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The European Agricultural Fund for Rural Development:  
Europe investing in rural areas



**MAASEUTU 2020**

# **Rural Development Programme for Mainland Finland 2014–2020**

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**The legally binding text is the original Finnish version**

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<b>Type of programme</b>	Rural Development Programme
<b>Country</b>	Finland
<b>Region</b>	Mainland Finland
<b>Programming period</b>	2014 – 2020
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## **1. RURAL DEVELOPMENT PROGRAMME NAME**

Rural Development Programme for Mainland Finland 2014–2020

## **2. MEMBER STATE OR ADMINISTRATIVE REGION**

### **2.1. Geographical area covered by the programme**

Geographical area

Mainland Finland

Description:

The Rural Development Programme for Mainland Finland (hereinafter the Rural Development Programme) covers the territory of Finland excluding the Åland Islands (NUTS1 level, code F11).

Finland is located between the 60th and 70th parallels of latitude. One quarter of Finland's surface area is to the north of the Arctic Circle. Finland has land borders with Russia, Norway and Sweden. In the west and the south, Finland borders on the Baltic Sea: the Gulf of Bothnia, the Archipelago Sea and the Gulf of Finland.

The total surface area of Finland is 390,903 km<sup>2</sup>, of which land areas account for 303,903 km<sup>2</sup> (78%) and water areas 87,010 km<sup>2</sup> (22%). Of the land area, 86% is covered by forest (26,140,000 ha), while agricultural land accounts for 7.6% (2,310,000 ha). Other areas apart from forest, arable land, settlements, roads and water areas mainly comprise treeless peatland and rocky areas. Some 29% of the land area is peatland. The area of built environment in Finland is small, about 3% of the total surface area.

### **2.2. Classification of the area**

Description:

The entire programme area belongs to areas referred to in Article 59(3)d of Regulation (EU) No 1305/2013. The area comprises the following regions referred to in the Commission Implementing Decision 2014/99/EU: Eastern Finland (FI13), Northern Finland (FI1A), Southern Finland (FI18) and Western Finland (FI19).

### **3. EX ANTE EVALUATION**

#### **3.1. Description of the process, including timing of main events, intermediate reports, in relation to the key stages of RDP development**

As a result of a negotiated procedure, the Ministry of Agriculture and Forestry selected MDI Public Oy, partnered by Nordregio, the University of Eastern Finland's Centre for Regional Research Spatia and MTT Agrifood Research Finland's Economic Research unit to carry out an ex-ante evaluation of the programme. The evaluation began in June 2012, and it was concluded in February 2014.

The ex-ante evaluation focused on the following issues:

1. A current status and SWOT analysis;
2. Relevance of the programme and the cross-cutting themes to EU priorities and national, regional and local needs;
3. Transparency and inclusion of stakeholders in programme preparation;
4. Whether the proposed measures and emphases are logical in view of the current status analysis, the common strategic framework and recommendations of the Partnership Agreement;
5. Allocation of the programme's financing plan to measures and priorities and its targeting in terms of the needs that emerge from the current status analysis;
6. Significance and clarity of the proposed programme indicators (whether or not the quantitative targets are realistic, effectiveness of the procedures related to programme monitoring and data collection);
7. Appropriateness of the proposed measures, considering the current status analysis and resources;
8. Adequacy of personnel and administrative resources;
9. Complementarity and compatibility with the Common Strategic Framework programmes; and
10. Whether the intermediate targets set for the programme are logical and realistic.

The evaluation was to a great extent carried out from the perspective of the priorities and measures. One of the tools used was preparation groups appointed to work on the measures (for more information on these groups, see section 17.1.1). The evaluators had at their disposal draft programme documents of 23 May 2013 and 12 December 2013, and a current status analysis that was completed in late 2012. The evaluators also took part in preparation group meetings and interviewed experts from the Ministry, the administration and research institutes. In total, 16 persons external to the Ministry of Agriculture and Forestry were interviewed. Thematic focus group interviews were used as one of the key tools in the evaluation. The first round of interviews, which were conducted with each preparation group, took place in December-January 2012–2013. Topics of the focus group interviews included the measures to be contained in the programme, indicators, actors that took part in the preparation, and group-specific issues. The discussions were of a sparring nature and also intended to support programme preparation. In addition to general questions, each group discussed especially aspects related to the measures assigned to that preparation group and changes in the forthcoming programming period compared to the current one. The evaluators submitted their first intermediate report on 15 February 2013.

During spring 2013, a survey concerning the preparation, themes and measures of the forthcoming programming period was conducted. An electronic survey was sent out to 92 recipients, of whom 44.7% (n=41) responded. The purpose of the survey was to collect information from parties not directly involved in programme preparation (for example, Centres for Economic Development, Transport and the Environment

(ELY Centres), various beneficiaries of project funding, including local farmers' associations). A second round of focus group discussions was organised in April 2013 from the viewpoint of programme priorities with a particular focus on analysing the needs related to the programme and the corresponding measures. A total of 32 experts, who mainly were members of the preparation groups, took part in the discussions. The second intermediate report was completed in April 2013. The evaluation was directed by a steering group tasked to ensure that the evaluation would meet the requirements of EU regulations and national legislation. The chairperson of the steering group was from the Ministry of Agriculture and Forestry, and its members represented the Ministry, the Agency for Rural Affairs, the ELY Centres and the University of Helsinki.

**3.2. Structured table containing the recommendations of the ex ante evaluation and how they have been addressed**

<b>Title (or reference) of the recommendation</b>	<b>Category of recommendation</b>	<b>Date</b>
01 Innovations as an opportunity	SWOT analysis, assessment of needs	16 Dec 2013
02 Support for innovation	SWOT analysis, assessment of needs	16 Dec 2013
03 Development of multisectoral farms	SWOT analysis, assessment of needs	16 Dec 2013
04 Development of agriculture	SWOT analysis, assessment of needs	16 Dec 2013
05 Improving the attraction of farming	SWOT analysis, assessment of needs	16 Dec 2013
06 Farm advisory services and the development of small farms	SWOT analysis, assessment of needs	16 Dec 2013
07 Co-operation possibilities	SWOT analysis, assessment of needs	16 Dec 2013
08 Key environmental challenges to be identified	SWOT analysis, assessment of needs	16 Dec 2013
09 Regional perspective	SWOT analysis, assessment of needs	15 February 2013
10 New operating models	SWOT analysis, assessment of needs	16 Dec 2013
11 Possibilities for regional and local rural development	SWOT analysis, assessment of needs	16 Dec 2013
12 A sharper focus needed in the analysis	SWOT analysis, assessment of needs	16 Dec 2013
13 Incentives for adopting new operating methods	SWOT analysis, assessment of needs	27 January 2014
14 Focus on core issues	Structure of the operating logic	27 January 2014
15 The role of regional plans in programme implementation needs to be clarified	Structure of the operating logic	16 Dec 2013
16 The enabling qualities of the programme should be preserved	Structure of the operating logic	16 Dec 2013
17 Equity and equality	Structure of the operating logic	27 January 2014

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18 Focus on key sectors	Structure of the operating logic	16 Dec 2013
19 Developing advisory services	Structure of the operating logic	27 January 2014
20 Transition phase for investments	Structure of the operating logic	29 April 2013
21 Extensive impacts of farming and business	Structure of the operating logic	27 January 2014
22 New solutions for regional development	Structure of the operating logic	29 April 2013
23 Commitment to environment payments should be strengthened	Structure of the operating logic	31 Jan 2014
24 Organic production payments should be linked to national objectives	Structure of the operating logic	16 Dec 2013
25 Agriculture should also be developed without natural constraint payments	Structure of the operating logic	16 Dec 2013
26 Development of the co-operation measure	Structure of the operating logic	29 April 2013
27 Development of LAG activities	Structure of the operating logic	27 Jan 2014
28 Strengthening of the intervention logic	Structure of the operating logic	27 Jan 2014
29 Funding must safeguard rural renewal	Determination of objectives, allocation of appropriations	27 Jan 2014
30 The programme's strategic nature should be enhanced	Programme implementing arrangements	15 February 2013
31 Development and simplification of implementation	Programme implementing arrangements	16 Dec 2013
32 A sharper focus needed in communication	Programme implementing arrangements	27 Jan 2014
33 Programme preparation	Other	27 Jan 2014
34 Dialogue between the ESI Funds	Other	27 Jan 2014
35 Cross-cutting objectives should be included in the evaluation plan	Other	16 Dec 2013

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36 Development of indicators and indicator targets	Other	27 Jan 2014
37 Boosting impact	Other	27 Jan 2014
38 Rural impacts	Other	5 Aug 2013

3.2.1. 01 Innovations as an opportunity

Category of recommendation: SWOT analysis, assessment of needs

Date: 16 Dec 2013

Topic: Priority 1

Description of the recommendation

Consideration of reasons for entrepreneurs' lack of interest in innovation.

How recommendation has been addressed or justification as to why not taken into account

The recommendation concerning entrepreneurs' lack of interest in innovation was accounted for in the final touches of the programme document. Shortcomings in risk-taking ability are cited as a weakness in the SWOT analysis. The operating environment does not offer sufficient incentives for enterprising.

3.2.2. 02 Support for innovation

Category of recommendation: SWOT analysis, assessment of needs

Date: 16 Dec 2013

Topic: Priority 1

Description of the recommendation

In the development of innovations, attention should be paid to measures that can boost the increase in profitability of production in the entire agricultural sector. (For more details, see section 5.2 of the ex-ante evaluation report on page 30)

How recommendation has been addressed or justification as to why not taken into account

The programme takes many approaches to promoting innovation. In measure M16, all operations are relevant to renewal and innovation. Investment support at a higher support rate can be granted to potential



investment targets of innovation groups under sub-measure 16.1. Measure M7 also encourages the development of innovative solutions for improving rural services. Measures M01 and M02 have strong links with the dissemination of innovations and information. Investments in farming under measure M04 promote the modernisation of the sector and the introduction of modern technologies.

Investments in processing agricultural produce and foodstuffs will be targeted at product innovations and novelty foods in a demand-driven manner. Food sector companies will be encouraged to take part in measures that promote innovations under other existing development programmes so that they can find paths for business development.

### 3.2.3. 03 Development of multisectoral farms

Category of recommendation: SWOT analysis, assessment of needs

Date: 16 Dec 2013

Topic: Priority 1

Description of the recommendation

The development potential of multisectoral farms in the forthcoming programming period should be considered. (For more details, see section 5.2 of the ex-ante evaluation report on page 30)

How recommendation has been addressed or justification as to why not taken into account

A research project will be launched to discover what the agricultural sector and the farm will look like in the future.

### 3.2.4. 04 Development of agriculture

Category of recommendation: SWOT analysis, assessment of needs

Date: 16 Dec 2013

Topic: Priority 2

Description of the recommendation

We should be prepared to answer critical questions about what the use of practising agriculture at such high support levels is (a high standard of requirements in investments and construction) and what the significance and share of domestic production is in the national market. (For more details, see section 5.2 of the ex-ante evaluation report on page 31)

How recommendation has been addressed or justification as to why not taken into account

Critical views of the high investment support levels will not come as a surprise. The support levels for agricultural investments have been assessed and revised in the course of programme preparation, taking the needs and points of departure of various lines of production into account. The profitability of farming is low in Finland, which contributes to the producers' poor possibilities of making investments. Studies (including the intermediate evaluation of the Rural Development Programme for Mainland Finland 2007-2013) indicate that investment support has been highly significant for carrying out investments.

Livestock production based on grassland economy plays a key role in Finland for promoting the versatile use of arable land and regional production possibilities. By supporting collective investments in machinery, the introduction of new technologies can be accelerated and promoted. For the aforementioned reasons, these issues have been emphasised in granting support for agricultural investments.

### 3.2.5. 05 Improving the attraction of farming

Category of recommendation: SWOT analysis, assessment of needs

Date: 16 Dec 2013

Topic: Priority 2

Description of the recommendation

Attention should be paid to improving the attraction of farming, especially in remote areas. Rather than a higher support rate, this means taking the special features of remote rural areas into account in comparison to the rural heartland. A decline in or abandonment of agricultural sources of livelihood will have a negative impact on the development of other industries in the areas concerned. The special features are noted in the SWOT analysis but not separately under the measures. (For more details, see section 5.2 of the ex-ante evaluation report on page 331)

How recommendation has been addressed or justification as to why not taken into account

Programme measures strive to address these very aspects. The measures related to supporting the farming industry are identical in various parts of Finland as the aim is to enable agricultural production everywhere in the country. However, the programme measures will not alone be adequate to solve these problems.

Sub-measure M06.1 strives to facilitate generation change on farms and to attract new young entrepreneurs into the sector. Sub-measure M06.4 provides farms with incentives for diversification. The need to develop multisectoral farms has been taken into account in the recognised needs (4.2.19. Development of

multisectoral farms)

### 3.2.6. 06 Farm advisory services and the development of small farms

Category of recommendation: SWOT analysis, assessment of needs

Date: 16 Dec 2013

Topic: Priority 2

Description of the recommendation

The resources for the provision of agricultural advisory services should be directed at developing the management skills of farmers. (For more details, see section 5.2 of the ex-ante evaluation report on page 31)

Joint projects of small farms should be supported. (For more details, see section 5.2 of the ex-ante evaluation report on page 31)

How recommendation has been addressed or justification as to why not taken into account

In business support, the procurement of expert services is an eligible cost. Advisory services will also be supported nationally by activities eligible for State aid and by EU co-financing as a programme measure.

Joint projects between farms and/or small companies that process agricultural produce can be funded under the measure concerning investments in physical assets.

### 3.2.7. 07 Co-operation possibilities

Category of recommendation: SWOT analysis, assessment of needs

Date: 16 Dec 2013

Topic: Priority 3

Description of the recommendation

The marketing competence of regions and their entrepreneurs should be developed to improve the recognizability of the regions and rural products. (For more details, see section 5.2 of the ex-ante evaluation report on page 32)

Co-operation models should be promoted. (For more details, see section 5.2 of the ex-ante evaluation report on page 32)

How recommendation has been addressed or justification as to why not taken into account

Company-specific investments supported under measures M04 and M06 can be implemented as collective investments based on agreements between companies. Projects involving several parties should be submitted as separate but connected applications. Measure M16 provides incentives for vertical and horizontal co-operation. The willingness of applicants to work together will be taken into consideration in the selection criteria as a factor in favour of the project. Company-specific investments supported under sub-measures M04.2 and M06.4 can be implemented as collective investments by joint enterprises, co-operatives and, for example, on the basis of agreements between companies. Under sub-measure M04.2, increased support of 40% can be granted to micro enterprises that process agricultural produce (including farms) when they engage in vertical and/or horizontal co-operation.

#### 3.2.8. 08 Key environmental challenges to be identified

Category of recommendation: SWOT analysis, assessment of needs

Date: 16 Dec 2013

Topic: Priority 4

Description of the recommendation

The current status description should be clarified and essential aspects highlighted. (For more details, see section 5.2 of the ex-ante evaluation report on page 32)

How recommendation has been addressed or justification as to why not taken into account

The current status description will be made more concise in the course of the further preparation of the programme. The description is based on background indicator data set by the Commission.

#### 3.2.9. 09 Regional perspective

Category of recommendation: SWOT analysis, assessment of needs

Date: 15 February 2013

Topic: Regional needs should be addressed

Description of the recommendation

More prominence should be given to regional differences, for example in rural industries, to enhance the description of the current status.

How recommendation has been addressed or justification as to why not taken into account

Each administrative region in the programme (15 ELY Centres) has prepared regional strategic priorities and a plan for the allocation of programme resources available for the region in accordance with the specific strengths and needs of the region in broad-based regional co-operation with participatory involvement of stakeholders and customers. Regarding measures M1, M7 and M16 and sub-measures 4.2, 6.2 and 6.4, the regions have the authority to prioritise, consider and select projects to be financed in order to implement the regional plan within the framework of the programme document and valid legislation. The Leader local action groups have prepared their own local development strategies, and the LAGs to be selected may implement the programme following these strategies within the framework set by valid legislation. The descriptions of regional emphases and the special features of the regions have been attached as an Annex to the programme.

### 3.2.10. 10 New operating models

Category of recommendation: SWOT analysis, assessment of needs

Date: 16 Dec 2013

Topic: Priority 5

Description of the recommendation

The measures should boldly seek new models of production, operation and support provision to renew the bio-economy sector. (For more details, see section 5.2 of the ex-ante evaluation report on page 33)

How recommendation has been addressed or justification as to why not taken into account

The objective of the co-operation measure, for example, is in keeping with the recommendation.

### 3.2.11. 11 Possibilities for regional and local rural development

Category of recommendation: SWOT analysis, assessment of needs

Date: 16 Dec 2013

Topic: Priority 6

## *Unofficial translation*

### Description of the recommendation

Operation based on partnerships should be included in the strengths, especially in the services sector. (For more details, see section 5.2 of the ex-ante evaluation report on page 35)

Training and advisory services for preparing business plans should be devised. (For more details, see section 5.2 of the ex-ante evaluation report on page 35)

An enabling spirit should be created in the programme that permits experimentation. (For more details, see section 5.2 of the ex-ante evaluation report on page 35)

In the implementation of programme-based development, increasing attention should be paid to both regulation and regionally oriented justifications. The work carried out by the Leader groups plays a key role in the localisation of the programme. (For more details, see section 5.2 of the ex-ante evaluation report on page 35)

### How recommendation has been addressed or justification as to why not taken into account

Operation based on partnerships has been addressed in programme preparation.

Training that supports the preparation of business plans may be implemented in training projects.

The objective of the co-operation measure is in keeping with the recommendation. The measure on farm and business development includes experimentation related to new business in individual companies.

An effort will be made to simplify the procedures related to the measures, for example by means of simplified calculation of costs (flat rate and one-off payments). The simplification of small scale measures is also a Commission requirement, and this will be incorporated in the programme. Leader activities comprise development efforts that are based on and respond to local level needs. Project funding will be guided by regional and local selection criteria.

### 3.2.12. 12 A sharper focus needed in the analysis

Category of recommendation: SWOT analysis, assessment of needs

Date: 16 Dec 2013

Topic: SWOT analysis

### Description of the recommendation

To enliven the current status description, graphs and maps could be used; the current version is a mind-numbing array of statistical data. (For more details, see section 4.2 of the ex-ante evaluation report on page 26)

The potential and opportunities should be elucidated as much as possible; examples of decentralised and network-based solutions in business and environmental measures alike are required for rural renewal. (For more details, see section 4.2 of the ex-ante evaluation report on page 27)

The number of needs should be reduced, for example by merging some of the needs. Currently, each issue that emerges from the SWOT analysis requires a dedicated need in many sections. To make the programme logic easier to understand and follow, the links between the SWOT and the objectives should be more straightforward. Key findings of the SWOT analysis should be summed up as a considerably smaller set of needs. (For more details, see section 4.2 of the ex-ante evaluation report on page 26)

A concise summary of the current status analysis and SWOT should be produced at the programme level and by priority.

How recommendation has been addressed or justification as to why not taken into account

Attention will be paid to the presentation of the data where applicable. Not all required data can be presented as figures or maps. The current status analysis will be made more concise, which will also enliven it.

The potential and opportunities will be elucidated as far as possible, for example when presenting the programme contents. This issue will also be taken into account in performance guidance.

The recommendation will be taken into consideration in further preparation of the programme. The needs will be described at a level that is appropriate for understanding them. The merging of needs will take place at the level of preparation of measures once the needs that have to be responded to have been recognized. Due to technical aspects of the programme, possibilities of combining the needs are limited.

The current status and SWOT analyses are presented as a concise strategy in Chapter 5.

### 3.2.13. 13 Incentives for adopting new operating methods

Category of recommendation: SWOT analysis, assessment of needs

Date: 27 Jan 2014

Topic: SWOT analysis / Measures

Description of the recommendation

The actors should be encouraged by various measures to seek innovative solutions of a new type to rural challenges and adopt more effective and different operating methods. (For more details, see section 4.2 of the ex-ante evaluation report on page 27)

*Unofficial translation*

How recommendation has been addressed or justification as to why not taken into account

In the performance guidance of the ELY Centres and the Agency for Rural Affairs, attention will be paid to encouraging actors to adopt new operating methods.

3.2.14. 14 Focus on core issues

Category of recommendation: Structure of the operating logic

Date: 27 Jan 2014

Topic: Structure of the analysis

Description of the recommendation

Key areas should be highlighted (prioritised) in the current status description to give more visibility to the aspects that the programme strives to influence. According to the evaluators' views, key aspects include:

- Enhancing the competitiveness of agriculture
- Environmental measures
- Enhancing skills and innovation
- Reform of the rural economy - supporting structural reforms

(For more details, see section 4.2 of the ex-ante evaluation report on page 26)

How recommendation has been addressed or justification as to why not taken into account

In the further preparation of the programme, the current status description has been made more concise, and core issues of the SWOT analysis have been highlighted.

3.2.15. 15 The role of regional plans in programme implementation needs to be clarified

Category of recommendation: Structure of the operating logic

Date: 16 Dec 2013

Topic: Regional differentiation

Description of the recommendation

The special features, visions, priorities and objectives of different regions, the preparation of regional plans and the coordination of these plans should be described. (For more details, see section 5.7 of the ex-ante



evaluation report on page 44)

The typology of regions should be exploited in the examination of their development dynamics (and all statistics should be updated to refer to 2011, the current version contains some data from earlier years). (For more details, see section 5.7 of the ex-ante evaluation report on page 44)

How recommendation has been addressed or justification as to why not taken into account

Where applicable, the differences between the regions and the special features of their development will be given more prominence in the programme document. A summary of each region's special features will be added to the regional pages of the Maaseutu.fi site. All regions will be encouraged to create their own pages.

The new regional typology was utilised when putting the finishing touches on the programme.

### 3.2.16. 16 The enabling qualities of the programme should be preserved

Category of recommendation: Structure of the operating logic

Date: 16 Dec 2013

Topic: Spirit of the programme

Description of the recommendation

Enabling qualities should be maximised: the text of the programme should be made more generalised wherever possible to make room for local tailoring. (For more details, see section 5.7 of the ex-ante evaluation report on page 44)

In the course of programme preparation, many sections that highlight renewal of the rural economy have been incorporated in the document, and this should also be reflected in the measures. Towards the latter part of the programming period, the share of these measures should be increased. (For more details, see section 5.7 of the ex-ante evaluation report on page 44)

How recommendation has been addressed or justification as to why not taken into account

The enabling qualities will be taken into account in programme preparation.

The programme's emphases are a strategic choice. Actions related to the reform of the rural economy may be implemented within the limits of the appropriations and by exploiting synergies between the ESI Funds.

### 3.2.17. 17 Equity and equality

Category of recommendation: Structure of the operating logic

Date: 27 Jan 2014

Topic: Horizontal principles

Description of the recommendation

Key challenges and objectives that the programme may respond to should be brought up.

Principles that comply with the requirements laid down in the Act on the Equality between Women and Men (609/1986) and the Non-Discrimination Act (21/2004) should be accounted for when drafting the legislation.

Impacts on the various target groups should be monitored in the implementation, monitoring and evaluation phase on the basis of the monitoring indicators, and the horizontal principles should be accounted for when drawing up selection criteria.

In the measures concerning knowledge transfer and information actions, investments, development of services and villages, co-operation and Leader activities, impacts on those at risk of discrimination and exclusion, young people and women in various life situations, the risk of exclusion of men, and the increasing older population should be taken into account.

The LAGs should target projects at promoting inclusion and preventing exclusion.

The actors' capacities for mainstreaming gender equality and equity perspectives should be improved by means of adequate resource allocation. (For more details, see section 5.7 of the ex-ante evaluation report on page 44)

How recommendation has been addressed or justification as to why not taken into account

Gender equality and equity were taken into account in programme preparation.

The principles of equality and equity were observed in the preparation of Act 28/2014 and recorded in the rationale of government proposal HE 142/2014 (4.4) Impacts on equality and equity.

The use of information systems will improve the efficiency of monitoring. The impacts on equity and equality between the genders and various age groups will be evaluated once during the programming period. Cross-cutting themes and equality and equity issues will be accounted for in the horizontal principles of the selection criteria.

The local Leader strategies contain objectives for measures targeted at women, men and young people and possibly measures targeted at different population groups. In farm and business development, special reference is made to the entrepreneurship of women and young people.

Promoting inclusion is one of the objectives of the Leader measure and it is included in the selection

criteria.

Mainstreaming equality will be taken into account in training provided by the ELY Centres.

### 3.2.18. 18 Focus on key sectors

Category of recommendation: Structure of the operating logic

Date: 16 Dec 2013

Topic: Training

Description of the recommendation

Key sectors should be highlighted (energy, tourism, care services, public procurements and co-operation). (For more details, see section 7.1 of the ex-ante evaluation report on page 47)

How recommendation has been addressed or justification as to why not taken into account

In the relevant measures of the programme, key sectors will be highlighted.

### 3.2.19. 19 Developing advisory services

Category of recommendation: Structure of the operating logic

Date: 27 Jan 2014

Topic: Advisory services

Description of the recommendation

Farms operating as companies should be addressed separately in the measure. (For more details, see section 7.1 of the ex-ante evaluation report on page 48)

Provision of high quality training for advisors should be ensured. (For more details, see section 7.1 of the ex-ante evaluation report on page 48)

How recommendation has been addressed or justification as to why not taken into account

Farms operating as companies will be entitled to advisory services on the same terms as other farms. The farmer will select the type of advisory service he or she needs. The national advisory services sector offers

business-related advice (e.g. turning a farm into a business, business management on farms operating as companies), and there is thus no need for RDP funding.

The good quality of training provided for advisors will be ensured. The advisors will be selected in a tendering process on the basis of certain criteria, and continuing training will be provided for them.

### 3.2.20. 20 Transition phase for investments

Category of recommendation: Structure of the operating logic

Date: 29 April 2013

Topic: Investments in physical assets

Description of the recommendation

Transitional phase procedures in the support system should be specified. (For more details, see section 7.1 of the ex-ante evaluation report on page 48)

How recommendation has been addressed or justification as to why not taken into account

The programme document contains a description of the transitional arrangements.

### 3.2.21. 21 Extensive impacts of farming and business

Category of recommendation: Structure of the operating logic

Date: 27 Jan 2014

Topic: Farm and business development

Description of the recommendation

Extensive environmental, social and economic impacts should also be accounted for in farm and business development. (For more details, see section 7.1 of the ex-ante evaluation report on page 49)

How recommendation has been addressed or justification as to why not taken into account

All dimensions of sustainable development will be taken into account in farm and business development.

3.2.22. 22 New solutions for regional development

Category of recommendation: Structure of the operating logic

Date: 29 April 2013

Topic: Development of rural services and villages

Description of the recommendation

The measures should be more clearly results oriented, and examples of solutions should be highlighted.

Free-time residents' development potential should be recognized better. (For more details, see section 7.1 of the ex-ante evaluation report on page 49)

How recommendation has been addressed or justification as to why not taken into account

In further preparation of the measure, an attempt will be made to elucidate the focus on solutions as far as permitted by the available space.

The programme focuses on developing and enabling industries and improving the living conditions of residents, acknowledging that free-time residents are an important group of service users.

3.2.23. 23 Commitment to environment payments should be strengthened

Category of recommendation: Structure of the operating logic

Date: 31 Jan 2014

Topic: Environment payments

Description of the recommendation

As the programme is implemented, the actors should be animated and encouraged in stronger commitment to environmental measures on a voluntary basis. (For more details, see section 7.1 of the ex-ante evaluation report on page 50)

How recommendation has been addressed or justification as to why not taken into account

Encouragement for committing to environment payments will be highlighted in training and communication as well as in complementary development and investment projects.

3.2.24. 24 Organic production payments should be linked to national objectives

Category of recommendation: Structure of the operating logic

Date: 16 Dec 2013

Topic: Organic production

Description of the recommendation

Links with the national development programmes for the organic sector and the local foods programme should be ascertained. (For more details, see section 7.1 of the ex-ante evaluation report on page 50)

How recommendation has been addressed or justification as to why not taken into account

Links with national programmes will be ascertained through various programme measures, including the measures concerning investments, co-operation and development projects, to support the achievement of national objectives.

3.2.25. 25 Agriculture should also be developed without natural constraint payments

Category of recommendation: Structure of the operating logic

Date: 16 Dec 2013

Topic: Natural constraint payments

Description of the recommendation

In connection with natural constraint payments, measures concerning agricultural renewal should be promoted. (For more details, see section 7.1 of the ex-ante evaluation report on page 50)

How recommendation has been addressed or justification as to why not taken into account

This issue will be taken into account in the performance guidance of the ELY Centres and the Agency for Rural Affairs by ensuring that agricultural development will not be solely dependent on natural constraint payments.

3.2.26. 26 Development of the co-operation measure

Category of recommendation: Structure of the operating logic

Date: 29 April 2013

Topic: Co-operation

Description of the recommendation

The design and development of services should also be accounted for in the formulation of this measure and, in particular, measures concerning bio-economy.

It should be considered if the Finnish title of a measure can be different from that in the Council regulation. (For more details, see section 7.1 of the ex-ante evaluation report on page 51)

How recommendation has been addressed or justification as to why not taken into account

The measure will also account for the development of services included in products and innovative development possibilities of the services sector.

The Finnish "nickname" of the measure concerning co-operation will be considered further during programme preparation.

### 3.2.27. 27 Development of LAG activities

Category of recommendation: Structure of the operating logic

Date: 27 Jan 2014

Topic: Leader

Description of the recommendation

It should be verified that the Leader areas are appropriate in terms of the operative strategy.

Leader actors should be encouraged to highlight certain themes every year. (For more details, see section 7.1 of the ex-ante evaluation report on page 52)

How recommendation has been addressed or justification as to why not taken into account

This can only be verified as the LAGs submit their applications. To some extent, verification is already taking place as a few local action groups are in the process of modifying their operating areas. Decisions on the areas and their appropriateness are made at the discretion of the LAGs themselves. Each group aiming for a position as a Leader local action group must also prove its operational and financial capacity for working as a group.

The themes of the LAG work will be brought up in the training provided for the groups and in seminars on topical issues. The themes will be linked to the thematic campaigns of the entire programme.

### 3.2.28. 28 Strengthening of the intervention logic

Category of recommendation: Structure of the operating logic

Date: 27 Jan 2014

Topic: Logical frame of reference

Description of the recommendation

Logical chains of justifications should be completed and strengthened using the logical framework as a tool. (For more details, see section 10.3 of the ex-ante evaluation report on page 67)

In terms of the intervention logic, it is illogical to say that the needs have been selected on the basis of strategic priorities. In terms of logic, selecting strategic priorities on the basis of the current status description and needs would be essential. (For more details, see section 10.3 of the ex-ante evaluation report on page 67)

How recommendation has been addressed or justification as to why not taken into account

The intervention logic was strengthened as the finishing touches were put on the programme.

The wording of the programme has been modified, and it now refers to a strategy description.

### 3.2.29. 29 Funding must safeguard rural renewal

Category of recommendation: Determination of objectives, allocation of appropriations

Date: 27 Jan 2014

Topic: Fund allocation

Description of the recommendation

The financial framework has been allocated in an appropriate manner regarding the programme contents. While the main emphasis of funding should remain on measures, qualitative inputs in rural renewal during the programming period are important. (For more details, see section 9.3 of the ex-ante evaluation report on page 58)

How recommendation has been addressed or justification as to why not taken into account

Decisions made at the European level state that farming must be possible in all parts of the EU. In Finland, the conditions for farming are extremely unfavourable, and this has been shown in regionalisation indicators



that describe natural constraint. Without the natural constraint payments, farming would not be possible.

The area of open and managed rural landscapes is small in Finland, and ensuring that these areas remain open and managed is also important for landscapes, to say nothing about food production. As the level of direct aids is not high enough to ensure the continuation of farming, adequate natural constraint payments are needed. This has a major impact on the allocation of Rural Development Programme funding.

The financial framework of agricultural investment support (Measure 121) in programming period 2007-2013 was some EUR 189.6 million, whereas the initial financial framework for the programme in 2015-2020 is EUR 329 million, representing an increase of some 74%. For the co-operation measure, an amount similar to the actual funding in previous periods has been reserved.

### 3.2.30. 30 The programme's strategic nature should be enhanced

Category of recommendation: Programme implementing arrangements

Date: 15 February 2013

Topic: Programme preparation

Description of the recommendation

The guiding role of the strategy group should be reinforced in programme preparation. For example, the group should express an opinion on the current status and the changes we wish to see in it and, on the other hand, also specify strategic goals. (For more details, see section 5.7 of the ex-ante evaluation report on page 44)

How recommendation has been addressed or justification as to why not taken into account

The group is taking on a more strategic role as the programme preparation progresses.

### 3.2.31. 31 Development and simplification of implementation

Category of recommendation: Programme implementing arrangements

Date: 16 Dec 2013

Topic: Programme implementation

Description of the recommendation

The use of electronic applications should be promoted in all measures. The various aspects of the support

application process should be made less cumbersome and clarified from the applicants' perspective.

The National Rural Network should be assigned a more specific role in achieving the objectives of the Common Strategic Framework (CSF) and working together with the Structural Funds.

The objective of reducing bureaucracy should be expressly stated in the programme. (For more details, see section 7.4 of the ex-ante evaluation report on page 53)

How recommendation has been addressed or justification as to why not taken into account

Reducing the administrative burden was one of the objectives in programme preparation. Electronic submission of applications will be enabled more extensively, and applicants will be encouraged to use this system. Information on the electronic application system will be included in all programme communication.

The National Rural Network will operate within the framework of the Rural Development Fund. The Rural Development Fund will contribute to achieving the CSF objectives. Clear targets should be set for the operation of the National Rural Network, and their achievement should be monitored continuously. Stakeholder co-operation is part of the Network's activities.

Reducing the administrative burden and simplifying the measures is a cross-cutting objective in the programme, which has been promoted from the beginning.

### 3.2.32. 32 A sharper focus needed in communication

Category of recommendation: Programme implementing arrangements

Date: 27 Jan 2014

Topic: Programme communication

Description of the recommendation

The Rural Development Fund is raising its profile and sharpening its focus on rural development, especially through its implementation and communication.

In connection with its implementation, the RDP should focus on communication that informs rural development actors, entrepreneurs and project applicants about the work being carried out to achieve key programme objectives.

By means of information actions, the possibilities of the programme to make a real impact should be maximised. (For more details, see section 7.4 of the ex-ante evaluation report on page 53)

*Unofficial translation*

How recommendation has been addressed or justification as to why not taken into account

Communication will be made more methodical by closer links with the programme process. The programme management (Ministry - Agency for Rural Affairs - the Rural Network) will work in closer co-operation to produce an up-to-date situational picture.

Popularised communication materials intended for various target groups will be prepared, and their wide distribution to those working on the customer interface will be ensured. Clear communication guidelines will be drawn up for both those in charge of programme communication and for beneficiaries.

Communication will be more clearly targeted at those who can benefit from the programme. Focus will be on the clarity of the communication materials. General marketing efforts to promote the countryside will be undertaken with the partners.

3.2.33. 33 Programme preparation

Category of recommendation: Other

Date: 27 Jan 2014

Topic: Programme preparation

Description of the recommendation

Transparent preparation should be continued. (For more details, see section 6.3 of the ex-ante evaluation report on page 46)

In the forthcoming programming period, more personnel resources should be allocated to programme preparation. (For more details, see section 7.4 of the ex-ante evaluation report on page 53)

How recommendation has been addressed or justification as to why not taken into account

Transparent preparation will continue.

In the forthcoming period (the one following 2020), one additional person-year of technical assistance has been reserved for the use of the Ministry of Agriculture and Forestry. In other respects, resources will be allocated to programme preparation as permitted by the resources available to the central government.

3.2.34. 34 Dialogue between the ESI Funds

Category of recommendation: Other

Date: 27 Jan 2014

Topic: Partnership Agreement

Description of the recommendation

Dialogue between the Funds should be increased. (For more details, see section 4.2 of the ex-ante evaluation report on page 27)

How recommendation has been addressed or justification as to why not taken into account

The Partnership Agreement (C(2014)7176-07/10/2014) creates preconditions for increased dialogue. In the course of the preparation of rural business support, for example, the relevant ministries have liaised to ensure fund coordination. Such features as the new portal will increase joint communication efforts between the funds.

3.2.35. 35 Cross-cutting objectives should be included in the evaluation plan

Category of recommendation: Other

Date: 16 Dec 2013

Topic: Evaluation plan

Description of the recommendation

The methods for evaluating the implementation of cross-cutting themes should be recorded in the evaluation plan. (For more details, see section 8.2 of the ex-ante evaluation report on page 54)

How recommendation has been addressed or justification as to why not taken into account

In the evaluation of cross-cutting objectives, particular focus will be on examining how the programme-based development method has promoted innovation, resolving of environmental issues and climate change mitigation and adaptation. This will be recorded in the evaluation plan.

3.2.36. 36 Development of indicators and indicator targets

Category of recommendation: Other

Date: 27 Jan 2014

Topic: Indicators

Description of the recommendation

Quality indicators and measures that use several indicators should be developed.

The application of qualitative indicators (peer evaluations and expert panels) to the programme should be considered.

*Unofficial translation*

Indicators for the third objective should primarily rely on values that can be measured objectively and with a wide coverage, rather than subjective notes.

The development of services should be monitored separately.

Key reference countries (in particular Sweden) and the EU average should be used as reference data for trends in competitiveness.

The number of those taking part in training should be set at a more moderate figure than that proposed in the programme (for example, 20,000 rather than the current figure of 35,000), as some of the activities will be implemented as co-operation projects. It is more important to monitor the relevance and impact of the training, for example by sampling, in qualitative terms.

The target population for the indicator for target region 6B is given according to the operating areas of Leader local action groups (including cities). (For more details, see section 10.3 of the ex-ante evaluation report on page 66)

How recommendation has been addressed or justification as to why not taken into account

Quality indicators and measures that use several indicators should be developed.

Monitoring and indicators will be developed within the limits permitted by the resources.

The work may include qualitative evaluations and panels, but the methods will not be recorded in the draft programme.

For most of the impact indicators shown under the objective, the data can be collected on objective grounds. The volume of plant protection products used is the only indicator where the collection of data is based on farmers' reports.

The monitoring of trends in services is recorded in the programme's evaluation plan.

The EU average is a commonly used indicator for trends in competitiveness.

The target number of those having taken part in training has been reduced to 20,000.

The activities of local action groups may also extend to urban areas.

### 3.2.37. 37 Boosting impact

Category of recommendation: Other

Date: 27 Jan 2014

Topic: Impact

Description of the recommendation

Areas of secondary impact should be recorded for the measure concerning advisory services. (For more details, see section 10.3 of the ex-ante evaluation report on page 66)

One (or a few) clear impact areas should be named, in addition to which it could be said that the measure has a few other secondary impacts. (For more details, see section 10.3 of the ex-ante evaluation report on page 66)

Target achievement should be examined critically for those measures that have a relatively small funding share but several primary impact areas. (For more details, see section 10.3 of the ex-ante evaluation report on page 66)

How recommendation has been addressed or justification as to why not taken into account

Advisory services have a secondary impact on risk management.

The impacts of measures on target areas have been described more concisely.

The measures of the programme cannot be put in an order of importance based on the extent of funding available. The number of primary impacts was minimised.

### 3.2.38. 38 Rural impacts

Category of recommendation: Other

Date: 5 Aug 2013

Topic: Evaluation of impacts on rural areas

Description of the recommendation

The trends in the structure of agriculture and polarisation should be monitored, and means should be sought for responding to them. Differentiated development is needed in rural areas because of differences between regions and farms. (For more details, see section 5.7 of the ex-ante evaluation report on page 44)

How recommendation has been addressed or justification as to why not taken into account

The strategic choice of the programme is that farming is supported in the entire territory of Finland.

### 3.3. Ex-ante evaluation report

See attached documents

## 4. SWOT ANALYSIS AND IDENTIFICATION OF NEEDS

### 4.1. SWOT analysis

4.1.1. Comprehensive overall description of the current situation of the programming area, based on common and programme-specific context indicators and other qualitative up-to-date information

Compared to most other European countries, Finland has a low population density, a large share of rural areas and long distances between smaller than average urban centres. The Helsinki Metropolitan area alone qualifies for the most urban category in Eurostat or OECD classifications of urban and rural regions. At the end of 2011, the population of Mainland Finland was 5,372,913, of which number some 1.8 million were living in rural areas. The share of population aged 0–14 years was 16.5%, the share of those aged 15–64 was 65.4% and the share of those aged over 65 was 18.1%. The corresponding shares in sparsely populated rural areas were 13.7%, 60.3% and 25.9% respectively. Finland is the most sparsely populated Member State in the EU (population density of 13.7/km<sup>2</sup>).

#### *Demographic and economic trends in rural areas*

In 2011, Finland's gross domestic product was EUR 192 billion (EUR 35,173/capita), while this figure for rural areas was EUR 27,858/capita in 2010. In recent years, the development of the rural economy has been lagging behind the national average. Economic growth in Finland amounted to 2.7% in 2011.

Private consumption went up by 2.5% and private investments by 7.7% year-on-year. The imports increased more than the exports, and the trade balance turned negative. The gross value added was EUR 154,588.4 million in 2010. Of this figure, the share of primary production was 2.9%, the share of manufacturing 28.3% and the share of services 68.8%. In 2009, labour productivity in Finland was EUR 60,959/person, or EUR 3,528/person in primary production, EUR 6,820/person in manufacturing and EUR 6,020/person in services.

The employment rate for the age class 15–64 was 67.1% at the end of 2011, and 65% at the end of 2010. The employment rate at the end of 2010 was 58.4% in sparsely populated rural areas, 65.1% in the rural heartland and 68.3% in urban-adjacent rural areas. In towns and cities, the employment rate was 65.2%.

The rate of unemployment was 7.8% in 2011 and 10.5% in 2010. The unemployment rate at the end of 2010 was 13.8 % in sparsely populated rural areas, 9.3 % in the rural heartland and 8.8 % in urban-adjacent areas. In towns and cities, the employment rate was 10.6 %. While unemployment has declined in most parts of the country, long-term unemployment and, in some areas, also youth unemployment have increased. The number of the employed in Finland was 2,441,700 in 2009. Of these, 119,700 worked in primary production (4.9%), 602,700 in industries (24.7%) and 1,719,300 in the services sector (70.4%).

The service industries are the greatest source of employment for the rural population. The number of industrial jobs is, in relative terms, somewhat higher in rural areas than in urban centres. The majority of the working age population in rural areas commutes to another area for work. The most positive trend in the number of jobs has been recorded in urban-adjacent rural areas. These are the living areas of Finnish people with the highest average standards of well-being. On average, people living in these areas are more likely to be in working age, have a higher income and enjoy better health than residents of other areas. In municipalities in sparsely populated rural areas and the rural heartland as well as in Eastern and Northern Finland, the share of working age people in the total population is the lowest in the country. The share of the

working age population has seen the most dramatic decline in municipalities in sparsely populated rural areas. The relative share of older persons compared to working age population is the highest in sparsely populated areas and the rural heartland. The demographic structure is a key factor for regional development, for example from the perspective of service organisation and tax revenue.

In Finland, no regional concentrations of people on low incomes are found, and various actions are also taken to level out the income differences (in 2011, the threshold for a low income was EUR 13,640 /unit and EUR 1,140/person). The median income of those on a low income was EUR 9,520 in 2011, while the median income for the unemployed was EUR 9,120. The number of people on a low income in Finland was 704,000. Their number and population share have changed little in recent years. The population groups with the highest shares of people on low incomes are students and pensioners. In 2011, the poverty rate in rural areas was 18.5%. In 2010, the average accrued income of income earners was EUR 21,109 in towns and cities, EUR 18,266 in the rural heartland and EUR 16,754 in sparsely populated rural areas. This difference is likely to be due to the higher share of pensioners in rural areas.

There are slightly less women than men living in rural areas, whereas the opposite is true for the largest cities. In some sparsely populated areas, there only are 6-7 women for every 10 men. People are moving into the country primarily in search of more spacious housing, but increasingly they are also attracted by a working environment that encourages creativity and an ecological lifestyle. The rural areas in Finland also have long traditions of collective activity and volunteer work. The village association movement that emerged in the early 20th century has its roots in these traditions, as do the local action groups that were created at the time of Finland's accession in mid-1990s. Over the last few decades, the countryside has primarily become a place where Finnish people like to live and spend their leisure time. Jobs are strongly concentrated in urban clusters and centres, while the concentration of permanent housing has taken place more slowly. There is one holiday house per ten residents in Finland.

According to the population forecast of Statistics Finland, the population share in urban municipalities following the municipal boundaries of 2009 and, in particular, rural municipalities close to urban areas is expected to continue to increase over the next few decades, whereas the population share in the rural heartland, and especially in sparsely populated rural areas, is expected to decline. Choosing to live in the country and rural entrepreneurship could be encouraged by such factors as working data communications, infrastructure, and business and service structure.

The target of the Digital Agenda for Europe is to ensure that all Europeans have access to internet speeds of 30 Mbps and that 50% or more of European households subscribe to internet connections of above 100 Mbps. At the end of 2013, only 35% of households in the rural heartland and sparsely populated rural areas in Eastern and Central Finland had access to a high-speed broadband network (30 Mbit/s), and some 10% of households had an optical fibre cable network guaranteeing a connection speed of 100 Mbit/s. In Lapland, the situation was even worse (3%).

#### *Education and training, research and advisory services in the natural resources sector*

The educational level of Finnish people has improved in all regions in the 2000s. While the share of those with secondary education or training is increasing steadily in all regions, the share of those with third level education is showing the most rapid growth in cities and their adjacent areas. However, Finnish rural residents are keener to take part in education and training than their average European counterparts.



Roughly one out of two farm and horticultural business managers do not have relevant education or training. Slightly over one third have obtained basic training in the sector in an agricultural college or similar. Livestock farm managers were the most likely to have agricultural or horticultural sector training. As an exception, sheep, goat and horse farms are often started as a hobby. In rural areas, entrepreneurs get a better return on education than wage-earners. In particular, entrepreneurs with a high level of education receive a better return on their education when they are located in the countryside.

The Ministry of Agriculture and Forestry guides and supports both natural resources use and the collection of information, keeping of statistics, research and advisory services.

Organisations involved in co-operation related to natural resources in 2014 were: The Finnish Food Safety Authority Evira, the Finnish Geospatial Research Institute, Agrifood Research Finland, National Land Survey of Finland, the Agency for Rural Affairs, the Finnish Wildlife Agency, Metsähallitus, the Finnish Forest Centres, the Finnish Forest Research Institute, the Finnish Game and Fisheries Research Institute, the Finnish Environment Institute, Forestry Development Centre Tapio, and the ELY Centres (Centres for Economic Development, Transport and the Environment) that are responsible for regional government.

The branch of administration provides significant amounts of funding for research in the natural resources sector. In the budget for 2014, a total of EUR 2.7 billion was allocated to research. Natural Resources Institute Finland, a new research institute under the Ministry of Agriculture and Forestry, is to become operational on 1 January 2015. The Natural Resources Institute will be formed by merging Agrifood Research Finland, the Finnish Forest Research Institute, the Finnish Game and Fisheries Research Institute and the statistics activities in the Ministry of Agriculture and Forestry's Information Centre Tike. The Natural Resources Institute will be the second largest research institute in Finland. In 2012, the work completed by the institutes to be merged amounted to over 1,700 person-years, and their total turnover was some EUR 140 million.

Figure 4.1.1.b shows the other organisations receiving State aid in the branch of administration and their resource allocation in 2014. They serve as national providers of advice and communicators of information for everyone from research to primary production. In addition, educational institutions operating under the Ministry of Education and Culture are significant providers of further and continuing education and training in the regions, offering their educational expertise and, for example, education and training in the natural resources sector. Finland has a comprehensive network of nearly 200 vocational institutions and 27 polytechnics. The intake in the natural resources sector is slightly over 400 students annually.

#### *Company structure in rural areas*

Of all companies operating in Finland, approx. 42% are located in rural areas (some 118,000 companies). In 2010, approx. 93% of the companies were micro enterprises employing at most 9 persons. The share of small enterprises employing 10–49 persons was approx. 5% in rural areas. The share of medium enterprises employing 50–249 persons was approx. 1%, and companies larger than this approx. 1% in rural areas.

In 2011, the share of self-employed workers was 12.9% of the total labour force. In rural areas, there was a total of some 78,000 sole traders who employed themselves, which accounts for 71% of companies classified as micro enterprises employing 0–1 persons in 2010. Sole traders accounted for 38% of all entrepreneur households. The share of entrepreneur households employing external workers was 7% of all

households. Their number declined in 1990–2009 due to a reduction in the number of farmers.

In 2010, SMEs employed over 300,000 people in rural areas, which equals 80% of the people working in rural areas. The number of people working in micro and small enterprises in rural areas increased in 2008–2010. In the same period, the number of staff in medium and large enterprises decreased. While the number of rural enterprises has gone up in the rural heartland and in the vicinity of cities, their number has stayed the same in sparsely populated rural areas.

Enterprising remains the mainstay of employment in the countryside, as there often are less opportunities for finding a job than in towns. Businesses that start their operation in rural areas are almost twice as likely to stay in business than those launched in urban areas. In the vicinity of cities, the labour market is more dynamic than in the countryside, which enables mobility between enterprising and paid employment. The farther away from the urban area companies are located, the higher their survival rate.

#### *Business areas in the countryside*

The number of service sector companies (tourism, catering, care services) and jobs has increased, especially in urban-adjacent rural areas. The number of tourism sector bed places was 213,094 in 2011, of which some 62,000 were found in rural areas. The number of bed places has remained the same in 2007–2011. The significance of the tourism industry in the local economy and employment is highlighted, particularly in the tourism centres of remote areas.

In sparsely populated rural areas, the manufacture of sawn goods and wood products is the largest industrial sector, while the second largest is the manufacture of metals, metal products, machinery and equipment. The most important industrial sectors in the rural heartland are metal, machinery, equipment, sawn goods, and foods and beverages. In urban-adjacent rural areas, the service sector is the most important industry. Transport, trade and construction are extremely important in all areas, similarly to other growing and transforming service sectors. Rural areas are experiencing a revival as locations for industrial production. The wood product sector, energy production based on renewable raw materials, the mining industry and the associated technology industry are gathering momentum.

Rural innovations are practically oriented rather than research driven. The national innovation policy supports areas of strong economic growth and innovation, whereas the objective of regional innovation policy is the full exploitation of regional opportunities for business and industry.

#### *Production conditions in the countryside*

The Nordic climate has a key impact on farming in Finland. The length of the growing period varies between 110 and 180 days. The maximum average pasture season is 120 days. The thermal-time sum varies between 500 and 1,400 °C. This amounts to a significant natural constraint in contrast with comparable agricultural production areas in the EU.

The rainfall in the growing period is 340–370 mm in Southern Finland and 220–280 mm in Northern Finland. The annual precipitation clearly exceeds the annual evaporation, and only in the middle of the summer does the evaporation exceed the precipitation. The long winter season, the freezing of the ground and the soil types in arable land affect the water economy of agricultural areas. Of arable fields, 58% have subsurface drainage and 27% open drains.

The significance of irrigation to open field cultivation in the total agricultural production in Finland is minor and regionally concentrated. The area that could be irrigated in Mainland Finland was some 66,500 hectares in 2010, or less than 3% of the agricultural land in use, and the area that was actually irrigated was 19% of the area where irrigation was possible. Irrigation is possible on 4,440 farms (less than 7% of farms and horticultural enterprises). Spray irrigation is also used to combat night frost. In certain situations, irrigation is subject to a licence. The estimated volume of irrigation water used in 2010 was some 4,269,000 m<sup>3</sup>.

#### *Agricultural structure*

The Finnish agriculture continues to be mainly based on family farms. The number of farms is relatively high, and the holding size is smaller than in comparable areas. The share of agricultural land in land use has remained more or less stable, amounting to 2,283,300 hectares in 2013.

There were 58,607 farms in Finland in 2012. In 1995–2012, the number of farms declined by over 38%. The relative reduction in the number of farms was the greatest in Eastern Finland (41%) and the smallest in Northern Finland (32%). In the same period, or in 1995–2012, the average size of holdings receiving support increased by nearly 70%, or from 22.8 hectares to 38.6 hectares of arable land. The share of holdings exceeding 150 hectares was as low as 2.5% of all farms in 2013, but this share is growing. Of agricultural land in use, mountain areas eligible for natural constraint payments accounted for 53%, other areas eligible for natural constraint payments for 21%, and areas facing specific constraints for 26%. In 2010, extensive fodder production areas totalled 475,640 ha.

The median yield of farms was EUR 15,000–24,999, and on some 61% of all farms, the standard output was below EUR 25,000 in 2010. Crop production was the main production line for 45.0% of the farms (26,557 farms) and dairy husbandry for 16.6% of the farms (9,781 farms). The share of other cattle husbandry was 6.0% and that of pig and poultry husbandry was 3.8%.

The area of arable land under organic farming was 198,000 ha or 9% of arable land, and a total of 4,322 farms were within the scope of controlled organic production. Organic animal husbandry was practised by 673 farms, and the number of animals on these farms was 45,722 LU. The average area of organic farms was approx. 46 ha, which is slightly more than the average holding size.

Measured by the total value of production, dairy husbandry remains the most significant line of production in Finnish agriculture. In 2012, the average number of animals on dairy farms was 28 dairy cows. Dairy farms had a total of 283,619 dairy cows in 2012. There has been a dramatic decline in the number of pig farms, along with a concentration of production in Southwest Finland and Ostrobothnia. The total number of livestock units in the country declined slightly in 2007–2010. In 2010, there were 1,121,050 livestock units.

The number of companies operating in the agricultural sector increased about 2.5-fold between 1995 and 2011. There were 750 of such companies in Finland in 2011. At least two thirds of these had been formed by turning a single farm into a company. The background to this could often be found in economic reasons and risk management, but sharing the workload also plays a highly important role in joint undertakings between several entrepreneurs. The share of companies in all farms remains very small, and their number is growing but slowly. Factors influencing this state of affairs include history and attitudes, and additionally, turning a farm into a company should bring genuine financial or other benefits in order to be justified. Rather than operate as companies, farms are increasingly engaging in co-operation and using contracting services. The most common form of co-operation is collective ownership of machinery; however, the

farmers frequently use these machines independently to do the work on their own farms.

The farms have increased their production volumes through investments in production facilities, at the same time modernising their production methods. Dairy farms, for example, have invested in automatic milking systems, which were in use on over 700 farms (7%) at the end of 2012. An increasing share of cows are kept in facilities with free-range areas, where the animals can move around and follow their natural behaviours.

#### *Employment impacts of agriculture*

The number of those who worked full time in agriculture in 2012 was some 78,000, or 3.1% of the employed labour force. Since 2007, this number has declined by 9,000 people. The number of family members who participated in farm work was significant in 2010 (48,706) compared to hired labour (2,963 people). As a result of structural change, however, the share of external hired labour is increasing.

The average age of farmers increased from 47.7 to 50.7 years in 2001–2012. The relative share of farmers aged 35 or under compared to the share of those aged 55 or over was 22% in 2010, and the share of young farmers has declined slightly (27% in 2007). Some 500–550 supported generation changes have taken place in Finland every year.

Almost one out of three agricultural and horticultural farms in Finland engages in other business besides farming. This business is mostly small in scale, part time or seasonal. The majority of the work is still performed by the farming families themselves, in addition to which some 9,100 hired employees work on farms. The main branch of activity was services for some 13,500 of the farms, and contracting for 8,900 farms.

Every year, 6–7% of the farms give up agricultural production. The fields are usually sold or rented. Farms have buildings for various uses. Due to the age structure of the rural population and migration, a part of residential buildings remains unoccupied. The existing buildings and the infrastructure that serves them have economic, environmental and cultural value.

#### *Profitability of farming*

Over the long term, the entrepreneurial income from farming has decreased. In 2012, the average entrepreneurial income was some EUR 1,061 million, whereas ten years earlier, it had been some EUR 1,214 million. Annual fluctuations have been relatively large, due to changes in yield levels, prices paid to producers and production input prices. At its lowest, the entrepreneurial income was approx. EUR 778 million in 2008, a year in which producer prices were particularly low and the prices of production inputs, including fertilizers and energy, saw a dramatic increase.

Even if the entrepreneurial income as a whole has decreased, the entrepreneurial income per unpaid annual work unit has been increasing in recent years, as along with the growing holding size and reduction in the number of farms, the number of unpaid labourers has reduced rapidly. Over the long term, the entrepreneurial income has increased from approx. EUR 13,900 in 2003 to approx. EUR 17,100 in 2012. Differences in the capital intensity ratio influence the income levels achieved by farming.

From 2003 till 2009, the entrepreneurial income from farming per unpaid person declined slightly, while the average earned income increased clearly in the same period. From 2009, the entrepreneurial income has increased more rapidly than the earned income. However, in 2012 the level of entrepreneurial income from

farming only was approx. 61% of the average earned income.

The income earned from factors of production per annual work unit increased from EUR 17,680 to EUR 24,340 in 2003–2012. This gives a general idea of the extent to which agriculture as a sector produces more than it consumes. The low value of this indicator reflects the poor feasibility of agricultural production, which in the Finnish circumstances is a consequence of such factors as the natural conditions of the north, unfavourable price ratios between products and inputs, and the high machinery and building costs due to the natural conditions and a farm and holding structure that on average is rather unfavourable.

The productivity of labour in Finnish agriculture was EUR 17,440.7/AWU in 2010. Gross fixed capital formation in agriculture indicates the amounts by which investments in farming exceed consumption. In 2009, the gross fixed capital formation was 1,188 million, while it has been declining from 2005 at a rate of 0.7% per annum. Total factor productivity (TFP) during the period of scrutiny has shown a rather steady increase. Due to the farm structure and natural conditions, the productivity level is lower than in Denmark and Sweden, for example, as a basic assumption.

#### *Organisation of primary production actors in the food chain*

Four producers' cooperatives that control two companies (80% of the meat market) are operating in the Finnish meat sector. The majority of beef and pork is produced under contract, and the products are sold to the food industry. Only a small share of the products are sold directly to trade. There is no vertical co-operation comparable to sectoral organisations in the meat sector in the food chain.

Finnish dairy producers' degree of organisation into cooperatives is high. The total market share of the cooperatives is approx. 97%. The largest individual dairy sector company is owned by the cooperatives, and its market share of all milk produced is approx. 86%. In addition, there is a number of private dairies operating in Finland. Since 2012, it has been possible to apply for approval as a milk and dairy sector producer organisation. Not a single application has been received so far. The number of companies processing milk has gone down in recent years. For example, small new dairy processing companies have been established on farms that keep Finncattle and nanny goats. Companies that process milk as a main or an additional industry mostly purchase their raw materials from procurement cooperatives or independent cooperatives. Part-time processors also use milk from their own farms.

Setting up producers' organisations in the fruit and vegetable sector was enabled in 1997. There are three companies operating as producers' organisations in Finland. Small-scale co-operation has emerged in the cereals sector. The majority of cereal producers are part-time farmers with relatively small holdings. A producers' cooperative owns the largest packing plant in the egg sector, and there also is a number of small private packing plants. There has been relatively little co-operation between potato producers. Packing plant activities have often started with the packing of the farmer's own potatoes, gradually expanding to purchasing potatoes produced on other farms. Joint packing plants have also been established, which aim for reliability of deliveries, cost-effectiveness and competitiveness in the market.

In addition to the potato sector, packing plants and wholesalers specialising in root and other vegetables and fruit operate between the farmers, central trade organisations and the industry. Some of the packing plants operate in connection with a farm and buy products from other farms, and some rely fully on products purchased from other farmers. Support was available for setting up producer groups in 1995–1999. Aid was

granted to nine producer groups that marketed potatoes and/or cereals.

### *Processing of agricultural produce and food manufacturing*

Measured by the value of the production, the food industry is the fourth largest industrial sector in Finland, and it employs some 32,600 people. Including agriculture, grocery trade and the hotel and catering industry, the food sector provides employment for some 244,000–300,000 people, which is approx. 12% of the employed labour force. Gauged by the number of places of business and jobs, the bakery sector is the greatest sub-sector of the food industry. Other important sub-sectors include the processing of meat, milk, fruit and vegetables.

Approx. 80% of the raw materials used by the food industry are Finnish. The gross value of the food sector production in 2011 was EUR 11,3 billion, and the added value nearly EUR 2.5 billion. Labour productivity per person employed in the sector in 2011 was EUR 55,882–72,919 depending on the statistics. In recent years, the average growth in productivity has been some 3%.

In 2010, approx. 2.5% of multisectoral farms processed agricultural produce or manufactured foodstuffs or beverages. Direct sales of unprocessed and processed products from farms also declined in the 2000s. A partial reason for this may be found in farm specialisation.

Organic products are processed by nearly 600 companies. This number has gone up by some ten percent annually in recent years. Compared to other EU countries, there are plenty of companies that process milling products and vegetables in Finland. The market share of organic foods in foodstuffs sold by the retailing sector is less than 2%. The share of organic produce in the ingredients used by professional kitchens is estimated at around 0.5%. The numbers of consumers and professional kitchens that actively and regularly use organic products are increasing.

Every year, the Finnish woods produce some 800 million kilograms of wild berries, of which approx. 1–20% are used commercially, depending on the species. It is estimated that only 1–2% of the annual crop of wild mushrooms is harvested. A number of small family companies operate in the herb sector. Products collected in the wild are organic products when picked in an organic collection area subject to a specific approval. The area approved as the organic collection area totals 75,000 km<sup>2</sup> (some 30% of the forest area). Public access rights allow the picking of natural products regardless of who owns or controls the land.

### *Reindeer husbandry*

The reindeer herding area in Northern Finland, the extent of which is some 123,000 km<sup>2</sup>, covers almost the entire area of Lapland and a major part of the provinces of Northern Ostrobothnia and Kainuu. Those living permanently in the reindeer herding area are entitled to keep reindeer on the land, regardless of who owns or controls the area. In other areas, reindeer husbandry is regarded as normal animal husbandry. Reindeer owners belong to a reindeer herding co-operative in their area, which performs reindeer herding tasks. There are 56 reindeer herding co-operatives and some 4,600 reindeer owners in Finland. In order to preserve the condition of reindeer pastures, the Ministry of Agriculture and Forestry lays down the maximum number of breeding reindeer each cooperative is allowed to keep. In 2012, the maximum number of breeding reindeer in the entire reindeer herding area was 203,700 animals. Every year, the some 100,000 reindeer sent to slaughter produce 2–2.5 million kilograms of reindeer meat.

### *Welfare of production animals*

Legislation plays a key role in the welfare of production animals by laying down the baseline conditions in which production animals must be kept. It is up to regional and local animal welfare authorities to supervise that animals are kept in compliance with the animal welfare provisions. Compliance with the Animal Welfare Act and the provisions and regulations issued by virtue of it is supervised by means of animal welfare inspections. In addition to inspections based on suspicions, the authorities inspect a certain percentage of livestock farms selected as a random sample. The inspections are carried out by provincial veterinarians specialising in animal welfare supervision. The risk-based nature of the supervision has been developed strongly in recent years.

### *Forestry*

Of the Finnish surface area, 86% is forestry land, and conifers are the predominant trees in 90% of the forests. Almost all Finnish forests (96%) are classified as similar to natural forests, even if the impacts of human activity are visible in them. The share of natural forests is 4%, and almost 60% of these are in nature reserves. In 2010, the share of forestry in the added value of production was 1.9%, the share of the wood industry was 0.8% and the share of the pulp and paper industry was 2%. The total share of the forest sector in the added value was EUR 7.5 billion. The share of the forest sector in the gross national product varies from one region to another.

In 2010, the forest sector provided some 69,000 jobs, which accounted for approx. 3% of the employed. In a regional analysis, the forest sector provides the highest number of jobs in the regions where major forest industry plants are located. Productivity of labour in forestry (incl. the forest products industry) was EUR 115,920/person in 2011. The mainstay of the Finnish forest industry are family farms with small forest holdings. Private owners own 52%, the state 35% and companies 8% of forest land. The share of forestry land used for timber production controlled by private forest owners is 61%.

Private forest areas comprise some 375,000 holdings of over two hectares, which belong to nearly 737,000 owners. Of the private forests, 74% are family owned. The average size of a forest holding is 30 hectares. Of forest owners, approx. 56% live in rural and 44% in urban areas. In Northern and Eastern Finland, a larger share of the forest is owned by the state, whereas in the south, privately owned forests are more common. A larger share of state-owned forests are protected.

Small sawmills that exploit the forest resources are mainly located in rural areas, and their operation is part-time (87%). The smallest sawmills usually are operated by a single person in connection with agricultural activities. Further processing of sawn goods on farms declined by nearly 60% between the years 2000 and 2010. In the same period, there was a reduction of 45% in the manufacturing of carpentry and joinery products. Finland accounts for 3% of the global production of sawn goods.

The majority of farmers obtain an income from selling timber from their forests. The farms also exploit timber as a construction material and use wood materials for the generation of renewable energy, mainly for the farm's own use.

By means of fixed-term national funding for sustainable forestry, incentives are provided for the following ecological actions and measures to promote forest growth: early management of seedling stands, management of young stands, remedial fertilisation, prevention of basidiomycete fungus, and management

of peatland forests. Support may also be granted for collecting in the forest the small-sized wood produced in connection with the early management of young stands and management of young forest. Support may also be granted for the building of a forest road, which covers both the building of a new road and improvement of a private road. Maintenance of forest biodiversity and management of the forest environment are promoted by means of environment payment contracts and by granting funding for forest environment management projects.

### *Environment*

The total surface area of Finland is 330,905 km<sup>2</sup>. The majority of this area is covered by forests, and wherever the view is unrestricted, forest will always be in sight. The local topography, forests, fields, water systems, islands and peatland form the combination of cultural and natural landscapes that is typical for each province. Farming has an impact on the status of the environment and the functioning of ecosystems, both locally and more extensively. Forms of land use, the farms' types of production, various production methods, grazing, forest management techniques, cultivation methods and the quality of arable land affect the status of the environment. A negative impact on ecosystems is seen as eutrophication, acidification and clouding of water bodies, destruction of habitats and loss of biodiversity. Positive impacts are seen as different types of semi-open habitats with a diversity of species and biotopes, open agricultural landscapes, cultural environments and inviting living environments. Finland's environmental policy is based on the EU's 7th Environment Action Programme.

### *Ecological status of waters: surface and ground waters*

The area of the inland water bodies in Finland is some 10% (34,539 km<sup>2</sup>) of the country's total surface area. The extent of the Finnish maritime area is 52,471 km<sup>2</sup>. The coastline is extensive, fragmented and enclosed by large archipelago areas. Examined by the areas of surface water bodies, the ecological status is good or excellent in 85% of the lakes, 65% of the rivers and 25% of the coastal waters. 54% of the coastal waters have a satisfactory, 20% a passable and 1% a poor status, whereas 10% of the rivers have a passable and 2% a poor status. There are regional variations in the status of rivers and lakes (Figure 4.1.1a). Apart from a few exceptions, the chemical status of the waters is good. The actions to improve the ecological status of waters are directed by the EU Water Framework Directive and the River Basin Management Plans created by virtue of its Article 5 as well as the Programme of Measures based on these plans, and regarding coastal and maritime areas, the EU Marine Strategy Framework Directive and the national plans of action created by virtue of it. Finland plays an active role in implementing the EU Strategy for the Baltic Sea Region and is also committed to the HELCOM Baltic Sea Action plan and the associated nutrient emission limits.

The maximum nitrate level allowed in drinking water in Finland is 25 mg/l. The annual averages of nitrate levels measured in 2004–2007 did not exceed this threshold value.

Of bodies of ground water that are important or suitable for water supply, 88% have been classified as having a good and 2% a poor status. Some 3% of the arable land area in Finland (approx. 68,700 ha) is located on category I and II ground water basins. Few cases of increased nitrate levels have been observed in areas influenced by agriculture, and the problems are local.

### *Loading in water systems from agriculture and forestry*

Finland's share of the loading in the Baltic Sea is 3.8% for phosphorus and 3.7% for nitrogen. The share of



agriculture in anthropogenic phosphorus loading in Finland has been estimated at approx. 68.6%, while this figure for nitrogen is approx. 56.2%. The impacts of loading caused by agriculture are the most obvious in the Archipelago Sea, the rivers in Southern Finland and the Gulf of Finland, the catchment areas of which contain a great deal of arable land and erodible soils. Nutrient leaching from manure is a growing problem due to the concentration of livestock farming and its separation from arable farming. Manure is only being spread on 5–10% of the fields on arable farms. A project promoting the recycling of nutrients in agriculture is one of the flagship projects of the Finnish Bioeconomy Strategy. Agricultural production is directed by the EU Nitrates Directive and the national legislation passed by virtue of it.

The phosphorus level was 5 kg/ha/year in 2007 and 2008, dropping to 2 kg in 2009. The nitrogen levels in the respective years were 47, 54 and 41 kg/ha/year. During programming period 2007–2013, the phosphorus level stabilised at around 4 and the nitrogen level at around 47 kg/ha/year. These levels have shown the most obvious reduction in areas concentrating on arable farming and the least reduction in areas of intensive livestock farming.

More than 90% of the solid matter and nutrient loading from farming is caused outside the growing period. The arable land area that is ploughed before winter has reduced from 56% in the early 1990s to 22% in winter 2009–2010, the agri-environment payment measures being one of the contributing factors. Wetlands have a high significance for local water systems. In the 2000s, some 0.7 kg/ha/year of plant protection products were used, whereas this figure was some 0.5 kg/ha/year in 1995–2000.

Some 6% of the phosphorus load and 4% of the nitrogen load in water systems is caused by forestry. The greatest loading into the water system from forestry comes from solid matter released during drain maintenance. Slightly over one half of the peatland area in Finland has been drained for forestry use. The quality of water protection in private forests in 2010 was excellent or good on over 95% of sites where trees were harvested for timber.

### *Soil*

Coarse mineral soils and organic soil types are common in Finland. One third of the fields contain clay soil types. The clay soils concentrate in Southwest Finland. The share of peatland in the arable land areas of Lapland, Northern Ostrobothnia and Kainuu is 20–40%. In MTT Agrifood Research Finland's long-term monitoring study that covered the period 1974–2009, the organic carbon content went down by 0.4% a year in mineral soils and by 0.2–0.3% in organic soils. The nutrient recycling project that is part of the Finnish Bioeconomy Strategy promotes the use of nutrients and organic matter found in manure on crop farms and also encourages the production of leguminous plants and more versatile crop rotation, thus improving the agricultural condition of land.

The level of water erosion in fields is 600 kg/ha/year on average. The level of erosion is the lowest in flat fields under grassland (100 kg/ha/year) and the highest in steep fields ploughed in the autumn (3,000 kg/ha/year).

The topsoil pH is naturally low everywhere in Finland, and the subsoil pH is very low in Southern Finland. The use of soil improvement lime has declined in recent decades. A low nutrient content is typical of Finnish arable land. There are great variations between the trace element contents of arable soil in different areas, and the status of trace elements in arable soil has been observed to deteriorate. Fertility tests indicate that the levels of highly soluble harmful heavy metals (Cd, Pb, Cr, Ni) in Finland are low by international

comparison.

### *Plant protection*

The use of chemical plant protection products is rather moderate in Finland. Their use is guided by the national action plan for sustainable use of plant protection products, which is based on the Directive on action to achieve the sustainable use of pesticides (2009/128/EC). The aim of the action plan is to reduce the risks to human health and the environment from the use of plant protection products. Plan implementation is coordinated by the Finnish Chemicals and Safety Agency (Tukes).

Increasing the arable land area under organic cultivation plays an essential role in reducing chemical plant protection. Government resolution on a development programme for the organic product sector and objectives to 2020 sets the target at increasing the share of arable land under organic cultivation to 20 per cent.

The cultivation of horticultural crops usually requires effective chemical plant protection measures. Methods for reducing the use of chemical plant protection products are being developed continuously.

### *Biodiversity*

Animal, plant and fungus species that benefited from traditional forms of farming live in habitats created and maintained by farming. The most significant reasons that have led into species and habitats becoming endangered are mainly associated with the structural change in agriculture. Of habitats in traditional rural biotopes, 93% (37 habitats) were classified as endangered. One species out of ten in Finland is endangered. 22.3% of the endangered species live in traditional rural biotopes. In 2011, payments for traditional rural biotope management were made for 21,403 hectares. The area under these contracts has been declining in recent years. Finland's efforts to improve biodiversity are based on the EU Biodiversity Strategy to 2020 and the National strategy for the conservation and sustainable use of biodiversity created by virtue of it. The strategy and the action plan that supports it implement the Convention on Biological Diversity (CBD). The control of alien species is based on the National Strategy on Invasive Alien Species and its Action Plan. Agricultural landscapes in Finland are maintained in keeping with the European Landscape Convention.

Monitoring data on common land birds collected by means of pan-European transect bird counts indicate that the bird life in Finnish agricultural environments has declined significantly. Bird counts in agricultural environments using a survey method mainly indicate that the trends of bird life in agricultural areas are favourable.

The indicator describing the change in the area of agricultural land with a high nature value (HNV agricultural land) in Finland is a score system where a reference value is calculated for each farm. The relative share of HNV agricultural land in the available agricultural land has declined as animal husbandry gives way to cereal production. The value of this indicator was 9.7 in 2007 and 7.9 in 2010. The indicator is suitable for identifying the subset of farms with the highest nature value, but not for evaluating all farms based on their nature value.

Of the surface area of Finnish forests, 9% are protected and 4% are in restricted forestry use. In addition, various groups of land owners have significant forest areas that are not currently being used for forestry and that are not included in protection statistics. The Nature Conservation Act also protects some forest biotopes and endangered species. The Forest Act identifies commercial forest environments that are particularly vital

for biodiversity. At the end of 2008, these areas comprised a total of less than 160,000 ha, of which some 102,000 ha are in private forests. The EU Forest Strategy was accounted for in the formulation of the Finnish forest policy.

#### *Natura 2000 areas*

Of the Natura 2000 areas in Finland, 97% comprise nature reserves established by a national decision, and they include land, aquatic and cultural habitats. The surface area of the Natura network is some 14.4% of the land area in Finland (4.9 million ha). Of this area, some 75% (approx. 3.6 million ha) are land areas. 78% of the areas are owned by the state and 22% by private owners. The nature values of Natura 2000 areas may also be safeguarded under the Forest Act, the Land Extraction Act or the Land Use and Building Act. These areas total around 100,000 ha, of which 30,000 ha are privately owned. The area of Natura 2000 sites comprising agricultural land totals some 5,500 hectares on 2,900 sites (0.35% of the available agricultural land). Finland contributes to implementing the Prioritized Action Framework (PAF) measures related to the Natural 2000 network.

#### *Genetic diversity*

Landrace cattle, sheep, goats, horses and hens are still found in Finland. The operations aiming to preserve landrace breeds are based on the National Genetic Resource Strategy, the National Animal Genetic Resource Programme (Ministry of Agriculture and Forestry 17/2004) and the National Plant Genetic Resource Programme (Ministry of Agriculture and Forestry 12/2001). The rearing of landrace breeds has been supported by means of agri-environment payments. The plant species that are successful in Finland have become genetically adapted to the long cold winter, the short growing period and the long days in the summer. In legislation on local crops (Ministry of Agriculture and Forestry Decree 16/09), a local variety refers to populations or clones of a plant species that have naturally adapted to the environmental conditions in the areas in which they grow.

#### *Greenhouse gas emissions from agriculture and adaptation to climate change*

Under the UN Framework Convention on Climate Change and the Kyoto Protocol, greenhouse gas emissions from agriculture are reported in three sectors: agriculture; energy; and land use, land-use change and forestry. Totalling the emissions from agriculture reported in all three sectors, the share of agriculture in Finland's total emissions is some 20%. The agricultural sector emissions reported for 2011 accounted for 5,9 Tg of carbon dioxide equivalent, or 9% of Finland's total emissions.

Emissions from the agricultural sector include methane emissions from the digestive systems of livestock, manure management and burning of agricultural residues, as well as nitrous oxide emissions from manure management, arable land and burning of agricultural residues. Emissions from the digestive processes of livestock accounted for 27%, emissions from manure management for 12%, and nitrous oxide emissions from the soil for 60% of the total emissions from agriculture in 2011. In direct nitrous oxide emissions are included emissions from field fertilization (commercial fertilizers and spreading of manure), nitrogen fixation, plant waste decomposing in the fields and cultivation of peatland fields. Indirect nitrous oxide emissions refer to those caused by ammonia deposition and nitrogen leaching into the water systems. Over one third of the nitrous oxygen emissions from agricultural land originate from organic soil in arable land.

Carbon dioxide released from the soil in arable land into the atmosphere is reported under the sector "land

use, land-use change and forestry", and emissions from agricultural machinery and other energy consumption relevant to agriculture under the sector "energy". The greenhouse gas emissions from peatland cultivation are considerably greater than emissions from cultivation in mineral soils. Peatlands are significant carbon stores. Cultivation in peatland breaks down the peat, considerably reducing the volume of carbon sequestered in arable soil.

The aim of the EU's 2020 Climate and Energy Package is at a 20% reduction in greenhouse gas emissions by 2020. The package is currently being updated, and it is possible that more stringent targets will be set. Finland's National Climate and Energy Strategy and the National Action Plan for the Adaptation to Climate Change are based on EU climate targets. They inform decision-making related to the climate in all sectors. The Effort Sharing Decision concerning sectors outside the emissions trading system (No 406/2009/EC) determines binding emission limits for emissions from sectors outside the emissions trading system in all parts of the EU. The target is at reducing emissions by 10% from their 2005 levels in 2020.

In Finland's Long-term Climate and Energy Strategy 2008 (Ministry of Employment and the Economy 2008), the country-specific non-ETS reduction target of greenhouse gas emissions was divided into targets for specific sectors, according to which emissions from agriculture should be reduced by 13% from their 2005 levels by 2020. The Government updated this strategy on 20 March 2013 (Ministry of Employment and the Economy 2013) and submitted it to the Parliament as a Government Report.

The Government Foresight Report on Long-term Climate and Energy Policy contains a vision of the national climate and energy policy up till 2050 (Government 2009).

Based on latest research data (GAF 2013), the greatest technical potential for total reductions in greenhouse gases (methane and nitrous oxide) in the agricultural sector without reductions in production would be 9.5%. The non-ETS reduction target of 13% allocated to the agricultural sector is unrealistic, and this question is being debated at the national level. On the other hand, the agricultural sector could reduce greenhouse gas emissions by means of energy saving measures, and by promoting renewable energy production, the self-sufficiency in energy of the agricultural sector could be maximised. Experiences from the ILMASE project implemented in programming period 2007-2013 and the network formed during this project, as well as the research projects of Agrifood Research Finland relevant to climate intelligent low-carbon agriculture, can be exploited in practical applications during the new programming period. In addition, a Carbon Neutral Municipalities (HINKU) project is being implemented in Finland, the goal of which is to achieve carbon neutrality at the level of the municipality, taking all sectors into consideration.

Over the short term, climate change may have positive impacts on certain sectors in Finland, in particular by enabling the use of more productive species and varieties in agriculture and forestry. However, the positive impacts can only be exploited if the risks related to climate change can be controlled (including rains coming at unusual times, wind damage and pests) and other requisite adaptation measures are taken, including breeding and introducing more productive and hardier varieties. The increasing risks brought about by climate change are estimated to be more significant than the potential benefits, however.

#### *Air quality*

Ammonia emissions from agriculture influence air quality locally. They amounted to some 34,000 tons in 2010, which is over 90% of Finland's ammonia emissions. Of agricultural ammonia emissions, 90% originate from manure. Finland is committed to compliance with the EU's National Emission Ceilings

*Unofficial translation*

Directive and the Directive on air pollution, which are the foundation of the national policy.

## Ecological status of surface waters

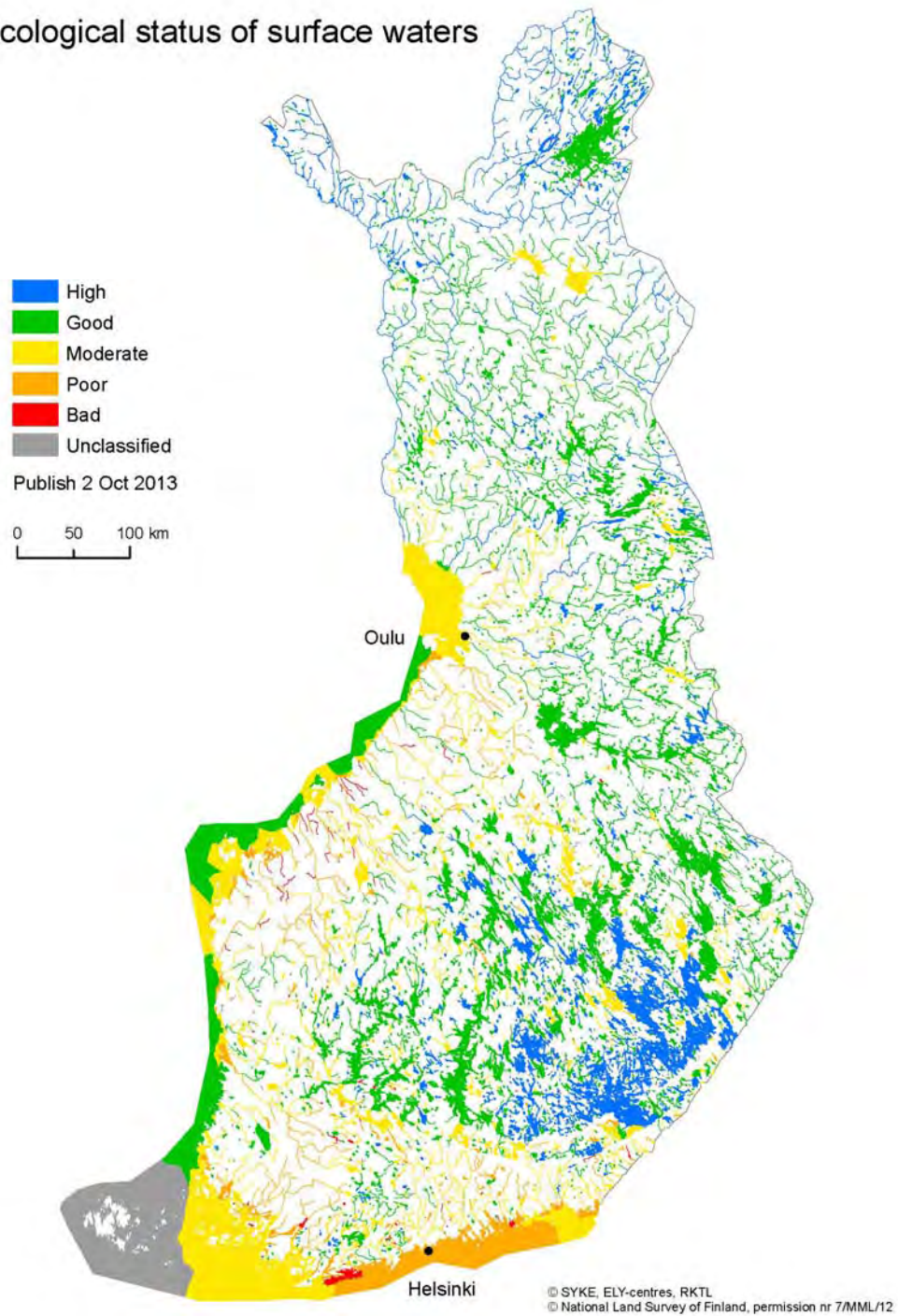


Figure 4.1.1a. Ecological status of surface waters

## Unofficial translation

### Ministry of Agriculture and Forestry' branch of administration: State aid organisations (share of State aid in total expenditure given as a percentage)

#### AGRICULTURE AND RURAL AREAS

**ProAgria Finland and 21 ProAgria Centres** (incl. Swedish-speaking centres), 6 specialist agricultural advisory organisations

- a) *Public administration duties:* e.g. organic production and seed inspections (authorised by Evira, commissioned and funded by the ELY Centre) and assessment of crop damage on individual farms (commissioned by the municipality, funded from budget item 30.20.42), EUR 0.964 million, 13.5 person-years  
Collecting data for profitability accounting (commissioned and funded by MTT) EUR 0.422 million
- b) *Other supported tasks:* Providing financial, production-related and technical advice to rural enterprises. Also information and training related to rural industries, advice on environmental management and implementation of the national quality strategy. EUR 10.668 (35%)
- c) *Not subject to State aid:* Business activities

**4H activities**, EUR 5.020 million (16%)

- a) *Public administration tasks:* -
- b) *Other supported tasks:* Advisory services related to recreational and small scale business activities for young people, promotion of working life capabilities, organisation of club activities and events for young people
- c) *Not subject to State aid:* Business activities

**Fintoto Oy, approx. EUR 5.0 million**

- a) *Public administration tasks:* -
- b) *Other supported tasks:* Support from winnings and gaming revenue
- c) *Not subject to State aid:* Business activities

**Suomen Hippos association, approx. EUR 3.5 million**

- a) *Public administration tasks:* -
- b) *Other supported tasks:* Activities related to horse racing
- c) *Not subject to State aid:* Business activities

#### GAME AND FISHERIES SECTOR

**Finnish Wildlife Agency**

- a) *Public administration duties:* licence administration under the Hunting Act and the Wildlife and Game Administration Act (Hunting licences and derogations, maintenance of a register of hunters, supervision of game management associations) EUR 0.971 million, 9 person-years (93%)
- b) *Other supported tasks:* Monitoring of game populations and game management, habitat development, damage prevention, promoting game management association activities, maintenance of joint information systems EUR 5.283 million (92%)
- c) *Not subject to State aid:* separate projects

**Game management associations**

- a) *Public administration tasks:* Organisation of examinations EUR 0.339 million
- b) *Other supported tasks:* Promotion of game husbandry and hunting, damage prevention EUR 1.369 million (48%)
- c) *Not subject to State aid:* Shooting and competition activities

**Association of Reindeer Herding Co-operatives**

- a) *Public administration tasks:* tasks related to reindeer ear marking EUR 0.05 million, 0.5 person-years (100%)
- b) *Other supported tasks:* Advice, testfarm of Kutuharju, border reindeer fences EUR 1.8 million, 9.3 person years (100%)
- c) *Not subject to State aid:* Sales promotion

**Federation of Finnish Fisheries Associations**, EUR 1.139 million (70%)

**Finnish Federation of Recreational Fishing**, EUR 0.455 million (55%)

**Finnish Fish Farmers' Association**, EUR 0.060 million (84%)

**Suomen ammattikalastajaliitto** professional fishermen's federation, EUR 0.100 (100%)

- a) *Public administration tasks:* -
- b) *Other supported tasks:* Advice, education
- c) *Not subject to State aid:* Advocacy, business activities

**265 fisheries regions**

- a) *Public administration duties:* Chapter 9 of the Fishing Act, statutory duties, EUR 1.630 million (60%)
- Other supported tasks:* projects to promote fisheries, EUR 0.540 million (approx. 50%)
- c) *Not subject to State aid:* Business activities

**The Hunting Museum of Finland**

- a) *Public administration duties:* -
- b) *Other supported activities:* Hunting museum activities EUR 0.369 million (55%)
- Also EUR 0.200 million from the Ministry of Education and Culture (32%)
- c) *Not subject to State aid:* -

#### FORESTRY

**13 Forest Centres and Tapio Forestry Development Centre** (from 1 Jan 2012, the Finnish Forest Centre and Tapio)

- a) *Public administration duties:* supervision and control of sustainable forestry aids, EUR 16.1 million, 218 person-years  
Regional forest resource data, EUR 18.5 million, 252 person-years  
Advice, training and information, EUR 10.0 million, 120 person-years  
Others EUR 8.2 million, 111 person-years
- b) *Other supported tasks:* -
- c) *Not subject to State aid:* Business activities

**TTS Work Efficiency Association** EUR 0.474 million (37%)

**Finnish Forest Association** EUR 0.434 (30%)

**Puuinfo Oy** EUR 0.100 million

**Mustilan Kotikunnas Foundation** EUR 0.051 million (40%)

**Föreningen för Skogskultur association**, EUR 0.50 million (64%)

- a) *Public administration tasks:* -
- b) *Other supported tasks:* Promotion of the forestry and wood sector.
- c) *Not subject to State aid:* Business activities

Education and training, research and advisory services in the natural resources sector

### 4.1.2. Strengths identified in the programme area

#### General rural development - viability means local development and consumer confidence

The pull factors of the countryside include affinity to nature and the four seasons, as well as factors related to quality of life, such as cleanliness, spaciousness, and safety and security. The foundation for development efforts is laid by a tradition of entrepreneurial spirit, independence and initiative combined with natural resources expertise and the associated know-how. Rural areas offer existing infrastructures that are well functioning and inexpensive, including facilities and space for pursuing various activities. Spacious housing

is a significant source of subjective well-being in Finland.

In rural areas, there is a tradition of community spirit, active village co-operation, voluntary work, doing things together and entrepreneurship. Local action groups are knowledgeable about measures suited to the local conditions, and their decisions are formulated in co-operation with the public sector, NGOs and residents. Partnership based activities in the service sector offer good opportunities for innovative service development.

The levels of education and competence in rural areas today are not significantly different from the national average. One person aged 18–64 out of two takes part in adult education in Finland, and a wide range of education is on offer. Multi-level and comprehensive networks of education, training and advisory services, versatile expertise, good projects completed in the past and a high level of IT skills provide a convincing skills base for rural development and a solid foundation for responding to the challenges posed by a changing operating environment. Finnish universities and research institutes are sought-after partners, and such areas as bio-economy are being developed across a broad front and in equitable co-operation with other sectors.

The strengths of food sector SMEs include their local nature and the positive image of the companies and products. Concentration on specialist products is becoming more common, and quality systems are more wide-spread. The significance of taking environmental aspects into account as a competitive advantage has been highlighted. Cooperation between companies was stepped up in transport, distribution and research between the years 2008 and 2013. The use of the Internet for marketing communications is significantly more common. There is export potential for foodstuffs, for example in Russia.

Raw materials offer high quality and good traceability, and the production chain is transparent. Interest in a responsible and traceable operating method lays a good foundation for Finnish food sector entrepreneurship and its internationalisation, and for building up co-operation between various food chain actors. Particular strengths of the main types of production are large processing and marketing cooperatives owned by the producers.

Consumers and professional kitchens increasingly appreciate Finnish and local foods and are interested in the health and environmental impacts and production methods of food. Consumers are aware of the fact that foods produced on a small scale may be more expensive than those produced industrially. The high level of responsibility across the entire food supply chain is a strength.

The demand for organic products has expanded in recent years, as the number of operators has increased and the selection diversified. Organic farming is more profitable, and organic farmers are younger and better educated than other farmers on average (Tike 2012).

#### *Agriculture - healthy animals and quality products*

The strengths of the Finnish food production chain include a good status of animal health, limited use of medications, a high standard of food safety, high quality and high consumer confidence. A high standard of animal health care is part of the national quality strategy, and traceability of products, farm level monitoring, transparency and documentation have been well organised as components of this strategy. Supervision, guidance and education have brought good results. Plenty of research and development has gone into improving the technical properties of production buildings from the perspective of workers and



animal welfare.

The infrequent occurrence of animal diseases and unique preventive health care for animals promote the welfare of Finnish animals. National coordination of production animal health care improves the profitability of livestock farming by promoting animal health and welfare. There is no specific national health care organisation for production animals, and the work to promote animal health is coordinated by the Association for Animal Diseases Prevention ETT for bovines, pigs and poultry. Animal health work is directed and policies are formulated by a co-operation group with representatives from the industry, authorities, education and research, producer organisations and the Finnish Veterinary Association.

The preparedness system set up to control highly contagious animal diseases comprises some 80 veterinarians who, in a crisis, will assume main responsibility for implementing local level measures.

*An attractive environment and productive forests*

Finland's water resources are plentiful and relatively clean, and the air and the soil are also clean. The environmental awareness and competence of Finnish people have improved, and farming practices that are positive for the environment have become more widespread. National strategies/implementation plans are in place for water protection and the protection of biodiversity and genetic diversity, and to control greenhouse gas emissions. Finland is a signatory to the European Landscape Convention. The Finnish national legislation and strategies are based on EU directives and strategies, and in environmental issues, the following EU legal acts have been the foundation of national legislation and strategy formulation: the EU's 7th Environmental Action Programme, EU Biodiversity Strategy to 2020, the Water Framework Directive, the Floods Directive, the EU Marine Strategy Framework Directive, and Finland's Prioritised Action Framework (PAF) related to the Natura 2000 programme. The use of nutrients in agriculture is regulated by the Nitrates Directive (91/676/ETY) and its national implementation. Targets for controlling nutrient leaching are set in the HELCOM Baltic Sea Action Plan, the EU Strategy for the Baltic Sea Region, the River Basin Management Plans and the Programme of Measures for water management 2010-2015, as well as in the National action plan on the sustainable use of pesticides.

Agri-environment payments have contributed to increasing the areas of field margins and buffer strips, reducing fertilizer use per hectare and ensuring its better targeting, improving nutrient levels, the establishment and maintenance of riparian zones, nature management fields and wetlands, and restoring traditional rural biotopes. Increased plant cover in winter as direct seeding and reduced tillage have become more widespread and ploughing has declined has prevented erosion and reduced the leaching of nutrients. The use of green manure has become more widespread. The organic production method is more common. Landrace populations have mainly developed favourably.

Thanks to the cold winters, there are less pests in Finland than in many other countries, and chemical substances to control pests and plant diseases are used little and in strictly regulated conditions. Few species and biotopes have been lost in Finland, and the trend of becoming endangered concentrates on certain groups of species and biotopes only.

Greenhouse gas emissions from Finnish agriculture had gone down by 11% from their 1990 level by 2010. This development has mainly ensued from a reduction in nitrogen fertilizer use and lower animal numbers. Finland's actions are regulated by the EU's Resource-efficient Europe Strategy, the EU Emission Ceilings

Directive for ammonia, and the Air Quality Directive.

Finland is rich in forest resources, which means good opportunities for increasing the use of renewable energy and other timber use in production and business. Forests and their sustainable use have high economic and cultural significance and a major ecological impact, for example by acting as a carbon sink and a carbon stock, by levelling out floods and by retaining air impurities. Significant amounts of carbon are bound in timber used as a building material. In rural areas, the traditions of versatile timber use are long. Protection of biodiversity in commercial forests is promoted by means of forest certification, voluntary nationally funded means under the Forest Biodiversity Action Programme for Southern Finland (METSO), and regional environmental management projects. Funding is allocated to the promotion of biodiversity in forestry pursuant to the Act on the Financing of Sustainable Forestry. Finland's forest policy is in keeping with the EU Forest Strategy.

The elemental integration of EU environmental legislation in agricultural development is one of Finland's strengths, as it means that productivity and environmental targets are carefully reconciled. As the EU environmental legislation is the foundation for creating the Rural Development Programme, the RDP also has an integrated and systematic impact on achieving the Union's environmental targets. As the RDP seeks to preserve and promote biodiversity and ecological sustainability and to protect the production of ecosystem services, it supports the development of the entire agricultural sector in a more sustainable direction, respecting the limits set by the environment.

#### 4.1.3. Weaknesses identified in the programme area

##### *Rural development – tilting at windmills*

As a result of the drawn-out financial crisis, Finland is afflicted by a lengthening phase of sluggish economic growth and pressures to cut back on public spending. The negative development of Finland's current account and reduced exports will have an impact on the preconditions for business development. Particular problems facing a remote and sparsely populated country include a distorted demographic structure, an unfavourable dependency ratio and a high level of unemployment.

The majority of Finland's natural resources are found in sparsely populated rural areas, but their exploitation is impeded by poor accessibility and differentiation of regions. Weak income development reduces the tax revenue collected by municipalities and adversely affects the offer of services in the countryside. Small rural companies have little resources for developing themselves, and their profitability on average is modest. The chains of causality in rural development are long, and various changes in the operating environment and external change factors and policies may often have a strong impact on many objectives. The weakness of small rural enterprises lies in their narrow product range, seasonal nature of their activities and thin local markets. Adequate success in exploiting biodiversity and landscape diversity has not been achieved.

No major changes have taken place in the development of SME turnover. There is less interest in increasing the production capacity or making investments, and developing staff competence has lost some of its significance. Companies do not possess enough information and competence to design production facilities and choose processing machinery and equipment cost-effectively, appropriately and with regard to

environmental aspects. Food and environmental legislation continuously challenges food processing enterprises and livestock farmers.

Food processing is concentrating in large companies. The low numbers of small slaughterhouses, mills, dairies and cheese-makers and their poor profitability undermine the possibilities of producing and marketing local foods, and the volumes sold are small. The lack of processing activities on farms contributes to the poor availability of local foods.

A particular challenge to developing local production lies in the accessibility of the countryside. The companies are small and often located at a great distance from the markets. Natural products (mushrooms and berries) are not picked in large enough quantities to be used as industrial raw materials. The offer of products is not dependable, and the reliability of deliveries is poor. Other challenges include confidence in the products and their recognizability. Technological development on the interface between producers and consumers is only taking its first steps. Small producers do not have adequate resources to set up working distribution chains that could compete with the existing logistics chains of trade.

Companies avoid risk-taking and do not focus adequately on innovative products or production-related innovations. Companies operating in the domestic and local markets produce considerably less innovations than those mainly operating in the global market. The food, furniture and electronics industries, for example, have been unable to bring out products that would interest the consumers, while multinational companies are taking over the market.

#### *Farming – poor profitability*

The profitability of Finnish farming is poor, the key reason for which is the unfavourable natural conditions due to the country's northern location. Arable crops mainly produce one harvest a year. Because of the short growing period, demanding or high-yield crops or species can in most cases only be cultivated in Southern Finland. Even at their best, the crop yields remain clearly lower in Finland than in European reference areas.

The natural conditions of the north push production costs up, and the climatic situation produces major variations in meteorological phenomena that are difficult to predict. In Southern Finland, the ground is usually frozen for 2–5 months, and in Northern Finland, some 8 months of the year. Field work must be carried out over a short period, requiring efficient field drainage, high machine capacity and timely drying of the cereals, mainly using warm air. This increases the costs and restricts the possibilities for contracting and shared use of machinery.

The fragmentation of fields caused by natural conditions limits the development of holding sizes. Fairly large unbroken areas of arable land are only found in Southern Finland and along the rivers of Ostrobothnia. Large, consistent areas of arable land cannot be formed in areas fragmented by water systems. Regardless of an increase in the average holding size, the small size of parcels restricts the efficient utilisation of machines on farms. High transport and production costs due to the scattered holding structure and long distances burden agricultural production, in particular in Eastern and Northern Finland and in the archipelago. The most extensive production is seen in parcels with the least favourable holding structure properties, and they are often left fallow.

Due to the climatic conditions, dedicated buildings are needed in Finland for raising livestock and storing products. The freezing of the ground and heavy snow loads must be taken into consideration in the

foundations and other construction technical solutions of buildings, which pushes up the building costs of production facilities, warehouses and manure yards. The short growing and grazing period forces cattle and sheep farmers to store large amounts of roughage. The labour required for feed storage and the building costs of storage buildings undermine the profitability of these sectors. The long period during which the ground is frozen limits the possibilities of spreading manure and creates needs for long-term manure storage. It also increases the need for other handling of manure.

The relatively flat fields require efficient arterial and field drainage. Rains tend to fall at times that are unfavourable for most cash crops. Low rainfall amounts at the beginning of the growing period cause problems, in particular in the southwestern part of the country. Average rainfall in the most critical period for plants in the spring is 45% of the optimal amount and, even in the best areas, only 63%. In the autumn, on the other hand, the high rainfall amounts often hinder harvesting and other autumn tasks, and as a result, farmers need plenty of harvesting and drying equipment.

Based on the entrepreneurial income and income from factors of production, the average profitability of farming is rather poor in Finland. The income level derived by farmers from agricultural activities is only slightly over one half of the earned income of the employed labour force. The consequences of this include a decline in the share of young farmers.

Capital and land productivity have improved little over the last two decades, whereas the productivity of labour has increased significantly, with labour being replaced by invested capital. In conditions of poor profitability, the formation of equity capital is also slow.

Shortcomings continue to be found in the conditions in which production animals are kept and the way in which they are cared for (lack of space, no dry area to lie down in, no enrichment). From time to time, cases of neglect emerge that attract a lot of publicity and discredit the livestock farming sector. Further attention should also be focused on the coping and well-being of producers as the holding size increases and production develops; negligences regarding animal welfare may partly also be due to exhaustion of the producers.

#### *The environment – a slow recovery*

The status of the Finnish maritime areas and the rivers discharging into them remains unsatisfactory. Farming is the most important source for diffuse pollution. Diffuse pollution caused by nutrients in the water systems is difficult to control. Erosion of arable land is a key factor that results in eutrophication of water systems as nutrients, especially phosphorus, are transported in the solid matter. Efficient drainage and shortage of wetlands accelerate the passage of nutrient-rich run-off waters from fields into lakes and the sea. The naturally acidic Finnish soil facilitates the leaching of nutrients and metals from soil in arable land. Catch crops, which are either undersown or seeded after harvesting the cash crop, have not become particularly popular.

Arable farms have little interest in working together with livestock farms, for example due to the long transport distances, problems related to the spreading of manure, and the variable nutrient content and unfavourable proportions of nitrogen and phosphorus in manure. The specialisation of production has impeded the realisation of crop rotation and resulted in a concentration of manure spreading in smaller areas. The concentration of livestock production causes severe nutrient loading in water systems locally and regionally. The occurrence of heavy metals and other harmful substances in municipal sludges hampers the

wider use of recycled nutrients in arable farming.

The concentration of livestock farming together with more stringent requirements regarding areas for spreading manure further increase pressures to clear land. Clearing is particularly prevalent on peatlands in the livestock centres of the coast. Land clearing increases greenhouse gas emissions. As organic production becomes more common, more arable land area will be needed to preserve the overall production level. The risk of compacting the ground will increase due to the weight of agricultural machinery, direct seeding, reduced tillage and increasing holding sizes. If the condition of our soil is not looked after, the yield potential of arable land and the achievable nutrient levels may deteriorate. A more homogeneous selection of field crops and decreasing areas of grassland and fallow land that would improve soil structure, especially in the crop rotation of arable farms, will increase the risks relevant to the condition of agricultural land.

More efficient production and land use and changes in housing have restricted the living space of natural species, and the species in agricultural environments have become impoverished and endangered on a wide front. Changes in land use and production, eutrophication and pesticides have resulted in a loss of biodiversity in agricultural environments. The control of many traditional rural biotopes has been transferred from farmers to other landowners. In addition to a decline in the area of open and semi-open uncultivated habitats, the quality of the remaining areas has deteriorated as they have become overgrown, or as a result of eutrophication.

Grassland has been replaced by cereals and field crop farming is less diverse, helping plant pests to develop resistance. The need to use plant protection products has increased. As reduced tillage and direct seeding become more common, certain plant diseases are becoming more widespread in plant wastes, and grasslike weeds are thriving.

The area of arable land with organic soil has gone up in the 2000s as peatland has been cleared to gain areas for spreading manure as a result of a regional concentration of livestock farming and increasing unit sizes, and the total greenhouse gas emissions from agriculture have thus increased in 2005–2010. Ammonia emissions have also increased. The majority of the emissions come from manure storage and facilities where animals are kept, and to a lesser extent from the spreading of manure and grazing of animals.

Climate change is reflected in the ecological status of waters. As the rainfall increases, the nutrient loading may also increase, especially if the ground remains frost-free for longer in the winter. This may exacerbate the eutrophication problems, even if the flood peaks in the spring were lower, thus reducing the nutrient loading in the spring. Changes in the salinity of the Baltic Sea may also change the ecological status of coastal waters in Finland and, among other things, affect the distribution of various species.

#### 4.1.4. Possibilities identified in the programme area

##### *Rural development – knowledge is wealth*

The Finnish national economy shows an exceptionally strong reliance on added value derived from natural resources. Finland has the highest per capita biocapacity in European Union. Bio-economy is developing step by step, and the manufacturing of and demand for bio-based raw materials will go up in the next few

years as non-food raw materials will increasingly be processed. Innovations related to biomaterials, resource efficiency, nutrient recycling and renewable energy are expected to multiply and facilitate sustainable development, boost rural livelihoods and encourage the creation of strong clusters. Biomass resources, grasping the opportunities offered by bio-economy and innovative, local and decentralised energy solutions will create possibilities for earning an income in rural areas. Better energy efficiency will make it possible to improve the profitability of farming and to reduce emissions into the air.

Solutions based on renewable energy may boost the self-sufficiency of rural areas and security of supply of farming. The exploitation of forest energy will have significant impacts on employment and regional economies in rural areas. The consumption of biomass in energy generation and use of biofuels will increase four-fold, and their international trade will expand. By using more wood chips we can reduce the consumption of oil for heating and achieve cost savings. Heat entrepreneurship is a growing form of business in rural areas that will also promote forest management. Wood-based products can be used to replace non-renewable materials and fuels in a resource-efficient manner, as almost all parts of a tree can be utilised. In energy, water and waste water solutions, new decentralised, ecologically advanced solutions may be developed, which may also have export potential. As bio-economy evolves, the possibilities of exploiting the side streams of the food industry and agriculture may be developed further.

Increasing interest in local food will offer new earning opportunities for both farms and processors of primary products. Cooperation between food sector and tourism companies will create possibilities for developing new business areas and facilitate a transition from part-time to full-time business. Direct online sales will enable rural businesses to respond to demand from different types of consumers scattered around the country. The Internet will also lend itself for use as a channel for providing consumers with the information they need about the origin and production methods of products. Developing logistics chains will reduce transport distances, environmental loading and the carbon footprint. Technology will also contribute to improving food safety. Anticipating consumer behaviour will help to improve supply in response to demand.

In the future, it will be easier for SMEs to get their products onto shop shelves, as the distribution logistics and electronic order systems of trade can also handle smaller batches. There is export potential for foodstuffs, for example in Russia, where reliable and clean Finnish foods are appreciated. The demand for organic and local foods will grow. Utilisation of local plant and landrace animal products and their new modes of use will promote the preservation of genetic resources. In addition to their use as foods, there will be more demand for natural ingredients in the biotechnology, cosmetics, pharmaceutical and herbal medicinal product industries. Better utilisation of organic collection areas and having new areas approved are opportunities for the natural product sector and its long-term development and image building.

Interest in tourism and the associated health and well-being services of a new type provided in rural natural and farm environments will increase. In addition to rural tourism, there is also great growth potential in the promotion of care services in rural areas. The competence levels of farmers, forest owners and multi-sectoral farms can be improved to facilitate better utilisation of biodiversity and landscape diversity as an attraction for rural areas, for example in tourism. The cultural heritage and ancient monuments in rural areas may attract tourists. Landscape and nature based enterprising will provide opportunities for expanding business on farms and in other small rural enterprises. It is expected that 50,000 new jobs will be created in tourism by 2020.

*Farming – credibility from good quality*

Increasing holding sizes, new technology and use of paid employees, and increased co-operation between farms will improve farm profitability and promote the coping of farmers. It is expected that the number of holdings exceeding 150 ha in size, which in Finnish circumstances are large, will go up, resulting in economies of scale. With expanding and more efficient production, modern facilities suitable for the new production needs will be required in which appropriate technical development and, increasingly, energy, environmental, and animal welfare aspects can be taken into account. Profitability can be improved by means of targeted investment measures and reduced production costs.

More efficient deployment of knowledge produced by research communities to support renewal and innovations will boost productivity and competitiveness. Offering targeted education and training in a flexible manner will be possible, also for sectors requiring special expertise.

The reorganisation of farm operations will often be associated with the outsourcing of various activities and co-operation between different types of production. In addition to employees, reliance on various contracting services will offer new opportunities for rural enterprising. From the perspective of competitiveness, new operating models and their utilisation will play a key role in farming. The introduction of new technologies and production methods will have positive impacts on such areas as animal welfare, physical stress caused by agricultural work, energy efficiency and emissions into the environment.

The demand for organic products will increase nationally and internationally. There is a significant number of livestock farms in Finland where the arable land is under organic cultivation, while the animal products are sold as conventional ones. By increasing the production of Finnish organic protein feed, organic livestock production can be boosted.

From the perspective of community spirit, maintenance of the service network, functioning of the social structure and consideration for climate issues, exploiting the existing infrastructure should be the first choice in rural development. Finding new uses for old residential buildings and production facilities is economical, and the activities can rely on the existing environment as well as road and other networks. Disused buildings could increasingly be offered for new uses. This will give companies and residents more choice in locating in their preferred environment.

Expanding the contents of farm advisory services and extending environmental advisory services from individual projects to cover the entire country will support the introduction of environmentally friendly cultivation methods and improve animal welfare. The shared use and exploitation of existing information materials could be made more efficient. By means of information actions, training, and also working on attitudes, actors can be encouraged to grasp the opportunities offered by the Rural Development Programme.

A good status of health and well-being of animals is a competitive factor. Citizens are alert to animal welfare, and in recent years, the topic has attracted a lot of interest in societal debate in the conventional and social media. Means for improving animal welfare are available, and training, advice and active communication promoting their introduction will be stepped up. In investment support, aspects related to the well-being of production animals will be taken into account. A short supply chain guarantees transparency regarding production conditions and methods.

*The environment – a source of future opportunities*

In addition to farming, an agricultural landscape is valuable as a producer of intangible benefits, including opportunities for outdoor exercise, recreation and tourism services. Biodiversity may be preserved and promoted through more extensive grazing of natural pastures and landscape management. Environmental entrepreneurship may promote both employment and environmental management. Other parties besides farmers are showing more and more interest in environmental management.

Entrepreneurship that promotes environmental objectives and offers ecosystem services may be a source of income. The forestry sector provides opportunities for offering more diverse products and services, thus increasing value added and well-being. The consumption of forest products is increasing in step with global growth. More diverse use of timber in construction will promote the achievement of climate targets and create jobs and business.

The status of water protection is slowly improving as a result of long-term efforts. The potential for nitrogen and phosphorus loading from agriculture has diminished. From 1990 till 2010, there has been a significant drop in the sales of nutrients (25% for nitrogen, 75% for phosphorus). Measures to control erosion, which have changed tillage practices and increased plant cover in winter, buffer strips and riparian zones, have reduced the transport of phosphorus released from erosion matter in the water systems. Grassland farming and grazing increase the quantity of organic matter in soil, improving the soil structure and reducing erosion and CO<sub>2</sub> emissions compared to cereal cultivation. The development of production methods and cultivation practices of this type will promote environmentally sustainable agricultural production. The impact can be enhanced by expanding the area in which agri-environment measures are implemented and by improving the competence of actors. Utilisation of local plant and animal products and new modes of their use may promote the preservation of genetic resources.

Climate change may push the limits of the area suitable for cereal cultivation further north, and horticultural production may benefit. The grazing season could be extended, which would improve animal welfare if grazing became more wide-spread.

4.1.5. Threats identified in the programme area

*Rural development – the decline of the countryside*

The greatest threat is the significant ageing of the population and emigration, which are the most rapid in Eastern Finland and in sparsely populated rural areas. Concentration of regional development resources in population centres and overlooking the potential of rural areas is also a threat. As a result of this, services, residents and companies will retreat from the countryside into urban centres. Land use policy and a reduction in public investments will accelerate the depopulation and the migration of educated persons into towns, undermining confidence in the future and development potential in the countryside. Completing reforms that are necessary for the future will prove impossible in rural areas. Finland will be left behind in technological progress. Companies will have less access to financing.

It may be difficult to attract service providers and experts requiring a high level of education to the



countryside. This will affect the offer of services in rural areas and companies' possibilities of developing new products and innovations. The decline of the network of vocational schools and polytechnics, especially in rural areas, will be a substantial threat to the development of young people's professional skills, supply of skilled labour and companies' possibilities of developing.

Consumers will not be prepared to pay for high-quality foodstuffs, in the production of which animal welfare and measures improving the status of the environment have been taken into consideration. Raw material production for Finnish agriculture and foodstuffs will decline and lose diversity. In addition to the structural change affecting farming and rural industries, rural companies will be affected by the industrial structural change. The products of small companies will not find their place in demand and distribution chains. Food will increasingly be imported, and imports will take over from domestic production. Raw materials will be less readily available. Agricultural production will undergo a process of regional differentiation, which will have a negative impact on the environment and result in long transport distances and poorer product quality.

Food sector companies will not be able to adjust adequately to the changing tastes and requirements of consumers. A decline in the demand for processed wood products will have an adverse impact on the development of enterprising in this sector. The drawn-out recession will undermine the profitability of companies and push costs up, and companies will no longer be able to ensure their competitiveness and ability to renew. Fatigue experienced by entrepreneurs, ageing, and finding somebody to take over the company are threats.

Small metal, wood and tourism sector companies in rural areas will be vulnerable to changes in economic trends. Food production has been subject to stringent regulation, which has impeded the entry of small local food suppliers into the sector. The threat is that despite of a relaxation in national regulation, legislation will place excessive demands on small actors, or it will be replaced by new legislation that increases costs and undermines the competitiveness of food sector actors. There will be less interest in the food sector, and expertise in this field will be partly or totally lost.

The standard of rural infrastructures will be lowered, and the lack of efforts to develop it will result in poorer preconditions for housing and entrepreneurship. Rural services will decline, and such means as information technology cannot make up for physical accessibility. Raw materials for renewable energy will not meet the required sustainability criteria. In this case, there would also not be commercial demand for the products, which would block the development of the sector. New technologies will be found that enable better exploitation of non-renewable natural resources, and additional resources will be discovered. At the same time, renewable energy forms will lose their competitiveness especially in Europe, where increasing quantities of coal will be imported.

#### *Agriculture - farming will peter out*

As a result of the liberation of world trade, external protection for agricultural produce will be removed. The EU agricultural and food market will be more and more market-driven, as a result of which agricultural aids and other safety nets of agriculture will be cut. At the same time, dramatic variations in the production volumes and offer of agricultural produce and the resulting sudden price fluctuations in the international market will become more common. Major and rapid fluctuations in the prices of agricultural inputs will become more common. The profitability of Finnish farming will be undermined by policy changes, unstable markets and increases in the prices of feed, fertilizers and energy. The production of livestock and field

crops will dwindle.

The risk of animal diseases may increase. Food crises, contagious animal diseases and natural disasters may result in financial losses. The factor that has the highest impact on animal welfare is ordinary every-day routines. The coping of farmers becomes a threat when profitability is undermined, and the bureaucracy and controls of the support system put farmers under pressure. Fatigue experienced by farmers will be directly reflected on animal welfare. A lower profitability of production will prevent farmers from making the requisite investments, which will slow down further the development of production and adversely affect coping at work.

The profitability of farming will not improve, the average age of farmers is high, and not enough young farmers can be attracted to the sector to maintain a level of agricultural production that responds to domestic demand and ensures that the existing area of agricultural land is used. Producers will not adjust to consumer preferences, resulting in a mismatch of production and consumption. Traditional methods and old-fashioned attitudes will hamper the necessary reforms.

*The environment - no improvement in the ecological status*

Climate change is expected to exacerbate the technical and environmental challenges to farming. Rising temperatures and rainfall amounts may change the nutrient economy and structure of the soil, accentuate the risk of compacting, deteriorate crop quality and impede harvesting. The snow-free period is predicted to become longer and the autumn rainfall to increase, stressing the importance of plant cover in winter in controlling nutrient leaching. Stress on plants caused by drought and heat during the growing period may get worse, the number and variety of pests, fungal diseases and weeds may increase, overwintering of plants in Southern Finland may be affected negatively, and plant disease epidemics may become more common. The risk of loading in water systems will be exacerbated as precipitation outside the growing period increases, the degradation of organic matter in the soil of arable land may be accelerated, and the rising temperatures change the living conditions of species, undermining the survival of indigenous species, increasing the probability of invasive alien species spreading, and accelerating the growth of shrubs and trees in open areas. More stringent legislation on animal husbandry will reduce the number of livestock farms and weaken the interest in grazing natural pastures. Profitability of environmental entrepreneurship will remain low.

The growth in holding size and specialisation of production may further negatively affect the preconditions for maintaining biodiversity in agricultural environments. The tendency of species and biotopes typical of agricultural environments to become endangered will continue and may accelerate. Genetic diversity of small populations of species in agricultural environments will decline below the critical limit required for survival. The spread of species will be prevented by a lack of ecological corridors between suitable habitats. The remaining, most diverse sites will impair in quality, even if the area of the habitat did increase. Landscapes and views in shoreline areas will become overgrown. Measures that permanently change the mode of land use will have a significant impact on rural landscapes, including afforestation of arable land and the construction of new buildings, roads and power transmission lines. Societal change may steer the development into an unexpected direction. The loss of the countryside's image of safety and responsibility is a threat.

Few farmers will raise landrace animals adjusted to the Finnish conditions, and the potential loss of genetic diversity is a threat. The raising of landrace sheep has suffered from the low profitability of sheep farming.

*Unofficial translation*

There has been a decline in the cultivation of nationally valuable local field and horticultural crops and propagated northern local species adjusted to the climatic conditions of the north that prevail in Finland, and old endangered cash crops adjusted to the northern climatic conditions in Finland. The loss of genetic variants carried by disused or little used cash crop species will result in irrevocable losses of genetic diversity.

*Unofficial translation*

4.1.6. General context indicators

I Socioeconomics and situation in the rural areas			
1 Population			
Indicator name	Value	Unit	Year
total	5,372,913	Inhabitants	2012
rural	40.4	% of total	2012
intermediate	30.7	% of total	2012
urban	28.8	% of total	2012
2 Age structure			
Indicator name	Value	Unit	Year
Total < 15 years	16.5	% of total population	2012
total 15–64 years	65.4	% of total population	2012
total < 64 years	18.1	% of total population	2012
rural < 15 years	13.7	% of total population	2012
rural 15–64 years	60.3	% of total population	2012
rural < 64 years	25.9	% of total population	2012
3 Territory			
Indicator name	Value	Unit	Year
total	336,852	Km2	2012
rural	82.3	% of total	2012
intermediate	14.9	% of total	2012
urban	2.8	% of total	2012
4 Population density			
Indicator name	Value	Unit	Year
total	13.7	Inhab / km2	2011
rural	8.7	Inhab / km2	2011
5 Employment rate			
Indicator name	Value	Unit	Year
total (aged 15–64)	69.3	%	2012
male (15–64 years)	70.5	%	2012
female (15–64 years)	68.1	%	2012
* rural (sparsely populated) (aged 15–64)	68.9	%	2012
total (20–64 years)	73.9	%	2012
male (20–64 years)	75.4	%	2012
female (20–64 years)	72.4	%	2012
6 Self-employment rate			
Indicator name	Value	Unit	Year
total (15–64 years)	13.1	%	2012
7 Unemployment rate			
Indicator name	Value	Unit	Year
total (15-74 years)	7.7	%	2012
youth (15-24 years)	19	%	2012

*Unofficial translation*

rural (sparsely populated) (aged 15-74)	7.2	%	2012
youth (15-24 years)	19.4	%	2012
8 GDP/capita			
Indicator name	Value	Unit	Year
total	113	Index PPS (EU-27 = 100)	2010
* rural	94.6	Index PPS (EU-27 = 100)	2010
9 Poverty rate			
Indicator name	Value	Unit	Year
total	17.2	% of total population	2012
* rural (sparsely populated)	18.4	% of total population	2012
10 Structure of the economy (GVA)			
Indicator name	Value	Unit	Year
total	154,588.4	EUR million	2010
primary	2.9	% of total	2010
secondary	28.3	% of total	2010
tertiary	68.8	% of total	2010
rural	34	% of total	2010
intermediate	27	% of total	2010
urban	38.9	% of total	2010
11 Structure of employment			
Indicator name	Value	Unit	Year
total	2,462.8	1000 persons	2010
primary	4.9	% of total	2010
secondary	24.2	% of total	2010
tertiary	70.9	% of total	2010
rural	37.9	% of total	2010
intermediate	29.2	% of total	2010
urban	32.9	% of total	2010
12 Labour productivity by economic sector			
Indicator name	Value	Unit	Year
total	62,769.4	EUR/person	2010
primary	36,973.5	EUR/person	2010
secondary	73,309.5	EUR/person	2010
tertiary	60,951.3	EUR/person	2010
rural	56,389.6	EUR/person	2010
intermediate	58,054.6	EUR/person	2010
urban	74,307.8	EUR/person	2010

*Unofficial translation*

II Agriculture/Sectoral analysis			
13 Employment by economic activity			
Indicator name	Value	Unit	Year
total	2,467.9	1000 persons	2012
agriculture	77.7	1000 persons	2012
agriculture	3.2	% of total	2012
forestry	23.1	1000 persons	2012
forestry	0.9	% of total	2012
food industry	35.5	1000 persons	2012
food industry	1.4	% of total	2012
tourism	85.8	1000 persons	2012
tourism	3.5	% of total	2012
14 Labour productivity in agriculture			
Indicator name	Value	Unit	Year
total	17,296.1	EUR/AWU	2009 - 2011
15 Labour productivity in forestry			
Indicator name	Value	Unit	Year
total	125,250	EUR/AWU	2009
16 Labour productivity in food industry			
Indicator name	Value	Unit	Year
total	55,882	EUR/person	2010
17 Farms			
Indicator name	Value	Unit	Year
total	58,607	No	2012
Comment: Only the total number of farms updated to show data for 2012.			
farm size<2 ha	1,810	No	2010
farm size 2–4.9 ha	4,280	No	2010
farm size 5-9.9 ha	7,900	No	2010
farm size 10-19.9 ha	13,240	No	2010
farm size 20-29.9 ha	9,660	No	2010
farm size 30-49.9 ha	11,900	No	2010
farm size 50-99.9 ha	10,760	No	2010
farm size>100 ha	3,780	No	2010
farm economic size <2000 Standard Output (SO)	4,340	No	2010
farm economic size 2,000–3,999 SO	6,260	No	2010
farm economic size 4,000–7,999 SO	10,470	No	2010
farm economic size 8,000–14,999 SO	10,430	No	2010
farm economic size 15,000–24,999 SO	7,050	No	2010
farm economic size 25,000–49,999 SO	8,030	No	2010
farm economic farm 50,000–99,999 SO	8,200	No	2010

*Unofficial translation*

farm economic size 100,000–249,999 SO	6,790	No	2010
farm economic size 250,000–499,999 SO	1,310	No	2010
farm economic size > 500,000 SO	420	No	2010
average physical size	35.9	ha UAA/holding	2010
average economic size	48,486.09	EUR of SO/holding	2010
average size in labour units (persons)	2	Persons/holding	2010
average size in labour units (AWU)	0.9	AWU/holding	2010
18 Agricultural area			
Indicator name	Value	Unit	Year
Total UAA	2,271,350	ha	2010
arable	98.6	% of total UAA	2010
permanent grassland and meadows	1.2	% of total UAA	2010
permanent crops	0.2	% of total UAA	2010
19 Agricultural area under organic farming			
Indicator name	Value	Unit	Year
certified	108,970	ha UAA	2010
in conversion	21,210	ha UAA	2010
share of UAA (both certified and in conversion)	5.7	% of total UAA	2010
20 Irrigated land			
Indicator name	Value	Unit	Year
total	11,760	ha	2010
Share of UAA	0.5	% of total UAA	2010
21 Livestock units			
Indicator name	Value	Unit	Year
total	1,113,830	LSU	2010
22 Farm labour force			
Indicator name	Value	Unit	Year
total regular farm labour force	124,090	Persons	2010
total regular farm labour force	54,890	AWU	2010
23 Age structure of farm managers			
Indicator name	Value	Unit	Year
total number of farm managers	58,607	No	2012
share < 35 years	8.6	% of total managers	2010
proportion <35 / >= 55 years	21.7	No of young managers by 100 elderly managers	2010
24 Agricultural training of farm managers			
Indicator name	Value	Unit	Year
share of total managers with basic and full agricultural training	44	% of total	2010
share of managers < 35 years with basic and full agricultural training	63.6	% of total	2010
25 Agricultural factor income			
Indicator name	Value	Unit	Year
total	23,371.8	EUR/AWU	2010
total (index)	123.3	Index 2005 = 100	2010
26 Agricultural entrepreneurial income			
Indicator name	Value	Unit	Year
Standard of living of farmers	15,608.6	EUR/AWU	2010

*Unofficial translation*

Standard of living of farmers as a share of the standard of living of persons employed in other sectors	47.7	%	2012
27 Total factor productivity in agriculture			
Indicator name	Value	Unit	Year
total (index)	109.8	Index 2005 = 100	2009 - 2011
28 Gross fixed capital formation in agriculture			
Indicator name	Value	Unit	Year
Gross fixed capital formation	1,087.2	EUR million	2010
Share of GVA in agriculture	24.4	% of GVA in agriculture	2010
29 Forest and other wooded land (FOWL) (thousand)			
Indicator name	Value	Unit	Year
total	23,115.8	1,000 ha	2010
share of total land area	76.1	% of total land area	2010
30 Tourism infrastructure			
Indicator name	Value	Unit	Year
bed-places in collective establishments	213,094	No of bed-places	2011
rural	60.5	% of total	2011
intermediate	22.9	% of total	2011
urban	16.5	% of total	2011



*Unofficial translation*

III Environment/climate			
31 Land cover			
Indicator name	Value	Unit	Year
share of agricultural land	8.7	% of total area	2006
share of natural grassland	0	% of total area	2006
share of forestry land	58.3	% of total area	2006
share of transitional woodland shrub	13.9	% of total area	2006
share of natural land	8.2	% of total area	2006
share of artificial land	1.4	% of total area	2006
share of other area	9.4	% of total area	2006
32 Areas with natural constraints			
Indicator name	Value	Unit	Year
total	95.1	% of total UAA	2009
mountain	50.4	% of total UAA	2009
other	20.2	% of total UAA	2009
specific	24.5	% of total UAA	2009
33 Farming intensity			
Indicator name	Value	Unit	Year
low intensity	36.1	% of total UAA	2007
medium intensity	32.8	% of total UAA	2007
high intensity	31.1	% of total UAA	2007
grazing	20.9	% of total UAA	2010
34 Natura 2000 areas			
Indicator name	Value	Unit	Year
share of the territory	14.5	% of territory	2011
share of UAA (incl. natural grassland)	0.8	% of total UAA	2011
share of total forestry area	11.8	% of forest area	2011
35 Farmland Birds Index (FBI)			
Indicator name	Value	Unit	Year
total (index)	107.6	Index 2000 = 100	2008
36 Conservation status of agricultural habitats (grassland)			
Indicator name	Value	Unit	Year
favourable	23.1	% of assessments of habitats	2006
unfavourable – inadequate	7.7	% of assessments of habitats	2006
unfavourable – bad	69.2	% of assessments of habitats	2006
unknown	0	% of assessments of habitats	2006
37 High natural value farming			
Indicator name	Value	Unit	Year
total	7.9	% of total UAA	2010
38 Protected forest			
Indicator name	Value	Unit	Year
class 1.1	4.5	% of FOWL area	2010

*Unofficial translation*

class 1.2	3.6	% of FOWL area	2010
class 1.3	3.6	% of FOWL area	2010
class 2	4.6	% of FOWL area	2010
39 Water abstraction in agriculture			
Indicator name	Value	Unit	Year
total	4,063.4	1000 m3	2010
40 Water quality			
Indicator name	Value	Unit	Year
Potential surplus of nitrogen on agricultural land	44.4	kg N/ha/year	2013
Possible surplus of phosphorus on agricultural land	3.7	kg P/ha/year	2013
Nitrates in freshwater – surface water: High quality	99.2	% of monitoring sites	2010
Nitrates in freshwater – surface water: Moderate quality	0.8	% of monitoring sites	2010
Nitrates in freshwater – surface water: Poor quality	0	% of monitoring sites	2010
Nitrates in freshwater – groundwater: High quality	95.1	% of monitoring sites	2010
Nitrates in freshwater – groundwater: Moderate quality	4.9	% of monitoring sites	2010
Nitrates in freshwater – groundwater: Poor quality	0	% of monitoring sites	2010
41 Soil organic matter in arable land			
Indicator name	Value	Unit	Year
Total estimates of organic carbon content	48.3	mega tons	2009
Mean organic carbon content	23.4	g kg-1	2009
42 Soil erosion by water			
Indicator name	Value	Unit	Year
rate of soil loss by water erosion	0.1	tonnes/ha/year	2006
agricultural area affected	0.1	1,000 ha	2007
agricultural area affected	0	% of agricultural area	2006 - 2007
43 Production of renewable energy from agriculture and forestry			
Indicator name	Value	Unit	Year
from agriculture	264	kToe	2010
from forestry	7,733	kToe	2010
44 Energy use in agriculture, forestry and food industry			
Indicator name	Value	Unit	Year
agriculture and forestry	652	kToe	2011
use per hectare (agriculture and forestry)	25.7	kg of oil equivalent per ha of UAA	2011
food industry	403	kToe	2011
45 GHG emissions from agriculture			
Indicator name	Value	Unit	Year
total agriculture (CH4 and N2O and soil emissions/removals)	5,881.5	1,000 t of CO2 equivalent	2010
share of GHG emissions	23.4	% of total net emissions	2010

*Unofficial translation*

4.1.7. Programme-specific background indicators

Sector	Code	Indicator name	Value	Unit	Year
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## 4.2. Needs assessment

Title (or reference) of need	P1			P2		P3		P4			P5					P6			Cross-cutting objectives		
	1A	1B	1C	2A	2B	3A	3B	4A	4B	4C	5A	5B	5C	5D	5E	6A	6B	6C	Environment	Climate change mitigation and adaptation	Innovation
Boosting investments that promote bio-economy												X					X		X	X	X
Developing the market and consumer drivenness and business skills of food sector SMEs						X															X
Improving energy and resource efficiency																X	X		X	X	X
Safeguarding the operational capacity and promoting the competitiveness of farms operating in less favoured areas				X				X											X	X	X
Conservation and promotion of genetic diversity							X	X											X	X	
Controlling the spread of invasive alien species							X	X											X	X	
Improving data communications in sparsely populated rural areas by setting up village networks																		X	X		X
Promoting climate change adjustment							X	X	X					X					X	X	
Reducing greenhouse gas and ammonia emissions from farming							X							X					X	X	
Reducing chemical plant protection							X	X		X									X	X	
Rural infrastructure							X									X	X		X	X	X
Diversification of the economy in rural areas																X	X				X

*Unofficial translation*

Maintaining and promoting rural landscapes								X											X	X	
Developing the structure of agriculture				X															X	X	X
Developing risk management in agriculture							X												X	X	
Supporting species of the agricultural environment in field crop farming							X	X											X	X	
Preserving and promoting the diversity of species and biotopes in agricultural areas							X	X											X	X	
Safeguarding the continuity of agricultural production by helping young farmers to set up					X																
Development of multisectoral farms						X										X					X
Competence building	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Enhancing local development and social capital																	X				X
Promoting business and industrial activities that meet local needs																	X				X
Reducing erosion in arable land							X		X	X									X	X	
Maintaining and increasing organic matter content in arable soil									X					X	X				X	X	
Improving the nutrient balance in arable land and preventing nutrient leaching							X		X										X	X	
Boosting small company competitiveness through skills, innovations and internationalisation																X	X		X	X	X
Promotion of nutrient recycling and co-operation between livestock and arable farms													X	X					X	X	

*Unofficial translation*

Promoting preventive health care and welfare of production animals	X	X	X	X		X	X	X											X	X	
Creation of new services and service forms																X	X				X
Increasing the use of renewable energy forms											X						X		X	X	X
Reducing the nitrogen and phosphorus loading from agriculture and horticulture in water systems							X		X										X	X	
Increasing co-operation						X		X	X	X	X	X	X	X	X	X	X		X	X	X

#### 4.2.1. Boosting investments that promote bio-economy

##### Priorities/Focus areas

- 5B) Increasing efficiency in energy use in agriculture and food processing
- 6B) Fostering local development in rural areas

##### Cross-cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

##### Description

Promoting bio-economy is a key priority in national strategies. The Finnish Bioeconomy Strategy, which is partly based on the EU's Resource-efficient Europe strategy, was adopted in spring 2014. It contains recommendations for measures aiming to improve the competitiveness of the bio-economy operating environment and to increase new bio-economy business, the skills base and the usability and sustainability of biomasses. High value added products can be produced from biomasses. Key development targets will include new modes of processing side streams and wastes, finding new raw materials for the products, and stepping up the use of renewable energy in companies. It will be necessary to invest in the growth of the forest sector service market and research and development in this sector, and to allocate funding to the development of new products and services. There is also a need to set up small and medium bio-processing plants.

Other development needs are associated with such areas as the sustainable use of biomaterials, resource efficiency, production, logistics and use of decentralised renewable energy, nutrient recycling, manufacturing new high value products and services linked to the environment. In addition, attention must be paid to new modes of using forests and nature, including tourism and recreation services, and their coordination. As we are being forced to reduce negative environmental impacts and cut back on the use of fossil fuels by climate-related, economic and security of supply reasons alike, significant investments will be required in developing new technological solutions, new process and logistics solutions and the versatile exploitation of renewable energy sources.

In order to improve energy and environmental efficiency and to slow down climate change, particular attention should be paid to aspects that are within the control of the company itself, including products and services, machines and equipment used and the company's operation. The amount of energy used by buildings in Finland exceeds the total industrial consumption, and there thus is a need for construction-related services, innovations and experiments.

#### 4.2.2. Developing the market and consumer drivenness and business skills of food sector SMEs

##### Priorities/Focus areas

- 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organisations

#### Cross-cutting objectives

- Innovation

#### Description

An adequate number of SMEs processing foodstuffs that develop their operations and products in a market and consumer driven manner is needed in Finland. The growth and stronger position of SMEs will diversify the supply of foods and promote competition. Companies' competitive advantage will be based on clean ingredients, traceability of products, responsibility, sustainable operating methods and possibilities of specialising and operating in a flexible and demand driven manner with the support of co-operation networks. Developing the availability of seasonal products, direct sales and local markets will improve the productivity and competitiveness of farming and the food sector. A particular need for support affects farms and SMEs that are not covered by the product development services of large processing companies.

Consumers want choice, which challenges the production input industry, primary production, processing, catering services and trade to differentiate their selections and services. Resources and tools are needed for consumer profiling and communication directed at consumers. Developing electronic business and online services, innovative utilisation of technology and finding logistic solutions play a key role for the sector's development. Companies also need expertise concerning the significance to practical operation of obligations under the food legislation. Feasibility studies can help to improve the quality of investments and achieve successful investment solutions that comply with the conditions of food legislation.

#### 4.2.3. Improving energy and resource efficiency

##### Priorities/Focus areas

- 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation.
- 6B) Fostering local development in rural areas

#### Cross-cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

#### Description

Energy efficiency can help to improve competitiveness. Sufficiency of energy, energy prices and



environmental aspects are key factors in this. Versatile energy production may mitigate demand and supply shocks and improve self-sufficiency in energy. Energy efficiency measures can help to cut the energy user's direct costs. In addition, investments can be made in the energy production, transmission and distribution infrastructure. The measures aiming to improve energy efficiency are based on the EU's 2020 climate and energy package and Finland's National Climate and Energy Strategy created by virtue of it, the National Action Plan for the Adaptation to Climate Change, the Effort Sharing Decision concerning sectors outside the emissions trading system (No 406/2009/EC) and the Long-term Climate and Energy Strategy (Ministry of Employment and the Economy 2008), which was updated by the Government on 20 March 2013 (Ministry of Employment and the Economy 2013). The Government Foresight Report on Long-term Climate and Energy Policy contains a vision of the national climate and energy policy up till 2050 (Government 2009).

In building investments, existing buildings that are vacant or underused and existing road and other networks will be used as far as possible. Utilising an existing structure reduces the accumulating investment costs, especially in the startup phase of a company. The higher prices of electricity and heating oil have increased interest in wood as a heating solution for small buildings. In rural areas, this will boost the demand for firewood and generate professional firewood enterprising. A precondition for extensive operation is being located reasonably close to population centres. A shift is taking place from production driven to service driven operation. Small scale business that can be regarded as relevant to bio-economy has become more commercially oriented. Preconditions for supporting heat enterprising include promoting co-operation between entrepreneurs, forest owners and municipal authorities aiming to find solutions for the heating of population centres. The competitiveness of small plants and operators can be promoted by developing farm and business activities and co-operation. The measures support not only the aforementioned climate and energy strategies but also the EU's Resource-efficient Europe strategy.

#### 4.2.4. Safeguarding the operational capacity and promoting the competitiveness of farms operating in less favoured areas

##### Priorities/Focus areas

- 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification
- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes

##### Cross-cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

## Description

In the extremely unfavourable climatic conditions due to Finland's northern location, farming is not competitive compared to farming in more favourable conditions. A reduction in the number of farms and the weak interest shown by new entrepreneurs in farming highlights the fact that farming is not a profitable industry in any part of the country. Without natural constraint payments and the development of the agricultural structure, farming in Finland will be doomed. Safeguarding the operating conditions of farming is vital for the entire food chain.

Low yield levels and crop rotation increase the arable land area required and the need to develop production. An increasing need to store manure pushes up the farm's investment costs. The cold climate and the need to dry cereals push up energy use, and inputs in research, development and deployment of energy-efficient solutions are thus needed. In the Finnish conditions, the construction costs of production buildings are high, as the subzero temperatures, freezing of the ground and snow loads set their own challenges.

The average size of Finnish farms is small, and collective use of resources must also be promoted in appropriate ways to improve competitiveness.

In particular, livestock farms need more labour round the year than arable farms. The climate is also an advantage, as the cold winters reduce the need to use plant protection products, and the freezing of the ground improves soil structure. On the other hand, plant protection products degrade more slowly in the ground in cold conditions, and crops seeded in the autumn are prone to frost damage.

### 4.2.5. Conservation and promotion of genetic diversity

#### Priorities/Focus areas

- 3B) Supporting farm risk prevention and management;
- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes

#### Cross-cutting objectives

- Environment
- Climate change mitigation and adaptation

## Description

The National Animal Genetic Resources Programme (Ministry of Agriculture and Forestry 17/2004) and the National Plant Genetic Resource Programme (Ministry of Agriculture and Forestry 12/2001) implement the Biological Diversity Convention. Their aim is to encourage the sustainable use and maintenance of the genetic resources of Finnish domestic animal races, agricultural and horticulture plants and forest trees adjusted to Finnish conditions.

To preserve animal genetic resources over the long term, adequate stores of sperm and embryos are needed to provide sufficient options for reviving a breed by means of cross-breeding. The preservation of indigenous Finnish plant species has economic, biological and scientific value. These species are part of our living cultural heritage whose value lies in biodiversity, genetic potential and cultural history. Preservation of adequate genetic resources of plants adjusted to the Finnish conditions must also be safeguarded in the future, as their special characteristics may turn out to be important as conditions change.

Genetic diversity is a basic condition for breeding, allowing us to produce plant species or animal breeds that respond to new conditions and changing requirements. Genetic diversity improves the resistance and survival of a population in changing conditions. Preserving genetic resources is thus linked with our society's food security and security of supply. Genetic heritage must also be preserved as part of the continuity of local cultures and viability of rural areas.

#### 4.2.6. Controlling the spread of invasive alien species

##### Priorities/Focus areas

- 3B) Supporting farm risk prevention and management;
- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes

##### Cross-cutting objectives

- Environment
- Climate change mitigation and adaptation

##### Description

A government resolution on a National Strategy on Invasive Alien Species was adopted in 2012. The aim of the strategy and the relevant action plan is at the prevention and early control of problems caused by invasive alien species. Under the Act on Preventing Wild Oats (185/2002), occurrences of wild oats in arable land must be controlled. The needs to control invasive alien species should be taken into account when planning measures to promote the management of agricultural environments, for example in case of traditional rural biotopes. Plants that are particularly harmful in terms of biodiversity include the rugosa rose in shore meadows and the toxic giant hogweed.

#### 4.2.7. Improving data communications in sparsely populated rural areas by setting up village networks

##### Priorities/Focus areas

- 6C) Enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural areas

#### Cross-cutting objectives

- Environment
- Innovation

#### Description

Improving broadband connections in rural areas is a key part of developing competitiveness. The lack of good broadband connections has in many areas become a bottleneck for both the competitiveness and the viability of the area. The significance of data communications in society is increasing and having an effect on activities everywhere. In a near future, good data communications will increasingly be a precondition for housing development. They enable completely new possibilities of using services and contents.

Ultra-fast data communications improve the competitiveness and viability of rural areas, enhance the living comfort of residents and link municipal residents to information society. For example, a good data communication network enables the municipality to work more efficiently in the areas of health care, education and provision of other basic services. Services can be developed cost-effectively, for example by using video links. Efficient connections make enterprising and innovation possible, also in rural areas. Farms need working data communication networks for such tasks as drawing up cultivation plans and updating the bovine register. The supervision of animal welfare and, for example, reading fault reports from automated systems, is possible through working connections.

#### 4.2.8. Promoting climate change adjustment

##### Priorities/Focus areas

- 3B) Supporting farm risk prevention and management;
- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes
- 4B) Improving water management, including fertilizer and pesticide management
- 5D) Reducing greenhouse gas and ammonia emissions from agriculture

#### Cross-cutting objectives

- Environment
- Climate change mitigation and adaptation

#### Description

As part of climate change mitigation and adjustment, we must promote the introduction of new technologies that improve crop certainty and cultivation techniques that promote plant cover and diversification of agricultural production. The National Strategy for Adaptation to Climate Change also lays the foundations for adaptation measures in agriculture. The needs related to adjustment to climate change on one hand and to water protection and promotion of biodiversity on the other are the same, as climate change is expected to

exacerbate these challenges to farming. Because of climate change, it is important to focus on water protection in farming and to maintain the agricultural condition of fields. As climatic conditions change, we should prepare for increased nutrient leaching, vegetation taking over open areas faster, and the prevention of pests and plant diseases. We must also ensure that the genetic diversity of cash crops is conserved. Experiences from the ILMASE project implemented in programming period 2007-2013 and the network formed during this project, as well as the research projects of Agrifood Research Finland relevant to climate intelligent agriculture, can be exploited in practical applications during the new programming period.

Adjustment to a changing climate will be supported by all operations that promote a good agricultural condition of land, good management of water economy and diversification of production, e.g. by versatile crop rotation and, on the other hand, improve farms' risk-bearing capacity e.g. by diversifying their income generation.

#### 4.2.9. Reducing greenhouse gas and ammonia emissions from farming

##### Priorities/Focus areas

- 3B) Supporting farm risk prevention and management
- 5D) Reducing greenhouse gas and ammonia emissions from agriculture

##### Cross-cutting objectives

- Environment
- Climate change mitigation and adaptation

##### Description

Greenhouse gases in Finnish farming are released from the soil, nitrogen fertilization, the cultivation and clearing of peatland, digestion and manure of domestic animals and energy use in farming. The Finnish climate and energy strategy adopted in 2008 (and updated in 2013) sets the target at reducing emissions from farming by 13% (approx. 0,7 Tg) by 2020 from their 2005 levels.

Ammonia causes harmful effects on health in indoor air and has local impacts on air quality. In nature, it promotes acidification and eutrophication. The EU Thematic Strategy on Air Pollution from 2005 requires the Member States to reduce their ammonia emissions by 27% from the 2000 levels by 2020. The national air protection programme prepared in 2010 in observance of the EU Directive 2001/81/EC on national emission ceilings also contains measures to reduce agricultural emissions. The emission ceiling of 31 kilotons of ammonia set for 2010 was not achieved, and ammonia emissions continue to exceed the ceiling by some 6 kilotons. 90% of the ammonia originates from farming. The EU's National Emission Ceilings Directive going to be reformed. The commitments brought about by this process have been accounted for in the planning of the Rural Development Programme.

Nitrogen fertilizer emissions can be reduced by a balanced use of nutrients and by avoidance of over-fertilization. Greenhouse gas emissions from peatland can be controlled by restricting the clearing of peatland, controlled subsurface drainage and grassland farming without tillage. Other means for reducing greenhouse gas emissions include careful handling and storage of manure, covering manure yards, tilling the

manure into the soil as soon as possible after it has been spread, and incorporating slurry in the field. Ammonia emissions from farming can be controlled by reducing emissions from animal housing and from the handling and storage of manure.

The use of peatland will be guided by RDP measures. The growth in the area of agricultural land with organic soil will be slowed down by a refusal to grant environment payments and natural constraint payments to newly cleared arable land. Finland does not intend to grant eligibility that is a precondition for receiving green direct payments and support for young farmers to newly cleared arable land.

#### 4.2.10. Reducing chemical plant protection

##### Priorities/Focus areas

- 3B) Supporting farm risk prevention and management;
- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes
- 4C) Preventing soil erosion and improving soil management.

##### Cross-cutting objectives

- Environment
- Climate change mitigation and adaptation

##### Description

A national action plan for sustainable use of plant protection products is being implemented in Finland, which is based on the Directive on action to achieve the sustainable use of pesticides (2009/128/EC). The aim of the action plan is to reduce the risks to human health and the environment from the use of plant protection products. Key measures include a qualification requirement imposed on professional users of plant protection products, training and testing of spraying equipment, as well as promoting the general principles of integrated control. Plan implementation is coordinated by the Finnish Chemicals and Safety Agency (Tukes).

Increasing the arable land area under organic cultivation plays an essential role in reducing chemical plant protection. Government resolution on a development programme for the organic product sector and objectives to 2020 sets the target at increasing the share of arable land under organic cultivation to 20 per cent.

The cultivation of horticultural crops usually requires effective chemical plant protection measures. The need for plant protection may be reduced by using cover materials. Specialised biological and mechanical control techniques have been developed for some horticulture plants, which have not, however, become widespread among farmers as there is little experience of their use. The application of these techniques in conventional production needs to be promoted in order to gather more user experiences and to facilitate the further development of these methods.

#### 4.2.11. Rural infrastructure

##### Priorities/Focus areas

- 3B) Supporting farm risk prevention and management;
- 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation.
- 6B) Fostering local development in rural areas

##### Cross-cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

##### Description

Well-functioning infrastructures are a prerequisite for rural business and competitiveness. Large companies and, in particular, farms need major quantities of clean water, and an effective water supply infrastructure is thus required. The emerging bio-economy cannot develop without an efficient road network and logistics. A fast-speed data communication network will create preconditions for the competitiveness and viability of rural areas. Investments in the generation of renewable energy and energy saving are needed for improved self-sufficiency and security of supply and in order to respond to climatic challenges.

#### 4.2.12. Diversification of the economy in rural areas

##### Priorities/Focus areas

- 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation
- 6B) Fostering local development in rural areas

##### Cross-cutting objectives

- Innovation

##### Description

Preconditions for turning the trend in the currently stagnant economic development include developing new types of industrial production and service business and an operating environment that provides incentives. Rather than relying on individual products vulnerable to economic cycles, growth can be stimulated by the combined effect of versatile business. The transition from an industrial welfare society to an information society will create competence needs. Another major change is transitioning from the information age to an ecological economy, which we must be able to exploit to create new types of value.

Companies need to identify the possibilities that support their specific strengths and interests, and they need to network. Regional innovation policy supports the creation and development of new products, companies and sectors by promoting labour force competence in the area, practical implementation of research activities, exploitation of new technologies, the preconditions for setting up and running businesses, and the development of internal and external co-operation networks in the area.

We need to focus on a high valued added and a high quality in products and services. The profit margin obtained from more highly processed products may be many times that obtained from basic products. For example, Finland could develop more tourism services tailored for various target groups and target them more accurately at customers looking for new destinations. In order to promote the viability of the Finnish countryside, we need to allocate funds to goal-oriented, innovative testing and implementation projects and, to a lesser extent, to studies.

Developing bio-economy is not only up to large companies; in addition to them, we need more SMEs with potential to generate business in order to deploy the biocapacity effectively and sustainably. Preconditions for this will include not only developing the competitiveness of businesses but also renewing structures to attract new investments and finding sources of growth in new products and services.

#### 4.2.13. Maintaining and promoting rural landscapes

##### Priorities/Focus areas

- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes

##### Cross-cutting objectives

- Environment
- Climate change mitigation and adaptation

##### Description

Finland has ratified the European Landscape Convention and implemented an assessment of threatened habitats, on the basis of which a national action plan has been formulated. The efforts to maintain and promote rural landscapes are based on the EU Biodiversity Strategy to 2020, the National Biodiversity Strategy drawn up by virtue of it, the Action Plan for implementing the Biodiversity Strategy, and the EU Habitats Directive and Birds Directive. A total of 159 valuable landscape areas have been identified in Finland, which also include fields and traditional rural biotopes in rural areas. The agricultural landscape is shaped by farming, and a basic condition for its preservation is maintaining extensive agricultural production in the entire country, both in the less favoured production areas and close to towns. The profitability trend of farms, promotion of generational change and developing villages and their services play a key role in this. Means for preserving and developing rural landscapes also include maintaining types of production that include grazing animals, providing incentives for grazing and promoting regional diversity of production. To prevent overgrown vegetation from blocking views, means helping to keep marginal zones of fields, meadow-like areas and cultural environments on farms open must be promoted.



The preservation of a landscape's characteristics may be promoted and excessive growth of vegetation can be prevented by supporting the methodical management of significant areas, sowing landscape plants, supporting environmental entrepreneurship, and promoting the use of timber removed for the purposes of landscape and nature management, for example in energy production. Landscape-related factors also play a role in promoting tourism.

#### 4.2.14. Developing the structure of agriculture

##### Priorities/Focus areas

- 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification

##### Cross-cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

##### Description

Safeguarding the operating conditions of farming is vital for the entire food chain. Productivity will improve if structural change in agriculture continues and investments are made in production buildings and modern technology. Deployment of new technologies may have an impact on improving productivity, management of risks and environmental loading, working conditions, animal welfare and production hygiene. Appropriate production facilities and promoting energy efficiency in production, increasing the use of energy based on renewable natural resources, and solutions for more efficient management and use of manure will be vital for the farm's finances, sustainable production and environmental impacts.

Due to the low productivity of farming, the investments farmers could make without support would not come anywhere near meeting their needs. The need for support is particularly pressing in areas of animal husbandry based on grassland economy which, because of the short grazing period, need major investments in animal shelters and product and manure storage. The short growing period underlines the importance of investments in field drainage, cereal drying and greenhouses. Improving the current building stock and the continued use of buildings will enhance the efficient use of production inputs, also in terms of energy consumption, and reduce construction, which would require the use of significant amounts of non-renewable natural resources.

The life cycle impacts of investments, ensuring that the investments are compatible with their environment, and the impacts on the environment and climate ensuing from the production launched on the strength of the investments must be taken into account. As the primary objective indicated by the SWOT is to support the investments of SMEs (typically family businesses), it is necessary to set a ceiling for the support. However, this ceiling has been set at a level where it does not force family farms to make their investments in stages, which would increase building costs.

#### 4.2.15. Developing risk management in agriculture

##### Priorities/Focus areas

- 3B) Supporting farm risk prevention and management

##### Cross-cutting objectives

- Environment
- Climate change mitigation and adaptation

##### Description

Measures, including those based on State aid, are being used to promote risk management in agriculture (prevention of plant and animal diseases), and many RDP measures can be used to improve risk management. Key measures are training, advisory services, support in the planning of farm investments, environment payments and animal welfare payments. Aspects that are important in terms of risk management on farms include the farmers' professional skills, buildings that are in good condition and appropriate for the activities in question with working alarm systems, good soil condition and a working water economy, as well as the coping of farmers and health care of production animals. National building regulations, and those issued by the administrative branch, guide farmers towards appropriate building that takes the production conditions into account. Flood control and guidance regarding the placement of buildings improve preparedness for changes in weather phenomena. Due to the northern weather conditions, arable farming in Finland is prone to risks, which is why farmers should also take out crop insurance to prepare for major crop damages. As climate change increases the number of extreme climate events and changes the rainfall amounts, measures based on the EU Floods Directive and related to the National Strategy for Adaptation to Climate Change and the risk assessments for individual sectors are required.

#### 4.2.16. Supporting species of the agricultural environment in field crop farming

##### Priorities/Focus areas

- 3B) Supporting farm risk prevention and management
- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes

##### Cross-cutting objectives

- Environment
- Climate change mitigation and adaptation

##### Description

Agricultural areas play a key role for species that favour open land. Many species of birds, mammals and insects use fields or their margins as their primary habitats or nesting grounds, or visit them to feed.

Efficient and homogeneous production, ploughing, decline of grasslands and the use of plant protection products hamper the success of these species. Afforestation of fields reduces the area of acceptable habitat, and continuing agricultural production is thus vital for such species. Organic production improves the living conditions of these species by favouring grasslands for green manure and weed control based on mechanical techniques. In conventional production, better living environments for species can also be provided by increasing plant cover on fields in winter, by sowing biodiversity strips and by increasing areas under grassland and nature management fields in homogeneous cereal cultivation areas. Many birds and mammals benefit from vegetation that is sown for them and not harvested and that provides nutrition both in summer and in winter. Field drains, margins, uncultivated field corners and open areas temporary left fallow are also significant for insect and plant species in agricultural environments. Old grasslands, where the vegetation has had time to develop diversity, are the most important kind of cultivated grasslands for the diversity of species.

In the bird migration season, mass occurrences of cranes, geese and swans gather in fields located on their migration routes. Such mass occurrences of birds in migration, feeding and staging areas result in crop damages. In order to limit such damage, certain fields may be seeded with crops that attract birds. The efforts to support species of the agricultural environment in field crop farming are based on the EU's 7th Environmental Action Programme, EU Biodiversity Strategy to 2020 and the National Action Plan for implementing it, which in turn implement the Convention on Biological Diversity (CBD), the Prioritised Action Framework (PAF) related to the Natura 2000 network, the EU Habitats Directive and Birds Directive, and the assessments of threatened habitats and species drawn up under them.

#### 4.2.17. Preserving and promoting the diversity of species and biotopes in agricultural areas

##### Priorities/Focus areas

- 3B) Supporting farm risk prevention and management
- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes

##### Cross-cutting objectives

- Environment
- Climate change mitigation and adaptation

##### Description

The main objective of the National Strategy for the Conservation and Sustainable Use of Biodiversity in Finland is to halt biodiversity loss in Finland by 2020. The strategy also identifies measures that promote biodiversity in agricultural environments. The strategy and the action plan that supports it implement the Convention on Biological Diversity (CBD). This work is also based on the EU's Habitats Directive and Birds Directive, as well as the assessments of threatened habitats and species drawn up under them.

Biodiversity in agricultural areas cannot be preserved without agricultural land, its cultivated fields, grazing animals and managed marginal areas. The habitats and species of traditional rural biotopes and natural

pastures are among the most endangered. Traditional rural biotopes, natural pastures and other open or semi-open meadow-like agricultural environments no longer have a role in ordinary management practices, and they thus require methodical management. In 2000, a working group on the management of heritage landscapes set the target at bringing 60,000 hectares under management by 2010, but this target was not reached. Of traditional rural biotope sites classified as the most valuable in a national audit (18,640 hectares), about one out of two (8,700 ha) was managed regularly. Many sites need restoration before management aiming for their maintenance can start. In particular, species in open and semi-open habitats benefit from grazing, mowing and clearing.

Biodiversity of species of the agricultural environment that favour meadows and field margins can also be promoted by keeping copses found in the middle of fields semi-open and, in particular, by clearing sunny field margins to form semi-open transitional zones and by managing and establishing wetlands. The share of agricultural land in Natura 2000 areas is relatively low, which is why their management can best be supported as part of other measures to promote biodiversity.

#### 4.2.18. Safeguarding the continuity of agricultural production by helping young farmers to set up

##### Priorities/Focus areas

- 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal

##### Cross-cutting objectives

##### Description

In order to safeguard the continuity of agricultural production and to balance the age structure of farmers, young farmers will be needed in the sector to replace those who give up. In the early phase of setting up, a farmer in most cases needs to acquire significant production-related assets on loan capital, as launching and developing production tie up capital. In order to improve the economic preconditions for setting up as a farmer and the possibilities of business development, new young farmers need support in entering the sector.

#### 4.2.19. Development of multisectoral farms

##### Priorities/Focus areas

- 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organisations
- 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation

##### Cross-cutting objectives

- Innovation

#### Description

Non-agricultural business plays a significant role in diversifying the sectoral structure of rural areas and in preserving and reinforcing the cultural values of the countryside. Questions of workloads and labour resources must be taken into account, and the coping of those working on farms must be supported while strengthening both agricultural production that is sustainable and of a high quality and non-agricultural business combined with it. Training that supports the change is important for farms of this type. Joint development and marketing of services and products improves the competitiveness of multisectoral companies. Specialisation of viable farms improves efficiency and also opens up new opportunities for service businesses. Multisectoral farms have potential to provide professionally produced services for other farms and companies. New uses must be found for buildings. Putting old residential and production buildings into new uses is economical, and such operations as tourism and production activities can rely on the existing environment as well as road and other networks.

By supporting the processing, placing in the market and development of primary agricultural products, an effort can be made to respond to the demand for locally and/or organically produced and processed products in particular, including seasonal products at different times of the year and other special products, such as produce from landrace animals and plants.. Plant genetic resources can also be exploited for developing functional foods. Encounters between producers/processors and consumers promote dialogue between the countryside and cities and have an impact on food chain development. At the same time, preconditions are created for adding value to various types of resources locally and regionally, and demand may also be created for products and services outside the rural areas.

#### 4.2.20. Competence building

##### Priorities/Focus areas

- 1A) Fostering innovation, co-operation, and the development of the knowledge base in rural areas
- 1B) Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance
- 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors
- 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organisations
- 3B) Supporting farm risk prevention and management
- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes
- 4B) Improving water management, including fertilizer and pesticide management
- 4C) Preventing soil erosion and improving soil management

*Unofficial translation*

- 5A) Increasing efficiency in water use by agriculture
- 5B) Increasing efficiency in energy use in agriculture and food processing
- 5C) Facilitating the supply and use of renewable sources of energy, of by-products, wastes and residues and of other non food raw material, for the purposes of the bio-economy
- 5D) Reducing greenhouse gas and ammonia emissions from agriculture
- 5E) Fostering carbon conservation and sequestration in agriculture and forestry
- 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation
- 6B) Fostering local development in rural areas
- 6C) Enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural areas

Cross-cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

Training, advisory services and co-operation aiming for the renewal of businesses and industries will play a key role in implementing the objectives of the programme. A precondition for resolving issues related to agricultural business skills, activities and production is a focus on training. In particular, rural entrepreneurs need support in management, monitoring of the economic situation, development of negotiation skills and business skills. In order to develop new business models, entrepreneurs must monitor and develop the efficiency of production, marketing and management, draw on guidelines for good production methods, and ensure that their staff have a good standard of skills.

Cooperation between farmers, researchers, advisers and companies is necessary to find practical uses for research-based knowledge and to promote innovations. More systematic and determined development of goal-oriented innovations is needed. Training and information actions can also have an impact on climate and energy issues in rural areas. The efficiency of collective use and exploitation of existing information materials will be improved.

The contents of de minimis based farm advisory services referred to in the cross-compliance conditions must be extended, and advice provided through individual projects must be expanded to cover the entire country. As the causal relationships related to environmental management are complex and farms very different, it is important to offer advice to farmers committing themselves to environmental measures. A precondition for enhancing the impact of environmental measures and improving their targeting through advice is that the observations made when providing advice can be taken into account by adjusting a commitment that an applicant has already made. In the field of animal welfare, advisory services may help to pinpoint potential development needs.

#### 4.2.21. Enhancing local development and social capital

##### Priorities/Focus areas

- 6B) Fostering local development in rural areas

##### Cross-cutting objectives

- Innovation

##### Description

Community-based local development and the social capital of the rural population must be built up further to create preconditions for improving the viability of the countryside and the creation of new services and industries based on local needs. Animation, activities, advice and financing will be needed for local people, ideas and projects. Using the participatory approach of local action groups to draw up a development strategy based on local needs lays a foundation for the animation of rural residents and communities that are ideally placed to respond to local needs and objectives. The Leader approach offers a channel for participation, and it contributes to implementing local democracy. Local action groups focus on local level development in an area where there are no other parties promoting development.

In order to exploit the economic opportunities as efficiently as possible, first of all adequate social capital is needed. Good local knowledge, activities driven by the citizens and a human touch will help to find targeted solutions for rural areas. In order to find these solutions, it is vital that the local action groups have strong contact networks with the actors and residents of their areas. While the local rural development strategy of a local action group cannot respond to all learning needs of its operating area, it plays a key role in identifying competence needs. By linking these needs with the priorities of the local development strategy, local social capital and learning can thus be reinforced systematically.

#### 4.2.22. Promoting business and industrial activities that meet local needs

##### Priorities/Focus areas

- 6B) Fostering local development in rural areas

##### Cross-cutting objectives

- Innovation

##### Description

Using the Leader approach, potential business ideas can be identified, people can be animated, experiments can be made and business projects relevant to the local rural development strategy can be financed. The idea is to diversify business and create new companies. Activities with a local focus can identify project and business ideas which would otherwise not be eligible for funding but which can bring jobs and income to rural residents or improve their quality of life. Especially in the rural heartland and sparsely populated rural areas, each new job is valuable, as opportunities for finding jobs are few and far between. On the other

hand, the best local level ideas can be expanded, and financing for them can later be applied from other sources. Major world-wide innovations have often started with companies that only employ one or a few persons.

#### 4.2.23. Reducing erosion in arable land

##### Priorities/Focus areas

- 3B) Supporting farm risk prevention and management
- 4B) Improving water management, including fertilizer and pesticide management
- 4C) Preventing soil erosion and improving soil management

##### Cross-cutting objectives

- Environment
- Climate change mitigation and adaptation

##### Description

Controlling erosion in arable land is a vital water protection measure which facilitates the achievement of the targets set for River Basin Management Plans (RBMPs) created by virtue of the EU Water Framework Directive and its Article 5 as a result of broad-based regional preparation efforts, the Programme of Measures for water management 2010-2015, the EU Marine Strategy Framework Directive and the national action plan drawn up by virtue of it, the EU Strategy for the Baltic Region and the HELCOM Baltic Sea Action Plan. Erosion caused by heavy rainfall has a negative impact on the condition of agricultural land and increases nutrient leaching, as high quantities of phosphorus are bound in solid matter. The impacts of erosion may be reduced by establishing headlands, filter strips and riparian zones covered with perennial plants which are not tilled or fertilized. Removing vegetation from the buffer strips is essential, as plant waste may also result in significant leaching of soluble phosphorus in these areas. In grazing areas, it must be ensured that pastures are not put under excessive pressure. The erosion risk may also be reduced by slowing down the passage of water in drain systems and by preventing floods. In places, especially in the extensive potato cultivation areas of Northern Ostrobothnia, there is also a need to control wind erosion.

As nutrient leaching mainly takes place in winter, promoting plant cover in winter also plays a key role. Plant cover in winter, reduced tillage and cultivation of catch crops as undersown crops or after harvesting will reduce nutrient leaching. Plant cover in winter reduces greenhouse gas emissions from arable land and promotes diversity of field birds, in particular by offering them cover and food. The area left untilled for the winter has increased significantly in Finland, and this positive development should not be risked. Headlands, filter strips and riparian zones are important for retaining solid matter and nutrients in fields bordering on water systems and main ditches. However, they do not have an impact on nutrient leaching through subsurface drains.



#### 4.2.24. Maintaining and increasing the organic matter content in arable soil

##### Priorities/Focus areas

- 4B) Improving water management, including fertilizer and pesticide management
- 5D) Reducing greenhouse gas and ammonia emissions from agriculture
- 5E) Fostering carbon conservation and sequestration in agriculture and forestry

##### Cross-cutting objectives

- Environment
- Climate change mitigation and adaptation

##### Description

The reduction in the organic matter content in arable land must be prevented in order to maintain the agricultural condition of land and to reduce greenhouse gas emissions. Maintaining the general agricultural condition of fields is important in terms of adjusting to climate change and controlling nutrient emissions. Climate warming will speed up degradation and increase CO<sub>2</sub> emissions, resulting in an increasing need to intervene in this problem. The measures are based on the UN Framework Convention on Climate Change, the Kyoto Protocol, the EU's climate and energy targets for 2020 and Finland's National Climate and Energy Strategy and Action Plan for the Adaptation to Climate Change created by virtue of it, the Effort Sharing Decision concerning sectors outside the emissions trading system (No 406/2009/EC), and the Long-term Climate and Energy Strategy (Ministry of Employment and the Economy 2008), which was updated by the Government on 20 March 2013 (Ministry of Employment and the Economy 2013).

Means for maintaining and building up organic matter in soil include diversification of crop rotation and cash crops, giving grasslands a role in crop rotation, cultivation techniques aiming for reduced tillage, cultivation practices aiming for as extensive plant cover as possible around the year, more efficient use of organic fertilizer products, for example by spreading manure more extensively, and promoting co-operation between livestock and arable farms. In regions where limited areas of arable land are available, many farms have resorted to clearing forests to obtain more fields in order to stay in production. Clearing land with organic soil to gain arable land (some 30% of the cleared forest area has peatland soil) reduces the vegetation's ability to bind carbon and significantly increases greenhouse gas emissions. Almost one tenth of Finland's total emissions come from the cultivation of peat soil. Key techniques for controlling the loss of organic matter in the cultivation of peatland fields include long-term grassland cultivation, ensuring plant cover in winter, and regulating groundwater levels by means of controlled subsurface drainage.

In places, the subsurface drainage must be redone to improve the water economy of the land. The organic matter content in arable land and the agricultural condition of fields may also be promoted by adding other organic fertilizer products or biocarbon in the soil.

#### 4.2.25. Improving the nutrient balance in arable land and preventing nutrient leaching

##### Priorities/Focus areas

- 3B) Supporting farm risk prevention and management
- 4B) Improving water management, including fertilizer and pesticide management

##### Cross-cutting objectives

- Environment
- Climate change mitigation and adaptation

##### Description

The work to improve the nutrient balances and to control nutrient leaching in arable land is based on the targets set for River Basin Management Plans (RBMPs) developed pursuant to the EU Water Framework Directive and its Article 5, the Programme of Measures for water management 2010-2015, the EU Floods Directive, the EU Marine Strategy Framework Directive and the national action plan drawn up by virtue of it, the EU Strategy for the Baltic Region, the HELCOM Baltic Sea Action Plan, and the National Bioeconomy Strategy. It is necessary to slow down the passage of nutrients that have ended up in the water system and remove nutrients by restoring channel structures to a more natural state, by establishing and managing wetlands, and by building submerged weirs and wetlands on suitable sites. As old main ditches need to be cleared (approx. every 20–30 years), it would be justified to restore them to a more natural state, however without endangering the water economy of fields. Riparian zones, wetlands and basins are key parts of a natural channel.

Nutrient balances may be improved by measures that promote good agricultural condition of arable land and improve the crop yield response, by looking after the soil structure, pH, water economy, organic matter content and microbial activity in the field, and by avoiding compacting caused by heavy machinery and choosing environmentally sustainable cultivation practices. Soil management can be promoted by using catch crops and grassland for green manure, including grassland in crop rotation, and providing plant cover on fields in winter. If necessary, renovation plants may also be used.

In order to maintain the agricultural condition of arable land and to prevent the compacting of land, the bearing capacity of the land must be ascertained. The drainage of field parcels has mainly been implemented by subsurface drainage. Efficient local drainage systems have been implemented to ensure fast drying in the spring, the good growth of plants, and early harvest in the autumn. The requirement of efficient drainage cannot be compromised on. If necessary, controlled subsurface drainage and subirrigation systems may be used if necessary. These are useful techniques, especially in controlling acid emissions from the acid sulphite soils on Gulf of Bothnia coasts. In peatland soils, controlled subsurface drainage also promotes climate change mitigation.

#### 4.2.26. Boosting small company competitiveness through skills, innovations and internationalisation

##### Priorities/Focus areas

- 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation
- 6B) Fostering local development in rural areas

Cross-cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

Innovations and their commercialisation play a key role in business competitiveness. To achieve this, companies must make physical and intangible investments, focus on skills, development and innovations, and engage in multisectoral co-operation. A homogeneous company structure based on a handful of large clusters has impaired the SMEs' possibilities of operating as subcontractors, and it will thus be necessary to support SMEs in developing their own production and diversification into new products, services or business areas.

The starting point is supporting sustainable, resource efficient and competence driven solutions that draw on local expertise, know-how, the latest research and digital and IT technologies. Support should be allocated to professional and full-time enterprises that can help to mitigate job losses and also create new jobs. A prerequisite for success is crossing industrial and sectoral boundaries without prejudice and co-operation with universities. In addition to the public and the private sector, the success of rural areas also depends on the third sector, and consequently regular and significant business activities of the third sector must be developed.

Companies with aspirations to internationalisation must be provided with more information about what is happening outside Finland. To grasp these opportunities fully, research and development, a willingness to change, risk-taking and co-operation between various actors are needed. For example, investments in research and product development must be targeted at sectors of the technology industry with potential for needs driven and customer oriented exports, including cleantech, Arctic technologies and bio-economy.

4.2.27. Promotion of nutrient recycling and co-operation between livestock and arable farms

Priorities/Focus areas

- 5C) Facilitating the supply and use of renewable sources of energy, of by-products, wastes and residues and of other non food raw material, for the purposes of the bio-economy
- 5D) Reducing greenhouse gas and ammonia emissions from agriculture

Cross-cutting objectives

- Environment

- Climate change mitigation and adaptation

#### Description

At the Baltic Sea Summit of 2010, the Finnish Government made a commitment to promote more effective nutrient recycling and to intensify actions aiming to achieve a good ecological status in the Archipelago Sea by 2020.

Promotion of nutrient recycling may reduce the use of commercial fertilizers, the manufacturing process of which consumes plenty of energy and non-renewable natural resources, and the organic matter content in arable land may be maintained. Investments in manure management methods, including separation equipment and intermediate storage, will improve the possibilities for co-operation between livestock farms and arable farms, promote nutrient recycling and, at the same time, reduce the area for spreading manure required by livestock farms and the need to clear new land, which would increase greenhouse gas emissions.

In order to organise nutrient recycling, we need more measures that improve the utilisation of nutrients in manure and result in better timing of manure spreading during the growing period, examples of which include such projects and studies as MYTVAS 3, Hyötylanta and Teho. Investments in manure processing are also needed. Separation of manure increases the possibilities of exploiting the nutrients in manure more extensively than in the vicinity of livestock farms only, preventing excessive increases in phosphorus levels in arable land. Cooperation between livestock and arable farms and logistics and information exchange systems will be needed to promote the exploitation of nutrients in manure on arable farms. The implementation of the project on recycling nutrients from agriculture (2014-2020), which is one of the flagship projects of the National Bioeconomy Strategy, is based on the efficient and synergic use of various RDP measures. This work is based on the Resource-efficient Europe Strategy, the River Basin Management Plans (RBMPs) developed pursuant to Article 5 of the EU Water Framework Directive, the Programme of Measures for water management 2010-2015, the EU Marine Strategy Framework Directive and the national action plan drawn up by virtue of it, the EU Strategy for the Baltic Region and the HELCOM Baltic Sea Action Plan.

#### 4.2.28. Promoting preventive health care and welfare of production animals

##### Priorities/Focus areas

- 1A) Fostering innovation, co-operation, and the development of the knowledge base in rural areas
- 1B) Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance
- 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors
- 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification
- 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organisations

- 3B) Supporting farm risk prevention and management
- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes

Cross-cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

Animal health care is part of the national quality strategy, and it enhances the strengths of the food production chain, including a good health status of animals, limited use of medicines, and food safety and quality, and improves farm level monitoring, transparency and documentation. A short supply chain guarantees transparency regarding production conditions and methods. The preventive health care of production animals also supports risk management on farms.

Cases still emerge where production animals are kept in inadequate conditions. Public debate has focused on production methods, the standard of animal welfare, its supervision and violations of legislation. Promoting animal welfare requires actions and co-operation by many different parties.

An attempt will be made to promote the health care and welfare of production animals by means of training, advice and agricultural investments as well as animal welfare payments.

4.2.29. Creation of new services and service forms

Priorities/Focus areas

- 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation
- 6B) Fostering local development in rural areas

Cross-cutting objectives

- Innovation

Description

The share of ageing population in rural areas is increasing, and the reform of municipal structure is taking the services further and further away. New solutions are needed for the provision and organisation of services. We also need to invest in youth activities. It is important to ensure the integration of young people in their communities and enable their participation in many types of activities in the countryside. Activities and infrastructures related to culture, sports and leisure time must be developed. We must also facilitate

families with young children in living in the countryside.

As data communications improve, we can improve services provided online, but concrete service activities still also need to be developed. For example, a lot remains to be done to develop and deploy various mobile service solutions and co-operation models of a new type.

#### 4.2.30. Increasing the use of renewable energy forms

##### Priorities/Focus areas

- 5B) Increasing efficiency in energy use in agriculture and food processing
- 6B) Fostering local development in rural areas

##### Cross-cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

##### Description

The EU climate and energy policy targets cannot be achieved without increasing the end use of renewable energy in Finland from 28 per cent to 38 per cent by 2020. By promoting decentralised energy production close to the consumers based on local and renewable sources, we can improve the local and regional security of supply in energy and maximise the benefits for promoting competitiveness and employment in the regions. The target for wood chip use in 2020 has been set at 13.5 million cubic metres in the generation of electricity and heat. This would correspond with one half of our target for increasing renewable energy use. In addition to wood chips, many side streams of farming and the food industry, including manure, are suitable for energy production. Biogasification entails many environmental benefits. In the use of agricultural biomass for energy, other biomasses rather than those that can be used as food will be prioritised. Long distances may limit the profitability of biomass use, but it may encourage innovations suited for the northern conditions. A precondition for exploiting the growth potential in bioenergy is building up the market competence of companies, as not enough information and services related to renewable energy are available for potential consumers. RDP planning in this area was based on the National Energy and Climate Strategy and the Finnish Bioeconomy Strategy.

In order to develop the energy economy of companies, we need operations that aim for energy efficiency and an increasing use of renewable energy sources, including training, investments and general development measures.

#### 4.2.31. Reducing the nitrogen and phosphorus loading from agriculture and horticulture in water systems

##### Priorities/Focus areas

- 3B) Supporting farm risk prevention and management
- 4B) Improving water management, including fertilizer and pesticide management

Cross-cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

The entire country is classified as a zone vulnerable to pollution from nitrogen compounds referred to in the Nitrates Directive (91/676/EEC). The Directive's requirements were implemented by a Government Decree (931/2000), and they are included in the cross-compliance conditions. In line with the objectives set out in the Water Framework Directive, the status of all surface waters should be in good condition at the latest in 2027, and the status of all ground waters should be mainly in good condition by 2015. In its National Water Protection Policy Outlines up to 2015, the Government set as a target reducing nutrient loading from agriculture by roughly one third from its levels in the early 2000s. In the Government Report on the Challenges of the Baltic Sea and Baltic Sea Policy issued in 2009, water management was identified as a key strategic priority area of rural development. Finland is also committed to restoring the good ecological status of the marine environment by 2021 under the HELCOM Baltic Sea Action Plan. Mainland Finland has been divided into seven river basin districts, for which River Basin Management Plans and a Programme of Measures for water management 2010-2015 have been drawn up. The point of departure for preparing the Programme of Measures 2016-2020 implementing the River Basin Management Plans is an analysis carried out pursuant to Article 5 of the Water Framework Directive. EUR 6.5 million have been reserved for the implementation of the River Basin Management Plans in the Rural Development Programme. The work will be directed by the national project on the recycling of nutrients in agriculture.

A particular precondition for achieving and safeguarding a good status of waters is reducing the load caused by nutrients, solid matter and soil acidity. Agricultural measures under the water management plan focus on reducing nutrient leach from fields, removal of nutrients having been carried in run-off waters, and slowing down the transport of nutrients, in which the environment payment scheme has played an elemental role. Diffuse pollution caused by farming in water systems can only be controlled by an extensive and versatile selection of means on arable land, in manure management, and on the shores of and in water systems.

Hydromorphological changes in arable land are associated with the leading of melt water away from fields. As the drainage system is deteriorating, more investments in subsurface drainage will be needed during the new programming period. No embankments will be needed in Finland as the ground is flat.

4.2.32. Increasing co-operation

Priorities/Focus areas

- 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organisations

- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes
- 4B) Improving water management, including fertilizer and pesticide management
- 4C) Preventing soil erosion and improving soil management
- 5A) Increasing efficiency in water use by agriculture
- 5B) Increasing efficiency in energy use in agriculture and food processing
- 5C) Facilitating the supply and use of renewable sources of energy, of by-products, wastes and residues and of other non food raw material, for the purposes of the bio-economy
- 5D) Reducing greenhouse gas and ammonia emissions from agriculture
- 5E) Fostering carbon conservation and sequestration in agriculture and forestry
- 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation
- 6B) Fostering local development in rural areas

#### Cross-cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

#### Description

Many challenges facing rural areas can only be efficiently responded to by means of co-operation between companies, various sectors, regions or international actors. In programming period 2007–2013, hundreds of regional and more extensive business development projects were realised, in which such issues as the profitability of the dairy sector could be resolved and developed in co-operation between researchers, advisory organisations, primary producers and parties in the value chain. The co-operation may also focus on nutrient emissions from agriculture in the Baltic Sea catchment basin and nutrient recycling. Vertical and horizontal co-operation between companies is particularly important for small actors in value chains pertaining to food and other rural enterprising and, in particular, as new bio-economy clusters are taking shape across sectoral boundaries. The most recent research-based information and innovations can be developed and applied to practice more efficiently by means of goal-oriented co-operation between such groups as researchers, advisers, and primary producers in agriculture and forestry.

By means of regional and local level co-operation and by concentrating on particular themes, more of the local strengths can be brought into play, and the specific problems and challenges of each region can be solved. The internationalisation of small rural enterprises and exchanges of information and expertise will improve the possibilities for improved profitability and faster transfers of skills and knowledge from research into practical applications. This, on the other hand, may generate new business opportunities over the long term.



