organisation of spatial and land-use planning in Finland

### General framework

#### National



*Regional Plans* are the highest-level plans. They set out principles for land use and community structure, and designate areas that are needed for regional development.

Such a designation occurs only if required by national or regional land-use objectives or in order to harmonise land use in several municipalities.

Municipalities prepare two types of plans. *Local Master Plans* contain a description of the urban structure of the municipality and contain general objectives for community development. They contain zoning regulation for the entire territory of a municipality (typically at a scale of 1: 10 000) and specify the areas for which *Local Detailed Plans* are required. *Local Master Plans* exist in all municipalities.

*Local Detailed Plans* are drawn up to guide development in particularly important or sensitive areas. They include detailed regulations on permitted development for individual plots. Maps are typically drawn at a scale of 1: 2 000. *Local Detailed Plans* must not impose unreasonable restrictions on land owners that could be avoided without disregarding the objectives of the plan and must ensure that they do not substantially reduce the quality of anybody's living environment unless necessary to meet the objectives of the plan.

### ***Major laws and regulations***

The *Land Use and Building Act* structures the land-use planning system and contains provisions to ensure the environmental, economic, social and cultural sustainability of planning. Together with the *Local Government Act*, which outlines the responsibilities of municipalities, it forms the framework legislation for land-use planning. Further provisions regarding the planning process are provided by decree, ministerial decision and local building ordinances. Important restrictions on land use are also contained in the *Nature Conservation Act* and in the *Environmental Protection Act*.

### ***Co-ordination mechanisms***

Vertical co-ordination of land-use policies is one of the tasks of the above-mentioned *Centres for Economic Development, Transport and the Environment*. They monitor regional and local land-use policies to ensure that national objectives with respect to land use and building activity are taken into account. Horizontal co-ordination across policy fields is the responsibility of the *Ministry of Environment*, which harmonises regulations concerning building activities that are issued by other government authorities.

### ***Expropriations***

Land can be expropriated for a variety of reasons, such as the provision of public infrastructure and housing, the establishment of nature protection areas and for mining activities. When local plans zone areas in a way that make it impossible for a private land owner to generate a reasonable return from it, the state can be obliged to expropriate the area and pay compensation for it. However, the requirement to compensate land owners does not cover areas used for the construction of roads. Expropriation for private land uses is not possible, but the state can expropriate land and sell it to private developer. While legally possible, such a procedure would face increased political challenges and legal scrutiny.

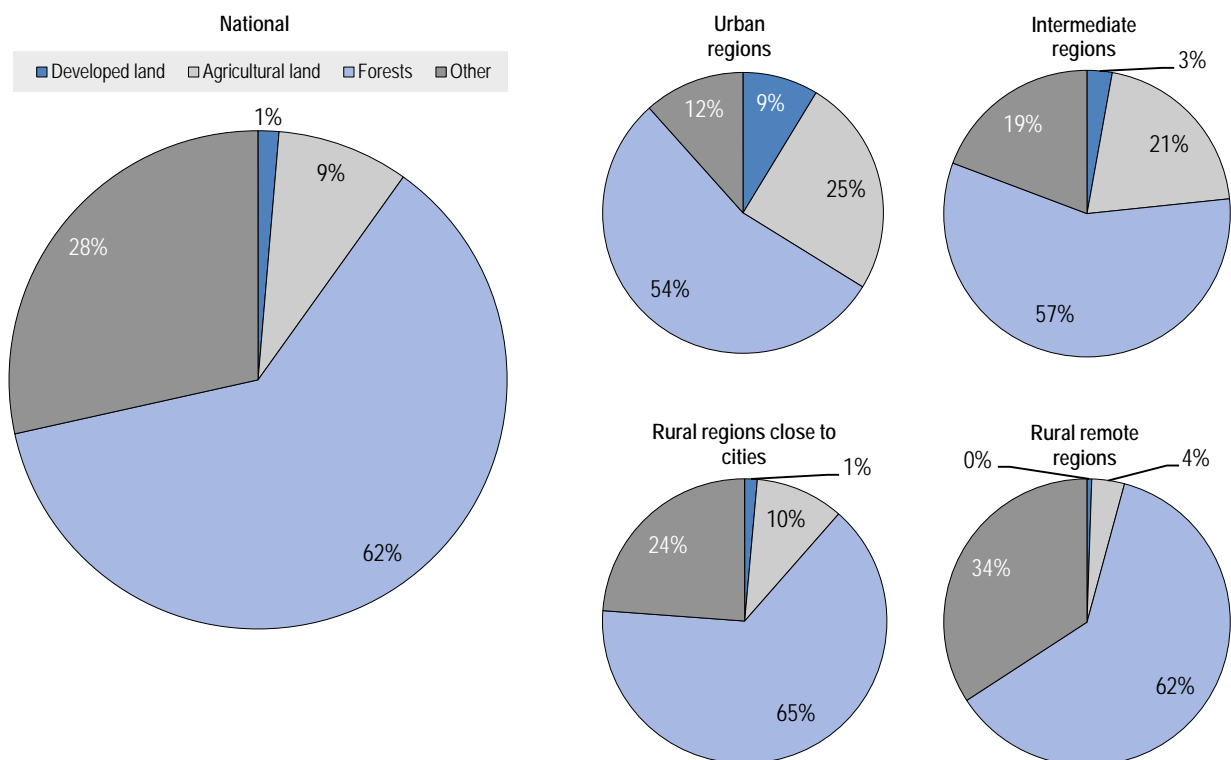
### Recent and planned reforms to the system of land-use planning

