

SWEDEN – KALMAR, KRONOBERG AND BLEKINGE COUNTIES

Renewable energy

The project demonstrates backward and forward links from agriculture to the rural economy. Within the project, activities related to the farmers need for energy and the possibility to supply the community with energy produced on the farms have been carried out.

1. Project details

Nature of the project

Purpose: The purpose is to support energy efficiency on farms and business development within the renewable energy sector. The demand for competence in how to invest in renewable energy is very high and there is a need for information and coordination of activities. The Farmers Union (LRF Southeast) also saw a need to influence municipalities to make investments in renewable energy and thereby create new business opportunities for farmers and rural entrepreneurs, delivering renewable energy.

Content: The activities within the project have been carried out in three different fields:

1. Energy efficiency
2. Business Development within renewable energy
3. Energy planning in the municipalities

The objectives have been to:

- Initiate and get three business development groups with interested farmers started.
- Get three new businesses started within the field of renewable energy.
- Arrange three main seminars on renewable energy with stakeholders from different sectors of society and different business branches.
- Arrange themed meetings and providing a platform for the dialogue between various stakeholders.
- Arrange study visits.

Inspiration: The idea came from the Farmers Union (LRF) who identified a demand for competence and new knowledge among farmers about the use and the production of renewable energy, foremost bio energy, biogas, and small scale hydro and wind power.

Policy coherence: The project is connected to strategies at national level as well as local and regional level. The project is targeted at sustainable development by providing tools for farmers and other rural enterprises for the development, use and production of renewable Energy. Renewable Energy reduces negative environmental impact, which is a main horizontal goal of the Rural Development Fund (RDP) as well as the European Regional Development Fund (ERDF). The project also supports opportunities for Energy efficiency, leading to reduced farm production

costs and thereby increased potential to raise the income of farm activities. Production of renewable energy also means new business opportunities in rural areas - a target in all local and regional programmes.

The project covers the LAGs of;

- Astrid Lindgrens hembygd, www.astridlindgrenshembygd.se
- Föreningen KalmarÖlands landsbygd, www.kalmaroland.se
- Kustlandet, www.kustlandet.com
- Leader Småland Sydost, www.leadersydost.se
- Mitt i Småland, www.mittismaland.se

Links between agriculture and the rest of the economy

Main agricultural sub-sectors involved: The main agriculture sector involved is the farmers in the region and rural enterprises producing energy. Other sectors involved are local and regional communities and companies buying and using energy. One of the main targets was to involve other economic sectors by facilitating communication between future providers and users/purchasers of renewable energy.

Scale of the project: One dimension of the scale of the project is that about 680 persons have been involved in any of the activities. The budget was 150 000 €.

Time scale: The project was carried out in the period from July 2007 to September 2009.

Coverage: The project is regional and has covered Kalmar County, Kronoberg County and Blekinge County in Sweden. They are neighbouring Counties located on the south east coast of Sweden.

Beneficiaries and supporters

Beneficiary: The Farmers Union proposed and realised the project. The main beneficiaries are the farmers and rural enterprises in a position to getting renewable energy production started. Six of the municipalities that participated have been supported in developing plans and proposals for efficiency of their use of energy.

Supporters: The project was supported by the farmers Union (LRF) and 20 of the 25 municipalities in the three counties. The Energy Agency for Southeast supported the project with time and contacts. They also participated in counselling and guidance of the participants. Other supporters were the Swedish Association of Small Scale Hydro power (Svenska VattenKraft Föreningen), who supported the project by providing new knowledge and contacts. The association supports development of 'natural' hydro power, using only the natural streaming of smaller streams and rivers. As a result there are proposals of 12 new projects to develop 'Natural Hydro Power' in different streams in the region.

Finance

Funding: The total budget comprised about 150,000 € by;

EAFRD Funding

a. Funding from the RDP – about 67 000 € (685 000 sek), Axis 1, heading 1.2.3

The "spin off" project (North Möre Biogas) has benefited from approximately 60,000 € (630 000 SEK) LEADER funding, 4.1.1 and 4.1.3

Private Funding

b. Farmers Union own contribution – about 40 000 € (360 000 sek)

National funding

c. The Regional Council in the three counties - 14 000 € each cash contribution (132 00 SEK), total 42 000 €

d. Energy Agency for South East of Sweden (Regionkontor Sydost) – 25 000 € in-kind contribution (245 000 SEK),

e. The Social Insurance Agency 8000 € in-kind contribution (76 000 SEK), for providing employment support for a person employed within the project.