## **5. STRATEGY DESCRIPTION**

**5.1. A justification of the needs selected to be addressed by the RDP, and the choice of objectives, priorities, focus areas and the target setting based on evidence from the SWOT and the needs assessment. Where relevant, a justification of thematic sub-programmes included in the programme. The justification shall in particular demonstrate the fulfilment of the requirements referred to in Article 8(1)(c)(i) and (iv) of Regulation (EU) No 1305/2013.**

Strategy development has been facilitated by broad-based preparation of the Rural Development Programmes with various partners at the national, regional and local level. The differences between the regions and actors and their strengths, opportunities, weaknesses and threats, together with the resulting objectives, were taken into account when selecting rural development measures and allocating resources to ensure balanced regional development throughout the territory of Finland. In order to address problems facing rural areas with major regional differences and to ensure that the relevant development work is carried out, regional plans were prepared that direct the strategic emphasis of the programme and choices made in the regions. The regional plans and local strategies are related to the provincial development plans that are part of the regional policy system in Finland.

For the needs arising from the SWOT analysis, see section 4.2. As the Rural Development Programme measures and the financing reserved for them cannot meet all needs, the selection of needs and objectives must be based on strategic priorities. In addition to the Rural Development Programme, strong regional, rural, agricultural, forestry and environmental policy will be needed in Finland. Continuity of support measures is a prerequisite for safeguarding the preconditions for the development and improved competitiveness of rural businesses and industries as well as for responding to environmental challenges. In a sparsely populated country such as Finland, coordinating rural development policy and agricultural policy with other political sectors is vital in order to ensure regionally balanced development nationwide. Nationally financed operations (including forestry measures) support the strategic priorities of the Rural Development Programme, and their continued national financing is justified in the light of experiences gathered from them. The point of departure for preparing the strategy and the measures was meeting the ex-ante conditionalities (including cross-compliance) and the demand of eliminating double support in green direct payments. Societal, economic or legislative changes may warrant modifications in the programme. An analysis of commitment to environment payments and a preliminary assessment concerning possibilities of revising the programme or using other policy instruments will be carried out in 2016. The evaluations of programme work required by legislation will also be carried out.

The strategic priorities of the Rural Development Programme are:

1. promoting bio-economy and, as part of it, practising agriculture that is economically, socially and ecologically sustainable and ethically acceptable.
2. diversifying rural industries and creating employment by improving the competitiveness of companies, supporting new entrepreneurship and promoting the networking of companies.
3. improving the vitality and quality of life in the countryside by strengthening independent local activities.

The objectives of the Rural Development Programme for Mainland Finland 2014–2020 are:

- Improved skills and dissemination of information and more innovations and co-operation in rural

areas

- more effective climate change mitigation and adaptation
- increased biodiversity, improved status of water bodies and soil in agricultural use
- diversification of rural business and higher employment, better services and improved possibilities for participation
- improved competitiveness of agricultural production
- rural enterprises respond to consumer demand and values by producing high-quality food and by improving animal welfare.

The measures listed under the priorities can respond to key needs emerging from the initial analysis as indicated by the strategic priorities and programme objectives. The key needs and objectives by priority that emerge from the initial analysis are the following:

#### Priority 1: Fostering knowledge transfer and innovation in agriculture, forestry, and rural areas

In order to improve competitiveness, the business skills, networking, modernisation and preparedness for and adjustment to forthcoming changes of farms and other companies must be developed. Cooperation forms between rural actors should be developed in order to improve networking. Business skills and demand-driven competence as well as environmental awareness should be built up by means of communication, training and co-operation projects. In particular, extensive co-operation and exchange of information need to be promoted between agriculture and forestry, the food sector and other actors promoting rural development with the aim of developing rural industries, new bio-economy solutions and new business. The competitiveness of rural actors can be improved by creating and disseminating new innovative solutions and skills. Supporting further and continuing vocational training is a precondition for improving the educational level of farmers, entrepreneurs and other rural residents, which is lower than average. The producers' awareness of production animal health and welfare should be increased.

The aim of the supported activities is to promote networking and create co-operation and new co-operation structures between various actors and organisations locally, regionally, nationally and internationally. Such networks and clusters will spread new innovative solutions, research-based information and skills that will improve the competitiveness of rural actors. Another aim is to promote the creation of innovations relevant to such areas as bio-economy, local energy, nutrient recycling and rural services. Farmers' and other rural entrepreneurs' business skills, environmental awareness, awareness of animal welfare, energy and resource efficiency and preparedness for renewal and adaptation to future changes in the operating environment will be developed by means of advisory services and training. Farmers will be offered farm-specific advice to build up their awareness and skills regarding the development of their own farms.

Priority 1 is cross-cutting and addresses fostering knowledge transfer and innovations through all measures selected for the programme.

#### Priority 2: Enhancing farm viability and competitiveness of agriculture

We must be able to safeguard the continuity of and preconditions for agricultural production. The supported activities aim to develop the productivity and competitiveness of farming by improving the structure of agricultural production and to reverse the unfavourable trend in the age structure of farmers.

Measures to be implemented through focus areas 2A and 2B of priority 2 also have significant secondary

impacts on focus areas 3B, 4B, 4C, 5A and 5B.

### Priority 3: Promoting food and non-food chain organisation and risk management in agriculture

The competitiveness and the structure of the food sector need to be improved, production must become more demand-driven, co-operation between domestic actors must be built up, and the processing degree of agricultural production must be increased. The forms of farming and agricultural activities must be diversified, and market-drivenness must be promoted. The health and welfare of production animals need to be improved.

The objective of activities to be supported is to promote the diversification of agribusiness. The aim is to influence the producers' capabilities of responding to consumer preferences in order to improve the availability of organic and local food and to increase the degree of processing of companies' products. Other aims include improving animal health and welfare and promoting care in which animals can follow their natural behaviours.

The organisation of the food and non-food chains can be influenced by measures of focus area 3A. These measures also have significant secondary impacts on focus areas 3B, 4A, 5A, 5B, 5C, 6A and 6B. Risk management in agriculture in focus area 3B will be promoted by the secondary effects of several measures.

### Priority 4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Continued agricultural production in the unfavourable climatic conditions due to Finland's northern location must be enabled while accounting for sustainable use of natural resources. The needs related to agricultural production concern improving the agricultural condition of land, increasing biodiversity in agricultural environments, more efficient nutrient recycling, reduced environmental loading from agricultural production, and more effective water protection.

The objective is to maintain and develop valuable open and cultivated agricultural landscapes as well as natural meadows and pastures regardless of whether they are used to produce foodstuffs and their raw materials or renewable bioenergy, or whether they are managed as uncultivated areas. The aim is to reduce environmental load to the soil, surface waters, groundwater and air from agricultural sources by the promotion of environmentally-friendly production methods and by ensuring the good agricultural condition of land.

Priority 4 can be influenced by measures implemented in focus areas 4A, 4B and 4C, which also have significant secondary impacts on focus areas 2A, 3B, 5A, 5C and 5D.

### Priority 5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

A key challenge for the agricultural sector is climate change mitigation and adjustment. The share of renewable energy and the use of local renewable energy sources must be increased. The use of renewable energy should be favoured in investments, and manure should be used more efficiently. Improving energy efficiency and reducing total energy consumption is necessary in rural industries. The bio-economy potential should be realised.

The activities aim for improving the sustainability of business and industry in rural areas by developing environmental awareness and energy and resource efficiency. Other aims include increasing the share of

renewable energy and using manure more efficiently.

Priority 5 can be influenced by measures implemented in focus areas 5B, 5C, 5D and 5E, which also have significant secondary impacts on focus areas 3B, 4B, 4C, 5A, 6B and 6C.

Priority 6: Promoting social inclusion, poverty reduction and economic development in rural areas

Rural service sectors need to be diversified and developed. Promoting service innovations and new types of enterprising is a precondition for preserving the viability of sparsely populated areas. Local and resident-led activities and participation also need to be increased. Broadband infrastructure in sparsely populated rural areas should be developed.

The activities aim at assisting companies in building long-term business and promoting sustainable growth, improvement of productivity, modernisation and boosting of competitiveness. The goal is to offer micro and small companies a setting for bringing new ideas and opportunities into the market as products and services. The activities also aim to safeguard services for local communities, rural residents and entrepreneurs and the renewal of such services, and to support the introduction of new technologies, cultural activities and safe housing. Other goals include supporting local activities related to improving cultural and natural heritage and the use of existing building stock. Further aims are promoting active citizenship, participation and a stronger community spirit. The aims also include promoting broadband infrastructure and ICT application so that the preconditions for developing rural industries, improving their competitiveness and ensuring the accessibility of services in rural areas are improved.

Priority 6 can be influenced by measures implemented in focus areas 6A, 6B and 6C, which also have significant secondary impacts on focus areas 3A, 3B, 4A, 4B, 4C, 5B, 5C, 5D and 5E.

**5.2. The combination and justification of the rural development measures for each focus area including the justification of the financial allocations to the measures and the adequacy of the financial resources with the targets set, as referred to in Article 8(1)(c)(ii) and (iii) of Regulation (EU) No 1305/2013. The combination of measures included in the intervention logic shall be based on the evidence from the SWOT analysis and justification and prioritisation of needs referred to in section 5.1.**

5.2.1. P1: Fostering knowledge transfer and innovation in agriculture, forestry, and rural areas

*5.2.1.1. 1A) Fostering innovation, co-operation, and the development of the knowledge base in rural areas.*

5.2.1.1.1. Selection of rural development measures

- M01 – Knowledge transfer and information actions (Article 14)
- M02 – Advisory services, farm management and farm relief services (Article 15)
- M16 – Co-operation (Article 35)

**5.2.1.1.2. Combination and justification of rural development measures**

Skills and innovations will be promoted by means of knowledge transfer and information actions (Art 14), advisory services (Art 15) and co-operation (Art 35). Knowledge transfer and information actions will contribute to building up producers' awareness of agri-environmental issues and their significance. Knowledge transfer and information actions can also influence the selection of actors so that greenhouse gas emissions can be reduced. Under the measure concerning co-operation, pilot projects may be implemented and new operating models may be created, for example for service provision; or new, more energy-efficient methods and techniques may be developed in agriculture, or decentralised energy production, resource efficiency and new operating models may be developed. The measure concerning co-operation may also contribute to generating new methods and techniques for reducing greenhouse gas and ammonia emissions and for adapting to climate change.

*5.2.1.2. 1B) Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance*

**5.2.1.2.1. Selection of rural development measures**

- M16 – Co-operation (Article 35)

**5.2.1.2.2. Combination and justification of rural development measures**

Links between agriculture and forestry, research and innovations will be promoted by the measure concerning co-operation (Art 35). This measure can contribute to creating and building up preconditions for

producing and even exporting high-quality foods.

*5.2.1.3. 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors*

**5.2.1.3.1. Selection of rural development measures**

- M01 – Knowledge transfer and information actions (Article 14)

**5.2.1.3.2. Combination and justification of rural development measures**

Lifelong learning and vocational training in agriculture and forestry will be promoted by means of knowledge transfer and information actions (Article 14). Knowledge transfer and information actions will support the entry in the agricultural sector of skilled farmers. Knowledge transfer and information actions will facilitate farm restructuring and modernisation and improve the economic capabilities of farms. Training can help to improve business management, development and marketing skills. A stronger knowledge base may create preconditions for the development of new business areas and innovative enterprising. Co-operation may contribute to entrepreneurs' possibilities of operating in rural areas and enhance awareness of new service forms.

**5.2.2. P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and sustainable management of forest**

*5.2.2.1. 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification*

**5.2.2.1.1. Selection of rural development measures**

- M01 – Knowledge transfer and information actions (Article 14)
- M04 – Investments in physical assets (Article 17)

**5.2.2.1.2. Combination and justification of rural development measures**

Primarily, productivity and competitiveness of farming will be improved by means of knowledge transfer and information actions (Art 14) and investments in physical assets (Art 17). Support for farm investments will enable investments in new production technologies that improve the economic performance and production conditions of supported farms by replacing labour and reducing unit costs. While investment projects are being implemented, particular attention may also be focused on the environmental impacts of

production methods, energy efficiency and animal welfare. Reducing unit costs and investments that reduce environmental loading and increasingly take animal welfare into consideration will improve the competitiveness of beneficiary farms as a result of increasing consumer interest. Knowledge transfer and information actions will facilitate farm restructuring and modernisation and improve the economic capabilities of farms.

Payments to areas facing natural constraints (Art 31) and animal welfare (Art 33) have secondary impacts on focus area 2A. Natural constraint payments will improve the economic performance of farms. The instruments of the measure concerning animal welfare will reduce illnesses in animals, improve product quality and respond to consumer expectations, which also affects the financial returns of farms.

*5.2.2.2. 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal*

**5.2.2.2.1. Selection of rural development measures**

- M01 – Knowledge transfer and information actions (Article 14)
- M06 – Farm and business development (Art 19)

**5.2.2.2.2. Combination and justification of rural development measures**

Unfavourable trends in the age structure of farmers may be prevented by supporting young farmers in starting up in the business. The measure concerning farm and business development (Art 19) contains support for young farmers who are starting farming for the first time. The support reduces the financial risk of setting up as a farmer. It facilitates generation changes in the agricultural sector. Knowledge transfer and information actions (Art 14) support the entry in the agricultural sector of skilled farmers.

5.2.3. P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

*5.2.3.1. 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organisations*

**5.2.3.1.1. Selection of rural development measures**

- M01 – Knowledge transfer and information actions (Article 14)

- M02 – Advisory services, farm management and farm relief services (Article 15)
- M04 – Investments in physical assets (Article 17)
- M14 – Animal welfare (Article 33)
- M16 – Co-operation (Article 35)

#### 5.2.3.1.2. **Combination and justification of rural development measures**

Primarily, the competitiveness of primary producers will be improved by means of knowledge transfer and information actions (Art 14), advisory services (Art 15), investments in physical assets (Art 17), animal welfare (Art 33) and co-operation (Art 35). By supporting the processing and trade of agricultural produce the producers' capabilities of responding to consumer wishes, including the availability of organic and local foods, may be improved and companies may increase their degree of processing. Knowledge transfers, advisory services and co-operation may contribute to creating and building up preconditions for producing and even exporting high-quality foods. The measure concerning animal welfare will improve the conditions in which animals are kept and their care and contribute to promoting care that allows production animals to follow their natural behaviours. Advisory services can also contribute to promoting animal health care and welfare. Promoting the welfare of animals and their good treatment contribute to meeting consumer expectations better.

Organic farming (Art 29) and Leader local action groups (Art 42-44) have secondary impacts on focus area 3A. The measure concerning organic farming can have an impact on linking primary producers better to food chain quality systems. Local markets can be promoted and co-operation between actors increased.

#### 5.2.3.2. *3B) Supporting farm risk prevention and management*

##### **5.2.3.2.1. Selection of rural development measures**

##### **5.2.3.2.2. Combination and justification of rural development measures**

No priority measures will be introduced in focus area 3B. Risk management will mainly be implemented nationally. In addition, risk prevention and management will be indirectly influenced by several measures selected for the programme.

Knowledge transfer and information actions (Art 14), advisory services (Art 15), investments in physical assets (Art 17), development of rural services and villages (Art 20), environment payments (Art 28), organic farming (Art 29), co-operation (Art 35) and Leader (Art 42-44) have secondary impacts on focus area 3B. These measures will have an indirect impact on risk prevention and management on farms. The improved vocational skills of farmers will reduce the risks of their operation. Creation, improvement and expansion of small scale and broadband infrastructures will reduce the risks of local and regional operations. The sustainability of business in rural areas will be improved by increasing the actors' environmental awareness and energy and resource efficiency and by focusing on animal health and welfare. Leader measures can



contribute to developing local-level activities.

#### 5.2.4. P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry

*5.2.4.1. 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes*

##### 5.2.4.1.1. Measures for agricultural land

- M01 – Knowledge transfer and information actions (Article 14)
- M02 – Advisory services, farm management and farm relief services (Article 15)
- M04 – Investments in physical assets (Article 17)
- M10 – Agri-environment-climate (Article 28)
- M11 – Organic farming (Article 29)
- M13 – Payments to areas facing natural or other specific constraints (Article 31)
- M16 – Co-operation (Article 35)

##### 5.2.4.1.2. Measures for forest land

##### 5.2.4.1.3. **Combination and justification of rural development measures**

Restoring, preserving and enhancing landscape and biodiversity will primarily be implemented by means of natural constraint payments (Art 31), environment payments (Art 28), organic farming (Art 29), investments in physical assets (Art 17), knowledge transfer and information actions (Art 14), advisory services (Art 15) and co-operation (Art 35). By means of natural constraint payments, the continuity of agricultural production may be safeguarded, thus preserving open and managed rural landscapes. Biodiversity in agricultural environments may also be influenced by this measure. Environment payments may help to maintain and develop natural meadows and pastures and the biodiversity of agricultural environments (incl. the preservation of the Natura 2000 network) and landscape. Investments will help to preserve and increase biodiversity by establishing and restoring traditional rural biotopes and natural pastures. Organic production contributes to promoting the diversity of plant and animal species. Knowledge transfer and information actions, advisory services and co-operation will contribute to building up producers' awareness of biodiversity.

Development of rural services and villages (Art 20), animal welfare (Art 33) and Leader (Art 42-44) will have secondary impacts on focus area 4A. Grazing, which improves animal welfare, also produces positive impacts on landscape diversity and biodiversity. Communal, locally implemented actions to improve the status of the environment will have a positive impact on biodiversity. The measure concerning co-operation will enable the implementation of pilot projects.

5.2.4.2. 4B) Improving water management, including fertilizer and pesticide management

**5.2.4.2.1. Measures for agricultural land**

- M01 – Knowledge transfer and information actions (Article 14)
- M02 – Advisory services, farm management and farm relief services (Article 15)
- M04 – Investments in physical assets (Article 17)
- M10 – Agri-environment-climate (Article 28)
- M11 – Organic farming (Article 29)
- M13 – Payments to areas facing natural or other specific constraints (Article 31)
- M16 – Co-operation (Article 35)

**5.2.4.2.2. Measures for forest land**

**5.2.4.2.3. Combination and justification of rural development measures**

Water protection will be promoted by means of knowledge transfer and information actions (Art 14), advisory services (Art 15), investments in physical assets (Art 17), environment payments (Art 28) and co-operation (Art 35). The loading caused by agriculture in surface and ground waters can be reduced by promoting the use of environmentally friendly production methods. Water protection measures on arable land may be complemented by investments in wetlands. Knowledge transfer and information actions will contribute to increasing producer awareness of water protection in farming. The measure concerning co-operation will enable the implementation of pilot projects.

Investments in physical assets (Art 17), organic farming (Art 29), and Leader (Art 42-44) have secondary impacts on focus area 4B. Investments in outdoor access pens, the storage, handling and use of manure, subsurface drainage and controlled subsurface drainage will reduce the loading in water systems caused by farming. Organic production reduces the load on water systems, as the use of synthetic chemical fertilizers and plant protection products is banned. Communal, locally implemented operations to improve the status of the environment will have a positive impact on the ecological status of waters.

Natura 2000 and Water Framework Directive payments will not be introduced in the focus area (Art 30). The other measures described above will promote the achievement of the corresponding environmental objectives.

*5.2.4.3. 4C) Preventing soil erosion and improving soil management*

**5.2.4.3.1. Measures for agricultural land**

- M01 – Knowledge transfer and information actions (Article 14)
- M02 – Advisory services, farm management and farm relief services (Article 15)
- M04 – Investments in physical assets (Article 17)
- M10 – Agri-environment-climate (Article 28)
- M11 – Organic farming (Article 29)
- M13 – Payments to areas facing natural or other specific constraints (Article 31)
- M16 – Co-operation (Article 35)

**5.2.4.3.2. Measures for forest land**

**5.2.4.3.3. Combination and justification of rural development measures**

The agricultural condition of land will be improved and soil erosion will be prevented by means of knowledge transfer and information actions (Art 14), advisory services (Art 15), environment payments (Art 28) and co-operation (Art 35). The loading caused by agriculture in soil can be reduced by promoting the use of environmentally friendly production methods and by looking after the good agricultural condition of land. Knowledge transfer and information actions will contribute to increasing producer awareness of promoting the good agricultural condition of soil. The measure concerning co-operation will enable the implementation of pilot projects.

Investments in physical assets (Art 17), organic farming (Art 29), and Leader (Art 42-44) have secondary impacts on focus area 4C. Investments in subsurface drainage and controlled subsurface drainage can improve the agricultural condition of land. Organic production improves the agricultural condition of land as a result of organic fertilizer use. Communal, locally implemented actions to improve the status of the environment will have a positive impact on the agricultural condition of land.

**5.2.5. P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors**

*5.2.5.1. 5A) Increasing efficiency in water use by agriculture*

**5.2.5.1.1. Selection of rural development measures**

**5.2.5.1.2. Combination and justification of rural development measures**

No priority measures will be introduced in focus area 5A. If necessary, increasing efficiency in water use

may be influenced indirectly through several measures selected for the programme.

Knowledge transfer and information actions (Art 14) and co-operation (Art 35) have secondary impacts on focus area 5A. As the need for more efficient water use is not significant, training and advisory measures and any pilot projects may be targeted at activities where more efficient water use is significant if necessary (including horticultural farms).

*5.2.5.2. 5B) Increasing efficiency in energy use in agriculture and food processing*

**5.2.5.2.1. Selection of rural development measures**

- M01 – Knowledge transfer and information actions (Article 14)
- M02 – Advisory services, farm management and farm relief services (Article 15)
- M16 – Co-operation (Article 35)

**5.2.5.2.2. Combination and justification of rural development measures**

Primarily, increasing efficiency in energy use will be influenced by means of knowledge transfer and information actions (Art 14), advisory services (Art 15) and co-operation (Art 35). Impacts may be achieved by supporting training and advice that strive for saving energy and improving energy efficiency. Through co-operation new, more energy efficient methods and techniques may be developed in farming.

Investments in physical assets (Art 17) and Leader (Art 42-44) have secondary impacts on focus area 5B. Impacts may be achieved by supporting investments that strive for saving energy and improving energy efficiency. Leader measures can contribute to developing local-level activities in a versatile manner.

*5.2.5.3. 5C) Facilitating the supply and use of renewable sources of energy, of by-products, wastes and residues and of other non food raw material, for the purposes of the bio-economy*

**5.2.5.3.1. Selection of rural development measures**

- M01 – Knowledge transfer and information actions (Article 14)
- M02 – Advisory services, farm management and farm relief services (Article 15)
- M04 – Investments in physical assets (Article 17)
- M16 – Co-operation (Article 35)

#### **5.2.5.3.2. Combination and justification of rural development measures**

Primarily, the supply and use of renewable sources of energy and material efficiency will be promoted by means of knowledge transfer and information actions (Art 14), advisory services (Art 15), investments in physical assets (Art 17) and co-operation (Art 35). Impacts may be achieved by supporting farm investments striving for the appropriate use of renewable natural resources and recyclable materials, efficient utilisation of raw materials and the sustainable and also profitable use of resources throughout the production process. The efficiency of using manure for energy production may be increased, thus improving nutrient recycling. Through co-operation, decentralised energy production and resource efficiency may be improved and new operating models developed. By means of these measures, the production and use of raw materials directed at renewable energy and energy production and new business potential based on using wastes and by-products in rural areas may be promoted.

Farm and business development (Art 19), development of rural services and villages (Art 20) and Leader (Art 42-44) have secondary impacts on focus area 5C. These measures may promote entrepreneurship, development measures, innovations and business investments. Leader measures can contribute to developing local-level activities in a versatile manner.

#### **5.2.5.4. 5D) Reducing greenhouse gas and ammonia emissions from agriculture**

##### **5.2.5.4.1. Selection of rural development measures**

- M01 – Knowledge transfer and information actions (Article 14)
- M02 – Advisory services, farm management and farm relief services (Article 15)
- M04 – Investments in physical assets (Article 17)
- M16 – Co-operation (Article 35)

##### **5.2.5.4.2. Combination and justification of rural development measures**

Primarily, greenhouse gas and ammonia emissions from farming will be reduced by means of knowledge transfer and information actions (Art 14), advisory services (Art 15), investments in physical assets (Art 17) and co-operation (Art 35). Knowledge transfer and information actions can influence the choices of actors so that greenhouse gas emissions can be reduced. Greenhouse gas and ammonia emissions from agriculture can be reduced by means of investments in construction and equipment. The measure concerning co-operation may also contribute to generating new methods and techniques for reducing greenhouse gas and ammonia emissions and for adapting to climate change.

Environment payments (Art 28) and organic production (Art 29) have secondary impacts on focus area 5D. Operations covered by environment payments will have significant secondary impacts on this focus area. For example, even if key impacts of plant cover focus on the control of runoff waters, it can also contribute to preventing climate change by reducing CO<sub>2</sub> emissions. Organic production helps to prevent climate change and promotes adjustment to it.

5.2.5.5. 5E) *Fostering carbon conservation and sequestration in agriculture and forestry*

**5.2.5.5.1. Selection of rural development measures**

- M01 – Knowledge transfer and information actions (Article 14)
- M02 – Advisory services, farm management and farm relief services (Article 15)
- M16 – Co-operation (Article 35)

**5.2.5.5.2. Combination and justification of rural development measures**

Primarily, carbon conservation and sequestration in soil will be promoted by means of knowledge transfer and information actions (Art 14), advisory services (Art 15) and co-operation (Art 35). Training and advice will build up the actors' awareness. Through co-operation, new methods and technologies may be developed.

Environment payments (Art 28), organic farming (Art 29), and Leader (Art 42-44) have secondary impacts on focus area 5E. Operations under environment payments and organic production can promote the preservation of the carbon sink effect by increasing the organic matter content in the soil. Leader measures can contribute to developing local-level activities in a versatile manner.

5.2.6. P6: Promoting social inclusion, poverty reduction and economic development in rural areas

5.2.6.1. 6A) *Facilitating diversification, creation and development of small enterprises, as well as job creation*

**5.2.6.1.1. Selection of rural development measures**

- M01 – Knowledge transfer and information actions (Article 14)
- M06 – Farm and business development (Art 19)
- M16 – Co-operation (Article 35)

**5.2.6.1.2. Combination and justification of rural development measures**

Diversification, establishment and development of small enterprises, and job creation are mainly promoted by means of knowledge transfer and information actions (Art 14), farm and business development (Art 19), and co-operation (Art 35). By supporting the starting of non-agricultural enterprises and investments in non-agricultural activities, more jobs and opportunities for earning a living can be created in rural areas. Training can help to improve business management, development and marketing skills. A stronger knowledge base may create preconditions for the development of new business areas and innovative enterprising. Co-

operation may increase entrepreneurs' possibilities of operating in rural areas.

Investments in physical assets (Art 17), development of rural services and villages (Art 20), and Leader (Art 42-44) have secondary impacts on focus area 6A. Investments in the trade and processing of agricultural produce may increase the added value of the produce. Development of rural services may increase entrepreneurs' possibilities of operating in rural areas. Leader measures can contribute to developing local-level activities in a versatile manner.

#### *5.2.6.2. 6B) Fostering local development in rural areas*

##### **5.2.6.2.1. Selection of rural development measures**

- M01 – Knowledge transfer and information actions (Article 14)
- M07 – Basic services and village renewal in rural areas (Article 20)
- M16 – Co-operation (Article 35)
- M19 - Support for community-led local development (Leader) (Article 35 of Regulation (EU) No 1303/2013)

##### **5.2.6.2.2. Combination and justification of rural development measures**

Knowledge transfer and information actions (Art 14), development of rural services and villages (Art 20), co-operation (Art 35) and Leader (Art 42-44) have secondary impacts on fostering local development in rural areas. By improving rural services, developing villages, and information actions, the possibilities of living and running a business in the countryside may be improved. A more viable countryside will also draw new residents and entrepreneurs. Leader activities can enhance and develop local communities and companies and increase the vitality of the area. The activities can also safeguard the services for local communities, rural residents and entrepreneurs and their renewal, support the introduction of new technologies, cultural activities and safe housing, and prevent exclusion. Through co-operation, new operating models may be created, for example for service provision.

Knowledge transfer and information actions (Art 14) have secondary impacts on focus area 6B. Vocational training contributes to building up rural entrepreneurs' and residents' awareness and skills, for example regarding possibilities for local participation.

*5.2.6.3. 6C) Enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural areas*

**5.2.6.3.1. Selection of rural development measures**

- M01 – Knowledge transfer and information actions (Article 14)
- M07 – Basic services and village renewal in rural areas (Article 20)

**5.2.6.3.2. Combination and justification of rural development measures**

The accessibility, use and quality of information and communication technologies in rural areas can primarily be promoted by means of developing rural services and villages (Art 20). Investments in broadband infrastructure may create prerequisites for developing services for rural residents and rural industries, thus boosting the vitality of the countryside. Knowledge transfer and information actions (Art 14) contribute to raising awareness of new service forms.

Knowledge transfer and information actions (Art 14) and development of rural services and villages (Art 20) have secondary impacts on focus area 6C. Vocational training will help to raise awareness among residents and entrepreneurs of ICT use. Investments in small scale rural infrastructures may improve the accessibility, efficient use and quality of ICT.



**5.3. A description of how the cross-cutting objectives will be addressed, including the specific requirements referred to in Article 8(1)(c)(v) of Regulation (EU) No 1305/2013**

The Commission has issued country-specific recommendations for the implementation of the Europe 2020 strategy. The most urgent challenges cited in the recommendations issued to Finland (European Commission 2012) are, among other things, relevant to the following: lowered competitiveness of companies, need to broaden the research and innovation base and diversify the economy, high energy use, need to improve the sustainable management of natural resources, and measures related to climate change.

Finland's specific needs related to the environment and climate change have been set out in various national strategies and action plans. These needs were also brought up in the SWOT analysis prepared for the programme and the needs assessment based on it. Due to features of the climate and natural conditions, the need to protect waters and control diffuse pollution from fields emerges as the greatest environmental problem in Finland. In terms of biodiversity, the specific needs in the agricultural sector focus on promoting the status of traditional rural biotopes and the habitats and species of natural pastures, as these are the most endangered habitat group whose species show a particular decline. Finland also has a special responsibility for preserving our local breeds. In order to resolve all these challenges, we need to not only come up with new innovations and pilot experiments but also continue the on-going long-term environmental work, which is developed on the basis of new research data and implementation experiences. In climate issues, controlling emissions from peatland is a key question. The needs of adapting to climate change are to a great extent associated with more efficient water protection and slowing down biodiversity loss. Climate change adaptation also creates specific needs in terms of improving the crop certainty of plant varieties and managing production risks. Safeguarding farming in unfavourable natural conditions makes it possible to preserve managed rural landscapes and lays a foundation on which farmers may also implement more demanding environmental measures.

Integration of key environmental issues, or improving the ecological status of water systems and climate change mitigation and adaptation, in efforts to develop farming and rural areas will be managed by means of two national strategic initiatives, both of which utilise all the instruments offered by the programme. The national project on recycling nutrients from agriculture was launched on 1 September 2014. This project is being implemented by Agrifood Research Finland, and it was commissioned by the Ministry of Agriculture and Forestry. Its aim is to ensure that the nutrients contained in manure and other organic matter originating from agricultural production will be recycled by 2020. The project is being implemented in close co-operation with farmers' organisations and local, regional and national actors, and it draws on the versatile range of methods under the new Rural Development Programme, including agri-environment-climate measures, advisory services, knowledge transfer, co-operation, investments and business support. Innovative utilisation of manure and biomasses offers rural areas new business opportunities and economic activity in the cleantech field. On the other hand, nutrients ending up in the wrong place become a problem that puts the water systems and the climate under pressure. Utilisation of manure would help Finland to meet its international commitments related to the waters (HELCOM), air quality (Convention on Long-range Transboundary Air Pollution) and air (UNFCCC), which aim to improve the ecological status of water systems and air quality and to reduce greenhouse gas emissions. The project on recycling nutrients from agriculture also marks the launch of the section on nutrient recycling in the National Bioeconomy Strategy.

Another strategic initiative involves preparing a climate programme for agriculture that contains a systematic review of all measures aiming to adapt to and mitigate climate change, a significant share of which are contained in the Rural Development Programme but which also include complementary energy

and consumer policy measures.

Regarding environment and climate issues, promoting knowledge transfers and innovations in farming and forestry and in rural areas is particularly vital to build up knowledge and to seize the opportunities that present themselves. New information and experiences as well as international co-operation will be needed to cope with the combination of changing climatic conditions and soil qualities. These efforts can be supported by such programmes as Horizon 2020.

By means of innovations, the production capacity of agriculture in unfavourable conditions may be expanded, and the competitiveness of agriculture may be improved while minimising harmful impacts on the environment and climate. For example, the innovations being developed to promote more efficient use of manure can mean positive impacts on the farm as well as on the environment and the climate. Cooperation between scientists, advisors and farmers will be vital. Feeding of production animals that is in keeping with their natural behaviours can also have an impact on climate issues. In many environmental challenges, innovations and pilot projects offer new possibilities.

Innovation-led growth is also a precondition for expanding the industrial base of rural areas, generating business and reviving competitiveness. Merely drawing on research results will not produce innovations, nor can companies translate advice and training directly into products. Public and private research are highly specialised in individual sectors, and to meet the quality criteria for science, scientists and research units need centralisation and specialisation. In a small country, this situation is not apt to encourage activities between research sectors that would identify innovation opportunities on the interfaces. We must find incentive mechanisms to increase inter-sectoral and practically oriented research.

A precondition for effective networking is innovation mediators who can combine research results and practical information needs. The need for networking in the field of innovations is highlighted by the fact that forestry research is concentrated in Joensuu, research in the berry sector in Northern Savo, and research in the food sector in Vakka-Suomi and Southern Ostrobothnia. Strong regions for renewable energy research include Central Finland and Northern Karelia. Regional innovation centres, on the other hand, in most cases concentrate on technological innovations, which are one of Finland's strengths. In order for rural industries and bio-economy to develop, it would be important to have multi-sectoral innovation centres operating in the region, whose task it would be to give companies access to key networks and provide them with new contacts across sectoral boundaries, both nationally and internationally.

A key problem facing rural areas in the programming period will be services that are becoming centralised and retreating from the countryside. Organisational and social innovations will be required for the reorganisation and safeguarding of services and development of service entrepreneurship. Cooperation between the public, the private, and the third sector must be developed responsibly, avoiding a situation where provision of public services is merely handed down to voluntary service providers, or local decision-making is taken out of the citizens' reach. In this respect, regional co-operation measures between the ESI Funds are crucial.

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**5.4. A summary table of the intervention logic showing the priorities and focus areas selected for the RDP, the quantified targets, and the combination of measures to be used to achieve them, including the planned expenditure (table automatically generated from the information provided in sections 5.2 and 11)**

Priority 1				
Focus area	Target indicator name	Target 2023	Planned expenditure	Combination of measures
1A	T1: percentage of expenditure under Articles 14, 15 and 35 of Regulation (EU) No 1305/2013 in relation to the total expenditure for the RDP (focus area 1A)	3.32%		M01, M02, M16
1B	T2: total number of co-operation operations supported under the co-operation measure (Article 35 of Regulation (EU) No 1305/2013) (LAGs, networks/clusters, pilot projects...) (focus area 1B)	310.00		M16
1C	T3: total number of participants trained under Article 14 of Regulation (EU) No 1305/2013(focus area 1C)	20,000.00		M01
Priority 2				
Focus area	Target indicator name	Target 2023	Planned expenditure	Combination of measures
2A	T4: percentage of agricultural holdings with RDP support for investments in restructuringor modernisation (focus area 2A)	11.94%	876,400,000.00	M01, M04
2B	T5: percentage of agricultural holdings with RDP supported business development plan/investments for young farmers (focus area 2B)	4.61%	148,000,000.00	M01, M06
Priority 3				
Focus area	Target indicator name	Target 2023	Planned expenditure	Combination of measures
3A	T6: percentage of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups and organisations (focus area 3A)	8.53%	559,000,000.00	M01, M02, M04, M14, M16
Priority 4				
Focus area	Target indicator name	Target 2023	Planned expenditure	Combination of measures
4A (agri)	T9: percentage of agricultural land under management contracts supporting biodiversity (focus area 4A)	15.63%	5,699,531,757.00	M01, M02, M04, M10, M11, M13, M16
4B (agri)	T10: percentage of agricultural land under management contracts to improve watermanagement (focus area 4B)	81.80%		
4C (agri)	T12: percentage of agricultural land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	44.03%		
Priority 5				
Focus area	Target indicator name	Target 2023	Planned expenditure	Combination of measures
5B			12,000,000.00	M01, M02, M16
5C	T16: total investment in renewable energy production (€) (focus area 5C)	117,900,000.00	67,400,000.00	M01, M02, M04, M16
5D	T17: percentage of LU concerned by investments in livestock management in view of reducing GHG and/or ammonia emissions (focus area 5D)	10.77%	63,900,000.00	M01, M02, M04, M16
5E			7,100,000.00	M01, M02, M16
Priority 6				
Focus area	Target indicator name	Target 2023	Planned expenditure	Combination of measures
6A	T20: jobs created in supported projects (focus area 6A)	4,000.00	377,000,000.00	M01, M06, M16
6B	T21: percentage of rural population covered by local development strategies (focus area 6B)	47.07%	354,000,000.00	M01, M07, M16, M19

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	T22: percentage of rural population benefiting from improved services/infrastructures (focus area 6B)	47.07%		
	T23: jobs created in supported projects (Leader) (focus area 6B)	1,700.00		
6C	T24: percentage of rural population benefiting from new or improved services/infrastructures (ICT) (focus area 6C)	49.69%	31,000,000.00	M01, M07

**5.5. A description of the advisory capacity to ensure adequate advice and support for the regulatory requirements and for actions related to innovation to demonstrate the measures taken as required in Article 8(1)(c)(vi) of Regulation (EU) No 1305/2013**

*Training for the Ministry's administrative branch and applicants*

The Ministry of Agriculture and Forestry will provide training for its branch of administration and potential applicants, in particular in the beginning of the programming period. The Agency for Rural Affairs will provide a number of training courses on the implementation processes for the administration. The Agency for Rural Affairs and the Finnish Food Safety Authority Evira will also provide training on the statutory requirements annually. All training events and courses organised by the Agency for Rural Affairs and Rural Network Unit organised in the programming period 2007–2013 are listed in the relevant annual reports. Some of the training sessions will be video recorded and can also be accessed at later date. The Agency for Rural Affairs will have regular meetings with the organisations in the administrative branch. The procedures will be continuously improved, but the model followed so far and proven good will also be preserved in the new programming period.

Potential applicants will be provided with information about the possibilities of support available and the statutory requirements at training events and seminars organised by the Ministry of Agriculture and Forestry, the Agency for Rural Affairs, the Centres for Economic Development, Transport and the Environment (the ELY Centres), municipalities, advisory organisations and local action groups, as well as in application guides, information bulletins and articles in professional journals. A key channel will be the Internet, where all the information and instructions needed to apply for support produced by the EU and the administration are freely available for all citizens and entrepreneurs. These websites will be maintained by the Ministry of Agriculture and Forestry, the Agency for Rural Affairs, the Rural Network Unit and the Finnish Food Safety Authority Evira.

*Guidance and advice for potential applicants*

The operating model of the customer service at the ELY Centres will be harmonised, and the offer of services will be improved. Customer contacts will be directed to electronic channels.

Leader groups will animate and advise potential applicants in exploiting the funding opportunities offered by the programme. The groups and the ELY Centres have agreed upon joint procedures that will ensure flexible co-operation in financing small business projects.

Service centres for new enterprises, regional centres of excellence, municipal or subregional business service companies, advisors of organisations receiving state subsidies and private advisors will serve thousands of rural entrepreneurs annually through individual consultations and wider training events. The advisors' strengths are that they operate close to the customer and their extensive networks. the fact

Business advisory organisations receive annual state subsidies for their operation, and strategic targets are set for their operation in performance agreements. The advisory organisations are not-for-profit organisations (registered associations). In 2014, some 323 AWU were available within the current advisory system for agricultural and horticultural sectors funded by state subsidies. Funding provided for the customers accounts for over 50% of their funding, and as a rule, state subsidies represent a relatively minor share of the total funding of each organisation. As the business advisory system works well, it was desirable to preserve it and to complement it with the opportunities offered by the programme. Keeping up the

coverage and capacity of regional and operational specialist advisory service at the current levels of state subsidies will not be possible, and a measure concerning advisory services will thus be introduced in the Rural Development Programme (measure 2), which is relevant to certain programme priorities and focus areas. The emphasis is on environmental issues, climate change mitigation and adaptation, and welfare of production animals.

The Finnish Forest Centre and its regional units, which operate under the supervision of the Ministry of Agriculture and Forestry, provide guidance, advice and training in forestry-related issues at the national level to all forest owners. Both personal advice and training courses are available. The Metsään.fi online service offers forest owners information about their forest assets. In addition, forest management associations, which are organisations of forest owners that operate in all parts of Finland, serve forest owners in all issues related to forest management and use.

#### *Innovation-related actions*

Preparation for the programming period has included the drawing up of regional strategies and plans. As part of these, there is a description of co-operation between managing authorities, development organisations, enterprises, farmers and forest owners aiming to implement goal-oriented sectoral co-operation, development, information and communication projects within the framework of the programme using both national financing and financing from other ESI Funds. Above all, co-operation projects of this type will be implemented to achieve regional strategic objectives and, among others, to support the objectives of the National Bioeconomy Strategy. Research institutes, universities and other educational institutions have been key partners in all development operations. In the forthcoming period, rural innovation groups will also be formed, which will focus on special innovations aiming for renewal in agriculture and forestry.

The Rural Network Unit has implemented various innovation incubators and organised events where people and ideas have been brought together to produce innovations and to exchange good practices. These have included innovation camps, competitions for best practices, theme years of communication and project meeting points. Networking activities in the period 2014–2020 will also offer particular support for the communication and training objectives under the programme, establish networks and disseminate information at both the programme level and internationally, and support regional communication and local action groups.

#### *Business services*

The Ministry of Agriculture and Forestry works together with the Ministry of Employment and the Economy in developing publicly funded services and service models targeted at business customers as part of the Enterprise Finland service environment. The Ministries direct regional ELY Centres, which grant enterprises national and ESI Fund support. These services make up for shortfalls in the operating environment and support the sustainable growth of companies. They will be developed in co-operation with the funding authorities, avoiding overlaps, delivering more efficient customer-centred public administration services and drawing on customer data in shared use. Segmentation of business customers and service models will facilitate the identification of companies in different stages of development and the services optimally suited for a company's needs, and make it easier to monitor the companies' development.

The Enterprise Finland service package, which is free for the users, offers information and services related to starting and developing a business and internationalisation online, on the telephone and personally at the

network's service points. Entrepreneurs or those interested in enterprising can familiarise themselves with the range of services provided by the Yrityssuomi.fi service, which also contains a product description of Rural Development Fund's rural enterprise support. For registered users, the My Enterprise Finland service offers an online workspace where the entrepreneur can independently draw up a development analysis and obtain an overall picture of their enterprise's development needs as well as additional information and instructions on meeting those needs. The service also provides a tool for drawing up a business plan.

In addition to development and funding services, the My Enterprise Finland service offers information about the permits and notifications needed by the company on the basis of the company's/aspiring entrepreneur's profile, guides the entrepreneur in navigating smoothly through the various permit and notification procedures and supports easy access to services to prevent these tasks from taking up too much time from business. The Enterprise Finland helpline supports online service use. Companies are offered expert support in areas where they need it. In order to avail of one-to-one personal advice, a company may contact an ELY Centre or a business expert in the network of subregional business service actors.

The subregional business service network of Enterprise Finland covers the entire country, including 68 subregions, or the operating areas of all 15 ELY Centres. In subregional business services organised as a network, advice for businesses is provided by municipalities, subregional development organisations, the Enterprise Agencies in Finland, regional ProAgria advisory centres, Employment and Economic Development Offices, ELY Centres and other service providers, depending on how the service provision is arranged. This network provides companies and new entrepreneurs free general advice on launching and developing a business, guidance in using advisory and financing services for individual companies, and information about or an opportunity to participate in development and co-operation projects in their area or co-operation with higher and other educational institutions. By taking part in training projects, companies can improve their business skills. Entrepreneurs may also obtain information about the Rural Development Fund and other development instruments from local action groups and the Rural Network.

Enterprises in rural areas can use start-up support granted by the Rural Development Fund for procuring expert services needed in the start-up stage from a party chosen by them. When applying for support, the company must have a business plan, which they can draw up in the My Enterprise Finland service or in connection with a development or training project that supports entrepreneurial skills. The aim is that start-ups would draw on expert services in promoting their business and for systematic development. Rural Development Fund support may also be granted separately for procuring advice on the financial and ecological sustainability of an investment.

Enterprises in rural areas can utilise business development services supported by the employment and economic development administration, which are primarily targeted at the needs of businesses already up and running. Business development services and Rural Development Fund support for starting an enterprise are coordinated so that if necessary, a company launching a new business in a rural area can also go to service providers subjected to competitive bidding by the employment and economic development administration, purchase the services they need at a market price, and receive Rural Development Fund support towards the costs. The objective of this is to enable a flexible use of companies providing services regardless of the funding source, and to clarify the support system by not offering overlapping services through the Rural Development Fund. Business development services are well suited for developing non-agricultural business activities and the utilisation of expert support that promotes internationalisation.

The business customers of the Rural Development Fund are mainly micro or small enterprises that operate in rural areas without having a background in farming. Experience gained in the programming period 2007–

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2013 indicates that the number of business customers with a background in farming has declined in recent years. Advisory services that support entrepreneurship and innovations for farms, enterprises with a farm background, and sectors with close links with these have been produced by regional ProAgria advisory centres, in particular, which are a party to the performance agreement procedure between the Ministry of Agriculture and Forestry and rural advisory organisations.



## **6. ASSESSMENT OF EX-ANTE CONDITIONALITIES**

### **6.1. Additional information**

There are no other remarks.

## 6.2. Ex ante conditionalities

Applicable ex ante conditionality at the national level	Ex-ante conditionality fulfilled: Yes/No/Partially	Assessment of its fulfilment	Priorities/Focus areas	Measures
G1) Anti-Discrimination: the existence of administrative capacity for the implementation and application of Union anti-discrimination law and policy in the field of ESI Funds	yes	This conditionality has been fulfilled.	P4, 6B, 5E, 1A, 6A, 2A, 5B, 2B, 6C, 1C, 1B, 3A, 5D, 5C	M20, M16, M01, M06, M13, M11, M04, M14, M07, M10, M02, M19
G2) Gender Equality: the existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds	yes	This conditionality has been fulfilled.	P4, 1B, 6C, 2A, 3A, 5C, 2B, 1C, 5B, 6B, 6A, 5E, 1A, 5D	M19, M20, M01, M04, M14, M16, M11, M07, M10, M13, M02, M06
G3) Disability: the existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCPRD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC	yes	This conditionality has been fulfilled.	P4, 1A, 1B, 3A, 2A, 5B, 6C, 1C, 2B, 6A, 6B, 5E, 5D, 5C	M04, M07, M01, M20, M06, M14, M13, M02, M16, M11, M10, M19
G4) Public Procurement: the existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds	yes	This conditionality has been fulfilled.	6B, 5C, 3A, 1A, 5B, 2A	M06, M16, M02, M07, M04, M20
G5) State Aid: the existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds	yes	This conditionality has been fulfilled.	P4, 3A, 2A	M06, M13, M04
G6) Environmental legislation relating to Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA): the existence of arrangements for the effective application of Union environmental legislation related to EIA and SEA	yes	This conditionality has been fulfilled.	P4, 1C, 5C, 1B, 6B, 5B, 5D, 2A, 1A, 6A, 6C, 5E, 3A, 2B	M02, M10, M16, M11, M13, M14, M19, M06, M01, M07, M20, M04
G7) Statistical systems and result indicators: the existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.	partially	This conditionality has been partially fulfilled.	P4, 6C, 6A, 5C, 1C, 5D, 2B, 1A, 5B, 1B, 6B, 2A, 5E, 3A	M20, M07, M16, M04, M06, M11, M02, M14, M01, M19, M10, M13

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P3.1) Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation	yes	This conditionality has been fulfilled.	3B	M17
P4.1) Good Agricultural and Environmental Condition (GAEC): standards for good agricultural and environmental condition of land referred to in Chapter I of Title VI of Regulation (EU) No 1306/2013 are established at national level	yes	This conditionality has been fulfilled.	P4	M10, M11
P4.2) Minimum requirements for fertilisers and plant protection products: minimum requirements for fertilisers and plant protection products referred to in Article 28 of Chapter I of Title III of Regulation (EU) No 1305/2013 are defined at national level	yes	This conditionality has been fulfilled.	P4	M10, M11
P4.3) Other relevant national standards: relevant mandatory national standards are defined for the purpose of Article 28 of Chapter I of Title III of Regulation (EU) No 1305/2013	yes	This conditionality has been fulfilled.	P4	M10, M11
P5.1) Energy efficiency: actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings	yes	This conditionality has been fulfilled.	1C, 1B, 1A, 2A	M01, M02, M04, M16
P5.2) The existence of a) a water pricing policy which provides adequate incentives for users to use water resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water services at a rate determined in the approved river basin management plan for investment supported by the programmes.	yes	This conditionality has been fulfilled.	1C, 1B, 1A	M10
P5.3) Renewable energy: actions have been carried out to promote the production and distribution of renewable energy sources	yes	This conditionality has been fulfilled.	5C, 1B, 1A, 1C	M01, M02, M04, M16
P6.1) Next Generation Network (NGN) Infrastructure: the existence of national or regional NGA Plans which take account of regional actions in order to reach the Union high-speed Internet access targets, focusing on areas where the market fails to provide an open infrastructure at an affordable cost and of a quality in line with the Union competition and State aid rules and to provide accessible services to vulnerable groups.	yes	This conditionality has been fulfilled.	1C, 6C, 1A, 1B	M01, M07, M02

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Applicable ex ante conditionality at the national level	Assessment criteria	Criteria fulfilled : yes/no	Reference (if conditionality is fulfilled) [reference to strategies, legislation or other relevant documents]	Assessment of its fulfilment
G1) Anti-Discrimination: the existence of administrative capacity for the implementation and application of Union anti-discrimination law and policy in the field of ESI Funds	G1.a) Arrangements in accordance with the institutional and legal framework of Member States for the involvement of bodies responsible for the promotion of equal treatment of all persons throughout the preparation and implementation of programmes, including the provision of advice on equality in ESI fund related activities	Yes	<p>Managing Authority's training material: <a href="http://www.rakennerahastot.fi">www.rakennerahastot.fi</a></p> <p>Non-Discrimination Act 20.1.2004/21: <a href="http://www.finlex.fi/fi/laki/ajantasa/2004/20040021">http://www.finlex.fi/fi/laki/ajantasa/2004/20040021</a></p> <p>Act on Equality between Women and Men 8.8.1986/609: <a href="http://www.finlex.fi/fi/laki/ajantasa/1986/19860609">http://www.finlex.fi/fi/laki/ajantasa/1986/19860609</a></p> <p>Employment Contracts Act 26.1.2001/55: <a href="http://www.finlex.fi/fi/laki/ajantasa/2001/20010055">http://www.finlex.fi/fi/laki/ajantasa/2001/20010055</a></p> <p>Ombudsman for Minorities: <a href="http://www.ofm.fi/">http://www.ofm.fi/</a></p> <p>National Discrimination Tribunal: <a href="http://www.syrjintalautakunta.fi/">http://www.syrjintalautakunta.fi/</a></p> <p>Advisory Board for Ethnic Relations: <a href="http://www.intermin.fi/etno">http://www.intermin.fi/etno</a></p>	<p>Finnish legislation contains cross-cutting provisions on non-discrimination. The Non-Discrimination Act (2004/21) contains a definition of discrimination and lays the foundation for equal treatment under law.</p> <p>All authorities promote equality within their mandates. There also are specific authorities responsible for equality issues or the monitoring of discrimination. Discrimination on the basis of ethnic origin is monitored by the Ombudsman for Minorities and the National Discrimination Tribunal, which work in connection with the Ministry of the Interior. The duties of the Ombudsman for Minorities include monitoring and promoting the position and rights of ethnic minorities. The Ombudsman also supervises the implementation of equitable treatment regardless of ethnic origin in co-operation with other authorities. The National Discrimination Tribunal is an independent organ of legal protection that is competent to deal with discrimination on the basis of ethnic origin. In an employment relationship, the occupational safety and health authorities supervise compliance with the Non-Discrimination Act regarding all grounds of discrimination.</p> <p>The Ministry of the Interior manages equality issues in cross-administrative co-operation with other branches of the central government, local and regional authorities, NGOs, social partners and, in particular, organisations, communities and advisory boards representing various groups. The Advisory Board for Ethnic Relations, or Etno, serves as a broad-based advisory organ in issues related to refugees, immigration, racism and ethnic relations.</p> <p>The Ministry of Social Affairs and Health is represented in working groups preparing the programme. NGOs are consulted and they are involved in preparing the programme through a public hearing. The NGOs are taken into consideration when appointing members to monitoring committees.</p> <p>The Managing Authority organises training for the intermediate bodies, which covers the horizontal objectives of the Structural Funds Programme. The Managing Authority will draw up a training plan for the programming period 2014–2020. The Managing Authority will provide an information package and online</p>

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				instructions for the programming period 2014–2020.
	G1.b) Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of Union anti-discrimination law and policy.	Yes	See G1.a	See G1.a
G2) Gender Equality: the existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds	G2.a) Arrangements in accordance with the institutional and legal framework of Member States for the involvement of bodies responsible for gender equality throughout the preparation and implementation of programmes, including the provision of advice on gender equality in ESI Fund related activities.	Yes	<p>Managing Authority's training material: <a href="http://www.rakennerahastot.fi">www.rakennerahastot.fi</a></p> <p>Non-Discrimination Act (2004/21): <a href="http://www.finlex.fi/fi/laki/ajantasa/2004/20040021">http://www.finlex.fi/fi/laki/ajantasa/2004/20040021</a></p> <p>Act on Equality between Women and Men 8.8.1986/609: <a href="http://www.finlex.fi/fi/laki/ajantasa/1986/19860609">http://www.finlex.fi/fi/laki/ajantasa/1986/19860609</a></p> <p>Government Resolution on the Action Plan for Gender Equality 2012–2015: <a href="http://www.stm.fi/vireilla/kehittamisohtjelmat_ja_hankkeet/tasa-arvo-ohjelma">http://www.stm.fi/vireilla/kehittamisohtjelmat_ja_hankkeet/tasa-arvo-ohjelma</a></p> <p>Occupational Safety and Health Act 738/2002: <a href="http://www.finlex.fi/fi/laki/ajantasa/2002/20020738">http://www.finlex.fi/fi/laki/ajantasa/2002/20020738</a></p> <p>Act on the Ombudsman for Equality and the Equality Board: <a href="http://www.finlex.fi/fi/laki/smur/1986/19860610">http://www.finlex.fi/fi/laki/smur/1986/19860610</a></p> <p>Valtava Gender Equality Mainstreaming Programme: <a href="http://www.tem.fi/valtava">http://www.tem.fi/valtava</a></p> <p>Community of Practice on Gender Mainstreaming: <a href="http://www.gendercop.com/">http://www.gendercop.com/</a></p>	<p>In Finland, the Non-Discrimination Act (2004/21) contains a definition of discrimination and lays the foundation for equal treatment under law. A prohibition of discrimination on the basis of gender is laid down in the Act on Equality between Women and Men (609/1986).</p> <p>Equality issues in Finland are within the remit of the Ministry of Social Affairs and Health, and four authorities tasked to promote gender equality work under its auspices. The Gender Equality Unit is responsible for preparing and coordinating the Government's gender equality policy. The Ombudsman for Equality is an independent law enforcement authority that supervises compliance with the Act on Equality between Women and Men and provides instructions and advice on questions related to the Act. The Equality Board, which is independent of the Ministry, oversees compliance with the Act on Equality Between Women and Men and discusses and resolves related issues. The parliamentary Council for Gender Equality (TANE) works to promote social equality between women and men. Primarily, it is an equality policy actor that makes initiatives and promotes the handling of on-going equality policy issues.</p> <p>Cross-administrative equality policy in the government is coordinated by the Government Action Plan for Gender Equality. The Action Plan brings together key government measures for promoting gender equality and abolishing gender discrimination. Gender equality is promoted by means of a double strategy, which contains both special measures to remove obstacles to equality and the mainstreaming of the gender perspective in all decision-making. The Action Plan contains measures that concern all ministries and aim to mainstream the gender perspective in government decision-making.</p> <p>The Ministry of Social Affairs and Health Gender Equality Unit is involved in different ways in the preparation and working groups of the Action Plan, the international Community of Practice on Gender Mainstreaming and the Monitoring Committee. Organisations acting to promote equality are represented in the programme's preparation groups; they are heard</p>

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				<p>and they may exert influence on programme preparation in connection with a public consultation.</p> <p>The Gender Equality Mainstreaming Programme (Valtava) coordinated by the Ministry of Employment and the Economy and the Managing Authority provide the intermediate bodies training and guidance</p> <p>on gender equality and mainstreaming as support measures. The Managing Authority is committed to piloting minimum standards formulated in the international Community of Practice on Gender Mainstreaming in Finland and will prepare a training plan for programming period 2014-2020. Additionally, the Managing Authority will provide an information package and online instructions for the programming period 2014-2020.</p>
	<p>G2.b) Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of Union gender equality law and policy as well as on gender mainstreaming.</p>	Yes	See G2.a	See G2.a
<p>G3) Disability: the existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCPRD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC</p>	<p>G3.a) Arrangements in accordance with the institutional and legal framework of Member States for the consultation and involvement of bodies in charge of protection of rights of persons with disabilities or representative organisations of persons with disabilities and other relevant stakeholders throughout the preparation and implementation of programmes</p>	Yes	<p>Managing Authority's training material: <a href="http://www.rakennerahastot.fi">www.rakennerahastot.fi</a></p> <p>Non-Discrimination Act 20.1.2004/21: <a href="http://www.finlex.fi/fi/laki/ajantasa/2004/20040021">http://www.finlex.fi/fi/laki/ajantasa/2004/20040021</a></p> <p>Act on services and support measures provided on the basis of disability 3.4.1987/380: <a href="http://www.finlex.fi/fi/laki/ajantasa/1987/19870380">http://www.finlex.fi/fi/laki/ajantasa/1987/19870380</a></p> <p>Decree on services and support measures provided on the basis of disability 18.9.1987/759: <a href="http://www.finlex.fi/fi/laki/ajantasa/1987/19870759">http://www.finlex.fi/fi/laki/ajantasa/1987/19870759</a></p> <p>Act on interpretation services for persons with disabilities 19.2.2010/133: <a href="http://plus.edilex.fi/kela/fi/lainsaadanto/20100133">http://plus.edilex.fi/kela/fi/lainsaadanto/20100133</a></p> <p>Ministry of Social Affairs and Health: <a href="http://www.stm.fi/sosiaali_ja_terveyspalvelut/lainsaadanto/vammaiset">http://www.stm.fi/sosiaali_ja_terveyspalvelut/lainsaadanto/vammaiset</a></p> <p>Finnish Disability Forum – the national central organisation for disability associations: <a href="http://www.vammaisfoorumi.fi/">http://www.vammaisfoorumi.fi/</a></p> <p>Threshold Association (Kynnys) – a national organisation promoting the interests of the disabled: <a href="http://www.kynnys.fi/">http://www.kynnys.fi/</a></p>	<p>The position of persons with disabilities is secured across a broad front in Finnish legislation.</p> <p>Securing the position of persons with disabilities in society and in the labour market is within the remit of the Ministry of Social Affairs and Health. In addition, the Finnish Disability Forum, a national central organisation for disability associations, which safeguards the equal participation of persons with disabilities, and the Threshold Association, which offers comprehensive support for persons with disabilities, play a key role in Finland. The Finnish Disability Forum is one of the partner organisations in Structural Funds activities.</p> <p>The Ministry of Social Affairs and Health is represented in working groups preparing the programme. NGOs are consulted and they are involved in preparing the programme through a public hearing. The NGOs are taken into consideration when appointing members to monitoring committees.</p> <p>The Managing Authority organises training for the intermediate bodies, which covers the horizontal objectives of the Structural Funds Programme. The</p>

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				<p>Managing Authority will draw up a training plan for the programming period 2014–2020. The Managing Authority's training plan contains training on the UN Convention in the implementation of the ESI Funds. The Managing Authority will provide an information package and online instructions for the programming period 2014–2020.</p> <p>In compliance with the Council decision adopted on 26 November 2009 (2010/48/EC), arrangements must exist to ensure monitoring of the implementation of Article 9 of the UNCRPD in relation to the ESI Funds. In addition to the Netherlands and Ireland, Finland is the only EU Member State that has so far not ratified the Convention, nor will the ratification process in Finland be completed before 1 January 2014. In terms of its contents, national legislation and its implementation can be assessed to be consistent with obligations stated in Article 9.</p>
	G3.b) Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of applicable Union and national disability law and policy, including accessibility and the practical application of the UNCRPD as reflected in Union and national legislation, as appropriate.	Yes	See G3.a	See G3.a
	G3.c) Arrangements to ensure monitoring of the implementation of Article 9 of the UNCRPD in relation to the ESI Funds throughout the preparation and the implementation of the programmes.	Yes	See G3.a	See G3.a
G4) Public Procurement: the existence of arrangements for the effective application of Union public procurement law	G4.a) Arrangements for the effective application of Union public procurement rules through appropriate	Yes	<p>Act on Public Contracts (348/2007) (Directive of the European Parliament and of the Council 2004/18/EC)</p> <p>Act on public contracts by contracting authorities in the water, energy, transport and postal services sectors (349/2007) (Directive of the European Parliament and of the Council 2004/17/EC)</p> <p>Managing Authority's instructions on eligibility and on-the-spot checks:  <a href="http://www.rakennerahastot.fi/rakennerahastot/fi/04_viranomaisille/01_hvo_ohjeet/04_HVO_ohje_2_2010/index.jsp">http://www.rakennerahastot.fi/rakennerahastot/fi/04_viranomaisille/01_hvo_ohjeet/04_HVO_ohje_2_2010/index.jsp</a>; </p>	<p>EU legislation on public contracts has been implemented. Public organisations have dedicated procurement guidelines concerning the application of national legislation, mainly as part of their financial administration rules.</p> <p>Under the Act on the National Management of Structural</p>

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in the field of the ESI Funds	mechanisms	<p><a href="http://www.rakennerahastot.fi/rakennerahastot/fi/04_viranomaisille/01_hvo_ohjeet/06_Paikan_paeaellae_tehtaevaet_tark._ohje_6.3.2009/index.jsp">http://www.rakennerahastot.fi/rakennerahastot/fi/04_viranomaisille/01_hvo_ohjeet/06_Paikan_paeaellae_tehtaevaet_tark._ohje_6.3.2009/index.jsp</a></p> <p>The regulation of public contracts is within the remit of the Ministry of Employment and the Economy: <a href="https://www.tem.fi/index.phtml?s=102">https://www.tem.fi/index.phtml?s=102</a></p> <p>The web service Hankinnat.fi supports the work of the Public Procurement Advisory Unit: <a href="http://www.hankinnat.fi/fi/Sivut/default.aspx">http://www.hankinnat.fi/fi/Sivut/default.aspx</a></p> <p>Guidelines and support provided by the Managing Authority 2007–2013 in ERDF and ESF operational programmes: <a href="http://www.rakennerahastot.fi/rakennerahastot/fi/04_viranomaisille/01_hvo_ohjeet/index.jsp">http://www.rakennerahastot.fi/rakennerahastot/fi/04_viranomaisille/01_hvo_ohjeet/index.jsp</a></p> <p>Training provided by the Managing Authority for intermediate bodies: <a href="http://www.rakennerahastot.fi/rakennerahastot/fi/04_viranomaisille/08_tilaisuuksia/index.jsp">http://www.rakennerahastot.fi/rakennerahastot/fi/04_viranomaisille/08_tilaisuuksia/index.jsp</a></p> <p>Guidelines and support provided by the Managing Authority 2007–2013: in ERDF and ESF operational programmes: <a href="http://www.rakennerahastot.fi/rakennerahastot/fi/04_viranomaisille/01_hvo_ohjeet/index.jsp">http://www.rakennerahastot.fi/rakennerahastot/fi/04_viranomaisille/01_hvo_ohjeet/index.jsp</a></p> <p>The Public Procurement Advisory Unit: <a href="http://www.hankinnat.fi/fi/yhteystietoja/neuvontayksikko/">http://www.hankinnat.fi/fi/yhteystietoja/neuvontayksikko/</a></p> <p>Maaseutu.fi: <a href="http://www.maaseutu.fi/fi/index.html">http://www.maaseutu.fi/fi/index.html</a></p>	<p>Funds Programmes, the Managing Authority (the Ministry of Employment and the Economy) has delegated administration and implementation tasks related to the Structural Funds to intermediary bodies.</p> <p>Programming period 2007–2013: In its guidelines on the eligibility of costs, the Managing Authority has taken into account the COCOF guideline on processing errors in procurement procedures. The Managing Authority required that the intermediary bodies apply these guidelines when determining the impacts in Euro amounts of errors in procurement procedures when processing payment applications, in on-the-spot checks, and when taking corrective measures. When providing training on the verification of costs for the staff of intermediary bodies (payment applications, on-the-spot checks), the Managing Authority covered the aforementioned COCOF guideline. The check list referred to in Art 13 to be used in on-the-spot checks covers verification of the eligibility of procurement procedures organised by a classification of main error types. The check list data will be documented in the information system, facilitating reporting by error category. Programming period 2014–2020: The procedures used in programming period 2007–2013 concerning the application of the COCOF guideline are likely to be continued. In addition, more systematic attention in the context of project selection will be paid to the prevention of errors in contract award procedures.</p> <p>In connection with the eligibility guidelines, the Managing Authority has provided instructions on procurements that do not reach the threshold values (minor procurements and procurements that do not reach the national threshold value). An intermediary body having granted funding to a beneficiary sends out a decision to grant support printed from the information system, which contains the standard conditions specified by the Managing Authority and special conditions complemented by the intermediary body on procedures to be followed in contracts awarded by the beneficiary. Compliance with the conditions concerning procurement procedures stated in the decision to grant support will be verified when processing the payment application and in on-the-spot checks.</p> <p>The Managing Authority has paid particular attention to the Union's public procurement rules when making arrangements for the verification of costs under Art 13 (processing of payment applications, on-the-spot checks) and training related to taking corrective action for the staff of the intermediary bodies. EU and national public procurement rules have been systematically discussed in training related to verification of costs. The training also drew attention on observations made during inspections of public procurements. The intermediary bodies have also been active in purchasing training related to the procurement legislation.</p> <p>The Managing Authority's instructions are available on the Structural Funds web service. The Managing Authority organises working meetings for the finance providers and paying agencies, the themes of which include public procurement rules and their application to</p>
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				<p>Structural Funds projects. At these meetings, experiences can be shared. The meetings encourage networking between public servants in the intermediary bodies and exchanges of information on questions related to the topic. At kick-off meetings with beneficiaries, the intermediary bodies bring up the conditions associated with the granting of support, including the procurement procedures. The intermediary bodies are responsible for providing instructions for the beneficiaries.</p> <p>The regulation of public contracts is within the remit of the Ministry of Employment and the Economy. A Public Procurement Advisory Unit has been developed in co-operation by the Ministry of Employment and the Economy and the Association of Finnish Local and Regional Authorities. The web service Hankinnat.fi supports the work of the Public Procurement Advisory Unit. The Public Procurement Advisory Unit deals with public contracts, especially in the municipal sector.</p>
	G4.b) Arrangements which ensure transparent contract award procedures	Yes	See G4.a	See G4.a
	G4.c) Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds.	Yes	See G4.a	See G4.a
	G4.d) Arrangements to ensure administrative capacity for implementation and application of Union public procurement rules.	Yes	See G4.a	See G4.a
G5 State Aid: the existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds	G5.a) Arrangements for the effective application of Union State aid rules.	Yes	<p>National legislation associated with the implementation of the Procedural Regulation (659/1999): <a href="https://www.tem.fi/index.phtml?s=501">https://www.tem.fi/index.phtml?s=501</a></p> <p>Description of support forms specified as State aid and the procedures to be applied are described in the relevant legislation, see <a href="http://www.finlex.fi/fi/">http://www.finlex.fi/fi/</a></p> <p>The competent authority for each support system is responsible for providing practical legal advice and training related to the support.</p> <p>A guide on de minimis support (2011): <a href="http://www.tem.fi/files/29704/TEM_ESITE_DeMinimisTuki_korj260811.pdf">http://www.tem.fi/files/29704/TEM_ESITE_DeMinimisTuki_korj260811.pdf</a></p> <p>Guidance and training provided by the Managing Authority:</p>	<p>ERDF and ESF co-financed support will be granted in compliance with the national legislation. Provisions on support forms specified as State aid are contained in the relevant legislation. A description of the application of the Union State aid rules in programming period 2007–2013 is contained in management and control system descriptions. For references to legislation, see the relevant documents. The statutes can be accessed through the Finlex web service. The statutes are complemented by instructions issued by the competent authorities. The instructions are elucidated by providing training and advice.</p>

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				<p>system. In order to confirm compliance with the de minimis rules, the beneficiary reports the de minimis support they have received in their application. Information on this and on any support of low significance granted by a decision will be saved in the system. Compliance with the cumulation rules (de minimis) is checked using various information sources/registers. As part of the verification of costs, the payment authority ascertains that the activities to be funded are compliant with the State aid rules. Compliance with the cumulation rules is supervised in connection with the verification of costs. The fact that the verifications indicated in the check list have been performed is recorded in the system.</p> <p>National aid scheme specific statutes contain provisions on support repayment. The Managing Authority has issued instructions on corrective measures, including repayment of support. The authority having granted the support is responsible for the repayment of support that has not been granted/used in compliance with the legislation. Information on any decisions made and repayments will be saved in the information system.</p> <p>The Ministry of Employment and the Economy Labour and Trade Department is responsible for the annual reporting of State aids to the Commission regarding notified aid schemes and aid schemes referred to in the General Block Exemption Regulation. The Department of Labour and Trade coordinates the national monitoring of State aid. However, the aid within the remit of Ministry of Agriculture and Forestry is not coordinated by the Ministry of Employment and the Economy.</p> <p>To implement the provisions of the Regulation on State aid procedures (659/1999) nationally, the Act on the application of certain European Community regulations concerning State aid (300/2001) was passed in March 2001. This act contains provisions on the repayment of aid on the basis of a Commission decision, on-the-spot checks in companies and executive aid provided by the police in these cases. Under this Act, a decree may be issued on national arrangements for the aid notification procedure.</p> <p>Government Decree on the procedures to be complied with when notifying the Commission of State aid (89/2011) contains more detailed provisions on procedures followed to notify aid schemes and individual aids as well as exceptions to the notification procedure, including de minimis aid and the General Block Exemption Regulation. The decree also applies to the notification obligation concerning other types of aids.</p> <p>The Act on the requirement of openness and submission of notifications on economic activities concerning certain companies (19/2003) provides the Commission additional possibilities of supervising compliance with EU competition and State aid rules in the Member States. The obligation to provide information under this Act applies to both public and private companies. Private companies are required not only to manage their own</p>
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				commercial operations but also to perform public service duties (so-called services of general economic interest referred to in Article 106(2) TFEU). The purpose of this act is firstly to give the Commission a tool for verifying that no non-compliant aid is channelled to public enterprises. Secondly, the act reserves the Commission a possibility of verifying that the compensation paid for managing services of general economic interest does not also include support for other commercial activities of the company. The act does not apply to certain companies, including those with a turnover of less than EUR 40 million a year.
	G5.b) Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds	Yes	See G5.a	See G5.a
	G5.c) Arrangements to ensure administrative capacity for implementation and application of Union public procurement rules.	Yes	See G5.a	See G5.a
G6) Environmental legislation relating to Environmental Impact Assessment (EIA) and, Strategic Environmental Assessment (SEA): the existence of arrangements for the effective application of Union environmental legislation related to EIA and SEA.	G6.a) Arrangements for the effective application of Directive 2011/92/EU of the European Parliament and of the Council (EIA) and of Directive 2001/42/EC of the European Parliament and of the Council (SEA);	Yes	<p>Act on Environmental Impact Assessment Procedure (468/1994)</p> <p>Government Decree on Environmental Impact Assessment Procedure (713/2006)</p> <p>(Directive 85/337/ECC)</p> <p>Act on Environmental Impact Assessment of Plans and Programmes of Public Authorities (200/2005)</p> <p>Government Decree on Environmental Impact Assessment of Plans and Programmes of Public Authorities (347/2005)</p> <p>(SEA Directive 2001/42/EC)</p> <p>Legislation package on the Ministry of the Environment's website</p> <p>The environmental administration's website on environmental impact assessments and environmental impact assessments of plans and programmes of public authorities</p> <p><a href="http://www.rakennerahastot.fi">www.rakennerahastot.fi</a> - sustainable development</p> <p>Structural Funds newsletter 29 August 2012 - theme issue on sustainable development</p> <p>EIA support material, specially for authorities providing guidance</p> <p>Support material on impact assessment of plans and programmes of public authorities to assist practical implementation</p>	<p>The relevant acts are in force, and they are complemented by decrees.</p> <p>The environmental administration's website on environmental impact assessment and environmental impact assessment of plans and programmes of public authorities; dissemination of information about EIA and impact assessment of plans and programmes to all actors; the website contains extensive basic information and topical material on the two assessment types <a href="http://www.ymparisto.fi/default.asp?node=467&amp;lan=fi">http://www.ymparisto.fi/default.asp?node=467&amp;lan=fi</a></p> <p>EIA support material; guides actors in implementing high-quality EIAs, intended in particular for contact authorities directing the EIA procedure (ELY Centres) but also for those responsible for projects, consultants preparing EIAs and citizens and other parties taking part in the EIA procedure <a href="http://www.ymparisto.fi/default.asp?node=14140&amp;lan=fi">http://www.ymparisto.fi/default.asp?node=14140&amp;lan=fi</a></p> <p>Support material for assessing plans and programmes of public authorities; the material is intended to support practical assessment of the environmental impacts of plans and programmes of public authorities and the implementation of the act on the environmental impact assessment of plans and programmes. <a href="http://www.ymparisto.fi/default.asp?contentid=139960&amp;lan=fi">http://www.ymparisto.fi/default.asp?contentid=139960&amp;lan=fi</a></p> <p>Every year, the Ministry of the Environment organises a</p>

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				<p>two-day seminar for persons handling EIA contact authority duties and tasks related to assessing the impacts of plans and programmes of public authorities at the ELY Centres (incl. statements on environmental impact assessments).</p> <p>In March 2012, the Ministry of the Environment organised a SOVA seminar aiming to support actors in applying the assessments of impacts of plans and programmes in central government. The event was intended for central and regional government officials responsible for assessing the environmental impacts of plans and programmes of public authorities or taking part in the assessments and for consultants. For example, information on plans related to the new EU programming period was disseminated at the event, which was attended by some 40 persons.</p> <p>A seminar titled "Sustainable development – A good environment, a good life" for Structural Funds actors was held by the Ministry of Employment and the Economy on 29 August 2012 (Helsinki, Paasitorni), theme issue of the Structural Funds newsletter on 29 August 2012.</p> <p>The Ministry of the Environment actively informs those responsible for tasks related to EIAs/EIAs of plans and programmes of public authorities at the ELY Centres about current issues in this area.</p> <p>The EIA procedure and the EIA procedure for a plan or a programme of public authorities concerning the Rural Development Fund's Rural Development Programme for Mainland Finland will be implemented in 2013.</p>
	G6.b) Arrangements for training and dissemination of information for staff involved in the implementation of the EIA and SEA Directives	Yes	See G6.a	See G6.a
	G6.c) Arrangements to ensure sufficient administrative capacity	Yes	See G6.a	See G6.a
G7) Statistical systems and result indicators: the existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively	G7.a) Arrangements for timely collection and aggregation of statistical data with the following elements are in place: the identification of sources and mechanisms to ensure statistical validation	Yes	<p>Statistics Finland: <a href="http://www.tilastokeskus.fi">http://www.tilastokeskus.fi</a></p> <p>Tike: <a href="http://www.mmmtike.fi/www/fi/index.php">http://www.mmmtike.fi/www/fi/index.php</a></p> <p>EURA2007 information system: <a href="http://www.eura2007.fi">http://www.eura2007.fi</a>; <a href="http://www.rakennerahastot.fi">http://www.rakennerahastot.fi</a></p> <p>Public information portal: <a href="https://www.eura2007.fi/rttiepa/">https://www.eura2007.fi/rttiepa/</a></p> <p>see information below</p> <p>Project register: <a href="http://www.mavi.fi/fi/index/tietopalvelut/hankerekisteri2007-2013.html">http://www.mavi.fi/fi/index/tietopalvelut/hankerekisteri2007-2013.html</a></p> <p>HYRRÄ brochure: <a href="http://www.mavi.fi/attachments/mavi/maaseudunrahoitus/6HoA628Rz/mavi-hyrra_esite_83x160_web.pdf">http://www.mavi.fi/attachments/mavi/maaseudunrahoitus/6HoA628Rz/mavi-hyrra_esite_83x160_web.pdf</a></p> <p>HYRRÄ introduction: <a href="http://www.mavi.fi/fi/index/maaseudunrahoitus/hyrra_palvelu.html">http://www.mavi.fi/fi/index/maaseudunrahoitus/hyrra_palvelu.html</a></p>	<p>Statistics Finland, which was inaugurated in 1865, is the only Finnish authority established for the express purpose of keeping statistics. It produces the majority of official statistics in Finland and is an important international actor in the field of statistics. Some one thousand experts of various areas work for Statistics Finland. Its head office is located in Helsinki, and it has branch offices in Turku, Tampere, Seinäjoki and Oulu.</p> <p>The statistics on R&amp;D activities collected by Statistics Finland describe the resources spent on research and product and process development. R&amp;D data is scrutinised by sector, province and region. The statistics are based on data collected from various sources. OECD and EU recommendations are followed in the compilation of the statistics.</p> <p>The annual statistics of Statistic Finland's Business Register contain data on businesses, branches and groups</p>

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<p>contribute to desired results, to monitor progress towards results and to undertake impact evaluation.</p>			<p>Vipu – farmer's e-government services: <a href="http://www.mavi.fi/fi/index/viljelijatu/vipu.html">http://www.mavi.fi/fi/index/viljelijatu/vipu.html</a></p> <p>Maaseutu.fi: <a href="http://www.maaseutu.fi/fi/index.html">http://www.maaseutu.fi/fi/index.html</a></p> <p>Rural indicators: <a href="http://www.maaseutu.fi/fi/index/maaseutuverkosto/maaseutuindikaattorit.html">http://www.maaseutu.fi/fi/index/maaseutuverkosto/maaseutuindikaattorit.html</a></p> <p>Tike information service: <a href="http://www.mmmmtike.fi/www/fi/palvelut/tietopalvelut/index.php">http://www.mmmmtike.fi/www/fi/palvelut/tietopalvelut/index.php</a></p> <p>The applicants apply for financing in an open procedure using a pre-designed project application form in the EURA2014 information system. The beneficiaries already describe the measures they plan to complete during the project and the resulting output indicators and qualitative result targets in the application phase. A project that meets the eligibility criteria and has received project funding reports the actual monitoring data whenever a payment application is submitted to the finance provider. The length of the monitoring and payment period may be agreed upon for each specific project. While reporting monitoring data following the instructions issued by the finance provider is the responsibility of the beneficiary, the finance provider checks that the monitoring data is correct before entering them in their information system. The monitoring data must also be approved by the finance provider before a decision can be made on the payment application for the relevant monitoring and payment period and the support paid to the beneficiary. The EURA2014 system has a dedicated monitoring component for administering the production and reporting of monitoring data.</p>	<p>operating in Finland. The data are classified by such categories as sectors, regions and orders of magnitude.</p> <p>The individual level monitoring data for the ESF draws on data produced by Statistics Finland wherever possible, while the rest of the information is collected by the project implementers.</p> <p>Tike, or the Information Centre of the Ministry of Agriculture and Forestry, is one of the four statistics authorities in Finland. Tike produces statistics on agriculture and the food chain.</p> <p>The Guidance Document on monitoring and evaluation from April 2013 of the European Commission's DG for Regional and Urban Policy was exploited in the preparation of the ERDF result indicators. During programme preparation, particular attention was focused on well-functioning intervention logic.</p> <p>The backdrop for the preparation of the ESF result indicators was the Guidance Document on monitoring and evaluation from February 2013 of the evaluation unit of the European Commission's DG Employment. During programme preparation, particular attention was focused on well-functioning intervention logic.</p> <p>The result indicators will be chosen to reflect key programme objectives. They will also be linked to the activities to be supported: in other words, the RPD measures will also influence the result indicator values. The result indicator values will also be affected by external factors, including the general economic situation. In the course of programme evaluation, an effort will be made to examine the impacts of programme measures on the realisation of each result indicator.</p> <p>As the result indicators are in keeping with the activities to be supported, or programme measures, the project selection criteria will ensure that the project promotes the desirable change described by the result indicator in the regions. The result indicators thus also motivate regional project preparation, as they underscore the desired change in the regions.</p> <p>The target levels of the result indicators are estimated on the basis of their initial levels. The initial levels are determined based on the most recent regional level statistics that are available. When setting the target level, the annual programme funding in the region allocated to the relevant axis and investment priorities is taken into consideration. The experiences previously gathered of the impacts of EU support on similar measures are also accounted for. The parties carrying out the ex-ante evaluation of the programme also contribute to the setting of the target levels.</p> <p>Programme authorities both in the regions and in the central government have actively participated in preparing the result indicators, and also in the setting of their initial and target levels. This ensures that the parties' ideas and understanding of the indicators are consistent as the programme is being implemented. This is of key importance, also to ensure that the various parties agree upon the desired change in the region, and thus also have a common desired state concerning the projected change and its direction. Regarding the ERDF, the arrangements concerning the publication of and public access to aggregated data will be finalised during the year</p>
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				<p>2015.</p> <p>In the building of the HYRRÄ eService, the result indicator system to be used in the period 2014—2020 will be taken into account. The information required to describe the results will be obtained from the beneficiaries and saved. The existing information registers will be exploited as much as possible. Business IDs, for example, can be used to link funding information to other company details. Regarding the EARDF, the arrangements concerning the publication of and public access to aggregated data will be finalised during the year 2015.</p> <p>IACS will be updated and consistent with the new programming period as the programme is completed.</p> <p>In co-operation with statistics authorities, it will be ensured that the regional division used in connection with societal indicators can be made at an adequate level of precision.</p> <p>In Finland, rakennerahastot.fi is a service portal for applicants for European Regional Development Fund (ERDF) and European Social Fund (ESF) financing, authorities and all those interested in EU funding. The information provided through the service portal will be updated continuously, and the data will be publicly accessible.</p> <p>During the new programming period, the EURA2014 information system will be a browser-based system intended for the administration of projects co-financed by the European Social Fund and the European Regional Development Fund to be used by project applicants and implementers as well as by the funding authorities. The information system will be used to submit and administrate project applications, project decisions, payment applications, monitoring data and final reports, and the production of reporting data that describe the implementation of Structural Funds operations for the European Commission and national purposes. The information system will be undergoing constant development in order to meet the needs of the new programming period.</p> <p>The system features a section intended for project applicants and implementers and a section intended for the authorities administrating projects. Through services designed for them, project applicants and implementers can maintain and edit the data in their application/project. The authorities administrating the project have access to the data of the projects they are managing. The system section intended for the authorities contains plenty of information related to project administration and funding which, while not publicly visible, is not confidential. Confidential information includes the personal identity codes of individual applicants and certain business support project data imported from the Tuki 2000 system. Fully public information on some of the data in the EURA 2014 system will be published in the Structural Funds information service.</p> <p>Tike Information Service will serve customers in their information needs concerning farming, rural areas and the food sector. The Information Service produces reports and other information products from administrative and statistical registers and other information sources.</p>
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	G7.b) Arrangements for timely collection and aggregation of statistical data with the following elements are in place: arrangements for publication and public availability of aggregated data	No	See G7.a	See G7.a
	G7.c) An effective system of result indicators including: the selection of result indicators for each programme providing information on what motivates the selection of policy actions financed by the programme	Yes	See G7.a	See G7.a
	G7.d) An effective system of result indicators including: the establishment of targets for these indicators	Yes	See G7.a	See G7.a
	G7.e) An effective system of result indicators including: the consistency of each indicator with the following requisites: robustness and statistical validation, clarity of normative interpretation, responsiveness to policy, timely collection of data	Yes	See G7.a	See G7.a
	G7.f) Procedures in place to ensure that all operations financed by the programme adopt an effective system of indicators	Yes	See G7.a	See G7.a
P3.1) Risk prevention and risk management:	P3.1.a) A national or regional risk assessment with	Yes	Risk assessment by the Finnish Food Safety Authority: <a href="http://www.evira.fi/portal/fi/tietoa+evirasta/esittely/toiminta/riskinarviointi/">http://www.evira.fi/portal/fi/tietoa+evirasta/esittely/toiminta/riskinarviointi/</a>	While Finland has as yet not completed the report on national risk assessment requested from EU Member States and four other countries, key risk assessments



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the existence of national or regional risk assessments for disaster management taking into account climate change adaptation	the following elements is in place: a description of the process, methodology, methods and non-sensitive data used for risk assessment as well as of the risk-based criteria for the prioritisation of investment;		Decision listing significant flood risk areas: <a href="http://www.mmm.fi/fi/index/etusivu/vesivarat/tulvien_torjunta.html">http://www.mmm.fi/fi/index/etusivu/vesivarat/tulvien_torjunta.html</a>  Finland's National Strategy for Adaptation to Climate Change: <a href="http://www.mmm.fi/attachments/mmm/julkaisut/julkaisusarja/5entWjJi/MMMjulkaisu2005_1.pdf">http://www.mmm.fi/attachments/mmm/julkaisut/julkaisusarja/5entWjJi/MMMjulkaisu2005_1.pdf</a>	concerning the contents of the Rural Development Programme have been produced regarding crop risks, flood risks, climate change, animal and plant diseases as well as food safety.  In Finland, flood risk management is guided by the Flood Risk Management Act and Decree. So far, no major flood damages have been recorded in Finland, but in the future, extreme weather events, including storms and floods, are expected to become more common, and we thus also must prepare for exceptional floods. The primary objective is to protect communities from floods. The authorities will focus on maintaining water system structures and their safety and the smooth running of preventive actions and rescue services in the event of floods as part of their official duties. The creation of new vulnerable sites in areas prone to flooding will be prevented by means of land use planning and other guidance of construction. On 20 December 2011, the Ministry of Agriculture and Forestry named areas where the risks caused by floods in water bodies or the sea are considered significant. For these flood risk areas, flood maps and plans for managing flood risks will be drawn up. The flood status and warnings can be monitored on the ymparisto.fi web services (see the links "Elsewhere on the web"). In order to compensate for the costs of flood damages, private households may take out voluntary flood insurance.  Valid national legislation applies to foods, identification marking and registration of animals, plant protection products, feeds, notification of animal diseases and animal welfare.  In particular, an effort is being made to prevent the harmful effects of farming on water systems by means of a Nitrates Decree, which is enforced nationwide.
	P3.1.b) A national or regional risk assessment with the following elements is in place: A description of single-risk and multi-risk scenarios;	Yes	See P3.1.a	See P3.1.a
	P3.1.c) A national or regional risk assessment with the following elements shall be in place: Taking into account, where appropriate, national climate change adaptation strategies.	Yes	See P3.1.a	See P3.1.a
P4.1) Good Agricultural and Environmental Condition (GAEC): standards for good agricultural and	P4.1.a) GAEC standards are defined in national law and specified in the programmes	Yes	Rural Development Programme for Mainland Finland 2014–2020	The requirements of the ex-ante conditionality form the baseline for several Rural Development Programme measures. For a description of the baseline requirements, see section 8.1 of the programme document. In the event that changes are made in the baseline requirements, changes in the programme will also ensue.

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environmental condition of land referred to in Chapter I of Title VI of Regulation (EU) No 1306/2013 are established at national level				
P4.2) Minimum requirements for fertilisers and plant protection products: minimum requirements for fertilisers and plant protection products referred to in Article 28 of Chapter I of Title III of Regulation (EU) No 1305/2013 are defined at national level	P4.2.a) Minimum requirements for fertilisers and plant protection products referred to in Chapter I of Title III of Regulation (EU) No 1305/2013 are specified in the programmes;	Yes	Rural Development Programme for Mainland Finland 2014–2020	The requirements of the ex-ante conditionality form the baseline for several Rural Development Programme measures. For a description of the baseline requirements, see section 8.1 of the programme document. In the event that changes are made in the baseline requirements, changes in the programme will also ensue.
P4.3) Other relevant national standards: relevant mandatory national standards are defined for the purpose of Article 28 of Chapter I of Title III of Regulation (EU) No 1305/2013	P4.3a) Relevant mandatory national standards are specified in the programmes	Yes	Rural Development Programme for Mainland Finland 2014–2020	The requirements of the ex-ante conditionality form the baseline for several Rural Development Programme measures. For a description of the baseline requirements, see section 8.1 of the programme document. In the event that changes are made in the baseline requirements, changes in the programme will also ensue.
P5.1) Energy efficiency: actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings	P5.1a) Measures to ensure minimum requirements are in place related to the energy performance of buildings consistent with Articles 3, 4 and 5 of Directive 2010/31/EU of the European Parliament and the Council.	Yes	<p>The National Building Code applicable to the implementation of the EPBD Directive: <a href="http://www.ym.fi/fi-FI/Maankaytto_ja_rakentaminen/Lainsaadanto_ja_ohjeet/Rakentamismaarayskokoelma/Suomen_rakentamismaarayskokoelma(3624)">http://www.ym.fi/fi-FI/Maankaytto_ja_rakentaminen/Lainsaadanto_ja_ohjeet/Rakentamismaarayskokoelma/Suomen_rakentamismaarayskokoelma(3624)</a></p> <p>Decree on renovations: <a href="http://www.ym.fi/download/noname/%7B924394EF-BED0-42F2-9AD2-5BE3036A6EAD%7D/31396">http://www.ym.fi/download/noname/%7B924394EF-BED0-42F2-9AD2-5BE3036A6EAD%7D/31396</a></p> <p>Decree on new buildings: <a href="http://www.finlex.fi/data/normit/37188-D3-2012_Suomi.pdf">http://www.finlex.fi/data/normit/37188-D3-2012_Suomi.pdf</a></p> <p>A summary of the legislative reform concerning energy certificates: <a href="http://energiatodistus.motiva.fi/uutiset/motivaneuvoorakennuksenenergiatodistuksesta03062013/">http://energiatodistus.motiva.fi/uutiset/motivaneuvoorakennuksenenergiatodistuksesta03062013/</a></p> <p>Exemptions for farm buildings and greenhouses: <a href="http://www.finlex.fi/fi/laki/alkup/2013/20130050">http://www.finlex.fi/fi/laki/alkup/2013/20130050</a></p>	<p>The aim of the legislation on the energy performance of buildings is to promote energy efficiency and the use of renewable energy, to reduce energy use in buildings and to reduce CO2 emissions.</p> <p>Buildings account for some 40% of the total energy consumption in Finland. The majority of energy consumption in buildings relates to residential, office and public service buildings. The aim of the legislation on the energy performance of buildings is to promote energy efficiency and the use of renewable energy, to reduce energy use in buildings and to reduce CO2 emissions. These statutes implement the Energy Performance of Buildings Directive while promoting Finland's own objectives of improving energy efficiency.</p> <p>Good energy efficiency in a building reduces its life time costs and controls the rise in housing costs as energy prices increase. Better energy efficiency often also improves the comfort of living.</p> <p>Provisions on the energy efficiency of buildings are contained in the Land Use and Building Act (132/1999) and Decree, and in the National Building Code issued by virtue of the Act. The Act on Energy Efficiency Certificates (50/2013) implements the Directive of the European Parliament and of the Council on the energy performance of buildings (2010/31/EU) for the parts that regard energy performance certificates.</p>

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				<p>The owner of the building has the responsibility to obtain an energy efficiency certificate. The obligation to present an energy efficiency certificate in connection with new buildings and when selling or letting a building will be introduced in stages from 2013. Residential buildings are already covered by the Act, which will be applicable to business premises and office buildings from 1 July 2014, and to buildings intended for care provision, provision of instruction and public meetings from 1 July 2015. The energy certificate and the related obligations do not apply to buildings with a total floor area of less than 50 square metres, temporary buildings or buildings with a fixed time of use, holiday houses not used for providing accommodation services, buildings protected under certain acts and conventions, industrial sites, workshops, warehouses, agricultural buildings which have a low energy demand or which are in use by a sector covered by a national sectoral agreement on energy performance, or a greenhouse, civil defence shelter or other buildings where compliance with provisions or regulations on energy performance would unreasonably hinder the use of the building.</p>
	P5.1.b) Measures necessary to establish a system of certification of the energy performance of buildings consistent with Article 11 of Directive 2010/31/EU	Yes	See P5.1.a	See P5.1.a
	P5.1.c) Measures to ensure strategic planning on energy efficiency, consistent with Article 3 of Directive 2012/27 EU of the European Parliament and the Council	Yes	See P5.1.a	See P5.1.a
	P5.1.d) Measures consistent with Article 13 of Directive 2006/32/EC of the European Parliament and the Council on energy end-use efficiency and energy services to ensure the provision to final customers of individual meters in so far as it is technically possible, financially reasonable and proportionate in	Yes	See P5.1.a	See P5.1.a

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	relation to the potential energy savings.			
P5.2) The existence of a) a water pricing policy which provides adequate incentives for users to use water resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water services at a rate determined in the approved river basin management plan for investment supported by the programmes.	P5.2.a) In sectors supported by the EAFRD, a Member State has ensured a contribution of the different water uses to the recovery of the costs of water services by sector consistent with Article 9, paragraph 1 first indent of the Water Framework Directive having regard, where appropriate, to the social, environmental and economic effects of the recovery as well as the geographic and climatic conditions of the region or regions affected	Yes	Use and management of water resources in Finland ( <a href="http://www.mmm.fi/attachments/mmm/julkaisut/esitteet/51q4P8ZmS/MMM_VESiesite09_su_v2.pdf">http://www.mmm.fi/attachments/mmm/julkaisut/esitteet/51q4P8ZmS/MMM_VESiesite09_su_v2.pdf</a> )	Finland is in disagreement with the Commission about whether or not the recovery of the costs of water services in Finland has been ensured in the manner required in Article 9 of the Water Framework Directive (2000/60/EC). Finland has detailed its views on the matter in its responses to the Commission's formal notice and reasoned opinion.
P5.3) Renewable energy: actions have been carried out to promote the production and distribution of renewable energy sources	P5.3.a) Transparent support schemes, priority in grid access or guaranteed access and priority in dispatching, as well as standard rules relating to the bearing and sharing of costs of technical adaptations which have been made public are in place consistent with Article 14(1) and Article 16(2) and (3) of Directive 2009/28/EC	Yes	The National Renewable Energy Action Plan: <a href="http://www.tem.fi/energia/uusiutuvat_energialahteet/raportointi_komissiolle/uusiutuvan_energian_kansallinen_toimintasuunnitelma_(nreap)">http://www.tem.fi/energia/uusiutuvat_energialahteet/raportointi_komissiolle/uusiutuvan_energian_kansallinen_toimintasuunnitelma_(nreap)</a> ; <a href="http://ec.europa.eu/energy/renewables/action_plan_en.htm">http://ec.europa.eu/energy/renewables/action_plan_en.htm</a>	In compliance with Article 4 paragraph 1 of the Directive on the promotion of the use of energy from renewable sources (2009/28/EC), each Member State shall adopt a national renewable energy action plan. The plan contains the required estimates of the Member State's national targets for the final consumption of energy in 2010-2020, targets and developmental pathways concerning energy from renewable sources and policy measures to support the use of renewable energy. It also estimates the share of energy from renewable sources consumed in transport, electricity and heating and cooling in Finland in 2020. The Finnish plan is based on the National Climate and Energy Strategy and the policies on various sources of renewable energy and the required economic instruments set out in the Government's plan for meeting Finland's climate obligations adopted in April. This plan was drafted in co-operation by the Ministry of Employment and the Economy, the Ministry of the Environment and the Ministry of Agriculture and Forestry. The plan is to be complemented in the autumn, for example with information on aids for electricity production. In time, the Commission will assess the national action plans and may issue recommendations concerning them.
	P5.3.b) A Member State has adopted a national renewable energy action plan consistent with Article 4 of Directive 2009/28/EC	Yes	See P5.3.a	See P5.3.a
P6.1) Next Generation Network (NGN)	P6.1.a) A national or regional NGN Plan is in place	Yes	Broadband for all: <a href="http://www.lvm.fi/web/hanke/laajakaista-kaikille">http://www.lvm.fi/web/hanke/laajakaista-kaikille</a>	A government resolution on a national broadband project was adopted on 4 December 2008. By the end of 2015, almost all (over 99% of the population) permanent

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<p>Infrastructure: the existence of national or regional NGA Plans which take account of regional actions in order to reach the Union high-speed Internet access targets, focusing on areas where the market fails to provide an open infrastructure at an affordable cost and of a quality in line with the Union competition and State aid rules and to provide accessible services to vulnerable groups.</p>	<p>that contains: a plan of infrastructure investments based on an economic analysis taking account of existing private and public infrastructures and planned investments</p>			<p>residences and permanent branches of government organisations will be no further than two kilometres away from an optic fibre or cable network that enables Internet access at a speed of 100 Mbit/s. The consumers will obtain subscriber connections at their cost from the operator of their choice. In urban areas, high-speed connections will be provided by operators on commercial terms. A population coverage of some 95% will thus be achieved. A precondition for increasing the population coverage further to 99% is that high-speed connections will be built for some 130,000 households in rural areas partly on public support.</p>
	<p>P6.1.b) A national or regional NGN Plan is in place that contains: sustainable investment models that enhance competition and provide access to open, affordable, quality and futureproof infrastructure and services;</p>	<p>Yes</p>	<p>See P6.1.a</p>	<p>See P6.1.a</p>
	<p>P6.1.c) A national or regional NGN Plan is in place that contains: measures to stimulate private investment</p>	<p>Yes</p>	<p>See P6.1.a</p>	<p>See P6.1.a</p>

6.2.1. List of actions to be taken for general ex-ante conditionalities

Applicable ex ante conditionality at the national level	Criteria not fulfilled	Action to be taken	Deadline	Bodies responsible for fulfilment
G7) Statistical systems and result indicators: the existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.	G7.b) Arrangements for timely collection and aggregation of statistical data with the following elements are in place: arrangements for publication and public availability of aggregated data	Creating a statistical system for CAP impact indicators in Tike.  Building and developing information systems that respond to the monitoring needs in programming period 2014–2020.	30 March 2015	The Agency for Rural Affairs, Tike and the Ministry of Agriculture and Forestry

6.2.2. List of actions to be taken for priority-linked ex-ante conditionalities

Applicable ex ante conditionality at the national level	Criteria not fulfilled	Action to be taken	Deadline	Bodies responsible for fulfilment
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## 7. DESCRIPTION OF THE PERFORMANCE FRAMEWORK

### 7.1. Indicators

Priority	Applicable	Indicator and measurement unit, where appropriate	Target 2023 (a)	Adjustment top-ups (b)	Milestone 2018 % (c)	Milestone absolute value (a-b)*c
P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and sustainable management of forest	X	Total public expenditure P2 (EUR)	1,024,400,000.00	675,200,000.00	20%	69,840,000.00
	X	Number of agricultural holdings with RDP support for investment in restructuring or modernisation (focus area 2A) + holdings with RDP supported business development plan/investment for young farmers (focus area 2B)	9,700.00	5,250.00	20%	890.00
P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture		Number of supported agricultural holdings receiving support for participating in quality schemes, local markets/short supply circuits, and producer groups (focus area 3A)	5,000.00			
		Number of agricultural				



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		holdings participating in risk management schemes (focus area 3B)				
	X	Total public expenditure P3 (EUR)	559,000,000.00		30%	167,700,000.00
	X	Total public expenditure P4 (EUR)	5,699,531,757.00	1,924,000,000.00	50%	1,887,765,878.50
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry	X	Agricultural land under management contracts contributing to biodiversity (ha) (focus area 4A) + improving water management (ha) (focus area 4B) + improving soil management and/preventing soil erosion (ha) (focus area 4C)	2,255,000.00		78%	1,758,900.00
P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors		Agricultural and forest land under management to foster carbon sequestration/conservation (ha) (focus area 5E) + Agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (ha) (focus area 5D) + Irrigated land				

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		switching to more efficient irrigation system (ha) (focus area 5A)				
	X	Number of investment operations in energysavings and efficiency (focus area 5B) + in renewable energy production (focus area 5C)	455.00		20%	91.00
	X	Total public expenditure P5 (EUR)	150,400,000.00	47,800,000.00	20%	20,520,000.00
P6: Promoting social inclusion, poverty reduction and economic development in rural areas		Number of operations supported to improve basic services and infrastructures in rural areas (focus areas 6B and 6C)	600.00			
	X	Total public expenditure P6 (EUR)	762,000,000.00		20%	152,400,000.00
	X	Population covered by LAGs (focus area 6B)	1,800,000.00		80%	1,440,000.00

7.1.1. P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and sustainable management of forest

*7.1.1.1. Total public expenditure P2 (EUR)*

Applicable: Yes

Target 2023 (a): 1,024,400,000.00

Adjustment top-ups (b): 675,200,000.00

Milestone 2018 % (c): 20%

Milestone absolute value (a-b)\*c: 69,840,000.00

Justification for milestone setting:

Indicators in the performance framework for priority 2 represent 82% of its financial framework. In the setting of the milestone, the number of projects completed by the end of 2011 was taken into account.

*7.1.1.2. Number of agricultural holdings with RDP support for investment in restructuring or modernisation (focus area 2A) + holdings with RDP supported business development plan/investment for young farmers (focus area 2B)*

Applicable: Yes

Target 2023 (a): 9,700.00

Adjustment top-ups (b): 5,250.00

Milestone 2018 % (c): 20%

Milestone absolute value (a-b)\*c: 890.00

Justification for milestone setting:

The milestone for the number of agricultural holdings with RDP support was set on the basis of the actual figures of the past period and the expected increase in investment needs. In the setting of the milestone, the number of projects completed by the end of 2011 was taken into account.

The number of holdings having received start up support for young farmers was estimated based on the actual figures of the past period. The age structure of farmers at the beginning of the programming period was also considered. In the setting of the milestone, the number of projects completed by the end of 2011 was taken into account.

*Unofficial translation*

7.1.2. P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

*7.1.2.1. Number of supported agricultural holdings receiving support for participating in quality schemes, local markets/short supply circuits, and producer groups (focus area 3A)*

Applicable: No

Target 2023 (a): 5,000.00

Adjustment top-ups (b):

Milestone 2018 % (c):

Milestone absolute value (a-b)\*c: 0.00

Justification for milestone setting:

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*7.1.2.2. Number of agricultural holdings participating in risk management schemes (focus area 3B)*

Applicable: No

Target 2023 (a): 0.00

Adjustment top-ups (b):

Milestone 2018 % (c):

Milestone absolute value (a-b)\*c: 0.00

Justification for milestone setting:

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*7.1.2.3. Total public expenditure P3 (EUR)*

Applicable: Yes

Target 2023 (a): 559,000,000.00

Adjustment top-ups (b):

Milestone 2018 % (c): 30%

Milestone absolute value (a-b)\*c: 167,700,000.00

Justification for milestone setting:

Indicators in the performance framework for priority 3 represent 82% of its financial framework. In the setting of the milestone, the number of projects completed by the end of 2011 was taken into account. It was also estimated that the majority of livestock farms will select a measure in the early part of the programming period.
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7.1.3. P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry

7.1.3.1. Total public expenditure P4 (EUR)

Applicable: Yes

Target 2023 (a): 5,699,531,757.00

Adjustment top-ups (b): 1,924,000,000.00

Milestone 2018 % (c): 50%

Milestone absolute value (a-b)\*c: 1,887,765,878.50

Justification for milestone setting:

Indicators in the performance framework for priority 4 represent 51% of its financial framework. It is assumed that the majority of farmers will select measures in the early part of the programming period.

7.1.3.2. Agricultural land under management contracts contributing to biodiversity (ha) (focus area 4A) + improving water management (ha) (focus area 4B) + improving soil management and/preventing soil erosion (ha) (focus area 4C)

Applicable: Yes

Target 2023 (a): 2,255,000.00

Adjustment top-ups (b):

Milestone 2018 % (c): 78%

Milestone absolute value (a-b)\*c: 1,758,900.00

Justification for milestone setting:

The number of farms committed to organic production is expected to show a steady increase during the programming period.

The number of farmers committed to environment payments is expected to follow the trends registered so far. It is assumed that the majority of farmers will commit to a measure in the early part of the programming period.

7.1.4. P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

7.1.4.1. Agricultural and forest land under management to foster carbon sequestration/conservation (ha) (focus area 5E) + Agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (ha) (focus area 5D) + Irrigated land switching to more efficient irrigation system (ha) (focus area 5A)

Applicable: No

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Target 2023 (a): 0.00

Adjustment top-ups (b):

Milestone 2018 % (c):

Milestone absolute value (a-b)\*c: 0.00

Justification for milestone setting:

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*7.1.4.2. Number of investment operations in energy savings and efficiency (focus area 5B) + in renewable energy production (focus area 5C)*

Applicable: Yes

Target 2023 (a): 455.00

Adjustment top-ups (b):

Milestone 2018 % (c): 20%

Milestone absolute value (a-b)\*c: 91.00

Justification for milestone setting:

In the setting of the milestone, the number of projects completed by the end of 2011 was taken into account.
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*7.1.4.3. Total public expenditure P5 (EUR)*

Applicable: Yes

Target 2023 (a): 150,400,000.00

Adjustment top-ups (b): 47,800,000.00

Milestone 2018 % (c): 20%

Milestone absolute value (a-b)\*c: 20,520,000.00

Justification for milestone setting:

Indicators in the performance framework for priority 5 represent 64% of its financial framework.
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*7.1.5. P6: Promoting social inclusion, poverty reduction and economic development in rural areas*

*7.1.5.1. Number of operations supported to improve basic services and infrastructures in rural areas (focus areas 6B and 6C)*

Applicable: No

Target 2023 (a): 600.00

Adjustment top-ups (b):

*Unofficial translation*

Milestone 2018 % (c):

Milestone absolute value (a-b)\*c: 0.00

Justification for milestone setting:

*7.1.5.2. Total public expenditure P6 (EUR)*

Applicable: Yes

Target 2023 (a): 762,000,000.00

Adjustment top-ups (b):

Milestone 2018 % (c): 20%

Milestone absolute value (a-b)\*c: 152,400,000.00

Justification for milestone setting:

Indicators in the performance framework for priority 6 represent 73% of its financial framework.

*7.1.5.3. Population covered by LAGs (focus area 6B)*

Applicable: Yes

Target 2023 (a): 1,800,000.00

Adjustment top-ups (b):

Milestone 2018 % (c): 80%

Milestone absolute value (a-b)\*c: 1,440,000.00

Justification for milestone setting:

Local action groups will be selected at the beginning of the programming period, and the population figures in the operating area will be met immediately. The expected reduction in the rural population affects the milestone setting.

## 7.2. Alternative indicators

Priority	Applicable	Indicator and measurement unit, where appropriate	Target 2023 (a)	Adjustment top-ups (b)	Milestone 2018 % (c)	Milestone absolute value (a-b)*c
P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture	X	Number of farms with an animal welfare commitment (number of supported holdings)	4,500.00		80%	3,600.00
P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors	X	Number of investments in the reduction of greenhouse gas emissions (number of holdings)	455.00		20%	91.00
P6: Promoting social inclusion, poverty reduction and economic development in rural areas	X	Number of companies having received start-up support or support for an investment in non-agricultural business in rural areas	5,500.00		20%	1,100.00



7.2.1. P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

*7.2.1.1. Number of farms with an animal welfare commitment (number of supported holdings)*

Applicable: Yes

Target 2023 (a): 4,500.00

Adjustment top-ups (b):

Milestone 2018 % (c): 80%

Milestone absolute value (a-b)\*c: 3,600.00

Justification for milestone setting:

Indicators in the performance framework for priority 3 represent 82% of its financial framework. In the setting of the milestone, the number of projects completed by the end of 2011 was taken into account. It was also estimated that the majority of livestock farms will select a measure in the early part of the programming period.

The milestone for the number of farms with a commitment on animal welfare was based on the assumption that the share of those committing to the measure of all livestock farms will increase. However, one-third reduction in the number of livestock farms is expected to take place by 2020, which makes the estimation of farms committing to the measure difficult. It is assumed that the majority of livestock farms will commit to the measure in the early part of the programming period.

7.2.2. P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

*7.2.2.1. Number of investments in the reduction of greenhouse gas emissions (number of holdings)*

Applicable: Yes

Target 2023 (a): 455.00

Adjustment top-ups (b):

*Unofficial translation*

Milestone 2018 % (c): 20%

Milestone absolute value (a-b)\*c: 91.00

Justification for milestone setting:

Indicators in the performance framework for priority 5 represent 64% of its financial framework.

In the setting of the milestone, the number of projects completed by the end of 2011 was taken into account.

7.2.3. P6: Promoting social inclusion, poverty reduction and economic development in rural areas

*7.2.3.1. Number of companies having received start-up support or support for an investment in non-agricultural business in rural areas*

Applicable: Yes

Target 2023 (a): 5,500.00

Adjustment top-ups (b):

Milestone 2018 % (c): 20%

Milestone absolute value (a-b)\*c: 1,100.00

Justification for milestone setting:

In the setting of the milestone, the number of projects completed by the end of 2011 was taken into account.

### 7.3. Reserve

Priority	Total union contribution planned (€)	Total union contribution planned (€) subject to the performance reserve	Performance reserve (€)	Min performance reserve (Min 5%)	Max performance reserve (Max 7%)	Performance reserve rate
P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and sustainable management of forest	146,664,000.00	148,514,372.41	7,426,000.00	7,425,718.62	10,396,006.07	5%
P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture	234,780,000.00	237,742,079.54	11,888,000.00	11,887,103.98	16,641,945.57	5%
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry	1,585,723,338.00	1,605,729,465.70	103,881,960.00	80,286,473.29	112,401,062.60	6.47%
P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors	43,092,000.00	43,635,666.12	2,182,000.00	2,181,783.31	3,054,496.63	5%

*Unofficial translation*

P6: Promoting social inclusion, poverty reduction and economic development in rural areas	320,040,000.00	324,077,754.23	16,204,000.00	16,203,887.71	22,685,442.80	5%
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## 8. DESCRIPTION OF EACH OF MEASURES SELECTED

### 8.1. Description of the general conditions applied to more than one measure including, when relevant, definition of rural area, baselines, cross-compliance, intended use of financial instruments, intended use of advances and common provisions for investments, including provisions in Articles 45 and 46 of Regulation (EU) No 1305/2013

#### *Baseline for measures based on area and livestock units*

The baseline refers to a level of compliance that is expected of the beneficiary without compensation. In environment payments and organic production, the baseline consists of the cross-compliance conditions, requirements of maintaining an agricultural area in Article 4 of Regulation (EU) No 1306/2013, minimum requirements concerning fertilizer and plant protection products, and possible other requirements under national legislation. The cross-compliance conditions consist of statutory management requirements where the required standard is national legislation adopted by virtue of the directives included in the cross-compliance conditions and standards of a good agricultural and environmental condition (Tables 8.1 a and b). For a more detailed description of the baseline requirements, see under each individual measure. In addition, the fact that payments may not be made for compliance with the requirements of direct supports' greening payments was taken into account when calculating the payment levels of the measures. In animal welfare payments, the baseline consists of cross-compliance conditions and certain requirements of the national legislation, which are described under each measure where relevant.

#### *Eligible area and eligibility conditions for area-based payments*

In natural constraint payments, in environment commitments undertaken as part of the environment payment scheme, and in commitments on organic production, agricultural area that was eligible in 2013 for natural constraint payments or environment payments and that will be an agricultural area referred to in Article 4 of Regulation (EU) No 1307/2013 in 2015 will be regarded as eligible. Additionally, as from 2015, certain specifically defined areas that were agricultural areas in 2014 will also be regarded as eligible areas. Eligibility will be defined as a permanent feature of these areas, provided that they are maintained as agricultural areas. In the interest of mitigating climate change, non-eligible arable land cleared since 2004 will not be accepted as eligible areas.

The minimum area under environment commitments in the environment payment scheme and commitments on organic production is 5 hectares of arable land or, in case of horticultural production, 1 hectare of area under horticulture plants.

Natural constraint payments will be made annually for the eligible area notified in the support application. In order to maintain the good agricultural condition of the farm, the share of fallow land and nature management field grasslands may at maximum be 25%. Payments may also be made for eligible areas where the plants do not produce a crop in the first year of cultivation. Permanent grasslands may also be eligible.

A beneficiary having made an environment commitment in the environment payment scheme, a commitment on organic production, or an environmental contract in the environment payment scheme must submit a payment application each year. Payments will be made per eligible area covered by the commitment or the contract, following the conditions and restrictions separately set out in case of each measure. Payments may also be made for eligible areas where the plants do not produce a crop in the first

year of cultivation. In case of an environment commitment, payments will only be made for agricultural land where the form of land use is arable land. In environment contracts, the eligible area will be defined according to the objectives and eligibility conditions of the measure by the ELY Centre in a discretionary procedure. Environment contracts may thus also cover other areas than agricultural land. Under environment contracts, payments are made per area under the contract.

The beneficiary must notify the relevant authority about any changes in their circumstances that affect the payment conditions.

#### *Environment commitments and contracts and commitments on organic production*

Commitments concerning environment payments are administrated by the rural industrial development authorities in local government co-management areas. Environment contracts and commitments on organic production are administrated by the ELY Centres.

The period of the commitments and contracts is five years. At the end of the commitment period, it may be extended one year at a time. A contract may be similarly extended. The area covered by the commitment or the contract may be increased, if this is appropriate in terms of achieving the objectives of the measure. The possibility of increasing the area may be restricted on the basis of the length of the remaining commitment or contract period and the available funding.

The support amount and conditions may be adjusted during the commitment or contract period if this is warranted by amendments in European legislation, changes in baseline requirements, or in order to prevent double payments. If this adjustment is not acceptable to the beneficiary, they may discontinue the commitment or the contract. In that case, repayments will not be required.

Approval of the commitment or the contract may be denied or the payment refused if, in order to receive a payment, a circumstance or an operation has been presented in a form that does not meet the actual nature or purpose of the measure, or the applicant has recently given up a similar contract. A contract may be cancelled if the beneficiary has concealed essential information that affects the conclusion of the contract or provided information that is materially incorrect, or the beneficiary is guilty of a material violation of the contract conditions.

#### *Restrictions related to measures concerning environment payments (M10), organic production (M11) and animal welfare payments (M14)*

Operations under the measures environment payments (M10), organic production (M11) and animal welfare payments (M14) may be combined, excluding the following restriction:

Restrictions applicable to environment payments and organic production:

- The operation concerning alternative plant protection for horticulture plans may not be selected by a beneficiary with a commitment on organic farming.
- In the operation concerning biodiversity in agricultural environments a beneficiary with a commitment on organic production is not eligible for grassland for green manure payments.
- A beneficiary with a commitment on organic production is not eligible for payments under the operation concerning the incorporation of liquid manure into soil for the spreading of slurries or liquid fertilizer products that are banned in organic production.

- A beneficiary with a commitment on organic production is not eligible for payments in the operation concerning the recycling of nutrients and organic matter for the spreading of slurries or liquid fertilizer products that are banned in organic production.

Restrictions applicable to organic livestock production and animal welfare payments:

- If the farm has a commitment on organic livestock production, it cannot choose the conditions concerning the grazing and outdoor access of bovines.
- If the farm has a commitment on organic livestock production for pigs, it cannot choose the conditions concerning outdoor access of dry sows and gilts.
- If the farm has a commitment on organic livestock production for pigs, it cannot choose the condition concerning improving the conditions in which sows and gilts are kept.
- If the farm has a commitment on organic livestock production for pigs, it cannot choose the conditions concerning improved farrowing conditions.
- If the farm has a commitment on organic livestock production for pigs, it cannot choose the condition concerning bedding in pens for weaned piglets and fattening pigs.
- If the farm has a commitment on organic livestock production for sheep or goats, the additional conditions concerning the grazing and outdoor access of sheep and goats cannot be selected.
- If the farm has a commitment on organic livestock production for poultry, it cannot choose the conditions for outdoor access of poultry.

*Discontinuation, adjustment, transfer and expiry of a commitment or a contract*

Discontinuation, adjustment, transfer and expiry of a commitment or a contract is possible in cases cited in Article 2(2) of Regulation (EU) No 1306/2013 and pursuant to provisions in Article 47 of Regulation (EU) No 1305/2013, the Delegated Acts and Implementing Regulations that contain more detailed provisions relevant to these and what is stated below.

Commitments and contracts may be adjusted in terms of the area, number of animals and selected measures if the commitment or the contract is transferred because of a change of generation or ownership of the entire farm, or in a situation referred to in Article 47 of Regulation 1305/2013, where part of the holding is transferred to another person, or if the farm changes its type of production, or other similar reasons exist for the adjustment. Similarly, the area and number of animals for which natural constraint payments are being made may be adjusted because of a change of generation or ownership of the entire farm, or in a situation referred to in Article 47 of Regulation 1305/2013, where part of the holding is transferred to another person, or if the type of production of the farms changes, or another similar reason exists for the adjustment. If the entire holding is transferred to another person during the period of validity of the commitment/contract, this person may continue the commitment for its remaining period of validity, or the commitment/contract may expire, and the support already paid will not be repayable for the factual duration of the commitment/contract. For the details of situations where the surface area covered by commitments or contracts is reduced or increased, see Tables 8.1.c and d.

If the beneficiary loses part or all of the area covered by the contract, or some or all of their animals, because of a force majeure or exceptional circumstances (Article 2(2) of Regulation 1306/2013), reimbursement of the payments made for the measures will not be required. For the purposes of animal welfare payments, environmental contracts for rearing local breeds, natural constraint payments for livestock farming and a commitment on organic livestock farming, the farmer must give up the

measure/contract selected by him or her and reimburse the payment received for it, barring a force majeure, if the farmer gives up the livestock production on the farm for which the measure was selected/the contract made during the commitment period. This also applies to cases where a change in the circumstances of livestock production on the farm renders the farmer unable to meet the conditions of the selected measure/contract, or the number of animals is reduced to the extent that the minimum number of animals conferring entitlement to the payment in questions is no longer met, and this reduction is other than temporary.

If the beneficiary for an animal welfare payment or an environment contract concerning the rearing of local breeds loses all or some of their animals or has been unable to meet the commitment or contract conditions due to a force majeure or exceptional circumstances, payments will be made in respect of the actions which have been completed and for which additional costs or losses of income have been incurred before the force majeure or exceptional circumstances occurred.

#### *Livestock unit coefficients*

When converting animals into livestock units, the following coefficients will be applied to environment payments for rearing local breeds, organic livestock farming, additional national financing of natural constraint payments and animal welfare payments (Table 8.1 e).

The Member States may increase and, for other types of poultry, also reduce the coefficients in Annex II of Commission Regulation (EU) No 808/2014, taking into account the justifications given in the programme.

To define the coefficients used in the programme, the quantities of phosphorus and nitrogen contained in the manure produced by the animals have been taken into account, which is a straightforward method compared to, for example, labour or space requirements. When comparing sheep and goats to calves and pigs based on the quantities of nitrogen and phosphorus secreted into the manure, the coefficients should be 0.2 for both, and 0.06 for lambs and kids. As regards the coefficients for poultry, the comparison is based on the phosphorus and nitrogen quantities secreted into the manure by a laying hen. When other types of poultry are compared using this coefficient (0.014), the coefficient should be 0.007 for broilers, 0.02 for mother hens of broilers, 0.03 for turkeys and 0.05 for mother birds of turkeys.

#### *Reduction in animal numbers*

In measures where a certain number of livestock units or livestock units per hectare are required, if the animal numbers are reduced to a figure that does not meet the requirement during the commitment period, the commitment will be discontinued and the payment must be reimbursed, excluding in situations where the reduction in animal numbers is temporary. As a temporary reduction in animal numbers is regarded a reduction due to a pause in production required by the selected type of production, renovations to or expansion of the facilities in which the animals are kept, a change in the farm's type of production or other reasons referred to in Article 2(2) of the Regulation (EU) No 1306/2013, or similar reasons.

Reimbursement of payments shall not be required if the number of animals on the farm is reduced for a short period because of a controlled animal disease or if sanitisation is required because of a contagion. In the elimination of contagions that are controlled under law, orders issued by the authorities must be complied with, and in case of other contagions, generally accepted practices must be followed.

#### *Livestock unit numbers per hectare*



The animal numbers are verified in administrative checks based on the animal register, and the numbers are counted on the farms. The monitoring results of voluntary direct payments for coupled support based on livestock units and rural development measures based on livestock units will be taken into account in the livestock numbers.

#### *Rural area*

Geographical data sets covering the entire country are drawn upon in defining the rural area. The Finnish Environment Institute maintains an Urban Structure Monitoring System, in which a time series is being collected in a grid of 250x250 metres covering the entire country. The information is based on the Grid Database of Statistics Finland and the data in the Building and Dwelling Register of the Population Information System. The grid-based data facilitate classifications that are independent of administrative boundaries. These classifications can be complemented with other information that is not dependent on administrative boundaries. The data of the urban-rural classification may be freely downloaded from the OIVA web service.

Discretionary funding under the programme focuses on the rural heartland and sparsely populated rural areas (Annexes: Rural areas by ELY Centre and regional plans).

Under measure 1 (knowledge transfer and information actions), training may be targeted at, and under sub-measures 6.2 and 6.4 (farm and business development), funding for rural enterprises may only be granted for, micro and small enterprises located in a rural area specified at the programme level. The definition of the rural area was prepared in broad-based regional co-operation, it was discussed by the RDP Monitoring Committee, and the applicants can access a map of the area definition on the website [maaseutu.fi](http://maaseutu.fi) and the sites of each ELY Centre.

#### *Selection procedures and application of selection criteria*

For measures M01, M04.2, M06.2 and M06.4, M07 and M16, the approved and published eligibility conditions and selection criteria for each measure, sub-measure or type of operation will be applied in project selection. The public authorisations of the state and the EU to allocate funds from the central government budget for the implementation of measures are granted in accordance with annual frameworks specified for the entire period to the intermediary bodies, which implement step-wise application rounds in their areas. Information on the selection procedure and its implementation will be included in the monitoring system.

Similarly, annual authorisations to implement measures in accordance with a framework covering the entire period are granted to Leader groups. Each Leader group is responsible for the selection procedures and application of selection criteria in the processing of projects.

#### *Use of advance payments*

Under measures 1 (knowledge transfer and information actions), 7 (development of rural services and villages), 16 (co-operation) and 19 (Leader), advance payments may be introduced which will, however, be paid to the applicants from the national contribution. The conditions applicable to advance payments are described in national provisions, and their implementation rules will be contained in instructions issued by the Managing Authority and Paying Agency.

### *Simplified cost procedures*

Under measures 1 (knowledge transfer and information actions), 4 (investments in physical assets, sub-measure 4.4), 6 (farm and business development, sub-measure 6.4), 7 (development of rural services and villages), 16 (co-operation) and 19 (Leader), support may be granted as a one-off payment and, for indirect general costs, as flat-rate financing, pursuant to Articles 67 and 68 of the Regulation (EU) No 1303/2013 of the European Parliament and of the Council and Regulation (EU) No 1305/2013, and following the conditions and principles specified in detail in national legislation.

### *Food and fodder plants used for bio-energy production*

Investments in the production of biofuels or bioliquids are only eligible for support if the production meets the sustainability criteria laid down in the Act on Biofuels and Bioliquids (393/2013) adopted by virtue of Directive 2009/28/EC. In questions concerning sustainability criteria, the competent authority in Finland is the Energy Authority: <http://www.energiavirasto.fi/kestavyyskriteerit>. Currently valid European Union legislation shall be complied with regarding the maximum shares of cereal, sugar and oil plants used for bioenergy production.

For companies in the size category referred to in Regulation (EC) No 1305/2013, it is not in practice possible to engage in the production of biofuels, bioliquids or other bioenergy based on cereals or other starch plants alone, or on sugar and oil plants, in a commercially viable manner and on a commercial scale. Of Finland's surface area,  $\frac{3}{4}$  is covered by forests, and the most significant potential for bioenergy production can thus be found in exploiting wood-based raw materials.

So far, food and fodder plants are little used for energy production in Finland. The share of cereals used for energy purposes on farms only represents 0.1% of domestic consumption. Of the oil plants cultivated in Finland, rape and turnip rape are used in the food industry. The area under turnip rape is approx. 83,000 ha, and the area under rape is approx. 10,000 ha. The domestic food industry uses considerably higher quantities of rape and turnip rape than what is produced in Finland. With the current areas under rape and turnip rape, the increase in biodiesel production that could be achieved would be marginal compared to the total consumption of motor fuels and the need for biodiesel in Finland. The consumption of sugar in Finland is approx. 200,000 tons a year. The degree of self-sufficiency regarding sugar in Finland has dropped to less than 50%. A considerable share of the sugar consumed in Finland is imported. In 2013, the area under maize for fodder and use as a fresh product in Finland only totalled approx. 320 ha. This is some 0.01% of the arable land area in use.

Only limited amounts of feed and fodder plants can be used for bioenergy production (including biogas). According to Finland's National Energy and Climate Strategy (2013), biomass suitable for nutrition is not a priority in the promotion and development of agricultural biomass as an energy source in Finland. This policy does not support the use of plants suitable for feed or fodder to produce energy, and in raw materials for renewable energy production, the emphasis is on other types of biomass, including wastes, residues and lignocellulose. So far, the production of biofuels and bioliquids in Finland has mainly been based on imported raw materials, and to some extent domestic waste and residue materials. We can thus conclude that the production of biofuels has not had impacts on biodiversity, water resources, water quality and soil quality. Renewable energy production based on imported raw materials, on the other hand, would not promote the rural development objectives based on regional needs. In order to promote responsible and environmentally friendly energy production, batches that are not suitable for feed or fodder, shrivelled grain, weed seeds and food industry by-products obtained from the processing of field crops, including the outer

layers of grains and other residues, can instead be exploited for such uses as renewable energy production in bio-burners, promoting a low-carbon economy and integrating the economic dimension of sustainable development in environmental benefits.

*Submission of information needed for monitoring and evaluation*

Beneficiaries of the Rural Development Programme measures and local action groups must undertake to provide all information needed for the monitoring and evaluation of the programme. Some of this information will be collected in connection with support applications, and some through separate questionnaires.

**Table 8.1.a Statutory management requirements of the cross-compliance requirements (Parts 1, 2 and 3)**

**Part 1: Statutory management requirements applicable to the environment, climate change and good agricultural condition of land**

Management requirement	European Union provision	National implementing provision or complementary provision to be complied with
1	Articles 4 and 5 of Directive of the Council No 91/676/EEC concerning the protection of waters against pollution caused by nitrates from agricultural sources	Section x of (Draft) Government Decree on restricting certain emissions from agriculture and horticulture (Reform of this Decree is about to be completed. Once completed, the national provisions corresponding with the Directive in this Decree will be specified.)
2	Articles 3(1), 3(2)(b) and 4(1), 4(2) and 4(4) of Directive 2009/147/EC on the conservation of wild birds	Conservation decisions pursuant to Sections 9, 24 and 25, conservation decisions concerning birds pursuant to Section 47, and Chapter 10 of the Nature Conservation Act (1096/1996)
3	Article 6(1) and 6(2) of Council Directive 92/43/EEC on the conservation of natural habitats of wild fauna and flora	Chapter 10 of the Nature Conservation Act

Table 8.1.a Statutory management requirements, part 1

**Part 2: Statutory management requirements concerning public, animal and plant health**

Management requirement	European Union provision	National implementing provision or complementary provision to be complied with
4	<p>Articles 14, 15, 17(1)*, 18, 19 and 20 of Regulation (EC) No 178/2002 of the European Parliament and of the Council laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety</p> <p>*as implemented by the following provisions in particular:</p> <p>Article 14 of Regulation (EC) No 470/2009 of the European Parliament and of the Council laying down Community procedures for the establishment of residue limits of pharmacologically active substances in foodstuffs of animal origin, repealing Council Regulation (EEC) No 2377/90 and amending Directive 2001/82/EC of the European Parliament and of the Council and Regulation (EC) No 726/2004 of the European Parliament and of the Council</p> <p>Commission Regulation (EU) No 37/2010 on pharmacologically active substances and their classification regarding maximum residue limits in foodstuffs of animal origin</p> <p>Articles 4(1) and Annex I Part A Section II Articles 4 (g), (h) and (j), 5 (f) and (h) and 6, and Section III Article 8(a), (b), (d) and (e), and Article 9 (a) and (c) of Regulation of the European Parliament and of the Council No 825/2004 on the hygiene of foodstuffs</p> <p>Article 3(1), Annex III Section IX Chapter I Articles 1(b), (c), (d) and (e), 2(a)(i), (ii), (iii), (b)(i) and (ii) and (c), 3, 4, 5, Chapter II Part A Articles 1, 2, 3, and 4, Part B 1(a) and (d), 2, 4(a) and (b), and Annex III Section X Chapter I Article (1) of Regulation (EC) No 853/2004 of the European Parliament and of the Council laying down specific hygiene rules for food of animal origin</p> <p>Article 5(1) and Annex I Part A Section I Article 4(e) and (g), Section II Article 2(a), (b) and (e), and 5(5), and Annex III Articles 1, 2 and 5(6) of Regulation (EC) No 183/2005 of the European Parliament and of the Council laying down requirements for feed hygiene</p> <p>Article 18 of Regulation (EC) No 396/2005 of the European</p>	<p>Section 22 of the Food Act (23/2006)</p> <p>Sections 5 and 7, Preamble to Annex I, Annex 2 Chapter 4 Section 4.2(2-5) and 4.3(1) and (2) of Ministry of Agriculture and Forestry Decree on food hygiene in the primary production of foodstuffs (1368/2011)</p> <p>Prohibition on the use of medicines, medicinal substances and medicinal products imposed pursuant to Sections 8 and 9 of the Act on the Medication of Animals (387/2014), and Sections 11 and 12(1-3) of this Act</p> <p>Section 9 of Ministry of Agriculture and Forestry Decree on the prohibition of or restrictions on using certain medicinal substances on animals (847/2008) (or Section 4(5) of Draft Government Decree on the prohibition of the use of certain medicinal substances on animals)</p> <p>Annex 2 Chapter 1 Section 4 of Draft Ministry of Agriculture and Forestry Decree on the use and handing over of medications in veterinary medicine</p> <p>Section 3 of Ministry of Agriculture and Forestry Decree on record-keeping of medicines administered to production animals (794/2000)</p>

*Unofficial translation*

	Parliament and of the Council on maximum residue levels of pesticides in or on food and feed of plant and animal origin and amending Council Directive 91/414/EEC	
Table 8.1.a Statutory management requirements, part 2a		
5	Articles 3(a), (b), (d) and (e), 4, 5 and 7 of Council Directive 96/22/EEC concerning the prohibition on the use in stockfarming of certain substances having a hormonal or thyrostatic action and of $\beta$ -agonists	<p>Section 10 of Act on the Medication of Animals (387/2014)</p> <p>Section 3 of Ministry of Agriculture and Forestry Decree on record-keeping of medicines administered to production animals (or Section 4 of Draft Ministry of Agriculture and Forestry Decree on record-keeping of medicines administered to production animals)</p> <p>Sections 4-6 of Ministry of Agriculture and Forestry Decree on the prohibition of or restrictions on using certain medicinal substances on animals (or Sections 4(1-4) and 6-7) of Draft Government Decree on the prohibition of the use of certain medicinal substances on animals)</p>
6	Articles 3, 4 and 5 of Council Directive 2008/71/EC on the identification and registration of pigs	<p>Sections 9, 11, 19 and 21 of Act on the Animal Identification System (238/2010);</p> <p>Sections 5-8 of Ministry of Agriculture and Forestry Decree on the identification of pigs (720/2012)</p>
7	Articles 4 and 7 of Regulation (EC) No 1760/2000 of the European Parliament and of the Council establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products and repealing Council Regulation (EC) No 820/97	<p>Sections 13, 19 and 21 of Act on the Animal Identification System (238/2010);</p> <p>Sections 6-10, 14 and 15 of Ministry of Agriculture and Forestry Decree on the identification and registration of bovine animals (1391/2006)</p>
8	Articles 3-5 of Council Regulation (EC) No 21/2004 (EC) establishing a system for the identification and registration of ovine and caprine animals and amending Regulation (EC) No 1782/2003 and Directives 92/102/EEC and 64/432/EEC	<p>Sections 13, 19 and 21 of Act on the Animal Identification System (238/2010);</p> <p>Sections 6, 8-10, 13 and 14 of Ministry of Agriculture and Forestry Decree on the identification and registration of ovine and caprine animals (469/2005)</p>
9	Articles 7, 11-13 and 15 of Regulation (EC) No 999/2001 of the European Parliament and of the Council laying down rules for the prevention, control and eradication of	Sections 14 and 19 of the Animal Diseases Act (441/2013) and decisions on controlling transmissible spongiform encephalopathies issued pursuant to the

*Unofficial translation*

	certain transmissible spongiform encephalopathies	provisions in Chapter 4 of this Act
10	Article 55, first and second sentence of Regulation (EC) No 1107/2009 of the European Parliament and of the Council concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC	

Table 8.1.a Statutory management requirements, part 2b

**Part 3: Statutory management requirements concerning animal welfare**

Management requirement	European Union provision	National implementing provision or complementary provision to be complied with
11, 12 and 13	<p>Articles 3 and 4 of Council Directive 2008/119/EC laying down minimum standards for the protection of calves</p> <p>Articles 3 and 4(1) of Council Directive 91/630/EEC laying down minimum standards for the protection of pigs</p> <p>Council Directive 98/58/EC concerning the protection of animals kept for farming purposes</p>	<p>Sections 4-7, 26a, 26b (broilers), and 26(c)(3) and (4) (stocking of broilers) of the Animal Welfare Act (247/1996)</p> <p>Sections 1, 2 excluding the last sentence of subsection 1 of this Section, 3-4 and 6-11, 14(6)(a) and 23 of the Animal Welfare Decree (396/1996)</p> <p><i>Provisions in statutes on specific animal species:</i></p> <p>Government Decree on the Protection of Bovines, (592/2010) excluding second and third sentence of Section 3(3), last sentence of Section 4(1), 5(3), 6(5), 9(1), last sentence of 11(2) and subsections (3) and (4) of this Section, 12(2), 14(1), 15 and 17</p> <p>Government Decree on the Protection of Pigs (629/2012), excluding second sentence of Section 4(4), subsections (5) and (6) of this Section, and 5(4)</p> <p>Government Decree on the Protection of Sheep (587/2010), excluding Section 3(2), 5(1) and the last sentence of subsection (2) of this Section, last sentence of Section 7, last sentence of Section 9(2) and subsection (3) of this Section, and Sections 10 and 13-15.</p> <p>Government Decree on the Protection of Goats (589/2010), excluding Sections 3(2), 5(1) and last sentence of subsection (3) of this Section, 7(2), last sentence of 9(2) and subsections 3 and 4 of this Section, and Sections 12 and 13</p> <p>Government Decree on the Protection of Farmed Deer (590/2010), excluding first sentence of Section 3(2)</p> <p>Government Decree on the Protection of Ostriches (676/2010), excluding second sentence of Section 3(1) and last sentence of subsection 2 and subsection 5 of this Section, second and third sentence of 4(1), other parts except the first sentence of Section 6(3) and subsection 4 of this Section, last sentence of 8(1) and subsections 2 and 3 of this Section, 9(1) and (2), last sentence of subsection 3 of this Section, and Section 11</p>

*Unofficial translation*

		Government Decree on the Protection of Hens (673/2010), excluding last sentence of Section 3(3), 4(4), last sentence of Section 5(1), 8(2), 11(4) and 14
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Table 8.1.a Statutory management requirements, part 3a

		<p>Government Decree on the Protection of Farmed Bisons (591/2010) excluding Section 2(3)</p> <p>Government Decree on the Protection of Animals Kept for Fur Production (1084/2011), excluding other parts except the first sentence of Section 3(1) and subsections (2) and (3) of this Section, 4(5), 8(1), 9(2-4), 10 (1) and (3), and 12</p> <p>Government Decree on the Protection of Ducks and Geese (675/2010), excluding last sentence of Section 3(3) and subsection 4 of this Section, second and fourth sentence of 4(1), 5(3), 8(3) and 9(1-3)</p> <p>Government Decree on the Protection of Turkeys (677/2010), excluding Section 3(3) and (4), 4(1) and last sentence of subsection 2 of this Section, 5(4), 6(5), 8(3) and (5) and 9</p> <p>Government Decree on the Protection of Broilers (375/2011), excluding the last sentence of 3(3), 4(4) and the last sentence of subsection 5 of this Section, and Sections 9, 11-16, 18 and 19</p>
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Table 8.1.a Statutory management requirements, part 3b

**Table 8.1.b Good agricultural and environmental condition, cross-compliance conditions (GAEC)**

GAEC	National implementation
GAEC 1: Establishment of buffer strips on water courses	Buffer strips referred to in the Nitrates Decree
GAEC 2: Where use of water for irrigation is subject to authorisation, compliance with authorisation procedures	Compliance with permit procedures concerning the use of irrigation water in situations where a permit is required
GAEC 3: Protection of ground water against pollution	Protection of ground water from pollution by certain hazardous substances
GAEC 4: Minimum soil cover	Plant cover on uncultivated fields
GAEC 5: Minimum land management reflecting site specific conditions to limit erosion	Field margins  Management of cultivated agricultural land
GAEC 6: Maintenance of soil organic matter level through appropriate practices	Prohibition on burning stubble



*Unofficial translation*

GAEC 7: Retention of landscape features and, as an option, measures for avoiding invasive plant species	<p>Preservation of tree groups and individual trees protected under the Conservation Act, including a prohibition on pruning trees during bird nesting season</p> <p>Prevention of the spread of wild oats and giant hogweed</p>
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Table 8.1.b Good agricultural and environmental condition, cross-compliance

**Reduction in surface areas under commitments and contracts concerning environment payments or commitments on organic production**

<i>Reduction in surface area</i>	<i>Commitments concerning environment payments and organic production</i>	<p>a) The arable field area of a farmer having made a commitment may decrease to the lower threshold of 5 hectares (in horticulture, to 1 hectare) if the field is transferred to another person/party. This other person or party may or may not have a commitment. If the area decreases to less than 5 hectares (in horticulture, less than 1 hectare), the commitment expires. There will be no recovery (Art. 47(2) of 1305/2013).</p> <p>b) The arable field area of a farmer having made a commitment may decrease to the lower threshold of 5 hectares (in horticulture, to 1 hectare) because the holding or part of the holding is re-parcelled or is the subject of public land consolidation measures, if some of the holding is transferred to another person. This other person may or may not have a commitment. If the area decreases to less than 5 hectares (in horticulture, less than 1 hectare), the commitment expires. There will be no recovery (Art. 47(3) of 1305/2013).</p> <p>c) The arable field area of a farmer having made a commitment may decrease to the lower threshold of 5 hectares (in horticulture, to 1 hectare) because of a force majeure of exceptional circumstances. If the area decreases to less than 5 hectares (in horticulture, 1 hectare), the commitment expires. There will be no recovery (Art. 47(4) of 1305/2013).</p> <p>d) Some of the area belonging to a farmer having made a commitment is removed from agricultural use (e.g. for housing construction, road construction, golf course, riding ring, area reserved for compost handling). Payments made for the area will be recovered. (Art 54 of 1306/2013)</p>
	<i>Environment contracts concerning environment payments (excluding the rearing of local breeds)</i>	<p>If some of the area under the contract is removed (e.g. for housing construction, road construction, golf course or a similar change in land use), making it impossible to implement the measures concerning the removed areas, the payments made for the areas removed from the contract will be recovered. If, as a result, the contract area decreases to the extent that it no longer meets the minimum area requirement, the contract is cancelled and all payments made</p>

*Unofficial translation*

		<p>under it are recovered (Art 54 of 1306/2013)</p> <p>However, the contract area may decrease to the minimum area defined in the conditions for the operation if the area is transferred to another person/party. This other person or party may continue implementing the contract if they meet the beneficiary eligibility requirements, or give up the contract. If the area decreases to the extent that it no longer meets the minimum requirement, the contract expires. There will be no recovery in this situation (Art 47(2) of 1305/2013). The same procedure is followed if the contract area decreases because it is re-parcelled or subject of public land consolidation measures (Art 47(3) of EU No 1305/2013) or affected by a force majeure or an exceptional circumstance (Art 47(4) of EU No 1305/2013).</p>
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Table 8.1.c Reduction in surface areas covered by commitments and contracts

**Increases in surface areas under commitments or contracts concerning an environment payment or commitments on organic production**

<i>Increase in surface area</i>	<i>Commitments concerning environment payments and organic production</i>	<p>a) The arable field area of a farmer having made a commitment may increase without limitations with eligible arable area that is obtained from another farmer with a commitment. The commitment will not be modified for this reason. After the change, payments will be made on the basis of the new situation (Art. 47(2) of 1305/2013)</p> <p>b) The arable field area of a farmer having made a commitment may increase with eligible arable area that is obtained from a farmer without a commitment. In 2016, 2017 and 2018, the following procedure will be observed: if the new area does not exceed 5 hectares a year, it will be included in the commitment (no modification will be made in the commitment). If the area is larger than 5 hectares, a new commitment must be made (Art. 15 of 807/2014). In 2019 and 2020, the following procedure will be observed: if the new area of arable land exceeds 5 hectares, a new commitment must be made (Art. 15 of 807/2014). Arable areas smaller than 5 hectares must be cultivated in compliance with the conditions, but no payments will be made for them. New areas may only be included in areas under commitment and new commitments may only be made, should the available appropriations permit.</p>
	<i>Environment contracts concerning environment payments (excluding the rearing of local breeds)</i>	<p>If the beneficiary wishes to increase the contract area, they must apply for a new contract to cover the area in question in the next round of support applications. Alternatively, they may apply for a new contract to cover the existing and the new contract area in the next round of applications. At that time, a new commitment of five years will commence. (Art. 15 of 807/2014).</p>
<i>Change in parcel size</i>	<i>Commitments and contracts concerning environment payments and commitments for organic production</i>	<p>The area of an individual parcel may change as a result of an update of the parcel register or supervision actions. If the area of the parcel decreases, the penalties will be as stated in the control rules (recovery based on evidence going back for no more than 4 years). (Art. 3 of Council Regulation (EC, Euratom) No 2988/95 and Art. 18 and 19 of 640/2014). If the area increases, the payments will be made on the basis of the revised surface area in the following years. No modification will be made in a commitment/contract as a result of a change in parcel size,</p>

*Unofficial translation*

		except in case of arable land no longer in agricultural use.
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Table 8.1.d Increases and changes in surface areas covered by commitments and contracts

Table 8.1.e Coefficient for converting animal numbers into livestock units

Animal species	Livestock units
Bovines	
- bulls, cows and other bovines over 2 years	1,0
- 6 months - 2 years	0,6
- under 6 months	0,4
Horses over 6 months	1,0
Sheep and goats	0,2
- over 1 year	0,06
- lambs and kids (over 3 months)	
Sows	0,5
Other pigs	0,3
- weaned piglets: 0-3 months, 2/3 of the age group	
Poultry	
- laying hens and mother birds	0,014
- broilers	0,007
- mother birds of broilers	0,02
- mother birds of turkeys	0,05
- other poultry	0,03

Table 8.1.e Livestock units

## 8.2. Description by measure

### 8.2.1. M01 – Knowledge transfer and information actions (Article 14)

#### 8.2.1.1. *Legal basis*

Article 14 of Regulation (EU) 1305/2013 of the European Parliament and of the Council

Regulation (EU) No 1303/2013 of the European Parliament and of the Council

Commission Regulation (EU) No 807/2014 (Delegated Regulation)

Article 6 of Commission Regulation (EU) No 808/2014 (Implementing Regulation)

*8.2.1.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives*

The measure includes the following sub-measures

1.1 support for vocational training and skills acquisition, and

1.2 support for demonstration activities and information actions

While sub-measure 1.3, support for farm management exchanges and farm visits, will not be introduced as a separate sub-measure, farm and company visits may be made in connection with other sub-measures.

Under this measure, projects will be implemented that improve vocational skills and competence associated with rural enterprising and its renewal. The projects will also build up the knowledge of entrepreneurs and actors in the region and promote their willingness to work together and launch new development measures.

The knowledge and information acquired should enable farmers, forest owners, persons engaged in the food sector and rural SMEs to, in particular, enhance their competitiveness and resource efficiency and improve their environmental performance while contributing to the sustainability of the rural economy.

The aims include building competence related to company management and development, marketing, the environment, water management and energy efficiency, independent upgrading of professional skills, and reinforcing the knowledge base. This way, preconditions may be created for the development of new business areas and innovative enterprising.

Through the Leader approach, the awareness and skills of rural entrepreneurs and residents in particular will be built up in such areas as energy efficiency, exploitation of IT and telecommunications, possibilities of local participation and enterprising. The aim is building up the skills of associations, third sector actors and rural residents.

Support for a development project will be paid as aid to the implementer of the project.

This is a so-called cross-cutting measure, and it has impacts on focus areas

- 1A: Fostering innovation, co-operation and the development of the knowledge base in rural areas
- 1B: Strengthening the links between agriculture, food production and forestry, and research and innovation
- 1C: Fostering lifelong learning and vocational training in the agricultural and forestry sectors
- 2A: Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification
- 2B: Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular,

generational renewal

- 3A: Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organisations, and promoting animal welfare
- 3B: Supporting farm risk prevention and management
- 4A: Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes
- 4B: Improving water and soil management, and responding to the objectives of the Water Framework Directive
- 4C: Preventing soil erosion and improving soil management
- 5A: Increasing efficiency in water use by agriculture
- 5B: Increasing efficiency in energy use in agriculture and food processing
- 5C: Facilitating the supply and use of renewable sources of energy, of by-products, wastes and residues and of other non food raw material, for the purposes of the bio-economy
- 5D: Reducing greenhouse gas and ammonia emissions from agriculture
- 5E: Fostering carbon conservation and sequestration in agriculture and forestry
- 6A: Facilitating diversification, creation and development of small enterprises, as well as job creation
- 6B: Fostering local development in rural areas
- 6C: Enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural areas.

Training and information actions help to build up rural entrepreneurs' and farmers' knowledge and skills concerning climate and environmental issues and to increase competence related to the production and use of renewable energy. The objective is to increase skills associated with water management, biodiversity, genetic diversity, and climate change mitigation and adjustment. Transfers of the most recent research-based knowledge enable the deployment of innovations and improve energy efficiency. The measure builds up entrepreneurs' and rural residents' skills in developing new solutions and operating models, and it contributes to achieving the innovation targets. The target group of the measure is persons operating in the agricultural, forestry or food sector, micro and small enterprises and associations operating in rural areas, and rural residents.

Examples of the objectives of training and information actions:

- business development: management, productivity, competitiveness, financial management, renewal of business models and operations, market and customer orientation, cost-effectiveness, internationalisation (networks and trade), special needs of individual sectors (e.g. training that is related to food sector enterprising or tourism and other training promoting the bio-economy), business operations exploiting new ICT, utilisation of the social media in business communications, networking, drawing on co-operation and networks;
- dissemination of information to the public and the private sector and to consumers about the significance of rural industries and, for example, about food production. Building up the knowledge of parties responsible for public and private procurements concerning rural industries and the possibilities offered by them;

- change management as production conditions change or farms and companies expand, or in connection with changes of ownership or generation, and development of ownership structures;
- improving the ecological status of the environment, sustainable use of natural resources, mitigating and adjusting to climate change (sustainable and environmentally friendly production methods, water protection and environmental issues, biodiversity, landscape and environmental management);
- more wide-spread production and use of renewable energy, energy and resource efficiency, decentralised energy solutions;
- improving the well-being of farmers and other entrepreneurs;
- improving animal welfare, preserving the genetic diversity of native breeds;
- raising awareness of quality systems, including labelling systems related to voluntary quality statements;
- skills that promote the creation and commercialisation of product and service innovations, new modes of service arrangement and operating methods;
- information about rural development instruments and possibilities and the results achieved.

It is expected that some of the operations under this measure will be implemented following the Leader approach. Local action groups will focus on funding projects where the benefits will stay with local entrepreneurs, other actors and residents. The LAGs' projects aiming to implement local strategies do not necessarily need to comply with the measures, and it is adequate that they implement one of the European Union priorities within the scope of the Rural Development Programme for Mainland Finland.

Examples of themes for projects to be implemented with Leader funding:

- exploitation of information technology in services and every-day operations, use and exploitation of telecommunications;
- start-up entrepreneurship, collective entrepreneurship (e.g. co-operatives, entrepreneurship mentoring models), change management;
- environmental and energy issues in housing, including water and waste management in rural areas, local, decentralised solutions in energy questions, landscape and water management, environmental skills of children and young people (environmental education);
- possibilities for local participation, community spirit, development and realisation of inclusion and active participation;
- road maintenance and other shared infrastructure issues;
- role of the third sector in producing and organising services in rural areas;
- safety and security in rural areas;
- culture and creative sectors.

*8.2.1.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria*

#### 8.2.1.3.1. 1.1. Support for vocational training and skills acquisition

Sub-measure:

- 1.1 – Support for vocational training and skills acquisition actions

#### 8.2.1.3.1.1. Description of the type of operation

The measure supports projects that, in various ways, facilitate making scientific knowledge, innovations and other competence available for farmers, forest owners, persons operating in the food sector, rural SMEs and other actors. The measure will be implemented as development projects. The projects to be implemented will comprise training for student groups. In addition to conventional training courses, training may also be provided online, in workshops, or as coaching or demonstrations and short term farm and company visits of at most one day in duration.

Farm or company visits focus on new methods or technologies, for example in agriculture or forestry, multisectoral operation of farms, short supply circuits, development of new opportunities for enterprising and techniques, and more sustainable exploitation of forests. The share of visits to farms or companies may comprise one half of the training at maximum. More detailed provisions on the duration and scope of the training will be given in the national Act on Support for Rural Development (28/2014) and the Government Decree on Supporting Rural Projects.

#### 8.2.1.3.1.2. Type of support

The measure will be implemented as development projects. Support for a development project will be paid as aid to the implementer of the project.

#### 8.2.1.3.1.3. Links to other legislation

Act on Public Contracts (348/2007)

Articles 65, 67 and 68 of the general regulation (EU) No 1303/2013

Commission Regulation (EU) No 702/2014 of declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market

De minimis Regulation (EU) 1407/2013

#### 8.2.1.3.1.4. Beneficiaries

The beneficiaries are organisations under public and private law providing training, including educational institutions, municipalities, associations, organisations and co-operatives.

#### 8.2.1.3.1.5. Eligible costs

Eligible costs are costs incurred for organising training and information actions. Development project implementation may include courses, demonstrations, workshops and coaching. The support may also partly cover the costs of training on a farm or in a company where entrepreneurs can learn from each other. The support may cover minor procurements associated with the project.

The following reasonable costs incurred for the implementation of a development project are eligible for support:

- payroll costs and fees;
- travel costs;
- purchases of outsourced services;
- costs of renting premises;
- material costs and other costs necessary for project implementation.

The support may be granted as a one-off payment and, as regards general costs, as flat-rate financing pursuant to Articles 67 and 68 of Regulation (EU) No 1303/2013 and in compliance with the principles specified in detail in national legislation (Act 28/2014 and the Government Decree on Support for Rural Projects), or on the basis of receipted invoices.

#### 8.2.1.3.1.6. Eligibility conditions

The eligibility conditions will be specified in detail in the national Act on Support for Rural Development 28/2014 and the Government Decree laying down more detailed provisions issued by virtue of it.

The condition for eligibility is that the beneficiary or, if parties other than the beneficiary take part in implementing the training project, the implementer is an adequately professional training provider considering the nature and scope of the training project. Units offering training services shall have the requisite qualifications and appropriate capabilities, and their staff must be offered regular training in carrying out these duties. The responsible implementer of a project relevant to knowledge transfer and information actions (the beneficiary) shall ensure that the staff are qualified. Where necessary, the beneficiary must be able to prove that the project staff have the education or competence required for project implementation. Adequate staff competence can be proven by professional competence acquired and/or demonstrated in practice or by a suitable qualification certificate.

No training or education leading to a profession or a degree, general education or training provided under measures implemented by other funds will be implemented under this measure.

A precondition for granting support for a development project is that the applicant has adequate financial and operational capabilities for implementing the project. Project support may only be granted for a measure organised as a project that is separate from the applicant's ordinary operations and whose duration is at maximum three years or, for a particular reason, at maximum five years. A precondition for granting aid is that the applicant produces a project plan and that the outcomes of the project lend themselves to more general utilisation.



#### 8.2.1.3.1.7. Principles with regard to the setting of selection criteria

A project implemented in the application area of the programme must promote objectives relevant to the measure that are compliant with European Union priorities and that are described in the programme and the national legislation relevant to it, as well as the regional and local priorities that support them. The support aims for impact and added value that could not be achieved without support.

In the selection of eligible projects, consistent programme level selection criteria will be applied, which will be discussed by the programme's Monitoring Committee and attached to the programme before the implementation of the measure begins. The purpose of the selection criteria is to target the funding at operations delivering the best quality and impact. While the same selection criteria are complied with in the entire programme area, they also account for the strategic emphases formulated in the areas of the ELY Centres. The regional emphases support the emphases of the Rural Development Programme. Concise descriptions of the regional plans and emphases have been attached to the programme.

The selection criteria and their emphases are the following:

1. To what extent does the project promote the implementation of the strategy and RDP and regional plan objectives? (30%)
2. What are the quality, impact and feasibility of the project like? (30%)
3. To what extent can the project build up competence? (20%)
4. Does the project have a clear and logical target group and objectives? (20%)

The LAGs comply with selection criteria indicated by their own strategies when selecting projects to be funded.

Specific selection criteria will be defined for projects that concern the entire programme area. The benefits of regional and local operations will mainly materialise in rural areas covered by the programme.

#### 8.2.1.3.1.8. (Applicable) amounts and support rates

Public funding to be granted and paid as co-financing will consist of the contribution of the Rural Development Fund and a national contribution. The initial amount of public funding is EUR 80 million. The contribution of the Rural Development Fund will be 42% of the eligible public expenditure. The national contribution consists of co-financing from the government, the municipalities and other public sector actors.

In training projects comprising public utility training operations that do not produce benefits to specific companies, the rate of national support will be 100% of eligible costs.

If the target group for the training is a limited group of actors or a sector, the support will be granted pursuant to the Group Block Exemption Regulation for agriculture and forestry sector and for rural areas (Commission Regulation (EU) No 702/2014).

If the target group for the training comprises entrepreneurs in several sectors, the support will be granted as de minimis aid.

At maximum EUR 180,000 of support may be granted to a project if the local action group is in favour of it.

#### 8.2.1.3.1.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.1.3.1.9.1. Risk(s) in the implementation of the measures

As a risk related to implementing the measure may be seen that the actors are not familiar enough with competitive bidding and procurement procedures. Shortcomings may be associated with assessing whether or not costs are reasonable, and documentation of cost assessment may be deficient. Insufficient familiarity with the eligibility rules may be a risk factor in project implementation. Payment of ineligible costs may also be a risk. Maintaining the professional competence of the authorities is highlighted in the verification and control procedures. Information security (user rights, appropriate hardware and equipment, competence), building up and the functioning of the information system and continuous development needs present a risk. A risk related to the overall realisation of funding is inherent in the use of advance payments.

Commission risk codes

R4. Inadequate knowledge of competitive bidding and procurement procedures

R7. Knowledge of eligibility rules

R8. Information security, functioning of the information system

R9. Assessment of reasonableness of costs and inadequate documentation. The costs are not allocated to the supported operations. Risks related to advance payments.

Commission risk reason codes

RC3. Ineffective information exchanges between authorities

RC9. Applicants for support are not familiar with correct procedures related to the payment applications

RC9.1. Payment applications are incomplete

RC10. Verification of reasonableness of costs

RC11. Compliance with public procurement provisions

RC14. Non-eligible costs

RC15. Information security risk in the use of e-government

8.2.1.3.1.9.2. *Mitigating actions*

The implementation of the programme was planned comprehensively, with extensive participatory involvement of the national, regional and local levels alike. Training will be provided for different user groups as the new electronic system is deployed. Both electronic and manual contacts with the managing authority will be facilitated.

In the selection of beneficiaries, the risks will be mitigated by comparing applications or using a score system that is based on the selection criteria. The procedure will be discussed by the programme's Monitoring Committee and incorporated in the electronic information system. The quality of applications and compliance with deadlines will be improved by communication and training provided for applicants.

The justifications of decisions will be recorded and their documentation ensured. Regular quality assurance will be ensured. Regarding competitive bidding and procurement procedures, the risk will be mitigated by means of instructions and training for both the authorities and the beneficiaries. The procurement procedures to be complied with must be clearly and comprehensively justified and documented. The potential risks associated with assessing whether costs are reasonable or not will be mitigated by providing guidelines and training. Information system certificates, electronic check lists, and the practice of saving attachments in the system for documentation will enable regular quality assurance regarding both support and payment decisions. The risk regarding verification and control procedures will be mitigated by means of training and guidelines. Guidance and supervisory visits by the administration and administrative inspections and inspection visits of projects will ensure the good quality of implementation and fairness in the entire programme area.

In order to reduce the risks, the quality of applications should be improved, and compliance with deadlines should be ensured. Information about funding opportunities will be disseminated openly. As regards information technology, the possibility of modifications was taken into account in the design of the electronic case management system. Training will be provided for different user groups as the electronic system is introduced. Information security risks will be recognized. The preparation of payment applications will be developed, and the level of skills related to payment applications will be improved, including advance payments. In addition, instructions and requisite training for applying for payments will be provided. Attention will be paid to the quality of payment applications in order to avoid prolonged processing and payment times. Good planning of projects and keeping the project plan up to date also facilitate the making of payment applications. Clear-cut interfaces and cutting back on overlapping activities were taken into account in programme preparation, and the various funding authorities regularly engage in a dialogue to coordinate the support systems and to avoid double funding.

Commission risk prevention codes

CPA1. Effective and regular training is provided for staff in charge of handling projects

The instructions are kept up to date

CPA2. More effective provision of information in order to animate potential applicants, active provision of

training and advice

CPA3. Improving the availability of information and instructions, e.g. on a website, provision of training in e-government use. Providing training for project actors concerning procedures, eligible costs, the electronic system and information security.

CPA4. The information system guides decision-making and documentation. The selection criteria and procedures are integrated in the information and monitoring system, making their use mandatory and transparent. E-government reduces the possibility of human errors in various stages of the process.

CPA5. Simplified cost procedures will be introduced.

CPA6. Internal control and coordination systems are improved. Compliance with correct procedures in all regions will be ensured, and the procedures will be developed.

#### *8.2.1.3.1.9.3. Overall assessment of the measure*

The measure is vital for the entire Rural Development Programme for Mainland Finland. It will improve the sustainability of rural industries and the competitiveness of rural enterprises.

The measures can be implemented and controlled as required in the regulations, and coordination with other measures under the programme and with other funds was taken into account in the preparation of the measures.

#### *8.2.1.3.1.10. Methodology for calculation of the amount or support rate, where relevant*

#### *8.2.1.3.1.11. Information specific to the operation*

Definition of appropriate capabilities for units offering knowledge transfer services for performing their duties in terms of staff qualifications and regular training

Units offering knowledge transfer and information services shall have the requisite qualifications and appropriate capabilities, and their staff must be offered regular training in carrying out these duties.

The organisation offering training or information services must make sure that their staff are competent. Adequate staff competence can be proven by professional competence acquired and/or demonstrated in practice or by a suitable qualification certificate. Where necessary, the beneficiaries must be able to prove that the project staff have the education or competence required for project implementation.

Definition of the duration and the content of the short-term farm and forest management exchange schemes and farm and forest visits referred to in Article 3 of the delegated regulation (EU) No 807/2014

*Unofficial translation*

The farm and forest management exchange scheme will not be introduced.

#### 8.2.1.3.2. 1.2. Support for demonstration activities and information actions

Sub-measure:

- 1.2 – support for demonstration activities and information actions

##### 8.2.1.3.2.1. Description of the type of operation

Under this measure, projects will be implemented that facilitate, in various ways, making scientific knowledge, innovations and other skills available for the actors. Activities where information is disseminated about new production, marketing or service methods or other methods improving business, or which, for example, communicate information about energy or environmental issues, or that inform companies, other rural actors and residents about other key issues for the rural areas may be supported as information projects. Information projects may include dissemination of information online, exhibitions, demonstrations, events, brochures and presentations.

##### 8.2.1.3.2.2. Type of support

The measure will be implemented as development projects. Support for a development project will be paid as aid to the implementer of the project.

##### 8.2.1.3.2.3. Links to other legislation

Articles 65, 67 and 68 of the general regulation (EU) No 1303/2013

De minimis Regulation (EU) 1407/2013

Act on Public Contracts (348/2007)

##### 8.2.1.3.2.4. Beneficiaries

The beneficiaries are organisations under public and private law, including educational institutions, municipalities, associations, organisations and co-operatives.

##### 8.2.1.3.2.5. Eligible costs

Eligible costs are costs incurred for organising information actions. Development project implementation may include demonstrations, workshops and coaching. Information projects may consist of exhibitions and demonstrations as well as the production of various types of brochures and information websites. The

support may cover minor procurements associated with the project. In demonstration projects, other reasonable costs of requisite investments are also eligible pursuant to Article 45 of Regulation 1305/2013.

The following reasonable costs incurred for the implementation of a development project are eligible for support:

- payroll costs and fees;
- travel costs;
- purchases of outsourced services;
- rental costs;
- material costs and other costs necessary for project implementation.

The support may be granted as a one-off payment and, as regards general costs, as flat-rate financing pursuant to Articles 67 and 68 of Regulation (EU) No 1303/2013 and in compliance with the principles specified in detail in national legislation, or on the basis of receipted invoices.

#### 8.2.1.3.2.6. Eligibility conditions

The more detailed eligibility conditions will be laid down in national legislation (the Act on Support for Rural Development 28/2014 and the more detailed decrees and instructions issued by the Government).

An information project must have an implementer with adequate professional skills considering the nature of the project. Units offering information services shall have the requisite qualifications, and their staff must be offered regular training in carrying out these duties. The organisation offering information services must make sure that their staff are competent. Adequate staff competence can be proven by professional competence acquired and/or demonstrated in practice or by a suitable qualification certificate. Where necessary, the beneficiaries must be able to prove that the project staff have the education or competence required for project implementation.

A precondition for granting support for a development project is that the applicant has adequate financial and operational capabilities for implementing the project. Project support may only be granted for a measure organised as a project that is separate from the applicant's ordinary operations and whose duration is at maximum three years or, for a particular reason, at maximum five years. A precondition for granting aid is that the applicant produces a project plan and that the outcomes of the project lend themselves to more general utilisation.

#### 8.2.1.3.2.7. Principles with regard to the setting of selection criteria

A project implemented in the application area of the programme must promote objectives relevant to the measure that are compliant with European Union priorities and that are described in the programme and the national legislation relevant to it, as well as the regional and local priorities that support them. The support aims for impact and added value that could not be achieved without support.

In the selection of eligible projects, consistent programme level selection criteria will be applied, which will

be discussed by the programme's Monitoring Committee and attached to the programme before the implementation of the measure begins. The purpose of the selection criteria is to target the funding at the actions delivering the best quality and impact. While the same selection criteria are complied with in the entire programme area, they also account for the strategic emphases formulated in the areas of the ELY Centres. The regional emphases support the emphases of the Rural Development Programme. Concise descriptions of the regional plans and emphases have been attached to the programme.

The selection criteria and their emphases:

1. To what extent does the project promote the implementation of the strategy and RDP and regional plan objectives? (30%)
2. What are the quality, impact and feasibility of the project like? (30%)
3. To what extent does the project increase knowledge and effective utilisation of knowledge and competence? (20%)
4. Does the project have a clear and logical target group and objectives? (20%)

The LAGs comply with selection criteria indicated by their own strategies when selecting projects to be funded.

Specific selection criteria will be defined for projects that concern the entire programme area. The benefits of regional and local operations will mainly materialise in rural areas covered by the programme.

#### 8.2.1.3.2.8. (Applicable) amounts and support rates

Public funding to be granted and paid as co-financing will consist of the contribution of the Rural Development Fund and a national contribution. The initial amount of public funding is EUR 80 million. The contribution of the Rural Development Fund will be 42% of the eligible public expenditure. The national contribution consists of co-financing from the government, the municipalities and other public sector actors.

The maximum share of public support for an information project will be 100% of eligible costs. Support for information projects will not be regarded as State aid. If the target group for information is a limited group of actors or a sector, the support may be granted as de minimis aid. Support for demonstration projects may be granted as de minimis aid.

At maximum EUR 180,000 of support may be granted to a project if the local action group is in favour of it.

#### 8.2.1.3.2.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.1.3.2.9.1. Risk(s) in the implementation of the measures

As a risk related to implementing the measure may be seen that the actors are not familiar enough with competitive bidding and procurement procedures. Shortcomings may be associated with assessing whether



or not costs are reasonable, and documentation of cost assessment may be deficient. Insufficient familiarity with the eligibility rules may be a risk factor in project implementation. Payment of ineligible costs may also be a risk. Maintaining the professional competence of the authorities is highlighted in the verification and control procedures. Information security (user rights, appropriate hardware and equipment, competence), building up and the functioning of the information system and continuous development needs present a risk. A risk related to the overall realisation of funding is inherent in the use of advance payments.

Commission risk codes

R4. Inadequate knowledge of competitive bidding and procurement procedures

R7. Knowledge of eligibility rules

R8. Information security, functioning of the information system

R9. Assessment of reasonableness of costs and inadequate documentation. The costs are not allocated to the supported operations. Use of advance payments.

Commission risk reason codes

RC3. Ineffective information exchanges between authorities

RC9. Applicants for support are not familiar with correct procedures related to the payment applications

RC9.1. Payment applications are incomplete

RC10. Verification of reasonableness of costs

RC11. Compliance with public procurement provisions

RC14. Non-eligible costs

RC15. Information security risk in the use of e-government

*8.2.1.3.2.9.2. Mitigating actions*

The implementation of the programme was planned comprehensively, with extensive participatory involvement of the national, regional and local levels alike. Training will be provided for different user groups as the new electronic system is deployed. Both electronic and manual contacts with the managing authority will be facilitated.

In the selection of beneficiaries, the risks will be mitigated by comparing applications or using a score system that is based on the selection criteria. The procedure will be discussed by the programme's Monitoring Committee and incorporated in the electronic information system. The quality of applications and compliance with deadlines will be improved by communication and training provided for applicants.

The justifications of decisions will be recorded and their documentation ensured. Regular quality assurance will be ensured. Regarding competitive bidding and procurement procedures, the risk will be mitigated by means of instructions and training for both the authorities and the beneficiaries. The procurement procedures to be complied with must be clearly and comprehensively justified and documented. The potential risks associated with assessing whether costs are reasonable or not will be mitigated by providing guidelines and training. Information system certificates, electronic check lists, and the practice of saving attachments in the system for documentation will enable regular quality assurance regarding both support and payment decisions. The risk regarding verification and control procedures will be mitigated by means of training and guidelines. Guidance and supervisory visits by the administration and administrative inspections and inspection visits of projects will ensure the good quality of implementation and fairness in the entire programme area.

In order to reduce the risks, the quality of applications should be improved, and compliance with deadlines should be ensured. Information about funding opportunities will be disseminated openly. As regards information technology, the possibility of modifications was taken into account in the design of the electronic case management system. Training will be provided for different user groups as the electronic system is introduced. Information security risks will be recognized. The preparation of payment applications will be developed, and the level of skills related to payment applications will be improved, including advance payments. In addition, instructions and requisite training for applying for payments will be provided. Attention will be paid to the quality of payment applications in order to avoid prolonged processing and payment times. Good planning of projects and keeping the project plan up to date also facilitate the making of payment applications. Clear-cut interfaces and cutting back on overlapping activities were taken into account in programme preparation, and the various funding authorities regularly engage in a dialogue to coordinate the support systems and to avoid double funding.

Commission risk prevention codes

CPA1. Effective and regular training is provided for staff in charge of handling projects

The instructions are kept up to date

CPA2. More effective provision of information in order to animate potential applicants, active provision of training and advice

CPA3. Improving the availability of information and instructions, e.g. on a website, provision of training in e-government use. Providing training for project actors concerning procedures, eligible costs, the electronic system and information security.

CPA4. The information system guides decision-making and documentation. The selection criteria and procedures are integrated in the information and monitoring system, making their use mandatory and transparent. E-government reduces the possibility of human errors in various stages of the process.

CPA5. Simplified cost procedures will be introduced.

CPA6. Internal control and coordination systems are improved. Compliance with correct procedures in all regions will be ensured, and the procedures will be developed.

**8.2.1.3.2.9.3. Overall assessment of the measure**

The measure is vital for the entire Rural Development Programme for Mainland Finland. It will improve the sustainability of rural industries and the competitiveness of rural enterprises.

The measures can be implemented and controlled as required in the regulations, and coordination with other measures under the programme and with other funds was taken into account in the preparation of the measures.

**8.2.1.3.2.10. Methodology for calculation of the amount or support rate, where relevant**

The support to be granted under this measure is based on the needs indicated in project plans and a reviewed estimate of reasonable eligible costs. The maximum amount of support in proportion to eligible costs is determined pursuant to Regulation 1305/2013 and national legislation (Act on Support for Rural Development 28/2014 and Government Decree on Support for Rural Projects xx/2014).

**8.2.1.3.2.11. Information specific to the operation**

Definition of appropriate capabilities for units offering knowledge transfer services for performing their duties in terms of staff qualifications and regular training

Units offering knowledge transfer and information services shall have the requisite qualifications and appropriate capabilities, and their staff must be offered regular training in carrying out these duties.

The organisation offering training or information services must make sure that their staff are competent. Adequate staff competence can be proven by professional competence acquired and/or demonstrated in practice or by a suitable qualification certificate. Where necessary, the beneficiaries must be able to prove that the project staff have the education or competence required for project implementation.

Definition of the duration and the content of the short-term farm and forest management exchange schemes and farm and forest visits referred to in Article 3 of the delegated regulation (EU) No 807/2014

The farm and forest management exchange scheme will not be introduced.

**8.2.1.4. Verifiability and controllability of the measures and/or types of operations**

**8.2.1.4.1. Risk(s) in the implementation of the measures**

As a consequence of inadequate animation and communication, there may be a shortage of good project ideas and their implementers. Incomplete applications that are pending hinder decision-making related to projects. There may be shortcomings in compliance with deadlines set for complementing applications. Non-compliance with the selection criteria and deficient documentation of the selection process of funded

projects may result in a failure to select the projects that would optimally implement the programme objectives, or the selection is not fair. As a risk related to implementing the measure may be seen that the actors are not familiar enough with competitive bidding and procurement procedures. Shortcomings may be associated with assessing whether or not costs are reasonable, and documentation of cost assessment may be deficient. Insufficient familiarity with the eligibility rules may be a risk factor in project implementation. Payment of ineligible costs may also be a risk. Maintaining the professional competence of the authorities is highlighted in the verification and control procedures. Information security (user rights, appropriate hardware and equipment, competence), building up and the functioning of the information system and continuous development needs present a risk. A risk related to the overall realisation of funding is inherent in the use of advance payments.

#### Commission risk codes

R4. Inadequate knowledge of competitive bidding and procurement procedures

R7. Knowledge of eligibility rules

R8. Information security, functioning of the information system

R9. Assessment of reasonableness of costs and inadequate documentation. The costs are not allocated to the supported operations.

#### Commission risk reason codes

RC3. Ineffective information exchanges between authorities

RC9. Applicants for support are not familiar with correct procedures related to the payment applications

RC9.1. Payment applications are incomplete

RC10. Verification of reasonableness of costs

RC11. Compliance with public procurement provisions

RC14. Non-eligible costs

RC15. Information security risk in the use of e-government

#### 8.2.1.4.2. Mitigating actions

The implementation of the programme was planned comprehensively, with extensive participatory involvement of the national, regional and local levels alike. Potential beneficiaries will be openly informed of the funding opportunities and the conditions. The real needs of the project target groups will be investigated, and new implementation methods will be enabled. Training will be provided for different user groups as the new electronic system is deployed. Both electronic and manual use of the managing

authority's services will be facilitated.

In the selection of beneficiaries, the risks will be mitigated by comparing applications or using a score system that is based on the selection criteria. The procedure will be discussed by the programme's Monitoring Committee and incorporated in the electronic information system. The quality of applications and compliance with deadlines will be improved by communication and training provided for applicants.

The justifications of decisions will be recorded and their documentation ensured. Regular quality assurance will be ensured. Regarding competitive bidding and procurement procedures, the risk will be mitigated by means of instructions and training for both the authorities and the beneficiaries. The procurement procedures to be complied with must be clearly and comprehensively justified and documented. The potential risks associated with assessing whether costs are reasonable or not will be mitigated by providing guidelines and training. Information system certificates, electronic check lists, and the practice of saving attachments in the system for documentation will enable regular quality assurance regarding both support and payment decisions. The risk regarding verification and control procedures will be mitigated by means of training and guidelines. Guidance and supervisory visits by the administration and administrative inspections and inspection visits of projects will ensure the good quality of implementation and fairness in the entire programme area.

The real needs of project target groups will be identified. In order to reduce the risks, the quality of applications should be improved, and compliance with deadlines should be ensured. The authority will provide an estimate of the processing times of projects. Programme implementation was planned in a comprehensive way, and potential beneficiaries will be openly informed of the funding opportunities. In the information system, technology that facilitates modifications was used. Training will be provided for different user groups as the new electronic system is deployed. Information security risks will be recognized. The preparation of payment applications will be developed, and the level of skills related to payment applications will be improved. In addition, instructions and requisite training for applying for payments will be provided. Attention will be paid to the quality of payment applications in order to avoid prolonged processing and payment times. Good planning of projects and keeping the project plan up to date also facilitate the making of payment applications. Clear-cut interfaces and cutting back on overlapping activities were taken into account in programme preparation, and the various funding authorities regularly engage in a dialogue to coordinate the support systems and to avoid double funding.

Commission risk prevention codes

CPA1. Effective and regular training is provided for staff in charge of handling projects

The instructions are kept up to date

CPA2. More effective provision of information in order to animate potential applicants, active provision of training and advice

CPA3. Improving the availability of information and instructions, e.g. on a website, provision of training in e-government use. Providing training for project actors concerning procedures, eligible costs, the electronic system and information security.

CPA4. The information system guides decision-making and documentation. The selection criteria and procedures are integrated in the information and monitoring system, making their use mandatory and transparent. E-government reduces the possibility of human errors in various stages of the process.

CPA5. Simplified cost procedures will be introduced.

CPA6. Internal control and coordination systems are improved. Compliance with correct procedures in all regions will be ensured by means of administrative checks, and the procedures will be developed.

#### 8.2.1.4.3. Overall assessment of the measure

The measure is vital for the entire Rural Development Programme for Mainland Finland. It will improve the sustainability of rural industries and the competitiveness of rural enterprises.

The measures can be implemented and controlled as required in the regulations, and coordination with other measures under the programme and with other funds was taken into account in the preparation of the measures.

#### 8.2.1.5. Methodology for calculation of the amount or support rate, where relevant

The support to be granted under this measure is based on the needs indicated in project plans and a reviewed estimate of reasonable eligible costs. The maximum amount of support in proportion to eligible costs is determined pursuant to Regulation 1305/2013 and national legislation (Act on Support for Rural Development 28/2014 and Government Decree on Support for Rural Projects xx/2014). Support for operations eligible for State aid is granted under a State aid system approved for the relevant aid scheme.

#### 8.2.1.6. Information specific to the measure

Definition of appropriate capabilities for units offering knowledge transfer services for performing their duties in terms of staff qualifications and regular training

Units offering knowledge transfer and information services shall have the requisite qualifications and appropriate capabilities, and their staff must be offered regular training in carrying out these duties.

The organisation offering training or information services must make sure that their staff are competent. Adequate staff competence can be proven by professional competence acquired and/or demonstrated in practice or by a suitable qualification certificate. Where necessary, the beneficiaries must be able to prove that the project staff have the education or competence required for project implementation.

*Unofficial translation*

Definition of the duration and the content of the short-term farm and forest management exchange schemes and farm and forest visits referred to in Article 3 of the delegated regulation (EU) No 807/2014

The farm and forest management exchange scheme will not be introduced.

*8.2.1.7. Other important remarks relevant to understanding and implementing the measure*

*Links to other national and EU funded measures*

Advisory services for farms will be supported under a separate Rural Development Programme measure (section 8.3). The training and information projects under the programme may promote similar objectives as the measure concerning farm advisory services, but a single instance of providing advice cannot be eligible both as part of a project and under the measure related to farm advisory services. Advice provision and coaching for individual enterprises will be implemented through the measure concerning development of farming and enterprising activities (section 8.5).

The operations under this measure will be coordinated at the regional level. In particular, regional coordination will be relevant to reconciling ESF and ERDF projects. A measure may be implemented at the local (Leader), regional, inter-territorial, national and international (Leader) level.

