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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

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

* 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.