

## Rural Development Programme (RDP) of Åland, Finland

**Ålands landsbygdsutvecklingsprogram 2007-2013 – version November 2008**  
(Rural Development Programme of Åland 2007 to 2013)

### Relevant Contact Details

**Managing Authority Website:**

<http://www.regeringen.ax/naringsavd/jordbruksbyran/>

**Other useful links:**

Rural Development Programme (RDP):

[http://enrd.ec.europa.eu/country-information/programming/en/programming\\_home\\_en.cfm](http://enrd.ec.europa.eu/country-information/programming/en/programming_home_en.cfm)

National Rural Network (NRN):

<http://www.maaseutu.fi/fi/index.html>



**Map of Åland**

(© European Commission)

## General socio-economic situation in rural areas in the Åland Islands, Finland

The Åland Islands are a Swedish-speaking region of Finland and form an archipelago in the Baltic sea. Åland's total area is 6,739 km<sup>2</sup> which is made up of 22% islands and 78% sea. Åland Islands have a population of 26,766 inhabitants which is evenly distributed across rural and urban areas. The distribution between men and women is relatively even and 16.8% of the population are aged 65 or older. In 2005, net migration from the island was 201.

The RDP further states that, rural enterprises, including the well established primary agriculture, forestry and food sector, are crucially important for the Åland economy (the overall employment effect of these industries is roughly 12%). In addition, the RDP indicates that the sector faces challenges as restructuring has resulted in a 50% decline in the number of jobs since the 1980s and many traditional rural businesses continue to operate on a small scale with a limited managerial, planning and cost control capacity. If these managerial issues are addressed, it is clear that the opportunities presented by globalisation (combined with innovative interventions) could be exploited given that many of the local products are high quality. Harnessing bio energy production also provides prospects for economic diversification but presently the regional forestry industry is geared towards conventional timber growing activities.

Tourism offers other rural development opportunities as the Åland Islands form a particularly attractive landscape which makes the region a striking place to visit. However, eutrophication of the marine environment poses a major threat to the quality of coastal waters and fish stocks. Another environmental concern is the decline of grazing animals, which is transforming the landscape and adversely affecting the islands' biodiversity.

Rural communities on the islands are characterised by a high level of social capital and strong service provision, low crime and a rich cultural life. Given these features, there are appropriate conditions to further develop the entrepreneurial culture of the region and to further diversify

and strengthen the economy.

## **RDP strategic objectives**

The Regional Government of Åland's overarching objective for the RDP is to ensure that rural and archipelagic areas retain their attractiveness for successful business and residency while preserving the environment. The regional government believes farming and forestry production combined with food processing will remain key industries alongside the development of a diversified rural economy. The ambition is therefore to ensure that Åland's rural industries achieve a high degree of competitiveness based on productivity, quality and sustainable practices.

Hence, the goals underpinning this objective include: sustainable development of agricultural and forestry production, preservation of the open landscape and biodiversity, competitiveness in agricultural and forestry production, competitiveness in food processing, wider income opportunities, promotion of entrepreneurialism, development of organic production, and better living conditions in rural areas. This links in with wider national objectives such as improving industry competitiveness, broadening sources of income and enhancing the attractiveness of the countryside.

