



## 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, outlining Åland's priorities for almost € 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 ca € 3.0 million of additional national funding top-ups). The latest amendment of the programme was approved by the Commission on 5 March 2020.

The Åland RDP focusses on the development of 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 practises and about **72% of agricultural land is expected to come under agri-environment-climate measures**. Åland Islands will also focus on service innovations and expect 7 000 people, or around a **quarter of the islands' population, to benefit from improved services**.

Support for 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 Åland Islands, Finland are addressed by the RDP. (The RDP for mainland Finland was approved 12 December 2014.) 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

Åland is an archipelago that consists of 6 700 islands but only 60 of them are inhabited. The total surface area of Åland is 13 324 km<sup>2</sup> of which 88% is water. The population is almost 29 000. There are approximately 14 000 ha of arable land in Åland, which represents about 9% of total land area. In addition, there are approx. 67 000 ha of forest land representing over 43% of the total land area.

The main challenges for agricultural activities in Åland relate to the archipelagic conditions and the low profitability of the agricultural sector due to cold climate and poor, thin soil. The negative impacts 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.

The average farm size in Åland is 25.9 ha. The share of farmers older than 50 years is around 20% and the number of farms has been decreasing in recent years. In 2013 there were 470 farms out 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

Åland's RDP addresses 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 agrienvironment-climate contracts.**

### Knowledge transfer and innovation

The RDP addresses the increasing need for skills and expertise in the agricultural sector by offering **training** for a total of **150 people**.

### Competitiveness of agriculture sector and sustainable forestry

The RDP will also help the farm sector and rural businesses to improve competitiveness and skills while taking also into account the environment. Almost **14% of all farms will receive investment support and about 4% of farms will receive support for young farmers setting up.**

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

The RDP aims to incorporate better the agricultural production into the food chain and increase the commercialisation of research results and ideas by offering advisory services and investment support as well as aid to knowledge transfer.

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

The objective is to maintain and develop valuable open, cultivated agricultural and archipelagic landscape. The aim is to reduce the harmful environmental impacts of agricultural activities on the surface water, soil and air by promoting the use of environmentally-friendly practices and taking care of growing conditions. **About 72% of agricultural land is expected to come under agri-environment-climate measure.**

### 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 rural economies and communities, thereby **improving living conditions in the rural areas**. 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 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
- 12.9 million EUR allocated for Measure 10: Agri-Environment-Climate
- 9.7 million EUR allocated for Measure 4: Investments in physical assets

- 7.3 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 0.63% 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	0.09%
	M04 - Investments	6 002 920	10.26%
2B - New farmers 3.79% of farms with RDP support for YF	M06 - Farm and business development	900 000	1.54%
<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 investment	M04 - Investments	3 700 000	6.32%
<b>P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry</b>			
All Focus Areas for Priority 4 4A: 24.08% of UAA under management contracts supporting biodiversity and/or landscapes 4B: 66.42% of UAA under management contracts improving water management 4C: 18.67% of UAA under management contracts improving soil management and or preventing soil erosion	M02 - Advisory services	190 000	0.32%
	M10 - AEC	12 877 282	22.01%
	M11 - Organic farming	7 284 000	12.45%
	M13 - ANC	24 461 000	41.80%
<b>P6: Promoting social inclusion, poverty reduction and economic development in rural areas</b>			
6B - Local development 24.69% of rural population benefiting from improved services/infrastructures	M19 - LEADER and CLLD	1 644 000	2.81%
Technical Assistance		1 300 000	2.22%
	Total:	58 519 202	100.00%

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