Systematic land-use planning in Finland was established in the 1930s and concerned only cities and towns. The current system in its broad outlines was established in 1956 and underwent a major reform in 1999. The main change during the reform of 1999 was the introduction of a meaningful and mandatory participatory process that strengthened stakeholder involvement in the planning process. Smaller reforms occurred in 2004 and 2015 and introduced the objective to foster economic competitiveness through land-use planning.

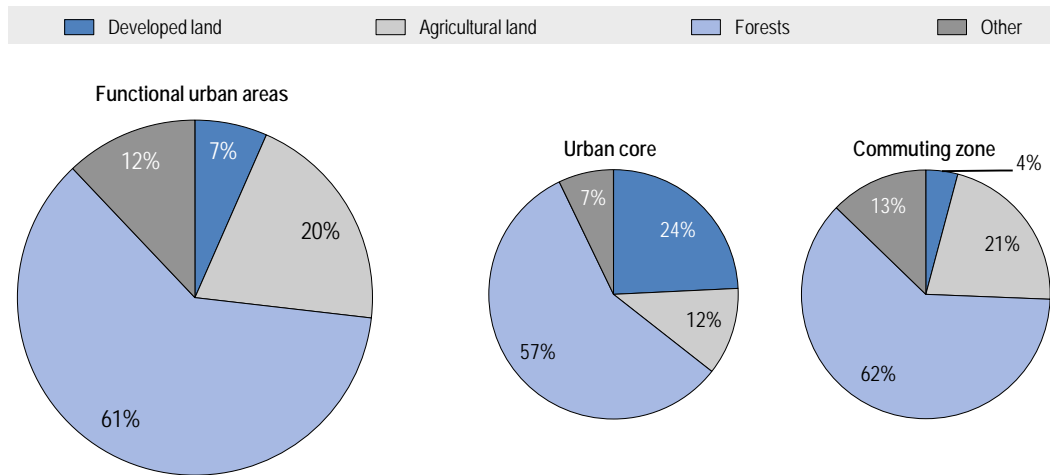
Planned reforms related to land-use governance aim at easing planning restrictions and at increasing regional and local autonomy. The *Land Use and Building Act* will be amended to increase opportunities for construction and simplify decision-making processes. Construction in densely populated areas will be facilitated, for example by easing regulations on areas that require planning. The national land-use objectives will be updated and will be more strongly restricted to areas of national importance. Furthermore, regional land-use plans will not require approval from the national government anymore.

### Land cover in Finland

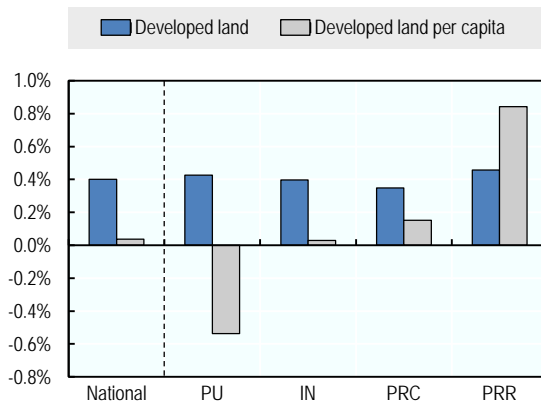
Land cover at the national level



## Land cover in functional urban areas (FUAs)

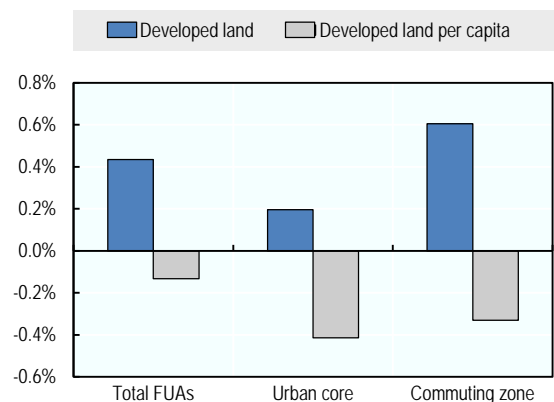


### Annual change in developed land, 2000-12



Note: PU: urban regions, IN: intermediate regions, PRC: rural regions close to cities, PRR: rural remote regions.

