

Takeaways of the OECD mission to North Karelia

TSI OECD-DG REFORM project – April 3rd to 5th

Introduction

The OECD study mission to the North Karelia region, Finland, took place from 3rd to 5th April 2024, conducted back-to-back with a mission to the region of Kainuu. This visit allowed for a series of discussions and engagements in three municipalities, including the capital of the region, with diverse regional stakeholders ranging from regional to municipal government representatives, universities, and the private sector. The peer reviewer was Socrates Boutsis from the region of Central Greece, Greece.

Current state

North Karelia region is home to one of the first mining sites in Finland, Outokumpu. After its closure in the 60s, the municipality has managed to transition towards an innovative industrial economy, with manufacturing companies in mining (Metso), an industrial park and a unique integrated laboratory for mineral processing and analysis of tailings and water management. The region also benefits from an important education and research institutions that support modern vocational training and understanding of community perception towards mining.

The region has an active gold mine that has supported growth of remote municipalities (Illomantsi) and a few exploration projects, notably a cobalt mining project located on top of the ancient Outokumpu mine.

Strengths	Challenges
A unique laboratory from the Finnish Geological Survey (GTK Mintec), located in the Outokumpu municipality, with integrated facilities for mineral processing, tailings and water management analysis.	Limited infrastructure for mineral transportation, which was amplified by the closure of the Russian border.
Delocalised vocational education for mining (Rivera School) and social science mining research (Research Center for Mining, Minerals and Society).	Green energy infrastructure with limited transmission capacity that increases cost of energy for the industry, especially for valorisation projects for minerals.
An inter-municipal development agency (Business Joensuu) that is active in connecting SMEs and local companies with mining projects as well as establishing a mining hub for circular economy solutions.	There is scope for coordination and communication improvements among the national agency in the region providing environmental permits (AVI) and the national agency monitoring mining operations (ELY centre)

Key Takeaways

Innovation and business ecosystem

- Continue regional government support for the strategy of connecting local business with the GTK Mintec, through the Mining Hub, has the potential to attract investment and boost local entrepreneurs.

- New projects and hubs in the region can focus on re-mining waste and addressing the environmental liabilities associated with old mines.
- There is scope to improve cooperation among universities and vocational education institutions for innovation projects.

Mining Governance

- The Regional Council can better clarify the role of mining in the regional strategic documents. For instance, the municipality of Outokumpu can be highlighted as an example of a municipality that has transitioned from mining to hosting advanced manufacturing companies and a mining research laboratory (GTK Mintec)
- Continue the coordination with national government to improve supply of green energy in the region in order to reduce greenhouse gas emission of current mining projects and reduce the costs of mineral valorisation projects.

Circular economy

- Forge stronger connections between current and prospective companies in the mining and mining-related sectors with research institutions and entrepreneurs to advance circular economy projects, specifically around tailings valorisation (e.g. the potential of re-mining tailings in the Endomines mine).

Good practices:

ESG and Responsible mining

- Companies supporting social infrastructure (e.g. improvements in education supply or sport centres).
- Ongoing initiatives that seek to establish a mining hub that offers sustainable circular economy solutions for the mining industry (Outokumpu Mining Hub).

Governance and innovation

- Close collaboration among the regional council, GTK Mintec and the inter-municipal business development agency (Business Joensuu) to leverage EU funds for investments in innovation and research.
- Regional council partnering with other regions to put in place a project to mitigate information asymmetry and address communication issues around mining projects, between communities, municipalities, and mining companies.
- Advance research on the social perception towards mining and the interaction with local communities.