## 8.2.2. M02 – Advisory services, farm management and farm relief services (Article 15)

### 8.2.2.1. Legal basis

Articles 15 and 28(4) and Annex II of Regulation (EU) No 1305/2013 of the European Parliament and of the Council

Articles 12-14 and Annex I of Regulation (EU) No 1306/2013 of the European Parliament and of the Council

Article 7 and Annex I of Commission Regulation (EC) No 808/2014

### 8.2.2.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

The measure includes sub-measure 2.1., support to help benefiting from the use of advisory services.

Under this measure, payments are made to approved advisors and advisory organisations for provision of farm advisory services. Approved advisors and their competence areas are listed in the Register of Advisors kept by the Agency for Rural Affairs. Farmers may choose the topic area of the advice as indicated by their needs. Several advisory events may take place on a farm.

The purpose of the advisory services is to respond to the farmers' needs for advice in order to promote the achievement of Common Agricultural Policy and Rural Development Programme objectives. Advisory services can enhance the farmer's farm management competence regarding both environmental issues and issues of animal health and welfare, reduce climate impacts caused by farms, improve energy efficiency and prevent risks caused by climate change. Disseminating recent information in a manner that is adapted to the conditions on the farm will facilitate farm development and risk management. Advisory services improve the quality to which measures under the programme are implemented by upgrading the farmers' competence regarding what the obligations of the measures and cross-compliance conditions mean in practice. As they help to clarify the causal relationships and the justifications of the conditions, the advisory services can assist farmers in understanding the requirements and complying with them. Access to advisory services also supports the coping of farmers by reducing uncertainty and confusion felt by them regarding the requirements under complex sets of conditions. Advisors can contribute to dispelling fear of controls and reduce the risk of sanctions by explaining the content of the conditions to farmers on a one-to-one basis and by discussing the related issues from the perspective of the individual farm.

Should the farmers wish, advisors can provide them with expert opinions on selecting methods that are as efficient as possible in terms of environmental protection and management. The advisory services can thus attract interest in new environmental actions that are suited for the farm. The advisors' opinions on adapting the farmers' environment commitments will enable an efficient targeting of measures and flexible enhancement of environment commitments. Advisory services can enhance the impact of balanced use of nutrients that is a condition for environment payments as farmers and advisors work together to examine the nutrient balances and, through them, the use of fertilisers, the soil structure and condition, the functioning of the water economy and improvements needed in these aspects. In plant protection, the aim is to upgrade the



farmers' plant protection competence and assist them in understanding the general principles of integrated control. The improved competence will have a positive impact on the safe use and handling of plant protection products, which translates as more accurately targeted plant protection product use and reduced health and environmental risks. Another objective is improving the farmers' competence in areas of cross-compliance conditions that are relevant to food and feed safety.

The measure related to advisory services supports the implementation of several measures under the programme and promotes the achievement of its objectives. Advisory services also respond to the needs for advice related to cross-compliance conditions for direct support and greening payments.

Advisory services primarily have an impact on focus areas

- 1A: Fostering innovation, co-operation, and the development of the knowledge base in rural areas
- 3A: Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organisations
- 4A: Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes
- 4B: Improving water management, including fertilizer and pesticide management
- 4C: Preventing soil erosion and improving soil management
- 5B: Increasing efficiency in energy use in agriculture and food processing
- 5C: Facilitating the supply and use of renewable sources of energy, of by-products, wastes and residues and of other non food raw material, for the purposes of the bio-economy
- 5D: Reducing green house gas and ammonia emissions from agriculture; and
- 5E: Fostering carbon conservation and sequestration in agriculture and forestry

Secondarily, advisory services have an impact on focus area

- 3B: Supporting farm risk prevention and management

Advisory services will support the achievement of cross-cutting environment and climate objectives and may pinpoint targets for innovation.

*8.2.2.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria*

#### 8.2.2.3.1. Advisory services

Sub-measure:

#### 8.2.2.3.1.1. Description of the type of operation

The Agency for Rural Affairs will select the advisors through a contract award procedure referred to in the Act on Public Contracts (348/2007) and pursuant to the Act and lower-degree statutes on programme implementation. When submitting their tenders, the advisors undertake to provide high-quality advice as indicated by the relevant measure and the needs of the farmer, turn down requests for advice that involve a conflict of interest, keep confidential any information disclosed to them while providing advisory services, and keep their expertise up to date. After the selection, initial training and approval for the register, the advisors have a capability and a right to provide eligible advisory services.

The list of approved advisors will be posted on the website of the Agency for Rural Affairs, where the farmers can select the advisor they wish to use. The farmer agrees upon the advisory services with the advisor, and the advisor enters an appropriation reservation for advisory service provision in the electronic system.

The target group for advice provision will be farmers and other land users having concluded an environment contract eligible for environment payments.

For a justified reason, advice may also in part be provided for groups, ensuring that the needs of individual advisory service users are taken into account. For example, advice provided for groups is justified if several persons operating on the same farm take part in an advisory event organised on the farm, or several farmers require advice on the same issue.

#### 8.2.2.3.1.2. Type of support

Payments will be made per instance of providing advisory services. A single appropriation reservation may amount to €1,500 at maximum.

#### 8.2.2.3.1.3. Links to other legislation

The Act on Public Contracts (348/2007) contains provisions on procurements of contracts.

The Act on Implementing Agricultural Support (192/2013, amended) created the general preconditions for preparing the measure described in the Rural Development Programme already in 2014.

The Act on payments to farmers under the Rural Development Programme (xx/201x) also contains provisions on payments for advisory services, and it creates the general preconditions for the implementation of the measure described in the Rural Development Programme.

Government Decree on advisory system for farms (xx/2015) defines the implementation of the measure as described in the programme and provides further details on the beneficiaries of advisory services, the advice to be provided, the preconditions for advice provided for groups, prevention of double payments, the distribution of the maximum payment when advice is provided for a group, the eligibility conditions and cancelling an advisor's approval.

In cases where the advice provided is relevant to measures under the Rural Development Programme, the

minimum requirements of these measures, or other baseline requirements, links to other legislation have been cited under each measure.

#### 8.2.2.3.1.4. Beneficiaries

The beneficiaries are approved advisors and advisory organisations when they provide advice indicated in the measure to the target group.

#### 8.2.2.3.1.5. Eligible costs

Payments for advisory events will be time based. Time spent on preparing for the event and reasonable travel costs may also be eligible. At maximum, the costs of one hour of preparation per one hour of advice are eligible for payment if the visit is relevant to an animal health care plan, a farm environmental plan or an energy plan. The application of consistent procedures and uniform contents determined by the theme shall be ensured when preparing these plans. While costs incurred for using the advisor's personal vehicle will be compensated in compliance with the state's travel regulations, in other respects the state's travel regulations will not be applied. The time spent providing advice will be confirmed by the farmer. The farmer's confirmation is a precondition for making a payment.

If a farmer would also like advice that is not within the scope of the measure, for example on drawing up a cultivation plan or establishing a wetland, they will pay the costs of these advisory services themselves.

#### 8.2.2.3.1.6. Eligibility conditions

Under Article 15(3) of Regulation (EU) No 1305/2013, the authorities or bodies selected to provide advice shall have appropriate resources in the form of regularly trained and qualified staff and advisory experience and reliability with respect to the fields in which they advise. The beneficiaries under this measure shall be chosen through calls for tenders. The selection procedure shall be governed by public procurement law and be open to both public and private bodies. It shall be objective and exclude candidates with conflicts of interest.

When providing advice, advisory services shall respect the non-disclosure obligations referred to in Article 13(2) of Regulation (EU) No 1306/2013.

The Agency for Rural Affairs selects the advisors through a contract award procedure and keeps a Register of Advisors in which the advisors' details are filed. Only an approved advisor is eligible for payments under this measure. The farmers may select an advisor who meets their needs in the register.

#### 8.2.2.3.1.7. Principles with regard to the setting of selection criteria

Advisors who have been successful in the selection process based on a contract award procedure will be

listed in the Register of Advisors kept by the Agency for Rural Affairs.

In addition to a selection process based on selection criteria and points scored for the criteria, the procedure also includes initial training on the general principles of the farm advisory service system and the topic areas of advice, as well as an online examination. The manner in which the examination is organised and its objectives will be explained as comprehensively as possible in the invitation to tender to allow the advisors to know what they are committing to when they submit their tenders. They will have access to the examination material during the examination. The objective of the examination is to test the advisor's command of the topic area contents, and their familiarity with up-to-date statutes and ability to find information in the statutes. The purpose of this is to ensure that the advisors selected for the system have a capability to provide reliable advice and respond to the farmers' needs on farm visits as comprehensively and expeditiously as possible.

No selection criteria will be set for the customers using the advisory services. The target is that as many farmers as possible would make use of the advice offered.

#### 8.2.2.3.1.8. (Applicable) amounts and support rates

The maximum payment per a single instance of providing advice is EUR 1,500, and the maximum amount per farm is ER 3,500 during the programming period. The payments for advisory services are co-financed and consist of a contribution from the European Agricultural Fund for Rural Development and a national contribution. The estimated amount of public funding is EUR 34 million.

#### 8.2.2.3.1.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.2.3.1.9.1. Risk(s) in the implementation of the measures

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##### 8.2.2.3.1.9.2. Mitigating actions

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##### 8.2.2.3.1.9.3. Overall assessment of the measure

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#### 8.2.2.3.1.10. Methodology for calculation of the amount or support rate, where relevant

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8.2.2.3.1.11. Information specific to the operation

General principles for ensuring the availability of appropriate resources in the form of regularly trained and qualified staff and advisory experience. The advisory activities shall be reliable in the fields where advice is provided. Itemisation of the elements covered by advice.

8.2.2.4. Verifiability and controllability of the measures and/or types of operations

8.2.2.4.1. Risk(s) in the implementation of the measures

Risks in the implementation of the measure are expected to relate to inadequate implementation guidelines, the selection procedure of advisors, exhaustive nature of the advice provided, verification of the advice contents, equitable treatment of applicants and the functioning of the IT systems (including maintenance of the register of advisors, reservation system for appropriations, farm-specific follow-up of appropriations).

Commission risk codes

R1 Advisor selection process

R1.2. Does the selection process result in adequate numbers of good advisors

R4 Act on Public Contracts

R4.1 Is application of the Act on Public Procurements too cumbersome, will the interest of potential advisors be attracted?

R8 IT systems

R8.1 Maintenance and usability of the advisor register

R8.2 Appropriation reservation system

R8.3 Farm-specific monitoring of appropriations

Commission risk reason codes

RC11. Public procurement

RC12. Verification and administration systems

8.2.2.4.2. Mitigating actions

Consideration was given for implementation and control when drawing up the conditions. In the preparation phase, it was noted that providing implementation guidance will play a significant role in this measure. After an advisory event, it must be possible to verify the topic areas covered and the duration of the visit. In

some parts, verifiability is based on the advisor's records and the customer's acknowledgement. The IT system contributes to preventing the realisation of risks, as internal checks can be set up in the various phases of the process.

The Agency for Rural Affairs is responsible for the application procedures and selection of advisors, and in this respect, control will be exerted by the Agency's internal audit services. Internal checks will be set up in the reservation system of appropriations and advisors. The authority receiving the payment applications (ELY Centre) will perform administrative checks based on a check list for all payment applications it receives. A precondition for making payments for advisory services is that compliance with the conditions can be verified in the systems and on the basis of the payment application and its attachments.

Control of farm advisory services is, where appropriate, based on Articles 46-62 of Commission Regulation (EU) No 809/2014, and the sampling will be carried out as required in control provisions of Commission (percentage controlled, random distribution, risk-based sampling distribution). Compliance with the conditions will be controlled by means of sampling inspections carried out by the Agency for Rural Affairs' audit department. Such aspects as the advisory service reservation system, provision of advice (individual/group advice), topic areas of advice, competence and further training of advisor, costs, accounting, use of the farm-specific appropriation, use of a check list and general procedures for handling payment applications at ELY Centres will be inspected. The topic areas in which advice is provided will be verified by means of surveys targeted at farmers.

#### Commission risk prevention codes

CPA1 Training of authorities

CPA2 Information and training for beneficiaries

CPA3 Information campaigns and guidance documents

CPA4 Development of IT tools

#### 8.2.2.4.3. Overall assessment of the measure

Advisory services can help to reduce the number of unintentional errors and sanctions imposed as a result of control.

#### 8.2.2.5. Methodology for calculation of the amount or support rate, where relevant

The payment levels for advisory services are based on the average commercially priced fees charged for advisory events. In the interest of simplifying the administrative process, a decision was made to use a single payment level. Expenses incurred for using the advisor's personal vehicle will be compensated as indicated in the state's travelling regulations.

#### 8.2.2.6. *Information specific to the measure*

General principles for ensuring the availability of appropriate resources in the form of regularly trained and qualified staff and advisory experience. The advisory activities shall be reliable in the fields where advice is provided. Itemisation of the elements covered by advice

A precondition for being approved for the advisory service system is that the advisor has adequate expertise in view of the quality and extent of their duties. The selection criteria are at least a secondary level qualification, suitable experience of advice provision, VAT liability concerning the advisory services provided (organisation or advisor) and commitment to the agreed payment for providing advice. In addition to a selection process based on selection criteria and points scored for the criteria, the procedure also includes initial training on the general principles of the farm advisory service system and the topic areas of advice, as well as an online examination.

The advisors are expected to keep their professional skills and expertise up to date. The Agency for Rural Affairs organises initial and complementary training courses. The Agency maintains the NEUVO 2020 web service, where material needed by the advisors and information on training offer is collected.

Advisory services will be provided regarding the cross-compliance conditions, greening payments, climate change mitigation and adaptation, biodiversity, protection of water and soil, innovation, environment payments, maintaining agricultural land, organic production, plant protection and integrated control, health and welfare of production animals, and issues related to environmental efficiency, including more efficient energy use and renewable energies.

#### 8.2.2.7. *Other important remarks relevant to understanding and implementing the measure*

##### *Links to other national and EU funded measures*

The requirements concerning a farm advisory system under Articles 12–14 of Regulation (EU) of the European Parliament and of the Council No 1306/2013 (horizontal regulation) will be met by the advisory services described in the Rural Development Programme and advisory services receiving national funding. For a description of the advisory service capacity, see section 5.5.

Costs incurred for purchases of expert services are eligible for agricultural investment support and enterprise support under the Rural Development Programme.

Training and information are provided for a broader target group, whereas advisory services are directed at individual farms. Similar objectives can be promoted through training and information projects under the programme as through the farm advisory system, but a single instance of providing advice cannot be eligible both as part of a project and under the measure related to farm advisory services.

##### *Arrangements before programme adoption*

Before the programme is adopted, preparations for introducing the measure will be made in 2014 by

selecting and training advisors.

*Measuring the impacts of advisory services*

- Indicators: number of advisors, number of farmers having received advice, payments granted and made by thematic areas and by ELY Centres
- feedback
- reports submitted in connection with payment applications
- the Agency for Rural Affairs will send surveys to farmers having received advice and to the advisors
- potential dedicated studies



### 8.2.3. M04 – Investments in physical assets (Article 17)

#### 8.2.3.1. Legal basis

Article 17 and Annex II of Regulation (EU) No 1305/2013 of the European Parliament and of the Council  
Article 13 of Commission Delegated Regulation (EU) No 807/2014

#### 8.2.3.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

*The measure includes the following sub-measures*

##### 4.1 Agricultural investments

##### 4.2 Processing, marketing and development of agricultural products and foods

##### 4.4 Non-productive investments

##### *Agricultural investments (code 4.1)*

The measure supports farm investments aiming to improve the competitiveness and profitability of farm operations. The investments may have an impact on the production efficiency of the farm and its economic and production-related circumstances, and thus also on the quality of primary products and placement of products on the food market, while they improve the productivity and profitability of agriculture. From the perspective of production, the investments will also aim for effectiveness and a low life cycle cost.

Investments in production buildings and their up-to-date technology may promote animal welfare and improve working environments, increase energy efficiency, speed up the introduction of solutions exploiting renewable energy, promote the appropriate use of renewable natural resources and recyclable materials, and have a positive impact on the rural environment. Investment measures can help to reduce the loading on the climate and the environment caused by production. Investments that support nutrient recycling may bring both economic and environmental benefits.

Investment support may help to reduce the financial burden of large investments and essentially improve their profitability. They may also encourage and guide farms to invest in effective and sustainable solutions and collective investments when this is appropriate economically and in terms of effective project implementation.

Under this measure, support may be granted for the following operations:

- livestock farming investments
- plant production investments
- product warehouses and investments that promote rendering products in a marketable condition
- investments that improve the status of the environment
- investments in improving quality

- investments in energy production on farms
- feasibility studies and plans

In this context, an operation means a group of investments that has been selected as the target of financing based on the needs discussed in the SWOT analysis.

For the principles of using food and fodder crops for bioenergy production, see section 8.1.

Investments supported under sub-measure 4.1 have primary impacts on focus area 2A: Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification.

Investments supported under sub-measure 4.1 may also have secondary impacts on focus areas:

- 5C: Facilitating the supply and use of renewable sources of energy, of by-products, wastes and residues and of other non food raw material, for the purposes of the bio-economy
- 5D: Reducing greenhouse gas and ammonia emissions from agriculture

Investments supported under sub-measure 4.1 have an impact on the following cross-cutting objectives:

- Climate: The supported construction investments promote the appropriate use of materials that are recyclable and exploit renewable natural resources, and encourage various solutions that use energy more efficiently and exploit renewable energy.
- Environment: The projects' environmental impacts will be taken into account in all investments. For example, particular environmental benefits can be achieved by investments that improve the efficiency of manure management, investments in subsurface drainage and controlled subsurface drainage of fields, and the construction of pens for outdoor access that address the management of runoff waters. Impacts on the rural environment will also be taken into account in the investment decisions.
- Innovations: Investment support will promote the introduction and exploitation of modern functional, construction technical and technological solutions in agriculture.

#### *Processing, marketing and development of agricultural products and foods (code 4.2)*

The purpose of this measure is to encourage farms and SMEs active in food sector to turn agricultural primary products into high-quality processed goods by using modern technologies and new production methods, and to develop services needed for marketing products. In particular, the measure strives to respond to the increasing demand for organic and local foods and specialised products. The measure also includes the manufacturing of products not intended for human consumption from food industry raw materials.

Production will be diversified so that small, co-operation and service oriented production and processing companies can operate side by side with existing larger enterprises. In food processing, the objective is better resource efficiency and integration of primary production in the processing stage, as well as co-operation between farmers and food chain actors.

As the investments will directly benefit companies in the regions, they will have a positive impact on supporting the viability of rural areas. The objective is to improve the efficiency, sustainability and structure

of the food sector, so that in addition to micro enterprises, more growing SMEs can be attracted to the sector. The aim is that the competitiveness and reliability of companies as suppliers for retail outlets, wholesalers and professional kitchens in Finland and in export markets will improve and that companies will become more international. A precondition for this will be differentiation of products and investments in product innovations, novelty foods and manufacturing of specialty products so that the special properties and consideration for environmental perspectives in the processing bring value added to the consumers and customers.

Farms producing organic and local foods often are small agricultural or horticultural enterprises whose operation is based on small-scale special production and seasonal products. This measure can support farms that are developing market-oriented production and supply chains and marketing services in order to sell primary produce or foods to local retail outlets or directly to consumers through farm shops and at markets and events. Support under this measure may also be granted for investments in expanding and setting up reindeer meat processing facilities.

Examples of allocating support to end products listed in Annex I to the Treaty on the Functioning of the European Union (TFEU):

- fresh meat and edible meat offal and meat products (cooked, salted, smoked etc.), including mutton, horse and reindeer meat, game and native breeds (indigenous breeds) (products of small slaughterhouses)
- other animal products (dairy produce, birds' eggs and honey), including cheese and natural yoghurt (products of small dairies)
- fats and oils (e.g. milk-based fats and vegetable oils)
- processed or unprocessed fruit, berries, vegetables and cereals
- beverages (e.g. cider and mead)
- cultivated berries, mushrooms, herbs, local varieties and natural products collected in the wild
- other locally and/or organically produced agricultural produce
- pet foods in retail packaging
- feeds and feed mixtures

In the processing of agricultural products, ingredients necessary for the process not listed in Annex I to TFEU may be used to give the product certain properties, including salt, seasoning and additives.

An indicative description (examples of activities to be supported) of support allocation to end products not listed in Annex I to the TFEU:

- bread, bakery, pastry, confectionery and biscuit products
- ready-made meals
- various processed foods including sauces, soups and ice creams
- processed milk products
- beverages
- other foods

The support to be granted under this measure is discretionary. Support will not be paid in advance. The focus of operations to be supported under this measure will be on activities whose end product is an agricultural product listed in Annex I to the TFEU or a further processed food. A measure that was started

before the support application was submitted will not be eligible. Other public funding may be allocated to the measure within the maximum amounts laid down in the State aid rules.

Physical and intangible investment and development measures supported under sub-measure 4.2 have a primary impact on focus area 3A: Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organisations. Particular priorities of the measure regarding focus area 3A include growth, development and improved competitiveness of food sector SMEs and farms by increasing the commercial value of agricultural produce, developing food processing, increased internationalisation of companies, and promotion of direct sales and sales in local markets and short supply circuits.

Investments supported under sub-measure 4.2 may also have secondary impacts on focus areas:

- 5B: Increasing efficiency in energy use in agriculture and food processing
- 6A: Facilitating diversification, creation and development of small enterprises, as well as job creation. The investments supported under this measure are expected to promote the diversification of farm operations, growth of existing SMEs, the establishment of new food sector companies and the creation of new jobs in the food sector.

Investments supported under sub-measure 4.2 have an impact on the following cross-cutting objectives:

- **Climate:** The challenges of climate change can be responded to by targeting investments at energy-efficient processes and developing short supply circuits in order to place products in the market at the local level, and by developing transport and other logistic solutions and packaging, by exploiting by-products as feed, or by reducing the volume of waste. In addition to potential climate benefits, the processing of organic produce and the exploitation of natural products can have a positive impact on preserving biodiversity. The impact of the measure can be enhanced by improved communication about the value added that the products represent and by actively finding new partners and networks in order to create new business areas.
- **Environment:** Decentralised small-scale food manufacturing has positive impacts on the environment compared to a centralised system and its risks. In addition to processing, product properties and more advanced logistics, the SME food sector has an impact on the development of new packaging materials, production and storage facilities, and machinery and equipment that is positive for the environment. In addition, small scale food processing supports the preservation of local cultures and local industries. Organic production can have an impact on saving natural resources, animal welfare and the chemical load on the environment. In food sector investments, sustainable use of resources and environmental aspects will be taken into account as a part of the more extensive context of bio-economy. The measure will have impacts on promoting the sustainable use of water resources. Companies can implement water saving or water quality measures by preparing for potential disruptions in the water supply, for example by purchasing water treatment technology required to secure water quality that will ensure a more effective treatment of the company's washing and rinsing waters.
- **Innovations:** This measure can be used to encourage the introduction of innovations associated with companies' revenue logic, exploitation of technology, products and their showcasing, marketing and customer service, company image and increasing the human capital of a company, as well as other similar issues whose development a company can influence directly by its activities. As far as

possible, food sector companies will be expected to take part in research and development operations associated with the Innovative Cities (INKA) programme and other similar development programmes and projects which may facilitate the companies in implementing innovative investments or other development measures. The measure will support the achievement of objectives related to developing food sector enterprising included in national development programmes for local foods and the organic sector and the Finnish bio-economy strategy. The measure will also promote Finland's strategy on food exports.

*Non-productive investments (code 4.4)*

The sub-measure consists of two non-productive investment measures, wetland investments and the initial clearing and fencing of traditional rural biotopes and natural pastures. Wetland investments will supplement water protection measures on arable lands aiming to reduce the loading caused by agriculture. They will improve the status of waters affected by agriculture at local and the catchment area level, and reduce nutrient loading as well as solid matter and acid leaching transported to the Baltic Sea. Channels restored following the principle of natural water construction, flood planes and zones, large wetlands or chains of small wetlands and submerged weirs promote water protection in water systems exposed to loading from agriculture. They slow down the passage of water, even out flow rates and retain solid matter and phosphorus bound to it. As vegetation is removed, soluble nitrogen and soluble phosphorus are also taken out of the water system. The measure will promote the biodiversity of farming areas and landscape diversity by increasing wetland habitats which have diminished as a result of drainage operations. Wetlands and nature-like channels diversify the habitats of agricultural environments and create more landscape variety. The range of species in agricultural areas will be diversified and the number of individuals increase, and there will be benefits to game and crayfish management and fisheries. The measure may be implemented in the catchment areas of water bodies identified in, for example, River Basin Management Plans, where the measure can significantly and in an appropriate manner reduce loading in water from agriculture and/or increase biodiversity in farming environments and promote game and crayfish management and fisheries.

The initial clearing and fencing of traditional rural biotopes and natural pastures promotes biodiversity in a farming environment by creating preconditions for starting management that aims for site maintenance. Traditional rural biotopes and natural pastures are high-biodiversity farming environments resulting from traditional modes of land use, mainly mowing and grazing. Their restoration and management are key measures for promoting biodiversity in farming environments, especially in case of endangered species and habitats. Because of the rapid decline of traditional rural biotope area, restoring other natural pastures with nature values is also important.

The sub-measure addresses the objective of the National Strategy for the Conservation and Sustainable Use of Biodiversity in Finland of halting biodiversity loss in Finland by 2020. The strategy and the action plan that supports it implement the Convention on Biological Diversity (CBD). In addition, the sub-measure responds to the objectives of the EU Habitats Directive and Birds Directive and the need to promote species and habitats of the agricultural environment noted in evaluations of endangered habitats and species. It also creates tools for responding to the habitat restoration needs identified in Finland's PAF plan. The sub-measure also serves as a tool for implementing River Basin Management Plans developed by virtue of the Water Framework Directive.

Sub-measure 4.4 has a primary impact on focus areas:

- 4A: Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas

facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes

- 4B: Improving water management, including fertilizer and pesticide management

Measures under sub-measure 4.4 will promote the cross-cutting environmental objectives of the Rural Development Programme as they create and improve the preconditions for water protection in agriculture and the promotion of biodiversity in farming environments.

*8.2.3.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria*

#### 8.2.3.3.1. 4.1. Agricultural investments

Sub-measure:

- 4.1 – support for investments in agricultural holdings

##### 8.2.3.3.1.1. Description of the type of operation

The investments can help to improve the structure of agriculture and create preconditions for modernising agricultural production and expanding entrepreneurial activities on farms. The main emphasis is on investments that improve farm competitiveness and profitability.

In this context, agriculture means arable farming, animal husbandry, greenhouse production, garden and nursery farming, fur farming, reindeer herding, apiculture, professional hunting, berry picking and mushroom picking or other production activities of products referred to in Annex I TFEU.

##### 8.2.3.3.1.2. Type of support

Investment support may take the form of grants, an interest subsidy, and a loan guarantee given by the state or other public party. EU co-financed public support will be given in the form of a grant. Co-financed public funding to be given and paid as a grant consists of a contribution from the Rural Development Fund and a national contribution. The national contribution will consist of central government funding.

A loan interest subsidy and/or a loan guarantee may be granted to all actions as additional support on national financing. When granting support, the current value of co-financed support and/or national support and additional national financing may not exceed the maximum payment amounts.

#### 8.2.3.3.1.3. Links to other legislation

The support under this measure will be granted in compliance with European legislation and national legislation that complements it. National provisions on the support are contained in the Act on Structural Support for Agriculture (1476/2007) and the decrees issued by virtue of it. This Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree on Structural Support for Agriculture contains more detailed provisions on the conditions for granting and payment of support and the relevant procedures. The Government Decree on the Allocation of Agricultural Investment Support provides more detail on the targets of investment support, support amounts and support forms. The Decree of the Ministry of Agriculture and Forestry on Eligible Unit Costs lays down maximum eligible costs.

The provisions on eligibility of expenditure in Article 65, forms of grants and repayable assistance in Article 67, and on specific eligibility rules for grants and repayable assistance in Article 69 of Regulation (EU) No 1303/2013 of the European Parliament and of the Council (later referred to as the General Regulation) shall apply to the support.

The measure complements the other measures in this programme. Support related to rendering products to a marketable condition can also be granted to farms under sub-measure 4.2 when the products are sold in retail trade or in the local market. However, support for the same investment cannot be granted under both sub-measures.

Under the measure concerning farm advisory services (M02), support may be allocated to energy studies on farms, and support under measure 4.1 may be allocated to broader energy audits of farms conducted as feasibility studies.

#### 8.2.3.3.1.4. Beneficiaries

Support may be granted to a natural person or an organisation under private law that engages in farming and meets the eligibility conditions.

#### 8.2.3.3.1.5. Eligible costs

Eligible costs include:

- investments in physical assets
- purchases of machinery and equipment
- the procurement by hire purchase or lease purchase of machinery and equipment up to the market value of the asset;
- general investment costs, including the fees of architects, engineers and consultants, as well as feasibility studies and plans.

Contributions in kind referred to in Article 69 of the General Regulation, for which no cash payment has been made, will be eligible. The beneficiary shall produce adequate documentation of eligible costs.

Other costs connected with a leasing or a hire purchase contract, including lessor's margin, interest refinancing costs, overheads and insurance charges, are not eligible. Purchases of agricultural production rights, payment entitlements, animals or annual plants, or the planting of annual plants are also not eligible.

#### 8.2.3.3.1.6. Eligibility conditions

Support may be granted to an agricultural entrepreneur who is aged over 18. If the applicant is an organisation, an eligible person alone or several eligible persons together must have controlling influence over the organisation. If the applicant is a consortium of farmers, all partners or members in the consortium must meet the criteria for an active farmer in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national provisions laid down by virtue of it, and in addition, at least one half of the partners or members in the consortium must also meet the other eligibility conditions.

The beneficiary must have adequate professional skills. As adequate professional skills will be considered at least a secondary level qualification in the natural resources field or, in addition to practical experience of three years, education amounting to at least 10 course credits or 15 credit points. If the project for which support is granted does not affect the farm's type of production, work experience of three years is sufficient to meet the criterion of professional skills. The meeting of the professional skills criterion can also be proven by completing apprenticeship training or a competence-based qualification.

The beneficiary company must have the prerequisites for continuous profitable operation. In order to direct the support to investments that optimally implement the programme objectives, a condition for eligibility is that the applicant farm can prove by means of a business plan that they can achieve an entrepreneurial income amounting to a minimum of EUR 25,000 at the latest in the fifth year after making the investment when the investment concerns livestock farming, excluding apiculture, where a farm is eligible if it achieves the minimum unit size of 50 hives, crop farming investments excluding subsurface drainage and collective machinery investments, investments in rendering products to a marketable condition or in storage facilities, or farm energy production investments.

The permits required under national statutes valid at the relevant time, including a building permit, an environmental permit and an action permit, shall be attached to the application. In an application for an environmental permit concerning housing for domestic animals, for example, the applicant must submit basic information on the activities, the actor and the premises and the scope of the operation, information related to the handling and storage of manure as well as to grazing and pens for outdoor access, details of how sewage from sanitation facilities in the milk parlour and the animal housing will be processed, information on the storage of silage and the spreading or other use of manure, urine and silage effluent, information on fuel tanks and stores and the consumption and storage of other substances and chemicals to be handled, information about the location and environmental conditions of and land use planning concerning the activities, an estimate of the environmental impacts of and risks relevant to the operation, actions planned to prevent accidents and taken in case of disruptions, information on any wastes produced, their volumes and their processing, an estimate of the application of best possible usable technology, and information on the farm's water supply, transport and traffic arrangements. Instructions and forms for environmental permit applications are available at [http://www.ymparisto.fi/fi-FI/Asiointi\\_luvat\\_ja\\_ymparistovaikutusten\\_arviointi/Lomakkeet/Maatalouden\\_ymparistonsuojelun\\_lomakkeet\(9475\)](http://www.ymparisto.fi/fi-FI/Asiointi_luvat_ja_ymparistovaikutusten_arviointi/Lomakkeet/Maatalouden_ymparistonsuojelun_lomakkeet(9475)). Under national legislation, an environmental impact assessment process (EIA) shall be carried



out for investments that could result in significant negative impacts on the environment.

The conditions applicable to the beneficiary must be met as the application is submitted, with the exception of shortcomings regarding the professional skills requirement in connection with supporting a young farmer's entry in the sector, where a grace period of 36 months applies to the fulfilment of this requirement.

Support will not be paid in advance. A project that was started before the support decision was issued will also not be eligible.

In consideration of the State aid rules applicable to the support, neither may support be granted to companies in difficulty referred to in the Commission's guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty.

After an initial perusal of the application, the authority may offer the applicant a possibility of complementing the information concerning the applicant or the application, or request for missing information. The applicant must be informed of how the application should be complemented. The applicant must submit the complementary or missing information within the set deadline. The application may move forward in the selection process if the eligibility conditions concerning the applicant and the application are met.

#### 8.2.3.3.1.7. Principles with regard to the setting of selection criteria

Projects that meet the eligibility conditions set out in European Union legislation and the complementary national legislation are assessed based on eligibility criteria. If the application completely fails to meet an eligibility criterion, the project must be excluded from the selection procedure. The information on eligibility conditions applicable to projects and on fulfilment of the eligibility criteria are recorded in Hyrrä eService. The selection criteria are applied to feasibility studies or plans where applicable.

The selection criteria are composed of six thematic areas which help to ensure that the project to be supported promotes RDP objectives and the objectives of relevant national legislation. At maximum, three points may be awarded to an application in each thematic area. Points are awarded for features matching the scoring criteria identified in the project. If the project completely fails to meet a selection criterion, it is awarded zero points for the thematic area in question.

A weighting is applied to the points awarded for each thematic area, bringing the maximum score up to three points. All projects to be funded must score points for at minimum three thematic areas, giving a weighted total score of at minimum 1.1 points. The selection criteria are specified by the Ministry of Agriculture and Forestry as the Managing Authority. The selection criteria and their details are discussed at the Monitoring Committee of the Rural Development Programme before the implementation of the sub-measure may be launched. The selection criteria will be applied consistently in the areas of all ELY Centres.

The selection criteria and their coefficients are the following:

The supported measure's

1. Impacts on the economic situation of the beneficiary company (25%)
2. Impacts on the competitiveness of the beneficiary company (20%)

3. Environmental impact (20%)
4. Impact on production conditions (15%)
5. Impact on the implementation of other programme objectives, for example whether the project is a joint project (10%)
6. The significance of the industry in terms of the total generation of income and the impacts of the project to be supported (10%)

In investments that improve the status of the environment and in investments aiming to improve quality, the coefficient for selection criteria 1) and 2) is 15%, the coefficient for criteria 3) and 4) is 25%, and the coefficient for criteria 5) and 6) is 10%.

#### 8.2.3.3.1.8. (Applicable) amounts and support rates

The maximum payments per operation as a percentage of eligible investment costs are as follows:

##### Livestock farming investments

- Dairy and cattle farming investments 45-50%
- Sheep and goat farming investments 45-50%
- Pig farming investments 40%
- Horse management investments 40%
- Fattening poultry investments 30%
- Apiculture investments 25%
- Fur farming investments 10%

When setting the support levels, particular attention was paid to the key significance of livestock production based on grassland farming to the versatile use of arable land and promotion of regional production possibilities. In dairy and cattle farming investments and in sheep and goat farming investments, the support rates will be subject to regional differentiation, and the rate will be 5 percentage points higher in Southern Finland than in other parts of the country. This regional differentiation is based on the fact that in relative terms, cattle husbandry relying on grassland farming is declining more rapidly in Southern Finland than in other areas. A diverse production structure will help to preserve endangered habitats in rural areas and promote the recycling of nutrients, and it is thus particularly important for biodiversity.

##### Plant production investments

- greenhouse investments 40%
- drying barns 35%
- subsurface drainage 30-35%
- machinery intended for collective use (for example, harvesting machines) 10%

In controlled subsurface drainage investments, the support rate is 5 percentage points higher than usual in order to provide an incentive for controlled subsurface drainage in soil types where this technique will bring environmental benefits. By supporting collective machinery investments, the deployment of new technologies can be accelerated and promoted in a resource efficient manner.

In joint projects that concern drying barn investments, the support rate is 40%. In particular on smaller crop production farms, collective investments in drying barns may be the most appropriate alternative from the perspective of competitiveness and profitability.

Investments in storage facilities and rendering products into marketable condition

- storage facilities 20-40%
- rendering into marketable condition 30%

For agricultural storage facilities, the support rate will be differentiated by type of storage, so that the support rate for machinery sheds with lighter structures will be 20% and the rate for other storage facilities will be 40%.

Investments that improve the status of the environment 30-40%

The support rate for investments that improve the status of the environment will be 30%. The support rate for investments that promote the handling and use of manure will be 10 percentage points higher if the investment is made in the target region for environment payments for plant cover of investment is made in cooperation. . In machinery investments related to the handling and use of manure, the higher support rate for collectively owned machinery can promote the deployment of new technologies.

Investments in improving quality

- investments to improve the working environment 30%
- investments in animal welfare 30%
- investments in production hygiene 30%
- investments in preserving and improving the building culture 20%

Investments in energy production on farms 35%

Feasibility studies and plans

- energy audits 40%

The support rate for young farmers is 10 percentage points higher than the aforementioned rates for investments in dairy and cattle farming, sheep and goat farming, and pig and poultry farming as well as for greenhouse investments.

Where granting support would not be justified or appropriate, for example because of the competitive situation or surplus capacity, investments may be excluded from the support.

If the investment is related to an operation receiving support in connection with a European Innovation Partnership project, the support amount may be increased by no more than 20 percentage points compared to the aforementioned levels.

The maximum amount of support per farm will be EUR 1,500,000 over three financial years.

#### 8.2.3.3.1.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.3.3.1.9.1. *Risk(s) in the implementation of the measures*

- Submission of deficient applications, and failure to comply with deadlines set for complementing applications, may obstruct decision-making.
- Actors are not always adequately familiar with the permit procedures required for investments.
- Modern agricultural production and conditions usually set atypical special requirements for construction compared to other types of construction, requiring specialised competence in design and implementation. Familiarity with the construction sector and its tendering procedures is not adequate in all parts, and shortcomings may occur in competitive bidding. There may be shortcomings in the assessment, monitoring and documentation of costs.
- In the selection of supported projects, inadequate compliance with the selection criteria or deficient documentation of the selection process of projects to be funded may involve a risk.
- There may also be shortcomings in implementation guidelines, and the approach to documentation may not always be logical.
- Making sure that the verification and control procedures are smooth and correct is important for the applicants' legal protection.
- The payment system sets high demands on the information systems, their functioning and functionalities, hardware, information security and IT skills.

##### 8.2.3.3.1.9.2. *Mitigating actions*

- The programme was prepared in broad-based participation, and information on its progress has been disseminated in a versatile manner. Information about the possibilities of applying for support and payment conditions will be as comprehensive as possible and have a wide coverage.
- Attention will be focused on training and advice provision, and adequate guidelines will be drawn up to support the preparation of business plans, construction investments and tendering processes. Attention will also be paid to the quality of the application documents.
- The applicant's business plan will be saved in the information system as an attachment to the application, training on evaluating business plans will be provided for the administration, and project selection will also be guided by the evaluation criteria so that the best plans become selected for implementation under the programme.
- For the purposes of competitive bidding, checks will be built in the information system, the completion of which will be mandatory when making support decisions.
- The possibility of making modifications was accounted for in the design of the new information system, and checks for the eligibility conditions will be incorporated in the system.
- Check lists for the authorities will be created to support the verification and supervision procedures, and their use can be controlled in the information system. Regular training will be provided for the authorities several times a year.
- A shared portal is provided for information exchanges between the authorities, and regular video-conferencing will take place a number of times a year. A regular dialogue between the various funding authorities will ensure coordination between different support systems and prevention of double payments. The risk of double payments will also be addressed by the structural system used for administrating various support systems. The officials processing support and payment

applications in the ELY Centres have been provided with training on this question, and it will be taken into consideration in check lists for ex post control.

- The action group network unit takes part in the training and information of applicants, the officials and partners alike.

#### *8.2.3.3.1.9.3. Overall assessment of the measure*

The measure can be implemented and controlled as required in the regulations, and coordination with other measures under the programme and with other funds was taken into account in its preparation.

Agricultural investments are necessary to ensure that the production activities of farms remain competitive.

#### *8.2.3.3.1.10. Methodology for calculation of the amount or support rate, where relevant*

In sub-measure 4.1, the support amount and rate are calculated at their nominal value, even if the support were paid in several instalments. The support may be granted partly or fully as an interest subsidy for a loan. The maximum amount of interest subsidy is a share of 3 percentage points of the total loan interest. The payment amount granted as an interest subsidy is the total amount of payment instalments at nominal value calculated over interest periods of six months paid as an interest subsidy.

When support is granted as aid associated with a loan, the payment level is the share of the total interest subsidy for a loan eligible for an interest subsidy of the investment's eligible costs.

When calculating the payment level, the interest subsidy for a loan eligible for an interest subsidy paid biannually will be discounted to the value of the year in which the support was granted.

As the discount interest rate will be applied the reference rate of Commission Communication (08/C 14/02); OJEU C 14, 19.1.2008, p. 6.

Regarding the calculation method of support contained in guarantees, the procedure referred to in Notification N 268/2010 will be followed.

If a maximum cost laid down in the Decree on Eligible Unit Costs is applicable to the support target, the eligible cost may at maximum reach the amount prescribed in this Decree.

#### *8.2.3.3.1.11. Information specific to the operation*

Definition of non-productive investments

Definition of collective investments

*Unofficial translation*

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Definition of integrated projects

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Definition and identification of the eligible Natura 2000 and other eligible High Nature Value Areas

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Description of the targeting of support to farms in accordance with a SWOT analysis carried out for the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

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List of new requirements imposed by Union legislation for compliance with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013

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Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

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Where relevant, definition of the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014

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#### 8.2.3.3.2. 4.2. Processing, marketing and development of agricultural products and foods

Sub-measure:

- 4.2 – support for investments in the processing/marketing and/or development of agricultural products

##### 8.2.3.3.2.1. Description of the type of operation

The supported operations will create prerequisites for the development and growth of processing and trade of primary agricultural products produced by organic or conventional methods, and the improvement of resource efficiency (for example, efficient raw materials use and water management, more efficient use or saving of energy and water). In the allocation of support, the main emphasis will be on growing and developing enterprises, co-operation between processing companies and primary producers, and the development of innovative and competitive products.

SMEs will be encouraged to exploit and modernise the northern culinary culture and traditions that have absorbed eastern and western influences and to apply their knowledge of local food traditions and manufacturing methods to the preparation and productisation of quality foodstuffs and specialist products. Operations may also concern the creation of local supply networks and the investments of individual companies or collective investments serving local markets and direct sales related to the reception, storage, rendering to a marketable condition, sorting and packaging of products.

##### 8.2.3.3.2.2. Type of support

Investment support is intended for the funding of the physical or intangible initial or expansion investments of start-ups or existing companies. Supported investments will include the facilities, machinery and equipment required for processing, facilities and equipment needed for marketing products, as well as intangible investments, including CRM or ERP systems, the industrial Internet or patents and rights of reproduction. Support may also be allocated to investments in quality and quality assurance systems and other systems relevant to food and feed safety, as well as operations involving the deployment of technologies and processes.

Support may also be granted for general investment costs, including feasibility studies. An agricultural enterprise may be granted support for investments related to the retailing of primary products that are not funded as agricultural investments under sub-measure 4.1.

##### 8.2.3.3.2.3. Links to other legislation

Support under this measure will be granted in compliance with European legislation and national legislation associated with its application.

The provisions on eligibility of expenditure in Article 65, on forms of grants and repayable assistance in Article 67, and on specific eligibility rules for grants and repayable assistance in Article 69 of Regulation

(EU) No 1303/2013 of the European Parliament and of the Council shall apply to the support. Provisions on support are contained in the Act on Support for Rural Development (28/2014), which provides the national legal basis for support granted under this sub-measure. Under this Act (28/2014), further provisions on support may be laid down in a Government Decree (80/2015), the contents of which will be in keeping with this sub-measure. Chapter 1 of the Decree contains scope, Chapter 2 provisions on the general conditions for granting support, Chapter 3 provisions on start-up support, Chapter 4 provisions on investment support, Chapter 5 provisions on the payment of support, and Chapter 6 contains miscellaneous provisions of the Decree. The Administrative Procedure Act (434/2003) and, in relevant parts, the Act on Discretionary Government Transfers (688/2001) will also apply.

Operations to be implemented within the framework of action plans for the fruit and vegetable sector are different from measures under the Rural Development Programme for Mainland Finland 2014–2020, and support cannot be granted for operations that are eligible under the common organisation of the market in fruit and vegetables. A description of a similar procedure to avoid double and excessive payments is contained in the national strategy for sustainable action plans of producer organisations in the fruit and vegetable sector.

#### 8.2.3.3.2.4. Beneficiaries

Support may be granted to an eligible legal person under private law or a natural person in rural areas. In case of a product listed in Annex I to the TFEU, support may also be granted for measures implemented outside rural areas. Regarding their size, the beneficiaries may be micro, small or medium-sized enterprises as defined in Commission Recommendation 2003/261/EY or its later amendments or in State aid rules applicable to the support, and agricultural enterprises which by their size meet the aforementioned definition.

For the processing and marketing of products other than those listed in Annex I to TFEU, support may only be granted to micro and small enterprises in rural areas, and agricultural enterprises both in rural and urban areas.

#### 8.2.3.3.2.5. Eligible costs

##### Physical investments

- the construction, acquisition, including leasing, or improvement of immovable property
- the purchase of land not built on and land built on, to the extent that the amount spent on the acquisition is at maximum 10% of the total eligible costs of the operation in question
- the purchase, purchase on hire purchase or lease purchase of new machinery and equipment up to the market value of the asset

##### Intangible investments

- acquisition or development of computer software and acquisitions of patents, licenses, copyrights



and trademarks

#### General costs

- general costs, such as architect, engineer and consultation fees, fees relating to advice on environmental and economic sustainability including feasibility studies, and the requisite permit and registration fees
- feasibility studies, which remain eligible expenditure even where, based on their results, no expenditure for physical investment is made

#### *Restrictions applicable to investments*

The main rule is that the support is open for all sectors of agriculture (agricultural products). Where granting support would not be justified or appropriate because of the competitive situation or surplus capacity or because there are no marketing channels for the products, products may be excluded from the support. Under national legislation, an environmental impact assessment process (EIA) shall be carried out for investments that could result in significant negative impacts on the environment. Permits required under national statutes valid at the relevant time, including a building permit, an environmental permit and an action permit, shall be submitted with the application.

In consideration of the State aid rules applicable to the support, neither may support be granted to companies in difficulty referred to in the Commission's guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty (2014/C 249/01).

Simple replacement investments are not eligible for support. This means replacing old assets with new ones in order to maintain efficiency, and expenditure on maintaining the continued productivity of capital stock that is not related to initial investments or expansion. The replacement of machinery or a piece of equipment that is in use by a new one may be eligible if commercialised modern technology or new technology is introduced, or the activities are expanded substantially.

Other costs connected with a leasing or a hire purchase contract, including lessor's margin, interest refinancing costs, overheads and insurance charges, are not eligible. Where necessary, non-eligible costs are established by comparing the costs of the leasing or hire purchase contract to the current value of the machine or piece of equipment for which support is granted. Where necessary, the eligible current value is determined based on a bidding competition.

#### 8.2.3.3.2.6. Eligibility conditions

After an initial perusal of the application, the authority may offer the applicant a possibility of complementing the information concerning the applicant or the application, or request for missing information. The applicant must be informed of how the application should be complemented. The applicant must submit the complementary or missing information within the set deadline. Enabling the complementation of applications does not preclude correcting and adjusting applications after their submission in case of obvious errors recognised by the competent authority as stated in Article 59(6) of Regulation (EU) No 1306/2013. The application may move forward in the selection process if the eligibility

conditions concerning the applicant and the application are met.

Eligibility conditions concerning applicants:

- The applicant is an SME or an agricultural enterprise (a farmer or a member of a farming household)
- A natural person applying for support is aged 18 years or over
- The place of business of the beneficiary company is within RDP application area
- The beneficiary company has the prerequisites for continuous profitable operation
- The eligible operation represents the main income of at least one entrepreneur or employee in the company

Eligibility conditions concerning applications:

- The applicant presents a plan for the operation to be supported
- The applicant presents a practicable business plan that, regarding its scale, is suitable for the business in question
- The applicant includes information on their financial position and competence required by the enterprise
- The support is necessary for the activities for which it is granted
- The application was submitted before the measure to be supported was started

#### 8.2.3.3.2.7. Principles with regard to the setting of selection criteria

The projects to be supported shall promote the objectives of one or more Union priorities concerning rural development, this sub-measure, and the applicable national legislation, as well as the regional or local priorities that support them. Projects that meet the eligibility conditions set out in European Union legislation and the complementary national legislation are assessed based on eligibility criteria. If the application completely fails to meet an eligibility criterion, the project must be excluded from the selection procedure. The information on eligibility conditions applicable to projects and on fulfilment of the eligibility criteria are recorded in the Hyrrä eService. Where appropriate, the selection criteria will be applied to general costs, including feasibility studies.

#### Selection criteria

Rather than exclude applications, the selection criteria are used to put eligible applications in an order of priority. As selection criteria will be chosen thematic areas that produce added value from the perspective of rural development and competitiveness of businesses. The selection criteria consist of seven thematic areas, where the term "measure" is used for the investment project.

At maximum three points may be awarded to an application for each thematic area. The grounds on which points may be scored in each thematic area are described in writing. Points are awarded for features matching the scoring criteria identified in the project. If the project completely fails to meet a selection criterion, it is awarded 0 points for the thematic area in question. Written justifications for points awarded in thematic areas may also be provided.

A coefficient will be applied to the points scored for the thematic areas. The coefficients applied to each

thematic area are given as a percentage, which must add up to 100%. The total score of a project to be evaluated is obtained by multiplying the score for each thematic area to be evaluated by the coefficient and totalling these figures. The weighted maximum score is 3 points. All projects to be funded must score at minimum one point in the three thematic areas with the highest coefficient. The points scored by a project for the thematic areas must produce a weighted total score of over 1.1 points. Projects that do not achieve the minimum score will be rejected.

The selection criteria are specified by the Ministry of Agriculture and Forestry as the Managing Authority. The selection criteria and their details are discussed at the Monitoring Committee of the Rural Development Programme before the implementation of the sub-measure may be launched. The selection criteria will be applied consistently in the areas of all ELY Centres. The selection criteria and their coefficients are the following:

Investment aid to enterprises

- 1) Location of the measure to be supported/the company's facilities (5%)
- 2) Jobs created as a result of the measure to be supported (15%)**
- 3) Regional and spillover effects of the measure to be supported (10%)
- 4) Impacts of the measure to be supported on the market area of the company's products and services (10%)
- 5) Impacts of the measure to be supported on the renewal of the company's operations (30%)**
- 6) Impacts of the measure to be supported on the company's co-operation, including links to more extensive development schemes and strategies (20%)**
- 7) Additional points awarded for other special features that can be identified in the measure to be supported, including special features that support cross-sectoral objectives which concern the environment and climate change mitigation and adaptation (in particular, criterion 5 covers the evaluation of the cross-sectoral objective concerning innovation). (10%)

The LAGs comply with selection criteria in keeping with the local development strategies.

Application procedure

Applications may be submitted on a continuous basis. However, the applications are evaluated and decisions on them are made by support period. The ELY Centres and the LAGs have the obligation to provide information about the possibilities of applying for support and the application procedures, including the selection criteria and other relevant details, such as the applicable fixed support rates.

#### 8.2.3.3.2.8. (Applicable) amounts and support rates

Support granted for SMEs engaged in processing agricultural produce (TFEU Annex I) is based on the roles agreed upon between the funding authorities and confirmed in Finland's Partnership Agreement 2014–2020. In the setting of support rates, Finland's regional aid map 2014–2020 (State aid SA.38359 (2014/N) -

Finland) and the support rates in Annex II of Regulation (EU) No 1305/2013 were accounted for. Increased support may be granted to micro and small enterprises, as the potential for the processing of organic and local produce and other special and quality products, which is a priority area, and for growth and job creation, lies in micro and small enterprises which can expand their business to the national and the international level. As a rule, agricultural enterprises categorised as micro enterprises have potential for shortening supply circuits and developing local markets. The development resources of micro and small enterprises are small, and obtaining private funding is more challenging for them than for larger companies. An incentive to engage in co-operation is provided for micro enterprises in the form of increased support rates in order to develop productisation and to improve the efficiency of the operations. To ensure comprehensive development in the agricultural sector, medium enterprises are eligible for support, similarly to programming period 2007–2013. Increased support may also be granted for an investment related to a rural innovation group that is implemented by a member of that group. In order to improve the level of investments, support may be granted separately for the general costs of the investment. In particular, support will be allocated to feasibility studies, which can provide a clearer idea of whether or not a project planned by a company is feasible, identify any risks associated with its implementation, and predict its chances of success. Feasibility studies allow companies to draw on expert services when preparing large development packages to apply for national or international funding with the aim of developing their operations. To improve the impact of support, a minimum investment amount has been defined.

Support for an investment is given as a grant. The support levels have been set according to the size category of the company and the national assisted region in which the company is located. The fixed support levels to be applied during the support period are included in advertisements, or potential applicants are otherwise informed of them.

- To a micro enterprise in assisted regions I-III, investment support amounting to 35% may be granted. • To a small enterprise in assisted regions I-III, investment support amounting to 30% may be granted.
- To a medium enterprise, support for an investment amounting to 25% may be granted in assisted region I and to 20% in assisted regions II-III.
- These rates may be increased by an additional 20% in the case of investments supported in connection with the European Innovation Partnership (EIP).
- To micro enterprises, support for collective investments in assisted regions I-III may amount to 40% in the case of integration between companies engaged in different production phases of the same product (vertical integration), or when two or more companies in the same sector become integrated (horizontal integration).

Support will not be granted for investments of less than EUR 10,000.

Support for the general costs of an investment is given as a grant.

- For micro, small and medium enterprises, support for general costs amounting to 40% may be granted.

Support will not be granted for general costs of less than EUR 3,000.

The maximum amount of support is EUR 180,000 if a Leader local action group is in favour of the measure.

When the end products are those listed in Annex I to the TFEU, the support will be granted as stated in Article 81(2) and Annex II of Regulation (EU) No 1305/2013. When the end products are partly agricultural

products listed in Annex I to the TFEU and partly products not listed in the Annex, support will be granted in the proportion of the relative shares of the end products.

The support rates of sub-measure 6.4 (programme document section 8.2.4.3.3.8.) and sub-measure 6.2 will apply to investments in food processing (end products not listed in Annex I TFEU).

#### 8.2.3.3.2.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.3.3.2.9.1. Risk(s) in the implementation of the measures

- Potential implementers of measures cannot be animated to develop and redirect their operations.
- Business plans are not realistic, or sufficient professional competence for assessing them is lacking.
- In the previous programming period, shortcomings were noted in the assessment of whether or not costs were reasonable.
- Inflexibility of information systems slowed down the implementation of changes to some extent in the previous period.

The complexity of the support conditions is a risk, especially in terms of verification and control procedures.

##### 8.2.3.3.2.9.2. Mitigating actions

- While preparations were being made for the programming period, training was provided for the partners taking part in the planning and implementation of the programme, and they have been animated in co-operation with research institutes and Sitra; innovation competitions and camps have also been organised to seek and refine innovations. The programme was prepared as an extensive co-operation project between the administration and the partners.
- A communication plan was formulated for programme implementation.
- The applicant's business plan will be saved in the information system as an attachment to the application, training on evaluating business plans will be provided for the administration, and project selection will also be guided by the evaluation criteria so that the best plans become selected for implementation under the programme.
- The process for keeping track of progress made with a business plan will be developed so that it allows for the monitoring of business development.
- For the purposes of evaluating whether or not costs are reasonable and for competitive bidding, checks will be built in the information system, the completion of which will be mandatory when making support decisions.
- The possibility of making modifications was accounted for in the design of the new information system, and checks for the eligibility conditions will be incorporated in the system.
- Check lists for the authorities will be created to support the verification and supervision procedures, and their use can be controlled in the information system. Regular training will be provided for the authorities several times a year.
- A shared portal is provided for information exchanges between the authorities, and regular video-conferencing will take place a number of times a year.
- The action group network unit takes part in the training and information of applicants, the officials and partners alike.

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8.2.3.3.2.9.3. Overall assessment of the measure

The measure can be implemented and controlled as required in the regulations, and coordination with other measures under the programme and with other Funds was taken into account in its preparation. Investment support will help companies to set up and expand operations. It can speed up the development of companies' competitiveness.

8.2.3.3.2.10. Methodology for calculation of the amount or support rate, where relevant

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8.2.3.3.2.11. Information specific to the operation

Definition of non-productive investments

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Definition of collective investments

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Definition of integrated projects

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Definition and identification of the eligible Natura 2000 and other eligible High Nature Value Areas

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Description of the targeting of support to farms in accordance with a SWOT analysis carried out for the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

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List of new requirements imposed by Union legislation for compliance with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013

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Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

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*Unofficial translation*

Where relevant, definition of the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014

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#### 8.2.3.3.3. 4.4.1. Wetland investments

Sub-measure:

- 4.4 –support for non-productive investments linked to the achievement of agri-environment-climate objectives

##### 8.2.3.3.3.1. Description of the type of operation

In this measure, non-productive investments will be made in establishing wetlands that require management, chains of small wetlands, and wetland-type flood plains in natural locations, fields subject to flooding and drained areas with earth dikes, and in restoring channels following the principles of natural water construction. The area covered by the investment includes adequate zones needed for managing the wetland.

The wetlands and flood plains must primarily be established by means of damming in naturally suitable areas on fields, field margins or waste land or in a forest. Topsoil in a field containing high levels of phosphorus must be removed at least in the area to be permanently covered by water. Suitable sites include natural valleys and dips, meadows and fields subject to flooding, and drained areas with earth dikes. In a wetland established to promote water protection, it must be possible to clear out sludge accumulating in the water body. A system of phosphorus precipitation using various chemical substances may also be implemented in connection with the wetland. The shores and the channel of the wetland may be protected from erosion and collapses by sowing grass seeds, stonework or planting.

In natural water construction projects to improve the natural state of channels, flood plains may be restored, several small wetlands and flood zones may be established, and submerged weirs or pipe dams that slow down the water flow may be constructed. In addition, channels may be protected from erosion, vegetation planted, the tortuosity of the stream may be increased and channel quality may be improved as a habitat for birds, fishes and crayfish. Besides water protection and enhancing biodiversity, a wetland may also have functions as a storage pond for irrigation water, for rearing fish or crayfish based on natural nutrition, and for recreation.

##### 8.2.3.3.3.2. Type of support

The payment will be made as EUR/ha for the area specified in the decision on supporting the investment based on costs incurred for the investment not exceeding the maximum payment levels specified for this measure. The support may be granted as a lump sum payment under Regulation (EU) 1303/2013 and following principles specified in more detail in national legislation.

##### 8.2.3.3.3.3. Links to other legislation

National regulations applicable to the measure: The Act on payments to farmers under the Rural Development Programme (xx/201x) and Government Decree on reimbursement of non-productive investments (xx/201x). This Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree defines the implementation of the measure



as described in the programme, provides details on the implementation and the contents of the required plan, and specifies eligible costs, their maximum level and payment procedures.

#### 8.2.3.3.3.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the national statutes issued by virtue of it, or a registered association or a water management organisation. A valid commitment related to environment payments is not a requirement for an investment.

#### 8.2.3.3.3.5. Eligible costs

The wetland investment calculation was prepared for wetlands exceeding one hectare in area established by damming or excavation and for smaller wetlands of 0.3-0.5 ha established by damming. Both planning and establishment costs were taken into account. The costs will be paid based on actual costs indicated in an approved plan, however not exceeding the following maximum levels. Fixed investment support for small wetlands, where the wetland area is 0.3-0.5 ha, may not exceed EUR 3,225/site. Investment support for a larger wetland may not exceed EUR 11,669/ha. For the purposes of the calculation, it was specified that the maximum payment may not exceed approx. 80% of the calculated maximum levels of costs and losses of income.

Contributions in kind referred to in Article 69 of the general regulation 1303/2013, for which no cash payment has been made, will be eligible. If the investment is implemented following the cost procedure, the beneficiary must produce adequate documentation of the eligible costs.

#### 8.2.3.3.3.6. Eligibility conditions

Beneficiary (see under "Beneficiaries").

Eligibility of the investment target: The target may be a wetland, a chain of small wetlands, wetland-type flood plains in natural locations, fields subject to flooding, drained areas with earth dikes, and channels restored following the principles of natural water construction. The investment may include adequate zones needed for managing the wetland. The investment must be implemented within two years of a decision to grant support having been made. Once the investment has been completed, a suitable five-yearly environment contract under the measure concerning wetland management must be concluded.

Wetlands and flood zones must be established in areas where over 10% of the catchment area upstream from the wetland or the flood zone is fields. They must be established to retain as efficiently as possible both solid matter and nutrient loads from the catchment area, and/or to create diverse habitats. The total area of the investment to promote water protection must be at least 0.5% of the catchment area upstream from the wetland. An exception may be made to these conditions in case of a strong local loading from agriculture, a riparian zone, a site contained in general biodiversity or wetland plans, or a site that an ELY Centre considers an effective one for promoting agricultural water protection or biodiversity. A biodiversity wetland may be smaller than the aforementioned areas if its establishment has a significant effect on

diversifying farming environments in areas with no wetland habitat. The surface area of the investment must be at least 0.3 ha.

The investment must have the capability of reducing the pollution load on water systems from agriculture and/or increase biodiversity in the habitats of a homogeneous farming area. Support for a wetland investment cannot be granted if the main purpose of the investment is to handle loading on water systems originating from outside the arable area (including forest, peaty soils, wastelands or built-up areas). The building of irrigation basins or investments intended to establish a lake or a pond cannot be funded under this measure. An implementation plan must be attached to the application for investment support. The plan may not include actions in a conserved area that will adversely affect habitats of species on the grounds of which the area was conserved, and the obligations contained in conservation decisions must be complied with. A plan concerning an investment may not be inconsistent with any plans for the management or use of Natura 2000 areas or other conserved areas.

To prevent double payments, investment support may not be allocated to a site where work has started before a decision on investment support was made, or for investment costs supported through other funding.

#### 8.2.3.3.3.7. Principles with regard to the setting of selection criteria

Applications are accepted once a year. Eligibility criteria will be applied to a wetland investment to ensure that the beneficiary is eligible, the investment meets the minimum size requirements, the site is controlled by the beneficiary, the requisite permits have been obtained, and that in general, the site is appropriate in terms of the objectives of the measure. In addition, the eligibility criteria include checking that the submitted plan is practicable and that the costs of the proposed measures are eligible. Applications that pass the examination of eligibility criteria are awarded points based on the selection criteria.

The selection criteria are used to appraise the expected environmental impacts of the site. The selection criteria are thus used to ensure that the site for which support is to be granted has a significant impact in keeping with the objectives of the investment. The selection will be based on the questions listed below. Following each question, the official processing the application can select one of several arguments which are rated based on their impact. Unless the application scores at least one point for each question, it cannot be funded.

1. How well was the need for actions on the site known in advance?
2. What is the significance of an investment on this site for environmental protection in agriculture?
3. The scaling/delimitation of the site?
4. Quality of impact?

#### 8.2.3.3.3.8. (Applicable) amounts and support rates

In a plan attached to the application, the applicant must include the target area of the investment, a work plan and the costs incurred for the investment. The application is subjected to administrative processing to

establish its eligible costs, whether or not they are reasonable, and the maximum payment level per hectare. Eligible costs and their maximum levels are defined in a Government Decree (see under "Links with other legislation").

Payments may be made for the reasonable eligible total costs of the investments in full up to the maximum levels per hectare. In a wetland investment, the maximum level for eligible area is EUR 11,669/ha. If the size of the investment is 0.3-0.5 ha, the maximum payment will be EUR 3,225/site.

#### 8.2.3.3.3.9. Verifiability and controllability of the measures and/or types of operations

##### *8.2.3.3.3.9.1. Risk(s) in the implementation of the measures*

The maximum payment levels under the measure concerning wetlands are determined per hectare, and there are area-related requirements associated with the measure (e.g. wetland area must be 0.5% of the area of the catchment area upstream from the wetland). The verifiability of the wetland area when applying for support, and the controllability of the area on site, are seen as risks. As an application is being submitted, it may be difficult for the applicant and the authority to determine the accurate area of the measure, as the wetland area also includes the requisite zones, the final areas of which may only become known as the measure is being implemented.

##### *8.2.3.3.3.9.2. Mitigating actions*

The areas of wetlands should be verified either using a GPS device at the time the payment application is checked, on site or at some other stage of the implementation of the measure. This way, the risk that the area verified in connection with a sampling check carried out while snow is on the ground does not match the actual area of the measure may be reduced.

##### *8.2.3.3.3.9.3. Overall assessment of the measure*

Regardless of the risks, non-productive investment measures lend themselves to adequate verification.

#### 8.2.3.3.3.10. Methodology for calculation of the amount or support rate, where relevant

For the methodology for calculation of the support level, see "Eligible costs"; for the methodology for calculating the maximum costs, see Annex M04.4.

#### 8.2.3.3.3.11. Information specific to the operation

Definition of non-productive investments

See 8.2.3.6.

Definition of collective investments

Collective investments are not applicable to non-productive investments.

Definition of integrated projects

An integrated measure under sub-measure 4.4 means that the measures are linked to the environment payment, as a precondition for eligibility for investment support is a 5-year environment contract concluded after the completion of the investment on wetland management or management of biodiversity in farming environments and landscape management.

Definition and identification of the eligible Natura 2000 and other eligible High Nature Value Areas

See 8.2.3.6.

Description of the targeting of support to farms in accordance with a SWOT analysis carried out for the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

A non-productive investment does not have production-related objectives

List of new requirements imposed by Union legislation for compliance with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013

Not applicable to this measure.

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

Where relevant, definition of the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014

#### 8.2.3.3.4. 4.4.2. Initial clearing and fencing of traditional rural biotopes and natural pastures

Sub-measure:

- 4.4 – support for non-productive investments linked to the achievement of agri-environment-climate objectives

##### 8.2.3.3.4.1. Description of the type of operation

This measure concerns non-productive investments aiming to restore traditional rural biotopes and natural pastures fit for restoring with habitats for versatile flora and fauna, rural cultural heritage related to long-term land use or landscape values. Investments are needed on sites where restoration measures are a precondition for successful maintenance before management can be started.

The measure also ensures the success of management in areas under environment contracts on biodiversity management in agricultural environments by enabling the construction of fences against large carnivores during the contract period on sites to be managed, where achieving the objectives of management is otherwise not possible and the alternative is giving up the contract.

The environmental investment will be implemented following a separate plan. Management operations may include clearing shrubs and trees, removal of the clearing waste and elimination of alien species that hinder grazing. In addition to clearing vegetation, the plan may include the preservation and restoration of constructions and structures related to animal husbandry located in the contract area and the fencing of the area. The area to be restored may not be tilled, and no fertilisers or plant protection products may be applied on it. In individual cases, the ELY Centre may approve a plan for the chemical control of invasive alien species as targeted control on a limited scale. A grazed traditional rural biotope must usually be separated from other grassland pastures by a fence. The area may not be drained or afforested. A management diary must be kept of the actions, or corresponding entries must be made in parcel records, in which the working hours should also be noted.

##### 8.2.3.3.4.2. Type of support

The payment will be made as EUR/ha for the area specified in the decision on supporting the investment based on the costs incurred for the investment not exceeding the maximum payment levels specified for this measure. The support may be granted as a lump sum payment under Regulation (EU) 1303/2013 and following principles specified in more detail in national legislation.

##### 8.2.3.3.4.3. Links to other legislation

National regulations applicable to the measure: The Act on payments to farmers under the Rural Development Programme (xx/201x) and Government Decree on reimbursement of non-productive investments (xx/201x). This Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree defines the implementation of the measure as described in the programme, provides details on the implementation and the contents of the required plan,

and specifies eligible costs, their maximum level and payment procedures.

#### 8.2.3.3.4.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the national statutes issued by virtue of it, or a registered association. A valid commitment related to environment payments is not a requirement for an investment.

#### 8.2.3.3.4.5. Eligible costs

The calculation was prepared for traditional rural biotopes of three different sizes, and it includes planning costs, initial restoration costs and fencing costs. The felling income obtained from clearing the area was deducted from the initial restoration costs. The net costs per hectare for each traditional rural biotope area of a different size were thus obtained. The maximum investment support level could be EUR 1,862/ha for traditional rural biotopes not exceeding 3 ha, EUR 1,108/ha for traditional rural biotopes of 3-10 ha, and EUR 754/ha for traditional rural biotopes of over 10 ha. The maximum payment levels proposed are 80% of the calculated maximum levels of costs and losses of income.

Contributions in kind referred to in Article 69 of the general regulation 1303/2013, for which no cash payment has been made, will be eligible. If the investment is implemented following the cost procedure, the beneficiary must produce adequate documentation of the eligible costs.

#### 8.2.3.3.4.6. Eligibility conditions

Beneficiary (see under "Beneficiaries")

Eligibility of the investment target: The measure may be implemented in all parts of the country in traditional rural biotopes and in natural pastures where the natural values are fit for restoration that, after the investment, will meet the conditions for an environment contract on biodiversity in farming environments and landscape management. The aim of the restoration must be at grazing in the area. Arable land will not be eligible. The investment must be implemented within two years of a decision to grant support having been made. A precondition for eligibility is that after the investment has been implemented, a five-year environment contract concerning biodiversity and landscape management in farming environments is concluded on managing the site.

Investment support for initial clearing and fencing may be granted once before a contract on managing biodiversity in a farming environment is concluded for the site. The building costs of a predator control fence may also be paid for under this measure for a traditional rural biotope or natural pasture site under an environment contract on managing biodiversity in a farming environment if fulfilment of an existing contract is otherwise impossible because of a significant threat of large carnivores to grazing livestock.

An implementation plan must be attached to the application for investment support. The plan may not include actions in a conserved area that will adversely affect habitats of species on the grounds of which the

area was conserved, and the obligations contained in conservation decisions must be complied with. A plan concerning an investment may not be inconsistent with any plans for the management or use of Natura 2000 areas or other conserved areas.

To prevent double payments, funding may not be allocated to a site where work has started before a decision on investment support was made, or for investment costs supported through other funding.

#### 8.2.3.3.4.7. Principles with regard to the setting of selection criteria

Applications are accepted once a year. Eligibility criteria will be applied to investments in initial clearing and fencing of traditional rural biotopes and natural pastures to ensure that the beneficiary is eligible, the investment meets the minimum size requirements, the site is controlled by the beneficiary, the requisite permits have been obtained, and that in general, the site is appropriate in terms of the objectives of the measure. In addition, the eligibility criteria include checking that the submitted plan is practicable and that the costs of the proposed measures are eligible. Applications that pass the examination of eligibility criteria are awarded points based on the selection criteria.

The selection criteria are used to appraise the expected environmental impacts of the site. The selection criteria are thus used to ensure that the site for which support is to be granted has a significant impact in keeping with the objectives of the investment. The selection will be based on the questions listed below. Following each question, the official processing the application can select one of several arguments, which are rated based on their impact. Unless the application scores at least one point for each question, it cannot be funded.

1. How well was the need for actions on the site known in advance?
2. What is the significance of an investment on this site for environmental protection in agriculture?
3. The scaling/delimitation of the site?

#### 8.2.3.3.4.8. (Applicable) amounts and support rates

In a plan attached to the application, the applicant must include the target area of the investment, a work plan and the costs incurred for the investment. The application is subjected to administrative processing to establish its eligible costs, whether or not they are reasonable, and the maximum payment level per hectare. Eligible costs and their maximum levels are defined in a Government Decree (see under "Links with other legislation").

Payments may be made for the reasonable eligible total costs of the investments in full up to the maximum levels per hectare. The payments for initial clearing and fencing of traditional rural biotopes and natural pastures shall be at maximum EUR 1,862/ha for sites not exceeding 3 ha, EUR 1,108/ha for sites of 3-10 ha, and EUR 754/ha for sites of over 10 ha. The costs incurred for a predator control fence built while an environment contract on managing biodiversity and landscape management is valid may be paid up to the maximum amounts per hectare given above, however not exceeding 80% of reasonable eligible total costs.

The objective is to implement 50 sites eligible for investment support during the programming period.

#### 8.2.3.3.4.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.3.3.4.9.1. Risk(s) in the implementation of the measures

The maximum payment levels under measures concerning traditional rural biotopes and natural pastures are determined per hectare. The verifiability of the traditional rural biotope area when applying for support, and the controllability of the area on site, are seen as risks. As an application is being submitted, it may be difficult for the applicant and the authority to determine the accurate area of the measure, as determining the actual areas of a traditional woodland biotope and a natural pasture on a map is challenging.

##### 8.2.3.3.4.9.2. Mitigating actions

The areas of traditional rural biotopes should be verified either using a GPS device at the time the payment application is checked, on site, or at some other stage of the implementation of the measure. This way, the risk that the area verified in connection with a sampling check carried out while snow is on the ground does not match the actual area of the measure may be reduced.

##### 8.2.3.3.4.9.3. Overall assessment of the measure

Regardless of the risks, non-productive investment measures lend themselves to adequate verification.

#### 8.2.3.3.4.10. Methodology for calculation of the amount or support rate, where relevant

For the methodology for calculation of the support level, see "Eligible costs"; for the methodology for calculating the maximum costs, see Annex M04.4.

#### 8.2.3.3.4.11. Information specific to the operation

##### Definition of non-productive investments

See 8.2.3.6.

##### Definition of collective investments

Collective investments are not applicable to non-productive investments.



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Definition of integrated projects

An integrated measure under sub-measure 4.4 means that the measures are linked to the environment payment, as a precondition for eligibility for investment support is a 5-year environment contract concluded after the completion of the investment on wetland management or management of biodiversity in agricultural environments and landscape management.
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Definition and identification of the eligible Natura 2000 and other eligible High Nature Value Areas

See 8.2.3.6.
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Description of the targeting of support to farms in accordance with a SWOT analysis carried out for the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

A non-productive investment does not have production-related objectives
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List of new requirements imposed by Union legislation for compliance with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013

Not applicable to this measure.
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Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

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Where relevant, definition of the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014

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8.2.3.4. *Verifiability and controllability of the measures and/or types of operations*

8.2.3.4.1. Risk(s) in the implementation of the measures

<b>Sub-measure 4.1: (Agricultural investments) risk codes:</b>  <i>Commission risk codes</i>
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R2 Reasonableness of costs

R2.1 Use, monitoring and documentation of unit costs

R3 Adequate inspection and control systems

R3.1. Professional competence and adequate resources of officials

R7 Selection of beneficiaries

R7.1. Compliance with selection criteria and adequate documentation of the selection process

R8 IT systems

R8.1. Effectiveness and functioning of information systems, information security and IT competence

**Sub-measure 4.4 (Non-productive investments) risk codes:**

*Commission risk codes:*

R2 Reasonableness of costs

R2.1 Assessing the reasonableness of costs is challenging, in particular in extensive wetland investments

R3 Adequate inspection and control systems

R3.1 Establishing the surface area of a non-productive investment

R8 IT systems

R9 Payment application

**Sub-measure 4.2 (Agricultural products and foodstuffs) risk codes:**

*Commission risk codes*

R2 Reasonableness of costs

R3 Adequate inspection and control systems

R7 Selection of beneficiaries

R8 IT systems

8.2.3.4.2. Mitigating actions

**Sub-measure 4.1. (Agricultural investments) risk reason and prevention codes:**

*Commission risk reason codes:*

RC 3 Information exchanges between authorities

RC3.1. Coordination of support systems and prevention of double payments

RC10 Reasonableness of costs

RC10.1. Use of unit costs, training, instructions and advice related to cost control and assessment of reasonableness

RC12 Control systems and administrative processes

RC 12.1. Adequate competence and compliance with instructions

*Commission risk prevention codes*

CPA1 Training for administration

CPA2 Information and training for beneficiaries

CPA3 Information campaigns and guidance documents

CPA4 Improvement of information systems

CPA7 Improvement of internal control and co-operation

CPA7.1 Eligible maximum costs in statutes

**Sub-measure 4.4 (Non-productive investments) risk reason and prevention codes:**

*Commission risk reason codes*

RC9 Errors in payment applications

RC10 Reasonableness of costs

RC12 Control systems and administrative processes

RC15 Completion of payment applications

*Commission risk prevention codes*

CPA1 Training for administration

CPA2 Information and training for beneficiaries

CPA3 Information campaigns and guidance documents

CPA4 Improvement of information systems

CPA6 Simplified cost models

CPA6.1 Eligible maximum costs in statutes

CPA6.2 Introduction of a lump sum payment procedure

**Sub-measure 4.2 (Agricultural products and foodstuffs) risk reason and prevention codes:**

*Commission risk reason codes*

RC10 Reasonableness of costs

RC12 Control systems and administrative processes

*Commission risk prevention codes:*

CPA1 Training for administration

CPA2 Information and training for beneficiaries

CPA3 Information campaigns and guidance documents

CPA4 Improvement of information systems

CPA7 Improvement of internal control and co-operation

8.2.3.4.3. Overall assessment of the measure

8.2.3.5. Methodology for calculation of the amount or support rate, where relevant

As a rule, support under sub-measure 4.2 cannot be granted for activities that are within the scope of the fisheries industry. In actions under the Rural Development Fund and the European Maritime and Fisheries Fund, however, the Fund may be selected on the basis of the main end product and in compliance with the conditions set for support from the Fund in question. At least 60% of the supported activities must relate to the end product according to which the Fund was selected. For example, the Rural Development Fund

should be selected when the share of agricultural products is 60% and the share of fisheries products is 40%. Similarly, the EMFF should be selected when, for example, the share of fisheries products is 60% and the share of agricultural products is 40%. This principle may be applied to projects where the end products are listed in Annex I TFEU. Otherwise this principle may only be applied to projects where foods made from fisheries products or containing fish are sold directly to the consumers or for local retailing to promote short supply circuits.

#### *8.2.3.6. Information specific to the measure*

##### Definition of non-productive investments

###### *Non-productive investments (4.4)*

Non-productive investments refer to a wetland investment to promote water protection in agriculture or biodiversity in farming environments, or an investment in the initial clearing and fencing of traditional rural biotopes and natural pastures.

##### Definition of collective investments

###### *Description of collective investments (4.1 and 4.2)*

Collective investments can contribute to improving productivity and reducing financial risks and the risks related to the coping of entrepreneurs. Collective investments may be projects jointly implemented by two or more natural persons or organisations under private law (two or more beneficiaries; however, spouses will be regarded as a single beneficiary), or projects implemented by an organisation or a consortium consisting of at least two natural persons, or organisations under private law.

##### Definition of integrated projects

Integrated projects are not applicable to sub-measures 4.1. and 4.2.

##### Definition and identification of the eligible Natura 2000 and other eligible High Nature Value Areas

The officials at the ELY Centre assess the suitability and appropriateness of the site and the plan presented by the applicant in their application. Acceptable sites must meet the eligibility conditions. To assess the appropriateness of the investment, the administration's data on local and regional water protection needs in agriculture and/or the value of the site in terms of biodiversity in agricultural environments will be used. Key data in this assessment include general wetland, riparian zone and biodiversity plans, regional River Basin Management Plans, assessments of the ecological status of waters, the heritage landscape inventory and updated information and studies related to it, potential species and habitat studies, database of Natura 2000 areas, and information on the locations of valuable landscape areas.

*Unofficial translation*

Description of the targeting of support to farms in accordance with a SWOT analysis carried out for the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

In sub-measure 4.1, the support is allocated to operations on the basis of needs having come up in the SWOT analysis. The priorities referred to in Article 5(2) of Regulation (EU) No 1305/2013 were taken into account when drawing up the SWOT.

The conditions of Finnish agriculture, the current production structure and known challenges were thus accounted for in the setting of eligible operations and support rates.

List of new requirements imposed by Union legislation for compliance with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013

If Union law imposes new requirements on farmers whose fulfilment necessitates investments on farms, investment support under sub-measure 4.1 may also be targeted at other investments than those cited in the programme document in order to meet these requirements.

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

A national Energy Efficiency Act passed by virtue of the Energy Efficiency Directive will enter into force in Finland in 2015. The building legislation contains provisions on energy efficiency, which must be complied with. When an application concerning a supported measure or a project is processed, the officials ensure that the investment meets the requirements of national legislation. Preconditions for granting support for an investment is that the applicant has a building permit, and even before the applicant submits their application to the authorities, environmental and energy issues have been scrutinized.

Where relevant, definition of the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014

For the principles of using food and fodder crops for bioenergy production, see section 8.1.

*8.2.3.7. Other important remarks relevant to understanding and implementing the measure*

Sub-measure 4.1 will be introduced in the entire programme area for applications submitted in 2015 and subsequent years.

Sub-measure 4.2 will be introduced in the entire programme area for applications submitted in 2015 and subsequent years.

Sub-measure 4.4 will be introduced in the entire programme area for applications submitted in 2015 and subsequent years. Payments concerning contracts on non-productive investments concluded in programming period 2007–2013, where the investments are completed after the end of the period, will be made in accordance with the Rural Development Programme 2007–2013 from funds allocated to programming

period 2014–2020.

*Links of sub-measure 4.2 to measures supported by national funding and from European Structural and Investment Funds*

Operations under sub-measure 4.2 have been coordinated with the publicly funded services provided by the Ministry of Employment and the Economy. Support for the processing and marketing of agricultural products is mainly granted from the Rural Development Fund. The Ministry of Employment and the Economy may grant business development aid referred to in the Act on Discretionary Government Grants for Business Development (9/2014) and the relevant Government Decree for the investments and development measures of SMEs producing foodstuffs not listed in Annex I TFEU (development of business skills, internationalisation, products, services and production methods, project preparation and other similar significant business development) on financing from the European Regional Development Fund or national financing, mainly in urban areas but, as necessary, also in other areas. Coordination of the funding will be ensured by liaising between the Ministries, the funding policies of the ELY Centres, and inter-administrative liaising in individual projects at the ELY Centres.

In addition, the Ministry of Employment and the Economy may grant business development services referred to in the Act on Public Employment and Business Service (916/2012) and the relevant Government Decree (1073/2012) to SMEs wishing to develop their business competence. The business development services are provided by expert companies selected on the basis of a tendering process. The support contained in these services represents de minimis aid pursuant to Commission Regulation (EU) No 1407/2013. Expert companies may be used to provide business development services of limited duration and content for projects implemented in rural areas funded by the Rural Development Fund under sub-measure 6.2 in connection with starting a new business associated with foodstuffs or other products not listed in Annex I TFEU. However, public support from the Ministry of Agriculture and Forestry and the Ministry of Employment and the Economy may not be combined in a single project.

*Operations supporting energy efficiency under sub-measure 4.2*

An energy plan for farms engaged in the processing of agricultural products and foodstuffs may be drawn up as part of the farm's energy plan in connection with providing advisory services for the farm. Less extensive than an energy audit, an energy plan is a measure that focuses on energy efficiency and the possibilities of producing and using renewable energy. On farms engaged in the processing of agricultural products and foodstuffs, a more extensive energy audit may also be conducted as a feasibility study.

In SMEs that process agricultural products and foodstuffs without a link to farming, voluntary energy audits can be carried out within the framework of the Ministry of Employment and the Economy's energy support system. Under the Rural Development Programme for Mainland Finland 2014–2020 and in connection with supporting productive investments of SMEs, perspectives related to saving energy and energy efficiency may be taken into account.

*Links of sub-measure 4.2 to certain Rural Development Programme measures*

The sub-measure has links with measures concerning knowledge transfer and information actions, basic services and village improvement in rural areas, farm and business development and co-operation.

#### 8.2.4. M06 – Farm and business development (Art 19)

##### 8.2.4.1. Legal basis

Article 19 and Annex II of Regulation (EU) No 1305/2013 of the European Parliament and of the Council

Articles 5 and 13 of Commission Delegated Regulation (EU) No 807/2014

Article 8 and Annex I of Commission Implementing Regulation (EC) No 808/2014

##### 8.2.4.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

*The measure includes the following sub-measures*

6.1 Business start up aid for young farmers

6.2 Business start up aid for non-agricultural activities in rural areas

6.4 Support for investments in creation and development of non-agricultural activities

*Business start up aid for young farmers (code 6.1)*

Support to cover the costs of acquiring a holding and setting up as a farmer is granted for young entrepreneurs starting agricultural production, including reindeer husbandry, for the first time.

The number of farms in Finland has decreased strongly, and this decrease continues. At the same time, the average age of farmers keeps going up. The aim of this measure is to reduce the financial risk of setting up as a farmer, to improve the possibilities for business development, and to attract to the sector new farmers who have opportunities for profitable operation and farm development. The target is to maintain the share of farms controlled by young entrepreneurs in the total number of farms at its current level.

Sub-measure 6.1 has primary impacts on focus area 2B: Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal.

The sub-measure has an impact on the following cross-cutting objectives:

- Innovations: After a generation change, farms often undertake development operations which may speed up the introduction of innovative solutions, and together with new operating methods, also have a positive impact on the environment and the climate.

*Business start up aid for non-agricultural activities in rural areas (code 6.2) and support for investments in creation and development of non-agricultural activities (6.4)*

The objective of the measure is to improve the possibilities of earning an income in rural areas by granting rural business support for setting up enterprises and to companies wishing to develop their operations. A



specific priority will be providing more job opportunities for young people and women and promoting entrepreneurship. Means for achieving this objective will include developing new products and services, finding new markets, improving the efficiency of small companies' operations and encouraging companies to work together. Co-operative enterprising will be promoted as it is a suitable instrument for both co-operation between companies and many other types of enterprising. Innovations play a key role in boosting business growth.

Companies will be encouraged to develop themselves by means of development measures and experiments carried out by individual companies that are market-driven and centred around customer needs. The aim is that the development measures and experiments will bring companies information and experience to support business development in an operating environment undergoing a rapid change.

Support will be targeted at growing and/or evolving small enterprises and farms that are diversifying and extending their activities to non-agricultural areas. Support will primarily be allocated on a commercial basis to full-time and professional enterprising. When the applicant is a farm, the significance of non-agricultural business will be taken into account as a whole.

New business areas can be created on the interfaces between traditional rural industries. In their development, the physical and intangible resources of the countryside can be exploited in an innovative and sustainable manner, including the natural resources of rural areas, and the existing farm and rural buildings and infrastructure. Support may be granted for enterprising that improves the self-sufficiency of rural areas, including business that aims for local energy production. Limited support may be granted to business regarded as non-agricultural business that serves agriculture under this measure. For example, targets for supported business that serves farms may include offering outsourced services for farm production. In some cases, investments in machinery and equipment may diversify the offer of services in rural areas, for example by providing services for managing and maintaining rural infrastructure and enterprising related to nutrient recycling. However, investments related to primary agricultural production on farms that are or are becoming engaged in non-agricultural business are not supported under this measure.

To promote internationalisation, companies will be encouraged to find new customers and target markets, differentiate their products and services, and optimise their quality for different customer segments. Companies will also be encouraged to work together and share resources with other companies or actors.

Support to be granted under this sub-measure will be discretionary. Support will not be paid in advance. The operations supported under these sub-measures will target activities whose end product is not listed in Annex I to the Treaty on the Functioning of the European Union (TFEU). A measure that was started before the support application was submitted will not be eligible. Other public funding may also be allocated to a project within the maximum amounts laid down in the State aid rules.

For the principles of using agricultural areas and food and fodder crops for bioenergy production, see section 8.1.

Operations supported under sub-measures 6.2 and 6.4 have primary impacts on focus area

- 6A: Facilitating diversification, creation and development of small enterprises, as well as job creation. In order to promote a balanced development of rural areas, particular priorities of the measure regarding focus area 6A are diversification of farming and business, renewal of small enterprises, profitable growth, internationalisation and better competitiveness of companies, and job

creation.

Operations supported under sub-measures 6.2 and 6.4 may also have secondary impacts on focus area

- 5C: Facilitating the supply and use of renewable sources of energy, of by-products, wastes and residues and of other non food raw material, for the purposes of the bio-economy. The objective is to promote sustainable development and the shift towards a low-carbon economy by supporting renewable energy production and influencing the reduction of CO<sub>2</sub> emissions.

Operations supported under sub-measures 6.2 and 6.4 have impacts on the following cross-cutting objectives:

- **Climate:** In rural areas, the challenges of climate change and achievement of environmental objectives can be responded to by increasing the decentralised production and use of renewable energy primarily based on the use of wood, by developing service and production processes, the energy efficiency of facilities needed for them and business-related logistic solutions, as well as by the utilisation and new uses of existing buildings and road and other networks. The measure will support the achievement of European climate and energy targets and the targets of the National Climate and Energy Strategy and the Finnish Bioeconomy Strategy. Climate change will be likely to accelerate the growth of forests, which will create opportunities for forest-related business and industries. The measure will also contribute to implementing national construction strategies. As timber structures and wood products bind carbon, the processing of timber and its use in construction or as various wood products will promote the mitigation of climate change. Measures to build a low-carbon society will be implemented in co-operation between the various funds.
- **Environment:** CO<sub>2</sub> emissions can be reduced by the combined effects of increased use and production of renewable energy and improved energy efficiency. Reducing negative impacts on the environment and introducing energy efficient operating methods will also boost companies' competitiveness. At the centre of the development measures will be overall sustainability and resource efficiency, and as a part of this, bio-economy and the related services. The challenges of sustainable development will provide a setting for new business opportunities. New solutions are sought in bio-economy that can reduce our dependence on fossil fuels and prevent ecosystem degradation, promote economic development and create new jobs. The sustainable use of renewable natural resources is widely seen as a solution to the challenges posed by global mega trends.
- **Innovations:** The starting point for developing innovative new products and services is promoting co-operation across sectoral boundaries, networking between various business areas and the profitability of entire value chains. A precondition for companies' better competitiveness is higher efficiency. Innovations play a key role in increasing the value of production. Versatile business activities will spread potential longer-term risks and reduce dependence on a single sector and its cyclical position in rural areas. The profitability of current products should also be ensured, as the profits derived from them will fund future innovations. Preconditions for innovation include strong private product development, public research and an operating environment favourable for innovation, commercialisation of ideas and risk-taking, which will require a change of culture in the operating environment. As far as possible, companies will be expected to take part in research and development operations associated with the Innovative Cities (INKA) programme and other similar development programmes and projects which may facilitate the companies in implementing innovative investments or other development measures. The measure also supports the implementation of the objectives set in Finland's tourism strategy 2014–2020, in particular regarding

rural tourism.

*8.2.4.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria*

#### 8.2.4.3.1. 6.1. Business start up aid for young farmers

Sub-measure:

- 6.1 – business start-up aid for young farmers

##### 8.2.4.3.1.1. Description of the type of operation

Support to cover the costs of acquiring a holding and setting up as a farmer is granted for young entrepreneurs setting up as a farmer for the first time.

##### 8.2.4.3.1.2. Type of support

Support for setting up as a farmer may be given as a grant and a loan interest subsidy, and the support may also comprise an exemption from transfer tax. For reindeer husbandry and natural economy (utilisation of natural resources relying on the continuous productivity of nature practised in connection with reindeer husbandry, including small scale agriculture and forestry, fishing and professional picking of berries and mushrooms), a low-interest government loan may be granted instead of an interest subsidy loan. EU co-financed public support will be given in the form of a grant. Co-financed public funding to be given and paid as a grant consists of a contribution from the Rural Development Fund and a national contribution.

In addition to a grant, the beneficiary may be eligible for a loan interest subsidy or a government loan as nationally financed additional support and, in connection with these, support granted as a transfer tax exemption for the purchase of an agricultural and forest holding and, for farmers engaged in reindeer husbandry, support in form of a government loan granted partly without a security, or a state guarantee. If necessary, support received by a beneficiary in form of a transfer tax exemption will primarily be deducted from the interest subsidy and secondarily from the grant, ensuring that the maximum amount of start up support is not exceeded.

##### 8.2.4.3.1.3. Links to other legislation

The support under this measure will be granted in compliance with European legislation and national legislation that complements it. National provisions on the support are contained in legislation on structural support for agriculture, reindeer husbandry and natural economy and the decrees issued by virtue of them. These Acts create the general preconditions for implementing the measure described in the Rural

Development Programme. Government Decrees contain more detailed provisions on the conditions for granting and payment of support and the relevant procedures. The provisions on eligibility of expenditure in Article 65 and on forms of grants and repayable assistance in Article 67, as well as Article 9 of Regulation (EU) No 1307/2013 of the European Parliament and of the Council and the more detailed national provisions issued by virtue of it will be applicable to the support.

#### 8.2.4.3.1.4. Beneficiaries

Beneficiaries may be natural persons or organisations under private law. A beneficiary engaged in reindeer husbandry may only be a natural person.

#### 8.2.4.3.1.5. Eligible costs

Unitemised costs incurred for purchasing a farm and setting up as a farmer.

#### 8.2.4.3.1.6. Eligibility conditions

As the application is submitted, the applicant must be at minimum 18 and at maximum 40 years old, and he or she must be setting up as an entrepreneur responsible for managing a farm for the first time.

1. In agriculture, an entrepreneur is considered as having set up as a farmer when he or she takes over the main responsibility for managing a farm, and has control over a holding or part of a holding where the amount of entrepreneurial income from farming shown in the business plan is at minimum EUR 12,000. Support will not be granted if the entrepreneurial income from the farm shown in the business plan exceeds EUR 400,000.

2. In reindeer husbandry, a farm will be deemed as having been set up when the person taking control of the holding assumes main responsibility for managing a reindeer farm. The number of reindeer indicated in the business plan may be at minimum 80, and at maximum the greatest number of reindeer allowed for a member of a reindeer herders' co-operative, or 300/500 reindeer.

3. The practice of natural economy will be deemed as having been started when the operator's annual income derived from natural economy exceeds EUR 5,900. A precondition for receiving business start up aid is that the beneficiary can prove in their business plan that they can, at the latest in the third calendar year, achieve a total income of EUR 8,500 at minimum. Support will not be granted if the operator's total income shown in the business plan exceeds EUR 400,000.

In addition, the size of the beneficiary farm must meet the definition of a micro or a small enterprise. A farm, a reindeer farm or a holding where natural economy is practised may be controlled either through ownership or a contract of lease.

If the beneficiary is an organisation under private law or a consortium of farmers, control in the organisation must be exerted by an eligible person alone, or by several eligible persons together, in compliance with the Commission regulations.

The beneficiary must have adequate professional skills. As adequate professional skills will be considered at least a secondary level qualification in the natural resources field which is appropriate for the enterprising activities or, in addition to practical experience of three years, education amounting to at least 20 course credits or 30 credit points, of which at minimum 10 course credits or 15 credit points concern financial studies. If business start up support is applied for by two or more natural persons jointly, the professional skills requirement will be deemed to have been met if each applicant has work experience of at least three years, and at least one half of the applicants have adequate education. If the education requirement is not met at the time of setting up, the education or training must be completed within no more than 36 months from the date on which the start up support was granted.

The beneficiary must submit a business plan showing how the farm will be developed. Implementation of the business plan must start within nine months from the date on which support was granted. The final instalment of the start up grant may be paid once appropriate implementation of a business plan approved in the support decision has been verified.

The criteria for an active farmer in Article 9 of Regulation (EU) No 1307/2013 must be fulfilled within 18 months after the date on which the operation was launched.

#### 8.2.4.3.1.7. Principles with regard to the setting of selection criteria

Projects that meet the eligibility conditions set out in European Union legislation and the complementary national legislation are assessed based on eligibility criteria. If the application completely fails to meet an eligibility criterion, the project must be excluded from the selection procedure. The information on eligibility conditions applicable to projects and on fulfilment of the eligibility criteria are recorded in Hyrrä eService.

The selection criteria are composed of three thematic areas which help to ensure that the project to be supported promotes the objectives set out in the programme and the national legislation applicable to it regarding the measure. At maximum, three points may be awarded to an application for each thematic area. Points are awarded for features matching the scoring criteria identified in the project. If the project completely fails to meet the selection criteria, it is awarded zero points for the thematic area in question.

A weighting is applied to the points awarded for each thematic area, bringing the maximum score up to three points. All projects to be funded must score points for at minimum two thematic areas, giving a weighted total score of at minimum 1.1 points. The selection criteria are specified by the Ministry of Agriculture and Forestry as the Managing Authority. The selection criteria and their details are discussed at the Monitoring Committee of the Rural Development Programme before the implementation of the sub-measure may be launched. The selection criteria will be applied consistently in the areas of all ELY Centres.

The selection criteria and their coefficients are the following:

1. The farm's financial prerequisites for enterprising (40%)
2. The farm's production-related prerequisites (30%)
3. Development actions undertaken and development potential of the farm (30%)

Applications may be submitted on a continuous basis. Decisions on applications are made by support period.

#### 8.2.4.3.1.8. (Applicable) amounts and support rates

The amount of a co-financed grant is EUR 10,000-35,000. The grant is paid to the beneficiary in two instalments.

The business start up grant for farming will be EUR 10,000 if the applicant can prove in a business plan that they can achieve an income from farming amounting to a minimum of EUR 15,000 at the latest in the third year.

The business start up grant for farming will be EUR 35,000 if the applicant can prove in a business plan that they can achieve an income from farming amounting to a minimum of EUR 25,000 at the latest in the third year. The minimum amount of entrepreneurial income indicated in the business plan must be achieved by each individual beneficiary. However, where the support is granted jointly to spouses, it is adequate that the spouses' total entrepreneurial income meets the minimum amount.

In reindeer husbandry and natural economy, the business start up grant for farming is EUR 25,000 if the eligibility conditions are met.

In addition to a grant, a loan interest subsidy amounting to a maximum of EUR 30,000 may be granted, in addition to which support may be granted in form of an exemption from transfer tax and, in reindeer husbandry, in form of a government guarantee or a government loan granted without a guarantee. The maximum total amount of support may be EUR 70,000. If necessary, support included in a transfer tax exemption will be deducted primarily from the interest subsidy and secondarily from the grant to ensure that the maximum amount of start up support is not exceeded.

The grant will be paid to the beneficiary at the latest five years after setting up as a farmer. At maximum, interest subsidy will be paid for five years from the date on which the loan eligible for an interest subsidy or its first instalment was taken out.

The estimated amount of EU co-financed public funding is EUR 78 million. The estimated total amount of support related to the loan interest and transfer tax exemptions paid as additional national financing is EUR 94 million.

#### 8.2.4.3.1.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.4.3.1.9.1. Risk(s) in the implementation of the measures

- Submission of deficient applications, and failure to comply with deadlines set for complementing applications, may obstruct decision-making.
- In the selection of supported projects, failures to comply with the selection criteria or deficient documentation of the project selection process may be a risk.
- There may also be shortcomings in implementation guidelines, and documentation may not always be logical.
- Making sure that the verification and control procedures are smooth and correct is important in terms of the applicants' legal protection.
- In the timing of the inspections, it will be crucial to pay attention to the deadlines set for completing the measures.
- The payment system sets high demands on the information systems, their functioning and functionalities, hardware, information security and IT skills.

##### 8.2.4.3.1.9.2. Mitigating actions

- The programme was prepared in broad-based participation, and information on its progress has been disseminated in a versatile manner. Information about the possibilities of applying for support and payment conditions will be as comprehensive as possible and have a wide coverage.
- Attention will be focused on training and advice provision, and adequate guidelines will be drawn up to support the preparation of business plans.
- In the selection of support applications, the risks will be mitigated by introducing a selection model and a score system based on the selection criteria.
- The risks can be mitigated by means of clearer instructions and check list contents in various stages of implementation and by drawing on experiences from the previous programming period.
- Implementation can be verified by means of information system checks and check lists and by saving attachments in the system to document the justifications for awarding contracts. The justifications of the decisions will be saved, and documentation will be improved.
- The risk regarding verification and control procedures will be mitigated by means of training and guidelines.
- Adequate competence and compliance with guidelines will be verified on administrative guidance and supervision visits.
- Adaptability will be taken into account when building IT systems. Training will be provided for different user groups as the new electronic system is deployed. Information security risks will be identified. The proper planning of projects will also facilitate applying for payments.
- Clear-cut interfaces and cutting back on overlapping activities were taken into account in programme preparation, and the various funding authorities regularly engage in a dialogue to coordinate the support systems and to avoid double funding.

**8.2.4.3.1.9.3. Overall assessment of the measure**

The measure can be implemented and controlled as required in the regulations, and coordination with other measures under the programme and with other funds was taken into account in its preparation.

The business start up aid for farmers is a necessary measure in order to maintain competitive production activities.

**8.2.4.3.1.10. Methodology for calculation of the amount or support rate, where relevant**

Under sub-measure 6.1, aid may be granted partly or fully as a loan interest subsidy. The maximum amount of loan interest subsidy is 3 percentage points of the total loan interest. The amount granted as a loan interest subsidy is the total amount of payment instalments at nominal value calculated over interest periods of six months.

When support is granted in association with a loan, the payment level is the share of the total amount of the loan interest subsidy, or the interest-related support granted in connection with a government loan, in the eligible investment costs.

When calculating the payment level, the loan interest subsidy or interest subsidy related to a government loan paid biannually will be discounted to the value of the year in which the support was granted.

As the discount interest rate will be applied the reference rate of Commission Communication (08/C 14/02); OJEU C 14, 19.1.2008, p. 6.

**8.2.4.3.1.11. Information specific to the operation**

Definition of small farms referred to in Article 19(1) paragraph a sub-paragraph iii of Regulation (EU) No 1305/2013.

Definition of upper and lower thresholds referred to in Article 19(4) paragraph 3 of Regulation (EU) No 1305/2013.

Special conditions of support granted to young farmers if the young farmer is not setting up as a sole head of the holding pursuant to Article 2(1) and 2(2) of Delegated Regulation (EU) No 807/2014

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation (EU) No 807/2014



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A summary of the requirements set for a business plan

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Using the possibility of combining various measures through a business plan, thus offering young farmers the possibility of using these measures.

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Sectors to which expansion of activities is relevant

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#### 8.2.4.3.2. 6.2. 6.2 Business start up aid for non-agricultural activities in rural areas

Sub-measure:

- 6.2 – business start up aid for non-agricultural activities in rural areas

##### 8.2.4.3.2.1. Description of the type of operation

The operations supported with start up aid will enhance the viability of rural areas by creating preconditions for the establishment of new enterprises and the renewal of existing ones, and for innovative experiments. Start up aid will be directed at new companies in the start-up stage and at companies launching a new product or a service or otherwise renewing their operation.

Start up aid will primarily be granted for the establishment of the first company of a new entrepreneur. Start up aid may also be granted for development and innovation actions that improve the company's competitiveness, profitability and productivity, development and innovation actions that are significant in their nature and scope and that bring valued added, internationalisation, building up of the company's intellectual capital, and the planning of these measures, in a company already engaged in production or service business. In that case, support may be allocated to such measures as the development of innovative products, production methods and services, product development, service design and quality enhancement, development of new business models and revenue generation models, planning and putting to practice of marketing strategies and concepts, market research and other information acquisition, promotion of research, and training required by internationalisation and development in a company.

The purpose of experimentation is to encourage companies in finding new innovative business operations, for example commercialisation of inventions. When successful, an experiment will produce new information for further development of the idea. The experiment may also fail. By experimenting with various operating methods, the company can avoid significant false turns in the implementation of the actual business idea, thus saving time and resources. In both cases, however, learning is what counts. An experiment shows whether an invention or an idea can be turned into a product or a service that lends itself to further development. The experiment takes place at a critical time in an enterprise that does not have the funding needed for practical experiments and further development of inventions in order to launch its business. The suitability of an experiment for developing high technology is limited, but it may be necessary in order to find solutions fast and to chart the possibilities for further development. Market-driven experimental projects aiming for innovations will complement innovation services funded by the Ministry of Employment and the Economy.

##### 8.2.4.3.2.2. Type of support

*Start up aid for launching new business will be granted as follows:*

- i) Start up aid is intended for the establishment of a new enterprise that will engage in non-agricultural business. Start up aid may only be granted once to each individual applicant and company.
- ii) Start up aid is intended for a working company planning to launch new, non-agricultural business. The condition is that the operations to which support is allocated are new for the company. Start up aid may also

be granted when a company is investing in an expansion of its existing operations (investment support) and simultaneously using the start up aid to launch new business (integrated approach).

iii) Start up aid may be granted to companies referred to in paragraphs i) and ii) to carry out experiments that promote market-driven and customer-oriented innovations. The condition in this case, too, is that the operations to which support is allocated are new for the company.

*Restrictions applicable to the starting of business*

An applicant who is simultaneously applying for business start up aid for a young farmer under sub-measure 6.1., or to whom business start up aid for a young farmer has been granted, where the minimum time for managing a farm has not elapsed at the time of submitting the application, will not be eligible for start up support. No support will be granted for changes of ownership or generational renewal or, as a rule, for starting a local service business serving private persons, or for companies operating in the local market where there is no adequate demand for the company's products and services, or where the company's products and services do not replace those purchased from outside the area. In consideration of the State aid rules applicable to the support, neither may support be granted to companies in difficulty referred to in the Commission's guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty (2014/C 249/01). Support will also not be granted to an applicant who is receiving aid for starting a business from the nationally funded start-up grant scheme funded by the Ministry of Employment and the Economy or a similar scheme.

8.2.4.3.2.3. Links to other legislation

Support under this measure will be granted in compliance with European Union legislation and national legislation associated with its application.

The provisions on eligibility of expenditure in Article 65, on forms of grants and repayable assistance in Article 67, and on specific eligibility rules for grants and repayable assistance in Article 69 of Regulation (EU) No 1303/2013 of the European Parliament and of the Council shall apply to the support. Provisions on support are contained in the Act on Support for Rural Development (28/2014), which provides the national legal basis for support granted under this sub-measure. Under this Act (28/2014), further provisions on support may be laid down in a Government Decree (802/2015), the contents of which will be in keeping with this sub-measure. Chapter 1 of the Draft Decree contains scope, Chapter 2 provisions on the general conditions for granting support, Chapter 3 provisions on start-up support, Chapter 4 provisions on investment support, Chapter 5 provisions on the payment of support, and Chapter 6 contains miscellaneous provisions of the Decree. The Administrative Procedure Act (434/2003) and, in relevant parts, the Act on Discretionary Government Transfers (688/2001) will also apply.

8.2.4.3.2.4. Beneficiaries

Support may be granted to a natural person or an organisation under private law in rural areas that meet the eligibility conditions. Beneficiaries may be farmers or members of farming households, and micro and small enterprises as defined in Commission Recommendation 2003/261/EY or its later amendments, or in State

aid rules applicable to this support. The definition of an enterprise also covers family businesses and co-operatives as well as other partnerships or associations that engage in established financial activities.

A natural person may apply for support to launch new business. However, the support will be paid to a company with a business ID. In rural areas, farms of all sizes are eligible.

#### 8.2.4.3.2.5. Eligible costs

*Support may be granted for the following measures that concern starting a new company:*

Starting a new company (i):

- purchasing consultant and expert services relevant to business development
- leases of production facilities as well as machinery or equipment
- other necessary measures in the start-up phase

Development of a working company (ii):

- use of outside services, experts and consultants
- participation in fairs, exhibitions and other similar events
- other requisite actions when a company is launching new business

Innovative experiments (iii):

Support may be granted for implementing experiments detailed in a business plan.

*Restrictions applicable to eligible actions*

Eligible actions include actions which are necessary for a project with a limited duration and specific contents and which have an essential impact on implementing the measure. Start up aid will not be granted for procurements of fixed assets needed in the company's production operations. The company may apply for investment support and start up aid at the same time or separately, and a reference to this question may be included in the business plan. Personnel costs arising from the company's ordinary production activities will not be eligible.

Start up aid may be granted for the establishment of a company providing mobile services, provided that the beneficiary only operates in rural areas.

#### 8.2.4.3.2.6. Eligibility conditions

After an initial perusal of the application, the authority may offer the applicant a possibility of complementing the information concerning the applicant or the application, or request for missing information. The applicant must be informed of how the application should be complemented. The applicant must submit the complementary or missing information within the set deadline. Enabling the complementation of applications does not preclude correcting and adjusting applications after their

submission in case of obvious errors recognised by the competent authority as stated in Article 59(6) of Regulation (EU) No 1306/2013. The application may move forward in the selection process if the eligibility conditions concerning the applicant and the application are met.

*Eligibility conditions concerning applicants:*

- The applicant is a small company or an agricultural enterprise (a farmer or a member of a farming household)
- A natural person applying for support is aged 18 years or over
- The place of business of the beneficiary company is within RDP application area
- The beneficiary company has the prerequisites for continuous profitable operation
- The eligible operation represents the main income of at least one entrepreneur or employee in the company

*Eligibility conditions concerning applications:*

- The applicant presents a plan for the operation to be supported
- The end product is not an agricultural product listed in Annex I to the Treaty on the Functioning of the European Union
- The applicant presents a practicable business plan that, regarding its scale, is suitable for the business in question
- The applicant includes information on their financial position and competence required by the enterprise
- The support is necessary for the activities for which it is granted
- The application was submitted before the measure to be supported was started

#### 8.2.4.3.2.7. Principles with regard to the setting of selection criteria

The projects to be supported shall promote the objectives of one or more Union priorities concerning rural development, this sub-measure, and the applicable national legislation, as well as the regional or local priorities that support them. Projects that meet the eligibility conditions set out in European Union legislation and the complementary national legislation are assessed based on eligibility criteria. If the application completely fails to meet an eligibility criterion, the project must be excluded from the selection procedure. The information on eligibility conditions applicable to projects and on fulfilment of the eligibility criteria are recorded in the Hyrrä eService.

#### Selection criteria

Rather than exclude applications, the selection criteria are used to put eligible applications in an order of priority. As selection criteria will be chosen thematic areas that produce added value from the perspective of rural development and competitiveness of businesses. The selection criteria comprise seven thematic areas.

At maximum three points may be awarded to an application for each thematic area. The grounds on which points may be scored in each thematic area are described in writing. Points are awarded for features matching the scoring criteria identified in the project. If the project completely fails to meet a selection criterion, it is awarded 0 points for the thematic area in question. Written justifications for points awarded in

thematic areas may also be provided.

A coefficient will be applied to the points scored for the thematic areas. The coefficients applied to each thematic area are given as a percentage, which must add up to 100%. The total score of a project to be evaluated is obtained by multiplying the score for each thematic area to be evaluated by the coefficient and totalling these figures. The weighted maximum score is 3 points. All projects to be funded must score at minimum one point in the three thematic areas with the highest coefficient. The points scored by a project for the thematic areas must produce a minimum total score of over 1.1 points. Projects that do not achieve the minimum score will be rejected.

The selection criteria are specified by the Ministry of Agriculture and Forestry as the Managing Authority. The selection criteria and their details are discussed at the Monitoring Committee of the Rural Development Programme before the implementation of the sub-measure may be launched. The selection criteria will be applied consistently in the areas of all ELY Centres. The selection criteria and their coefficients are the following:

**1) Location of the projected company (15%)**

2) Jobs created by the projected company (10%)

3) Regional and spillover effects of the projected company (10%)

4) Market area for the products and services of the projected company (10%)

**5) Novelty value of the company's activities (20%)**

**6) Realistic and detailed nature of the projected company's business plan (25%)**

7) Additional points awarded for other special features that can be identified in the measure to be supported, including special features which support cross-sectoral objectives that concern the environment and climate change mitigation and adaptation (in particular, criterion 5 covers the evaluation of the cross-sectoral objective concerning innovation) (10%)

The LAGs comply with selection criteria in keeping with the local development strategies.

Application procedure

Applications may be submitted on a continuous basis. However, the applications are evaluated and decisions on them are made by support period. The ELY Centres and the LAGs have the obligation to provide information about the possibilities of applying for support and the application procedures, including the selection criteria and other relevant details, such as the applicable fixed support levels.

#### 8.2.4.3.2.8. (Applicable) amounts and support rates

The maximum amount in Euros that can be granted as start up aid on the basis of a business plan in rural areas is justified in programme document section 8.2.4.5. Business start up aid will be directed at actions that diversify the rural economy and promote business renewal, and at experiments for companies other than

those engaged in agricultural primary production and processing or marketing of agricultural products. The fixed support levels to be applied during the support period must be included in advertisements, or potential applicants must be otherwise informed of them.

Support for starting a company is given as a grant. The grant amount to be given to a company is based on the measures detailed in its business plan.

- For a start-up (i) and a micro and small enterprise renewing its activities as well as for an agricultural enterprise (ii) for non-agricultural business, support amounting to EUR 35,000 may be granted for starting a company and EUR 10,000 for experiments (iii) in assisted regions I-III.

Support will not be granted to measures aiming to start a company amounting to less than EUR 5,000, or experiments amounting to less than EUR 2,000.

The State aid rules will apply to the support.

*Business plan/action plan (i, ii, iii)*

The support application shall contain a business plan and an action plan that complements it, on the basis of which the support will be granted, monitored, paid and supervised. The business plan describes the planned business operations of the company. The operational plan contains development measures and interim targets, a cost estimate and a financing plan based on the business plan. If necessary, an expert opinion may be requested to support decision-making.

Implementation of the business plan must start at the latest within nine months from the date on which the support was granted. Support will be paid in at least two and at most three instalments. The first instalment may be paid once the business plan/action plan has been approved and the decision to grant support made. The second and third instalments may be paid once the measures promoting the implementation of a business plan/action plan approved in the support decision have been appropriately completed. The operations required to achieve the targets may also be implemented in a different order than that indicated in the business plan/action plan.

The support is intended for launching new business. A new enterprise may be established by a natural person as a sole trader, or it may be set up in form of a company. The support will be granted and paid to a new company with a business ID. The precondition is that the company has been registered or will be registered as liable to pay VAT, excluding in sectors not subject to VAT. Another requirement is that the company (public limited companies and sole traders) or partners in a partnership (limited and general partnerships) are entered in the tax prepayment register.

When an existing company applies for start-up support, the operations to which support is allocated must be new for the company.

8.2.4.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.4.3.2.9.1. Risk(s) in the implementation of the measures

- Potential implementers of measures cannot be animated to develop and redirect their operations.

- Business plans are not realistic, or sufficient professional competence for assessing them is lacking.
- In the previous programming period, shortcomings were noted in the assessment of whether or not costs were reasonable.
- Inflexibility of information systems slowed down the implementation of changes to some extent in the previous period.

The complexity of the support conditions is a risk, especially in terms of verification and control procedures.

#### *8.2.4.3.2.9.2. Mitigating actions*

- While preparations were being made for the programming period, training was provided for the partners taking part in the planning and implementation of the programme, and they have been animated in co-operation with research institutes and Sitra; innovation competitions and camps have also been organised to seek and refine innovations. The programme was prepared as an extensive co-operation project between the administration and the partners.
- A communication plan was formulated for programme implementation.
- The applicant's business plan will be saved in the information system as an attachment to the application, training on evaluating business plans will be provided for the administration, and project selection will also be guided by the evaluation criteria so that the best plans become selected for implementation under the programme.
- The process for keeping track of progress made with a business plan will be developed so that it allows for the monitoring of business development.
- For the purposes of evaluating whether or not costs are reasonable and for competitive bidding, checks will be built in the information system, the completion of which will be mandatory when making support decisions.
- The possibility of making modifications was accounted for in the design of the new information system, and checks for the eligibility conditions will be incorporated in the system.
- Check lists for the authorities will be created to support the verification and supervision procedures, and their use can be controlled in the information system. Regular training will be provided for the authorities several times a year.
- A shared portal is provided for information exchanges between the authorities, and regular video-conferencing will take place a number of times a year.
- The action group network unit takes part in the training and information of applicants, the officials and partners alike.

#### *8.2.4.3.2.9.3. Overall assessment of the measure*

The measures can be implemented and controlled as required in the regulations, and coordination with other measures under the programme and with other funds was taken into account in their preparation.

The measure provides an incentive to start new companies and encourages existing companies to expand and develop their operations.



*Unofficial translation*

The start up aid will assist new companies established by fresh entrepreneurs in their early days, as the entrepreneurs can use it to acquire financial and other advisory services supporting business development. The support will also assist them in the economically vital first years as the company is only developing products and/or services and seeking markets for them. The start up support will make it possible to considerably reduce the early-stage risks of enterprising.

8.2.4.3.2.10. Methodology for calculation of the amount or support rate, where relevant

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8.2.4.3.2.11. Information specific to the operation

Definition of small farms referred to in Article 19(1) paragraph a sub-paragraph iii of Regulation (EU) No 1305/2013.

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Definition of upper and lower thresholds referred to in Article 19(4) paragraph 3 of Regulation (EU) No 1305/2013.

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Special conditions of support granted to young farmers if the young farmer is not setting up as a sole head of the holding pursuant to Article 2(1) and 2(2) of Delegated Regulation (EU) No 807/2014

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Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation (EU) No 807/2014

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A summary of the requirements set for a business plan

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Using the possibility of combining various measures through a business plan, thus offering young farmers the possibility of using these measures

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Sectors to which expansion of activities is relevant

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#### 8.2.4.3.3. 6.4. Investments in non-agricultural activities in rural areas

Sub-measure:

- 6.4 – investments in creation and development of non-agricultural activities

##### 8.2.4.3.3.1. Description of the type of operation

Investment support will create preconditions for starting new business and the development of working enterprises, so that ideas and possibilities can be brought to the Finnish and overseas markets as products and services, and improve access to funding for companies in rural areas. In order to improve productivity and efficiency, companies need growth-boosting investment support to implement innovative solutions and find new areas of strength. The main emphasis will be on investments that create growth or improve efficiency of operations.

##### 8.2.4.3.3.2. Type of support

Investment support is intended for the funding of the physical or intangible investments of start-ups or existing companies engaged in non-agricultural business. Supported investments include the facilities, machinery, equipment and tools required for the business, as well as intangible investments, including CRM or ERP systems, the industrial Internet and patents and rights of reproduction. Support may also be granted for general investment costs, including feasibility studies.

##### 8.2.4.3.3.3. Links to other legislation

Support under this measure will be granted in compliance with European legislation and national legislation associated with its application.

The provisions on eligibility of expenditure in Article 65, on forms of grants and repayable assistance in Article 67, and on specific eligibility rules for grants and repayable assistance in Article 69 of Regulation (EU) No 1303/2013 of the European Parliament and of the Council shall apply to the support. National provisions on support are contained in the Act on Support for Rural Development (28/2014), which provides the national legal basis for support granted under this sub-measure. Under this Act (28/2014), further provisions on support may be laid down in a Government Decree (xx/201x), the contents of which will be in keeping with this sub-measure. Chapter 1 of the Draft Decree contains general provisions, Chapter 2 provisions on the general conditions for granting support, Chapter 3 provisions on start-up support, Chapter 4 provisions on investment support, Chapter 5 provisions on the payment of support; Chapter 6 contains miscellaneous provisions, and Chapter 7 concerns the entry into force of the Decree. The Administrative Procedure Act (434/2003) and, in relevant parts, the Act on Discretionary Government Transfers (688/2001) will also apply.

#### 8.2.4.3.3.4. Beneficiaries

Support may be granted to a natural person and an organisation under private law. Beneficiaries may be farmers or members of farming households, and micro and small enterprises as defined in Commission Recommendation 2003/261/EY or its later amendments, or in State aid rules applicable to this support. The definition of an enterprise also covers family businesses and co-operatives as well as other partnerships or associations that engage in established financial activities.

A natural person may apply for support for an investment. However, the support will be paid to a company with a business ID. Micro and small companies engaged in non-agricultural business may only be granted investment support for investments implemented in rural areas. Investment support for farmers and members of farming households may be granted both in rural and urban areas.

#### 8.2.4.3.3.5. Eligible costs

##### *Physical investments*

- the construction, acquisition, including leasing, or improvement of immovable property;
- the purchase of land not built and land built, to the extent that the amount spent on the acquisition is at maximum 10% of the total eligible costs of the operation in question
- the purchase, purchase on hire purchase or lease purchase of new machinery, devices and equipment up to the market value of the asset

##### *Intangible investments*

- acquisition or development of computer software and acquisitions of patents, licenses, copyrights and trademarks

##### *General costs*

- general costs, such as architect, engineer and consultation fees, fees relating to advice on the environmental and economic sustainability of investments, including feasibility studies and the requisite permit and registration fees
- feasibility studies, which remain eligible expenditure even where, based on their results, no expenditure is made

##### *Restrictions applicable to investments*

Under national legislation, an environmental impact assessment process (EIA) shall be carried out for investments that could result in significant negative impacts on the environment. Permits required under national statutes valid at the relevant time, including a building permit, an environmental permit and an action permit, shall be submitted with the application.

In consideration of the State aid rules applicable to the support, neither may support be granted to companies in difficulty referred to in the Commission's guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty (2014/C 249/01).

Simple replacement investments are not eligible for support. This means replacing old assets with new ones in order to maintain efficiency, and expenditure on maintaining the continued productivity of capital stock that is not related to initial investments or expansion. The replacement of machinery or a piece of equipment that is in use by a new one may be eligible if commercialised modern technology or new technology is introduced, or the activities are expanded substantially.

Other costs connected with a leasing or a hire purchase contract, including lessor's margin, interest refinancing costs, overheads and insurance charges, are not eligible. Where necessary, non-eligible costs are established by comparing the costs of the leasing or hire purchase contract to the current value of the machine or piece of equipment for which support is granted. Where necessary, the eligible current value is determined based on a bidding competition.

Support may also be granted for an investment of a company offering mobile services in case of micro and small enterprises operating in rural areas. While these companies may supply mobile services both in rural and urban areas, they may not set up a permanent place of business in urban areas. This restriction will not apply to farms that are expanding their operations to non-agricultural areas, provided that the products to be sold are mainly those not listed in Annex I to the TFEU. Their services may extend to urban areas, and they may set up permanent places of business in such areas.

#### 8.2.4.3.3.6. Eligibility conditions

After an initial perusal of the application, the authority may offer the applicant a possibility of complementing the information concerning the applicant or the application, or request for missing information. The applicant must be informed of how the application should be complemented. The applicant must submit the complementary or missing information within the set deadline.

Enabling the complementation of applications does not preclude correcting and adjusting applications after their submission in case of obvious errors recognised by the competent authority as stated in Article 59(6) of Regulation (EU) No 1306/2013. The application may move forward in the selection process if the eligibility conditions concerning the applicant and the application are met.

Eligibility conditions concerning applicants:

- The applicant is a small company or an agricultural enterprise (a farmer or a member of a farming household)
- A natural person applying for support is aged 18 years or over
- The place of business of the beneficiary company is within RDP application area
- The beneficiary company has the prerequisites for continuous profitable operation
- The eligible operation represents the main income of at least one entrepreneur or employee in the company

Eligibility conditions concerning applications:

- The applicant presents a plan for the operation to be supported
- The end product is not an agricultural product listed in Annex I to the Treaty on the Functioning of the European Union

- The applicant presents a practicable business plan that, regarding its scale, is suitable for the business in question
- The applicant includes information on their financial position and competence required by the enterprise
- The support is necessary for the activities for which it is granted
- The application was submitted before the measure to be supported was started

#### 8.2.4.3.3.7. Principles with regard to the setting of selection criteria

The projects to be supported shall promote the objectives of one or more Union priorities concerning rural development, this sub-measure, and the applicable national legislation, as well as the regional or local priorities that support them. Projects that meet the eligibility conditions set out in European Union legislation and the complementary national legislation are assessed based on eligibility criteria. If the application completely fails to meet an eligibility criterion, the project must be excluded from the selection procedure. The information on eligibility conditions applicable to projects and on fulfilment of the eligibility criteria are recorded in the Hyrrä eService. Where appropriate, the selection criteria will be applied to general costs, including feasibility studies.

##### Selection criteria

Rather than exclude applications, the selection criteria are used to put eligible applications in an order of priority. As selection criteria will be chosen thematic areas that produce added value from the perspective of rural development and competitiveness of businesses. The selection criteria consist of seven thematic areas, where the term "measure" is used for the investment project.

At maximum three points may be awarded to an application for each thematic area. The grounds on which points may be scored in each thematic area are also described in writing. Points are awarded for features matching the scoring criteria identified in the project. If the project completely fails to meet a selection criterion, it is awarded 0 points for the thematic area in question. Written justifications for points awarded in thematic areas may also be provided.

A coefficient will be applied to the points scored for the thematic areas. The coefficients applied to each thematic area are given as a percentage, which must add up to 100%. The total score of a project to be evaluated is obtained by multiplying the score for each thematic area to be evaluated by the coefficient and totalling these figures. The weighted maximum score is 3 points. All projects to be funded must score at minimum one point in the three thematic areas with the highest coefficient. The points scored by a project for the thematic areas must produce a minimum total score of over 1.1 points. Projects that do not achieve the minimum score will be rejected.

The selection criteria are specified by the Ministry of Agriculture and Forestry as the Managing Authority. The selection criteria and their details are discussed at the Monitoring Committee of the Rural Development Programme before the implementation of the sub-measure may be launched. The selection criteria will be applied consistently in the areas of all ELY Centres. The selection criteria and their coefficients are the following:

- 1) Location of the measure/company to be supported (5%)
- 2) Jobs created as a result of the measure to be supported (15 %)**
- 3) Regional and spillover effects of the measure to be supported (10%)
- 4) Impacts of the measure to be supported on the market area of the company's products and services (10%)
- 5) Impacts of the measure to be supported on the renewal of the company's operations (30%)**
- 6) Impacts of the measure to be supported on the company's co-operation, including links to more extensive development schemes and strategies (20%)**
- 7) Additional points awarded for other special features that can be identified in the measure to be supported, including special features which support cross-sectoral objectives that concern the environment and climate change mitigation and adaptation (in particular, criterion 5 covers the evaluation of the cross-sectoral objective concerning innovation) (10%)

The LAGs comply with selection criteria in keeping with the local development strategies.

#### Application procedure

Applications may be submitted continuously. However, the applications will be evaluated and decisions on them will be made by the support period. The ELY Centres and the LAGs have the obligation to provide information about the possibilities of applying for support and the application procedures, including the selection criteria and other relevant details, such as the applicable fixed support levels.

#### 8.2.4.3.3.8. (Applicable) amounts and support rates

Support granted to micro and small enterprises operating in rural areas and multisectoral agricultural enterprises is based on the division of labour agreed upon between the funding authorities and confirmed in Finland's Partnership Agreement 2014–2020. In this sub-measure, consistent use of ESI Fund financing has been ensured by complying with Finland's regional aid map for 2014–2020 (State aid SA.38359 (2014/N) - Finland) as well as support rates and conditions stated in the State aid rules, including de minimis support. In Mainland Finland, increased support may be granted to micro enterprises on islands without a permanent road connection, whose special conditions are thus accounted for. The production and distribution of renewable energy will be supported as required by the State aid rules. The potential for diversifying the industrial structure of rural areas, growth and job creation lies in micro and small enterprises and in agricultural enterprises. The development resources of micro and small enterprises are smaller, and obtaining private funding is more challenging for them than for larger companies. In order to improve the level of investments and to increase their impact, support may be granted separately for the general costs of the investment. In particular, support will be allocated to feasibility studies, which can provide a clearer idea of whether or not a project planned by a company is feasible, identify any risks associated with its implementation, and predict its chances of success. Feasibility studies allow companies to draw on expert services when preparing large development packages to apply for national or international funding with the aim of developing their operations.

Support for a physical and an intangible investment will take the form of a grant. The support levels have been set according to the size category of the company and the national assisted region in which the company is located. National assisted regions and the maximum support levels based on them are defined in Finland's regional aid map for 2014–2020. The fixed support levels to be applied during the support period must be included in advertisements, or potential applicants must be otherwise informed of them.

- For a micro and small enterprise, support amounting to 35% may be granted in assisted region I and to 20% in assisted regions II-III.
- However, micro enterprises may be granted investment support of 35% in all archipelago areas of assisted regions I-III (islands without a permanent road connection) (de minimis).
- For a micro and a small enterprise, support amounting to 20% in assisted regions I-III for investments concerning the production and distribution of renewable energy may be granted. New plants will be eligible for a support level of 30%.

Support will not be granted for investments of less than EUR 10,000.

Support for the general costs of an investment is given as a grant.

- For a micro and small enterprise, support amounting to 50% may be granted for general costs (de minimis).

Support will not be granted for general costs of less than EUR 3,000.

The maximum amount of public support is EUR 180,000 if a Leader local action group is in favour of the measure.

The State aid rules apply to the support, including de minimis support.

#### 8.2.4.3.3.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.4.3.3.9.1. Risk(s) in the implementation of the measures

- Potential implementers of measures cannot be animated to develop and redirect their operations.
- Business plans are not realistic, or sufficient professional competence for assessing them is lacking.
- In the previous programming period, shortcomings were noted in the assessment of whether or not costs were reasonable.
- Inflexibility of information systems slowed down the implementation of changes to some extent in the previous period.

The complexity of the support conditions is a risk, especially in terms of verification and control procedures.

#### *8.2.4.3.3.9.2. Mitigating actions*

- While preparations were being made for the programming period, training was provided for the partners taking part in the planning and implementation of the programme, and they have been animated in co-operation with research institutes and Sitra; innovation competitions and camps have also been organised to seek and refine innovations. The programme was prepared as an extensive co-operation project between the administration and the partners.
- A communication plan was formulated for programme implementation.
- The applicant's business plan will be saved in the information system as an attachment to the application, training on evaluating business plans will be provided for the administration, and project selection will also be guided by the evaluation criteria so that the best plans become selected for implementation under the programme.
- The process for keeping track of progress made with a business plan will be developed so that it allows for the monitoring of business development.
- For the purposes of evaluating whether or not costs are reasonable and for competitive bidding, checks will be built in the information system, the completion of which will be mandatory when making support decisions.
- The possibility of making modifications was accounted for in the design of the new information system, and checks for the eligibility conditions will be incorporated in the system.
- Check lists for the authorities will be created to support the verification and supervision procedures, and their use can be controlled in the information system. Regular training will be provided for the authorities several times a year.
- A shared portal is provided for information exchanges between the authorities, and regular video-conferencing will take place a number of times a year.
- The action group network unit takes part in the training and information of applicants, the officials and partners alike.

#### *8.2.4.3.3.9.3. Overall assessment of the measure*

The measures can be implemented and controlled as required in the regulations, and coordination with other measures under the programme and with other funds was taken into account in their preparation.

Investment support will help companies to set up and expand operations. It can speed up the development of companies' competitiveness.

#### *8.2.4.3.3.10. Methodology for calculation of the amount or support rate, where relevant*

#### *8.2.4.3.3.11. Information specific to the operation*

Definition of small farms referred to in Article 19(1) paragraph a sub-paragraph iii of Regulation (EU) No 1305/2013.



Definition of upper and lower thresholds referred to in Article 19(4) paragraph 3 of Regulation (EU) No 1305/2013.

Special conditions of support granted to young farmers if the young farmer is not setting up as a sole head of the holding pursuant to Article 2(1) and 2(2) of Delegated Regulation (EU) No 807/2014

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation (EU) No 807/2014

A summary of the requirements set for a business plan

Using the possibility of combining various measures through a business plan, thus offering young farmers the possibility of using these measures

Sectors to which expansion of activities is relevant

*8.2.4.4. Verifiability and controllability of the measures and/or types of operations*

8.2.4.4.1. Risk(s) in the implementation of the measures

**Sub-measure 6.1. (Business start up aid for young farmers) risk codes:**

*Commission risk codes*

R3 Adequate inspection and control systems

R3.1. Professional competence and adequate resources of officials

R7 Selection of beneficiaries

R7.1 Criteria that are too general/extensive, inadequate documentation

R8 IT systems

R8.1. Effectiveness and functioning of information systems, information security, IT competence

**Sub-measure 6.2 (Business start up aid) risk codes:**

*Commission risk codes*

R3 Adequate inspection and control systems

R7 Selection of beneficiaries

R8 IT systems

**Sub-measure 6.4 (Support for business investments) risk codes:**

*Commission risk codes:*

R2 Reasonableness of costs

R3 Adequate inspection and control systems

R7 Selection of beneficiaries

R8 IT systems

8.2.4.4.2. Mitigating actions

**Sub-measure 6.1. (Business start up aid for young farmers) risk reason and prevention codes:**

*Commission risk reason codes*

RC12 Control systems and administrative processes

*Commission risk prevention codes*

CPA1 Training for administration

CPA2 Information and training for beneficiaries

CPA3 Information campaigns and guidance documents

CPA4 Improvement of information systems

CPA7 Improvement of internal control and co-operation

**Sub-measure 6.2 (Business start up aid) risk reason and prevention codes:**

*Commission risk reason codes*

RC12 Control systems and administrative processes

RC15 Completion of payment applications

*Commission risk prevention codes*

CPA1 Training for administration

CPA2 Information and training for beneficiaries  
CPA3 Information campaigns and guidance documents  
CPA4 Improvement of information systems  
CPA7 Improvement of internal control and co-operation

**Sub-measure 6.4 (Support for business investments) risk reason and prevention codes:**

*Commission risk reason codes*

RC3: Information exchanges between authorities

RC10 Reasonableness of costs

RC12 Control systems and administrative processes

*Commission risk prevention codes*

CPA1 Training for administration  
CPA2 Information and training for beneficiaries  
CPA3 Information campaigns and guidance documents  
CPA4 Improvement of information systems  
CPA7 Improvement of internal control and co-operation

**8.2.4.4.3. Overall assessment of the measure**

The measures can be implemented and controlled as required in the regulations, and coordination with other measures under the programme and with other funds was taken into account in their preparation.

The business start up aid for farmers is a necessary measure in order to maintain competitive production activities.

The measure will encourage fresh entrepreneurs to set up new companies, and existing companies to expand and develop their operations.

The start up support will assist new companies established by fresh entrepreneurs in their early days, as the entrepreneurs can use it to acquire financial and other advisory services supporting business development. The support will also assist them in the economically vital first years as the company is only developing products and/or services and seeking markets for them. The start up support will make it possible to considerably reduce the early-stage risks of enterprising.

**8.2.4.5. Methodology for calculation of the amount or support rate, where relevant**

Business start up aid under sub-measure 6.2 may be applied for by business customers planning their business and launching a company. The main objectives are diversifying the structure of the economy and creating new jobs by promoting rural entrepreneurship, taking into consideration the priorities of national

and regional strategies. When granting support, an effort will be made to recognize and exploit genuine opportunities for establishing new, well-functioning companies. The support has been productised to allow its application throughout the programme area, as companies expect from public actors predictability, even quality and equitable service in all parts of the country. In Mainland Finland, at maximum EUR 35,000 may be granted as support for starting a company. The basic assumption in determining the maximum support amount was the fact that some of the support is allocated to initial procurements of the company, some to the development and expert services needed by the company and some to other costs. The definition reflects the presumed distribution of support on the basis of existing qualitative and quantitative data on publicly funded services targeted at companies of a similar type. Another starting point for determining the maximum support amount was providing similar preconditions for enterprising throughout the programme area, considering all sectors and regional cost level differences. The level of the support for starting a company was set in proportion to the average income levels of entrepreneurs and wage earners in the programme areas.

#### *8.2.4.6. Information specific to the measure*

Definition of small farms referred to in Article 19(1) paragraph a sub-paragraph iii of Regulation (EU) No 1305/2013.

Support for the development of small farms referred to in Article 19(1)(a)(iii) could be granted to farms producing an agricultural entrepreneurial income of EUR 12,000 at maximum. This measure will not be introduced in Finland.

Definition of upper and lower thresholds referred to in Article 19(4) paragraph 3 of Regulation (EU) No 1305/2013.

A precondition for being eligible for start up aid under sub-measure 6.1 is that the applicant takes control over a farm or part of a farm which produces an agricultural entrepreneurial income of at minimum EUR 15,000 and at maximum EUR 400,000. The agricultural entrepreneurial income will be calculated by deducting from the total revenue from farming the costs, excluding the pay claim of the farming household and interest claim on equity capital.

Farmers are considered as having set up on a farm when the transferee starts farming as an entrepreneur responsible for managing a farm and takes control of a farm or part of a farm where the amount of entrepreneurial income from farming shown in the business plan is at minimum EUR 12,000 a year.

In reindeer husbandry, it is adequate as a rule that the transferee gains control of a holding and at minimum a number of reindeer that brings the reindeer numbers up to one and a half times the previous figure, however so that the number of animals two years after setting up is at minimum 80 breeding reindeer.

*Unofficial translation*

Special conditions of support granted to young farmers if the young farmer is not setting up as a sole head of the holding pursuant to Article 2(1) and 2(2) of Delegated Regulation (EU) No 807/2014

(Applies to sub-measure 6.1.) If the beneficiary is an organisation under private law or a consortium of farmers, control in the organisation must be exerted by an eligible person alone, or by several eligible persons together, in compliance with the Commission regulations.

A person is regarded as having control over a public limited company if they control over one half of the organisation's shares, and the shares owned by them entitle them to over one half of the voting rights conferred by the shares. Control may also be based on shares, and the votes conferred by these shares, controlled by more than one person. If a person has control over another company which is a shareholder in the applicant company, that person's control may also be based on the votes conferred by the shares or shareholdings owned by the first-mentioned company.

In a partnership, control is considered to be exercised by the partners together, and in a limited partnership, by the majority of partners with unlimited liability.

In a cooperative, the majority of the members is regarded as having control.

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation (EU) No 807/2014

If the training requirement that is a condition for receiving start up aid (relevant to measure 6.1) is not met at the time of setting up, the training must be completed within no more than 36 months from the date on which the start up aid was granted.

A summary of the requirements set for a business plan

*Description of a business plan*

Under sub-measure 6.1, the business plan must include a description of the current status of the farm or reindeer farm and information concerning the business conditions. In addition, the business plan must identify measures by which the farm or reindeer farm may reach economic viability. The business plan must contain any investments required to achieve economic viability. Implementation of the business plan must start within nine months from the date on which support was granted.

*The business plan must describe the following*

- operation of the farm as the new entrepreneur sets up as a farmer (description of the current status)
- targets of the farm's operation and development
- investments, training, advisory services or other measures needed to develop farm operation, including operations related to environmental sustainability and resource efficiency, and a target

schedule

- fulfilment of the criteria for an active farmer

*A summary of the requirements applicable to a business plan/action plan under sub-measure 6.2*

- basic details of the applicant
- description of the economic and financial initial situation of the applicant
- the company's operational concept and business idea, and a description of the development of new activities in the company,
- planned measures, targets concerning their implementation, and the points of time when target achievement is to be evaluated
- target schedule for completing the planned measures
- cost estimate and financing plan for the planned measures
- any additional information needed and expert opinions

Using the possibility of combining various measures through a business plan, thus offering young farmers the possibility of using these measures.

When applying for aid for setting up as a farmer, the applicant may include in their business plan development measures that will allow them to meet the conditions for receiving start up aid. The measures that the applicant proposes in their business plan and that have essential significance for meeting the preconditions for receiving start-up support must be completed. If funding under the Rural Development Programme for Mainland Finland is applied for in order to complete development measures proposed in a business plan approved in the context of start up aid, the funding applications will be processed and decisions will be made on them following the normal application procedure.

Sectors to which expansion of activities is relevant

Sub-measures 6.2 and 6.4 enable multi-sectoral rural development, including new sectors, developing business areas and innovations. Some examples of operations to be supported are given below (the list is not exclusive):

- business serving raw material production for renewable energy
- decentralised production and distribution of heat and electricity based on renewable energy sources
- business based on environmental technology and recycling
- environment and landscape management services and forestry service enterprising
- processing of timber and manufacturing of wood products
- manufacturing of foods when the end product of the project is not listed in Annex I to the TFEU
- technology industry
- tourism, recreation, cultural and other free time services, including the creative sectors

- services related to maintaining and promoting well-being and health mainly directed at markets outside the rural areas, including Green Care activities as well as therapy or rehabilitation services
- service production related to digital technology and ICT as well as provision of other business life services

*Energy efficiency and the production of renewable energy in sub-measures 6.2 and 6.4*

Small non-agricultural enterprises in rural areas may conduct voluntary energy reviews within the framework of the energy support scheme of the Ministry of Employment and the Economy. Under sub-measure 6.4, in connection with supporting productive investments of small companies, perspectives related to saving energy and energy efficiency may be taken into account. However, actual separate investments in energy saving will not be supported under sub-measure 6.4.

Energy plans for farms engaged in non-agricultural business may be drawn up as part of the farm energy plan in connection with the provision of advisory services. Less extensive than an energy audit, an energy plan is a measure that focuses on energy efficiency and the possibilities of producing and using renewable energy. On farms engaged in non-agricultural business, a more extensive energy audit may also be conducted as a feasibility study. Under sub-measure 6.4, in connection with supporting productive investments of farms engaged in non-agricultural business, perspectives related to saving energy and energy efficiency may be taken into account. However, actual separate investments in energy saving will not be supported under sub-measure 6.4.

A farm's investment in the production of renewable energy may be supported under sub-measure 6.4 when the production capacity exceeds the level of the farm's average annual consumption. The raw materials for energy production may originate on the farm or outside it. A farm's investment in renewable energy production may be supported as an agricultural investment under sub-measure 4.1 if the energy produced on the farm is used for the farm's own needs and the raw material for energy originates from agriculture or forestry or another source of renewable energy.

*8.2.4.7. Other important remarks relevant to understanding and implementing the measure*

*Transitional arrangements*

Sub-measure 6.1 will be introduced in the entire programme area for the part of applications submitted in 2015 and thereafter.

Sub-measures 6.2 and 6.4 will be introduced in the entire programme area for the part of applications submitted in 2015 and thereafter.

Links of sub-measures 6.2 and 6.4 to measures supported by national financing and financing from European Structural and Investment Funds (ESIF)

A precondition for achieving the objectives set for the Rural Development Programme for Mainland Finland 2014–2020 is the correct and uniform application of the measures. In addition, it is necessary to recognize the complementary nature of these measures in relation to others contained in the Rural Development Programme and other measures and programmes intended for SMEs funded by national and/or EU

financing, and publicly funded products and services targeted at companies. By exploiting other development measures included in the programme and outside it, an effort will be made to achieve synergy benefits, to ensure that the objectives of the measure can be achieved, and to create as good preconditions as possible for implementing investments.

Operations under the measure have been coordinated with the publicly funded services provided by the Ministry of Employment and the Economy. The Ministry of Employment and the Economy may grant business development aid referred to in the Act on Discretionary Government Grants for Business Development (9/2014) for the investments of SMEs engaged in business not listed in Annex I to the TFEU on financing from the European Regional Development Fund or national financing, mainly in urban areas but, as necessary, also in other areas. Coordination of the funding will be ensured by liaising between the Ministries, the funding policies of the ELY Centres, and inter-administrative liaising in individual projects at the ELY Centres.

For example, business that serves closed energy, nutrient and substance cycles of food and other production chains and other production of value added products and services deemed as part of bio-economy may be eligible for business development support, including projects where fishing industry products can also be partly exploited. RD&I serving SMEs can also be supported (Regional Councils and Tekes).

In addition, the Ministry of Employment and the Economy may grant business development services referred to in the Act on Public Employment and Business Service (916/2012) and the relevant Government Decree (1073/2012) to SMEs wishing to develop their business competence. The business development services are provided by expert companies selected on the basis of a tendering process. The support contained in these services represents de minimis aid pursuant to Commission Regulation (EU) No 1407/2013. Expert companies may be used to provide business development services of limited duration and content for projects implemented in rural areas funded by the Rural Development Fund under sub-measure 6.2 in connection with starting new business associated with products not listed in Annex I to the TFEU. However, public support from the Ministry of Agriculture and Forestry and the Ministry of Employment and the Economy may not be combined in a single project.

In particular, investments in fishing tourism in urban areas may be supported by aid from the European Maritime and Fisheries Fund through fishing industry consortia.



## 8.2.5. M07 – Basic services and village renewal in rural areas (Article 20)

### 8.2.5.1. *Legal basis*

Article 20 of Regulation (EU) 1305/2013 of the European Parliament and of the Council

Articles of Regulation (EU) No 1303/2013 of the European Parliament and of the Council

Commission Regulation (EU) No 807/2014 (Delegated Act)

Commission Regulation (EU) No 808/2014 (Implementing Act)

### 8.2.5.2. *General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives*

The measure includes the following sub-measures

- 7.1 the drawing up and updating of plans for the development of municipalities and villages in rural areas and their basic services and of protection and management plans relating to Natura 2000 sites and other areas of high nature value;
- 7.2 investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving;
- 7.3 broadband infrastructure, including its creation, improvement and expansion, passive broadband infrastructure and provision of access to broadband and public e-government;
- 7.4 investments in the setting up, improvement or expansion of local basic services for the rural population, including leisure and culture, and the related infrastructure;
- 7.5 investments for public use in recreational infrastructure, tourist information and small scale tourism infrastructure;
- 7.6 studies and investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages, rural landscapes and high nature value sites, including related socio-economic aspects, as well as environmental awareness actions;

While sub-measure 7.7, investments targeting the relocation of activities and conversion of buildings or other facilities located within or close to rural settlements, with a view to improving the quality of life or increasing the environmental performance of the settlement, will not be introduced as a separate measure, appropriate conversions of facilities may be implemented in connection with other sub-measures.

The measure aims to increase the sustainability and viability of rural areas. The objectives include improving the availability of and access to services provided in rural areas (including cultural and leisure services, services for businesses and capabilities for exploiting information society), improving the ecological quality and safety of the living environment, and developing rural infrastructures and community spirit, inclusion and opportunities for participation in villages. The measure aiming to develop services and villages responds to the objective of developing rural services and contributes to activating rural areas and

providing opportunities for participation.

Projects aiming to activate, plan, study or develop rural services, taking into account various population groups and groups of actors, including companies, organisations, villages and their residents and various age groups, will be implemented under this measure. The projects under this measure will promote co-operation and the creation of co-operation networks, enhance the attraction of local communities (municipalities and villages), and provide preconditions for diversification of the industrial structure in municipalities and villages. Projects to exploit and develop rural cultural or natural heritage sites and sites with high nature value that will promote their protection and development will be realised under this measure.

The projects may implement many types of development and make investments that will benefit rural entrepreneurs and residents. Support for a development project will be paid as aid to the implementer of the project.

The preconditions for a well-functioning living environment are the same in rural areas as in towns: the residents need health care services, working data connections and other infrastructures. Certain services are a precondition for people's ability to live and run a business in the countryside. The offer of services increasingly concentrates in larger urban centres. New means of service provision will be needed. The ageing of the population increases the need for services and sets challenges to their accessibility. An ageing population cannot travel far for their services. Another increasingly important question in rural areas is how the residents can participate in planning that concerns themselves, their living environment and their services. Developing cultural and recreational services in rural areas is vital and has an impact on willingness to live in the country, particularly in case of young people. A vibrant countryside also attracts new residents. The measure related to developing services and villages is not intended to replace the funding of statutory basic services that is the responsibility of the central and the local government, but to improve and complement services by encouraging co-operation between actors and developing new operating models.

New solutions and tools will be needed to respond to environmental and climate questions in rural areas. Communal, locally implemented operations to improve the status of the environment will support the achievement of the environmental and climate targets. Key targets include the use of renewable energy and development of small scale energy supply based on a decentralised system.

Well-functioning, high-speed data connections are a prerequisite for developing rural residents' services and industries. Online services offer business opportunities for entrepreneurs and new services for rural residents. However, data connections remain poor or do not exist at all in many areas, and it is thus necessary to continue the efforts to build high-speed data connections.

New solutions must be considered to secure the accessibility of services. In rural areas, accessibility will be improved by such means as developing mobile services and improving local data connections. The aim is at increasing the number of decentralised and local energy solutions and providing better possibilities for using them.

*The measures to develop services and villages have primary impacts on the following focus areas:*

6B Fostering local development in rural areas

6C Enhancing the accessibility, use and quality of information and communication technologies (ICT) in

rural areas.

*The secondary impacts are linked to focus areas:*

3A: Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organisations

4A: Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes

5C: Facilitating the supply and use of renewable sources of energy, of by-products, wastes and residues and of other non food raw material, for the purposes of the bio-economy

6A: Facilitating diversification, creation and development of small enterprises, as well as job creation.

Developing rural services and improving their accessibility will enhance the viability of rural areas, increase entrepreneurs' possibilities of operating in the countryside (link to measures in sections 8.4 and 8.5) and encourage co-operation between actors (link to section 8.11). Local energy production can boost the use of renewable energy and efficiency of waste recycling. The accessibility of emerging services will be improved by developing data connections. The use of online services can be promoted through the measure concerning knowledge transfer and information actions (section 8.2). The upgrading of landscapes and common areas will have impacts on living comfort, attraction to tourists and biodiversity.

Small scale projects focusing on the production of renewable energy and energy savings to be implemented under this measure will have an impact on environmental and climate objectives. Development of the data connection infrastructure will have impacts on the climate and, through improved connections, on the creation and deployment of innovations. New ways of arranging services and new models will give rise to social innovations.

Examples of development targets under this measure:

- new operating methods and service models, service experiments, rural agreements, multi-service points, development of service entrepreneurship, co-operation and networking of service providers;
- projects that improve local data connection infrastructures and promote their deployment and utilisation, small scale investments in data connection infrastructure (so-called village network projects);
- planning, creation, upgrading or expansion of small infrastructures, including investments in renewable energy and water supply, development of local food markets and short supply circuits, and constructions for common use;
- village development including the improvement of the living environment, upgrading and establishment of shared facilities and amenities (e.g. swimming areas, sports facilities, playgrounds), development of village activities, improvement of the prerequisites for living and working in the countryside, planning and development of ecological rural living, preparation, improvement and implementation of village development, safety and security, landscape management and land use plans (so-called village plans), plans for the protection and use of Natura 2000 areas and other sites with high nature value and their implementation;

- operations that support a low-carbon society, communal environment actions, promotion of renewable energy use in the village and development of small scale energy supply based on decentralised systems, more efficient renewable energy production and energy use;
- services maintaining well-being and health, improving the possibilities for cultural and leisure activities, creation of tourism, recreation and leisure time services and improvement of the relevant infrastructures, building, upgrading and utilisation of small scale nature trails;
- local culture and traditions, new uses of buildings and areas, preservation of building heritage (Finland's cultural environment strategy);
- community spirit, enhancement of co-operation and inclusion and youth activities

*8.2.5.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria*

8.2.5.3.1. 7.1. Plans for the development of services in rural areas and protection and management plans related to Natura 2000 sites and other areas

Sub-measure:

- 7.1 – support for the drawing up and updating of plans for the development of municipalities and villages in rural areas and their basic services and of protection and management plans relating to Natura 2000 sites and other areas of high nature value;

8.2.5.3.1.1. Description of the type of operation

Projects for drawing up, updating or improving plans for the development of rural services and plans for protecting, managing and using Natural 2000 sites and other areas of high nature value will be implemented under this measure.

Support will be granted for development projects. The projects may implement development efforts that will benefit rural entrepreneurs and residents. Support for a development project will be paid to the implementer of the project.

8.2.5.3.1.2. Type of support

Support will be provided as a grant for a development project.

8.2.5.3.1.3. Links to other legislation

Act on Public Contracts (348/2007)

Articles 65, 67 and 68 of the General Regulation (EU) No 1303/2013

#### 8.2.5.3.1.4. Beneficiaries

The beneficiaries may be organisations under public and private law, including municipalities, associations, organisations and co-operatives.

#### 8.2.5.3.1.5. Eligible costs

Eligible costs include necessary and reasonable costs incurred for implementing projects. Support for a development project may cover minor procurements necessitated by the project.

The following reasonable costs incurred for the implementation of a development project are eligible for support:

- payroll costs and fees;
- travel costs;
- purchases of outsourced services;
- rental costs;
- material costs and other costs necessary for project implementation.

The support may be granted as a one-off payment and, as regards general costs, as flat-rate financing pursuant to Article 67 of Regulation (EU) No 1303/2013 and in compliance with the principles specified in detail in national legislation, or on the basis of receipted invoices.

#### 8.2.5.3.1.6. Eligibility conditions

The more detailed eligibility conditions will be laid down in national legislation. The Act on Support for Rural Development 28/2014 and the more detailed decrees and instructions issued by the Government (Government Decree on Support for Rural Projects xx/2014).

The following will not be implemented under this measure:

- major infrastructure projects, including roads or fish ladders;
- provision of statutory basic services that are the responsibility of the local or central government (Local Government Act 365/1995, the Act on Central Government Transfers to Local Government for Basic Public Services 1704/2009)
- projects of private persons or individual farms related to environmental, energy, waste or water management or data connections;
- investment or development projects of companies, for which support may be granted under the measure concerning investments in section 8.4, and the measure concerning farm and business

development in section 8.5.

Projects related to biodiversity management are not eligible under this measure. The projects related to biodiversity and landscape management of registered associations may be eligible through the measures concerning traditional rural biotopes and initial clearing and fencing as well as wetland investments (section 8.4).

A precondition for granting support for a development project is that the applicant has adequate financial and operational capabilities for implementing the project. Project support may only be granted for a measure organised as a project that is separate from the applicant's ordinary operations and whose duration is at maximum three years or, for a particular reason, at maximum five years. A precondition for granting aid is that the applicant produces a project plan and that the outcomes of the project lend themselves to more general utilisation.

#### 8.2.5.3.1.7. Principles with regard to the setting of selection criteria

A project implemented in the application area of the programme must promote objectives relevant to the measure that are compliant with European Union priorities and that are described in the programme and the national legislation relevant to it, as well as the regional and local priorities that support them. The support aims for impact and added value that could not be achieved without support.

In the funding of projects, projects that promote the planning and development of a novel range of services and support the launching of new services for rural residents and entrepreneurs will be prioritised. Developing co-operation between service suppliers (service entrepreneurs and third-sector actors) will also be emphasised.

In the selection of eligible projects, consistent programme level selection criteria will be applied, which will be discussed by the programme's Monitoring Committee and attached to the programme before the implementation of the measure begins.

The purpose of the selection criteria is to target the funding at operations delivering the best quality and impact. While the same selection criteria are complied with in the entire programme area, they also account for the strategic emphases formulated in the areas of the ELY Centres. The regional emphases support the emphases of the Rural Development Programme. Concise descriptions of the regional plans and emphases have been attached to the programme.

The selection criteria and their emphases are the following:

1. To what extent does the project promote the implementation of the strategy and RDP and regional plan objectives? (30%)
2. What are the quality, impact and feasibility of the project like? (30%)
3. To what extent does the project improve operating possibilities in rural areas? (20%)
4. To what extent does the project promote partnerships, active participation and community spirit? (20%)

*Unofficial translation*

The LAGs comply with selection criteria indicated by their own strategies when selecting projects to be funded.

Specific selection criteria will be defined for projects that concern the entire programme area.

The benefits of regional and local operations will mainly materialise in rural areas covered by the programme.

8.2.5.3.1.8. (Applicable) amounts and support rates

Public funding to be granted and paid as co-financing will consist of the contribution of the Rural Development Fund and a national contribution. The initial amount of public funding for this measure is EUR 80 million. The contribution of the Rural Development Fund will be 42% of the eligible public expenditure. The national contribution consists of co-financing from the government, the municipalities and other public sector actors.

The maximum public support rate for a development project is 90% of eligible costs. The maximum public support rate for projects that increase co-operation between actors and regional co-operation is 100% of eligible costs.

When the beneficiary is a municipality, the share of public funding may be 100%, including the funding provided by the municipality itself.

At maximum EUR 180,000 of support may be granted to a project if the local action group is in favour of it.

8.2.5.3.1.9. Verifiability and controllability of the measures and/or types of operations

*8.2.5.3.1.9.1. Risk(s) in the implementation of the measures*

Selection of beneficiaries: clear application and documentation of the selection criteria, inadequate animation and information actions, scarcity of good project ideas and implementers, deadlines and failures to comply with them.

IT systems: information security (user rights, appropriate hardware and equipment, competence), building up and the functioning of the information system (continuous development needs).

Payment applications: support use and only allocating costs to eligible activities, familiarity with the eligibility rules, delayed netting of advance payments

For Commission risk codes, see section 8.2.5.4.

**8.2.5.3.1.9.2. Mitigating actions**

Selection of beneficiaries: improving the quality of applications and plans, recording the selection criteria in the HYRRÄ eService, deadlines set for beneficiaries, estimating the processing times of projects, planning of programme implementation, good reporting possibilities offered by the new information system (reports, monitoring data etc.)

IT systems: the HYRRÄ eService and its flexibility, training, consistent approval procedures of user rights in the IAM application.

Payment applications: improving the competence level and training, sound planning of projects, clear interfaces, early netting of advance payments.

**8.2.5.3.1.9.3. Overall assessment of the measure**

**8.2.5.3.1.10. Methodology for calculation of the amount or support rate, where relevant**

**8.2.5.3.1.11. Information specific to the operation**

Definition of small scale infrastructure, including small scale tourism infrastructure, referred to in Article 20(1) paragraph e of Regulation (EU) No 1305/2013.

In this measure, a small scale infrastructure means small scale operations to set up or improve rural infrastructure. In terms of regions, the investment operations or benefits will not concern an area larger than LAU level 2 (NUTS 5). This level usually corresponds with the concept of a municipality. In investments for public use, the eligible costs may not exceed EUR 1 million.

If necessary, a special exemption may be granted to allow investments in broadband infrastructure and renewable energy, making it possible to also support larger scale infrastructures

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation (EU) No 807/2014

Definition of thresholds referred to in Article 13 paragraph e of [DA RD - C(2014)1460]



#### 8.2.5.3.2. 7.2. Small scale infrastructure, including investments in renewable energy and energy saving

Sub-measure:

- 7.2 support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving

##### 8.2.5.3.2.1. Description of the type of operation

Under this measure will be implemented projects to plan, create, improve and expand small scale rural infrastructure, for example through investments in renewable energy and water management, development of local food markets and short supply circuits and constructions intended for public use. The measure will implement efforts to develop villages, including: improvement of the living environment and upgrading and establishment of shared facilities and amenities (including swimming areas, sports facilities and playgrounds). Operations that support a low-carbon society, communal environment operations, promotion of renewable energy use in the village and development of small scale energy supply based on a decentralised system, and more efficient renewable energy production and energy use will be implemented under this measure.

Support will be granted for investment projects for public use. Investments that will benefit rural entrepreneurs and residents may be implemented under this measure. Support for a development project will be paid to the implementer of the project.

##### 8.2.5.3.2.2. Type of support

Intangible and physical investments. Support will be granted as aid for an investment for public use.

##### 8.2.5.3.2.3. Links to other legislation

Act on Public Contracts (348/2007)

Articles 65, 67 and 68 of the General Regulation (EU) No 1303/2013

##### 8.2.5.3.2.4. Beneficiaries

The beneficiaries may be organisations under public and private law, including municipalities, associations, organisations and co-operatives.

#### 8.2.5.3.2.5. Eligible costs

Eligible costs include necessary and reasonable costs incurred for implementing projects (intangible and physical investments).

The following costs incurred for the implementation of investment projects in rural areas are eligible for support pursuant to Article 45 of Regulation 1305/2013:

- planning, construction, repair, expansion and acquisition costs related to a building, construction or a structure, including leasing;
- the purchase or lease purchase of machinery, equipment and tools up to the market value of the asset;
- the costs incurred for acquiring real property or part of a property where the building situated on the site to be acquired represents the main value of the property and is necessary for the supported activities;
- general costs linked to eligible costs, including architect and consultation fees and fees relating to advice on environmental and economic sustainability, including feasibility studies, fire insurance and insurance for volunteers for the implementation period of the project, and necessary costs incurred for permits or registration fees;
- the following intangible investments: acquisition or development of computer software and acquisitions of patents, licenses, copyrights and trademarks;
- support may be granted for costs incurred for the acquisition of land to the extent that the share of the land does not exceed ten per cent of the total eligible costs of the project.

For the principles of using food and fodder crops for bioenergy production, see section 8.1.

The support may be granted as a one-off payment and, as regards general costs, as flat-rate financing pursuant to Article 67 of Regulation (EU) No 1303/2013 and in compliance with the principles specified in detail in national legislation, or on the basis of receipted invoices.

#### 8.2.5.3.2.6. Eligibility conditions

The more detailed eligibility conditions will be laid down in national legislation. The Act on Support for Rural Development 28/2014 and the more detailed decrees and instructions issued by the Government (Government Decree on Support for Rural Projects xx/2014).

The following will not be implemented under this measure:

- major infrastructure projects, including roads or fish ladders;
- provision of statutory basic services that are the responsibility of the local or central government (Local Government Act 365/1995, the Act on Central Government Transfers to Local Government for Basic Public Services 1704/2009)
- projects of private persons or individual farms related to environmental, energy, waste or water management or data connections;
- investment or development projects of companies, for which support is granted under the measure concerning investments in section 8.4, and the measure concerning farm and business development

in section 8.5.

- as a rule, development measures concerning wholesale trade, product mediation and retail sales are not eligible, unless the activities are related to the sales of products manufactured by rural SMEs.

Projects related to biodiversity management are not eligible under this measure. The projects related to biodiversity and landscape management of registered associations may be eligible through the measures concerning traditional rural biotopes and initial clearing and fencing as well as wetland investments (section 8.4).

A precondition for granting support for a development project is that the applicant has adequate financial and operational capabilities for implementing the project. Project support may only be granted for a measure organised as a project that is separate from the applicant's ordinary operations and whose duration is at maximum three years or, for a particular reason, at maximum five years. A precondition for granting aid is that the applicant produces a project plan and that the outcomes of the project lend themselves to more general utilisation.

#### 8.2.5.3.2.7. Principles with regard to the setting of selection criteria

A project implemented in the application area of the programme must promote objectives relevant to the measure that are compliant with European Union priorities and that are described in the programme and the national legislation relevant to it, as well as the regional and local priorities that support them. The support aims for impact and added value that could not be achieved without support.

In the selection of eligible projects, consistent programme level selection criteria will be applied, which will be discussed by the programme's Monitoring Committee and attached to the programme before the implementation of the measure begins. The purpose of the selection criteria is to target the funding at operations delivering the best quality and impact. While the same selection criteria are complied with in the entire programme area, they also account for the strategic emphases formulated in the areas of the ELY Centres. The regional emphases support the emphases of the Rural Development Programme. Concise descriptions of the regional plans and emphases have been attached to the programme. The selection criteria and their emphases are the following:

1. To what extent does the project promote the implementation of the strategy and RDP and regional plan objectives? (30%)
2. What are the quality, impact and feasibility of the project like? (30%)
3. To what extent does the project promote renewal and increase operating possibilities? (20%)
4. To what extent does the project promote co-operation and inclusion? (20%)

The LAGs comply with selection criteria indicated by their own strategies when selecting projects to be funded.

The benefits of regional and local operations will mainly materialise in rural areas covered by the programme.

8.2.5.3.2.8. (Applicable) amounts and support rates

Public funding to be granted and paid as co-financing will consist of the contribution of the Rural Development Fund and a national contribution. The initial amount of public funding for this measure is EUR 80 million. The contribution of the Rural Development Fund will be 42% of the eligible public expenditure. The national contribution consists of co-financing from the government, the municipalities and other public sector actors.

The support rate for investments for public use is 75% of eligible costs.

When the beneficiary is a municipality, the share of public funding may be 100%, including the funding provided by the municipality itself.

At maximum EUR 180,000 of support may be granted to a project if the local action group is in favour of it.

8.2.5.3.2.9. Verifiability and controllability of the measures and/or types of operations

*8.2.5.3.2.9.1. Risk(s) in the implementation of the measures*

Public procurements: command of the procurement procedure related to public contracts and adequate competence.

Selection of beneficiaries: clear application and documentation of the selection criteria, deadlines and failures to comply with them, evaluation of the applicant's activities.

IT systems: information security (user rights, appropriate hardware and equipment, competence), building up and the functioning of the information system (continuous development needs).

Payment applications: support use and only allocating costs to eligible activities, familiarity with the eligibility rules, delayed netting of advance payments

VAT: Ensuring the eligibility of VAT payments.

For Commission risk codes, see section 8.2.5.4.

*8.2.5.3.2.9.2. Mitigating actions*

Public procurements: instructions and training (officials, beneficiaries), documentation and justification of procedures followed.

Selection of beneficiaries: improving the quality of applications and plans, recording the selection criteria in the HYRRÄ eService, deadlines set for beneficiaries, estimating the processing times of projects, planning of programme implementation, good reporting possibilities offered by the new information system (reports,

monitoring data etc.)

IT systems: the HYRRÄ eService and its flexibility, training, consistent approval procedures of user rights in the IAM application.

Payment applications: improving the competence level and training, sound planning of projects, clear interfaces, early netting of advance payments.

VAT: compliance with valid statutes; VAT is eligible if it cannot be refunded; training for officials; use of check list.

*8.2.5.3.2.9.3. Overall assessment of the measure*

*8.2.5.3.2.10. Methodology for calculation of the amount or support rate, where relevant*

*8.2.5.3.2.11. Information specific to the operation*

Definition of small scale infrastructure, including small scale tourism infrastructure, referred to in Article 20(1) paragraph e of Regulation (EU) No 1305/2013.

In this measure, a small scale infrastructure means small scale operations to set up or improve rural infrastructure. In terms of regions, the investment operations or benefits will not concern an area larger than LAU level 2 (NUTS 5). This level usually corresponds with the concept of a municipality. In investments for public use, the eligible costs may not exceed EUR 1 million.

If necessary, a special exemption may be granted to allow investments in broadband infrastructure and renewable energy, making it possible to also support larger scale infrastructures

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation (EU) No 807/2014

Definition of thresholds referred to in Article 13 paragraph e of [DA RD - C(2014)1460]

#### 8.2.5.3.3. 7.3. Broadband infrastructure and access to broadband and public e-government

Sub-measure:

- 7.3 support for broadband infrastructure, including its creation, improvement and expansion, passive broadband infrastructure and provision of access to broadband and public e-government;

##### 8.2.5.3.3.1. Description of the type of operation

Projects for planning, studying, developing and building local data connection infrastructure, e-government services offered online and their deployment and utilisation will be implemented under this measure. Under this measure, small scale data connection infrastructure investments (so-called village network projects) will be implemented in rural areas. Village network projects will be implemented in rural areas where connections will not be provided on a commercial basis.

Support will be granted to development projects and investment projects for public use. Many types of development may take place and investments may be made in projects related to broadband infrastructure, including its creation, improvement and expansion, passive broadband infrastructure and provision of access to broadband and public e-government. Support for a development project will be paid as aid to the implementer of the project.

##### 8.2.5.3.3.2. Type of support

Intangible and physical investments. Support will be granted as aid to development projects and investment projects for public use.

##### 8.2.5.3.3.3. Links to other legislation

Act on Public Contracts (348/2007)

Articles 65, 67 and 68 of the General Regulation (EU) No 1303/2013

##### 8.2.5.3.3.4. Beneficiaries

The beneficiaries may be organisations under public and private law where the main purpose of an organisation under private law is other than economic activity, or where the primary goal of the operation is not financial gain. The beneficiaries may include municipalities, associations, organisations and co-operatives.

#### 8.2.5.3.3.5. Eligible costs

Eligible costs include necessary and reasonable costs incurred for implementing projects (intangible and physical investments). Support for a development project may cover minor procurements necessitated by the project.

The following reasonable costs incurred for the implementation of a development project are eligible for support:

- payroll costs and fees;
- travel costs;
- purchases of outsourced services;
- rental costs;
- material costs and other costs necessary for project implementation.

The following costs incurred for the implementation of investment projects in rural areas are eligible for support pursuant to Article 45 of Regulation 1305/2013:

- planning, construction, repair, expansion and acquisition costs related to a building, construction or a structure, including leasing; including broadband infrastructure, its creation, improvement and expansion, passive broadband infrastructure and provision of access to broadband and public e-government;
- the purchase or lease purchase of machinery, equipment and tools up to the market value of the asset;
- the costs incurred for acquiring real property or part of a property where the building situated on the site to be acquired represents the main value of the property and is necessary for the supported activities;
- general costs linked to eligible costs, including architect and consultation fees and fees relating to advice on environmental and economic sustainability, including feasibility studies, fire insurance and insurance for volunteers for the implementation period of the project, necessary costs incurred for permits or registration fees;
- the following intangible investments: acquisition or development of computer software and acquisitions of patents, licenses, copyrights and trademarks;
- support may be granted for costs incurred for the acquisition of land to the extent that the share of the land does not exceed ten per cent of the total eligible costs of the project.

Digging, excavation and installation costs related to broadband infrastructure construction are eligible.

For the principles of using food and fodder crops for bioenergy production, see section 8.1.

The support may be granted as a one-off payment and, as regards general costs, as flat-rate financing pursuant to Article 67 of Regulation (EU) No 1303/2013 and in compliance with the principles specified in detail in national legislation, or on the basis of receipted invoices.

#### 8.2.5.3.3.6. Eligibility conditions

Supported broadband network building is technology neutral, but the network must guarantee a connection speed of 100 Mbit/s. Once built, the communication network will be owned by the beneficiary, who undertakes to keep the network in the use intended at the time of granting the support pursuant to Article 71(a-c) of General Regulation 1303/2013.

Support will not be granted for costs incurred for the building of subscriber connections (drop cables) that extend to the site of the end user's residence or facilities. The basic principle is that the broadband service user will obtain the subscriber connection they need at their cost.

The more detailed eligibility conditions will be laid down in national legislation. The Act on Support for Rural Development 28/2014 and the more detailed decrees and instructions issued by the Government (Government Decree on Support for Rural Projects xx/2014).

The following will not be implemented under this measure:

- major infrastructure projects, including roads or fish ladders;
- provision of statutory basic services that are the responsibility of the local or central government (Local Government Act 365/1995, the Act on Central Government Transfers to Local Government for Basic Public Services 1704/2009)
- projects of private persons or individual farms related to environmental, energy, waste or water management or data connections;
- investment or development projects of companies, for which support may be granted under the measure concerning investments in section 8.4, and the measure concerning farm and business development in section 8.5.

A precondition for granting support for a development project is that the applicant has adequate financial and operational capabilities for implementing the project. The project duration may be at most three years or, for a specific reason, at most five years. A precondition for granting aid is that the applicant produces a project plan and that the outcomes of the project lend themselves to more general utilisation.

#### 8.2.5.3.3.7. Principles with regard to the setting of selection criteria

A project implemented in the application area of the programme must promote objectives relevant to the measure that are compliant with European Union priorities and that are described in the programme and the national legislation relevant to it, as well as the regional and local priorities that support them. The support aims for impact and added value that could not be achieved without support.

In the funding of projects, projects that promote the planning and development of a novel range of services and support the launching of new services for rural residents and entrepreneurs will be prioritised. Developing co-operation between service suppliers (service entrepreneurs and third-sector actors) will also be emphasised.

In the selection of eligible projects, consistent programme level selection criteria will be applied, which will be discussed by the programme's Monitoring Committee and attached to the programme before the



implementation of the measure begins.

The purpose of the selection criteria is to target the funding at operations delivering the best quality and impact. While the same selection criteria are complied with in the entire programme area, they also account for the strategic emphases formulated in the areas of the ELY Centres. The regional emphases support the emphases of the Rural Development Programme. Concise descriptions of the regional plans and emphases have been attached to the programme.

The selection criteria and their emphases are the following:

1. To what extent does the project promote the implementation of the strategy and RDP and regional plan objectives? (30%)
2. What are the quality, impact and feasibility of the project like? (30%)
3. To what extent does the project improve operating possibilities? (20%)
4. To what extent does the project promote partnerships, active participation and community spirit? (20%)

The selection criteria for investments for public use are:

1. To what extent does the project promote the implementation of the strategy and RDP and regional plan objectives? (30%)
2. What are the quality, impact and feasibility of the project like? (30%)
3. To what extent does the project promote renewal and increase operating possibilities? (20%)
4. To what extent does the project promote co-operation and inclusion? (20%)

The LAGs comply with selection criteria indicated by their own strategies when selecting projects to be funded.

Specific selection criteria will be defined for projects that concern the entire programme area.

The benefits of regional and local operations will mainly materialise in rural areas covered by the programme.

#### 8.2.5.3.3.8. (Applicable) amounts and support rates

Public funding to be granted and paid as co-financing will consist of the contribution of the Rural Development Fund and a national contribution. The initial amount of public funding is EUR 80 million. The contribution of the Rural Development Fund will be 42% of the eligible public expenditure. The national contribution consists of co-financing from the government, the municipalities and other public sector actors.

The maximum public support rate for a development project is 90% of eligible costs. The maximum public support rate for projects that increase co-operation between actors and regional co-operation is 100% of eligible costs.

The support rate for investments for public use is 75% of eligible costs.

When the beneficiary is a municipality, the share of public funding may be 100%, including the funding provided by the municipality itself.

At maximum EUR 180,000 of support may be granted to a project if the local action group is in favour of it.

#### 8.2.5.3.3.9. Verifiability and controllability of the measures and/or types of operations

##### *8.2.5.3.3.9.1. Risk(s) in the implementation of the measures*

Public procurements: command of the procurement procedure related to public contracts and adequate competence.

Selection of beneficiaries: clear application and documentation of the selection criteria, deadlines and failures to comply with them, evaluation of the applicant's activities.

IT systems: information security (user rights, appropriate hardware and equipment, competence), building up and the functioning of the information system (continuous development needs).

Payment applications: support use and only allocating costs to eligible activities, familiarity with the eligibility rules

VAT: Ensuring the eligibility of VAT payments.

For Commission risk codes, see section 8.2.5.4.

##### *8.2.5.3.3.9.2. Mitigating actions*

Public procurements: instructions and training (officials, beneficiaries), documentation and justification of procedures followed.

Selection of beneficiaries: improving the quality of applications and plans, recording the selection criteria in the HYRRÄ eService, deadlines set for beneficiaries, estimating the processing times of projects, planning of programme implementation, good reporting possibilities offered by the new information system (reports, monitoring data etc.)

IT systems: the HYRRÄ eService and its flexibility, training, consistent approval procedures of user rights in the IAM application.

Payment applications: improving the competence level and training, sound planning of projects

VAT: compliance with valid statutes; VAT is eligible if it cannot be refunded; training for officials; use of check list.

*8.2.5.3.3.9.3. Overall assessment of the measure*

*8.2.5.3.3.10. Methodology for calculation of the amount or support rate, where relevant*

*8.2.5.3.3.11. Information specific to the operation*

Definition of small scale infrastructure, including small scale tourism infrastructure, referred to in Article 20(1) paragraph e of Regulation (EU) No 1305/2013.

In this measure, a small scale infrastructure means small scale operations to set up or improve rural infrastructure. In terms of regions, the investment operations or benefits will not concern an area larger than LAU level 2 (NUTS 5). This level usually corresponds with the concept of a municipality. In investments related to improving broadband connections, the definition in euro amounts of the guidelines for rural areas 663/2014 will be used to define a small scale infrastructure (eligible costs may not exceed EUR 2 million). In other investments for public use, the eligible costs may not exceed EUR 1 million.

If necessary, a special exemption may be granted to allow investments in broadband infrastructure and renewable energy, making it possible to also support larger scale infrastructures.

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation (EU) No 807/2014

Definition of thresholds referred to in Article 13 paragraph e of [DA RD - C(2014)1460]

#### 8.2.5.3.4. 7.4. Improvement of local services, including leisure and culture, and the related infrastructure

Sub-measure:

- 7.4 – support for investments in the setting up, improvement or expansion of local basic services for the rural population, including leisure and culture, and the related infrastructure

##### 8.2.5.3.4.1. Description of the type of operation

Projects to plan, study or improve services for the rural population will be implemented under this measure. The measure aims to increase the sustainability and viability of rural areas. Projects that will improve the availability of and access to services provided in rural areas (including cultural and leisure services, services for businesses and capabilities for exploiting information society), improving the ecological quality and safety of the living environment, improving rural infrastructures and developing community spirit, inclusion and opportunities for participation in villages will be implemented under this measure. New solutions will be developed to secure the accessibility of services. Accessibility of the countryside will be improved, for example by developing mobile services. Services that improve the well-being, comfort and operating possibilities of rural residents are developed under this measure. While support under this measure will not be granted for the provision of statutory basic services that are the responsibility of the local or central government, it may support projects aiming to devise new operating models for improving the accessibility of basic services.

Support will be granted to development projects and investment projects for public use. The projects may implement many types of development and make investments that will benefit rural entrepreneurs and residents. Support for a development project will be paid to the implementer of the project.

##### 8.2.5.3.4.2. Type of support

Intangible and physical investments. Support will be granted as aid to development projects and investments for public use.

##### 8.2.5.3.4.3. Links to other legislation

Act on Public Contracts (348/2007)

Articles 65, 67 and 68 of the general regulation (EU) No 1303/2013

##### 8.2.5.3.4.4. Beneficiaries

The beneficiaries may be organisations under public and private law, including municipalities, associations, organisations and co-operatives.

#### 8.2.5.3.4.5. Eligible costs

Eligible costs include necessary and reasonable costs incurred for implementing projects (intangible and physical investments). Support for a development project or an investment project for public use may cover requisite small procurements associated with the project.

The following reasonable costs incurred for the implementation of a development project are eligible for support:

- payroll costs and fees;
- travel costs;
- purchases of outsourced services;
- rental costs;
- material costs and other costs necessary for project implementation.

The following costs incurred for the implementation of investment projects in rural areas are eligible for support pursuant to Article 45 of Regulation 1305/2013:

- planning, construction, repair, expansion and acquisition costs related to a building, construction or a structure, including leasing;
- the purchase or lease purchase of machinery, equipment and tools up to the market value of the asset;
- the costs incurred for acquiring real property or part of a property where the building situated on the site to be acquired represents the main value of the property and is necessary for the supported activities;
- general costs linked to eligible costs, including architect and consultation fees and fees relating to advice on environmental and economic sustainability, including feasibility studies, fire insurance and insurance for volunteers for the implementation period of the project, necessary costs incurred for permits or registration fees;
- the following intangible investments: acquisition or development of computer software and acquisitions of patents, licenses, copyrights and trademarks;
- support may be granted for costs incurred for the acquisition of land to the extent that the share of the land does not exceed ten per cent of the total eligible costs of the project.