### Annual change in developed land in functional urban areas 2000-12



Note: Values for urban cores and commuting zones refer only to FUAs with more than 500 000 inhabitants.

## Land-use trends in Finland

As in many other sparsely populated countries, Finland also has a very high use of developed land per capita, even though only a very small share (1%) of its total surface is developed. Since 2000, the area of developed land increased by approximately 0.4% annually in urban, rural and intermediate regions, despite diverging demographic developments. Whereas urban regions experienced population growth that was much stronger than the increase in developed land, rural remote regions experienced population declines. Of all analysed countries, Finland has the second highest share of forested land after Japan.

Source: OECD calculations based on *Corine Land Cover dataset*.

### Land cover at the national level in Finland

Land cover (km <sup>2</sup> )	National	Urban regions	Intermediate regions	Rural regions close to cities	Rural remote regions
Total area	33 7414	9 468	49 851	93 824	184 272
Total developed land	4 551	823	1 412	1 342	973
Percentage of total	1.3%	8.7%	2.8%	1.4%	0.5%
Annual change in developed land, 2000-12	17.7	3.4	5.5	4.6	4.3
Annual percentage change in developed land, 2000-12	0.40%	0.43%	0.40%	0.35%	0.46%
Agricultural land	28 840	2 379	10 229	9 418	6 815
Percentage of total	8.5%	25.1%	20.5%	10.0%	3.7%
Annual change in agricultural land, 2000-12	32.0	-1.0	0.2	20.3	12.5
Annual percentage change in agricultural land, 2000-12	0.11%	-0.04%	0.002%	0.22%	0.18%
Forests	20 7960	5 167	28 602	60 708	113 483
Percentage of total	61.6%	54.6%	57.4%	64.7%	61.6%
Annual change in forests, 2000-12	-187.1	-5.7	-38.9	-72.7	-69.7
Annual percentage change in forests, 2000-12	-0.09%	-0.11%	-0.13%	-0.12%	-0.06%
<b>Land cover per capita (m<sup>2</sup>)</b>					
Total developed land per capita	843	531	855	1 013	1 111
Annual percentage change in developed land per capita, 2000-12	0.04%	-0.54%	0.03%	0.15%	0.84%
Agricultural land per capita	5 340	1 536	6 192	7 109	7 783
Annual percentage change in agricultural land per capita, 2000-12	-0.25%	-1.00%	-0.36%	0.02%	0.57%
Forests per capita	38 502	3 335	17 316	45 824	12 9602
Annual percentage change in forests per capita, 2000-12	-0.45%	-1.07%	-0.50%	-0.31%	0.32%

### Land cover in functional urban areas (FUAs)

Land cover in FUAs (km <sup>2</sup> )	FUAs	Urban core	Commuting zone
Total area	27 169	3 275	23 894
Total developed land	1 787	794	993
Percentage of total	6.6%	24.2%	4.2%
Annual change in developed land, 2000-12	7.6	2.1	5.4
Annual percentage change in developed land, 2000-12	0.43%	0.27%	0.57%
Agricultural land	5 502	372	5 130
Percentage of total	20.3%	11.3%	21.5%
Annual change in agricultural land, 2000-12	0.4	-0.5	0.9
Annual percentage change in agricultural land, 2000-12	0.01%	-0.14%	0.02%
Forests	16 600	1 875	14 725
Percentage of total	61.1%	57.3%	61.6%
Annual change in forests, 2000-12	-13.2	-2.0	-11.2
Annual percentage change in forests, 2000-12	-0.08%	-0.10%	-0.08%
<b>Land cover per capita in FUAs (m<sup>2</sup>)</b>			
	FUAs (50 000+ inhabitants)	Urban core (only FUAs 500 000+)	Commuting zone (only FUAs 500 000+)
Total developed land per capita	636	373	886
Annual percentage change in developed land per capita, 2000-12	-0.13%	-0.41%	-0.33%
Agricultural land per capita	1 958	85	3 597
Annual percentage change in agricultural land per capita, 2000-12	-0.56%	-0.87%	-0.97%
Forests per capita	5907	249	7107
Annual percentage change in forests per capita, 2000-12	-0.64%	-0.75%	-1.08%

Source: All land cover statistics for Finland are based on OECD calculations based on *Corine Land Cover dataset*.