

# FINLAND

## Basic Information:

The Finnish Rural Development Programmes (RDP) have budgeted in total for 2007-2013 a total public expenditure of €6.8 billion (European Agricultural Fund for Rural Development and Member State contribution). At the end of 2013, €6.3 billion were spent out of the allocated budget (see Figure 1).

**Axis 1** (Improving the competitiveness of the agricultural and forestry sector) has utilised nearly 72% of its allocated budget.

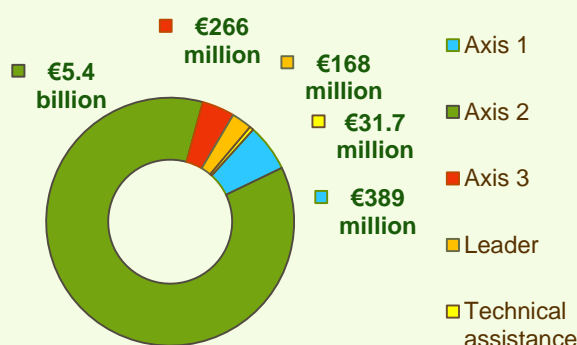
**Axis 2** (Improving the environment and the countryside) has utilised almost 99% of its programmed expenditure.

**Axis 3** – (Improving the quality of life in rural areas), has utilised 57% of its budget.

**Axis 4** – (Leader) has utilised 66% of the programmed expenditure.

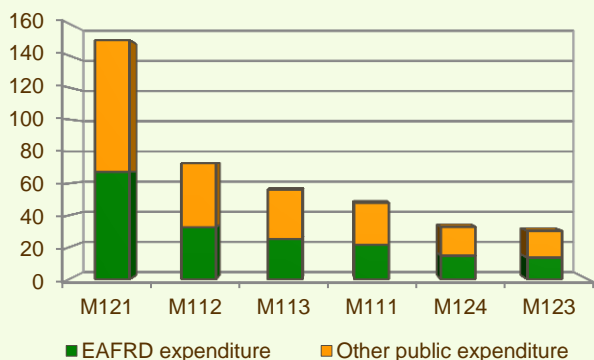


**Figure 1: Total public expenditure per axis in Finland (2007-2013)**

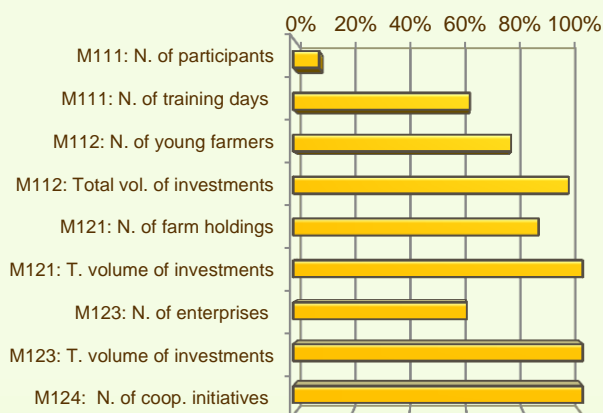


## Axis 1 - Improving the competitiveness of the agricultural and forestry sector

**Figure 2: Axis 1 total public expenditure per measure in million (2007-2013)**



**Figure 3: Axis 1 progress against 2007-2013 output targets in Finland (2007-2012)**



The sum of programmed total public expenditure of the Finnish RDPs on Axis 1 place an emphasis on the Modernisation of agricultural holdings (Measure 121), allocating to this measure 38% of the overall budgeted funds for Axis 1.

Analysis of the expenditure rates per measure up to 2013 shows that:

- ❖ The measure Early retirement (M113) has utilised 99% of its allocated budget.
- ❖ Two measures have utilised 73% and 81% of their programmed expenditure, namely:
  - Modernisation of agricultural holdings (M121), 73% and
  - Setting up of young farmers (M112), 81%.
- ❖ Adding value to agricultural and forestry products (M123) has used 65% of its allocated funds.
- ❖ Vocational training and information actions (M111) and Cooperation for development of new products, etc. (M124) have utilised 59% and 54% of their programmed expenditure.

Figure 3 provides an indication of the achieved outputs up to 2012 in comparison to the output targets for 2007-2013.