For the principles of using food and fodder crops for bioenergy production, see section 8.1.

The support may be granted as a one-off payment and, as regards general costs, as flat-rate financing pursuant to Article 67 of Regulation (EU) No 1303/2013 and in compliance with the principles specified in detail in national legislation, or on the basis of receipted invoices.

#### 8.2.5.3.4.6. Eligibility conditions

The more detailed eligibility conditions will be laid down in national legislation. The Act on Support for Rural Development 28/2014 and the more detailed decrees and instructions issued by the Government (Government Decree on Support for Rural Projects xx/2014).

The following will not be implemented under this measure:

- major infrastructure projects, including roads or fish ladders;
- provision of statutory basic services that are the responsibility of the local or central government (Local Government Act 365/1995, the Act on Central Government Transfers to Local Government for Basic Public Services 1704/2009)
- projects of private persons or individual farms related to environmental, energy, waste or water management or data connections;
- investment or development projects of companies, for which support is granted under the measure concerning investments in section 8.4, and the measure concerning farm and business development in section 8.5.
- as a rule, development measures concerning wholesale trade, product mediation and retail sales are not eligible, unless the activities are related to the sales of products manufactured by rural SMEs.

A precondition for granting support for a development project is that the applicant has adequate financial and operational capabilities for implementing the project. Project support may only be granted for a measure organised as a project that is separate from the applicant's ordinary operations and whose duration is at maximum three years or, for a particular reason, at maximum five years. A precondition for granting aid is that the applicant produces a project plan and that the outcomes of the project lend themselves to more general utilisation.

#### 8.2.5.3.4.7. Principles with regard to the setting of selection criteria

A project implemented in the application area of the programme must promote objectives relevant to the measure that are compliant with European Union priorities and that are described in the programme and the national legislation relevant to it, as well as the regional and local priorities that support them. The support aims for impact and added value that could not be achieved without support.

In the funding of projects, projects that promote the planning and development of a novel range of services and support the launching of new services for rural residents and entrepreneurs will be prioritised. Developing co-operation between service suppliers (service entrepreneurs and third-sector actors) will also be emphasised.

In the selection of eligible projects, consistent programme level selection criteria will be applied, which will be discussed by the programme's Monitoring Committee and attached to the programme before the implementation of the measure begins.

The purpose of the selection criteria is to target the funding at operations delivering the best quality and impact. While the same selection criteria are complied with in the entire programme area, they also account for the strategic emphases formulated in the areas of the ELY Centres. The regional emphases support the emphases of the Rural Development Programme. Concise descriptions of the regional plans and emphases have been attached to the programme. The selection criteria and their emphases are the following:

1. To what extent does the project promote the implementation of the strategy and RDP and regional plan objectives? (30%)

2. What are the quality, impact and feasibility of the project like? (30%)
3. To what extent does the project improve operating possibilities? (20%)
4. To what extent does the project promote partnerships, active participation and community spirit? (20%)

The selection criteria for investments for public use are:

1. To what extent does the project promote the implementation of the strategy and RDP and regional plan objectives? (30%)
2. What are the quality, impact and feasibility of the project like? (30%)
3. To what extent does the project promote renewal and increase operating possibilities? (20%)
4. To what extent does the project promote co-operation and inclusion? (20%)

The LAGs comply with selection criteria indicated by their own strategies when selecting projects to be funded.

Specific selection criteria will be defined for projects that concern the entire programme area.

The benefits of regional and local operations will mainly materialise in rural areas covered by the programme.

#### 8.2.5.3.4.8. (Applicable) amounts and support rates

Public funding to be granted and paid as co-financing will consist of the contribution of the Rural Development Fund and a national contribution. The initial amount of public funding for this measure is EUR 80 million. The contribution of the Rural Development Fund will be 42% of the eligible public expenditure. The national contribution consists of co-financing from the government, the municipalities and other public sector actors.

The maximum public support rate for a development project is 90% of eligible costs. The maximum public support rate for projects that increase co-operation between actors and regional co-operation is 100% of eligible costs.

The support rate for investments for public use is 75% of eligible costs.

When the beneficiary is a municipality, the share of public funding may be 100%, including the funding provided by the municipality itself.

At maximum EUR 180,000 of support may be granted to a project if the local action group is in favour of it.

8.2.5.3.4.9. Verifiability and controllability of the measures and/or types of operations

*8.2.5.3.4.9.1. Risk(s) in the implementation of the measures*

Public procurements: command of the procurement procedure related to public contracts and adequate competence.

Selection of beneficiaries: clear application and documentation of the selection criteria, deadlines and failures to comply with them, evaluation of the applicant's activities.

IT systems: information security (user rights, appropriate hardware and equipment, competence), building up and the functioning of the information system (continuous development needs)

Payment applications: support use and only allocating costs to eligible activities, familiarity with the eligibility rules, delayed netting of advance payments

VAT: Ensuring the eligibility of VAT payments.

For Commission risk codes, see section 8.2.5.4.

*8.2.5.3.4.9.2. Mitigating actions*

Public procurements: instructions and training (officials, beneficiaries), documentation and justification of procedures followed.

Selection of beneficiaries: improving the quality of applications and plans, recording the selection criteria in the HYRRÄ eService, deadlines set for beneficiaries, estimating the processing times of projects, planning of programme implementation, good reporting possibilities offered by the new information system (reports, monitoring data etc.)

IT systems: the HYRRÄ eService and its flexibility, training, consistent approval procedures of user rights in the IAM application.

Payment applications: improving the competence level and training, sound planning of projects, clear interfaces, early netting of advance payments.

VAT: compliance with valid statutes; VAT is eligible if it cannot be refunded; training for officials; use of check list.

*8.2.5.3.4.9.3. Overall assessment of the measure*



8.2.5.3.4.10. Methodology for calculation of the amount or support rate, where relevant

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8.2.5.3.4.11. Information specific to the operation

Definition of small scale infrastructure, including small scale tourism infrastructure, referred to in Article 20(1) paragraph e of Regulation (EU) No 1305/2013.

In this measure, a small scale infrastructure means small scale operations to set up or improve rural infrastructure. In terms of regions, the investment operations or benefits will not concern an area larger than LAU level 2 (NUTS 5). This level usually corresponds with the concept of a municipality. In investments for public use, the eligible costs may not exceed EUR 1 million.
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If necessary, a special exemption may be granted to allow investments in broadband infrastructure and renewable energy, making it possible to also support larger scale infrastructures

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Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation (EU) No 807/2014

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Definition of thresholds referred to in Article 13 paragraph e of [DA RD - C(2014)1460]

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#### 8.2.5.3.5. 7.5. Investments for public use in recreational infrastructure, tourist information and small scale tourism infrastructure

Sub-measure:

- 7.5 – support for investments for public use in recreational infrastructure, tourist information and small scale tourism infrastructure

##### 8.2.5.3.5.1. Description of the type of operation

The projects will improve possibilities for cultural and leisure activities and infrastructure related to tourism, recreation and leisure time services.

Support will be granted for investment projects for public use. Investments that will benefit rural entrepreneurs and residents may be implemented through these projects. Support for a development project will be paid to the implementer of the project.

##### 8.2.5.3.5.2. Type of support

Intangible and physical investments. Support will be granted as aid for an investment for public use.

##### 8.2.5.3.5.3. Links to other legislation

Act on Public Contracts (348/2007)

Articles 65, 67 and 68 of the General Regulation (EU) No 1303/2013

##### 8.2.5.3.5.4. Beneficiaries

The beneficiaries may be organisations under public and private law, including municipalities, associations, organisations and co-operatives.

##### 8.2.5.3.5.5. Eligible costs

Eligible costs include necessary and reasonable costs incurred for implementing projects (intangible and physical investments).

The following costs incurred for the implementation of investment projects in rural areas are eligible for support pursuant to Article 45 of Regulation 1305/2014:

- planning, construction, repair, expansion and acquisition costs related to a building, construction or a

structure, including leasing;

- the purchase or lease purchase of machinery, equipment and tools up to the market value of the asset;
- the costs incurred for acquiring real property or part of a property where the building situated on the site to be acquired represents the main value of the property and is necessary for the supported activities;
- general costs linked to eligible costs, including architect and consultation fees and fees relating to advice on environmental and economic sustainability, including feasibility studies, fire insurance and insurance for volunteers for the implementation period of the project, necessary costs incurred for permits or registration fees;
- the following intangible investments: acquisition or development of computer software and acquisitions of patents, licenses, copyrights and trademarks;
- support may be granted for costs incurred for the acquisition of land to the extent that the share of the land does not exceed ten per cent of the total eligible costs of the project.

For the principles of using food and fodder crops for bioenergy production, see section 8.1.

The support may be granted as a one-off payment and, as regards general costs, as flat-rate financing pursuant to Article 67 of Regulation (EU) No 1303/2013 and in compliance with the principles specified in detail in national legislation, or on the basis of receipted invoices.

#### 8.2.5.3.5.6. Eligibility conditions

The more detailed eligibility conditions will be laid down in national legislation. The Act on Support for Rural Development 28/2014 and the more detailed decrees and instructions issued by the Government (Government Decree on Support for Rural Projects xx/2014).

The following will not be implemented under this measure:

- major infrastructure projects, including roads or fish ladders;
- provision of statutory basic services that are the responsibility of the local or central government (Local Government Act 365/1995, the Act on Central Government Transfers to Local Government for Basic Public Services 1704/2009)
- projects of private persons or individual farms related to environmental, energy, waste or water management or data connections;
- investment or development projects of companies, for which support may be granted under the measure concerning investments in section 8.4, and the measure concerning farm and business development in section 8.5.

Projects related to biodiversity management are not eligible under this measure. The projects related to biodiversity and landscape management of registered associations may be eligible through the measures concerning traditional rural biotopes and initial clearing and fencing as well as wetland investments (section 8.4).

A precondition for granting support for a development project is that the applicant has adequate financial and operational capabilities for implementing the project. Project support may only be granted for a measure

organised as a project that is separate from the applicant's ordinary operations and whose duration is at maximum three years or, for a particular reason, at maximum five years. A precondition for granting aid is that the applicant produces a project plan and that the outcomes of the project lend themselves to more general utilisation.

Another criterion for granting support is that the support is necessary for the operations for which it is granted. The applicant must also produce a plan for the measure to be supported. The plan must include the objectives, the actions required to achieve them and the grounds for evaluating project implementation, an estimate of the implementation period, total costs and total funding, and a report on how the objectives of sustainable development will be taken into account in the implementation of the measure, and a plan concerning business support must include an analysis of the operations' profitability.

#### 8.2.5.3.5.7. Principles with regard to the setting of selection criteria

A project implemented in the application area of the programme must promote objectives relevant to the measure that are compliant with European Union priorities and that are described in the programme and the national legislation relevant to it, as well as the regional and local priorities that support them. The support aims for impact and added value that could not be achieved without support.

In the selection of eligible projects, consistent programme level selection criteria will be applied, which will be discussed by the programme's Monitoring Committee and attached to the programme before the implementation of the measure begins. The purpose of the selection criteria is to target the funding at operations delivering the best quality and impact. While the same selection criteria are complied with in the entire programme area, they also account for the strategic emphases formulated in the areas of the ELY Centres. The regional emphases support the emphases of the Rural Development Programme. Concise descriptions of the regional plans and emphases have been attached to the programme. The selection criteria and their emphases are the following:

1. To what extent does the project promote the implementation of the strategy and RDP and regional plan objectives? (30%)
2. What are the quality, impact and feasibility of the project like? (30%)
- 3 To what extent does the project promote renewal and increase operating possibilities? (20%)
4. To what extent does the project promote co-operation and inclusion? (20%)

The LAGs comply with selection criteria indicated by their own strategies when selecting projects to be funded.

Specific selection criteria will be defined for projects that concern the entire programme area.

The benefits of regional and local operations will mainly materialise in rural areas covered by the programme.

8.2.5.3.5.8. (Applicable) amounts and support rates

Public funding to be granted and paid as co-financing will consist of the contribution of the Rural Development Fund and a national contribution. The initial amount of public funding for this measure is EUR 80 million. The contribution of the Rural Development Fund will be 42% of the eligible public expenditure. The national contribution consists of co-financing from the government, the municipalities and other public sector actors.

The support rate for investments for public use is 75% of eligible costs.

When the beneficiary is a municipality, the share of public funding may be 100%, including the funding provided by the municipality itself.

At maximum EUR 180,000 of support may be granted to a project if the local action group is in favour of it.

8.2.5.3.5.9. Verifiability and controllability of the measures and/or types of operations

*8.2.5.3.5.9.1. Risk(s) in the implementation of the measures*

Public procurements: command of the procurement procedure related to public contracts and adequate competence.

Selection of beneficiaries: clear application and documentation of the selection criteria, deadlines and failures to comply with them, evaluation of the applicant's activities.

IT systems: information security (user rights, appropriate hardware and equipment, competence), building up and the functioning of the information system (continuous development needs).

Payment applications: support use and only allocating costs to eligible activities, familiarity with the eligibility rules, delayed netting of advance payments

VAT: Ensuring the eligibility of VAT payments

For Commission risk codes, see section 8.2.5.4.

*8.2.5.3.5.9.2. Mitigating actions*

Public procurements: instructions and training (officials, beneficiaries), documentation and justification of procedures followed.

Selection of beneficiaries: improving the quality of applications and plans, recording the selection criteria in the HYRRÄ eService, deadlines set for beneficiaries, estimating the processing times of projects, planning of programme implementation, good reporting possibilities offered by the new information system (reports,

monitoring data etc.)

IT systems: the HYRRÄ eService and its flexibility, training, consistent approval procedures of user rights in the IAM application.

Payment applications: improving the competence level and training, sound planning of projects, clear interfaces, early netting of advance payments.

VAT: compliance with valid statutes; VAT is eligible if it cannot be refunded; training for officials; use of check list.

*8.2.5.3.5.9.3. Overall assessment of the measure*

*8.2.5.3.5.10. Methodology for calculation of the amount or support rate, where relevant*

*8.2.5.3.5.11. Information specific to the operation*

Definition of small scale infrastructure, including small scale tourism infrastructure, referred to in Article 20(1) paragraph e of Regulation (EU) No 1305/2013.

In this measure, a small scale infrastructure means small scale operations to set up or improve rural infrastructure. In terms of regions, the investment operations or benefits will not concern an area larger than LAU level 2 (NUTS 5). This level usually corresponds with the concept of a municipality. In investments for public use, the eligible costs may not exceed EUR 1 million.

If necessary, a special exemption may be granted to allow investments in broadband infrastructure and renewable energy, making it possible to also support larger scale infrastructures

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation (EU) No 807/2014

Definition of thresholds referred to in Article 13 paragraph e of [DA RD - C(2014)1460]

8.2.5.3.6. 7.6. Studies, investments and awareness actions associated with village development, rural landscapes and the cultural and natural heritage

Sub-measure:

- 7.6 – support for studies and investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages, rural landscapes and high nature value sites, including related socio-economic aspects, as well as environmental awareness actions

8.2.5.3.6.1. Description of the type of operation

Under this measure will be implemented projects to plan, study or develop the maintenance, restoration and upgrading of the cultural and natural heritage of villages, rural landscapes and high nature value sites, as well as studies and investments related to upgrading these sites. Projects that promote the creation of co-operation and co-operation networks and enhance the attraction of villages will be implemented under this measure. Projects to exploit and develop rural cultural or natural heritage sites and sites with high nature value that will promote their protection and development will be realised under this measure. The measure will implement projects related to developing the cultural and natural heritage of villages, including improvement of the living environment, upgrading and establishment of shared facilities and amenities (including swimming areas, sports facilities and playgrounds) and the organisation of events.

Support will be granted to development projects and investment projects for public use. The projects may implement many types of development and make investments that will benefit rural entrepreneurs and residents. Support for a development project will be paid to the implementer of the project.

8.2.5.3.6.2. Type of support

Intangible and physical investments. Support will be granted as aid to development projects and investments for public use.

8.2.5.3.6.3. Links to other legislation

Act on Public Contracts (348/2007)

Articles 65, 67 and 68 of the general regulation (EU) No 1303/2013

8.2.5.3.6.4. Beneficiaries

The beneficiaries may be organisations under public and private law, including municipalities, associations, organisations and co-operatives.

#### 8.2.5.3.6.5. Eligible costs

Eligible costs include necessary and reasonable costs incurred for implementing projects (intangible and physical investments). Support for a development project may cover minor procurements necessitated by the project.

The following reasonable costs incurred for the implementation of a development project are eligible for support:

- payroll costs and fees;
- travel costs;
- purchases of outsourced services;
- rental costs;
- material costs and other costs necessary for project implementation.

The following costs incurred for the implementation of investment projects in rural areas are eligible for support pursuant to Article 45 of Regulation 1305/2013:

- planning, construction, repair, expansion and acquisition costs related to a building, construction or a structure, including leasing;
- the purchase or lease purchase of machinery, equipment and tools up to the market value of the asset;
- the costs incurred for acquiring real property or part of a property where the building situated on the site to be acquired represents the main value of the property and is necessary for the supported activities;
- general costs linked to eligible costs, including architect and consultation fees and fees relating to advice on environmental and economic sustainability, including feasibility studies, fire insurance and insurance for volunteers for the implementation period of the project, necessary costs incurred for permits or registration fees;
- the following intangible investments: acquisition or development of computer software and acquisitions of patents, licenses, copyrights and trademarks;
- support may be granted for costs incurred for the acquisition of land to the extent that the share of the land does not exceed ten per cent of the total eligible costs of the project.

For the principles of using food and fodder crops for bioenergy production, see section 8.1.

The support may be granted as a one-off payment and, as regards general costs, as flat-rate financing pursuant to Article 67 of Regulation (EU) No 1303/2013 and in compliance with the principles specified in detail in national legislation, or on the basis of receipted invoices.

#### 8.2.5.3.6.6. Eligibility conditions

The more detailed eligibility conditions will be laid down in national legislation. The Act on Support for Rural Development 28/2014 and the more detailed decrees and instructions issued by the Government (Government Decree on Support for Rural Projects xx/2014).



The following will not be implemented under this measure:

- major infrastructure projects, including roads or fish ladders;
- provision of statutory basic services that are the responsibility of the local or central government (Local Government Act 365/1995, the Act on Central Government Transfers to Local Government for Basic Public Services 1704/2009)
- projects of private persons or individual farms related to environmental, energy, waste or water management or data connections;
- investment or development projects of companies, for which support may be granted under the measure concerning investments in section 8.4, and the measure concerning farm and business development in section 8.5.

Projects related to biodiversity management are not eligible under this measure. The projects related to biodiversity and landscape management of registered associations may be eligible through the measures concerning traditional rural biotopes and initial clearing and fencing as well as wetland investments (section 8.4).

A precondition for granting support for a development project is that the applicant has adequate financial and operational capabilities for implementing the project. Project support may only be granted for a measure organised as a project that is separate from the applicant's ordinary operations and whose duration is at maximum three years or, for a particular reason, at maximum five years. A precondition for granting aid is that the applicant produces a project plan and that the outcomes of the project lend themselves to more general utilisation.

Another criterion for granting support is that the support is necessary for the operations for which it is granted. The applicant must also produce a plan for the measure to be supported. The plan must include the objectives, the actions required to achieve them and the grounds for evaluating project implementation, an estimate of the implementation period, total costs and total funding, and a report on how the objectives of sustainable development will be taken into account in the implementation of the measure, and a plan concerning business support must include an analysis of the operations' profitability.

#### 8.2.5.3.6.7. Principles with regard to the setting of selection criteria

A project implemented in the application area of the programme must promote objectives relevant to the measure that are compliant with European Union priorities and that are described in the programme and the national legislation relevant to it, as well as the regional and local priorities that support them. The support aims for impact and added value that could not be achieved without support.

In the selection of eligible projects, consistent programme level selection criteria will be applied, which will be discussed by the programme's Monitoring Committee and attached to the programme before the implementation of the measure begins. In the selection of eligible projects, consistent programme level selection criteria will be applied, which will be discussed by the programme's Monitoring Committee and attached to the programme before the implementation of the measure begins.

The purpose of the selection criteria is to target the funding at operations delivering the best quality and impact. While the same selection criteria are complied with in the entire programme area, they also account

for the strategic emphases formulated in the areas of the ELY Centres. The regional emphases support the emphases of the Rural Development Programme. Concise descriptions of the regional plans and emphases have been attached to the programme. The selection criteria and their emphases are the following:

1. To what extent does the project promote the implementation of the strategy and RDP and regional plan objectives? (30%)
2. What are the quality, impact and feasibility of the project like? (30%)
3. To what extent does the project improve operating possibilities? (20%)
4. To what extent does the project promote partnerships, active participation and community spirit? (20%)

The selection criteria for investments for public use are:

1. To what extent does the project promote the implementation of the strategy and RDP and regional plan objectives? (30%)
2. What are the quality, impact and feasibility of the project like? (30%)
3. To what extent does the project promote renewal and increase operating possibilities? (20%)
4. To what extent does the project promote co-operation and inclusion? (20%)

The LAGs comply with selection criteria indicated by their own strategies when selecting projects to be funded.

Specific selection criteria will be defined for projects that concern the entire programme area.

#### 8.2.5.3.6.8. (Applicable) amounts and support rates

Public funding to be granted and paid as co-financing will consist of the contribution of the Rural Development Fund and a national contribution. The initial amount of public funding for this measure is EUR 80 million. The contribution of the Rural Development Fund will be 42% of the eligible public expenditure. The national contribution consists of co-financing from the government, the municipalities and other public sector actors.

The maximum public support rate for a development project is 90% of eligible costs. The maximum public support rate for projects that increase co-operation between actors and regional co-operation is 100% of eligible costs.

The support rate for investments for public use is 75% of eligible costs.

When the beneficiary is a municipality, the share of public funding may be 100%, including the funding

provided by the municipality itself.

At maximum EUR 180,000 of support may be granted to a project if the local action group is in favour of it.

#### 8.2.5.3.6.9. Verifiability and controllability of the measures and/or types of operations

##### *8.2.5.3.6.9.1. Risk(s) in the implementation of the measures*

Selection of beneficiaries: clear application and documentation of the selection criteria, inadequate animation and information actions, scarcity of good project ideas and implementers, deadlines and failures to comply with them.

IT systems: information security (user rights, appropriate hardware and equipment, competence), building up and the functioning of the information system (continuous development needs).

Payment applications: support use and only allocating costs to eligible activities, familiarity with the eligibility rules, delayed netting of advance payments

For Commission risk codes, see section 8.2.5.4.

##### *8.2.5.3.6.9.2. Mitigating actions*

Selection of beneficiaries: improving the quality of applications and plans, recording the selection criteria in the HYRRÄ eService, deadlines set for beneficiaries, estimating the processing times of projects, planning of programme implementation, good reporting possibilities offered by the new information system (reports, monitoring data etc.)

IT systems: the HYRRÄ eService and its flexibility, training, consistent approval procedures of user rights in the IAM application.

Payment applications: improving the competence level and training, sound planning of projects, clear interfaces, early netting of advance payments.

##### *8.2.5.3.6.9.3. Overall assessment of the measure*

#### 8.2.5.3.6.10. Methodology for calculation of the amount or support rate, where relevant

#### 8.2.5.3.6.11. Information specific to the operation

Definition of small scale infrastructure, including small scale tourism infrastructure, referred to in Article 20(1) paragraph e of Regulation (EU) No 1305/2013

In this measure, a small scale infrastructure means small scale operations to set up or improve rural infrastructure. In terms of regions, the investment operations or benefits will not concern an area larger than LAU level 2 (NUTS 5). This level usually corresponds with the concept of a municipality. In investments for public use, the eligible costs may not exceed EUR 1 million.

If necessary, a special exemption may be granted to allow investments in broadband infrastructure and renewable energy, making it possible to also support larger scale infrastructures

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation (EU) No 807/2014

Definition of thresholds referred to in Article 13 paragraph e of [DA RD - C(2014)1460]

#### 8.2.5.4. Verifiability and controllability of the measures and/or types of operations

##### 8.2.5.4.1. Risk(s) in the implementation of the measures

As a risk related to implementing the measure may be seen that the actors are not familiar enough with competitive bidding and procurement procedures. Shortcomings may be associated with assessing whether or not costs are reasonable, and documentation of cost assessment may be deficient. Insufficient familiarity with the eligibility rules may be a risk factor in project implementation. Payment of ineligible costs may also be a risk. Maintaining the professional competence of the authorities is highlighted in the verification and control procedures. Information security (user rights, appropriate hardware and equipment, competence), building up and the functioning of the information system and continuous development needs present a risk. A risk related to the overall realisation of funding is inherent in the use of advance payments.

Commission risk codes

R4. Inadequate knowledge of competitive bidding and procurement procedures

R7. Knowledge of eligibility rules. Application of the selection criteria. Inadequate animation and information.

R8. Information security, functioning of the information system

R9. Assessment of reasonableness of costs and inadequate documentation. The costs are not allocated to the

supported operations. Late netting of advance payments.

Commission risk reason codes

RC3. Ineffective information exchanges between authorities

RC9. Applicants for support are not familiar with correct procedures related to the payment applications

RC9.1. Payment applications are incomplete

RC10. Verification of reasonableness of costs

RC11. Compliance with public procurement provisions

RC14. Non-eligible costs

RC15. Information security risk in the use of e-government

#### 8.2.5.4.2. Mitigating actions

The implementation of the programme was planned comprehensively, with extensive participatory involvement of the national, regional and local levels alike. Potential beneficiaries will be openly informed of the funding opportunities and the conditions. The real needs of the project target groups will be investigated, and new implementation methods will be enabled. Training will be provided for different user groups as the new electronic system is deployed. Both electronic and manual contacts with the managing authority will be facilitated.

In the selection of beneficiaries, the risks will be mitigated by comparing applications or using a score system that is based on the selection criteria. The procedure will be discussed by the programme's Monitoring Committee and incorporated in the electronic information system. The quality of applications and compliance with deadlines will be improved by communication and training provided for applicants.

The managing authority will give the applicant an estimate of the processing times of applications. The justifications of decisions will be recorded and their documentation ensured. Information system certificates, electronic check lists, and the practice of saving attachments in the system for documentation will enable regular quality assurance regarding both support and payment decisions. Regular quality assurance will be ensured.

The risk regarding competitive bidding and procurement procedures will be mitigated by means of instructions and training provided for both the authorities and the beneficiaries. The procurement procedures to be complied with must be clearly justified and documented. The potential risks associated with assessing whether costs are reasonable or not will be mitigated by providing guidelines and training. The risk regarding verification and control procedures will be mitigated by means of training and guidelines. Guidance and supervisory visits by the administration and administrative inspections of projects will ensure the fairness and good quality of implementation in the entire programme area. Adaptable information

technology has been used to build the system.

The level of competence related to payment applications will be improved, and the requisite training will be provided. The proper planning of projects will also facilitate applying for payments. The risk related to advance payments will be controlled by means of training, information and clear instructions. Clear-cut interfaces and cutting back on overlapping activities were taken into account in programme preparation, and the various funding authorities regularly engage in a dialogue to coordinate the support systems and to avoid double funding. Information security risks will be addressed where relevant.

Commission risk prevention codes

CPA1. Effective and regular training is provided for staff in charge of handling projects

The instructions are kept up to date

CPA2. More effective provision of information in order to animate potential applicants, active provision of training and advice

CPA3. Improving the availability of information and instructions, e.g. on a website, provision of training in e-government use. Providing training for project actors concerning procedures, eligible costs, the electronic system and information security. Providing training on the use and netting of advance payments.

CPA4. The information system guides decision-making and documentation. The selection criteria and procedures are integrated in the information and monitoring system, making their use mandatory and transparent. E-government reduces the possibility of human errors in various stages of the process.

CPA5. Simplified cost procedures will be introduced.

CPA6. Internal control and coordination systems are improved. Compliance with correct procedures in all regions will be ensured by means of administrative checks, and the procedures will be developed.

#### 8.2.5.4.3. Overall assessment of the measure

The measure is necessary in order to improve rural services and the attraction of rural areas.

The measures can be implemented and controlled as required in the regulations, and coordination with other measures under the programme and with other funds was taken into account in the preparation of the measures.

#### 8.2.5.5. Methodology for calculation of the amount or support rate, where relevant

The support to be granted under this measure is based on the needs indicated in project plans and a reviewed estimate of reasonable eligible costs. The maximum amount of support in proportion to eligible costs is determined pursuant to Regulation 1305/2013 and national legislation (Act on Support for Rural

Development 28/2014 and Government Decree on Support for Rural Projects xx/2014).

*8.2.5.6. Information specific to the measure*

Definition of small scale infrastructure, including small scale tourism infrastructure, referred to in Article 20(1) paragraph e of Regulation (EU) No 1305/2013

In this measure, a small scale infrastructure means small scale operations to set up or improve rural infrastructure. In terms of regions, the investment operations or benefits will not concern an area larger than LAU level 2 (NUTS 5). This level usually corresponds with the concept of a municipality. In investments related to improving broadband connections (sub-measure 7.3), the definition in euro amounts of the guidelines for rural areas 663/2014 will be used to define a small scale infrastructure (eligible costs may not exceed EUR 2 million). In other investments for public use, the eligible costs may not exceed EUR 1 million.

If necessary, a special exemption may be granted to allow investments in broadband infrastructure and renewable energy, making it possible to also support larger scale infrastructures

Support will only be granted for small scale infrastructures.

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation (EU) No 807/2014

Investments that consume energy or are relevant to energy production must comply with minimum energy efficiency requirements. In new and repair construction investments, the currently valid construction regulations and minimum requirements of energy efficiency, including cost-effectiveness and health aspects, shall be complied with. Buildings have energy efficiency ratings, and if so required in national legislation, they must also have energy certificates. In addition, electricity and heat produced from renewable energy sources will be favoured. Machinery, equipment and fixtures have energy efficiency ratings. As a rule, machinery and equipment with the best energy efficiency rating should be favoured in investments.

In supported investments that concern biomass-based electricity production, the main part of the energy produced must be utilised, including any thermal energy. The minimum requirement is that the utilisation ratio of thermal energy is at least 10%, depending on the volume of electricity production.

Definition of thresholds referred to in Article 13 paragraph e of [DA RD - C(2014)1460]

Investments in the production of biofuels or bioliquids are only eligible for support if the production meets the sustainability criteria laid down in the Act on the Biofuels and Bioliquids (393/2013). Currently valid European Union legislation shall be complied with regarding the maximum shares of cereal, sugar and oil

plants used for bioenergy production.

For companies in the size category referred to in the Decree on Support for Rural Development in Finland, it is not in practice possible to engage in the production of biofuels, bioliquids or other bioenergy based on cereals or other starch plants alone, or on sugar and oil plants, in a commercially viable manner and on a commercial scale. Of Finland's surface area,  $\frac{3}{4}$  is covered by forests, and the most significant potential for bioenergy production can thus be found in exploiting wood-based raw materials.

So far, food and fodder plants are little used for energy production in Finland. The share of cereals used for energy purposes on farms only represents 0.1% of domestic consumption. Of the oil plants cultivated in Finland, rape and turnip rape are used in the food industry. The area under turnip rape is approx. 83,000 ha, and the area under rape is approx. 10,000 ha. The domestic food industry uses considerably higher quantities of rape and turnip rape than what is produced in Finland. With the current areas under rape and turnip rape, the increase in biodiesel production that could be achieved would be marginal compared to the total consumption of motor fuels and the need for biodiesel in Finland. The consumption of sugar in Finland is approx. 200,000 tons a year. The degree of self-sufficiency regarding sugar in Finland has dropped to less than 50%. A considerable share of the sugar consumed in Finland is imported. In 2013, the area under maize for fodder and use as a fresh product in Finland only totalled approx. 320 ha. This is some 0.01% of the arable land area in use.

Only limited amounts of feed and fodder plants can be used for bioenergy production (including biogas). According to Finland's National Energy and Climate Strategy (2013), biomass suitable for nutrition is not a priority in the promotion and development of agricultural biomass as an energy source in Finland. This policy does not support the use of plants suitable for feed or fodder to produce energy, and in raw materials for renewable energy production, the emphasis is on other types of biomass, including wastes, residues and lignocellulose. So far, the production of biofuels and bioliquids in Finland has mainly been based on imported raw materials, and to some extent domestic waste and residue materials. We can thus conclude that the production of biofuels has not had impacts on biodiversity, water resources, water quality and soil quality. Renewable energy production based on imported raw materials, on the other hand, would not promote the implementation of the rural development objectives centred around regions. In order to promote responsible and environmentally friendly energy production, batches that are not suitable for feed or fodder, shrivelled grain, weed seeds and food industry by-products obtained from the processing of field crops, including the outer layers of grains and other residues, can instead be exploited for such uses as renewable energy production in bio-burners, promoting a low-carbon economy and integrating the economic dimension of sustainable development in environmental benefits.

#### *8.2.5.7. Other important remarks relevant to understanding and implementing the measure*

Pursuant to Article 20(3) of Regulation (EU) No 1305/2013, development actions shall be eligible for support in accordance with regional rural development plans and local development strategies as well as other jointly prepared plans, including village development plans where they exist.

#### *Links to other national and EU funded measures*

The operations under this measure will be coordinated at the regional level. In particular, regional coordination will be relevant to reconciling ESF and ERDF projects. The measure may be implemented at



*Unofficial translation*

the local (Leader), regional, inter-territorial, and national (Leader) level.

The operations under this measure will be coordinated at the regional level. In particular, regional coordination will be relevant to reconciling ESF and ERDF projects.

Under national legislation, an environmental impact assessment process (EIA) shall be carried out for investments that could result in negative impacts on the environment.

## 8.2.6. M10 – Agri-environment-climate (Article 28)

### 8.2.6.1. Legal basis

Article 28 and Annex II of Regulation of the European Parliament and of the Council (EU) No 1305/2013

Articles 7, 8, 9, 14, 15 and 16 of Commission Regulation (EU) No 807

Articles 9, 10 and 11 and Annex I of Commission Regulation (EU) No 808

### 8.2.6.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

The agri-environment-climate measure, or the environment payment scheme, promotes needs related to water protection in agriculture and maintenance of biodiversity identified in the Programme of Measures for water management and River Basin Management Plans as well as in the National Action Plan for the conservation and sustainable use of biodiversity in Finland 2013-2020. The measure thus contributes to promoting measures 8, 9, 19, 34, 54, 55, 59, 60, 66, 68, 82 and 86 related to agricultural environments proposed in the National Biodiversity Action Plan, and it contains a broad range of additional measures that are in keeping with the Programme of Measures for water management and that will be proposed in relation to agriculture in the forthcoming water management planning period. The measure also promotes Finland's Prioritised Action Framework for Natura 2000 areas aiming to improve the status of habitats in agricultural environments (Framework sections G.1.b, c, d ). The measure contributes to achieving Finland's targets for controlling greenhouse gas emissions agreed upon in the EU's Effort Sharing Decision concerning sectors outside the emissions trading system (No 406/2009/EC) and the national effort sharing decision adopted by virtue of it, in which a 15% reduction in emissions by 2020 was agreed upon as the share of the agricultural sector, and the achievement of targets for reducing ammonia emissions in the agricultural sector by implementing the commitments to reducing ammonia emissions contained in Directive 2001/81/EC (the National Emission Ceilings Directive), which imposes a ceiling of 31 kilotons a year for ammonia emissions (Article 4 and Annex 1.) The measure additionally promotes the objectives of the national genetic resource programmes, which are also contained in measure 86 proposed in the National Action Plan for the conservation and sustainable use of biodiversity. For the links of these operations with the needs described in section 4.2, see Table M10.1. The environment payment measures are targeted by region and by individual farms and parcels. The need for targeting has been brought up in most strategies and action plans relevant to this topic, including measures 9 and 64 proposed in the National Action Plan for the conservation and sustainable use of biodiversity.

The environment payment scheme consists of a package of measures related to environment commitments that aim for environmentally sustainable arable farming, separate environment contracts that promote water protection in agriculture, biodiversity and genetic diversity in arable land environments, and gene bank conservation measures. The environment commitment comprises a farm-level operation concerning the balanced use of nutrients and optional measures targeting individual parcels. A precondition for making an environment commitment on operations targeting individual parcels is that the beneficiary implements the farm-level measure on balanced use of nutrients in their arable land area. As the minimum requirement for the farm-level operation, the values specified for nitrogen and phosphorus use in the Table will be applied.

Regulation of nutrient use, which was implemented extensively in previous programming periods as an environment payment measure, will thus be continued, helping to maintain the impacts achieved through measures implemented during the previous programming periods. The requirements of the farm-level operation for which payments are made are more narrowly targeted than before on coordinating environment management work on the farm and maintenance of data that can also be utilised in advice provision. This will help to ensure that for the purposes of farm-specific advisory services, the advisor has access on all farms to up-to-date data that play a key role for advice provision and the impact of advice, and to ascertain that the farmers have, through the planning and training obligations included in the operation, familiarised themselves with key factors that influence the environment. The biodiversity objectives are implemented through parcel-specific operations, and conditions on plant protection are imposed through minimum requirements that concern the use of plant protection products. The parcel-specific operations under the commitment include possibilities for spreading manure over a larger area and parcel-specific water protection measures. The lower payment levels under the farm-level operation enable extensive implementation of effective parcel-specific operations and encourage farms to selected targeted parcel-specific operations.

The environment commitment consists of the following operations:

Farm-level operations:

- Balanced use of nutrients; contains a requirement for a filter strip

Parcel-specific operations:

- Recycling of nutrients and organic matter
- Incorporation of slurry into the soil
- Control of runoff waters
- Environment management grasslands
- Plant cover on arable land in winter
- Use of organic cover for horticulture plants and seed potatoes
- Biodiversity in arable land environments
- Alternative plant protection for horticulture plants

An environmental commitment is made for a period of five years. The commitment may be made for a field area that is eligible as described in Section 8.1. The minimum eligible area for a commitment is five hectares, however one hectare for farms growing horticulture plants. The aim is that the commitments will cover 90% of eligible arable land area. The requirement of a farm-level operation that lays the foundation for the commitment aims for balanced nutrient use and methodical cultivation. The optional parcel-specific operations under the commitment implement targeted actions that promote water protection and improve soil structure, reduce greenhouse gas emissions and/or promote biodiversity in arable land environments. As they undertake their commitments, the beneficiaries may select one or several parcel-specific operations to be implemented during the commitment period, however taking into account the maximum payment amounts under Annex II of Regulation (EU) No 1305/2013. Only one operation concerning horticulture plants may be selected for arable land under horticulture plants (use of organic cover for horticulture plants and seed potatoes or alternative plant protection for horticulture plants). The location and the annual area in which the parcel-specific operations selected for the commitment are implemented are not permanent during the commitment period, unless this is specifically required in the relevant parcel-specific measure. The

annual area in which a parcel-specific operation is implemented may thus vary in line with the requirements described under parcel-specific operations. This enables an appropriate use of the operations in terms of changes in production and crop rotation on the farm and facilitates control of plant disease risks and adaptation to natural conditions in different years. The annual payment for a parcel-specific operation is only made for the declared eligible implementation area. In the parcel-specific operation concerning plant cover in winter, the basis of the payment is the proportion of the area with plant cover in winter of the eligible area on the farm.

The parcel-specific operations have been specified for implementation in locations where they are necessary and effective. The conditions of the operation determine the types of parcels in which each operation can be implemented and for which payments can be made. Some of the parcel-specific operations can only be implemented in horticulture. The application of others is targeted on the basis of environmental criteria related to the parcel's characteristics, including soil type or location. Some of the parcel-specific operations can be implemented in many types of parcels, but their maximum area or duration have been limited on individual farms to promote the appropriate targeting of the operation.

In the operation concerning environment management grasslands and plant cover in winter, regional targeting is also used. The target region for perennial environment grasslands, which are part of environment management grasslands, is the coastal area between the river basin of Sirppujoki and the rivers discharging into Liminganlahti Bay, including these river basins, for the part of parcels with acid sulphate soils. The acid sulphate soils created as a result of the early phases of the Baltic Sea mainly concentrate in this area. In the targeting of riparian zones and nature management field grasslands, which are part of environment management grasslands, southern parts of the country are emphasised in areas where cultivation of annual plants predominates, the share of easily erodible arable land, or clayey soils, in the arable land area is high (on average over 50%), and the ecological status of surface waters in the river basins is extensively worse than good. In addition, attention was paid to areas vital for the water supply of communities in the southern part of the country in the selection of target regions. Coastal islands are included in the target region on the basis of the status of coastal waters. The target region boundaries follow municipal boundaries in order to reduce the administrative burden. Maps of the target regions for riparian zones and nature management field grasslands are included in the sections on the operation in question.

The operation concerning plant cover in winter is targeted at certain regions so that more stringent conditions are placed and a higher impact is created in the target region of the measure. The target region follows the target area for riparian zones and nature management field grasslands, and it was mainly formed on the same principles, but on the coast the target region extends further to the north to areas where the status of waters in river basins is extensively worse than good. The coastal areas further north also experience a heightened need to reduce leaching outside the growing season, while the area does not present easily erodible soils. On the other hand, this area contains plenty of organic soils, and reduced tillage may also help to control greenhouse gas emissions. The target region includes the islands in the Gulf of Finland, the Archipelago Sea, the Bothnian Sea and partly also the Bothnian Bay on the basis of the status of coastal waters. Of the total arable land area in Finland, about 70% is located in the target region for plant cover in winter. The target region boundaries follow municipal boundaries in order to reduce the administrative burden. The target area for plant cover in winter is shown under each operation.

The targeting principles of parcel-specific operations are listed below, with more detailed information to be found under descriptions of individual operations.

- Incorporation of slurry into the soil: A water protection and climate measure that also reduces

ammonia emissions. The operation is implemented in eligible arable land areas in the whole country. Increases co-operation between crop and livestock farms.

- Recycling of nutrients and organic matter: A water protection and climate measure to promote nutrient recycling and the agricultural condition of the soil that may be implemented in eligible arable land areas in the whole country. Increases co-operation between crop and livestock farms.
- Control of runoff waters: A water protection and climate measure to be targeted at arable land areas found to be acid sulphite soils located in the area between the river basins of Sirppujoki and the rivers discharging into Liminganlahti Bay, including these river basins, and in the whole country on parcels with organic soils.
- Environment management grasslands: A water protection and climate measure and a biodiversity measure. Riparian zones can be established on arable land on water bodies and main ditches and on arable lands in groundwater areas and Natura 2000 areas. In addition, setting up riparian zones on all parcels eligible for environment payments in parts of municipalities regarded as archipelago will be enabled in the target region. The payment amounts related to this operation are different in the target region and other regions. Perennial environment grasslands may be established in arable land areas found to be acid sulphite soils located in the area between the river basins of Sirppujoki and the rivers discharging into Liminganlahti Bay, including these river basins, and in the whole country in field areas with peatland or mull soil or on arable lands in groundwater areas. Nature management field grasslands can be established in the whole country, but the payment levels are higher in the target region limited to Southern Finland. Farms exempted from the ecological focus area requirement of the greening payment because 75% of the arable land area on the farm is grassland or fallowland are not eligible for environment payments for nature management field grasslands and perennial environment grasslands. Payments for nature management field grasslands can be made for a maximum of 20% of the eligible arable land area on the farm in the target region, and for a maximum of 5% in other regions. Of the eligible arable land area on the farm, at maximum 20% in the target region and 15% in other regions in total may be nature management field grasslands and biodiversity fields.
- Plant cover on arable land in winter: A water protection, climate and soil measure with the same target region as plant cover in winter. In the target region, the share of plant cover is differentiated as follows: 20, 40, 60 or 80% of the eligible arable land area of the farm. Outside the target region the shares are 20, 40 or 60%. In the target region, reduced tillage may fulfil the plant cover condition only up to 20%, and the higher limits must be met with actual plant cover. In other areas, plant cover may be implemented in full with reduced tillage. Permanent grasslands are not eligible for payments. No payments will be made for arable area which in the winter is covered with plants under another environment commitment or under a measure that is part of an earlier agri-environment scheme. Farms exempted from the requirement concerning crop diversification or ecological focus area under the greening payment because 75% of the arable land area of the farm is grassland or fallowland are not eligible for payments under this operation.
- Use of cover for horticulture plants and seed potato: A water protection measure targeted at horticulture plant and seed potato areas in the whole country.
- Biodiversity in arable land environments: A biodiversity, soil and water protection measure that may be implemented in the whole country. Payments are only made to farms engaged in conventional production because grass for green manure is covered by the crop rotation principles applied in organic production. Biodiversity fields may represent no more than 15% of the total eligible arable land area of the farm. Payments for renovation crops may be made to farms growing potatoes, sugar beet or outdoor horticulture plants in crop rotation. Renovation plants may be cultivated for a maximum of three years on the same agricultural parcel.

- Alternative plant protection for horticulture plants: A biodiversity measure targeted on the basis of the selected plant protection method to suitable areas under horticulture plants. A farm that is committed to organic production cannot select the operation, and it cannot be selected for an area under caraway.

The majority of measures implemented under special support contracts in the programming period 2007–2013 will be implemented as parcel-specific operations in 2014–2020. Due to an amendment clause in the contracts, the special support contracts will be replaced by commitments in the programming period 2014–2020. The special support contracts were needs-based, and they will also be taken into account as areas implementing the targeting requirements in the programming period 2014–2020. Implementation of the measure may be continued and environment payments may be made for the area under an earlier contract, even if the measure will now be part of an environment commitment. Separate instructions will be issued on the implementation of environment payment operations in situations where it becomes necessary to turn arable land into permanent grassland.

The maximum number of parcel-specific operations aiming for a similar environmental objective on each farm may be restricted. During the commitment period, a parcel-specific operation's maximum share of the eligible land area on the farm may be restricted under a specific procedure as required by funding that is available. The parcel-specific operations selected for the commitment and their number may be adjusted for environmental reasons in order to strengthen the commitment and to target the operations at the farm level through the Rural Development Programme advisory measure based on an advisor's recommendation and as far as permitted by the funding of the agri-environment scheme.

Environment contracts will comprise the following operations:

- Management of wetlands
- Management of biodiversity in agricultural environment and landscape
- Crane, goose and swan fields
- Rearing of local breeds

The environment contracts are five-year operations that are separate from the commitment. No valid environment commitment is required to conclude an environment contract. The minimum land area for a contract is determined individually for each operation. Management of wetlands and management of biodiversity in agricultural environment and landscape are parcel-specific, needs-based management contracts to be concluded for sites outside arable lands to promote water protection in agriculture and management of biodiversity in agricultural environment and landscape. To ensure the wide coverage and thus impact of the operations, some other land users besides farmers will also be eligible as beneficiaries under these contract types. Many of the potential management sites are not controlled by farmers. Operations that require particular expertise and familiarisation will not necessarily be attractive to farmers if managing the site is inconvenient with view to the farm's activities or location. Crane, goose and swan fields are targeted on the basis of needs to arable lands where mass occurrences of these birds are usual.

The implementation area and method will be specified for each individual environment contract based on a plan that must be attached to the application and following an approval procedure by the ELY Centre. Environment contracts are also concluded on rearing local breeds. By the approval of the ELY Centre, the contract may be amended during the contract period to ensure that it is as appropriate as possible considering the objectives of the operation within the limits of the funds available for the environment payment scheme. The ELY Centre may also approve an increase in the number of animals under a contract

on rearing a local breed proposed by the beneficiary within the restrictions described in the section on this operation and the funds available for the environment payment scheme. Applications concerning separate contracts based on plans included in the environment payment scheme will be received every year until the objectives proposed in the Rural Development Programme for Mainland Finland 2014–2020 have been achieved.

Conservation in gene banks comprises the following operations (sub-measure 10.2):

- Keeping of local crop varieties
- Safety base collections of local crops
- Conservation of the genetic heritage of local breeds

The gene bank conservation operations promote the maintenance of seed or embryo collections and local crop varieties. The gene bank conservation operations are not based on land areas. The operations are mainly implemented through national genetic resource programme coordinators.

For the structure of the environment payment scheme, see figure M10.1.

The environment payments impact on focus areas

- 4A: Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes
- 4B: Improving water management, including fertilizer and pesticide management
- 4C: Preventing soil erosion and improving soil management.

Environment payments have secondary impact on focus areas

- 3B: Supporting farm risk prevention and management;
- 5D: Reducing greenhouse gas and ammonia emissions from agriculture
- 5E: Fostering carbon conservation and sequestration in agriculture and forestry.

The impact of environment payments will be improved by measures affecting focus areas

- 1A: Fostering innovation, co-operation and the development of the knowledge base in rural areas
- 1C: Fostering lifelong learning and vocational training in the agricultural and forestry sectors.

The environment payments have close links with other measures supported under the Rural Development Programme. In addition to the training included in the environment commitment, the farmers' environmental competence is also promoted by knowledge transfer and information actions (M01) under the Rural Development Programme, which can be implemented to develop farmers' environmental competence. Farmers' environmental knowledge and utilisation of environment-related possibilities offered by the Rural Development Programme are also promoted by training events organised by the Rural Network and annual training for applicants that is open for all farmers. The Agency for Rural Affairs maintains up-to-date information on its website and informs farmers of the requirements and possibilities. The training calendar on the website [Maaseutu.fi](http://Maaseutu.fi) is publicly accessible. The themes regarded as the most important will also be highlighted by dedicated thematic groups in the activities of the Rural Network. The thematic groups will ensure that the theme is prominent in the events organised and materials published by the parties belonging

to the Network and that information about training and events is available extensively. A thematic group on the environment will start operating at the beginning of the programming period.

Under the measure concerning advisory services (M02), farm-specific advice on environmental issues will be provided, by means of which farmers learn to recognize environmental questions on their farms and to operate in a more environmentally friendly manner. By a proposal of an advisor, the environment commitment of a farm may be modified and optimised for the environment.

Under the measure concerning investments (M04), financing may be provided for investments in wetlands, basic renovation and fencing of natural pasture areas, subsurface drainage and controlled subsurface drainage to improve the water economy of arable lands, and solutions for more efficient handling and treatment and environmentally-friendly storage of manure. Under the measure concerning farm and business development (M06), financing may be provided for the development of products and services, business innovations and the promotion of employment in a manner that also benefits the environment. Under the measure concerning the development of services and villages (M07), financing may be provided for projects involving joint action by communities to improve the status of the environment, promotion of renewable energy, production of recreational services, setting up of nature trails, improvement of the residential environment or planning of landscape management.

Organic production (M11) promotes environmentally friendly farming. Payments to areas facing natural or other specific constraints (M13) contribute to maintaining production in less-favoured areas and the continued use of natural pastures. Animal welfare payments promote grazing (M14). Under LEADER local development (M19), financing may be provided for local action to enhance the environment. The measure concerning co-operation (M16) promotes putting research results into practice in co-operation among different actors.

As part of the environment payment, while compliance with the minimum requirements for fertilizer use and plant protection, cross-compliance conditions and the requirement for maintaining agricultural land do not entitle a beneficiary to payments, it is a precondition for receiving these payments. The resulting package of measures implements the cross-cutting agri-environment-climate objectives of the Rural Development Programme. The impact of environment payments will be enhanced by combining all usable programme instruments under the auspices of the national programme on recycling nutrients in agriculture with the particular aim of achieving water management targets, and in the national climate programme for agriculture with the aim of achieving climate targets.

In Rural Development Programme implementation, the ecological status of waters will be taken into account in the annual allocation of business and project support granted by the ELY Centres, in particular in the river basins of the Archipelago Sea, in order to promote the recycling of nutrients.

Table M10.1 Links between operations and needs

Figure M10.1 Structure of the environment payment scheme



Ympäristökorvausten toimien liittyminen luvussa 4.2 tunnistettuihin tarpeisiin

	Ravinteiden tasapainoinen käyttö	Lietelaman sijoittaminen peltoon	Ravinneiden ja orgaanisten aineiden kierrättäminen	Valumavesien hallinta	Ympäristöhoitotulokset	Peltojen laivakainen	Orgaanisen katteen käyttö	Puutarhakasveilla ja puutalouden monimuotoisuus	Puutarhakasvien vaihtoehtoinen kasvinsuojelu	Kosteikkojen hoito	Maatalouden monimuotoisuuden ja maiseman Kurki-, hanhi- ja joutsenpellot	Alkuperäisrotujen kasvattaminen	Alkuperäiskasvilajikkeiden ylläpito	Alkuperäiskasvien	Alkuperäisrotujen perimän säilytys
Biotodutta edistävien innovaatioiden lisääminen															
Elintarvikealan pk-yritysten markkina- ja kuluttajalähtöisyyden sekä liiketoimintaosaamisen kehittäminen															
Energiatodokkuuden ja resurssitodokkuuden parantaminen	x	x	x												
Epäsuotuisilla alueilla toimivien tilojen toimintakyvyn turvaaminen ja kilpailukyvyä edistäminen															
Geneettisen monimuotoisuuden säilyttäminen ja edistäminen												x	x	x	x
Haitallisten vieraslajien leviämisen ehkäiseminen															
Harvaan asutun maaseudun tietoliikennetyhteyksien parantaminen kyläverkoilla															
Ilmasto- ja ilmastomuutoksen vaikutuksiin sopeutumisen edistäminen				x	x	x				x					
Kasvihuonekasvien ja ammoniakkipäästöjen vähentäminen maataloudessa	x	x		x	x	x									
Kemiallisen kasvinsuojelun vähentäminen							x		x						
Maaseudun infrastruktuuri															
Maaseutualueiden talouden monipuolistaminen															
Maaseutualueiden ylläpitäminen ja edist.								x			x				
Maatalouden rakenteen kehittäminen															
Maatalouden riskienhallinnan kehittäminen	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
Maatalousalueiden lajien edistäminen peltoviljelyssä					x	x	x	x	x			x			
Maatalousalueiden lajien ja luontotyyppien monimuotoisuuden säilyttäminen ja edistäminen										x	x				
Maatalousalan jatkuvuuden turvaaminen edistämällä nuorten yrittäjien aloitusta															
Monialaisten maatiloiden kehittäminen															
Osaamisen lisääminen															
Paikallisen kehittämisen ja sosiaalisen pääoman vahvistaminen															
Paikallisiin tarpeisiin vastaavan elinkeinotoiminnan edistäminen															
Peltoalan eroosion vähentäminen	x				x	x	x	x							
Peltoalan orgaanisen aineksen ylläpitäminen ja lisääminen			x		x	x	x	x							
Peltoalan ravinnetaseiden parantaminen ja ravintehuutoumien ehkäiseminen	x	x	x	x	x	x	x	x		x					
Pienten yritysten kilpailukyvyä vahvistaminen osaamisen, innovaatioiden ja kansainvälistymisen avulla															
Ravinteiden kierrättämisen edistäminen ja yhteistyön edistäminen kotieläin- ja kasvinviljelytilojen välillä			x												
Tuotantolaitosten ympäristöystävällisen terveydenhuollon ylläpito ja hyvinvoinnin edistäminen															
Uusien palvelujen ja palvelumuotojen luominen															
Uusiutuvien energiamuotojen käytön lisääminen															
Vesistöihin kulkutavan tyyppi- ja fosforikuormituksen vähentäminen maa- ja puutarhataloudessa	x	x	x	x	x	x	x	x		x					
Yhteistyön lisääminen															

Table M10.1 Links between operations and needs  
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8.2.6.3. *Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria*

8.2.6.3.1. 01 Balanced use of nutrients

Sub-measure:

- 10.1 – payments for agri-environment-climate commitments

8.2.6.3.1.1. Description of the type of operation

Objective of the operation:

This operation, which concerns all field parcels of the farm, is a precondition for making a commitment on parcel-specific operations of an environment commitment and serves as a tool for planning and monitoring parcel-specific operations. The objective is developing environmental protection on the farm, and especially the prevention and control of pests and water protection, by continuing and enhancing the operating method initiated during previous programming periods, where a multi-annual system for planning, recording and monitoring environment management measures is created for the farm relying on a cultivation plan, parcel-specific notes, training and various assessments of environmental conditions, and where basic data is collected to support the selection and effective targeting of various environmental and water protection operations.

The requirements of planning and record-keeping exceed the statutory standards. No payments will be made for baseline planning and record-keeping. The Agency for Rural Affairs will ensure that applicants have access to information on Natura 2000 areas, groundwater areas and water systems recorded in the channel register found in their parcels. These are accounted for in parcel-specific records and the planning and selection of environment commitments based on them. Application of effective water protection operations on the farm is based on data on soil fertility analyses, parcel records, a soil quality test and filter strips. Supported by records kept by the farmer, the evaluation of environmental needs and possibilities for intensified implementation of operations on the farm can be discussed on the basis of basic data collected on a specific farm over several years. On the proposal of the advisor, the range of parcel-specific operations selected when the commitment was made can also be modified and made more effective if necessary. The farmer gains more knowledge of issues concerning environmental management on the farm and is in a better position to identify ways of improving the situation and to understand the need for and apply the measures suggested by an advisor. Data necessary for parcel-specific operations under an environment commitment and for environment contracts is also noted in the parcel-specific records as required for each operation. Buffer strips reduce the risk of erosion and nutrient leaching in parcels bordering on water bodies.

A dedicated minimum requirement concerning the use of nitrogen and phosphorus fertilizers that is more stringent than the baseline requirements has been formulated for the operation. The objective of the minimum requirement is to continue and reinforce further the methodology followed in previous programming periods, which has resulted in a more accurate and reduced use of nutrients and lower nutrient balances, both nationally and regionally. Compliance with the minimum requirement is part of the commitment. For minimum requirements applicable to the use of plant protection products and record-

keeping, see section 8.2.6.5.

The operation targets eligible agricultural parcels. Payments will not be made for land lying fallow and, as a rule, for non-eligible land cleared after 2004.

Actions contained in the operation:

The farmer must prepare a cultivation plan for the commitment period, to which detail is added each year before the start of the growing season. The cultivation plan is a plan of intention, and its content is specified in connection with sowing, accounting for the annual agricultural conditions, market situation and changes in the status of the environment.

Soil samples must be taken from cultivated arable lands of the farm and fertility studies must be performed on them regularly every five years to assess the organic matter and nutrient content of the soil, which can be used for planning and monitoring fertilisation.

The farmers must note in their parcel-specific records the basic data of the parcels, information about their cultivation every year, the information required for parcel-specific operations under environment commitments and for environment contracts, and data needed for the selection, coordination and development of the operations. All measures associated with cultivation and other land use carried out on the parcels are noted in the parcel records, including plants sown, crop rotation, fertilisation, liming, tilling, use of irrigation, drainage, any diseases and pests detected, and the prevention products and methods used.

The farmers are required to complete one day's training that focuses on issues related to the agri-environment scheme. During the training, they are provided with adequate information about updated support conditions and the new agri-environment scheme. The training covers the possibilities offered by the Rural Development Programme of promoting the achievement of River Basin Management Plan targets and the management of Natura 2000 areas. The training gives the applicants an idea of why agri-environment measures are important and how farmers can work to promote the good status of the environment. The Rural Development Programme measure concerning advisory services is also introduced to the participants during the training. The farmers must complete the training before the beginning of the commitment period or during its first two years. The training can also be completed by means of online examinations. The training will be provided by the rural industrial development authorities of the local government co-management areas in co-operation with the ELY Centres and stakeholders. Completed training will remain valid until the end of the programming period. The need for additional training will be examined as the implementation of the Rural Development Programme progresses, experiences are gathered of the training events and feedback is received; the information needs related to environmental issues will become clearer once initial training has been completed.

A soil quality test, and an assessment of agricultural parcels that is part of it, must be completed by the end of the third year of the commitment. The purpose of the quality test is to determine the biological and physical properties of the soil and to perform an overall soil quality assessment. In this context, the soil structure and number of species in the soil will be examined, and the soil's water-binding capacity will be studied to determine the needs for irrigation and drainage. The test helps the farmer to pay attention to key environmental factors, thus improving the agricultural condition of the land and factors that influence crop growth and the protection of the soil, water system and species. In the course of the provision of farm-specific advice, the interpretation of the assessment may be discussed further, and more detailed

observations can be made and recommendations given.

The results of fertility studies, documents relating to parcel-specific records, and the assessment of the soil quality test must be kept on the farm.

If a reference parcel is adjacent to a body of water, there must be a filter strip with a minimum width of three metres along the margin of the reference parcel that is bordering on water body. The filter strip must be covered by perennial grass, hay or meadow plants. The filter strip may not be tilled, and no fertilisers or plant protection products may be applied on it. The plant cover may be destroyed and renewed only in case of an exceptionally severe weed infestation. Information on measures taken on the filter strip must be entered in the parcel records. Crops may be harvested from a filter strip and it may be managed by grazing. Assessments of the need for a filter strip may draw on the channel network register produced and maintained by the Finnish Environment Institute, which is based on a catchment area size of 10 km<sup>2</sup>.

Along the margins of a reference parcel that are not adjacent to a body of water, biodiversity strips with an average width of no more than three metres that are included in the area of the cultivated crop may be established. A biodiversity strip may be established by sowing with the seed of grass, hay, meadow, game or landscape plants, and it is to be managed in accordance with specific conditions.

Table M10.2. Maximum levels of nitrogen fertilisation (kg/ha/year) for cereals, oilseed crops, industrial plants, leguminous crops, sugar beet and potato

Table M10.3. Maximum levels of nitrogen fertilisation (kg/ha/year) for grasslands and other plants

Table M10.4. Maximum levels of nitrogen fertilisation (kg/ha/year) for vegetables and spices

Table M10.5. Maximum levels of phosphorus fertilisation (kg/ha/year) by soil fertility class.

Table M10.6. Maximum levels of phosphorus fertilisation (kg/ha/year) for horticulture plants by soil fertility class

Unofficial translation

Viljan, öljy- ja teollisuuskasvien sekä palkokasvien, sokerijuurikkaan ja perunan typpilannoituksen enimmäismäärät (kg/ha/v).

Kasvi / saavutettu satotaso kg	Vähämultaiset ja multavat maat	Runsasmultaiset maat	Erittäin runsasmultaiset maat	Eloperäiset maat
<b>Ohra ja kaura, seosviljat</b> 4000 kg	100	90	80	60
<b>Kevätvehnä</b> 4000 kg	120	110	100	70
<b>Syysruis syksyllä</b>	30	30	20	20
<b>Syysruis keväällä</b> 3000 kg	100	90	80	40
<b>Kevätruis</b> 3000 kg <b>Pellava, maissi, öljyhamppu, auringonkukka</b>	90	80	70	50
<b>Syysvehnä, ruisvehnä ja spelttivehnä syksyllä</b>	30	30	30	20
<b>Syysvehnä, ruisvehnä ja spelttivehnä keväällä</b> 4000 kg	120	110	100	70
<b>Muut viljat ja muut seoskasvustot</b> 4000 kg	90	80	70	50
<b>Syysrypsi ja syysrapsi (heinä-elokuussa)</b>	50	50	50	40
<b>Kevätrypsi, kevätrapsi, syysrypsi, syysrapsi ja ruistankio keväällä</b> 1750 kg <b>Muut peltokasvit</b>	110	100	90	60
<b>Herne, härkäpapu, makea lupiini</b>	45	45	45	30
<b>Sokerijuurikas</b>	140	140	140	120
<b>Tärkkelysperuna</b> 35 tn/ha	105	95	85	70
<b>Tärkkelysperuna</b> 40 tn/ha	120	110	100	80
<b>Varhaisperuna</b>	60	60	60	60
<b>Varhaisperuna + kerääjäkasvi</b>	80	80	80	75
<b>Muu peruna</b> 35 tn/ha	85	80	75	60
<b>Muu peruna</b> 40 tn/ha	100	90	80	70

M10.2. Maximum levels of nitrogen fertilisation (kg/ha/year) for cereals, oilseed crops, industrial plants, leguminous crops, sugar beet and potato

Unofficial translation

Nurmien ja muiden kasvien typpilannoituksen enimmäismäärät (kg/ha/v)

	Levitysaika	Vähämultaiset ja multavat maat	Runsasmultaiset maat	Erittäin runsasmultaiset maat	Eloperäiset maat
<b>Siemennurmet</b>	Keväällä	110	100	90	60
<b>Yksi ja monivuotiset nurmet, yksi sato</b>	Keväällä	120	110	100	90
<b>Maissisäilörehu, yksi sato</b>	Keväällä	140	130	120	100
<b>Ruokohelpi sato vuosina</b>	Keväällä	90	90	80	60
<b>Vihantavilja, kokovilja (kevätiljat, yksi sato)</b>	Kevätlevitys	120	110	100	80
<b>Vihantavilja, kokovilja: syysvehnä ja ruisvehnä, yksi sato</b>	Syksyllä	30	30	30	20
	Keväällä	140	130	120	70
<b>Yksi ja monivuotiset nurmet, vihantavilja, laidun</b>	Korjattaessa vähintään kaksi satoa Laidunnurmi	200	190	180	160
	Korjattaessa vähintään kolme satoa	240	230	220	190
<b>Nurmen perustaminen suojakasvin kanssa keväällä</b>	Korkeintaan kasvilajikohtaisen taulukon typpimäärä suojakasville				
<b>Nurmen perustaminen ilman suojakasia keväällä</b>	Kevätlevitys	80	80	80	70
	2. levitys	30	30	30	30
<b>Nurmen perustaminen kesällä, ruokohelpin, luonnonhoitopeltonurmen, monivuotisuuspellon, viherlannoitusnurmen ja monivuotisen viherkesannon perustaminen (ei sadonkorjuuta)</b>	Perustamisvaiheessa	60	60	60	50
<b>Nurmen perustaminen syksyllä</b>	Syyslevitys 15.9. mennessä	30	30	30	30

Table M10.3. Maximum levels of nitrogen fertilisation (kg/ha/year) for herbaceous and other plants

Puutarhakasvien typpilannoituksen enimmäismäärät vihanneksilla ja maustekasveilla  
(kg/ha/v)

	Vähämultaiset ja multavat maat	Runsasmultaiset maat	Erittäin runsasmultaiset maat	Eloperäiset maat
KERÄ- JA RUUSUKAALI*	240	230	220	200
PURJO*	210	200	190	180
MUUT SIPULIKASVIT, PORKKANA*	120	115	110	100
MUUT JUUREKSET*	180	170	160	150
PALKOKASVIT*	55	50	45	35
KERÄ- JA LEHTISALAATTI (yksi sato)*	130	120	110	100
KERÄ- JA LEHTISALAATTI, (kaksi satoa)*	190	180	165	150
MUUT VIHANNEKSET (ML.AVOMAANKURKKU)*	160	150	140	125
SIEMENMAUSTEET JA YRTIT*	90	80	70	50

\* Käytettäessä kerääjäkasvia yksivuotisilla puutarhakasveilla voidaan typpilannoitusta lisätä 20 kg/ha. Tällöin kerääjäkasvi on oltava kylvettynä ennen 15.8. Tämä poikkeus ei ole mahdollinen kerä- ja ruusukaalilla, palkokasveilla ja purjolla eikä kerä- ja lehtisalaatilla silloin, kun kasvatetaan kaksi satoa.

Table M10.4. Maximum levels of nitrogen fertilisation (kg/ha/year) for vegetables and spices

Unofficial translation

Fosforilannoituksen enimmäismäärät (kg/ha/v) viljavuusluokan perusteella.

Viljavuusluokka	Huono	Huononl.	Välttävä	Tyydyttävä	Hyvä	Korkea	Arv. korkea
Viljat, öljykasvit, palkokasvit	34	26	16	10	5	0	-
Viljat, öljykasvit, palkokasvit <i>lantapoikkeus</i>	34	26	16	15	15	-	-
Yksi- ja monivuotiset rehunurmet, ruokohelpi satovuonna, kokoviljasäilörehu, maissi	40	32	24	14	5	-	-
Yksi- ja monivuotiset rehunurmet, satotaso vähintään 7500 kg ka/ha/v	46	38	30	20	11	-	-
Yksi- ja monivuotiset rehunurmet, <i>lantapoikkeus</i>	40	32	30	30	20	-	-
Monivuotinen nurmi: laidun	24	16	8	5	5	-	-
Nurmen ja ruokohelpin perustaminen keväällä (suojakasvin kanssa tai ilman)	52	44	36	26	10	-	-
Nurmen perustaminen kesällä tai syksyllä sekä luonnonhoitopeltonurmen, monivuotoisuuspellon, viherlannoitusnurmen ja monivuotisen viherkesannon perustaminen, nurmi keväällä ennen kesä-perustamista	20	16	12	7	-	-	-
Peruna	55	55	55	55	35	20	5
Sokerijuurikas	63	63	60	43	26	14	5
Kuitupellava	34	26	16	5	-	-	-
Ruokohelpi satovuonna, muut kasvit	30	20	15	10	5	-	-

Table M10.5. Maximum levels of phosphorus fertilisation (kg/ha/year) by soil fertility class.



Unofficial translation

Puutarhakasvien fosforilannoituksen enimmäismäärät (kg/ha/v) viljavuusluokan perusteella

Kasvi	Huono/ huononlainen	Välttävä	Tyydyttävä	Hyvä	Korkea	Arv. korkea
TAIMITARHAKASVIT *	80	70	60	40	20	
MANSIKKA, VADELMA, MUSTAHERUKKA ***						
Perustamisvaihe	60	50	40	20	10	
Vuotuislannoitus	35	30	25	20	10	
MUUT MARJAT						
Perustamisvaihe	75	60	50	30	15	
Vuotuislannoitus	45	35	30	25	15	
HEDELMÄT						
Perustamisvaihe	85	70	60	40	25	
Vuotuislannoitus	40	35	30	20	10	
KAALIT JA SIPULIT	110	80	60	40	25	10**
JUUREKSET ja VARASTOPORKKANA	100	75	55	35	30	10**
PALKOKASVIT	50	35	25	20	15	10**
MUUT VIHANNEKSET	100	60	50	40	20	10**
YRTIT JA SIEMENMAUSTEET, MUUT KASVIT	28	20	12	8		
* Fosforilannoituksen ylärajat astiainmille: Peruslannoitus 165 g/m <sup>3</sup> , pitkävaikutteinen lannoitus ja täydennyslannoitus 250 g/m <sup>3</sup> .						
** Kasvuunlähdevaiheen fosforilannoitusta voidaan antaa, jos istutus/kylvö tapahtuu ennen toukokuun puolta väliä, Pohjois-Suomessa 15.6. mennessä.						
*** Tihkukastellulla mansikalla lannoitusta voidaan lisätä siten, että jos sato on yli 10 000 kg/ha, jokaista 1 000 kg/ha sadonlisäystä kohti voidaan nostaa fosforilannoitusta 0,4 kg/ha. Tihkukastellulla vadelmalla lannoitusta voidaan lisätä siten, että jos sato on yli 4 000 kg/ha, jokaista 1 000 kg/ha sadonlisäystä kohti voidaan nostaa fosforilannoitusta 0,7 kg/ha. Satotasokorjausta voi soveltaa portaattomasti.						

Table M10.6. Maximum levels of phosphorus fertilisation (kg/ha/year) for horticulture plants by soil fertility class

#### 8.2.6.3.1.2. Type of support

The payment will be made as EUR/ha/year for the eligible area during the period of validity of the commitment as described in section 8.1, accounting for the restrictions described in the section "Eligibility conditions".

#### 8.2.6.3.1.3. Links to other legislation

National regulations applicable to the measure: The Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on environment payments (xx/201x), and the Ministry of Agriculture and Forestry Decree on environment payments (xx/201x). This Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree contains provisions on the general implementation of the farm-specific measure, the eligible area, the baseline level and minimum requirements as well as the levels of payment and payment procedures as described in the programme. The Ministry of Agriculture and Forestry Decree provides practical details concerning the farm-specific measure and the fertilization limits.

The Government Decree on the requirements of good agricultural and environmental condition in the cross-compliance conditions (xx/201x) and the Government Decree on statutory management requirements in the cross-compliance conditions and the supervision of compliance with the cross-compliance conditions (xx/201x). For the contents of the decrees that concern cross-compliance, see section 8.1.

In addition to the statutory requirements concerning fertilisation, farmers who have committed to the operation concerning balanced use of nutrients must, as a minimum requirement, comply with the separate conditions concerning the maximum amounts of nitrogen and phosphorus use prepared for this operation. As a minimum requirement, the maximum levels of nitrogen used on the farm must be as specified in Tables M10.2, M10.3, and M10.4. A limited increase in nitrogen fertilisation may be permitted based on the yields levels achieved. The maximum levels of phosphorus used on the farm must be as specified in Tables M10.5 and M10.6. A limited increase in phosphorus levels may be permitted based on the yield levels achieved. The nutrients in manure produced by farm animals will be included in the fertilizer quantities, either based on table values or the results of a manure analysis. Phosphorus balancing over a maximum period of five years may be used in phosphorus fertilisation.

#### 8.2.6.3.1.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.6.3.1.5. Eligible costs

For the eligible costs of the operation concerning balanced use of nutrients, see the section on the calculation methodology of the operation below.

8.2.6.3.1.6. Eligibility conditions

Beneficiary (see under "Beneficiaries") The beneficiary must make an environment commitment under the measure concerning environment payments.

The eligible area is agricultural land (see the section on "Type of support"). The minimum eligible area for a commitment is five hectares, however one hectare for farms growing horticulture plants. No payments under this operation will be made for fallowland, kitchen gardens, permanent greenhouse areas, ornamental willow, seedlings for forest trees, ligneous energy plants, Christmas trees, permanent grassland, temporarily uncultivated areas or uncultivated areas.

To prevent double payments, no payments will also be made for riparian zones, nature management field grasslands, grass for green manure, biodiversity fields or crane, goose and swan fields.

8.2.6.3.1.7. Principles with regard to the setting of selection criteria

No selection criteria will be introduced for this operation.

8.2.6.3.1.8. (Applicable) amounts and support rates

The target area is 1.79 million hectares.

The payment will be EUR54/ha/year for eligible arable land area for arable crops and EUR200/ha/year for horticulture plants.

Annual variations in the surface area for which payments are made will be acceptable within the limits set in the environment commitment.

8.2.6.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.6.3.1.9.1. Risk(s) in the implementation of the measures

In programming period 2007–2013, plenty of shortcomings were found in fertility studies. Shortcomings were annually observed on approx. 30% of farms in on-the-spot checks. Some farms had only failed to complete the studies for one or two parcels, whereas on a number of farms, no fertility studies had been carried out, or they had not been performed for several years.

The soil quality test is performed by filling in an assessment form. As a risk related to the quality test is considered that the farmer may fail to complete the test as instructed, and the test may not meet the objectives set for it in the measure. It is impossible to verify in an on-the-spot check on the farm that the quality test was performed on the parcel in question.

#### *8.2.6.3.1.9.2. Mitigating actions*

The requirements related to fertility tests have been clarified since the previous programming period. As regards fertility tests, the application procedures will be developed further, clear instructions will be drawn up, and more attention to this question will be paid in training.

The farmers will be informed of the soil quality test in training, and its significance for assessing the agricultural condition of arable land will be highlighted.

#### *8.2.6.3.1.9.3. Overall assessment of the measure*

In the preparation phase of the measure concerning balanced use of nutrients, a maximum effort was made to pay attention to its verifiability and controllability. It was noted that some weaknesses remain in this operation. However, the operation was found so vital in terms of achieving the objectives that, even considering the potential risks associated with its implementation, its verifiability and controllability were regarded as adequate.

#### *8.2.6.3.1.10. Information specific to the operation*

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law.

For the baseline requirements, see Table M10.7.

Unofficial translation

Toimikohtainen perustason kuvaus toimenpiteessä 10, ympäristökorvaukset

Toimi: Ravinteiden tasapainoinen käyttö

Perustaso asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukaan.	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukaiset perustason vaatimukset tarkemmin eriteltynä.	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukainen perustaso Suomessa toimelle Ravinteiden tasapainoinen käyttö	Ympäristöstoumuksen tilakohtainen toimi Ravinteiden tasapainoinen käyttö. Toimen sisältö: Toimi edellyttää lohko kohtaisen viljavuustutkimuksen kerran sitoumuskauden aikana, kasvipeitteiset pysyvät suojakaistat vesistöjen varsille, viljelysuunnitelman, lohko kohtaiset viljelyyn ja ympäristö korvauksen toimiin liittyvät muistilpanot, peltomaan laatu testin mukaisen itse arvioinnin sekä pakollisen aiheeseen liittyvän hallinnon järjestämisen koulutuksen. Toimen pite koskee tilan kaikkia pelloja. (Vesistöt todetaan Suomen ympäristökeskuksen tuottaman ja ylläpitämän uomaverkoston perusteella käyttäen rajana 10 km <sup>2</sup> :n valuma-alueen kokoa.) Toimeen sitoutuneen tulee noudattaa lainsäädäntöä tarkempaa erillistä vähimmäisvaatimusta ravinteiden tasapainoisesta käytöstä. Vähimmäisvaatimuksessa määritellään typpi- ja fosforilannoituksen tasapainoisen käytön kasvilajikohtaiset ja maan viljavuuteen sekä multavuuteen perustuvat lannoitusrajat taulukkoarvoina. Tämän vähimmäisvaatimuksen aiheuttamista kustannuksista tai tulonmenetyksistä ei makseta korvausta.
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Table M10.7 Baseline Balanced use of nutrients\_Page\_1

Unofficial translation

2 (EU) N:o 1306/2013 VI osaston I luvun mukaisesti vahvistetut asiaa koskevat toimenpidevaatimukset	Lakisäätelyt hoitovaatimukset: hoitovaatimus nro 1.	Nitraattiasetus (931/2000, uusitaan vuonna 2014) määrittelee karjanlannan ja typpilannoitteiden enimmäismäärän. Lannan typpianalyysi on tehtävä viiden vuoden välein. Viljelijän on pidettävä kirjaa peltöjen lannoitukseen käytetyistä typpilannoitemääristä ja satotasoista. Lannoitus on kielletty viisi metriä lähempänä vesistöä. Seuraavan viiden metrin vyöhykkeellä vesistöä lannan levitys on kielletty, ellei peltä muokata vuorokauden kuluessa levityksestä. Sellaisilla peltolohkon osilla, joiden kaltevuus on vähintään 15 %, lannan levitys on aina kielletty.	Toimen vähimmäisvaatimuksen rajat tyyppien käyttöille määräytyvät viljelymaan multavuuden ja kasvin perusteella ja ovat nitraattiasetuksen rajoja tiukemmat. Toimessa ei korvata nitraattiasetuksen kirjanpitovelvoitteen tai muiden vaatimusten mukaisia kustannuksia. Toimintaa edellyttää viljavuusanalyysin päivittämistä lohkoilta kerran sitoumuskauden aikana sekä lainsäädännössä vaadittua kirjanpitoa kattavamman lohkokirjanpidon.
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Table M10.7 Baseline Balanced use of nutrients\_Page\_2

Unofficial translation

3	Hyvän maatalouden ja ympäristön vaatimukset: Valtioneuvoston asetus täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimuksista (x/201x). Vaatimuksia on tarkennettu aiemmasta ohjelmakaudesta vastaamaan horisontaalasetuksen 1306/2013 vaatimuksia.	Viljeltyä peltoa ja pysyvien kasvien alaa on viljeltävä hyvän maatalouskäytännön mukaisesti paikkakunnan olosuhteet huomioon ottaen. Hyvän maatalouskäytännön edellytyksenä on, että viljelty peltö ja pysyvien kasvien ala muokataan, lannoitetaan ja kylvetään tai istutetaan tarkoituksenmukaisella tavalla niin, että on mahdollista saada aikaan tasainen itäminen ja kasvu. Viljeltävien kasvilajien ja -lajikkeiden on oltava alueelle soveltuvia. Kylviä tai istutusta tehtävä viimeistään 30 päivänä kesäkuuta. Jos kyse on lohkoista, joilla viljellään puutarhakasveja, riittää, että lohkolle kylvetään esikasvi viimeistään mainittuna määräpäivänä. Jos lohkolle kuitenkin istutetaan salaattikasveja, kiinankaalia, kukkakaalia, parsakaalia, pinaattia tai tilliä, esikasviakaan ei tarvitse kylvää määräpäivään mennessä. Pysyviä nurmia ja pysyviä laitumia voidaan lannoittaa ja laiduntaa tarkoituksenmukaisella tavalla. Tarvittaessa niiden kasvuston voi uusia muokkaamalla ja kylvämällä heinä- ja nurmirehukasvien siemenillä. Jos pysyvä laidunta käytetään laidunnukseen, siitä ei saa aiheutua maaperän eroosiota ja maanpinnan on säilyttävä kasvipeitteisenä. Pysyvien nurmien ja pysyvien laitumien niiton ajankohdassa ja toteuttamisessa on otettava huomioon luonnonvaraisten lintujen ja nisäkkäiden suojelu. (Viljelijä voi hyödyntää niittojätteen. Niittojäte voidaan myös jättää korjaamatta pois pysyvältä laitumelta.) Viljellyn maatalousmaan kasvinsuojelusta on huolehdittava joko kasvinvuo-rotuksen avulla, mekaanisesti, biologisesti tai kemiallisesti. Viljelijän on toimitettava niin, että korjuu- ja markkinakelpoisen sadon tuottaminen on mahdollista. Jos maatalousmaalta ei korjata satoa, maatalousmaan tuottamasta kasvustosta on tarvittaessa huolehdittava niin, että maatalousmaalle on myös seuraavana vuonna mahdollista perustaa kasvusto tai tuottaa korjuu- ja markkinakelpoinen sato. Vesistöjen varsilla olevalla maatalousmaalla on noudatettava horisontaalasetuksen liitteessä II tarkoitettuina suojakaistoina maa- ja puutarhataloudesta peräisin olevien päästöjen rajoittamisesta annetun valtioneuvoston asetuksen (x/201x) (nitraattiasetuksen) x§:n x momentin mukaisia typpilannoitus- ja lannanlevityskieltorajoja. Vesistöjen ja valtaojien varsilla olevalle maatalousmaalle on pääsääntöisesti jätettävä vähintään 1 metrin levyinen, muokkaamaton piennar, jolle ei levitetä lannoitteita eikä kasvinsuojeluaineita.	Toimen 3 metrin suojaista vaativuus vesistöjen varrella olevilla pelloilla edellyttää nitraattiasetuksen suojakaistoista poiketen monivuotista kasvipeitettä ja on piennarvaatimusta leveämpi. Yhden metrin piennarvaatimusta ei lasketa toimen kustannuksiin. Toimen ehdot ovat hyvän maatalouden ja ympäristön vaatimuksia vaativammat.	
4	Lannoitteiden ja kasvinsuojeluaineiden käyttöä koskevat vähimmäisvaatimukset	Lannoitevalmistelainsäädäntö. (Perustaso on tiukentuu aiemmasta nitraattiasetuksen uusimisen ja fosforin rajojen tiukentamisen myötä)	Maa- ja metsätalousministeriön lannoitevalmistelaita koskevan asetuksen (24/11) mukaiset fosforilannoituksen enimmäiskäyttömäärät ovat 80 kg/ha ja puutarhakasveilla 120 kg/ha. Asetusta muutetaan syksyllä 2014. Uudet vähimmäisvaatimuksina käytettävät rajat tulevat olemaan 70 kg/ha ja puutarhakasveilla 115 kg/ha. Typen osalta ei ole muita lainsäädännön mukaisia vähimmäisvaatimuksia kuin ne vaatimukset, jotka jo kuuluvat täydentäviin ehtoihin nitraattiasetuksen perusteella.	Toimen vähimmäisvaatimuksena olevat fosforin käytön rajoitukset ovat lainsäädännön perustason rajoja alemmat ja määräytyvät lohkoittain viljelymaan viljavuuden perusteella. Typen osalta katso taulukon rivi 2. Näistä vähimmäisvaatimuksista ei makseta korvausta. Toimi edellyttää lohkoilta viljavuusanalyysia kerran sitoumuskauden

Table M10.7 Baseline Balanced use of nutrients\_Page\_3

Unofficial translation

5	Kasvinsuojelulainsäädäntö	Laki kasvinsuojeluaineista 1563/2011 ja maa- ja metsätalousministeriön asetus 7/2102. Kasvinsuojeluaineita on käytettävä asianmukaisesti havaitun tarpeen mukaan ja käyttöohjeita noudattaen ottaen huomioon integroidun torjunnan yleiset periaatteet. Lohkokirjanpitoon on merkittävä kasvinsuojeluaineiden käytön kohde, käyttömäärät ja käytön syy. Maatilla kasvinsuojeluaineita saa levittää vain henkilö, joka on suorittanut kasvinsuojeluaineiden käyttöä koskevan kasvinsuojeluaineista annetun lain edellyttämän tutkinnon tai saanut oikeuden kyseisen tutkinnon järjestämiseen tai jolla ohjelmakauden 2007–2013 ympäristötuen mukaisen koulutuksen voimassaoloaika ei ole umpeutunut. Tutkinto on voimassa viisi vuotta. Maatilla kasvinsuojeluaineiden levitykseen käytettävä kasvinsuojeluruisku on testattava siten kuin testauksesta säädetään laissa kasvinsuojeluaineista (1563/2011). Ammattimaisessa käytössä olevat traktoriruiskut on testattava kertaalleen 26.11.2016 mennessä ja sen jälkeen joka viides vuosi. Jos levitysväline on aiemmin testattu ohjelmakauden 2007–2013 ympäristötuen edellyttämällä tavalla, välinettä ei tarvitse testata uudestaan ennen kuin viisi vuotta on kulunut testauksesta. Integroidulla torjunnalla tarkoitetaan kasvinsuojelumenetelmien käyttöä taloudellisesti ja ympäristön kannalta perustellusti siten, että vähennetään ihmisten terveydelle ja ympäristölle aiheutuvia riskejä. Integroidun torjunnan yleiset periaatteet edellyttävät tarpeenmukaista lannoitusta. IPM:n paikka-, aika- ja tapauskohtaisuuden takia Suomessa ei lueta IPM:n yleisiin periaatteisiin yksittäisiä vaadittavia toimenpiteitä.	Toimen vähimmäisvaatimuksen taulukkomuotoiset lannoitusrajat rajoittavat ja kaventavat kategorisesti toimijan IPM:n yleisen periaatteen mukaista paikka-, aika ja tapauskohtaista harkintavaltia taloudellisuuden arvioinnissa lannoituksen käytössä ja ylittävät siten perustason suhteessa integroidun torjunnan yleisiin periaatteisiin. Toimen mukainen lohko-kohtaisen kirjanpidon vaatimustaso on IPM:n yleisen periaatteen kirjanpitovelvoitteita vaativampi.
6	Asetuksen (EU) N:o 1307/2013 4 artiklan 1 kohdan c alakohdan ii ja iii alakohdan mukaisesti vahvistetut asiaa koskevat vaatimukset ja vähimmäistoimet	Maatalousmaa on pidettävä avoimena, jotta se pysyy soveltamisasetuksen ((EU) N:o 639/2014) 4 artiklan 1 kohdassa tarkoitetussa kunnossa. Maatalousmaalla, peltoalaa lukuun ottamatta, voi olla tukiasetuksen ((EU) N:o 1307/2013) 4 artiklan 1 kohdan j alakohdan mukaisia Taimitarhoja, hedelmäpuu- ja marjapensasaloja; 5 §:n 3 momentissa tarkoitettujen lyhytkiertoisien energiapuiden aloja sekä muita kuin edellä mainittuja puuvartisia kasveja enintään 5 §:n 4 momentissa tarkoitettu määrä.	Toimessa ei ole tähän perustason vaatimukseen liittyviä tarkempia ehtoja. Korvausta ei voida maksaa, jos ehtoa ei ole noudatettu.
7	Muu lainsäädäntö	Ympäristöluvat	Kotieläintiloilla on oltava asianmukaiset luvat.

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Unofficial translation

8	Ympäristötoiminnan tilakohtaisen toimen edellyttämä ravinteiden tasapainoisen käytön vähimmäisvaatimus	Toimea varten on laadittu perustason lainsäädäntöä tarkempi erillinen vähimmäisvaatimus tyyppi ja fosforilannoitteiden käytölle.	Toimeen sitoutuminen edellyttää erillisen tilakohtaisen vähimmäisvaatimuksen noudattamista. Vaatimus sisältää taulukkoarvot typille ja fosforille eri kasvilajeja koskien. Toimessa ei korvata taulukkoarvojen noudattamisesta aiheutuvia kustannuksia tai tulonmenetyksiä.
9	Vesienhoitosuunnitelmat (Ohjelmavalmistelu on ennakoivasti otettu huomioon maatalouden perus- ja lisätoimenpidevaatimukset, joita tulia esittämään 2016 alkavalle suunnittelukaudelle)	Vesienhoidon ja merenhoidon järjestämisestä annetussa laissa (1299/2004, vesienhoitolaki) ja sen nojalla annetussa valtioneuvoston asetuksessa vesienhoidon järjestämisestä (1040/2006, vesienhoitoasetus) säädetään vesienhoitosuunnitelmien ja niitä täydentävien toimenpideohjelmien laatimisesta ja tavoitteista. Toimenpideohjelmassa on esitetty vesienhoidon ympäristötavoitteiden saavuttamiseksi tarvittavat perustoimenpiteet ja lisätoimenpiteet. Vesienhoidon ympäristötavoitteet eivät sellaisenaan ole luvan myöntämisen edellytys tai este, eivätkä vesienhoitosuunnitelmassa esitetyt lisätoimenpiteet tule suunnitelman perusteella toiminnanharjoittajaa sitovaksi. Toiselle suunnittelukaudelle 2016-2020 on ehdotettu perustoimenpiteiksi nitraattiasetuksen mukaiset toimenpiteet, eläinsuojien ympäristölupien mukaiset toimenpiteet sekä täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimusten ja kasvinsuojelulainsäädännön mukaiset toimenpiteet.	Näiden vaatimusten sisältö ja suhde toimen vaatimuksiin on esitetty taulukon muissa sarakkeissa.
10	Suorien tukien viherryttämistuen päällekkäisen maksun estäminen.	Viherryttämistuen vastaavuutta eli ns. ekvivalenssia ei Suomessa oteta käyttöön. Pysyvän nurmen ja viljelyn monipuolistamisen vaatimuksia sovelletaan koko maan tasolla. Ekologisen alan vaatimuksessa sovelletaan ns. metsäisyyspoikkeusta. Ekologisen alan vaatimus koskee siten Uudenmaan, Varsinais-Suomen ja Ahvenanmaan maakuntia. Ekologisia aloja ovat: kesantoalat, typensitojakasvien alat, lyhytkiertoisien energiapuun alat ja täydentävien ehtojen mukaisten maisemapiirteiden alat.	Toimella ei ole yhtymäkohtia viherryttämistuen ehtoihin.

Table M10.7 Baseline Balanced use of nutrients\_Page\_5

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution. The minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application equipment and rules on pesticide use close to water and other sensitive sites, as established by national legislation.

For the baseline requirements, see Table M10.7.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable to this operation.

*Unofficial translation*

Description of the methodology and of the agronomic assumptions and parameters (including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment) used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation.

For an extensive description of this issue, see under the corresponding section concerning the entire measure.

For the basic premises for defining the general payment levels for the measure concerning environment payments, see the subsection on payment level calculations in section 8.2.M10.f, which also includes operation-specific calculations.

#### 8.2.6.3.2. 02 Incorporation of slurry into the soil

Sub-measure:

- 10.1 – payments for agri-environment-climate commitments

##### 8.2.6.3.2.1. Description of the type of operation

Objective of the operation:

This is a parcel-specific operation under the environment commitment to promote the recycling of nutrients. In order to increase the recycling of nutrients, the measure aims to encourage crop farms to increasingly use the manure produced on livestock farms to fertilise their arable lands and promote environmentally-friendly methods in the spreading of liquid manure or liquid organic fertiliser products on both crop and livestock farms. Manure spreading with incorporation or earthing equipment reduces the risk of nutrient leaching to surface waters caused by manure, prevents ammonia emissions into the air and reduces odours caused by manure spreading. Incorporation or earthing equipment incorporate the nutrients contained in manure or liquid organic fertiliser into the arable soil away from the water flowing on the soil surface, making them less susceptible to leaching. The operation is targeted at arable parcels, but arable lands cleared after 2004 are not eligible for the payment.

Actions contained in the operation:

Slurry, urine, liquid fraction separated from slurry or a liquid organic fertiliser product must be spread on the parcel using incorporation or earthing equipment. The requirements for the equipment are specified separately. Support is payable to arable parcels on which at least 20 m<sup>3</sup>/ha/year of the substances listed above have been spread using these methods and in accordance with a valid environment commitment of the farm and other possible restrictive conditions (such as the Nitrates Decree 931/2000).

The nutrient content of the slurry must be accounted for in the nitrogen and phosphorus amounts set in the mandatory requirements under the operation concerning balanced use of nutrients.

##### 8.2.6.3.2.2. Type of support

The payment will be made as EUR/ha/year for the eligible spreading area during the period of validity of the commitment as described in section 8.1, accounting for the restrictions described in the section "Eligibility conditions".

##### 8.2.6.3.2.3. Links to other legislation

National regulations applicable to the measure: The Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on environment payments (xx/201x), and the

Ministry of Agriculture and Forestry Decree on environment payments (xx/201x). This Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree contains provisions on the general implementation of the parcel-specific operation, the eligible area, the baseline level and mandatory requirements as well as the levels of payment and payment procedures as described in the programme. The Ministry of Agriculture and Forestry Decree provides practical details concerning the parcel-specific operation and the obligation of keeping records.

The Government Decree on the requirements of good agricultural and environmental condition in the cross-compliance conditions (xx/201x) and the Government Decree on statutory management requirements in the cross-compliance conditions and the supervision of compliance with the cross-compliance conditions (xx/201x). For the contents of the decrees that concern cross-compliance, see section 8.1.

#### 8.2.6.3.2.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.6.3.2.5. Eligible costs

In the operation concerning the incorporation of slurry, the costs of incorporation of slurry were compared with the costs of broadcast application, either by contractors or the farmers themselves. The required volume of slurry to be incorporated in this operation is 20 cubic metres per hectare. The calculation only looks at the cost of applying the slurry on arable land, not its loading or transport costs. When carried out by contractors, the costs of incorporation of slurry are EUR 0.64 higher per cubic meter of slurry than the costs of broadcast application. When carried out by the farmer, the costs of incorporation of slurry are EUR 2.33 higher per cubic meter of slurry than the costs of broadcast application. Of slurry application, 70% is carried out by farmers, and the remaining 30% of the produced slurry is applied by contractors. In the calculation, the nutrient benefits from incorporation of slurry were assessed to equal the damage to root systems and the nuisance caused by stones raised to the soil surface by incorporation equipment. Consequently, the aforementioned benefits and harms cancel each other out, and they were not taken into consideration separately in the calculation. The maximum payments in the operation concerning the incorporation of slurry are EUR 40/ha including the transaction costs.

#### 8.2.6.3.2.6. Eligibility conditions

Beneficiary (see also under "Beneficiaries") The beneficiary must make an environment commitment under the environment payment scheme and comply with the conditions of the operation concerning balanced use of nutrients. The operation may not be selected simultaneously with the operation concerning the recycling

of organic matter (operation 3).

The eligible area is agricultural land, see the section on "Type of support". The following restrictions apply to payments: No payments will be made under this operation for a part of a parcel whose gradient is at minimum 15%, as the spreading of manure in these parcels is forbidden under the Nitrates Decree. No payments will be made under this operation for areas where fertilisation is forbidden under the conditions of an environment commitment. A beneficiary with a commitment on organic production is not eligible for payments under the operation concerning the incorporation of liquid manure into soil for the spreading of slurries that are banned in organic production.

#### 8.2.6.3.2.7. Principles with regard to the setting of selection criteria

No selection criteria will be introduced for this operation.

#### 8.2.6.3.2.8. (Applicable) amounts and support rates

The target area is 150,000 ha.

The level of payment under the operation is EUR 40/ha/year for field areas on which approved substances have been spread.

Annual variations in the surface area for which payments are made will be acceptable within the limits set in the environment commitment.

#### 8.2.6.3.2.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.6.3.2.9.1. Risk(s) in the implementation of the measures

As a risk related to this operation is seen verifiability, which is poor. Regarding the annual volumes spread, control is based on the farmer's own notes.

##### 8.2.6.3.2.9.2. Mitigating actions

On-the-spot checks will be carried out to verify that the farmer has access to equipment meeting the conditions, and in addition to checking parcel-specific records, a visual inspection of the parcels will be carried out to verify compliance with the conditions on the incorporation of slurry. After the growing season, the parcel records will be checked in connection with fertilization control to verify that the volumes spread correspond with the volumes declared in the payment application.

8.2.6.3.2.9.3. Overall assessment of the measure

Regardless of the risks relevant to the operation, it is adequately verifiable and controllable.

8.2.6.3.2.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law.

For the baseline requirements, see Table M10.8.

Toimikohtainen perustason kuvaus toimenpiteessä 10, ympäristökorvaukset

Toimi Lietelannan sijoittaminen peltoon

1	Perustaso asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukaan.	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukaiset perustason vaatimukset tarkemmin eriteltynä.	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukainen perustaso Suomessa toimelle lietelannan sijoittaminen.	Ympäristösitoumuksen lohkokohtainen toimi Lietelannan sijoittaminen peltoon. Toimen sisältö: Liete levitetään sijoittamalla. Levitettävän lietteen vähimmäismäärä on 20 kuutiota/hehtaari/vuosi ja enimmäismäärä tilakohtaisen toimen vähimmäisvaatimusten tyyppi- ja fosforirajoitusten mukaan.
2	(EU) N:o 1306/2013 VI osaston I luvun mukaisesti vahvistetut asiaa koskevat toimenpidevaatimukset	Lakisääteiset hoitovaatimukset: hoitovaatimus nro 1.	Pellon pintaan levitetty lanta on muokattava maahan vuorokauden kuluessa levityksestä, ellei kyse ole levityksestä kasvustoon leikkulevittimellä tai hajalevityksenä. Lietettä saa levittää vain nitraattiasetuksen päivämäärärajojen mukaan.	Toimessa edellytetään lietteen sijoittamista, mikä on perustasoa vaativampi menetelmä.
3		Hyvän maatalouden ja ympäristön vaatimukset: Valtioneuvoston asetus täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimuksista (x/201x). Vaatimuksia on tarkennettu aiemmasta ohjelmakaudesta vastaamaan horisontaalasetuksen 1306/2013 vaatimuksia.	Vesistöjen varsilla olevalla maatalousmaalla on noudatettava horisontaalasetuksen liitteessä II tarkoitettuina suojakaistoina maa- ja puutarhataloudesta peräisin olevien päästöjen rajoittamisesta annettun valtioneuvoston asetuksen (x/201x) x§:n x momentin mukaisia typpilannoitus- ja lannanlevityskieltoja.	Toimesta ei makseta sellaiselle peltolohkon osalle, jonka kaltevuus on vähintään 15 prosenttia, koska lannanlevitys on siellä kielletty nitraattiasetuksen perusteella.

Table M10.8 Baseline requirements Incorporation of slurry into the soil\_Page\_1

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4	Lannoitteiden ja kasvinsuojeluaineiden käyttöä koskevat vähimmäisvaatimukset	Lannoitevalmistelainsäädäntö. (Perustaso on tukeutuu aiemmasta nitraattiasetuksen uusimisen ja fosforirajojen tiukentamisen myötä)	Maa- ja metsätalousministeriön lannoitevalmisteita koskevan asetuksen (24/11) mukaiset fosforilannoituksen enimmäiskäyttömäärät ovat 80 kg/ha ja puutarhakasveilla 120 kg/ha. Asetusta muutetaan syksyllä 2014. Uudet vähimmäisvaatimuksina käytettävät rajat tulevat olemaan 70 kg/ha ja puutarhakasveilla 115 kg/ha. Typen osalta ei ole muita lainsäädännön mukaisia vähimmäisvaatimuksia kuin ne vaatimukset, jotka jo kuuluvat täydentäviin ehtoihin nitraattiasetuksen perusteella.	Toimessa ei ole ravinnemääriin liittyviä ehtoja vaan toimeen liittyvät lannoitusrajoitukset tulevat ympäristösuojelun tilakohtaisen toimen vähimmäisvaatimusten kautta ja ne ovat nitraattiasetuksen ja lannoitevalmistesetuksen mukaisia rajoja tiukempia.
5		Kasvinsuojeluainelainsäädäntö	Laki kasvinsuojeluaineista 1563/2011 ja maa- ja metsätalousministeriön asetus 7/2102. Kasvinsuojeluaineita on käytettävä asianmukaisesti havaitun tarpeen mukaan ja käyttöohjeita noudattaen ottaen huomioon integroidun torjunnan yleiset periaatteet. Löyhökirjanpitoon on merkittävä kasvinsuojeluaineiden käytön kohde, käyttömäärät ja käytön syy. Maatilla kasvinsuojeluaineita saa levittää vain henkilö, joka on suorittanut kasvinsuojeluaineiden käyttöä koskevan kasvinsuojeluaineista annetun lain edellyttämän tutkinnon tai saanut oikeuden kyseisen tutkinnon järjestämiseen tai jolla ohjelmakauden 2007–2013 ympäristötuen mukaisen koulutuksen voimassaoloaika ei ole umpeutunut. Tutkinto on voimassa viisi vuotta. Maatilla kasvinsuojeluaineiden levitykseen käytettävä kasvinsuojeluaine on testattava siten kuin testauksesta säädetään laissa kasvinsuojeluaineista (1563/2011). Ammattimaisessa käytössä olevat traktoriruiskut on testattava kertaalleen 26.11.2016 mennessä ja sen jälkeen joka viides vuosi. Jos levitysväline on aiemmin testattu ohjelmakauden 2007–2013 ympäristötuen edellyttämällä tavalla, välinettä ei tarvitse testata uudestaan ennen kuin viisi vuotta on kulunut testauksesta. Integroidulla torjunnalla tarkoitetaan kasvinsuojelumenetelmien käyttöä taloudellisesti ja ympäristön kannalta perustellusti siten, että vähennetään ihmisten terveydelle ja ympäristölle aiheutuvia riskejä. Integroidun torjunnan yleiset periaatteet edellyttävät tarpeenmukaista lannoitusta, IPM:n paikka-, aika- ja tapauskohtaisuuden takia Suomessa ei lueta IPM:n yleisiin periaatteisiin yksittäisiä vaadittavia toimenpiteitä.	Toimessa ei ole kasvinsuojeluun liittyviä ehtoja.
6	Asetuksen (EU) N:o 1307/2013 4 artiklan 1 kohdan c alakohdan ii ja iii alakohdan mukaisesti vahvistetut asiaa koskevat vaatimukset ja vähimmäistoimet	Maatalousmaan säilyttäminen	Maatalousmaa on pidettävä avoimena, jotta se pysyy soveltamisasetuksen ((EU) N:o 639/2014) 4 artiklan 1 kohdassa tarkoitetussa kunnossa. Maatalousmaalla, peltoalaa lukuun ottamatta, voi olla tukiasetuksen ((EU) N:o 1307/2013) 4 artiklan 1 kohdan j alakohdan mukaisia taimitarhoja, hedelmäpuu- ja marjapensasaloja, 5 §:n 3 momentissa tarkoitettujen lyhytkiertolistien energiapuiden aloja sekä muita kuin edellä mainittuja puuvartisista kasveista enintään 5 §:n 4 momentissa tarkoitettu määrä.	Toimessa ei ole tähän perustason vaatimukseen liittyviä tarkempia ehtoja. Korvausta ei voida maksaa, jos ehtoa ei ole noudatettu.
7	Muu lainsäädäntö	Ympäristöluvut	Ympäristönsuojelulain mukaisen ympäristöluvan saaminen edellyttää, että tilalla on lammalle levitykseen käytössä riittävästi peltoa suhteessa eläinmäärään.	Kotieläintiloilla on oltava asianmukaiset luvut.

Table M10.8 Baseline requirements Incorporation of slurry into the soil Page 2



Unofficial translation

8	Ympäristösitoumuksen tilakohtaisen toimen edellyttämä ravinteiden tasapainoisen käytön vähimmäisvaatimus	Ympäristökorvaukset - toimenpiteen tilakohtaiseen toimeen sitoutuminen on edellytys lohkokohdaiseen: lletelannan sijoittaminen peltoon -toimeen sitoutumiselle.	Toimessa on lietteen levitysmäärissä noudatettava tilakohtaisen toimen vähimmäisvaatimuksen mukaisia lannoitustarjooja.
9	Vesienhoitosuunnitelmat (Ohjelmavalmistelussa on ennakoivasti otettu huomioon maatalouden perus- ja lisätoimenpidevaatimukset, joita tullaan esittämään 2016 alkavalle suunnittelukaudelle)	Vesienhoidon ja merenhoidon järjestämisestä annetussa laissa (1299/2004, vesienhoitolaki) ja sen nojalla annetussa valtioneuvoston asetuksessa vesienhoidon järjestämisestä (1040/2006, vesienhoitoasetus) säädetään vesienhoitosuunnitelmien ja niitä täydentävien toimenpideohjelmien laatimisesta ja tavoitteista. Toimenpideohjelmassa on esitetty vesienhoidon ympäristötavoitteiden saavuttamiseksi tarvittavat perustoimenpiteet ja lisätoimenpiteet. Vesienhoidon ympäristötavoitteet eivät sellaisenaan ole luvan myöntämisen edellytys tai este, eivätkä vesienhoitosuunnitelmassa esitetyt lisätoimenpiteet tule suunnitelman perusteella toiminnanharjoittajaa sitovaksi. Toiselle suunnittelukaudella 2016-2020 on ehdotettu perustoimenpiteiksi nitraattiasetuksen mukaiset toimenpiteet, eläinsuojien ympäristöluopien mukaiset toimenpiteet sekä täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimusten ja kasvinsuojelulainelainsäädännön mukaiset toimenpiteet.	Näiden vaatimusten sisältö ja suhde toimen vaatimuksiin on esitetty taulukon muissa sarakkeissa.
10	Suorien tukien viherryttämistuen pääliikkeen maksun estäminen.	Viherryttämistuen vastaavuutta eli ns. ekvivalenssia ei Suomessa oteta käyttöön. Pysyvän nurmen ja viljelyn monipuolistamisen vaatimuksia sovelletaan koko maan tasolla. Ekologisen alan vaatimuksessa sovelletaan n.s. metsäisyyspoikkeusta. Ekologisen alan vaatimus koskee siten Uudenmaan, Varsinais-Suomen ja Ahvenanmaan maakuntia. Ekologisia aloja ovat: kesantoalat, typensitojakasvien alat, lyhytkiertoisien energiapuun alat ja täydentävien ehtojen mukaisten maisemapiirteiden alat.	Toimella ei ole yhtymäkohtia viherryttämistuen ehtoihin.

Table M10.8 Baseline requirements Incorporation of slurry into the soil\_Page\_3

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution. The minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application equipment and rules on pesticide use close to water and other sensitive sites, as established by national legislation.

For the baseline requirements, see Table M10.8.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable to this operation.

*Unofficial translation*

Description of the methodology and of the agronomic assumptions and parameters (including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment) used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation.

For the definition of the payment levels, see the section "Eligible costs". For the basic premises for defining the general payment levels for the measure concerning environment payments, see the subsection on payment level calculations in section 8.2.M10.f, which also includes operation-specific calculations.

#### 8.2.6.3.3. 03 Recycling of nutrients and organic matter

Sub-measure:

- 10.1 – payments for agri-environment-climate commitments

##### 8.2.6.3.3.1. Description of the type of operation

Objective of the operation:

This is a parcel-specific operation under the environment commitment to promote the recycling of nutrients. The objective is to promote diverse recycling of fertiliser products and other organic matter primarily between crop and livestock farms. Adding organic matter to the soil improves the soil structure and contributes to more efficient recycling and reuse of nutrients. The operation also increases soil microbial activity.

Actions contained in the operation:

Organic material with a high nutrient content where the organic matter content is at least 20% (dry matter content) is added to the arable land parcel. The materials to be used may only be organic fertilisers, soil improvers or growing media under the Fertiliser Product Act, dry manure obtained from another farm for utilization and dry fraction separated from manure. Dry manure must contain bedding or other organic matter. The use of manure, peat, straw, mowing waste and other similar materials from the farmer's own farm is not eligible for the payment. The amount to be added must be at least 15 cubic metres per hectare a year.

The type and quantity of the organic matter to be spread on each parcel must be entered in the parcel-specific records. The farmer must be capable of providing proof of the material having been acquired from outside the farm and of its quantity by a deed of conveyance, a payment receipt or a freight document.

The amounts of nitrogen and phosphorus contained in the organic matter spread on the parcel must be taken into account in the quantities of nitrogen and phosphorus indicated in the mandatory requirements for the operation concerning balanced use of nutrients and entered in the parcel-specific records.

##### 8.2.6.3.3.2. Type of support

The payment will be made as EUR/ha/year for the eligible spreading area during the period of validity of the commitment as described in section 8.1, accounting for the restrictions described in the section "Eligibility conditions".

#### 8.2.6.3.3.3. Links to other legislation

Excluding dry manure and dry fraction separated from manure, the organic matter must be approved under Ministry of Agriculture and Forestry Decree 24/11 on Fertiliser Products and included in the fertiliser product type designation list maintained by the Finnish Food Safety Authority.

National regulations applicable to the measure: The Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on environment payments (xx/201x), and the Ministry of Agriculture and Forestry Decree on environment payments (xx/201x). This Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree contains provisions on the general implementation of the parcel-specific operation, the eligible area, the baseline level and mandatory requirements as well as the levels of payment and payment procedures as described in the programme. The Ministry of Agriculture and Forestry Decree provides practical details concerning the parcel-specific operation and the obligation of keeping records.

The Government Decree on the requirements of good agricultural and environmental condition in the cross-compliance conditions (xx/201x) and the Government Decree on statutory management requirements in the cross-compliance conditions and the supervision of compliance with the cross-compliance conditions (xx/201x). For the contents of the decrees that concern cross-compliance, see section 8.1.

#### 8.2.6.3.3.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.6.3.3.5. Eligible costs

A minimum volume of 15 cubic metres per hectare of organic matter must be spread in the field. The spreading of organic matter is comparable to the spreading of dry manure, the average spreading cost of which is EUR 2.42 per cubic meter. No direct benefits observable during the contract period that would improve the yield level are expected from the operation, and the payment thus only covers the spreading cost. Including the transaction costs, the payment under the operation is at maximum EUR 43/ha.

#### 8.2.6.3.3.6. Eligibility conditions

Beneficiary (see also under "Beneficiaries"): The beneficiary must make an environment commitment under the environment payment scheme and comply with the conditions of the operation concerning balanced use of nutrients. The operation may not be selected simultaneously with the operation concerning incorporation of slurry (operation 2).

The eligible area is agricultural land (see also the section on "Type of support"). No payments will be made under this operation for a part of a parcel whose gradient is at minimum 15%, as the spreading of manure in these parcels is forbidden under the Nitrates Decree. No payments will be made under this operation for areas where fertilisation is forbidden under the conditions of an environment commitment. A beneficiary with a commitment on organic production is not eligible for payments under the measure concerning the recycling of nutrients and organic matter for the spreading of slurries or liquid fertilizer products that are banned in organic production.

The organic matter to be added may not originate on the applicant's own farm. A farm may not simultaneously both hand over and receive organic matter.

#### 8.2.6.3.3.7. Principles with regard to the setting of selection criteria

No selection criteria will be introduced for this operation.

#### 8.2.6.3.3.8. (Applicable) amounts and support rates

The area set as the target is 50,000 ha.

The level of payment under the operation is EUR 40/ha/year for arable land area on which organic matter has been spread.

Annual variations in the surface area for which payments are made will be acceptable within the limits set in the environment commitment.

#### 8.2.6.3.3.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.6.3.3.9.1. Risk(s) in the implementation of the measures

Verifiability is seen as a risk relevant to this operation. At the level of an individual farm, the volume and material available for spreading can be verified, for example on the basis of receipts and deeds of conveyance. Regarding the annual volumes spread on individual parcels, however, control is based on the farmer's own notes.

##### 8.2.6.3.3.9.2. Mitigating actions

An effort has been made to mitigate the potential weaknesses associated with verifiability by demanding that the organic matter to be spread must originate from outside the farm. Documents showing how the matter was obtained must be produced, including receipts, delivery dockets or deeds of conveyance, by

which the volume of organic matter can be verified in on-the-spot checks.

In their applications, the farmers must declare the type and volumes of organic matter spread on a parcel. Based on the information contained in the application alone, an administrative check can be carried out to ensure that the matter and the volume spread meet the requirements set in the conditions.

*8.2.6.3.3.9.3. Overall assessment of the measure*

Regardless of the risks relevant to the operation, it is adequately verifiable and controllable.

*8.2.6.3.3.10. Information specific to the operation*

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law.

For the baseline requirements, see Table 10.9.

Unofficial translation

Toimikohtainen perustason kuvaus toimenpiteessä 10, ympäristökorvaukset

Toimi: Ravinteiden ja orgaanisten aineiden kierrättäminen

1. Perustaso asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukaan.	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukaiset perustason vaatimukset tarkemmin eriteltynä.	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukainen perustaso Suomessa toimelle Ravinteiden ja orgaanisten aineiden kierrättäminen.	Ympäristösitoumuksen lohkokohtainen toimi Ravinteiden ja orgaanisten aineiden kierrättäminen. Toimen sisältö: Peltoon levitetään ehtojen mukaista orgaanista ravinnepitoista ainesta. Lisättävän aineksen kuiva-ainepitoisuuden on oltava yli 20 %. Käytettävät materiaalit voivat olla vain lannoitevalmistelain mukaisia orgaanisia lannoitteita, maanparannusaineita tai kasvualustoja, toiselta tilalta hyötykäyttöön hankittua kuivalantaa tai lannasta erotettua kuivajatetta. Levitettävän aineen vähimmäismäärä 15 kuutiota/hehtaari/vuosi ja enimmäismäärä määräytyy tilakohtaisen toimen vähimmäisvaatimuksen typpi- ja fosforirajoitusten mukaan.
2. (EU) N:o 1306/2013 VI osaston I luvun mukaisesti vahvistetut asioita koskevat	Lakisääteiset hoitovaatimukset: hoitovaatimus nro 1.	Pellon pintaan levitetty lanta on muokattava maahan vuorokauden kuluessa levityksestä, ellei kyse ole levityksestä kasvustoon letkulevittimellä tai hajalevityksenä. Lantaa saa levittää vain nitraattiasetuksen päivä määrärajojen mukaan.	Toimessa ei ole levitysmenetelmään liittyviä tarkempia ehtoja. Toimi ei sisällä lietteen tai muiden nesteiden levittämistä.

Table M10.9 Recycling of nutrients and organic matter\_Page\_1

Unofficial translation

3	toimenpidevaatimukset	Hyvän maatalouden ja ympäristön vaatimukset: Valtioneuvoston asetus täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimuksista (x/201x). Vaatimuksia on tarkennettu aiemmasta ohjelmakaudesta vastaamaan horisontaalasetuksen 1306/2013 vaatimuksia.	Vesistöjen varsilla olevalla maatalousmaalla on noudatettava horisontaalasetuksen liitteessä II tarkoitettuina suojakaistoina maa- ja puutarhataloudesta peräisin olevien päästöjen rajoittamisesta annetun valtioneuvoston asetuksen (x/201x) x§:n x momentin mukaisia typpilannoitus- ja lannanlevityskielto- ja rajoja.	Toimesta ei makseta sellaiselle peltolohkon osalle, jonka kaltevuus on vähintään 15 prosenttia, koska lannanlevitys on siellä kielletty nitraattiasetuksen perusteella.
4	Lannoitteiden ja kasvinsuojeluainemien käyttöä koskevat vähimmäisvaatimukset	Lannoitevalmistelainsäädäntö. (Perustaso on tiukentuu aiemmasta nitraattiasetuksen uusimisen ja fosforirajojen tiukentamisen myötä)	Käytettävien lannoitevalmisteiden tulee olla hyväksytyjä maa- ja metsätalousministeriön lannoitevalmisteita koskevassa asetuksessa 24/11 ja sisältää Elintarviketurvallisuusviraston ylläpitämään tyyppinimiluetteloon. Lannoitevalmisteen käytössä voi olla tyyppinimikohtaisia rajoituksia. Lannoitevalmisteealta edellytetään tuoteselostetta, jossa ilmoitetaan tuotteen laatu- ja tiedot. Tuoteselosteessa ilmoitettujen tietojen pohjana olevien analyysien on oltava standardien mukaiset.	Toimessa ei ole ravinnemääriin liittyviä ehtoja vaan toimeen liittyvät lannoitusrajoitukset tulevat ympäristöstötoimusten tilakohtaisen toimen vähimmäisvaatimusten kautta ja ne ovat nitraattiasetuksen ja lannoitevalmistesetuksen mukaisia rajoja tiukemmat.

Table M10.9 Recycling of nutrients and organic matter\_Page\_2



Unofficial translation

5	Kasvinsuojelulainsäädäntö	Laki kasvinsuojelulainesta 1563/2011 ja maa- ja metsätalousministeriön asetus 7/2102. Kasvinsuojelulaineita on käytettävä asianmukaisesti havaitun tarpeen mukaan ja käyttöohjeita noudattaen ottaen huomioon integroidun torjunnan yleiset periaatteet. Lohkokirjanpitoon on merkittävä kasvinsuojelulainesten käytön kohde, käyttömäärät ja käytön syy. Maatilla kasvinsuojelulaineita saa levittää vain henkilö, joka on suorittanut kasvinsuojelulainesten käyttöä koskevan kasvinsuojelulainesta annetun lain edellyttämän tutkinnon tai saanut oikeuden kyseisen tutkinnon järjestämiseen tai jolla ohjelmakauden 2007–2013 ympäristötuen mukaisen koulutuksen voimassaoloaika ei ole umpeutunut. Tutkinto on voimassa viisi vuotta. Maatilla kasvinsuojelulainesten levitykseen käytettävä kasvinsuojeluväike on testattava siten kuin testauksesta säädetään laissa kasvinsuojelulainesta (1563/2011). Ammattimaisessa käytössä olevat traktoririskit on testattava kertaalleen 26.11.2016 mennessä ja sen jälkeen joka viides vuosi. Jos levitysväline on aiemmin testattu ohjelmakauden 2007–2013 ympäristötuen edellyttämällä tavalla, välinettä ei tarvitse testata uudestaan ennen kuin viisi vuotta on kulunut testauksesta. Integroidulla torjunnalla tarkoitetaan kasvinsuojelumenetelmien käyttöä taloudellisesti ja ympäristön kannalta perustellusti siten, että vähennetään ihmisten terveydelle ja ympäristölle aiheutuvia riskejä. Integroidun torjunnan yleiset periaatteet edellyttävät tarpeenmukaista lannoitusta, IPM:n paikka-, aika- ja tapauskohtaisuuden takia Suomessa ei lueta IPM:n yleisiin periaatteisiin yksittäisiä vaadittavia toimenpiteitä.	Toimessa ei ole kasvinsuojeluun liittyviä ehtoja.	
6	Asetuksen (EU) N:o 1307/2013 4 artiklan 1 kohdan c alakohdan II ja III alakohdan mukaisesti vahvistetut asiaa koskevat vaatimukset ja vähimmäistoimet	Maatalousmaan säilyttäminen	Maatalousmaa on pidettävä avoimena, jotta se pysyy soveltamisasetuksen ((EU) N:o 639/2014) 4 artiklan 1 kohdassa tarkoitetussa kunnossa. Maatalousmaalla, peltoalaa lukuun ottamatta, voi olla tukiasetuksen ((EU) N:o 1307/2013) 4 artiklan 1 kohdan I alakohdan mukaisia taimitarhoja, hedelmäpuu- ja marjapensasaloja, 5 §:n 3 momentissa tarkoitettujen lyhytkiertoisien energiapuiden aloja sekä muita kuin edellä mainittuja puuvartisia kasveja enintään 5 §:n 4 momentissa tarkoitettu määrä.	Toimessa ei ole tähän perustason vaatimukseen liittyviä tarkempia ehtoja. Korvausta ei voida maksaa, jos ehtoja ei ole noudatettu.
7	Muu lainsäädäntö	Ympäristöluvat	Ympäristönsuojelulain mukaisen ympäristöluvan saaminen edellyttää, että tilalla on lannanlevitykseen käytössä riittävästi peltoa suhteessa eläinmäärään.	Kotieläintiloilla on oltava asianmukaiset luvat.
		Ympäristöstoumuksen tilakohtaisen toimen edellyttämä ravinteiden tasapainoisen käytön vähimmäisvaatimus	Ympäristönsuojelun toimenpiteen tilakohtaiseen toimeen sitoutuminen on edellytys lohko- ja tilakohtaisen ravinteiden ja orgaanisten aineiden kierrättämiseen -toimeen sitoutumiselle.	Toimessa on aineksen levitysmäärissä noudatettava tilakohtaisen toimen vähimmäisvaatimuksen mukaisia lannoitusrajoja.

Table M10.9 Recycling of nutrients and organic matter\_Page\_3

9	Maa- ja metsätalousministeriön asetus 12/12.	Lannoitevalmisteita koskevassa asetuksessa säädelään yhdyskuntajätevedenpuhdistamoista ja kiinteistökohtaisista käsittelyjärjestelmistä peräisin olevien lietteiden käyttörajoituksista peltoviljelyssä.	Jos levitettävän orgaanisen lannoitevalmisteen valmistuksessa on raaka-aineena ollut yhdyskuntalietettä, tulee orgaanisen lannoitevalmisteen levityksessä noudattaa asetuksen mukaisia käyttörajoituksia. Lannoitevalmisteen tuoteseloste sisältää tiedot tuotteen koostumuksesta.
	Vesienhoitosuunnitelmat (Ohjelmavalmistelu on ennakoivasti otettu huomioon maatalouden perus- ja lisätoimenpidevaatimukset, joita tullaan esittämään 2016 alkavalle suunnittelukaudelle)	Vesienhoidon ja meren hoidon järjestämisestä annetussa laissa (1299/2004, vesienhoitolaki) ja sen nojalla annetussa valtioneuvoston asetuksessa vesienhoidon järjestämisestä (1040/2006, vesienhoitoasetus) säädetään vesienhoitosuunnitelmien ja niitä täydentävien toimenpideohjelmien laatimisesta ja tavoitteista. Toimenpideohjelmassa on esitetty vesienhoidon ympäristötavoitteiden saavuttamiseksi tarvittavat perustoimenpiteet ja lisätoimenpiteet. Vesienhoidon ympäristötavoitteet eivät sellaisenaan ole luvan myöntämisen edellytys tai este, eivätkä vesienhoitosuunnitelmassa esitetyt lisätoimenpiteet tule suunnitelman perusteella toiminnanharjoittajaa sitovaksi. Toiselle suunnittelukaudelle 2016-2020 on ehdotettu perustoimenpiteiksi nitraattiasetuksen mukaiset toimenpiteet, eläinsuojien ympäristölupien mukaiset toimenpiteet sekä täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimusten ja kasvinsuojelulainelainsäädännön mukaiset toimenpiteet.	Näiden vaatimusten sisältö ja suhde toimen vaatimukseen on esitetty taulukon muissa sarakkeissa.
10	Suorien tukien viherryttämistuen pääleikkäisen maksun estäminen.	Viherryttämistuen vastaavuutta eli ns. elävälenssia ei Suomessa oteta käyttöön. Pysyvän nurmen ja viljelyn monipuolistamisen vaatimuksia sovelletaan koko maan tasolla. Ekologisen alan vaatimuksessa sovelletaan ns. metsäisyyspoikkeusta. Ekologisen alan vaatimus koskee siten Uudenmaan, Varsinais-Suomen ja Ahvenanmaan maakuntia. Ekologisia aloja ovat: kesantoalat, typensitojakasvien alat, lyhytkiertoiset energiapuun alat ja täydentävien ehtojen mukaisten maisemapiirteiden alat.	Toimella ei ole yhtymäkohtia viherryttämistuen ehtoihin.

Table M10.9 Recycling of nutrients and organic matter\_Page\_4

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution. The minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application equipment and rules on pesticide use close to water and other sensitive sites, as established by national legislation.

For the baseline, see Table 10.9.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable to this operation.

*Unofficial translation*

Description of the methodology and of the agronomic assumptions and parameters (including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment) used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation.

For the definition of the payment levels, see the section "Eligible costs". For the basic premises for defining the general payment levels for the measure concerning environment payments, see the subsection on payment level calculations in section 8.2.M10.f, which also includes operation-specific calculations.

#### 8.2.6.3.4. 05 Control of runoff waters

Sub-measure:

- 10.1 – payments for agri-environment-climate commitments

##### 8.2.6.3.4.1. Description of the type of operation

Objective of the operation:

This is a parcel-specific operation of the environment commitment to promote the control of runoff waters. The objective is to regulate the amount of runoff water coming from arable land and to reduce the amount of acidifying substances, metals and nutrients leached to waters in runoff water and to reduce greenhouse gas emissions. The operation reduces the eutrophication of waters and adverse impacts of acid runoff waters in aquatic ecosystems and fish fauna, and greenhouse gas emissions from organic soils. The regulation of the drainage system takes place either on parcels with controlled subsurface drainage or with a subirrigation or drainage water recycling system.

Actions contained in the operation:

In each parcel, support may only be paid for one of the following measures:

a) Management measures for controlled subsurface drainage

In a parcel with subsurface drainage, the regulation must be done by raising or lowering the dam level in the regulating wells installed in the collecting ditch or other damming devices. Damming must be managed as required by the weather and growing conditions and cultivation measures.

b) Management measures for subirrigation or recycling of drainage water

In subirrigation, the water management of arable land is regulated in a comprehensive way by means of irrigation and controlled drainage through a subsurface drainage system.

Drainage water recycling means storing runoff waters from a land area in a separate basin during the spring runoff period and heavy rains, from which they are conducted back to the arable land in a dry season. This reduces the amount of runoff water entering the water bodies downstream from the arable land and, consequently, the nutrient loading of waters as the nutrients in runoff waters accumulated in the basin are recycled for the use of the plants.

Records must be kept of the control, management and maintenance measures. The entries can also be made in the parcel records. A farmer must adjust the damming height and possible use of irrigation water in an appropriate manner and see to the proper maintenance of the equipment.

The operation must be implemented on the parcel annually from the time the management is started until the end of the commitment period.

#### 8.2.6.3.4.2. Type of support

The payment will be made as EUR /ha/year for the eligible area to be managed during the period of validity of the commitment as described in section 8.1, accounting for the restrictions described in the section "Eligibility conditions".

#### 8.2.6.3.4.3. Links to other legislation

National regulations applicable to the measure: The Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on environment payments (xx/201x), and the Ministry of Agriculture and Forestry Decree on environment payments (xx/201x). This Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree contains provisions on the general implementation of the parcel-specific operation, the target regions, eligible areas, the baseline level and minimum requirements as well as the levels of payment and payment procedures as described in the programme. The Ministry of Agriculture and Forestry Decree provides practical details concerning the parcel-specific operation, obligations of keeping records and the requisite analysis data.

The Government Decree on the requirements of good agricultural and environmental condition in the cross-compliance conditions (xx/201x) and the Government Decree on statutory management requirements in the cross-compliance conditions and the supervision of compliance with the cross-compliance conditions (xx/201x). For the contents of the decrees that concern cross-compliance, see section 8.1.

#### 8.2.6.3.4.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.6.3.4.5. Eligible costs

In controlled subsurface drainage farmer incurs costs from adjusting the damming height and monitoring the adjustments as well as cleaning the regulating wells. Additional costs are incurred for recording the control, management and maintenance measures. When calculating the costs per hectare, it was assumed that one regulating well will be needed per an area of 1.5 hectares. The fact that controlled subsurface drainage will improve crops and increase yield levels was taken into account in the payment calculation. The increased profits were deducted from the costs. The transaction costs include acquiring information about controlled subsurface drainage and the agri-environment scheme and reconciling the required management measures with the other activities of the farm. Based on the calculation, the annual environment payment for the management of parcels with controlled subsurface drainage is at maximum EUR 79/ha.

In the measures concerning subirrigation and recycling of drainage water, while the payment calculation was solely based on the subirrigation measure, recycling of drainage water is eligible for an equal maximum payment, as it requires similar management measures. In subirrigation, irrigation water is pumped into a system of ditches. Recycling of drainage water requires a subirrigation system as well as a storage basin into which drainage water is conducted and from which it is pumped back to the subsurface drains during the growing season. The costs of subirrigation consist of the pumping costs, costs of monitoring and maintaining the control system, and the costs of keeping records of the control, maintenance and service costs. It is assumed in the calculation that on average, there will be three irrigation cycles of two days during the growing season. The annual monitoring and maintenance costs of the control system are equal to controlled subsurface drainage, as subirrigation also includes controlled subsurface drainage. The increase in yield levels resulting from subirrigation was taken into account in the payment calculation. The increased profits were deducted from the costs.

The transaction costs include acquiring information about subirrigation and reconciling the required management measures with the other activities of the farm. In addition, the dimensioning of pumps must be examined for purposes of the subirrigation commitment, and proactive measures must be taken to ensure the storage of water for subirrigation. Based on the calculation, the annual environment payment for parcels covered by subirrigation, or subirrigation and recycling of drainage water, is at maximum EUR 299/ha.

#### 8.2.6.3.4.6. Eligibility conditions

Beneficiary (see also the section on "Beneficiaries"): The beneficiary must make an environment commitment under the environment payment scheme and comply with the conditions of the operation concerning balanced use of nutrients.

The eligible area is agricultural land (see also the section on "Type of support"). The operation will be targeted so that it may only be implemented on parcels

- which have been under a contract on special support for the treatment of runoff water under Government Decision 760/1995 or Government Decrees (644/2000 or 366/2007), or
- which have a controlled subsurface drainage, a subirrigation or a drainage water recycling system and which are located on parcels with acid sulphate soils or where the soil type is organic. The arable land areas found to be acid sulphate soils must be located in the area between the river basins of Sirppujoki and the rivers discharging into Liminganlahti Bay, including these river basins. Under this operation, payments may be made for a parcel if the soil type in most part of the parcel is peat, mull soil or acid sulphate soil.

#### 8.2.6.3.4.7. Principles with regard to the setting of selection criteria

No selection criteria will be introduced for this operation.

#### 8.2.6.3.4.8. (Applicable) amounts and support rates

The area set as the target at the end of the programming period is 40,000 ha.

The level of payment under the operation is EUR 70/ha/year for areas where the operation concerning regulated drainage is implemented, and EUR 250/ha/year for areas where the operation concerning subirrigation and recycling of drainage water is implemented.

The area for which annual payments are made may be increased during the first three years of the commitment. The operation must be implemented in the area of the same parcel annually from the time when the operation has for the first time been declared for the parcel until the end of the commitment period.

#### 8.2.6.3.4.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.6.3.4.9.1. Risk(s) in the implementation of the measures

The verifiability of annual management measures is seen as a risk relevant to the operation. The verification of the management measures carried out is mostly based on the farmers' records. Implementation of the operation in parcels other than those referred to in the section on "Eligibility conditions" is also a risk.

##### 8.2.6.3.4.9.2. Mitigating actions

Plans and soil type data and, where necessary, a subsoil analysis must be submitted together with the application. An administrative check is carried out to verify that the eligibility conditions for the parcel are met. Checks are also carried out to verify that the area over which the operation is implemented remains the same during the commitment period. In addition to surface areas declared for the operation, on-the-spot checks are carried out to verify compliance with the management measures stated in the conditions based on visits to parcels and the farmer's records.

##### 8.2.6.3.4.9.3. Overall assessment of the measure

Regardless of the risks relevant to the operation, it is adequately verifiable and controllable.

#### 8.2.6.3.4.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law.

For the baseline requirements, see Table M10.10.

**Toimikohtainen perustason kuvaus toimenpiteessä 10, ympäristökorvaukset**

**Toimi: Valumavesien hallinta**

1	Perustaso asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukaan.	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukaiset perustason vaatimukset tarkemmin eriteltynä.	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukainen perustaso Suomessa toimelle Valumavesien hallinta.	Ympäristötoiminnan lohkoittainen toimi Valumavesien hallinta. Toimen sisältö: Sääätöalaoituksen tai sääätökastelun ylläpitämiseksi peltolohkolla tarvittavat
2	(EU) N:o 1306/2013 VI osaston I luvun mukaisesti vahvistetut asiaa koskevat toimenpidevaatimukset	Lakisääteiset hoitovaatimukset: hoitovaatimus nro 1.	Nitraattiasetuksen 931/2000 (uusiin vuonna 2014) mukaan lannoitus on kielletty viisi metriä lähempänä vesistöä. Seuraavan viiden metrin vyöhykkeellä veistöä lannan levitys on kielletty, ellei peltoa muokata vuorokauden kuluessa levityksestä. Sellaisilla peltolohkon osilla, joiden kaltevuus on vähintään 15 %, lannan levitys on aina kielletty.	Toimessa ei ole tähän perustasovaatimukseen liittyviä tarkempia ehtoja.
3		Lakisääteiset hoitovaatimukset: hoitovaatimukset nro 2 ja 3	Suojellulla maatalousmaalla ei saa heikentää tiettyjen lajien elinympäristöjä ja suojelupaatojen sisältämät velvoitteet on täytettävä. Osalle Natura 2000 -alueista ja muista suojelualueista on laadittu hoito- ja käyttösuunnitelma. Tällaiset suunnitelmat eivät kuitenkaan sisällä lakisääteistä vaatimusta, joka velvoittaisi maanomistajaa aktiiviseen hoitotyöhön ilman korvausta.	Toimessa ei ole tähän perustasovaatimukseen liittyviä tarkempia ehtoja. Toimen ehdot eivät ole ristiriidassa luonto- ja lintudirektiivin suojelutavoitteiden kanssa.
4		Lakisääteiset hoitovaatimukset: hoitovaatimus nro 10	Kasvinsuojeluvälineiden käytössä on noudatettava valmistekohtaisen myyntipäällysteen merkintöjä ja varastoitava kasvinsuojeluvälineet oikein.	Toimessa ei ole tähän perustasovaatimukseen liittyviä tarkempia ehtoja.

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5	<p>Hyvän maatalouden ja ympäristön vaatimukset: Valtioneuvoston asetus täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimuksista (x/201x). Vaatimuksia on tarkennettu aiemmasta ohjelmakäytännöstä vastaamaan horisontaalasetuksen 1306/2013 vaatimuksia.</p>	<p>Vesistöjen varsilla olevalla maatalousmaalla on noudatettava horisontaalasetuksen liitteessä II tarkoitettuina suojakaistoina maa- ja puutarhataloudesta peräisin olevien päästöjen rajoittamisesta annetun valtioneuvoston asetuksen (x/201x) (nitraattiasetus) x§:n x momentin mukaisia typpilannoitus- ja lannanlevityskieltorajoja. Vesistöjen ja valtaojien varsilla olevalle maatalousmaalle on pääsääntöisesti jätettävä vähintään 1 metrin levyinen, muokkaamaton piennar, jolle ei levitetä lannoitteita eikä kasvinsuojeluvälineitä. Viljeltyä peltoa ja pysyvien kasvien alaa on viljeltävä hyvän maatalouskäytännön mukaisesti paikkakunnan olosuhteet huomioon ottaen. Hyvän maatalouskäytännön edellytyksenä on, että viljelty pelto ja pysyvien kasvien ala muokataan, lannoitetaan ja kylvetään tai istutetaan tarkoituksenmukaisella tavalla niin, että on mahdollista saada aikaan tasainen itäminen ja kasvusto. Viljeltävien kasvilajien ja -lajikkeiden on oltava alueelle soveltuvia. Kylvä tai istutus on tehtävä viimeistään 30 päivänä kesäkuuta tiettyjä puutarhakasveja lukuunottamatta. Pysyviä nurmia ja pysyviä laitumia voidaan lannoittaa ja laiduntaa tarkoituksenmukaisella tavalla. Tarvittaessa niiden kasvuston voi uusia muokkaamalla ja kylvämällä heinä- ja nurmirehukasvien siemenillä. Jos pysyvää laiduntaa käytetään laidunnukseen, siltä ei saa aiheutua maaperän eroosiota ja maanpinnan on säilyttävä kasvipeitteisenä. Pysyvien nurmien ja pysyvien laitumien niiton ajankohdassa ja toteuttamisessa on otettava huomioon luonnonvaraisten lintujen ja nisäkkäiden suojelu. [Viljelijä voi hyödyntää niittojätteen. Niittojäte voidaan myös jättää korjaamatta pois pysyvältä laitumelta.] Viljellyn maatalousmaan kasvinsuojelusta on huolehdittava joko kasvinvuorotuksen avulla, mekaanisesti, biologisesti tai kemiallisesti. Viljelijän on toimittava niin, että korjuu- ja markkinakelpoisen sadon tuottaminen on mahdollista. Jos maatalousmaalta ei korjata satoa, maatalousmaan tuottamasta kasvustosta on tarvittaessa huolehdittava niin, että maatalousmaalle on myös seuraavana vuonna mahdollista perustaa kasvusto tai tuottaa korjuu- ja markkinakelpoinen sato. Hukkakauran ja jättiputken leviäminen on estettävä. Hoidetut viljelemättömät pellot on pääsääntöisesti pidettävä kasvipeitteisinä tai sängen peittäminä kasvukaudella syyskuun alkuun asti ja niiden kasvusto on uusittava tarvittaessa. Pohjavesialueilla hoidettujen viljelemättömien peltolohkojen on oltava kasvipeitteisiä kasvukaudella syyskuun alkuun asti. Hoidettuja viljelemättömiä pelloita on estettävä rikkakasvien leviäminen. Maatalalla on noudatettava maataloustoiminnassa ympäristönsuojelulain (527/2014) 17 §:ssä sekä vesiympäristöille vaarallisista ja haitallisista aineista annetun valtioneuvoston asetuksen (1022/2006) 4 a §:ssä säädettyä päästökieltoa pohjaveteen. Kasteluveden käytössä on noudatettava vesilain (587/2011) 4 luvussa säädettyä lupamenettelyä. Kasvuston sängen poltto on sallittu ainoastaan, jos se on välttämätöntä kylvön toteutuksen, rikkakasvien, kasvitautien tai tuholaisten torjunnan kannalta.</p>	<p>Toimen ehdot pellon vesitalouden säätelystä ovat hyvän maatalouden ja ympäristön vaatimuksia vaativammat.</p>
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6	Lannoitteiden ja kasvinsuojeluvälineiden käyttöä koskevat vähimmäisvaatimukset	Lannoitevalmistelainsäädäntö.	Maa- ja metsätalousministeriön lannoitevalmisteita koskevan asetuksen (24/11) mukaiset fosforilannoituksen enimmäiskäyttömäärät ovat 80 kg/ha/v ja puutarhakasveilla 120 kg/ha/v. Asetusta muutetaan syksyllä 2014. Uudet vähimmäisvaatimuksina käytettävät rajat tulevat olemaan 70 kg/ha/v ja puutarhakasveilla 115 kg/ha/v. Tyypin osalta ei ole muita lainsäädännön mukaisia vähimmäisvaatimuksia kuin ne vaatimukset, jotka jo kuuluvat täydentäviin ehtoihin nitraattiasetuksen perusteella.	Toimessa ei ole tähän perustasvaatimukseen liittyviä tarkempia ehtoja.
7		Kasvinsuojelulainsäädäntö.	Laki kasvinsuojeluvälineistä 1563/2011 ja maa- ja metsätalousministeriön asetus 7/2102. Kasvinsuojeluvälineitä on käytettävä asianmukaisesti havaitun tarpeen mukaan ja käyttöohjeita noudattaen ottaen huomioon integroidun torjunnan yleiset periaatteet. Lohkokirjanpitoon on merkittävä kasvinsuojeluvälineiden käytön kohde, käyttömäärät ja käytön syy. Maatilalla kasvinsuojeluvälineitä saa levittää vain henkilö, joka on suorittanut kasvinsuojeluvälineiden käyttöä koskevan kasvinsuojeluvälineistä annetun lain edellyttämän tutkinnon tai saanut oikeuden kyseisen tutkinnon järjestämiseen tai jolla ohjelmakauden 2007–2013 ympäristötuen mukaisen koulutuksen voimassaoloaika ei ole umpeutunut. Tutkinto on voimassa viisi vuotta. Maatilalla kasvinsuojeluvälineiden levitykseen käytettävä kasvinsuojeluväline on testattava siten kuin testauksesta säädetään laissa kasvinsuojeluvälineistä (1563/2011). Ammattimaisessa käytössä olevat traktorivälineet on testattava kertaalleen 26.11.2016 mennessä ja sen jälkeen joka viides vuosi. Jos levitysväline on aiemmin testattu ohjelmakauden 2007–2013 ympäristötuen edellyttämällä tavalla, välinettä ei tarvitse testata uudestaan ennen kuin viisi vuotta on kulunut testauksesta. Integroidulla torjunnalla tarkoitetaan kasvinsuojelumenetelmien käyttöä taloudellisesti ja ympäristön kannalta perustellusti siten, että vähennetään ihmisten terveydelle ja ympäristölle aiheutuvia riskejä. Integroidun torjunnan yleiset periaatteet edellyttävät tarpeenmukaista lannoitusta. IPM:n paikka-, aika- ja tapauskohtaisuuden takia Suomessa ei lueta IPM:n yleisiin periaatteisiin yksittäisiä vaadittavia toimenpiteitä.	Toimessa ei ole tähän perustasvaatimukseen liittyviä tarkempia ehtoja.
8	Asetuksen (EU) N:o 1307/2013 4 artiklan 1 kohdan c alakohdan ii ja iii alakohdan mukaisesti vahvistetut asiaa koskevat vaatimukset ja vähimmäistulokset	Maatalousmaan säilyttäminen	Maatalousmaa on pidettävä avoimena, jotta se pysyy soveltamisasetuksen ((EU) N:o 639/2014) 4 artiklan 1 kohdassa tarkoitettuna kunnossa. Maatalousmaalla, peltoalaa lukuun ottamatta, voi olla tukiasetuksen ((EU) N:o 1307/2013) 4 artiklan 1 kohdan j alakohdan mukaisia taimitarhoja, hedelmäpuu- ja marjapensasaloja, 5 §:n 3 momentissa tarkoitettujen lyhytkiertoisien energiapuiden aloja sekä muita kuin edellä mainittuja puuvartisia kasveja enintään 5 §:n 4 momentissa tarkoitettu määrä.	Toimessa ei ole tähän perustason vaatimukseen liittyviä tarkempia ehtoja. Korvausta ei voida maksaa, jos ehtoa ei ole noudatettu.
9	Muu lainsäädäntö	Vesilaki	Kasteluveden käytössä on noudatettava Vesilain (587/2011) 4 luvussa säädettyä lupamenettelyä.	Toimi on toteutettava mahdollisen luvan puitteissa.

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10	Ympäristötoumuksen ravinteiden tasapainoisen käytön tilakohtainen toimi	Ympäristökorvauksen ympäristötoumuksen tilakohtainen toimi edellyttää 3 m suojakaistaa vesistöjen varsilla sijaitsevilla pelloilla.	Toimessa on noudatettava tilakohtaisen toimen ehtoja.
	Vesienhoitosuunnitelmat (Ohjelmavalmistelussa on ennakoivasti otettu huomioon maatalouden perus- ja lisätoimenpidevaatimukset, joita tullaan esittämään 2016 alkavalle suunnittelukaudelle)	Vesienhoidon ja merenhoidon järjestämisestä annetussa laissa (1299/2004, vesienhoitolaki) ja sen nojalla annetussa valtioneuvoston asetuksessa vesienhoidon järjestämisestä (1040/2006, vesienhoitoasetus) säädetään vesienhoitosuunnitelmien ja niitä täydentävien toimenpideohjelmien laatisesta ja tavoitteista. Toimenpideohjelmassa on esitetyt vesienhoidon ympäristötavoitteiden saavuttamiseksi tarvittavat perustoimenpiteet ja lisätoimenpiteet. Toiselle suunnittelukaudelle 2016-2020 on tulossa perustoimenpiteiksi nitraattiasetuksen mukaiset toimenpiteet, eläinsuojien ympäristölupien mukaiset toimenpiteet sekä täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimukset ja kasvinsuojelulainelainsäädännön mukaiset toimenpiteet.	Säätösalaajituksen tai säätökastelun hoitaminen toimen edellyttämällä tavalla ei sisällä vesipuitteidirektiivin mukaisiin viljelijää velvoittaviin perustoimenpiteisiin
11	Suorien tukien viherherryttämistuen päällekkäisen maksun estäminen.	Viherherryttämistuen vastaavuutta eli ns. ekvivalenssia ei Suomessa oteta käyttöön. Pysyvän nurmen ja viljelyn monipuolistamisen vaatimuksia sovelletaan koko maan tasolla. Ekologisen alan vaatimuksessa sovelletaan ns. metsäisyyspoikkeusta. Ekologisen alan vaatimus koskee siten Uudenmaan, Varsinais-Suomen ja Ahvenanmaan maakuntia. Ekologisia aloja ovat: kesantoalat, typensitojakasvien alat, lyhytkiertoisien energiapuun alat, täydentävien ehtojen mukaisten maisemapiirteiden alat.	Toimella ei ole yhtymäkohtia viherherryttämistuen vaatimuksiin.

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The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution. The minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application equipment and rules on pesticide use close to water and other sensitive sites, as established by national legislation.

See Table M10.10 for the baseline requirements.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable to this operation.

Description of the methodology and of the agronomic assumptions and parameters (including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment) used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation.

For the definition of the payment levels, see the section "Eligible costs". For the basic premises for defining the general payment levels for the measure concerning environment payments, see the subsection on payment level calculations in section 8.2.M10.f, which also includes operation-specific calculations.

#### 8.2.6.3.5. 06 Environment management grasslands

Sub-measure:

- 10.1 – payments for agri-environment-climate commitments

##### 8.2.6.3.5.1. Description of the type of operation

Objective of the operation:

This is a parcel-specific operation of the environment commitment to promote the control of runoff waters. The operation reduces erosion and the transport of nutrients to water bodies from arable lands along water bodies and main ditches, arable lands in groundwater areas, peatland fields and arable lands in acid sulphate soils round the year. The objectives also include ensuring that permanent grass cover is preserved and increased in such arable land areas that are sensitive as regards nutrient and greenhouse gas emissions. The operation reduces carbon dioxide emissions by preventing the depletion of the soil's organic carbon reserves and promoting carbon conservation in the soil. Riparian zones and nature management field grasslands enhance the biodiversity of agricultural environments.

Perennial environment grasslands are targeted to arable parcels with acid sulphate soil, peatland and organic soil and groundwater areas. Environment grassland in acid sulphate soil may be established in arable lands found to contain acid sulphate soils located in the area between the river basins of River Sirppujoki and the rivers discharging into Liminganlahti Bay, including these river basins. Perennial environment grasslands may only be established during the first three years of the commitment.

Riparian zones of environment management grasslands are targeted to arable land along watercourses and main ditches, arable parcels in Natura 2000 areas and groundwater areas, and arable parcels bordering on a wetland that are managed under an environment contract. Riparian zones of environment management grasslands are eligible in the whole country, but the levels of payment will be higher in the target region limited to Southern Finland (Figure M10.2). In addition, setting up riparian zones on all parcels eligible for environment payments in parts of municipalities regarded as archipelago in the target region will be enabled (archipelago areas are defined in a Government Decree laying down provisions on assisted regions for the purposes of agricultural supports and their parts regarded as archipelago). In the targeting of nature management field grasslands, the region limited to Southern Finland will be emphasised (Figure M10.2). The maximum payment per beneficiary for nature management field grasslands is limited to 20% of the eligible arable area in the target region and 5% in other regions. Of the eligible arable land area on the farm, at maximum a total of 20% in the target region and a total of 15% in other regions may be nature management field grasslands and biodiversity fields under the operation concerning biodiversity in arable land environments.

Actions contained in the operation:

A riparian zone means an agricultural parcel with a minimum width of 3 metres covered by perennial vegetation that borders on a water body, a main ditch or a wetland managed under an environment contract concerning the management of wetlands or that is located on an arable land parcel in a groundwater area or a Natura 2000 area. A riparian zone must be under perennial grassland that is not fertilised and where no plant protection products are used, in which vegetation is mowed and removed from the parcel on an annual

basis. The parcel may also be managed by grazing. Perennial vegetation must be established in the first, second or third year of the commitment and it must be maintained on the riparian zone parcel from the year of establishment until the end of the commitment period.

Perennial environment grassland means an agricultural parcel under grass cultivated in accordance with specific conditions that is located in a groundwater area or acid sulphate soil or whose soil type is peatland or mull soil. Perennial environment grassland must be established in the first, second or third year of the commitment and it must be maintained on the agricultural parcel from the year of establishment until the end of the commitment period.

Nature management field grasslands mean grasslands that are not fertilised and where no plant protection products are used, or old grasslands with multiple species which are established and/or managed in accordance with specific instructions concerning their establishment, management and termination. Nature management field grasslands must be kept for at least two years.

In environment management grasslands, short-term measures to improve the soil structure and water economy may be taken, including subsurface drainage, liming, digging and clearing of main ditches. On the edges of the riparian zone, digging and clearing of main ditches is permitted if perennial grass is sown to replace any destroyed grass as soon as possible.

Suojavyöhykkeiden ja luonnonhoitopeltonurmien kohdentamisalue.

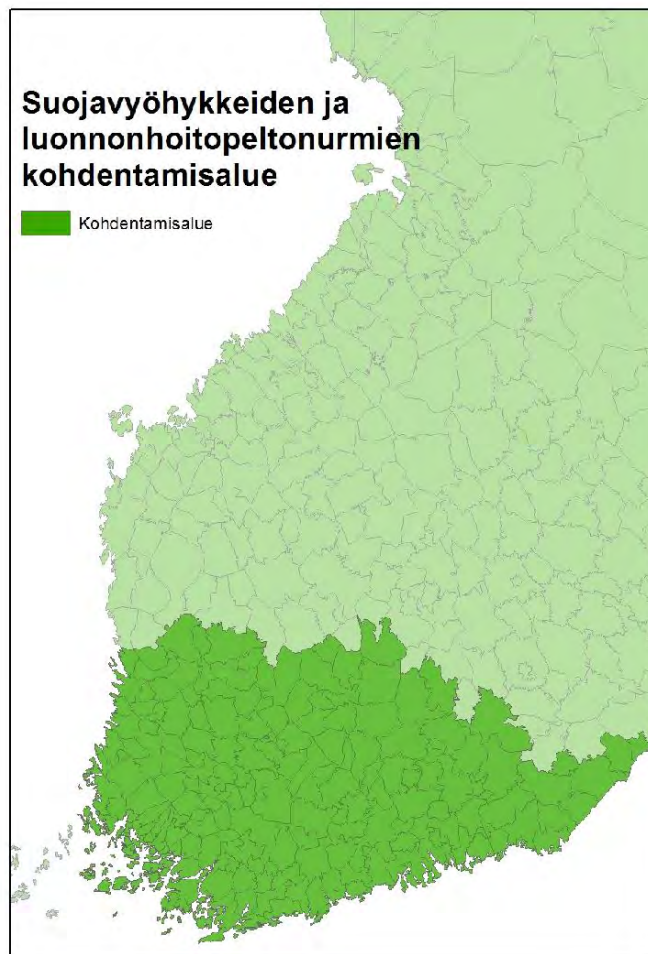


Figure M10.2. Target region for riparian zones and nature management field grasslands

#### 8.2.6.3.5.2. Type of support

The payment will be made as EUR/ha/year for the eligible area to be managed during the period of validity of the commitment as described in section 8.1, accounting for the restrictions described in the section "Eligibility conditions".

#### 8.2.6.3.5.3. Links to other legislation

National regulations applicable to the measure: The Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on environment payments (xx/201x), and the Ministry of Agriculture and Forestry Decree on environment payments (xx/201x). This Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree contains provisions on the general implementation of the parcel-specific operation, the target regions, the eligible areas, the baseline level and minimum requirements as well as the levels of payment and payment procedures as described in the programme. The Ministry of Agriculture and Forestry Decree provides practical details concerning various types of vegetation, obligations of keeping records and the requisite analysis data.

The Government Decree on the requirements of good agricultural and environmental condition in the cross-compliance conditions (xx/201x) and the Government Decree on statutory management requirements in the cross-compliance conditions and the supervision of compliance with the cross-compliance conditions (xx/201x). For the contents of the decrees that concern cross-compliance, see section 8.1.

#### 8.2.6.3.5.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.6.3.5.5. Eligible costs

Riparian zones: The calculations were made for a riparian zone of 20 metres. A headland of 1 m is required in the cross-compliance conditions. In the operation concerning balanced use of nutrients, a filter strip of 3 m in width is required along watercourses and main ditches. Of a 20-metre wide riparian zone, 17 metres are covered by the payment. It was assumed that the plant mass is without value in agricultural production. Costs are incurred for establishing riparian zones, their mowing once a year, and the collection and disposal of the mowed plant mass. No establishment costs arise if the riparian zone is established on an existing grassland parcel. In connection with sowing cereal crops and rapeseed, the establishment costs only include the cost of hay seed. Otherwise the establishment costs consist of the tillage, sowing and seed costs. It was assumed that the riparian zone is established in the first year of a 5-year commitment period. Losses caused by trampling and the management costs of riparian zones are higher in the target region than outside it. In addition to the establishment costs and variable costs, the farmer loses the profit margin that would have



been produced if the arable land had been used for regular cultivation. The loss of profit margin was not taken into account in the calculation to ensure that no payment regarding the greening requirements is made under this operation. Transaction costs are incurred for gathering information about water protection. Based on the calculation, the payment for a riparian zone is at maximum EUR 500/ha/year in the target region and EUR 455 /ha/year outside the target region.

**Perennial environment grasslands:** Perennial environment grasslands produce a crop that can be used in agricultural production. Due to the smaller crops and inferior D value, the profit margin obtained remains smaller than the weighted average profit margin that was obtained from the areas under various crops before the establishment of the perennial environment grassland. It was assumed that the perennial environment grassland was established in the first year of a 5-year commitment period. Transaction costs are incurred for gathering information about the factors and operations that influence the oxidisation of soil sulphides and the status of groundwater and surface waters in arable lands in groundwater areas and peatland fields. Based on the calculation, the environment payment for perennial environment grasslands is at maximum EUR 63/ha/year.

**Nature management field grassland:** Costs are incurred for establishing the nature management field grassland. It was assumed that the nature management field grassland remains on the same parcel for two years. No establishment costs arise if the nature management field grassland is established on an existing grassland parcel. In connection with sowing cereal crops and rapeseed, the establishment costs only include the cost of hay seed. Otherwise the establishment costs of the nature management field grassland consist of the tillage, sowing and seed costs. The management costs consist of the cost of mowing. It was assumed that 20% of nature management field grasslands have to be mowed annually because of a severe weed infestation. 80% of nature management field grasslands are mowed every second year. It was assumed that in 10% of the nature management field grasslands, a crop with a financial value is harvested every year. The crop is reduced in quantity, and its quality is poorer than that of an ordinary grassland crop. The profit margin from nature management field grasslands is negative. The farmer loses the profit margin compared to using the arable land for cultivation. The loss of profit margin was not taken into account as a cost to ensure that no payment regarding the greening requirement is made under this operation. Based on the calculation, the environment payment for a nature management field grassland is at maximum EUR 120/ha/year.

#### 8.2.6.3.5.6. Eligibility conditions

**Beneficiary** (see also under "Beneficiaries"). The beneficiary must make an environment commitment under the environment payment scheme and comply with the conditions of the operation concerning balanced use of nutrients.

The eligible area is agricultural land (see also the section on "Type of support"). The operation will be targeted as follows:

A riparian zone must border on a water body, a main ditch or a wetland managed under an environment contract concerning the management of wetlands, or be located on an arable land parcel in a groundwater

area, a Natura 2000 area or a part of a coastal municipality regarded as archipelago in the target region.

Perennial environment grasslands must be located in arable parcels which have acid sulphate soil, peat or mull soil or which are found in groundwater areas. Environment grassland in acid sulphate soil may only be established in arable lands found to contain acid sulphate soils located in the area between the river basins of River Sirppujoki and the rivers discharging into Liminganlahti Bay, including these river basins.

Riparian zones and perennial environment grasslands may only be established during the first three years of the commitment. To prevent double payments, no payments under this measure can be made for ecological focus areas under the direct greening payments or grassland areas that entitle the farmer to exemption from the ecological focus area requirement. Payments for environment management grassland may not be paid for parcels declared as permanent grasslands.

#### 8.2.6.3.5.7. Principles with regard to the setting of selection criteria

No selection criteria will be introduced for this operation.

#### 8.2.6.3.5.8. (Applicable) amounts and support rates

The area set as the target is 140,000 ha.

The payments under this operation in the areas where the operation is implemented are EUR 500/ha/year for riparian zone grasslands located in the target region, and EUR 450/ha/year for riparian zone grasslands in other regions, EUR 50/ha/year for perennial environment grasslands, and EUR 120/ha/year for nature management field grasslands in the target region, and EUR 100/ha/year in other regions.

In the target region, the payments for a riparian zone exceed the maximum amounts referred to in Annex I of Regulation (EU) No 1305/2013. Under the Regulation, exceeding the maximum amount is possible for a justified reason. The increased payment level for riparian zones was estimated to be necessary to increase the number of riparian zones in an area with a particularly great need for such zones, while the costs incurred for implementing the measure are high due to the plant selection used in the predominantly arable farming in the area, the type of production of the farms and the crop potential of the fields. The maximum level of payment for riparian zones was calculated to be EUR 500/ha/year. If the level of payment is excessively low, there may be little interest in establishing riparian zones. This is believed to be a reason for the fact that in programming period 2007–2013, less than 60% of the targeted riparian zone areas were implemented. Riparian zones established on water bodies and main ditches have an important role in water protection in agriculture.

At maximum, the area of nature management field grasslands may account for a total of 20% of the eligible arable land area on the farm in the target region, and for 5% in other regions. At maximum, the area of nature management field grasslands and biodiversity fields may account for a total of 20% of the eligible arable land area on the farm in the target region, and for 15 % in other regions. No payments will be made for an area exceeding these rates.

The area for which annual payments are made for a riparian zone and perennial environment grassland may be increased during the first three years of the commitment. The operation must be implemented in the same parcel area annually from the time when the area has for the first time been declared as a riparian zone or a perennial environment grassland until the end of the commitment period. Annual variations in the area of the nature management field grassland are acceptable within the limits of the rates given in the section on "Eligibility conditions". A nature management field grassland must remain in the same area for at least two consecutive years.

#### 8.2.6.3.5.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.6.3.5.9.1. Risk(s) in the implementation of the measures

For the part of riparian zones, the risk of penalties is increased by the requirement of keeping the riparian zones in the same area throughout the commitment period. A riparian zone may also be established on a main ditch. However, no centralised and comprehensive official information is available on main ditches.

For the part of perennial environment grasslands, the risk of penalties is increased by the requirement of keeping the perennial environment grasslands in the same area throughout the commitment period. Preserving the same vegetation throughout the commitment period increases the number of weeds, which may expose farmers to penalties through the baseline requirements.

The parcels declared as nature management field grasslands do not need to be mown every year. This may have a negative impact on preserving the fields in good agricultural condition. The verifiability of the requirement by inspections is also undermined as there is no obligation to meet it annually.

Because of the restriction related to the maximum area of nature management field grasslands on each farm, in on-the-spot checks it is impossible to know which parcels are subject to the requirements concerning nature management field grasslands and which parcels are only subject to the baseline requirements, or the cross-compliance requirements. The requirement of preserving nature management field grasslands for two years will increase the level of errors.

##### 8.2.6.3.5.9.2. Mitigating actions

In an electronic application, the system gives an alert if a farmer has declared a parcel as a riparian zone or a perennial environment grassland the year before and now tries to declare it as something else. Administrative checks are also carried out to ensure that the area and the location remain the same throughout the commitment period.

Administrative checks are performed to verify that the riparian zone or the perennial environment grassland is located in a reference parcel that meets the eligibility conditions. In on-the-spot checks, in addition to verifying the surface area, management of the area in compliance with the conditions is also verified.

For nature management field grasslands, an administrative check is carried out to verify that the requirement of preserving the grassland for two years is met. In on-the-spot checks, in addition to verifying the surface area, the fact that the vegetation meets the requirements, that no fertilizers (excluding during establishment)

or plant protection products have been used on the parcels, that grazing has been implemented in compliance with the requirements, and that the crop has been terminated in compliance with the conditions is checked based on a field visit and parcel-specific records.

*8.2.6.3.5.9.3. Overall assessment of the measure*

Regardless of the risks relevant to the operation, it is adequately verifiable and controllable.

*8.2.6.3.5.10. Information specific to the operation*

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law.

For the mandatory requirements, see Table M10.11.

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Toimikohtainen perustason kuvaus toimenpiteessä 10, ympäristökorvaukset

Toimi: Ympäristönhoitonurmet

1	Perustaso asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukaan.	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukaiset perustason vaatimukset tarkemmin eriteltynä.	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukainen perustaso Suomessa toimelle Ympäristönhoitonurmet	Ympäristösitoumuksenlohkokohtainen toimi Ympäristönhoitonurmet. Toimen sisältö: Suojavyöhykkeen, luonnonhoitopeltonurmen tai monivuotisen ympäristönurmen perustaminen, säilyttäminen ja ehtojen mukaiset hoitotoimenpiteet.
2	(EU) N:o 1306/2013 VI osaston I luvun mukaisesti vahvistetut asiaa koskevat toimenpidevaatimukset	Lakisääteiset hoitovaatimukset: hoitovaatimus nro 1.	Nitraattiasetuksen 931/2000 (uusiutuu vuonna 2014) mukaan lannoitus on kielletty viisi metriä lähempänä vesistöä. Seuraavan viiden metrin vyöhykkeellä vesistöä lannan levitys on kielletty, ellei peltoa muokata vuorokauden kuluessa levityksestä. Sellaisilla peltolohkoon osilla, joiden kaltevuus on vähintään 15 %, lannan levitys on aina kielletty.	Ympäristönurmet-toimen mukaisilla suojavyöhykkeillä ja luonnonhoitopeltonurmilla vähäinen lannoitus on sallittua vain perustettaessa. Ympäristönhoitonurmien suojavyöhykkeeltä edellytetään ehtojen mukaista hoidettua monivuotista kasvipeitteisyyttä, mitä nitraattiasetus ei edellytä. (Toimessa on otettu ennakoivasti huomioon uuden asetuksen tiukentuva taso.)
3		Lakisääteiset hoitovaatimukset: hoitovaatimukset nro 2 ja 3	Suojelluilla maatalousmaalla ei saa heikentää tiettyjen lajien elinympäristöjä ja suojelupäätösten sisältämät velvoitteet on täytettävä. Osalle Natura 2000 -alueista ja muista suojelualueista on laadittu hoito- ja käyttösuunnitelma. Tällaiset suunnitelmat eivät kuitenkaan sisällä lakisääteistä vaatimusta, joka velvoittaisi maanomistajaa aktiiviseen hoitotyöhön ilman korvausta.	Toimen ehdot eivät ole ristiriidassa luonto- ja lintudirektiivin suojelutavoitteiden kanssa. Toimen ehdot ovat perustason säädöksiä tarkemmat.
4		Lakisääteiset hoitovaatimukset: hoitovaatimus nro 10	Kasvinsuojeluvälineiden käytössä on noudatettava valmistekohtaisen myyntipäällysteen merkintöjä ja varastoitava kasvinsuojeluvälineet oikein.	Toimen mukaisilla suojavyöhykkeillä ja luonnonhoitopeltonurmilla on kasvinsuojeluvälineiden käyttö kielletty.

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5	Hyvän maatalouden ja ympäristön vaatimukset: Valtioneuvoston asetus täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimuksista (x/201x). Vaatimuksia on tarkennettu aiemmasta ohjelmakaudesta vastaamaan horisontaalisen 1306/2013 vaatimuksia.	Vesistöjen varsilla olevalla maatalousmaalla on noudatettava horisontaalisen liitteessä II tarkoitettuina suojakaistoina maa- ja puutarhataloudesta peräisin olevien päästöjen rajoittamisesta annetun valtioneuvoston asetuksen (x/201x) [nitraattiasetus] x §:n x momentin mukaisia typpiannoitus- ja lannanlevityskieltoja. Vesistöjen ja valtaojien varsilla olevalla maatalousmaalla on pääsääntöisesti jätettävä vähintään 1 metrin levyinen, muokkaamaton piennar, jolle ei levitetä lannoitteita eikä kasvinsuojeluaineita. Viljeltyä peltoa ja pysyvien kasvien alaa on viljeltävä hyvän maatalouskäytännön mukaisesti paikkakunnan olosuhteet huomioon ottaen. Hyvän maatalouskäytännön osalta edellytyksenä on, että viljelty pelto ja pysyvien kasvien ala muokataan, lannoitetaan ja kylvetään tai istutetaan tarkoituksenmukaisella tavalla niin, että on mahdollista saada aikaan tasainen itäminen ja kasvusto. Viljeltävien kasvilajien ja -lajikkeiden on oltava alueelle soveltuvia. Kylvy tai istutus on tehtävä viimeistään 30 päivänä kesäkuuta. Viljelyn maatalousmaan kasvinsuojelusta on huolehdittava joko kasvivuorotuksen avulla, mekaanisesti, biologisesti tai kemiallisesti. Viljelijän on toimittava niin, että korjuu- ja markkinakelpoisen sadon tuottaminen on mahdollista. Jos maatalousmaalla ei korjata satoa, maatalousmaan tuottamasta kasvustosta on tarvittaessa huolehdittava niin, että maatalousmaalle on myös seuraavana vuonna mahdollista perustaa kasvusto tai tuottaa korjuu- ja markkinakelpoinen sato. Huikkakauran ja jättiputken leviäminen on estettävä. Kasvuston sängön poltto on sallittu ainoastaan, jos se on välttämätöntä kylvön toteutuksen, rikkakasvien, kasvitautien tai tuholaisten torjunnan kannalta. Maatilalla on noudatettava maataloustoiminnassa ympäristönsuojelulain (527/2014) 17 §:ssä sekä vesiympäristölle vaarallisista ja haitallisista aineista annetun valtioneuvoston asetuksen (1022/2006) 4 a §:ssä säädettyä päästökieltoa pohjaveteen.	Ympäristöhoitokurssien perustamisen, hoidon ja kasvuston säilyttämisen ehdot ovat hyvän maatalouden ja ympäristön yllä kuvattuja vaatimuksia tiukemmat: lannoitusrajoitusten, kasvi- ja eläinlääkitysten, hoitotoimien ja/tai monivuotisuuden suhteen. Toimeja ei voida toteuttaa pysyvä nurmea olevilla lohkoilla. (Vesistöt todetaan Suomen ympäristökeskuksen tuottaman ja ylläpidettävän uomaverkoston perusteella käyttäen rajana 10 km <sup>2</sup> :n valuma-alueen kokoa.)
6	Lannoitteiden ja kasvinsuojeluaineiden käyttöä koskevat vähimmäisvaatimukset	Lannoitevalmistelainsäädäntö. Maa- ja metsätalousministeriön lannoitevalmisteista koskevan asetuksen (24/11) mukaiset fosforilannoituksen enimmäiskäyttömäärät ovat 80 kg/ha/v ja puutarhakasveilla 120 kg/ha/v. Asetusta muutetaan syksyllä 2014. Uudet vähimmäisvaatimuksina käytettävät rajat tulevat olemaan 70 kg/ha/v ja puutarhakasveilla 115 kg/ha/v. Tyypin osalta ei ole muita lainsäädännön mukaisia vähimmäisvaatimuksia kuin ne vaatimukset, jotka jo kuuluvat täydentäviin ehtoihin nitraattiasetuksen perusteella.	Toimissa noudatetaan ympäristötoimikunnan tilakohtaisen toimien vähimmäisvaatimuksien mukaisia fosforinkäytön rajoituksia, jotka ovat perustasoa alemmat ja määräytyvät lohko- ja tilakohtaisesti viljelymaan viljavuuden perusteella. Ympäristönurmet -toimen mukaisilla suojavyöhykkeillä ja luonnonhoitopeltonurmillä on vähäinen lannoitus sallittu vain perustetussa.

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7	Kasvinsuojelulainsäädäntö	<p>Laki kasvinsuojeluvälineistä 1563/2011 ja maa- ja metsätalousministeriön asetus 7/2102.</p> <p>Kasvinsuojeluvälineitä on käytettävä asianmukaisesti havaitun tarpeen mukaan ja käyttöohjeita noudattaen ottaen ammattimaisessa käytössä huomioon integroidun torjunnan yleiset periaatteet. Lohkokirjanpitoon on merkittävä kasvinsuojeluvälineiden käytön kohde, käyttömäärät ja käytön syy.</p> <p>Maatilalla kasvinsuojeluvälineitä saa levittää vain henkilö, joka on suorittanut kasvinsuojeluvälineiden käyttöä koskevan kasvinsuojeluvälineistä annetun lain edellyttämän tutkinnon tai saanut oikeuden kyselyn tutkinnon järjestämiseen tai jolla ohjelmakauden 2007–2013 ympäristötuen mukaisen koulutuksen voimassaoloaika ei ole umpeutunut. Tutkinto on voimassa viisi vuotta. Maatilalla kasvinsuojeluvälineiden levitykseen käytettävä kasvinsuojeluväline on testattava siten kuin testauksesta säädetään laissa kasvinsuojeluvälineistä (1563/2011). Ammattimaisessa käytössä olevat traktorivälineet on testattava kertaalleen 26.11.2016 mennessä ja sen jälkeen joka viides vuosi. Jos levitysväline on aiemmin testattu ohjelmakauden 2007–2013 ympäristötuen edellyttämällä tavalla, välineitä ei tarvitse testata uudestaan ennen kuin viisi vuotta on kulunut testauksesta. Integroidulla torjunnalla tarkoitetaan kasvinsuojelumenetelmien käyttöä taloudellisesti ja ympäristön kannalta perustellusti siten, että vähennetään ihmisten terveydelle ja ympäristölle aiheutuvia riskejä. Integroidun torjunnan yleiset periaatteet edellyttävät tarpeenmukaista lannoitusta. IPM:n paikka-, aika- ja tapauskohtaisuuden takia Suomessa ei lueta IPM:n yleisiin periaatteisiin yksittäisiä vaadittavia toimenpiteitä.</p>	<p>Ympäristöhoitotöiden suojavyöhykkeillä ja luonnonhoitotöiden alueilla on kasvinsuojeluvälineiden käyttö pääsääntöisesti kielletty.</p> <p>Monivuotisilla ympäristötöillä ei ole perustasoa tarkempia vaatimuksia kasvinsuojelusta.</p>	
8	Asetuksen (EU) N:o 1307/2013 4 artiklan 1 kohdan c alakohdan ii ja iii alakohdan mukaisesti vahvistetut asiaa koskevat vaatimukset ja vähimmäistoimet	Maatalousmaan säilyttäminen	<p>Maatalousmaa on pidettävä avoimena, jotta se pysyy soveltamisasetuksen ((EU) N:o 639/2014) 4 artiklan 1 kohdassa tarkoitetussa kunnossa. Maatalousmaalla, peltoalaa lukuun ottamatta, voi olla tukiasetuksen ((EU) N:o 1307/2013) 4 artiklan 1 kohdan i alakohdan mukaisia taimitarhoja, hedelmäpuu- ja marjapensasaloja, 5 §:n 3 momentissa tarkoitettujen lyhytkiertoisien energiapuiden aloja sekä muita kuin edellä mainittuja puuvartisia kasveja enintään 5 §:n 4 momentissa tarkoitettu määrä.</p>	<p>Ympäristöhoitotöiden toimenpiteiden ehdot ylittävät säilyttämisvaatimuksen mukaisen tason. Korvausta ei voida maksaa alalle, jossa säilyttämisvaatimusta ei ole noudatettu.</p>
9	Muu lainsäädäntö	Ympäristösuojelun tilakohtainen toimi	<p>Ympäristökorvauksen ympäristösuojelun tilakohtainen toimi edellyttää 3 m suoja-aitaa vesistöjen varsilla sijaitsevilla pelloilla.</p>	<p>Toimessa on noudatettava tilakohtaisen toimenpiteen ehtoja.</p>

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10	Vesienhoitosuunnitelmat (Ohjelmavalmistelussa on ennakoivasti otettu huomioon maatalouden perus- ja lisätoimenpidevaatimukset, joita tullaan esittämään 2016 alkavalle suunnittelukaudelle)	Vesienhoidon ja merenhoidon järjestämisestä annetussa laissa (1299/2004, vesienhoitolaki) ja sen nojalla annetussa valtioneuvoston asetuksessa vesienhoidon järjestämisestä (1040/2006, vesienhoitoasetus) säädetään vesienhoitosuunnitelmien ja niiltä täydentävien toimenpideohjelmien laatisesta ja tavoitteista. Toimenpideohjelmassa on esitetty vesienhoidon ympäristötavoitteiden saavuttamiseksi tarvittavat perustoimenpiteet ja lisätoimenpiteet. Toiselle suunnittelukaudelle 2016-2020 on tulossa perustoimenpiteiksi nitraattiasetuksen mukaiset toimenpiteet, eläinsuojien ympäristölupien mukaiset toimenpiteet sekä täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimukset ja kasvinsuojelulainlainsäädännön mukaiset toimenpiteet.	Ympäristöhoitoonurmien mukaiset suojavyöhykkeet, luonnonhoitopeltonurmet ja monivuotiset ympäristönurmet eivät sisälly vesipuitelidirektiivin mukaisiin viljelijää velvoittaviin perustoimenpiteisiin.
11	Suorien tukien viherherryttämistuen päällekkäisen maksun estäminen.	Viherryttämistuen vastaavuutta eli ns. ekvivalenssia ei Suomessa oteta käyttöön. Pysyvän nurmen ja viljelyn monipuolistamisen vaatimuksia sovelletaan koko maan tasolla. Ekologisen alan vaatimuksessa sovelletaan ns. metsäisyyspoikkeusta. Ekologisen alan vaatimus koskee siten Uudenmaan, Varsinais-Suomen ja Ahvenanmaan maakuntia. Ekologisia aloja ovat: kesantoalat, typensitojakasvien alat, lyhytkiertoisien energiapuun alat, täydentävien ehtojen mukaisten maisemapilriteiden alat.	Koska Suomi ei sovelle ns. vastaavuutta, viherherryttämistuen vaatimukset on toteutettava tiloilla viherherryttämistuen ehtojen mukaisina. Jos viljelijä on vapautettu viherherryttämistuen ekologisen alan vaatimuksesta siksi, että hänen tilansa peltoalasta yli 75 % on nurmea tai kesantoa, viljelijälle ei makseta ympäristökorvausta monivuotisista ympäristönurmista tai luonnonhoitopeltonurmista. Toimesta ei voida maksaa korvausta pysyvänä nurmena ilmoitetuille lohikoille. Toimen toteutuksesta voidaan maksaa tiloille, jotka ovat saaneet vapautuksen ekologisen alan vaatimuksesta metsäisyyspoikkeuksen perusteella.

Table M10.11 Baseline Environment management grasslands\_Page\_4

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution. The minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application equipment and rules on pesticide use close to water and other sensitive sites, as established by national legislation.

See Table M10.11 for the baseline requirements.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion



Not applicable to this operation.

Description of the methodology and of the agronomic assumptions and parameters (including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment) used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation.

For the definition of the payment levels, see the section "Eligible costs". For the basic premises for defining the general payment levels for the measure concerning environment payments, see the subsection on payment level calculations in section 8.2.M10.f, which also includes operation-specific calculations.

#### 8.2.6.3.6. 07 Plant cover on arable land in winter

Sub-measure:

- 10.1 – payments for agri-environment-climate commitments

##### 8.2.6.3.6.1. Description of the type of operation

Objective of the operation:

This is a parcel-specific operation of the environment commitment to promote the control of runoff waters. The purpose of the operation is to minimise the surface area of arable area that lies ploughed in winter by creating a scheme with sufficient incentive where payments are based on the realised area of plant cover. In a scheme that allows flexibility from year to year, the farmer can follow a sensible rotation of cultivation in arable lands. The objective is to protect the surface layer of arable land from the erosive impact caused by rain, melting and run-off waters especially in mild winters. The operation increases the organic matter content in the topsoil of arable land, which decreases the topsoil's susceptibility to silting. The operation reduces soil erosion, nutrient leaching and carbon dioxide emissions caused by arable farming, improves soil structure through the accumulation of organic matter and the intensification of the soil's micro-organism activity, and enhances biodiversity. Plant cover in winter makes it easier for wild animals to survive over the winter and, in particular, favours birds living in an agricultural environment.

The operation is implemented in all parts of the country, but the requirements are more stringent in the target region for plant cover in winter (Figure M10.3). The quantitative objective is to keep up the favourable situation reached in terms of plant cover in winter and steer the type of plant cover used towards real plant cover (growing plants or stubble) in the target region.

Actions contained in the operation:

The farmer must maintain plant cover in an acceptable manner on 20% of the total surface area of the eligible reference parcels of the farm. A farmer may increase the annual area covered by plants to exceed 20% by declaring it to the administration, and the share exceeding the minimum of 20% to be declared separately may vary from one year to another. Payments are made in the target region if there is plant cover on at least 20%, 40%, 60% or 80% of the eligible parcels on the farm. In other regions, payments are made if there is plant cover on at least 20%, 40% or 60% of the eligible parcels on the farm. The minimum share of the area (20%) under plant cover may be implemented by reduced tillage.