## **Expected impact / outcomes of the policies**

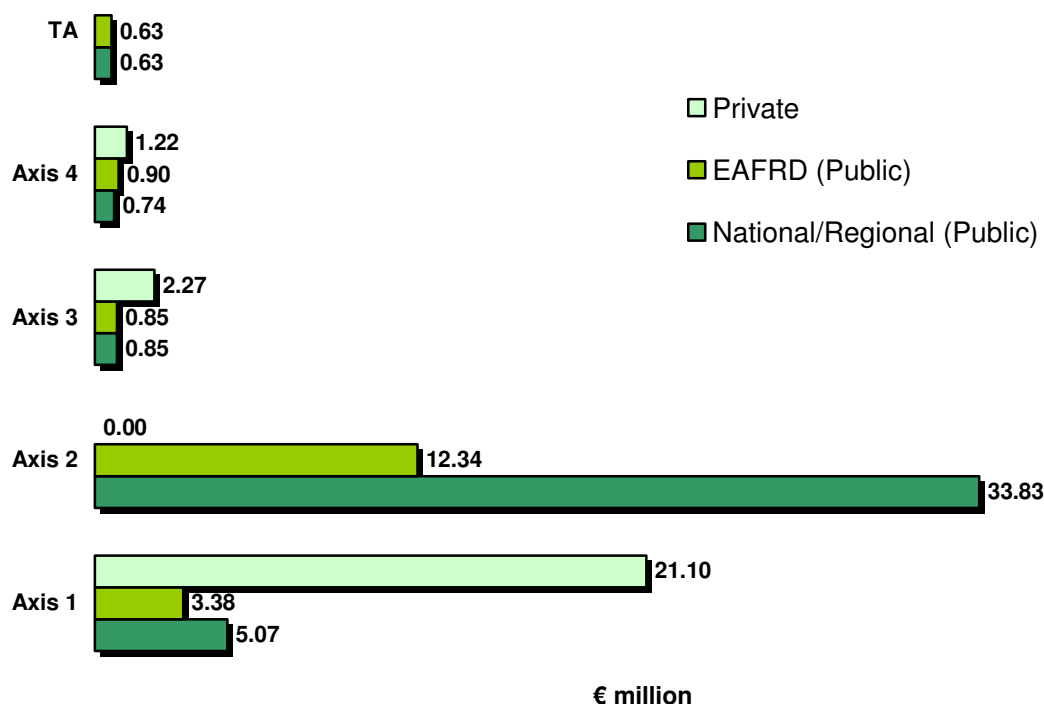
The RDP is expected to deliver tangible positive results for the rural economy, living conditions and environment. New technologies, together with investments in producing quality products, will be introduced in production process to enhance business competitiveness. Funding for innovations should help to exploit new markets opportunities. Developing management expertise and new forms of collaboration are expected to lead to efficiencies and profitability.

Strengthening sustainable farming practices and new organic production methods are to lessen the effects of water pollution caused by chemicals. The maintenance of natural pastures is expected to reduce the loss of biodiversity.

Living conditions in the countryside are to be maintained and further improved as entrepreneurs will be encouraged to establish new business ventures or seek alternative forms of incomes. The potential of the tourism market will be further developed and local governance will also be strengthened.

Modifications to the RDP impact indicators have been made to take account of the alterations to the measures, as a result of the CAP Health Check and the European Economic Recovery Package, as well as other modifications. Changes to overall RDP output indicator-targets include increased number of holdings supported for improved soil management practices such as organic production (measure 214); increased area for supporting construction management of biotopes/habitats within and outside Natura 2000 sites (measure 214); increased area for perennial field and riparian boundary strips and biobeds (measure 214). Detailed information on output-indicator targets for individual measures is provided in the RDP indicator tables.

## RDP budget breakdown by axis: Total expenditure (including national/regional + EAFRD + private funding) of €83,812,709



The RDP budget allocations are broadly divided into four main areas of expenditure, known as axes (namely: Improving the competitiveness of the agricultural and forestry sector; Improving the environment and the countryside; Quality of life in rural areas and diversification of the rural economy; and Leader). Approximately 35.2% of the updated RDP budget in Åland is allocated to axis 1 (€29.55 million); approximately 55.1% is allocated to axis 2 (€46.16 million), 4.7% to axis 3 (€3.96 million) and 3.4% to axis 4 (€2.87 million), with more than 1.5% available to fund Technical Assistance (€1.25 million).

### Share of national/regional, EAFRD and private funding per Axis:

	National/Regional funding	EAFRD funding	Private funding
Axis 1 'competitiveness'	17.2%	11.4%	71.4%
Axis 2 'environment'	73.3%	26.7%	0%
Axis 3 'diversification'	21.3%	21.3%	57.3%
Axis 4 'Leader'	25.8%	31.5%	42.7%
Technical assistance	50%	50%	0%

In recognition of a greater emphasis on the 'new challenges' facing agriculture and rural areas, the RDP was revised in autumn 2009 to take account of additional financing provided by the

CAP Health Check and the European Economic Recovery Package. Åland Islands placed more strategic priority on initiatives that improve water management and biodiversity. 52.35% of the additional financing from the EAFRD agreed in 2009 is being allocated to activities enhancing water management (agri-environmental sub-measures extra wide riparian zones, organic production) and the remaining 47.65% is being allocated to support biodiversity in the RDP area (agri-environmental sub-measures maintenance of wooded meadows and prioritised natural pastures).

As a consequence of the CAP Health Check and the European Economic Recovery Package, together with the programming of new money from Modulation the Åland Islands has been assigned an additional €587,998 of EAFRD (and a further €1,612,593 from regional/national public funds) to support 'new challenges' such as water management and biodiversity. These funds are intended to reinforce existing actions in the Åland Islands and specifically enhance extra wide riparian zones, organic production, maintenance of wooded meadows and prioritised natural pastures.

