Finland's Rural Development Plan

Country profile:
- Agriculture: 8.9% of Finland is agricultural land, 100% of the area is less favoured.
- Agricultural employment 3.9%, primary production accounted for 2.9% of GDP in 2005
- Harsh natural conditions restricting agriculture, fragmented farm structure, long distances, sparse population
- Environment: improvement of the state of waters, emphasis on the environmental and landscape values of rural areas
- Rural Areas: forests are a valuable natural resource, increased demand for bioenergy, limited employment opportunities

Chosen strategy corresponding to the profile:
- To preserve a viable and active countryside, improve the state of the environment and promote the sustainable use of renewable natural resources
- Focus on natural handicap payments and agri-environmental payments
- Positive opinions of ex-ante and strategic environmental assessment.

A financial aid of € 6 626 million of which € 2 062 million is EU financed (31 %) has been allocated to the Rural Development Programme for mainland Finland for the period 2007- 2013

<table>
<thead>
<tr>
<th>Axis</th>
<th>Total public (in € million)</th>
<th>% of EAFRD contribution</th>
<th>EAFRD (in € million)</th>
<th>Share %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Axis I</td>
<td>504</td>
<td>45</td>
<td>227</td>
<td>11</td>
</tr>
<tr>
<td>Axis II</td>
<td>5 407</td>
<td>28</td>
<td>1 513</td>
<td>74</td>
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<tr>
<td>Axis III</td>
<td>433</td>
<td>45</td>
<td>195</td>
<td>14</td>
</tr>
<tr>
<td>LEADER</td>
<td>242</td>
<td>45</td>
<td>109</td>
<td>(5.3)**</td>
</tr>
<tr>
<td>TA***</td>
<td>40</td>
<td>45</td>
<td>18</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6 626</strong></td>
<td><strong>31</strong></td>
<td><strong>2 062</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

* EAFRD: European Agricultural Fund for Rural Development
** 5.8 % of the total minus TA,
*** TA stands for technical assistance for the implementation of the programmes.
AIMS:
The aims of the Rural Development plan of Finland are:

- Agriculture and forestry are practised in a way that is economically and ecologically sustainable as well as ethically acceptable in all parts of the country.
- Action favouring and furthering the competitiveness of businesses, new enterprise and networking among entrepreneurs to diversify rural economies and improve employment;
- Strengthening local initiatives to improve the viability and quality of life of the rural areas

Concerning the three axes the main priorities of Axis 1 of which the contribution of the EAFRD will be € 227 million (11 %) are.

- Young farmers (32 %)
- Modernisation of agricultural holdings (23 %)
- Adding value to agricultural and forestry products (22 %)

The main focus of Axis 2 of which the contribution to the EAFRD will be € 1 513 million (74%) are:

- Natural handicap payments (55 %)
- Agri-environmental payments (43 %)

Referring to Axis 3 budget allocation of the EAFRD corresponds to € 195 million (14%).

Majority of financing goes to:

- Diversification into non-agricultural activities (39 %)
- Creation and development of micro-enterprises (37 %)

The Leader budget allocation of the EAFRD will be 109 meuro Euros (5,3%) and will be implemented on all axes, majority of the financing envisaged for axis 3.