The following parcels under real plant cover meet the requirement for acceptable plant cover:

- perennial cultivated grassland and annual grassland and reed canary grass maintained over the winter,
- perennial horticulture plants (incl. caraway)
- stubble of cereals, oilseed crops, buckwheat, seed spices and fibre flax as well as broad bean, pea and lupin stubble and direct sowing into stubble
- cultivation of catch crops if vegetation is maintained until the following spring
- autumn-sown cereals and oilseed crops such as winter rye, triticale, winter wheat and spelt, winter turnip rape and winter oilseed rape and other autumn-sown plants, and flax and hemp harvested in

the spring

The requirement of plant cover can also be acceptably met by areas declared as fallow where a winter cereal or a winter oilseed crop has been sown or that are covered by grass or the aforementioned stubble. However, payments for plant cover on arable land in winter will not be made for a fallow area of this type.

In the target region, the requirement concerning a minimum area with plant cover of 20% can also be met by reduced autumn stubble tillage on parcels under cereals, oilseed crops, buckwheat, seed spices, fibre flax and broad bean if the tillage is done by a single drive using a cultivator, a disc harrow, a flexible spike harrow, a rotary harrow or a rotary spade harrow. In other regions, reduced tillage can be used to fulfil the condition concerning plant cover in winter up to all percentage shares.

The requirement of plant cover can also be met by riparian zones and perennial environment grassland under an environment contract, nature management field grassland and biodiversity fields and covered parcels of perennial horticulture plants, as well as contracts concerning riparian zones, areas under long-term contracts concerning grass cultivation on peatland, or contracts concerning intensified reduction of nutrient loading going back to previous programming periods if the contracts concern arable land areas but no payment for plant cover in winter is paid for these areas.

Figure M10.3. Target region for plant cover on arable land in winter

Talviaikaisen kasvipeitteisyyden kohdentamisalue.

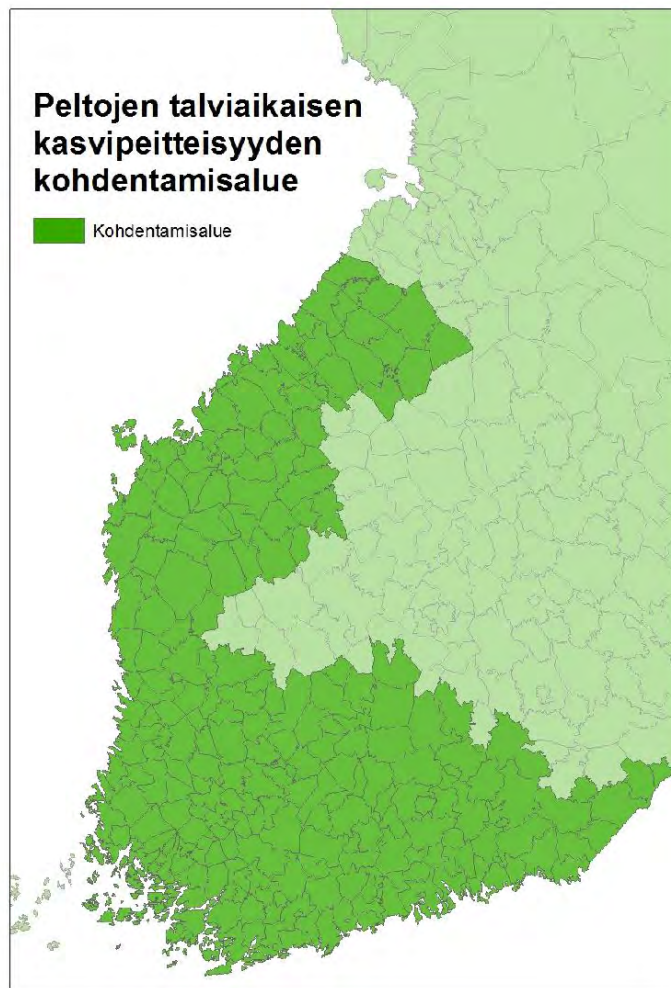


Figure M10.3. Target region for plant cover on arable land in winter

#### 8.2.6.3.6.2. Type of support

While the commitment is valid, the payment will be made as EUR/ha/year for the eligible area declared as having plant cover by the beneficiary during the period of validity of the commitment as described in section 8.1, accounting for the restrictions described in the section "Eligibility conditions".

#### 8.2.6.3.6.3. Links to other legislation

National regulations applicable to the measure: The Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on environment payments (xx/201x), and the Ministry of Agriculture and Forestry Decree on environment payments (xx/201x). This Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree contains provisions on the general implementation of the parcel-specific operation, the target regions, eligible areas, the baseline level and minimum requirements as well as the levels of payment and payment procedures as described in the programme. The Ministry of Agriculture and Forestry Decree provides practical details concerning various types of acceptable plant cover and reduced tillage and coordination of areas managed in accordance with the rules of previous programming periods.

The Government Decree on the requirements of good agricultural and environmental condition in the cross-compliance conditions (xx/201x) and the Government Decree on statutory management requirements in the cross-compliance conditions and the supervision of compliance with the cross-compliance conditions (xx/201x). For the contents of the decrees that concern cross-compliance, see section 8.1.

#### 8.2.6.3.6.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.6.3.6.5. Eligible costs

In the calculations of plant cover, the starting point is that the requirement of plant cover on arable land in winter can be met with an overwintering plant, plant stubble or reduced tillage in the target region, and with reduced tillage outside the target region. In the operation concerning plant cover on arable land in winter, costs are for example incurred for the slower drying of untilled fields in the spring, which delays sowing. This forces some farmers to replace species requiring a long growing season (e.g. wheat) by plants with a shorter growing season (e.g. barley), reducing the crop yield. If the delay is shorter, farmers need to replace a plant variety with an earlier variety, resulting in crop losses. Similarly, the later sowing in spring will delay harvesting in autumn, increasing the drying costs. Varieties with a shorter growing period and a smaller yield potential require less fertilisation, which was taken into account in the calculation. In the target region, four different implementation rates can be selected for this operation, and outside the target region,

three rates. Based on the calculation, the payment may be EUR 4-54/ha in the target region, and EUR 4-11/ha outside the target region depending on the percentage of arable land with plant cover. The full inclusion of transaction costs is justified because the contents of the operation have changed since the previous programming period.

#### 8.2.6.3.6.6. Eligibility conditions

Beneficiary (see also under "Beneficiaries"): The beneficiary must make an environment commitment under the environment payment scheme and comply with the conditions of the operation concerning balanced use of nutrients.

The eligible area is agricultural land (see also the section on "Type of support").

To prevent double payments, no payments under this measure can be made for ecological focus area under the direct greening payment.

Payments for plant cover in winter are not made for parcels that are covered with plants due to another environment payment measure, under conditions of the earlier agri-environment scheme or due to conditions in other payment schemes. These include:

- arable parcels declared as riparian zones under an environment commitment, perennial environment grassland, nature management field grassland, grass for green manure, biodiversity field or using cover for horticulture plants and seed potato,
- arable parcels under a contract going back to previous programming periods concerning intensified reduction of nutrient loading, establishment and management of a riparian zone or long-term grass cultivation on peatland fields, or
- parcels declared as fallow.

Payments for plant cover in winter are also not made to farms whose arable land areas are covered due to conditions under other support schemes relating to the use of arable areas and range of plant species. These include arable parcels on farms that have been exempted from obligations related to crop diversification under Article 44(3) sub-paragraph a or b of Regulation 1307/2013, or from the requirement of ecological focus area under Article 4 of Regulation 1307/2013.

#### 8.2.6.3.6.7. Principles with regard to the setting of selection criteria

No selection criteria will be introduced for this operation.

8.2.6.3.6.8. (Applicable) amounts and support rates

The target area is 880,000 hectares in the target region for plant cover on arable land in winter, and 420,000 hectares in other regions, at the end of the programming period.

Fixed support levels per hectare were calculated for the different percentage shares. Support rates paid for the operation (EUR/ha/year) for the eligible area of the farm based on the share of area covered with plants are:

When the area with plant cover is 20%, the payment is EUR 4/ha.

When the area with plant cover is 40%, the payment is EUR 18/ha in the target region and EUR 9/ha in other regions.

When the area with plant cover is 60 %, the payment is EUR 36/ha in the target region and EUR 11/ha in other regions.

When the area with plant cover is 80%, the payment is EUR 54/ha in the target region.

A beneficiary who has made a commitment concerning this operation must have at minimum 20% of area with plant cover in winter. Any share exceeding the minimum percentage may vary annually.

8.2.6.3.6.9. Verifiability and controllability of the measures and/or types of operations

8.2.6.3.6.9.1. *Risk(s) in the implementation of the measures*

The annual weather conditions have a major impact on the verifiability of the operation. The window for controlling the operation may be reduced to a few weeks only, depending on the length of the winter and, in particular, the amount of snow cover. It is possible that there will be no time to carry out checks on the number of farms required in the regulations before the spring tillage begins.

8.2.6.3.6.9.2. *Mitigating actions*

An administrative check will be performed to verify that the annual minimum area of 20% is met. It will be necessary to carry out the majority of the verifications as separate checks of plant cover, as most of the on-the-spot checks will have taken place before the end of the growing season. Checks performed outside the growing season are carried out to verify compliance with the plant cover rate declared by the farmer and to control that the form of plant cover is as stated in the conditions and the report (reduced tillage or genuine plant cover). The possibility of using remote sensing technology in the control of plant cover is also being investigated.

### 8.2.6.3.6.9.3. Overall assessment of the measure

Regardless of the risks relevant to the operation, it is adequately verifiable and controllable.

### 8.2.6.3.6.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law.

For the baseline requirements, see Table 10.12.

Toimikohtainen perustason kuvaus toimenpiteessä 10, ympäristökorvaukset

Toimi: Peltojen talviaikainen kasvipeitteisyys

1	Perustaso-asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukaan.	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukaiset perustason vaatimukset tarkemmin eriteltynä.	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukainen perustaso Suomessa toimelle: Peltojen talviaikainen kasvipeitteisyys	Ympäristösitoumuksen lohkokohtainen toimi: Peltojen talviaikainen kasvipeitteisyys. Toimen sisältö: Vaatimus peltojen talviaikaisesta kasvipeitteisyydestä. Minimivaatimus 20 % tukikelpoisesta alasta, ylittävä osuus voi vuosittain valhdella kohdenamisalueella 80 %:iin asti ja sen ulkopuolella 60 %:iin asti. Kohdentamisalueella vaatimuksena aito kasvipeitte 20 %:in ylittävän alan osalta.
2	(EU) N:o 1306/2013 VI osaston I luvun mukaisesti vahvistetut asiaa koskevat toimenpidevaatimukset	Lakisääteiset hoitovaatimukset: hoitovaatimus nro 1.	Nitraattiasetuksessa ei ole talviaikaiseen kasvipeitteisyyteen liittyviä ehtoja.	Toimessa ei ole lannoitukseen liittyviä ehtoja.
3		Lakisääteiset hoitovaatimukset: hoitovaatimukset nro 2 ja 3	Suojeluilla maatalousmaalla ei saa heikentää tiettyjen lajien elinympäristöjä ja suojelupäätösten sisältämät velvoitteet on täytettävä. Osalle Natura 2000 -alueista ja muista suojelualueista on laadittu hoito- ja käyttösuunnitelma. Tällaiset suunnitelmat eivät kuitenkaan sisällä lakisääteistä vaatimusta, joka velvoittaisi maanomistajaa aktiiviseen hoitotyöhön ilman korvausta.	Toimen ehdot eivät ole ristiriidassa luonto- ja lintudirektiivin suojelutavoitteiden kanssa. Toimen ehdot ovat perustason säädöksiä tarkemmat.
4		Lakisääteiset hoitovaatimukset: hoitovaatimus nro 10	Kasvinsuojeluaineiden käytössä on noudatettava valmistekohtaisen myyntipäällysteen merkintöjä ja varastoitava kasvinsuojeluaineet oikein.	Toimessa ei ole kasvinsuojelun perustasoon liittyviä tarkempia ehtoja.

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5	<p>Hyvän maatalouden ja ympäristön vaatimukset: Valtioneuvoston asetus täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimuksista (x/201x). Vaatimuksia on tarkennettu aiemmasta ohjelmakaudesta vastaamaan horisontaalisen 1306/2013 vaatimuksia.</p>	<p>Vesistöjen varsilla olevalla maatalousmaalla on noudatettava horisontaalisen liitteessä II tarkoitettuina suojakaistoina maa- ja puutarhataloudessa peräisin olevien päästöjen rajoittamisesta annetun valtioneuvoston asetuksen (x/201x) (nitraattiasetus) x§:n x momentin mukaisia typpilannoitus- ja lannanlevityskieltoja. Vesistöjen ja valtaojien varsilla olevalla maatalousmaalla on pääsääntöisesti jätettävä vähintään 1 metrin levyinen, muokkaamaton piennar, jolle ei levitetä lannoitteita eikä kasvinsuojeluaineita. Viljeltyä peltoa ja pysyvien kasvien alaa on viljeltävä hyvän maatalouskäytännön mukaisesti paikkakunnan olosuhteet huomioon ottaen. Hyvän maatalouskäytännön osalta edellytyksenä on, että viljelty pelto ja pysyvien kasvien ala muokataan, lannoitetaan ja kylvetään tai istutetaan tarkoituksenmukaisella tavalla niin, että on mahdollista saada aikaan tasainen itäminen ja kasvusto. Viljeltävien kasvilajien ja -lajikkeiden on oltava alueelle soveltuvia. Kylvy tai istutus on tehtävä viimeistään 30 päivänä kesäkuuta. Pysyviä nurmia ja pysyviä laitumia voidaan lannoittaa ja laiduntaa tarkoituksenmukaisella tavalla. Tarvittaessa niiden kasvuston voi uusia muokkaamalla ja kylvämällä heinä- ja nurmirehukasvien siemenillä. Jos pysyvää laidunta käytetään laidunnukseen, siitä ei saa aiheutua maaperän eroosiota ja maanpinnan on säilyttävä kasvipeitteisenä. Pysyvien nurmien ja pysyvien laitumien niiton ajankohdassa ja toteuttamisessa on otettava huomioon luonnonvaraisten lintujen ja nisäkkäiden suojelu. [Viljelijä voi hyödyntää niittojätteen. Niittojäte voidaan myös jättää korjaamatta pois pysyvältä laitumelta.] Viljellyn maatalousmaan kasvinsuojelusta on huolehdittava joko kasvinvuorotuksen avulla, mekaanisesti, biologisesti tai kemiallisesti. Viljelijän on toimittava niin, että korjuu- ja markkinakelpoisen sadon tuottaminen on mahdollista. Jos maatalousmaalla ei korjata satoa, maatalousmaan tuottamasta kasvustosta on tarvittaessa huolehdittava niin, että maatalousmaalle on myös seuraavana vuonna mahdollista perustaa kasvusto tai tuottaa korjuu- ja markkinakelpoinen sato. Hukkakauran ja jättiputken leviäminen on estettävä. Kasvuston sängin poltto on sallittu ainoastaan, jos se on välttämätöntä kylvön toteutuksen, rikkakasvien, kasvitautien tai tuholaisien torjunnan kannalta. Maatilalla on noudatettava maataloustoiminnassa ympäristönsuojelulain (527/2014) 17 §:ssä sekä vesiympäristölle vaarallisista ja haitallisista aineista annetun valtioneuvoston asetuksen (1022/2006) 4 a §:ssä säädettyä päästökieltoa pohjaveteen.</p>	<p>Toimen mukaiset peltojen talviaikaisen kasvipeitteisyyden ehdot eivät sisälly hyvän maatalouden ja ympäristön vaatimuksiin. Pysyvien nurmien alalla voidaan täyttää 20 % vähimmäisvaatimusta, mutta niistä ei voi maksaa toimen mukaista korvausta.</p>
6	<p>Lannoitteiden ja kasvinsuojeluaineiden käyttöä koskevat vähimmäisvaatimukset</p>	<p>Lannoitevalmistelainsäädäntö.</p> <p>Maa- ja metsätalousministeriön lannoitevalmisteita koskevan asetuksen (24/11) mukaiset fosforilannoituksen enimmäiskäyttömäärät ovat 80 kg/ha/v ja puutarhakasveilla 120 kg/ha/v. Asetusta muutetaan syksyllä 2014. Uudet vähimmäisvaatimuksina käytettävät rajat tulevat olemaan 70 kg/ha/v ja puutarhakasveilla 115 kg/ha/v. Tyypin osalta ei ole muita lainsäädännön mukaisia vähimmäisvaatimuksia kuin ne vaatimukset, jotka jo kuuluvat täydentäviin ehtoihin nitraattiasetuksen perusteella.</p>	<p>Toimessa ei ole lannoitukseen liittyviä perustasoa tarkempia ehtoja.</p>

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7	Kasvinsuojelulainensäädäntö	Laki kasvinsuojelulainesta 1563/2011 ja maa- ja metsätalousministeriön asetus 7/2102. Kasvinsuojelulainesta on käytettävä asianmukaisesti havaitun tarpeen mukaan ja käyttöohjeita noudattaen ottaen huomioon integroidun torjunnan yleiset periaatteet. Lohkokirjanpitoon on merkittävä kasvinsuojelulainien käytön kohde, käyttömäärät ja käytön syy. Maatilalla kasvinsuojelulainesta saa levittää vain henkilö, joka on suorittanut kasvinsuojelulainien käyttöä koskevan kasvinsuojelulainesta annetun lain edellyttämän tutkinnon tai saanut oikeuden kyseisen tutkinnon järjestämiseen tai jolla ohjelmakauden 2007–2013 ympäristötuen mukaisen koulutuksen voimassaoloaika ei ole umpeutunut. Tutkinto on voimassa viisi vuotta. Maatilalla kasvinsuojelulainien levitykseen käytettävä kasvinsuojeluruisku on testattava siten kuin testauksesta säädetään laissa kasvinsuojelulainesta (1563/2011). Ammattimaisessa käytössä olevat traktoriruisut on testattava kertaalleen 26.11.2016 mennessä ja sen jälkeen joka viides vuosi. Jos levitysväline on aiemmin testattu ohjelmakauden 2007–2013 ympäristötuen edellyttämällä tavalla, välineitä ei tarvitse testata uudelleen ennen kuin viisi vuotta on kulunut testauksesta. Integroidulla torjunnalla tarkoitetaan kasvinsuojelumenetelmien käyttöä taloudellisesti ja ympäristön kannalta perustellusti siten, että vähennetään ihmisten terveydelle ja ympäristölle aiheutuvia riskejä. Integroidun torjunnan yleiset periaatteet edellyttävät tarpeenmukaista lannoitusta. IPM:n paikka-, aika- ja tapauskohtaisuuden takia Suomessa ei lueta IPM:n yleisiin periaatteisiin yksittäisiä vaadittavia toimenpiteitä.	Toimessa ei ole kasvinsuojeluun liittyviä ehtoja. Talviaikainen kasviesteisyys voi lisätä kemiallisen kasvinsuojelun tarvetta. Siksi toimessa sallitaan talvella kasviesteisen alan vaihtelu vuosittain, jotta myös muokkausta on mahdollista soveltaa yhtenä IPM:n mukaisena torjuntakeinona.	
8	Asetuksen (EU) N:o 1307/2013 4 artiklan 1 kohdan c alakohdan ii ja iii alakohdan mukaisesti vahvistetut asiat koskevat vaatimukset ja vähimmäistoimet	Maatalousmaan säilyttäminen	Maatalousmaa on pidettävä avoimena, jotta se pysyy soveltamisasetuksen ((EU) N:o 639/2014) 4 artiklan 1 kohdassa tarkoitetussa kunnossa. Maatalousmaalla, peltoalaa lukuun ottamatta, voi olla tukiasetuksen ((EU) N:o 1307/2013) 4 artiklan 1 kohdan j alakohdan mukaisia taimitarhoja, hedelmäpuu- ja marjapensasaloja, 5 §:n 3 momentissa tarkoitettujen lyhytkiertoisien energiapuiden aloja sekä muita kuin edellä mainittuja puuvartisia kasveja enintään 5 §:n 4 momentissa tarkoitettu määrä.	Toimen ehdot eivät liity maatalousmaan säilyttämiseen. Korvausta ei voida maksaa alalle, jossa säilyttämisvaatimusta ei ole noudatettu.
9	Muu lainsäädäntö	Ympäristöstoumuksen tilakohtainen toimi	Ympäristökorvauksen ympäristöstoumuksen tilakohtainen toimi edellyttää 3 m suojakaistaa vesistöjen varsilla sijaitsevilla pelloilla.	Toimessa on noudatettava tilakohtaisen toimen ehtoja.
10	Vesienhoitosuunnitelmat (Ohjelmavalmistelussa on ennakoitavasti otettu huomioon maatalouden perus- ja lisätoimenpidevaatimukset, joita tullaan esittämään 2016 alkuun alkaen suunnittelukaudelle)	Vesienhoidon ja merenhoidon järjestämisestä annetussa laissa (1299/2004, vesienhoitolaki) ja sen nojalla annetussa valtioneuvoston asetuksessa vesienhoidon järjestämisestä (1040/2006, vesienhoitoasetus) säädetään vesienhoitosuunnitelmien ja niitä täydentävien toimenpideohjelmien laatimisesta ja tavoitteista. Toimenpideohjelmassa on esitetty vesienhoidon ympäristötavoitteiden saavuttamiseksi tarvittavat perustoimenpiteet ja lisätoimenpiteet. Toiselle suunnittelukaudelle 2016–2020 on tulossa perustoimenpiteiksi nitraattiasetuksen mukaiset toimenpiteet, eläinsuojien ympäristöluopien mukaiset toimenpiteet sekä täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimukset ja kasvinsuojelulainsäädännön mukaiset toimenpiteet.	Peltojen talviaikainen kasviesteisyys ei sisällä vesipuitteiden mukaisiin viljelijää velvoittaviin perustoimenpiteisiin.	

Table M10.12 Plant cover on arable land in winter\_Page\_3

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10	Vesienhoitosuunnitelmat (Ohjelmavalmistelussa on ennakoivasti otettu huomioon maatalouden perus- ja lisätoimenpidevaatimukset, joita tullaan esittämään 2016 alkavalle suunnittelukaudelle)	Vesienhoidon ja merenhoidon järjestämisestä annetussa laissa (1299/2004, vesienhoitolaki) ja sen nojalla annetussa valtioneuvoston asetuksessa vesienhoidon järjestämisestä (1040/2006, vesienhoitoasetus) säädetään vesienhoitosuunnitelmien ja niiltä täydentävien toimenpideohjelmien laatisesta ja tavoitteista. Toimenpideohjelmassa on esitetty vesienhoidon ympäristötavoitteiden saavuttamiseksi tarvittavat perustoimenpiteet ja lisätoimenpiteet. Toiselle suunnittelukaudelle 2016 on tulossa perustoimenpiteiksi nitraattiasetuksen mukaiset toimenpiteet, eläinsuojien ympäristölupien mukaiset toimenpiteet sekä täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimukset ja kasvinsuojelulainalaisäädännön mukaiset toimenpiteet.	Ympäristöhoitoturmien mukaiset suojavyöhykkeet, luonnonhoitopeltonurmet ja monivuotiset ympäristönurmet eivät sisälly vesipuitelidirektiivin mukaisiin viljelijää velvoittaviin perustoimenpiteisiin.
11	Suorien tukien viherherryttämistuen päällekkäisen maksun estäminen.	Viherryttämistuen vastaavuutta eli ns. ekvivalenssia ei Suomessa oteta käyttöön. Pysyvän nurmen ja viljelyn monipuolistamisen vaatimuksia sovelletaan koko maan tasolla. Ekologisen alan vaatimuksessa sovelletaan ns. metsäisyyspoikkeusta. Ekologisen alan vaatimus koskee siten Uudenmaan, Varsinais-Suomen ja Ahvenanmaan maakuntia. Ekologisia aloja ovat: kesantoalat, typensitojakasvien alat, lyhytkiertoisien energiapuun alat, täydentävien ehtojen mukaisten maisemapilareiden alat.	Koska Suomi ei sovelle ns. vastaavuutta, viherherryttämistuen vaatimukset on toteutettava tiloilla viherherryttämistuen ehtojen mukaisina. Jos viljelijä on vapautettu viherherryttämistuen ekologisen alan vaatimuksesta siksi, että hänen tilansa peltoalasta yli 75 % on nurmea tai kesantoa, viljelijälle ei makseta ympäristökorvausta monivuotisista ympäristönurmista tai luonnonhoitopeltonurmista. Toimesta ei voida maksaa korvausta pysyvänä nurmena ilmoitetuille lohikoille. Toimen toteutuksesta voidaan maksaa tiloille, jotka ovat saaneet vapautuksen ekologisen alan vaatimuksesta metsäisyyspoikkeuksen perusteella.

Table M10.12 Plant cover on arable land in winter\_Page\_4

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution. The minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application equipment and rules on pesticide use close to water and other sensitive sites, as established by national legislation.

See Table M10.12 for the baseline requirements.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable to this operation.

*Unofficial translation*

Description of the methodology and of the agronomic assumptions and parameters (including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment) used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation.

For the definition of the payment levels, see the section "Eligible costs". For the basic premises for defining the general payment levels for the measure concerning environment payments, see the subsection on payment level calculations in section 8.2.M10.f, which also includes operation-specific calculations.

#### 8.2.6.3.7. 08 Use of organic cover for horticulture plants and seed potato

Sub-measure:

- 10.1 – payments for agri-environment-climate commitments

##### 8.2.6.3.7.1. Description of the type of operation

Objective of the operation:

This is a parcel-specific operation of the environment commitment to promote the control of runoff waters. The objective of the operation is to reduce the need to use herbicides and fungicides, irrigation and nutrient leaching. Organic cover increases organic matter in the soil. Using organic cover reduces the erosion of soil surface and nutrient leaching to water bodies and groundwater.

Actions contained in the operation:

The farmer undertakes a commitment to use cover on the rows of annual horticulture plants and on the rows, or between the rows, of perennial plants in the area the farm declared as being included in the operation.

For rows of annual horticulture plants, the soil surface must be covered with straw, wood chips, chopped grass, biodegradable plastic film, cover paper or other organic matter with no harmful impacts on the soil.

In the production area of certified seed potatoes, the rows and soil between the rows must be covered with straw. The cover may not compromise the quality of the arable land.

For perennial plants, the soil surface of the rows must be covered with straw, chips, chopped grass, biodegradable plastic film or other organic matter, cover paper or grass cover that can be cut. Soil between the rows must be covered either with grass cover that can be cut or other organic matter with no harmful impacts on the soil. The whole parcel may be covered, or just the rows or the soil between the rows.

The surface area of the covered parcels may vary from one year to another according to the cultivation situation. Payments are made for parcels which the farmer declares as being covered in the payment application.

##### 8.2.6.3.7.2. Type of support

The payment will be made as EUR/ha/year for the eligible covered area of horticulture plants and certified seed potato during the period of validity of the commitment as described in section 8.1, accounting for the restrictions described in the section "Eligibility conditions".

#### 8.2.6.3.7.3. Links to other legislation

National regulations applicable to the measure: The Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on environment payments (xx/201x), and the Ministry of Agriculture and Forestry Decree on environment payments (xx/201x). This Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree contains provisions on the general implementation of the parcel-specific operation, the eligible area and the conditions applicable to areas under seed potato, the baseline level and minimum requirements, as well as the levels of payment and payment procedures as described in the programme. The Ministry of Agriculture and Forestry Decree provides practical details concerning various types of plants and the obligation to declare covered areas to the Agency for Rural Affairs.

The Government Decree on the requirements of good agricultural and environmental condition in the cross-compliance conditions (xx/201x) and the Government Decree on statutory management requirements in the cross-compliance conditions and the supervision of compliance with the cross-compliance conditions (xx/201x). For the contents of the decrees that concern cross-compliance, see section 8.1.

#### 8.2.6.3.7.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.6.3.7.5. Eligible costs

Annual horticulture plans and seed potatoes (group 1): In the calculation of costs incurred for using organic cover, the use of various cover types was compared with the costs of production where integrated control is used for annual horticulture plants. The yield levels are expected to remain the same with both cultivation methods. As costs were taken into account various costs of labour and machinery costs, cost of cover material and any other separate costs (e.g. the need for additional fertiliser when using organic cover). The payment amount based on the calculation including transaction costs is EUR 378/ha. The yield levels are expected to remain the same with all cultivation methods.

Perennial plants (group 2): In the calculation of costs incurred for using organic cover for perennial horticulture plants, the use of various cover types was compared with the costs of production where integrated control is used. The yield levels are expected to remain the same with both cultivation methods. As costs were taken into account various costs of labour and machinery costs, cost of cover material and any other separate costs (e.g. the need for additional fertiliser when using organic cover). The payment amount based on the calculation including transaction costs is EUR 511/ha.

#### 8.2.6.3.7.6. Eligibility conditions

Beneficiary (see also under "Beneficiaries"): The beneficiary must make an environment commitment under the environment payment scheme and comply with the conditions of the operation concerning balanced use of nutrients.

The eligible area is agricultural land (see also the section on "Type of support"). Payments can be made for parcels under horticulture plants and parcels under certified seed potatoes where the implementation of the operation is possible. The operation cannot be selected for caraway. The parcels where the operation is implemented are declared in the support application. The declaration must state whether the rows or the soil between the rows is covered. The surface area of the parcels may vary from one year to another according to the cultivation situation, but each year at least one parcel must be under a plant for which cover is required. Payments can only be made for the cultivation area of plants for which cover is used.

To prevent double payments, the covered area under perennial horticulture plants may be included in the minimum requirements for plant cover in winter, but no payment for plant cover in winter is made for it.

#### 8.2.6.3.7.7. Principles with regard to the setting of selection criteria

No selection criteria will be introduced for this operation.

#### 8.2.6.3.7.8. (Applicable) amounts and support rates

The area set as the target is 5,000 ha.

The payment is EUR 300/ha/year for perennial horticulture plants and seed potatoes.

The payment is EUR 500/ha/year for annual horticulture plants.

The surface area for which payments are made may vary from one year to another within the limits of the environment commitment, but each year at least one parcel must be under a plant for which the cover is required.

#### 8.2.6.3.7.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.6.3.7.9.1. Risk(s) in the implementation of the measures

The minimum requirement under this operation is covering one parcel every year. An annual administrative check is required to verify fulfilment of the minimum requirement. If the minimum requirement is not met, this may result in significant repayments of support paid in previous years.

Verifying the adequacy of cover quantities and the use of cover is difficult in on-the-spot checks if the requirements are not specified with adequate accuracy in the payment conditions.

**8.2.6.3.7.9.2. Mitigating actions**

A message highlighting the need to meet the requirement of covering one parcel every year will be incorporated in the electronic application system. An administrative check will be carried out to verify that at least one parcel under horticulture plants or certified seed potato is covered in compliance with the requirements every year. In on-the-spot checks, in addition to verifying the surface areas declared for the operation, the cover material used for rows and/or spaces between the rows and the preservation of the cover for the time period required in the conditions are checked based on a field visit and parcel-specific records.

**8.2.6.3.7.9.3. Overall assessment of the measure**

Regardless of the risks relevant to the operation, it is adequately verifiable and controllable.

**8.2.6.3.7.10. Information specific to the operation**

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law.

For baseline requirements, see Table M10.13.



Unofficial translation

Toimikohtainen perustason kuvaus toimenpiteessä 10, ympäristökorvaukset

Toimi: Orgaanisen katteen käyttö puutarhakasveilla ja siemenperunalla

1	Perustaso asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukaan.	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukaiset perustason vaatimukset tarkemmin eriteltyinä.	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukainen perustaso Suomessa toimelle Orgaanisen katteen käyttö puutarhakasveilla ja siemenperunalla	Ympäristösitoumuksen lohkokohtainen toimi Orgaanisen katteen käyttö puutarhakasveilla ja siemenperunalla. Toimen sisältö: Orgaanisen katteen käyttäminen ehtojen mukaisesti puutarhakasveilla ja siemenperunalla.
2	(EU) N:o 1306/2013 VI osaston I luvun mukaisesti vahvistetut asiaa koskevat toimenpidevaatimukset	Lakisääteiset hoitovaatimukset: hoitovaatimus nro 1.	Nitraattiasetuksessa ei ole kattamiseen liittyviä ehtoja.	Toimessa ei ole lannoitukseen liittyviä ehtoja.
3		Lakisääteiset hoitovaatimukset: hoitovaatimukset nro 2 ja 3	Suojellulla maatalousmaalla ei saa heikentää tiettyjen lajien elinympäristöjä ja suojelupäätösten sisältämät velvoitteet on täytettävä. Osalle Natura 2000 -alueista ja muista suojelualueista on laadittu hoito- ja käyttösuunnitelma. Tällaiset suunnitelmat eivät kuitenkaan sisällä lakisääteistä vaatimusta, joka velvoittaisi maanomistajaa aktiiviseen hoitotyöhön ilman korvausta.	Toimen ehdot eivät ole ristiriidassa luonto- ja lintudirektiivin suojelutavoitteiden kanssa. Toimessa ei ole tähän perustaso-vaatimukseen liittyviä tarkempia ehtoja.
4		Lakisääteiset hoitovaatimukset: hoitovaatimus nro 10	Kasvinsuojeluaineiden käytössä on noudatettava valmistekohtaisen myyntipäällysteen merkintöjä ja varastoitava kasvinsuojeluaineet oikein.	Toimessa ei ole tähän kasvinsuojelun perustasoon liittyviä tarkempia ehtoja.

Table M10.13 Baseline requirements Use of organic cover for horticulture plants and seed potato\_Page\_1

Unofficial translation

	<p>Hyvän maatalouden ja ympäristön vaatimukset: Valtioneuvoston asetus täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimuksista (x/201x). Vaatimuksia on tarkennettu aiemmasta ohjelmakaudesta vastaamaan horisontaalasetuksen 1306/2013 vaatimuksia.</p>	<p>Vesistöjen varsilla olevalla maatalousmaalla on noudatettava horisontaalasetuksen liitteessä II tarkoitettuina suojakaistoina maa- ja puutarhataloudesta peräisin olevien päästöjen rajoittamisesta annetun valtioneuvoston asetuksen (x/201x) (nitraattiasetus) x§:n x momentin mukaisia typpilannoitus- ja lannanlevityskieltoja. Vesistöjen ja valtaojien varsilla olevalla maatalousmaalla on pääsääntöisesti jätettävä vähintään 1 metrin levyinen, muokkaamaton piennar, jolle ei levitetä lannoitteita eikä kasvinsuojeluaineita. Viljeltyä peltoa ja pysyvien kasvien alaa on viljeltävä hyvän maatalouskäytännön mukaisesti paikkakunnan olosuhteet huomioon ottaen. Hyvän maatalouskäytännön osalta edellytyksenä on, että viljelty pelto ja pysyvien kasvien ala muokataan, lannoitetaan ja kylvetään tai istutetaan tarkoituksenmukaisella tavalla niin, että on mahdollista saada aikaan tasainen itäminen ja kasvusto. Viljeltävien kasvilajien ja -lajikkeiden on oltava alueelle soveltuvia. Kylvö tai istutus on tehtävä viimeistään 30 päivänä kesäkuuta. Viljellyn maatalousmaan kasvinsuojelusta on huolehdittava joko kasvinsuojotuksen avulla, mekaanisesti, biologisesti tai kemiallisesti. Viljelijän on toimitettava niin, että korjuu- ja markkinakelpoisen sadon tuottaminen on mahdollista. Jos maatalousmaalta ei korjata satoa, maatalousmaan tuottamasta kasvustosta on tarvittaessa huolehdittava niin, että maatalousmaalle on myös seuraavana vuonna mahdollista perustaa kasvusto tai tuottaa korjuu- ja markkinakelpoinen sato. Hukkakauran ja jättiputken leviäminen on estettävä. Kasvuston sängin poltto on sallittu ainoastaan, jos se on välttämätöntä kylvön toteutuksen, rikkakasvien, kasvitautien tai tuholaisten torjunnan kannalta. Maatilalla on noudatettava maataloustoiminnassa ympäristönsuojelulain (527/2014) 17 §:ssä sekä vesiympäristölle vaarallisista ja haitallisista aineista annetun valtioneuvoston asetuksen (1022/2006) 4 a §:ssä säädettyä päästökieltoa pohjaveteen. Kasvuston sängin poltto on sallittu ainoastaan, jos se on välttämätöntä kylvön toteutuksen, rikkakasvien, kasvitautien tai tuholaisten torjunnan kannalta.</p>	<p>Hyvän maatalouden ja ympäristön vaatimukset eivät sisällä velvoitettua viljelyalojen kattamiseen. Kattaminen muovilla on tavanomasta käytäntöä erällä puutarhakasveilla. Toimessa kuitenkin edellytetään kattamista orgaanisella kätteellä, mikä on vaativampi ja kallimpi kattamistapa. Toimea ei voi toteuttaa pysyvää nurmea olevilla lohkoilla.</p>
6	<p>Lannoitteiden ja kasvinsuojeluaineiden käyttöä koskevat vähimmäisvaatimukset</p>	<p>Lannoitevalmistelainsäädäntö</p> <p>Maa- ja metsätalousministeriön lannoitevalmisteita koskevan asetuksen (24/11) mukaiset fosforilannoituksen enimmäiskäyttömäärät ovat 80 kg/ha/v ja puutarhakasveilla 120 kg/ha/v. Asetusta muutetaan syyskuulla 2014. Uudet vähimmäisvaatimuksina käytettävät rajat tulevat olemaan 70 kg/ha/v ja puutarhakasveilla 115 kg/ha/v. Typen osalta ei ole muita lainsäädännön mukaisia vähimmäisvaatimuksia kuin ne vaatimukset, jotka jo kuuluvat täydentäviin ehtoihin nitraattiasetuksen perusteella.</p>	<p>Toimessa ei ole lannoitukseen liittyviä perustasoa tarkempia ehtoja.</p>

Table M10.13 Baseline requirements Use of organic cover for horticulture plants and seed potato\_Page\_2

Unofficial translation

7	Kasvinsuojelulainsäädäntö	Laki kasvinsuojeluaineista 1563/2011 ja maa- ja metsätalousministeriön asetus 7/2102. Kasvinsuojeluaineita on käytettävä asianmukaisesti havaitun tarpeen mukaan ja käyttöohjeita noudattaen ottaen huomioon integroidun torjunnan yleiset periaatteet. Lohkokirjanpitoon on merkittävä kasvinsuojeluaineiden käytön kohde, käyttömäärät ja käytön syy. Maatilla kasvinsuojeluaineita saa levittää vain henkilö, joka on suorittanut kasvinsuojeluaineiden käyttöä koskevan kasvinsuojeluaineista annetun lain edellyttämän tutkinnon tai saanut oikeuden kyseisen tutkinnon järjestämiseen tai jolla ohjelmakauden 2007–2013 ympäristötuen mukaisen koulutuksen voimassaoloaika ei ole umpeutunut. Tutkinto on voimassa viisi vuotta. Maatilla kasvinsuojeluaineiden levitykseen käytettävä kasvinsuojeluruisku on testattava siten kuin testauksesta säädetään laissa kasvinsuojeluaineista (1563/2011). Ammattimaisessa käytössä olevat traktoriruiskut on testattava kertaalleen 26.11.2016 mennessä ja sen jälkeen joka viides vuosi. Jos levitysväline on aiemmin testattu ohjelmakauden 2007–2013 ympäristötuen edellyttämällä tavalla, välinettä ei tarvitse testata uudestaan ennen kuin viisi vuotta on kulunut testauksesta. Integroidulla torjunnalla tarkoitetaan kasvinsuojelumenetelmien käyttöä taloudellisesti ja ympäristön kannalta perustellusti siten, että vähennetään ihmisten terveydelle ja ympäristölle aiheuttuvia riskejä. Integroidun torjunnan yleiset periaatteet edellyttävät tarpeenmukaista lannoitusta. IPM:n paikka-, aika- ja tapauskohtaisuuden takia Suomessa ei lueta IPM:n yleisiin periaatteisiin yksittäisiä vaadittavia toimenpiteitä.	Toimessa ei ole kielletty kasvinsuojeluaineiden käyttöä. Kattamista voidaan hyödyntää (IPM-viiheilyssä, mutta toimessa edellytetään orgaanisen kätteen käyttöä, joka on kallis verrattuna saman asian ajavaan muovikatteeseen.	
8	Asetuksen (EU) N:o 1307/2013 4 artiklan 1 kohdan c alakohdan II ja III alakohdan mukaisesti vahvistetut asiaa koskevat vaatimukset ja vähimmäistoimet	Maatalousmaan säilyttäminen	Maatalousmaa on pidettävä avoimena, jotta se pysyy soveltamisasetuksen ((EU) N:o 639/2014) 4 artiklan 1 kohdassa tarkoitetussa kunnossa. Maatalousmaalla, peltoalaa lukuun ottamatta, voi olla tukiasetuksen ((EU) N:o 1307/2013) 4 artiklan 1 kohdan j alakohdan mukaisia taimitarhoja, hedelmäpuu- ja marjapensasaloja, 5 §:n 3 momentissa tarkoitettujen lyhytkiertoisten energiapuiden aloja sekä muita kuin edellä mainittuja puuvartisia kasveja enintään 5 §:n 4 momentissa tarkoitettu määrä.	Toimen ehdot eivät liity maatalousmaan säilyttämiseen. Korvausta ei voida maksaa alalle, jossa säilyttämisvaatimusta ei ole noudatettu.
9	Muu lainsäädäntö	Ympäristösitoumuksen tilakohtainen toimi	Ympäristökorvauksen ympäristösitoumuksen tilakohtainen toimi edellyttää 3 m suojakaistaa vesistöjen varsilla sijaitsevilla pelloilla.	Toimessa on noudatettava tilakohtaisen toimen ehtoja.

Table M10.13 Baseline requirements Use of organic cover for horticulture plants and seed potato\_Page\_3

10	Vesienhoitosuunnitelmat (Ohjelmavalmistelu on ennakoivasti otettu huomioon maatalouden perus- ja lisätoimenpidevaatimukset, joita tullaan esittämään 2016 alkavalle suunnittelukaudelle)	Vesienhoidon ja meren hoidon järjestämisestä annetussa laissa (1299/2004, vesienhoitolaki) ja sen nojalla annetussa valtioneuvoston asetuksessa vesienhoidon järjestämisestä (1040/2006, vesienhoitoasetus) säädetään vesienhoitosuunnitelmien ja niitä täydentävien toimenpideohjelmien laatimisesta ja tavoitteista. Toimenpideohjelmassa on esitetty vesienhoidon ympäristötavoitteiden saavuttamiseksi tarvittavat perustoimenpiteet ja lisätoimenpiteet. Toiselle suunnittelukaudelle 2016-2020 on tulossa perustoimenpiteiksi nitraattiasetuksen mukaiset toimenpiteet, eläinsuojien ympäristölupien mukaiset toimenpiteet sekä täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimukset ja kasvinsuojelulainelainsäädännön mukaiset toimenpiteet.	Kattamisvaatimus ei sisälly vesipuitedirektiivin mukaisiin viljelijää velvoittaviin perustoimenpiteisiin.
11	Suorien tukien viherryttämistuen päällekkäisen maksun estäminen.	Viherryttämistuen vastaavuutta eli ns. ekvivalenssia ei Suomessa oteta käyttöön. Pysyvän nurmen ja viljelyn monipuolistamisen vaatimuksia sovelletaan koko maan tasolla. Ekologisen alan vaatimuksessa sovelletaan ns. metsäisyyspoikkeusta. Ekologisen alan vaatimus koskee siten Uudenmaan, Varsinais-Suomen ja Ahvenanmaan maakuntia. Ekologisia aloja ovat: kesantoalat, typensitojakasvien alat, lyhytkiertoisien energiapuun alat, täydentävien ehtojen mukaisten maisemapiirteiden alat.	Toimelia ei ole yhtymäkohtia viherryttämistuen ehtoihin.

Table M10.13 Baseline requirements Use of organic cover for horticulture plants and seed potato\_Page\_4

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution. The minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application equipment and rules on pesticide use close to water and other sensitive sites, as established by national legislation.

For the baseline requirements, see Table M10.13.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable to this operation.

*Unofficial translation*

Description of the methodology and of the agronomic assumptions and parameters (including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment) used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation.

For the definition of the payment levels, see the section "Eligible costs". For the basic premises for defining the general payment levels for the measure concerning environment payments, see the subsection on payment level calculations in section 8.2.M10.f, which also includes operation-specific calculations.

#### 8.2.6.3.8. 09 Biodiversity in arable land environments

Sub-measure:

- 10.1 – payments for agri-environment-climate commitments

##### 8.2.6.3.8.1. Description of the type of operation

Objective of the operation:

This is a parcel-specific operation of the environment commitment to promote biodiversity. The operation promotes the cultivation of grass for green manure and renovation crops that improve the agricultural condition, structure and quality of soil, and the cultivation of catch crops that maintain the agricultural condition of the land and prevent erosion and nutrient leaching. The operation also includes the cultivation of plants that promote biodiversity and diversify the landscape. The cultivated crops and cultivation methods are highly significant in promoting biodiversity in arable land environments. Biodiversity fields have proven an effective and simple method for promoting biodiversity in arable land environments.

Actions contained in the operation:

Catch crops refer to vegetation which uses nutrients left in the soil after the cultivated crop has been harvested that are released from the remains of the crops or the soil. The vegetation also protects the soil by increasing plant cover after the cultivated crop has been harvested. A catch crop may be undersown at the same time when the cultivated crop is sown or, at the latest, at the sprouting stage of cereals, for example, when harrowing weeds. A catch crop may also be sown after the harvesting of a cultivated crop (early potato, early vegetables) or slightly before this, but no later than 15 August. The vegetation may not be tilled or ploughed in the autumn before 1 October.

Grass for green manure is included in the crop rotation of the farm, and must be established either at the beginning of the growing season or in the previous year with a nurse crop. Grass for green manure is established by sowing with seed of grass or hay plants and nitrogen fixing plants. Of the weight of the seed used for establishing grass for green manure, 20% must be seed of nitrogen fixing plants. Grass for green manure may be terminated before the planned sowing of a winter cereal or a winter oilseed crop. If the following crop is sown in the spring, grass for green manure may not be terminated until the beginning of September and tilled until the beginning of October.

Plants to be used as renovation crops include Chinese radish, white mustard, marigold, or mixtures of these. A renovation crop must be sown in the spring and it may be tilled to the ground two months after sowing. Payments for renovation crops may be made to farms growing potatoes, sugar beet or outdoor horticulture plants in crop rotation. The same agricultural parcel may be under grass for green manure or sown with a renovation crop for the maximum of three consecutive years. Payments are made for the area in which the measure is implemented.

Biodiversity fields include those established annually with game or landscape plants as well as biannual biodiversity fields established with meadow and bird plants. They may cover whole reference parcels or agricultural parcels. Agricultural parcels to be declared as biodiversity fields may also be established as strips over 3 metres wide on the margins of parcels, especially those facing south and west, and in the middle of large open arable land areas. Biodiversity fields must be established and managed in accordance

with specific instructions. Biodiversity fields may represent no more than 15% of the total eligible area of the farm. However, the total area of biodiversity fields and nature management field grasslands may not exceed 20% of the eligible arable land area on the farm in the target region and 15% in other regions.

#### 8.2.6.3.8.2. Type of support

The payment will be made as EUR/ha/year for the eligible area in which the operation is implemented during the period of validity of the commitment as described in section 8.1, accounting for the restrictions described in the section "Eligibility conditions".

#### 8.2.6.3.8.3. Links to other legislation

National regulations applicable to the measure: The Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on environment payments (xx/201x), and the Ministry of Agriculture and Forestry Decree on environment payments (xx/201x). This Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree contains provisions on the general implementation of the parcel-specific operation, the eligible area, the maximum area of biodiversity fields, the baseline level and minimum requirements as well as the levels of payment and payment procedures as described in the programme. The Ministry of Agriculture and Forestry Decree provides practical details concerning the parcel-specific operation and maximum durations for various types of vegetation, as well as the procedures for establishing, managing and terminating the vegetation.

The Government Decree on the requirements of good agricultural and environmental condition in the cross-compliance conditions (xx/201x) and the Government Decree on statutory management requirements in the cross-compliance conditions and the supervision of compliance with the cross-compliance conditions (xx/201x). For the contents of the decrees that concern cross-compliance, see section 8.1.

#### 8.2.6.3.8.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.6.3.8.5. Eligible costs

**Catch crops:** For catch crops, the farmer incurs costs for the establishment of the vegetation, either in connection with the establishment of the crop or after its harvest. The calculation includes the costs of seed, sowing and tilling related to catch crops. The termination of the catch crop, either chemically or mechanically, was taken into account as a cost. As losses of income were included the reduced crop yield resulting from the catch crop if the catch crop and the actual crop were sowed simultaneously. The nutrient benefits from the catch crop were included in the calculation as a factor reducing costs. The payment to be made including transaction costs is at maximum EUR 115/ha.

**Grass for green manure:** It was assumed that 60% of the grass for green manure is grown on the same parcel for a single growing season, and 40% for two or three growing seasons. Costs are incurred for establishing, mowing and tilling the grass for green manure. The establishment costs were not taken into account to ensure that no payment regarding the greening requirement is made under this operation. The value of nutrients contained in the grass for green manure has been taken into account in calculating the net costs. Based on the calculation, the environment payment for grass for green manure is at maximum EUR 55/ha.

**Renovation plants:** Costs are incurred for establishing the renovation crop in spring and the tillage of the renovation crop in autumn. In the calculation of net costs, the benefits derived from an improved crop yield level as a result of fewer pests were taken into account. In addition to the net costs incurred for cultivating the renovation plant, the farmer loses the profit margin they would get if the arable land were used for cultivation. Based on the calculation, the environment payment for a renovation plant may be a maximum of EUR 449/ha/year.

**Biodiversity fields:** Costs are incurred for establishing a biodiversity field (seed, tillage and sowing costs) and fertilisation at the time of its establishment. In the calculation of the annual establishment costs, it was assumed that a biodiversity field established with a seed mixture for meadow plants will be kept in the same parcel for two growing seasons. Other biodiversity fields will be established annually. Mowing the vegetation in biodiversity fields is not mandatory, but it was assumed in the calculation that 10% of the biodiversity fields established with a seed mixture for meadow plants will have such severe weed infestations that they must be mowed every year. The farmer also loses the profit margin they would get if the biodiversity field were used for cultivation. The crop produced by a game field is intended for game animals. The farmer will also incur transaction costs for establishing biodiversity fields. Based on the calculation, the environment payment for a renovation plant is at maximum EUR 350/ha/year.

#### 8.2.6.3.8.6. Eligibility conditions

**Beneficiary** (see also under "Beneficiaries"): The beneficiary must make an environment commitment under the environment payment scheme and comply with the conditions of the operation concerning balanced use of nutrients.

The eligible area is agricultural land (see also the section on "Type of support"). The same agricultural parcel may be under grass for green manure or sown with a renovation crop for the maximum of three consecutive years. A biodiversity field established with meadow or bird plants must be preserved in the



same area for two consecutive years.

To prevent double payments, no payment under this operation can be made for ecological focus area under the direct greening payments or grassland area that entitles to exemption from the ecological focus area requirement. Organic farms are not eligible for grass for green manure payments. Payments for biodiversity in arable land environments may not be made for parcels declared as permanent grassland.

#### 8.2.6.3.8.7. Principles with regard to the setting of selection criteria

No selection criteria will be introduced for this operation.

#### 8.2.6.3.8.8. (Applicable) amounts and support rates

The target area is 76,000 ha.

The support levels paid under the operation for the area in which it is implemented are EUR 54/ha/year for grass for green manure, EUR 100/ha/year for catch crops, EUR 300/ha/year for renovation crops and EUR 300/ha/year for biodiversity fields.

Annual variations in the area for which payments are made are acceptable within the limits of the environment commitment.

Biodiversity fields may account for no more than 15% of the total eligible area of the farm annually. At maximum, the annual area of nature management field grasslands and biodiversity fields may account for a total of 20% of the eligible arable land area on the farm in the target region for nature management field grasslands, and for 15 % in other regions. No payments will be made for an area exceeding these rates.

#### 8.2.6.3.8.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.6.3.8.9.1. Risk(s) in the implementation of the measures

Grass for green manure and renovation plants may be left on the same parcel for three years at maximum. Bird and meadow plants must be kept on the same parcel for at least two growing seasons. Both requirements necessitate an annual administrative check and increase the error levels. Verifying compliance with the requirement in previous years is difficult. Control of time limits that are part of the measure is in most cases based on parcel records, i.e. the farmer's own declaration. An example of a time limit of this type is preserving renovation plants in the same parcel for a minimum of two months.

##### 8.2.6.3.8.9.2. Mitigating actions

An administrative check is performed to verify that grass for green manure has not been kept on the same

parcel for more than three years. In addition to surface areas, compliance with conditions concerning the vegetation is verified in on-the-spot checks (at minimum 20% of nitrogen-fixing plants, field observations, records, receipts for purchases of seed).

An administrative check is performed to verify that renovation crops have not been kept on the same parcel for more than three years. In addition to surface areas, compliance with conditions concerning the vegetation is verified in on-the-spot checks (field observations, records, receipts for purchases of seed).

An administrative check is performed to verify that a game field has not been established too close to a busy road and that meadow plants have been preserved in the same parcel for at minimum two years. In on-the-spot checks, in addition to verifying the surface area, the fact that the vegetation has been established in compliance with the conditions, that no fertilizers or plant protection products have been used on the parcels, and that the crop has been terminated in compliance with the conditions is checked based on a field visit and parcel-specific records.

#### *8.2.6.3.8.9.3. Overall assessment of the measure*

Regardless of the risks relevant to the operation, it is adequately verifiable and controllable.

#### *8.2.6.3.8.10. Information specific to the operation*

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law.

For the baseline requirements, see Table M10.14.

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Toimikohtainen perustason kuvaus toimenpiteessä 10, ympäristökorvaukset

Toimi: Peltoluonnon monimuotoisuus

1	Perustaso asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukaan.	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukaiset perustason vaatimukset tarkemmin eriteltynä.	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukainen perustaso Suomessa toimelle Peltoluonnon monimuotoisuus.	Ympäristösitoumuksen lohkokohtainen toimi Peltoluonnon monimuotoisuus. Toimen sisältö: Kerääjäkasvien, saneerauskasvien, viherlannoitusnummien ja monimuotoisuuspeltojen viljely.
2	(EU) N:o 1305/2013 VI osaston I luvun mukaisesti vahvistetut asiaa koskevat toimenpidevaatimukset	Lakisääteiset hoitovaatimukset: hoitovaatimus nro 1.	Nitraattiasetus (931/2000, uusitaan vuonna 2014) määrittelee karjanlannan ja typpilannoitteiden enimmäismäärän. Lannan typpianalyysi on tehtävä viiden vuoden välein. Viljelijän on pidettävä kirjaa peltojen lannoitukseen käytetyistä typpilannoitemääristä ja satotasoista. Lannoitus on kielletty viisi metriä lähempänä vesistöä. Seuraavan viiden metrin vyöhykkeellä vesistöä lannan levitys on kielletty, ellei peltoa muokata vuorokauden kuluessa levityksestä. Sellaisilla peltolohkon osilla, joiden kaltevuus on vähintään 15 %, lannan levitys on aina kielletty.	Toimessa olevat lannoitusajotukset tulevat ympäristösitoumuksen tilakohtaisen toimen vähimmäisvaatimusten kautta ja ne ovat nitraattiasetuksen rajoja tiukemmat. (Toimessa on otettu ennakoivasti huomioon uuden asetuksen tiukentuva taso.)
3		Lakisääteiset hoitovaatimukset: hoitovaatimukset nro 2 ja 3	Suojellulla maatalousmaalla ei saa heikentää tiettyjen lajien elinympäristöjä ja suojelupäätösten sisältämät velvoitteet on täytettävä. Osalle Natura 2000 -alueista ja muista suojelualueista on laadittu hoito- ja käyttösuunnitelma. Tällaiset suunnitelmat eivät kuitenkaan sisällä lakisääteistä vaatimusta, joka velvoittaisi maanomistajaa aktiiviseen hoitotyöhön ilman korvausta.	Toimen ehdot eivät ole ristiriidassa luonto- ja lintudirektiivin suojelutavoitteiden kanssa. Toimen ehdot ovat perustason säädöksiä tarkemmat.
4		Lakisääteiset hoitovaatimukset: hoitovaatimus nro 10	Kasvinsuojeluaineiden käytössä on noudatettava valmistekohtaisen myyntipäällysteen merkintöjä ja varastoitava kasvinsuojeluaineet oikein.	Toimessa ei ole tähän kasvinsuojelun perustasoon liittyviä tarkempia ehtoja.

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5	<p>Hyvän maatalouden ja ympäristön vaatimukset: Valtioneuvoston asetus täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimuksista (x/201x). Vaatimuksia on tarkennettu alemmasta ohjelmakaudesta vastaamaan horisontaalasetuksen 1306/2013 vaatimuksia.</p>	<p>Vesistöjen varsilla olevalla maatalousmaalla on noudatettava horisontaalasetuksen liitteessä II tarkoitettuina suojakaistoina maa- ja puutarhataloudesta peräisin olevien päästöjen rajoittamisesta annetun valtioneuvoston asetuksen (x/201x) (nitraattiasetus) x5:n x momentin mukaisia typpilannoitus- ja lannanlevityskieltoja. Vesistöjen ja valtaojien varsilla olevalle maatalousmaalle on pääsääntöisesti jätettävä vähintään 1 metrin levyinen, muokkaamaton piennar, jolle ei levitetä lannoitteita eikä kasvinsuojeluaineita. Viljeltyä peltoa ja pysyvien kasvien alaa on viljeltävä hyvän maatalouskäytännön mukaisesti paikkakunnan olosuhteet huomioon ottaen. Hyvän maatalouskäytännön osalta edellytyksenä on, että viljelty pelto ja pysyvien kasvien ala muokataan, lannoitetaan ja kylvetään tai istutetaan tarkoituksenmukaisella tavalla niin, että on mahdollista saada aikaan tasainen itäminen ja kasvusto. Viljeltävien kasvilajien ja -lajikkeiden on oltava alueelle soveltuvia. Kylvö tai istutus on tehtävä viimeistään 30 päivänä kesäkuuta. Viljellyn maatalousmaan kasvinsuojelusta on huolehdittava joko kasvinsuojorotuksen avulla, mekaanisesti, biologisesti tai kemiallisesti. Viljelijän on toimittava niin, että korjuu- ja markkinakelpoisen sadon tuottaminen on mahdollista. Jos maatalousmaalta ei korjata satoa, maatalousmaan tuottamasta kasvustosta on tarvittaessa huolehdittava niin, että maatalousmaalle on myös seuraavana vuonna mahdollista perustaa kasvusto tai tuottaa korjuu- ja markkinakelpoinen sato. Hukkakauran ja jättiputken leviäminen on estettävä. Kasvuston sängen poltto on sallittu ainoastaan, jos se on välttämätöntä kylvön toteutuksen, rikkakasvien, kasvitautien tai tuholaisten torjunnan kannalta. Maatilalla on noudatettava maataloustoiminnassa ympäristönsuojelulain (527/2014) 17 §:ssä sekä vesiympäristölle vaarallisista ja haitallisista aineista annetun valtioneuvoston asetuksen (1022/2006) 4 a §:ssä säädettyä päästökieltoa pohjaveeseen.</p>	<p>Toimen ehdot tietynlaisten tavoitteellisten kasvustojen kasvattamiseksi ovat hyvän maatalouden ja ympäristön vaatimuksia vaativammat. Toimea ei voida toteuttaa pysyvää nurmea olevilla lohkoilla.</p>
6	<p>Lannoitteiden ja kasvinsuojeluaineiden käyttöä koskevat vähimmäisvaatimukset</p>	<p>Lannoitevalmistelainsäädäntö.</p> <p>Maa- ja metsätalousministeriön lannoitevalmisteista koskevan asetuksen (24/11) mukaiset fosforilannoituksen enimmäiskäyttömäärät ovat 80 kg/ha/v ja puutarhakasveilla 120 kg/ha/v. Asetusta muutetaan syyskuulla 2014. Uudet vähimmäisvaatimuksina käytettävät rajat tulevat olemaan 70 kg/ha/v ja puutarhakasveilla 115 kg/ha/v. Typen osalta ei ole muita lainsäädännön mukaisia vähimmäisvaatimuksia kuin ne vaatimukset, jotka jo kuuluvat täydentäviin ehtoihin nitraattiasetuksen perusteella.</p>	<p>Toimeen liittyvät lannoitusrajoitukset tulevat ympäristönsuojelun tiukkojen toimen vähimmäisvaatimusten kautta ja ne ovat nitraattiasetuksen ja lannoitevalmisteasetuksen mukaisia rajoja tiukemmat.</p>

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7	Kasvinsuojelulainsäädäntö	Laki kasvinsuojeluaineista 1563/2011 ja maa- ja metsätalousministeriön asetus 7/2102. Kasvinsuojeluaineita on käytettävä asianmukaisesti havaitun tarpeen mukaan ja käyttöohjeita noudattaen ottaen ammattimaisessa käytössä huomioon integroidun torjunnan yleiset periaatteet. Lohkokirjanpitoon on merkittävä kasvinsuojeluaineiden käytön kohde, käyttömäärät ja käytön syy. Maatilalla kasvinsuojeluaineita saa levittää vain henkilö, joka on suorittanut kasvinsuojeluaineiden käyttöä koskevan kasvinsuojeluaineista annetun lain edellyttämän tutkinnon tai saanut oikeuden kyseisen tutkinnon järjestämiseen tai jolla ohjelmakauden 2007–2013 ympäristötuen mukaisen koulutuksen voimassaoloaika ei ole umpeutunut. Tutkinto on voimassa viisi vuotta. Maatilalla kasvinsuojeluaineiden levitykseen käytettävä kasvinsuojeluruisku on testattava siten kuin testauksesta säädetään laissa kasvinsuojeluaineista (1563/2011). Ammattimaisessa käytössä olevat traktoriruiskut on testattava kertaalleen 26.11.2016 mennessä ja sen jälkeen joka viides vuosi. Jos levitysväline on aiemmin testattu ohjelmakauden 2007–2013 ympäristötuen edellyttämällä tavalla, välinettä ei tarvitse testata uudestaan ennen kuin viisi vuotta on kulunut testauksesta. Integroidulla torjunnalla tarkoitetaan kasvinsuojelumenetelmien käyttöä taloudellisesti ja ympäristön kannalta perustellusti siten, että vähennetään ihmisten terveydelle ja ympäristölle aiheutuvia riskejä. Integroidun torjunnan yleiset periaatteet edellyttävät tarpeenmukaista lannoitusta. IPM:n paikka-, aika- ja tapauskohtaisuuden takia Suomessa ei lueta IPM:n yleisiin periaatteisiin yksittäisiä vaadittavia toimenpiteitä.	Toimen mukaisissa ehdoissa on kasvinsuojeluaineiden käyttö pääsääntöisesti kielletty toimen aikana. Toimessa esitetyt kasvinsuojelua edistävät menettelyt ylittävät IPM:n yleisen periaatteen soveltamistason.	
8	Asetuksen (EU) N:o 1307/2013 4 artiklan 1 kohdan c alakohdan ii ja iii alakohdan mukaisesti vahvistetut asiaa koskevat vaatimukset ja vähimmäistoimet	Maatalousmaa on pidettävä avoimena, jotta se pysyy soveltamisasetuksen ((EU) N:o 639/2014) 4 artiklan 1 kohdassa tarkoitettuna kunnossa. Maatalousmaalla, peltoalaa lukuun ottamatta, voi olla tukiasetuksen ((EU) N:o 1307/2013) 4 artiklan 1 kohdan j alakohdan mukaisia taimitarhoja, hedelmäpuu- ja marjapensasaloja, 5 §:n 3 momentissa tarkoitettujen lyhytkiertoisien energiapuiden aloja sekä muita kuin edellä mainittuja puuvartisia kasveja enintään 5 §:n 4 momentissa tarkoitettu määrä.	Toimen ehdot eivät liity maatalousmaan säilyttämiseen. Korvausta ei voida maksaa alalle, jossa säilyttämisvaatimusta ei ole noudatettu.	
9	Muu lainsäädäntö	Ympäristöstoumuksen tilakohtainen toimi	Ympäristöstoumuksen ympäristöstoumuksen tilakohtainen toimi edellyttää 3 m suojakaistaa vesistöjen varsilla sijaitsevilla pelloilla.	Toimessa on noudatettava tilakohtaisen toimen ehtoja.

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10	Vesienhoitosuunnitelmat (Ohjelmavalmistelussa on ennakoivasti otettu huomioon maatalouden perus- ja lisätoimenpidevaatimukset, joita tullaan esittämään 2016 alkavalle suunnittelukaudelle)	Vesienhoidon ja merenhoidon järjestämisestä annetussa laissa (1299/2004, vesienhoitolaki) ja sen nojalla annetussa valtioneuvoston asetuksessa vesienhoidon järjestämisestä (1040/2006, vesienhoitoasetus) säädetään vesienhoitosuunnitelmien ja niitä täydentävien toimenpideohjelmien laatimisesta ja tavoitteista. Toimenpideohjelmassa on esitetty vesienhoidon ympäristötavoitteiden saavuttamiseksi tarvittavat perustoimenpiteet ja lisätoimenpiteet. Toiselle suunnittelukaudelle 2016-2020 on tulossa perustoimenpiteiksi nitraattiasetuksen mukaiset toimenpiteet, eläinsuojien ympäristölupien mukaiset toimenpiteet sekä täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimukset ja kasvinsuojelulainelainsäädännön mukaiset toimenpiteet.	Toimessa edellytetyt kasvustot eivät sisälly vesipuitedirektiivin mukaisiin viljelijää velvoittaviin perustoimenpiteisiin.
11	Suorien tukien viherryttämistuen päällekkäisen maksun estäminen.	Viherryttämistuen vastaavuutta eli ns. ekvivalenssia ei Suomessa oteta käyttöön. Pysyvän nurmen ja viljelyn monipuolistamisen vaatimuksia sovelletaan koko maan tasolla. Ekologisen alan vaatimuksessa sovelletaan ns. metsäisyyspoikkeusta. Ekologisen alan vaatimus koskee siten Uudenmaan, Varsinais-Suomen ja Ahvenanmaan maakuntia. Ekologisia aloja ovat: kesantoalat, typensitojakasvien alat, lyhytkiertoisien energiapuun alat, täydentävien ehtojen mukaisten maisemapiirteiden alat.	Koska Suomi ei sovelle ns. vastaavuutta, viherryttämistuen vaatimukset on toteutettava tiloilla viherryttämistuen ehtojen mukaisina. Päällekkäisen maksun estämiseksi toimesta ei voida maksaa suorien tukien viherryttämistuen mukaisesta ekologisesta alasta tai sellaisesta nurmi- tai kesantoalasta, joka on oikeuttanut viherryttämistuen vaatimuksista vapautumiseen. Toimesta ei voida maksaa pysyvän nurmen alalle. Toimen toteutuksesta voidaan maksaa tiloille, jotka ovat saaneet vapautuksen ekologisen alan vaatimuksesta metsäisyyspoikkeuksen perusteella.

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The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution. The minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application equipment and rules on pesticide use close to water and other sensitive sites, as established by national legislation.

For the baseline requirements, see Table M10.14.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable to this operation.

*Unofficial translation*

Description of the methodology and of the agronomic assumptions and parameters (including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment) used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation.

For the definition of the payment levels, see the section "Eligible costs". For the basic premises for defining the general payment levels for the measure concerning environment payments, see the subsection on payment level calculations in section 8.2.M10.f, which also includes operation-specific calculations.

#### 8.2.6.3.9. 10 Alternative plant protection for horticulture plants

Sub-measure:

- 10.1 – payments for agri-environment-climate commitments

##### 8.2.6.3.9.1. Description of the type of operation

Objective of the operation:

This is a parcel-specific operation of the environment commitment to promote biodiversity. The objective of the operation is to reduce the use of plant protection products by promoting the use of more advanced biological and mechanical prevention methods and more accurate prevention according to the need. The requirements of the operation are broader than the general principles of integrated pest management in the Act on Plant Protection Products. Integrated pest management is a method where damage caused by pests is prevented by combining various plant protection methods in a way that is environmentally and economically feasible and reduces health and environmental risks. The general principles of integrated pest management pursuant to plant protection product legislation requires monitoring of pests and preventive control (Act on Plant Protection Products 1563/2011, which implements Directive No 2009/128/EC of the European Parliament and of the Council establishing a framework for community action to achieve the sustainable use of pesticides). The use of particular monitoring tools, including glue traps and pheromones, exceeds the level required by the general principle of integrated pest management.

Actions contained in the operation:

A farmer undertakes to use a biological or a mechanical control method suitable for the relevant plant either alone or supplemented by chemical control methods specified in national statutes. A farmer selects the control actions to be implemented that are suitable for the cultivated plant concerned and declares the control action selected for the parcel in the payment application in the spring. Payments can only be made for one selected control action for each parcel. The selected control action must be the same for the entire parcel.

Alternative control actions fall into one of two different groups of techniques. Control actions using group 1 techniques for perennial horticulture plants include:

- Use of microbiological plant protection products spread by pollinator insects in the control of plant diseases
- Use of macro organism products in pest control
- Use of light polytunnels in plant disease control for berries.

Control actions using group 2 techniques for annual and perennial horticulture plants include:

- Use of mechanically applied microbiological plant protection products in disease and pest control
- Use of pest insect nets in pest control for vegetables and berries
- Weed control using optical sensors, a tractor-driven flame weeder or similar.

Microbiological plant protection products must be approved under the Act on Plant Protection Products



(1563/2011), and macro organisms must be approved under the Act on Protecting Plant Health (702/2003).

A farmer must select monitoring tools suitable for each plant species or a similar method to follow up the success of alternative plant protection.

The farmer undertakes to use alternative control methods on the farm during a commitment period of 5 years. The parcels where the operation is implemented are declared in the support application. The surface area of the parcels may vary from one year to another according to the cultivation situation, but each year at least one parcel must be under a plant for which the operation is implemented. Payments are only made for the area on which the operation in question is implemented.

#### 8.2.6.3.9.2. Type of support

The payment will be made as EUR/ha/year for the eligible area under horticulture plants declared to be under management in accordance with the operation during the period of validity of the commitment as described in section 8.1, accounting for the restrictions described in the section "Eligibility conditions".

#### 8.2.6.3.9.3. Links to other legislation

National regulations applicable to the measure: The Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on environment payments (xx/201x), and the Ministry of Agriculture and Forestry Decree on environment payments (xx/201x). This Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree contains provisions on the general implementation of the parcel-specific operation, the eligible areas, the baseline level and minimum requirements as well as restrictions placed on the selection of techniques, the levels of payment and payment procedures as described in the programme. The Ministry of Agriculture and Forestry Decree provides practical details concerning the various groups of techniques, implementation of monitoring, and the obligation to make declarations to the Agency for Rural Affairs.

The Government Decree on the requirements of good agricultural and environmental condition in the cross-compliance conditions (xx/201x) and the Government Decree on statutory management requirements in the cross-compliance conditions and the supervision of compliance with the cross-compliance conditions (xx/201x). For the contents of the decrees that concern cross-compliance, see section 8.1.

#### 8.2.6.3.9.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.6.3.9.5. Eligible costs

Technique group 1 (use of macro organism products, use of microbiological plant protection products spread by pollinator insects, use of polytunnels): The costs of alternative control measures were compared to chemical control only, mainly as a function of the increased need for labour. As costs were included the costs of various biological plant protection products and the auxiliary material or the method used to apply the product. In the calculation, the impacts on yield levels are presumed to be neutral. Transaction costs are incurred for learning about and introducing new methods and understanding a completely new control strategy. Based on the calculation, the maximum payment including transaction costs is EUR 604/ha.

Technique group 2 (use of pest insect nets, the use of mechanically spread microbiological plant protection products, weed control using sensors, a tractor-driven flame weeder or similar): The costs of alternative control measures were compared to chemical control only, mainly as a function of the increased need for labour. As costs were included the costs of various biological plant protection products and the auxiliary material or the method used to apply the product. In the calculation, the impacts on yield levels are presumed to be neutral. Transaction costs are incurred for learning about and introducing new methods and understanding a completely new control strategy. Based on the calculation, the maximum payment including transaction costs is EUR 378/ha.

#### 8.2.6.3.9.6. Eligibility conditions

Beneficiary (see also under "Beneficiaries"): The beneficiary must make an environment commitment under the environment scheme and comply with the conditions of the operation concerning balanced use of nutrients. The operation may be selected by horticulture farms where an alternative control method covered by the payment is available for at least some of the plants they cultivate.

The eligible area is agricultural land (see also the section on "Type of support"). A farm must have at least one parcel under a plant for which the operation is implemented each year. The operation may not be implemented for caraway. Plant protection measures in technique group 1 may not be selected for a parcel under annual horticulture plants.

In order to prevent double payments, the measure may not be selected by a farm that is committed to organic production.

#### 8.2.6.3.9.7. Principles with regard to the setting of selection criteria

No selection criteria will be introduced for this operation.

#### 8.2.6.3.9.8. (Applicable) amounts and support rates

The target area is 2,000 ha.

Measures selected for group 1 are the use of macro organisms, use of microbiological plant protection products spread by pollinator insects and the use of polytunnels. The payment for this group is EUR 500/ha/year. Group 2 comprises the use of pest insect nets, the use of mechanically spread microbiological plant protection products, and weed control using sensors, a tractor-driven flame weeder or another similar method. The payment for this group is EUR 350/ha/year.

Annual variations in the area for which payments are made are acceptable within the limits of the environment commitment.

#### 8.2.6.3.9.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.6.3.9.9.1. Risk(s) in the implementation of the measures

Verifying the technique used in connection with on-the-spot checks may be difficult. While the farm may have equipment used for alternative plant protection, verifying its actual use may only be possible based on the farmer's records.

##### 8.2.6.3.9.9.2. Mitigating actions

An administrative check is carried out to verify that the operation has been implemented in at least one of the parcels under horticulture plants. In on-the-spot checks, the surface areas on which the operation is implemented are measured. The use of prevention techniques in compliance with the conditions is checked (field observations, records, receipts).

##### 8.2.6.3.9.9.3. Overall assessment of the measure

Regardless of the risks relevant to the operation, it is adequately verifiable and controllable.

#### 8.2.6.3.9.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law.

For the baseline requirements, see Table M10.15.

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Toimikohtainen perustason kuvaus toimenpiteessä 10, ympäristökorvaukset

Toimi: Puutarhakasvien vaihtoehtoinen kasvisuojelu

1	Perustaso asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukaan.	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukaiset perustason vaatimukset tarkemmin eriteltynä.	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukainen perustaso Suomessa toimelle Puutarhakasvien vaihtoehtoinen kasvisuojelu	Ympäristösitoumuksen lohko-kohtainen toimi Puutarhakasvien vaihtoehtoinen kasvisuojelu. Toimen sisältö: Kemialliselle kasvisuojelulle vaihtoehtoisten erityisten menetelmien käyttö.
2	(EU) N:o 1306/2013 VI osaston I luvun mukaisesti vahvistetut asiaa koskevat toimenpidevaatimukset	Lakisääteiset hoitovaatimukset: hoitovaatimukset nro 2 ja 3	Suojellulla maatalousmaalla ei saa heikentää bettyjen lajien elinympäristöjä ja suojelupaatojen sisältämät velvoitteet on täytettävä. Osalle Natura 2000 -alueista ja muista suojelualueista on laadittu hoito- ja käyttösuunnitelma. Tällaiset suunnitelmat eivät kuitenkaan sisällä lakisääteistä vaatimusta, joka velvoittaisi maanomistajaa aktiiviseen hoitotyöhön ilman korvausta.	Toimen ehdot eivät ole ristiriidassa luonto- ja lintudirektiivin suojelutavoitteiden kanssa. Toimen ehdot ovat perustason säädöksiä tarkemmat.
3		Lakisääteiset hoitovaatimukset: hoitovaatimus nro 10	Kasvisuojeluaineiden käytössä on noudatettava valmistekohtaisen myyntipäällysteen merkintöjä ja varastoitava kasvisuojeluaineet oikein.	Toimessa ei ole tähän kasvisuojelun perustason liittyviä tarkempia ehtoja.

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4	<p>Hyvän maatalouden ja ympäristön vaatimukset: Valtioneuvoston asetus täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimuksista (x/201x). Vaatimuksia on tarkennettu aiemmasta ohjelmakaudesta vastaamaan horisontaalasetuksen 1306/2013 vaatimuksia.</p>	<p>Vesistöjen varsilla olevalla maatalousmaalla on noudatettava horisontaalasetuksen liitteessä II tarkoitettuina suojakaistoina maa- ja puutarhataloudesta peräisin olevien päästöjen rajoittamisesta annetun valtioneuvoston asetuksen (x/201x) (nitraattiasetus) x§:n x momentin mukaisia typpilannoitus- ja lannanlevityskieltoja. Vesistöjen ja valtoajien varsilla olevalle maatalousmaalle on pääsääntöisesti jätettävä vähintään 1 metrin levyinen, muokkaamaton piennär, jolle ei levitetä lannoitteita eikä kasvinsuojeluaineita. Viljeltyä peltoa ja pysyviä kasvien alaa on viljeltävä hyvän maatalouskäytännön mukaisesti paikkakunnan olosuhteet huomioon ottaen. Hyvän maatalouskäytännön osalta edellytyksenä on, että viljelty pelto ja pysyvien kasvien ala muokataan, lannoitetaan ja kylvetään tai istutetaan tarkoituksenmukaisella tavalla niin, että on mahdollista saada aikaan tasainen itäminen ja kasvusto. Viljeltävien kasvilajien ja -lajikkeiden on oltava alueelle soveltuvia. Kylvö tai istutus on tehtävä viimeistään 30 päivänä kesäkuuta. Viljellyn maatalousmaan kasvinsuojelusta on huolehdittava joko kasvinvuoituksen avulla, mekaanisesti, biologisesti tai kemiallisesti. Viljelijän on toimitettava niin, että korjuu- ja markkinakelpoisen sadon tuottaminen on mahdollista. Jos maatalousmaalta ei korjata satoa, maatalousmaan tuottamasta kasvustosta on tarvittaessa huolehdittava niin, että maatalousmaalle on myös seuraavana vuonna mahdollista perustaa kasvusto tai tuottaa korjuu- ja markkinakelpoinen sato. Hukkakauran ja jättiputken leviäminen on estettävä. Kasvuston sängen poltto on sallittu ainoastaan, jos se on välttämätöntä kylvön toteutuksen, rikkakasvien, kasvitautien tai tuholaisten torjunnan kannalta. Maatilalla on noudatettava maataloustoiminnassa ympäristönsuojelulain (527/2014) 17 §:ssä sekä vesiympäristölle vaarallisista ja haitallisista aineista annetun valtioneuvoston asetuksen (1022/2006) 4 a §:ssä säädettyä päästökieltoa pohjaveteen.</p>	<p>Toimen ehdot ovat hyvän maatalouden ja ympäristön vaatimuksia vaativammat. Toimea ei voida toteuttaa pysyvää nurmea olevilla lohkoilla.</p>
5	<p>Lannoitteiden ja kasvinsuojeluaineiden käyttöä koskevat vähimmäisvaatimukset</p>	<p>Lannoitevalmistelainsäädäntö. Maa- ja metsätalousministeriön lannoitevalmisteita koskevan asetuksen (24/11) mukaiset fosforilannoituksen enimmäiskäyttömäärät ovat 80 kg/ha/v ja puutarhakasveilla 120 kg/ha/v. Asetusta muutetaan syksyllä 2014. Uudet vähimmäisvaatimuksina käytettävät rajat tulevat olemaan 70 kg/ha/v ja puutarhakasveilla 115 kg/ha/v. Tyypin osalta ei ole muita lainsäädännön mukaisia vähimmäisvaatimuksia kuin ne vaatimukset, jotka jo kuuluvat täydentäviin ehtoihin nitraattiasetuksen perusteella.</p>	<p>Toimessa ei ole lannoitukseen liittyviä ehtoja. Toimeen liittyvät lannoitusrajoitukset tulevat ympäristötoimien tilakohtaisen toimen vähimmäisvaatimusten kautta ja ne ovat nitraattiasetuksen ja lannoitevalmisteasetuksen mukaisia rajoja tiukemmat.</p>

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6	Kasvinsuojelulainalaisuus ntö	Laki kasvinsuojeluaineista 1563/2011 ja maa- ja metsätalousministeriön asetus 7/2102. Kasvinsuojeluaineita on käytettävä asianmukaisesti havaitun tarpeen mukaan ja käyttöohjeita noudattaen ottaen huomioon integroidun torjunnan yleiset periaatteet. Lohkokirjanpitoon on merkittävä kasvinsuojeluaineiden käytön kohde, käyttömäärät ja käytön syy. Maatilla kasvinsuojeluaineita saa levittää vain henkilö, joka on suorittanut kasvinsuojeluaineiden käyttöä koskevan kasvinsuojeluaineista annetun lain edellyttämän tutkinnon tai saanut oikeuden kyseisen tutkinnon järjestämiseen tai jolla ohjelmakauden 2007–2013 ympäristötuen mukaisen koulutuksen voimassaoloaika ei ole umpeutunut. Tutkinto on voimassa viisi vuotta. Maatilla kasvinsuojeluaineiden levitykseen käytettävä kasvinsuojeluruisku on testattava siten kuin testauksesta säädetään laissa kasvinsuojeluaineista (1563/2011). Ammattimaisessa käytössä olevat traktoriruiskut on testattava kertaalleen 26.11.2016 mennessä ja sen jälkeen joka viides vuosi. Jos levitysväline on aiemmin testattu ohjelmakauden 2007–2013 ympäristötuen edellyttämällä tavalla, välinettä ei tarvitse testata uudestaan ennen kuin viisi vuotta on kulunut testauksesta. Integroidulla torjunnalla tarkoitetaan kasvinsuojelumenetelmien käyttöä taloudellisesti ja ympäristön kannalta perustellusti siten, että vähennetään ihmisten terveydelle ja ympäristölle aiheutuvia riskejä. Integroidun torjunnan yleiset periaatteet edellyttävät tarpeenmukaista lannoitusta. IPM:n paikka-, aika- ja tapauskohtaisuuden takia Suomessa ei lueta IPM:n yleisiin periaatteisiin yksittäisiä vaadittavia toimenpiteitä. Integroidun torjunnan perustasolla kasvinsuojelutoimien tulee olla taloudellisista ja ympäristön kannalta kannatettavia. Taloudellisesti kannattamaton ympäristöystävällinen lainsäädännön sallima torjuntavaihtoehto, ylittää IPM:n perustason.	Toimen kautta korvattavat vaihtoehdot kasvinsuojelumenetelmät eivät ole taloudellisesti kannattavia verrattuna muihin menetelmiin, eivätkä ne ole yleisesti käytössä. Sitoutuminen toimeen kaventaa viljelijän harkintavaltaa. Toimessa olevat vaihtoehtoisen kasvinsuojelun vaatimukset on tarkasti yksilöity ja ne ylittävät IPM:n yleiset periaatteet.	
7	Asetuksen (EU) N:o 1307/2013 4 artiklan 1 kohdan c alakohdan II ja III alakohdan mukaisesti vahvistetut asiaa koskevat vaatimukset ja vähimmäistoimet	Maatalousmaan säilyttäminen	Maatalousmaa on pidettävä avoimena, jotta se pysyy soveltamisasetuksen ((EU) N:o 639/2014) 4 artiklan 1 kohdassa tarkoitetussa kunnossa. Maatalousmaalla, peltoalaa lukuun ottamatta, voi olla tukiasetuksen ((EU) N:o 1307/2013) 4 artiklan 1 kohdan j alakohdan mukaisia taimitarhoja, hedelmäpuu- ja marjapensasaloja, 5 §:n 3 momentissa tarkoitettujen lyhytkiertoisten energiapuiden aloja sekä muita kuin edellä mainittuja puuvartisia kasveja enintään 5 §:n 4 momentissa tarkoitettu määrä.	Toimen ehdot eivät liity maatalousmaan säilyttämiseen. Korvausta ei voida maksaa alalle, jossa säilyttämisvaatimusta ei ole noudatettu.
8	Muu lainsäädäntö	Ympäristönsuojelun tilakohtainen toimi	Ympäristönsuojelun ympäristönsuojelun tilakohtainen toimi edellyttää 3 m suojakaistaa vesistöjen varsilla sijaitsevilla pelloilla.	Toimessa on noudatettava tilakohtaisen toimen ehtoja.

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9	Vesienhoitosuunnitelmat (Ohjelmavalmistelussa on ennakoivasti otettu huomioon maatalouden perus- ja lisätoimenpidevaatimukset, joita tullaan esittämään 2016 alkavalle suunnittelukaudelle)	Vesienhoidon ja merenhoidon järjestämisestä annetussa laissa (1299/2004, vesienhoitolaki) ja sen nojalla annetussa valtioneuvoston asetuksessa vesienhoidon järjestämisestä (1040/2006, vesienhoitoasetus) säädetään vesienhoitosuunnitelmien ja niitä täydentävien toimenpideohjelmien laatimisesta ja tavoitteista. Toimenpideohjelmassa on esitetty vesienhoidon ympäristötavoitteiden saavuttamiseksi tarvittavat perustoimenpiteet ja lisätoimenpiteet. Toiselle suunnittelukaudelle 2016-2020 on tulossa perustoimenpiteiksi nitraattiasetuksen mukaiset toimenpiteet, eläinsuojien ympäristölupien mukaiset toimenpiteet sekä täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimukset ja kasvinsuojelulainäidänsäädännön mukaiset toimenpiteet.	Toimessa edellytetyt menetelmät eivät sisälly vesipuitedirektiivin mukaisiin viljelijää velvoittaviin perustoimenpiteisiin.
10	Suorien tukien viherryttämistuen päällekkäisen maksun estäminen.	Viherryttämistuen vastaavuutta eli ns. ekvivalenssia ei Suomessa oteta käyttöön. Pysyvän nurmen ja viljelyn monipuolistamisen vaatimuksia sovelletaan koko maan tasolla. Ekologisen alan vaatimuksessa sovelletaan ns. metsäisyyspoikkeusta. Ekologisen alan vaatimus koskee siten Uudenmaan, Varsinais-Suomen ja Ahvenanmaan maakuntia. Ekologisia aloja ovat: kesantoalat, typensitojakasvien alat, lyhytkiertoisien energiapuun alat, täydentävien ehtojen mukaisten maisemäpiirteiden alat.	Toimella ei ole yhtymäkohtia viherryttämistuen ehtoihin.

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The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution. The minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application equipment and rules on pesticide use close to water and other sensitive sites, as established by national legislation.

For the baseline requirements, see Table M10.15.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable to this operation.

*Unofficial translation*

Description of the methodology and of the agronomic assumptions and parameters (including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment) used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation.

For the definition of the payment levels, see the section "Eligible costs". For the basic premises for defining the general payment levels for the measure concerning environment payments, see the subsection on payment level calculations in section 8.2.M10.f, which also includes operation-specific calculations.



#### 8.2.6.3.10. 11 Management of wetlands

Sub-measure:

- 10.1 – payments for agri-environment-climate commitments

##### 8.2.6.3.10.1. Description of the type of operation

Objective of the operation:

The operation is a parcel-specific environment contract to promote the management of runoff waters. The operation improves the ecological status of waters affected by agriculture locally and on the level of catchment areas and reduces nutrient loading, solid matter and acid leaching transported to the Baltic Sea. Naturally meandering channels of watercourses, flood areas and plains, flooded fields and extensive wetlands or chains of small wetlands promote water protection in river basins affected by loading from agriculture by balancing water flows and retaining solid matter and phosphorus fixed to it. As vegetation is removed, soluble nitrogen and soluble phosphorus are also taken out of the system.

Wetlands supplement the water protection measures in arable lands to reduce the loading from agriculture. The role of wetlands as a measure to improve the status of waters may be locally very significant.

The operation will promote the biodiversity of agricultural areas and landscape diversity by increasing wetland habitats which have diminished as a result of drainage operations. Wetlands and nature-like channels diversify the habitats of agricultural environments and create more landscape variety. The range of species in agricultural areas will be diversified and the number of individuals increase, and there will be benefits to game and crayfish management and fisheries.

The operation is implemented in catchment areas of water bodies identified in, for example, River Basin Management Plans, where the measure can significantly and in an appropriate manner reduce loading in water caused by agriculture and/or increase biodiversity in agricultural environments and promote game and crayfish management and fisheries.

Actions contained in the operation:

Management actions must be implemented in accordance with an approved plan. Management according to the plan must be in line with the objectives of the operation. Annual management measures of wetlands may include removal of sludge and removal and addition of possible chemical precipitating substances, management of dams and channels, and cutting and removal of plant residue in margin areas of wetlands or channels. The cutting residue may be utilised. In the management of channels converted into nature-like ones, due account is given to structures slowing down the water flow, such as submerged dams and protection against erosion, as well as preserving vegetation in the margins along the channels and openness of flood plains. Where necessary, vegetation growing in or soil matter settled on the flood area is removed.

The area covered by the contract may be grazed if this has no adverse impact on biodiversity or water protection. In grazing, due account must be given to preventing erosion. Records must be kept of the management.

When processing an application, no measures can be approved for the management plan to be attached to

the contract application that may be expected to have adverse impacts outside the area covered by the measure, such as deteriorating the drainage situation in cultivated arable lands, or adverse impacts on Natura 2000 areas, species listed in Annexes 2, 4 and 5 to the Habitats Directive, species listed in Annex I to the Birds Directive, or threatened species or habitats.

#### 8.2.6.3.10.2. Type of support

The payment is EUR/ha/year for the area under the contract. The contract period is 5 years.

#### 8.2.6.3.10.3. Links to other legislation

National regulations applicable to the measure: The Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on environment payments (xx/201x), and the Ministry of Agriculture and Forestry Decree on environment payments (xx/201x). This Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree contains provisions on the general implementation of the contract, selection of contract areas, plan contents, obligations to keep records, and the levels of payment and payment procedures as described in the programme. The Ministry of Agriculture and Forestry Decree provides details concerning contract fulfilment, in particular concerning the management of the contract area.

Government Decree on statutory management requirements in the cross-compliance conditions and the supervision of compliance with the cross-compliance conditions (xx/201x). For the contents of the Decree on cross-compliance conditions, see section 8.1.

#### 8.2.6.3.10.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the national statutes issued by virtue of it, or a registered association or a water management organisation. Concluding a contract does not require a valid commitment concerning the environment payment.

#### 8.2.6.3.10.5. Eligible costs

The farmer incurs costs for planning the management of wetlands and having a management plan drawn up. Annual costs arise from the inspections and maintenance of dam and embankment structures and monitoring the accumulation of sludge and water level. Costs also arise from removing sludge and depositing it in the

nearby area as well as cutting and removal of vegetation in the margins of wetlands. The calculation assumes that in deeper waters, the vegetation of wetlands is removed using an excavator every five years. The calculation also assumes that the plant mass removed from wetlands and their margins has no value in agricultural production. Records must be kept of the management of wetlands, which also means costs to the farmer. In addition, the farmer incurs transaction costs for gathering information about wetlands and for liaising with the party preparing the plan. The preparation of the management plan cannot be funded under the measure concerning advisory services under the Rural Development Plan (measure 01). Based on the calculation, the total of all costs and losses of income is EUR 853/ha.

#### 8.2.6.3.10.6. Eligibility conditions

Beneficiary (see also under "Beneficiaries"): Concluding a contract does not require a valid commitment concerning environment payments.

The eligible area comprises a wetland approved for the contract. Eligible wetlands are areas permanently covered with water, while flood areas may only be covered for part of the year. These areas function as retention basins for solid matter and nutrients, nesting and feeding habitats for fauna including birds, and diversifying elements of the farming landscape. Water channels converted into natural ones have been restored in accordance with the principles of nature-like water construction. Besides wetlands, flood areas and restored channels, the contracts cover sufficient protective areas as regards their management.

The operation may be implemented on wetland sites

- established by means of aid for non-productive investments in the programming period 2007–2013 (Government Decree 185/2008),
- established by means of aid for wetland investments in the programming period 2014–2020,
- under a valid contract on the special measure concerning the management of multifunctional wetlands under Government Decision (760/1995) or Government Decrees (644/2000 or 366/2007),
- under a valid contract on the special measure concerning enhancing biodiversity and landscapes in a small wetland or flood field under Government Decision (760/1995) or Government Decrees (644/2000 or 366/2007), or
- established on some other type of funding and fulfilling the conditions of eligible wetland sites applicable to aid for wetland investments in period 2014–2020.

Under this operation, small wetlands, submerged dams and flood field areas may also be established and managed, as long as these activities are part of the management of the area. No investments may be funded under this operation.

Besides water protection and enhancing biodiversity, a wetland may also have functions as a storage pond for irrigation water, for rearing fish or crayfish based on natural nutrition, and for recreation.

A condition for concluding the contract is that the approved plan is feasible in terms of the sustainable use of natural resources and the status of the environment.

8.2.6.3.10.7. Principles with regard to the setting of selection criteria

No selection criteria will be introduced for this operation.

8.2.6.3.10.8. (Applicable) amounts and support rates

The area set as the target at the end of the programming period is 1,100 ha.

The payment for the operation is EUR 450/ha/year.

No annual variations in the contract area are acceptable.

8.2.6.3.10.9. Verifiability and controllability of the measures and/or types of operations

*8.2.6.3.10.9.1. Risk(s) in the implementation of the measures*

Compliance with some of the conditions can only be checked based on the farmer's own records. When concluding the contract, the contract area may be incorrectly marked on the map, resulting in errors related to surface areas in control. The contracts do not always contain an adequately accurate timeline for implementing the operation.

*8.2.6.3.10.9.2. Mitigating actions*

An administrative check is carried out to verify that the requirements set for the parcel in the section on eligibility conditions are met. In on-the-spot checks, the surface areas of parcels under the contract are checked, as well as the implementation of management measures indicated in the plan (records, field observations). At the time of conclusion of the contract, a more detailed plan is required, which shows the implementation of measures on the annual level.

*8.2.6.3.10.9.3. Overall assessment of the measure*

Regardless of the risks relevant to the operation, it is adequately verifiable and controllable.

8.2.6.3.10.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the

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relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law.

For the baseline requirements, see Table M10.16.

Toimikohtainen perustason kuvaus toimenpiteessä 10, ympäristökorvaukset

Toimi: Kosteikkojen hoito

1	Perustaso asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukaan.	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukaiset perustason vaatimukset tarkemmin eriteltynä.	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukainen perustaso Suomessa toimelle Kosteikkojen hoito.	Kosteikkojen hoito -toimen mukainen ympäristösopimus. Toimen sisältö: Hyväksytyn suunnitelman mukaiset kosteikon hoitotoimenpiteet toimen tavoitteiden edistämiseksi.
2	(EU) N:o 1306/2013 VI osaston I kuvun mukaisesti vahvistetut asiaa koskevat toimenpidevaatimukset	Lakisääteiset hoitovaatimukset: hoitovaatimukset nro 2 ja 3	Suojellulla alueella ei saa heikentää tiettyjen lajien elinympäristöjä ja suojelupäätösten sisältämät velvoitteet on täytettävä. Osalle Natura 2000 -alueista ja muista suojelualueista on laadittu hoito- ja käyttösuunnitelma. Tällaiset suunnitelmat eivät kuitenkaan sisällä lakisääteistä vaatimusta, joka velvoittaisi maanomistajaa aktiiviseen hoitotyöhön ilman korvausta.	Toimen ehdot eivät ole ristiriidassa luonto- ja lintudirektiivin suojelutavoitteiden kanssa. Toimen ehdot ovat perustason saadoksia tarkemmat. Natura 2000 -ohjelmaan kuuluvilla kohteilla ja muilla suojelualueilla on hallinnollisesti tarkistettava, että sopimuskohteelle esitetty hoitosuunnitelma ei ole ristiriidassa Natura -alueelle mahdollisesti laaditun hoitosuunnitelman kanssa. Tarkistaminen tehdään hakumenettelyn yhteydessä.
3		Hyvän maatalouden ja ympäristön vaatimukset: Valtioneuvoston asetus täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimuksista (x/201x). Vaatimuksia on tarkennettu alemmasta ohjelmakaudesta vastaamaan horisontaalasetuksen 1306/2013 vaatimuksia.		Hyvän maatalouden ja ympäristön vaatimukset koskevat maatalousmaata. Toimi ei kohdistu maatalousmaalle.

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4	Lannoitteiden ja kasvinsuojeluainelaiden käyttöä koskevat	Lannoitevalmistelainsäädäntö.	Toimessa ei ole tähän perustasovaatimukseen liittyviä tarkempia ehtoja.
5	vähimmäisvaatimukset	Kasvinsuojeluainelainsäädäntö	Toimessa ei ole tähän vaatimukseen liittyviä ehtoja.
6	Asetuksen (EU) N:o 1307/2013 4 artiklan 1 kohdan c alakohdan ii ja iii alakohdan mukaisesti vahvistetut asialla koskevat vaatimukset ja vähimmäistoimet	Maatalousmaan säilyttäminen	Kosteikoja ei lueta määritelmän mukaiseksi maatalousmaaksi.
7	Muu lainsäädäntö	Vesilaki	Kosteikon perustaminen voi vaatia vesilain (587/2011) mukaisen luvan. Toimi ei sisällä kosteikon perustamista. Viranomaisluvan tarve tarkistetaan haettaessa eläintuotannollisen investoinnin korvausta kosteikon rakentamiseen. Hoitosopimus tehdään investoinnin valmistuttua. Muulla rahoituksella perustetun kosteikon mahdollinen lupa tarkastetaan sopimuskesittelyn yhteydessä ennen hoitosopimuksen tekoa.

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8	Vesienhoitosuunnitelmat (Ohjelmavalmistelussa on ennakoivasti otettu huomioon maatalouden perus- ja lisätoimenpidevaatimukset, joita tullaan esittämään 2016 alkavalle suunnittelukaudelle)	Vesienhoidon ja merenhoidon järjestämisestä annetussa laissa (1299/2004, vesienhoitolaki) ja sen nojalla annetussa valtioneuvoston asetuksessa vesienhoidon järjestämisestä (1040/2006, vesienhoitoasetus) säädetään vesienhoitosuunnitelmien ja niitä täydentävien toimenpideohjelmien laatimisesta ja tavoitteista. Toimenpideohjelmassa on esitetty vesienhoidon ympäristötavoitteiden saavuttamiseksi tarvittavat perustoimenpiteet ja lisätoimenpiteet. Toiselle suunnittelukaudelle 2016-2020 on tulossa perustoimenpiteiksi nitraattiasetuksen mukaiset toimenpiteet, eläinsuojien ympäristölupien mukaiset toimenpiteet sekä täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimukset ja kasvinsuojeluväinölainsäädännön mukaiset toimenpiteet.	Kosteikkojen hoito toimen edellyttämällä tavalla ei sisälly vesipuitteidirektiivin mukaisiin viljelijää velvoittaviin perustoimenpiteisiin. Tuensajaa ei ole rajattu ainoastaan viljelijöihin, jotta maanomistussolot eivät asettaisi esteitä tarkoituksenmukaisten kohteiden saamiseksi suunnitelmallisen hoidon piiriin. Kosteikkokohteen ja sille suunnitellun hoidon tarkoituksenmukaisuus arvioidaan sopimuskäsittelyn yhteydessä. Toimessa edellytetään yksilöityä hoitosuunnitelmaa.
9	Muu rahoitus	Sopimusalaan kohdistuvia kustannuksia tai tulonmenetyksiä, joita jo korvataan muualla varoilla, ei voida rahoittaa tällä toimella.	Muita rahoituksia voi sisältyä erilaisiin suojeluohjelmiin tai -hankkeisiin. Pääleikkäisen maksun estäminen varmistetaan sopimuskäsittelyn yhteydessä. Toimi on suunnattu maatalousvaikutteisiin kosteikkokohteisiin.
10	Suorien tukien viherryttämistuen päällekkäisen maksun estäminen.	Viherryttämistuen vastaavuutta eli ns. ekvivalenssia ei Suomessa oteta käyttöön. Pysyvän nurmen ja viljelyn monipuolistamisen vaatimuksia sovelletaan koko maan tasolla. Ekologisen alan vaatimuksessa sovelletaan ns. metsäisyyspoikkeusta. Ekologisen alan vaatimus koskee siten Uudenmaan, Varsinais-Suomen ja Ahvenanmaan maakuntia. Ekologisia aloja ovat: leśäntoalat, typensitojakasvien alat, lyhytkiertoisien energiapuun alat, täydentävien ehtojen mukaisten maisemapiirteiden alat.	Toimella ei ole yhtymäkohtia viherryttämistuen vaatimuksiin. Maisemapiirteet eivät sisällä kosteikkoja.

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The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution. The minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application equipment and rules on pesticide use close to water and other sensitive sites, as established by national legislation.

For the baseline requirements, see Table M10.16.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable to this operation.

*Unofficial translation*

Description of the methodology and of the agronomic assumptions and parameters (including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment) used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation.

For the definition of the payment levels, see the section "Eligible costs". For the basic premises for defining the general payment levels for the measure concerning environment payments, see the subsection on payment level calculations in section 8.2.M10.f, which also includes operation-specific calculations.



#### 8.2.6.3.11. 12 Management of biodiversity in agricultural environment and landscape

Sub-measure:

- 10.1 – payments for agri-environment-climate commitments

##### 8.2.6.3.11.1. Description of the type of operation

Objective of the operation:

This operation is a parcel-specific environment contract aiming to enhance biodiversity and landscapes. The objective of the operation is to maintain and enhance biodiversity and management of landscapes in agricultural environments. The operation creates preconditions for methodical action to promote habitats that rely upon managed agricultural areas, the diverse range of species typical of these, and landscape values of agricultural areas. The objective is that the management would cover as large a share of traditional rural biotopes classified as valuable as possible, increase the total area of managed traditional rural biotopes and natural pastures, maintain and improve the quality of management, and support the preservation of threatened species. Another objective is enhancing landscape and biodiversity values in margin areas of arable lands.

Actions contained in the operation:

The area under the contract must be managed and restored in accordance with a specific, approved plan. Management actions approved for the plan must promote the objectives of the operation and be sufficient to ensure a high standard of management. The management actions must preserve or promote natural or landscape values in the contract area that differ from the usual by managing areas or sites that are important for the preservation and propagation of plant and animal species and farming landscape. The measures must be based on the preconditions of the local nature, and in their implementation, special attention should be paid to the regional special characteristics, landscapes and cultural heritage. The management of an area classified as a traditional rural biotope and a site where a threatened species occurs must be planned and implemented so that first and foremost, the management benefits the biodiversity of agricultural environments in the area. On other types of sites, landscape management may be the priority objective. The contract may include the management of structures and antiquities that belong to the cultivation history of the farm and their immediate surroundings.

The management actions of traditional rural biotopes and natural pastures may include grazing, cutting, clearing of trees and bushes, removal of invasive alien species, and harvesting of twigs of deciduous trees for cattle feed. A suitable grazing pressure must be ensured on a case by case basis. Grazing must not result in excessive plant growth or soil erosion. Usually, a traditional rural biotope to be grazed or an area to be restored into a traditional rural biotope must be separated from other pasture grass areas by a fence.

Margin zones and patches of forest must be mowed or cleared at least every second year unless otherwise required in an approved plan. The management measures may also include removal of invasive alien species.

The area under the contract may not be tilled and no fertilisers or pesticides may be applied in it. On a case by case basis, an ELY Centre may allow fertilisation, chemical prevention of coppice as stump treatment, or

chemical prevention of giant hogweed. The area may not be drained or afforested.

Records must be kept of the measures implemented in the contract area, or the information must be entered in the parcel records.

#### 8.2.6.3.11.2. Type of support

The payment is EUR/ha/year per area covered by the contract. The contract period is 5 years.

#### 8.2.6.3.11.3. Links to other legislation

National regulations applicable to the measure: The Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on environment payments (xx/201x), and the Ministry of Agriculture and Forestry Decree on environment payments (xx/201x). This Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree contains provisions on the general implementation of the contract, selection and limitation of contract areas, plan contents, obligations to keep records, and the levels of payment and payment procedures as described in the programme. The Ministry of Agriculture and Forestry Decree provides details concerning contract fulfilment, in particular regarding grazing and other management actions in the contract area as well as stock density.

The Government Decree on the requirements of good agricultural and environmental condition in the cross-compliance conditions (xx/201x) and the Government Decree on statutory management requirements in the cross-compliance conditions and the supervision of compliance with the cross-compliance conditions (xx/201x). For the contents of the decrees that concern cross-compliance, see section 8.1.

#### 8.2.6.3.11.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the national statutes issued by virtue of it, or a registered association.

#### 8.2.6.3.11.5. Eligible costs

Two different payment calculations were drawn up for the management of traditional rural biotopes and natural pastures depending on the management method. A traditional rural biotope managed by grazing or a natural pasture incurs costs for the drawing up of a management plan and the keeping of management records, maintenance and repairs of fences, transport of grazing animals and the mowing of the area after grazing. Additional costs compared to the normal situation (animals in a shed or on a grassland pasture) are also incurred for monitoring the grazing animals and providing them with drinking water. The calculation

also includes the costs of maintenance clearing to be carried out on average every two and a half years. Losses of income are incurred for the weaker growth of the animals during the grazing season. To work out the net costs and losses of income, the calculation includes the value of feed the animals eat on a natural pasture and the income from felled trees when clearing pastures. The transaction costs consist of gathering information and making arrangements related to the grazing and transport of animals. Based on the calculation, the annual environment payment for the management of a traditional rural biotope managed by grazing or the management of a natural pasture is at maximum EUR 875/ha when the share of permanent pastures is deducted to avoid double payments. In traditional rural biotopes managed by mowing, costs are incurred for drawing up a management plan and for keeping management records, travel to the area to be mowed, transport of equipment, mowing, and the collection and disposal of the mowed hay. The transaction costs include the cost of gathering information and making transport arrangements. Based on the calculation, the annual environment payment for the management of a traditional rural biotope managed by mowing may be a maximum of EUR 2,121/ha when the share of permanent pastures is deducted to avoid double payments.

The initial clearing and fencing of traditional rural biotopes to be restored and natural pastures can be implemented on support for non-productive investments (code 4.4).

The preparation of the management plan cannot be funded under the measure concerning advisory services under the Rural Development Plan (measure 01).

#### 8.2.6.3.11.6. Eligibility conditions

Beneficiary (see also under "Beneficiaries"): Concluding a contract does not require a valid commitment concerning environment payments.

An eligible area that is of appropriate size in terms of the objectives of the operation must be approved for the contract. The operation is implemented on traditional rural biotopes, natural pastures, margin areas of arable lands with significant biodiversity or landscape value, margin areas between arable land and roads or arable land and water bodies, or patches of forest in arable land areas, for promoting endangered species in agricultural environments, on sites of antiquities in agricultural environments, as well as for management of rural cultural heritage relating to long-term land use. Margin zones must be located in agricultural environments outside the arable land area between arable land and forest, arable land and a road or arable land and a water body. The maximum average width of this type of an area that is managed by clearing and/or mowing is 20 metres. For reasons to be justified separately, the maximum average width of an area to be managed by clearing between arable land and a water body or between arable land and a road may be 40 metres. The maximum size of patches of forest in arable land areas that are managed by clearing and/or mowing is one hectare.

The contract may not be concluded on sites where clear preconditions do not exist for effectively enhancing the species of agricultural environments or landscape through management measures, or sites that are primarily used for forestry. Cultivated lawns, areas used as a garden or a park, or extensive open rocky areas may not be included in the contract. Preservation, maintenance or restoration of hay barns is not accepted as an action.

A condition for concluding the contract is that the approved plan is feasible in terms of the sustainable use

of natural resources and the status of the environment.

A precondition for concluding a contract for an area included in the Natura 2000 network, a nature conservation area or an area protected under other legislation is that the measures taken under the contract exceed the statutory management measures and no payment is or has been made for the measures included in the contract through other legislation.

To prevent double payments, no payment under this operation can be made for fulfilling the requirement concerning the preservation of permanent grassland that is a condition for the direct greening payments. A contract may not be concluded for a landscape feature that is part of the ecological focus area for greening.

#### 8.2.6.3.11.7. Principles with regard to the setting of selection criteria

No selection criteria will be introduced for this operation. Should a need to put eligible areas in an order of priority emerge, priority will be given to sites that are in line with the objectives and that have had an earlier contract on the special measure concerning the management of traditional rural biotopes or enhancing biodiversity and landscapes under Government Decree 366/2007, traditional rural biotope sites classified as valuable, and traditional rural biotope and natural pasture sites which have been restored by means of aid for non-productive investments. Priority will also be given to sites located in nationally or regionally valuable landscape areas, in areas included in the Natura 2000 network or bordering on an area included in this network, or in areas designated as important in general plans concerning biodiversity.

#### 8.2.6.3.11.8. (Applicable) amounts and support rates

The area set as the target at the end of the programming period is 42,000 ha, of which 8,000 ha are regionally and nationally valuable areas.

Payments for nationally or regionally valuable traditional rural biotope areas are increased to EUR 600/ha/year, while for other areas they are EUR 450/ha/year. The payment level of EUR 600/ha/year for sites identified as the most valuable, or nationally and regionally valuable traditional rural biotopes, exceeds the maximum payment level prescribed in Annex I of Regulation (EU) No 1305/2013. Under the Regulation, exceeding the maximum amount is possible for a justified reason. The calculated maximum payments for sites to be managed under this operation are extremely high (see section on Eligible costs). When the level of payments is significantly lower than the calculated cost level, this may undermine the interest of beneficiaries in the contract. By increasing the payment levels for the most valuable sites, Finland wishes to contribute to ensuring that these sites with priority natural values will be brought under methodical management. In programming period 2007–2013, the area under contracts on the management of traditional rural biotopes declined, and the targeted area was not achieved. Approximately one half of the most valuable sites are under management. The first national inventory of traditional rural biotopes was carried out in the late 1990's (Vainio et al. 2001). The inventory data have been updated in connection with regional follow-up inventory projects. A classification of traditional rural landscape values was published in

a guideline for the inventory of traditional rural biotopes (Pykälä et al. 1994), and it was complemented by a guideline for monitoring traditional rural biotopes (Raatikainen 2009). The management status of traditional biotopes and prioritisation of the management needs were examined in a report by Kemppainen, R. & Lehtomaa, L. 2009.

No annual variations in the contract area are acceptable.

#### 8.2.6.3.11.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.6.3.11.9.1. Risk(s) in the implementation of the measures

When concluding the contract, the contract area may be incorrectly marked on the map, resulting in errors related to surface areas in control. It may also be difficult to verify the boundaries of the parcel in on-the-spot checks if no clear boundaries are visible in the field. The contracts do not always contain an adequately accurate timeline for implementing the operations.

##### 8.2.6.3.11.9.2. Mitigating actions

An administrative check is carried out to verify that the requirements set for the parcel in the section on restrictions are met. In on-the-spot checks, the surface areas of parcels under the contract are checked, as well as the implementation of management measures indicated in the plan (records, field observations). At the time of conclusion of the contract, a more detailed plan is required, which shows the implementation of measures on the annual level.

##### 8.2.6.3.11.9.3. Overall assessment of the measure

Regardless of the risks relevant to the operation, it is adequately verifiable and controllable.

#### 8.2.6.3.11.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law.

For the baseline requirements, see Table M10.20.

Toimikohtainen perustason kuvaus toimenpiteessä 10, ympäristökorvaukset

Toimi: Maatalousluonnon monimuotoisuuden ja maiseman hoito

1	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukaiset perustason vaatimukset	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukaiset perustason vaatimukset tarkemmin eriteltynä.	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukainen perustaso Suomessa toimessa Maatalousluonnon monimuotoisuuden ja maiseman hoito.	Maatalousluonnon monimuotoisuuden ja maiseman hoito-toimen mukainen ympäristösopimus. Toimen sisältö: Perinnebiotooppien, luonnonlaidunten, peltujen ulkopuolisten reunavyöhykkeiden ja peltujen metsäsaarekkeiden sekä muiden luontoarvoltaan merkittävien maatalousalueiden luonnon monimuotoisuutta ja maisemaa edistävä hoito laiduntamalla, niittämällä ja raivaamalla erillisen hyväksytyn suunnitelman mukaan.
2	(EU) N:o 1305/2013 VI osaston I luvun mukaisesti vahvistetut asiaa koskevat toimenpidevaatimukset	Lakisääteliset hoitovaatimukset nro 2 ja 3	Suojelulla kohteella ei saa heikentää tiettyjen lajien elinympäristöjä ja suojelupäätösten sisältämät velvoitteet on täytettävä. Suojelualueiden hoito- ja käyttösuunnitelmat eivät sisällä lakisäätelisiä hoitovaatimuksia, joka velvoitaisi maanomistajaa aktiiviseen hoitotyöhön ilman korvausta.	Toimen ehdot eivät ole ristiriidassa luonto- ja lintudirektiivin suojelutavoitteiden kanssa. Toimen ehdot edistävät lajien suojelua aktiivisesti ja ovat perustason säädöksiä tarkemmat. Natura 2000 -ohjelmaan kuuluvilla kohteilla ja muilla suojelualueilla on hallinnollisesti tarkaistettava, että sopimuskohteelle esitetty hoitosuunnitelma ei ole ristiriidassa Natura -alueelle mahdollisesti laaditun hoitosuunnitelman kanssa. Tarkistaminen tehdään hakumenettelyn yhteydessä.

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3	Hyvän maatalouden ja ympäristön vaatimukset: Valtioneuvoston asetus täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimuksista (x/201x). Vaatimuksia on tarkennettu aiemmasta ohjelmakaudesta Vastamaan horisontaalasetuksen 1306/2013 vaatimuksia.	Pysyviä nurmia ja pysyviä laitumia voidaan lannoittaa ja laiduntaa tarkoituksenmukaisella tavalla. Tarvittaessa niiden kasvuston voi uusia muokkaamalla ja kylvämällä heinä- ja nurmirehukasvien siemenillä. Jos pysyvää nurmea tai pysyvää laidunta käytetään laidunnukseen, siltä ei saa aiheutua maaperän eroosiota ja maanpinnan on säilyttävä kasvipeitteisenä. Pysyvien nurmien ja pysyvien laitumien niiton ajankohdassa ja toteuttamisessa on otettava huomioon luonnonvaraisten lintujen ja nisäkkäiden suojelu. [Viljelijä voi hyödyntää niittojätteen. Niittojäte voidaan myös jättää korjaamatta pois pysyvältä laitumelta.] Puuryhmät ja yksittäiset puut, jotka on suojeltu luonnonsuojelulain (1096/1996) 29 §:n 1 momentin 9 kohdan perusteella, on säilytettävä, jos ne kasvavat peltosa, pysyvää laidunta tai pysyvää nurmea olevan peruslohkon sisällä, peruslohkon pientareella tai toisiinsa rajoittuvien peruslohkojen välisellä alueella enintään 0,2 hehtaarin alalla. Lisäksi luonnonsuojelulain 23 ja 26 §:ssä tarkoitetut enintään 0,2 hehtaarin suuruiset luonnonmuistomerkit on säilytettävä, jos ne ovat peruslohkon sisällä, peruslohkon pientareella tai toisiinsa rajoittuvien peruslohkojen välisellä alueella.	Hyvän maatalouden ja ympäristön vaatimukset koskevat vain maatalousmaata, joten seuraavat ehdot ovat voimassa siltä osin kuin toimen sopimusalat ovat pysyvän laitumen/pysyvän nurmen alalla. Toimen erillistä suunnitelmaa vaativat ehdot ylittävät perustason vaatimukset laadullisesti.	
4	Lannoitteiden ja kasvinsuojeluvälineiden käyttöä koskevat vähimmäisvaatimukset.	Lannoitevalmistelainsäädäntö. (Perustaso on tiukentunut aiemmasta nitraattiasetuksen uusimisen ja fosforin rajojen tiukentamisen myötä)	Maa- ja metsätalousministeriön lannoitevalmisteita koskevan asetuksen (24/11) mukaiset fosforilannoituksen enimmäiskäyttömäärät ovat 80 kg/ha ja puutarhakasveilla 120 kg/ha. Asetusta muutetaan syksyllä 2014. Uudet vähimmäisvaatimuksina käytettävät rajat tulevat olemaan 70 kg/ha ja puutarhakasveilla 115 kg/ha. Tyypin osalta ei ole muita lainsäädännön mukaisia vähimmäisvaatimuksia kuin ne vaatimukset, jotka jo kuuluvat täydentäviin ehtoihin nitraattiasetuksen perusteella.	Toimen ehdoissa lannoitus on sopimusalalla kielletty.

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5	Kasvinsuojelulainelainsäädäntö (Perustaso on noussut IPM:n yleisen periaatteen soveltamisen vaatimuksen ja tutkintovaatimuksen myötä.)	Laki kasvinsuojeluvälineistä 1563/2011 ja maa- ja metsätalousministeriön asetus 7/2102. Kasvinsuojeluvälineitä on käytettävä asianmukaisesti havaitun tarpeen mukaan ja käyttöohjeita noudattaen ottaen ammattimaisessa käytössä huomioon integroidun torjunnan yleiset periaatteet. Lohkokirjanpitoon on merkittävä kasvinsuojeluvälineiden käytön kohde, käyttömäärät ja käytön syy. Maatilalla kasvinsuojeluvälineitä saa levittää vain henkilö, joka on suorittanut kasvinsuojeluvälineiden käyttöä koskevan kasvinsuojeluvälineistä annetun lain edellyttämän tutkinnon tai saanut oikeuden kyseisen tutkinnon järjestämiseen tai jolla ohjelmakauden 2007–2013 ympäristötuen mukaisen koulutuksen voimassaoloaika ei ole umpeutunut. Tutkinto on voimassa viisi vuotta. Maatilalla kasvinsuojeluvälineiden levitykseen käytettävä kasvinsuojeluväline on testattava siten kuin testauksesta säädetään laissa kasvinsuojeluvälineistä (1563/2011). Ammattimaisessa käytössä olevat traktorinruiskut on testattava kertaalleen 26.11.2016 mennessä ja sen jälkeen joka viides vuosi. Jos levitysväline on aiemmin testattu ohjelmakauden 2007–2013 ympäristötuen edellyttämällä tavalla, välinettä ei tarvitse testata uudestaan ennen kuin viisi vuotta on kulunut testauksesta. Integroidulla torjunnalla tarkoitetaan kasvinsuojelumenetelmien käyttöä taloudellisesti ja ympäristön kannalta perustellusti siten, että vähennetään ihmisten terveydelle ja ympäristölle aiheutuvia riskejä. Integroidun torjunnan yleiset periaatteet edellyttävät tarpeenmukaista lannoitusta, IPM:n paikka-, aika- ja tapauskohtaisuuden takia Suomessa ei lueta IPM:n yleisiin periaatteisiin yksittäisiä vaadittavia toimenpiteitä.	Toimen ehdoissa kasvinsuojelu on pääsääntöisesti kielletty. Poikkeuksena haitallisten vieraslajien kuten hukkakauran torjunta.	
6	Asetuksen (EU) N:o 1307/2013 4 artiklan 1 kohdan c alakohdan ii ja iii alakohdan mukaisesti vahvistetut asiaa koskevat vaatimukset ja vähimmäistoimet	Maatalousmaan säilyttäminen	Maatalousmaa on pidettävä avoimena, jotta se pysyy soveltamisasetuksen ((EU) N:o 639/2014) 4 artiklan 1 kohdassa tarkoitetussa kunnossa. Maatalousmaalla, peltoalaa lukuun ottamatta, voi olla tukiasetuksen ((EU) N:o 1307/2013) 4 artiklan 1 kohdan i alakohdan mukaisia taimitarhoja, hedelmäpuu- ja marjapensasaloja, 5 §:n 3 momentissa tarkoitettujen lyhytkiertoisien energiapuiden aloja sekä muita edellä mainittuja puuvartisia kasveja enintään 5 §:n 4 momentissa tarkoitettu määrä.	Vain pysyviä nurmea olevat sopimusalueen peruslohkot luetaan asetuksen ((EU) N:o 1307/2013) mukaiseksi maatalousmaaksi. Toimen ehdot, joista aiheutuvia tulonmenetyksiä ja kustannuksia korvataan, ylittävät maatalousmaan säilyttämisvaatimuksen mukaisen tason. Toimessa tehtävien suunnitelmallisten hoitotoimien tavoitteena on alueen luontoarvojen ja maiseman ylläpito, ennallistaminen ja parantaminen. Maatalousmaan pelkkä säilyttämisvaatimus ei ota huomioon alueen luontoarvoihin liittyviä hoidon ja käytön laadullisia tekijöitä.

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7	Muu lainsäädäntö	Muu rahoitus	Sopimusalaa kohdistuvia kustannuksia tai tulonmenetyksiä, joita jo korvataan muulla varoilla, ei voida rahoittaa tällä toimella. Muita rahoituksia voi sisältyä erilaisiin suojeleuhjelmiin tai -hankkeisiin.	
8		Suorien tukien viherystämistuen päällekkäisen maksun estäminen.	Viherryttämistuen vastaavuutta eli ns. ekvivalenssia ei Suomessa oteta käyttöön. Pysyvän nurmen ja viljelyn monipuolistamisen vaatimuksia sovelletaan koko maan tasolla. Pysyvän nurmen ja pysyvän laitumen kokonaistalouden kehitystä seurataan Suomessa kansallisella tasolla. Ekologisen alan vaatimuksessa sovelletaan ns. metsäisyyspoikkeusta. Ekologisen alan vaatimus koskee Uudenmaan, Varsinais-Suomen ja Ahvenanmaan maakuntia. Ekologisen alan ovat: kesantoalat, typensitojakasvien alat, lyhytkiertoisien energiapuun alat, täydentävien ehtojen mukaisten maisemapiirteiden alat.	Koska Suomi ei sovelle ns. vastaavuutta, viherryttämistuen vaatimukset on toteutettava tiloilla viherryttämistuen ehtojen mukaisina. Toimella varmistetaan luonto- ja maisema-arvojen vaatima suunnitelmallinen hoitotyö. Toimella korvattava hoitotyö on pelkkää alan säilyttämistä laadullisesti vaativampaa, kohdekohtaista harkintaa ja suunnittelua vaativaa toimintaa. Toimesta voidaan siten maksaa korvausta ei-peltomaalla sijaitsevien pysyvien nurmien ja maisemapiirteiden hoidosta, kun kyse on erillisen suunnitelman mukaisesta, luontoarvojen laadulliseen parantamiseen tähtäävästä, ELY-keskuksen hyväksymästä hoidosta. Toimen ehdot edellyttävät luontoarvoja aktiivisesti edistävää suunnitelmallista hoitoa ja ehdot ovat siten pysyvän nurmen ja maisemapiirteiden pelkkää säilyttämisaatimusta tarkemmat. Toimi voidaan toteuttaa vain peltosten ulkopuolisella alalla, jolloin sillä ei ole yhtymäkohtia peltomaalla tehtäviin viherryttämistoimiin. Toimen toteutuksesta voidaan maksaa tiloille, jotka ovat saaneet vapautuksen ekologisen alan vaatimuksesta metsäisyyspoikkeuksen perusteella.

Table M10.20 Baseline Management of biodiversity in agricultural environments and landscape\_Page\_4

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution. The minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application equipment and rules on pesticide use close to water and other sensitive sites, as established by national legislation.

For the baseline requirements, see Table M10.20.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable to this operation.

*Unofficial translation*

Description of the methodology and of the agronomic assumptions and parameters (including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment) used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation.

For the definition of the payment levels, see the section "Eligible costs". For the basic premises for defining the general payment levels for the measure concerning Environment payments, see the subsection on payment level calculations in section 8.2.M10.f, which also includes operation-specific calculations.

8.2.6.3.12. 13 Crane, goose and swan fields

Sub-measure:

- 10.1 – payments for agri-environment-climate commitments

8.2.6.3.12.1. Description of the type of operation

Objective of the operation:

This operation is a parcel-specific environment contract to enhance biodiversity. The operation promotes the reconciliation of the feeding of cranes, geese and swans and arable farming in important congregation areas used on a regular basis, such as feeding, migration and resting areas. The objective of the operation is to steer the birds to certain open arable land areas by attracting them with plants and feed. The operation aims to reduce crop damages caused by mass occurrence of birds and to secure the supply of suitable vegetation for the birds in important congregation areas. The operation is targeted on the basis of information available on the congregation areas. Priority is given to sites in which crop damages caused by these birds have been observed and sites close to other important features or habitats for these birds such as drinking areas, water bodies or wetlands.

Actions contained in the operation:

A contract concerning feeding, resting and migration areas of birds must provide for the cultivation of seed-producing vegetation suitable for the bird species to be enhanced and feeding of birds to increase the attraction of the areas. Grass vegetation must be established in the middle of the contract area and it must be cut to make it easier for the birds to land. In the margins bordering on arable land parcels, vegetation must be sown to create a zone that is less favoured by the birds. The vegetation must be established and the feeding implemented in a way that it attracts birds to the contract area instead of the nearby cultivated areas. Annual seed-producing vegetation must be established every year, and the contract area must be managed in accordance with the approved plan. Vegetation must be harvested or cut in the autumn to make it easier for the birds to feed. The size of the contract area must be determined taking account of the expected size of the bird population in the congregation area.

If a reference parcel is adjacent to a body of water, there must be a filter strip with a minimum width of three metres along the margin of the reference parcel bordering on the water body. The filter strip must be covered by perennial grass, hay or meadow plants. The filter strip may not be tilled, and no fertilisers or plant protection products may be applied on it. The plant cover may be destroyed and renewed only in case of exceptionally severe weed infestation. Information on measures taken on the filter strip must be entered in the parcel records.

Records must be kept of the measures implemented in the contract area, or the information must be entered in the parcel records.

#### 8.2.6.3.12.2. Type of support

Payments are made as EUR/ha/year. The contract period is 5 years.

#### 8.2.6.3.12.3. Links to other legislation

National regulations applicable to the measure: The Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on environment payments (xx/201x), and the Ministry of Agriculture and Forestry Decree on environment payments (xx/201x). This Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree contains provisions on the general implementation of the contract, selection and limitation of contract areas, plan contents, obligations to keep records, and the levels of payment and payment procedures as described in the programme. The Ministry of Agriculture and Forestry Decree provides details concerning contract fulfilment, in particular regarding the management of the contract area in terms of establishment, mowing and harvesting.

The Government Decree on the requirements of good agricultural and environmental condition in the cross-compliance conditions (xx/201x) and the Government Decree on statutory management requirements in the cross-compliance conditions and the supervision of compliance with the cross-compliance conditions (xx/201x). For the contents of the decrees that concern cross-compliance, see section 8.1.

#### 8.2.6.3.12.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.6.3.12.5. Eligible costs

Costs are incurred for drawing up a management plan for the feeding, migration and resting areas of birds and for the follow-up and recording of the management measures. The greatest costs will be incurred for feeding the birds: purchasing seeds and transporting them into the field. Income losses consist of the loss of profits from cultivation in the bird feeding, migration and resting area and the cultivation costs. Transaction costs are incurred for gathering information and observing bird behaviour. Based on the calculation, the annual environment payment for feeding, resting and migration areas of birds is at maximum EUR 1,166/ha.

#### 8.2.6.3.12.6. Eligibility conditions

Beneficiary (see under "Beneficiaries"). No valid environment commitment is required to conclude a contract.

The contract area must be eligible agricultural land as described in section 8.1. The operation is implemented in arable land parcels known as important sites for mass occurrence of cranes, geese and swans. The total surface area under a contract concerning a feeding, resting and migration area of birds must be large enough in proportion to the usual mass occurrence of the birds in the congregation area. The minimum contract area is five hectares. The contract area may consist of one or several reference parcels that constitute a whole in the impacted area. A contract should not be concluded on an arable land parcel where disruptions that may interfere with the measure occur repeatedly.

A condition for concluding the contract is that the approved plan is feasible in terms of the sustainable use of natural resources and the status of the environment.

To prevent double payments, no parcels declared as permanent grassland may be included in the contract area. No payment under this operation can be made for ecological focus area under direct greening payments or grassland area that entitles to exemption from the ecological focus area requirement.

A precondition for concluding a contract for an area included in the Natura 2000 network, a nature conservation area or an area protected under other legislation is that the measures taken under the contract exceed the statutory management measures and no payment is or has been made for the measures included in the contract through other legislation.

#### 8.2.6.3.12.7. Principles with regard to the setting of selection criteria

No selection criteria will be introduced for this operation.

#### 8.2.6.3.12.8. (Applicable) amounts and support rates

The target area is 800 ha.

The payment for the operation is EUR 600/ha/year.

No annual variations in the contract area are acceptable.

#### 8.2.6.3.12.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.6.3.12.9.1. Risk(s) in the implementation of the measures

The operation prioritises sites where crop damage caused by birds has been found to occur. Verifying parcels of this type may be difficult if the crop damage has not been reported.

**8.2.6.3.12.9.2. Mitigating actions**

An administrative check is carried out (when concluding the contract) to verify that the eligibility conditions for the parcel are met. In on-the-spot checks, the surface areas of parcels under the contract are checked, as well as the implementation of management measures indicated in the plan (records, field observations, any receipts).

**8.2.6.3.12.9.3. Overall assessment of the measure**

Regardless of the risks relevant to the operation, it is adequately verifiable and controllable.

**8.2.6.3.12.10. Information specific to the operation**

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law.

For the baseline requirements, see Table M10.21.

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Toimikohtainen perustason kuvaus toimenpiteessä 10, ympäristökorvaukset

Toimi: Kurki-, hanhi- ja joutsenpellot

1	Perustaso asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukaan.	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukaiset perustason vaatimukset tarkemmin eriteltynä.	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukainen perustaso Suomessa toimelle Kurki-, hanhi- ja joutsenpellot	Kurki-, hanhi- ja joutsenpellot -toimen mukainen ympäristösopimus. Toimen sisältö: Soveltuvan kasvuston perustaminen ja sen hoito sekä lintujen ruokinta erillisen suunnitelman mukaan. Sis. 3 m suojakalstavaatimuksen vesistön varrelle, jos tila ei ole tehnyt ympäristösitoumusta. (Vesistöt todetaan Suomen ympäristökeskuksen tuottaman ja ylläpitämän uomaverkoston perusteella käyttäen rajana 10 km <sup>2</sup> :n valuma-alueen kokoa.)
2	(EU) N:o 1306/2013 VI osaston I luvun mukaisesti vahvistetut asiaa koskevat toimenpidevaatimukset	Lakisääteiset hoitovaatimukset: hoitovaatimus nro 1.	Sopimusallalla on noudatettava nitraattiasetuksen mukaisia lannoitusrajoja tai ravinteiden tasapainoisen käytön lannoitusrajoja, jos tuensaaja on tehnyt ympäristösitoumuksen.	Toimessa ei ole lannoitukseen liittyviä ehtoja, joista aiheutuvia kustannuksia tai tulonmenetyksiä korvattaisiin.
3		Lakisääteiset hoitovaatimukset: hoitovaatimukset nro 2 ja 3	Suojellulla maatalousmaalla ei saa heikentää tiettyjen lajien elinympäristöjä ja suojelupäätösten sisältämät velvoitteet on täytettävä. Osalle Natura 2000 -alueista ja muista suojelualueista on laadittu hoito- ja käyttösuunnitelma. Tällaiset suunnitelmat eivät kuitenkaan sisällä lakisääteistä vaatimusta, joka velvoittaisi maanomistajaa aktiiviseen hoitotyöhön ilman korvausta.	Toimen ehdot eivät ole ristiriidassa luonto- ja lintudirektiivin suojelutavoitteiden kanssa. Toimen ehdot ovat perustason säädöksiä tarkemmat.
4		Lakisääteiset hoitovaatimukset: hoitovaatimus nro 10		Toimessa ei ole tähän kasvinsuojelun perustasoon liittyviä tarkempia ehtoja.

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Unofficial translation

5	<p>Hyvän maatalouden ja ympäristön vaatimukset: Valtioneuvoston asetus täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimuksista (x/201x). Vaatimuksia on tarkennettu aiemmasta ohjelmakaudesta vastaamaan horisontaalasetuksen 1306/2013 vaatimuksia.</p>	<p>Vesistöjen varsilla olevalla maatalousmaalla on noudatettava horisontaalasetuksen liitteessä II tarkoitettuina suojakaistoina maa- ja puutarhataloudesta peräisin olevien päästöjen rajoittamisesta annetun valtioneuvoston asetuksen (x/201x) (nitraattiasetus) x§:n x momentin mukaisia typpiannoitus- ja lannanlevityskieltoja. Vesistöjen ja valtojen varsilla olevalle maatalousmaalle on pääsääntöisesti jätettävä vähintään 1 metrin levyinen, muokkaamaton piennar, jolle ei levitetä lannoitteita eikä kasvinsuojeluaineita. Viljeltyä peltoa ja pysyvien kasvien alaa on viljeltävä hyvän maatalouskäytännön mukaisesti paikkakunnan olosuhteet huomioon ottaen. Hyvän maatalouskäytännön osalta edellytyksenä on, että viljelty pelto ja pysyvien kasvien ala muokataan, lannoitetaan ja kylvetään tai istutetaan tarkoituksenmukaisella tavalla niin, että on mahdollista saada aikaan tasainen itäminen ja kasvusto. Viljeltävien kasvilajien ja -lajikkeiden on oltava alueelle soveltuvia. Kylvy tai istutus on tehtävä viimeistään 30 päivänä kesäkuuta. Viljellyn maatalousmaan kasvinsuojelusta on huolehdittava joko kasvinsuojotuksen avulla, mekaanisesti, biologisesti tai kemiallisesti. Viljelijän on toimittava niin, että korjuu- ja markkinakelpoisen sadon tuottaminen on mahdollista. Jos maatalousmaalta ei korjata satoa, maatalousmaan tuottamasta kasvustosta on tarvittaessa huolehdittava niin, että maatalousmaalle on myös seuraavana vuonna mahdollista perustaa kasvusto tai tuottaa korjuu- ja markkinakelpoinen sato. Hukkakauran ja jättiputken leviäminen on estettävä. Kasvuston sängien poltto on sallittu ainoastaan, jos se on välttämätöntä kylvön toteutuksen, rikkakasvien, kasvitautien tai tuholaisten torjunnan kannalta. Maatilalla on noudatettava maataloustoiminnassa ympäristönsuojelulain (527/2014) 17 §:ssä sekä vesiympäristölle vaarallisia ja haitallisia aineista annetun valtioneuvoston asetuksen (1022/2006) 4 a §:ssä säädettyä päästökieltoa pohjaveteen.</p>	<p>Toimen ehdot ovat hyvän maatalouden ja ympäristön vaatimuksia vaativammat. Toimea ei voi toteuttaa pysyvää nurmea olevalla lohkoilla.</p>
6	<p>Lannoitevalmistelainsäädäntö.</p>	<p>Sopimusalailla on noudatettava nitraattiasetuksen mukaisia lannoitusrajoja tai ravinteiden tasapainoisen käytön lannoitusrajoja, jos tuensaaja on tehnyt ympäristöstoumuksen.</p>	<p>Toimessa ei ole lannoitukseen liittyviä ehtoja, joista aiheutuvia kustannuksia tai tulonmenetyksiä korvattaisiin.</p>

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Unofficial translation

7	Kasvinsuojeluainelainsäädäntö	Laki kasvinsuojeluaineista 1563/2011 ja maa- ja metsätalousministeriön asetus 7/2102. Kasvinsuojeluaineita on käytettävä asianmukaisesti havaitun tarpeen mukaan ja käyttöohjeita noudattaen ottaen ammattimaisessa käytössä huomioon integroidun torjunnan yleiset periaatteet. Lohkokirjanpitoon on merkittävä kasvinsuojeluaineiden käytön kohde, käyttömäärät ja käytön syy. Maatilla kasvinsuojeluaineita saa levittää vain henkilö, joka on suorittanut kasvinsuojeluaineiden käyttöä koskevan kasvinsuojeluaineista annetun lain edellyttämän tutkinnon tai saanut oikeuden kyseisen tutkinnon järjestämiseen tai jolla ohjelmakauden 2007–2013 ympäristötuen mukaisen koulutuksen voimassaoloaika ei ole umpeutunut. Tutkinto on voimassa viisi vuotta. Maatilla kasvinsuojeluaineiden levitykseen käytettävä kasvinsuojeluruisku on testattava siten kuin testauksesta säädetään laissa kasvinsuojeluaineista (1563/2011). Ammattimaisessa käytössä olevat traktoriruiskut on testattava kertaalleen 26.11.2016 mennessä ja sen jälkeen joka viides vuosi. Jos levitysväline on aiemmin testattu ohjelmakauden 2007–2013 ympäristötuen edellyttämällä tavalla, välinettä ei tarvitse testata uudelleen ennen kuin viisi vuotta on kulunut testauksesta. Integroidulla torjunnalla tarkoitetaan kasvinsuojelumenetelmien käyttöä taloudellisesti ja ympäristön kannalta perustellusti siten, että vähennetään ihmisten terveydelle ja ympäristölle aiheutuvia riskejä. Integroidun torjunnan yleiset periaatteet edellyttävät tarpeenmukaista lannoitusta, IPM:n paikka-, aika- ja tapauskohtaisuuden takia Suomessa ei lueta IPM:n yleisiin periaatteisiin yksittäisiä vaadittavia toimenpiteitä.	Toimessa ei ole kasvinsuojeluun liittyviä ehtoja, joista aiheutuvia kustannuksia tai tulonmenetyksiä korvattaisiin.	
8	Asetuksen (EU) N:o 1307/2013 4 artiklan 1 kohdan c alakohdan ii ja iii alakohdan mukaisesti vahvistetut asiaa koskevat vaatimukset ja vähimmäistoimet	Maatalousmaan säilyttäminen	Maatalousmaa on pidettävä avoimena, jotta se pysyy soveltamisasetuksen ((EU) N:o 639/2014) 4 artiklan 1 kohdassa tarkoitetussa kunnossa. Maatalousmaalla, peltoalaa lukuun ottamatta, voi olla tukiasetuksen ((EU) N:o 1307/2013) 4 artiklan 1 kohdan i alakohdan mukaisia talmitarhoja, hedelmäpuu- ja marjapensasaloja, 5 §:n 3 momentissa tarkoitettujen lyhytkiertoisien energiapuiden aloja sekä muita kuin edellä mainittuja puuvartisia kasveja enintään 5 §:n 4 momentissa tarkoitettu määrä.	Toimen ehdot eivät liity maatalousmaan säilyttämiseen. Korvausta ei voida maksaa alalle, jossa säilyttämisvaatimusta ei ole noudatettu.
9	Muu lainsäädäntö	Vesienhoitosuunnitelmat (Ohjelmavalmistelussa on ennakoivasti otettu huomioon maatalouden perus- ja lisätoimenpidevaatimukset, joita tullaan esittämään 2016 alkavalle suunnittelukaudelle)	Vesienhoidon ja merenhoidon järjestämisestä annetussa laissa (1299/2004, vesienhoitolaki) ja sen nojalla annetussa valtioneuvoston asetuksessa vesienhoidon järjestämisestä (1040/2006, vesienhoitoasetus) säädetään vesienhoitosuunnitelmien ja niitä täydentävien toimenpideohjelmien laatimisesta ja tavoitteista. Toimenpideohjelmassa on esitetty vesienhoidon ympäristötavoitteiden saavuttamiseksi tarvittavat perustoimenpiteet ja lisätoimenpiteet. Toiselle suunnittelukaudelle 2016–2020 on tulossa perustoimenpiteiksi nitraattiasetuksen mukaiset toimenpiteet, eläinsuojien ympäristölupien mukaiset toimenpiteet sekä täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimukset ja kasvinsuojeluainelainsäädännön mukaiset toimenpiteet.	Toimessa edellytetty toiminta ei sisällä vesipuidedirektiivin mukaisiin viljelijää velvoittaviin perustoimenpiteisiin.

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10	Suorien tukien viherystämistuen päällekkäisen maksun estäminen.	Viherryttämistuen vastaavuutta eli ns. ekvivalenssia ei Suomessa oteta käyttöön. Pysyvän nurmien ja viljelyn monipuolistamisen vaatimuksia sovelletaan koko maan tasolla. Ekologisen alan vaatimuksessa sovelletaan ns. metsäisyyspolkkeeusta. Ekologisen alan vaatimus koskee siten Uudenmaan, Varsinais-Suomen ja Ahvenanmaan maakuntia. Ekologisia aloja ovat: kesantoalat, typensitojakasvien alat, lyhytkiertoisien energiapuun alat, täydentävien ehtojen mukaisten maisemapiirteiden alat.	Koska Suomi ei sovelle ns. vastaavuutta, viherryttämistuen vaatimukset on toteutettava tiloilla viherryttämistuen ehtojen mukaisina. Toimea ei voida toteuttaa pysyvien nurmien lohkoilla. Toimen toteutuksesta voidaan maksaa tiloille, jotka ovat saaneet vapautuksen ekologisen alan vaatimuksesta.
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Table M10.21 Baseline Crane, goose and swan fields\_Page\_4

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution. The minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application equipment and rules on pesticide use close to water and other sensitive sites, as established by national legislation.

See Table M10.21 for the baseline requirements.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable to this operation.

*Unofficial translation*

Description of the methodology and of the agronomic assumptions and parameters (including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment) used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation.

For the definition of the payment levels, see the section "Eligible costs". For the basic premises for defining the general payment levels for the measure concerning environment payments, see the subsection on payment level calculations in section 8.2.M10.f, which also includes operation-specific calculations.

#### 8.2.6.3.13. 14 Rearing of local breeds

Sub-measure:

- 10.1 – payments for agri-environment-climate commitments

##### 8.2.6.3.13.1. Description of the type of operation

Objective of the operation:

The operation comprises an environment contract to enhance genetic diversity. The objective is to ensure the conservation of economically, scientifically, culturally and historically valuable local breeds, their special characteristics and genetic variation. This also contributes to maintaining the genetic diversity of species of livestock. The operation helps to prevent the extinction of animals belonging to Finnish local breeds by increasing the number of individual animals belonging to these breeds and ensuring that the genotype is preserved as extensively as possible. The numbers of fertile females of local breeds are monitored by an organisation approved as the keeper of the pedigree, which a Member State has approved under EU legislation on livestock breeding. Under the Act on the Breeding of Domestic Animals (794/1993), an organisation must be approved as a keeper of the pedigree if it ensures that data on the animals is appropriately registered, promotes the breeding of animals and meets any other approval criteria laid down by the Ministry of Agriculture and Forestry. For the development of the numbers of fertile females, see section 8.7.6.

Actions contained in the operation:

Payments are granted for raising East, West and North Finncattle, Finnish landrace goats, Finnish sheep, Åland sheep and grey sheep of Kainuu, Finnhorses and Finnish landrace hens with the aim to propagate the breed. A farmer commits to rearing the number of animals specified in the contract belonging to a local breed on the farm for five years.

The farmer undertakes to keep the number of animals stated in the contract throughout the contract period. The number of animals in the contract may be increased in the second and third year of the contract period upon application by the farmer. If the number of animals is increased after that, a new contract must be concluded. It is acceptable for the number of animals to reduce during the contract period provided that obtaining an animal to replace one that was lost is not possible.

##### 8.2.6.3.13.2. Type of support

Payments are made as EUR/LU/year. The contract period is 5 years.

#### 8.2.6.3.13.3. Links to other legislation

The identification and marking of animals is based on the Act on the Animal Identification System (238/2010), and it applies to all species. Additionally, compliance must be ensured with Regulation 1760/2000 of the European Parliament and of the Council, Commission Regulation 911/2004 and Ministry of Agriculture and Forestry Decree 1391/2006 for cattle, European Council Regulation 21/2004 and Ministry of Agriculture and Forestry Decree 469/2005 (with later amendments) for sheep and goats, Commission Regulation 504/2008 and Ministry of Agriculture and Forestry Decree 880/2009 for horses, and Ministry of Agriculture and Forestry Decree 867/2010 for hens.

The requirements applicable to the keeper of the pedigree are pursuant to the EU legislation on livestock breeding and the national Act on the Breeding of Domestic Animals (794/1993).

National regulations applicable to the measure: The Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on environment payments (xx/201x), and the Ministry of Agriculture and Forestry Decree on environment payments (xx/201x). This Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree contains provisions on the general implementation of the contract, requirements applicable to the breed, breeding purity and age of the animals covered by the contract, and the levels of payment and payment procedures as described in the programme. The Ministry of Agriculture and Forestry Decree provides details concerning contract fulfilment, in particular regarding the use of the animals for breeding, proof of pedigree and replacement of animals.

Government Decree on statutory management requirements in the cross-compliance conditions and the supervision of compliance with the cross-compliance conditions (xx/201x). For the contents of the Decree on cross-compliance conditions, see section 8.1.

#### 8.2.6.3.13.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 (DP) and the more detailed national statutes issued by virtue of it.

#### 8.2.6.3.13.5. Eligible costs

East Finncattle, North Finncattle and West Finncattle: The yield of milk and meat from local breeds (East Finncattle, North Finncattle and West Finncattle) is lower than the yield from the most common breeds of cattle in Finland (Holstein-Friesians and Ayshires), even considering the better prices obtained for the milk of local breeds with its higher fat and protein content. Based on the calculation, the annual environment payment for rearing East Finncattle, North Finncattle and West Finncattle is at maximum EUR 702/LU/year.

Finnhorse: The calculation presumes that a Finnhorse mare has three foals in five years. Costs are incurred for the service, veterinarian's charges, registration and entry in the breeding book. Farmers rearing Finnhorses also incur costs for X-rays and CEM testing, which are required before breeding. Based on the

calculation, the annual environment payment for rearing Finnhorses is at maximum EUR 492/LU/year.

Finnish sheep, Åland sheep and grey sheep of Kainuu: Farmers raising local sheep breeds mainly incur additional costs for the fact that while native breeds have more lambs, their lambs are smaller than those of breeds reared for meat. The calculation assumes that a ewe of a local breed has one lamb more every year than breeds reared for meat. A farmer rearing a local breed thus incurs additional costs for marking the additional lambs and acquiring their breed purity certificates. Infra-red lamps must also be procured to keep the lambs warm, and one of the local breed ewe's lambs must be fed with a milk substitute. Based on the calculation, the annual environment payment for rearing Finnish sheep, Åland sheep or grey sheep from Kainuu is at maximum EUR 876/LU/year.

Finnish goat: Farmers rearing Finnish goats incur costs for the lower milk yield of a Finnish nanny goat compared to a non-local nanny goat. On the other hand, cost savings are obtained because Finnish goats are milked less frequently, and thus less working time is required to care for a Finnish nanny goat than a non-local goat. Based on the calculation, the annual environment payment for rearing Finnish goats is at maximum EUR 775/LU/year.

Finnish hens and cocks: Farmers rearing Finnish hens and cocks incur costs for the lower egg yield of Finnish hens than the yield in high-intensity egg production. Finnish hens and cocks also consume more feed than other races, and the work input in caring for them is greater. Based on the calculation, the annual environment payment for rearing Finnish hens and cocks is at maximum EUR 320/farm/year.

The calculations take into account the fact that all farmers rearing local breeds incur transaction costs for familiarising themselves with animal breeding, for gathering information about local breeds and for the examinations and testing required to foster local breeds.

#### 8.2.6.3.13.6. Eligibility conditions

Beneficiary (see under "Beneficiaries"): No valid environment commitment is required to conclude a contract.

Under Article 7 of Commission Regulation (EU) No 807, eligible breeds are East, West and North Finncattle, Finnish landrace goats, Finnish sheep, Åland sheep and Grey sheep of Kainuu, Finnhorses and Finnish hens (see also Table M10.23). The animals must be pure-bred. Hens must be at least 6 months old and bovines, sheep and goats must be at least one year old at the beginning of the contract period. In the beginning of the contract period, a Finnhorse must be a breeding mare entered in the register of Finnhorses which has foaled or has been served or artificially inseminated in the previous year, or a pedigree stallion. Animals are converted into livestock units using the coefficients in section 8.1. A contract may be concluded if the number of sheep or goats corresponds to at least 0.9 LU, bovines to 1 LU and horses to 2 LU or the number of landrace hens/ cocks is 20.

Animals covered by the contract must be identified and marked as required by the EU and national laws. The animals must have a certificate showing their descent. The certificate may be issued by an organisation approved as the keeper of the pedigree which the Member State has approved by virtue of EC legislation

concerning livestock breeding.

The objective of the operation is increasing the numbers of the breed in question, and a precondition for the payment thus is that the animals must be used for breeding and, for hens, that chicks are produced during the contract period. During the contract period, only pure-bred animals belonging to the same breed may be used for the breeding.

In order to prevent double payments, costs paid under sub-measure 10.2 may not be paid under this operation.

#### 8.2.6.3.13.7. Principles with regard to the setting of selection criteria

No selection criteria will be introduced for this operation.

#### 8.2.6.3.13.8. (Applicable) amounts and support rates

The payments exceed the maximum amounts referred to in Annex II of Regulation (EU) No 1305/2013. Exceeding the payment amounts can be justified by the cost calculations discussed in the section Eligible costs. The levels of payment are similar to the ones applied in programming period 2007–2013. With lower payment levels, interest in rearing native breeds would be scant on production farms, as rearing other breeds is clearly more profitable. The levels of payment for different bovine breeds have been harmonised to achieve a favourable trend in the numbers of all breeds.

- Cattle breeds: East, North and West Finncattle EUR 530/LU/year
- Finnhorse EUR 300/LU/year
- Sheep EUR 300/LU/year
- Finnish landrace goat EUR 300/LU/year
- Land race hens and cocks EUR 300/farm/year

The target number under the operation is 7,000 LU/year.

No annual variations in the number of animals under the contract are acceptable.

#### 8.2.6.3.13.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.6.3.13.9.1. Risk(s) in the implementation of the measures

In on-the-spot checks, the risk of penalties is exacerbated if, rather than declare replacements of animals covered by the contract, the replacements are checked on the spot. If the contracts are concluded for groups rather than individual animals, this presents a risk in administrative checks.

**8.2.6.3.13.9.2. Mitigating actions**

In on-the-spot checks, the following are verified: the farm's registration as a keeper of animals (not applicable to horses), the contract (and the annual payment application), the number of animals covered by the contract on the farm, earmarks, data in the animal register and animal list/records, purchase and sales receipts, breed certificates, replacements, the places in which the animals are kept, the age of the animals, calving/lambing, and the breeds and sexes of the animals.

An administrative check is carried out to verify that the farm has possession of the cattle, sheep or goats covered by the contract and that they are appropriately registered, and that the number of animals covered by the contract (bovines, sheep, goats) meets at minimum the number declared in the register.

**8.2.6.3.13.9.3. Overall assessment of the measure**

Regardless of the risks relevant to the operation, it is adequately verifiable and controllable.

**8.2.6.3.13.10. Information specific to the operation**

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law.

For the baseline requirements, see Table M10.22.



Unofficial translation

Toimikohtainen perustason kuvaus toimenpiteessä 10, ympäristökorvaukset

Toimi: alkuperäisrotujen kasvattaminen

1	Perustaso asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukaan.	Asetuksen (EU) N:o 1305/2013 art. 28 kohdan 3 mukaiset perustason vaatimukset tarkemmin eriteltynä.	Asetuksen (EU) N:o 1305/2013 art 28 kohdan 3 mukainen perustaso Suomessa toimelle Alkuperäisrotujen kasvattaminen	Alkuperäisrotujen kasvattaminen -toimen mukainen ympäristösopimus (10.1 mukainen toimi). Toimen sisältö: Viljelijä kasvattaa toimenpiteeseen hyväksytyjen alkuperäisrotujen eläimiä viisivuotisen sopimuskauden aikana. Ehtona on eläinten siitos- tai jalostuskäyttö sopimuskauden aikana.
2	(EU) N:o 1306/2013 VI osaston I luvun mukaisesti vahvistetut asiaa koskevat toimenpidevaatimukset	Täydentävät ehdot: Lakisääteiset hoitovaatimukset sekä Hyvän maatalouden ja ympäristön vaatimukset: Valtioneuvoston asetus täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimuksista (x/201x).	Eläinten kasvattamiseen liittyvät koskevat lakisääteiset hoitovaatimukset.	Täydentävissä ehtoissa ei ole erityisiä alkuperäisrotujen kasvattamista koskevia ehtoja tai vaatimuksia jotka velvoittaisivat alkuperäisrotuisten eläinten kasvattamiseen. Eläinten kasvatuksessa on noudatettava täydentävien ehtojen lakisääteisissä hoitovaatimuksia, jotka liittyvät kyseisten tuotantoeläinlajien kasvattamiseen.
3	Lannoitteiden ja kasvinsuojeluaineiden käyttöä koskevat vähimmäisvaatimukset	Lannoitteiden ja kasvinsuojeluaineiden käyttöä koskevat vähimmäisvaatimukset		Toimi ei ole hehtaariperusteinen. Toimella ei ole yhtymäkohtia vaatimukseen.
4	Asetuksen (EU) N:o 1307/2013 4 artiklan 1 kohdan c. alakohdan ii ja iii alakohdan mukaisesti vahvistetut asiaa koskevat vaatimukset ja vähimmäistoimet	Maatalousmaan säilyttäminen		Toimi ei ole hehtaariperusteinen. Toimella ei ole yhtymäkohtia vaatimukseen.
5	Muu lainsäädäntö		Lainsäädännössä ei ole viljelijää koskevia velvoitteita alkuperäisrotuisten eläinten kasvattamiseksi.	

Table M10.22 Baseline Rearing of local breeds

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution. The minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application equipment and rules on pesticide use close to water and other sensitive sites, as established by national legislation.

The rearing of local breeds has no links to the use of plant protection products or fertilization.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Local breeds of cattle, sheep, goats, horses and hens remaining in Finland (Table M10.23).

*Unofficial translation*

Eläimen kantakirjanpitäjäksi hyväksytyn yhteisön rekistereissä olevien  
alkuperäisrotuisten lisääntyvien naaraiden lukumäärät

	1994	1998	2001	2005	2011
Länsisuomenkarja	6 000	4 500	2 688	2720	1402
Itäsuomenkarja	80	150	504	540	807
Pohjoissuomenkarja	70	120	435	670	632
Suomenvuohi		4 500	4 000	4000	4878
Suomenlammas (valkea, musta ja ruskea)			6 916	5186	6319
Kainuunharmas			583	460	698
Ahvenanmaanlammas			42	106	365
Suomenhevonen	4 301	3 800	3 349	3068	2500–2600
Maatiaiskanat			2 165	2376	2774

*Unofficial translation*

Description of the methodology and of the agronomic assumptions and parameters (including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment) used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation.

For the definition of the payment levels, see the section "Eligible costs". For the basic premises for defining the general payment levels for the measure concerning environment payments, see the subsection on payment level calculations in section 8.2.M10.f, which also includes operation-specific calculations.

#### 8.2.6.3.14. 15 Keeping of local varieties

Sub-measure:

- 10.2 – support for conservation and sustainable use and development of genetic resources in agriculture

##### 8.2.6.3.14.1. Description of the type of operation

Objective of the operation:

This is an operation concerning conservation in gene banks to promote genetic diversity. The objective is to promote *in situ* conservation of the genetic material of landrace varieties adapted to the northern climate conditions in Finland and endangered old commercial varieties and preservation of Finnish cultural heritage by supporting the specification of varieties and cultivation for maintenance purposes of grass and fodder crops, cereal crops, root plants, seed potatoes, oilseed and fibre crops and vegetables. The operation supports Finland's international obligations concerning the maintenance of the biological diversity of agriculture and living organisms depending on agricultural environments. For the numbers of registered local species and Finnish landrace varieties, see section 8.7.6.

Actions contained in the operation:

Payments are made for the maintenance of landrace varieties and threatened old commercial varieties of grass and fodder crops, cereal crops, root plants, seed potato, oilseed and fibre crops and vegetables and their mutated strains. The species entitling the farmer to payments are included in an official list of Finnish plant varieties as local crop varieties. The Finnish Food Safety Authority Evira approves new varieties for the list by application of the farmer if they meet the criteria for a local crop variety (the Seed Trade Act 728/2000 and the national decrees issued by virtue of it on approving varieties). The keeper of a local crop must ensure that the variety is maintained as appropriate. The Finnish Food Safety Authority Evira requires that the variety is maintained and monitors its status. As part of this requirement, the keeper of a variety keeps records which make it possible to verify the maintenance situation. A keeper receives an annual one-off payment for maintaining the variety concerned in the contract during the five-year contract period. The authority supervising the maintenance of the variety (Finnish Food Safety Authority) verifies that the variety is maintained in a way that preserves its genetic heritage.

##### 8.2.6.3.14.2. Type of support

Payments are made as EUR/variety/year for conservation. The contract period is 5 years.

##### 8.2.6.3.14.3. Links to other legislation

National regulations applicable to the measure: The Act on payments to farmers under the Rural

Development Programme (xx/201x), Government Decree on environment payments (xx/201x), and the Ministry of Agriculture and Forestry Decree on environment payments (xx/201x). This Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree contains provisions on the general implementation of the operation as well as the levels of payment and payment procedures as described in the programme. The Ministry of Agriculture and Forestry Decree provides details concerning the implementation of the operation, in particular concerning the maintenance and cultivation of the variety to be maintained.

#### 8.2.6.3.14.4. Beneficiaries

Designated keeper of the variety in the official list of Finnish plant varieties whose variety has been accepted to the list as a local crop variety.

#### 8.2.6.3.14.5. Eligible costs

The calculation assumes that landrace varieties and old commercial varieties are only cultivated for conservation purposes, which means that there is no return on cultivating local crops. The farmer incurs costs for planning the maintenance of local crops. Aspects to be taken into account in the planning include, for cross-pollinating species, include a sufficient isolation distance to other plants of the same species to avoid undesired cross-breeding. Costs are also incurred for the records to be kept by the keeper of a local crop variety to allow the inspection of the maintenance situation. Compared to normal farming, maintaining the variety identity and purity of seed requires more labour than normal cultivation, and the farmer thus incurs additional costs. Additional costs are incurred for example for the working time used on weeding and the careful cleaning of the seed drill, combine harvester and trailer, screw conveyors, the grain dryers and storage facilities. Monitoring the quality of batches of local crops also takes more time than monitoring the quality of the farmer's own seed in regular arable crop production. Costs are also incurred for the storage of the batch, as the seeds must be kept separate from other seeds. In addition to these costs, the farmer loses the profit margin that would have been produced if the arable land had been used for regular cultivation. The amount of the income loss depends on the crop to be maintained, the area dedicated to its cultivation and the frequency of renewing the batch to be maintained by cultivation. There are transaction costs, for example, due to the proportionally higher establishment, management and harvesting costs of small-scale conservation cultivation compared to regular arable crop production. Based on the calculation, the annual environment payment for maintaining and cultivating local crops is at maximum EUR 400/variety.

#### 8.2.6.3.14.6. Eligibility conditions

A condition for the payment is that the variety has been accepted for the official list of Finnish plant

varieties as a local crop and that the farmer who gives the commitment is the keeper of the variety designated in the list of plant varieties. Before concluding the contract, the farmer must receive a decision on maintaining the variety from the Finnish Food Safety Authority Evira, which is responsible for conducting a variety study or definition of variety identity in accordance with the variety description practice based on guidelines of the International Union for the Protection of New Varieties of Plants (UPOV).

In order to prevent double payments, costs paid under other operations of sub-measure 10.1 may not be paid under this operation.

#### 8.2.6.3.14.7. Principles with regard to the setting of selection criteria

No selection criteria will be introduced for this operation.

#### 8.2.6.3.14.8. (Applicable) amounts and support rates

The objective of the measure is to maintain 50 plant species.

An annual payment for maintaining a local crop variety of EUR 400/plant variety is made.

#### 8.2.6.3.14.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.6.3.14.9.1. Risk(s) in the implementation of the measures

The crop for which support is paid must be a registered local variety.

##### 8.2.6.3.14.9.2. Mitigating actions

An administrative check is performed to verify that the variety has been accepted for the official list of Finnish plant varieties as a local crop and that the farmer who gives the commitment is the keeper of the variety designated in the list of plant varieties. In on-the-spot checks, the records on maintaining a seed batch and the fact that the seed batch is free from damage by pests, dry etc. is verified. If necessary, a germination experiment may be requested from Evira to ascertain the condition of the seed.

##### 8.2.6.3.14.9.3. Overall assessment of the measure

Regardless of the risks relevant to the operation, it is adequately verifiable and controllable.

8.2.6.3.14.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law.

This is an operation referred to in Article 28(9) of Regulation 1035/2013, which does not belong to the same scope of application as provisions in paragraphs 1-8 of this Article.

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution. The minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application equipment and rules on pesticide use close to water and other sensitive sites, as established by national legislation.

This is an operation referred to in Article 28(9) of Regulation 1035/2013, which does not belong to the same scope of application as provisions in paragraphs 1-8 of this Article.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

In legislation on local crops (Ministry of Agriculture and Forestry Decree 16/09), a local variety refers to populations or clones of a plant species that have naturally adapted to the environmental conditions in the areas in which they grow. A landrace variety is not necessarily old, but in its origins, environmental impacts are emphasised rather than active breeding. Finnish legislation allows the registration of landrace varieties, old commercial varieties and mutated populations of old commercial varieties as local varieties (Table M10.24) and small scale marketing of their seeds. Efforts have been made to conserve in gene banks landrace varieties and old commercial varieties that are no longer cultivated. The Nordic gene resource centre NordGen contains over 500 seed samples of landrace varieties (Table M10.25).

*Unofficial translation*

Alkuperäiskasvilajikkeiden rekisterissä olevien lajikkeiden määrä lajeittain. Lähde:  
Elintarviketurvallisuusviraston kasvilajikeluettelo, alkuperäiskasvilajikkeet

	2002	2003	2005	2008	2010	2011	2012
puna-apila	5	6	5 *	5	6	6	7
ruis	1	2	4	5	6	7	8
ohra		1	1	1	1	1	1
nauris			1	1	1	1	1
kaura						1	1
<b>Yhteensä</b>	<b>6</b>	<b>9</b>	<b>6</b>	<b>12</b>	<b>14</b>	<b>16</b>	<b>18</b>

\* Yksi vuonna 2003 rekisteröidyistä lajikkeista on poistettu rekisteristä vuonna 2004 Suomen kansalliseen lajikeluetteloon hyväksymisen vuoksi.



*Unofficial translation*

Suomalaiset maatiaiskannat NordGenissä. Lähde: Veteläinen, Hilden & Pehu: State of Plant Genetic Resources for Food and Agriculture in Finland - Second Finnish National Report, MMM 5/2008

Kasvilaji	Kpl
Ruis	82
Ohra	51
Kaura	13
Vehnä	7
Härkäpapu	26
Peltoherne	5
Lanttu	5
Nauris	7
Muut kasvilajit (pääosin nurmikasveja)	341

M10.25. Landrace varieties

*Unofficial translation*

Description of the methodology and of the agronomic assumptions and parameters (including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment) used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation.

For the definition of the payment levels, see the section "Eligible costs". For the basic premises for defining the general payment levels for the measure concerning environment payments, see the subsection on payment level calculations in section 8.2.M10.f, which also includes operation-specific calculations.

#### 8.2.6.3.15. 16 Safety base collections of local crops

Sub-measure:

- 10.2 – support for conservation and sustainable use and development of genetic resources in agriculture

##### 8.2.6.3.15.1. Description of the type of operation

Objective of the operation:

This is an operation concerning conservation in gene banks to promote genetic diversity. The operation promotes the safe preservation and maintenance of nationally valuable agriculture and horticulture plants, vegetative propagation of northern landrace varieties, and endangered old commercial varieties adapted to the northern conditions by means of *in situ* conservation. For the numbers of Finnish landrace species, see section 8.7.6.

The operation is intended for the maintenance and conservation of plant populations under a mandate for long-term conservation to be maintained nationally, as well as for valuable private collections and local genetic resources. These include certain fruit trees (apple, plum, damson, pear, sour cherry), berry plants (gooseberry, black and red currant, buckthorn, raspberry, nectar raspberry, musk strawberry), vegetables (rhubarb, horseradish, onion, leek, garlic and shallot), hop and certain other species selected for long-term conservation (herbs and medicinal herbs and plants for green landscaping) based on an assessment by the expert groups of the National Plant Genetic Resources Programme.

Actions contained in the operation:

The operation promotes *in situ* conservation and the collection of plant data by means of planning and implementing information exchanges together with actors approved as keepers. In addition, the operation may be used to participate in international and/or EU research programme projects aiming to develop conservation databases for landrace plants.

It also raises citizens' awareness of the conservation and utilisation of genetic resources by maintaining a media presence, participates in instruction at educational institutions of various levels, and organises seminars together with different associations aiming to protect and utilise plant genetic resources. Educational institutions and organisations are also examples of suitable keepers of *in situ* plant genetic resource collections.

The operation provides for compensation to the party coordinating the National Plant Genetic Resources Programme, which both coordinates the conservation and assesses the collections to be conserved. The coordinator draws up an annual programme of measures, which is approved by the Ministry of Agriculture and Forestry. The beneficiary of the payment may assign the maintenance to a third party and compensate this party for the costs arising from the *in situ* cultivation. This party may be a private person, an association or an organisation. The beneficiary may not assign the obligation to maintain a plant for plants that receive payments under the operation concerning the cultivation of local crops.

Plant populations must be managed in accordance with the guidelines for long-term conservation of Finland's national plant genetic resources. The plant collections may be collections of fruit trees, berry

plants, vegetable plants, green landscaping plants and herbs and medicinal herbs.

#### 8.2.6.3.15.2. Type of support

One five-year contract is concluded with the party coordinating the National Plant Genetic Resources Programme. The contract is concluded based on a programme of measures, and compensation is paid for the realized costs.

#### 8.2.6.3.15.3. Links to other legislation

National regulations applicable to the measure: The Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on environment payments (xx/201x), and the Ministry of Agriculture and Forestry Decree on environment payments (xx/201x). This Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree contains provisions on the general implementation of the operation, the contents of the programme of measures, the levels of payment and payment procedures, and the beneficiary's participation in information actions, information exchanges and development of conservation databases as described in the programme. The Ministry of Agriculture and Forestry Decree provides details concerning the implementation of the operation, in particular concerning the plant species included in the safety base collections.

#### 8.2.6.3.15.4. Beneficiaries

The party coordinating the National Plant Genetic Resources Programme.

#### 8.2.6.3.15.5. Eligible costs

The eligible costs are composed of the assessment and planning of the conservation need of plant genetic resources, actions aimed to conserve plant genetic resource collections, and actions that promote the exchange and use of information listed in an approved programme of measures. A maintenance obligation under this operation may not be assigned for plants that are cited as Finnish plant varieties in the official national list and thus eligible for the operation "Keeping of local crop varieties".

8.2.6.3.15.6. Eligibility conditions

The beneficiary must be the party coordinating the National Plant Genetic Resources Programme.

The beneficiary draws up a programme of measures to be approved by the Ministry of Agriculture and Forestry. The plan must contain the targeted, concerted and accompanying actions referred to in Article 8(2) of Commission Regulation (EU) No 807/2014.

In order to prevent double payments, costs paid under other operations of sub-measure 10.1 may not be paid under this operation.

8.2.6.3.15.7. Principles with regard to the setting of selection criteria

No selection criteria will be introduced for this operation.

8.2.6.3.15.8. (Applicable) amounts and support rates

A maximum amount of EUR 30,000 will be made available for the measure annually.

An annual payment is made to the party coordinating the National Plant Genetic Resources Programme on the basis of a payment application.

8.2.6.3.15.9. Verifiability and controllability of the measures and/or types of operations

8.2.6.3.15.9.1. Risk(s) in the implementation of the measures

The beneficiary is the party that coordinates the national genetic resource programme, and they can outsource the *in situ* maintenance. The risk is that the *in situ* keepers (third parties) will not preserve the local plant variety as set out in the programme of measures. A possible failure to implement the programme of measures is an additional risk.

8.2.6.3.15.9.2. Mitigating actions

Checking that the eligibility conditions are fulfilled regarding the assessment of protection needs, planning and preservation of collections.

**8.2.6.3.15.9.3. Overall assessment of the measure**

Regardless of the risks relevant to the operation, it is adequately verifiable and controllable.

**8.2.6.3.15.10. Information specific to the operation**

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law.

This is an operation referred to in Article 28(9) of Regulation 1035/2013, which does not belong to the same scope of application as provisions in paragraphs 1-8 of this Article.

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution. The minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application equipment and rules on pesticide use close to water and other sensitive sites, as established by national legislation.

This is an operation referred to in Article 28(9) of Regulation 1035/2013, which does not belong to the same scope of application as provisions in paragraphs 1-8 of this Article.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

In legislation on local crops (Ministry of Agriculture and Forestry Decree 16/09), a local variety refers to populations or clones of a plant species that have naturally adapted to the environmental conditions in the areas in which they grow. A landrace variety is not necessarily old, but in its origins, environmental impacts are emphasised rather than active breeding. Finnish legislation allows the registration of landrace varieties, old commercial varieties and mutated populations of old commercial varieties as local varieties (Table M10.24) and small scale marketing of their seeds. Efforts have been made to conserve in gene banks landrace varieties and old commercial varieties that are no longer cultivated. The Nordic gene resource centre NordGen contains over 500 seed samples of landrace varieties (Table M10.25).

*Unofficial translation*

Description of the methodology and of the agronomic assumptions and parameters (including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment) used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation.

For the definition of the payment levels, see the section "Eligible costs". For the basic premises for defining the general payment levels for the measure concerning environment payments, see the subsection on payment level calculations in section 8.2.M10.f, which also includes operation-specific calculations.

#### 8.2.6.3.16. 17 Conservation of the genetic heritage of local breeds

Sub-measure:

- 10.2 – support for conservation and sustainable use and development of genetic resources in agriculture

##### 8.2.6.3.16.1. Description of the type of operation

Objective of the operation:

This is an operation concerning conservation in gene banks to promote genetic diversity. The objective of the operation is to secure the long-term conservation of genetic resources of Finnish local breeds in the gene bank. The genes of endangered breeds are stored in the gene bank, either as embryos or sperm doses. In freeze conservation, embryos and sperm doses are conserved. By means of embryos the whole genome is conserved. The collection and freezing of sperm is less costly and a credible stock of genetic diversity can be obtained by a large number of doses. The descent of the gamete donor animals is verified on the basis of registers and DNA analyses. The health of the animal is tested before the collection. A serum sample of the donor animals must also be frozen for a future analysis of pathogens. A large number of doses must be reserved for use to have a sufficient number of alternatives for reviving a breed by cross-breeding.

Actions contained in the operation:

The operation promotes information exchanges by planning and implementing the conservation efforts in co-operation with organisations that keep registers for various animals and implement breeding programmes in Finland and in co-operation with various EU Member States.

It also raises citizens' awareness of the conservation and utilisation of genetic resources by maintaining a media presence, participates in instruction at educational institutions of various levels, and organises seminars in co-operation with local breed associations and breeding organisations.

The coordinator of the National Animal Genetic Resources Programme plans and implements the *ex situ* activity. The coordinator draws up an annual programme of measures, which is approved by the Ministry of Agriculture and Forestry. In the conservation of genetic heritage, the objectives and principles set out for different species and breeds in Finland's national animal genetic resource programme must be complied with. The beneficiary of the payment may assign the maintenance to a third party and compensate this party for the costs arising from the *ex situ* activities. Third parties may include artificial insemination organisations and veterinarians selected in a public bidding process.

##### 8.2.6.3.16.2. Type of support

A five-year contract is concluded with the coordinator of the National Animal Genetic Resource Programme. The contract is concluded based on a programme of measures, and compensation is paid for the realized costs.



8.2.6.3.16.3. Links to other legislation

National regulations applicable to the measure: The Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on environment payments (xx/201x), and the Ministry of Agriculture and Forestry Decree on environment payments (xx/201x). This Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree contains provisions on the general implementation of the operation, the contents of the programme of measures, the levels of payment and payment procedures, and the beneficiary's participation in information actions, information exchanges and development of conservation databases as described in the programme. The Ministry of Agriculture and Forestry Decree provides details concerning the implementation of the operation, in particular regarding the methods used to conserve genetic heritage in the case of each breed.

8.2.6.3.16.4. Beneficiaries

Coordinator of the National Animal Genetic Resources Programme.

8.2.6.3.16.5. Eligible costs

The eligible costs are composed of the assessment of the *ex situ* conservation need of animal genetic resources, planning and actions aimed to preserve the *ex situ* collections cited in an approved programme of measures as well as actions that promote information exchanges and use.

8.2.6.3.16.6. Eligibility conditions

The beneficiary must be the party coordinating the National Plant Genetic Resources Programme.

The beneficiary draws up a programme of measures to be approved by the Ministry of Agriculture and Forestry. The plan must contain the targeted, concerted and accompanying actions referred to in Article 8(2) of Commission Regulation (EU) No 807/2014.

8.2.6.3.16.7. Principles with regard to the setting of selection criteria

No selection criteria will be introduced for this operation.

8.2.6.3.16.8. (Applicable) amounts and support rates

A maximum amount of EUR 60,000 will be made available for the operation annually. An annual payment is made to the coordinator of the Animal Genetic Resources Programme on the basis of a payment application.

8.2.6.3.16.9. Verifiability and controllability of the measures and/or types of operations

8.2.6.3.16.9.1. Risk(s) in the implementation of the measures

The beneficiary is the party that coordinates the national genetic resource programme, and they can outsource the *ex situ* maintenance. The risk is that the *ex situ* keepers (third parties) will not preserve the sperm doses and embryos of local breeds as set out in the programme of measures. A possible failure to implement the programme of measures is an additional risk.

8.2.6.3.16.9.2. Mitigating actions

Checking that the eligibility conditions are fulfilled regarding the assessment of protection needs, planning and preservation of collections.

8.2.6.3.16.9.3. Overall assessment of the measure

Regardless of the risks relevant to the operation, it is adequately verifiable and controllable.

8.2.6.3.16.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law.

This is an operation referred to in Article 28(9) of Regulation 1035/2013, which does not belong to the same scope of application as provisions in paragraphs 1-8 of this Article.

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning

*Unofficial translation*

phosphorous pollution. The minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application equipment and rules on pesticide use close to water and other sensitive sites, as established by national legislation.

This is an operation referred to in Article 28(9) of Regulation 1035/2013, which does not belong to the same scope of application as provisions in paragraphs 1-8 of this Article.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Local breeds of cattle, sheep, goats, horses remaining in Finland (Table M10.23).

Description of the methodology and of the agronomic assumptions and parameters (including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment) used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation.

For the definition of the payment levels, see the section "Eligible costs". For the basic premises for defining the general payment levels for the measure concerning environment payments, see the subsection on payment level calculations in section 8.2.M10.f, which also includes operation-specific calculations.

#### *8.2.6.4. Verifiability and controllability of the measures and/or types of operations*

##### *8.2.6.4.1. Risk(s) in the implementation of the measures*

For a description of risks, see under each operation. The risk codes of risks that concern the entire measure are the following.

Commission risk codes:

R5 Verifiability and/or controllability of the measure

R5.1 In several operations, payments are made on the basis of the farmers' own declarations

R5.2 The completed operations cannot be verified on the spot on the farm

R5.3 The operations contain time limits, compliance with which cannot be verified on the spot on farms

R5.4 The conditions of the operations are not sufficiently clear-cut

R6 Eligibility determined by ex-ante conditionalities

R8 IT systems

R8.1 No comprehensive official data exists on main ditches

R9 Payment application

#### 8.2.6.4.2. Mitigating actions

For a separate description, see under each individual measure.

Commission risk reason codes

RC1 Calculation system for deductions

RC2 LPIS system update

RC3 Information exchanges between authorities

RC4 Eligibility determined by ex-ante conditionalities

RC6 Commitments are difficult to implement and verify

RC7 Errors in surface area declarations

RC8 Beneficiaries do not implement the commitment

Commission risk prevention codes

CPA1 Training for administration

CPA2 Information and training for beneficiaries

CPA3 Information campaigns and guidance documents

CPA4 Improvement of information systems

CPA7 Reasonableness of deductions

#### 8.2.6.4.3. Overall assessment of the measure

For a separate description, see under each individual measure. The control procedures for each operation are described in Annex M10.

#### 8.2.6.5. Information specific to the measure

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law.

The baseline is itemised as a table separately under each operation.

The specification of the baseline requirements arising from cross-compliance conditions is based on the statutory management requirements and standards for good agricultural and environmental condition of land in Annex II to Regulation (EU) No 1306/2013. In the statutory management requirements, the standard is national legislation compliant with the relevant directive articles. The requirements of measures concerning good agricultural and environmental condition of land are defined in more detail in a national statute. Chapter 8.1 presents the links between mandatory management requirements and the national legislation and describes shortly the requirements for good agricultural and environmental condition. Provisions on the entity of cross-compliance requirements are contained in the Government Decree on the requirements of good agricultural and environmental condition in the cross-compliance conditions (xx/201x) and the Government Decree on statutory management requirements in the cross-compliance conditions and the supervision of compliance with the cross-compliance conditions (xx/201x).

For baseline requirements concerning fertilizer use, see the separate section on this topic below.

In addition to cross-compliance conditions, the baseline for environment payments comprises the requirements for maintaining an agricultural area in Article 4(1)c paragraphs ii and iii of Regulation (EU) No 1307/2013. Under paragraph ii, agricultural land must be maintained in a state which makes it suitable for grazing or cultivation without preparatory action going beyond usual agricultural methods and machineries. Provisions on the requirement of maintaining agricultural land are contained in a Government Decree on basic support, greening payments and support for young farmers (xx/201x). Agricultural areas naturally kept in a state suitable for grazing or cultivation referred to in paragraph iii do not exist in Finland.