## Axis Information<sup>1</sup>

### ***Axis 1 objectives: Improving the competitiveness of the agricultural and forestry sector***

The primary objective of axis 1 is to develop the competitiveness and efficiency of Åland's agricultural, forestry and processing companies based on sustainable use of resources. The strategy involves developing the structure of agricultural enterprises, by improving efficiency and raising the level of competitiveness and quality in agricultural production and food processing. The measures for implementing axis 1 aim to:

- Provide investments in increased production capacity, structural adjustments, quality improvement measures, new technology, environmental and animal protection adaptations;
- Develop the expertise of agricultural business owners;
- Support business start-ups;
- Support new forms of collaboration and diversified activities; and
- Promote the development of innovations and new markets for agricultural and forestry products.

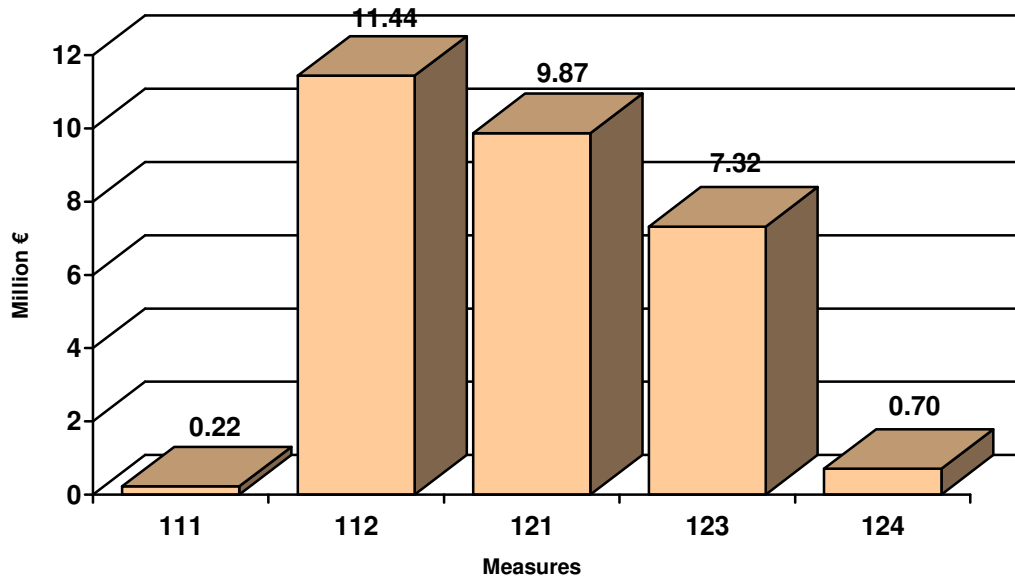
The result and output indicator targets which are being used to assess the measures within this axis include measure 112 (8 enterprises support each year in relation to setting up young farmers); measure 121 (70 enterprises receiving support per year for modernisation of agricultural enterprises); measure 123 (5 enterprises receiving support per year for adding value to agricultural and forestry products).

The modification includes a transfer of funds from measure 112 to measure 121 and 123 and a change in the indicator tables.

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<sup>1</sup> A full list of the RDP measures can be found in Annex I.

**Axis 1 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €29,556,820**



**Axis 2 objectives: Improving the environment and the countryside**

The main objective behind axis 2 is that the local farming and forestry industry should use natural resources in a sustainable manner to preserve Åland's landscape – the product of centuries of farming and livestock breeding. In addition, many of Åland's farmers work in a sensitive environment characterised by proximity to the sea and natural handicaps. This objective will be achieved by implementing measures which recognise the islands' specific conditions and are aimed at promoting environmentally-friendly farming and forestry activities that shall:

- Create incentives for reducing leaching of plant nutrients;
- Decrease the use of chemical pesticides;
- Promote organic farming; and
- Encourage existing natural pastures to be maintained as well as creating new ones, thereby promoting biological diversity.

The result and output indicator targets which are being used to assess the measures within this axis include measure 212 (500 enterprises supported in relation to providing assistance to farmers in areas with handicaps other than mountain areas) measure 214 (12,400 ha supported under agri-environment payments); measure 216 (1000 ha support for successful land management for non productive investments).