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## Measure 214 project example: LounaFood / Finland

Food Centre *LounaFood* is a project in the food service sector that promoted local food by providing targeted assistance to food producers from the region of South-West Finland.

*LounaFood* acted as coordinator of around 300 food SMEs in Finland's key sector food industries like: bakery, processing of meat, vegetables, fruits and berries, and milk, flour milling, beverage production and fish processing, including their marketing needs.

Project work consisted in providing a variety of training and capacity building packages for the small-scale entrepreneurs, investing effort in raising their awareness and skills in topics and techniques such as marketing, direct sales, branding, new product development and customer relations.

The techniques promoted increased the familiarity of their products in different market outlets. RDP supported rural businesses in securing a stronger understanding of the markets.

The total cost of the project was €799,510, out of which €353,929 was EAFRD contribution.

Link: [http://enrd.ec.europa.eu/policy-in-action/rdp\\_view/en/view\\_projects\\_en.cfm?action=detail&backfuse=jsview&postcard\\_id=6821](http://enrd.ec.europa.eu/policy-in-action/rdp_view/en/view_projects_en.cfm?action=detail&backfuse=jsview&postcard_id=6821)

## Axis 2 - Improving the environment and the countryside

Axis 2 of the Finnish RDPs in total focuses on Agri-environment payments (M214), Natural handicap payments to farmers in mountain areas (M211) and Payments to farmers in areas with handicaps, other than mountain areas (M212). The three measures represent the majority of the Axis 2 expenditure (see Figure 4). Together they have been allocated nearly 80% of the total public budget programmed in the Finnish RDP for 2007-2013.

- ❖ Four out of the six measures, have utilised 97-100% of their allocated budgets:
  - Agri-environment payments (M214), 97%
  - Natural handicap payments to farmers in mountain areas (M211), Payments to farmers in areas with handicaps, other than mountain areas (M212) and Animal welfare payments (M215), 100%.
- ❖ The measure First afforestation of agricultural land (M221) has utilised 91% of its programmed budget.
- ❖ Non-productive investments-agriculture (M216) has utilised 72% of its programmed expenditure.

Figure 5 provides an indication of the achieved outputs up to 2012 in comparison to the output targets for 2007-2013.

Figure 4: Axis 2 total public expenditure per measure in million EURO (2007-2013)

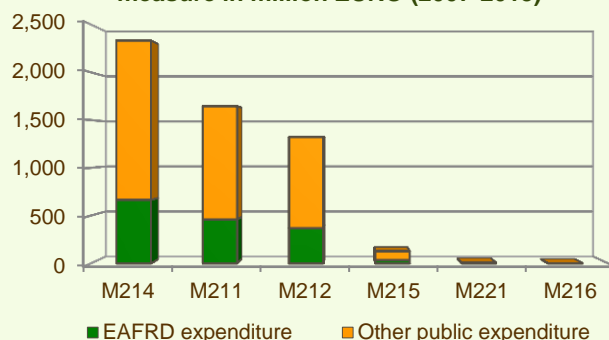
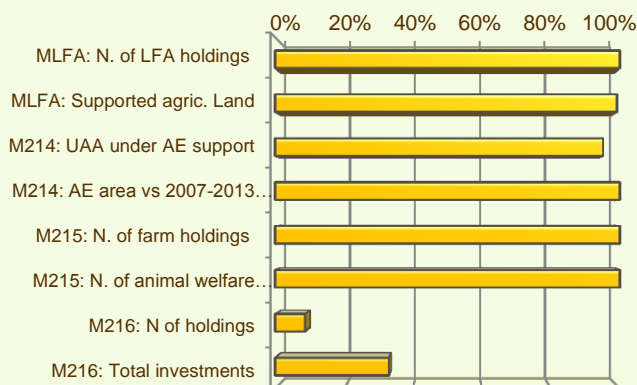