The baseline descriptions of each operation also account for any other national legislation relevant to the operation.

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution. The minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application equipment and rules on pesticide use close to water and other sensitive sites, as established by national legislation.

The baseline is itemised as a table separately under each operation.

The baseline includes minimum requirements for fertiliser and plant protection products use. The baseline requirements concerning the use of nitrogen fertilisers are the same as the statutory management requirements ensuing from the Nitrates Directive, which are specified in Government Decree (931/2000) on Restricting Nitrate Emissions from Agriculture to Water Systems. The decree is complied with in the whole country, as the entire territory of Finland has been defined as a nitrate sensitive area. The decree will be amended in 2014. In the preparation phase of operations relevant to the environment payment, it was ensured that the baseline requirements already take into account the planned amendments to the decree. As the maximum application volume of phosphorus fertilisation will be laid down 80 kg/ha/year, however 120 kg/ha/year for horticulture plants. Phosphorus balancing may be applied to the phosphorus quantities. This limit corresponds to the maximum phosphorus quantities laid down in the valid Ministry of Agriculture and Forestry Decree (24/11) on fertiliser products. In an amendment to this Decree to be made in 2014, as the maximum application volume of phosphorus fertilisation will be laid down 75 kg/ha/year, however 115 kg/ha/year for horticulture plants. The environment payment operations restrict and narrow the farmer's discretion in fertilizer use in proportion to the general principle of integrated pest management

Provisions on plant protection products are contained in Regulation ((EC) 1107/2009) concerning the placing of plant protection products on the market and the Act on Plant Protection Products (1563/2011). In addition, this act implements Directive (2009/128/EC) of the European Parliament and of the Council establishing a framework for Community action to achieve the sustainable use of pesticides. Cross-compliance management requirement no 10, which concerns plant protection products, contains requirements regarding storage and record-keeping, use of only products approved in Finland, and using products as indicated on the label. In record-keeping, the requirements referred to in Article 67 of Regulation (EC 1107/2009) of the European Parliament and of the Council are complied with. Any product-specific restrictions on application are stated on the product label. The baseline requirements also include compliance with the general principle of integrated pest management, qualification requirements imposed on the plant protection product user, and the requirements of testing the application equipment in accordance with national statutes.

Plant protection products must be used appropriately and following instructions provided on product labels and in the conditions. Particular care should be taken when storing, handling, diluting and mixing plant protection products before and during application. Only plant protection products approved in Finland which have appropriately approved labels (in Finnish and Swedish) may be used in Finland. The instructions on product labels must be followed. The labels have approved information on such aspects as product categories and instructions for use (including quantities to be used, use restrictions, withdrawal periods and disposal). Plant protection products must be used based on appropriate consideration and observed needs and in accordance with the instructions for use, taking into account the general principles of integrated pest management in professional use. In compliance with the general principle of integrated pest management, the plant protection actions must be economically and ecologically sustainable. The name of

the plant protection product, the date of use and target area, the targeted crop, volumes used and the reason for use must be noted in parcel records.

Plant protection products must be kept in an appropriate storage facility away from foodstuffs and feeds.

Plant protection products may only be applied on a farm by a person who has completed a qualification required in the Act on Plant Protection Products, who has been authorised to organise training for such a qualification, or whose training in accordance with the environment payment scheme for programming period 2007–2013 has not expired. The qualification is valid for five years.

The sprayer used for applying plant protection products on a farm must be tested as prescribed in the Act on Plant Protection Products (1563/2011). Tractor sprayers in professional use must be tested once before 26 November 2016 and subsequently every five years. If the sprayer was tested before as stated in the environment payment scheme requirements for programming period 2007–2013, the equipment only needs to be tested again once five years have elapsed from the previous testing.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

For a separate description, see under each individual operation that concerns genetic resources.

Description of the methodology and of the agronomic assumptions and parameters (including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment) used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation.

Environment payments may be made to cover the direct net costs and losses of income incurred for the implementation of environment operations, and at maximum 20% of these costs as transaction costs. Any fixed costs incurred for implementing environment payment operations are not included in the calculations. The calculations of the payment levels were based on an average farm model with an area of 40 ha. This was the average farm size in Finland in 2012 obtained from the official statistics of Tike. The number of reference parcels on a farm is 17, the parcel size is 2.29 ha and the number of agricultural parcels is 21. The numbers of reference and agricultural parcels and the average parcel size were calculated on the basis of data obtained from support applications. It was assumed that an environment commitment is made for five years, after which it can be extended one year at a time. As the cost of labour in the calculations, EUR 18,20/hour for manual labour and EUR 28,20/hour for managerial work were applied. The hourly costs of labour were the three-year averages of the hourly wages paid to agricultural labourers and supervisors according to statistics obtained from the Federation of Agricultural Employers (2010–2012). The reference level for calculations of payment levels was cultivation in accordance with the environmental conditions

imposed on agriculture in baseline legislation. The determination of working time spent on implementing the operations required under the environment payment scheme was supported by the plant and animal specific profit margin calculations of ProAgria Association and standard performance figures specified by TTS Work Efficiency Institute. Scientific research, statistical data and expert assessments were used for support in preparing the calculations. The costs and losses of income were calculated by year and by hectare to determine the payment level. The value of any benefits from the operations was estimated in monetary terms and deducted from the final payment amount.

For calculations concerning the measure, see Annex M10 a to the programme. The relationship of the measure with general agricultural practices, experiences of previous programming periods, observations made in follow-up studies and the maintaining or enhancing nature of the measure, see Annex M10 b for each operation.

The operation concerning balanced use of nutrients is applicable to all parcels of arable land on the farm. The eligible costs and calculation methodology of the operation are described below. Costs are incurred for planning and monitoring the environmental protection actions in cultivation and for filter strips.

The farmer spends a total of 12.8 hours of working time a year on cultivation planning and on preparing a cultivation plan accounting for environmental perspectives. The total costs of cultivation planning on the farm are EUR 11.7/ha/year.

In the time spent on conducting a soil fertility study is included the working time required to collect, dry and post samples and well as the time spent examining the results (a total of 8 hours). On an average farm, 19.2 samples are included in a soil fertility study. The cost of the analysis is EUR 18.03 per sample (contains not only the price of the actual analysis but also postage, sample containers and the cost of disposing of the samples). The total costs incurred for a soil fertility study are EUR 2.4/ha/year.

Records of the cultivation actions taken during the year are kept for each parcel. The labour costs arising from this (2 hours/parcel) are included in the calculation. The total costs incurred for keeping parcel-specific records are EUR 30.0/ha/year.

The price of a training day to be completed once during the commitment period including travel costs is EUR 130. In addition, 8 hours of the farmer's working time are spent on participating in the training. These amount to a total cost of EUR 1.8/ha/year.

During the commitment period, the farmer spends a total of 8.5 hours of working time on a comprehensive assessment of the biological and physical properties of the soil that is associated with the soil quality test, resulting in a cost of EUR 1.2/ha/year.

Buffer strips: An annual cost of EUR 338/ha is incurred for the establishment and management of buffer strips, when the strips are mowed annually. The average extent of buffer strips on beneficiary farms is 416 metres/farm, or with a strip width of three metres, 0.12 hectares/farm. The profit margin lost over the area of the buffer strip was not included in the calculation to avoid double payments under the greening support. The cost incurred for buffer strips is EUR 42/farm, or EUR 1.1/ha.

Farmers incur transaction costs for familiarising themselves with the payment conditions and applying them to the circumstances on the farm, calculating the costs and losses of income resulting from the payment conditions and finding information. Such major changes have been made in the environment payment



scheme since the previous programming period, for example regarding the focus on individual parcels and fertilisation rules, that the full use of the transaction rate is justified. Including the transaction costs, the payment indicated by the calculation for the operation concerning balanced use of nutrients may be EUR 57/ha at maximum.

Balanced use of nutrients, horticulture plants (annual and perennial): Costs are incurred for planning and monitoring the environmental protection actions in cultivation and for filter strips. In the calculations of balanced use of nutrients regarding horticulture plants, some of the measures apply to the entire land area of the farm, while others only concern the area under horticulture plants. The payment calculated for horticulture plants is only paid for the land area under horticulture plants. For the remaining eligible arable land areas on the farm, payments under the operation concerning balanced use of nutrients are made in accordance with a calculation related to arable crops.

The farmer spends 3 hours of working time a year per agricultural parcel on cultivation planning and on preparing a cultivation plan accounting for environmental perspectives.

Under the operation concerning balanced use of nutrients, a soil fertility study must be carried out once every five years for horticulture plants. Soil fertility studies for horticultural land are more expensive than the basic test for arable crops. As the agricultural parcels are relatively small, making notes of the cultivation also takes more time.

During the commitment period, the farmer spends a total of 3 hours of working time on a comprehensive assessment of the biological and physical properties of the soil for the area under horticulture plants.

The price of a training day to be completed once during the commitment period including travel costs is EUR 130. In addition, 8 hours of the farmer's working time are spent on participating in the training.

Buffer strips for horticulture plants: The costs of establishing and managing buffer strips for horticulture plants were calculated in the same way as those for arable crops. In order to avoid double payments under the greening support, the calculation only includes the establishment and management costs of the buffer strip, not the lost production in the area of the buffer strip.

Transaction costs are incurred for the same reasons as in the case of field crops. Such major changes have been made in the environment payment scheme regarding horticulture farms since the previous programming period, for example regarding the focus on individual parcels and fertilisation rules, that the full use of the transaction rate is justified. The maximum payment for horticulture plants under the operation concerning balanced use of nutrients including the transaction costs is EUR 297/ha.

#### *8.2.6.6. Other important remarks relevant to understanding and implementing the measure*

##### *Variations in the area covered by environment commitments and contracts during the commitment/contract period*

A beneficiary with an environment commitment undertakes to implement the farm-level operation concerning balanced use of nutrients in all arable parcels and parcels under a permanent crop. However, payments under the operation concerning balanced use of nutrients are only made for an eligible area under

the commitment where a crop suitable for harvesting and marketing is cultivated in accordance with the cross-compliance requirements. The area under the operation concerning balanced use of nutrients may vary annually as a result of crop rotation. For fallow areas and surface areas where parcel-specific operations are implemented, where the aim is not to produce a marketable crop (e.g. riparian zones included in environment management grasslands), no payments will be made under the operation concerning balanced use of nutrients.

The parcel-specific actions (operations) to be selected for the environment commitment are also not permanently tied to certain parcels. The area under an environment commitment comprises the area within which the parcel-specific operations may vary from year to year. In addition, specific restrictions apply to several of the operations that depend on the properties of the area that is suitable for its implementation. In other words, to qualify for payments, the parcel-specific operations selected by the beneficiary must be implemented in a parcel (fulfilling the specific criteria for the operation) that is part of the commitment area in order for payments to be made. The location and surface area of the parcel-specific operation may vary from year to year within the limits defined in the programme document. This variation enables agronomic variation and accounting for years with different weather conditions. The range of these variations has been clarified in the text of the programme document. For example, as an exception to other parcel-specific measures, restrictions have been placed on environment management grasslands that also require that the operation is implemented over the same area after the year in which the vegetation was established.

A parcel-specific operation means that in each year, payments are only made for the surface area over which parcel-specific operations are implemented in that year. This provides the beneficiary an incentive to maintain and increase the area under environmental operations on the farm. In this approach, the environment commitment serves the farm's environmental needs comprehensively in years with varying weather conditions, in different crop rotation situations and on farms with different types of production. To provide assistance in the appropriate use of parcel-specific operations, the farmers have access to the measure concerning advisory services under the programme. This method has allowed us to simplify the system from the perspective of the farmer, as the need for separate decisions on modifications is reduced.

The area of environment contracts based on a surface area may not vary from year to year during the contract period. Environment contracts are concluded on fixed parcels for the five years of the contract period. The environment contracts mainly focus on areas external to arable land, and only the operation concerning crane, goose and swan fields is implemented on arable land. In order to make an impact, operations regarded as environment contracts must be preserved over a longer period in the precise locations where suitability was assessed and the location determined in connection with the contract process.

By the approval of the ELY Centre, the environment contract may be modified during the contract period to ensure that it is as appropriate as possible considering the objectives of the operation, if this promotes the achievement of the objectives set for the operation. Modifications may be made within the limits of the funds available for the environment payment scheme.

#### *Transition into programming period 2014–2020:*

Environment payment commitments can be undertaken and contracts concluded as soon as the programme has been approved. As stated in the revision clause, commitments and contracts made in programming period 2007–2013 will be replaced by ones compliant with the agri-environment scheme introduced for programming period 2014–2020 as the legal basis changes from 2015. Environment payment commitments and contracts made in the programming period 2007–2013 were extended by one year in 2014. In addition

to extended commitments and contracts, contracts dating back to earlier programming periods which are not subject to a revision clause or for which no similar measure is offered for programming period 2014–2020 will also be funded in 2014–2020. In 2015, the estimated funding needs are approximately EUR 5 million, with the need declining each year. The beneficiaries will be offered the possibility of replacing their contracts concluded in previous programming periods by contracts compliant with the scheme in programming period 2014–2020 where applicable. See also Chapter 19.

## 8.2.7. M11 – Organic farming (Article 29)

### 8.2.7.1. Legal basis

Article 29 and Annex II of Regulation of the European Parliament and of the Council (EU) No 1305/2013

Articles 9, 14, 15 and 16 and Annex I of Commission Regulation (EU) No 807/2014.

Articles 9, 10 and 11 and Annex I of Commission Regulation (EU) No 808/2014.

### 8.2.7.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

Organic production promotes the recycling of safe organic fertiliser materials, increases biodiversity of the flora and the fauna and encourages care based on the natural needs of animals. Due to the more careful recovery and utilisation of nutrients and the ban on using synthetic chemical fertilizers and plant protection products, the load on water systems and climate caused by organic production is fundamentally smaller than that caused by conventional agricultural practices, and organic production fosters biodiversity. In organic livestock farming, the animals to some extent benefit from less cramped and more natural conditions than animals reared in the conventional way. The animals are allowed their natural behaviours, and they are also offered as good possibilities for interaction with individuals of the same species as possible. The measure supports both conversion to organic production and maintaining organic production in order to promote this production method in response to the demand for organic produce.

The aim is to have 20% of agricultural land area under organic production in 2020. The increase in organic production will also widen the range of organic products, respond to increasing demand in retail sales and professional kitchens, and secure the availability of raw materials for organic foodstuffs.

Payments for organic production will be targeted on the basis of the type of production (arable and livestock farms). In addition, the payment levels for field vegetables will be differentiated to provide better compensation for the costs incurred for following organic farming practices for horticulture plants.

Organic production has impacts on focus areas

- 4A: Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes
- 4B: Improving water management, including fertilizer and pesticide management
- 4C: Preventing soil erosion and improving soil management.

Organic production supports focus areas

- 3A: Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organisations

- 3B: Supporting farm risk prevention and management
- 5D: Reducing greenhouse gas and ammonia emissions from agriculture
- 5E: Fostering carbon conservation and sequestration in agriculture and forestry.

Organic production is an ecologically sustainable production method that promotes the achievement of the environmental and climate objectives of the Rural Development Programme on a wide front.

*8.2.7.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria*

#### 8.2.7.3.1. 01 Organic production

Sub-measure:

- 11.2 – support for maintaining organic farming practices and methods

##### 8.2.7.3.1.1. Description of the type of operation

The operation supports active farmers converting to organic production, or already engaged in it. The farmers must comply with the organic plant production rules in Council Regulation (EC) No 834/2007 and the eligibility conditions of the commitment on organic production. A commitment can be made for a field area that is eligible as described in Section 8.1. Parcels covered by the commitment may be exchanged between farmers, if both farms have a commitment on organic production. As a rule, all parcels on the farm must be converted to organic production. The commitment may also be exclusively made to cover the arable land area that is under field vegetables. However, all cultivation of reed canary grass for energy production on the farm will be excluded from the commitment on organic production. The commitment is undertaken for a period of five years.

During the commitment period, at least 30% of the area covered by the commitment must be under a cash crop. The entire commitment area may be under grass only on farms where the harvest is mainly used as feed for the farm's own cattle, or cattle on farms with which the farm engages in regular co-operation that have undertaken a commitment on organic livestock production. At the expiry of the five-year commitment period, the commitment may only be renewed on a farm that has livestock and whose entire arable land area is under grass provided that the farm's own animals are converted to organic livestock farming. Alternatively, the farm must cultivate cash crops as explained above. The cash crops will be specified in national provisions. A farm that has in a commitment on organic production undertaken to convert the arable land to organic production must, in the fourth and fifth year of the commitment, have at minimum 30% of the area covered by the commitment under a cash crop.

##### 8.2.7.3.1.2. Type of support

The payment will be made as EUR/ha/year for the eligible area during the period of validity of the five-year

commitment as described in section 8.1. At the expiry of the commitment period, the commitment may be extended one year at a time.

#### 8.2.7.3.1.3. Links to other legislation

Farmers must comply with the cross-compliance conditions laid down in the horizontal regulation (EU) No 1306/2013, provisions on agricultural activity in the regulation on direct payments (EU) No 1307/2013, the baseline requirements for the use of fertilizers and plant protection products in the regulation on support for rural development (EU) No 1305/2013, and Council Regulation (EC) No 834/2007 on organic production. As of 1 January 2015, an act on the supervision of organic production shall be complied with. Until then, the Act on the Implementation of the Common Agricultural Policy of the European Communities 1100/1994 and the Ministry of Agriculture and Forestry Decree on organic production and the labelling and control of organic products (846/2008) must be complied with. Regulation (EC) No 882/2004 of the European Parliament and of the Council contains provisions on official control to ensure compliance with the feed and food legislation and rules on animal health and welfare.

National regulations applicable to the measure: The Act on payments to farmers under the Rural Development Programme (xx/201x) and Government Decree on payments for organic production (xx/201x). This Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree contains provisions on the general implementation of the operation, the eligible area, the baseline level and minimum requirements as well as the levels of payment and payment procedures as described in the programme. The Decree also defines the completion of training, registration with the inspection system for organic production, and the conversion of parcels into organic production.

The Government Decree on the requirements of good agricultural and environmental condition in the cross-compliance conditions (xx/201x) and the Government Decree on statutory management requirements in the cross-compliance conditions and the supervision of compliance with the cross-compliance conditions (xx/201x). For the contents of the decrees that concern cross-compliance, see section 8.1.

#### 8.2.7.3.1.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the national statutes issued by virtue of it who complies with the organic plant production rules in Council Regulation (EC) No 834/2007.

#### 8.2.7.3.1.5. Eligible costs

The costs were calculated with a situation of established organic production in mind. In organic farming, costs are incurred for the monitoring of organic production, higher seed prices and more detailed record keeping (harvest and storage records). As differences in costs between conventional and organic production practices have been taken into account the higher fertilizer and plant protection product costs of conventional production and the mandatory training of new organic farmers. The higher prices and lower

yield levels of organic products were factored in. Transaction costs are incurred for adopting a totally new production method, getting acquainted with crop rotation systems and finding advice.

In organic horticultural production, yield and cost differences ensue from the same causes as in other arable farming. The yield and cost level of horticultural production is considerably higher than in normal arable farming. As the price obtained in the market on average is not sufficient to cover the higher costs of organic production, making organic farming payments to organic horticultural farms is justified.

#### 8.2.7.3.1.6. Eligibility conditions

Beneficiary (see also under "Beneficiaries"): A commitment concerning organic production may be made by a farmer

- who has registered with the organic production control system;
- who has completed the required training in organic farming; and
- on whose farm the area under organic cultivation is, throughout the commitment period without interruption, at minimum 5 ha or, in case of horticultural production, at minimum 1 ha of arable land under horticulture plants.

Another condition for making payments is that the first production-related inspection of the farm has been acceptably completed.

A beneficiary who has undertaken a commitment on organic production may make an environment commitment under the environment payment scheme for the same parcels (code 10.1).

To prevent double payments, however, a beneficiary with a commitment on organic farming may not select the following parcel-specific operation under the environment commitment: alternative plant protection for horticulture plants. In addition, a farmer with a commitment on organic production will not be eligible to payments related to grassland for green manure under the operations concerning biodiversity in agricultural environments, incorporation of slurry, or recycling of nutrients and organic matter for the part of those slurries, manures or fertilizer products that are banned in organic production.

The eligible area is agricultural land (see also the section on "Type of support").

Payments will not be made for parcels where crop rotation that is a precondition for organic production cannot be implemented because of conditions set out in special agri-environment support contracts made in programming period 2007–2013, or the conditions of environment commitments or environment contracts made in programming period 2014–2020.

#### 8.2.7.3.1.7. Principles with regard to the setting of selection criteria

No selection criteria will be introduced for this operation.

8.2.7.3.1.8. (Applicable) amounts and support rates

The target area is 355,000 ha.

Payments for organic production will be EUR 160/ha/year, and for the production of field vegetables EUR 600/ha/year.

8.2.7.3.1.9. Verifiability and controllability of the measures and/or types of operations

*8.2.7.3.1.9.1. Risk(s) in the implementation of the measures*

Verifiability is seen as a risk relevant to this measure. The conditions for payments include items (parallel farming, parcel records in line with the cross-compliance conditions), which can only be verified from records kept following the production rules or other notes made by the farmers themselves. The impacts of production inspections on the organic payments to be made must be taken into account before the final support instalment is paid. Penalties due to inadequate compliance with production conditions are difficult to determine in case of organic payments.

A farm may only undertake a commitment on organic farming for the cultivation of field vegetables, in which case field vegetables and other plants may be cultivated in the parcels covered by the commitment. It is possible for a farm to simultaneously cultivate the same plant both organically and following conventional practices.

The crop rotation plans are not submitted to the ELY Centres in connection with the applications, and there is a risk that farmers will forget about the requirement of producing plants for sale.

*8.2.7.3.1.9.2. Mitigating actions*

Together with the authority implementing the organic production control system, an attempt will be made to ensure the provision of as consistent instructions and operating methods as possible in the control of payment conditions, compliance with production rules and imposing of penalties. The final instalment of the organic payment will not be made until the results of the production inspection have been saved/transmitted to the system and controlled if necessary. Advance payments will be made as usual. An alert that reminds farmers of the requirement to produce plants for sale may be built in the online support application system. When an application for a commitment is submitted, an administrative check will be performed to control that the farmer has completed the required training and registered with the organic production control system. Before making payments, a check will be performed to verify that the first inspection visit has been completed acceptably. Crosschecks will be performed annually to verify that production inspections have been conducted on all farms, that the minimum area for the commitment is met, and that the requirements for minimum stocking rate and producing 30% of the plants for sale are met. The parcel areas will be measured and the plants and cultivation methods will be verified in on-the-spot checks.



**8.2.7.3.1.9.3. Overall assessment of the measure**

While risks were identified in the verifiability and controllability of the measure during the preparation phase, interventions addressing these issues will help to bring the risks to a low level. It is a special feature of organic production that the sector is being controlled by two different authorities. A procedure will be created for also taking the organic production control results into account in control of payments to reduce risks arising from this special feature. Regardless of the risks, the measure lends itself to adequate verification.

**8.2.7.3.1.10. Information specific to the operation**

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law.

For definition of the baseline, see Table M11.1.

Unofficial translation

Toimikohtainen perustason kuvaus toimenpiteessä 11, Luonnonmukainen tuotanto

Toimi: Luonnonmukainen kotieläintuotanto

Perustaso asetuksen (EU) N:o 1305/2013 art 29 kohdan 2 mukaan.	Asetuksen (EU) N:o 1305/2013 art 29 kohdan 2 mukaiset perustason vaatimukset tarkemmin eriteltyinä.	Asetuksen (EU) N:o 1305/2013 art 29 kohdan 2 mukainen perustaso Suomessa toimelle Luonnonmukainen kotieläintuotanto.	Luonnonmukainen kotieläintuotanto. Toimen sisältö: Viljelijän on noudatettava neuvoston asetuksessa (EY) N:o 834/2007 määriteltyjä luonnonmukaisesta kasvintuotannosta ja luonnonmukaisesta kotieläintuotannosta annettuja tuotantoehtoja.
(EU) N:o 1306/2013 VI osaston I luvun mukaisesti vahvistettua asiaa koskevat toimenpidevaatimukset	Lakisääteiset hoitovaatimukset: hoitovaatimus nro 1. (Nitraattiasetus 931/2000 (uusitaan vuonna 2014, ohjelman toiminna on otettu ennakoivasti huomioon uuden asetuksen tiukentuva taso.)	Nitraattiasetus määrittelee karjanlannan ja typpilannoitteiden enimmäismäärän. Lannan typpianalyysi on tehtävä viiden vuoden välein. Viljelijän on pidettävä kirjaa peltojen lannoitukseen käytetyistä typpilannoitemääristä ja satotasoista. Lannoitus on kielletty viisi metriä lähempänä vesistöä. Seuraavan viiden metrin vyöhykkeellä vesistöä lannan levitys on kielletty, ellei peltoa muokata vuorokauden kuluessa levityksestä. Sellaisilla peltolohkon osilla, joiden kaltevuus on vähintään 15 %, lannan levitys on aina kielletty.	Toimessa ei ole lannoitusmääriin tai levitykseen liittyviä tarkempia ehtoja.
	Lakisääteiset hoitovaatimukset: hoitovaatimus 10	Kasvinsuojeluaineiden käytössä on noudatettava valmistekohtaisen myyntipäällyksen merkintöjä ja varastoitava kasvinsuojeluaineet oikein.	Luonnonmukaisessa tuotannossa kasvinsuojelu perustuu ennaltaehkäiseviin menetelmiin. Rikkakasveja torjutaan mekaanisesti tai liekittämällä. Kasvitauteja ja tuhohyönteisiä voidaan torjua kemiallisesti tietyissä tilanteissa.

Table M11.1 Baseline Organic production\_Page\_1

Unofficial translation

Lakisäätöiset hoitovaatimukset: hoitovaatimukset nro 2 ja 3	Suojellulla maatalousmaalla ei saa heikentää tiettyjen lajien elinympäristöjä ja suojelupäätösten sisältämät velvoitteet on täytettävä. Osalle Natura 2000 -alueista ja muista suojelualueista on laadittu hoito- ja käyttösuunnitelma. Tällaiset suunnitelmat eivät kuitenkaan sisällä lakisäätöistä vaatimusta, joka velvoittaisi maanomistajaa aktiiviseen hoitotyöhön ilman korvausta.	Toimessa ei ole tähän perustasovaatimukseen liittyviä tarkempia ehtoja. Toimen ehdot eivät ole ristiriidassa luonto- ja lintudirektiivin suojelutavoitteiden kanssa.
Lakisäätöiset hoitovaatimukset 4-9 ja 11-13	Kansanterveyttä, eläinten terveyttä ja eläinten hyvinvointia koskevat vaatimukset siltä osin, kun ne koskevat luonnonmukaisessa kotieläintuotannossa olevaa eläinlajia.	Toimessa noudatetaan tuotantoehtoja, joiden vaatimukset eläinten ruokinnasta, tautien ennaltaehkäisystä ja eläinlääkinnällisistä hoidoista, hoitokäytännöistä, eläinsuojista ja ulkoilusta ylittävät perustason vaatimukset. Eläinten enimmäismäärä määräytyy lannan levitykseen käytettävän luonnonmukaisessa tuotannossa olevan peltopinta-alan mukaan.

Table M11.1 Baseline Organic production\_Page\_2

Unofficial translation

Lannoitteiden ja kasvinsuojeluaineiden käyttöä koskevat vähimmäisvaatimukset	Hyvän maatalouden ja ympäristön vaatimukset: Valtioneuvoston asetus täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimuksista (x/201x). Vaatimuksia on tarkennettu alemmasta ohjelmakaudesta vastaamaan horisontaalasetuksen 1306/2013 vaatimuksia.	Vesistöjen varsilla olevalla maatalousmaalla on noudatettava horisontaalasetuksen liitteessä II tarkoitettuina suojakaistoina maa- ja puutarhataloudesta peräisin olevien päästöjen rajoittamisesta annetun valtioneuvoston asetuksen (x/201x) (nitraattiasetus) x §:n x momentin mukaisia tyyppilannoitus- ja lannanlevityskieltoja. Vesistöjen ja valtaojien varsilla olevalla maatalousmaalle on pääsääntöisesti jätettävä vähintään 1 metrin levyinen, muokkaamaton piennar, jolle ei levitetä lannoitteita eikä kasvinsuojeluaineita. Viljeltyä peltoa ja pysyvien kasvien alaa on viljeltyä hyvän maatalouskäytännön mukaisesti paikkakunnan olosuhteet huomioon ottaen. Hyvän maatalouskäytännön edellytyksenä on, että viljelty pelto ja pysyvien kasvien ala muokataan, lannoitetaan ja kylvetään tai istutetaan tarkoituksenmukaisella tavalla niin, että on mahdollista saada aikaan tasainen itäminen ja kasvu. Viljeltävien kasvilajien ja -lajikkeiden on oltava alueelle soveltuvia. Kylvä tai istutus on tehtävä viimeistään 30 päivänä kesäkuuta tiettyjä puutarhakasveja lukuunottamatta. Pysyviä nurmia ja pysyviä laitumia voidaan lannoittaa ja laiduntaa tarkoituksenmukaisella tavalla. Tarvittaessa niiden kasvuston voi uusia muokkaamalla ja kylvämällä heinä- ja nurmirehukasvien siemenillä. Jos pysyvä laidunta käytetään laidunnukseen, siltä ei saa aiheutua maaperän eroosiota ja maanpinnan on säilyttävä kasvipeitteisenä. Pysyvien nurmien ja pysyvien laitumien niiton ajankohdassa ja toteuttamisessa on otettava huomioon luonnonvaraisten lintujen ja nisäkkäiden suojelu. [Viljelijä voi hyödyntää niittojätteen. Niittojäte voidaan myös jättää korjaamatta pois pysyvältä laitumelta.] Viljellyn maatalousmaan kasvinsuojelusta on huolehdittava joko kasvinvuorotuksen avulla, mekaanisesti, biologisesti tai kemiallisesti. Viljelijän on toimittava niin, että korjuu- ja markkinakelpoisen sadon tuottaminen on mahdollista. Jos maatalousmaalta ei korjata satoa, maatalousmaan tuottamasta kasvustosta on tarvittaessa huolehdittava niin, että maatalousmaalle on myös seuraavana vuonna mahdollista perustaa kasvusto tai tuottaa korjuu- ja markkinakelpoinen sato. Hukkakauran ja jättiputken leviäminen on estettävä. Hoidetut viljelemättömät pellot on pääsääntöisesti pidettävä kasvipeitteisinä tai sängen peittäminä kasvukaudella syyskuun alkuun asti ja niiden kasvusto on uusittava tarvittaessa. Pohjavesialueilla hoidettujen viljelemättömien peltolohkojen on oltava kasvipeitteisiä kasvukaudella syyskuun alkuun asti. Hoidetuilla viljelemättömällä pelloilla on estettävä rikkakasvien leviäminen. Maatilalla on noudatettava maataloustoiminnassa ympäristönsuojelulain (527/2014) 17 §:ssä sekä vesiympäristölle vaarallisista ja haitallisista aineista annetun valtioneuvoston asetuksen (1022/2006) 4 a §:ssä säädettyä päästökieltoa pohjaveteen. Kasteluveden käytössä on noudatettava vesilain (587/2011) 4 luvussa säädettyä lupamenettelyä. Kasvuston sängen poltto on sallittu ainoastaan, jos se on välttämätöntä kylvön toteutuksen, rikkakasvien, kasvitautien tai tuholaisten torjunnan kannalta.	Noudatetaan luonnonmukaisen tuotannon tuotantoehtoja. Tuotantoehtojen mukaan maan viljavuutta ylläpidetään palkokasveja sisältävällä viljelykierrolla, luomutuotannosta peräisin olevalla lannalla ja muulla eloperäisellä aineksella. Viljaa voi viljellä enintään kolmena vuonna peräkkäin ja saman kasvuvuon yksivuotisia kasveja kaksi vuotta peräkkäin. Jokaisella loholla palkokasvien osuus viljelykierrosta on oltava vähintään 30 %. Sitoumusta ei voida uusia, jos ei viimeistään viidentenä sitoumusvuonna ole tuottanut myyntiin kotieläintuotteita.
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Table M11.1 Baseline Organic production\_Page\_3

Unofficial translation

	Lannoitevalmistelainsäädäntö. (Perustaso on tiukentunut alemmasta nitraattiasetuksen uusimisen ja fosforirajojen tiukentamisen myötä)	Maa- ja metsätalousministeriön lannoitavalmisteita koskevan asetuksen (24/11) mukaiset fosforilannoituksen enimmäiskäyttömäärät ovat 80 kg/ha ja puutarhakasveilla 120 kg/ha. Asetusta muutetaan syksyllä 2014. Uudet vähimmäisvaatimuksina käytettävät rajat tulevat olemaan 70 kg/ha ja puutarhakasveilla 115 kg/ha.	Toimessa ei ole lannoitusmääriin tai levitykseen liittyviä tarkempia ehtoja.
Asetuksen (EU) N:o 1307/2013 4 artiklan 1 kohdan c alakohdan ii ja iii alakohdan mukaisesti vahvistetut asiaa koskevat vaatimukset ja vähimmäistulokset	Kasvinsuojelulainelainsäädäntö (Perustaso on noussut IPM:n yleisen periaatteen soveltamisen noudattamisvaatimuksen myötä).	Laki kasvinsuojeluaineista 1563/2011 ja maa- ja metsätalousministeriön asetus 7/2102. Kasvinsuojeluaineita on käytettävä asianmukaisesti havaitun tarpeen mukaan ja käyttöohjeita noudattaen ottaen huomioon ammattimaisessa käytössä huomioon integroidun torjunnan yleiset periaatteet. Lohkokirjanpitoon on merkittävä kasvinsuojeluaineiden käytön kohde, käyttömäärät ja käytön syy. Maatilalla kasvinsuojeluaineita saa levittää vain henkilö, joka on suorittanut kasvinsuojeluaineiden käyttöä koskevan kasvinsuojeluaineista annetun lain edellyttämän tutkinnon tai saanut oikeuden kyseisen tutkinnon järjestämiseen tai jolla ohjelmakauden 2007–2013 ympäristötuen mukaisen koulutuksen voimassaoloaika ei ole umpeutunut. Tutkinto on voimassa viisi vuotta. Maatilalla kasvinsuojeluaineiden levitykseen käytettävä kasvinsuojeluruisku on testattava siten kuin testauksesta säädetään laissa kasvinsuojeluaineista (1563/2011). Ammattimaisessa käytössä olevat traktoriruiskut on testattava kertaalleen 26.11.2016 mennessä ja sen jälkeen joka viides vuosi. Jos levitysväline on aiemmin testattu ohjelmakauden 2007–2013 ympäristötuen edellyttämällä tavalla, välineitä ei tarvitse testata uudestaan ennen kuin viisi vuotta on kulunut testauksesta. Integroidulla torjunnalla tarkoitetaan kasvinsuojelumenetelmien käyttöä taloudellisesti ja ympäristön kannalta perustellusti siten, että vähennetään ihmisten terveydelle ja ympäristölle aiheutuvia riskejä. Integroidun torjunnan yleiset periaatteet edellyttävät tarpeenmukaista lannoitusta, IPM:n paikka-, aika- ja tapauskohtaisuuden takia Suomessa ei lueta IPM:n yleisiin periaatteisiin yksittäisiä vaadittavia toimenpiteitä.	Tuotantoehdot rajaavat kasvinsuojeluaineiden käyttämällisyyttä ja toimita siten integroidun torjunnan vaatimukset.
Muu lainsäädäntö	Maatalousmaan säilyttäminen	Maatalousmaa on pidettävä avoimena, jotta se pysyy soveltamisasetuksen [(EU) N:o 639/2014] 4 artiklan 1 kohdassa tarkoitettussa kunnossa. Maatalousmaalla, peltoalaa lukuun ottamatta, voi olla tukiasetuksen [(EU) N:o 1307/2013] 4 artiklan 1 kohdan j alakohdan mukaisia taimitarhoja, hedelmäpuu- ja marjapensasaloja, 5 §:n 3 momentissa tarkoitettujen lyhytkiertoisien energiapuiden aloja sekä muita kuin edellä mainittuja puovartisia kasveja enintään 5 §:n 4 momentissa tarkoitettu määrä.	Toimessa ei ole tähän perustason vaatimukseen liittyviä tarkempia ehtoja. Korvausta ei voida maksaa, jos ehtoa ei ole noudatettu.
	Ympäristöluvut	Ympäristönsuojelulain mukaisen ympäristöluvan saaminen edellyttää, että tilalla on lannanlevitykseen käytössä riittävästi peltomaata suhteessa eläinmäärään.	Kotieläintilalla on oltava asianmukaiset luvut.

Table M11.1 Baseline Organic production\_Page\_4

Unofficial translation

Maa- ja metsätalousministeriön asetus 12/12.	Lannoitevalmisteita koskevassa asetuksessa säädetään yhdyskuntajätevedenpuhdistamoista ja kiinteistökohtaisista käsittelyjärjestelmistä peräisin olevien lietteiden käyttörajoituksista peltoviljelyssä.	Luonnonmukaisessa tuotannossa puhdistamolietteiden käyttö ei ole sallittua.
Suorien tukien viherryttämistuen päällekkäisen maksun estäminen.	Luonnonmukainen tuotanto on vapautettu viherryttämistuen vaatimuksista.	Luonnonmukaisen tuotannon koryauksessa määrittelyssä on otettu huomioon kaksinkertaisen maksun estäminen.
Vesienhoitosuunnitelmat (Ohjelmavalmistelussa on ennakoivasti otettu huomioon maatalouden perus- ja lisätoimenpidevaatimukset, joita tullaan esittämään 2016 alkavalle suunnittelukaudelle)	Vesienhoidon ja merenhoidon järjestämisestä annetussa laissa (1299/2004, vesienhoitolaki) ja sen nojalla annetussa valtioneuvoston asetuksessa vesienhoidon järjestämisestä (1040/2006, vesienhoitoasetus) säädetään vesienhoitosuunnitelmien ja niitä täydentävien toimenpideohjelmien laatimisesta ja tavoitteista. Toimenpideohjelmassa on esitetyt vesienhoidon ympäristötavoitteiden saavuttamiseksi tarvittavat perustoimenpiteet ja lisätoimenpiteet. Vesienhoidon ympäristötavoitteet eivät sellaisenaan ole luvan myöntämisen edellytys tai este, eivätkä vesienhoitosuunnitelmassa esitetyt lisätoimenpiteet tule suunnitelman perusteella toiminnanharjoittajaa sitovaksi. Toiselle suunnittelukaudelle 2016-2020 on ehdotettu perustoimenpiteiksi nitraattiasetuksen mukaiset toimenpiteet, eläinsuojien ympäristölupien mukaiset toimenpiteet sekä täydentävien ehtojen hyviä maatalouden ja ympäristön vaatimusten ja kasvinsuojelulainsäädännön mukaiset toimenpiteet.	Perustoimenpiteiksi luettavien vaatimusten sisältö ja suhde toimen vaatimuksiin on esitetty muissa taulukon muissa sarakkeissa.

Table M11.1 Baseline Organic production\_Page\_5

Description of the methodology and of the agronomic assumptions and parameters (including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment) used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation.

For the definition of the payment levels, see the section "Eligible costs". For calculations concerning the operation, see Annex M11 to the programme.

#### 8.2.7.3.2. 02 Organic livestock farming

Sub-measure:

- 11.2 – support for maintaining organic farming practices and methods

##### 8.2.7.3.2.1. Description of the type of operation

The operation supports active farmers converting to organic livestock production, or already engaged in it. The commitment on organic livestock farming also contains conditions applicable to plant production that are the same as in the commitment on organic plant production. The farmers must comply with the organic plant production rules and organic livestock production rules in Council Regulation (EC) No 834/2007 and the conditions of the commitment on organic livestock farming. The commitment is undertaken for a period of five years. At minimum, the farm must have a number of animals amounting to 0.3 livestock units per eligible hectare. When counting the livestock units, dairy cows, suckler cows, other bovines, sheep and goats, sows, fattening pigs, boars, hens and cocks, broilers, turkeys, geese, ducks and mother birds of these poultry species will be taken into account. The animals and the production buildings must be controlled by the applicant. The commitment on livestock farming may be renewed after five commitment years provided that the farm has produced organic livestock products or living organic animals for sale at the latest in the fifth year of the commitment.

As a rule, all parcels on the farm must be converted to organic production. The commitment may also be exclusively made to cover the arable land area that is under field vegetables. However, all cultivation of reed canary grass for energy production on the farm will be excluded from the commitment on organic production.

##### 8.2.7.3.2.2. Type of support

During the period of validity of the commitment, in addition to payments under the operation concerning organic production, an additional payment of EUR/ha/year will be made per eligible area as described in Chapter 8.1, provided that the stocking rate of the farm is at minimum 0.3 livestock units/ha. If the stocking rate condition is no longer met, the commitment will be modified into a commitment on organic production.

At the expiry of the commitment period, the commitment may be extended one year at a time.

For the coefficients for converting animals into livestock units, see Section 8.1.

##### 8.2.7.3.2.3. Links to other legislation

Farmers must comply with the cross-compliance conditions laid down in the horizontal regulation (EU) No 1306/2013, provisions on agricultural activity in the regulation on direct payments (EU) No 1307/2013, the baseline requirements for the use of fertilizers and plant protection products in the regulation on support for rural development (EU) No 1305/2013, and Council Regulation (EC) No 834/2007 on organic production. As of 1 January 2015, an act on the supervision of organic production shall be complied with. Until then, the



Act on the Implementation of the Common Agricultural Policy of the European Communities 1100/1994 and the Ministry of Agriculture and Forestry Decree on organic production and the labelling and control of organic products (846/2008) must be complied with. Regulation (EC) No 882/2004 of the European Parliament and of the Council contains provisions on official control to ensure compliance with the feed and food legislation and rules on animal health and welfare.

National regulations applicable to the measure: The Act on payments to farmers under the Rural Development Programme (xx/201x) and Government Decree on payments for organic production (xx/201x). This Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree contains provisions on the general implementation of the operation, the eligible area, the baseline level and minimum requirements as well as the levels of payment and payment procedures as described in the programme. The Decree also defines the completion of training, registration with the inspection system for organic production regarding both arable land and livestock, the conversion of parcels into organic production, and the conditions for marking, registering and counting the animals.

The Government Decree on the requirements of good agricultural and environmental condition in the cross-compliance conditions (xx/201x) and the Government Decree on statutory management requirements in the cross-compliance conditions and the supervision of compliance with the cross-compliance conditions (xx/201x). For the contents of the decrees that concern cross-compliance, see section 8.1.

#### 8.2.7.3.2.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the national statutes issued by virtue of it who complies with the organic plant production rules and organic livestock production rules in Council Regulation (EC) No 834/2007.

#### 8.2.7.3.2.5. Eligible costs

The costs were calculated with a situation of established organic production in mind. In organic livestock production, in addition to payments for organic farming per hectare of arable land on the farm, payments based on the additional costs and losses of income incurred for organic livestock production will be made to the farm. In the calculation of payments for organic livestock production, conventional production of milk, mutton, pork and beef was compared to corresponding organic production. For example, additional costs are incurred for the training requirement and requirements concerning additional space, grazing, outdoor access, labour costs and feed costs. The calculations take into account the higher price of organic products, lower yields and the longer rearing times of animals. Farms with at minimum 0.3 livestock units/ha are eligible for the payments. Transaction costs are incurred for such actions as adjusting the number of animals to the requirements of organic production, organisation of feed supply, and learning about and applying on the farm other practices that are part of the production method.



#### 8.2.7.3.2.6. Eligibility conditions

Beneficiary (see also under "Beneficiaries"): A commitment concerning organic livestock production may be made by a farmer

- who has registered with the organic production control system;
- who has completed the required training in organic farming;
- on whose farm the area under organic cultivation is, throughout the commitment period without interruption, at minimum 5 ha or, in case of horticultural production, at minimum 1 ha of arable land under horticulture plants;
- who has completed the requisite training on organic animal husbandry, and
- who has registered with the organic production control system regarding the species indicated in the commitment.

Another condition for making payments is that the first production-related inspection of the farm has been acceptably completed.

A beneficiary who has made a commitment on organic production or organic livestock farming may make an environmental commitment under the environment payment scheme for the same parcels (code 10).

To prevent double payments, however, a beneficiary with a commitment on organic farming may not select the following parcel-specific operation under the environment commitment: alternative plant protection for horticulture plants. In addition, a farmer with a commitment on organic production will not be eligible to payments related to grassland for green manure under the operations concerning biodiversity in agricultural environments, to incorporation of slurry, or to recycling of nutrients and organic matter for the part of those slurries, manures or fertilizer products that are banned in organic production.

If the farm has chosen the condition concerning grazing and outdoor access of bovines, outdoor access of dry sows and gilts, improving the conditions in which sows and gilts are kept, improved conditions for farrowing, bedding in the pens for weaned piglets and pigs for fattening, grazing and outdoor access of sheep and goats, or outdoor access of poultry in the animal welfare payment scheme (code 14), a commitment on organic livestock farming cannot be made for these animal species, unless these additional conditions are replaced by other additional conditions, or the additional conditions are given up.

The eligible area is agricultural land (see also the section on "Type of support").

Payments will not be made for parcels where crop rotation that is a precondition for organic production cannot be implemented because of conditions set out in special agri-environment support contracts made in programming period 2007–2013, or the conditions of environment commitments or environment contracts made in programming period 2014–2020.

#### 8.2.7.3.2.7. Principles with regard to the setting of selection criteria

No selection criteria will be introduced for this operation.

8.2.7.3.2.8. (Applicable) amounts and support rates

The targeted number of animals in organic livestock production is 70,000 LU.

The payment to be made for organic livestock farming under this operation is EUR 134/ha/year. As the operation contains the conditions of organic production, the farm will also be eligible for payments for organic production, or EUR 160/ha/year.

8.2.7.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.7.3.2.9.1. Risk(s) in the implementation of the measures

Verifiability is seen as a risk relevant to this measure. The conditions for payments include items (production of animals for sale, parallel farming, parcel records in line with the cross-compliance conditions), which can only be verified from records kept following the production rules or other notes made by the farmers themselves. The impacts of production inspections on the organic payments to be made must be taken into account before the final support instalment is paid. Penalties due to inadequate compliance with production conditions are difficult to determine in case of organic payments.

A farm may only undertake a commitment on organic farming for the cultivation of field vegetables, in which case field vegetables and other plants may be cultivated in the parcels covered by the commitment. It is possible for a farm to simultaneously cultivate the same plant both organically and following conventional practices.

The crop rotation plans are not submitted to the ELY Centres in connection with the applications, and there is a risk that farmers will forget about the requirement of producing plants for sale. The production of organic animals or animal products for sale is difficult to verify.

8.2.7.3.2.9.2. Mitigating actions

Together with the authority implementing the organic production control system, an attempt will be made to ensure the provision of as consistent instructions and operating methods as possible in the control of payment conditions, compliance with production rules and imposing of penalties. The final instalment of the organic payment will not be made until the results of the production inspection have been saved/transmitted to the system and controlled if necessary. Advance payments will be made as usual. An alert that reminds farmers of the requirement to produce plants for sale may be built in the online support application system. When an application for a commitment is submitted, an administrative check will be performed to control that the farmer has completed the required training and registered with the organic production control system. Before making payments, a check will be performed to verify that the first inspection visit has been completed acceptably. Crosschecks will be performed annually to verify that production inspections have been conducted on all farms, that the minimum area for the commitment is met and that the requirements for minimum stocking rate and producing 30% of the plants for sale are met. The parcel areas will be measured and the plants and cultivation methods will be verified in on-the-spot checks. On organic livestock farms, the fact that the farm's stocking rate meets the minimum requirement applicable to organic production will also be checked.

**8.2.7.3.2.9.3. Overall assessment of the measure**

While risks were identified in the verifiability and controllability of the measure during the preparation phase, interventions addressing these issues will help to bring the risks to a low level. It is a special feature of organic production that the sector is being controlled by two different authorities. A procedure will be created for also taking the organic production control results into account in control of payments to reduce risks arising from this special feature. Regardless of the risks, the measure lends itself to adequate verification.

**8.2.7.3.2.10. Information specific to the operation**

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law.

For definition of the baseline, see Table M11.2.

Unofficial translation

Toimikohtainen perustason kuvaus toimenpiteessä 11, Luonnonmukainen tuotanto

Toimi: Luonnonmukainen kotieläintuotanto

Perustaso asetuksen (EU) N:o 1305/2013 art 29 kohdan 2 mukaan.	Asetuksen (EU) N:o 1305/2013 art 29 kohdan 2 mukaiset perustason vaatimukset tarkemmin eriteltyinä.	Asetuksen (EU) N:o 1305/2013 art 29 kohdan 2 mukainen perustaso Suomessa toimelle Luonnonmukainen kotieläintuotanto.	Luonnonmukainen kotieläintuotanto. Toimen sisältö: Viljelijän on noudatettava neuvoston asetuksessa (EY) N:o 834/2007 määriteltyjä luonnonmukaisesta kasvintuotannosta ja luonnonmukaisesta kotieläintuotannosta annettuja tuotantoehtoja.
(EU) N:o 1306/2013 VI osaston I luvun mukaisesti vahvistettua asiaa koskevat toimenpidevaatimukset	Lakisääteiset hoitovaatimukset: hoitovaatimus nro 1. (Nitraattiasetus 931/2000 (uusitaan vuonna 2014, ohjelman toiminna on otettu ennakoivasti huomioon uuden asetuksen tiukentuva taso.)	Nitraattiasetus määrittelee karjanlannan ja typpilannoitteiden enimmäismäärän. Lannan typpianalyysi on tehtävä viiden vuoden välein. Viljelijän on pidettävä kirjaa peltojen lannoitukseen käytetyistä typpilannoitemääristä ja satotasoista. Lannoitus on kielletty viisi metriä lähempänä vesistöä. Seuraavan viiden metrin vyöhykkeellä vesistöä lannan levitys on kielletty, ellei peltoa muokata vuorokauden kuluessa levityksestä. Sellaisilla peltolohkon osilla, joiden kaltevuus on vähintään 15 %, lannan levitys on aina kielletty.	Toimessa ei ole lannoitusmääriin tai levitykseen liittyviä tarkempia ehtoja.
	Lakisääteiset hoitovaatimukset: hoitovaatimus 10	Kasvinsuojeluaineiden käytössä on noudatettava valmistekohtaisen myyntipäällyksen merkintöjä ja varastoitava kasvinsuojeluaineet oikein.	Luonnonmukaisessa tuotannossa kasvinsuojelu perustuu ennaltaehkäiseviin menetelmiin. Rikkakasveja torjutaan mekaanisesti tai liekittämällä. Kasvitauteja ja tuhohyönteisiä voidaan torjua kemiallisesti tietyissä tilanteissa.

Table M11.2 Baseline Organic livestock production\_Page\_1

Unofficial translation

Lakisäätiset hoitovaatimukset: hoitovaatimukset nro 2 ja 3	Suojellulla maatalousmaalla ei saa heikentää tiettyjen lajien elinympäristöjä ja suojelupäätösten sisältämät velvoitteet on täytettävä. Osalle Natura 2000 -alueista ja muista suojelualueista on laadittu hoito- ja käyttösuunnitelma. Tällaiset suunnitelmat eivät kuitenkaan sisällä lakisäätöistä vaatimusta, joka velvoittaisi maanomistajaa aktiiviseen hoitotyöhön ilman korvausta.	Toimessa ei ole tähän perustasovaatimukseen liittyviä tarkempia ehtoja. Toimen ehdot eivät ole ristiriidassa luonto- ja lintudirektiivin suojelutavoitteiden kanssa.
Lakisäätiset hoitovaatimukset 4-9 ja 11-13	Kansanterveyttä, eläinten terveyttä ja eläinten hyvinvointia koskevat vaatimukset siltä osin, kun ne koskevat luonnonmukaisessa kotieläintuotannossa olevaa eläinlajia.	Toimessa noudatetaan tuotantoehtoja, joiden vaatimukset eläinten ruokinnasta, tautien ennaltaehkäisystä ja eläinlääkinnällisistä hoidoista, hoitokäytännöistä, eläinsuojista ja ulkoilusta ylittävät perustason vaatimukset. Eläinten enimmäismäärä määräytyy lannan levitykseen käytettävän luonnonmukaisessa tuotannossa olevan peltopinta-alan mukaan.

Table M11.2 Baseline Organic livestock production\_Page\_2

Unofficial translation

Lannoitteiden ja kasvinsuojeluaineiden käyttöä koskevat vähimmäisvaatimukset	Hyvän maatalouden ja ympäristön vaatimukset: Valtioneuvoston asetus täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimuksista (x/201x). Vaatimuksia on tarkennettu alemmasta ohjelmakaudesta vastaamaan horisontaalasetuksen 1306/2013 vaatimuksia.	Vesistöjen varsilla olevalla maatalousmaalla on noudatettava horisontaalasetuksen liitteessä II tarkoitettuina suojakaistoina maa- ja puutarhataloudesta peräisin olevien päästöjen rajoittamisesta annetun valtioneuvoston asetuksen (x/201x) (nitraattiasetus) x §:n x momentin mukaisia tyyppilannoitus- ja lannanlevityskieltoja. Vesistöjen ja valtaojien varsilla olevalla maatalousmaalle on pääsääntöisesti jätettävä vähintään 1 metrin levyinen, muokkaamaton piennar, jolle ei levitetä lannoitteita eikä kasvinsuojeluaineita. Viljeltyä peltoa ja pysyvien kasvien alaa on viljeltyä hyvän maatalouskäytännön mukaisesti paikkakunnan olosuhteet huomioon ottaen. Hyvän maatalouskäytännön edellytyksenä on, että viljelty pelto ja pysyvien kasvien ala muokataan, lannoitetaan ja kylvetään tai istutetaan tarkoituksenmukaisella tavalla niin, että on mahdollista saada aikaan tasainen itäminen ja kasvu. Viljeltävien kasvilajien ja -lajikkeiden on oltava alueelle soveltuvia. Kylvä tai istutus on tehtävä viimeistään 30 päivänä kesäkuuta tiettyjä puutarhakasveja lukuunottamatta. Pysyviä nurmia ja pysyviä laitumia voidaan lannoittaa ja laiduntaa tarkoituksenmukaisella tavalla. Tarvittaessa niiden kasvuston voi uusia muokkaamalla ja kylvämällä heinä- ja nurmirehukasvien siemenillä. Jos pysyvää laiduntaa käytetään laidunnukseen, siltä ei saa aiheutua maaperän eroosiota ja maanpinnan on säilyttävä kasvipeitteisenä. Pysyvien nurmien ja pysyvien laitumien niiton ajankohdassa ja toteuttamisessa on otettava huomioon luonnonvaraisten lintujen ja nisäkkäiden suojelu. [Viljelijä voi hyödyntää niittojätteen. Niittojäte voidaan myös jättää korjaamatta pois pysyvältä laitumelta.] Viljellyn maatalousmaan kasvinsuojelusta on huolehdittava joko kasvinvuorotuksen avulla, mekaanisesti, biologisesti tai kemiallisesti. Viljelijän on toimittava niin, että korjuu- ja markkinakelpoisen sadon tuottaminen on mahdollista. Jos maatalousmaalta ei korjata satoa, maatalousmaan tuottamasta kasvustosta on tarvittaessa huolehdittava niin, että maatalousmaalle on myös seuraavana vuonna mahdollista perustaa kasvusto tai tuottaa korjuu- ja markkinakelpoinen sato. Hukkakauran ja jättiputken leviäminen on estettävä. Hoidetut viljelemättömät pellot on pääsääntöisesti pidettävä kasvipeitteisinä tai sängen peittäminä kasvukaudella syyskuun alkuun asti ja niiden kasvusto on uusittava tarvittaessa. Pohjavesialueilla hoidettujen viljelemättömien peltolohkojen on oltava kasvipeitteisiä kasvukaudella syyskuun alkuun asti. Hoidetuilla viljelemättömällä pellolla on estettävä rikkakasvien leviäminen. Maatilalla on noudatettava maataloustoiminnassa ympäristönsuojelulain (527/2014) 17 §:ssä sekä vesiympäristölle vaarallisista ja haitallisista aineista annetun valtioneuvoston asetuksen (1022/2006) 4 a §:ssä säädettyä päästökieltoa pohjaveteen. Kasteluveden käytössä on noudatettava vesilain (587/2011) 4 luvussa säädettyä lupamenettelyä. Kasvuston sängen poltto on sallittu ainoastaan, jos se on välttämätöntä kylvön toteutuksen, rikkakasvien, kasvitautien tai tuholaisten torjunnan kannalta.	Noudatetaan luonnonmukaisen tuotannon tuotantoehtoja. Tuotantoehtojen mukaan maan viljavuutta ylläpidetään palkokasveja sisältävällä viljelykierrolla, luomutuotannosta peräisin olevalla lannalla ja muulla eloperäisellä aineksella. Viljaa voi viljellä enintään kolmena vuonna peräkkäin ja saman kasvuvuon yksivuotisia kasveja kaksi vuotta peräkkäin. Jokaisella loholla palkokasvien osuus viljelykierrosta on oltava vähintään 30 %. Sitoumusta ei voida uusia, jos ei viimeistään viidentenä sitoumusvuonna ole tuottanut myyntiin kotieläintuotteita.
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Table M11.2 Baseline Organic livestock production\_Page\_3

Unofficial translation

	Lannoitevalmistelainsäädäntö. (Perustaso on tiukentunut alemmasta nitraattiasetuksen uusimisen ja fosforirajojen tiukentamisen myötä)	Maa- ja metsätalousministeriön lannoitavalmisteita koskevan asetuksen (24/11) mukaiset fosforilannoituksen enimmäiskäyttömäärät ovat 80 kg/ha ja puutarhakasveilla 120 kg/ha. Asetusta muutetaan syksyllä 2014. Uudet vähimmäisvaatimuksina käytettävät rajat tulevat olemaan 70 kg/ha ja puutarhakasveilla 115 kg/ha.	Toimessa ei ole lannoitusmääriin tai levitykseen liittyviä tarkempia ehtoja.
Asetuksen (EU) N:o 1307/2013 4 artiklan 1 kohdan c alakohdan ii ja iii alakohdan mukaisesti vahvistetut asiaa koskevat vaatimukset ja vähimmäistulokset	Kasvinsuojelulainelainsäädäntö (Perustaso on noussut IPM:n yleisen periaatteen soveltamisen noudattamisvaatimuksen myötä).	Laki kasvinsuojeluaineista 1563/2011 ja maa- ja metsätalousministeriön asetus 7/2102. Kasvinsuojeluaineita on käytettävä asianmukaisesti havaitun tarpeen mukaan ja käyttöohjeita noudattaen ottaen ammattimaisessa käytössä huomioon integroidun torjunnan yleiset periaatteet. Lohkokirjanpitoon on merkittävä kasvinsuojeluaineiden käytön kohde, käyttömäärät ja käytön syy. Maatilalla kasvinsuojeluaineita saa levittää vain henkilö, joka on suorittanut kasvinsuojeluaineiden käyttöä koskevan kasvinsuojeluaineista annetun lain edellyttämän tutkinnon tai saanut oikeuden kyseisen tutkinnon järjestämiseen tai jolla ohjelmakauden 2007–2013 ympäristötuen mukaisen koulutuksen voimassaoloaika ei ole umpeutunut. Tutkinto on voimassa viisi vuotta. Maatilalla kasvinsuojeluaineiden levitykseen käytettävä kasvinsuojeluruisku on testattava siten kuin testauksesta säädetään laissa kasvinsuojeluaineista (1563/2011). Ammattimaisessa käytössä olevat traktoriruiskut on testattava kertaalleen 26.11.2016 mennessä ja sen jälkeen joka viides vuosi. Jos levitysväline on aiemmin testattu ohjelmakauden 2007–2013 ympäristötuen edellyttämällä tavalla, välineitä ei tarvitse testata uudestaan ennen kuin viisi vuotta on kulunut testauksesta. Integroidulla torjunnalla tarkoitetaan kasvinsuojelumenetelmien käyttöä taloudellisesti ja ympäristön kannalta perustellusti siten, että vähennetään ihmisten terveydelle ja ympäristölle aiheutuvia riskejä. Integroidun torjunnan yleiset periaatteet edellyttävät tarpeenmukaista lannoitusta, IPM:n paikka-, aika- ja tapauskohtaisuuden takia Suomessa ei lueta IPM:n yleisiin periaatteisiin yksittäisiä vaadittavia toimenpiteitä.	Tuotantoehdot rajaavat kasvinsuojeluaineiden käyttömahdollisuutta ja toimi ylittää siten integroidun torjunnan vaatimukset.
Muu lainsäädäntö	Maatalousmaan säilyttäminen	Maatalousmaa on pidettävä avoimena, jotta se pysyy soveltamisasetuksen [(EU) N:o 639/2014] 4 artiklan 1 kohdassa tarkoitettussa kunnossa. Maatalousmaalla, peltoalaa lukuun ottamatta, voi olla tukiasetuksen [(EU) N:o 1307/2013] 4 artiklan 1 kohdan j alakohdan mukaisia taimitarhoja, hedelmäpuu- ja marjapensasaloja, 5 §:n 3 momentissa tarkoitettujen lyhytkiertoisien energiapuiden aloja sekä muita kuin edellä mainittuja puovartisia kasveja enintään 5 §:n 4 momentissa tarkoitettu määrä.	Toimessa ei ole tähän perustason vaatimukseen liittyviä tarkempia ehtoja. Korvausta ei voida maksaa, jos ehtoa ei ole noudatettu.
	Ympäristöluvut	Ympäristönsuojelulain mukaisen ympäristöluvan saaminen edellyttää, että tilalla on lannanlevitykseen käytössä riittävästi peltä suhteessa eläinmäärään.	Kotieläintilalla on oltava asianmukaiset luvut.

Table M11.2 Baseline Organic livestock production\_Page\_4



Unofficial translation

Maa- ja metsätalousministeriön asetus 12/12.	Lannoitevalmisteita koskevassa asetuksessa säädetään yhdyskuntajätevedenpuhdistamoista ja kiinteistökohtaisista käsittelyjärjestelmistä peräisin olevien lietteiden käyttörajoituksista peltoviljelyssä.	Luonnonmukaisessa tuotannossa puhdistamolietteiden käyttö ei ole sallittua.
Suorien tukien viherryttämistuen päällekkäisen maksun estäminen.	Luonnonmukainen tuotanto on vapautettu viherryttämistuen vaatimuksista.	Luonnonmukaisen tuotannon koryauksessa määrittelyssä on otettu huomioon kaksinkertaisen maksun estäminen.
Vesienhoitosuunnitelmat (Ohjelmavalmistelussa on ennakoivasti otettu huomioon maatalouden perus- ja lisätoimenpidevaatimukset, joita tullaan esittämään 2016 alkavalle suunnittelukaudelle)	Vesienhoidon ja merenhoidon järjestämisestä annetussa laissa (1299/2004, vesienhoitolaki) ja sen nojalla annetussa valtioneuvoston asetuksessa vesienhoidon järjestämisestä (1040/2006, vesienhoitoasetus) säädetään vesienhoitosuunnitelmien ja niitä täydentävien toimenpideohjelmien laatimisesta ja tavoitteista. Toimenpideohjelmassa on esitetyt vesienhoidon ympäristötavoitteiden saavuttamiseksi tarvittavat perustoimenpiteet ja lisätoimenpiteet. Vesienhoidon ympäristötavoitteet eivät sellaisenaan ole luvan myöntämisen edellytys tai este, eivätkä vesienhoitosuunnitelmassa esitetyt lisätoimenpiteet tule suunnitelman perusteella toiminnanharjoittajaa sitovaksi. Toiselle suunnittelukaudelle 2016-2020 on ehdotettu perustoimenpiteiksi nitraattiasetuksen mukaiset toimenpiteet, eläinsuojien ympäristölupien mukaiset toimenpiteet sekä täydentävien ehtojen hyvän maatalouden ja ympäristön vaatimusten ja kasvinsuojelulainlainsäädännön mukaiset toimenpiteet.	Perustoimenpiteiksi luettavien vaatimusten sisältö ja suhde toimen vaatimuksiin on esitetty muissa taulukon muissa sarakkeissa.

Table M11.2 Baseline Organic livestock production\_Page\_5

Description of the methodology and of the agronomic assumptions and parameters (including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment) used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation.

For the definition of the payment levels, see the section "Eligible costs". For calculations concerning the operation, see Annex M11 to the programme.



*8.2.7.4. Verifiability and controllability of the measures and/or types of operations*

8.2.7.4.1. Risk(s) in the implementation of the measures

For a description of risks, see under each operation. The risk codes of risks that concern the entire measure are the following.

Commission risk codes:

R5 Verifiability and/or controllability of the measure

R5.1 In several operations, payments are made on the basis of the farmers' own declarations

R5.2 Penalties imposed as a consequence of non-compliance with production conditions are difficult to define

R5.3 The farm may practise ordinary cultivation while also growing organic field vegetables

R8 IT systems

R8.1 Information exchanges between the authorities in charge of control and production inspections.

R9 Payment application

R9.1 The farmer may forget about the requirement of growing cash crops

8.2.7.4.2. Mitigating actions

Commission risk reason codes

RC1 Calculation methods for deductions

RC3 Information exchanges between authorities

RC6 Commitments are difficult to implement and verify

RC12 Control systems and administrative processes

Commission risk prevention codes

CPA1 Training for administration

CPA2 Information and training for beneficiaries

CPA4 Improvement of information systems

#### 8.2.7.4.3. Overall assessment of the measure

#### 8.2.7.5. Information specific to the measure

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law.

The specification of the baseline requirements arising from cross-compliance conditions is based on the statutory management requirements and standards for good agricultural and environmental condition of land in Annex II to Regulation (EU) No 1306/2013. In the statutory management requirements, the standard is national legislation compliant with the relevant directive articles. The requirements of measures concerning good agricultural and environmental condition of land are defined in more detail in a national statute. Chapter 8.1 presents the links between mandatory management requirements and the national legislation and describes shortly the requirements for good agricultural and environmental condition. Provisions on the entity of cross-compliance requirements are contained in the Government Decree on the requirements of good agricultural and environmental condition in the cross-compliance conditions (xx/201x) and the Government Decree on statutory management requirements in the cross-compliance conditions and the supervision of compliance with the cross-compliance conditions (xx/201x).

The most essential baseline requirement for water protection is the Nitrates Directive that regulates the use of nitrogen fertilisers. The statutory management requirement has been implemented nationally by a Nitrates Decree. Key requirements under the measure include establishing buffer strips pursuant to the Nitrates Directive, the permit process concerning the use of irrigation water, and ground water protection. Key baseline requirements for measures aiming to promote the maintenance and enhancement of organic matter in the soil are requirements concerning minimum plant cover, minimum land management, limitation of erosion, and preservation of organic matter in the soil. In measures that concern promoting and enhancing biodiversity in arable land environments and diversity of landscape, key statutory management requirements are those related to the national application of the Birds Directive and the Habitats Directive, and the requirement concerning the retention of landscape features. For plant protection products, see the minimum requirements for pesticide use.

In addition to cross-compliance conditions, the baseline comprises the requirements for maintaining an agricultural area in Article 4(1)c paragraphs ii and iii of Regulation (EU) No 1307/2013. Under paragraph ii, agricultural land must be maintained in a state which makes it suitable for grazing or cultivation without preparatory action going beyond usual agricultural methods and machineries. Provisions on the requirement of maintaining agricultural land are contained in a Government Decree on basic support, greening payments and support for young farmers (xx/201x). Agricultural areas naturally kept in a state suitable for grazing or cultivation referred to in paragraph iii do not exist in Finland.

The baseline includes minimum requirements for fertiliser and plant protection products use. The baseline requirements concerning the use of nitrogen fertilisers are the same as the statutory management

requirements ensuing from the Nitrates Directive, which are specified in Government Decree (931/2000) on Restricting Nitrate Emissions from Agriculture to Water Systems. The decree is complied with in the whole country, as the entire territory of Finland has been defined as a nitrate sensitive area. The decree will be amended in 2014. In the preparation phase of the programme, it was ensured that the baseline requirements already take into account the planned amendments to the decree. As the maximum application volume of phosphorus fertilisation will be laid down 80 kg/ha/year, however 120 kg/ha/year for horticulture plants. Phosphorus balancing may be applied to the phosphorus quantities. This limit corresponds to the maximum phosphorus quantities laid down in the valid Ministry of Agriculture and Forestry Decree (24/11) on fertiliser products. In an amendment to this Decree to be made in 2014, as the maximum application volume of phosphorus fertilisation will be laid down 75 kg/ha/year, however 115 kg/ha/year for horticulture plants.

Provisions on plant protection products are contained in Regulation ((EC) 1107/2009) concerning the placing of plant protection products on the market and the Act on Plant Protection Products (1563/2011). In addition, this act implements Directive (2009/128/EC) of the European Parliament and of the Council establishing a framework for Community action to achieve the sustainable use of pesticides. Cross-compliance management requirement no 10, which concerns plant protection products, contains requirements regarding storage and record-keeping, use of only products approved in Finland, and using products as indicated on the label. In record-keeping, the requirements referred to in Article 67 of Regulation (EC 1107/2009) of the European Parliament and of the Council are complied with. Any product-specific restrictions on application are stated on the product label. The baseline requirements also include compliance with the general principle of integrated pest management, qualification requirements imposed on the plant protection product user, and the requirements of testing the application equipment in accordance with national statutes.

Plant protection products must be used appropriately and following instructions provided on product labels and in the conditions. Particular care should be taken when storing, handling, diluting and mixing plant protection products before and during application. Only plant protection products approved in Finland which have appropriately approved labels (in Finnish and Swedish) may be used in Finland. The instructions on product labels must be followed. The labels have approved information on such aspects as product categories and instructions for use (including quantities to be used, use restrictions, withdrawal periods and disposal). Plant protection products must be used based on appropriate consideration and observed needs and in accordance with the instructions for use, taking into account the general principles of integrated pest management in professional use. In compliance with the general principle of integrated pest management, the plant protection actions must be economically and ecologically sustainable. The name of the plant protection product, the date of use and target area, the targeted crop, the targeted pest, volumes used and the reason for use must be noted in parcel records.

Plant protection products must be kept in an appropriate storage facility away from foodstuffs and feeds.

Plant protection products may only be applied on a farm by a person who has completed a qualification required in the Act on Plant Protection Products, who has been authorised to organise training for such a qualification, or whose training in accordance with the environment payment scheme for programming period 2007–2013 has not expired. The qualification is valid for five years.

The sprayer used for applying plant protection products on a farm must be tested as prescribed in the Act on Plant Protection Products (1563/2011). Tractor sprayers in professional use must be tested once before 26 November 2016 and subsequently every five years. If the sprayer was tested before as stated in the environment payment scheme requirements for programming period 2007–2013, the equipment only needs

to be tested again once five years have elapsed from the previous testing.

Description of the methodology and of the agronomic assumptions and parameters (including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment) used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation.

Double payments of organic farming support and greening payments have been prevented. The payment calculations compared an average organic farm with a farm engaged in conventional production that complies with all three requirements of greening payments.

A more detailed description of the calculation methodology is included under the section on Eligible costs in the descriptions of each individual operation.

#### *8.2.7.6. Other important remarks relevant to understanding and implementing the measure*

Commitments on organic production can be made as soon as the programme has been approved. The measure may include expenditure incurred for contracts on environment payments for organic production and organic livestock farming concluded in programming period 2007–2013 and extended for 2014. As stated in the revision clause, contracts made in programming period 2007–2013 will be replaced by ones compliant with the measure concerning organic production introduced for programming period 2014–2020 as the legal basis changes from 2015. A farmer may replace a contract on organic production concluded in programming period 2007–2013 by a commitment on organic production in programming period 2014–2020 without being required to reimburse the payments received under the earlier contract. Replacing the contract with a commitment in line with the new conditions is justified now that organic production and agri-environment operations are part of different measures. See also Chapter 19.

#### 8.2.8. M13 – Payments to areas facing natural or other specific constraints (Article 31)

##### 8.2.8.1. *Legal basis*

Articles 31 - 32 and 82 and Annex I and II of Regulation (EU) No 1305/2013 of the European Parliament and of the Council

Articles 91 - 101 of Regulation (EU) 1306/2013 of the European Parliament and of the Council

Article 9 of Regulation (EU) 1307/2013 of the European Parliament and of the Council

Article 10 of Commission Implementing Regulation (EU) No 808/2014

##### 8.2.8.2. *General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives*

The measure includes the following sub-measures:

13.1 payments for mountain areas;

13.2 payments for areas facing significant natural constraints.

The purpose of the payments for natural constraints is to encourage continued use of agricultural land regardless of the adverse climatic conditions due to the northern location and prevent the abandonment of agricultural land use. The natural constraint payments contribute to maintaining open and managed rural landscapes and promote sustainable farming systems and the biodiversity of farming environments through permanent grassland. The measure also has an impact on controlled development of farm numbers and the preservation of economically viable farm units, and thus on supporting rural employment and promoting the economic development of rural areas.

As a primary, natural constraint payments affect focus area

- 4A: Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes.

Secondarily, natural constraint payments affect focus area

- 2A: Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification.

Of the cross-cutting objectives, natural constraint payments have an impact on mitigating climate change by only targeting payments at existing agricultural land and thus restricting the clearing of new arable land. The natural constraint payments promote the achievement of the environmental objective by ensuring that rural

landscapes remain open and managed and enhance the biodiversity of agricultural environments by means of permanent grasslands.

*8.2.8.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria*

8.2.8.3.1. 01 payments in mountain areas

Sub-measure:

- 13.1 – payments in mountain areas

8.2.8.3.1.1. Description of the type of operation

The purpose of the payment is to encourage continued use of agricultural land regardless of the adverse climatic conditions due to the northern location and prevent the abandonment of agricultural land use by making payments to farmers in mountain areas.

8.2.8.3.1.2. Type of support

An annual payment based on eligible area.

8.2.8.3.1.3. Links to other legislation

National legislation applicable to the measure: The Act on payments to farmers under the Rural Development Programme (xx/201x) and Government Decree on natural constraint payments (xx/201x). The Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree contains provisions on the general implementation of the measure, regional differentiation of the payments, the eligible area, the levels of payment, criteria for increased payments, and decreasing stock density, degressivity of the payment based on holding size, archipelago areas and payment procedures as described in the programme.

The Government Decree on the requirements of good agricultural and environmental condition in the cross-compliance conditions (xx/201x) and the Government Decree on statutory management requirements in the cross-compliance conditions and the supervision of compliance with the cross-compliance conditions (xx/201x). For the contents of the decrees that concern cross-compliance, see section 8.1.

#### 8.2.8.3.1.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.8.3.1.5. Eligible costs

The eligible costs are specified in payment level calculations based on costs and losses of income incurred for the measures (section 8.2.8.5).

#### 8.2.8.3.1.6. Eligibility conditions

The farmer must comply with the natural constraint payment conditions over the full extent of their agricultural land and farm their agricultural land during the year for which payment is applied. Natural constraint payments will be made per hectare of eligible land if the area of eligible agricultural land is at least 5 ha annually. In case of a farm located in the archipelago, the area of eligible agricultural land must be at minimum 3 ha. For a definition of the eligible area, see Section 8.1. Small farms mainly cultivate grass or keep the arable land fallow. The market for green fodder is small, and excluding these small farms from the natural constraint payments will not distort the market.

Farmers undertake to comply with the conditions when submitting their online applications or in connection with applying for support by submitting the relevant form to the rural industrial development authorities (local authorities) in the municipality in which the farm is located.

#### 8.2.8.3.1.7. Principles with regard to the setting of selection criteria

No selection criteria will be introduced for this measure.

#### 8.2.8.3.1.8. (Applicable) amounts and support rates

Natural constraint payments are co-financed payments that comprise contributions from the Rural Development Fund and national funds, and an top-up financed entirely from national funds.

For the levels of the natural constraint payments to different farming systems based on calculations of the severity of the identified constraint, see Table 8.2.8.3.1.8 .

Taulukko 8.2.8.3.1.8 Luonnonhaittakorvauksen määrät vuoristoalueella

	EU-osarahoitteinen luonnonhaittakorvaus (€/ha)	Kokonaan kansallisesti rahoitettava luonnonhaittakorvaus (€/ha)	Luonnonhaittakorvaukset yhteensä (€/ha)
C-alue = vuoristoalue			
-kasvinviljely	117	125	242
-kotieläintalous	117	185	302

Table 8.2.8.3.1.8 Natural constraint payment amounts in mountain areas



8.2.8.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.1.9.1. *Risk(s) in the implementation of the measures*

See 8.2.4.1.

8.2.8.3.1.9.2. *Mitigating actions*

See 8.2.4.2.

8.2.8.3.1.9.3. *Overall assessment of the measure*

See 8.2.4.3.

8.2.8.3.1.10. Methodology for calculation of the amount or support rate, where relevant

See 8.2.8.5.

8.2.8.3.1.11. Information specific to the operation

Definition of the threshold level of area per holding on the basis of which the Member State calculates degressivity of payments

The natural constraint payment per hectare degresses as the farm size increases (Table 8.2.8.3.1.11). The following thresholds of land area will be applied. The land area on which the degressivity is based is obtained from data provided by the farm in its application and determined by the area eligible for the natural constraint payment.

According to data in the farm register in 2013, the threshold of 150 hectares affects 86,400 hectares of arable land, and the threshold of 300 hectares affects 13,900 hectares of arable land.

Due to the holding structure in Finland, the number of farms exceeding the threshold for degressivity is also limited in FADN data. In both 2011 and in 2012, the FADN data showed 74 farms that exceeded the threshold of 150 hectares. The FADN results indicate that higher gross value added per hectare (GVA/ha) was not achieved by holdings of a larger size in arable crop farming. This value is, above all, determined by the regional natural constraint, or the level of yields and production costs per hectare. The GVA/ha of FADN farms that exceeded the limit in 2011 and 2012 was some EUR - 30/hectare. In other words, this figure is on par with the crop farms in the region of Southern Finland, where the value of this indicator was EUR – 26/hectare. This indicator was used to define the payment levels and the extent of the natural constraint per hectare on the basis of FADN data.

Taulukko 8.2.8.3.1.11 Luonnonhaittakorvauksen aleneminen tilakoon mukaan vuoristoalueella

Tilan pelloala	Makaettavan luonnonhaittakorvauksen suhteellinen osuus täydestä korvauksesta/ha
150 hehtaariin asti	100 %
150 ha yltävästä pelloalasta 300 hehtaariin asti	90 %
300 ha yltävästä pelloalasta	80 %

Table 8.2.8.3.1.11  
Degressivity of the natural constraint payments according to the farm size in mountain areas

*Unofficial translation*

[Designation of areas facing natural and other specific constraints] Description of the local unit-level applied for the designation of the areas

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[Designation of areas facing natural and other specific constraints] Description of the application of the method including the criteria referred to in Article 32 of Regulation (EU) No 1305/2013 for the delimitation of the three categories of areas referred to in that Article including the description and results of the fine-tuning exercise for areas facing natural and other specific constraints other than mountain areas

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#### 8.2.8.3.2. 02 Payments for areas facing significant natural constraints

Sub-measure:

- 13.2 – payments for other areas facing significant natural constraints

##### 8.2.8.3.2.1. Description of the type of operation

The purpose of the payment is to encourage continued use of agricultural land regardless of the adverse climatic conditions due to the northern location and prevent abandonment of agricultural land use by making payments to farmers in areas facing constraints.

##### 8.2.8.3.2.2. Type of support

An annual payment based on eligible area.

##### 8.2.8.3.2.3. Links to other legislation

National legislation applicable to the measure: The Act on payments to farmers under the Rural Development Programme (xx/201x) and Government Decree on natural constraint payments (xx/201x). The Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree contains provisions on the general implementation of the measure, regional differentiation of the payments, the eligible area, the levels of payment, criteria for increased payments, and decreasing stock density, degressivity of the payment based on holding size, archipelago areas and payment procedures as described in the programme.

The Government Decree on the requirements of good agricultural and environmental condition in the cross-compliance conditions (xx/201x) and the Government Decree on statutory management requirements in the cross-compliance conditions and the supervision of compliance with the cross-compliance conditions (xx/201x). For the contents of the decrees that concern cross-compliance, see section 8.1.

##### 8.2.8.3.2.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

##### 8.2.8.3.2.5. Eligible costs

The eligible costs are specified in payment level calculations based on costs and losses of income incurred for the measures (section 8.2.8.5).

#### 8.2.8.3.2.6. Eligibility conditions

The farmer must comply with the natural constraint payment conditions over the full extent of their agricultural land and farm their agricultural land during the year for which payment is applied. Natural constraint payments will be made per hectare of eligible land if the area of eligible agricultural land is at least 5 ha annually. In case of a farm located in the archipelago, the area of eligible agricultural land must be at minimum 3 ha. For a definition of the eligible area, see Section 8.1. Small farms mainly cultivate grass or keep the arable land fallow. The market for green fodder is small, and excluding these small farms from the natural constraint payments will not distort the market.

Farmers undertake to comply with the conditions when submitting their online applications or in connection with applying for support by submitting the relevant form to the rural industrial development authorities (local authorities) in the municipality in which the farm is located.

#### 8.2.8.3.2.7. Principles with regard to the setting of selection criteria

No selection criteria will be introduced for this measure.

#### 8.2.8.3.2.8. (Applicable) amounts and support rates

Natural constraint payments are co-financed payments that comprise contributions from the Rural Development Fund and national funds, and an top-up financed entirely from national funds.

For the levels of the natural constraint payments to different farming systems based on calculations of the severity of the identified constraint, see Table 8.2.8.3.2.8 .

Unofficial translation

Taulukko 8.2.8.3.2.8 Luonnonhaittakorvauksen määrät alueella, joilla on luonnonolosuhteista johtuvia huomattavia rajoitteita

	EU-osarahoitteinen luonnonhaittakorvaus (€/ha)	Kokonaan kansallisesti rahoitettava luonnonhaittakorvaus (€/ha)	Luonnonhaittakorvaukset yhteensä (€/ha)
AB-alue			
-kasvinviljely	92	125	217
-kotieläintalous	92	185	277*

\*) Korvaustaso ylittää asetuksen N:o (EU) 1305/2013 liitteen II tukimäärän. Perustelu on esitetty tukitason laskentametodologia kohdassa 8.2.8.5

Table 8.2.8.3.2.8  
Natural constraint payment amounts in areas facing significant natural constraints

8.2.8.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.2.9.1. Risk(s) in the implementation of the measures

See 8.2.4.1.

8.2.8.3.2.9.2. Mitigating actions

See 8.2.4.2.

8.2.8.3.2.9.3. Overall assessment of the measure

See 8.2.4.3.

8.2.8.3.2.10. Methodology for calculation of the amount or support rate, where relevant

See 8.2.8.5.

8.2.8.3.2.11. Information specific to the operation

Definition of the threshold level of area per holding on the basis of which the Member State calculates degressivity of payments

The natural constraint payment per hectare degresses as the farm size increases (Table 8.2.8.3.2.11). The following thresholds of land area will be applied. The land area on which the degressivity is based is obtained from data provided by the farm in its application and determined by the area eligible for the natural constraint payment.

According to data in the farm register in 2013, the threshold of 150 hectares affects 86,400 hectares of arable land, and the threshold of 300 hectares affects 13,900 hectares of arable land.

Due to the holding structure in Finland, the number of farms exceeding the threshold for degressivity is also limited in FADN data. In both 2011 and in 2012, the FADN data showed 74 farms that exceeded the threshold of 150 hectares. The FADN results indicate that higher gross value added per hectare (GVA/ha) was not achieved by holdings of a larger size in arable crop farming. This value is, above all, determined by the regional natural constraint, or the level of yields and production costs per hectare. The GVA/ha of FADN farms that exceeded the limit in 2011 and 2012 was some EUR - 30/hectare. In other words, this figure is on par with the crop farms in the region of Southern Finland, where the value of this indicator was EUR – 26/hectare. This indicator was used to define the payment levels and the extent of the natural constraint per hectare on the basis of FADN data.

*Unofficial translation*

Taulukko 8.2.8.3.2.11 Luonnonhaittakorvauksen aleneminen tilakoon mukaan alueella, joilla on luonnonolosuhteista johtavia huomattavia rajoitteita

Tilan peltotala	Maksettavan luonnonhaittakorvauksen suhteellinen osuus täydestä korvauksesta/ha
150 hehtaariin asti	100 %
150 ha ylittävästä peltotalasta 300 hehtaariin asti	90 %
300 ha ylittävästä peltotalasta	80 %

Table 8.2.8.3.2.11  
Degressivity in natural constraint payments by holding size in areas facing significant natural constraints



[Designation of areas facing natural and other specific constraints] Description of the local unit-level applied for the designation of the areas

[Designation of areas facing natural and other specific constraints] Description of the application of the method including the criteria referred to in Article 32 of Regulation (EU) No 1305/2013 for the delimitation of the three categories of areas referred to in that Article including the description and results of the fine-tuning exercise for areas facing natural and other specific constraints other than mountain areas

#### 8.2.8.4. Verifiability and controllability of the measures and/or types of operations

##### 8.2.8.4.1. Risk(s) in the implementation of the measures

The baseline requirement for eligibility for the natural constraint payment is observance of the cross-compliance conditions. Controlling of the requirements concerning good agricultural and environmental condition in the cross-compliance conditions and statutory management requirements annually covers approximately one per cent of farms having applied for natural constraint payments. Area-related reductions and sanctions due to areas reported incorrectly by the farmers also present a risk. The level of error for natural constraint payments is almost exclusively relevant to incorrect areas. Compliance with the stock density requirement is controlled in the year following the submission of the support application, once the animal register calculations are complete, the farmer has reported the animal numbers to the administration (horses, poultry), and the actual surface area of the farm is known.

##### Commission risk reason codes

R5 The requirement is difficult to verify and/or control

R5.1 Control of cross-compliance requirements and the statutory management requirement

R5.3 Penalties and deductions as a result of surface areas incorrectly declared by the farmer

##### 8.2.8.4.2. Mitigating actions

The payment system and its requirements are explained to the farmers at training events and in material distributed to farmers. The majority of restrictions in the payment conditions, including degressivity and minimum area monitoring, are carried out automatically by the information systems, and consequently, the risks related to implementing the measure are minor. The areas reported by the farmer are verified in connection with on-the-spot checks.

##### Commission risk codes

CPA2 Information and training for beneficiaries

CPA3 Information campaigns and guidance documents

CPA4 Development of IT tools

#### 8.2.8.4.3. Overall assessment of the measure

The levels of error in natural constraint payments will also remain moderate in the future, as there are few conditions. Including permanent grassland in the area eligible for natural constraint payments may increase the level of error. At the national level, the area under permanent grassland is relatively small, and it will thus have little significance for the level of error. As online applications for payments become more widespread, the number of errors in reported areas is likely to go down, and the level of error will be reduced.

#### 8.2.8.5. Methodology for calculation of the amount or support rate, where relevant

In order to assess the significance of the natural constraint and the need for natural constraint payments per hectare as objectively as possible, uniform methods and input data must be used. Finland's analysis of the differences in natural constraints facing various areas is based on farm data and indicators in the shared FADN network and comparison methods employed by the Commission. Key FADN indicators in this examination are, similarly to those used in the Commission's earlier analysis of natural constraints (State aid decision No N 284/2004 – Finland. National LFA aid scheme), the gross value added per hectare (GVA/ha) and farm net value added per annual work unit (FNVA/AWU). GVA/ha is a suitable value for examining the natural constraint per hectare in general, but not for a more extensive comparison of farming systems if the majority of production is not field crop farming. FNVA/AWU, on the other hand, is an indicator widely used in FADN analyses, which can be applied in more extensive comparisons between the relative economic position and profitability of various types of farming in different areas. Typically, the net value added is expressed relative to the annual work unit (AWU), as the net value added (EUR/farm) alone does not take into account the scope of the production and the farming system.

The examination looked at the additional costs and losses of income incurred by farmers due to the constraints to agricultural production in the relevant area. The additional costs and losses of income must be calculated with reference to areas that are not facing natural constraints or other specific constraints. If we look at the biophysical criterion of low temperature, the entire Finnish territory is classified as an area facing natural constraints, and the less favoured areas in Finland thus cannot be compared to areas with more favourable natural conditions within the country. The reference areas for estimating the additional costs and losses of income were therefore found outside Finland in areas whose production conditions are comparable to the Finnish conditions.

The data of the Farm Accountancy Data Network (FADN) provides key reference values that can be used for direct comparisons both between Member States and between areas in different Member States. For the examination were selected FADN regions with production conditions that are comparable to the Finnish

conditions: reference area A (Slättbygds-län in Southern and Central Sweden), reference area B (Denmark, which forms a single FADN region), reference area C (Schleswig-Holstein in Germany) and reference area D (Scotland in the United Kingdom). As the reference point in Finland was used the FADN region of Southern Finland, a Finnish area that meets the criteria for an ANC area other than mountain area with a high level of accuracy. The closest reference area is the predominantly agricultural Slättbygds-län in Southern and Central Sweden, which is almost entirely located outside the ANC area. In certain limited parts of this area, natural constraint payments in their current form are made for grasslands on livestock farms, while no payments are made for land under cereal production or other field crops in this area. When assessing the general natural constraints facing field crop farming, Slättbygds-län thus is an area comparable to Southern Finland as referred to in Regulation (EU) No 1305/2013.

Due to the low temperature, the growing period in Finland is very short, and the thermal-time sum vital for field crops remains low. In proportion to these growth condition criteria, the natural constraint in the Finnish agricultural conditions is in particular reflected as low average yields. At the same time, the inputs in ANC areas are greater in proportion to the yields than in more favourable areas. These additional costs can be factored in by including in the examination the variable costs and overheads of farming. The GVA indicator, which plays a key role in this examination, does not include various grants and aids used in an effort to compensate for differences between areas based on other CAP compliant criteria.

The natural constraints due to cold climatic conditions facing farmers are the most obvious in field crop farming, which is why field crop farms were selected for the examination of the general natural constraint. The same general natural constraint has a negative effect on the profitability of all farms in Southern Finland, as field crop farming also plays a substantial role in the production process in livestock farming. As a result of the low yield levels of field crops and environmental regulations that control the application of manure, livestock farms are obliged to engage in relatively extensive field crop farming. In Southern Finland, farms that concentrate solely on field crop farming predominate with over 60% of the arable land in the area, and the cultivation of field crops clearly is the dominant farming system here. Determining the general natural constraint per hectare on the basis of the gross value added in field crop farming is thus justified.

Farm sizes vary in the areas under scrutiny, and to facilitate the comparison, indicators in Euro amounts must thus be calculated per hectare farmed. In field crop farming, considerable annual variations in the yields and returns, and thus in indicator values, ensue from natural conditions. For this reason, the average over five years (2007–2011) is used in the analysis. Financial year 2011 is the latest data set for FADN regions in the EU's FADN database. Results expressed using the price levels of each year are used to calculate the average.

The gross value added (GVA) is calculated per hectare as follows: Of the average total yield excluding aids in the EU's FADN system (Total output, SE131) were deducted the variable costs and overheads of farming, or intermediate consumption (Total intermediate consumption, SE275). The difference was divided by the average area of arable land on farms. The results for the five-year average are EUR 364/ha in reference area A, EUR 1,012/ha in reference area B, EUR 480/ha in reference area C, EUR 502/ha in reference area C and EUR -26/ha in the FADN region of Southern Finland (Figure 8.9.5.a).

Calculated by this indicator, the difference in gross added value describing the natural constraint between Southern Finland and the key reference area, or Slättbygds-län in Sweden, is EUR 390/ha. The calculated value of the natural constraint in ANCs other than mountain areas (AB area) is higher than the payment levels in Annex II of Regulation N:o (EU) 1305/2013. Compared to other reference areas in the analysis, the

difference clearly is even greater. The difference to the reference areas is directly based on the fact that in Southern Finland the return per hectare, or the yield level, is lower than in the reference area, while the direct costs of producing a crop are high. Due to the natural constraint, producing a ton of cereal, for example, is substantially more expensive in Finland than in the reference areas. The biophysical criteria for the area facing natural constraints in Finland, or the short growing period due to low temperature and low thermal-time sum, are directly connected with these reference results for field crop farming.

In other words, the calculated natural constraint compared to the reference areas is significant even in Southern Finland, which is the most favourable area in terms of temperature. Finland will set its natural constraint payment levels at a level lower than this calculated difference in conditions in view of the entire support mechanism of common agricultural policy and in the interest of a balanced programme structure. In the Finnish conditions, the entire scheme of aids to farmers and factors influencing production conditions comprise an exceptional number of instruments and measures. The proposed natural constraint payment levels will also avoid any over-compensation for natural constraints in all parts. As the low temperature emphasises the severity of the natural constraint further in the north, it is thus appropriate to set a level of natural constraint payments that is slightly higher in the northernmost parts of Finland.

It is necessary to differentiate the payment levels on the basis of the severity of the natural constraint and different farming systems. The natural constraint facing general field crop farming in Finland is less severe than that facing livestock farming. For this reason, an equal natural constraint payment per every hectare of each area facing natural constraints would result in overcompensation for field crop farming compared to animal husbandry.

When looking at the difference between the two farming systems, the gross value added per hectare would produce an incorrect representation of the natural constraint. On livestock farms, income from animal husbandry is also included in the gross value added in addition to income from field crop farming, producing a gross value added per hectare that is typically higher for livestock farms than for field crop farms. Additionally, the gross value added does not take into account depreciations for such items as buildings and machinery. Especially in animal husbandry, these are significant cost items that are materially associated with the farming system based on animal husbandry.

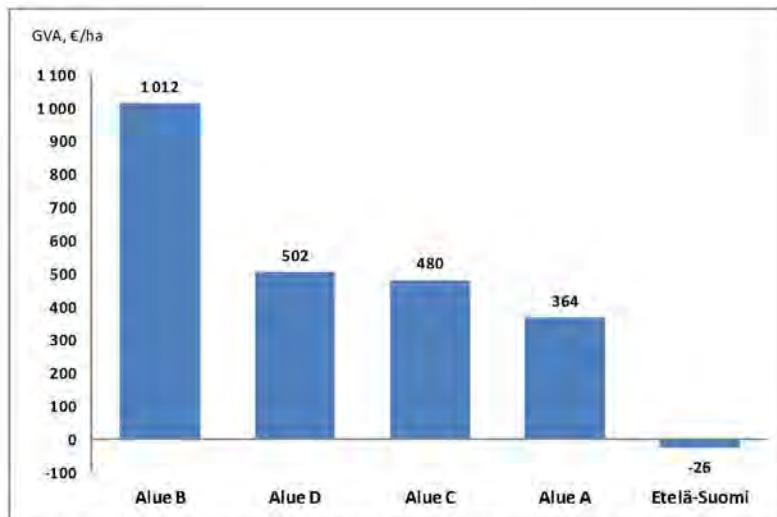
In order to compare the financial positions of the different types of production objectively, the indicator used must be as comparable as possible. In the FADN system, the net value added, or FNVA, is a widely used indicator of this type. The net value added is obtained by deducting from total returns (including support) other production costs besides those incurred for fixed resources, or work, land and capital. The remaining net value added is compensation for the use of these production resources.

There are major differences in the net value added, and also in other absolute indicators, between various types of production and farming systems, and in order to be comparable, the results must be presented as ratios. In livestock farming, the majority of the production is obtained from keeping domestic animals, which is why an indicator calculated per hectare does not give a comparable idea of the financial position of livestock farming. The ratio between livestock units and the arable land area may vary greatly between livestock farms in different areas. In more favourable areas for farming, livestock farms may also be significant producers of cash crops, in which case the area under such crops may be considerably larger than the area needed for livestock farming alone. In some areas, on the other hand, it may be necessary to purchase some of the feed for the animals from outside the farm, for example due to poor availability of arable land and low yield levels.

The total annual work input is a key production factor for all types of production, and a high financial return on it is an essential target for all enterprises. It is therefore justified to examine the net value added in proportion to the annual work unit (AWU) to systematically ensure the comparability of different types of farming. (Table 8.9.5.b)

In the internal comparison of farming systems at the national level, specialised field crop farms and livestock farms were examined (FADN system classification A28). The reference population of livestock farms in this calculation was formed by combining specialised grazing livestock farms and other specialised livestock farms. The combination of two farm groups based on statistical weighting was carried out in the interest of comparability and because under WTO rules, the payment levels cannot be differentiated by species of animals or field crop types. The combined returns of livestock farms were calculated as an average over five years based on the accounting returns for 2007–2011 in order to eliminate random variations between individual years.

The net value added also includes various types of aids received by farms in programming period 2007–2013 and the national additional part that, under decision on State aid 284/2004, is increased by EUR 80/ha for livestock farms. The returns indicate that in livestock farming, the net value added per annual work unit is less than that of field crop farming by almost one fifth. This means that even with the national increase of the natural constraint payment to livestock farms in programming period 2007–2013, in the light of this indicator, livestock farming is slightly less profitable than field crop farming. The differentiation of the natural constraint payment, which to a great extent corresponds to the total value of the natural constraint payment and its national increase in programming period 2007–2013, is thus justified and directly based on the severity of the natural constraint and differences in the yield and cost structures between farming systems.



Kuva 8.9.5.a Hehtaaria kohti laskettu GVA-indikaattori FADN-aineiston kasvinviljelytiloilla vuosien 2007–2011 keskiarvona.

Figure 8.9.5.a GVA/ha on field crop farms in the FADN data as an average of years 2007–2011.

*Unofficial translation*

Taulukko 8.9.5.b Vuosityöpanokseen suhteutettu vuosityöpanos eri viljelyjärjestelmissä

FNVA/AWU	
Koko Suomi, €/tila	keskiarvo 2007-2011
Enkoistunut	
kotieläintalous	24 045
Enkoistunut kasvinviljely	28 377
ero	18 %

Table 8.9.5.b Value added in proportion to annual work unit in different farming systems

#### 8.2.8.6. *Information specific to the measure*

Definition of the threshold level of area per holding on the basis of which the Member State calculates degressivity of payments

For a description, see under the sub-measures.

[Designation of areas facing natural and other specific constraints] Description of the local unit-level applied for the designation of the areas

The simulations of growing period length and thermal time-sum were carried out as described in Annex III to Regulation (EU) No 1305/2013. As input data were used the Finnish Meteorological Institute's daily weather observations from 1971–2007. Not all municipalities have weather stations, and grid point interpolation of weather station data was therefore used to determine the weather data. The grid points form a grid of 10 x 10 km, and they were calculated using the so-called kriging method, which takes into account landscape forms and the impacts of coasts and water bodies to the relevant variable at each grid point. There are nearly 3,400 grid points in Finland, as the surface area of the country is 390,920 km<sup>2</sup>. As temperature values for each municipality were used the averages of those grid points that were located in the territory of the municipality in question. The largest municipalities have more than 10 grid points, and each municipality has at least one.

The map simulation was prepared at MTT Agrifood Research Finland, whereas the weather observation data and calculations for each municipality were produced by the Finnish Meteorological Institute. Firstly, the length of the growing period in each observation year was determined by adding up the number of those days on which the average daily temperature exceeded + 5 °C. The number of observation years in which the growing period length exceeded the threshold values for the growing period given in Table 8.9.6.a were then determined. A similar method was followed for the thermal-time sum. Next, the percentage share of these years in the number of all observation years was calculated. The categories were arranged in an ascending order, and a municipality was deemed to belong to the category of thermal-time sum or growing period where, in a time series covering 37 years, the thermal-time sum or growing period length was lower than the threshold value of the category in more than 20 per cent of the observation years. While this definition is similar to the classification in Annex III of Regulation (EU) No 1305/2013, several threshold values for classification are used (Figures 8.9.6.b and c).

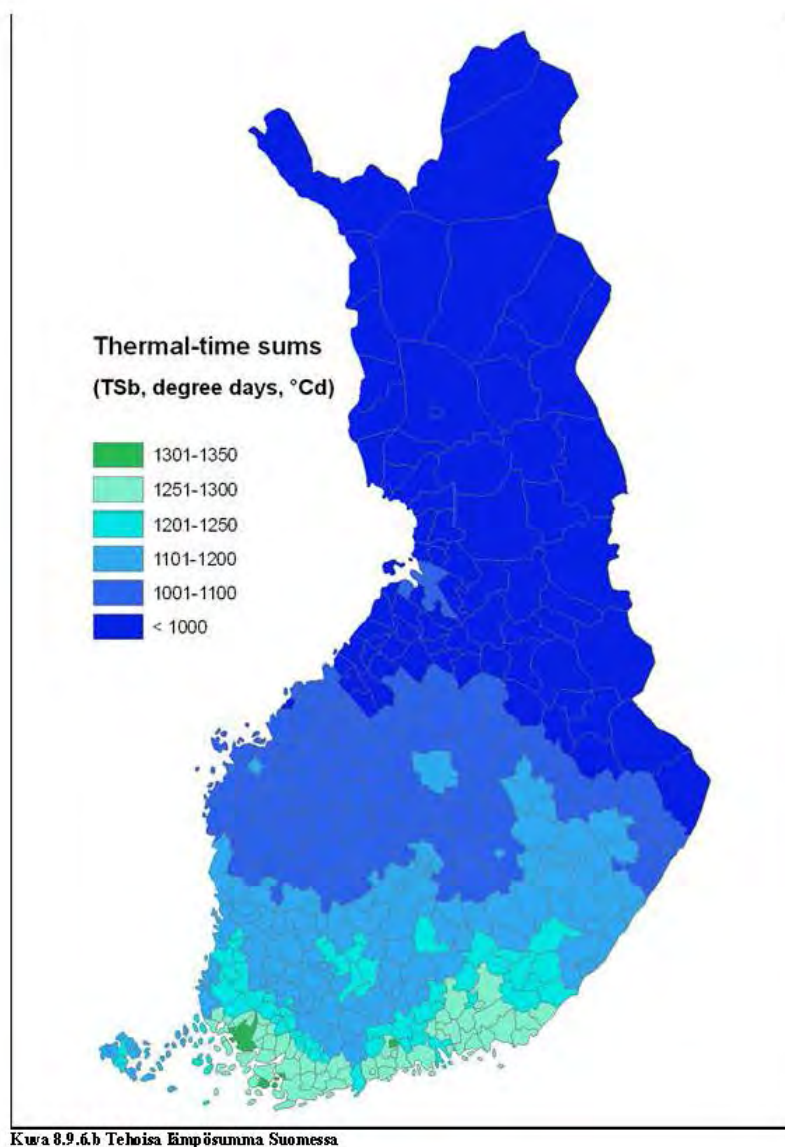
The simulation was run at the municipal level (LAU2) using the municipal boundaries of 2004.



Taulukko 8.9.6.a Kasvukauden ja lämpösumman luokitus

Luokka	Kasvukausi	Lämpösumma
0	yli 180	yli 1500
1	176-180	1451-1500
2	171-175	1401-1450
3	166-170	1351-1400
4	161-165	1301-1350
5	156-160	1251-1300
6	151-155	1201-1250
7	141-150	1101-1200
8	131-140	1001-1100
9	alle 130	alle 1000

Table 8.9.6.a Growing period and thermal time-sum classification



Kuva 8.9.6.b Tehoisa lämpösumma Suomessa

Figure 8.9.6.b Thermal time-sum in Finland

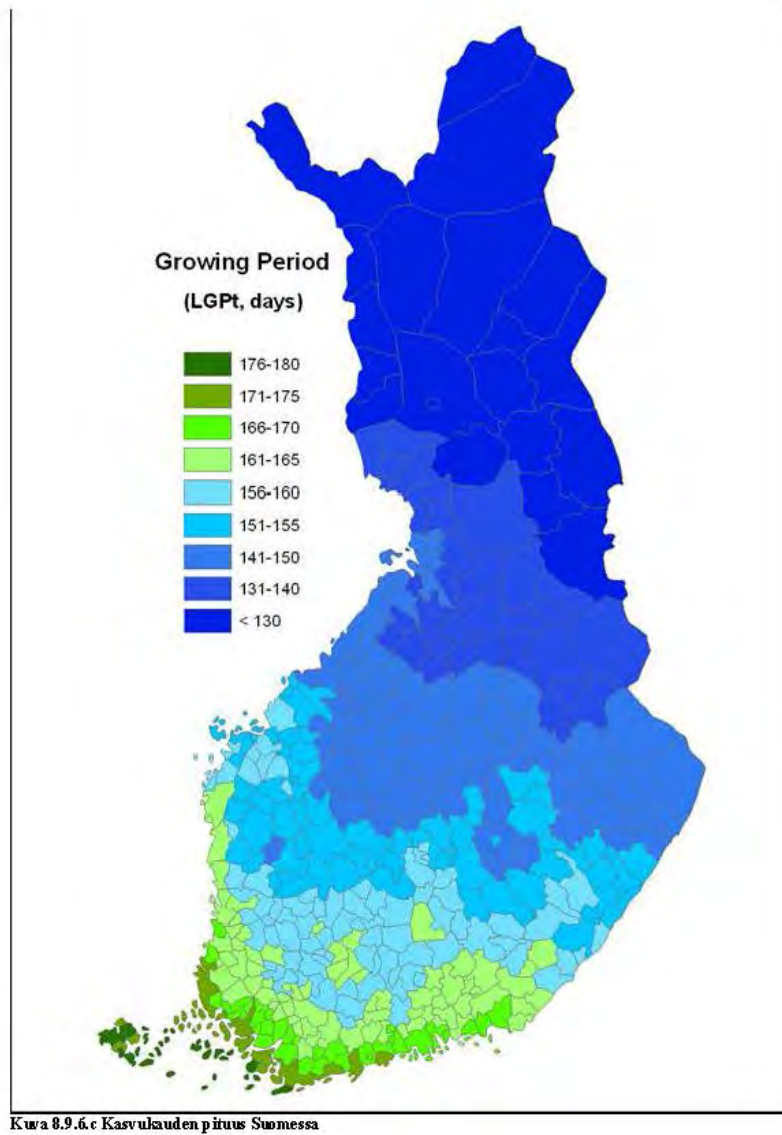


Figure 8.9.6.c Growing period length in Finland

[Designation of areas facing natural and other specific constraints] Description of the application of the method including the criteria referred to in Article 32 of Regulation (EU) No 1305/2013 for the delimitation of the three categories of areas referred to in that Article including the description and results of the fine-tuning exercise for areas facing natural and other specific constraints other than mountain areas

### ***Classification of areas***

From year 2015, there will be two LAU 2 level assisted regions for natural constraint payments in Mainland Finland, mainly following the municipal boundaries of 2013.

- assisted region AB: areas facing significant natural constraints (Article 32(3) of Regulation (EU) N:o 1305/2013); and
- assisted region C: mountain areas (Article 2 a of Regulation (EU) No 1305/2013).

The regions facing significant natural constraints in Mainland Finland in programming period 2007–2013 under Article 20 of Council Regulation (EC) No 1257/1999 (situation in 2006: 573,846 ha) will, from year 2015 on, be categorised as other areas facing significant natural constraints (assisted region AB) based on climatic criteria.

From year 2015, the mountain area will be harmonised with the area eligible for national northern aid. The areas eligible for northern aid are laid down in Annex I of the Commission's decision on northern aid K(2009)3067. The 45,083 hectares on the northern border of the area classified as other area facing significant natural constraints in programming period 2007–2013 under Article 19 of Council Regulation (EC) No 1257/1999 will be reclassified as a mountain area (assisted region C). Similarly, 37,304 hectares of areas in the programming period 2007–2013 will be reclassified as other areas facing significant natural constraints and included in assisted region AB.

The harmonisation of the boundaries of areas facing natural constraints and national assisted regions has a significant simplifying effect on the aid systems. Coordination of the assisted regions and regions receiving direct EU aids will also be easier. The changes in the area classifications are also justified on the basis of climatic criteria (Figures 8.9.6b and c).

The mountain area will comprise a total of 183 municipalities and 1,197,499 hectares, while the areas facing significant natural constraints will comprise 123 municipalities and 1,045,055 hectares on the basis of 2013 statistics. A list of the municipalities is attached (Annex 1).

### ***Fine-tuning***

This examination concerns other areas facing significant natural constraints (Article 32 (1) item b) of the Regulation (EU) N.o 1305/2013). As the administrative unit, the examination uses the municipal level (LAU2) where applicable, and due to limitations in the availability of data, also the regional level (NUTS3). In addition, the EU's FADN accounting system uses separate accounting areas that complement the regional comparison. The definition of areas facing natural constraints in Mainland Finland is based on the criterion of low temperature (Annex III of Regulation (EU) No 1305/2013).

The fine-tuning indicators applicable to Mainland Finland include:

1. the share of agricultural land under greenhouse cultivation in the area by municipality,
2. the gross value added per hectare in field crop farming at the regional level and indicators

- proportionate to the work unit in main types of production, and
3. the density of livestock units by municipality.

*The share of agricultural land under greenhouse cultivation in the area by municipality*

The share of areas under greenhouse cultivation in the municipalities of Mainland Finland is very low compared to the area of agricultural land. The share of land under greenhouse cultivation does not exceed 50% of agricultural land in any municipality, and the natural constraint has thus not been overcome by means of investments in greenhouses in any Finnish municipality (Table 8.9.6.d).

*Gross value added in agriculture at the regional level*

As a general economic indicator in the fine-tuning examination, GVA/ha, or gross value added per hectare, was used. The criteria and calculation methodology of this indicator are described above in the section "Methodology for calculating the amount of support". Due to the small size of municipalities and limitations of accounting data, this indicator cannot be worked out by municipality in Finland. For this reason, the examination compared field crop farming returns in the regions of Southern Finland (NUTS3 regional level) to the corresponding indicators in the accounting area of Southern Sweden (Slättbygdslän). (A very minor part of the FADN region 'Slättbygdslän' belongs to the Swedish LFA area. This does not affect the comparison, as GVA does not include any support forms. LFA support was also not paid to cereals and other field crops concerned in this comparison in the reference area in Sweden. The LFA and non-LFA areas in different countries can be looked at separately in the FADN system, but in this case, the farms cannot be directly examined by their type of production, as the system only shows the averages for all farms. The GVA/ha comparison, on the other hand, is not suited for this for reasons discussed above.

Examining the GVA/ha of all farms put together is not justified, as totalling the returns from both field crop farming and livestock farming per hectare would bias the reference material. The proportion of hectares and livestock densities varies considerably by the type of production and reference area. An examination of the returns of field crop farming gives a logical and comparable idea of the general yield capacities per hectare and the costs, or the natural constraint per hectare in various areas.

Figure 8.9.6.e shows the average GVA/ha indicators for field crop farming in Southern Finland provinces and in the accounting area of Southern Sweden for 2007–2011. In the areas under scrutiny in Southern Finland, the indicators clearly show a gross value added increase per hectare that is less than half of this figure in the reference area in Sweden, indicating that the general natural constraint has not been overcome in any region of Southern Finland.

*Indicators proportionate to the work unit in main types of production*

As a complementary examination, all types of production in Southern Finland were further compared applying the farm net value added (FNVA) and the family farm income (FFI). These indicators were examined in proportion to the average annual work unit (AWU) of the farms to ensure that the returns of different types of production are comparable. More detailed justifications for this comparison between types of production, which must also take into account the special features of each type of production, are also given in connection with the general description of the calculation methodology. Not all indicators and ratios are directly applicable to the comparison of all types of production and many different return and cost factors.

Figure 8.9.6.f shows the FNVA/AWU and FFI/FWU indicators of the three main types of production as an average for 2007–2011. The returns indicate that livestock farms have not achieved better financial returns than arable farms. When the natural constraint payment under the current system is deducted from these indicators for the types of production, the returns of the different types of production are considerably lower still.

As a conclusion from the comparisons and FADN indicators, we can thus say that the general natural constraint based on low temperature has not been overcome in agriculture in Southern Finland or in the main types of production in the area.

#### *Density of livestock units by municipality*

The regional structure of farming was examined by comparing livestock unit densities at the municipal level. The livestock unit number including all animals in each municipality was divided by the total utilised agricultural area (UAA). In nearly all municipalities in the area, the stock density in 2011 was less than 0.5 livestock units per hectare. In three municipalities, this value was in the range of 0.9–1.15 livestock units/ha, and in one municipality (Vehmaa) the stock density was clearly higher than average, or 2.35 livestock units/ha (Figure 8.9.6.g). The results in Vehmaa are explained by a major concentration of pig and poultry farms. However, these farms do not cultivate the majority of the arable land area in the municipality. Consequently, stock densities cannot be used to prove the existence of a continuous area in Mainland Finland where agricultural production would have overcome the constraints of the cold climate.

#### *Summary*

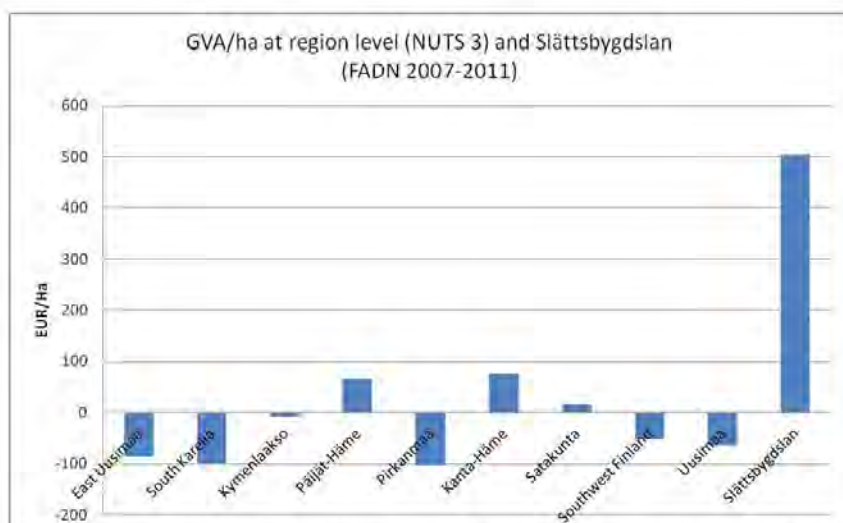
The analysis above demonstrates that there are no areas in Mainland Finland where the natural constraints would have been overcome in agricultural production. Consequently, all municipalities in Mainland Finland are entitled to natural constraint payments.

*Unofficial translation*

Taulukko 8.9.6.d Neljä kasvihuonealaltaan suurinta kuntaa  
(Tike 2012 Maataloustilastot)

Kunta	Kasvihuoneyritysten lukumäärä	Kasvihuone- pinta-ala (1 000 m <sup>2</sup> )	Käytössä oleva maatalousmaa (ha)	Kasvihuonealan osuus kunnan maatalousmaasta (%)
Laitila	66	229,1	11 970	0,19
Turku	25	184,5	4 286	0,43
Salo	69	154,8	54 751	0,03
Korsnäs	35	111,0	1 677	0,66

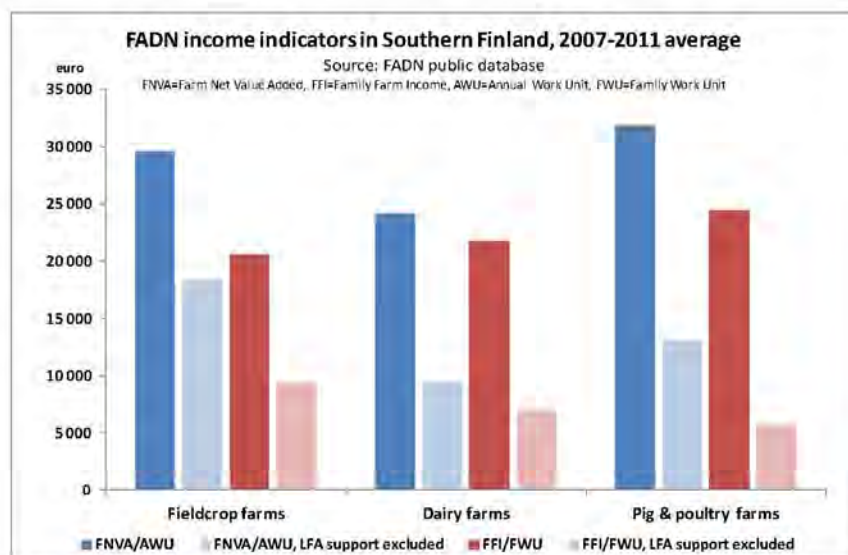
Table 8.9.6.d Four municipalities with the greatest areas under greenhouse cultivation



Kuva 8.9.6.e Bruttoarvonlisäys GVA hehtaaria kohti laskettuna tarkastelun alueen maakunnissa ja vertailualueella Etelä-Ruotsissa vuosien 2007–2011 keskiarvona peltokasviviljelyssä.

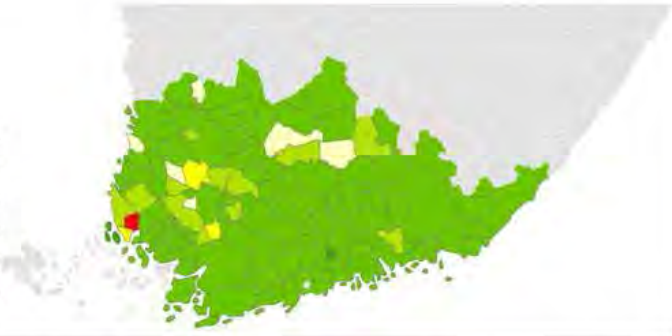
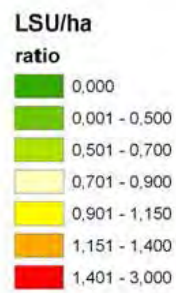
Figure 8.9.6.e Gross value added increase GVA/ha calculated for the regions in the area under scrutiny and the reference area in Southern Sweden as an average for years 2007–2011 in field crop farming





Kuva 8.9.6.f Kasvintuotannon, maidontuotannon sekä sika- ja siipikarjatuotannon nettoarvonlisäyksen ja viljelijäperheen maataloustulon suhde tilojen vuosityöpanokseen.  
(Lähde: FADN kirjanpitoaineisto).

Figure 8.9.6.f The relation of field crop farming, net value added in dairy production and pig and poultry production, and the family farm income to the annual work unit of farms



Kuva 8.9.6.g Eläinyksikönmäärä jaettuna kunnan pellohehtaarien määräksi kunnittain muulla luonnonhaitta-alueella vuonna 2011.  
(lähde: Tien maatalouden rakenneaineisto)

Figure 8.9.6.g Number of livestock units divided by the number of hectares of arable land in the municipality by municipality in other areas facing natural constraints in 2011.

8.2.8.7. Other important remarks relevant to understanding and implementing the measure

*Differentiation of payments based on severity of natural constraint and farming systems*

Under Article 31(1) of Regulation (EU) No 1305/2013, where duly justified, the level of payment may be differentiated taking into account the severity of the identified permanent constraint affecting farming activities and the farming system in each area. A farming system refers to the principal line of operation and production of agricultural enterprises, for example field crop farming or livestock farming. Such systems as the farm classification in the FADN accounting system may be used to classify farms into various farming systems, and the farming system can in practice be recognized by the principal product of the farm.

Field crop farming plays a central role in the production processes of livestock farms in Finland, but due to special features of livestock production, livestock farms incur significant additional costs compared to general field crop farming. These special features include long-term and expensive investments in production buildings and equipment, the need for high work inputs and the continuous need to attend to the animals, as well as the scope and demands of the various work processes and phases. In addition to the cold production conditions and short growing period, the farming system of livestock production in Finland is also affected by small parcel size and long distances. The cold climate has a direct impact on the short grazing season of livestock farms in Finland, and the need to protect considerable amounts of feed from the weather round the year. The production facilities must be heated, and they also require other special equipment relevant to the cold climate. The various types of production have little possibilities for significant conversion, and the natural conditions cannot be avoided by flexibly changing or diversifying the type of production.

Taking into account the current production and farm structure in Finland, key farming systems can in the most simple form be presented with the dichotomy livestock farms – other farms. Due to WTO rules, a detailed differentiation of support between types of production is not possible, as the payments to various crops or species of domestic animals cannot be differentiated. For this reason, the payment levels are differentiated using calculations based on the FADN data between the main farming systems, or livestock farming and other production.

Based on the farm's stock density, the payment levels are differentiated for livestock farming and field crop farming. The farming system of a farm will be considered to be livestock farming if the farm has at least 0.35 livestock units/ha. Animals are converted into livestock units using the coefficients in section 8.1. The stock density in mountain areas was 1.01 LU/ha in 2011, and the corresponding figure for area with significant natural constraint was 1.02 LU/ha. The examination included farms with at minimum 1 LU of production animals.

## 8.2.9. M14 – Animal welfare (Article 33)

### 8.2.9.1. *Legal basis*

Article 33 and Annex II of Regulation (EU) No 1305/2013 of the European Parliament and of the Council

Articles 91-95 and Annex II of Regulation (EU) No 1306/2013 of the European Parliament and of the Council

Article 9 of Regulation (EU) 1307/2013 of the European Parliament and of the Council

Article 10 of Commission Regulation (EU) No 807/2014

Article 10, Annexes I and II of Commission Regulation (EU) No 808/2014

For more information about minimum requirements for several measures under community legislation and cross-compliance, see Section 8.1. Minimum requirements laid down in national legislation comprise the so-called baseline, compliance with which is not eligible for support. The baseline includes the Animal Welfare Act 247/1996 (with later amendments) and Animal Welfare Decree 396/1996 (with later amendments) as well as national legislation applicable to individual species. The baseline requirements are described in detail under each condition.

### 8.2.9.2. *General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives*

The general objective of animal welfare payments is improving animal welfare. Other objectives are promoting care in accordance with the natural needs of animal husbandry and increasing farmers' awareness of factors that affect animal welfare. Promoting the welfare of animals and their good treatment contribute to meeting consumer expectations. Grazing has positive impacts not only on the welfare of grazing animals but also landscape management. Advisory services are another key measure for achieving the objectives.

An animal welfare commitment can be undertaken for a particular species, including bovines, pigs, sheep and goats, or poultry (laying hens, broilers, and turkeys, excluding mother hens of these species). The commitment period is one year, with the exception of the first period, which runs from 1 May 2015 till 31 December 2016. The feeding and care conditions apply to all animals of the relevant species on the farm. The other conditions are more targeted animal welfare actions applicable to various animal groups, and the farmers may select the ones that are practicable on each farm. Under each condition, the groups of animal species to which the requirement applies and the payment basis are specified. These conditions concern the conditions in which animals are kept and cared for, grazing and outdoor access, and enrichment.

As a priority, animal welfare payments affect focus area

- 3A: Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and

short supply circuits, producer groups and organisations and inter-branch organisations.

Secondarily, the animal welfare payments affect focus areas

- 2A: Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification
- 3B: Supporting farm risk prevention and management
- 4A: Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes

Measures enhancing the impact of animal welfare payments in focus areas

- 1A: Fostering innovation, co-operation, and the development of the knowledge base in rural areas
- 1B: Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance
- 1C: Fostering lifelong learning and vocational training in the agricultural and forestry sectors.

Animal welfare payments also contribute to achieving the cross-cutting environmental and climate objectives of this programme. Grazing of animals promotes landscape management and biodiversity. Feeding plans have an impact on greenhouse gases and ammonia emissions.

*8.2.9.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria*

#### 8.2.9.3.1. 1.1 Feeding and care of bovines

Sub-measure:

##### 8.2.9.3.1.1. Description of the type of operation

The conditions are based on Article 10 paragraph a of Commission Regulation (EC) No 807/2014 (water, feed and animal care in accordance with the natural needs of animal husbandry).

The conditions apply to all bovines on the farm.

Written feeding plans for each animal group that are based on calculations and that take into consideration the growth, yield and production phase of the animals must be prepared. The purpose of the feeding plan is to ensure that the feed given to the animal meets the nutritional needs in the relevant production phase. For dairy cows, the milk yield of an animal must be taken into consideration in the feeding plan. For cattle to be reared for fattening, including suckler cows and heifers to be reared as suckler cows, a feeding plan that takes into consideration the production phase must be prepared for each animal group. Calves at least 1 month must be taken into consideration as a separate group in the feeding plan for bovines.

Adequate amounts of roughage must be available for bovines. Adequate amounts of water of a good quality must be continuously available for all animals.

Animals must not be kept in isolation unless this is required by illness, injury, or aggressive behaviour or for other justified and acceptable reasons. Bovines of different sexes over 8 months may not be kept in the same stall, outdoor pen or pasture (except breeding bulls and steers). Cattle to be reared for fattening, including suckler cows and heifers to be reared as suckler cows, must not be kept tethered in a stall unless this is required for a temporary, justified and acceptable reason.

Cattle farms must have a written, up-to-date contingency plan to prepare for disruptions. The plan must include measures to be taken in case of cuts in the power or water supply. If the livestock premises have mechanical feeding, drinking, milking or other similar systems on which the welfare of the animals depends, the contingency plan must also contain measures taken in case of any faults in these systems. If it is not possible to ensure animal welfare without electricity, a cattle farm must be prepared to use a backup power system in case of power cuts. This backup power system is e.g. a generator by means of which the watering, milking, feeding, ventilation and manure removal can be kept running where necessary.

#### 8.2.9.3.1.2. Type of support

The annual payments are EUR /livestock unit.

#### 8.2.9.3.1.3. Links to other legislation

National statutes that specify the baseline for animal welfare payment conditions concerning the feeding and care of bovines: Animal Welfare Act 247/1996 (Section 5(1) with later amendments), Animal Welfare Decree 396/1996 (Sections 4(2) and 9(1) with later amendments) and Government Decree on the Protection of Bovines 592/2010 laying down the general requirements for the places and conditions in which bovines are kept (Sections 5(2), Section 6 (2-4) and for drinking and feeding (Section 13). The conditions of animal welfare payments exceed the baseline requirements.

National provisions on animal welfare payments are contained in the Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on the animal welfare payment (xx/2015) and Ministry of Agriculture and Forestry Decree on the animal welfare payment (xx/2015). The Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree defines the implementation of the measure as described in the programme, the baseline requirements of the measure, and the group of animals that the measure targets. The Ministerial Decree contains the practical details of the measure described in the programme, e.g. regarding feeding plans for various groups of animals and preparedness for malfunctions.

#### 8.2.9.3.1.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.9.3.1.5. Eligible costs

Farmers having chosen condition 1.1 incur costs for the preparation of written feeding plans for animal groups based on calculations or, alternatively, having feeding plans drawn up by a third-party service provider. The condition also increases the need for stall arrangements, resulting in planning costs and costs arising from moving the animals. The preparation of a contingency plan for disruptions in power and water supply and keeping it up to date result in additional costs. Compliance with the condition brings a cattle farm cost savings as the feeding plans make animal feeding more efficient. The contingency plan reduces production losses in case of a disruption. The extent of benefits obtained by a cattle farm as cost savings and a reduction of risks was estimated in monetary terms and taken into account as a factor that reduces costs and losses of income.

#### 8.2.9.3.1.6. Eligibility conditions

Under Article 33(1) and (2) of Regulation 1305/2013, animal welfare payments shall be granted to farmers who undertake, on a voluntary basis, to carry out operations consisting of one or more animal welfare commitments and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1306/2013. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards concerning the identification and registration of animals and animal welfare established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 and other relevant statutory management requirements.

Under Article 10 of Regulation (EU) 807/2014, animal welfare commitments eligible to receive support under Article 33 of Regulation (EU) No 1305/2013 shall provide upgraded standards of production methods in one of the areas specified in the Article.

Primarily, the farmers undertake a commitment to comply with the animal welfare payment conditions when submitting their online applications. If the application is made on paper, the form will be submitted to the rural industrial development authorities (local authorities) in the municipality in which the farm is located.

The farmer must have possession of a certain minimum number of livestock units of the relevant species on their farm throughout the commitment year. The minimum number of animals for undertaking a commitment is 15 livestock units for bovines. The farmers are not required to possess a certain minimum field or other area.

8.2.9.3.1.7. Principles with regard to the setting of selection criteria

If the annual appropriations are not adequate to cover the number of applications received, an animal welfare commitment already undertaken in the programming period 2014–2020 will be used as a selection criterion (annual extension of the commitment will be facilitated).

8.2.9.3.1.8. (Applicable) amounts and support rates

The payment under condition 1.1 will be EUR 11/livestock unit a year. Payments will be made for all bovines.

8.2.9.3.1.9. Verifiability and controllability of the measures and/or types of operations

*8.2.9.3.1.9.1. Risk(s) in the implementation of the measures*

The conditions contain issues that are open to interpretation and that cannot be clearly evaluated. The inspectors do not have adequate knowledge of animal protection legislation.

*8.2.9.3.1.9.2. Mitigating actions*

The farmers are supported by instructions, training and farm-specific advisory services. The risk regarding verification and control procedures will be mitigated by means of training and guidelines provided for inspectors. Check lists will be prepared for the inspection records and the information system to ensure documentation.

*8.2.9.3.1.9.3. Overall assessment of the measure*

The measure is necessary in order to improve animal welfare. Cooperation and information exchanges between the authorities will be improved. Instructions, training and advice will be provided to support more consistent implementation and control of the measure.

8.2.9.3.1.10. Information specific to the operation

Identification and definition of national and Union requirements that correspond to the mandatory requirements established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013



Unofficial translation

EU Directive and its national implementation/animal welfare payment conditions			
Council Directive No 98/58/EC concerning the protection of animals kept for farming purposes: Art 4			
Council Directive 2008/119/EC laying down minimum standards for the protection of calves: Art 3 and 4			
1.1 Care and feeding of bovines	Animal Welfare Act 247/1996 (amended), Section 5.1	Animal Welfare Decree 396/1996 (amended), Sections 4(2), 9(1)	Government Decree on the protection of bovines 592/2010, Sections 6(2-4) and 13
A feeding plan based on calculations for each animal group; Adequate amounts of roughage available; Water of a good quality available continuously	Animals must have adequate quantities of suitable food, drink and other care needed by them	Animals must be given suitable food and drink of a good quality. The needs of each animal must be taken into account in feeding, ensuring that each animal receives enough food.	The feed given to bovines must be suitable as to its nutritional content. A calf must be fed and watered at least twice a day. The drinking troughs and equipment for bovines must be kept clean. The feed or drinking water must not be soiled by urine or faeces. Calves must be given roughage every day from the age of two weeks. The place where bovines are kept must have adequate numbers of drinking troughs. Drinking troughs must be located so that all animals have access to them and that they do not present a danger to the animals. The minimum quantities of drinking troughs or equipment for bovines. In unheated free-range housing, the drinking troughs and equipment must be heated. For bovines reared outdoors round the year, heated drinking troughs or equipment must be provided, if it is not otherwise possible to ensure that the drinking water remains unfrozen and at a suitable temperature.
Bovines may not be kept isolated; bovines reared for fattening may not be kept tethered	-	-	-
A plan for disruptions; availability of backup power	-	The place where animals are kept and the equipment which are part of it and on which the animals depend for their health and welfare must be checked at minimum once a day. Any faults that put animal health and welfare at risk must be repaired immediately, and if this is not possible, necessary action must be taken to safeguard animal health and welfare until the faults have been repaired.	If animal health and welfare depend on a mechanical ventilation system, the animal housing must have arrangements for ventilation that is adequate for animal health and welfare also in case of faults in the mechanical system. The mechanical ventilation system must in that case have an alarm that gives an alert when a fault occurs. The functioning of the alarm system must be tested regularly.

Table 8.2.9.3 / condition 1.1.

*Unofficial translation*

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

For the calculation of payment levels, see section 8.2.9.5.

1.1

8.2.9.3.2. 1.2 Improving the conditions in which calves are kept

Sub-measure:

8.2.9.3.2.1. Description of the type of operation

The conditions for improving the conditions in which calves are kept are based on Article 10 subsections a, b and d of Commission Regulation (EU) No 807/2014 (water, feed and animal care in accordance with the natural needs of animal husbandry; housing conditions, such as increased space allowances, flooring surfaces, enrichment materials, natural light; practices which avoid mutilation and/or castration of animals, or in specific cases when mutilation or castration of animals is deemed necessary, provide for the use of anaesthetics, analgesia and anti-inflammatory medication or immunocastration).

The farmers may choose either option a, b or c:

**1.2a Improving the conditions in which calves are kept I**

The condition must be complied with in case of all calves under 6 months old on the farm. This option is not available for suckler cow farms.

Calves at least 1 month must be housed in group stalls, unless their isolation from the group is justified for veterinary reasons or because of the animals' hostile behaviour. While isolated, the calf must have visual contact with other bovines. When the reason for isolating the calf has been removed, the calf must be reintroduced to the group stall. Animals of considerably different ages or otherwise of different ranks must not be kept in the same stall.

For calves housed in group stalls, each calf must have at least the floor area indicated in Table 8.10.3a.

**Table 8.10.3a. Minimum floor area per calf in a group stall**

Calf age (months)	floor area (m <sup>2</sup> /animal)	of which area with a rigid foundation (m <sup>2</sup> /animal)
1-3	1,8	0,9
3-6	2,25	1,1

The lying area must have a rigid foundation and be well bedded and soft.

Calves that are hand-fed with liquid feed must be provided with milk or feed drink by suckling. Roughage must always be available for a calf over one week. If a calf is disbudded, the horn buds may only be destroyed using an appropriate sedative, anaesthetic, and analgesic administered by a veterinarian.

**1.2b Improving the conditions in which calves are kept II**

The condition must be complied with in case of all calves under 6 months on the farm. This option is not available for suckler cow farms.

Calves at least 1 month must be housed in group stalls, unless their isolation from the group is justified for

veterinary reasons or because of the animals' hostile behaviour. While isolated, the calf must have visual contact with other bovines. When the reason for isolating the calf has been removed, the calf must be reintroduced to the group stall. Animals of considerably different ages or otherwise of different ranks must not be kept in the same stall.

The lying area must have a rigid foundation and be well bedded and soft.

Calves that are hand-fed with liquid feed must be provided with milk or feed drink by suckling. Roughage must always be available for a calf over one week. If a calf is disbudded, the horn buds may only be destroyed using an appropriate sedative, anaesthetic, and analgesic administered by a veterinarian.

### ***1.2c Improving the conditions in which the calves of suckler cows are kept***

The condition must be complied with in case of all calves under 6 months on a suckler cow farm.

Roughage must always be available for a calf over one week. The space available for the cow and the calf must be at minimum 10 m<sup>2</sup>. This area may include a calf creep and lying areas for the cows. In free-range housing systems with stalls, enough stalls must be available for the calves so that they do not have to lie down in the dunging alley or share stalls with their mothers.

The lying area for calves must have a rigid foundation and be well bedded and soft. Any calf creep must also be well-bedded and soft.

#### **8.2.9.3.2.2. Type of support**

The annual payments are EUR /livestock unit.

#### **8.2.9.3.2.3. Links to other legislation**

National statutes that specify the baseline for animal welfare payment conditions concerning the conditions in which calves are kept: Animal Welfare Act 247/1996 (Section 5(1), 26(a) paragraphs 1–2, with later amendments), Act on the Medication of Animals 387/2014 (Section 20), Animal Welfare Decree 396/1996 (Sections 1(4), 4(1), 8, 9 and 23(1) paragraph 7, with later amendments) and Government Decree on the Protection of Bovines 592/2010 laying down the general requirements for the places and conditions in which bovines are kept (Sections 4(1), 7, and 12(3), for drinking and feeding (Section 13) and disbudding (Section 16(1)). The conditions of animal welfare payments exceed the baseline requirements.

National provisions on animal welfare payments are contained in the Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on the animal welfare payment (xx/2015) and Ministry of Agriculture and Forestry Decree on the animal welfare payment (xx/2015). The Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree defines the implementation of the measure as described in the programme, the baseline requirements of the measure, and the group of animals that the measure targets. The Ministerial Decree contains provisions on the practical details of the measure described in the programme, including on group stalls for calves under 6 months, lying area, offering roughage to calves, feeding with liquid feed and disbudding as well as the conditions in which the calves of suckler cows are kept.

#### 8.2.9.3.2.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.9.3.2.5. Eligible costs

As a result of the space requirements for calf group stalls in condition 1.2a, cattle farms having selected this option incur losses of income as fewer calves can be placed in group stalls than what the space requirements in the baseline legislation allow. In addition, farms having chosen this condition incur costs for providing better bedding in the calves' lying areas and for disbudding that takes place using an appropriate sedative, anaesthetic and analgesic administered by a veterinarian. As a result of complying with the condition, the calf mortality rate on cattle farms goes down and the animals sustain fewer injuries. The extent of benefits obtained by a cattle farm as cost savings was estimated in monetary terms and taken into account as a factor that reduces costs and losses of income.

Condition 1.2b results in similar costs and benefits for the farms having selected it as condition 1.2a, excluding the losses of income caused by the space requirements in group stalls and the benefits the farms obtain from them.

Suckler cow farms having selected option 1.2c incur losses of income as the mother and the calf must have a minimum floor area of 10 m<sup>2</sup> in total available for them in the production building. In addition, the farms having selected this condition incur costs for providing better bedding in the lying areas of calves. As a result of complying with the condition, the calf mortality rate on suckler cow farms goes down and the animals sustain fewer injuries. The extent of benefits obtained by a suckler cow farm as cost savings was estimated in monetary terms and taken into account as a factor that reduces costs and losses of income.

#### 8.2.9.3.2.6. Eligibility conditions

Under Article 33(1) and (2) of Regulation 1305/2013, animal welfare payments shall be granted to farmers who undertake, on a voluntary basis, to carry out operations consisting of one or more animal welfare commitments and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1306/2013. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards concerning the identification and registration of animals and animal welfare established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 and other relevant statutory management requirements.

Under Article 10 of Regulation (EU) 807/2014, animal welfare commitments eligible to receive support under Article 33 of Regulation (EU) No 1305/2013 shall provide upgraded standards of production methods in one of the areas specified in the Article.

Primarily, the farmers undertake a commitment to comply with the animal welfare payment conditions when submitting their online applications. If the application is made on paper, the form will be submitted to the rural industrial development authorities (local authorities) in the municipality in which the farm is

located.

The farmer must have possession of a certain minimum number of livestock units of the relevant species on their farm throughout the commitment year. The minimum number of animals for undertaking a commitment is 15 livestock units for bovines. The farmers are not required to possess a certain minimum field or other area.

#### 8.2.9.3.2.7. Principles with regard to the setting of selection criteria

If the annual appropriations are not adequate to cover the number of applications received, an animal welfare commitment already undertaken in the programming period 2014–2020 will be used as a selection criterion (annual extension of the commitment will be facilitated).

#### 8.2.9.3.2.8. (Applicable) amounts and support rates

The payment under condition 1.2a will be EUR 439/livestock unit a year. Payments will be made for calves under six months (excluding calves on a suckler cow farm).

The payment under condition 1.2b will be EUR 292/livestock unit a year. Payments will be made for calves under six months (excluding calves on a suckler cow farm).

The payment under condition 1.2c will be EUR 234/livestock unit a year. Payments will be made for calves under six months on a suckler cow farm.

#### 8.2.9.3.2.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.9.3.2.9.1. *Risk(s) in the implementation of the measures*

The conditions contain issues that are open to interpretation and that cannot be clearly evaluated. The inspectors do not have adequate knowledge of animal protection legislation and veterinary medicine. Due to the type of production, the timing of farm-specific control is challenging (1.2c).

##### 8.2.9.3.2.9.2. *Mitigating actions*

The farmers are supported by instructions, training and farm-specific advisory services. Cooperation and information exchanges between the authorities will be improved. The risk regarding verification and control procedures will be mitigated by means of training and guidelines provided for inspectors. Check lists will be prepared for the inspection records and the information system to ensure documentation.

*Unofficial translation*

**8.2.9.3.2.9.3. Overall assessment of the measure**

The measure is necessary in order to improve animal welfare. Instructions, training and advice will be provided to support more consistent implementation and control of the measure.

**8.2.9.3.2.10. Information specific to the operation**

Identification and definition of national and Union requirements that correspond to the mandatory requirements established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013

EU Directive and its national implementation/animal welfare payment conditions				
Council Directive No 98/58/EC concerning the protection of animals kept for farming purposes: Art 4				
Council Directive 2008/119/EC laying down minimum standards for the protection of calves: Art 3 and 4				
<b>1.2 Improving the conditions in which calves are kept</b>	Animal Welfare Act 247/1996 (amended), Sections 5.1 and 26a (1-2)	Animal Welfare Decree 396/1996 (amended), Sections 1(4), 4(1), 8, 9(1) and 23(1)(7)	Government Decree on the protection of bovines 592/2010, Sections 4(1), 7, 12(3), 13 and 16(1)	Act on the Medication of Animals 387/2014, Section 20
Keeping in group stalls, space requirements	-	In the places where they are kept, animals must be able to stand, rest in a natural position, move around and lie down at the same time as other animals kept in the same place.	Animals over 8 weeks may not be kept in individual stalls. Space area requirement. A calf may not be kept tethered.	-
Conditions concerning the lying area	-	The place in which animals are kept must be kept clean. The health and general welfare, cleanliness and other body care needed by an animal must be looked after.	If necessary, bedding must be provided in the lying area. Animals under 2 weeks must have a well-bedded lying area.	-
Milk replacer fed by sucking, calves over one week must be offered roughage continuously	Animals must have adequate quantities of suitable food, drink and other care needed by them	Animals must be given suitable food and drink of a good quality. The needs of each animal must be taken into account in feeding, ensuring that each animal receives enough food.	The fodder given to bovines must be suitable as to its nutritional content. A calf must be fed and watered at least twice a day. The drinking troughs and equipment for bovines must be kept clean. The feed or drinking water must not be soiled by urine or faeces. Calves must be given roughage every day from the age of two weeks.	-
Sedatives, anaesthetics and analgesics administered in connection with disbudding	Record-keeping of medicines administered to production animals	Disbudding is permitted for calves less than 4 weeks performed by a qualified person.	Disbudding of a calf under 4 weeks may only be performed by hot-iron or freeze branding.	Medicine records.

Table 8.2.9.3. / condition 1.2.

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(2) of Regulation (EU) No 1305/2013,

*Unofficial translation*

which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

For the calculation of payment levels, see section 8.2.9.5.



8.2.9.3.3. 1.3 Improving the conditions in which bovines are kept

Sub-measure:

8.2.9.3.3.1. Description of the type of operation

The conditions applicable to improving the conditions in which bovines are kept are based on Article 10 paragraph b of Commission Regulation (EU) No 807/2014 (housing conditions, such as increased space allowances, flooring surfaces, enrichment materials, natural light).

The farmers may choose either option a or b.

***1.3a Improving the conditions in which bovines at least 6 months are kept***

The condition must be complied with in case of all bovines at least 6 months old on the farm.

All bovines must have a well-bedded and soft lying area with a rigid foundation. Cattle to be reared for fattening must not be kept tethered unless this is required for a temporary, justified and acceptable reason.

***1.3b Improving the conditions in which male bovines at least 12 months are kept***

The condition must be complied with in case of all male bovines at least 12 months old on the farm.

Male bovines at least 12 months must either have a well-bedded and soft lying area with a rigid foundation or, in slat-floor stalls, structures that make the floor softer must be used to make it more comfortable for the animals to lie on, as slat mats or rubber-coated slats. In a group stall, the floor space for each bovine must be at minimum 4.5 m<sup>2</sup> in heated and at minimum 6.5 m<sup>2</sup> in non-heated housing. A male bovine must not be kept tethered unless this is required for a temporary, justified and acceptable reason.

8.2.9.3.3.2. Type of support

The annual payments are EUR /livestock unit.

8.2.9.3.3.3. Links to other legislation

National statutes that specify the baseline for animal welfare payment conditions concerning the conditions in which cattle are kept: Animal Welfare Decree 396/1996 (Sections 1.4 and 4.1, with later amendments) and Government Decree on the Protection of Bovines (592/2010), which lays down the general requirements for the places and conditions in which bovines are kept (Sections 4.1 and 8). The conditions of animal welfare payments exceed the baseline requirements.

National provisions on animal welfare payments are contained in the Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on the animal welfare payment (xx/2015)

and Ministry of Agriculture and Forestry Decree on the animal welfare payment (xx/2015). The Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree defines the implementation of the measure as described in the programme, the baseline requirements of the measure, and the group of animals that the measure targets. The Ministerial Decree contains provisions on the practical details of the measure described in the programme, including on the lying areas for bovines at least 6 months, the prohibition of keeping bovines tethered, and the surface area and lying area of a group pen for male bovines at least 12 months.

#### 8.2.9.3.3.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.9.3.3.5. Eligible costs

Farms having selected condition 1.3a will incur costs for providing better bedding for bovines at least 6 months. As a result of complying with the condition, the need to replace animals is reduced on farms, as the bovines stay healthy for longer. This has been taken into account as a factor that reduces costs.

In rearing establishments with a rigid foundation, farms having selected condition 1.3b will incur costs for providing better bedding for male bovines at least 12 months. In slat-floor rearing establishments, costs are incurred for using structures that soften the floor. The reduced number of animals per floor surface unit may result in ventilation problems and additional costs in heated slat-floor rearing establishments. Both heated and non-heated establishments incur losses of income resulting from the space requirements applicable to group stalls for male bovines at least 12 months.

#### 8.2.9.3.3.6. Eligibility conditions

Under Article 33(1) and (2) of Regulation 1305/2013, animal welfare payments shall be granted to farmers who undertake, on a voluntary basis, to carry out operations consisting of one or more animal welfare commitments and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1306/2013. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards concerning the identification and registration of animals and animal welfare established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 and other relevant statutory management requirements.

Under Article 10 of Regulation (EU) 807/2014, animal welfare commitments eligible to receive support under Article 33 of Regulation (EU) No 1305/2013 shall provide upgraded standards of production methods in one of the areas specified in the Article.

Primarily, the farmers undertake a commitment to comply with the animal welfare payment conditions

when submitting their online applications. If the application is made on paper, the form will be submitted to the rural industrial development authorities (local authorities) in the municipality in which the farm is located.

The farmer must have possession of a certain minimum number of livestock units of the relevant species on their farm throughout the commitment year. The minimum number of animals for undertaking a commitment is 15 livestock units for bovines. The farmers are not required to possess a certain minimum field or other area.

The additional conditions related to the conditions in which bovines are kept cannot be selected for bovines raised outdoors.

#### 8.2.9.3.3.7. Principles with regard to the setting of selection criteria

If the annual appropriations are not adequate to cover the number of applications received, an animal welfare commitment already undertaken in the programming period 2014–2020 will be used as a selection criterion (annual extension of the commitment will be facilitated).

#### 8.2.9.3.3.8. (Applicable) amounts and support rates

The payment under condition 1.3a will be EUR 43/livestock unit a year. Payments will be made for bovines at least six months.

The payment under condition 1.3b will be EUR 126/livestock unit a year. Payments will be made for male bovines at least 12 months.

#### 8.2.9.3.3.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.9.3.3.9.1. *Risk(s) in the implementation of the measures*

The conditions contain issues that are open to interpretation and that cannot be measured. The inspectors do not have adequate knowledge of animal protection legislation.

##### 8.2.9.3.3.9.2. *Mitigating actions*

The farmers are supported by instructions, training and farm-specific advisory services. Cooperation and information exchanges between the authorities will be improved. The risk regarding verification and control procedures will be mitigated by means of training and guidelines provided for inspectors. Check lists will be prepared for the inspection records and the information system to ensure documentation.

### 8.2.9.3.3.9.3. Overall assessment of the measure

The measure is necessary in order to improve animal welfare. More consistent implementation and control of the measure will be achieved by means of instructions, training and advice.

### 8.2.9.3.3.10. Information specific to the operation

Identification and definition of national and Union requirements that correspond to the mandatory requirements established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013

EU Directive and its national implementation/animal welfare payment conditions			
Council Directive No 98/58/EC concerning the protection of animals kept for farming purposes: Art 4			
1.3 Improving the conditions in which bovines are kept	Animal Welfare Act 247/1996 (amended)	Animal Welfare Decree 396/1996 (amended), Sections 1(4), 4(1)	Government Decree on the protection of bovines 592/2010, Sections 4(1) and 8
Conditions concerning the lying area	-	The place in which animals are kept must be kept clean.	If necessary, bedding must be provided in the lying area. In a stanchion stable, the area for each animal must be long and wide enough for the bovine to stand and lie down on a flat surface. The front stanchion of a bovine kept tethered must be fixed.
Floor area conditions of group stalls	-	In the places where they are kept, animals must be able to stand, rest in a natural position, move around and lie down at the same time as other animals kept in the same place.	-

Table 8.2.9.3. / condition 1.3

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

For the calculation of payment levels, see section 8.2.9.5.

#### 8.2.9.3.4. 1.4 Grazing and outdoor access of bovines

Sub-measure:

##### 8.2.9.3.4.1. Description of the type of operation

The conditions concerning the grazing and outdoor access of bovines are based on Article 10 paragraph a and c of Commission Regulation (EC) No 807/2014 (water, feed and animal care in accordance with the natural needs of animal husbandry; outdoor access).

The farmers may choose either option a or b. Temporary restrictions of grazing and outdoor access may be imposed due to animal diseases. The conditions related to grazing and/or outdoor access cannot be selected for cattle raised outdoors round the year.

##### ***1.4a Grazing of bovines during the grazing season and outdoor access outside the grazing season***

The condition must be complied with in case of all bovines at least 6 months old on the farm.

Bovines at least 6 months must have access to a pasture for at least 60 days in the period that begins on 1 May and ends on 30 September. The grazing of bulls can be replaced by access to an outdoor pen. Weather permitting, bovines must also have access to outdoors outside the grazing season at minimum twice weekly. The surface area of the outdoor pen must be at minimum 6 m<sup>2</sup> for each bovine kept in it. However, the surface area of the pen must be at minimum 50 m<sup>2</sup>.

Records must be kept of grazing and outdoor access.

##### ***1.4b More long-term grazing of bovines during the grazing season***

The condition must be complied with in case of all bovines at least 6 months old on the farm, excluding bulls and steers.

Bovines at least 6 months, excluding bulls and steers, must have access to a pasture for at least 90 days in the period that begins on 1 May and ends on 30 September.

Records must be kept of grazing and outdoor access.

##### 8.2.9.3.4.2. Type of support

The annual payments are EUR /livestock unit.

##### 8.2.9.3.4.3. Links to other legislation

The national statute that is the baseline for animal welfare payment conditions concerning the grazing and outdoor access is Government Decree 592/2010 on the Protection of Bovines, which contains provisions on the grazing and outdoor access of bovines (Sections 10 and 17). The conditions of animal welfare payments

exceed the baseline requirements.

National provisions on animal welfare payments are contained in the Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on the animal welfare payment (xx/2015) and Ministry of Agriculture and Forestry Decree on the animal welfare payment (xx/2015). The Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree defines the implementation of the measure as described in the programme, the baseline requirements of the measure, and the group of animals that the measure targets. The Ministerial Decree contains provisions on the practical details of the measure described in the programme regarding the times and duration of grazing and outdoor access for bovines at least 6 months and the keeping of records.

#### 8.2.9.3.4.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.9.3.4.5. Eligible costs

Farms having selected condition 1.4a will incur costs for arranging the grazing and outdoor access of bovines at least six months. As a result of grazing and outdoor access, the need to replace animals is reduced on farms as the bovines stay healthy for longer. This has been taken into account as a factor that reduces costs.

Farms having selected condition 1.4b will incur costs for arranging the grazing and outdoor access of bovines at least six months (excluding bulls). As a result of grazing, the need to replace animals is reduced on farms as the bovines stay healthy for longer. This has been taken into account as a factor that reduces costs.

#### 8.2.9.3.4.6. Eligibility conditions

Under Article 33(1) and (2) of Regulation 1305/2013, animal welfare payments shall be granted to farmers who undertake, on a voluntary basis, to carry out operations consisting of one or more animal welfare commitments and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1306/2013. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards concerning the identification and registration of animals and animal welfare established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 and other relevant statutory management requirements.

Under Article 10 of Regulation (EU) 807/2014, animal welfare commitments eligible to receive support under Article 33 of Regulation (EU) No 1305/2013 shall provide upgraded standards of production methods

in one of the areas specified in the Article.

Primarily, the farmers undertake a commitment to comply with the animal welfare payment conditions when submitting their online applications. If the application is made on paper, the form will be submitted to the rural industrial development authorities (local authorities) in the municipality in which the farm is located.

The farmer must have possession of a certain minimum number of livestock units of the relevant species on their farm throughout the commitment year. The minimum number of animals for undertaking a commitment is 15 livestock units for bovines. The farmers are not required to possess a certain minimum field or other area.

If the farm has a commitment on organic livestock production, it cannot choose the conditions concerning the grazing and outdoor access of bovines.

#### 8.2.9.3.4.7. Principles with regard to the setting of selection criteria

If the annual appropriations are not adequate to cover the number of applications received, an animal welfare commitment already undertaken in the programming period 2014–2020 will be used as a selection criterion (annual extension of the commitment will be facilitated).

#### 8.2.9.3.4.8. (Applicable) amounts and support rates

The payment under condition 1.4a will be EUR 46/livestock unit a year.

The payment under condition 1.4b will be EUR 24/livestock unit a year.

Payments will be made for bovines at least six months.

#### 8.2.9.3.4.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.9.3.4.9.1. *Risk(s) in the implementation of the measures*

Local weather conditions may prevent grazing or outdoor access. Compliance with the condition will be examined at the level of the farm rather than individual animals.

##### 8.2.9.3.4.9.2. *Mitigating actions*

The farmers are supported by instructions, training and farm-specific advisory services. The risk regarding verification and control procedures will be mitigated by means of training and guidelines provided for

*Unofficial translation*

inspectors. Check lists will be prepared for the inspection records and the information system to ensure documentation. The records of outdoor access will be verified as part of on-the-spot supervision.

**8.2.9.3.4.9.3. Overall assessment of the measure**

The measure is necessary in order to improve animal welfare. Instructions, training and advice will be provided to support more consistent implementation and control of the measure.

**8.2.9.3.4.10. Information specific to the operation**

Identification and definition of national and Union requirements that correspond to the mandatory requirements established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013

EU Directive and its national implementation/animal welfare payment conditions			
Council Directive No 98/58/EC concerning the protection of animals kept for farming purposes: Art 4			
1.4 Grazing and outdoor access of bovines	Animal Welfare Act 247/1996 (amended)	Animal Welfare Decree 396/1996 (amended)	Government Decree on the protection of bovines 592/2010, Sections 10 and 17
Grazing during the grazing season (for bulls, outdoor access), and outdoor access outside the season, or longer term grazing	-	-	Dairy cows and heifers kept tethered must have access to pasture or outdoor pen for at least 60 days in the period 1 May – 30 Sep. Conditions on pasture and in outdoor pen.

Table 8.2.9.3 / condition 1.4.

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

For the calculation of payment levels, see section 8.2.9.5.



8.2.9.3.5. 1.5 Stalls for sick animals, care and calving

Sub-measure:

8.2.9.3.5.1. Description of the type of operation

The conditions applicable to stalls for sick animals, care and calving are based on Article 10 paragraph b of Commission Regulation (EC) No 807/2014 (housing conditions, such as increased space allowances, flooring surfaces, enrichment materials, natural light).

The farmers may choose either option a or b, or both.

The stalls referred to in conditions 1.5a and 1.5b must be equipped so that:

- adequate quantities of water of a good quality are continuously available in them;
- the lying area has a rigid foundation and is well-bedded and soft. In condition 1.5b, for bovines over 6 months slat-floor stalls are also accepted if they have softening structures in the lying area, including slat-floor mats or rubber-coated slats;
- it is possible to heat the room or the animal if necessary;
- the animal has visual contact with other bovines from the stall;
- the animal that is cared for can be quickly secured and handled safely;
- under additional condition 1.5a, dairy cows can be milked automatically.

***1.5a Stalls for sick animals, care and calving for dairy cows and suckler cows***

The condition must be complied with for all dairy cows and suckler cows that have calved on the farm.

For each group of 20 cows or part thereof, there must be at minimum one separate stall for a cow who is sick, cared or calving that is fixed or can be assembled from parts, or a similar space. In a group or individual stall, the floor area must be at minimum 11 m<sup>2</sup>/animal. In a group stall, provision must be made to fence off an animal. On dairy farms, the calving space must be in vicinity of a milking station or otherwise so located that a cow having calved can be easily milked.

***1.5b Stalls for sick animals, care and calving bovines***

The conditions must be complied with in case of all bovines on the farm, excluding calves under 2 months, dairy cows having calved and suckler cows.

For each group of 50 cows or part thereof, there must be at minimum one separate stall for a cow who is sick, cared or calving (heifers) that is fixed or can be assembled from parts, or a similar space. In a group or individual stall, bovines under 12 months must have a floor area of at minimum 6 m<sup>2</sup>/animal, and bovines over 12 months must have a floor area of at minimum 10 m<sup>2</sup>/animal. In a group stall, provision must be made to fence off an animal.

#### 8.2.9.3.5.2. Type of support

The annual payments are EUR /livestock unit.

#### 8.2.9.3.5.3. Links to other legislation

The national statutes that specify the baseline for animal welfare payment conditions concerning stalls for sick animals, care and calving: Animal Welfare Act 247/1996 (Section 5(1), with later amendments), Animal Welfare Decree 396/1996 (Sections 1(4), 4(1) and 11, with later amendments) and Government Decree 592/2010 on the Protection of Bovines which lays down the general requirements for the places and conditions in which bovines are kept (Sections 4(1), 7, 11(3)). The conditions of animal welfare payments exceed the baseline requirements.

National provisions on animal welfare payments are contained in the Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on the animal welfare payment (xx/2015) and Ministry of Agriculture and Forestry Decree on the animal welfare payment (xx/2015). The Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree defines the implementation of the measure as described in the programme, the baseline requirements of the measure, and the group of animals that the measure targets. The Ministerial Decree contains provisions on the practical details of the measure described in the programme, including the numbers, surface areas and equipment of stalls for sick animals, care and calving for dairy cows and suckler cows, and similar stalls for other bovines.

#### 8.2.9.3.5.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.9.3.5.5. Eligible costs

Dairy and suckler cow farms having selected condition 1.5a incur costs for the better bedding of stalls for sick animals, care and calving. Stalls for sick animals, care and calving make the handling and medical treatment of sick and calving animals easier. The animals recover more quickly, calving becomes easier and production losses are reduced. These aspects have been taken into account as factors that reduce costs.

Cattle farms having selected condition 1.5b incur costs for the better bedding of stalls for sick animals, care and calving. Stalls for sick animals, care and calving make the handling and medical treatment of sick and calving animals easier. The animals recover more quickly, calving becomes easier and production losses are reduced. These aspects have been taken into account as factors that reduce costs.

#### 8.2.9.3.5.6. Eligibility conditions

Under Article 33(1) and (2) of Regulation 1305/2013, animal welfare payments shall be granted to farmers who undertake, on a voluntary basis, to carry out operations consisting of one or more animal welfare commitments and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1306/2013. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards concerning the identification and registration of animals and animal welfare established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 and other relevant statutory management requirements.

Under Article 10 of Regulation (EU) 807/2014, animal welfare commitments eligible to receive support under Article 33 of Regulation (EU) No 1305/2013 shall provide upgraded standards of production methods in one of the areas specified in the Article.

Primarily, the farmers undertake a commitment to comply with the animal welfare payment conditions when submitting their online applications. If the application is made on paper, the form will be submitted to the rural industrial development authorities (local authorities) in the municipality in which the farm is located.

The farmer must have possession of a certain minimum number of livestock units of the relevant species on their farm throughout the commitment year. The minimum number of animals for undertaking a commitment is 15 livestock units for bovines. The farmers are not required to possess a certain minimum field or other area.

#### 8.2.9.3.5.7. Principles with regard to the setting of selection criteria

If the annual appropriations are not adequate to cover the number of applications received, an animal welfare commitment already undertaken in the programming period 2014–2020 will be used as a selection criterion (annual extension of the commitment will be facilitated).

#### 8.2.9.3.5.8. (Applicable) amounts and support rates

The payment under condition 1.5a will be EUR 15/livestock unit a year. Payments will be made for dairy cows and suckler cows that have calved.

The payment under condition 1.5b will be EUR 15/livestock unit a year. Payments will be made for all bovines, excluding calves less than two months and dairy cows and suckler cows that have calved.

*Unofficial translation*

8.2.9.3.5.9. Verifiability and controllability of the measures and/or types of operations

8.2.9.3.5.9.1. *Risk(s) in the implementation of the measures*

The conditions contain issues that are open to interpretation. The conditions in the stall can be verified if an animal is in the stall for sick animals or calving at the time of the inspection. The inspectors do not have adequate knowledge of animal protection legislation.

8.2.9.3.5.9.2. *Mitigating actions*

The farmers are supported by instructions, training and farm-specific advisory services. Cooperation and information exchanges between the authorities will be improved. The risk regarding verification and control procedures will be mitigated by means of training and guidelines provided for inspectors. Check lists will be prepared for the inspection records and the information system to ensure documentation.

8.2.9.3.5.9.3. *Overall assessment of the measure*

The measure is necessary in order to improve animal welfare. More consistent implementation and control of the measure will be achieved by means of instructions, training and advice.

8.2.9.3.5.10. Information specific to the operation

Identification and definition of national and Union requirements that correspond to the mandatory requirements established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013

*Unofficial translation*

EU Directive and its national implementation/animal welfare payment conditions			
Council Directive No 98/58/EC concerning the protection of animals kept for farming purposes: Art 4			
Council Directive 2008/119/EC laying down minimum standards for the protection of calves: Art 3 and 4			
1.5 Stalls for sick animals, calving and medical and other care	Animal Welfare Act 247/1996 (amended), Section 5(1)	Animal Welfare Decree 396/1996 (amended), Sections 1(4), 4(1), 11	Government Decree on the protection of bovines 592/2010, Sections 4(1), 7, and 11(3)
Conditions concerning number of stalls	-	In the place where they are kept, animals that have been lying down must be able to get up in a natural manner. Animals kept in the same place must be able to lie down at the same time.	Space requirements for calves. When amalgamating groups of bovines, attention must be paid to social relationships.
Requirements concerning conditions in the stall	Animals must have adequate quantities of suitable food, drink and other care needed by them. When an animal is ill, it must be provided with appropriate treatment.	The place where animals are kept must be kept clean. When an animal is sick or injured, it must be provided with appropriate treatment, and the animal must be placed in appropriate facilities if necessary.	If necessary, bedding must be provided in the lying area. Animals less than 2 weeks must have a well-bedded lying area.

Table 8.2.9.3 / condition 1.5.

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

For the calculation of payment levels, see section 8.2.9.5.

#### 8.2.9.3.6. 2.1 Feeding and care of pigs

Sub-measure:

##### 8.2.9.3.6.1. Description of the type of operation

The conditions are based on Article 10 paragraphs a and b of Commission Regulation (EC) No 807/2014 (water, feed and animal care in accordance with the natural needs of animal husbandry; housing conditions, such as increased space allowances, flooring surfaces, enrichment materials, natural light).

The conditions apply to all pigs on the farm, excluding unweaned piglets.

Written feeding plans for each animal group that are based on calculations and that take into consideration the growth, yield and production phase of the animals must be prepared. The purpose of the feeding plan is to ensure that the animals are fed as indicated by their nutritional needs in the relevant production phase. Adequate amounts of water of a good quality must be continuously available for all animals.

Farrowing houses must have a written production plan that contains insemination schedules, weaning schedules and production process planning. The planning and foresight will improve the rotation of the pigs on the farm, they may prevent overstocking of animals, and they ensure optimal conditions and stocking rates for animals in various production phases.

Pig farms must have a written, up-to-date contingency plan for any disruptions. The plan covers the measures to be taken in case of a cut in the power or water supply. The plan must also include a description of measures in each place where animals are kept that will be taken during the failure of a feeding or drinking mechanism or other system affecting the welfare of the animals.

To prepare for power cuts, the farm must have a backup power system, for example a generator, which can produce electricity to run mechanical ventilation and, if necessary, operate drinking, feeding and manure removal.

##### 8.2.9.3.6.2. Type of support

The annual payments are EUR /livestock unit.

##### 8.2.9.3.6.3. Links to other legislation

National statutes that specify the baseline for the animal welfare payment conditions concerning the feeding and care of pigs: Animal Welfare Act 247/1996 (Section 5(1), with later amendments), Animal Welfare Decree 396/1996 (Sections 4(2) and 9(1), with later amendments) and Government Decree 629/2012 (with later amendments, and as provided in Section 19, during the transition period also Ministry of Agriculture and Forestry Decree 14/EEO/2002) on the Protection of Pigs, which lays down the general requirements for the places and conditions in which pigs are kept (Sections 6(2) and 7(2), and on drinking and feeding (Section 15). The conditions of animal welfare payments exceed the baseline requirements.

National provisions on animal welfare payments are contained in the Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on the animal welfare payment (xx/2015) and Ministry of Agriculture and Forestry Decree on the animal welfare payment (xx/2015). The Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree defines the implementation of the measure as described in the programme, the baseline requirements of the measure, and the group of animals that the measure targets. The Ministerial Decree contains the practical details of the measure described in the programme, e.g. regarding feeding plans for various groups of animals, production plans for farrowing houses, and preparedness for malfunctions.

#### 8.2.9.3.6.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.9.3.6.5. Eligible costs

Pig farms having selected condition 2.1 incur costs for the preparation of written feeding plans based on calculations and, in farrowing houses, also for drawing up written production plans for groups of animals that contain insemination schedules, weaning schedules and production process planning. The testing and servicing of a backup power system, preparation of a contingency plan for malfunctions, and keeping this plan up to date result in additional costs. Complying with the condition brings a pig farm cost savings as the feeding plans make animal feeding more efficient. The contingency plan reduces production losses in case of a disruption. The production plans facilitate the sale of sold-on piglets. The extent of benefits obtained by a pig farm as cost savings and a reduction of risks was estimated in monetary terms and taken into account as a factor that reduces costs and losses of income.

#### 8.2.9.3.6.6. Eligibility conditions

Under Article 33(1) and (2) of Regulation 1305/2013, animal welfare payments shall be granted to farmers who undertake, on a voluntary basis, to carry out operations consisting of one or more animal welfare commitments and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1306/2013. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards concerning the identification and registration of animals and animal welfare established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 and other relevant statutory management requirements.

Under Article 10 of Regulation (EU) 807/2014, animal welfare commitments eligible to receive support under Article 33 of Regulation (EU) No 1305/2013 shall provide upgraded standards of production methods in one of the areas specified in the Article.

Primarily, the farmers undertake a commitment to comply with the animal welfare payment conditions when submitting their online applications. If the application is made on paper, the form will be submitted to the rural industrial development authorities (local authorities) in the municipality in which the farm is

located.

The farmer must have possession of a certain minimum number of livestock units of the relevant species on their farm throughout the commitment year. The minimum number of animals for undertaking a commitment is 15 livestock units for pigs. The farmers are not required to possess a certain minimum field or other area.

#### 8.2.9.3.6.7. Principles with regard to the setting of selection criteria

If the annual appropriations are not adequate to cover the number of applications received, an animal welfare commitment already undertaken in the programming period 2014–2020 will be used as a selection criterion (annual extension of the commitment will be facilitated).

#### 8.2.9.3.6.8. (Applicable) amounts and support rates

The payment under condition 2.1 will be EUR 7/livestock unit a year. The conditions apply to all pigs covered by the commitment on the farm, excluding unweaned piglets.

#### 8.2.9.3.6.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.9.3.6.9.1. Risk(s) in the implementation of the measures

The conditions contain issues that are open to interpretation and that cannot be measured. The inspectors do not have adequate knowledge of animal protection legislation.

##### 8.2.9.3.6.9.2. Mitigating actions

The farmers are supported by instructions, training and farm-specific advisory services. Cooperation and information exchanges between the authorities will be improved. The risk regarding verification and control procedures will be mitigated by means of training and guidelines provided for inspectors. Check lists will be prepared for the inspection records and the information system to ensure documentation.

##### 8.2.9.3.6.9.3. Overall assessment of the measure

The measure is necessary in order to improve animal welfare. Cooperation and information exchanges between the authorities will be improved. Instructions, training and advice will be provided to support more consistent implementation and control of the measure.

#### 8.2.9.3.6.10. Information specific to the operation

Identification and definition of national and Union requirements that correspond to the mandatory requirements established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013



Unofficial translation

EU Directive and its national implementation/animal welfare payment conditions			
Council Directive 2008/120/EC laying down minimum standards for the protection of pigs: Art 3 and 4			
2.1 Care and feeding of pigs	Animal Welfare Act 247/1996 (amended), Section 5(1)	Animal Welfare Decree 396/1996 (amended), Sections 4(2), 9(1)	Government Decree on the protection of pigs 629/2012, Sections 6(2), 7(2) and 15
A feeding plan; Adequate amounts of water of a good quality must be available continuously	Animals must have adequate quantities of suitable food, drink and other care needed by them	Animals must be given suitable food and drink of a good quality. The needs of each animal must be taken into account in feeding, ensuring that each animal receives enough food.	The place where pigs are kept must have adequate numbers of drinking troughs. Drinking troughs must be located so that all animals have access to them and that they do not present a danger to the animals. The feed given to pigs must be suitable in its nutrient composition and adequately high in energy. Pigs over two weeks must have access to adequate quantities of clean and fresh water continuously. The drinking troughs and equipment for pigs must be kept clean. It must be ensured that the feed or drinking troughs are not soiled with urine and faeces.
Production plan	-	-	-
A plan for disruptions; availability of backup power for the event of cuts in power supply	-	The structures and equipment in the place where animals are kept must be designed, built and serviced ensuring that they are safe for the animals and that the risk of fire is minimised. The place and the equipment which are part of it and on which the animals depend for their health and welfare must be checked at minimum once a day. Any faults that put animal health and welfare at risk must be repaired immediately, and if this is not possible, necessary action must be taken to safeguard animal health and welfare until the faults have been repaired.	If animal health and welfare depend on a mechanical ventilation system, the animal housing must have arrangements for ventilation that is adequate for animal health and welfare also in case of faults in the mechanical system. The mechanical ventilation system must in that case have an alarm that gives an alert when a fault occurs. The functioning of the alarm system must be tested regularly.

Table 8.2.9.3 / condition 2.1.

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(2) of Regulation (EU) No 1305/2013,

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which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

For the calculation of payment levels, see section 8.2.9.5.

#### 8.2.9.3.7. 2.2 Outdoor access of dry sows and gilts

Sub-measure:

##### 8.2.9.3.7.1. Description of the type of operation

The conditions concerning outdoor access of dry sows and gilts are based on Article 10 paragraph c of the Commission Regulation (EC) No 807/2014 (outdoor access).

The condition must be complied with in case of all sows and gilts at least 8 months old on the farm.

Weather permitting, dry sows and gilts must have access to outdoors daily between 1 May and 30 September or at least twice weekly around the year. Temporary restrictions of outdoor access may be imposed due to animal diseases. Dry sows and gilts must have the opportunity to root and, in the summer, to wallow. A record must be kept of outdoor access.

##### 8.2.9.3.7.2. Type of support

The annual payments are EUR /livestock unit.

##### 8.2.9.3.7.3. Links to other legislation

The baseline national statute for animal welfare payment conditions concerning outdoor access of dry sows and gilts is Government Decree 629/2012 on the Protection of Pigs, which contains provisions on outdoor pens for pigs (Section 12). The conditions of animal welfare payments exceed the baseline requirements.

National provisions on animal welfare payments are contained in the Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on the animal welfare payment (xx/2015) and Ministry of Agriculture and Forestry Decree on the animal welfare payment (xx/2015). The Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree defines the implementation of the measure as described in the programme, the baseline requirements of the measure, and the group of animals that the measure targets. The Ministerial Decree contains the practical details of the measure described in the programme regarding the times and duration of outdoor access and record-keeping.

##### 8.2.9.3.7.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.9.3.7.5. Eligible costs

Pig farms having selected condition 2.2 incur costs for organising outdoor access of dry sows and gilts at least 8 months and the cleaning of the outdoor pen.

#### 8.2.9.3.7.6. Eligibility conditions

Under Article 33(1) and (2) of Regulation 1305/2013, animal welfare payments shall be granted to farmers who undertake, on a voluntary basis, to carry out operations consisting of one or more animal welfare commitments and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1306/2013. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards concerning the identification and registration of animals and animal welfare established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 and other relevant statutory management requirements.

Under Article 10 of Regulation (EU) 807/2014, animal welfare commitments eligible to receive support under Article 33 of Regulation (EU) No 1305/2013 shall provide upgraded standards of production methods in one of the areas specified in the Article.

Primarily, the farmers undertake a commitment to comply with the animal welfare payment conditions when submitting their online applications. If the application is made on paper, the form will be submitted to the rural industrial development authorities (local authorities) in the municipality in which the farm is located.

The farmer must have possession of a certain minimum number of livestock units of the relevant species on their farm throughout the commitment year. The minimum number of animals for undertaking a commitment is 15 livestock units for pigs. The farmers are not required to possess a certain minimum field or other area.

If the farm has a commitment on organic livestock production for pigs, it cannot choose the conditions concerning outdoor access of dry sows and gilts.

#### 8.2.9.3.7.7. Principles with regard to the setting of selection criteria

If the annual appropriations are not adequate to cover the number of applications received, an animal welfare commitment already undertaken in the programming period 2014–2020 will be used as a selection criterion (annual extension of the commitment will be facilitated).

#### 8.2.9.3.7.8. (Applicable) amounts and support rates

The payment under condition 2.2 will be EUR 33/livestock unit a year. Payments will be made for female

breeding pigs of eight months or older.

#### 8.2.9.3.7.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.9.3.7.9.1. Risk(s) in the implementation of the measures

The conditions contain issues that are open to interpretation. Local weather conditions may prevent outdoor access. Compliance with the condition will be examined at the level of the farm rather than groups of animals.

##### 8.2.9.3.7.9.2. Mitigating actions

The farmers are supported by instructions, training and farm-specific advisory services. The risk regarding verification and control procedures will be mitigated by means of training and guidelines provided for inspectors. Check lists will be prepared for the inspection records and the information system to ensure documentation. The records of outdoor access will be verified as part of on-the-spot supervision.

##### 8.2.9.3.7.9.3. Overall assessment of the measure

The measure is necessary in order to improve animal welfare. Cooperation and information exchanges between the authorities will be improved. Instructions, training and advice will be provided to support more consistent implementation and control of the measure.

#### 8.2.9.3.7.10. Information specific to the operation

Identification and definition of national and Union requirements that correspond to the mandatory requirements established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013

EU Directive and its national implementation/animal welfare payment conditions			
Council Directive 2008/120/EC laying down minimum standards for the protection of pigs: Art 3 and 4			
2.2 Outdoor access of dry sows and gilts	Animal Welfare Act 247/1996 (amended)	Animal Welfare Decree 396/1996 (amended)	Government Decree on the protection of pigs 629/2012, Section 12
Daily outdoor access 1 May – 30 Sep, or at least twice a week round the year	-	-	Safety of the outdoor pen and pasture
Possibility for rooting and, in summer, for wallowing	-	-	-

Table 8.2.9.3. / condition 2.2.

*Unofficial translation*

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

For the calculation of payment levels, see section 8.2.9.5.

#### 8.2.9.3.8. 2.3 Improving the conditions in which sows and gilts are kept

Sub-measure:

##### 8.2.9.3.8.1. Description of the type of operation

The conditions applicable to improving the conditions in which sows and gilts are kept are based on Article 10 paragraph b of Commission Regulation (EU) No 807/2014 (housing conditions, such as increased space allowances, flooring surfaces, enrichment materials, natural light).

The condition must be complied with in case of all sows and gilts at least 8 months old on the farm.

The total unobstructed floor area of the group pen outside the crates must be at minimum 2.25 m<sup>2</sup>/animal, and of this floor area, at minimum 1.3 m<sup>2</sup>/animal must be well-bedded and have a solid foundation.

##### 8.2.9.3.8.2. Type of support

The annual payments are EUR /livestock unit.

##### 8.2.9.3.8.3. Links to other legislation

National statutes that specify the baseline for the animal welfare payment conditions concerning the conditions in which sows and gilts are kept: Animal Welfare Decree 396/1996 (Section 1(4) and 4(1), with later amendments) and Government Decree 629/2012 (with later amendments, and pursuant to Section 19, in the transition phase also Ministry of Agriculture and Forestry Decree 14/EEO/2002) on the Protection of Pigs, which lays down the general requirements for the places and conditions in which pigs are kept (Sections 3(1–2) and (4–5), 4(3–4), 10). The conditions of animal welfare payments exceed the baseline requirements.

National provisions on animal welfare payments are contained in the Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on the animal welfare payment (xx/2015) and Ministry of Agriculture and Forestry Decree on the animal welfare payment (xx/2015). The Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree defines the implementation of the measure as described in the programme, the baseline requirements of the measure, and the group of animals that the measure targets. The Ministerial Decree contains the practical details of the measure described in the programme regarding the surface areas of group pens and bedding.

##### 8.2.9.3.8.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more

detailed national statutes issued by virtue of it.

#### 8.2.9.3.8.5. Eligible costs

Pig farms having selected condition 2.3 will incur losses of income as fewer sows and gilts can be placed in group pens than under the space requirements laid down in the baseline legislation. In addition, the farms having selected this condition incur costs for providing better bedding in the lying areas of pigs. As a result of the additional space requirements, the sows remain fit for production for longer, thus reducing their replacement costs. This has been taken into account as a factor that reduces costs incurred for the condition.

#### 8.2.9.3.8.6. Eligibility conditions

Under Article 33(1) and (2) of Regulation 1305/2013, animal welfare payments shall be granted to farmers who undertake, on a voluntary basis, to carry out operations consisting of one or more animal welfare commitments and who are active farmers within the meaning of Article 9 of Regulation (EU)

No 1306/2013. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards concerning the identification and registration of animals and animal welfare established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 and other relevant statutory management requirements.