Amendments to the RDP's axis 2 output indicators following the Health Check and European Economic Recovery Package affect measure 214 only and include: 70 holdings assisted for

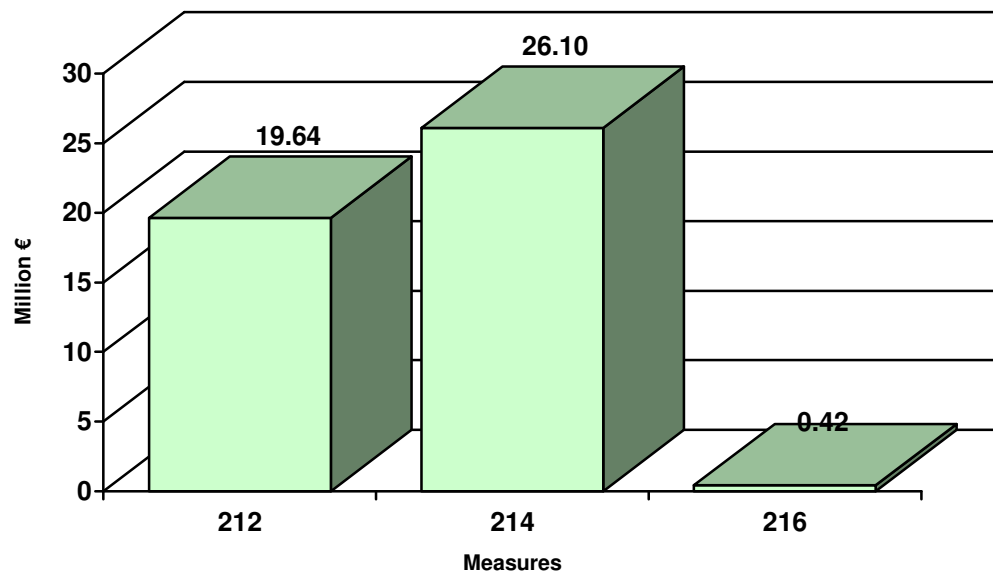
<sup>2</sup> Please note that no private spending has been allocated for measures 212, 214, and 216.

<sup>3</sup> For measure 311 no private spending has been allocated.

<sup>4</sup> For measure 421 and 431 no private spending has been allocated.

enhanced soil management practices including organic farming production; 50 holdings supported for targeted actions on natural pastures in relation to construction / management of biotopes / habitats within and outside Natura 2000 sites; 5 holdings supported for maintenance of wooded meadows in relation to construction / management of biotopes / habitats within and outside Natura 2000 sites; 80 ha supported in relation to assistance for perennial field and riparian boundary strips and biobeds.

**Axis 2 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €46,166,448<sup>2</sup>**



Following the update of the RDP in the Åland Islands, the total budget allocation under axis 2 is €46,166,448. Alterations to funding under the axis include further support for measure 214 (EAFRD €587,998), including support for water management and biodiversity for actions as mentioned above.

**Axis 3 objectives: Quality of life in rural areas and diversification of the rural economy**

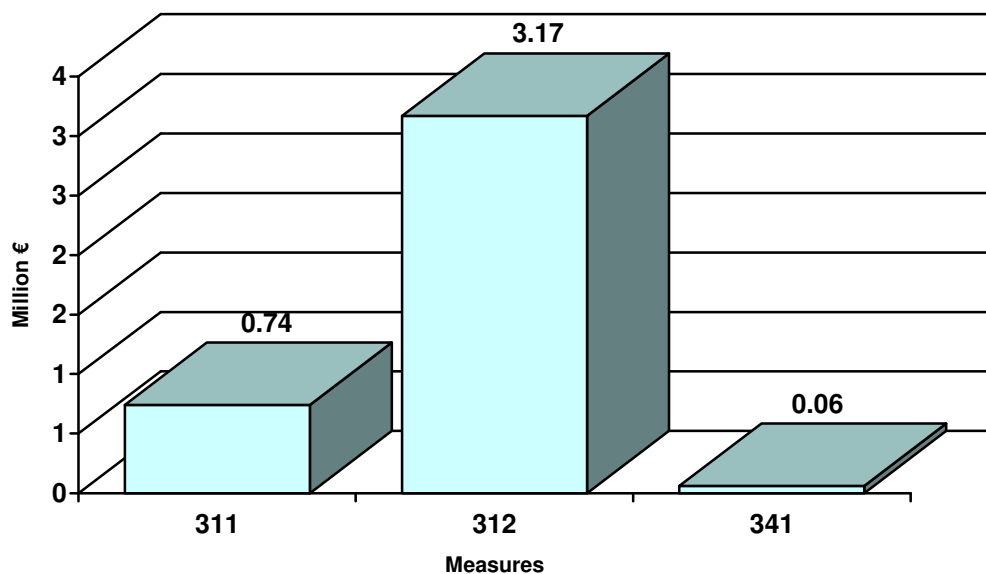
The overall objectives linked to axis 3 are to broaden income opportunities, increase rural entrepreneurship and promote better living conditions in order to ensure that the attractive living conditions in rural areas are maintained. To achieve these objectives, the Åland government will pursue a strategy aimed at diversifying and enhancing the rural economy. The measures under this axis are therefore designed to:

