



Factsheet on 2014-2022 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, and lastly modified on 4 August 2021. The Programme outlines Finland's priorities for using ca € 10.6 billion of public money that is available from 2014-2022 (more than € 3.3 billion from the EU budget, including 207,5 million from the European Union Recovery Instrument, and € 4.3 billion of national funding, plus over € 3 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 facing natural constraints (ANCs) 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 more than 83% of its agricultural area under contracts of agri-environment-climate measure and will provide more funding for organic farming than in the previous programming period. The RDP also foresees more than 46 000 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 7 000 jobs.

[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, there are 118 programmes in all 28 Member States¹. The [RD Regulation](#) for the current 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](#) was agreed with each Member State highlighting its broad strategy for EU-funded structural investments.

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 is a second Finnish RDP for the Åland Islands.) In the Annex, a table indicates the priorities and focus areas each with their specific targets, and their allocated budget.

¹ The UK left the Union on 31st January 2020; in accordance with the Withdrawal Agreement support under Rural Development continues to apply in the UK during the 2014-2020 programming period.

1. SITUATION AND KEY CHALLENGES

Finland covers an area of 390 903 km² 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 approximately 5.5 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 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, 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", i.e. 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 facing Natural Constraints (ANCs) and Agri-Environment/Climate schemes (accounting respectively for roughly 45% and 21% of funding. For ANCs, as well as the standard EU and national co-funding, there will also be national additional financing (top-up) worth over € 2.3 billion. For investment measures, the national additional financing amount 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 46 000 participants over the period, mainly farmers. The links between the agricultural production sectors and research will be reinforced through 830 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. Approx. 80% 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:

- 45% (4.8 billion EUR) allocated for Measure 13: Areas facing natural constraints
- 21% (2.2 billion EUR) allocated for Measure 10: Agri-Environment-Climate
- 13% (1.3 billion EUR) allocated for Measure 4: Investments in physical assets
- 5% (518.6 million EUR) allocated to Measure 14: Animal welfare

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

	Measure	Public Allocations	%
Priority1: Knowledge transfer and innovation[1]			
1A: Fostering innovation, coop, knowledge base 2.96 % RDP expenditure	M01 - Knowledge		
	M02 - Advisory services		
	M16 - Co-operation		
1B Strengthening links (with research etc.) 1B: 830 cooperation operations	M16 - Co-operation		
1C Training 1C: 46 400 training participants	M01 - Knowledge		
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			
2A - farm performance 15.61 % farms with RDP support	M01 - Knowledge	20 952 381	0.2
	M02 - Advice	13 000 000	0.12
	M04 - Investments	1 133 700 000	10.68
2B - New farmers 4.61% farms with RDP support for YF	M01 - Knowledge	15 380 952	0.14
	M02 - Advice	2 000 000	0.02
	M06 - Farm and business development	145 000 000	1.37
P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture			
3A - Competitiveness of producers 3A: 8.53% of farms supported	M01 - Knowledge	12 000 000	0.11
	M02 - Advisory services	7 000 000	0.07
	M04 - Investments	108 000 000	1.02
	M14 - Animal welfare	518 601 429	4.88
	M16 - Cooperation	49 800 000	0.47
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry			
All Focus Areas for Priority 4 4A: 17.60% of UAA under management contracts supporting biodiversity and/or landscapes 4B: 79.88% of UAA under management contracts improving water management 4C: 53.93% of UAA under management contracts improving soil management and or preventing soil erosion	M01 - Knowledge	7 200 000	0.07
	M02 - Advisory services	15 000 000	0.14
	M04 - Investments	8 000 000	0.07
	M10 - AEC	2 234 334 720	21.04
	M11 - OF	412 500 000	3.89
	M13 - ANCs	4 784 525 873	45.06
	M16 - Cooperation	12 642 857	0.12
P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors			
5B - Energy efficiency 2,000 beneficiaries receive advice	M01 - Knowledge	1 000 000	0.01
	M02 - Advisory services	1 000 000	0.01
	M16 - Cooperation	3 347 619	0.03
5C - Renewable energy 122.9 million € investment	M01 - Knowledge	6 000 000	0.06
	M02 - Advisory services	2 000 000	0.02
	M04 - Investments	63 800 000	0.6
	M16 - Cooperation	10 497 619	0.1
5D - Reducing GHG and NH3 10.77% LU concerned	M01 - Knowledge	1 600 000	0.02
	M02 - Advisory services	1 000 000	0.01
	M04 - Investments	28 800 000	0.27

	M16 - Cooperation	1 550 000	0.01
5E - Carbon conservation / sequestration 2,000 beneficiaries receive advice	M01 - Knowledge	2 666 667	0.03
	M02 - Advisory services	1 000 000	0.01
	M16 - Cooperation	3 800 000	0.04
P6: Promoting social inclusion, poverty reduction and economic development in rural areas			
6A - Diversification, SMEs and job creation 6A: 4 500 jobs created in supported projects	M01 - Knowledge	23 200 000	0.22
	M06 - Farm and business development	247 738 095	2.33
	M16 - Cooperation	85 861 905	0.81
6B - Local development 6B: 2500 jobs created in supported projects (Leader)	M01 - Knowledge	12 000 000	0.11
	M07 - Basic services	82 900 000	0.78
	M16 - Cooperation	3 100 000	0.03
	M19 - LEADER and CLLD	383 000 000	3.61
6C - ICT 6C: 50.22% of rural population benefiting from new or improved services/infrastructures (ICT)	M01 - Knowledge	3 000 000	0.03
	M07 - Basic services	58 500 000	0.55
Technical Assistance		90 000 000	0.85
	Sum:	10 617 000 117	100%