Under Article 10 of Regulation (EU) 807/2014, animal welfare commitments eligible to receive support under Article 33 of Regulation (EU) No 1305/2013 shall provide upgraded standards of production methods in one of the areas specified in the Article.

Primarily, the farmers undertake a commitment to comply with the animal welfare payment conditions when submitting their online applications. If the application is made on paper, the form will be submitted to the rural industrial development authorities (local authorities) in the municipality in which the farm is located.

The farmer must have possession of a certain minimum number of livestock units of the relevant species on their farm throughout the commitment year. The minimum number of animals for undertaking a commitment is 15 livestock units for pigs. The farmers are not required to possess a certain minimum field or other area.

If the farm has a commitment on organic livestock production for pigs, it cannot choose the condition concerning improving the conditions in which sows and gilts are kept.

#### 8.2.9.3.8.7. Principles with regard to the setting of selection criteria

If the annual appropriations are not adequate to cover the number of applications received, an animal welfare commitment already undertaken in the programming period 2014–2020 will be used as a selection



criterion (annual extension of the commitment will be facilitated).

8.2.9.3.8.8. (Applicable) amounts and support rates

The payment under condition 2.3 will be EUR 38/livestock unit a year. Payments will be made for female breeding pigs of eight months or older.

8.2.9.3.8.9. Verifiability and controllability of the measures and/or types of operations

8.2.9.3.8.9.1. *Risk(s) in the implementation of the measures*

The conditions contain issues that are open to interpretation and that cannot be measured.

8.2.9.3.8.9.2. *Mitigating actions*

The farmers are supported by instructions, training and farm-specific advisory services. Cooperation and information exchanges between the authorities will be improved. The risk regarding verification and control procedures will be mitigated by means of training and guidelines provided for inspectors. Check lists will be prepared for the inspection records and the information system to ensure documentation.

8.2.9.3.8.9.3. *Overall assessment of the measure*

The measure is necessary in order to improve animal welfare. More consistent implementation and control of the measure will be achieved by means of instructions, training and advice.

8.2.9.3.8.10. Information specific to the operation

Identification and definition of national and Union requirements that correspond to the mandatory requirements established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013

*Unofficial translation*

EU Directive and its national implementation/animal welfare payment conditions			
Council Directive 2008/120/EC laying down minimum standards for the protection of pigs: Art 3 and 4			
<b>2.3 Improving the conditions in which dry sows and gilts are kept</b>	Animal Welfare Act 247/1996 (amended)	Animal Welfare Decree 396/1996 (amended), Sections 1(4), 4(1)	Government Decree on the protection of pigs 629/2012, Sections 3(1-2) and (4-5), 4(3-4), 5(1) and 10
Lying area	-	In the place where they are kept, animals that have been lying down must be able to get up in a natural manner. Animals kept in the same place must be able to lie down at the same time. The place must be kept clean.	The lying area must be clean and dry, its temperature must be suitable for pigs, and it must have appropriate drainage if necessary. If necessary, bedding must be provided in the lying area.
Floor area of group pens	-	-	Pigs must be kept in groups. If a pig is in an individual pen for a permitted reason, it must be able to turn around without obstruction and have visual contact with other pigs. Pigs may not be kept tethered. Group pen floor area requirements.

Table 8.2.9.3. / condition 2.3

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

For the calculation of payment levels, see section 8.2.9.5.

#### 8.2.9.3.9. 2.4 Improved farrowing conditions

Sub-measure:

##### 8.2.9.3.9.1. Description of the type of operation

The conditions applicable to improved farrowing conditions for pigs are based on Article 10 paragraph b of Commission Regulation (EU) No 807/2014 (housing conditions, such as increased space allowances, flooring surfaces, enrichment materials, natural light).

The condition must be complied with in case of all sows and gilts at least 8 months old on the farm.

Sows and gilts must be provided with unrestricted farrowing conditions. However, a sow or a gilt may be kept in a farrowing crate temporarily and for no longer than 7 days after farrowing if there is an acceptable reason for keeping her in the crate (for instance, aggressive or restless sows). The minimum area of a farrowing pen is 6 m<sup>2</sup>. Of this space, at minimum 1 m<sup>2</sup> must be an area where the pen structures protect the piglets from being accidentally crushed by the sow. These structures include protective railings, walls that are open at the lower end, or various tilted walls inside the pen, at the bottom of which space is left for piglets. In the area protected by the pen structures, the piglets must have a well-bedded lying area, which is large enough for all the piglets to lie down in simultaneously. Until the farrowing, loose nesting material must be constantly provided to the gilt or the sow, for example in a hay feeder. The nesting material must for example be straw, sawdust or paper.

##### 8.2.9.3.9.2. Type of support

The annual payments are EUR /livestock unit.

##### 8.2.9.3.9.3. Links to other legislation

National statutes that specify the baseline for the animal welfare payment conditions concerning improved farrowing conditions: Animal Welfare Decree 396/1996 (Section 1(4) with later amendments) and Government Decree 629/2012 (with later amendments, and pursuant to Section 19, in the transition phase also Ministry of Agriculture and Forestry Decree 14/EEO/2002) on the Protection of Pigs, which lays down the general requirements for the places and conditions in which pigs are kept (Sections 3(1–2) and (4–5), 4(3–4), 5(1), and 9), and their care (Section 16(1)). The conditions of animal welfare payments exceed the baseline requirements.

National provisions on animal welfare payments are contained in the Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on the animal welfare payment (xx/2015) and Ministry of Agriculture and Forestry Decree on the animal welfare payment (xx/2015). The Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree defines the implementation of the measure as described in the programme, the baseline requirements of the measure, and the group of animals that the measure targets. The Ministerial Decree contains the practical details of the measure described in the programme regarding farrowing freely,

the surface area and structures of the farrowing pen, the lying area for piglets and nesting materials for sows.

#### 8.2.9.3.9.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.9.3.9.5. Eligible costs

Farms having selected condition 2.4 incur additional costs for cleaning the pens, as in free farrowing, the sow can make a mess in the pen. In addition, the farms incur costs for the better bedding of the lying area for piglets and for continuously offering nesting materials for a week before farrowing. Losses of income are incurred for the minimum surface area of 6 m<sup>2</sup> in farrowing pens, which forces the farmer to reduce the number of sows in the farrowing house.

#### 8.2.9.3.9.6. Eligibility conditions

Under Article 33(1) and (2) of Regulation 1305/2013, animal welfare payments shall be granted to farmers who undertake, on a voluntary basis, to carry out operations consisting of one or more animal welfare commitments and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1306/2013. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards concerning the identification and registration of animals and animal welfare established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 and other relevant statutory management requirements.

Under Article 10 of Regulation (EU) 807/2014, animal welfare commitments eligible to receive support under Article 33 of Regulation (EU) No 1305/2013 shall provide upgraded standards of production methods in one of the areas specified in the Article.

Primarily, the farmers undertake a commitment to comply with the animal welfare payment conditions when submitting their online applications. If the application is made on paper, the form will be submitted to the rural industrial development authorities (local authorities) in the municipality in which the farm is located.

The farmer must have possession of a certain minimum number of livestock units of the relevant species on their farm throughout the commitment year. The minimum number of animals for undertaking a commitment is 15 livestock units for pigs. The farmers are not required to possess a certain minimum field or other area.

If the farm has a commitment on organic livestock production for pigs, it cannot choose the conditions

concerning improved farrowing conditions.

#### 8.2.9.3.9.7. Principles with regard to the setting of selection criteria

If the annual appropriations are not adequate to cover the number of applications received, an animal welfare commitment already undertaken in the programming period 2014–2020 will be used as a selection criterion (annual extension of the commitment will be facilitated).

#### 8.2.9.3.9.8. (Applicable) amounts and support rates

The payment under condition 2.4 will be EUR 349/livestock unit a year. Payments will be made for female breeding pigs of eight months or older.

#### 8.2.9.3.9.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.9.3.9.9.1. Risk(s) in the implementation of the measures

The conditions contain issues that are open to interpretation and that cannot be measured.

##### 8.2.9.3.9.9.2. Mitigating actions

The farmers are supported by instructions, training and farm-specific advisory services. Cooperation and information exchanges between the authorities will be improved. The risk regarding verification and control procedures will be mitigated by means of training and guidelines provided for inspectors. Check lists will be prepared for the inspection records and the information system to ensure documentation. The existence of written plans will be verified in on-the-spot checks on farms.

##### 8.2.9.3.9.9.3. Overall assessment of the measure

The measure is necessary in order to improve animal welfare. Instructions, training and advice will be provided to support more consistent implementation and control of the measure.

#### 8.2.9.3.9.10. Information specific to the operation

Identification and definition of national and Union requirements that correspond to the mandatory requirements established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013

Unofficial translation

EU Directive and its national implementation/animal welfare payment conditions			
Council Directive 2008/120/EC laying down minimum standards for the protection of pigs: Art 3 and 4			
2.4 Improved farrowing conditions	Eläinsuojelulaki 247/1996 (muut.)	Eläinsuojeluasetus 396/1996 (muut.) 1 § 4 mom, 4 § 1 mom.	VNa 629/2012 (muut.) sikojen suojelusta 3 § 1–2 mom. ja 4–5 mom., 4 § 3–4 mom., 5 § 1 mom., 9 §, 16 § 1 mom.
Free farrowing, a sow may be kept in a farrowing crate on a temporary basis for 7 days after farrowing at maximum	-	-	Pigs must be kept in groups. A sow and a gilt may be kept apart from a group for 4 weeks before expected farrowing and for 4 weeks after serving or insemination subsequent to farrowing that results in a pregnancy. A pig may not be kept tethered. For a week before expected farrowing, adequate nesting material must be provided.
Farrowing pen floor area requirements	-	-	Requirements concerning farrowing pens and crates.
Conditions concerning lying areas for piglets	-	In the place where they are kept, animals that have been lying down must be able to get up in a natural manner. Animals kept in the same place must be able to lie down at the same time. The place must be kept clean.	If the sow can move around freely in the farrowing crate, the pen must have structures that protect small piglets from the sow, including piglet rails. A dry lying area with a solid foundation must be provided for the piglets in the farrowing pen, which is large enough for all piglets to lie down at the same time. An appropriate heater must also be provided for the piglets. The lying area must be dry and clean, its temperature must be suitable for pigs, and if necessary, it must have appropriate drainage. If necessary, bedding must be provided in the lying area for piglets.

Table 8.2.9.3. / condition 2.4

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

For the calculation of payment levels, see section 8.2.9.5.

#### 8.2.9.3.10. 2.5 Bedding in pens for weaned piglets and fattening pigs

Sub-measure:

##### 8.2.9.3.10.1. Description of the type of operation

The conditions applicable to bedding in pens for weaned piglets and fattening pigs are based on Article 10 paragraph b of Commission Regulation (EC) No 807/2014 (housing conditions, such as increased space allowances, flooring surfaces, enrichment materials, natural light).

Pigs must have a well-bedded lying area with a rigid foundation. There must be enough space for all pigs to lie down in the lying area at the same time. In this context, bedding refers to either appropriate drainage or litter and dual climate pens. On a meat production farm, underfloor heating combined with plenty of bedding is also acceptable.

##### 8.2.9.3.10.2. Type of support

The annual payments are EUR /livestock unit.

##### 8.2.9.3.10.3. Links to other legislation

National statutes that specify the baseline for the animal welfare payment conditions concerning weaned piglets and fattening pigs: Animal Welfare Decree 396/1996 (Section 1(4) and 4(1), with later amendments) and Government Decree 629/2012 (with later amendments, and pursuant to Section 19, in the transition phase also Ministry of Agriculture and Forestry Decree 14/EEO/2002) on the Protection of Pigs, which lays down the general requirements for the places and conditions in which pigs are kept (Sections 3(1) and (4–5), 4(3–4), 5(1), and 5(3)). The conditions of animal welfare payments exceed the baseline requirements.

National provisions on animal welfare payments are contained in the Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on the animal welfare payment (xx/2015) and Ministry of Agriculture and Forestry Decree on the animal welfare payment (xx/2015). The Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree defines the implementation of the measure as described in the programme, the baseline requirements of the measure, and the group of animals that the measure targets. The Ministerial Decree contains the practical details of the measure described in the programme regarding lying areas and bedding in pens.

##### 8.2.9.3.10.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more

detailed national statutes issued by virtue of it.

#### 8.2.9.3.10.5. Eligible costs

Pig farms having selected condition 2.5 incur costs for the better bedding of the lying areas for weaned piglets and fattening pigs and for cleaning the pens. Adequate straw bedding reduces the incidence of tail biting. The reduced incidence of partial carcass rejection due to tail biting has been taken into account as a factor that reduces costs incurred for the condition.

#### 8.2.9.3.10.6. Eligibility conditions

Under Article 33(1) and (2) of Regulation 1305/2013, animal welfare payments shall be granted to farmers who undertake, on a voluntary basis, to carry out operations consisting of one or more animal welfare commitments and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1306/2013. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards concerning the identification and registration of animals and animal welfare established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 and other relevant statutory management requirements.

Under Article 10 of Regulation (EU) 807/2014, animal welfare commitments eligible to receive support under Article 33 of Regulation (EU) No 1305/2013 shall provide upgraded standards of production methods in one of the areas specified in the Article.

Primarily, the farmers undertake a commitment to comply with the animal welfare payment conditions when submitting their online applications. If the application is made on paper, the form will be submitted to the rural industrial development authorities (local authorities) in the municipality in which the farm is located.

The farmer must have possession of a certain minimum number of livestock units of the relevant species on their farm throughout the commitment year. The minimum number of animals for undertaking a commitment is 15 livestock units for pigs. The farmers are not required to possess a certain minimum field or other area.

If the farm has a commitment on organic livestock production for pigs, it cannot choose the condition concerning bedding in pens for weaned piglets and fattening pigs.

If the farmer has selected condition 2.7 of animal welfare payments concerning enrichment material, they cannot also select condition 2.5 applicable to bedding in pens for weaned piglets and fattening pigs.



8.2.9.3.10.7. Principles with regard to the setting of selection criteria

If the annual appropriations are not adequate to cover the number of applications received, an animal welfare commitment already undertaken in the programming period 2014–2020 will be used as a selection criterion (annual extension of the commitment will be facilitated).

8.2.9.3.10.8. (Applicable) amounts and support rates

The payment under condition 2.5 will be EUR 59/livestock unit a year. Payments will be made for fattening pigs under 8 months and weaned piglets under 3 months.

8.2.9.3.10.9. Verifiability and controllability of the measures and/or types of operations

8.2.9.3.10.9.1. *Risk(s) in the implementation of the measures*

The conditions contain issues that are open to interpretation and that cannot be measured.

8.2.9.3.10.9.2. *Mitigating actions*

The farmers are supported by instructions, training and farm-specific advisory services. The risk regarding verification and control procedures will be mitigated by means of training and guidelines provided for inspectors. Check lists will be prepared for the inspection records and the information system to ensure documentation.

8.2.9.3.10.9.3. *Overall assessment of the measure*

The measure is necessary in order to improve animal welfare. Instructions, training and advice will be provided to support more consistent implementation and control of the measure.

8.2.9.3.10.10. Information specific to the operation

Identification and definition of national and Union requirements that correspond to the mandatory requirements established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013

*Unofficial translation*

EU Directive and its national implementation/animal welfare payment conditions			
Council Directive 2008/120/EC laying down minimum standards for the protection of pigs: Art 3 and 4			
<b>2.5 Improved bedding for weaned piglets and fattening pigs</b>	Animal Welfare Act 247/1996 (amended)	Animal Welfare Decree 396/1996 (amended), Sections 1(4), 4(1)	Government Decree on the protection of pigs 629/2012, Sections 3(1) and (4-5), 4(3-4), 5(1) and (3)
Well-bedded lying area with a rigid foundation	-	The place must be kept clean.	The lying area must be dry and clean, its temperature must be suitable for pigs, and if necessary, it must have appropriate drainage. If necessary, bedding must be provided in the lying area for pigs.
There must be enough space in the lying area for all pigs to lie down at the same time.	-	In the place where they are kept, animals that have been lying down must be able to get up in a natural manner. Animals kept in the same place must be able to lie down at the same time.	Pigs must be kept in groups. Pigs may not be kept tethered. Possibility for social interaction. Floor area requirements for group pens.

Table 8.2.9.3. / condition 2.5.

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

For the calculation of payment levels, see section 8.2.9.5.

#### 8.2.9.3.11. 2.6 Treatment of castration pain and alternatives for surgical castration

Sub-measure:

##### 8.2.9.3.11.1. Description of the type of operation

The conditions for castration of male pigs are based on Article 10 subsection d of Commission Regulation (EU) No 807/2014 (practices which avoid mutilation and/or castration of animals, or in specific cases when mutilation or castration of animals is deemed necessary, provide for the use of anaesthetics, analgesia and anti-inflammatory medication or immunocastration).

The farmers may choose either option a or b.

##### **2.6a Analgesia before and after surgical castration**

The condition must be complied with in case of all male pigs aged 0-3 months on the farm. This condition can be selected by piglet production farms.

In connection with surgical castration and to treat post-surgery pain, male pigs must be given an analgesic either orally or as an injection.

##### **2.6b Immunocastration**

The condition must be complied with in case of all male fattening pigs on the farm. This condition can be selected by fattening houses and combination farms.

The boars are castrated by means of an immunocastration vaccination. An immunocastration vaccine is administered twice, complying with the interim period between vaccinations and withdrawal periods on which separate instructions will be issued. Immunocastration clearly causes boars less stress and pain than traditional castration methods.

##### 8.2.9.3.11.2. Type of support

The annual payments are EUR /livestock unit.

##### 8.2.9.3.11.3. Links to other legislation

National statutes that specify the baseline for animal welfare payments conditions concerning the castration of pigs: Animal Welfare Act 247/1996 (Section 26a(1–2), with later amendments), Act on the Medication of Animals 387/2014 (Section 20), Animal Welfare Decree 396/1996 (Section 23(1) paragraph 5, with later amendments), which contains provisions on castration of animals and records of drug administration. The conditions of animal welfare payments exceed the baseline requirements.

National provisions on animal welfare payments are contained in the Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on the animal welfare payment (xx/2015)

and Ministry of Agriculture and Forestry Decree on the animal welfare payment (xx/2015). The Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree defines the implementation of the measure as described in the programme, the baseline requirements of the measure, and the group of animals that the measure targets. The Ministerial Decree contains the practical details of the measure described in the programme regarding analgesia for male pigs before and after surgical castration or immunocastration of male fattening pigs.

#### 8.2.9.3.11.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.9.3.11.5. Eligible costs

Pig farms having selected condition 2.6a incur additional labour and drug costs for the administration of analgesics to male piglets to be castrated.

Pig farms having selected condition 2.6b incur additional costs for sexing the pigs, and for immunocastration vaccines and their administration. They incur production losses when the vaccinations fail. The farms gain cost savings for the better feed conversion ratio of immunocastrated piglets and the fact that there is no need to carry out surgical castration on male piglets without analgesia. These have been taken into account as factors that reduce costs incurred for the condition.

#### 8.2.9.3.11.6. Eligibility conditions

Under Article 33(1) and (2) of Regulation 1305/2013, animal welfare payments shall be granted to farmers who undertake, on a voluntary basis, to carry out operations consisting of one or more animal welfare commitments and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1306/2013. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards concerning the identification and registration of animals and animal welfare established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 and other relevant statutory management requirements.

Under Article 10 of Regulation (EU) 807/2014, animal welfare commitments eligible to receive support under Article 33 of Regulation (EU) No 1305/2013 shall provide upgraded standards of production methods in one of the areas specified in the Article.

Primarily, the farmers undertake a commitment to comply with the animal welfare payment conditions when submitting their online applications. If the application is made on paper, the form will be submitted to the rural industrial development authorities (local authorities) in the municipality in which the farm is

located.

The farmer must have possession of a certain minimum number of livestock units of the relevant species on their farm throughout the commitment year. The minimum number of animals for undertaking a commitment is 15 livestock units for pigs. The farmers are not required to possess a certain minimum field or other area.

#### 8.2.9.3.11.7. Principles with regard to the setting of selection criteria

If the annual appropriations are not adequate to cover the number of applications received, an animal welfare commitment already undertaken in the programming period 2014–2020 will be used as a selection criterion (annual extension of the commitment will be facilitated).

#### 8.2.9.3.11.8. (Applicable) amounts and support rates

The payment under condition 2.6a will be EUR 27/livestock unit a year. Payments will be made for piglets aged three months or younger, but only one half of this age group is taken into consideration, as the measure only concerns male piglets.

The payment under condition 2.6b will be EUR 81/livestock unit a year. Payments will be made for fattening pigs over three months but under eight months. Only one half of this age group is accounted for, as the measure only concerns male fattening pigs.

#### 8.2.9.3.11.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.9.3.11.9.1. Risk(s) in the implementation of the measures

The conditions contain issues that are open to interpretation. The inspectors do not have adequate knowledge of animal welfare legislation and veterinary medicine. Compliance with the condition will be examined at the level of the farm rather than individual animals.

##### 8.2.9.3.11.9.2. Mitigating actions

The farmers are supported by instructions, training and farm-specific advisory services. Cooperation and information exchanges between the authorities will be improved. The risk regarding verification and control procedures will be mitigated by means of training and guidelines provided for inspectors. Check lists will be prepared for the inspection records and the information system to ensure documentation.

*Unofficial translation*

8.2.9.3.11.9.3. Overall assessment of the measure

The measure is necessary in order to improve animal welfare. More consistent implementation and control of the measure will be achieved by means of instructions, training and advice.

8.2.9.3.11.10. Information specific to the operation

Identification and definition of national and Union requirements that correspond to the mandatory requirements established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013

EU Directive and its national implementation/animal welfare payment conditions				
Council Directive 2008/120/EC laying down minimum standards for the protection of pigs: Art 3 and 4				
<b>2.6 Treatment of castration pain and alternatives to surgical castration</b>	Animal Welfare Act 247/1996 (amended), Section 26a (1-2)	Animal Welfare Decree 396/1996 (amended), Section 23(1)(5)	Government Decree on the protection of pigs	Act on the Medication of Animals 387/2014, Section 20
Analgesics during and after surgical castration; immunocastration	Keeping of records of medicines given to production animals	Castration of piglets aged 7 days at maximum is permitted by open surgery without tearing the tissues performed by a qualified person.	-	Medicine records

Table 8.2.9.3 / condition 2.6.

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

For the calculation of payment levels, see section 8.2.9.5.

#### 8.2.9.3.12. 2.7 Enrichment

Sub-measure:

##### 8.2.9.3.12.1. Description of the type of operation

The conditions applicable to enrichment for pigs are based on Article 10 paragraph b of Commission Regulation (EU) No 807/2014 (housing conditions, such as increased space allowances, flooring surfaces, enrichment materials, natural light).

The condition must be complied with in case of all pigs on the farm, excluding unweaned piglets.

The pig pens must contain both fixed enrichment materials and those added daily. The enrichment materials must be materials that are safe for the pig and that the pig can chew on or pull apart without danger.

Fixed enrichment materials refer to objects that stay in the pen continuously. As fixed enrichment materials must be used durable natural materials in which the pig can sink its teeth. These include pieces of deciduous tree trunks hanging horizontally, pieces of sacking made from a natural fibre, and natural fibre ropes or pieces of sacking intended for piglets. At least one such fixed object must be provided per six pigs.

Enrichment material that is added daily refers to loose materials, for example straw, sawdust or paper. Enrichment materials that are added daily must be provided in such large quantities that all pigs in the pen can use them simultaneously.

##### 8.2.9.3.12.2. Type of support

The annual payments are EUR /livestock unit.

##### 8.2.9.3.12.3. Links to other legislation

The national statute that is the baseline for animal welfare payment conditions concerning enrichment for pigs is Government Decree 629/2012 on the Protection of Bovines (with later amendments), which contains provisions on the requirements placed on enrichment materials for pigs (Section 13(3)). The conditions of animal welfare payments exceed the baseline requirements.

National provisions on animal welfare payments are contained in the Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on the animal welfare payment (xx/2015) and Ministry of Agriculture and Forestry Decree on the animal welfare payment (xx/2015). The Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree defines the implementation of the measure as described in the programme, the baseline requirements of the measure, and the group of animals that the measure targets. The Ministerial Decree contains the practical details of the measure described in the programme regarding the requirements for fixed enrichment materials in the pens and enrichment materials added to the pens daily and their volumes.

#### 8.2.9.3.12.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.9.3.12.5. Eligible costs

Pig farms having selected condition 2.7 incur labour and material costs for adding loose enrichment materials in the pig pens daily in quantities exceeding the requirements of baseline legislation. Labour and material costs are also incurred for providing more fixed objects as enrichment materials in the pens than what is required in the baseline legislation.

#### 8.2.9.3.12.6. Eligibility conditions

Under Article 33(1) and (2) of Regulation 1305/2013, animal welfare payments shall be granted to farmers who undertake, on a voluntary basis, to carry out operations consisting of one or more animal welfare commitments and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1306/2013. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards concerning the identification and registration of animals and animal welfare established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 and other relevant statutory management requirements.

Under Article 10 of Regulation (EU) 807/2014, animal welfare commitments eligible to receive support under Article 33 of Regulation (EU) No 1305/2013 shall provide upgraded standards of production methods in one of the areas specified in the Article.

Primarily, the farmers undertake a commitment to comply with the animal welfare payment conditions when submitting their online applications. If the application is made on paper, the form will be submitted to the rural industrial development authorities (local authorities) in the municipality in which the farm is located.

The farmer must have possession of a certain minimum number of livestock units of the relevant species on their farm throughout the commitment year. The minimum number of animals for undertaking a commitment is 15 livestock units for pigs. The farmers are not required to possess a certain minimum field or other area.

If the farmer has selected condition 2.5 of animal welfare payments concerning bedding in pens for weaned piglets and fattening pigs, they cannot also select condition 2.7 concerning enrichment materials.

#### 8.2.9.3.12.7. Principles with regard to the setting of selection criteria

If the annual appropriations are not adequate to cover the number of applications received, an animal



welfare commitment already undertaken in the programming period 2014–2020 will be used as a selection criterion (annual extension of the commitment will be facilitated).

8.2.9.3.12.8. (Applicable) amounts and support rates

The payment under condition 2.7 will be EUR 13/livestock unit a year. Payments will be made for all pigs, excluding unweaned piglets.

8.2.9.3.12.9. Verifiability and controllability of the measures and/or types of operations

8.2.9.3.12.9.1. *Risk(s) in the implementation of the measures*

The conditions contain issues that are open to interpretation and that cannot be measured. The inspectors do not have adequate knowledge of animal protection legislation.

8.2.9.3.12.9.2. *Mitigating actions*

The farmers are supported by instructions, training and farm-specific advisory services. Cooperation and information exchanges between the authorities will be improved. The risk regarding verification and control procedures will be mitigated by means of training and guidelines provided for inspectors. Check lists will be prepared for the inspection records and the information system to ensure documentation.

8.2.9.3.12.9.3. *Overall assessment of the measure*

The measure is necessary in order to improve animal welfare. Instructions, training and advice will be provided to support more consistent implementation and control of the measure.

8.2.9.3.12.10. Information specific to the operation

Identification and definition of national and Union requirements that correspond to the mandatory requirements established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013

*Unofficial translation*

EU Directive and its national implementation/animal welfare payment conditions			
Council Directive 2008/120/EC laying down minimum standards for the protection of pigs: Art 3 and 4			
2.7 Enrichment	Animal Welfare Act 247/1996 (amended)	Animal Welfare Decree 396/1996 (amended)	Government Decree on the protection of pigs 629/2012, Section 13(3)
Both permanent enrichment objects and enrichment materials that are added daily must be provided in pig pens. Permanent objects include pieces of hardwood tree trunks hanging horizontally, pieces of sacking made from a natural fibre, and natural fibre ropes or pieces of sacking intended for piglets. At least one such fixed object must be provided per six pigs. Enrichment material that is added daily include loose materials, for example straw, sawdust or paper. Enrichment materials that are added daily must be provided in such large quantities that all pigs in the pen can use them simultaneously.	-	-	Adequate quantities of materials that allow pigs to follow their natural behaviours, including rooting and exploring, must be continuously available to the pigs.

Table 8.2.9.3. / condition 2.7.

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

For the calculation of payment levels, see section 8.2.9.5.

8.2.9.3.13. 2.8. Pens for sick animals and care

Sub-measure:

8.2.9.3.13.1. Description of the type of operation

The conditions applicable to pens for sick animals and care are based on Article 10 paragraph b of Commission Regulation (EU) No 807/2014 (housing conditions, such as increased space allowances, flooring surfaces, enrichment materials, natural light).

The condition must be complied with in case of all pigs on the farm, excluding unweaned piglets.

A sick or injured pig must be moved to a pen provided for sick animals and care. The purpose of the pen for sick animals and care is to provide sick pigs with conditions where they can eat, drink and rest undisturbed. Several sick or injured pigs may be placed in a pen for sick animals and care, but provision must be made to fence off an animal. The pen for sick animals and care must have a well-bedded lying area with a rigid foundation for all animals placed in the pen. It must be possible to heat the animals in the pen.

8.2.9.3.13.2. Type of support

The annual payments are EUR /livestock unit.

8.2.9.3.13.3. Links to other legislation

National statutes that specify the baseline for animal welfare payment conditions applicable to pens for sick pigs or medical and other care: Animal Welfare Act 247/1996 (Section 5(1), with later amendments), Animal Welfare Decree 396/1996 (Sections 1(4), 4(1) and 11, with later amendments) and Government Decree 629/2012 (with later amendments, and pursuant to Section 19, in the transition phase also Ministry of Agriculture and Forestry Decree 14/EEO/2002) on the Protection of Pigs, which lays down the general requirements for the places and conditions in which pigs are kept (Sections 3(1) and (4–5), 4(3–5), 5(1) and 5(3), 7(2), 10 and 11), and for drinking (Section 15(3–4)). The conditions of animal welfare payments exceed the baseline requirements.

National provisions on animal welfare payments are contained in the Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on the animal welfare payment (xx/2015) and Ministry of Agriculture and Forestry Decree on the animal welfare payment (xx/2015). The Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree defines the implementation of the measure as described in the programme, the baseline requirements of the measure, and the group of animals that the measure targets. The Ministerial Decree contains the practical details of the measure described in the programme regarding conditions of pens for sick animals and medical or other care.

#### 8.2.9.3.13.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.9.3.13.5. Eligible costs

Pig farms having selected condition 2.8 incur costs for the better bedding and cleaning of pens for sick animals and care.

#### 8.2.9.3.13.6. Eligibility conditions

Under Article 33(1) and (2) of Regulation 1305/2013, animal welfare payments shall be granted to farmers who undertake, on a voluntary basis, to carry out operations consisting of one or more animal welfare commitments and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1306/2013. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards concerning the identification and registration of animals and animal welfare established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 and other relevant statutory management requirements.

Under Article 10 of Regulation (EU) 807/2014, animal welfare commitments eligible to receive support under Article 33 of Regulation (EU) No 1305/2013 shall provide upgraded standards of production methods in one of the areas specified in the Article.

Primarily, the farmers undertake a commitment to comply with the animal welfare payment conditions when submitting their online applications. If the application is made on paper, the form will be submitted to the rural industrial development authorities (local authorities) in the municipality in which the farm is located.

The farmer must have possession of a certain minimum number of livestock units of the relevant species on their farm throughout the commitment year. The minimum number of animals for undertaking a commitment is 15 livestock units for pigs. The farmers are not required to possess a certain minimum field or other area.

#### 8.2.9.3.13.7. Principles with regard to the setting of selection criteria

If the annual appropriations are not adequate to cover the number of applications received, an animal welfare commitment already undertaken in the programming period 2014–2020 will be used as a selection criterion (annual extension of the commitment will be facilitated).

*Unofficial translation*

8.2.9.3.13.8. (Applicable) amounts and support rates

The payment under condition 2.8 will be EUR 19/livestock unit a year. Payments will be made for all pigs, excluding unweaned piglets.

8.2.9.3.13.9. Verifiability and controllability of the measures and/or types of operations

8.2.9.3.13.9.1. *Risk(s) in the implementation of the measures*

The conditions contain issues that are open to interpretation and that cannot be measured. The conditions in the pen can be verified if an animal is in the pen for sick animals, farrowing or medical or other care at the time of the inspection. The inspectors do not have adequate knowledge of animal protection legislation.

8.2.9.3.13.9.2. *Mitigating actions*

The farmers are supported by instructions, training and farm-specific advisory services. Cooperation and information exchanges between the authorities will be improved. The risk regarding verification and control procedures will be mitigated by means of training and guidelines provided for inspectors. Check lists will be prepared for the inspection records and the information system to ensure documentation. The existence of written plans will be verified in on-the-spot checks on farms.

8.2.9.3.13.9.3. *Overall assessment of the measure*

The measure is necessary in order to improve animal welfare. Instructions, training and advice will be provided to support more consistent implementation and control of the measure.

8.2.9.3.13.10. Information specific to the operation

Identification and definition of national and Union requirements that correspond to the mandatory requirements established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013

Unofficial translation

EU Directive and its national implementation/animal welfare payment conditions			
Council Directive 2008/120/EC laying down minimum standards for the protection of pigs: Art 3 and 4			
<b>2.8 Pens for sick or injured animals</b>	Animal Welfare Act 247/1996 (amended), Section 5(1)	Animal Welfare Decree 396/1996 (amended), Section 1(4), 4(1) and 11	Government Decree on the protection of pigs 629/2012, Sections 3(1) and (4-5), 4(3-4), 5(1) and (3), 7(2), 10, 11 and 15(3-4)
A sick or injured pig must be moved to a pen for sick animals and care. Adequately quantities of water of a good quality must be offered continuously.	Animals must have adequate quantities of suitable food, drink and other care needed by them. When an animal is ill, it must be provided with appropriate treatment.	When an animal is sick or injured, it must be provided with appropriate treatment, and the animal must be placed in appropriate facilities if necessary	Pigs must be kept in groups, unless a reason related to medical care or the animal's aggressive behaviour exists for its isolation. Once this reason no longer applies, the pig must be reintroduced to the group. The pig must be able to turn around without obstruction in the individual pen. A pig may not be kept tethered. A pig must have visual contact with other pigs. An adequate number of drinking troughs must be available. Adequate quantities of fresh and clean drinking water must be continuously available for pigs over two weeks. The drinking troughs and equipment for pigs must be kept clean. It must be ensured that the feed or drinking troughs are not soiled with urine and faeces.
A well-bedded lying area with a rigid foundation. Heating the animal must be possible.	-	In the place where they are kept, animals that have been lying down must be able to get up in a natural manner. Animals kept in the same place must be able to lie down at the same time. The place must be kept clean.	The lying area must be dry and clean, its temperature must be suitable for pigs, and if necessary, it must have appropriate drainage. If necessary, bedding must be provided in the lying area for pigs. In the place where pigs are kept, at least 5% of the space requirement for the animals must be reserved for animals that are sick, injured or isolated for some other reason. If necessary, bedding must be provided in the lying area. Floor area requirements for pens.

Table 8.2.9.3. / condition 2.8.

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

For the calculation of payment levels, see section 8.2.9.5.

#### 8.2.9.3.14. 3.1 Feeding of sheep and goats

Sub-measure:

##### 8.2.9.3.14.1. Description of the type of operation

The conditions concerning sheep and goats are based on Article 10 paragraph a of Commission Regulation (EC) No 807/2014 (water, feed and animal care in accordance with the natural needs of animal husbandry).

The conditions apply to all sheep and goats on the farm.

The farm must have a written feeding plan for each animal group that is based on calculations and that takes into consideration the growth phase, yield and production phase for sheep and the growth phase, phase of milk production period and the milk yield for goats. A feeding plan must at minimum be produced for different feeding periods, for example the indoor and outdoor feeding period. The purpose of the feeding plan is to ensure that the animals are fed as indicated by their nutritional needs in the relevant production phase.

Adequate amounts of roughage must be available for sheep and goats. Adequate amounts of water of a good quality must be continuously available for all animals.

##### 8.2.9.3.14.2. Type of support

The annual payments are EUR /livestock unit.

##### 8.2.9.3.14.3. Links to other legislation

National statutes that specify the baseline for animal welfare payment conditions concerning the feeding of sheep and goats: Animal Welfare Act 247/1996 (Section 5(1), with later amendments), Animal Welfare Decree 396/1996 (Section 9(1), with later amendments) and Government Decree 587/2010 on the Protection of Sheep that contains provisions on drinking and feeding of sheep (Sections 6(2), 12(1) and (2–4)), and Government Decree 589/2010 on the Protection of Goats, which contains provisions on the drinking and feeding of goats (Sections 6(3) and 11(1) and (3–5)). The conditions of animal welfare payments exceed the baseline requirements.

National provisions on animal welfare payments are contained in the Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on the animal welfare payment (xx/2015) and Ministry of Agriculture and Forestry Decree on the animal welfare payment (xx/2015). The Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree defines the implementation of the measure as described in the programme, the baseline requirements of the measure, and the group of animals that the measure targets. The Ministerial Decree contains the practical details of the measure described in the programme regarding feeding plans for various groups of animals and access to roughage and water.

#### 8.2.9.3.14.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.9.3.14.5. Eligible costs

Sheep and goat farms having chosen condition 3.1 incur costs for the preparation of written feeding plans based on calculations for each animal group or, alternatively, having feeding plans drawn up by a third-party service provider. As a result of complying with the condition, lambs grow faster, and goats yield more milk of a better quality. These have been taken into account as factors that reduce costs incurred for the condition.

#### 8.2.9.3.14.6. Eligibility conditions

Under Article 33(1) and (2) of Regulation 1305/2013, animal welfare payments shall be granted to farmers who undertake, on a voluntary basis, to carry out operations consisting of one or more animal welfare commitments and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1306/2013. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards concerning the identification and registration of animals and animal welfare established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 and other relevant statutory management requirements.

Under Article 10 of Regulation (EU) 807/2014, animal welfare commitments eligible to receive support under Article 33 of Regulation (EU) No 1305/2013 shall provide upgraded standards of production methods in one of the areas specified in the Article.

Primarily, the farmers undertake a commitment to comply with the animal welfare payment conditions when submitting their online applications. If the application is made on paper, the form will be submitted to the rural industrial development authorities (local authorities) in the municipality in which the farm is located.

The farmer must have possession of a certain minimum number of livestock units of the relevant species on their farm throughout the commitment year. The minimum number of animals for giving a commitment is 5 livestock units for sheep and goats. The farmers are not required to possess a certain minimum field or other area.

#### 8.2.9.3.14.7. Principles with regard to the setting of selection criteria

If the annual appropriations are not adequate to cover the number of applications received, an animal welfare commitment already undertaken in the programming period 2014–2020 will be used as a selection



criterion (annual extension of the commitment will be facilitated).

8.2.9.3.14.8. (Applicable) amounts and support rates

The payment under condition 3.1 will be EUR 10/livestock unit a year. Payments will be made for all sheep and goats at least 3 months.

8.2.9.3.14.9. Verifiability and controllability of the measures and/or types of operations

8.2.9.3.14.9.1. *Risk(s) in the implementation of the measures*

The conditions contain issues that are open to interpretation and that cannot be clearly evaluated. The inspectors do not have adequate knowledge of animal protection legislation.

8.2.9.3.14.9.2. *Mitigating actions*

The farmers are supported by instructions, training and farm-specific advisory services. The risk regarding verification and control procedures will be mitigated by means of training and guidelines provided for inspectors. Check lists will be prepared for the inspection records and the information system to ensure documentation.

8.2.9.3.14.9.3. *Overall assessment of the measure*

The measure is necessary in order to improve animal welfare. Instructions, training and advice will be provided to support more consistent implementation and control of the measure.

8.2.9.3.14.10. Information specific to the operation

Identification and definition of national and Union requirements that correspond to the mandatory requirements established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013

Unofficial translation

EU Directive and its national implementation/animal welfare payment conditions			
Council Directive No 98/58/EC concerning the protection of animals kept for farming purposes: Art 4			
<b>3.1 Feeding of sheep and goats</b>	Animal Welfare Act 247/1996 (amended), Section 5(1)	Animal Welfare Decree 396/1996 (amended), Section 9(1)	Government Decree on the protection of sheep 587/2010, Sections 6(2), 12(1) and (2-4), and Government Decree on the protection of goats 589/2010, Sections 6(3), 11(1) and (3-5)
A feeding plan based on calculations for each animal group	Animals must have adequate quantities of suitable food, drink and other care needed by them	Animals must be given suitable food and drink of a good quality. The needs of each animal must be taken into account in feeding, ensuring that each animal receives enough food.	The feed provided must be nutritious and balanced and, if necessary, complemented with minerals.
Adequate amounts of roughage must be kept available. Water of a good quality must be continuously kept available.			Minimum number of drinking troughs. Grass, hay or other fibre feed and clean water must be provided for lambs and kids over a week. Drinking troughs and equipment must be kept clean. It must be ensured that the feed or drinking troughs are not soiled with urine and faeces, and the water must be prevented from freezing. Nanny goats that are milked must have access to clean water continuously.

Table 8.2.9.3. / condition 3.1.

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

For the calculation of payment levels, see section 8.2.9.5.

8.2.9.3.15. 3.2. Improving the conditions in which sheep and goats are kept

Sub-measure:

8.2.9.3.15.1. Description of the type of operation

The conditions applicable to improving the conditions in which sheep and goats are kept are based on Article 10 paragraph b of Commission Regulation (EU) No 807/2014 (housing conditions, such as increased space allowances, flooring surfaces, enrichment materials, natural light).

The condition must be complied with in case of all sheep and goats on the farm.

The pens for sheep or goats must have a well-bedded and soft lying area with a rigid foundation with enough space for all the animals to lie down at the same time.

If, for an acceptable reason, a sheep or a goat is isolated, the floor area of the pen must be at minimum 2.0 m<sup>2</sup> and shaped so that the sheep or the goat can freely turn around in it. The animal in the pen must have visual contact with other sheep or goats.

Rams and billy goats must be kept in a group pen unless their isolation is required for a veterinary reason or because of aggressive behaviour. If there only is one ram/billy goat on the farm, the aforementioned criteria for an individual pen must be complied with. In a group pen, the floor area must be at minimum 1.7 m<sup>2</sup> per ram/billy goat.

Lamb creeps must be provided for lambs aged two weeks. The minimum floor space requirement of lamb creeps is 0.2 m<sup>2</sup> per lamb. Weaned lambs and kids must be kept in groups. Weaned lambs under 4 months must have a floor area of at minimum 0.6 m<sup>2</sup>/lamb at their disposal in the pen, and lambs at least 4 months must have an area of at minimum 1.0 m<sup>2</sup>/lamb. Weaned kids under 6 months must have a floor area of at minimum 0.33 m<sup>2</sup>/kid at their disposal in the pen, and kids at least 6 months must have an area of at minimum 0.6 m<sup>2</sup>/kid.

8.2.9.3.15.2. Type of support

The annual payments are EUR /livestock unit.

8.2.9.3.15.3. Links to other legislation

National statutes that specify the baseline for animal welfare payment conditions concerning the conditions in which sheep and goats are kept: Animal Welfare Decree 396/1996 (Sections 1(4) and 4(1), with later amendments) and Government Decree 587/2010 on the Protection of Sheep that lays down the general requirements for the places and conditions in which sheep are kept (Sections 4 and 5), and Government Decree 589/2010 on the Protection of Goats, which lays down the general requirements for the places and conditions in which goats are kept (Sections 4 and 5). The conditions of animal welfare payments exceed the baseline requirements.

National provisions on animal welfare payments are contained in the Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on the animal welfare payment (xx/2015) and Ministry of Agriculture and Forestry Decree on the animal welfare payment (xx/2015). The Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree defines the implementation of the measure as described in the programme, the baseline requirements of the measure, and the group of animals that the measure targets. The Ministerial Decree contains the practical details of the measure described in the programme regarding e.g. lying areas in pens and pen surface areas for sheep and goats of different ages.

#### 8.2.9.3.15.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.9.3.15.5. Eligible costs

Sheep and goat farms having selected condition 3.2 incur costs for the better bedding of lying areas. The farms incur losses of income for the space requirements, as fewer animals can be placed in individual pens than under the requirements laid down in the baseline legislation. Sheep and goat farms incur losses of income for the space requirements applicable to group pens for weaned lambs and kids, as a result of which the number of lambs and kids placed in the pen must be reduced. Sheep farms incur costs for the care of lamb creeps and the waste of feed in the creeps. The lamb creeps speed up the lambs' development into ruminants and increase their daily growth rate. In addition, the creeps prevent lambs from being crushed against the feeding trough. These have been taken into account as factors that reduce costs incurred for the condition.

#### 8.2.9.3.15.6. Eligibility conditions

Under Article 33(1) and (2) of Regulation 1305/2013, animal welfare payments shall be granted to farmers who undertake, on a voluntary basis, to carry out operations consisting of one or more animal welfare commitments and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1306/2013. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards concerning the identification and registration of animals and animal welfare established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 and other relevant statutory management requirements.

Under Article 10 of Regulation (EU) 807/2014, animal welfare commitments eligible to receive support under Article 33 of Regulation (EU) No 1305/2013 shall provide upgraded standards of production methods

in one of the areas specified in the Article.

Primarily, the farmers undertake a commitment to comply with the animal welfare payment conditions when submitting their online applications. If the application is made on paper, the form will be submitted to the rural industrial development authorities (local authorities) in the municipality in which the farm is located.

The farmer must have possession of a certain minimum number of livestock units of the relevant species on their farm throughout the commitment year. The minimum number of animals for giving a commitment is 5 livestock units for sheep and goats. The farmers are not required to possess a certain minimum field or other area.

#### 8.2.9.3.15.7. Principles with regard to the setting of selection criteria

If the annual appropriations are not adequate to cover the number of applications received, an animal welfare commitment already undertaken in the programming period 2014–2020 will be used as a selection criterion (annual extension of the commitment will be facilitated).

#### 8.2.9.3.15.8. (Applicable) amounts and support rates

The payment under condition 3.2 will be EUR 55/livestock unit a year. Payments will be made for all sheep and goats at least 3 months.

#### 8.2.9.3.15.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.9.3.15.9.1. Risk(s) in the implementation of the measures

The conditions contain issues that are open to interpretation and that cannot be clearly evaluated. The inspectors do not have adequate knowledge of animal protection legislation. The conditions in lamb creeps can be verified if there are lambs on the farm at the time of the inspection.

##### 8.2.9.3.15.9.2. Mitigating actions

The farmers are supported by instructions, training and farm-specific advisory services. The risk regarding verification and control procedures will be mitigated by means of training and guidelines provided for inspectors. Check lists will be prepared for the inspection records and the information system to ensure documentation.

*Unofficial translation*

**8.2.9.3.15.9.3. Overall assessment of the measure**

The measure is necessary in order to improve animal welfare. Instructions, training and advice will be provided to support more consistent implementation and control of the measure.

**8.2.9.3.15.10. Information specific to the operation**

Identification and definition of national and Union requirements that correspond to the mandatory requirements established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013

EU directive and its national implementation/animal welfare payment conditions			
Council Directive No 98/58/EC concerning the protection of animals kept for farming purposes: Art 4			
<b>3.2 Improving the conditions in which sheep and goats are kept</b>	Animal Welfare Act 247/1996 (amended)	Animal Welfare Decree 396/1996 (amended), Sections 1(4) and 4(1)	Government Decree on the protection of sheep 587/2010, Sections 4 and 5, and Government Decree on the protection of goats 589/2010, Sections 4, 5(1) and (3)
A well-bedded and soft lying area with a rigid foundation	-	In the place where they are kept, animals that have been lying down must be able to get up in a natural manner. Animals kept in the same place must be able to lie down at the same time. The place must be kept clean.	The floor of the place where the animals are kept must allow for the drainage of liquid secretions, or they must be appropriately absorbed in the bedding. A suitable bedded area must be available for the animals where all animals can lie down at the same time.
Requirements for individual pens	-	-	Minimum floor area requirements.
Rams and billy goats in a group pen	-	-	Minimum floor area requirements.
Lamb creeps for lambs	-	-	Minimum floor area requirements. No slatted floors are permitted in places where lambs and kids are kept. The floor of the place where lambs and kids are kept must have a rigid foundation and it must be well bedded.

Table 8.2.9.3. / condition 3.2.

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

For the calculation of payment levels, see section 8.2.9.5.

#### 8.2.9.3.16. 3.3 Care of sheep and goats

Sub-measure:

##### 8.2.9.3.16.1. Description of the type of operation

The conditions applicable to the care of sheep and goats are kept are based on Article 10 paragraph b of Commission Regulation (EU) No 807/2014 (housing conditions, such as increased space allowances, flooring surfaces, enrichment materials, natural light).

The condition must be complied with in case of all sheep and goats on the farm.

For improved body care of sheep, sheep over 1 year must be sheared twice a year. A record must be kept of the shearing dates.

Sheep and goat farms must have a plan for parasite control based on dropping samples, and parasite evictions must be recorded in the usual medicine records.

A ewe and her newborn lambs must have a lambing pen in which the animals have a floor surface of at minimum 2.2 m<sup>2</sup> at their disposal and which can be heated, and/or the space must be thermally insulated. Lambing pens must be used to ensure imprinting between lambs and the ewe.

A sick or injured sheep or goat must be moved into a pen for sick animals. A pen can be erected around a sick or injured sheep or goat to eliminate the need to separate the animal from its herd. Group pens for sick or injured animals can also be used, but provision must be made for isolating the animal. A sick or injured sheep or a goat must have visual contact with at least one other individual. The pen for sick and injured animals must be well-bedded and soft, and it must have a rigid foundation and a possibility of being heated. In a group pen for sick and injured animals, the floor area must be at minimum 1.8 m<sup>2</sup>/sheep or goat. The floor area of an individual pen must be at minimum 2.0 m<sup>2</sup>/sheep or goat.

Adequate amounts of water of a good quality must be continuously available for all animals in pens for lambing and sick animals.

##### 8.2.9.3.16.2. Type of support

The annual payments are EUR /livestock unit.

##### 8.2.9.3.16.3. Links to other legislation

National statutes that specify the baseline for animal welfare payment conditions concerning the care of sheep and goats: Animal Welfare Act 247/1996 (Sections 5(1) and 26a(1–2), with later amendments), Animal Welfare Decree 396/1996 (Section 11, with later amendments), Act on the Medication of Animals 387/2014 (Section 20), Government Decree 587/2010 on the Protection of Sheep that lays down the general requirements for the places and conditions in which sheep are kept (Sections 3(3), 4, 5 and 6(2)) and for sheep care (Sections 12(3) and 15(1), and Government Decree 589/2010 on the Protection of Goats, which

lays down the general requirements for the places and conditions in which goats are kept (Sections 3(3), 4, 5(1) and 5(3) and 11(4–5)). The conditions of animal welfare payments exceed the baseline requirements.

National provisions on animal welfare payments are contained in the Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on the animal welfare payment (xx/2015) and Ministry of Agriculture and Forestry Decree on the animal welfare payment (xx/2015). The Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree defines the implementation of the measure as described in the programme, the baseline requirements of the measure, and the group of animals that the measure targets. The Ministerial Decree contains the practical details of the measure described in the programme regarding e.g. shearing of seep, parasite control plans, and surface areas and conditions of pens for lambing, sick animals and medical and other care.

#### 8.2.9.3.16.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.9.3.16.5. Eligible costs

Sheep farms having selected condition 3.3 incur costs for shearing sheep over 1 year an additional time each year. Both sheep and goat farms incur costs for having a parasite control plan drawn up. Sheep farms incur labour costs for managing lambing pens and losses of income for the space required for lambing pens, which reduces the space available for other sheep. Both sheep and goat farms incur costs for the management of pens for sick and injured animals and the space required for them if it becomes necessary to reduce the number of animals. The parasite control plan helps farms to make savings on the costs of worm doses and labour for worming the animals. Pens for sick and injured animals help to save the lives of sheep and goats and speed up their recovery. These have been taken into account as factors that reduce costs incurred for the condition.

#### 8.2.9.3.16.6. Eligibility conditions

Under Article 33(1) and (2) of Regulation 1305/2013, animal welfare payments shall be granted to farmers who undertake, on a voluntary basis, to carry out operations consisting of one or more animal welfare commitments and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1306/2013. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards concerning the identification and registration of animals and animal welfare established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 and other relevant statutory management requirements.

Under Article 10 of Regulation (EU) 807/2014, animal welfare commitments eligible to receive support



under Article 33 of Regulation (EU) No 1305/2013 shall provide upgraded standards of production methods in one of the areas specified in the Article.

Primarily, the farmers undertake a commitment to comply with the animal welfare payment conditions when submitting their online applications. If the application is made on paper, the form will be submitted to the rural industrial development authorities (local authorities) in the municipality in which the farm is located.

The farmer must have possession of a certain minimum number of livestock units of the relevant species on their farm throughout the commitment year. The minimum number of animals for giving a commitment is 5 livestock units for sheep and goats. The farmers are not required to possess a certain minimum field or other area.

#### 8.2.9.3.16.7. Principles with regard to the setting of selection criteria

If the annual appropriations are not adequate to cover the number of applications received, an animal welfare commitment already undertaken in the programming period 2014–2020 will be used as a selection criterion (annual extension of the commitment will be facilitated).

#### 8.2.9.3.16.8. (Applicable) amounts and support rates

The payments under condition 3.3 will be

- EUR 51/livestock unit a year for sheep; and
- EUR 33/livestock unit a year for goats.

Payments will be made for all sheep and goats at least 3 months.

#### 8.2.9.3.16.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.9.3.16.9.1. *Risk(s) in the implementation of the measures*

The conditions contain issues that are open to interpretation and that cannot be clearly evaluated. The conditions in the pen can be verified if an animal is in the pen for sick animals or lambing at the time of the inspection. The inspectors do not have adequate knowledge of animal protection legislation and veterinary medicines.

**8.2.9.3.16.9.2. Mitigating actions**

The farmers are supported by instructions, training and farm-specific advisory services. The risk regarding verification and control procedures will be mitigated by means of training and guidelines provided for inspectors. Check lists will be prepared for the inspection records and the information system to ensure documentation. The existence of written plans will be verified in on-the-spot checks on farms.

**8.2.9.3.16.9.3. Overall assessment of the measure**

The measure is necessary in order to improve animal welfare. Instructions, training and advice will be provided to support more consistent implementation and control of the measure.

**8.2.9.3.16.10. Information specific to the operation**

Identification and definition of national and Union requirements that correspond to the mandatory requirements established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013

*Unofficial translation*

EU Directive and its national implementation/animal welfare payment conditions				
Council Directive No 98/58/EC concerning the protection of animals kept for farming purposes: Art 4				
<b>3.3 Care of sheep and goats</b>	Animal Welfare Act 247/1996 (amended), Sections 5(1), 26a (1-2)	Animal Welfare Decree 396/1996 (amended), Section 11	Government Decree on the protection of sheep 587/2010, Sections 3(3), 4, 5, 6(2), 12(3-4) and 15(1), and Government Decree on the protection of goats 589/2010, Sections 3(3), 4, 5(1) and (3), and 6	Act on the Medication of Animals 387/2014, Section 20
Sheep must be sheared twice a year.	-	-	A sheep must be sheared at least once a year.	-
Parasite control plan based on dropping samples and parasite evictions to be recorded in medicine records	Records of medicines administered to production animals	-	-	Medicine records
Requirements concerning the conditions in and floor area of lambing pens	-	-	Minimum floor area requirements in pens. The floor of the place where the animals are kept must allow for the drainage of liquid secretions, or they must be appropriately absorbed in the bedding. A suitable bedded area must be available for the animals where all animals can lie down at the same time. No slatted floors are permitted in places where lambs and kids are kept. The floor of the place where lambs and kids are kept must have a rigid foundation and it must be well bedded.	-
Requirements concerning the conditions in and floor area of pens for sick or injured animals	When an animal is sick, it must be provided with appropriate treatment.	When an animal is sick or injured, it must be provided with appropriate treatment, or treatment must be obtained for it, without delay. If necessary, the animal must be placed in appropriate facilities and isolated from other animals.	An appropriate separate pen or other arrangement must be provided for a sick or injured animal where the animal can be treated and where, if possible, the animal can have visual contact with other animals of the same species. Minimum floor area requirements for pens. The floor of the place where the animals are kept must allow for the drainage of liquid secretions, or they must be appropriately absorbed in the bedding. A suitable bedded area must be available for the animals where all animals can lie down at the same time. No slatted floors are permitted in places where lambs and kids are kept. The floor of the place where lambs and kids are kept must have a rigid foundation and it must be well bedded.	-
Adequate quantities of water of a good quality must be continuously available in pens for lambing and sick or injured animals.	Animals must have adequate quantities of suitable food, drink and other care needed by them.	-	Minimum number of drinking troughs. Grass, hay or other fibre feed and clean water must be provided for lambs and kids over a week. Drinking troughs and equipment must be kept clean. It must be ensured that the feed or drinking troughs are not soiled with urine and faeces, and the water must be prevented from freezing. Nanny goats that are milked must have continuously access to clean water.	-

Table 8.2.9.3. / condition 3.3.

*Unofficial translation*

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

For the calculation of payment levels, see section 8.2.9.5.

8.2.9.3.17. 3.4 Grazing and outdoor access of sheep and goats

Sub-measure:

8.2.9.3.17.1. Description of the type of operation

The conditions concerning the grazing and outdoor access of sheep and goats are based on Article 10 paragraph a and c of Commission Regulation (EC) No 807/2014 (water, feed and animal care in accordance with the natural needs of animal husbandry; outdoor access).

The condition must be complied with in case of all sheep over 3 months on the farm. Temporary restrictions of grazing and outdoor access may be imposed due to animal diseases. In the pasture and the exercise pen, goats must have opportunities for fulfilling their natural tendency to climb. Records must be kept of grazing and outdoor access.

The farmers may choose either option a or b.

**3.4a Grazing of sheep and goats during the grazing season and outdoor access outside the grazing season**

Sheep and goats at least 3 months, excluding yews or nanny goats due to give birth within two weeks, must be allowed to graze during a period of at least 60 days starting on 1 May and ending on 30 September. Weather permitting, sheep and goats must also have access outdoors outside the grazing season at minimum once weekly.

**3.4b More long-term grazing of sheep and goats during the grazing season**

Sheep and goats at least 3 months, excluding yews or nanny goats due to give birth within two weeks, must be allowed to graze during a period of at least 90 days starting on 1 May and ending on 30 September.

8.2.9.3.17.2. Type of support

The annual payments are EUR /livestock unit.

8.2.9.3.17.3. Links to other legislation

National statutes that specify the baseline for the animal welfare payment conditions concerning the grazing and outdoor access of sheep and goats: Government Decree 587/2010 on the Protection of Sheep, which contains provisions on outdoor pens and pastures for sheep (Section 8), and Government Decree 589/2010 on the Protection of Goats, which contains provisions on outdoor pens and pastures for goats (Section 8). The conditions of animal welfare payments exceed the baseline requirements.

National provisions on animal welfare payments are contained in the Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on the animal welfare payment (xx/2015) and Ministry of Agriculture and Forestry Decree on the animal welfare payment (xx/2015). The Act creates the general preconditions for implementing the measure described in the Rural Development Programme.

The Government Decree defines the implementation of the measure as described in the programme, the baseline requirements of the measure, and the group of animals that the measure targets. The Ministerial Decree contains provisions on the practical details of the measure described in the programme regarding the times and duration of grazing and outdoor access for sheep and goats and the keeping of records.

#### 8.2.9.3.17.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.9.3.17.5. Eligible costs

Sheep and goat farms having selected condition 3.4a incur costs for organising grazing and outdoor access. When the animals are grazing, sheep and goat farms save on bedding and the labour involved in distributing bedding and fodder. These have been taken into account as factors that reduce costs incurred for the condition.

Sheep and goat farms having selected condition 3.4b incur costs for organising grazing. When the animals are grazing, sheep and goat farms save on bedding and the labour involved in distributing bedding and fodder. These have been taken into account as factors that reduce costs incurred for the condition.

#### 8.2.9.3.17.6. Eligibility conditions

Under Article 33(1) and (2) of Regulation 1305/2013, animal welfare payments shall be granted to farmers who undertake, on a voluntary basis, to carry out operations consisting of one or more animal welfare commitments and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1306/2013. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards concerning the identification and registration of animals and animal welfare established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 and other relevant statutory management requirements.

Under Article 10 of Regulation (EU) 807/2014, animal welfare commitments eligible to receive support under Article 33 of Regulation (EU) No 1305/2013 shall provide upgraded standards of production methods in one of the areas specified in the Article.

Primarily, the farmers undertake a commitment to comply with the animal welfare payment conditions when submitting their online applications. If the application is made on paper, the form will be submitted to the rural industrial development authorities (local authorities) in the municipality in which the farm is located.

The farmer must have possession of a certain minimum number of livestock units of the relevant species on

their farm throughout the commitment year. The minimum number of animals for giving a commitment is 5 livestock units for sheep and goats. The farmers are not required to possess a certain minimum field or other area.

If the farm has a commitment on organic livestock production concerning sheep or goats, the additional conditions concerning the grazing and outdoor access of sheep and goats cannot be selected.

#### 8.2.9.3.17.7. Principles with regard to the setting of selection criteria

If the annual appropriations are not adequate to cover the number of applications received, an animal welfare commitment already undertaken in the programming period 2014–2020 will be used as a selection criterion (annual extension of the commitment will be facilitated).

#### 8.2.9.3.17.8. (Applicable) amounts and support rates

The payment under condition 3.4a will be EUR 33/livestock unit a year.

The payment under condition 3.4b will be EUR 8/livestock unit a year.

Payments will be made for sheep and goats at least 3 months.

#### 8.2.9.3.17.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.9.3.17.9.1. Risk(s) in the implementation of the measures

Local weather conditions may prevent grazing or outdoor access. Compliance with the condition will be examined at the level of the farm rather than individual animals.

##### 8.2.9.3.17.9.2. Mitigating actions

The farmers are supported by instructions, training and farm-specific advisory services. The risk regarding verification and control procedures will be mitigated by means of training and guidelines provided for inspectors. Check lists will be prepared for the inspection records and the information system to ensure documentation. The existence of written plans will be verified in on-the-spot checks on farms.

##### 8.2.9.3.17.9.3. Overall assessment of the measure

The measure is necessary in order to improve animal welfare. Instructions, training and advice will be provided to support more consistent implementation and control of the measure.

*Unofficial translation*

8.2.9.3.17.10. Information specific to the operation

Identification and definition of national and Union requirements that correspond to the mandatory requirements established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013

EU Directive and its national implementation/animal welfare payment conditions			
Council Directive No 98/58/EC concerning the protection of animals kept for farming purposes: Art 4			
<b>3.4 Grazing and outdoor access of sheep and goats</b>	Animal Welfare Act 247/1996 (amended)	Animal Welfare Decree 396/1996 (amended)	Government Decree on the protection of sheep 587/2010, Section 8, and Government Decree on the protection of goats 589/2010, Section 8
Grazing during the grazing season and outdoor access or longer term grazing outside the season	-	-	Conditions in the pasture and in the pen.

Table 8.2.9.3. / condition 3.4.

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

For the calculation of payment levels, see section 8.2.9.5.



8.2.9.3.18. 4.1 Feeding and care of poultry

Sub-measure:

8.2.9.3.18.1. Description of the type of operation

The conditions are based on Article 10 paragraph a of Commission Regulation (EC) No 807/2014 (water, feed and animal care in accordance with the natural needs of animal husbandry).

Poultry farms must prepare written feeding plans for each animal group that are based on calculations and that take into consideration the growth, yield and production phase of the animals. If factory-made feed analysed by the manufacturer and complementary feeding are used (e.g. a mixture of various components), the protein content of the complementary cereal feed must be analysed. The objective of the feeding plan is to ensure that the nutrition received by the animal matches its growth and production phase, thus supporting the animal's welfare during the growing period.

Birds at least one week old are offered whole grains mixed in with the feed for enrichment purposes. During the first days of their lives, fattening poultry must be fed from paper liners. Subsequently, the paper remaining in the establishment will serve as enrichment material for the birds.

8.2.9.3.18.2. Type of support

The annual payments are EUR /livestock unit.

8.2.9.3.18.3. Links to other legislation

National statutes that specify the baseline for animal welfare payment conditions concerning the care and feeding of poultry: Animal Welfare Act 247/1996 (Section 5(1), with later amendments), Animal Welfare Decree 396/1996 (Section 9(1), with later amendments) and Government Decree 673/2010 on the Protection of Hens which contains general provisions on the places and conditions in which hens are kept (Sections 11(2) and 12(2–3)) and drinking and feeding (Sections 5(3) and 9), and Government Decree 375/2011 on the Protection of Broilers, which contains provisions on the drinking and feeding of broilers (Sections 6(3) and 10) and Government Decree 677/2010 on the Protection of Turkeys, which contains provisions on the drinking and feeding of turkeys (Sections 6(2–3) and 10). The conditions of animal welfare payments exceed the baseline requirements.

National provisions on animal welfare payments are contained in the Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on the animal welfare payment (xx/2015) and Ministry of Agriculture and Forestry Decree on the animal welfare payment (xx/2015). The Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree defines the implementation of the measure as described in the programme, the baseline requirements of the measure, and the group of animals that the measure targets. The Ministerial Decree contains the practical details of the measure described in the programme, e.g. regarding feeding plans for various groups of animals and enrichment feeds.

#### 8.2.9.3.18.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.9.3.18.5. Eligible costs

Poultry farms having selected condition 4.1 incur costs for the drawing up and updating of written feeding plans based on calculations, gathering the input information needed for the feeding plan and conducting analyses of grain used for feed. Additional costs are incurred for offering whole grains in the feed for enrichment purposes and feeding day-old chicks on paper liners. Intensified care and feeding will improve the egg laying rate and feed conversion rate, and batches of birds will reach the higher end of the weight class more evenly. This has been taken into account as a factor that reduces costs.

#### 8.2.9.3.18.6. Eligibility conditions

Under Article 33(1) and (2) of Regulation 1305/2013, animal welfare payments shall be granted to farmers who undertake, on a voluntary basis, to carry out operations consisting of one or more animal welfare commitments and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1306/2013. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards concerning the identification and registration of animals and animal welfare established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 and other relevant statutory management requirements.

Under Article 10 of Regulation (EU) 807/2014, animal welfare commitments eligible to receive support under Article 33 of Regulation (EU) No 1305/2013 shall provide upgraded standards of production methods in one of the areas specified in the Article.

Primarily, the farmers undertake a commitment to comply with the animal welfare payment conditions when submitting their online applications. If the application is made on paper, the form will be submitted to the rural industrial development authorities (local authorities) in the municipality in which the farm is located.

The farmer must have possession of a certain minimum number of livestock units of the relevant species on their farm throughout the commitment year. The minimum animal numbers for making a commitment for poultry is 14 livestock units for laying hens (1,000 hens), 70 livestock units for broilers (10,000 broilers) and 60 livestock units for turkeys (2,000 turkeys). The farmers are not required to possess a certain minimum field or other area.

#### 8.2.9.3.18.7. Principles with regard to the setting of selection criteria

If the annual appropriations are not adequate to cover the number of applications received, an animal

welfare commitment already undertaken in the programming period 2014–2020 will be used as a selection criterion (annual extension of the commitment will be facilitated).

8.2.9.3.18.8. (Applicable) amounts and support rates

The payment under condition 4.1 will be EUR 8/livestock unit a year. Payments will be made for broilers, turkeys and laying hens.

8.2.9.3.18.9. Verifiability and controllability of the measures and/or types of operations

8.2.9.3.18.9.1. *Risk(s) in the implementation of the measures*

The conditions contain issues that are open to interpretation and that cannot be clearly measured. The inspectors do not have adequate knowledge of animal protection legislation.

8.2.9.3.18.9.2. *Mitigating actions*

The farmers are supported by instructions, training and farm-specific advisory services. The risk regarding verification and control procedures will be mitigated by means of training and guidelines provided for inspectors. Check lists will be prepared for the inspection records and the information system to ensure documentation.

8.2.9.3.18.9.3. *Overall assessment of the measure*

The measure is necessary in order to improve animal welfare. Instructions, training and advice will be provided to support more consistent implementation and control of the measure.

8.2.9.3.18.10. Information specific to the operation

Identification and definition of national and Union requirements that correspond to the mandatory requirements established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013

Unofficial translation

EU Directive and its national implementation/animal welfare payment conditions			
Council Directive No 98/58/EC concerning the protection of animals kept for farming purposes: Art 4			
<b>4.1 Feeding and care of poultry</b>	Animal Welfare Act 247/1996 (amended), Section 5(1)	Animal Welfare Decree 396/1996 (amended), Section 9(1)	Government Decree on the protection of hens 673/2010, Sections 5(3), 9, 11(2), and 12(2-3); Government Decree on the protection of broilers 375/2011, Sections 6(3) and 10, and Government Decree on the protection of turkeys 677/2010
A written feeding plan based on calculations for each animal group	Animals must have adequate quantities of suitable food, drink and other care needed by them.	Animals must be given suitable feed and drink of a good quality. The needs of each animal must be taken into account in feeding, ensuring that each animal receives enough food.	An adequate number of drinking troughs must be provided in the place where the animals are kept. The troughs must be placed so that all birds have access to them. The nutrient composition of the feed must be suitable for the birds. Adequate quantities of feed and drinking water must be provided continuously. Sudden changes in the composition or quantity of feed should be avoided. Drinking troughs and equipment must be kept clean. It must be ensured that the feed or drinking troughs are not soiled with faeces. For hens, minimum numbers of feeding and drinking troughs.
If other feed is used besides industrially produced feed, the protein content of the complementary grain must be analysed	-	-	The nutrient composition of feed must be suitable for the birds.
For birds aged a week, whole grains must be offered mixed in with the	-	-	-
Feeding on paper sheets for fattening poultry in the first few days of rearing	-	-	-

Table 8.2.9.3. / condition 4.1.

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

For the calculation of payment levels, see section 8.2.9.5.

8.2.9.3.19. 4.2 Improving the conditions in which broilers and turkeys are kept

Sub-measure:

8.2.9.3.19.1. Description of the type of operation

The conditions applicable to improving the conditions in which broilers and turkeys are kept are based on Article 10 paragraph b of Commission Regulation (EU) No 807/2014 (housing conditions, such as increased space allowances, flooring surfaces, enrichment materials, natural light).

The condition must be complied with in case of all broilers and turkeys on the farm.

The farmer must continuously care the conditions in the rearing establishment (heating, ventilation, humidity) to ensure the welfare of the birds.

The welfare of broilers during rearing can be measured by the percentage of carcasses rejected due to ascites in meat inspections and the results of a foot pad dermatitis assessment carried out by a veterinarian in each batch. These factors are direct welfare indicators of the conditions in the rearing establishment. The animals are slaughtered under the supervision of a veterinarian, and the percentage rejected and the foot pad analysis results are thus figures produced by an independent party. In order to meet the condition, the percentage of carcasses in a broiler flock rejected due to ascites in the meat inspection should not exceed 1.0 per cent in the slaughter batch report, and the score of the foot pad dermatitis assessment must be less than 40 points. If the result of the foot pad dermatitis assessment is less than 30 points, the share of animals rejected due to ascites will not be taken into consideration.

The welfare indicator for turkeys is the percentage of entire carcasses rejected by the supervising veterinarian at the slaughterhouse in each report (excluding animals that died during transport/long before slaughter and slaughtering errors). The total rejection rate can be used as an indicator of the welfare of turkeys, because the reasons for rejection include skin changes, inflammations, bruises or emaciation. The animals are slaughtered under the supervision of a veterinarian, and the total rejection rate thus is a figure produced by an independent party. The condition is met if the total rejection rate in a slaughter batch report is less than 6.5% in batches slaughtered in the period 1 May–30 September, and less than 5% in batches slaughtered in the period 1 October –30 April. The share of carcasses rejected because of fresh lesions will not be taken into consideration in the overall carcass rejection rate.

8.2.9.3.19.2. Type of support

The annual payments are EUR /livestock unit.

8.2.9.3.19.3. Links to other legislation

National statutes that specify the baseline for animal welfare payment conditions concerning the conditions in which broilers and turkeys are kept: Animal Welfare Act 247/1996 (Section 41a(2), with later amendments) and Government Decree 375/2011 on the Protection of Broilers, which lays down the general requirements for the production monitoring of broilers (Sections 15(2), 16, 19(1) and (3)). The conditions of

animal welfare payments exceed the baseline requirements.

National provisions on animal welfare payments are contained in the Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on the animal welfare payment (xx/2015) and Ministry of Agriculture and Forestry Decree on the animal welfare payment (xx/2015). The Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree defines the implementation of the measure as described in the programme, the baseline requirements of the measure, and the group of animals that the measure targets. The Ministerial Decree contains the practical details of the measure described in the programme regarding criteria that measure the welfare of broilers and turkeys during their rearing.

#### 8.2.9.3.19.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.9.3.19.5. Eligible costs

Farms having selected condition 4.2 incur additional costs for monitoring the performance of the ventilation system in the rearing establishment and for monitoring and recording the temperature and humidity in the establishment. Costs are also incurred for ensuring that the bedding and the foundation of the rearing establishment are in a good condition. As a result of compliance with the condition, the birds show a faster growth rate and better quality at slaughter. These have been taken into account as factors that reduce costs incurred for the condition.

#### 8.2.9.3.19.6. Eligibility conditions

Under Article 33(1) and (2) of Regulation 1305/2013, animal welfare payments shall be granted to farmers who undertake, on a voluntary basis, to carry out operations consisting of one or more animal welfare commitments and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1306/2013. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards concerning the identification and registration of animals and animal welfare established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 and other relevant statutory management requirements.

Under Article 10 of Regulation (EU) 807/2014, animal welfare commitments eligible to receive support under Article 33 of Regulation (EU) No 1305/2013 shall provide upgraded standards of production methods in one of the areas specified in the Article.

Primarily, the farmers undertake a commitment to comply with the animal welfare payment conditions when submitting their online applications. If the application is made on paper, the form will be submitted to

the rural industrial development authorities (local authorities) in the municipality in which the farm is located.

The farmer must have possession of a certain minimum number of livestock units of the relevant species on their farm throughout the commitment year. The minimum animal numbers for making a commitment for poultry is 14 livestock units for laying hens (1,000 hens), 70 livestock units for broilers (10,000 broilers) and 60 livestock units for turkeys (2,000 turkeys). The farmers are not required to possess a certain minimum field or other area.

#### 8.2.9.3.19.7. Principles with regard to the setting of selection criteria

If the annual appropriations are not adequate to cover the number of applications received, an animal welfare commitment already undertaken in the programming period 2014–2020 will be used as a selection criterion (annual extension of the commitment will be facilitated).

#### 8.2.9.3.19.8. (Applicable) amounts and support rates

The payment under condition 4.2 will be EUR 10/livestock unit a year. Payments will be made for broilers and turkeys.

#### 8.2.9.3.19.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.9.3.19.9.1. Risk(s) in the implementation of the measures

Not verified during farm inspections. The farmer submits the slaughter batch reports to the municipal rural business authority.

##### 8.2.9.3.19.9.2. Mitigating actions

The farmers are supported by instructions, training and farm-specific advisory services.

##### 8.2.9.3.19.9.3. Overall assessment of the measure

The measure is necessary in order to improve animal welfare. More consistent implementation of the measure will be achieved by means of instructions, training and advice.

*Unofficial translation*

8.2.9.3.19.10. Information specific to the operation

Identification and definition of national and Union requirements that correspond to the mandatory requirements established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013

EU Directive and its national implementation/animal welfare payment conditions			
Council Directive No 98/58/EC concerning the protection of animals kept for farming purposes: Art 4			
4.2 Improving the conditions in which broilers and turkeys are kept	Animal Welfare Act 247/1996 (amended), Section 41a(2)	Animal Welfare Decree 396/1996 (amended)	Government Decree on the protection of broilers 375/2011, Sections 15(2), 16, 19(1) and (3)
The welfare of broilers during rearing can be measured (at the time of slaughter) as the percentage of carcasses rejected due to ascites in meat inspections and the results of a foot pad dermatitis assessment.	The impacts of the conditions in which broilers are kept are assessed on the basis of mortality in the flock, and the results of a foot pad dermatitis assessment carried out at the time of meat inspection.	-	The foot pad dermatitis assessment is carried out by assessing one foot pad of at least a hundred birds in the flock. The points scored by the foot pad and the foot pad dermatitis assessment results calculated for the flock on this basis. When assessing broiler welfare, reasons beyond the control of the owner or the keeper of the broilers or exceptional reasons that increase mortality or the incidence of foot pad dermatitis during the rearing period will be taken into account.
The welfare of turkeys is measured by the percentage of full carcasses rejected (at the time of slaughter).	-	-	-

Table 8.2.9.3. / condition 4.2.

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

For the calculation of payment levels, see section 8.2.9.5.



8.2.9.3.20. 4.3 Improving air quality in an egg producing establishment

Sub-measure:

8.2.9.3.20.1. Description of the type of operation

The conditions applicable to improving the air quality in an egg producing establishment are based on Article 10 paragraph b of Commission Regulation (EC) No 807/2014 (housing conditions, such as increased space allowances, flooring surfaces, enrichment materials, natural light).

The condition must be complied with in case of all laying hens on the farm.

Ammonia and humidity evaporate from manure, negatively affecting the welfare of hens. In an intensified manure removal system, manure is removed three times a week, significantly improving the air quality in the establishment and reducing the ammonia levels in the air. The weekly ammonia concentration in the air of the establishment must be less than 18 ppm in floor rearing and less than 8 ppm in battery rearing.

A record is kept of the manure removal and air ammonia concentration.

8.2.9.3.20.2. Type of support

The annual payments are EUR /livestock unit.

8.2.9.3.20.3. Links to other legislation

The national statutes specifying the baseline for animal welfare payment conditions concerning the conditions in which laying hens are kept: Animal Welfare Decree 396/1996 (Sections 2(1) and 4(1), with later amendments) and Government Decree 673/2010 on the Protection of Hens which lays down the general requirements for the places and conditions in which hens are kept (Section 4(1)). The conditions of the animal welfare payments exceed the baseline requirements.

National provisions on animal welfare payments are contained in the Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on the animal welfare payment (xx/2015) and Ministry of Agriculture and Forestry Decree on the animal welfare payment (xx/2015). The Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree defines the implementation of the measure as described in the programme, the baseline requirements of the measure, and the group of animals that the measure targets. The Ministerial Decree contains provisions on the practical details of the measure described in the programme regarding intensified manure removal, measurement of the ammonia content in the air of the rearing establishment, and the keeping of records.

#### 8.2.9.3.20.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.9.3.20.5. Eligible costs

Egg production farms having selected condition 4.3 incur labour and machinery costs for more frequent manure removal, and labour costs for measuring the air ammonia concentration and for keeping records of manure removal and air ammonia concentrations. The producers will not derive financial benefits from compliance with the condition that should be taken into account as factors reducing costs.

#### 8.2.9.3.20.6. Eligibility conditions

Under Article 33(1) and (2) of Regulation 1305/2013, animal welfare payments shall be granted to farmers who undertake, on a voluntary basis, to carry out operations consisting of one or more animal welfare commitments and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1306/2013. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards concerning the identification and registration of animals and animal welfare established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 and other relevant statutory management requirements.

Under Article 10 of Regulation (EU) 807/2014, animal welfare commitments eligible to receive support under Article 33 of Regulation (EU) No 1305/2013 shall provide upgraded standards of production methods in one of the areas specified in the Article.

Primarily, the farmers undertake a commitment to comply with the animal welfare payment conditions when submitting their online applications. If the application is made on paper, the form will be submitted to the rural industrial development authorities (local authorities) in the municipality in which the farm is located.

The farmer must have possession of a certain minimum number of livestock units of the relevant species on their farm throughout the commitment year. The minimum animal numbers for making a commitment for poultry is 14 livestock units for laying hens (1,000 hens), 70 livestock units for broilers (10,000 broilers) and 60 livestock units for turkeys (2,000 turkeys). The farmers are not required to possess a certain minimum field or other area.

#### 8.2.9.3.20.7. Principles with regard to the setting of selection criteria

If the annual appropriations are not adequate to cover the number of applications received, an animal welfare commitment already undertaken in the programming period 2014–2020 will be used as a selection criterion (annual extension of the commitment will be facilitated).

*Unofficial translation*

8.2.9.3.20.8. (Applicable) amounts and support rates

The payment under condition 4.3 will be EUR 5/livestock unit a year. Payments will be made for laying hens.

8.2.9.3.20.9. Verifiability and controllability of the measures and/or types of operations

*8.2.9.3.20.9.1. Risk(s) in the implementation of the measures*

The inspectors do not have adequate knowledge of animal protection legislation.

*8.2.9.3.20.9.2. Mitigating actions*

The farmers are supported by instructions, training and farm-specific advisory services. The risk regarding verification and control procedures will be mitigated by means of training and guidelines provided for inspectors. Check lists will be prepared for the inspection records and the information system to ensure documentation.

*8.2.9.3.20.9.3. Overall assessment of the measure*

The measure is necessary in order to improve animal welfare. Instructions, training and advice will be provided to support more consistent implementation and control of the measure.

8.2.9.3.20.10. Information specific to the operation

Identification and definition of national and Union requirements that correspond to the mandatory requirements established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013

*Unofficial translation*

EU Directive and its national implementation/animal welfare payment conditions			
Council Directive No 98/58/EC concerning the protection of animals kept for farming purposes: Art 4			
<b>4.3 Improving air quality in an egg producing establishment</b>	Animal Welfare Act 247/1996 (amended)	Animal Welfare Decree 396/1996 (amended), Sections 2(1) and 4(1)	Government Decree on the protection of hens 673/2010, Section 4(1)
Manure is removed 3 times a week.	-	The place where animals are kept must be kept clean.	-
The weekly ammonia concentration in the air of the establishment is less than 18 ppm in floor rearing and less than 8 ppm in battery rearing.	-	Adequate ventilation must be provided in the place where the animals are kept, ensuring that harmful gases, dust, draught or excessive humidity will not adversely affect animal health or welfare.	Ventilation in animal housing must ensure that air humidity, air flow rate, dust content, or contents of harmful gases do not reach harmful levels.
Keeping of records of manure removal and ammonia content	-	-	-

Table 8.2.3.9. / condition 4.3.

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

For the calculation of payment levels, see section 8.2.9.5.

#### 8.2.9.3.21. 4.4 Enrichment

Sub-measure:

##### 8.2.9.3.21.1. Description of the type of operation

The conditions applicable to enrichment for poultry are based on Article 10 paragraph b of Commission Regulation (EU) No 807/2014 (housing conditions, such as increased space allowances, flooring surfaces, enrichment materials, natural light).

The condition must be complied with in case of all poultry on the farm (laying hens, broilers and turkeys). This condition cannot be selected if the farm operates an enriched cage system.

Enrichment objects are for example ropes, pieces of timber hanging on a chain or plastic objects that the birds can move around.

In each section of a turkey rearing establishment, at least 2 enrichment objects must be found per each 100 m<sup>2</sup> or part thereof. In broiler and egg production establishments, at least 4 enrichment objects must be provided per each 100 m<sup>2</sup> or part thereof.

##### 8.2.9.3.21.2. Type of support

The annual payments are EUR /livestock unit.

##### 8.2.9.3.21.3. Links to other legislation

The national statutes that specify the baseline for animal welfare payment conditions concerning enrichment: Government Decree 673/2010 on the Protection of Hens, which lays down the general requirements for the places and conditions in which hens are kept (Sections 11(3), 12(4–6), 13(1–2)), Government Decree 375/2011 on the Protection of Broilers, which lays down the general requirements for the places and conditions in which broilers are kept (Section 4(6)), and Government Decree 677/2010 on the Protection of Turkeys, which lays down the general requirements for the places and conditions in which turkeys are kept (Section 4(1–2)). The conditions of animal welfare payments exceed the baseline requirements.

National provisions on animal welfare payments are contained in the Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on the animal welfare payment (xx/2015) and Ministry of Agriculture and Forestry Decree on the animal welfare payment (xx/2015). The Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree defines the implementation of the measure as described in the programme, the baseline requirements of the measure, and the group of animals that the measure targets. The Ministerial Decree contains the practical details of the measure described in the programme regarding enrichment objects and their numbers for different species of poultry.

#### 8.2.9.3.21.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.9.3.21.5. Eligible costs

Poultry farms having selected condition 4.4 incur costs for the procuring, hanging up, cleaning and maintaining of enrichment objects as well as retrieving the objects when there is a break in the production. As a consequence of compliance with the condition, the quality of the birds at slaughter is improved. This has been taken into account as a factor that reduces costs incurred for the condition.

#### 8.2.9.3.21.6. Eligibility conditions

Under Article 33(1) and (2) of Regulation 1305/2013, animal welfare payments shall be granted to farmers who undertake, on a voluntary basis, to carry out operations consisting of one or more animal welfare commitments and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1306/2013. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards concerning the identification and registration of animals and animal welfare established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 and other relevant statutory management requirements.

Under Article 10 of Regulation (EU) 807/2014, animal welfare commitments eligible to receive support under Article 33 of Regulation (EU) No 1305/2013 shall provide upgraded standards of production methods in one of the areas specified in the Article.

Primarily, the farmers undertake a commitment to comply with the animal welfare payment conditions when submitting their online applications. If the application is made on paper, the form will be submitted to the rural industrial development authorities (local authorities) in the municipality in which the farm is located.

The farmer must have possession of a certain minimum number of livestock units of the relevant species on their farm throughout the commitment year. The minimum animal numbers for making a commitment for poultry is 14 livestock units for laying hens (1,000 hens), 70 livestock units for broilers (10,000 broilers) and 60 livestock units for turkeys (2,000 turkeys). The farmers are not required to possess a certain minimum field or other area.

#### 8.2.9.3.21.7. Principles with regard to the setting of selection criteria

If the annual appropriations are not adequate to cover the number of applications received, an animal welfare commitment already undertaken in the programming period 2014–2020 will be used as a selection criterion (annual extension of the commitment will be facilitated).

*Unofficial translation*

8.2.9.3.21.8. (Applicable) amounts and support rates

The payment under condition 4.4 will be EUR 7/livestock unit a year. Payments will be made for broilers, turkeys and laying hens (however not for poultry houses with enriched cage systems).

8.2.9.3.21.9. Verifiability and controllability of the measures and/or types of operations

8.2.9.3.21.9.1. *Risk(s) in the implementation of the measures*

The inspectors do not have adequate knowledge of animal protection legislation.

8.2.9.3.21.9.2. *Mitigating actions*

The farmers are supported by instructions, training and farm-specific advisory services. The risk regarding verification and control procedures will be mitigated by means of training and guidelines provided for inspectors. Check lists will be prepared for the inspection records and the information system to ensure documentation.

8.2.9.3.21.9.3. *Overall assessment of the measure*

The measure is necessary in order to improve animal welfare. Instructions, training and advice will be provided to support more consistent implementation and control of the measure.

8.2.9.3.21.10. Information specific to the operation

Identification and definition of national and Union requirements that correspond to the mandatory requirements established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013

*Unofficial translation*

EU Directive and its national implementation/animal welfare payment conditions			
Council Directive No 98/58/EC concerning the protection of animals kept for farming purposes: Art 4			
<b>4.4 Enrichment</b>	<b>Animal Welfare Act 247/1996 (amended)</b>	<b>Animal Welfare Decree 396/1996 (amended)</b>	<b>Government Decree on the protection of hens 673/2010, Sections 11(3), 12(4-6), and 13(1-2); Government Decree on the protection of broilers 375/2011, Section 4(6); and Government Decree on the protection of turkeys 677/20101), Section 4</b>
A certain quantity of enrichment objects	-	-	Hens must be provided with a nest, litter for pecking and scratching, and appropriate perches, the length of which must be at minimum 15 cm per hen. The perches must be made of a material suitable for hens, and so designed that the hens can use them without difficulty. All broilers must have continuous access to litter, the surface of which must be suitably dry and loose. The place where turkeys are kept must have suitable furnishings and equipment allowing turkeys to follow their natural behaviours, including bathing in dust or the litter, grooming and other body care. The floor of the place where turkeys are kept must contain adequate quantities of appropriate litter, which must be kept suitably dry.

Table 8.2.9.3. / condition 4.4.

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

For the calculation of payment levels, see section 8.2.9.5.



#### 8.2.9.3.22. 4.5 Platforms, ramps and perches

Sub-measure:

##### 8.2.9.3.22.1. Description of the type of operation

The conditions applicable to platforms, ramps and perches for poultry are based on Article 10 paragraph b of Commission Regulation (EC) No 807/2014 (housing conditions, such as increased space allowances, flooring surfaces, enrichment materials, natural light).

The condition must be complied with in case of all poultry on the farm (laying hens, broilers and turkeys). The condition cannot be selected if the farm operates an enriched cage system. For laying hens, perches cannot be used to implement the condition.

Platforms, ramps or perches must be available for broilers and turkeys, and platforms or ramps for hens. Perches must be provided for 10% of fattening poultry so that the minimum length of perch is 15 cm per broiler and 20 cm per turkey. Platforms and ramps amounting to at minimum 10% of the establishment surface area must be provided for all poultry. The platforms, ramps and perches must be durable and safe.

##### 8.2.9.3.22.2. Type of support

The annual payments are EUR /livestock unit.

##### 8.2.9.3.22.3. Links to other legislation

National statutes that specify the baseline for animal welfare payment conditions concerning platforms, ramps and perches: Government Decree 673/2010 on the Protection of Hens, which lays down the general requirements for the places and conditions in which hens are kept (Sections 11(3), 12(4–6), 13(1-2)), Government Decree 375/2011 on the Protection of Broilers, which lays down the general requirements for the places and conditions in which broilers are kept (Section 4(6)), and Government Decree 677/2010 on the Protection of Turkeys, which lays down the general requirements for the places and conditions in which turkeys are kept (Section 4(1)). The conditions of animal welfare payments exceed the baseline requirements.

National provisions on animal welfare payments are contained in the Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on the animal welfare payment (xx/2015) and Ministry of Agriculture and Forestry Decree on the animal welfare payment (xx/2015). The Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree defines the implementation of the measure as described in the programme, the baseline requirements of the measure, and the group of animals that the measure targets. The Ministerial Decree contains the practical details of the measure described in the programme regarding the numbers and dimensions of platforms, ramps and perches for different species of poultry.

#### 8.2.9.3.22.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.9.3.22.5. Eligible costs

Farms having selected condition 4.5 incur costs for the moving, cleaning and maintenance of platforms, ramps and perches. No compensation for the purchasing costs of platforms, ramps and perches can be paid under animal welfare payments. As a consequence of compliance with the condition, the quality of the birds at slaughter is improved. This has been taken into account as a factor that reduces costs incurred for the condition.

#### 8.2.9.3.22.6. Eligibility conditions

Under Article 33(1) and (2) of Regulation 1305/2013, animal welfare payments shall be granted to farmers who undertake, on a voluntary basis, to carry out operations consisting of one or more animal welfare commitments and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1306/2013. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards concerning the identification and registration of animals and animal welfare established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 and other relevant statutory management requirements.

Under Article 10 of Regulation (EU) 807/2014, animal welfare commitments eligible to receive support under Article 33 of Regulation (EU) No 1305/2013 shall provide upgraded standards of production methods in one of the areas specified in the Article.

Primarily, the farmers undertake a commitment to comply with the animal welfare payment conditions when submitting their online applications. If the application is made on paper, the form will be submitted to the rural industrial development authorities (local authorities) in the municipality in which the farm is located.

The farmer must have possession of a certain minimum number of livestock units of the relevant species on their farm throughout the commitment year. The minimum animal numbers for making a commitment for poultry is 14 livestock units for laying hens (1,000 hens), 70 livestock units for broilers (10,000 broilers) and 60 livestock units for turkeys (2,000 turkeys). The farmers are not required to possess a certain minimum field or other area.

#### 8.2.9.3.22.7. Principles with regard to the setting of selection criteria

If the annual appropriations are not adequate to cover the number of applications received, an animal welfare commitment already undertaken in the programming period 2014–2020 will be used as a selection criterion (annual extension of the commitment will be facilitated).

8.2.9.3.22.8. (Applicable) amounts and support rates

The payments under condition 4.5 will be

- EUR 11/livestock unit a year for laying hens;
- EUR 14/livestock unit a year for turkeys; and
- EUR 34/livestock unit a year for broilers.

Payments will be made for broilers, turkeys and laying hens (however not for poultry houses with enriched cage systems).

8.2.9.3.22.9. Verifiability and controllability of the measures and/or types of operations

8.2.9.3.22.9.1. *Risk(s) in the implementation of the measures*

The inspectors do not have adequate knowledge of animal protection legislation.

8.2.9.3.22.9.2. *Mitigating actions*

The farmers are supported by instructions, training and farm-specific advisory services. The risk regarding verification and control procedures will be mitigated by means of training and guidelines provided for inspectors. Check lists will be prepared for the inspection records and the information system to ensure documentation.

8.2.9.3.22.9.3. *Overall assessment of the measure*

The measure is necessary in order to improve animal welfare. Instructions, training and advice will be provided to support more consistent implementation and control of the measure.

8.2.9.3.22.10. Information specific to the operation

Identification and definition of national and Union requirements that correspond to the mandatory requirements established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013

*Unofficial translation*

EU Directive and its national implementation/animal welfare payment conditions			
Council Directive No 98/58/EC concerning the protection of animals kept for farming purposes: Art 4			
<b>4.5 Platforms, ramps and perches</b>	Animal Welfare Act 247/1996 (amended)	Animal Welfare Decree 396/1996 (amended)	Government Decree on the protection of hens 673/2010, Sections 11(3), 12(4-6), and 13(1-2); Government Decree on the protection of broilers 375/2011, Section 4(6); and Government Decree on the protection of turkeys 677/20101), Section 4(1-2)
Platforms, ramps or perches must be available for broilers and turkeys, and platforms or ramps for hens. perches must be provided for 10% of the poultry, with at least 15 cm of perch space reserved for each broiler and 20 cm for turkeys. Platforms and ramps amounting to at minimum 10% of the establishment surface area must be provided for poultry.	-	-	Hens must be provided with a nest, litter for pecking and scratching, and appropriate perches, the length of which must be at minimum 15 cm per hen. The perches must be made of a material suitable for hens, and so designed that the hens can use them without difficulty. All broilers must have continuous access to litter, the surface of which must be suitably dry and loose. The place where turkeys are kept must have suitable furnishings and equipment allowing turkeys to follow their natural behaviours, including bathing in dust or the litter, grooming and other body care. The floor of the place where turkeys are kept must contain adequate quantities of appropriate litter, which must be kept suitably dry.

Table 8.2.9.3. / condition 4.5.

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

For the calculation of payment levels, see section 8.2.9.5.

#### 8.2.9.3.23. 4.6 Outdoor access

Sub-measure:

##### 8.2.9.3.23.1. Description of the type of operation

The conditions concerning outdoor access for poultry are based on Article 10 paragraph c of the Commission Regulation (EC) No 807/2014 (outdoor access).

The condition must be complied with in case of all laying hens and turkeys on the farm. The condition cannot be selected if the farm operates an enriched cage system.

Weather permitting, all hens and turkeys must have access to outdoors at minimum twice weekly round the year, excluding the period 1 March – 31 May (avian influenza). A record must be kept of outdoor access. The feeding area is indoors, and the birds have access to a pasture in summer and to a roofed outdoor pen in winter.

When outdoors, hens and turkeys must have an opportunity to indulge in their natural behaviours, including bathing and scratching.

##### 8.2.9.3.23.2. Type of support

The annual payments are EUR /livestock unit.

##### 8.2.9.3.23.3. Links to other legislation

The national statutes that specify the baseline for animal welfare payment conditions concerning outdoor access: Government Decree 673/2010 on the Protection of Hens, which lays down the general requirements for outdoor pens for hens (Section 13(4)), Government Decree 677/2010 on the Protection of Turkeys, which lays down the general requirements for outdoor pens for turkeys (Section 7), and Ministry of Agriculture and Forestry Decree 386/2006 on actions to prevent avian influenza (amended by Section 4a of Decree 81/2011). The conditions of animal welfare payments exceed the baseline requirements.

National provisions on animal welfare payments are contained in the Act on payments to farmers under the Rural Development Programme (xx/201x), Government Decree on the animal welfare payment (xx/2015) and Ministry of Agriculture and Forestry Decree on the animal welfare payment (xx/2015). The Act creates the general preconditions for implementing the measure described in the Rural Development Programme. The Government Decree defines the implementation of the measure as described in the programme, the baseline requirements of the measure, and the group of animals that the measure targets. The Ministerial Decree contains provisions on the practical details of the measure described in the programme regarding the timing, frequency and contents of outdoor access for hens and turkeys and the keeping of records.

#### 8.2.9.3.23.4. Beneficiaries

The beneficiary is an active farmer as specified in Article 9 of Regulation (EU) No 1307/2013 and the more detailed national statutes issued by virtue of it.

#### 8.2.9.3.23.5. Eligible costs

Hen and turkey farms having selected condition 4.6 incur costs for organising outdoor access and the working time taken up by maintaining the pen or the roofed outdoor area. The costs of increased risk of disease caused by outdoor access have been estimated in monetary terms. The producers will not derive financial benefits from compliance with the condition that should be taken into account as factors reducing costs.

#### 8.2.9.3.23.6. Eligibility conditions

Under Article 33(1) and (2) of Regulation 1305/2013, animal welfare payments shall be granted to farmers who undertake, on a voluntary basis, to carry out operations consisting of one or more animal welfare commitments and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1306/2013. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards concerning the identification and registration of animals and animal welfare established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 and other relevant statutory management requirements.

Under Article 10 of Regulation (EU) 807/2014, animal welfare commitments eligible to receive support under Article 33 of Regulation (EU) No 1305/2013 shall provide upgraded standards of production methods in one of the areas specified in the Article.

Primarily, the farmers undertake a commitment to comply with the animal welfare payment conditions when submitting their online applications. If the application is made on paper, the form will be submitted to the rural industrial development authorities (local authorities) in the municipality in which the farm is located.

The farmer must have possession of a certain minimum number of livestock units of the relevant species on their farm throughout the commitment year. The minimum animal numbers for making a commitment for poultry is 14 livestock units for laying hens (1,000 hens), 70 livestock units for broilers (10,000 broilers) and 60 livestock units for turkeys (2,000 turkeys). The farmers are not required to possess a certain minimum field or other area.

If the farm has a commitment on organic livestock production for poultry, it cannot choose the conditions for outdoor access of poultry.

8.2.9.3.23.7. Principles with regard to the setting of selection criteria

If the annual appropriations are not adequate to cover the number of applications received, an animal welfare commitment already undertaken in the programming period 2014–2020 will be used as a selection criterion (annual extension of the commitment will be facilitated).

8.2.9.3.23.8. (Applicable) amounts and support rates

The payment under condition 4.6 will be EUR 16/livestock unit a year. Payments will be made for turkeys and laying hens (however not for poultry houses with enriched cage systems).

8.2.9.3.23.9. Verifiability and controllability of the measures and/or types of operations

8.2.9.3.23.9.1. *Risk(s) in the implementation of the measures*

Local weather conditions may prevent outdoor access. Compliance with the condition will be examined at the level of the farm rather than groups of animals.

8.2.9.3.23.9.2. *Mitigating actions*

The farmers are supported by instructions, training and farm-specific advisory services. The risk regarding verification and control procedures will be mitigated by means of training and guidelines provided for inspectors. Check lists will be prepared for the inspection records and the information system to ensure documentation.

8.2.9.3.23.9.3. *Overall assessment of the measure*

The measure is necessary in order to improve animal welfare. Instructions, training and advice will be provided to support more consistent implementation and control of the measure.

8.2.9.3.23.10. Information specific to the operation

Identification and definition of national and Union requirements that correspond to the mandatory requirements established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013

*Unofficial translation*

EU Directive and its national implementation/animal welfare payment conditions				
Council Directive No 98/58/EC concerning the protection of animals kept for farming purposes: Art 4				
4.6 Outdoor access	Animal Welfare Act 247/1996 (amended)	Animal Welfare Decree 396/1996 (amended)	Government Decree on the protection of hens 673/2010, Section 13(4), 12(4-6), and 13(1-2); Government Decree on the protection of broilers 375/2011, Section 7	Ministry of Agriculture and Forestry Decree on the prevention of avian influenza 386/2006, Section 4a (amended by 81/2011)
All hens and turkeys must have outdoor access at least twice a week round the year, excluding the period between 1 Mar-31 May (avian influenza).	-	-	-	Keeping poultry outside is prohibited from the beginning of March until the end of May. An exception is made for establishments where outdoor pens are protected by wire netting fine enough to prevent wild aquatic birds from having contact with poultry.
When outdoors, possibility of following natural behaviours, including bathing and scratching	-	-	Conditions in the outdoor pen	-
Records must be kept of outdoor access	-	-	-	-

Table 8.2.9.3. / condition 4.6.

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

For the calculation of payment levels, see section 8.2.9.5.

#### 8.2.9.4. Verifiability and controllability of the measures and/or types of operations

##### 8.2.9.4.1. Risk(s) in the implementation of the measures

The average number of animals on which animal welfare payments for pigs and poultry are based are difficult to control. There is no animal register for poultry, and the register of pigs contains the number of animals in each animal group on the first day of each month (and not on individual animals). No cross-checks can be run on the numbers of pigs and poultry.

In the control of animal welfare payments, compliance with other legislation related to the measure must also be verified, and the use of medicines must be checked on the basis of medicine records (disbudding,



castration). These aspects are within the competence of a veterinarian. Inspectors controlling animal welfare payments do not have adequate expertise to verify the aforementioned aspects.

Some of the requirements are difficult to verify or control. Conditions can be selected under some measures that can only be verified from the farmer's own notes (e.g. records of outdoor access). In addition, the time period that the farmers have to comply with some of the conditions extends until the end of the commitment year (e.g. shearing of sheep). Compliance with this type of conditions cannot be adequately verified by farm inspections or cross-checks. In addition, in conditions related to grazing and outdoor exercise, various weather conditions (e.g. sub-zero temperatures, wet conditions) and other exceptional circumstances (e.g. predators) may result in a situation where the farm cannot implement the selected measure. In addition, the conditions for a measure may include various actions whose implementation is not controlled on the farms (e.g. backup power source, feeding from teats). To control compliance with these conditions, the inspectors check that the prerequisites for compliance exist (the farm has a generator or teat feeders).

In the conditions related to pens for sick animals, care and or farrowing/lambing, the farms are not expected to fulfil the condition round the year. Under the conditions for animal welfare payments, the pens can be created by isolating them from the other areas or erected around an animal if necessary. The conditions related to the number and floor area of pens and the conditions in the pens for sick or injured animals, medical or other treatment and farrowing/lambing that are put together from components when required cannot be controlled unless the farm has sick or cared animals or animals giving birth at the time of the inspection.

Measures related to specific animal species can be selected in the animal welfare payments that are implemented at different times of the year, for example on sheep farms, lambing pens in the spring and grazing in the autumn.

Under the condition related to improving the conditions in which broilers and turkeys are kept, payments are only made for the number of animals in case of which the conditions are complied with. The authority granting the payment verifies compliance with the condition and makes the decision on granting the payment for the measure. No sanctions will be imposed on a farm having selected a measure for failing to comply.

The conditions for the measure include detailed requirements, compliance with which can only be visually inspected (e.g. well-bedded pens).

Commission risk codes:

R3 Adequate inspections and controls

R3.1. Timing of controls

R3.2. How could the control be lightened?

R5 The conditions are difficult to verify and/or control

R5.1. Some of the conditions cannot be clearly measured, or they cannot always be observed in checks (bedding, pens for sick animals that can be assembled from elements when necessary)

## R8 IT systems

### Commission risk reason codes

RC1 Reductions in support (cuts due to a force majeure or exceptional circumstances, transfer of the entire farm in the middle of the year if the commitment is not transferred)

RC3 Information exchanges between authorities

RC6 Commitments are difficult to implement and control (clear rules, but problems may arise in practical implementation on farm level that come up in checks)

RC8 Farmers fail to comply with the commitment conditions (see previous point)

## 8.2.9.4.2. Mitigating actions

For bovines, sheep and goats, the animal numbers on which the payments are based are controlled by administrative cross-checks and on-the spot inspections. For pigs, the correctness of animal numbers is verified both during farm inspections and by administrative checks. In on-the-spot checks, reports of animal numbers in each group made by the farmer to the register of pigs on the first day of the month preceding the inspection date are compared to the producer's records. Administrative checks are carried out to verify that the number given in the farmer's support application matches the reports of animal numbers submitted by the farmer to the register of pigs on the first day of each month. The numbers of laying hens are verified in on-the-spot checks by comparing farm records with the numbers reported to the administration. An administrative check of animal numbers for broilers and turkeys is performed on the basis of slaughter batch reports produced by the slaughterhouse and submitted by the farmer to the authority granting the support.

An effort will be made to improve co-operation and information exchanges between authorities.

As far as possible, an effort will be made to mitigate the other risks discussed above by providing training for farmers, advisers and inspectors.

### Commission risk prevention codes

CPA1 Training of authorities

CPA2 Information, training and advice for beneficiaries

CPA3 Information campaigns and guidance documents

CPA4 Development of IT tools

CPA7 Reasonableness of reductions (a force majeure or exceptional circumstances, transfer of the entire farm in the middle of the year if the commitment is not transferred)

#### 8.2.9.4.3. Overall assessment of the measure

Based on a check-list, the authority receiving the applications will carry out administrative verifications of all applicants' application data when the forms are submitted and before payments are made. A precondition for making animal welfare payments is that the authority receiving the support applications has carried out administrative checks (general verification of the application, e.g. attachments and checks indicated on the special check list).

To control compliance with other legislation related to the measure and the use of drugs, co-operation between authorities will be improved. Compliance with all conditions must be verified, and several inspection visits are thus made to each farm if necessary.

These measures would offer the most reliable methods for verifying and controlling compliance with key conditions. An effort will also be made to provide clear, comprehensive and uniform training for farmers, advisors and inspectors.

#### 8.2.9.5. Information specific to the measure

Identification and definition of national and Union requirements that correspond to the mandatory requirements established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013

For the mandatory standards related to animal welfare payments specified in Regulation (EU) No 1306/2013 and the national statutes by virtue of which they have been implemented in Finland, see Section 8.1. The relevant baseline requirements are described under each condition.

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

The calculations of animal welfare payments were carried out by MTT Agrifood Research Finland. In order to perform the calculations, MTT Agrifood Research Finland has received appropriate expert assistance from the Finnish Food Safety Authority (Evira), the Association of Animal Disease Prevention (ETT), the University of Helsinki, ProAgria, the Finnish Poultry Association and TTS Work Efficiency Institute.

The calculations take into account the costs and losses of income incurred for actions in compliance with the animal welfare payment conditions that exceed the requirements of national legislation and any benefits obtained by the farmers. The calculations were performed separately for cattle farms, pig farms, sheep and goat farms and poultry farms. In the general conditions, costs and losses of income are for example incurred for preparing a written feeding plan based on calculations for each animal group, and the written contingency plan kept up to date to prepare for disruptions on beef and pig farms. Under the other conditions, costs and losses of income are incurred for example for improving the conditions in which animals are kept, outdoor access and grazing, pens for sick and injured animals, medical and other treatment and farrowing/lambing, improved conditions for farrowing and lambing, and enrichment materials for pigs and poultry. Fixed costs were not included in the calculations. On the other hand, the costs incurred in

advance and in arrears associated with undertaking an animal welfare payment commitment which cannot be directly allocated to any measure were taken into account as transaction costs incurred by the farmers. The farmers incur transaction costs for familiarising themselves with the measure and its requirements, acquiring information and preparing for controls. If the commitment is renewed on a yearly basis and its contents change little or not at all, the transaction costs are the greatest in the first year. To ensure that the value of the payment for a measure would remain the same throughout the programming period, it is assumed in the payment calculations that transaction costs are 5% of the net costs and losses of income incurred by the farmers for implementing the measures. This calculation method provides farmers with an incentive to extend the agreements. As benefits to the farmers obtained from the measures were included e.g. improved yields and reduced use of medicine, which were estimated in monetary terms and taken into account in the calculations as factors that reduce the costs and losses of income.

Annexes:

- Calculations related to animal welfare payments

#### *8.2.9.6. Other important remarks relevant to understanding and implementing the measure*

##### *Definitions and conversion tables*

The definitions of bovines, sheep, goats and pigs in the animal registers are used. The animal numbers of bovines, sheep and goats are found in the animal register. The animal numbers of pigs and poultry are declared by the applicant in their support application. For the coefficients for converting animals into livestock units, see Section 8.1.

##### *Transitional arrangements*

New commitments in compliance with this programme will be made as from 2015. In 2015, commitments will be made for 2015 (1 May 2015–31 December 2015) and 2016 (1 January 2016–31 December 2016). From year 2017 on, applications are submitted for a calendar year at a time. Commitments made in programming period 2007–2013 were extended in 2014. As the legislation applicable to the measure will be amended as the new programming period starts, the farmers must replace animal welfare payment commitments made in programming period 2007–2013 by animal welfare commitments for the new programming period 2014–2020. The transition to commitments under the new conditions is justified as the basic levels have changed and the requirements under the new conditions and commitments are more demanding. When a commitment is transferred, the farmers will not be obliged to repay the support paid under the earlier commitment.

##### *Abandoning an action*

A farm must give up a measure selected by them and repay the animal welfare payment made for it if, during the commitment period, livestock production for which the measure was selected is abandoned, changes take place in the circumstances relating to livestock production on the farm which make it impossible to fulfil the conditions under the selected measure, or a reduction other than a temporary one takes place in the number of animals to the extent that the required minimum number is no longer met. If a farmer has selected a measure that is not suitable for their line of production, the measure must be given up

during the commitment period. In that case, the farmer must repay the animal welfare payment made relating to the measure.

*Connection with other national and EU co-funded actions*

Animal welfare will also be promoted by other measures included in the programme, such as training, advice, agricultural investments and the associated building decrees, as well as actions of the Rural Network (e.g. production of advisory material and manuals, training events). In addition, animal health care and welfare can be promoted by actions related to a nationally funded quality strategy. The measures complement each other.

*Monitoring the impact of animal welfare measures*

Reports

- Interviews with actors (farmers, veterinarians, advisors, inspectors)

Indicators

- Number of farms receiving animal welfare payments in 2020: 4,500 farms in total (to be monitored by animal species)
- Total amount of payments made: EUR 458 million
- The number of farms receiving animal welfare payments will be 50% of all beneficiaries of aids for livestock production (to be monitored by animal species)
- Livestock units receiving animal welfare payments by species

## 8.2.10. M16 – Co-operation (Article 35)

### 8.2.10.1. *Legal basis*

Articles 35 and 55–57 of Regulation (EU) No 1305/2013 of the European Parliament and of the Council

Part 1–3 of Regulation (EU) 1303/2013 of the European Parliament and of the Council

Regulation (EU) No 1306/2013 of the European Parliament and of the Council.

Article 11 of Commission Regulation (EU) No 807/2014

Commission Regulation (EU) No 808/2014.

Commission Regulation (EU) No 809/2014

Act on Support for Rural Development (28/2014)

### 8.2.10.2. *General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives*

The measure includes the following sub-measures

16.0. Other measures supporting programme priorities that cannot be categorised under one of the aforementioned themes. Primary impacts on focus areas 3A and 6A.

16.1. Establishment and operation of rural innovation groups; Primary impacts on focus areas 3A, 4A-C and 5A-E.

16.2. Pilot projects and the development of new products, practices, processes and technologies in the agriculture, food and forestry sectors; Primary impacts on focus areas 3A, 4A-C, 5A-E and 6A-B.

16.3. Co-operation among small operators in organising joint work processes and sharing facilities and resources and for developing and/or marketing of tourism services relating to rural tourism; Primary impacts on focus area 6A.

16.4. Horizontal and vertical co-operation among supply chain actors for the establishment and the development of short supply chains and local markets and promotion activities in a local context relating to the development of short supply chains and local markets; Primary impacts on focus areas 3A and 6A.

16.5. Joint action undertaken with a view to mitigating or adapting to climate change and joint approaches to environmental projects and ongoing environmental practices; Primary impacts on focus areas 4A-C, 5A-E and 6A-B.

16.6. Horizontal and vertical co-operation among supply chain actors in the sustainable provision of biomass for use in food and energy production and industrial processes; Primary impacts on focus areas 3A

and 6A.

16.9. Diversification of farming activities into activities concerning health care, social integration, community-supported agriculture and education about the environment and food. Primary impacts on focus areas 3A and 6A.

Rural industries and the rural industrial structure must renew to be able to provide a livelihood for the rural population. A precondition for the full realisation of opportunities offered by bio-economy as business activities is co-operation of a new type within and between agricultural and forestry based primary production, faster application of research-based knowledge and development across sectoral boundaries. Bio-economy is based on sustainable development and material and energy efficiency in which no progress can be made without innovations.

Regardless of the sector, this measure supports the creation of clusters and co-operation projects that are significant for rural development and all focus areas of the programme, implementation of co-operation groups' development projects, and the activities of rural innovation groups aiming to develop and deploy innovations in the agriculture and forestry sector. The creation of new clusters should be promoted, especially in order to produce new, high added value bio-economy products, processes and technologies and, for example, to develop biomass logistics.

Under this measure, support is granted for development projects that play a significant role for achieving the programme's objectives and that are jointly implemented by companies (including farms), forest owners, market actors, research institutes, experts, universities, higher education institutions and other development organisations. The projects promote practically oriented research, product development, preparation and deployment of innovations, quality, logistics and cost-effectiveness, as well as more efficient production processes and better functioning of the markets, for example by building up expertise and co-operation across national borders and various sectoral boundaries.

Examples of such co-operation projects include:

Joint projects of micro enterprises to organise work processes and to share facilities and resources with the aim of improving their competitiveness. Joint development and marketing projects of enterprises in the tourism sector. International co-operation project in the Baltic and the EU area.

Horizontal and vertical co-operation between value chain actors and across sectoral boundaries, for example in order to find new links required to promote bio-economy and to develop innovations, products, services and new technologies, or market-driven promotion of organic production throughout the chain of operation. Development of new products, practices, processes and technologies to promote the renewal of the agricultural, food, forestry and tourism sectors and other rural industries. Horizontal and vertical co-operation between actors in the supply chain to develop logistic interfaces.

Creating new clusters, in particular to develop new innovations on the interfaces between various bio-economy sectors. A cluster's activities must be innovation oriented, transparent and compliant with competition rules.

Operations that promote new operating models of companies operating in the local market

and/or short supply chain companies, market development and sales promotion. For example, establishment of producer groups for products sold under the label "farm produce" or "produced in the archipelago" and sales promotion. Developing care and experience services provided by rural enterprises that promote the health of the environment and increase well-being, co-operation related to productisation and marketing.

New innovative processes and technologies created through co-operation to mitigate and adapt to climate change, and the preparation of new cooperative environmental measures.  
Development of decentralised energy production, resource efficiency and new operating models.

Plans and studies required for a new product, operating model or process, feasibility studies to ascertain that a plan is effective, pilot projects and potential demonstration projects.

In all sub-measures, the co-operation groups to be set up and the projects to be implemented may be local (in areas ranging from a sub-region to a province-size area), inter-regional, implemented within the scope of the programme area, or international within the EU. Development projects will be implemented as joint projects between two or more parties, involving genuine co-operation rather than benefits to a single company only or subcontracting operations. Projects that promote the development of businesses and industries aim for practical reforms, new products and methods and technological renewal in co-operation with producers, forest owners and entrepreneurs. A project may include a short-term analysis of an individual company's situation, as a result of which an entrepreneur may be directed to other business services, or direct costs incurred for drawing up a business plan or testing. Through the participating companies, the projects will have close links to the implementation of measures M04, M06 and M07 and the Water Framework Directive.

The objective of co-operation and innovation projects is to support knowledge transfers and creation of innovations in rural areas to promote the business and competitiveness of all sectors of rural industries. The measure plays a key role in promoting innovative development. In particular, the measures concerning innovative co-operation also strive for impacts on the ecological status of the Baltic Sea, biodiversity and climate change adaptation, with special focus on the catchment area of the Archipelago Sea. These projects support measure M10 in particular. It has secondary impacts on focus areas 2A, 3A and B, 4A, B and C, 5A, B, C, D, as well as 6A.

*8.2.10.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria*

#### 8.2.10.3.1. 16.0. Other measures supporting programme priorities

Sub-measure:

- 16.0 – others



#### 8.2.10.3.1.1. Description of the type of operation

In this sub-measure, support may in particular be targeted at innovation co-operation in the bio-economy sector between actors who develop high added value products, and projects targeted at developing the operation of the entire production chain, for example in organic production. Under this sub-measure, support may be granted to co-operation projects where micro enterprises expanding their operation from farming to other sectors and start-ups join forces with business experts to analyse the entrepreneur's service needs, for example when the entrepreneur is developing their business or implementing an investment that will significantly expand the company.

Under this measure may also be supported other co-operation of rural actors that implements programme priority 1) and European Innovation Partnerships referred to in Article 35 and promotes the possibilities for smart growth in rural areas, to the extent that the project does not, in its main part, implement some other sub-measure of this measure. The projects must meet eligibility criteria and selection criteria set under the measure.

#### 8.2.10.3.1.2. Type of support

The measure will be implemented as development projects. Support for a development project will be paid as aid to the responsible implementer of the project.

#### 8.2.10.3.1.3. Links to other legislation

Articles 60–70 of the General Regulation (EU) No 1303/2013 (CPR)

Commission Regulation (EU) No 651/2014, in particular its Section 4

Administrative Procedure Act (434/2003)

Act on Public Contracts (348/2007)

#### 8.2.10.3.1.4. Beneficiaries

The beneficiary is the responsible implementer of the project, which may be an organisations under public or private law, including SMEs, research units or development organisations, a foundation, an educational institution, a municipality or an association. The support will be granted to the responsible implementer of the project. If the implementer is a rural innovation group, it must be the sole beneficiary.

A precondition for granting support for a development project is that the applicant has the competence required by the nature and scope of the project, and adequate financial and operational capabilities for implementing the project. Project support may only be granted for an operation arranged in a format that differs from the applicant's ordinary operations.

#### 8.2.10.3.1.5. Eligible costs

Eligible costs are reasonable costs incurred for the organisation and implementation of co-operation. The support may cover minor procurements associated with the project. In demonstration projects closely associated with the project, reasonable costs of requisite investments are also eligible on conditions defined under measure M01.

The following reasonable costs incurred for the implementation of a development project are eligible for support:

- payroll costs and fees;
- travel costs;
- purchases of outsourced services;
- costs of renting premises;
- material costs and other costs necessary for project implementation.

The support may be granted as a one-off payment and, as regards general costs, as flat-rate financing pursuant to Articles 67 and 68 of Regulation (EU) No 1303/2013 and in compliance with the principles specified in detail in national legislation (Act 28/2014 and the Government Decree on Support for Rural Projects), or on the basis of receipted invoices. In connection with processing an application, the authority makes a decision on a one-off payment, which may amount to a maximum of EUR 100,000. In the decision, conditions are included stating the results or measures whose completion the beneficiary must prove when applying for a payment of support. More detailed instructions on this procedure and the documents to be used will be issued by the Agency for Rural Affairs. The flat-rate payment for general costs may at maximum be 24% of the eligible payroll costs of the project. This payment may be used to cover indirect costs of the project. If the travel costs incurred in a project are particularly high, Article 68 of Regulation (EU) No 1303/2013 may be applied, in which case the flat-rate payment will be 15% of the indirect costs of the project. In case of operations regarded as State aid, the support conditions and rates are determined pursuant to Article 25 of Commission Regulation (EU) No 651/2014.

While support will not be granted for the normal product development of a medium or a large enterprise, large enterprises may also participate in the implementation of a co-operation project by lending their expertise to the project as part of the value chain. An eligible cluster must be new or about to start new operations. Projects related to the growth of a normal individual enterprise or an existing value chain or subcontracted research projects will not be implemented under this measure, unless their results are shared. The costs incurred for the commercial production or exploitation of a newly developed prototype or product and the costs incurred for the beneficiaries' normal operations are also not eligible. Support will not be allocated to developing or marketing a product that has already been commercialised by a larger company.

As a rule, the duration of the supported operation/project is 3 and, at maximum, 5 years.

#### 8.2.10.3.1.6. Eligibility conditions

In addition to the eligibility criteria laid down in EU legislation, the eligibility conditions will be specified in more detail in the national Act on Support for Rural Development 28/2014 and the Government Decree laying down more detailed provisions issued by virtue of it (Government Decree on Support for Rural Projects 2014) as follows:

A precondition for granting aid is that the applicant produces a project plan and that the outcomes of the project will be appropriately published and lend themselves to more general utilisation.

Another criterion for granting support is that the support is necessary for the operations for which it is granted. The applicant must also produce a plan for the measure to be supported. The plan must include the objectives, the actions required to achieve them and the grounds for evaluating project implementation, an estimate of the implementation period, total costs and total funding, and a report on how the objectives of sustainable development will be taken into account in the implementation of the measure, and a plan concerning business support must include an analysis of the operations' profitability.

The plan must also indicate the implementation method of the project, the party implementing it, a breakdown of costs, the share of support in total funding, support form, implementation method of the requisite private funding and links with the programme under which the project is to be funded, the impacts and outcomes of the project as well as any other matters necessary for making a decision on the application. The project plan must describe how the outcomes of support granted for similar or closely associated operations in previous projects that have received public funding have been taken into account when preparing the project. In addition, the project plan must show how the operations that are the outcome of the project will be continued after project conclusion, unless this is obviously unnecessary due to the nature of the operation.

If, based on the eligible costs of the measure to be supported, the final amount of support were less than EUR 5,000, no support will be granted.

#### 8.2.10.3.1.7. Principles with regard to the setting of selection criteria

A project implemented in the application area of the programme must promote objectives relevant to the measure that are compliant with European Union priorities and that are described in the programme and the national legislation relevant to it, as well as the regional and local priorities that support them. The support aims for impact and added value that could not be achieved without support.

In the selection of eligible projects, consistent programme level selection criteria will be applied, which will be discussed by the programme's Monitoring Committee and attached to the programme before the implementation of the measure begins. The purpose of the selection criteria is to target funding at projects delivering the best quality and impact that are estimated to optimally implement the objectives set for the measure. While the same selection criteria will be complied with in the entire programme area, they also account for the strategic emphases prepared in the areas of each ELY Centre that support the priorities of the Rural Development Programme for Mainland Finland. Concise descriptions of the regional plans and emphases have been attached to the programme.

The selection criteria and their emphases are the following:

- 1) how well the project implements the strategy and objectives of the programme and the regional plan (30%)
- 2) the cost-effectiveness, quality, impact and feasibility of the proposal (30%),
- 3) how well the project promotes industrial and business development by drawing on knowledge and

competence (20%)

4) how well the project promotes partnerships and commitment (20%)

A project may be awarded 0 – 3 points for each item. The LAGs comply with selection criteria indicated by their own strategies when selecting projects to be funded relevant to the measure concerning co-operation.

Specific selection criteria will be defined for projects that concern the entire programme area or specific objectives, including the rural innovation groups. The benefits of the projects principally focus on rural areas.

#### 8.2.10.3.1.8. (Applicable) amounts and support rates

Public funding to be granted and paid as co-financing will consist of the contribution of the Rural Development Fund and a national contribution. The contribution of the Rural Development Fund will be 42% of the eligible public expenditure. The national contribution consists of co-financing from the government, the municipalities and other public sector actors.

The support level will be determined based on the project's implementation and contents in compliance with the State aid rules, which will be incorporated in the national legislation. If the project supports an operation or an investment receiving support from some other measure (including investment in physical assets, training and information, demonstration operations), the support levels of the relevant measure will be complied with. In case of operations regarded as State aid, the support conditions and rates are determined pursuant to Article 25 of Commission Regulation (EU) No 651/2014.

For cluster or pilot projects, or projects concerning at most 10 companies, support will be granted on de minimis conditions. Of rural innovation group costs, support may be paid amounting to 100% of eligible costs. EUR 160,000,000 of public funding will be available in the programming period 2014–2020 for this measure (Code 16).

The support rate for inter-regional and national projects is 100% of eligible costs.

#### 8.2.10.3.1.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.10.3.1.9.1. Risk(s) in the implementation of the measures

- Selection of beneficiaries: clear goals, patterns of co-operation and objectives for programme implementation
- IT systems: information security (user rights, appropriate hardware and equipment, competence), building up and the functioning of the information system (continuous development needs)
- Payment applications: allocating costs to the supported operation
- VAT: Ensuring the eligibility of VAT payments

For Commission risk codes for the measure, see sections 8.2.10.4.1 and 2.

*8.2.10.3.1.9.2. Mitigating actions*

- Selection of beneficiaries: training and instruction for officials
- IT systems: the HYRRÄ eService and its flexibility, training, consistent approval procedures of user rights in the IAM application
- Payment applications: improving the competence level and training, sound planning of projects, clear interfaces
- VAT: compliance with the statutes in force; VAT payments are eligible if they cannot be refunded; training for officials; use of check list

For Commission risk codes for the measure, see sections 8.2.10.4.1 and 2.

*8.2.10.3.1.9.3. Overall assessment of the measure*

*8.2.10.3.1.10. Methodology for calculation of the amount or support rate, where relevant*

*8.2.10.3.1.11. Information specific to the operation*

Further details on the special features of pilot projects, clusters, networks, short supply chains and local markets

See section 8.2.10.6, which concerns the entire measure and all of its sub-measures.

#### 8.2.10.3.2. 16.1. Creation and operation of rural innovation groups

Sub-measure:

- 16.1 – support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability

##### 8.2.10.3.2.1. Description of the type of operation

The measure aims to create an optimal setting for developing innovations that promote agriculture and forestry by making the best possible knowledge and expertise available for the group developing the innovation, ensuring that an idea, once suggested, can be turned into a deployable innovation. The business potential of the innovation to be developed is an important element of the selection criteria. While the project may also be associated with investments in agriculture or food production, these will be realised as separate projects, and their potential eligibility for support will be determined on the grounds of the relevant support scheme's principles. The support level may be increased by 20% at maximum if the project has no links to the operation of a rural innovation group. The project may also involve international co-operation.

##### 8.2.10.3.2.2. Type of support

The measure will be implemented as development projects. Support for a development project will be paid as aid to the responsible implementer of the project. Flat-rate payments may be made for indirect costs of the general costs.

##### 8.2.10.3.2.3. Links to other legislation

Articles 60–70 of the General Regulation (EU) No 1303/2013 (CPR)

Commission Regulation (EU) No 651/2014, in particular its Section 4

Administrative Procedure Act (434/2003)

Act on Public Contracts (348/2007)

##### 8.2.10.3.2.4. Beneficiaries

The beneficiary is the responsible implementer of the project, which may be an organisations under public or private law, including an SME, a research unit or a development organisation, a foundation, an educational institution, a municipality or an association that assumes responsibility for project implementation. The benefits of the project may be reaped by the participating parties, and support may also be passed on to other implementers needed in the project, for example to ensure adequate expertise. However, responsibility for the project rests with the responsible implementer. If the implementer is a rural

innovation group, it must be the sole beneficiary. A precondition for granting support for a development project is that at least two parties are involved in the project and that the applicant has the competence required by the nature and scope of the project and adequate financial and operational capabilities for implementing the project. Project support may only be granted for an operation arranged in a format that differs from the applicant's ordinary operations. The project must have internal procedures for assigning responsibilities and rights to the parties and handling these issues. The support will be granted to the responsible implementer of the project. If the implementer is a rural innovation group, it must be the sole beneficiary.

In case of a rural innovation group, the beneficiary may be the organisation responsible for project administration.

#### 8.2.10.3.2.5. Eligible costs

Eligible costs are reasonable costs incurred for the organisation and implementation of co-operation. The support may cover minor procurements associated with the project. While the project may also be associated with investments in agriculture or food production, these will be realised as separate projects, and their potential eligibility for support will be determined on the grounds of the relevant support scheme's principles. In this case, the support level may be higher. In demonstration projects closely associated with the project, reasonable costs of requisite investments are also eligible on conditions defined under measure M01.

The following reasonable costs incurred for the implementation of a development project are eligible for support:

- payroll costs and fees;
- travel costs;
- purchases of outsourced services;
- costs of renting premises;
- material costs and other costs necessary for project implementation.

The support may be granted as a one-off payment and, as regards general costs, as flat-rate financing pursuant to Articles 67 and 68 of Regulation (EU) No 1303/2013 and in compliance with the principles specified in detail in national legislation (Act 28/2014 and the Government Decree on Support for Rural Projects), or on the basis of receipted invoices. The flat-rate payment for general costs may at maximum be 24% of the eligible payroll costs of the project. At maximum 25% of the running costs of a co-operation group designated as a rural innovation group are eligible.

While support will not be granted for the normal product development of a medium or a large enterprise, large enterprises may also participate in the implementation of a co-operation project by lending their expertise to the project as part of the value chain. An eligible cluster must be new or about to start new operations. Projects related to the growth of a normal individual enterprise or an existing value chain or subcontracted research projects will not be implemented under this measure, unless their results are published. The costs incurred for the commercial production or exploitation of a newly developed prototype or product and the costs incurred for the beneficiaries' normal operations are also not eligible. Support will not be allocated to developing or marketing a product that has already been commercialised. Support will

not be granted for research.

A rural innovation group may at most be designated for three years.

#### 8.2.10.3.2.6. Eligibility conditions

The eligibility conditions will be specified in more detail in the national Act on Support for Rural Development 28/2014 and the Government Decree laying down more detailed provisions issued by virtue of it (Government Decree on Support for Rural Projects 2014).

Preconditions for granting support are that the applicant submits a project plan, that the outcomes of the project lend themselves to more general utilisation, and that information on the outcomes is disseminated through the EIP network pursuant to Article 57(3) of Regulation EU No 1305/2013.

Another criterion for granting support is that the support is necessary for the operations for which it is granted. The applicant must also produce a plan for the measure to be supported. The plan must include the objectives/innovation that the project aims for, the actions required to implement it and the grounds for evaluating its implementation, an estimate of the implementation period, total costs and total funding, and a report on how the objectives of sustainable development will be taken into account in the implementation of the measure.

The plan must also indicate the implementation method of the project, the party implementing it, a breakdown of costs, the share of support in total funding, support form, implementation method of any private funding and links with the programme under which the project is to be funded, the impacts and outcomes of the project, as well as any other matters necessary for making a decision on the application. The project plan must describe how the outcomes of support granted for similar or closely associated operations in previous projects that have received public funding have been taken into account when preparing the project. In addition, the project plan must show how the operations that are the outcome of the project will be continued after project conclusion, unless this is obviously unnecessary due to the nature of the operation.

If, based on the eligible costs of the measure to be supported, the final amount of support were less than EUR 5,000, no support will be granted.

#### 8.2.10.3.2.7. Principles with regard to the setting of selection criteria

A project implemented in the application area of the programme must promote objectives relevant to the measure that are compliant with European Union priorities and that are described in the programme and the national legislation relevant to it, as well as the regional and local priorities that support them. The support aims for impact and added value that could not be achieved without support.

The innovation groups will be selected in a separate programme-level application procedure. Programme-level selection criteria will be set for rural innovation groups, and these will be discussed at the first Monitoring Committee meeting of the programme. Plans and applications concerning rural innovation group activities should be submitted to the Ministry of Agriculture and Forestry. A specific selection group



consisting of experts will be set up to make the selections. As the selection criteria for innovation groups, the potential for innovations that the project aims for is assessed:

1. potential to promote the implementation of programme strategy (20%)
2. potential to generate new business (25%), and
3. needs-driven nature and commitment shown by the project (25%)
4. quality of the project plan, cost-effectiveness and feasibility (30%).

A project may be awarded 0 – 3 points for each criterion.

The selection criteria will be discussed by the Monitoring Committee of the programme.

#### 8.2.10.3.2.8. (Applicable) amounts and support rates

Public funding to be granted and paid as co-financing will consist of the contribution of the Rural Development Fund and a national contribution. The contribution of the Rural Development Fund will be 42% of the eligible public expenditure. The national contribution consists of co-financing from the government, the municipalities and other public sector actors.

The share of public support for projects to be support is 100% of eligible costs. If the support is less than EUR 100,000, the one-off payment procedures will always be followed. If the project supports an operation or an investment receiving support from some other measure (including investment in physical assets, training and information, demonstration operations), the support levels of the relevant measure will be complied with.

EUR 160,000,000 of public funding will be available in the programming period 2014–2020 for this measure (Code 16).

#### 8.2.10.3.2.9. Verifiability and controllability of the measures and/or types of operations

##### *8.2.10.3.2.9.1. Risk(s) in the implementation of the measures*

Selection of beneficiaries: clear application and documentation of the selection criteria, beneficiaries selected in line with the programme objectives

A new type of a measure: instructions for the measure

For Commission risk codes for the measure, see sections 8.2.10.4.1 and 2.

*8.2.10.3.2.9.2. Mitigating actions*

Selection of beneficiaries: non-disclosure agreements, improving the quality of applications and plans, recording the selection criteria in the HYRRÄ eService, deadlines set for beneficiaries, estimating the processing times of projects, planning of programme implementation, good reporting possibilities offered by the new information system (reports, monitoring data etc.)

A new type of a measure: extensive instructions for the measure are vital, administration will be centralised to a single ELY Centre, groups approved by the Ministry of Agriculture and Forestry

For Commission risk codes for the measure, see sections 8.2.10.4.1 and 2.

*8.2.10.3.2.9.3. Overall assessment of the measure*

*8.2.10.3.2.10. Methodology for calculation of the amount or support rate, where relevant*

*8.2.10.3.2.11. Information specific to the operation*

Further details on the special features of pilot projects, clusters, networks, short supply chains and local markets

See section 8.2.10.6, which concerns the entire measure and all of its sub-measures.

#### 8.2.10.3.3. 16.2. Pilot projects and the development of new products and techniques in the agriculture, food and forestry sectors

Sub-measure:

- 16.2 – support for pilot projects and support for developing new products, practices, processes and technologies

##### 8.2.10.3.3.1. Description of the type of operation

The objective is to support the development of new products, practices, processes and technologies in the agriculture, food and forestry sectors and to provide actors with possibilities of testing new activities or products in a real operating environment by means of a study, a development project or an investment. A pilot or a product development project may be implemented in connection with other sub-measures of this measure when the project is mainly relevant to the theme in question.

##### 8.2.10.3.3.2. Type of support

The measure will be implemented as development projects or investments for public use. The support will be paid as aid to the responsible implementer of the project.

##### 8.2.10.3.3.3. Links to other legislation

Articles 60–70 of the General Regulation (EU) No 1303/2013 (CPR)

Commission Regulation (EU) No 651/2014, in particular its Section 4

Administrative Procedure Act (434/2003)

Act on Public Contracts (348/2007)

##### 8.2.10.3.3.4. Beneficiaries

The beneficiary may be an organisation under public or private law, including an SME, a research unit or a development organisation, a foundation, an educational institution, a municipality or an association. Support must be jointly applied for by at minimum two actors or by a rural innovation group, and this must be indicated in the application. An exception to this rule is a situation referred to in Article 35 (2) a,b, where the project is implemented by a single company. The implementer may also be a rural innovation group pursuant to sub-measure 16.1. The support will be granted to the responsible implementer of the project. If the implementer is a rural innovation group, it must be the sole beneficiary. A precondition for granting support for a development project is that the applicant has the competence required by the nature and scope of the project, and adequate financial and operational capabilities for implementing the project. Project

support may only be granted for an operation arranged in a format that differs from the applicant's ordinary operations.

If a pilot or a product development project under sub-measure 16.2 (art 35 (2) a,b) is implemented by a single company, the outcomes must be published appropriately and openly to also benefit other actors.

#### 8.2.10.3.3.5. Eligible costs

Eligible costs are reasonable costs incurred for the organisation and implementation of co-operation. The support may cover minor procurements associated with the project. In demonstration projects, reasonable costs of the requisite investments are also eligible on conditions defined under measure M01.

The following reasonable costs incurred for the implementation of a development project are eligible for support:

- payroll costs and fees;
- travel costs;
- purchases of outsourced services;
- costs of renting premises;
- material costs and other costs necessary for project implementation
- reasonable investment costs.

The support may be granted as a one-off payment and, as regards general costs, as flat-rate financing pursuant to Articles 67 and 68 of Regulation (EU) No 1303/2013 and in compliance with the principles specified in detail in national legislation (Act 28/2014 and the Government Decree on Support for Rural Projects), or on the basis of receipted invoices. The flat-rate payment for general costs may at maximum be 24% of the eligible payroll costs of the project.

The targets of support and support levels determined on the basis of State aid procedures will be confirmed in connection with the notification procedure.

The preliminary proposal is that the following support levels are complied with in all projects:

In projects for public use (fundamental research), the support rate would be 90%, while in projects regarded as industrial research, the support rate may be 80% at maximum, if the project meets the relevant State aid conditions, and otherwise 70% at maximum. For cluster and pilot projects, support could be granted on de minimis conditions.

While support will not be granted for the normal product development of a medium or a large enterprise, large enterprises may also participate in the implementation of a co-operation project by lending their expertise to the project as part of the value chain. An eligible cluster must be new or about to start new operations. Projects related to the growth of a normal individual enterprise or an existing value chain or subcontracted research projects will not be implemented under this measure, unless their results are published. The costs incurred for the commercial production or exploitation of a newly developed prototype or product and the costs incurred for the beneficiaries' normal operations are also not eligible. Support will not be allocated to developing or marketing a product that has already been commercialised by a larger

company.

As a rule, the duration of the supported operation/project is 3 and, at maximum, 5 years. The investments must have been implemented within 2 years.

#### 8.2.10.3.3.6. Eligibility conditions

The eligibility conditions will be specified in more detail in the national Act on Support for Rural Development 28/2014 and the Government Decree laying down more detailed provisions issued by virtue of it (Government Decree on Support for Rural Projects 2014).

A precondition for granting aid is that the applicant produces a project plan and that the outcomes of the project lend themselves to more general utilisation.

Another criterion for granting support is that the support is necessary for the operations for which it is granted. The applicant must also produce a plan for the measure to be supported. The plan must include the objectives, the actions required to achieve them and the grounds for evaluating project implementation, an estimate of the implementation period, total costs and total funding, and a report on how the objectives of sustainable development will be taken into account in the implementation of the measure, and a plan concerning business support must include an analysis of the operations' profitability.

The plan must also indicate the implementation method of the project, the party implementing it, a breakdown of costs, the share of support in total funding, support form, implementation method of the requisite private funding and links with the programme under which the project is to be funded, the impacts and outcomes of the project as well as any other matters necessary for making a decision on the application. The project plan must describe how the outcomes of support granted for similar or closely associated operations in previous projects that have received public funding have been taken into account when preparing the project. In addition, the project plan must show how the operations that are the outcome of the project will be continued after project conclusion, unless this is obviously unnecessary due to the nature of the operation.

If, based on the eligible costs of the measure to be supported, the final amount of support were less than EUR 5,000, no support will be granted.

#### 8.2.10.3.3.7. Principles with regard to the setting of selection criteria

A project implemented in the application area of the programme must promote objectives relevant to the measure that are compliant with European Union priorities and that are described in the programme and the national legislation relevant to it, as well as the regional and local priorities that support them. The support aims for impact and added value that could not be achieved without support.

In the selection of eligible projects, consistent programme level selection criteria will be applied, which will be discussed by the programme's Monitoring Committee and attached to the programme before the

implementation of the measure begins. While the same selection criteria will be complied with in the entire programme area, they also account for the strategic emphases prepared in the areas of each ELY Centre that support the priorities of the Rural Development Programme for Mainland Finland. Concise descriptions of the regional plans and emphases have been attached to the programme.

The selection criteria and their emphases are the following:

- 1) how well the project implements the strategy and objectives of the programme and the regional plan (30%)
- 2) the cost-effectiveness, quality, impact and feasibility of the proposal (30%),
- 3) how well the project promotes industrial and business development by drawing on knowledge and competence (20%)
- 4) how well the project promotes partnerships and commitment (20%)

A project may be awarded 0 – 3 points for each item. The LAGs comply with selection criteria indicated by their own strategies when selecting projects to be funded relevant to the measure concerning co-operation.

Specific selection criteria will be defined for projects that concern the entire programme area or specific objectives, including the rural innovation groups. The benefits of the projects principally focus on rural areas.

#### 8.2.10.3.3.8. (Applicable) amounts and support rates

Public funding to be granted and paid as co-financing will consist of the contribution of the Rural Development Fund and a national contribution. The contribution of the Rural Development Fund will be 42% of the eligible public expenditure. The national contribution consists of co-financing from the government, the municipalities and other public sector actors.

The support level will be determined based on the project's implementation and contents in compliance with the State aid rules, which will be incorporated in the national legislation. If the project supports an operation or an investment receiving support from some other measure (including investment in physical assets, training and information, demonstration operations), the support levels of the relevant measure will be complied with. In case of operations regarded as State aid, the support conditions and rates are determined pursuant to Article 25 of Commission Regulation (EU) No 651/2014.

For cluster or pilot projects, or projects concerning at most 10 companies, support will be granted on de minimis conditions. Of rural innovation group costs, support may be paid amounting to 100% of eligible costs.

The support rate for inter-regional and national projects is 100% of eligible costs.

EUR 160,000,000 of public funding will be available in the programming period 2014–2020 for this measure (Code 16).

#### 8.2.10.3.3.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.10.3.3.9.1. Risk(s) in the implementation of the measures

- Selection of beneficiaries: application of selection criteria, clear goals, patterns of co-operation and objectives for programme implementation
- IT systems: information security (user rights, appropriate hardware and equipment, competence), building up and the functioning of the information system (continuous development needs)
- Payment applications: allocating costs to the supported operation
- VAT: Ensuring the eligibility of VAT payments
- A new type of a measure: instructions for the measure

For Commission risk codes for the measure, see sections 8.2.10.4.1 and 2.

##### 8.2.10.3.3.9.2. Mitigating actions

- Selection of beneficiaries: training and instruction for officials
- IT systems: the HYRRÄ eService and its flexibility, training, consistent approval procedures of user rights in the IAM application
- Payment applications: improving the competence level and training, sound planning of projects (including experiments), clear interfaces
- VAT: compliance with the statutes in force; VAT payments are eligible if they cannot be refunded; training for officials; use of check list
- A new type of a measure: comprehensive instructions for the measure are vital, training

For Commission risk codes for the measure, see sections 8.2.10.4.1 and 2.

##### 8.2.10.3.3.9.3. Overall assessment of the measure

#### 8.2.10.3.3.10. Methodology for calculation of the amount or support rate, where relevant

#### 8.2.10.3.3.11. Information specific to the operation

Further details on the special features of pilot projects, clusters, networks, short supply chains and local markets

See section 8.2.10.6, which concerns the entire measure and all of its sub-measures.

#### 8.2.10.3.4. 16.3. Other co-operation among small operators

Sub-measure:

- 16.3 – (other) co-operation among small operators in organising joint work processes and sharing facilities and resources and for developing and/or marketing rural tourism services

##### 8.2.10.3.4.1. Description of the type of operation

The objective of the measure is to encourage co-operation between small rural enterprises, especially in the tourism sector, in order to develop services and their marketing. The co-operation may also concern co-operation between small actors aiming to share the work and to develop new operating models.

##### 8.2.10.3.4.2. Type of support

The measure will be implemented as development projects. Support for a development project will be paid as aid to the responsible implementer of the project.

##### 8.2.10.3.4.3. Links to other legislation

Articles 60–70 of the General Regulation (EU) No 1303/2013 (CPR)

Commission Regulation (EU) No 651/2014, in particular its Section 4

Administrative Procedure Act (434/2003)

Act on Public Contracts (348/2007)

##### 8.2.10.3.4.4. Beneficiaries

The beneficiary may be an organisation under public or private law, including an SME, a research unit or a development organisation, a foundation, an educational institution, a municipality or an association. The parties benefiting from the projects may only include micro enterprises. The support will be granted to the responsible implementer of the project. If the implementer is a rural innovation group, it must be the sole beneficiary.

A precondition for granting support for a development project is that the applicant has the competence required by the nature and scope of the project, and adequate financial and operational capabilities for implementing the project. Project support may only be granted for an operation arranged in a format that differs from the applicant's ordinary operations.



#### 8.2.10.3.4.5. Eligible costs

Eligible costs are reasonable costs incurred for the organisation and implementation of co-operation. The support may cover minor procurements associated with the project. In demonstration projects, reasonable costs of the requisite investments are also eligible on conditions defined under measure M01.

The following reasonable costs incurred for the implementation of a development project are eligible for support:

- payroll costs and fees;
- travel costs;
- purchases of outsourced services;
- costs of renting premises;
- material costs and other costs necessary for project implementation.

The support may be granted as a one-off payment and, as regards general costs, as flat-rate financing pursuant to Articles 67 and 68 of Regulation (EU) No 1303/2013 and in compliance with the principles specified in detail in national legislation (Act 28/2014 and the Government Decree on Support for Rural Projects), or on the basis of receipted invoices. The flat-rate payment for general costs may at maximum be 24% of the eligible payroll costs of the project.

The targets of support and support levels determined on the basis of State aid procedures will be confirmed in connection with the notification procedure.

While support will not be granted for the normal product development of a medium or a large enterprise, large enterprises may also participate in the implementation of a co-operation project by lending their expertise to the project as part of the value chain. An eligible cluster must be new or about to start new operations. Projects related to the growth of a normal individual enterprise or an existing value chain or subcontracted research projects will not be implemented under this measure, unless their results are shared. The costs incurred for the commercial production or exploitation of a newly developed prototype or product and the costs incurred for the beneficiaries' normal operations are also not eligible. Support will not be allocated to developing or marketing a product that has already been commercialised by a company larger than a micro enterprise.

As a rule, the duration of the supported operation/project is 3 and, at maximum, 5 years.

#### 8.2.10.3.4.6. Eligibility conditions

The eligibility conditions will be specified in more detail in the national Act on Support for Rural Development 28/2014 and the Government Decree laying down more detailed provisions issued by virtue of it (Government Decree on Support for Rural Projects 2014).

A precondition for granting aid is that the applicant produces a project plan and that the outcomes of the project will be appropriately published and lend themselves to more general utilisation.

Another criterion for granting support is that the support is necessary for the operations for which it is granted. The applicant must also produce a plan for the measure to be supported. The plan must include the

objectives, the actions required to achieve them and the grounds for evaluating project implementation, an estimate of the implementation period, total costs and total funding, and a report on how the objectives of sustainable development will be taken into account in the implementation of the measure, and a plan concerning business support must include an analysis of the operations' profitability.

The plan must also indicate the implementation method of the project, the party implementing it, a breakdown of costs, the share of support in total funding, support form, implementation method of the requisite private funding and links with the programme under which the project is to be funded, the impacts and outcomes of the project as well as any other matters necessary for making a decision on the application. The project plan must describe how the outcomes of support granted for similar or closely associated operations in previous projects that have received public funding have been taken into account when preparing the project. In addition, the project plan must show how the operations that are the outcome of the project will be continued after project conclusion, unless this is obviously unnecessary due to the nature of the operation.

If, based on the eligible costs of the measure to be supported, the final amount of support were less than EUR 5,000, no support will be granted.

#### 8.2.10.3.4.7. Principles with regard to the setting of selection criteria

A project implemented in the application area of the programme must promote objectives relevant to the measure that are compliant with European Union priorities and that are described in the programme and the national legislation relevant to it, as well as the regional and local priorities that support them. The support aims for impact and added value that could not be achieved without support.

In the selection of eligible projects, consistent programme level selection criteria will be applied, which will be discussed by the programme's Monitoring Committee and attached to the programme before the implementation of the measure begins. Concise descriptions of the regional plans and emphases have been attached to the programme. While the same selection criteria will be complied with in the entire programme area, they also account for the strategic emphases prepared in the areas of each ELY Centre that support the priorities of the Rural Development Programme for Mainland Finland. Concise descriptions of the regional plans and emphases have been attached to the programme.

The selection criteria and their emphases are the following:

- 1) how well the project implements the strategy and objectives of the programme and the regional plan (30%)
- 2) the cost-effectiveness, quality, impact and feasibility of the proposal (30%),
- 3) how well the project promotes industrial and business development by drawing on knowledge and competence (20%)
- 4) how well the project promotes partnerships and commitment (20%)

A project may be awarded 0 – 3 points for each item.

The LAGs comply with selection criteria indicated by their own strategies when selecting projects to be funded relevant to the measure concerning co-operation.

Specific selection criteria will be defined for projects that concern the entire programme area or specific objectives, including the rural innovation groups. The benefits of the projects principally focus on rural areas.

#### 8.2.10.3.4.8. (Applicable) amounts and support rates

Public funding to be granted and paid as co-financing will consist of the contribution of the Rural Development Fund and a national contribution. The contribution of the Rural Development Fund will be 42% of the eligible public expenditure. The national contribution consists of co-financing from the government, the municipalities and other public sector actors.

The support level will be determined based on the project's implementation and contents in compliance with the State aid rules, which will be incorporated in the national legislation. If the project supports an operation or an investment receiving support from some other measure (including investment in physical assets, training and information, demonstration operations), the support levels of the relevant measure will be complied with. In case of operations regarded as State aid, the support conditions and rates are determined pursuant to Article 25 of Commission Regulation (EU) No 651/2014.

For cluster or pilot projects, or projects concerning at most 10 companies, support will be granted on de minimis conditions. Of rural innovation group costs, support may be paid amounting to 100% of eligible costs.

The support rate for inter-regional and national projects is 100% of eligible costs.

EUR 160,000,000 of public funding will be available in the programming period 2014–2020 under this measure (Code 16).

#### 8.2.10.3.4.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.10.3.4.9.1. Risk(s) in the implementation of the measures

- Selection of beneficiaries: clear goals, patterns of co-operation and objectives for programme implementation
- IT systems: information security (user rights, appropriate hardware and equipment, competence), building up and the functioning of the information system (continuous development needs)

- Payment applications: allocating costs to the supported operation

VAT: Ensuring the eligibility of VAT payments

For Commission risk codes for the measure, see sections 8.2.10.4.1 and 2.

#### *8.2.10.3.4.9.2. Mitigating actions*

- Selection of beneficiaries: training and instruction for officials
- IT systems: the HYRRÄ eService and its flexibility, training, consistent approval procedures of user rights in the IAM application
- Payment applications: improving the competence level and training, sound planning of projects, clear interfaces

VAT: compliance with the statutes in force; VAT payments are eligible if they cannot be refunded; training for officials; use of check list

For Commission risk codes for the measure, see sections 8.2.10.4.1 and 2.

#### *8.2.10.3.4.9.3. Overall assessment of the measure*

#### *8.2.10.3.4.10. Methodology for calculation of the amount or support rate, where relevant*

#### *8.2.10.3.4.11. Information specific to the operation*

Further details on the special features of pilot projects, clusters, networks, short supply chains and local markets

See section 8.2.10.6, which concerns the entire measure and all of its sub-measures.

8.2.10.3.5. 16.4. Horizontal and vertical co-operation among supply chain actors for the development of short supply chains

Sub-measure:

- 16.4 – Support for horizontal and vertical co-operation among supply chain actors for the establishment and the development of short supply chains and local markets, and promotion activities in a local context relating to the development of short supply chains and local markets

8.2.10.3.5.1. Description of the type of operation

The objective of the measure is horizontal and vertical co-operation between value chain actors and across sectoral boundaries, for example in order to find new links required to promote bio-economy, and to develop innovations, products, services and new technologies.

Under this measure may be supported operations that promote new operating models, market development and sales promotion of companies operating in the local market and/or short supply chain companies, and the establishment and sales promotion of producer groups for products sold under the label "farm produce" or "produced in the archipelago". Regarding short supply chains, provisions of Article 11 to Commission Regulation (EU) No 807/2014 will be complied with.

8.2.10.3.5.2. Type of support

The measure will be implemented as development projects. Support for a development project will be paid as aid to the responsible implementer of the project.

8.2.10.3.5.3. Links to other legislation

Articles 60–70 of the General Regulation (EU) No 1303/2013 (CPR)

Commission Regulation (EU) No 651/2014, in particular its Section 4

Article 11 of Commission Regulation (EU) No 807/2014

Administrative Procedure Act (434/2003)

Act on Public Contracts (348/2007)

8.2.10.3.5.4. Beneficiaries

The beneficiary may be an organisation under public or private law, including an SME, a research unit or a development organisation, a foundation, an educational institution, a municipality or an association. The support will be granted to the responsible implementer of the project. If the implementer is a rural

innovation group, it must be the sole beneficiary.

A precondition for granting support for a development project is that the applicant has the competence required by the nature and scope of the project, and adequate financial and operational capabilities for implementing the project. Project support may only be granted for an operation arranged in a format that differs from the applicant's ordinary operations.

#### 8.2.10.3.5.5. Eligible costs

Eligible costs are reasonable costs incurred for the organisation and implementation of co-operation. The support may cover minor procurements associated with the project. In demonstration projects, reasonable costs of the requisite investments are also eligible on conditions defined under measure M01.

The following reasonable costs incurred for the implementation of a development project are eligible for support:

- payroll costs and fees;
- travel costs;
- purchases of outsourced services;
- costs of renting premises;
- material costs and other costs necessary for project implementation.

The support may be granted as a one-off payment and, as regards general costs, as flat-rate financing pursuant to Articles 67 and 68 of Regulation (EU) No 1303/2013 and in compliance with the principles specified in detail in national legislation (Act 28/2014 and the Government Decree on Support for Rural Projects), or on the basis of receipted invoices. The flat-rate payment for general costs may at maximum be 24% of the eligible payroll costs of the project.

The targets of support and support levels determined on the basis of State aid procedures will be confirmed in connection with the notification procedure.

While support will not be granted for the normal product development of a medium or a large enterprise, large enterprises may also participate in the implementation of a co-operation project by lending their expertise to the project as part of the value chain. An eligible cluster must be new or about to start new operations. Projects related to the growth of a normal individual enterprise or an existing value chain, or subcontracted research projects, will not be implemented under this measure, unless their results are published. The costs incurred for the commercial production or exploitation of a newly developed prototype or product and the costs incurred for the beneficiaries' normal operations are also not eligible. Support will not be allocated to developing or marketing a product that has already been commercialised by a larger company.

At maximum 25% of the running costs of a co-operation group designated as a rural innovation group are eligible.

The maximum duration of the supported operation/project is [5] years.

#### 8.2.10.3.5.6. Eligibility conditions

The eligibility conditions will be specified in more detail in the national Act on Support for Rural Development 28/2014 and the Government Decree laying down more detailed provisions issued by virtue of it (Government Decree on Support for Rural Projects 2014).

A precondition for granting aid is that the applicant produces a project plan and that the outcomes of the project will be appropriately published and lend themselves to more general utilisation.

Another criterion for granting support is that the support is necessary for the operations for which it is granted. The applicant must also produce a plan for the measure to be supported. The plan must include the objectives, the actions required to achieve them and the grounds for evaluating project implementation, an estimate of the implementation period, total costs and total funding, and a report on how the objectives of sustainable development will be taken into account in the implementation of the measure, and a plan concerning business support must include an analysis of the operations' profitability.

The plan must also indicate the implementation method of the project, the party implementing it, a breakdown of costs, the share of support in total funding, support form, implementation method of the requisite private funding and links with the programme under which the project is to be funded, the impacts and outcomes of the project as well as any other matters necessary for making a decision on the application. The project plan must describe how the outcomes of support granted for similar or closely associated operations in previous projects that have received public funding have been taken into account when preparing the project. In addition, the project plan must show how the operations that are the outcome of the project will be continued after project conclusion, unless this is obviously unnecessary due to the nature of the operation.

If, based on the eligible costs of the measure to be supported, the final amount of support were less than EUR 5,000, no support will be granted.

#### 8.2.10.3.5.7. Principles with regard to the setting of selection criteria

A project implemented in the application area of the programme must promote objectives relevant to the measure that are compliant with European Union priorities and that are described in the programme and the national legislation relevant to it, as well as the regional and local priorities that support them. The support aims for impact and added value that could not be achieved without support.

In the selection of eligible projects, consistent programme level selection criteria will be applied, which will be discussed by the programme's Monitoring Committee and attached to the programme before the implementation of the measure begins. Concise descriptions of the regional plans and emphases have been attached to the programme. While the same selection criteria will be complied with in the entire programme area, they also account for the strategic emphases prepared in the areas of each ELY Centre that support the priorities of the Rural Development Programme for Mainland Finland. Concise descriptions of the regional plans and emphases have been attached to the programme.

The selection criteria and their emphases are the following:

- 1) how well the project implements the strategy and objectives of the programme and the regional plan (30%)
- 2) the cost-effectiveness, quality, impact and feasibility of the proposal (30%),
- 3) how well the project promotes industrial and business development by drawing on knowledge and competence (20%)
- 4) how well the project promotes partnerships and commitment (20%)

A project may be awarded 0 – 3 points for each item. The LAGs comply with selection criteria indicated by their own strategies when selecting projects to be funded relevant to the measure concerning co-operation.

Specific selection criteria will be defined for projects that concern the entire programme area or specific objectives, including the rural innovation groups. The benefits of the projects principally focus on rural areas.

#### 8.2.10.3.5.8. (Applicable) amounts and support rates

Public funding to be granted and paid as co-financing will consist of the contribution of the Rural Development Fund and a national contribution. The contribution of the Rural Development Fund will be 42% of the eligible public expenditure. The national contribution consists of co-financing from the government, the municipalities and other public sector actors.

The support level will be determined based on the project's implementation and contents in compliance with the State aid rules, which will be incorporated in the national legislation. If the project supports an operation or an investment receiving support from some other measure (including investment in physical assets, training and information, demonstration operations), the support levels of the relevant measure will be complied with. In case of operations regarded as State aid, the support conditions and rates are determined pursuant to Article 25 of Commission Regulation (EU) No 651/2014.

For cluster or pilot projects, or projects concerning at most 10 companies, support will be granted on de minimis conditions. Of rural innovation group costs, support may be paid amounting to 100% of eligible costs.

The support rate for inter-regional and national projects is 100% of eligible costs.

EUR 160,000,000 of public funding will be available in the programming period 2014–2020 under this measure (Code 16).



#### 8.2.10.3.5.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.10.3.5.9.1. Risk(s) in the implementation of the measures

- Selection of beneficiaries: clear goals, patterns of co-operation and objectives for programme implementation
- IT systems: information security (user rights, appropriate hardware and equipment, competence), building up and the functioning of the information system (continuous development needs)
- Payment applications: allocating costs to the supported operation
- VAT: Ascertaining the eligibility of VAT payments  
New type of a measure: instructions for the measure

For Commission risk codes for the measure, see sections 8.2.10.4.1 and 2.

##### 8.2.10.3.5.9.2. Mitigating actions

- Selection of beneficiaries: training and instruction for officials
- IT systems: the HYRRÄ eService and its flexibility, training, consistent approval procedures of user rights in the IAM application
- Payment applications: improving the competence level and training, sound planning of projects, clear interfaces
- VAT: compliance with valid statutes; VAT is eligible if it cannot be refunded; training for officials; use of check list  
New type of a measure: comprehensive instructions for the measure are vital, training

For Commission risk codes for the measure, see sections 8.2.10.4.1 and 2.

##### 8.2.10.3.5.9.3. Overall assessment of the measure

#### 8.2.10.3.5.10. Methodology for calculation of the amount or support rate, where relevant

#### 8.2.10.3.5.11. Information specific to the operation

Further details on the special features of pilot projects, clusters, networks, short supply chains and local markets

As **local markets** will mainly be regarded the processing and sales of products produced within a province or a similar area. Local food and local origin and supply of food relate, in particular, to short supply chains. Short supply chains are defined by a small number of actors in the chain, close co-operation between actors, growth of the local economy, and geographical and social contacts between consumers.

The provincial level, or the regional level that corresponds to or is lower than the provincial level, offers a natural scope for a local market for many reasons. The most genuine form of local food is produced by micro and small enterprises which, according to studies, mainly purchase the raw materials they process from the area of their own province (or produce the raw materials themselves), and the main market area for these companies also is their home province. Additionally, there are major differences in the regional culinary cultures in various parts of Finland, and provincial differences can be observed. In this context, a province is not only an administrative area but also a historical and functional area that has been shaped by its culture, industries, people etc. over the centuries.

A province can justifiably be considered the local area, as it is small as a market area. The population of a Finnish province is 70,000 – 500,000, and only in Uusimaa around the Helsinki Metropolitan area does a single province have a population of over one million. Elsewhere, the distances are long, the population density is low, and the provincial centres are the only significant marketplaces.

The **Government Decree** on certain operations of a low food safety risk 1258/2011, which contains provisions complementing Regulation (EC) No 852/2004 of the European Parliament and of the Council on the hygiene of foodstuffs, defines local activities as deliveries within a province or a corresponding area.

For other definitions, see section 8.2.10.6, which concerns the entire measure and all of its sub-measures.

8.2.10.3.6. 16.5. Joint action undertaken with a view to mitigating or adapting to climate change; environmental projects

Sub-measure:

- 16.5 – support for joint action undertaken with a view to mitigating or adapting to climate change and for joint approaches to environmental projects and ongoing environmental practices

8.2.10.3.6.1. Description of the type of operation

Innovative processes and technologies created through co-operation to mitigate and adapt to climate change and preparation of new environmental actions based on co-operation and innovations may be supported under this measure. The projects may also focus on developing decentralised energy production, resource efficiency and new operating models.

8.2.10.3.6.2. Type of support

The measure will be implemented as development projects. Support for a development project will be paid as aid to the responsible implementer of the project.

8.2.10.3.6.3. Links to other legislation

Articles 60–70 of the General Regulation (EU) No 1303/2013 (CPR)

Commission Regulation (EU) No 651/2014, in particular its Section 4

Administrative Procedure Act (434/2003)

Act on Public Contracts (348/2007)

8.2.10.3.6.4. Beneficiaries

The beneficiary may be an organisation under public or private law, including an SME, a research unit or a development organisation, a foundation, an educational institution, a municipality or an association. The support will be granted to the responsible implementer of the project. If the implementer is a rural innovation group, it must be the sole beneficiary.

A precondition for granting support for a development project is that the applicant has the competence required by the nature and scope of the project, and adequate financial and operational capabilities for implementing the project. Project support may only be granted for an operation arranged in a format that differs from the applicant's ordinary operations.

#### 8.2.10.3.6.5. Eligible costs

Eligible costs are reasonable costs incurred for the organisation and implementation of co-operation. The support may cover minor procurements associated with the project. In demonstration projects, reasonable costs of the requisite investments are also eligible on conditions defined under measure M01.

The following reasonable costs incurred for the implementation of a development project are eligible for support:

- payroll costs and fees;
- travel costs;
- purchases of outsourced services;
- costs of renting premises;
- material costs and other costs necessary for project implementation.

The support may be granted as a one-off payment and, as regards general costs, as flat-rate financing pursuant to Articles 67 and 68 of Regulation (EU) No 1303/2013 and in compliance with the principles specified in detail in national legislation (Act 28/2014 and the Government Decree on Support for Rural Projects), or on the basis of receipted invoices.

The targets of support and support levels determined on the basis of State aid procedures will be confirmed in connection with the notification procedure.

While support will not be granted for the normal product development of a medium or a large enterprise, large enterprises may also participate in the implementation of a co-operation project by lending their expertise to the project as part of the value chain. An eligible cluster must be new or about to start new operations. Projects related to the growth of a normal individual enterprise or an existing value chain, or subcontracted research projects, will not be implemented under this measure, unless their results are published. The costs incurred for the commercial production or exploitation of a newly developed prototype or product and the costs incurred for the beneficiaries' normal operations are also not eligible. Support will not be allocated to developing or marketing a product that has already been commercialised by a larger company.

As a rule, the duration of the supported operation/project is 3 and, at maximum, 5 years.

#### 8.2.10.3.6.6. Eligibility conditions

The eligibility conditions will be specified in more detail in the national Act on Support for Rural Development 28/2014 and the Government Decree laying down more detailed provisions issued by virtue of it (Government Decree on Support for Rural Projects 2014).

A precondition for granting aid is that the applicant produces a project plan and that the outcomes of the project will be appropriately published and lend themselves to more general utilisation.

Another criterion for granting support is that the support is necessary for the operations for which it is granted. The applicant must also produce a plan for the measure to be supported. The plan must include the objectives, the actions required to achieve them and the grounds for evaluating project implementation, an estimate of the implementation period, total costs and total funding, and a report on how the objectives of

sustainable development will be taken into account in the implementation of the measure, and a plan concerning business support must include an analysis of the operations' profitability.

The plan must also indicate the implementation method of the project, the party implementing it, a breakdown of costs, the share of support in total funding, support form, implementation method of the requisite private funding and links with the programme under which the project is to be funded, the impacts and outcomes of the project as well as any other matters necessary for making a decision on the application. The project plan must describe how the outcomes of support granted for similar or closely associated operations in previous projects that have received public funding have been taken into account when preparing the project. In addition, the project plan must show how the operations that are the outcome of the project will be continued after project conclusion, unless this is obviously unnecessary due to the nature of the operation.

If, based on the eligible costs of the measure to be supported, the final amount of support were less than EUR 5,000, no support will be granted.

#### 8.2.10.3.6.7. Principles with regard to the setting of selection criteria

A project implemented in the application area of the programme must promote objectives relevant to the measure that are compliant with European Union priorities and that are described in the programme and the national legislation relevant to it, as well as the regional and local priorities that support them. The support aims for impact and added value that could not be achieved without support.

In the selection of eligible projects, consistent programme level selection criteria will be applied, which will be discussed by the programme's Monitoring Committee and attached to the programme before the implementation of the measure begins. Concise descriptions of the regional plans and emphases have been attached to the programme. While the same selection criteria will be complied with in the entire programme area, they also account for the strategic emphases prepared in the areas of each ELY Centre that support the priorities of the Rural Development Programme for Mainland Finland. Concise descriptions of the regional plans and emphases have been attached to the programme.

The selection criteria and their emphases are the following:

- 1) how well the project implements the strategy and objectives of the programme and the regional plan (30%)
- 2) the cost-effectiveness, quality, impact and feasibility of the proposal (30%),
- 3) how well the project promotes industrial and business development by drawing on knowledge and competence (20%)
- 4) how well the project promotes partnerships and commitment (20%)

0–3 points may be awarded to the project for each item. The LAGs comply with selection criteria indicated by their own strategies when selecting projects to be funded relevant to the measure concerning co-

operation.

Specific selection criteria will be defined for projects that concern the entire programme area or specific objectives, including the rural innovation groups. The benefits of the projects principally focus on rural areas.

#### 8.2.10.3.6.8. (Applicable) amounts and support rates

Public funding to be granted and paid as co-financing will consist of the contribution of the Rural Development Fund and a national contribution. The contribution of the Rural Development Fund will be 42% of the eligible public expenditure. The national contribution consists of co-financing from the government, the municipalities and other public sector actors.

The support level will be determined based on the project's implementation and contents in compliance with the State aid rules, which will be incorporated in the national legislation. If the project supports an operation or an investment receiving support from some other measure (including investment in physical assets, training and information, demonstration operations), the support levels of the relevant measure will be complied with. In case of operations regarded as State aid, the support conditions and rates are determined pursuant to Article 25 of Commission Regulation (EU) No 651/2014.

For cluster or pilot projects, or projects concerning at most 10 companies, support will be granted on de minimis conditions. Of rural innovation group costs, support may be paid amounting to 100% of eligible costs.

The support rate for inter-regional and national projects is 100% of eligible costs.

EUR 160,000,000 of public funding will be available in the programming period 2014–2020 for this measure (Code 16).

#### 8.2.10.3.6.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.10.3.6.9.1. Risk(s) in the implementation of the measures

- Selection of beneficiaries: clear goals, patterns of co-operation and objectives for programme implementation
- IT systems: information security (user rights, appropriate hardware and equipment, competence), building up and the functioning of the information system (continuous development needs)
- Payment applications: allocating costs to the supported operation
- VAT: Ensuring the eligibility of VAT payments
- A new type of a measure: instructions for the measure

For Commission risk codes for the measure, see sections 8.2.10.4.1 and 2.

*8.2.10.3.6.9.2. Mitigating actions*

- Selection of beneficiaries: training and instruction for officials
- IT systems: the HYRRÄ eService and its flexibility, training, consistent approval procedures of user rights in the IAM application
- Payment applications: improving the competence level and training, sound planning of projects, clear interfaces
- VAT: compliance with the statutes in force; VAT payments are eligible if they cannot be refunded; training for officials; use of check list
- A new type of a measure: comprehensive instructions for the measure are vital, training

For Commission risk codes for the measure, see sections 8.2.10.4.1 and 2.

*8.2.10.3.6.9.3. Overall assessment of the measure*

*8.2.10.3.6.10. Methodology for calculation of the amount or support rate, where relevant*

*8.2.10.3.6.11. Information specific to the operation*

Further details on the special features of pilot projects, clusters, networks, short supply chains and local markets

See section 8.2.10.6, which concerns the entire measure and all of its sub-measures.

#### 8.2.10.3.7. 16.6. Horizontal and vertical co-operation in food, energy and biomass production

Sub-measure:

- 16.6 – support for horizontal and vertical co-operation among supply chain actors in the sustainable provision of biomass for use in food and energy production and industrial processes

##### 8.2.10.3.7.1. Description of the type of operation

Under this measure may be supported horizontal and vertical co-operation between value chain actors and across sectoral boundaries, for example in order to find new links required to promote bio-economy and to develop innovations, products, services and new technologies to ensure the sustainable production and use of biomasses. The objective is horizontal and vertical co-operation between actors in the supply chain to develop logistic interfaces and, in particular, to develop new bio-economy clusters.

##### 8.2.10.3.7.2. Type of support

The measure will be implemented as development projects. Support for a development project will be paid as aid to the responsible implementer of the project.

##### 8.2.10.3.7.3. Links to other legislation

Articles 60–70 of the General Regulation (EU) No 1303/2013 (CPR)

Commission Regulation (EU) No 651/2014, in particular its Section 4

Administrative Procedure Act (434/2003)

Act on Public Contracts (348/2007)

##### 8.2.10.3.7.4. Beneficiaries

The beneficiary may be an organisation under public or private law, including an SME, a research unit or a development organisation, a foundation, an educational institution, a municipality or an association. The support will be granted to the responsible implementer of the project. If the implementer is a rural innovation group, it must be the sole beneficiary.

A precondition for granting support for a development project is that the applicant has the competence required by the nature and scope of the project, and adequate financial and operational capabilities for implementing the project. Project support may only be granted for an operation arranged in a format that differs from the applicant's ordinary operations.



#### 8.2.10.3.7.5. Eligible costs

Eligible costs are reasonable costs incurred for the organisation and implementation of co-operation. The support may cover minor procurements associated with the project. In demonstration projects closely associated with the project, reasonable costs of requisite investments are also eligible on conditions defined under measure M01.

The following reasonable costs incurred for the implementation of a development project are eligible for support:

- payroll costs and fees;
- travel costs;
- purchases of outsourced services;
- costs of renting premises;
- material costs and other costs necessary for project implementation.

The support may be granted as a one-off payment and, as regards general costs, as flat-rate financing pursuant to Articles 67 and 68 of Regulation (EU) No 1303/2013 and in compliance with the principles specified in detail in national legislation (Act 28/2014 and the Government Decree on Support for Rural Projects), or on the basis of receipted invoices. The flat-rate payment for general costs may at maximum be 24% of the eligible payroll costs of the project.

The targets of support and support levels determined on the basis of State aid procedures will be confirmed in connection with the notification procedure.

While support will not be granted for the normal product development of a medium or a large enterprise, large enterprises may also participate in the implementation of a co-operation project by lending their expertise to the project as part of the value chain. An eligible cluster must be new or about to start new operations. Projects related to the growth of a normal individual enterprise or an existing value chain, or subcontracted research projects, will not be implemented under this measure, unless their results are published. The costs incurred for the commercial production or exploitation of a newly developed prototype or product and the costs incurred for the beneficiaries' normal operations are also not eligible. Support will not be allocated to developing or marketing a product that has already been commercialised by a larger company.

As a rule, the duration of the supported operation/project is 3 and, at maximum, 5 years.

#### 8.2.10.3.7.6. Eligibility conditions

The eligibility conditions will be specified in more detail in the national Act on Support for Rural Development 28/2014 and the Government Decree laying down more detailed provisions issued by virtue of it (Government Decree on Support for Rural Projects 2014).

A precondition for granting aid is that the applicant produces a project plan and that the outcomes of the project will be appropriately published and lend themselves to more general utilisation.

Another criterion for granting support is that the support is necessary for the operations for which it is granted. The applicant must also produce a plan for the measure to be supported. The plan must include the

objectives, the actions required to achieve them and the grounds for evaluating project implementation, an estimate of the implementation period, total costs and total funding, and a report on how the objectives of sustainable development will be taken into account in the implementation of the measure, and a plan concerning business support must include an analysis of the operations' profitability.

The plan must also indicate the implementation method of the project, the party implementing it, a breakdown of costs, the share of support in total funding, support form, implementation method of the requisite private funding and links with the programme under which the project is to be funded, the impacts and outcomes of the project as well as any other matters necessary for making a decision on the application. The project plan must describe how the outcomes of support granted for similar or closely associated operations in previous projects that have received public funding have been taken into account when preparing the project. In addition, the project plan must show how the operations that are the outcome of the project will be continued after project conclusion, unless this is obviously unnecessary due to the nature of the operation.

If, based on the eligible costs of the measure to be supported, the final amount of support were less than EUR 5,000, no support will be granted.

#### 8.2.10.3.7.7. Principles with regard to the setting of selection criteria

A project implemented in the application area of the programme must promote objectives relevant to the measure that are compliant with European Union priorities and that are described in the programme and the national legislation relevant to it, as well as the regional and local priorities that support them. The support aims for impact and added value that could not be achieved without support.

In the selection of eligible projects, consistent programme level selection criteria will be applied, which will be discussed by the programme's Monitoring Committee and attached to the programme before the implementation of the measure begins. Concise descriptions of the regional plans and emphases have been attached to the programme. While the same selection criteria will be complied with in the entire programme area, they also account for the strategic emphases prepared in the areas of each ELY Centre that support the priorities of the Rural Development Programme for Mainland Finland. Concise descriptions of the regional plans and emphases have been attached to the programme.

The selection criteria and their emphases are the following:

- 1) how well the project implements the strategy and objectives of the programme and the regional plan (30%)
- 2) the cost-effectiveness, quality, impact and feasibility of the proposal (30%),
- 3) how well the project promotes industrial and business development by drawing on knowledge and competence (20%)
- 4) how well the project promotes partnerships and commitment (20%)

0–3 points may be awarded to the project for each item. The LAGs comply with selection criteria indicated by their own strategies when selecting projects to be funded relevant to the measure concerning co-operation.

Specific selection criteria will be defined for projects that concern the entire programme area or specific objectives, including the rural innovation groups. The benefits of the projects principally focus on rural areas.

#### 8.2.10.3.7.8. (Applicable) amounts and support rates

Public funding to be granted and paid as co-financing will consist of the contribution of the Rural Development Fund and a national contribution. The contribution of the Rural Development Fund will be 42% of the eligible public expenditure. The national contribution consists of co-financing from the government, the municipalities and other public sector actors.

The support level will be determined based on the project's implementation and contents in compliance with the State aid rules, which will be incorporated in the national legislation. If the project supports an operation or an investment receiving support from some other measure (including investment in physical assets, training and information, demonstration operations), the support levels of the relevant measure will be complied with. In case of operations regarded as State aid, the support conditions and rates are determined pursuant to Article 25 of Commission Regulation (EU) No 651/2014.

For cluster or pilot projects, or projects concerning at most 10 companies, support will be granted on de minimis conditions. Of rural innovation group costs, support may be paid amounting to 100% of eligible costs.

The support rate for inter-regional and national projects is 100% of eligible costs.

EUR 160,000,000 of public funding will be available in the programming period 2014–2020 for this measure (Code 16).

#### 8.2.10.3.7.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.10.3.7.9.1. Risk(s) in the implementation of the measures

- Selection of beneficiaries: clear goals, patterns of co-operation and objectives for programme implementation
  - IT systems: information security (user rights, appropriate hardware and equipment, competence), building up and the functioning of the information system (continuous development needs)
  - Payment applications: allocating costs to the supported operation
  - VAT: Ascertaining the eligibility of VAT payments
- New type of a measure: instructions for the measure

For Commission risk codes for the measure, see sections 8.2.10.4.1 and 2.

*8.2.10.3.7.9.2. Mitigating actions*

- Selection of beneficiaries: training and instruction for officials
- IT systems: the HYRRÄ eService and its flexibility, training, consistent approval procedures of user rights in the IAM application
- Payment applications: improving the competence level and training, sound planning of projects, clear interfaces
- VAT: compliance with the statutes in force; VAT payments are eligible if they cannot be refunded; training for officials; use of check list
- A new type of a measure: comprehensive instructions for the measure are vital, training

For Commission risk codes for the measure, see sections 8.2.10.4.1 and 2.

*8.2.10.3.7.9.3. Overall assessment of the measure*

*8.2.10.3.7.10. Methodology for calculation of the amount or support rate, where relevant*

*8.2.10.3.7.11. Information specific to the operation*

Further details on the special features of pilot projects, clusters, networks, short supply chains and local markets

See section 8.2.10.6, which concerns the entire measure and all of its sub-measures.

8.2.10.3.8. 16.9. Diversification of farming activities, community-supported agriculture and education about the environment and food

Sub-measure:

- 16.9 – support for diversification of farming activities into activities concerning health care, social integration, community-supported agriculture and education about the environment and food

8.2.10.3.8.1. Description of the type of operation

Under this measure, support may be granted for the diversification of farming activities, a particular target being co-operation associated with care and experience services promoting health and enhancing well-being provided by rural enterprises as well as their productisation and marketing. The projects may also include training, but training and information projects should mainly apply for funding under the relevant measure M01.