- Support enterprises that create diversified income for farmers;
- Support small-scale business and entrepreneurship;
- Promote tourism initiatives;
- Support measures aimed at improving the quality of life in the countryside; and
- Support skills development.

The result and output indicator targets which are being used to assess the measures within this axis include measure 311 (15 beneficiaries for diversification into non-agricultural activities); measure 312 (15 enterprises receiving support for creation and development of micro-enterprises); measure 341 (50 participants supported for skill acquisition for local development strategies).

No modifications were made to axis 3 during the 2009 RDP update.

**Axis 3 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €3,966,595<sup>3</sup>**



#### **Axis 4 objectives: Leader**

The Leader method is first used in the Åland Islands during the 2007-2013 programming period. The Åland Government has noted that factors such as a strong local commitment, local initiatives, cooperation, youth work and entrepreneurial spirit in the countryside are some of the main drivers behind rural development. By analysing studies of neighbouring regions, the Åland government has observed that the use of the Leader approach in rural development work has been successful in stimulating such factors. The overall objective of axis 4 is to help assure the effective implementation of the RDP and in particular axis 3 measures that aim to create the conditions for the above factors.

The objective is also to establish local governance through the Leader approach in order to strengthen and support the success of axis 3 activities and take advantage of the local human and natural resources. The measures in the axis will be monitored by quantitative and qualitative result targets that include the percentage of the population supported by Local Action Group work.

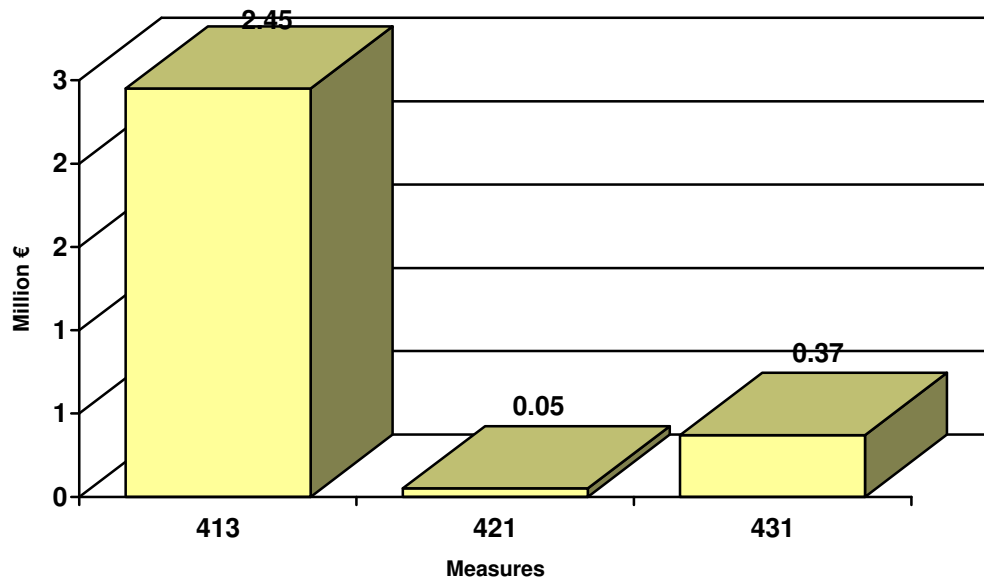
The result and output indicator targets which are being used to assess the measures within this axis include measure 413 (125 projects funded through LAGs); measure 421 (5 interregional / transnational cooperation projects); measure 431 (100 participants supported for running

LAGs).

Number of LAGs operational in the RDP areas as of March 2010 was 1.

No modifications were made to axis 4 during the 2009 RDP update.