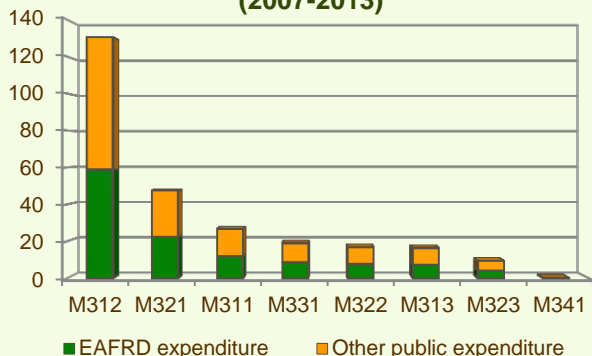
Figure 5: Axis 2 progress against 2007-2013 output targets in Finland (2007-2012)



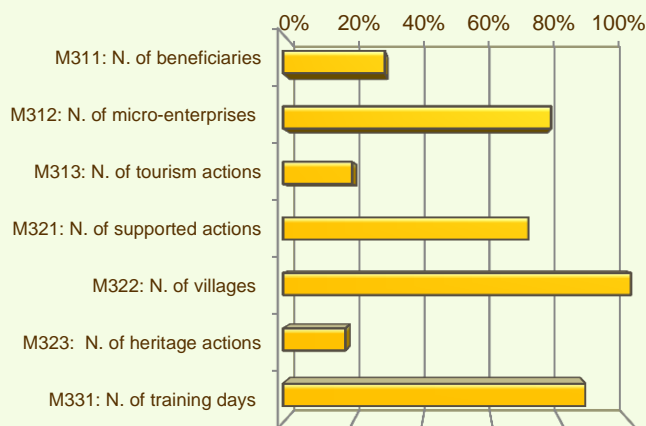
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## Axis 3 - Quality of life in rural areas and diversification of the rural economy

**Figure 6: Axis 3 total public expenditure per measure in million EURO (2007-2013)**



**Figure 7: Axis 3 progress against 2007-2013 output targets in Finland (2007-2012)**



Axis 3 of the Finnish RDPs focuses on Support for business creation and development (M312) and Basic services for the economy and rural population (M321), which together represent nearly 70% of the Axis budget and most of the total public expenditure (see Figure 6).

When comparing the expenditure rates per measure up to 2013 it is observed that:

- ❖ Diversification into non-agricultural activities (M311) has utilised 77% of its programmed budget.
- ❖ Four measures have utilised 56-62% of their programmed budgets:
  - Training and information (M331), 56%
  - Encouragement of tourism activities (M313), 58%
  - Village renewal and development (M322), 62%
  - Support for business creation and development (M312), 62%.
- ❖ Conversion and upgrading of the rural heritage (M323) and Basic services for the economy and rural population (M321) have so far used 49% and 43% of their programmed budgets.
- ❖ Finally, Skills-acquisition and animation (M341), with less than 0.02% of the Axis 3 budget, has used nearly 82% of its planned allocation.

Figure 7 provides an indication of the achieved outputs up to 2012 in comparison to the output targets for 2007-2013.

## Axis 4 - Leader

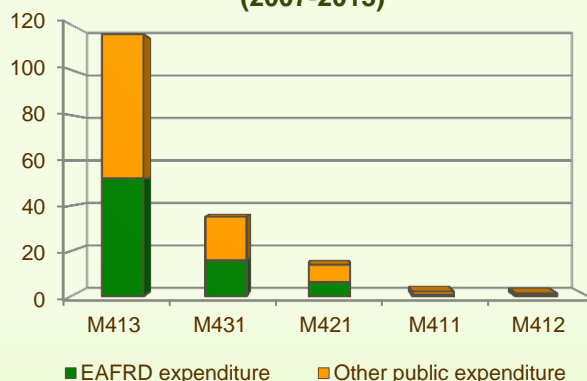
The Leader Axis in the Finnish RDPs has allocated budget of €254 million out of which €168 million have been spent by 2013. Within the Axis, emphasis has been given to the Quality of life/diversification (M413).

When comparing the public expenditure per measure up to 2013 it is observed that Quality of life/diversification (M413) had the largest total public expenditure (see Figure 8).

It is also observed that:

- ❖ Running the LAG, skills acquisition, animation (M431) has utilised 73% of the programmed expenditure.

