



## Factsheet on 2014-2020 Rural Development Programme for Åland Islands, Finland

The Rural Development Programme (RDP) for Åland Islands, Finland, was formally adopted by the European Commission on 13 February, 2015. It outlines Åland's priorities for using more than € 59 million of public money that is available from 2014-2020 (€ 20.7 million from the EU budget and € 34.7 million of national funding, plus more than € 3.7 million of additional national top-ups).

The Åland RDP focusses on improving the competitiveness and structure of the agricultural sector, aiming to support investments on almost 14% of farms, the setting-up of 22 young farmers as well as training 150 people. The RDP also focusses on ensuring the appropriate management of natural resources and climate friendly farming practices. About 72% of agricultural land is expected to come under agri-environment-climate measures. Åland Islands will also focus on service innovations. Around 7 000 people, a quarter of the islands' population, will benefit from improved services.

Support for Rural Development (RD) is the 2nd Pillar of the Common Agricultural Policy. It provides Member States with an envelope of EU funding for multi-annual, co-funded programmes at either the national or regional level. 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. Programmes contain clear targets setting out what is to be achieved. To better coordinate actions 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 Åland Islands are addressed by the RDP. (The RDP for mainland Finland was approved on 12 December 2014.) In the annex, a table indicates the priorities and focus areas with their respective targets and budget.

### 1. SITUATION AND KEY CHALLENGES

Åland is an archipelago of 6 700 islands. Only 60 islands are inhabited and the population is almost 29 000.

The total surface area of the archipelago is 13 324 km<sup>2</sup>, of which 88% is lakes and ponds. Of the area which is land, most is forest (43% or 67 000 ha). Farmland is relatively unimportant, being on 9% of the land area (14 000 ha).

The main farming challenges relate to the archipelagic conditions and low profitability due to the cold climate and the thin, infertile soils. The negative environmental impacts of farming include the eutrophication of ponds and lakes, the deterioration of natural habitats and the reduction of wildlife species. Farming, however, brings a number of environmental benefits, such as increased biodiversity, open agricultural landscapes and a diverse cultural landscape.

The average farm size is 25.9 ha. The share of farmers older than 50 years is around 20%. The number of farms has been decreasing in recent years. In 2013 there were 470 farms, of which 63% were crop farms and 37% livestock farms. 23% of the arable land is under organic production.

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

In addressing these challenges, Åland's RDP will fund action under five Rural Development Priorities, with the main focus being on Priority 4: *Restoring, preserving and enhancing ecosystems related to agriculture and forestry* with about 72% of agricultural land expected to come under agri-environment-climate contracts.

### Knowledge transfer and innovation

The RDP addresses the increasing need for skills and expertise in the agricultural sector by offering training to 150 people.

### Competitiveness of agri sector and sustainable forestry

The RDP will help the farms and rural businesses to improve their competitiveness and skills while taking into account environmental concerns. 14% of farms will receive investment support and about 4% of farms will receive support to help young farmers become established.

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

The RDP aims to better incorporate farmers into the food chain. It also aims to spread new ideas and the results of research. It will do this by offering advisory services and investment support and by facilitating the transfer of knowledge.

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

The objective is to maintain and further develop the agricultural and archipelagic landscapes of the islands. The aim is to reduce the harmful environmental impacts of farming regarding surface water, soil and air by promoting the use of environmentally-friendly practices and by improving cultivation techniques. About 72% of farmland is expected to come under agri-environment-climate measures.

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

*Community Led Local Development* (CLLD/Leader) is expected to support the balanced territorial development of the rural economy and the community. This will improve living conditions. Service innovations and new ways of promoting businesses in sparsely populated areas are needed. It is also necessary to encourage more local participation in activities that concern people's neighbourhood. The population benefiting from these improved services is expected to be 7 000.

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

- 24.5 million EUR allocated for Measure 13: Areas facing natural constraints
- 14.5 million EUR allocated for Measure 10: Agri-Environment-Climate
- 10.4 million EUR allocated for Measure 4: Investments in physical assets
- 4.4 million EUR allocated to Measure 11: Organic farming

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

	Measure	Total Public Allocations	%
<b>P1: Knowledge transfer and innovation <sup>[1]</sup></b>			
1A - Fostering innovation, coop, knowledge base 0.81% of RDP expenditure	M01 - Knowledge		
	M02 - Advisory services		
1C - Training 1C: 150 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 13.79% of farms with RDP support	M01 - Knowledge	110 000	0.19%
	M02 - Advisory services	50 000	0.08%
	M04 - Investments	8 452 920	14.27%
2B - New farmers 3.79% of farms with RDP support for YF	M06 - Farm and business development	900 000	1.52%
<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 T-AX01: 11 500 000 € total investments	M04 - Investments	3 000 000	5.07%
<b>P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry</b>			
All Focus Areas for Priority 4 4A: 29.56% of UAA under management contracts supporting biodiversity and/or landscapes 4B: 60.50% of UAA under management contracts improving water management 4C: 18.53% of UAA under management contracts improving soil management and or preventing soil erosion	M02 - Advisory services	290 000	0.49%
	M10 - AEC	14 477 282	24.45%
	M11 - Organic farming	4 534 000	7.66%
	M13 - ANC	24 461 000	41.31%
<b>P6: Promoting social inclusion, poverty reduction and economic development in rural areas</b>			
6B - Local development 24.42% of rural population benefiting from improved services/infrastructures	M19 - LEADER and CLLD	1 644 000	2.78%
Technical Assistance		1 300 000	2.20%
	Sum:	59 219 202	100.00%

<sup>[1]</sup> No financial allocation shown for Priority 1 as the expenditure is distributed across other focus areas.