**Axis 4 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €2,868,480<sup>4</sup>**



## Monitoring and evaluation strategy

The Monitoring Committee is composed of members from the government, business, labour market organisations, environmental authorities and other stakeholders, and will be responsible for monitoring the RDP. It will assess the achievements of the RDP against objectives, assess the results of each axis relating to their objectives, examine and approve annual progress reports, suggest improvements of the RDP to the Managing Authority and manage ex-ante, mid-term and final evaluations.

RDP objectives are linked to specific indicators, each measure with its own indicator. The data for the indicators will be gathered through the follow-up of projects, from the various registers collecting data regarding RDP implementation, from publicly available statistics and, if necessary, through ad hoc commissioned reports. The Managing Authority will be responsible for gathering and compiling indicator data.

## Communication and publicity

The objective for the RDP's communication plan is to disseminate detailed information about the programme, the measures contained therein and the application process in order to ensure that all target groups are aware of the opportunities for rural development. The information activities will ensure the effective implementation of the RDP as a whole and of its individual measures.



The target groups are the beneficiaries of the individual measures – namely farmers, rural entrepreneurs and relevant stakeholders as well as the RDP support infrastructure, chiefly government and other rural-focused organisations.

Information about the RDP will be primarily disseminated through brochures, printed publications, information letters to target groups, websites, information at trade fairs, seminars on individual measures, and the RDP. Importantly, the information will explain procedures for funding applications, eligibility criteria and authorities' contact details in order to access additional support.

## Annex I – Measures

Measures selected by the RDP   Measures selected by the updated RDP  

<b>Axis 1 - Improving the competitiveness of the agricultural and forestry sector</b>	<i>Promoting knowledge and improving human potential</i>	<b>111</b>	Vocational training and information actions
		<b>112</b>	Setting up of young farmers
		<b>113</b>	Early retirement
		<b>114</b>	Use of advisory services
		<b>115</b>	Setting up of management, relief and advisory services
	<i>Restructuring and developing physical potential and promoting innovation</i>	<b>121</b>	Modernisation of agricultural holdings
		<b>122</b>	Improvement of the economic value of forests
		<b>123</b>	Adding value to agricultural and forestry products
		<b>124</b>	Cooperation for development of new products, processes and technologies in the agriculture and food sector and in the forestry sector
		<b>125</b>	Infrastructure related to the development and adaptation of agriculture and forestry
	<i>Quality of agricultural production and products</i>	<b>126</b>	Restoring agricultural production potential
		<b>131</b>	Meeting standards based on EU legislation
		<b>132</b>	Participation of farmers in food quality schemes
	<i>Transitional measures</i>	<b>133</b>	Information and promotion activities
<b>141</b>		Semi-subsistence farming	
<b>142</b>		Producer groups	
<b>Axis 2 - Improving the environment and the countryside</b>	<i>Sustainable use of agricultural land</i>	<b>143</b>	Providing farm advisory and extension services
		<b>211</b>	Natural handicap payments to farmers in mountain areas
		<b>212</b>	Payments to farmers in areas with handicaps, other than mountain areas
		<b>213</b>	Natura 2000 payments and payments linked to Directive 2000/60/EC
		<b>214</b>	Agri-environment payments
		<b>215</b>	Animal welfare payments
	<i>Sustainable use of forestry land</i>	<b>216</b>	Non-productive investments
		<b>221</b>	First afforestation of agricultural land
		<b>222</b>	First establishment of agroforestry systems on agricultural land
		<b>223</b>	First afforestation of non-agricultural land
		<b>224</b>	Natura 2000 payments
		<b>225</b>	Forest-environment payments
		<b>226</b>	Restoring forestry potential and introducing prevention actions
		<b>227</b>	Non-productive investments
<b>Axis 3 - Quality of life in rural areas and diversification of the rural economy</b>	<i>Diversify the rural economy</i>	<b>311</b>	Diversification into non-agricultural activities
		<b>312</b>	Support for business creation and development
		<b>313</b>	Encouragement of tourism activities
	<i>Improve the quality of life in rural areas</i>	<b>321</b>	Basic services for the economy and rural population
		<b>322</b>	Village renewal and development
		<b>323</b>	Conservation and upgrading of the rural heritage
		<b>331</b>	Training and information
<b>Axis 4 - Leader</b>	<i>Implementing local development strategies</i>	<b>341</b>	Skills-acquisition and animation measure with a view to preparing and implementing a local development strategy
		<b>411</b>	Competitiveness
		<b>412</b>	Environment/land management
		<b>413</b>	Quality of life/diversification
		<b>421</b>	Implementing cooperation projects
<b>431</b>	Running the local action group, skills acquisition, animation		