



## Factsheet on 2014-2020 Rural Development Programme for Mainland Finland

The Rural Development Programme (RDP) for mainland Finland was formally adopted by the European Commission on 12 December 2014, outlining Finland's priorities for using more than € 8.3 billion of public money that is available from 2014-2020 (€ 2.3 billion from the EU budget and € 3.2 billion of national funding, plus more than € 2.6 billion of additional national funding top-ups). Given the difficult climatic conditions in which Finnish agriculture production takes place, Finland is targeting the largest part of its funding to agricultural areas with natural constraints (ANC) to help ensure the continuity of farming activities and secure the open landscapes which are so important for biodiversity in Finnish conditions. In this context, Finland aims to have 83% of its agricultural area under contracts of agri-environment-climate measure and will provide more funds for organic farming. The RDP also foresees more than 20 000 participants in training, mainly farmers, to help embrace innovation and more modern farming practices. Animal welfare measures will be further strengthened. In order to raise profitability, the programme will target on-farm investment, investments in food processing and diversification of farm activities as well as investments in basic services such as broadband to counteract rural depopulation. The activities relating to facilitating diversification, creation and development of small enterprises together with fostering local development in rural areas have the potential of creating close to 6 000 jobs.

[Rural Development](#) is the 2nd Pillar of the [Common Agricultural Policy](#), providing Member States with an envelope of EU funding to manage nationally or regionally under multi-annual, co-funded programmes. In total, 118 programmes are foreseen in all 28 Member States. The new [RD Regulation](#) for the 2014-2020 period addresses six economic, environmental and social priorities, and programmes contain clear targets setting out what is to be achieved. Moreover, in order to coordinate actions better and maximise synergies with the other European Structural & Investment Funds ([ESIF](#)), a [Partnership Agreement](#) has been agreed with each Member State highlighting its broad strategy for EU-funded structural investment.

This document provides a brief overview of how the challenges and opportunities faced by mainland Finland are addressed by the RDP. (NB As in the past, there will be a second Finnish RDP for the Åland Islands which will be approved separately in due course.) In the annex, a table indicates the priorities and focus areas each with their specific targets, and their allocated budget.

### 1. SITUATION AND KEY CHALLENGES

Finland covers an area of 390 903 km<sup>2</sup> of which **95% is rural**. Of the total land area, 86% is covered by forests and 7.6% of agricultural land. The total population is 5.4 million – of which 30% live in rural areas. The built environment in Finland is low, about 3% of the total surface area.

The main challenges for agricultural activities in Finland relate to the low profitability of the agricultural sector due to cold climate and poor soil i.e. the natural constraints. The

negative impact of agricultural activities on the environment include eutrophication of the water bodies, deterioration of natural habitats and reduction of species. The positive impact of agricultural activities on the environment relate to increased biodiversity, open agricultural landscapes and diverse cultural landscape, as well as improved living environment.

About 42% (nearly 118 000) of all enterprises operating in Finland are located in rural areas; In 2010 about 93% of enterprises were defined as "micro sized", ie employing not more than 9 persons.

Finnish agriculture is still based mainly on the family-farming type of agriculture. The number of farms is relatively high and the farm size relatively small. The amount of agricultural land has remained approximately the same in the last years.

## **2. HOW FINLAND MAINLAND'S RDP WILL ADDRESS THESE CHALLENGES**

Finland Mainland's RDP addresses all the 6 Rural Development Priorities, with the main focus being on Priority 4: **Restoring, preserving and enhancing ecosystems related to agriculture and forestry**. The measures receiving the most funding are Areas with Natural Constraints (ANC) and Agri-Environment/Climate schemes (accounting respectively for roughly 32% and 29% of funding. For ANC, as well as the standard EU and national co-funding, there will also be national additional financing (top-up) worth almost € 2 billion. For investment measures, the national additional financing is € 656 million.

**Community Led Local Development** (CLLD/Leader) is expected to support the **balanced territorial development** of rural economies and communities, thereby creating jobs and improving living conditions in these areas.

The cross-cutting priority **"Knowledge transfer and innovation in agriculture, forestry and rural areas"** will help the farm sector and rural businesses to incorporate the results of research and innovation into their production systems. Transfer of knowledge will be provided through training more than 20 000 participants over the period, mainly farmers. The links between the agricultural production sectors and research will be reinforced through 310 cooperation projects.

### Restoring, preserving and enhancing ecosystems related to agriculture and forestry

The objective is to maintain and develop valuable open, cultivated agricultural landscape and natural meadows and pastures, regardless whether they are used for food production, renewable energy, or managed without cultivation. The aim is to reduce the harmful environmental impacts of agricultural activities on the soil, surface and ground water and air by promoting the use of environmentally-friendly practices and taking care of growing conditions. More than 81% of agricultural land is expected to come under management contracts to improve water management.

### Promoting social inclusion, poverty reduction and economic development in rural areas

Rural areas need to diversify and develop. Service innovations and a new kind of enterprise promotion in sparsely populated areas are needed, as well as more local, neighbourhood-oriented activity and participation. The net population benefiting from the improved services is targeted to be 1.8 million.

### Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

Measures are foreseen to support the diversification of agriculture-related businesses. The aim is to influence producers' capacity to respond to consumer demand for organic

and local food, to improve the availability of their products and to increase the degree of processing. A further objective is to improve animal health and welfare and the impact on farm species specific care promotion.

Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

The aim is to improve the rural economy by enhancing sustainability and raising awareness of environmental issues as well as energy and resource efficiency. In this context, the RDP is seeking to increase the share of renewable energy and more efficient use of manure.

Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests

Measures are foreseen to develop and raise agricultural productivity and competitiveness by improving the structure of agricultural production and seeking to improve the age structure of farmers.

The 4 ***biggest RDP measures*** in budgetary terms (total public funding) are:

- 1.8 billion EUR allocated for Measure 13: Areas facing natural constraints
- 1.6 billion EUR allocated for Measure 10: Agri-Environment-Climate
- 458 million EUR allocated to Measure 14: Animal welfare
- 379 million EUR allocated for Measure 4: Investments in physical assets

## Annex 1: Indicative public support for the Finland Mainland Rural Development Programme

	Measure	Public Allocations	%
<b>Priority1: Knowledge transfer and innovation[1]</b>			
1A: Fostering innovation, coop, knowledge base 3.32 % RDP expenditure	M01 - Knowledge		
	M02 - Advisory services		
	M16 - Co-operation		
1B Strengthening links (with research etc.) 1B: 310 cooperation operations	M16 - Co-operation		
1C Training 1C: 20 000 training participants	M01 - Knowledge		
<b>P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests</b>			
2A - farm performance 11.94 % farms with RDP support	M01 - Knowledge	5 000 000	0,06
	M04 - Investments	871 400 000	10,63
2B - New farmers 4.61% farms with RDP support for YF	M01 - Knowledge	3 000 000	0,04
	M06 - Farm and business development	145 000 000	1,77
<b>P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture</b>			
3A - Competitiveness of producers 3A: 8.53% of farms supported	M01 - Knowledge	3 000 000	0,04
	M02 - Advisory services	5 000 000	0,06
	M04 - Investments	44 000 000	0,54
	M14 - Animal welfare	458 000 000	5,59
	M16 - Cooperation	49 000 000	0,60
<b>P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry</b>			
All Focus Areas for Priority 4 4A: 15.63% of UAA under management contracts supporting biodiversity and/or landscapes 4B: 81.8% of UAA under management contracts improving water management 4C: 44.03% of UAA under management contracts improving soil management and or preventing soil erosion	M01 - Knowledge	11 200 000	0.14
	M02 - Advisory services	21 000 000	0.26
	M04 - Investments	6 000 000	0.07
	M10 - AEC	1 586 331 757	19.36
	M11 - OF	326 000 000	3.98
	M13 - ANC	3 734 000 000	45.56
	M16 - Cooperation	15 000 000	0.18
<b>P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors</b>			
5B - Energy efficiency 2,000 beneficiaries receive advice	M01 - Knowledge	3 000 000	0.04
	M02 - Advisory services	2 000 000	0.02
	M16 - Cooperation	7 000 000	0.09
5C - Renewable energy 117.9 million € investment	M01 - Knowledge	1 600 000	0.02
	M02 - Advisory services	2 000 000	0.02
	M04 - Investments	56 800 000	0.69
	M16 - Cooperation	7 000 000	0.09
5D - Reducing GHG and NH3 10.77% LU concerned	M01 - Knowledge	1 600 000	0.02
	M02 - Advisory services	2 000 000	0.02
	M04 - Investments	56 800 000	0.69
	M16 - Cooperation	3 500 000	0.04

5E - Carbon conservation / sequestration 2,000 beneficiaries receive advice	M01 - Knowledge	1 600 000	0.02
	M02 - Advisory services	2 000 000	0.02
	M16 - Cooperation	3 500 000	0.04
<b>P6: Promoting social inclusion, poverty reduction and economic development in rural areas</b>			
6A - Diversification, SMEs and job creation 6A: 4 000 jobs created in supported projects	M01 - Knowledge	48 000 000	0.59
	M06 - Farm and business development	257 000 000	3.14
	M16 - Cooperation	72 000 000	0.88
6B - Local development 6B: 1 700 jobs created in supported projects (Leader)	M01 - Knowledge	1 000 000	0.01
	M07 - Basic services	50 000 000	0.61
	M16 - Cooperation	3 000 000	0.04
	M19 - LEADER and CLLD	300 000 000	3.66
6C - ICT 6C: 49.69% of rural population benefiting from new or improved services/infrastructures (ICT)	M01 - Knowledge	1 000 000	0.01
	M07 - Basic services	30 000 000	0.37
<b>Technical Assistance</b>		<b>70 000 000</b>	
	<b>Sum:</b>	<b>8 265 331 757</b>	<b>100.00</b>