**Figure 8: Axis 4 total public expenditure per measure in million EURO (2007-2013)**



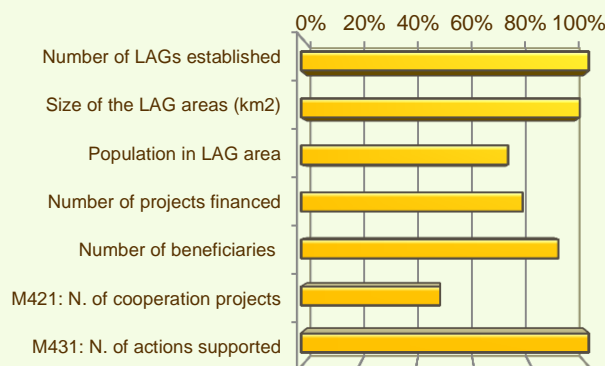
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## Axis 4 - Leader

- ❖ Three measures have utilised between 61% and 71% of their allocated funds, namely:
  - Implementing cooperation projects (M421), 61%
  - Quality of life/diversification (M413), 65%
  - Competitiveness (M411), 71%.
- ❖ Environment/land management (M412) has used 57% of its budget.

Figure 9 provides an indication of the achieved outputs up to 2012 in comparison to the output targets for 2007-2013.

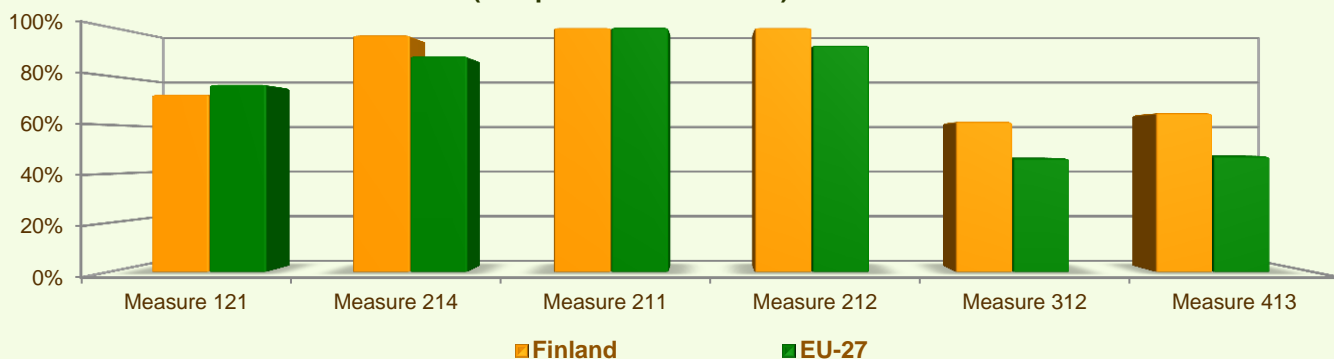
**Figure 9: Axis 4 progress against 2007-2013 output targets in Finland (2007-2012)**



### Summary

- ✓ Within seven years of implementation, the Finnish RDPs have utilised about 92% of the total public expenditure planned for the current Programming Period (including post Health Check and the European Economic Recovery Package modifications).
- ✓ Agri-environment payments (M214) is the measure with the highest allocated budget in the Finnish RDPs. Up to 2013, it has utilised 97% of its available budget and represents 37% of the total public expenditure of the programme.
- ✓ Natural handicap payments to farmers in mountain areas (M211) has the second largest budget in the Finnish RDPs and the utilised expenditure is 100% of its allocated funds. M211 represents 26% of the total public expenditure of the programme.
- ✓ The third largest measure budget is for Payments to farmers in areas with handicaps, other than mountain areas (M212), which has used all of its programmed total public expenditure and represents 21% of the total public expenditure of the programme.

**Figure 10: Progress of total public expenditure up to 2013, main measures (comparison with EU 27)**



*Source of the data: 1) Programmed expenditures 2007-2013: RDP budget allocation following Health Check revision (December 2013); 2) Expenditures 2007-2013: DG AGRI; 3) Output indicators: monitoring tables submitted by Managing Authorities along with the 2008, 2009, 2010, 2011, 2012 and 2013 Annual Progress Reports. Data referring to programming years 2007 to 2012. Only commitments made from year 2007 onwards are considered. 4) Output targets 2007-2013: DG AGRI*

For further detailed information on financial / physical and output indicators data please refer to the dedicated ENRD website section on Monitoring Indicators.