Results

Direct results: The result is, in most aspects, better than expected. The plan was to develop three business development groups --- five have been started. Two proposals from the groups have resulted in a joint project between farmers developing biogas solutions for a regional market. The goal was to get three new businesses started - four have been started
Seven small seminars were planned and about 20 have been carried out. The interest for development of business and new companies targeted at renewable energy, foremost bio energy, has been higher than expected.

On the other hand, the interest for energy efficiency has been lower than expected. The seminars within this field have been cancelled. The project leader has carried out smaller meetings and disseminated written information. Practical demonstrations of energy efficiency on farms was carried out and proven to be a much more pedagogical tool than theoretical information.

Within the field of hydro power, there are 12 different project proposals being developed.

A positive side effect, not defined in the project plan is that consultants expertise in the biogas field has been raised by the project and will be of great importance for the development of biogas production by agriculture in the region.

Main target: The main target groups are local farms and rural enterprises producing, or in the phase of developing, production of renewable energy as well as municipality administrations and companies buying energy.

2. Relevance of case study experiences for others

Problems: While the interest for developing new businesses based on renewable energy was high, the interest for developing and adapting solutions for energy efficiency was in general low. There might be a pedagogical problem to overcome, where farmers and administrations have a

problem seeing how in the short term and long term they might benefit from the activities. The interest for the practical demonstrations was higher, because the audience was provided with more 'proof' of the benefits.

There was no problem with institutions or funding, since renewable energy is a high priority, that attracts and draws attention.

In general there are discussions about the effect windmills have on the environment, wild life and tourism as well as their aesthetics, but this was not an issue within the project.

Transferability and mainstreaming potential: The project has the potential to be transferred to other geographical areas. The potential for farmers to increase their profit producing renewable energy is high throughout most of Europe as well as the benefit of energy efficiency at both the micro and macro level. The results from the project are positive and the interest for the project has been high among farmers and rural entrepreneurs in the region where it was carried out. The project has influenced local strategies, evidenced by the development of plans for energy use in six of the participating municipalities. Also 20 of 25 municipalities have participated actively.

Innovation: The project is innovative in bringing together stakeholders from various sectors, providing a forum for them to meet, exchange views and knowledge and thereby develop new competencies making it possible to form new kinds of partnership. Examples of new partnerships are between farmers and municipality administrations and with farmers going into business together delivering energy from windmills and bio energy plants.

Institutional aspects: The interest for the project has been high. One objective was to form new connections between different actors within the renewable energy sector that normally do not work together. The steering committee involved actors from both private and public sector, representing organisations within the agriculture sector as well as the energy sector and local and regional authorities.

The co operation between different actors has worked well. One reason is that renewable energy is very topical and the need and demand for new knowledge and new associates high. The project has provided a platform and for identifying new competence and facilitating stakeholders linkages.

Social aspects: Since the project has resulted in four new businesses, it has had a positive effect on the labour market. It did not primarily involve or target any disadvantage group. As a secondary effect, the project directly employed one person who was long term unemployed and on sick leave (financed by the Social Insurance Agency).

Environmental aspects (for projects that are not strictly environmental): The core of the project; to develop information and providing contacts within the field of renewable energy is in it self an act of protecting the environment.

Sustainability: The steering group has together with the project owner (Farmers Union) decided to seek funds for a continuation of the work on renewable energy. The formation of the business development groups was a success and there are many who wish to participate. The groups will continue regardless project funding.

The application for a second phase is submitted and, subject to funding, will start in autumn 2010. The businesses that started as a result of the project are self sufficient and now based on market demand.

The business development groups are expected to continue also after the project has ceased. As a result from two of them, two studies have started of which one is the pilot study "North Møre Bio Gas". The aim of this study is to explore possibilities for greater investment in gas production north of Kalmar with about 20 farmers involved. The pilot study of North Møre Biogas is financed through the Leader programme and the local rural development Group of Kalmar- Öland. It has been nominated for an award at the Rural Parliament in Sweden 2010.

Lessons to pass on: Many are interested in renewable energy but they do not have the right business channels and the skills required for this new business area. There is a need for market activities to promote bio energy on a large scale. Other important activities have proven to be building partnership between providers of biogas and buyer of energy.

A further lesson is that the approach for seminars on energy efficiency should be practical for best results, and organised in cooperation with a farm and with a provider of equipment.