8.2.10.3.8.2. Type of support

The measure will be implemented as development projects. Support for a development project will be paid as aid to the responsible implementer of the project.

8.2.10.3.8.3. Links to other legislation

Articles 60–70 of the General Regulation (EU) No 1303/2013 (CPR)

Commission Regulation (EU) No 651/2014, in particular its Section 4

Administrative Procedure Act (434/2003)

Act on Public Contracts (348/2007)

8.2.10.3.8.4. Beneficiaries

The beneficiary may be an organisation under public or private law, including an SME, a research unit or a development organisation, a foundation, an educational institution, a municipality or an association. The support will be granted to the responsible implementer of the project. If the implementer is a rural innovation group, it must be the sole beneficiary.

A precondition for granting support for a development project is that the applicant has the competence required by the nature and scope of the project, and adequate financial and operational capabilities for implementing the project. Project support may only be granted for an operation arranged in a format that differs from the applicant's ordinary operations.

#### 8.2.10.3.8.5. Eligible costs

Eligible costs are reasonable costs incurred for the organisation and implementation of co-operation. The support may cover minor procurements associated with the project. In demonstration projects, reasonable costs of the requisite investments are also eligible on conditions defined under measure M01.

The following reasonable costs incurred for the implementation of a development project are eligible for support:

- payroll costs and fees;
- travel costs;
- purchases of outsourced services;
- costs of renting premises;
- material costs and other costs necessary for project implementation.

The support may be granted as a one-off payment and, as regards general costs, as flat-rate financing pursuant to Articles 67 and 68 of Regulation (EU) No 1303/2013 and in compliance with the principles specified in detail in national legislation (Act 28/2014 and the Government Decree on Support for Rural Projects), or on the basis of receipted invoices. The flat-rate payment for general costs may at maximum be 24% of the eligible payroll costs of the project.

The targets of support and support levels determined on the basis of State aid procedures will be confirmed in connection with the notification procedure. While support will not be granted for the normal product development of a medium or a large enterprise, large enterprises may also participate in the implementation of a co-operation project by lending their expertise to the project as part of the value chain. An eligible cluster must be new or about to start new operations. Projects related to the growth of a normal individual enterprise or an existing value chain, or subcontracted research projects, will not be implemented under this measure, unless their results are shared. The costs incurred for the commercial production or exploitation of a newly developed prototype or product and the costs incurred for the beneficiaries' normal operations are also not eligible. Support will not be allocated to developing or marketing a product that has already been commercialised by a larger company.

As a rule, the duration of the supported operation/project is 3 and, at maximum, 5 years.

#### 8.2.10.3.8.6. Eligibility conditions

The eligibility conditions will be specified in more detail in the national Act on Support for Rural Development 28/2014 and the Government Decree laying down more detailed provisions issued by virtue of it (Government Decree on Support for Rural Projects 2014).

A precondition for granting aid is that the applicant produces a project plan and that the outcomes of the project will be appropriately published and lend themselves to more general utilisation.

Another criterion for granting support is that the support is necessary for the operations for which it is

granted. The applicant must also produce a plan for the measure to be supported. The plan must include the objectives, the actions required to achieve them and the grounds for evaluating project implementation, an estimate of the implementation period, total costs and total funding, and a report on how the objectives of sustainable development will be taken into account in the implementation of the measure, and a plan concerning business support must include an analysis of the operations' profitability.

The plan must also indicate the implementation method of the project, the party implementing it, a breakdown of costs, the share of support in total funding, support form, implementation method of the requisite private funding and links with the programme under which the project is to be funded, the impacts and outcomes of the project as well as any other matters necessary for making a decision on the application. The project plan must describe how the outcomes of support granted for similar or closely associated operations in previous projects that have received public funding have been taken into account when preparing the project. In addition, the project plan must show how the operations that are the outcome of the project will be continued after project conclusion, unless this is obviously unnecessary due to the nature of the operation.

If, based on the eligible costs of the measure to be supported, the final amount of support were less than EUR 5,000, no support will be granted.

#### 8.2.10.3.8.7. Principles with regard to the setting of selection criteria

A project implemented in the application area of the programme must promote objectives relevant to the measure that are compliant with European Union priorities and that are described in the programme and the national legislation relevant to it, as well as the regional and local priorities that support them. The support aims for impact and added value that could not be achieved without support.

In the selection of eligible projects, consistent programme level selection criteria will be applied, which will be discussed by the programme's Monitoring Committee and attached to the programme before the implementation of the measure begins. Concise descriptions of the regional plans and emphases have been attached to the programme. While the same selection criteria will be complied with in the entire programme area, they also account for the strategic emphases prepared in the areas of each ELY Centre that support the priorities of the Rural Development Programme for Mainland Finland. Concise descriptions of the regional plans and emphases have been attached to the programme.

The selection criteria and their emphases are the following:

- 1) how well the project implements the strategy and objectives of the programme and the regional plan (30%)
- 2) the cost-effectiveness, quality, impact and feasibility of the proposal (30%),
- 3) how well the project promotes industrial and business development by drawing on knowledge and competence (20%)

4) how well the project promotes partnerships and commitment (20%)

0–3 points may be awarded to the project for each item. The LAGs comply with selection criteria indicated by their own strategies when selecting projects to be funded relevant to the measure concerning co-operation.

Specific selection criteria will be defined for projects that concern the entire programme area or specific objectives, including the rural innovation groups. The benefits of the projects principally focus on rural areas.

8.2.10.3.8.8. (Applicable) amounts and support rates

Public funding to be granted and paid as co-financing will consist of the contribution of the Rural Development Fund and a national contribution. The contribution of the Rural Development Fund will be 42% of the eligible public expenditure. The national contribution consists of co-financing from the government, the municipalities and other public sector actors.

The support level will be determined based on the project's implementation and contents in compliance with the State aid rules, which will be incorporated in the national legislation. If the project supports an operation or an investment receiving support from some other measure (including investment in physical assets, training and information, demonstration operations), the support levels of the relevant measure will be complied with. In case of operations regarded as State aid, the support conditions and rates are determined pursuant to Article 25 of Commission Regulation (EU) No 651/2014.

For cluster or pilot projects, or projects concerning at most 10 companies, support will be granted on de minimis conditions. Of rural innovation group costs, support may be paid amounting to 100% of eligible costs.

The support rate for inter-regional and national projects is 100% of eligible costs.

EUR 160,000,000 of public funding will be available in the programming period 2014–2020 for this measure (Code 16).

8.2.10.3.8.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.8.9.1. Risk(s) in the implementation of the measures

- Selection of beneficiaries: clear goals, patterns of co-operation and objectives for programme implementation
- IT systems: information security (user rights, appropriate hardware and equipment, competence), building up and the functioning of the information system (continuous development needs)



- Payment applications: allocating costs to the supported operation
- VAT: Ensuring the eligibility of VAT payments
- A new type of a measure: instructions for the measure

For Commission risk codes for the measure, see sections 8.2.10.4.1 and 2.

#### *8.2.10.3.8.9.2. Mitigating actions*

- Selection of beneficiaries: training and instruction for officials
- IT systems: the HYRRÄ eService and its flexibility, training, consistent approval procedures of user rights in the IAM application
- Payment applications: improving the competence level and training, sound planning of projects, clear interfaces
- VAT: compliance with the statutes in force; VAT payments are eligible if they cannot be refunded; training for officials; use of check list
- A new type of a measure: comprehensive instructions for the measure are vital, training

For Commission risk codes for the measure, see sections 8.2.10.4.1 and 2.

#### *8.2.10.3.8.9.3. Overall assessment of the measure*

#### *8.2.10.3.8.10. Methodology for calculation of the amount or support rate, where relevant*

#### *8.2.10.3.8.11. Information specific to the operation*

Further details on the special features of pilot projects, clusters, networks, short supply chains and local markets

See section 8.2.10.6, which concerns the entire measure and all of its sub-measures.

*8.2.10.4. Verifiability and controllability of the measures and/or types of operations*

8.2.10.4.1. Risk(s) in the implementation of the measures

As a consequence of inadequate animation and communication, there may be a shortage of good project ideas and their implementers. Incomplete applications that are pending hinder decision-making related to projects. There may be shortcomings in compliance with deadlines set for complementing applications. Non-compliance with the selection criteria and deficient documentation of the selection process of funded projects may result in a failure to select the projects that would optimally implement the programme objectives, or the selection is not fair.

Shortcomings may be associated with assessing whether or not costs are reasonable, and documentation of cost assessment may be deficient. Insufficient familiarity with the eligibility rules may be a risk factor in project implementation. Allocation of costs to non-eligible activities may also be a risk. The use of advance payments involves a risk related to the overall realisation of funding. In the verification and control procedures, maintaining the authorities' professional competence is highlighted, including checking the eligibility conditions and taking them into consideration in the various phases. Information security (user rights, appropriate hardware and equipment, competence), building up and the functioning of the information system and continuous development needs present a risk. Risks to faultless implementation increase if significant modifications are made in the programme, or new support measures are added to it during the implementation period.

R1. Shortcomings may be associated with assessing whether or not costs are reasonable

R5. Risk related to the use of advance payments: is the support allocated to eligible costs

R7.1 Not enough information is available on the measures to be funded to enable all potential applicants to apply for support, or applicants cannot find the information

R 7.2. Incomplete applications obstruct decision-making

R 7.3. The selection system or the application of selection criteria is not open, and it does not guarantee equal treatment of the projects

R9. Payment applications include non-eligible costs

R9.1. Decisions are not appropriately documented

Commission risk reason codes

RC3 Ineffective information exchanges between authorities

RC 9. Applicants for support are not familiar with correct procedures related to the payment applications

R C9.2 Payment applications are incomplete

RC 10 Verification of reasonableness of costs

RC 15 The use of e-government may be associated with information security risks

#### 8.2.10.4.2. Mitigating actions

The implementation of the programme was planned comprehensively, with extensive participatory involvement of the national, regional and local levels alike. Potential beneficiaries will be openly informed of the funding opportunities and the conditions. The real needs of project target groups will be identified. Training will be provided for different user groups as the new electronic system is deployed. Both electronic and manual contacts with the managing authority will be facilitated.

In the selection of beneficiaries, the risks will be mitigated by comparing applications within the selection group (16.1) or using a scoring system based on the selection criteria. The procedure will be discussed by the programme's Monitoring Committee and incorporated in the electronic information system. The quality of applications and compliance with deadlines will be improved by communication and training provided for applicants.

The managing authority will give the applicant an estimate of the processing times of applications. The justifications of decisions will be recorded and their documentation ensured. Information system certificates and check lists, and the practice of saving attachments in the system to document the justifications for awarding contracts will promote the verification of the authorities' work. Electronic check lists will enable regular quality assurance regarding both support and payment decisions. Regular quality assurance will be ensured.

Potential risks associated with assessing whether costs are reasonable or not will be mitigated by regular provision of guidelines and training.

The risk regarding verification and control procedures will be mitigated by means of training and guidelines. Guidance and supervisory visits by the administration and administrative inspections of projects will ensure the fairness and good quality of implementation in the entire programme area. Adaptable information technology has been used to build the system. The level of competence related to payment applications will be improved, and the requisite training will be provided. The proper planning of projects will also facilitate applying for payments. Clear-cut interfaces and cutting back on overlapping activities were taken into account in programme preparation, and the various funding authorities regularly engage in a dialogue to coordinate the support systems and to avoid double funding. This will also be supported by openly informing the implementers and all citizens about the projects to be funded. The relevant risks will be addressed in appropriate connections.

CPA 1.1 Regular training is provided for officials processing projects and making decisions

CPA 1.2 Instructions are kept up to date and training is provided for officials processing projects

CPA 2 Information is disseminated more effectively to animate potential applicants

CPA 3.1 Availability of information and instructions will be improved, for example on the Internet

CPA 3.3. Training is provided for project actors concerning procedures, eligible costs, the electronic system

and information security.

CPA 4.1 The selection criteria and procedures are integrated in the information and monitoring system, making their use mandatory and transparent

CPA 4.2 E-government reduces the possibility of human errors in various stages of the process

CPA 5. Simplified cost procedures are introduced

CPA 6. Compliance with the same procedures in all regions will be ensured by means of administrative checks, and the procedures will be developed

#### 8.2.10.4.3. Overall assessment of the measure

The measure is called for in order to increase co-operation between agriculture, the food production chain, forestry, bio-economy and other actors and to promote the renewal of rural industries, sustainable development and the creation and deployment of innovations.

The measures can be implemented and controlled as required in the regulations, and coordination with other measures under the programme and with other funds was taken into account in the preparation of the measures.

#### 8.2.10.5. Methodology for calculation of the amount or support rate, where relevant

The support to be granted under this measure is based on the needs indicated in project plans and a reviewed estimate of reasonable eligible costs. The maximum amount of support in proportion to eligible costs is determined pursuant to Regulation 1305/2013 and national legislation (Act on Support for Rural Development 28/2014 and Government Decree on Support for Rural Projects /2014). Support for operations eligible for State aid is granted under a State aid system approved for the relevant aid scheme.

#### 8.2.10.6. Information specific to the measure

Further details on the special features of pilot projects, clusters, networks, short supply chains and local markets

The terms pilot project, cluster, network and short supply chain will be defined more accurately based on definitions in the Commission's implementing regulation and/or guidelines for State aid. The following are some initial definitions used:

As **local markets** will mainly be regarded the processing and sales of products produced within a province or a similar area. Under Government Resolution on local food of 16 May 2013 ("Lähiiruokaa – Totta kai"), local food refers to *"in particular, local food that promotes the local economy and employment and culinary*

*culture in the region, has been produced and processed from local raw materials, and is marketed and consumed locally*". \* In this context, region means the traditional concept of 'maakunta' or a corresponding or smaller regional entity

A **pilot** is used to test the potential of a product or a process to succeed on full scale. A pilot is a less expensive way of ensuring usability than full-scale testing. A pilot may produce the required indications of usability if implementing a full-scale application is not necessary. A pilot study is a small-scale preliminary study to assess practicability, time, costs, adverse effects and overall impacts when striving to define the optimal way or area for conducting a study and to produce improved study plans before launching a full-scale research project.

**A cluster:** See Article 2(1) q of Regulation (EU) of the European Parliament and of the Council No 1305/2013.

While a **network** may consist of the same actors as a cluster, it may be less formal, only work to implement a single project, undergo continuous change, or become a more permanent instrument of co-operation, dissemination of information or interaction between the actors.

**A short-supply chain:** Article 11(1) of the Commission Delegated Regulation (EU) No 807/2014. Support may only be granted for supply chains where there is at maximum one intermediary between the farmer and the consumer.

#### *8.2.10.7. Other important remarks relevant to understanding and implementing the measure*

##### **Links to other national and EU funded measures:**

**EU funded measures:** As joint measures can be funded projects subject to regional coordination and mutually complementary projects with the European Regional Development Fund, the European Social Fund and the European Maritime and Fisheries Fund. Cooperation groups may apply for Horizon 2020 funding for research carried out as part of a project. If funding is allocated to a research project of this type, Articles ... of Commission Regulation (EC) No (Delegated Regulation of the General Regulation) shall be complied with. The projects may have links to projects funded under Life+. Combinations of various support instruments may not lead into excessive payments, and while payments from different instruments may not be allocated to the same target, they may be complementary. **National funding:** The Finnish Funding Agency for Technology and Innovation TEKES

Applications should be submitted to the competent ELY Centre or, in special cases (see sub-measure 16.1: rural innovation groups), to the Ministry of Agriculture and Forestry. When applying for support from the funding quota of the local action group, applications are submitted to the competent local Leader action group. The applications may also be submitted to the competent managing authority or local action group through an electronic case management system.

*Unofficial translation*

8.2.11. M19 - Support for community-led local development (Leader) (Article 35 of Regulation (EU) No 1303/2013)

*8.2.11.1. Legal basis*

Articles 32-35 of Regulation (EU) of the European Parliament and of the Council No 1303/2013 (General Regulation)

Articles 42-44 and 59 of Regulation (EU) of the European Parliament and of the Council No 1305/2013

The Commission Delegated Regulation (EU) No 807/2014 supplementing Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and introducing transitional provisions (Delegated Regulation)

Commission Implementing Regulation (EU) No 808/2014 laying down rules for the application of Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (Implementing Regulation)

Commission Implementing Regulation (EU) No 809/2014 laying down rules for the application of Regulation (EU) No 1306/2013 of the European Parliament and of the Council with regard to the integrated administration and control system, rural development measures and cross compliance.

Act on the Administration of Rural Development Programmes (27/2014)

Act on Support for Rural Development (28/2014)

*8.2.11.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives*

The Leader measure includes the following sub-measures: 19.3 support measures for implementing a local development strategy, 19.4 preparation of co-operation projects, 19.5 interregional co-operation projects, 19.6 international co-operation projects, 19.7 local development strategy running costs, and 19.8 local development strategy animation costs.

Leader activities enhance and develop local communities and companies and increase the vitality of the area. They help to attract people of different backgrounds and ages and communities to take part in local development efforts. They can thus be encouraged to work actively and with initiative, assuming responsibility for local development. Young people will be a particular priority in Leader activities.

The methods described above will result in effective local activities that improve the quality of life and living conditions and support the creation of job opportunities, possibilities for earning a living and business development in the area. New initiatives will be encouraged by a development-oriented atmosphere. Active citizenship will be supported, for example by creating and maintaining various channels for exerting

influence. The participation of various groups in developing the area, including young people, older people, immigrants and the unemployed, will foster community spirit, prevent exclusion and reinforce equitable treatment and equality.

The aim is that the local action groups (LAGs) will engage in active networking, exert influence in networks and actively create new ones, and assist business and community actors in their area in networking with national and international partners. Local action group work is a key methodological innovation in local development and an effective operating method mainstreamed in the Agricultural Development Fund.

A further objective is revitalised local development efforts that meet identified needs. Preconditions for the revitalisation of local development include building up competence, accurate identification of needs, efficient resource use and creativity. It must also be possible to carry out experiments. The actions completed will improve the impact of local development.

Rural population is declining, and it is thus important that all existing resources can be deployed in developing rural areas. Fostering community spirit plays a major role in preventing and reducing exclusion. A prerequisite for fostering community spirit is that residents in the area act with initiative and are willing to spend part of their free time on working for common causes. The tradition of voluntary work in rural areas is a good starting point for this.

In order to achieve their goals, the local action groups must be active, have expertise and develop their competence continuously. This applies not only to paid employees but also to the board and other members of the association. The greater the number of active participants in a group, the more likely the group is to come up with new ideas and actors to develop the area, also allowing the expansion of the activities to new areas.

The added value of Leader activities is produced through the defining principles of the Leader method: the area based approach, the bottom up approach, local partnerships, the multi-sectoral approach, the innovative approach, interterritorial and transnational co-operation, networking and de-centralised administration and financing. These principles are followed in the work of all local action groups.

Projects implemented with Leader funding will primarily respond to priority 6: Promoting social inclusion, poverty reduction and economic development in rural areas.

The Leader measure will primarily impact on focus area 6B: Fostering local development in rural areas.

**The Leader measure will support focus areas:**

- 1A: Fostering innovation, co-operation and the development of the knowledge base in rural areas
- 1B: Strengthening the links between agriculture, food production and forestry, and research and innovation
- 1C: Fostering lifelong learning and vocational training in the agricultural and forestry sectors
- 3A: Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organisations, and promoting animal welfare
- 4A: Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of

European landscapes

- 4B: Improving water and soil management, and responding to the objectives of the Water Framework Directive
- 5B: Increasing efficiency in energy use in agriculture and food processing
- 5C: Facilitating the supply and use of renewable sources of energy, of by-products, wastes and residues and of other non food raw material, for the purposes of the bio-economy
- 5E: Fostering carbon conservation and sequestration in agriculture and forestry
- 6A: Facilitating diversification, creation and development of small enterprises, as well as job creation

While Leader projects financed under the Rural Development Programme for Mainland Finland do not necessarily have to comply with the measures described in the programme, they must all implement one of the six priorities. The work carried out by the LAGs promotes the local development of rural areas. For this reason, the descriptions in each article of the programme document related to environmental management, control of and adaptation to climate change and promoting innovations and their exploitation also describe work carried out under the Leader measure. The perspective on all these themes is local. Innovation is also one of the Leader principles.

When applying for LAG status, the local action groups will specify their development priorities in the local development strategies prepared by them. These strategies describe the LAG's objectives and priorities, the project selection criteria and co-operation and coordination with other regional development efforts, and in particular the division of labour between the local plans and the regional rural development plans of the ELY Centres.

The work of European Maritime and Fisheries Fund local action groups will coordinate their efforts with the work carried out by the EARDF Leader groups. The LAGs may also apply for financing from other EU funds for their operations.

### **Criteria applicable to a local action group**

Each LAG must meet the set evaluation criteria. A LAG must have a legally constituted common structure (e.g. a registered association). For new actors, pending legal registration is sufficient. All actors in the area must have the possibility of joining the local action group (in other words, the group's rules may not be exclusive). A LAG must have an adequately high number of members, and the group must be broad-based. The members should include public administration representatives, entrepreneurs, communities and local residents.

The application must clearly and bindingly specify the operating area of the local action group. The area of the group does not necessarily have to follow administrative boundaries; in other words, it does not need to observe the boundaries of a province, an operating area of an ELY Centre or a municipality, as long as the area is clearly identified in the application (attaching a map if necessary). An area may only belong to the area of a single LAG. As municipality sizes are showing a strong increase, it is possible that parts of a single municipality belong to the areas of different local action groups. A clear agreement between the municipality/city and the local action group must exist on this that covers the entire programming period.

The definition of the local action group's area must show the number of residents living in it, include justifications for the area's suitability for local action and participation, and demonstrate that the area has adequate financial and personnel resources. There must be 10,000–150,000 residents living in the



countryside in a LAG's area. The Leader method is suitable for local development in rural areas and towns alike, but the measures funded under the Rural Development Programme for Mainland Finland are targeted at rural areas. The entire area of all municipalities or towns with less than 30,000 residents may be regarded as rural areas. If a municipality or a town has more than 30,000 residents and a municipality is part of an urban subregion, i.e. an urban centre with more than 15,000 residents extends into its area, the local action group will have drawn up a joint plan with the ELY Centre to exclude urban centres from the Leader area. In line with the policies set out in the Government Report to Parliament on Rural Policy, the work of local action groups will continue to cover all rural areas in Finland.

### **Tripartite principle of a local action group's board**

The board or other similar body of a LAG selects the projects to be funded. It draws up statements for the ELY, expressing an opinion either for or against the project. When making selections, the board or other body in charge of project selections must take into account any conflicts of interest and document any cases of incapacity in the meeting records.

The board or other body making project selections must follow the so-called "tripartite principle"; in other words, it must ensure the balanced participation of members representing the following stakeholders:

1. local government
2. communities (organisations, associations)
3. rural residents

**Local public administration:** Representatives of local public administration include the municipal councillors, the members of the municipal executive board, the municipal manager, the municipal secretary, the trade ombudsman, the rural secretary, the municipal engineer and other similar officials and elected officials. Persons with leading positions in educational institutions that are potential applicants are included in the quota for local public administration. In addition, the chairpersons of boards or committees set up by the municipality that deal with rural development issues are regarded as representatives of the municipality. Employees with leading positions in the Regional Councils and parishes and their representatives (such as Executive Directors, vicars, the members of the Assembly of the Regional Council and of the parish council) belong to the quota for local public administration.

**Communities:** Representatives of communities include persons with decision-making positions in organisations associated with rural development work, such as the chairpersons and members of the boards of village associations, village committees, 4H associations, the Mannerheim League for Child Welfare, hunting societies, producer and advisory organisations, agricultural and household management societies, entrepreneurs' associations, youth societies, farmers' societies or other similar actors or their employees with leading positions.

**Rural people:** It is particularly important that one third of the board members are local rural people who do not represent, on account of their job or other position, local public administration or associations and large enterprises that have an interest in matters included in the sphere of action of the action group. The composition of the board will be annually monitored. Individual small entrepreneurs (less than 10 person-years) belong to the quota of rural people.

The tripartite principle of the board and quotas for local government, communities and rural residents meet the requirement of representatives of public and private local socio-economic interests in Article 32 of Regulation (EU) of the European Parliament and of the Council No 1303/2013. National provisions on the composition of the board of the action group are laid down in the Act on the Management of the Rural Development Programmes (27/2014) and the Government Decree (295/2014) issued by virtue of it.

The principles of tripartite representation and regular replacement of board members must be set out in the rules of the association (or other legally competent actor) serving as a local action group and be demonstrated in the composition of the board at the time of submitting the application. By regularly replacing the board members, new persons are given an opportunity to participate in Leader activities, and the transparency of the activities can be ensured. It is recommended that the members filling in the quota for associations are selected from a variety of different associations.

The local action groups must have adequate financial competence and an ability to discharge administrative duties. The local action group shall indicate in its application how it intends to use its internal organisations or rely on co-operation to obtain adequate financial and administrative competence.

The board members either have personal deputies, or each party in the tripartite system has regular deputies who represent that party. The continuous term of office of a LAG board member may not exceed six years.

### **Criteria for a community-led local rural area development strategy**

The process of preparing a community-led local rural development strategy must be transparent and broad-based, and the bottom up approach must be followed. The preparation process and the parties having participated in it must be described in the strategy or its attachments. The description must contain information on how co-operation, transparency and dissemination of information were implemented and how the commitment of actors was ensured when preparing the strategy. The objectives of the strategy and the actions to be financed must be local or community led.

The strategy or its attachments must contain a clear description of how co-operation, coordination and observance of the supplementary principle in terms of other actors and strategies have been arranged. The strategy must address coordination between the local strategy and the regional rural development strategy drawn up by the ELY Centre, as well as co-operation and division of labour, especially when dealing with business projects.

The local development strategy must describe the current status of the area and include an analysis of it. The priorities selected by the local action group must be based on an analysis of the current status. A strategic approach and clear development priorities selected by the local action group are vital. Strategy implementation will provide new methods for developing the local area and, through experiments, help to find new ways of organising e.g. local services. The strategy objectives include improving quality of life, business development and building up social capital, e.g. through community-led development. The strategy objectives should also include creating new job opportunities and possibilities for earning a living, and improving the living conditions of the local residents. The strategy specifies measures that focus on women, men and young people, and possibly various other population groups. The objectives and measures under the strategy must be in line with the principles of sustainable development. The local strategy must also promote horizontal objectives, which include innovations, preparedness for climate change and the environment.

While the projects implemented within the financial framework for LAGs must respond to one of the six EU priorities, they do not necessarily have to implement the measures selected for the programme. The measures funded under the Rural Development Programme for Mainland Finland must be compliant with the programme, national statutes and guidelines based on the Act on the Administration of Rural Development programmes 27/2014 and the Act on the Support for Rural Development 28/2014. The application must contain an estimate of the total need for public funding and an estimate of private co-financing. Funding will be applied for the period 2014–2020. The local rural development strategy must contain an estimate of how the funding will be allocated to the priorities selected by the group.

The municipalities in the area must commit to putting up 20% of the public funding allocated to the FLAG under this programme. The municipalities must undertake to provide funding as an annual one-off payment ("lump sum").

The target is to obtain 35% of the total finance from private funding providers.

### **Characteristics of a good local rural development strategy**

- The strategy is clear and logical. Its selections are based on an analysis of the current status. Experiences from implementing a LAG development plan during the previous programming period have been analysed, and the results have been taken into account when planning the strategy and its emphases. The strategy is a consistent and logical whole. It draws on the area's strengths and finds solutions for its weaknesses.
- The strategy is practicable and realistic, and it clearly contains new ways of thinking or new solutions for developing the area. The strategy shows what new solutions, ideas or practices will be communicated to the rural actors.
- The strategy clearly describes co-operation with various parties (including the ELY Centre, the regional council, key organisations in the area, municipalities and subregions). The local action group has established partnerships with many parties. The roles of the group and other actors in the area are clear and effective.
- A clear agreement is in place at the subregional level on exchange of expertise and division of labour related to enterprise funding between municipalities, a regional business services point or a business service company.
- If the strategy includes internationalisation and interregional co-operation, their objectives must be clear and justified.
- The LAG has clear indicators for measuring the outputs or results.
- The strategy includes a learning plan for actors in the area.
- The strategy includes a communication plan.
- The LAG has an action plan demonstrating how the objectives are translated into actions and a plan for the administrative organisation of activities.
- The LAG has also negotiated other funding for strategy implementation or its activities than financing allocated through this programme.

### **The allocation basis and procedures of financial frameworks for local action groups**

The Ministry of Agriculture and Forestry will specify indicative financial frameworks for the LAGs in the programming period 2014–2020. The indicative financial frameworks will be specified as the Ministry of

Agriculture and Forestry makes its final decision on the LAGs.

The indicative financial framework will be specified for the entire programming period on the basis of the following criteria:

- The quality of the LAG's strategy in general;
- The population in the LAG's area, where the population figures of core rural areas and sparsely populated countryside are weighted;
- activities in programming period 2007–2013;
- statements and evaluations;
- the LAG's own funding estimate (amount and realistic quality).

The indicative financial frameworks of the Leader action groups for the entire programming period will be reviewed twice during the period, or when planning the funding for 2018 and 2020. In connection with inspections, attention will be paid to the situation of commitments and payments of the funding at the local action groups' disposal, including the realisation of municipal and private co-financing, compliance with the LAG principles, evaluations and reports, control observations, administration of public funds, the LAGs' proposals and the views of the ELY Centres. The annual LAG financial frameworks and authorisations to grant financing will be allocated following the indicative frameworks and their reviews.

*8.2.11.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria*

8.2.11.3.1. 19.3. Measures that support the implementation of local development strategies

Sub-measure:

- 19.2 – implementation of operations under the community-led local development strategy

8.2.11.3.1.1. Description of the type of operation

The sub-measure includes financing actions that implement the LAGs' local development strategies.

8.2.11.3.1.2. Type of support

The support will be granted as aid for a development project, an investment project for public use or an enterprise project.

The measures may be local, regional, interregional or international development or enterprise projects. For the contents of the measures and principles of eligibility, see Chapter 8. The development project also contains a thematic project specifically designed for the LAGs.

The thematic project is a LAG development project where the activities or events of several organisations are assembled into wholes by their themes, and support is made available for their implementation.

Support for a thematic project is applied for by a LAG. The LAG will implement the thematic project together with other participating actors. The thematic project will include either development measures or investments for public use. The project may also contain coordination costs incurred by the LAG. The maximum amount of public costs is EUR 180,000 per thematic project. Where the costs are processed following simplified procedures, the maximum amount of public support is equal to the maximum amount available under the relevant procedure.

#### 8.2.11.3.1.3. Links to other legislation

Regulation (EU) 1303/2013 of the European Parliament and of the Council.

Regulation of the European Parliament and of the Council (EU) 1306/2013 on the financing, management and monitoring of the common agricultural policy.

Administrative Procedure Act 434/2003

#### 8.2.11.3.1.4. Beneficiaries

In development projects and investments for public use, the beneficiaries are communities under public and private law, including organisations, associations, co-operatives, foundations and municipalities. The beneficiaries of business support are eligible natural persons and communities under private law.

Beneficiaries for business support may be farmers or members of farming households, and micro and small enterprises as defined in Commission Recommendation 2003/261/EY or its later amendments, or in State aid provisions applicable to this support. The definition of an enterprise also covers family businesses and co-operatives as well as other partnerships or associations that engage in established financial activities.

The measure benefits residents, entrepreneurs, organisations or free time residents in rural areas.

#### 8.2.11.3.1.5. Eligible costs

For eligible costs, see the descriptions of measures in Chapter 8.

The support may be granted as a one-off payment and, as regards general costs, as flat-rate financing pursuant to Articles 67 and 68 of Regulation (EU) 1303/2013 and in compliance with the principles specified in detail in national legislation (Act 28/2014 and government decrees), or on the basis of receipted invoices. The flat-rate payment for general costs may at maximum be 24% of the eligible payroll costs of the project. This payment may be used to cover indirect costs of the project. If the travel costs incurred in a project are particularly high, Article 68 of Regulation (EU) No 1303/2013 may be applied, in which case the flat-rate payment will be 15% of the indirect costs of the project.

#### 8.2.11.3.1.6. Eligibility conditions

For the eligibility conditions, see the descriptions of measures in Chapter 8. Thematic projects are implemented by LAGs. The LAGs' operations aiming to implement local strategies do not necessarily need to comply with the measures, and it is adequate that they implement one of the European Union priorities within the scope of the Rural Development Programme for Mainland Finland.

Detailed eligibility conditions are specified in national decrees and guidelines that are based on the Act on the Administration of Rural Development Programmes 27/2014 and the Act on Support for Rural Development 28/2014.

Regarding thematic projects, the decrees and guidelines above all define eligible activities, preconditions for granting support, eligible costs and procedure for modifying a thematic project.

Support may be granted for a thematic project in order to promote organisations' possibilities of tapping programme funding for local development in the region and for promoting the implementation of the LAG's local strategy. A thematic project consists of different types of actions that implement a project plan. The costs of a thematic project may also include costs incurred for coordinating a project, co-operation, or exchange of experiences if this is required by the qualitative or quantitative scope of the project. These costs may be at maximum 25% of the total costs of a thematic project.

#### 8.2.11.3.1.7. Principles with regard to the setting of selection criteria

An operation implemented in the application area of the programme must promote objectives relevant to the measure that are compliant with European Union priorities and that are described in the programme and the national legislation relevant to it, as well as the local priorities that support them. The support aims for impact and added value that could not be achieved without support.

Selection criteria defined by the LAGs are used to select operations to be approved that meet the eligibility conditions. Under Article 34(3) paragraph d of the General Regulation, the definition of selection criteria is the task of the local action group in operations that implement a local rural development strategy.

The selection criteria are based on a local development strategy prepared for its area by the local action group transparently, in a participatory process and based on an analysis of the strengths, weaknesses, opportunities and threats in its operating area. The Managing Authority ensures that all LAGs apply selection criteria by means of which proposed operations can be put in an order of priority by awarding points, so that the operations to be funded optimally implement the objectives of the local development strategy.

The programme's Monitoring Committee discusses the selection criteria drawn up by the LAGs during the selection process of proposals for local action groups and local strategies. The application of the selection criteria will be documented by the LAGs. This will ensure a transparent and fair application evaluation process. The LAGs will disseminate information about the selection criteria and their application, for example on their website.

#### 8.2.11.3.1.8. (Applicable) amounts and support rates

Public funding to be granted and paid as co-financing will consist of the contribution of the Rural Development Fund and a national contribution. The initial amount of public funding is EUR 217 million. The contribution of the Rural Development Fund will be 42% of the eligible public expenditure. The national contribution consists of co-financing from the government, the municipalities and other public sector actors.

For the payment levels under the measures, see the descriptions of individual measures in Chapter 8. The amount of support will be confirmed by the LAG. The maximum amount of public support for operations funded by LAGs is EUR 180,000.

#### 8.2.11.3.1.9. Verifiability and controllability of the measures and/or types of operations

##### *8.2.11.3.1.9.1. Risk(s) in the implementation of the measures*

The reasonableness of costs is a risk: national procedures are not applied accurately enough, and documentation is inadequate. Unclear division of duties between the LAG and the ELY Centre is a risk.

Inspection and control systems are affected by risks related to maintaining the professional competence of the authorities and the LAG (board + employees), and checking and accounting for the eligibility conditions.

In public procurements, risks are associated with command of the procurement procedure and adequate competence. Risks associated with the selection of beneficiaries include: unclear application of selection criteria and shortcomings in documentation, inadequate animation and information, deadlines and failures to comply with them.

Risks related to IT systems are information security (user rights, appropriate hardware and equipment, competence), the design and functioning of the information system (continuous development needs)

Risks related to payment applications include support use and only allocating costs to eligible activities, familiarity with the eligibility rules, and uncontrolled advance payments. Regarding VAT, confirming the eligibility of VAT payments is a risk.

##### Commission risk codes

R2. Reasonableness of costs

R3. Adequate inspection and control systems

R4. Public competitive bidding process

R7. Selection of beneficiaries

R8. IT systems

R9. Payment applications

Commission risk reason codes

RC3. Ineffective information exchanges between authorities

RC9. Applicants for support are not familiar with correct procedures related to the payment applications

RC9.1. Payment applications are incomplete

RC10. Verification of reasonableness of costs

RC11. Compliance with public procurement provisions

RC14. Non-eligible costs

RC15 Information security risk in the use of e-government

*8.2.11.3.1.9.2. Mitigating actions*

The risk related to the reasonableness of costs may be mitigated by: instructions and training, information system checks and check lists, and the practice of saving attachments in the system to document the justifications for awarding contracts.

The risk associated with inspection and control systems may be mitigated by: training, guidance and supervisory visits from the Agency for Rural Affairs administration, administrative checks, checks and check lists in information systems, justifications and better documentation, up-to-date management and control system descriptions.

In public procurements, the risk may be reduced by providing instructions and training (authorities, LAGs, beneficiaries), documentation of procedures that are followed, and justifications.

In the selection of beneficiaries, the risk may be mitigated by: verification of compliance with statutes on incapacity by the boards, improving the quality of applications and plans, recording the selection criteria in the HYRRÄ eService, deadlines set for beneficiaries, estimating the processing times of projects, planning of programme implementation, good reporting possibilities offered by the new information system (reports, monitoring data etc.)

The risk associated with IT systems is mitigated by the HYRRÄ eService and its flexibility, training, and consistent approval procedures of user rights in the IAM application.

In payment applications, the risk may be mitigated by improving the competence level and training, sound planning of projects (including experiments), clear interfaces, and early netting of advance payments.  
Compliance with statutes in force concerning VAT: VAT payments are eligible if they cannot be refunded.



*Unofficial translation*

The risk is reduced by training provided for officials and the use of check list.

Commission risk prevention codes

CPA1. Effective training is provided for staff in charge of processing projects

The instructions are kept up to date

CPA2. Efficient communication of information to beneficiaries, active provision of training and advice

CPA3. Improving the availability of information and instructions

CPA5. Simplified cost procedures will be introduced

CPA4 The information system guides decision-making and documentation

CPA6. Internal control and coordination systems are improved

*8.2.11.3.1.9.3. Overall assessment of the measure*

Decisions on granting support and the eligibility of costs will be made by the ELY Centres and the Agency for Rural Affairs. The Commission's regulations on supervisory authorities and paying agencies will be applied to the granting and payments of support.

The operations are compliant with local development strategies and the Rural Development Programme for Mainland Finland 2014–2020.

The measures can be implemented and controlled as required in the regulations, and coordination with other measures under the programme and with other funds was taken into account in the preparation of the measures.

*8.2.11.3.1.10. Methodology for calculation of the amount or support rate, where relevant*

The support to be granted is based on the needs indicated in the plans for the actions and a reviewed estimate of reasonable eligible costs. The maximum amount of support in proportion to eligible costs is determined pursuant to Regulation 1305/2013 and national legislation (Act on the Administration of Rural Development Programmes 27/2014 and the Act on Support for Rural Development 28/2014, as well as government decrees issued by virtue of these).

8.2.11.3.1.11. Information specific to the operation

Description of the obligatory community-led local development elements of which the LEADER measure is composed: preparatory support, implementation of operations under the community-led local development strategy, preparation and implementation of co-operation activities of the local action group, running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

For a description of sub-measures 19.3 support measures for implementing a local development strategy, 19.4 preparation of co-operation projects, 19.5 interregional co-operation projects, 19.6 international co-operation projects, 19.7 local development strategy running costs, and 19.8 local development strategy animation costs, see section 8.2.11.

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support (if use is made)

The sub-measure will not be used.

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

An ongoing application procedure is always followed in interregional and international projects. The appropriateness of the projects is considered by the LAGs.

The procedure and timetable to select the local development strategies

Described in section 8.2.11.6.

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards community-led local development, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

The LAGs can implement interregional and international projects with similar groups and actors financed by other ESI Funds.

Possibility or not of paying advances

The implementers of Leader actions may apply for advance payments from national funds. The conditions for applying for an advance payment are specified in national statutes and guidelines that are based on the Act on the Administration of Rural Development Programmes 27/2014 and the Act on Support for Rural Development 28/2014.

The common conditions applicable to several measures are described together in section 8.1.

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

Described in section 8.2.11.6.

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation approaches under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

The co-ordination is described in section 8.2.11.6.

8.2.11.3.2. 19.4. Preparation of co-operation projects

Sub-measure:

- 19.3 – preparation and implementation of co-operation activities of the local action group

8.2.11.3.2.1. Description of the type of operation

The purpose of the measure is to prepare an interregional or an international project.

8.2.11.3.2.2. Type of support

Support will be provided as a grant for a development project.

8.2.11.3.2.3. Links to other legislation

Regulation (EU) 1303/2013 of the European Parliament and of the Council

Regulation of the European Parliament and of the Council (EU) 1306/2013 on the financing, management and monitoring of the common agricultural policy

8.2.11.3.2.4. Beneficiaries

The beneficiaries are organisations under public and private law, including associations, organisations, cooperatives, and LAGs.

The measure benefits residents, entrepreneurs, organisations or free time residents in rural areas.

8.2.11.3.2.5. Eligible costs

Eligible costs include costs incurred for implementing the project. Support for a development project may cover minor procurements associated with the project.

The following reasonable costs incurred for the implementation of a development project are eligible for support:

- payroll costs and fees
- travel costs
- purchases of outsourced services
- rental costs

- material and other costs.

The maximum duration of the supported action is five years.

The support may be granted as a one-off payment and, as regards general costs, as flat-rate financing pursuant to Articles 67 and 68 of Regulation (EU) 1303/2013 and in compliance with the principles specified in detail in national legislation (Act 28/2014 and government decrees), or on the basis of receipted invoices. The flat-rate payment for general costs may at maximum be 24% of the eligible payroll costs of the project. This payment may be used to cover indirect costs of the project. If the travel costs incurred in a project are particularly high, Article 68 of Regulation (EU) No 1303/2013 may be applied, in which case the flat-rate payment will be 15% of the indirect costs of the project.

#### 8.2.11.3.2.6. Eligibility conditions

The party implementing the project must demonstrate that a plan for an interregional or an international project is produced as the outcome of the support.

In addition to the eligibility criteria laid down in EU legislation, the eligibility conditions will be specified in more detail in the national Act on Support for Rural Development 28/2014 and the Government Decree laying down more detailed provisions issued by virtue of it (Government Decree on Support for Rural Projects 2014). Above all, they concern eligible activities, preconditions for eligibility and eligible costs.

A precondition for granting aid is that the applicant produces a project plan and that the outcomes of the project will be appropriately published and lend themselves to more general utilisation.

Another criterion for granting support is that the support is necessary for the operations for which it is granted. The applicant must also produce a plan for the measure to be supported. The plan must include the objectives, the actions required to achieve them and the grounds for evaluating project implementation, an estimate of the implementation period, total costs and total funding, and a report on how the objectives of sustainable development will be taken into account in the implementation of the measure, and a plan concerning business support must include an analysis of the operations' profitability.

The plan must also indicate the implementation method of the project, the party implementing it, a breakdown of costs, the share of support in total funding, support form, implementation method of the requisite private funding and links with the programme under which the project is to be funded, the impacts and outcomes of the project as well as any other matters necessary for making a decision on the application. The project plan must describe how the outcomes of support granted for similar or closely associated operations in previous projects that have received public funding have been taken into account when preparing the project. In addition, the project plan must show how the operations that are the outcome of the project will be continued after project conclusion, unless this is obviously unnecessary due to the nature of the operation.

If, based on the eligible costs of the measure to be supported, the final amount of support were less than EUR 5,000, no support will be granted.

#### 8.2.11.3.2.7. Principles with regard to the setting of selection criteria

An operation implemented in the application area of the programme must promote objectives relevant to the measure that are compliant with European Union priorities and that are described in the programme and the national legislation relevant to it, as well as the local priorities that support them. The support aims for impact and added value that could not be achieved without support.

Selection criteria defined by the LAGs are used to select operations to be approved that meet the eligibility conditions. Under Article 34(3) paragraph d of the General Regulation, the definition of selection criteria is the task of the local action group in operations that implement a local rural development strategy.

The selection criteria are based on a local development strategy prepared for its area by the local action group transparently, in a participatory process and based on an analysis of the strengths, weaknesses, opportunities and threats in its operating area. The Managing Authority ensures that all LAGs apply selection criteria by means of which proposed operations can be put in an order of priority by awarding points, so that the operations to be funded optimally implement the objectives of the local development strategy.

The programme's Monitoring Committee discusses the selection criteria drawn up by the LAGs during the selection process of proposals for local action groups and local strategies. The application of the selection criteria will be documented by the LAGs. This will ensure a transparent and fair application evaluation process. The LAGs will disseminate information about the selection criteria and their application, for example on their website.

#### 8.2.11.3.2.8. (Applicable) amounts and support rates

Public funding to be granted and paid as co-financing will consist of the contribution of the Rural Development Fund and a national contribution. The initial amount of public funding is EUR 23 million for the preparation and implementation of co-operation projects (Codes 19.4, 19.5 and 19.6). The contribution of the Rural Development Fund will be 42% of the eligible public expenditure. The national contribution consists of co-financing from the government, the municipalities and other public sector actors.

The maximum share of public support for a development project may be 100% of eligible costs. The amount of support will be confirmed by the LAG. The maximum amount of public support for operations funded by LAGs is EUR 180,000. In international projects, this is the maximum contribution of a Finnish group taking part in a project.

#### 8.2.11.3.2.9. Verifiability and controllability of the measures and/or types of operations

##### 8.2.11.3.2.9.1. Risk(s) in the implementation of the measures

The risks associated with the implementation of the measure include application procedures for private applicants: neglecting to use the possibility of preliminary studies (partners, actions, responsibilities etc.), long processing times when preliminary studies have not been conducted, introduction of new international elements, and dissimilar administrative procedures and practices in Member States.

The reasonableness of costs is associated with risks: national procedures are not followed accurately

enough, their documentation is inadequate, or the division of duties between the LAG and the ELY Centre is not clear.

Inspection and control systems are associated with risks related to maintaining the professional competence of the authorities and the LAG (board + employees), and checking and accounting for the eligibility conditions.

Risks related to the selection of beneficiaries include: unclear application of selection criteria and shortcomings in documentation, inadequate animation and information, deadlines and failures to comply with them, scarcity of good project ideas and implementers, and challenges arising from tapping several Funds for a project.

Risks related to IT systems are information security (user rights, appropriate hardware and equipment, competence), the design and functioning of the information system (continuous development needs).

Risks associated with payment applications include: support use and only allocating costs to eligible activities, familiarity with the eligibility rules.

#### Commission risk codes

R2. Reasonableness of costs

R3. Adequate inspection and control systems

R4. Public competitive bidding process

R7. Selection of beneficiaries

R8. IT systems

R9. Payment applications

#### Commission risk reason codes

RC3. Ineffective information exchanges between authorities

RC9. Applicants for support are not familiar with correct procedures related to the payment applications

RC9.1. Payment applications are incomplete

RC10. Verification of reasonableness of costs

RC11. Compliance with public procurement provisions

RC14. Non-eligible costs

RC15. Information security risk in the use of e-government

#### *8.2.11.3.2.9.2. Mitigating actions*

The risks may be mitigated by application procedures for private applicants: co-operation agreements (methodical quality and commitment of partners), preliminary study projects, familiarity with the partner's administration, drawing on the competence and networks of the Rural Network Units between Member States.

The risk related to the reasonableness of costs may be mitigated by: instructions and training, information system checks and check lists, and the practice of saving attachments in the system to document the justifications for awarding contracts.

The risk associated with inspection and control systems may be mitigated by: training, guidance and supervisory visits from the Agency for Rural Affairs administration, administrative checks, checks and check lists in information systems, justifications and better documentation, up-to-date management and control system descriptions.

The risk related to the selection of beneficiaries may be mitigated by: improving the quality of applications and plans, recording the selection criteria in the HYRRÄ eService, deadlines set for beneficiaries, estimating the processing times of projects, planning of programme implementation, good reporting possibilities offered by the new information system (reports, monitoring data etc.)

The risk related to IT systems may be mitigated by: the HYRRÄ eService and its flexibility, training, consistent approval procedures of user rights in the IAM application.

Risks associated with payment applications may be mitigated by: improving the competence level and training, sound planning of projects, clear interfaces.

#### Commission risk prevention codes

CPA1. Effective training is provided for staff in charge of processing projects

The instructions are kept up to date

CPA2. Efficient communication of information to beneficiaries, active provision of training and advice

CPA3 Improving the availability of information and instructions

CPA4 The information system guides decision-making and documentation

CPA5 Simplified cost procedures are introduced

CPA6 Internal control and coordination systems are improved

#### *8.2.11.3.2.9.3. Overall assessment of the measure*

Decisions on granting support and the eligibility of costs will be made by the ELY Centres and the Agency for Rural Affairs. The Commission's regulations on supervisory authorities and paying agencies will be



applied to the granting and payments of support.

The operations are compliant with local development strategies and the Rural Development Programme for Mainland Finland 2014–2020.

The measures can be implemented and controlled as required in the regulations, and coordination with other measures under the programme and with other Funds was taken into account in the preparation of the measures.

#### 8.2.11.3.2.10. Methodology for calculation of the amount or support rate, where relevant

The support to be granted is based on the needs indicated in the plans for the actions and a reviewed estimate of reasonable eligible costs. The maximum amount of support in proportion to eligible costs is determined pursuant to Regulation 1305/2013 and national legislation (Act on the Administration of Rural Development Programmes 27/2014 and the Act on Support for Rural Development 28/2014, as well as government decrees issued by virtue of these).

#### 8.2.11.3.2.11. Information specific to the operation

Description of the obligatory community-led local development elements of which the LEADER measure is composed: preparatory support, implementation of operations under the community-led local development strategy, preparation and implementation of co-operation activities of the local action group, running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

For a description of sub-measures 19.3 support measures for implementing a local development strategy, 19.4 preparation of co-operation projects, 19.5 interregional co-operation projects, 19.6 international co-operation projects, 19.7 local development strategy running costs, and 19.8 local development strategy animation costs, see section 8.2.11.

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support (if use is made)

The sub-measure will not be used.

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

An ongoing application procedure is always followed in interregional and international projects. The appropriateness of the projects is considered by the LAGs.

*Unofficial translation*

The procedure and timetable to select the local development strategies

Described in section 8.2.11.6.

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards community-led local development, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

The LAGs can implement interregional and international projects with similar groups and actors financed by other ESI Funds.

Possibility or not of paying advances

The implementers of Leader actions may apply for advance payments from national funds. The conditions for applying for an advance payment are specified in national statutes and guidelines that are based on the Act on the Administration of Rural Development Programmes 27/2014 and the Act on Support for Rural Development 28/2014.

The common conditions applicable to several measures are described together in section 8.1.

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

Described in section 8.2.11.6.

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation approaches under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

Described in section 8.2.11.6.

#### 8.2.11.3.3. 19.5. Interregional co-operation projects

Sub-measure:

- 19.3 – preparation and implementation of co-operation activities of the local action group

##### 8.2.11.3.3.1. Description of the type of operation

Interregional co-operation refers to co-operation within a Member State.

The objective of interregional co-operation projects is to increase co-operation and to implement concrete co-operation projects and operations. The aims include establishing interregional co-operation networks.

The objective of co-operation projects is to find new ideas and solutions for problems that have emerged while developing the LAG's operating area and to create new co-operation, and co-operation of a new type, between various rural regions. This will build up business and job opportunities in rural areas.

##### 8.2.11.3.3.2. Type of support

Support will be provided as a grant for a development project.

##### 8.2.11.3.3.3. Links to other legislation

Regulation (EU) 1303/2013 of the European Parliament and of the Council

Regulation of the European Parliament and of the Council (EU) 1306/2013 on the financing, management and monitoring of the common agricultural policy

##### 8.2.11.3.3.4. Beneficiaries

The beneficiaries are organisations under public and private law, including associations, organisations, cooperatives, and LAGs.

The measure benefits residents, entrepreneurs, organisations or free time residents in rural areas.

##### 8.2.11.3.3.5. Eligible costs

Eligible costs include costs incurred for implementing the project. Support for a development project may cover minor procurements associated with the project.

The following reasonable costs incurred for the implementation of a development project are eligible for

support:

- payroll costs and fees
- travel costs
- purchases of outsourced services
- rental costs
- material and other costs.

The maximum duration of the supported action is five years.

The support may be granted as a one-off payment and, as regards general costs, as flat-rate financing pursuant to Articles 67 and 68 of Regulation (EU) 1303/2013 and in compliance with the principles specified in detail in national legislation (Act 28/2014 and government decrees), or on the basis of receipted invoices. The flat-rate payment for general costs may at maximum be 24% of the eligible payroll costs of the project. This payment may be used to cover indirect costs of the project. If the travel costs incurred in a project are particularly high, Article 68 of Regulation (EU) No 1303/2013 may be applied, in which case the flat-rate payment will be 15% of the indirect costs of the project.

#### 8.2.11.3.3.6. Eligibility conditions

Partners in interregional projects may also include local public and private sector partnerships outside the rural area implementing a local development strategy.

In addition to the eligibility criteria laid down in EU legislation, the eligibility conditions will be specified in more detail in the national Act on Support for Rural Development 28/2014 and the Government Decree laying down more detailed provisions issued by virtue of it (Government Decree on Support for Rural Projects 2014). Above all, they concern eligible activities, preconditions for eligibility and eligible costs.

A precondition for granting aid is that the applicant produces a project plan and that the outcomes of the project will be appropriately published and lend themselves to more general utilisation.

Another criterion for granting support is that the support is necessary for the operations for which it is granted. The applicant must also produce a plan for the measure to be supported. The plan must include the objectives, the actions required to achieve them and the grounds for evaluating project implementation, an estimate of the implementation period, total costs and total funding, and a report on how the objectives of sustainable development will be taken into account in the implementation of the measure, and a plan concerning business support must include an analysis of the operations' profitability.

The plan must also indicate the implementation method of the project, the party implementing it, a breakdown of costs, the share of support in total funding, support form, implementation method of the requisite private funding and links with the programme under which the project is to be funded, the impacts and outcomes of the project as well as any other matters necessary for making a decision on the application. The project plan must describe how the outcomes of support granted for similar or closely associated operations in previous projects that have received public funding have been taken into account when preparing the project. In addition, the project plan must show how the operations that are the outcome of the project will be continued after project conclusion, unless this is obviously unnecessary due to the nature of

the operation.

If, based on the eligible costs of the measure to be supported, the final amount of support were less than EUR 5,000, no support will be granted.

#### 8.2.11.3.3.7. Principles with regard to the setting of selection criteria

An operation implemented in the application area of the programme must promote objectives relevant to the measure that are compliant with European Union priorities and that are described in the programme and the national legislation relevant to it, as well as the local priorities that support them. The support aims for impact and added value that could not be achieved without support.

Selection criteria defined by the LAGs are used to select operations to be approved that meet the eligibility conditions. Under Article 34(3) paragraph d of the General Regulation, the definition of selection criteria is the task of the local action group in operations that implement a local rural development strategy.

The selection criteria are based on a local development strategy prepared for its area by the local action group transparently, in a participatory process and based on an analysis of the strengths, weaknesses, opportunities and threats in its operating area. The Managing Authority ensures that all LAGs apply selection criteria by means of which proposed operations can be put in an order of priority by awarding points, so that the operations to be funded optimally implement the objectives of the local development strategy.

The programme's Monitoring Committee discusses the selection criteria drawn up by the LAGs during the selection process of proposals for local action groups and local strategies. The application of the selection criteria will be documented by the LAGs. This will ensure a transparent and fair application evaluation process. The LAGs will disseminate information about the selection criteria and their application, for example on their website.

#### 8.2.11.3.3.8. (Applicable) amounts and support rates

Public funding to be granted and paid as co-financing will consist of the contribution of the Rural Development Fund and a national contribution. The initial amount of public funding is EUR 23 million for the preparation and implementation of co-operation projects (Codes 19.4, 19.5 and 19.6). The contribution of the Rural Development Fund will be 42% of the eligible public expenditure. The national contribution consists of co-financing from the government, the municipalities and other public sector actors.

The maximum share of public support for a development project may be 100% of eligible costs. The amount of support will be confirmed by the LAG. The maximum amount of public support for projects funded by LAGs is EUR 180,000.

8.2.11.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.11.3.3.9.1. Risk(s) in the implementation of the measures

The risks include application procedures for private applicants: neglecting to use the possibility of preliminary studies (partners, actions, responsibilities etc.), long processing times when preliminary studies have not been conducted, introduction of new international elements, and dissimilar administrative procedures and practices in Member States.

The reasonableness of costs is associated with risks: national procedures are not followed accurately enough, their documentation is inadequate, or the division of duties between the LAG and the ELY Centre is not clear.

Inspection and control systems are associated with risks related to maintaining the professional competence of the authorities and the LAG (board + employees), and checking and accounting for the eligibility conditions.

Risks related to the selection of beneficiaries include: unclear application of selection criteria and shortcomings in documentation, inadequate animation and information, deadlines and failures to comply with them, scarcity of good project ideas and implementers, and challenges arising from tapping several Funds for a project.

Risks related to IT systems are information security (user rights, appropriate hardware and equipment, competence), the design and functioning of the information system (continuous development needs).

Risks associated with payment applications include: support use and only allocating costs to eligible activities, familiarity with the eligibility rules.

Commission risk codes

R2. Reasonableness of costs

R3. Adequate inspection and control systems

R4. Public competitive bidding process

R7. Selection of beneficiaries

R8. IT systems

R9. Payment applications

Commission risk reason codes

RC3. Ineffective information exchanges between authorities

RC9. Applicants for support are not familiar with correct procedures related to the payment applications

RC9.1. Payment applications are incomplete

RC10. Verification of reasonableness of costs

RC11. Compliance with public procurement provisions

RC14. Non-eligible costs

RC15. Information security risk in the use of e-government

#### *8.2.11.3.3.9.2. Mitigating actions*

The risks may be mitigated by application procedures for private applicants: co-operation agreements (methodical quality and commitment of partners), preliminary study projects, familiarity with the partner's administration, drawing on the competence and networks of the Rural Network Units between Member States.

The risk related to the reasonableness of costs may be mitigated by: instructions and training, information system checks and check lists, and the practice of saving attachments in the system to document the justifications for awarding contracts.

The risk associated with inspection and control systems may be mitigated by: training, guidance and supervisory visits from the Agency for Rural Affairs administration, administrative checks, checks and check lists in information systems, justifications and better documentation, up-to-date management and control system descriptions.

The risk related to the selection of beneficiaries may be mitigated by: improving the quality of applications and plans, recording the selection criteria in the HYRRÄ eService, deadlines set for beneficiaries, estimating the processing times of projects, planning of programme implementation, good reporting possibilities offered by the new information system (reports, monitoring data etc.)

The risk related to IT systems may be mitigated by: the HYRRÄ eService and its flexibility, training, consistent approval procedures of user rights in the IAM application.

Risks associated with payment applications may be mitigated by: improving the competence level and training, sound planning of projects (including experiments), clear interfaces.

#### Commission risk prevention codes

CPA1. Effective training is provided for staff in charge of processing projects

The instructions are kept up to date

CPA2 Efficient communication of information to beneficiaries, active provision of training and advice

CPA3 Improving the availability of information and instructions

CPA4 The information system guides decision-making and documentation

CPA5 Simplified cost procedures are introduced

CPA6 Internal control and coordination systems are improved

*8.2.11.3.3.9.3. Overall assessment of the measure*

Decisions on granting support and the eligibility of costs will be made by the ELY Centres and the Agency for Rural Affairs. The Commission's regulations on supervisory authorities and paying agencies will be applied to the granting and payments of support.

The operations are compliant with local development strategies and the Rural Development Programme for Mainland Finland 2014–2020.

The measures can be implemented and controlled as required in the regulations, and coordination with other measures under the programme and with other funds was taken into account in the preparation of the measures.

*8.2.11.3.3.10. Methodology for calculation of the amount or support rate, where relevant*

The support to be granted is based on the needs indicated in the plans for the actions and a reviewed estimate of reasonable eligible costs. The maximum amount of support in proportion to eligible costs is determined pursuant to Regulation 1305/2013 and national legislation (Act on the Administration of Rural Development Programmes 27/2014 and the Act on Support for Rural Development 28/2014, as well as government decrees issued by virtue of these).

*8.2.11.3.3.11. Information specific to the operation*

Description of the obligatory community-led local development elements of which the LEADER measure is composed: preparatory support, implementation of operations under the community-led local development strategy, preparation and implementation of co-operation activities of the local action group, running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

For a description of sub-measures 19.3 support measures for implementing a local development strategy, 19.4 preparation of co-operation projects, 19.5 interregional co-operation projects, 19.6 international co-operation projects, 19.7 local development strategy running costs, and 19.8 local development strategy animation costs, see section 8.2.11.

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support (if use is made)

The sub-measure will not be used.

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

An ongoing application procedure is always followed in interregional and international projects. The



appropriateness of the projects is considered by the LAGs.

The procedure and timetable to select the local development strategies

Described in section 8.2.11.6.

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards community-led local development, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

The LAGs can implement interregional and international projects with similar groups and actors financed by other ESI Funds.

Possibility or not of paying advances

The implementers of Leader actions may apply for advance payments from national funds. The conditions for applying for an advance payment are specified in national statutes and guidelines that are based on the Act on the Administration of Rural Development Programmes 27/2014 and the Act on Support for Rural Development 28/2014.

The common conditions applicable to several measures are described together in section 8.1.

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

Described in section 8.2.11.6.

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation approaches under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

The co-ordination is described in section 8.2.11.6.

#### 8.2.11.3.4. 19.6. International co-operation projects

Sub-measure:

##### 8.2.11.3.4.1. Description of the type of operation

The objective of co-operation projects is to find new ideas and solutions for problems that have emerged while developing the LAG's operating area and for exploitation of possibilities, and to create new co-operation, and co-operation of a new type, between various rural regions. Another objective is build up business and job opportunities in rural areas, either directly or indirectly.

##### 8.2.11.3.4.2. Type of support

Support will be provided as a grant for a development project. No separate thematic application rounds or periods are used in case of international projects, and an ongoing application procedure is followed.

##### 8.2.11.3.4.3. Links to other legislation

Regulation (EU) 1303/2013 of the European Parliament and of the Council.

Regulation of the European Parliament and of the Council (EU) 1306/2013 on the financing, management and monitoring of the common agricultural policy.

##### 8.2.11.3.4.4. Beneficiaries

The beneficiaries are organisations under public and private law, including associations, organisations, cooperatives, and LAGs.

The measure benefits residents, entrepreneurs, organisations or free time residents in rural areas.

##### 8.2.11.3.4.5. Eligible costs

Eligible costs include costs incurred by a Finnish implementer for implementing the project. Support for a development project may cover minor procurements associated with the project.

The following reasonable costs incurred for the implementation of a development project are eligible for support:

- payroll costs and fees
- travel costs

- purchases of outsourced services
- rental costs
- material and other costs.

The maximum duration of the supported action is five years.

The support may be granted as a one-off payment and, as regards general costs, as flat-rate financing pursuant to Articles 67 and 68 of Regulation (EU) 1303/2013 and in compliance with the principles specified in detail in national legislation (Act 28/2014 and government decrees), or on the basis of receipted invoices. The flat-rate payment for general costs may at maximum be 24% of the eligible payroll costs of the project. This payment may be used to cover indirect costs of the project. If the travel costs incurred in a project are particularly high, Article 68 of Regulation (EU) No 1303/2013 may be applied, in which case the flat-rate payment will be 15% of the indirect costs of the project.

#### 8.2.11.3.4.6. Eligibility conditions

Partners in co-operation projects may be other LAGs, or local public and private sector partners in rural areas in the European Union or outside it implementing a local development strategy. In the EU area, partners may also include local public and private sector partnerships outside the rural area implementing a local development strategy.

In addition to the eligibility criteria laid down in EU legislation, the eligibility conditions will be specified in more detail in the national Act on Support for Rural Development 28/2014 and the Government Decree laying down more detailed provisions issued by virtue of it (Government Decree on Support for Rural Projects 2014). Above all, they concern eligible activities, preconditions for eligibility and eligible costs.

A precondition for granting aid is that the applicant produces a project plan and that the outcomes of the project will be appropriately published and lend themselves to more general utilisation.

Another criterion for granting support is that the support is necessary for the operations for which it is granted. The applicant must also produce a plan for the measure to be supported. The plan must include the objectives, the actions required to achieve them and the grounds for evaluating project implementation, an estimate of the implementation period, total costs and total funding, and a report on how the objectives of sustainable development will be taken into account in the implementation of the measure, and a plan concerning business support must include an analysis of the operations' profitability.

The plan must also indicate the implementation method of the project, the party implementing it, a breakdown of costs, the share of support in total funding, support form, implementation method of the requisite private funding and links with the programme under which the project is to be funded, the impacts and outcomes of the project as well as any other matters necessary for making a decision on the application. The project plan must describe how the outcomes of support granted for similar or closely associated operations in previous projects that have received public funding have been taken into account when preparing the project. In addition, the project plan must show how the operations that are the outcome of the project will be continued after project conclusion, unless this is obviously unnecessary due to the nature of

the operation.

If, based on the eligible costs of the measure to be supported, the final amount of support were less than EUR 5,000, no support will be granted.

#### 8.2.11.3.4.7. Principles with regard to the setting of selection criteria

An operation implemented in the application area of the programme must promote objectives relevant to the measure that are compliant with European Union priorities and that are described in the programme and the national legislation relevant to it, as well as the local priorities that support them. The support aims for impact and added value that could not be achieved without support.

Selection criteria defined by the LAGs are used to select operations to be approved that meet the eligibility conditions. Under Article 34(3) paragraph d of the General Regulation, the definition of selection criteria is the task of the local action group in operations that implement a local rural development strategy.

The selection criteria are based on a local development strategy prepared for its area by the local action group transparently, in a participatory process and based on an analysis of the strengths, weaknesses, opportunities and threats in its operating area. The Managing Authority ensures that all LAGs apply selection criteria by means of which proposed operations can be put in an order of priority by awarding points, so that the operations to be funded optimally implement the objectives of the local development strategy.

The programme's Monitoring Committee discusses the selection criteria drawn up by the LAGs during the selection process of proposals for local action groups and local strategies. The application of the selection criteria will be documented by the LAGs. This will ensure a transparent and fair application evaluation process. The LAGs will disseminate information about the selection criteria and their application, for example on their website.

#### 8.2.11.3.4.8. (Applicable) amounts and support rates

Public funding to be granted and paid as co-financing will consist of the contribution of the Rural Development Fund and a national contribution. The initial amount of public funding is EUR 23 million for the preparation and implementation of co-operation projects (codes 19.4, 19.5 and 19.6). The contribution of the Rural Development Fund will be 42% of the eligible public expenditure. The national contribution consists of co-financing from the government, the municipalities and other public sector actors.

The maximum share of public support for a development project may be 100% of eligible costs. The amount of support will be confirmed by the LAG. The maximum amount of public support for projects funded by LAGs is EUR 180,000. In international projects, this is the maximum contribution of a Finnish group taking part in a project.

8.2.11.3.4.9. Verifiability and controllability of the measures and/or types of operations

8.2.11.3.4.9.1. Risk(s) in the implementation of the measures

The risks include application procedures for private applicants: neglecting to use the possibility of preliminary studies (partners, actions, responsibilities etc.), long processing times when preliminary studies have not been conducted, introduction of new international elements, and dissimilar administrative procedures and practices in Member States.

The reasonableness of costs is associated with risks: national procedures are not followed accurately enough, their documentation is inadequate, or the division of duties between the LAG and the ELY Centre is not clear.

Inspection and control systems are associated with risks related to maintaining the professional competence of the authorities and the LAG (board + employees), and checking and accounting for the eligibility conditions.

Risks related to the selection of beneficiaries include: unclear application of selection criteria and shortcomings in documentation, inadequate animation and information, inadequate knowledge of programme objectives, scarcity of good project ideas and implementers, deadlines and failures to comply with them, and challenges arising from tapping several Funds for a project.

Risks related to IT systems are information security (user rights, appropriate hardware and equipment, competence), the design and functioning of the information system (continuous development needs).

Risks associated with payment applications include: support use and only allocating costs to eligible activities, familiarity with the eligibility rules.

Commission risk codes

R2. Reasonableness of costs

R3. Adequate inspection and control systems

R4. Public competitive bidding process

R7. Selection of beneficiaries

R8. IT systems

R9. Payment applications

Commission risk reason codes

RC3. Ineffective information exchanges between authorities

RC9. Applicants for support are not familiar with correct procedures related to the payment applications

RC9.1. Payment applications are incomplete

- RC10. Verification of reasonableness of costs.
- RC11. Compliance with public procurement provisions
- RC14. Non-eligible costs
- RC15. Information security risk in the use of e-government

#### *8.2.11.3.4.9.2. Mitigating actions*

The risks may be mitigated by application procedures for private applicants: co-operation agreements (methodical quality and commitment of partners), preliminary study projects, familiarity with the partner's administration, drawing on the competence and networks of the Rural Network Units between Member States.

The risk related to the reasonableness of costs may be mitigated by: instructions and training, information system checks and check lists, and the practice of saving attachments in the system to document the justifications for awarding contracts.

The risk associated with inspection and control systems may be mitigated by: training, guidance and supervisory visits from the Agency for Rural Affairs administration, administrative checks, checks and check lists in information systems, justifications and better documentation, up-to-date management and control system descriptions.

The risk related to the selection of beneficiaries may be mitigated by: improving the quality of applications and plans, recording the selection criteria in the HYRRÄ eService, deadlines set for beneficiaries, estimating the processing times of projects, planning of programme implementation, good reporting possibilities offered by the new information system (reports, monitoring data etc.)

The risk related to IT systems may be mitigated by: the HYRRÄ eService and its flexibility, training, consistent approval procedures of user rights in the IAM application.

Risks associated with payment applications may be mitigated by: improving the competence level and training, sound planning of projects (including experiments), clear interfaces.

#### Commission risk prevention codes

CPA1. Effective training is provided for staff in charge of processing projects

The instructions are kept up to date

CPA2 Efficient communication of information to beneficiaries, active provision of training and advice

CPA3 Improving the availability of information and instructions

CPA4 The information system guides decision-making and documentation

CPA5 Simplified cost procedures are introduced

CPA6 Internal control and coordination systems are improved

#### *8.2.11.3.4.9.3. Overall assessment of the measure*

Decisions on granting support and the eligibility of costs will be made by the ELY Centres and the Agency for Rural Affairs. The Commission's regulations on supervisory authorities and paying agencies will be applied to the granting and payments of support.

The operations are compliant with local development strategies and the Rural Development Programme for Mainland Finland 2014–2020.

The measures can be implemented and controlled as required in the regulations, and coordination with other measures under the programme and with other funds was taken into account in the preparation of the measures.

#### *8.2.11.3.4.10. Methodology for calculation of the amount or support rate, where relevant*

The support to be granted is based on the needs indicated in the plans for the actions and a reviewed estimate of reasonable eligible costs. The maximum amount of support in proportion to eligible costs is determined pursuant to Regulation 1305/2013 and national legislation (Act on the Administration of Rural Development Programmes 27/2014 and the Act on Support for Rural Development 28/2014, as well as government decrees issued by virtue of these).

#### *8.2.11.3.4.11. Information specific to the operation*

Description of the obligatory community-led local development elements of which the LEADER measure is composed: preparatory support, implementation of operations under the community-led local development strategy, preparation and implementation of co-operation activities of the local action group, running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

For a description of sub-measures 19.3 support measures for implementing a local development strategy, 19.4 preparation of co-operation projects, 19.5 interregional co-operation projects, 19.6 international co-operation projects, 19.7 local development strategy running costs, and 19.8 local development strategy animation costs, see section 8.2.11.

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support (if use is made)

*Unofficial translation*

The sub-measure will not be used.

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

An ongoing application procedure is always followed in interregional and international projects. The appropriateness of the projects is considered by the LAGs.

The procedure and timetable to select the local development strategies

Described in section 8.2.11.6.

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards community-led local development, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

The LAGs can implement interregional and international projects between similar groups and actors financed by other ESI Funds.

Possibility or not of paying advances

The implementers of Leader actions may apply for advance payments from national funds. The conditions for applying for an advance payment are specified in national statutes and guidelines that are based on the Act on the Administration of Rural Development Programmes 27/2014 and the Act on Support for Rural Development 28/2014.

The common conditions applicable to several measures are described together in section 8.1.

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

Described in section 8.2.11.6.



*Unofficial translation*

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation approaches under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

The co-ordination is described in section 8.2.11.6.

#### 8.2.11.3.5. 19.7. Local development strategy running costs

Sub-measure:

- 19.4 – support for running costs and animation

##### 8.2.11.3.5.1. Description of the type of operation

Running costs are costs associated with the administration of a local development strategy implemented by a LAG.

##### 8.2.11.3.5.2. Type of support

Support will be granted as aid for running costs.

##### 8.2.11.3.5.3. Links to other legislation

Regulation (EU) 1303/2013 of the European Parliament and of the Council.

Regulation of the European Parliament and of the Council (EU) 1306/2013 on the financing, management and monitoring of the common agricultural policy.

##### 8.2.11.3.5.4. Beneficiaries

The beneficiary is a Leader local action group.

The measure benefits residents, entrepreneurs, organisations or free time residents in rural areas.

##### 8.2.11.3.5.5. Eligible costs

Running costs include costs incurred for the administration and implementation of the strategy, personnel costs, training, information and communication costs and monitoring and evaluation costs of the strategy, as well as rents, travel and meeting costs and office costs.

The support may cover minor procurements associated with the measure and the procurement or lease-purchase of machinery and equipment up to the market value of the assets.

The maximum duration of the supported action is five years.

For indirect general costs, the support may be granted as flat-rate financing pursuant to Articles 67 and 68 of Regulation (EU) 1303/2013 and in compliance with the principles specified in detail in national legislation (Act 28/2014 and government decrees), or on the basis of receipted invoices. The flat-rate payment for general costs may at maximum be 24% of the eligible payroll costs of the project. This payment may be used to cover indirect costs of the project. If the travel costs incurred in a measure are particularly high, Article 68 of Regulation (EU) No 1303/2013 may be applied, in which case the flat-rate payment will be 15% of the indirect costs of the project.

#### 8.2.11.3.5.6. Eligibility conditions

Detailed eligibility conditions are specified in national statutes and guidelines that are based on the Act on the Administration of Rural Development Programmes 27/2014 and the Act on Support for Rural Development 28/2014. Above all, they concern eligible activities, preconditions for eligibility and eligible costs.

Funding for running costs may also be granted for reasonable and necessary costs incurred for the operation of the LAG set out in a plan for the use of running cost funding, which include payroll costs and fees, travel costs, outsourced services, meeting costs, insurance premiums that are essential for the operation or for safeguarding the operation, obtaining of special skills needed in LAG work and competence building, communication costs associated with local strategy implementation, and other costs incurred for operating as a local action group.

#### 8.2.11.3.5.7. Principles with regard to the setting of selection criteria

For the LAG selection criteria, see Section 8.12.2 above.

#### 8.2.11.3.5.8. (Applicable) amounts and support rates

Public funding to be granted and paid as co-financing will consist of the contribution of the Rural Development Fund and a national contribution. The initial amount of public funding is EUR 60 million for running costs and animation (Codes 19.7 and 19.8). The contribution of the Rural Development Fund will be 42% of the eligible public expenditure. The national contribution consist of central and local government funding.

The maximum share of public support for the running costs is 100%. The total amount of running and animation costs may not exceed 25% of the public funding for a LAG's local development strategy.

8.2.11.3.5.9. Verifiability and controllability of the measures and/or types of operations

8.2.11.3.5.9.1. Risk(s) in the implementation of the measures

Maintaining professional competence is a risk related to LAGs (board + employees)

Risks related to IT systems are information security (user rights, appropriate hardware and equipment, competence), the design and functioning of the information system (continuous development needs).

Risks associated with payment applications include: support use and only allocating costs to eligible activities, familiarity with the eligibility rules.

Risks related to funding for running costs include consistent procedures for granting and paying out funds and the allocation of costs to the extent that LAG implements its own projects.

Commission risk codes

R2. Reasonableness of costs

R3. Adequate inspection and control systems

R4. Public competitive bidding process

R8. IT systems

R9. Payment applications

Commission risk reason codes

RC3. Ineffective information exchanges between authorities

RC9. Applicants for support are not familiar with correct procedures related to the payment applications

RC9.1. Payment applications are incomplete

RC10. Verification of reasonableness of costs

RC11. Compliance with public procurement provisions

RC14. Non-eligible costs

RC15. Information security risk in the use of e-government

8.2.11.3.5.9.2. Mitigating actions

The risks related to LAGs may be mitigated by: training, supervisory and control visits from the administration, efforts to maintain professional skills and competence, adequate resources, checks in information systems and use of check lists.

*Unofficial translation*

In the selection of beneficiaries, the risk is mitigated by the tripartite principle of the boards and non-disclosure agreements.

The risk associated with IT systems is mitigated by the HYRRÄ eService and its flexibility, training, and consistent approval procedures of user rights in the IAM application.

The risks related to payment applications are mitigated by: improving competence levels and training.

The risk associated with consistent procedures for granting and paying support (administration of funding for running costs) are mitigated by: centralisation of the granting and paying out of funding to the Agency for Rural Affairs, which ensures consistent procedures and clear instructions.

The risk related to allocation of costs may be mitigated by: HYRRÄ eService offers access to documents associated with both funding for running costs and any projects.

Commission risk prevention codes

CPA1. Effective training is provided for staff in charge of processing projects

The instructions are kept up to date

CPA2. Efficient communication of information to beneficiaries, active provision of training and advice

CPA3 Improving the availability of information and instructions

CPA4 The information system guides decision-making and documentation

CPA5 Simplified cost procedures are introduced

CPA6. Internal control and coordination systems are improved

*8.2.11.3.5.9.3. Overall assessment of the measure*

Decisions on granting support and the eligibility of costs will be made by the Agency for Rural Affairs. The Commission's regulations on supervisory authorities and paying agencies will be applied to the granting and payments of support.

The operations are compliant with local development strategies and the Rural Development Programme for Mainland Finland 2014–2020.

The measures can be implemented and controlled as required in the regulations, and coordination with other measures under the programme and with other funds was taken into account in the preparation of the measures.

8.2.11.3.5.10. Methodology for calculation of the amount or support rate, where relevant

The support to be granted is based on the needs indicated in the plans for the actions and a reviewed estimate of reasonable eligible costs. The maximum amount of support in proportion to eligible costs is determined pursuant to Regulation 1305/2013 and national legislation (Act on the Administration of Rural Development Programmes 27/2014 and the Act on Support for Rural Development 28/2014, as well as government decrees issued by virtue of these).

The maximum share of running and animation costs is 25% of public funding for a LAG's local development strategy.

8.2.11.3.5.11. Information specific to the operation

Description of the obligatory community-led local development elements of which the LEADER measure is composed: preparatory support, implementation of operations under the community-led local development strategy, preparation and implementation of co-operation activities of the local action group, running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

For a description of sub-measures 19.3 support measures for implementing a local development strategy, 19.4 preparation of co-operation projects, 19.5 interregional co-operation projects, 19.6 international co-operation projects, 19.7 local development strategy running costs, and 19.8 local development strategy animation costs, see section 8.2.11.

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support (if use is made)

The sub-measure will not be used.

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

An ongoing application procedure is always followed in interregional and international projects. The appropriateness of the projects is considered by the LAGs.

The procedure and timetable to select the local development strategies

Described in section 8.2.11.6.

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

*Unofficial translation*

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards community-led local development, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

The LAGs have the possibility of implementing interregional and international projects with similar groups and actors financed by other ESI Funds.

Possibility or not of paying advances

The implementers of Leader actions may apply for advance payments from national funds. The conditions for applying for an advance payment are specified in national statutes and guidelines that are based on the Act on the Administration of Rural Development Programmes 27/2014 and the Act on Support for Rural Development 28/2014.

The common conditions applicable to several measures are described together in section 8.1.

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

Described in section 8.2.11.6.

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation approaches under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

The co-ordination is described in section 8.2.11.6.

#### 8.2.11.3.6. 19.8. Animation costs of a local development strategy

Sub-measure:

- 19.4 – support for running costs and animation

##### 8.2.11.3.6.1. Description of the type of operation

The purpose of the measure is to animate actors in the area, promote activities related to a local development strategy, enhance stakeholder networking and produce and disseminate information about the local rural development strategy. The objective is to develop the operations of potential beneficiaries and the preparation of applications.

##### 8.2.11.3.6.2. Type of support

Support will be granted as aid for animation costs.

##### 8.2.11.3.6.3. Links to other legislation

Regulation (EU) 1303/2013 of the European Parliament and of the Council.

Regulation of the European Parliament and of the Council (EU) 1306/2013 on the financing, management and monitoring of the common agricultural policy.

##### 8.2.11.3.6.4. Beneficiaries

The beneficiary is a Leader local action group.

The measure benefits residents, entrepreneurs, organisations or free time residents in rural areas.

##### 8.2.11.3.6.5. Eligible costs

Animation costs are incurred for promoting activities that facilitate information exchanges between stakeholders in order to implement a local development strategy and support potential beneficiaries in developing their operations and preparing their applications.

The support may cover minor procurements associated with the measure and the procurement or lease-purchase of machinery and equipment up to the market value of the assets.

The maximum duration of the supported action is five years.



For indirect general costs, the support may be granted as flat-rate financing pursuant to Articles 67 and 68 of Regulation (EU) 1303/2013 and in compliance with the principles specified in detail in national legislation (Act 28/2014 and government decrees), or on the basis of receipted invoices. The flat-rate payment for general costs may at maximum be 24% of the eligible payroll costs of the project. This payment may be used to cover indirect costs of the project. If the travel costs incurred in a measure are particularly high, Article 68 of Regulation (EU) No 1303/2013 may be applied, in which case the flat-rate payment will be 15% of the indirect costs of the project.

#### 8.2.11.3.6.6. Eligibility conditions

Detailed eligibility conditions are specified in national statutes and guidelines that are based on the Act on the Administration of Rural Development Programmes 27/2014 and the Act on Support for Rural Development 28/2014. Above all, they concern eligible activities, preconditions for eligibility and eligible costs.

Funding for running costs may also be granted for reasonable and necessary costs incurred for the operation of the LAG set out in a plan for the use of running cost funding, which include payroll costs and fees, travel costs, outsourced services, meeting costs, insurance premiums that are essential for the operation or for safeguarding the operation, obtaining of special skills needed in LAG work and competence building, communication costs associated with local strategy implementation, and other costs incurred for operating as a local action group.

#### 8.2.11.3.6.7. Principles with regard to the setting of selection criteria

For the LAG selection criteria, see Section 8.12.2 above.

#### 8.2.11.3.6.8. (Applicable) amounts and support rates

Public funding to be granted and paid as co-financing will consist of the contribution of the Rural Development Fund and a national contribution. The initial amount of public funding is EUR 60 million for running costs and animation (Codes 19.7 and 19.8). The contribution of the Rural Development Fund will be 42% of the eligible public expenditure. The national contribution consist of central and local government funding.

The maximum share of public support for the running costs is 100%. The total amount of running and animation costs may not exceed 25% of public funding for a LAG's local development strategy.

The maximum amount of public funding for running costs and animation costs is EUR 60 million.

8.2.11.3.6.9. Verifiability and controllability of the measures and/or types of operations

8.2.11.3.6.9.1. Risk(s) in the implementation of the measures

Maintaining professional competence is a risk related to LAGs (board + employees)

Risks related to IT systems are information security (user rights, appropriate hardware and equipment, competence), the design and functioning of the information system (continuous development needs).

Risks associated with payment applications include: support use and only allocating costs to eligible activities, familiarity with the eligibility rules.

Risks related to funding for running costs include consistent procedures for granting and paying out funds and the allocation of costs to the extent that LAG implements its own projects.

Commission risk codes

R2. Reasonableness of costs

R3. Adequate inspection and control systems

R4. Public competitive bidding process

R8. IT systems

R9. Payment applications

Commission risk reason codes

RC3. Ineffective information exchanges between authorities

RC9. Applicants for support are not familiar with correct procedures related to the payment applications

RC9.1. Payment applications are incomplete

RC10. Verification of reasonableness of costs

RC11. Compliance with public procurement provisions

RC14. Non-eligible costs

RC15. Information security risk in the use of e-government

8.2.11.3.6.9.2. Mitigating actions

The risks related to LAGs may be mitigated by: training, supervisory and control visits from the administration, efforts to maintain professional skills and competence, adequate resources, checks in

information systems and use of check lists.

The risk associated with IT systems is mitigated by the HYRRÄ eService and its flexibility, training, and consistent approval procedures of user rights in the IAM application.

The risks related to payment applications are mitigated by: improving competence levels and training.

The risk associated with consistent procedures for granting and paying support (administration of funding for running costs) are mitigated by: centralisation of the granting and paying out of funding to the Agency for Rural Affairs, which ensures consistent procedures and clear instructions.

The risk related to allocation of costs may be mitigated by: HYRRÄ eService offers access to documents associated with both funding for running costs and any projects.

Commission risk prevention codes

CPA1. Effective training is provided for staff in charge of processing projects

The instructions are kept up to date

CPA2. Efficient communication of information to beneficiaries, active provision of training and advice

CPA3 Improving the availability of information and instructions

CPA4 The information system guides decision-making and documentation

CPA5 Simplified cost procedures are introduced

CPA6 Internal control and coordination systems are improved

*8.2.11.3.6.9.3. Overall assessment of the measure*

Decisions on granting support and the eligibility of costs will be made by the Agency for Rural Affairs. The Commission's regulations on supervisory authorities and paying agencies will be applied to the granting and payments of support.

The operations are compliant with local development strategies and the Rural Development Programme for Mainland Finland 2014–2020.

The measures can be implemented and controlled as required in the regulations, and coordination with other measures under the programme and with other funds was taken into account in the preparation of the measures.

*8.2.11.3.6.10. Methodology for calculation of the amount or support rate, where relevant*

The support to be granted is based on the needs indicated in the plans for the actions and a reviewed

estimate of reasonable eligible costs. The maximum amount of support in proportion to eligible costs is determined pursuant to Regulation 1305/2013 and national legislation (Act on the Administration of Rural Development Programmes 27/2014 and the Act on Support for Rural Development 28/2014, as well as government decrees issued by virtue of these).

The maximum share of running and animation costs is 25% of public funding for a LAG's local development strategy.

#### 8.2.11.3.6.11. Information specific to the operation

Description of the obligatory community-led local development elements of which the LEADER measure is composed: preparatory support, implementation of operations under the community-led local development strategy, preparation and implementation of co-operation activities of the local action group, running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

For a description of sub-measures 19.3 support measures for implementing a local development strategy, 19.4 preparation of co-operation projects, 19.5 interregional co-operation projects, 19.6 international co-operation projects, 19.7 local development strategy running costs, and 19.8 local development strategy animation costs, see section 8.2.11.

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support (if use is made)

The sub-measure will not be used.

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

An ongoing application procedure is always followed in interregional and international projects. The appropriateness of the projects is considered by the LAGs.

The procedure and timetable to select the local development strategies

Described in section 8.2.11.6.

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

*Unofficial translation*

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards community-led local development, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

The LAGs can implement interregional and international projects with similar groups and actors financed by other ESI Funds.

Possibility or not of paying advances

The implementers of Leader actions may apply for advance payments from national funds. The conditions for applying for an advance payment are specified in national statutes and guidelines that are based on the Act on the Administration of Rural Development Programmes 27/2014 and the Act on Support for Rural Development 28/2014.

The common conditions applicable to several measures are described together in section 8.1.

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

Described in section 8.2.11.6.

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation approaches under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

The co-ordination is described in section 8.2.11.6.

*8.2.11.4. Verifiability and controllability of the measures and/or types of operations*

*8.2.11.4.1. Risk(s) in the implementation of the measures*

Applicants for support, LAGs or authorities are not sufficiently familiar with the competitive bidding and contract award procedure. The authorities are not capable of assessing whether or not a competitive bidding or contract award procedure is correct or not. National procedures are not applied accurately enough when assessing whether the costs are reasonable or not, and the assessment of costs is poorly documented. There are ambiguities in allocating the costs and in the permit procedures. Maintaining the professional

competence of the authorities is highlighted in the verification and control procedures.

In the selection of beneficiaries, there is a risk of non-compliance with the selection criteria and poor documentation of how the projects to be funded are selected. Inadequate justifications for a project being needs based may lead to a situation where a LAG is unable to select the projects that would optimally implement the programme objectives. When making selections, the LAG's board or similar body does not take potential conflicts of interest into account (incapacity). The body responsible for the selections does not justify its statement for or against a project to be funded. The body responsible for the selections does not document its opinions as required.

The verification of eligibility conditions and their consideration in administrative checks performed in various phases of the project process are inadequate. Advice provided for applicants is deficient or inadequate in various phases of the project process. As a consequence of inadequate animation and communication, there may be a shortage of good project ideas and their implementers. Ensuring that support is only used for and costs allocated to eligible activities, and familiarity with eligibility rules, are risk factors in project implementation. Poor control of advance payments can also be seen as a risk in project implementation.

The need to ensure that irregular double payments from other European and national systems and programmes are prevented increases the requirements of verifiability and controllability. Requests for additional information on applications are not responded to, or the applications may be incomplete and the deadlines for complementing them are not followed. Incomplete applications that are pending hinder decision-making related to projects. Information security (user rights, appropriate hardware and software, skills), setting up information systems and developing functionalities in the systems bring continuous development needs.

#### Commission risk codes

R2. Reasonableness of costs

R3. Adequate inspection and control systems

R4. Public competitive bidding process

R7. Selection of beneficiaries

R8. IT systems

R9. Payment applications

#### Commission risk reason codes

RC3. Ineffective information exchanges between authorities

RC9. Applicants for support are not familiar with correct procedures related to the payment applications

RC9.1. Payment applications are incomplete

RC10. Verification of reasonableness of costs

RC11. Compliance with public procurement provisions

RC14. Non-eligible costs

RC15. Information security risk in the use of e-government

#### 8.2.11.4.2. Mitigating actions

The risks that concern deficient bidding and contract award procedures can be mitigated by providing the authorities and beneficiaries with instructions and training. The procurement procedures to be complied with must be clearly justified and documented. Instructions on the tendering procedures will be drawn up. The potential risks associated with assessing whether costs are reasonable or not will be mitigated by providing guidelines and training. Implementation can be verified by means of information system checks and check lists and by saving attachments in the system to document the justifications for awarding contracts.

In the verification and control procedure, the risks will be mitigated by means of training and guidelines. Administrative guidance and control visits and administrative inspections of projects will continue in the future. Checks in information systems and the use of electronic check lists will improve the standard of the authorities' work. Justifications will be saved, and documentation will be improved. Electronic check lists enable regular quality assurance in connection with both support and payment decisions. Quality assurance that improves the quality of decisions will be carried out regularly.

In the selection of beneficiaries, the risks will be mitigated by comparing applications or using a score system that is based on the selection criteria. In order to reduce the risks, the quality of applications should be improved, and compliance with deadlines should be ensured. The authority will provide an estimate of the processing times of projects. Programme implementation was planned in a comprehensive way, and potential beneficiaries will be openly informed of the funding opportunities. The real needs of the project target groups will be investigated, and new implementation methods will be enabled.

Adaptability has been taken into account in the design of the IT system, and the information system is based on strong adaptability. Training will be provided for different user groups as the new electronic system is deployed. Information security risks will be recognized. The level of competence related to payment applications will be improved, and the requisite training will be provided. The proper planning of projects will also facilitate applying for payments. Clear-cut interfaces and cutting back on overlapping activities were taken into account in programme preparation, and the various funding authorities regularly engage in a dialogue to coordinate the support systems and to avoid double funding.

#### Commission risk prevention codes

CPA1. Effective training is provided for staff in charge of processing projects

The instructions are kept up to date

CPA2 Efficient communication of information to beneficiaries, active provision of training and advice

CPA3 Improving the availability of information and instructions

CPA4 The information system guides decision-making and documentation

CPA5 Simplified cost procedures are introduced

CPA6 Internal control and coordination systems are improved

#### 8.2.11.4.3. Overall assessment of the measure

Decisions on granting support and the eligibility of costs will be made by the ELY Centres and the Agency for Rural Affairs. The Commission's regulations on supervisory authorities and paying agencies will be applied to the granting and payments of support.

The operations are compliant with local development strategies and the Rural Development Programme for Mainland Finland 2014–2020.

The measures can be implemented and controlled as required in the regulations, and coordination with other measures under the programme and with other funds was taken into account in the preparation of the measures.

#### 8.2.11.5. Methodology for calculation of the amount or support rate, where relevant

The support to be granted is based on the needs indicated in the plans for the actions and a reviewed estimate of reasonable eligible costs. The maximum amount of support in proportion to eligible costs is determined pursuant to Regulation 1305/2013 and national legislation (Act on the Administration of Rural Development Programmes 27/2014 and the Act on Support for Rural Development 28/2014, as well as government decrees issued by virtue of these).

The maximum share of the running and animation costs is 25% of the total public expenditure.

#### 8.2.11.6. Information specific to the measure

Description of the obligatory community-led local development elements of which the LEADER measure is composed: preparatory support, implementation of operations under the community-led local development strategy, preparation and implementation of co-operation activities of the local action group, running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013



*Unofficial translation*

The following sub-measures may be implemented following the LEADER approach:

19.3. Measures that support the implementation of local development strategies

19.4. Preparation of co-operation projects

19.5. Interregional co-operation projects

19.6. International co-operation projects

19.7. Local development strategy running costs

19.8. Animation costs of a local development strategy

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support (if use is made)

The sub-measure will not be used.

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

An ongoing application procedure is always followed in interregional and international projects. The appropriateness of the projects is considered by the LAGs.

The procedure and timetable to select the local development strategies

On 5 March 2013, the Ministry of Agriculture and Forestry launched an open round of applications for LAGs in the programming period 2014–2020 (press advertisements, instruction letter and online information) pursuant to Article 33 of Regulation (EU) of the European Parliament and of the Council No 1303/2013. Phase one of the application procedure was completed, and the applicants submitted their LAG applications and community-led local development strategies to the Ministry of Agriculture and Forestry by 14 June 2013. In 2013, the Ministry requested an evaluation of each local development strategy from third-party evaluators. A selection committee led by the Ministry of Agriculture and Forestry processed all applications and the relevant evaluations, and issued statements on them. Based on these statements, the Ministry of Agriculture and Forestry sent each applicant feedback in writing on the applications and the evaluation given of it. The written feedback was sent to the local action groups by the end of October 2013. The applicants worked on their strategies further and submitted the complemented documents to the Ministry in a formal application round that concluded on 10 June 2014.

In summer and autumn 2014, the Ministry requested an evaluation of each local development strategy from the ELY Centre and the Regional Council in the area of each LAG. The selection committee then processed the applications, complementary information and statements and submitted its proposal concerning the LAGs to the Ministry of Agriculture and Forestry before the end of 2014. The Ministry will make a final

*Unofficial translation*

decision on the LAGs as soon as possible after the Commission has approved the Rural Development Programme for Mainland Finland and the requisite European and national statutes have been passed.

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

The application must clearly and bindingly specify the operating area of the local action group. The area of the group does not necessarily have to follow administrative boundaries; in other words, it does not need to observe the boundaries of a province, an operating area of an ELY Centre or a municipality, as long as the area is clearly identified in the application (attaching a map if necessary). An area may only belong to the area of a single LAG. As municipality sizes are showing a strong increase, it is possible that parts of a single municipality belong to the areas of different local action groups. A clear agreement between the municipality/city and the local action group must exist on this that covers the entire programming period.

The definition of the local action group's area must show the number of residents living in it, include justifications for the area's suitability for local action and participation, and demonstrate that the area has adequate financial and personnel resources. There must be 10,000–150,000 residents living in the countryside in a LAG's area. The Leader method is suitable for local development in rural areas and towns alike, but the measures funded under the Rural Development Programme for Mainland Finland are targeted at rural areas. The entire area of all municipalities or towns with less than 30,000 residents may be regarded as rural areas. If a municipality or a town has more than 30,000 residents and a municipality is part of an urban subregion, i.e. an urban centre with more than 15,000 residents extends into its area, the local action group will have drawn up a joint plan with the ELY Centre to exclude urban centres from the Leader area. In line with the policies set out in the Government Report to Parliament on Rural Policy, the work of local action groups will continue to cover all rural areas in Finland.

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards community-led local development, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

The LAGs can implement interregional and international projects with similar groups and actors financed by other ESI Funds.

Possibility or not of paying advances

The implementers of Leader actions may apply for advance payments from national funds. The conditions for applying for an advance payment are specified in national statutes and guidelines that are based on the Act on the Administration of Rural Development Programmes 27/2014 and the Act on Support for Rural Development 28/2014.

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Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

Pursuant to Article 34 of the general regulation (EU) No 1303/2013, the tasks of local action groups include building the capacity of local actors to develop and implement projects and to exploit the opportunities of the programme by means of guidance, advice and training.

With the exception of projects implemented by a LAG itself, the LAG considers if it is appropriate to grant support to projects implementing the Leader approach. The ELY Centre as a regional authority then verifies the legality of granting support when making its support decision. Similarly, in a LAG's own projects, the ELY Centre also considers whether granting support is appropriate.

The task of the local action group is to

- draw up a non-discriminatory and open selection procedure and objective criteria for the selection of operations, which avoid conflicts of interest. The tripartite principle of the local action group board ensures that when making selections, at least 50% of the votes in selection decisions are cast by partners which are not public authorities. The LAG shall ensure that the selections can be made by written procedure.
- ensure coherence with the community-led local development strategy when selecting operations by prioritising operations according to their contribution to meeting the strategy's objectives and targets
- prepare and publish calls for proposals or an ongoing project submission procedure, including defining selection criteria
- receive and assess applications for support
- select operations and fix the amount of support, and present proposals to the ELY Centre, which is responsible for final verification of eligibility
- monitor the implementation of the community-led local development strategy and the operations to be supported and carry out specific evaluation activities linked to that strategy
- the local action group may itself also be a beneficiary.

The measure can be implemented locally, regionally, interregionally or internationally. Support and payment applications should primarily be submitted through the Hyrrä online support system. If the support applications are made using a printed form, the form should be submitted to the competent local action group. Printed payment applications are submitted directly to the ELY Centre.

The beneficiaries' applications are received through an online service system. The local action group assists and advises applicants that implement the LAG's strategy in completing support and payment applications and submitting documents to this system. The ELY Centre verifies that the preconditions for granting and paying support are met (administrative checks) and makes decisions on granting and paying support (a duty delegated by the paying agency). No delegated paying agency duties are imposed on the LAG. The paying agency verifies that the costs included in the payment application are eligible, examines the procedure in which support was granted and checks that it is consistent with Community rules and that the controls required in European legislation have been carried out.

The support may be granted as a one-off payment and, for the part of general costs, as flat-rate financing under Articles 67 and 68 of Regulation (EU) of the European Parliament and of the Council No 1303/2013 and Regulation (EU) No 1305/2013 of the European Parliament and of the Council, and in compliance with

the conditions and principles specified in detail in national statutes and guidelines.

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation approaches under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

The local action groups will implement their own strategies in their operating areas and work together with other similar groups and other actors in the area. The use of selection criteria will ensure that measures will be financed in observance of the priorities and that an open and non-discriminatory selection process will be followed.

Groups receiving finance from the Rural Development Fund and the ELY Centres must draw up agreements or similar documents describing the division of labour between the Centre and the local action group. This document must contain a jointly agreed, clear division of labour regarding the financing of projects and business support. An indicative table of contents for a co-operation agreement could be as follows: definition of areas in which business support will be granted, selection criteria for and regional policies on business support, coordination of business support, development projects and investment projects for public use (including selection criteria) and financing priorities, agreed operating methods including forms of co-operation, coordination of communication, and other necessary issues relevant to the agreement.

*8.2.11.7. Other important remarks relevant to understanding and implementing the measure*

There are no other remarks.

## **9. EVALUATION PLAN**

### **9.1. Objectives and purpose**

A statement of the objectives and purpose of the evaluation plan, based on ensuring that sufficient and appropriate evaluation activities are undertaken, in particular to provide information needed for programme steering, for the annual implementation reports in 2017 and 2019 and the ex-post evaluation, and to ensure that data needed for RDP evaluation are available.

The evaluation plan ensures that programme impacts will be evaluated and analysed methodically and comprehensively. The evaluation of programme impacts will primarily be based on using existing monitoring indicators and statistical data, in addition to which various reports and studies will be commissioned. In this plan, these reports and studies are referred to as evaluation studies. Two evaluations covering the entire programme will be attached to the programme's annual report during the programming period, and an external ex post evaluation will be commissioned. In addition, a more detailed impact evaluation study will be conducted for each objective. The plan ensures that extensive data will be available for the annual implementation reports for 2017 and 2019 and that the ex post evaluation of the programme can be carried out.

### **9.2. Governance and coordination**

Brief description of the monitoring and evaluation arrangements for the RDP, identifying the main bodies involved and their responsibilities. Explanation of how evaluation activities are linked with RDP implementation in terms of content and timing.

The programme's evaluation plan is managed by the Ministry of Agriculture and Forestry. The responsibility for implementing the information systems serving as registers for programme monitoring (Support Application and Hyrrä) rests with the Agency for Rural Affairs. The data for impact indicators will be obtained from statistical registers and from research institutes. The collection and correctness of this data will be the responsibility of the Ministry of Agriculture and Forestry's Information Centre Tike (from 2015, the Natural Resources Institute Finland) and Statistics Finland (Figure 9.2.a).

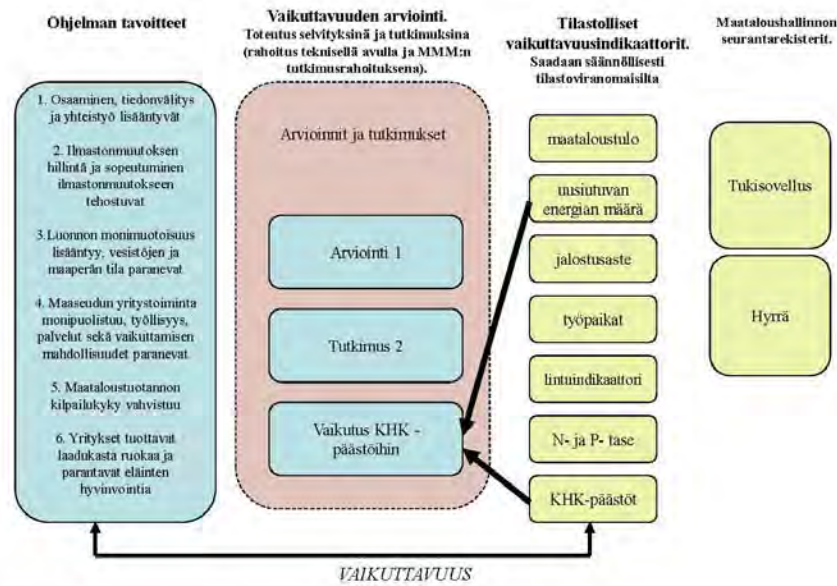
Some of the information needed for evaluation purposes will be acquired by means of public contracts financed with technical assistance available for the programme, and some through open applications for the Ministry of Agriculture and Forestry's research funding. An evaluation of programme results will be carried out in 2016–2017 and an evaluation of programme impact in 2017–2019. These evaluations will be based on the Commission's evaluation questions. The values of the programme's complementary result indicators will be calculated in connection with these evaluations. In the latter study, the trends of impact indicators will be analysed. The evaluation results will be contained in RDP annual reports for 2017 and 2019. The evaluations will be carried out by the Ministry's officials as part of their duties or commissioned from an external evaluator. An ex post evaluation of the programme conducted following instructions issued by the Commission will be completed by 2024. This evaluation will be commissioned from an external party.

A steering group will be appointed to direct the implementation of the programme's evaluation plan and to guide and support the parties conducting the evaluations and studies. The chairperson of the steering group will represent the Ministry of Agriculture and Forestry, and at minimum, the group will include members

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from the Agency for Rural Affairs, the ELY Centres, the Ministry of Agriculture and Forestry Information Centre and Natural Resources Institute Finland. Responsibility for coordinating the studies needed for evaluation purposes may be assigned to representatives of research institutes, who will ensure that the studies will produce appropriate information facilitating the evaluation of the programme and its various elements.

Evaluation observations and recommendations will be discussed at the Ministry of Agriculture and Forestry together with the parties responsible for managing the programme and the Rural Network. The annual Monitoring Committee meetings will discuss the recommendations issued in connection with programme evaluations and progress made with evaluation plan implementation. Based on these discussions, the Monitoring Committee will outline measures aiming to develop programme implementation on the basis of the evaluation recommendations. The Monitoring Committee may make observations to the Managing Authority concerning programme implementation and evaluation. The Monitoring Committee shall monitor actions taken as a result of its observations.



Kuva 9.2.a. Ohjelman arviointijärjestelmä

Figure 9.2.a Programme evaluation system

### 9.3. Evaluation topics and activities

Indicative description of evaluation topics related to the NRN and activities anticipated, including, but not limited to, fulfilment of evaluation requirements provided for in Regulation (EU) No 1303/2013 and Regulation (EU) No 1305/2013. It shall cover a) activities needed to evaluate the contribution of each RDP Union priority as referred to in Article 5 of Regulation (EU) No 1305/2013 to the rural development objectives laid down in Article 4 of that Regulation, assessment of result and impact indicator values, analysis of net effects, thematic issues, including sub-programmes, cross-cutting issues, national rural network, contribution of CLLD strategies; b) planned support for evaluation at LAG level; c) programme specific elements such as work needed to develop methodologies or to address specific policy areas.

The programme will be evaluated by each individual programme objective. The evaluation topics were derived from programme needs (section 4.2). Key evaluation topics are described under each objective. These topics can be examined through several smaller scale evaluation studies. In addition to the evaluation topics described here, the evaluations will respond to the common evaluation questions in Annex 5 to the Commission's implementing regulation.

#### *Improved skills and dissemination of information and more innovations and co-operation in rural areas*

The impacts of knowledge transfer and information actions will be evaluated once during the programming period. Management skills development in rural enterprises having taken part in the measure concerning knowledge transfer will be analysed in comparison with other companies of a similar size towards the end of the programming period. The development of rural residents' information technology capabilities and programme impact on the renewal of operating methods and the introduction of new technologies and techniques will be studied towards the latter part of the programme. Development of farms having used the advisory services will be evaluated regarding the operations that the advice concerned and that the farmer selected.

#### *More effective climate change mitigation and adaptation*

The operation of the entire manure chain will be evaluated, starting with feeding, handling in animal housing, storage, processing and spreading of manure, and ending with various forms of co-operation between livestock and crop farms. The evaluation will look at manure handling solutions from the perspective of various regions and livestock species. The impacts of requirements concerning areas over which manure is spread, in particular on clearing of peatland, will be studied. In the context of climate change mitigation, the impact of the measures on net greenhouse gas emissions will be evaluated towards the end of the programming period. In particular, the assessment will focus on trends of carbon content and carbon sequestration potential of arable soil. Programme impact and the possibilities of adapting to climate change it offers will be examined by looking at farmers' risk management mechanisms and the use of foresight information in longer-term planning on farms. Improvements in energy efficiency will be assessed, and changes in the energy consumption of farms and companies having committed to the programme will be compared.

#### *Increased biodiversity, improved status of water bodies and soil in agricultural use*

The programme's impacts on biodiversity trends in agricultural environments will be evaluated by analysing the trends in bird and butterfly populations, the development of HNV areas, and the trends in numbers of landrace breeds and local plant species and varieties. The evaluations will study the programme's impacts on nutrient emissions from farming in various river basins. These studies will be conducted by monitoring the



change in farming techniques and practices and by assessing the changes in nutrient loads on this basis. Farm level changes in agricultural practices will be studied in particular by looking at nutrient balances. The evaluation will look at improving nutrient recycling in various cultivation systems and establish which measures have been the most successful in improving the efficiency of nutrient recycling. The point of departure for this analysis will be studying the joint impact of programme measures on more efficient nutrient recycling. The joint impacts on the quality and structure of soil in agricultural use of programme measures will be studied in the latter part of the programming period.

*Diversification of rural business and higher employment, better services and improved possibilities for participation*

Impacts on diversification, renewal and competitiveness of rural business will be evaluated. The employment impacts of projects and companies and the number of permanent jobs created subsequent to supported activities will be established. The impacts of changes in the operating environment on achievement of programme objectives will be analysed. Changes in the operating environment include the impacts of the trend towards centralisation on rural living conditions and, in particular, the region's self-sufficiency in jobs, and the impacts of improved educational offer in the regions on rural enterprises' growth potential.

Accessibility of services and the number of services and rural cultural products offered online will be assessed. The impact of development projects on the development and diversification of service sector enterprising will be assessed. Rural residents' opportunities for participation and development will be examined by analysing the participation rates of rural development actors (municipalities, associations, partnerships) and young people. The opportunities for participating and impacts on local development of local action groups will be assessed. Social capital in rural areas and the impacts of LAG work on inclusion and increase in community spirit will be evaluated once during the programme period.

*Improved competitiveness of agricultural production*

Programme impacts on improved competitiveness of agricultural production will be evaluated as a whole. How has the structure of Finnish agriculture developed compared to other EU countries? From the perspective of programme impact, trends in unit costs of agricultural produce will be evaluated (costs per one kg of produce). Short-supply circuits will be examined, and the development of producers' economic position in such circuits will be assessed. The productivity and productivity trends of farms will be monitored and compared to similar trends in competitor countries. These trends will be analysed by region, by type of production and by holding size category. The profitability, solvency and financial stability of businesses will be examined. In particular, studies will focus on how natural constraint payments and their differentiation by type of farming have influenced these trends. In addition, the impacts of advisory services and innovation on trends of competitiveness will be evaluated. The development of production on farms having received setting up support will be monitored and evaluated, drawing on data obtained from agricultural statistics.

*Rural enterprises respond to consumer demand by producing high-quality food and by improving animal welfare*

Programme impacts on food production of a high quality and consumer expectations will be evaluated by examining the impacts of several measures. In particular, the impacts of requirements concerning production animal welfare and animal welfare payments will be assessed. The development of sanctions

imposed as a result of animal welfare inspections of production animals will be monitored, and the impacts of the programme on this development will be evaluated. The availability and security of supply of locally produced, high-quality foods will be studied, and programme impacts of the relevant trends will be evaluated. The extent to which local foods are used in the municipal sector (e.g. day-care centres, schools) will be assessed.

*Support for the evaluation of local development strategies and programme-specific elements*

The local action groups will evaluate the impact of local strategies from their own perspectives. The Ministry of Agriculture and Forestry will assist and support the impact evaluations of LAG strategies and link them to programme-level evaluation.

The programme's cross-cutting objectives will be examined to evaluate how the programme-based method has promoted innovation, resolving of environmental issues and climate change mitigation and adaptation. The cross-cutting objective that a funded project or measure has promoted will be recorded in the information systems. The evaluation will draw on this data. The evaluation of cross-cutting objectives will utilise impact indicator and complementary result indicator data and data obtained from the information systems.

The extent to which the Rural Network's activities have achieved the goals set for them and promoted programme objectives will be evaluated during the programming period. At the same time, programme impacts on equity and equality will be analysed as part of evaluating programme effectiveness. The effectiveness of programme selection criteria will also be evaluated.

#### **9.4. Data and information**

Brief description of the system to record, maintain, manage and report statistical information on the NRN programme implementation and provision of monitoring data for evaluation. Identification of data sources to be used, data gaps, potential institutional issues related to data provision, and proposed solutions. This section shall demonstrate that appropriate data management systems will be operational in due time.

*Statistical sources*

Programme evaluation will be based on regularly collected impact indicator data, which will be obtained from national sources. The 16 agricultural policy impact indicators are key ones among the indicators. In addition, certain national statistical indicators will be used to ensure that the special features of the programme can be taken into consideration adequately and that evaluations can be produced. The majority of impact indicator data will be obtained through routine activities of the statistical authorities, without burdening the beneficiaries. This method will also increase the efficiency of information exchanges between various authorities (e.g. the Agency for Rural Affairs-Finnish Food Safety Authority-the Natural Resources Institute). In case of certain key sets of data, regular data collection has as yet not been organised, but the availability of this data will be ensured as the programming period starts. Natural Resources Institute Finland and Statistics Finland will be responsible for collecting the impact indicator data. For descriptions of the impact indicators, see the programme's website and national documents.

#### *Other data sources*

More accurate parcel level data will be needed to develop the modelling of pollution load on water systems from agriculture. These include information on plant cover in winter on the agricultural parcel, parcel-specific fertilisation levels (mineral fertilizers/cattle manure) and the phosphorus count. The majority of the parcel-specific data will be obtained from the Agency for Rural Affairs using the Support Application. Project-specific data will be obtained from Hyrrä eService.

#### *Complementary result indicators and data sources*

For the purposes of calculating the complementary result indicators, detailed data on certain measures will be collected through Hyrrä and the Support Application. These data will allow the evaluators to calculate the numeric values for complementary result indicators.

#### *Data gaps*

Performing impact evaluations of measures concerning knowledge transfer and information actions and measures aiming to promote innovation and co-operation is challenging. In case of this objective, the evaluations must pay particular attention to how training, advice, data communications, innovations and/or co-operation have influenced the development of activities. The availability of indicator data related to climate change adaptation is poor. Consequently, the evaluation of programme impacts on climate change adaptation is solely based on estimates. No suitable impact indicators exist for better and more accessible services in rural areas, and the evaluation of this aspect will mainly be based on qualitative studies.

### **9.5. Timeline**

Major milestones of the programming period, and indicative outline of the timing needed to ensure that results are available at the appropriate time.

The timeline for implementing the evaluation plan was drawn up to enable the Managing Authority to produce and submit an evaluation of programme outcomes in connection with the annual report for 2017, a study on programme impacts in connection with the annual report for 2019, and an external ex post evaluation by 2024.

An indicative timeline has been devised from the perspective of evaluation topics, evaluation measures and the management of evaluation.

*Unofficial translation*

[illegible]

Table 9.5.a. Evaluation plan timeline

## **9.6. Communication**

Description of how evaluation findings will be disseminated to target recipients, including a description of the mechanisms established to follow-up on the use of evaluation results.

Once they have been completed, the findings of evaluation recommendations and the results of studies that are part of the evaluation plan will be disseminated in a suitable connection together with the researchers/evaluators (Table 9.6.a). The recommendations will be summed up as a concise package to serve the needs of various target groups. They will be disseminated in press releases, web releases or articles in the electronic newsletter. The evaluation results will also be discussed at seminars organised during the programming period, the purpose of which is to disseminate the recommendations further and influence programme implementation. The main target groups for this will be the administration, intermediary organisations, researchers and policy-makers.

As the evaluation results are disseminated, the general public will also be informed of the programme impact, which will be used to justify the expenditure of public funds. All communication will be based on the programme's impacts (see section 15.3.2). Showcasing sample projects is a way of publicising the programme's impacts and guiding programme implementation in the direction indicated by evaluation recommendations.

Positive media relationships are a key method for informing taxpayers of programme impacts. The programme impacts will be brought up in suitable contexts, linking them to larger issues. Key themes will include the climate, the environment and innovations as cross-cutting themes of the programme, in the context of which programme impacts will be described. A precondition for communicating about the impacts is that up-to-date information on programme outcomes and progress will be readily available. This will be enabled by registers set up for the purpose of programme monitoring and co-operation between communication and evaluation.

In the early part of the programming period, focus will be on internal communication between the actors, and active measures will be taken to build partnerships with other stakeholders. Presentation material on the programme will be distributed, and the partners' communication skills will be ensured. This also applies to communication material on evaluations. The opportunities of receiving support will be given high visibility in the communication, also drawing on the results of the previous programming period and including the perspective of impacts from the start.

In the middle part of the programming period, outcomes already achieved and their impact will be highlighted. Communication will be an elemental part of programme monitoring and evaluation. Good practices will be shared, and persons active in different organisations around the country will be brought together to generate new initiatives.

In the latter part of the programming period, the emphasis of communication will shift to publicising the impacts and results of the programme. A particular target group will be the general public. Internally, preparations will be made for evaluating the impacts of the entire programming period, and these impacts will be communicated in an interesting format.

Information on how successful the dissemination of impacts has been will be obtained, among other sources, by means of continuous media monitoring and through feedback collected at events. Ultimately, the extent to which the evaluation recommendations have been implemented and are visible as programme work

*Unofficial translation*

with a higher impact can be assessed.

Taulukko 9.6.a. Arviointisuunnitelman viestintäkanavat ja kohderyhmät.

Kohderyhmä	Pääviesti	Kanavat	Vastuut
Hallinto (MMM), päättäjät	Vaikuttavuuden osoittaminen	Seurantakokoukset, muistiot arvioinnin suosituksista, uutiskirje	MMM
Seurantakomitea	Korjausliikkeiden tekeminen arvioinnin suositusten mukaan	Kokoukset 2/vuosi, Maaseutu.fi	MMM
Poliittiset päättäjät	Vaikuttavuuden osoittaminen	Koosteet arvioinnin suosituksista	MMM
Välittävät elimet	Arvioinnin suositusten huomioiminen ohjelman toteutuksessa	Maaseutu.fi, Äittä- ekstranet, seminaarit, ohjeet suositusten välittämiseen	MMM, Mavi, maaseutuverkostoyksikkö
Ohjelman toteuttajat ja tuensaajat	Arvioinnin suositusten huomioiminen ohjelman toteutuksessa	Neuvonta, koulutus, verkkosivut jne.	Mavi, välittäjäorganisaatiot, tuottajajärjestöt, neuvojat
Tutkijat	Arviointitulosten hyödyntäminen ja jalostaminen tutkimuksessa	Tiedotteet, seminaarit ja työpajat	MMM
Veronmaksajat	Julkisten varojen käytön perustelu vaikuttavuudella	Mediaviestintä, lähteledet ja verkkajulkaisut	MMM, maaseutuverkostoyksikkö

Table 9.6.a. Communication channels and target groups of the evaluation plan

## **9.7. Resources**

Description of the resources needed and foreseen to implement the evaluation plan, including an indication of administrative capacity, data, financial resources, IT needs. Description of capacity building activities foreseen to ensure that the evaluation plan can be fully implemented.

As required, the resources of several actors will be used to implement the evaluation plan. Natural Resources Institute Finland and Statistics Finland will need personnel resources for the regular collection and brief analysis of impact indicators. The Ministry of Agriculture and Forestry will agree upon the use of resources for collecting indicator data with the Natural Resources Institute Finland in connection with performance guidance. Ministry of Agriculture and Forestry funding, which will be sourced from RDP technical assistance, will be required to obtain impact indicators from Statistics Finland.

Resources of the Ministry of Agriculture and Forestry will be allocated to coordinating and managing the evaluation plan and to directing the evaluations. To participate in the steering of evaluations and production of monitoring data, the resources of the Agency for Rural Affairs will be used.

The evaluations indicated in the plan will partly be commissioned from external consultants and research institutes. Technical assistance under the programme will be reserved for producing consultant-led evaluations. Studies commissioned from research institutes can be funded from state financing for research and through performance guidance. The requirements set by the evaluation plan will also be accounted for in the steering and use of the Ministry of Agriculture and Forestry's research funding.



## 10. FINANCING PLAN

### 10.1. The annual EAFRD contribution (€)

Types of regions and additional allocations	2014	2015	2016	2017	2018	2019	2020	Total
Article 59(3)(d) - Other regions	332,522,548.00	334,002,411.00	335,511,694.00	337,050,978.00	338,621,622.00	340,212,511.00	341,777,574.00	2,359,699,338.00
<b>Total</b>	<b>332,522,548.00</b>	<b>334,002,411.00</b>	<b>335,511,694.00</b>	<b>337,050,978.00</b>	<b>338,621,622.00</b>	<b>340,212,511.00</b>	<b>341,777,574.00</b>	<b>2,359,699,338.00</b>
(Out of which) performance reserve, Article 20 of Regulation 1303/2013	19,951,352.88	20,040,144.66	20,130,701.64	20,223,058.68	20,317,297.32	20,412,750.66	20,506,654.44	141,581,960.28

Indicative amount of support to be used for climate change objectives	1,688,287,338.00
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**10.2. The single EAFRD contribution rate for all measures broken down by type of region as referred to in Article 59(3) of Regulation (EU) No 1305/2013**

<b>Article establishing the maximum contribution rate</b>	<b>Applicable EAFRD contribution rate</b>	<b>Minimum applicable EAFRD contribution rate 2014- 2020 (%)</b>	<b>Maximum applicable EAFRD contribution 2014-2020 (%)</b>
Article 59(3)(d) - Other regions	42%	20%	53%

### 10.3. Breakdown by measure or type of operation with a specific EAFRD contribution rate (in €total period 2014–2020)

#### 10.3.1. M01 – Knowledge transfer and information actions (Article 14)

Types of regions and additional allocations		Applicable EARDF contribution rate 2014-2020 (%)	Applicable EARDF contribution rate with Article 59(4)(g) in 2014–2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 2014–2020 (%)	Rate applicable to financial instrument under Managing Authority responsibility 2014–2020 (%), with Article 59(4)(g)	Financial instruments indicative EARDF amount 2014–2020 (€)	Total Union contribution planned 2014–2020 (€)
Article 59(3)(d) - Other regions	Main	42%					2,100,000.00 (2A)
							1,260,000.00 (2B)
							1,260,000.00 (3A)
							1,260,000.00 (5B)
							672,000.00 (5C)
							672,000.00 (5D)
							672,000.00 (5E)
							20,160,000.00 (6A)
							420,000.00 (6B)
							420,000.00 (6C)
							4,704,000.00 (P4)
Total						0.00	33,600,000.00

10.3.2. M02 – Advisory services, farm management and farm relief services (Article 15)

Types of regions and additional allocations		Applicable EARDF contribution rate 2014-2020 (%)	Applicable EARDF contribution rate with Article 59(4)(g) in 2014–2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 2014–2020 (%)	Rate applicable to financial instrument under Managing Authority responsibility 2014–2020 (%), with Article 59(4)(g)	Financial instruments indicative EARDF amount 2014–2020 (€)	Total Union contribution planned 2014–2020 (€)
Article 59(3)(d) - Other regions	Main	42%					2,100,000.00 (3A) 840,000.00 (5B) 840,000.00 (5C) 840,000.00 (5D) 840,000.00 (5E) 8,820,000.00 (P4)
Total						0.00	14,280,000.00

10.3.3. M04 – Investments in physical assets (Article 17)

Types of regions and additional allocations		Applicable EARDF contribution rate 2014-2020 (%)	Applicable EARDF contribution rate with Article 59(4)(g) in 2014–2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 2014–2020 (%)	Rate applicable to financial instrument under Managing Authority responsibility 2014–2020 (%), with Article 59(4)(g)	Financial instruments indicative EARDF amount 2014–2020 (€)	Total Union contribution planned 2014–2020 (€)
Article 59(3)(d) - Other regions	Main	42%					110,544,000.00 (2A)
							18,480,000.00 (3A)
							13,818,000.00 (5C)
							13,818,000.00 (5D)
							2,520,000.00 (P4)
Total						0.00	159,180,000.00

Total Union contribution reserved for measures subject to Article 59(6) of Regulation (EU) No 1305/2013.	30,156,000.00
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10.3.4. M06 – Farm and business development (Art 19)

Types of regions and additional allocations		Applicable EARDF contribution rate 2014-2020 (%)	Applicable EARDF contribution rate with Article 59(4)(g) in 2014–2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 2014–2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 2014–2020 (%), with Article 59(4)(g)	Financial instruments indicative EARDF amount 2014–2020 (€)	Total Union contribution planned 2014–2020 (€)
Article 59(3)(d) - Other regions	Main	42%					32,760,000.00 (2B) 107,940,000.00 (6A)
Total						0.00	140,700,000.00

10.3.5. M07 – Basic services and village renewal in rural areas (Article 20)

Types of regions and additional allocations		Applicable EARDF contribution rate 2014-2020 (%)	Applicable EARDF contribution rate with Article 59(4)(g) in 2014–2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 2014–2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 2014–2020 (%), with Article 59(4)(g)	Financial instruments indicative EARDF amount 2014–2020 (€)	Total Union contribution planned 2014–2020 (€)
Article 59(3)(d) - Other regions	Main	42%					21,000,000.00 (6B) 12,600,000.00 (6C)
Total						0.00	33,600,000.00

10.3.6. M10 – Agri-environment-climate (Article 28)

Types of regions and additional allocations		Applicable EARDF contribution rate 2014-2020 (%)	Applicable EARDF contribution rate with Article 59(4)(g) in 2014–2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 2014–2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 2014–2020 (%), with Article 59(4)(g)	Financial instruments indicative EARDF amount 2014–2020 (€)	Total Union contribution planned 2014–2020 (€)
Article 59(3)(d) - Other regions	Main	42%					666,259,338.00 (P4)
Total						0.00	666,259,338.00



10.3.7. M11 – Organic farming (Article 29)

Types of regions and additional allocations		Applicable EARDF contribution rate 2014-2020 (%)	Applicable EARDF contribution rate with Article 59(4)(g) in 2014–2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 2014–2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 2014–2020 (%), with Article 59(4)(g)	Financial instruments indicative EARDF amount 2014–2020 (€)	Total Union contribution planned 2014–2020 (€)
Article 59(3)(d) - Other regions	Main	42%					136,920,000.00 (P4)
Total						0.00	136,920,000.00

10.3.8. M13 – Payments to areas facing natural or other specific constraints (Article 31)

Types of regions and additional allocations		Applicable EARDF contribution rate 2014-2020 (%)	Applicable EARDF contribution rate with Article 59(4)(g) in 2014–2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 2014–2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 2014–2020 (%), with Article 59(4)(g)	Financial instruments indicative EARDF amount 2014–2020 (€)	Total Union contribution planned 2014–2020 (€)
Article 59(3)(d) - Other regions	Main	42%					760,200,000.00 (P4)
Total						0.00	760,200,000.00

10.3.9. M14 – Animal welfare (Article 33)

Types of regions and additional allocations		Applicable EARDF contribution rate 2014-2020 (%)	Applicable EARDF contribution rate with Article 59(4)(g) in 2014–2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 2014–2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 2014–2020 (%), with Article 59(4)(g)	Financial instruments indicative EARDF amount 2014–2020 (€)	Total Union contribution planned 2014–2020 (€)
Article 59(3)(d) - Other regions	Main	42%					192,360,000.00 (3A)
Total						0.00	192,360,000.00

10.3.10. M16 – Co-operation (Article 35)

Types of regions and additional allocations		Applicable EARDF contribution rate 2014-2020 (%)	Applicable EARDF contribution rate with Article 59(4)(g) in 2014–2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 2014–2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 2014–2020 (%), with Article 59(4)(g)	Financial instruments indicative EARDF amount 2014–2020 (€)	Total Union contribution planned 2014–2020 (€)
Article 59(3)(d) - Other regions	Main	42%					20,580,000.00 (3A)
							2,940,000.00 (5B)
							2,940,000.00 (5C)
							1,470,000.00 (5D)
							1,470,000.00 (5E)
							30,240,000.00 (6A)
							1,260,000.00 (6B)
							6,300,000.00 (P4)
Total						0.00	67,200,000.00

10.3.11. M19 - Support for community-led local development (Leader) (Article 35 of Regulation (EU) No 1303/2013)

Types of regions and additional allocations		Applicable EARDF contribution rate 2014-2020 (%)	Applicable EARDF contribution rate with Article 59(4)(g) in 2014–2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 2014–2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 2014–2020 (%), with Article 59(4)(g)	Financial instruments indicative EARDF amount 2014–2020 (€)	Total Union contribution planned 2014–2020 (€)
Article 59(3)(d) - Other regions	Main	42%					126,000,000.00 (6B)
Total						0.00	126,000,000.00

10.3.12. M20 – Technical assistance – Member States (Article 51–54)

Types of regions and additional allocations		Applicable EARDF contribution rate 2014-2020 (%)	Applicable EARDF contribution rate with Article 59(4)(g) in 2014–2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 2014–2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 2014–2020 (%), with Article 59(4)(g)	Financial instruments indicative EARDF amount 2014–2020 (€)	Total Union contribution planned 2014–2020 (€)
Article 59(3)(d) - Other regions	Main	42%					29,400,000.00
Total						0.00	29,400,000.00

**10.4. Indicative breakdown by measure for each sub-programme**

Thematic sub-programme name	Measure	Total Union Contribution planned 2014-2020 (EUR)
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## 11. INDICATOR PLAN

### 11.1. Indicator plan

11.1.1. P1: Fostering knowledge transfer and innovation in agriculture, forestry, and rural areas

*11.1.1.1. 1A) Fostering innovation, co-operation, and the development of the knowledge base in rural areas.*

Target indicator(s) 2014–2020

Target indicator name	Target 2023
<b>T1: Percentage of expenditure under Articles 14, 15 and 35 of Regulation (EU) No 1305/2013 in relation to the total expenditure for the RDP (focus area 1A)</b>	<b>3.32</b>
Total RDP planned public expenditure	8,265,331,757.00

Planned output indicator(s) 2014–2020

Measure name	Indicator name	Value
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Total public expenditure €(trainings, farm exchanges, demonstration) (1.1–1.3)	80,000,000.00
<b>M02 – Advisory services, farm management and farm relief services (Article 15)</b>	Total public expenditure (€) (2.1–2.3)	34,000,000.00
<b>M16 – Co-operation (Article 35)</b>	Total public expenditure (€) (16.1–16.9)	160,000,000.00



*Unofficial translation*

11.1.1.2. 1B) Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance

Target indicator(s) 2014–2020

Target indicator name	Target 2023
<b>T2: total number of co-operation operations supported under the co-operation measure (Article 35 of Regulation (EU) No 1305/2013) (LAGs, networks/clusters, pilot projects...) (focus area 1B)</b>	<b>310.00</b>

Planned output indicator(s) 2014–2020

Measure name	Indicator name	Value
<b>M16 – Co-operation (Article 35)</b>	Number of EIP operational groups supported (establishment and operation) (16.1)	10.00
<b>M16 – Co-operation (Article 35)</b>	Number of other co-operation operations (groups, networks/clusters, pilot projects...) (16.2–16.9)	300.00

*Unofficial translation*

*11.1.1.3. 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors*

Target indicator(s) 2014–2020

Target indicator name	Target 2023
<b>T3: Total number of participants trained under Article 14 of Regulation (EU) No 1305/2013 (focus area 1C)</b>	<b>20,000.00</b>

Planned output indicator(s) 2014–2020

Measure name	Indicator name	Value
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Training/skills acquisition (1.1) - Number of participants in trainings	20,000.00

## Unofficial translation

11.1.2. P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and sustainable management of forest

11.1.2.1. 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification

Target indicator(s) 2014–2020

Target indicator name	Target 2023
<b>T4: Percentage of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)</b>	<b>11.94</b>
Number of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	7,000.00

Context Indicator used as denominator for the target

Context indicator name	Base year value
17 Agricultural holdings - total	58,607.00

Planned output indicator(s) 2014–2020

Measure name	Indicator name	Value
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Training/skills acquisition (1.1) - Number of participants in trainings	1,600.00
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Training/skills acquisition (1.1) - total public expenditure on trainings/skills	4,000,000.00
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Total public expenditure €(trainings, farm exchanges, demonstration) (1.1–1.3)	5,000,000.00
<b>M04 – Investments in physical assets (Article 17)</b>	Number of holdings supported for investment in agricultural holdings (4.1)	7,000.00
<b>M04 – Investments in physical assets (Article 17)</b>	Total public expenditure for investments in infrastructure (4.3)	0
<b>M04 – Investments in physical assets (Article 17)</b>	Total investment €(public + private)	1,809,200,000.00
<b>M04 – Investments in physical assets (Article 17)</b>	Total public expenditure (€) (4.1)	871,400,000.00
<b>M04 – Investments in physical assets (Article 17)</b>	Total public expenditure (€)	871,400,000.00

## Unofficial translation

11.1.2.2. 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal

Target indicator(s) 2014–2020

Target indicator name	Target 2023
<b>T5: percentage of agricultural holdings with RDP supported business development plan/investments for young farmers (focus area 2B)</b>	<b>4.61</b>
Number of agricultural holdings with RDP supported business development plan/investments for young farmers (focus area 2B)	2,700.00

Context Indicator used as denominator for the target

Context indicator name	Base year value
17 Agricultural holdings - total	58,607.00

Planned output indicator(s) 2014–2020

Measure name	Indicator name	Value
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Training/skills acquisition (1.1) - Number of participants in trainings	800.00
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Training/skills acquisition (1.1) - total public expenditure on trainings/skills	2,000,000.00
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Total public expenditure €(trainings, farm exchanges, demonstration) (1.1–1.3)	3,000,000.00
<b>M06 – Farm and business development (Art 19)</b>	Number of beneficiaries supported (farms), young farmers (6.1)	2,700.00
<b>M06 – Farm and business development (Art 19)</b>	Number of agricultural holdings with RDP supported investments in non-agricultural activities (6.4)	0
<b>M06 – Farm and business development (Art 19)</b>	Number of beneficiaries for relocation payments (farms) (6.5)	0
<b>M06 – Farm and business development (Art 19)</b>	Total investment €(public + private)	327,000,000.00
<b>M06 – Farm and business development (Art 19)</b>	Total public expenditure (€) (6.1)	145,000,000.00
<b>M06 – Farm and business development (Art 19)</b>	Total public expenditure (€)	145,000,000.00

## Unofficial translation

11.1.3. P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

*11.1.3.1. 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organisations*

Target indicator(s) 2014–2020

Target indicator name	Target 2023
<b>T6: percentage of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups and organisations (focus area 3A)</b>	<b>8.53</b>
Number of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations (focus area 3A)	5,000.00

Context Indicator used as denominator for the target

Context indicator name	Base year value
17 Agricultural holdings - total	58,607.00

Planned output indicator(s) 2014–2020

Measure name	Indicator name	Value
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Training/skills acquisition (1.1) - Number of participants in trainings	800.00
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Training/skills acquisition (1.1) - total public expenditure on trainings/skills	2,000,000.00
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Total public expenditure €(trainings, farm exchanges, demonstration) (1.1–1.3)	3,000,000.00
<b>M02 – Advisory services, farm management and farm relief services (Article 15)</b>	Number of beneficiaries advised (2.1)	4,500.00
<b>M02 – Advisory services, farm management and farm relief services (Article 15)</b>	Total public expenditure (€) (2.1–2.3)	5,000,000.00
<b>M04 – Investments in physical assets (Article 17)</b>	Number of operations supported for investment (in agricultural holdings, in processing and marketing of agricultural products) (4.1 and 4.2)	500.00
<b>M04 – Investments in physical assets (Article 17)</b>	Total investment €(public + private)	171,400,000.00
<b>M04 – Investments in physical assets (Article 17)</b>	Total public expenditure (€)	44,000,000.00
<b>M14 – Animal welfare (Article 33)</b>	Number of beneficiaries	4,500.00
<b>M14 – Animal welfare (Article 33)</b>	Total public expenditure (€)	458,000,000.00
<b>M16 – Co-operation (Article 35)</b>	Number of holdings taking part in co-operation/local sales promotion between delivery chain actors (16.4)	5,000.00
<b>M16 – Co-operation (Article 35)</b>	Total public expenditure (€) (16.1–16.9)	49,000,000.00

*Unofficial translation*

*11.1.3.2. 3B) Supporting farm risk prevention and management*

No measures have been selected for this focus area in the strategy.

*Unofficial translation*

11.1.4. P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry

**Agriculture**

Planned output indicator(s) 2014–2020

Measure name	Indicator name	Value
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Training/skills acquisition (1.1) - Number of participants in trainings	3,280.00
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Training/skills acquisition (1.1) - total public expenditure on trainings/skills	8,200,000.00
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Total public expenditure €(trainings, farm exchanges, demonstration) (1.1–1.3)	11,200,000.00
<b>M02 – Advisory services, farm management and farm relief services (Article 15)</b>	Number of beneficiaries advised (2.1)	43,000.00
<b>M02 – Advisory services, farm management and farm relief services (Article 15)</b>	Total public expenditure (€) (2.1–2.3)	21,000,000.00
<b>M04 – Investments in physical assets (Article 17)</b>	Number of operations supported for non-productive investment (4.4)	819.00
<b>M04 – Investments in physical assets (Article 17)</b>	Total investment €(public + private)	6,000,000.00
<b>M04 – Investments in physical assets (Article 17)</b>	Total public expenditure (€)	6,000,000.00
<b>M10 – Agri-environment-climate (Article 28)</b>	Area (ha) under agri-environment-climate support (10.1)	1,900,000.00
<b>M10 – Agri-environment-climate (Article 28)</b>	Public expenditure on genetic resource conservation (10.2)	13,800,000.00
<b>M10 – Agri-environment-climate (Article 28)</b>	Total public expenditure (€)	1,586,331,757.00
<b>M11 – Organic farming (Article 29)</b>	Area (ha) – conversion to organic farming (11.1)	0
<b>M11 – Organic farming (Article 29)</b>	Area (ha) – maintenance of organic farming (11.2)	355,000.00
<b>M11 – Organic farming (Article 29)</b>	Total public expenditure (€)	326,000,000.00
<b>M13 – Payments to areas facing natural or other specific constraints (Article 31)</b>	Area (ha) – mountain areas (13.1)	1,168,000.00
<b>M13 – Payments to areas facing natural or other specific constraints (Article 31)</b>	Area (ha) – other areas with significant natural value (13.2)	1,037,000.00
<b>M13 – Payments to areas facing natural or other specific constraints (Article 31)</b>	Area (ha) – areas with specific constraints (13.3)	0
<b>M13 – Payments to areas facing natural or other specific constraints (Article 31)</b>	Total public expenditure (€)	3,734,000,000.00
<b>M16 – Co-operation (Article 35)</b>	Total public expenditure (€) (16.1–16.9)	15,000,000.00

**Forestry**

No measures have been selected for this focus area in the strategy.

*Unofficial translation*

11.1.4.1. 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes

Agriculture

Target indicator(s) 2014–2020

Target indicator name	Target 2023
<b>T9: percentage of agricultural land under management contracts supporting biodiversity (focus area 4A)</b>	<b>15.63</b>
Percentage of agricultural land under management contracts supporting biodiversity (ha) (focus area 4A)	355,000.00

Context Indicator used as denominator for the target

Context indicator name	Base year value
18 Agricultural area - total UAA	2,271,350.00

Forestry

No measures have been selected for this focus area in the strategy.

11.1.4.2. 4B) Improving water management, including fertilizer and pesticide management

Agriculture

Target indicator(s) 2014–2020

Target indicator name	Target 2023
<b>T10: percentage of agricultural land under management contracts to improve water management (focus area 4B)</b>	<b>81.80</b>
Agricultural land (ha) under management contracts to improve water management (focus area 4B)	1,858,000.00

Context Indicator used as denominator for the target

Context indicator name	Base year value
18 Agricultural area - total UAA	2,271,350.00

Forestry

No measures have been selected for this focus area in the strategy.

11.1.4.3. 4C) Preventing soil erosion and improving soil management

Agriculture

Target indicator(s) 2014–2020

Target indicator name	Target 2023
<b>T12: percentage of agricultural land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)</b>	<b>44.03</b>
Agricultural land (ha) under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	1,000,000.00

Context Indicator used as denominator for the target



*Unofficial translation*

Context indicator name	Base year value
18 Agricultural area - total UAA	2,271,350.00

Forestry

No measures have been selected for this focus area in the strategy.

11.1.5. P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

11.1.5.1. 5A) Increasing efficiency in water use by agriculture

No measures have been selected for this focus area in the strategy.

*Unofficial translation*

11.1.5.2. 5B) Increasing efficiency in energy use in agriculture and food processing

Target indicator(s) 2014–2020

Target indicator name	Target 2023
<b>T15: Total investment for energy efficiency (€) (focus area 5B)</b>	<b>0</b>

Planned output indicator(s) 2014–2020

Measure name	Indicator name	Value
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Training/skills acquisition (1.1) - Number of participants in trainings	800.00
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Training/skills acquisition (1.1) - total public expenditure on trainings/skills	2,000,000.00
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Total public expenditure €(trainings, farm exchanges, demonstration) (1.1–1.3)	3,000,000.00
<b>M02 – Advisory services, farm management and farm relief services (Article 15)</b>	Number of beneficiaries advised (2.1)	2,000.00
<b>M02 – Advisory services, farm management and farm relief services (Article 15)</b>	Total public expenditure (€) (2.1–2.3)	2,000,000.00
<b>M16 – Co-operation (Article 35)</b>	Total public expenditure (€) (16.1–16.9)	7,000,000.00

*Unofficial translation*

11.1.5.3. 5C) Facilitating the supply and use of renewable sources of energy, of by-products, wastes and residues and of other non food raw material, for the purposes of the bio-economy

Target indicator(s) 2014–2020

Target indicator name	Target 2023
<b>T16: Total investment in renewable energy production (€) (focus area 5C)</b>	<b>117,900,000.00</b>

Planned output indicator(s) 2014–2020

Measure name	Indicator name	Value
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Training/skills acquisition (1.1) - Number of participants in trainings	240.00
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Training/skills acquisition (1.1) - total public expenditure on trainings/skills	600,000.00
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Total public expenditure €(trainings, farm exchanges, demonstration) (1.1–1.3)	1,600,000.00
<b>M02 – Advisory services, farm management and farm relief services (Article 15)</b>	Number of beneficiaries advised (2.1)	2,000.00
<b>M02 – Advisory services, farm management and farm relief services (Article 15)</b>	Total public expenditure (€) (2.1–2.3)	2,000,000.00
<b>M04 – Investments in physical assets (Article 17)</b>	Number of operations supported for investments (4.1 and 4.3))	455.00
<b>M04 – Investments in physical assets (Article 17)</b>	Total investment €(public + private)	117,900,000.00
<b>M04 – Investments in physical assets (Article 17)</b>	Total public expenditure (€)	56,800,000.00
<b>M16 – Co-operation (Article 35)</b>	Total public expenditure (€) (16.1–16.9)	7,000,000.00

*Unofficial translation*

11.1.5.4. 5D) Reducing greenhouse gas and ammonia emissions from agriculture

Target indicator(s) 2014–2020

Target indicator name	Target 2023
<b>LU concerned by investments in livestock management in view of reducing GHG and/or ammonia emissions (focus area 5D)</b>	<b>120,000.00</b>
T17: percentage of LU concerned by investments in livestock management in view of reducing GHG and/or ammonia emissions (focus area 5D)	10.77
<b>T18: percentage of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (focus area 5D)</b>	<b>0</b>
Agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (ha) (focus area 5D)	0

Context Indicator used as denominator for the target

Context indicator name	Base year value
21 Livestock units - total	1,113,830.00
18 Agricultural area - total UAA	2,271,350.00

Planned output indicator(s) 2014–2020

Measure name	Indicator name	Value
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Training/skills acquisition (1.1) - Number of participants in trainings	240.00
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Training/skills acquisition (1.1) - total public expenditure on trainings/skills	600,000.00
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Total public expenditure €(trainings, farm exchanges, demonstration) (1.1–1.3)	1,600,000.00
<b>M02 – Advisory services, farm management and farm relief services (Article 15)</b>	Number of beneficiaries advised (2.1)	2,000.00
<b>M02 – Advisory services, farm management and farm relief services (Article 15)</b>	Total public expenditure (€) (2.1–2.3)	2,000,000.00
<b>M04 – Investments in physical assets (Article 17)</b>	Number of operations supported for investment (e.g. manure storage, manure treatment) (4.1, 4.4 and 4.3)	455.00
<b>M04 – Investments in physical assets (Article 17)</b>	LU concerned by investment in livestock management in view of reducing GHG and ammonia emissions	120,000.00
<b>M04 – Investments in physical assets (Article 17)</b>	Total investment €(public + private)	117,900,000.00
<b>M04 – Investments in physical assets (Article 17)</b>	Total public expenditure (€)	56,800,000.00
<b>M16 – Co-operation (Article 35)</b>	Total public expenditure (€) (16.1–16.9)	3,500,000.00

*Unofficial translation*

11.1.5.5. 5E) Fostering carbon conservation and sequestration in agriculture and forestry

Target indicator(s) 2014–2020

Target indicator name	Target 2023
<b>T19: percentage of agricultural and forest land under management contracts contributing to carbon sequestration and conservation (focus area 5E)</b>	<b>0</b>
Agricultural and forest land under management to foster carbon sequestration/conservation (ha) (P5E)	0

Context Indicator used as denominator for the target

Context indicator name	Base year value
18 Agricultural area - total UAA	2,271,350.00
29 Forest and other wooded land (FOWL) (thousand) - total	23,115.80

Planned output indicator(s) 2014–2020

Measure name	Indicator name	Value
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Training/skills acquisition (1.1) - Number of participants in trainings	240.00
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Training/skills acquisition (1.1) - total public expenditure on trainings/skills	600,000.00
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Total public expenditure €(trainings, farm exchanges, demonstration) (1.1–1.3)	1,600,000.00
<b>M02 – Advisory services, farm management and farm relief services (Article 15)</b>	Number of beneficiaries advised (2.1)	2,000.00
<b>M02 – Advisory services, farm management and farm relief services (Article 15)</b>	Total public expenditure (€) (2.1–2.3)	2,000,000.00
<b>M16 – Co-operation (Article 35)</b>	Total public expenditure (€) (16.1–16.9)	3,500,000.00

*Unofficial translation*

11.1.6. P6: Promoting social inclusion, poverty reduction and economic development in rural areas

11.1.6.1. 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation

Target indicator(s) 2014–2020

Target indicator name	Target 2023
<b>T20: jobs created in supported projects (focus area 6A)</b>	<b>4,000.00</b>

Planned output indicator(s) 2014–2020

Measure name	Indicator name	Value
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Training/skills acquisition (1.1) - Number of participants in trainings	12,000.00
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Training/skills acquisition (1.1) - total public expenditure on trainings/skills	30,000,000.00
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Total public expenditure €(trainings, farm exchanges, demonstration) (1.1–1.3)	48,000,000.00
<b>M06 – Farm and business development (Art 19)</b>	Number of agricultural holdings receiving start up aid /aid for non-agricultural activities in rural areas (6.2 and 6.4)	5,500.00
<b>M06 – Farm and business development (Art 19)</b>	Total investment €(public + private)	879,540,000.00
<b>M06 – Farm and business development (Art 19)</b>	Total public expenditure (€)	257,000,000.00
<b>M16 – Co-operation (Article 35)</b>	Total public expenditure (€) (16.1–16.9)	72,000,000.00

*Unofficial translation*

11.1.6.2. 6B) Fostering local development in rural areas

Target indicator(s) 2014–2020

Target indicator name	Target 2023
Net population benefiting from improved services	1,800,000.00
<b>T21: percentage of rural population covered by local development strategies (focus area 6B)</b>	<b>47.07</b>
Percentage of rural population covered by local development strategies (focus area 6B)	1,800,000.00
<b>T22: percentage of rural population benefiting from improved services/infrastructures (focus area 6B)</b>	<b>47.07</b>
<b>T23: jobs created in supported projects (Leader) (focus area 6B)</b>	<b>1,700.00</b>

Context Indicator used as denominator for the target

Context indicator name	Base year value
1 Population - rural	40.44
1 Population - intermediate	30.73
1 Population - total	5,372,913.00

Planned output indicator(s) 2014–2020

Measure name	Indicator name	Value
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Training/skills acquisition (1.1) - Number of participants in trainings	0
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Training/skills acquisition (1.1) - total public expenditure on trainings/skills	0
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Total public expenditure €(trainings, farm exchanges, demonstration) (1.1–1.3)	1,000,000.00
<b>M07 – Basic services and village renewal in rural areas (Article 20)</b>	Number of operations supported for planning village renewal and management plans for Natura 2000 or High Nature Value areas (7.1)	80.00
<b>M07 – Basic services and village renewal in rural areas (Article 20)</b>	Number of operations supported for investments in small scale infrastructures, including investments in renewable energy sources and energy savings (7.2)	150.00
<b>M07 – Basic services and village renewal in rural areas (Article 20)</b>	Number of operations supported for investments in local services for the rural population (7.4)	140.00
<b>M07 – Basic services and village renewal in rural areas (Article 20)</b>	Number of operations supported for investments in recreational infrastructure or tourism infrastructure (7.5)	80.00
<b>M07 – Basic services and village renewal in rural areas (Article 20)</b>	Number of operations supported for studies/investments concerning rural cultural and natural heritage, including High Natural Value areas (7.6)	50.00
<b>M07 – Basic services and village renewal in rural areas (Article 20)</b>	Number of operations supported for relocation of activities with a view to improving the quality of life or increasing the environmental performance (7.7)	0
<b>M07 – Basic services and village renewal in rural areas (Article 20)</b>	Number of operations - Others (7.8)	0
<b>M07 – Basic services and village renewal in rural areas (Article 20)</b>	Rural population benefiting from improved services/infrastructures (7.1, 7.2, 7.4, 7.5, 7.6, 7.7)	1,800,000.00
<b>M07 – Basic services and village renewal in rural areas (Article 20)</b>	Total public expenditure (€)	50,000,000.00
<b>M16 – Co-operation (Article 35)</b>	Total public expenditure (€) (16.1–16.9)	3,000,000.00

*Unofficial translation*

<b>M19 - Support for community-led local development (Leader) (Article 35 of Regulation (EU) No 1303/2013)</b>	Number of local action groups selected	54.00
<b>M19 - Support for community-led local development (Leader) (Article 35 of Regulation (EU) No 1303/2013)</b>	Population covered by LAGs	1,800,000.00
<b>M19 - Support for community-led local development (Leader) (Article 35 of Regulation (EU) No 1303/2013)</b>	Total public expenditure (€) - preparatory support (19.1)	0
<b>M19 - Support for community-led local development (Leader) (Article 35 of Regulation (EU) No 1303/2013)</b>	Total public expenditure (€) - support for implementation of operations under the community-led local development strategy (19.2)	217,000,000.00
<b>M19 - Support for community-led local development (Leader) (Article 35 of Regulation (EU) No 1303/2013)</b>	Total public expenditure (€) - preparation and implementation of co-operation activities of the local action group (19.3)	23,000,000.00
<b>M19 - Support for community-led local development (Leader) (Article 35 of Regulation (EU) No 1303/2013)</b>	Total public expenditure (€) - support for running costs and animation (19.4)	60,000,000.00



*Unofficial translation*

11.1.6.3. 6C) Enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural areas

Target indicator(s) 2014–2020

Target indicator name	Target 2023
Net population benefiting from improved services	1,900,000.00
<b>T24: percentage of rural population benefiting from new or improved services/infrastructures (ICT) (focus area 6C)</b>	<b>49.69</b>

Context Indicator used as denominator for the target

Context indicator name	Base year value
1 Population - rural	40.44
1 Population - intermediate	30.73
1 Population - total	5,372,913.00

Planned output indicator(s) 2014–2020

Measure name	Indicator name	Value
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Training/skills acquisition (1.1) - Number of participants in trainings	0
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Training/skills acquisition (1.1) - total public expenditure on trainings/skills	0
<b>M01 – Knowledge transfer and information actions (Article 14)</b>	Total public expenditure €(trainings, farm exchanges, demonstration) (1.1–1.3)	1,000,000.00
<b>M07 – Basic services and village renewal in rural areas (Article 20)</b>	Number of measures supported for investments in broadband infrastructures and access to broadband and public e-government (7.3)	100.00
<b>M07 – Basic services and village renewal in rural areas (Article 20)</b>	Population benefiting from new or improved IT infrastructures (including broadband Internet)	1,900,000.00
<b>M07 – Basic services and village renewal in rural areas (Article 20)</b>	Total public expenditure (€)	30,000,000.00

*Unofficial translation*

Unofficial translation

11.2. Overview of the planned output and planned expenditure by measure and by focus area (generated automatically)

Measures	Indicators	P2		P3		P4			P5					P6			Total
		2A	2B	3A	3B	4A	4B	4C	5A	5B	5C	5D	5E	6A	6B	6C	
M01	Training/skills acquisition (1.1) - Number of participants in trainings	1.600	800	800		3.280				800	240	240	240	12.000			20.000
	Training/skills acquisition (1.1) - total public expenditure on trainings/skills	4,000,000	2,000,000	2,000,000		8,200,000				2,000,000	600,000	600,000	600,000	30,000,000			50,000,000
	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1–1.3)	5,000,000	3,000,000	3,000,000		11,200,000				3,000,000	1,600,000	1,600,000	1,600,000	48,000,000	1,000,000	1,000,000	80,000,000
M02	Number of beneficiaries advised (2.1)			4,500		43,000				2,000	2,000	2,000	2,000				55,500
	Total public expenditure (€) (2.1–2.3)			5,000,000		21,000,000				2,000,000	2,000,000	2,000,000	2,000,000				34,000,000
M04	Total investment €(public + private)	1,809,200,000		171,400,000		6,000,000					117,900,000	117,900,000					2,222,400,000
	Total public expenditure (€)	871,400,000		44,000,000		6,000,000					56,800,000	56,800,000					1,035,000,000
M06	Total investment €(public + private)		327,000,000											879,540,000			1,206,540,000
	Total public expenditure (€)		145,000,000											257,000,000			402,000,000
M07	Total public expenditure (€)														50,000,000	30,000,000	80,000,000
M10	Area (ha) under agri-environment-climate support (10.1)					1,900,000											1,900,000
	Total public expenditure (€)					1,586,331,757											1,586,331,757
M11	Area (ha) – maintenance of organic farming (11.2)					355,000											355,000
	Total public expenditure (€)					326,000,000											326,000,000

*Unofficial translation*

M13	Area (ha) – mountain areas (13.1)					1,168,000								1,168,000
	Area (ha) – other areas with significant natural value (13.2)					1,037,000								1,037,000
	Total public expenditure (€)					3,734,000,000								3,734,000,000
M14	Number of beneficiaries			4,500										4,500
	Total public expenditure (€)			458,000,000										458,000,000
M16	Number of holdings taking part in co-operation/local sales promotion between delivery chain actors (16.4)			5,000										5,000
	Total public expenditure (€) (16.1–16.9)			49,000,000		15,000,000	7,000,000	7,000,000	3,500,000	3,500,000	72,000,000	3,000,000		160,000,000
M19	Number of local action groups selected											54		54
	Population covered by LAGs											1,800,000		1,800,000
	Total public expenditure (€) - support for implementation of operations under the community-led local development strategy (19.2)											217,000,000		217,000,000
	Total public expenditure (€) - preparation and implementation of co-operation activities of the local action group (19.3)											23,000,000		23,000,000
	Total public expenditure (€) - support for running costs and animation (19.4)											60,000,000		60,000,000

**11.3. Secondary effects: identification of potential contributions of rural development measures/sub-measures programmed under a given focus area to other focus areas / targets**

Focus area in Indicator Plan	Measure	P1			P2		P3		P4			P5					P6		
		1A	1B	1C	2A	2B	3A	3B	4A	4B	4C	5A	5B	5C	5D	5E	6A	6B	6C
2A	M01 – Knowledge transfer and information actions (Article 14)				P			X				X						X	X
	M04 – Investments in physical assets (Article 17)				P			X		X	X		X				X		
2B	M01 – Knowledge transfer and information actions (Article 14)					P		X				X						X	X
	M06 – Farm and business development (Art 19)					P								X					
3A	M01 – Knowledge transfer and information actions (Article 14)						P	X				X						X	X
	M02 – Advisory services, farm management and farm relief services (Article 15)						P	X											
	M04 – Investments in physical assets (Article 17)						P	X		X	X		X				X		
	M14 – Animal welfare (Article 33)				X		P		X										
	M16 – Co-operation (Article 35)						P	X	X	X		X	X	X	X	X	X		
5B	M01 – Knowledge transfer and information actions (Article 14)							X				X	P					X	X
	M02 – Advisory services, farm management and farm relief services (Article 15)							X					P						
	M16 – Co-operation (Article 35)							X	X			X	P	X	X	X	X		
5C	M01 – Knowledge transfer and information actions (Article 14)							X				X		P				X	X
	M02 – Advisory services, farm management and farm relief services (Article 15)							X						P					
	M04 – Investments in physical assets (Article 17)							X		X	X		X	P			X		
	M16 – Co-operation (Article 35)							X	X	X		X	X	P	X	X	X		
5D	M01 – Knowledge transfer and information actions (Article 14)							X				X			P			X	X

*Unofficial translation*

	M02 – Advisory services, farm management and farm relief services (Article 15)							X								P				
	M04 – Investments in physical assets (Article 17)							X		X	X		X			P		X		
	M16 – Co-operation (Article 35)							X	X	X		X	X	X		P	X	X		
5E	M01 – Knowledge transfer and information actions (Article 14)							X				X					P		X	X
	M02 – Advisory services, farm management and farm relief services (Article 15)							X									P			
	M16 – Co-operation (Article 35)							X	X	X		X	X	X	X		P	X		
6A	M01 – Knowledge transfer and information actions (Article 14)							X				X						P	X	X
	M06 – Farm and business development (Art 19)													X				P		
	M16 – Co-operation (Article 35)							X	X	X		X	X	X	X	X		P		
6B	M01 – Knowledge transfer and information actions (Article 14)							X				X							P	X
	M07 – Basic services and village renewal in rural areas (Article 20)							X	X					X				X	P	X
	M16 – Co-operation (Article 35)							X		X		X	X	X	X	X	X	X	P	
	M19 - Support for community-led local development (Leader) (Article 35 of Regulation (EU) No 1303/2013)						X		X	X			X	X			X	X	P	
6C	M01 – Knowledge transfer and information actions (Article 14)							X				X							X	P
	M07 – Basic services and village renewal in rural areas (Article 20)							X	X	X			X	X			X			P
P4 (AGRI)	M01 – Knowledge transfer and information actions (Article 14)							X	P	P	P	X							X	X
	M02 – Advisory services, farm management and farm relief services (Article 15)							X	P	P	P									
	M04 – Investments in physical assets (Article 17)							X	P	P	P		X					X		
	M10 – Agri-environment-climate (Article 28)							X	P	P	P					X	X			
	M11 – Organic farming (Article 29)						X	X	P	P	P					X	X			
	M13 – Payments to areas facing natural or other specific constraints (Article 31)					X			P	P	P									
	M16 – Co-operation (Article 35)							X	P	P	P	X	X	X	X	X	X	X		

#### 11.4. Support table showing how environmental operations/systems are programmed to achieve one (or several) environment/climate objectives

##### 11.4.1. Agricultural land

##### 11.4.1.1. M10 – Agri-environment-climate (Article 28)

Type of operation or group of operation types	Classification of agri-environment-climate operation	Total expenditure (EUR)	Total area (ha) by measure or type of operation	Biodiversity focus area 4A	Water use management focus area 4B	Soil management focus area 4C	Reducing greenhouse gas and ammonia emissions focus area 5D	Carbon conservation/sequestration focus area 5E
Alternative plant protection for horticulture plants	Better management, reduced use of mineral fertilizers and plant protection products (including integrated production)	4,800,000.00	2,000.00	X	X			
Balanced use of nutrients	Better management, reduced use of mineral fertilizers and plant protection products (including integrated production)	607,475,000.00	1,798,000.00		X		X	
Use of organic cover for horticulture plants and seed potatoes	Ground cover, ploughing techniques, reduced tillage, cultivation methods that maintain the agricultural condition of land	12,000,000.00	5,000.00		X	X		
Plant cover on arable land in winter	Ground cover, ploughing techniques, reduced	215,280,000.00	1,300,000.00	X	X	X	X	X

*Unofficial translation*

	tillage, cultivation methods that maintain the agricultural condition of land							
Control of runoff waters	Reduced drainage, management of wetlands	16,800,000.00	40,000.00		X		X	
Management of wetlands	Reduced drainage, management of wetlands	2,032,000.00	1,100.00	X	X			
Environment management grasslands	Creation and maintenance of ecological features (including field margins, buffer zones, wildflower strips, hedges, trees)	124,121,000.00	140,000.00	X	X	X	X	X
Biodiversity in agricultural environment and landscape management	Maintenance of high nature value farming and grassland cultivation systems (including mowing techniques, manual work, stubble cover on arable land in winter), introduction of extensive grazing practices, conversion of arable land into grassland	100,324,000.00	42,000.00	X				
Crane, goose and swan fields	Maintenance of high nature value farming and grassland cultivation systems (including mowing techniques, manual work, stubble cover on arable land in winter), introduction of extensive grazing practices, conversion of arable land into	2,880,000.00	800.00	X				



*Unofficial translation*

	grassland							
Biodiversity in arable land environments	Maintenance of high nature value farming and grassland cultivation systems (including mowing techniques, manual work, stubble cover on arable land in winter), introduction of extensive grazing practices, conversion of arable land into grassland	54,425,000.00	76,000.00	X	X	X		
Recycling of nutrients and organic matter	Animal feed regimes, manure management	8,725,000.00	50,000.00		X	X	X	X
Incorporation of slurry into the soil	Animal feed regimes, manure management	36,000,000.00	150,000.00		X	X	X	

**11.4.1.2. M11 – Organic farming (Article 29)**

Sub-measure	Total expenditure (EUR)	Total area (ha) by measure or type of operation	Biodiversity focus area 4A	Water use management focus area 4B	Soil management focus area 4C	Reducing greenhouse gas and ammonia emissions focus area 5D	Carbon conservation/sequestration focus area 5E
11.1 – support for conversion to organic farming practices and methods							
11.2 – support for maintaining organic farming practices and methods	326,000,000.00	355,000.00	X	X	X		

**11.4.1.3. M12 – Natura 2000 and Water Framework Directive payments (Article 30)**

Sub-measure	Total expenditure (EUR)	Total area (ha) by measure or type of operation	Biodiversity focus area 4A	Water use management focus area 4B	Soil management focus area 4C	Reducing greenhouse gas and ammonia emissions focus area 5D	Carbon conservation/sequestration focus area 5E
12.1 – compensation payments for Natura 2000 agricultural areas							
12.3 – compensation payments for agricultural areas included in river basin management plans							

**11.4.1.4. M08 – Investments in forest area development and improvement of the viability of forests (Articles 21–26)**

Sub-measure	Total expenditure (EUR)	Total area (ha) by measure or type of operation	Biodiversity focus area 4A	Water use management focus area 4B	Soil management focus area 4C	Reducing greenhouse gas and ammonia emissions focus area 5D	Carbon conservation/sequestration focus area 5E
8.1 – support for afforestation / creation of woodland							
8.2 – support for establishment and maintenance of agro-forestry systems							

11.4.2. Forest areas

*11.4.2.1. M15 – Forest-environmental and climate services and forest conservation (Article 34)*

Type of operation or group of operation types	Total expenditure (EUR)	Total area (ha) by measure or type of operation	Biodiversity focus area 4A	Water use management focus area 4B	Soil management focus area 4C
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*11.4.2.2. M12 – Natura 2000 and Water Framework Directive payments (Article 30)*

Sub-measure	Total expenditure (EUR)	Total area (ha) by measure or type of operation	Biodiversity focus area 4A	Water use management focus area 4B	Soil management focus area 4C
12.2 – compensation payments for Natura 2000 forest areas					

*11.4.2.3. M08 – Investments in forest area development and improvement of the viability of forests (Articles 21–26)*

Sub-measure	Total expenditure (EUR)	Total area (ha) by measure or type of operation	Biodiversity focus area 4A	Water use management focus area 4B	Soil management focus area 4C
8.5 – support for investments improving the resilience and environmental value of forest ecosystems					

### 11.5. Programme-specific objective and output

Specific target indicator/s

Code	Target indicator name	Focus area	Target 2023	Unit
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Specific output indicator/s

Code	Output indicator name	Measure	Focus area	Target indicator 2023	Unit
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## 12. ADDITIONAL NATIONAL FINANCING

For measures and operations falling within the scope of Article 42 of the Treaty, a table on additional national financing per measure in accordance with Article 82 of Regulation (EU) No 1305/2013, including the amounts per measure and indication of compliance with the criteria under RD regulation.

Measure	Additional national financing in period 2014-2020 (€)
M01 – Knowledge transfer and information actions (Article 14)	0.00
M02 – Advisory services, farm management and farm relief services (Article 15)	0.00
M04 – Investments in physical assets (Article 17)	656,000,000.00
M06 – Farm and business development (Article 19)	67,000,000.00
M07 – Basic services and village renewal in rural areas (Article 20)	0.00
M10 – Agri-environment-climate (Article 28)	0.00
M11 – Organic farming (Article 29)	0.00
M13 – Payments to areas facing natural or other specific constraints (Article 31)	1,924,000,000.00
M14 – Animal welfare (Article 33)	0.00
M16 – Co-operation (Article 35)	0.00
M19 - Support for community-led local development (Leader) (Article 35 of Regulation (EU) No 1303/2013)	0.00
M20 – Technical assistance – Member States (Article 51–54)	0.00
Total	2,647,000,000.00

### 12.1. M01 – Knowledge transfer and information actions (Article 14)

#### Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

No additional national financing applies.

### 12.2. M02 – Advisory services, farm management and farm relief services (Article 15)

#### Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

No additional national financing applies.

### **12.3. M04 – Investments in physical assets (Article 17)**

#### **Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013**

From 2015, additional national financing will complement Rural Development Fund financing for the relevant measure. In addition to co-financed aid, additional national financing may take the form of an interest subsidy and/or a loan guarantee given by the government or other public party. Support to some beneficiaries may also be granted entirely as additional national financing. For a description of compliance with the Regulation on rural development of the additional national financing, see programme section 8.4.

### **12.4. M06 – Farm and business development (Article 19)**

#### **Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013**

From 2015, additional national financing will complement Rural Development Fund financing for the relevant measure. In addition to co-financed aid, additional national funding may also take the form of an interest subsidy and exemption from transfer tax. For a description of compliance with the Regulation on rural development of the additional national financing, see programme section 8.5.

### **12.5. M07 – Basic services and village renewal in rural areas (Article 20)**

#### **Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013**

No additional national financing applies.

### **12.6. M10 – Agri-environment-climate (Article 28)**

#### **Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013**

No additional national financing applies.

### **12.7. M11 – Organic farming (Article 29)**

#### **Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013**

No additional national financing applies.

**12.8. M13 – Payments to areas facing natural or other specific constraints (Article 31)**

**Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013**

From 2015, additional national financing will complement Rural Development Fund financing in the measure in question, meeting the conditions for co-financed measure 13 described in section 8.9 of the programme.

**12.9. M14 – Animal welfare (Article 33)**

**Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013**

No additional national financing applies.

**12.10. M16 – Co-operation (Article 35)**

**Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013**

No additional national financing applies.

**12.11. M19 - Support for community-led local development (Leader) (Article 35 of Regulation (EU) No 1303/2013)**

**Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013**

No additional national financing applies.

### 13. ELEMENTS NEEDED FOR STATE AID ASSESSMENT

For the measures and operations which fall outside the scope of Article 42 of the Treaty, the table of aid schemes falling under Article 81(1) to be used for the implementation of the programmes, including the title of the aid scheme, as well as the EAFRD contribution, national co-financing and additional national financing. Compatibility with State aid must be ensured over the entire life cycle of the programme.

The table shall be accompanied by a commitment from the Member State that, where required under State aid rules or under specific conditions in a State aid approval decision, such measures will be notified individually pursuant to Article 108(3) of the Treaty.

Measure	Title of the aid scheme	EAFRD (€)	National co-financing	Additional national financing (€)	Total (€)
M01 – Knowledge transfer and information actions (Article 14)	Knowledge transfer and information actions	33,600,000.00	46,400,000.00		80,000,000.00
M02 – Advisory services, farm management and farm relief services (Article 15)	Advisory services	14,280,000.00	19,720,000.00		34,000,000.00
M04 – Investments in physical assets (Article 17)	Investments in physical assets	159,180,000.00	219,820,000.00	656,000,000.00	1,035,000,000.00
M06 – Farm and business development (Article 19)	Farm and business development	140,700,000.00	184,300,000.00	67,000,000.00	392,000,000.00
M07 – Basic services and village renewal in rural areas (Article 20)	Development of rural services and villages	33,600,000.00	46,400,000.00		80,000,000.00
M16 – Co-operation (Article 35)	Co-operation and innovations	67,200,000.00	92,800,000.00		160,000,000.00
M19 - Support for community-led local development (Leader) (Article 35 of Regulation (EU) No 1303/2013)	Leader	126,000,000.00	174,000,000.00		300,000,000.00
<b>Total (€)</b>		<b>574,560,000.00</b>	<b>783,440,000.00</b>	<b>723,000,000.00</b>	<b>2,081,000,000.00</b>



**13.1. M01 – Knowledge transfer and information actions (Article 14)**

Title of the aid scheme: Knowledge transfer and information actions

EAFRD (€) 33,600,000.00

National co-financing (€): 46,400,000.00

Additional national financing (€):

Total (€): 80,000,000.00

*13.1.1.1. Indication\*:*

Commission Regulation (EU) No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid.

**13.2. M02 – Advisory services, farm management and farm relief services (Article 15)**

Title of the aid scheme: Advisory services

EAFRD (€) 14,280,000.00

National co-financing (€): 19,720,000.00

Additional national financing (€):

Total (€): 34,000,000.00

*13.2.1.1. Indication\*:*

Commission Regulation (EU) No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid.

**13.3. M04 – Investments in physical assets (Article 17)**

Title of the aid scheme: Investments in physical assets

EAFRD (€) 159,180,000.00

National co-financing (€): 219,820,000.00

Additional national financing (€): 656,000,000.00

*Unofficial translation*

Total (€): 1,035,000,000.00

*13.3.1.1. Indication\*:*

*Sub-measure 4.2*

Commission Regulation (EU) No 702/2014 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union

- Article 44

Commission Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty

- Article 14
- Article 17

Commission Regulation (EU) No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid.

**13.4. M06 – Farm and business development (Article 19)**

Title of the aid scheme: Farm and business development

EAFRD (€) 140,700,000.00

National co-financing (€): 184,300,000.00

Additional national financing (€): 67,000,000.00

Total (€): 392,000,000.00

*13.4.1.1. Indication\*:*

*Sub-measure 6.2*

Commission Regulation (EU) No 702/2014 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union

- Article 45

*Sub-measure 6.4*

Commission Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal

market in application of Articles 107 and 108 of the Treaty

- Article 14
- Article 17
- Article 41

Commission Regulation (EU) No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid.

### **13.5. M07 – Basic services and village renewal in rural areas (Article 20)**

Title of the aid scheme: Development of rural services and villages

EAFRD (€): 33,600,000.00

National co-financing (€): 46,400,000.00

Additional national financing (€):

Total (€): 80,000,000.00

*13.5.1.1. Indication\*:*

Commission Regulation (EU) No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid.

### **13.6. M16 – Co-operation (Article 35)**

Title of the aid scheme: Co-operation and innovations

EAFRD (€) 67,200,000.00

National co-financing (€): 92,800,000.00

Additional national financing (€):

Total (€): 160,000,000.00

*13.6.1.1. Indication\*:*

Commission Regulation (EU) No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid.

Commission Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

**13.7. M19 - Support for community-led local development (Leader) (Article 35 of Regulation (EU) No 1303/2013)**

Title of the aid scheme: Leader

EAFRD (€) 126,000,000.00

National co-financing (€): 174,000,000.00

Additional national financing (€):

Total (€): 300,000,000.00

*13.7.1.1. Indication\*:*

In measures financed through the Leader measure, the State aid rules applicable to the relevant measures will be complied with.

## 14. INFORMATION ON COMPLEMENTARITY

### 14.1. Description of means for the complementarity and coherence with:

14.1.1. With other Union instruments, in particular ESI Funds and Pillar I, including greening, and other instruments of the common agricultural policy

#### *Co-operation and complementarity with ESI Funds*

Co-operation and complementarity with ESI Funds is ensured by and described at a general level in Finland's Partnership Agreement. Programme priorities support, from the national perspective, key areas that also produce the most added value in achieving the targets set in the Community growth strategy. The coordination mechanisms are described in the Partnership Agreement.

In programming period 2014–2020, two other programmes will be implemented in Mainland Finland: A programme implementing the national cohesion strategy for competitiveness and employment (ERDF and ESF) and a programme financed under the European Maritime and Fisheries Fund (EMFF). In accordance with the autonomy of the region, the Government of Åland is responsible for the preparation and coordination of the programmes of all Funds in the Province of Åland. The Managing Authority responsible for the Structural Funds is the Ministry of Employment and the Economy, and the Managing Authority for the Rural Development Fund and for the European Maritime and Fisheries Fund is the Ministry of Agriculture and Forestry.

Broad-based monitoring committees will be appointed for the programmes for Mainland Finland, and these committees will also discuss the situation of the various programmes and issues arising from their coordination. At the regional level, the ELY Centres as the Managing Authority and paying agency will mainly make all regional decisions concerning the ESI Funds. The teams of officials at the ELY Centres process applications for business and project funding addressed to the relevant authorities. These procedures, as well as common information systems, will prevent double payments to projects and direct the applications to the right source of funding.

At the regional level, the strategic coordination of the programmes of different Funds takes place in the regional co-operation group for each region, which is responsible for the coordination of development actions in the area. The ELY Centre in each region is a member of the provincial co-operation group. A secretariat representing the various member organisation prepares issues brought to the group. For the national rural development operations and those co-financed by the Rural Development Fund, the setting of regional strategic objectives, selection criteria and priorities, as well as coordination between regional and local actions, mainly takes place in the regional rural section set up by the co-operation group or a corresponding regional co-operation body designated for the entire programming period. The regional selection criteria approved in the Monitoring Committee of the programme shall be consistent with the national criteria set in the programme and included in national regulations. Representatives of the Regional Councils and other relevant regional authorities and NGOs, such as Leader local action groups and environmental and equality organisations, as well as entrepreneurs, farmers and other parties involved in development work are involved in the work of this body.

Geographically, Rural Development Fund financing will mainly be allocated to sparsely populated rural areas and the rural heartland. Operations under the programme that include business support have been

coordinated with the publicly funded services provided by the employment and economic development administration.

The ERDF operations also target the development of rural services in connection with broad environmental and infrastructure actions and, in Eastern and Northern Finland, also operations that improve access and infrastructure, as well as basic services. In particular, ERDF financing targets the R&D&I base. The ESF programme includes significant investments in the financing of training and also in the coping at work and maintaining the working ability of rural entrepreneurs (including ageing farmers).

Boosting bio-economy and, as part of it, increasing the use of bioenergy and improving energy and material efficiency are included in the objectives of all programmes. In connection with regional sector-specific projects, ERDF measures complement the actions of this programme regarding the establishment of larger than local energy production units, broad technology projects, the preparation of broad operational programmes, etc.

#### *CAP instruments and their coordination*

One of the key aims of the EU's common agricultural policy is to ensure that food is available to consumers at reasonable prices. Due to Finland's northern location, holding sizes that are smaller than in our competitor countries, and other special features of Finnish agriculture, the production costs of agricultural products in Finland are high. The sales income from agricultural products only covers part of the high production costs in Finland, and agricultural production would thus not be possible without public support. In the EU, agricultural policy falls under the Commission's competence, and an individual Member State cannot have aid schemes that are inconsistent with the objectives of the common agricultural policy. Agricultural supports are fully funded by the EU, co-financed by the EU and the Member State, or fully financed from national funds. The various support schemes have their own premises and objectives, and different measures are needed in the varying conditions of the Member States.

The various support schemes often have different and dissimilar objectives, but key support systems are of high importance for the income formation of the farming population. A key challenge in coordinating support forms lies in ensuring that the operation of the aid schemes promotes the different objectives in a balanced manner, while systems are mutually complementary as far as possible.

The so-called direct supports (Pillar I aids) aiming to secure for farmers the basic prerequisites for profitable farming in a market for agricultural produce that is increasingly market-driven are fully financed by the EU. During the new programming period, the majority of direct support will continue to be paid as decoupled support per hectare. At the same time, the payment of direct support is more closely linked to environmental conditions and farm-level measures in line with the so-called greening criteria (Annex 14.1.1). The correspondence of greening support will not be introduced in Finland, which means that the requirements of greening payment cannot be met by operations under the environment payment scheme. When specifying the payment levels for environment payments and payments for organic farming, the fact that no payments under programme measures can be made for meeting the greening payment requirements has been taken into consideration. This will prevent double payments under the measures. A larger share of the direct support can in the future be paid as coupled support. This will be highly significant, in particular in Finland and in other areas with high production costs where the risk of agricultural production declining or being abandoned is greater than in more favourable production areas. While some of the direct aids may also be paid as per hectare support for less favoured areas similarly to the natural constraint payments under the

Rural Development Programme, this element of voluntary direct support would reduce the actual natural constraint payment.

*National financing instruments*

The Community agricultural and rural development policies are complemented by national agricultural support schemes, which aim to safeguard the operating conditions of Finnish agriculture in different production sectors and regions, develop the structure of agricultural production and promote the preservation of a viable countryside and good living environments. The most important national schemes are the national support for agriculture and horticulture, structural support and early retirement schemes. Due to the unfavourable natural conditions in Finland, the significance of agricultural support in the income formation of the farming sector is higher in Finland than in other Member States.

The Finnish forestry policy is based on sustainable forestry and multi-use of forests. Sustainable forestry refers to accounting for the ecological, social and economic values of the forest in a balanced manner. While forestry operation is market-driven, the sustainable management and use of private forests is promoted by a national support system, which supports forest management and improvement as well as the conservation of forest biodiversity in order to safeguard the sustainability of wood production and the management of the forest environment.

For a more detailed description of the co-operation mechanisms and complementarity of the Leader measure, see Chapter 8.

14.1.2. Where a Member State has opted to submit a national programme and a set of regional programmes as referred to in Article 6(2) of Regulation (EU) No 1305/2013, information on complementarity between them

There are no other remarks.

14.2. Where relevant, information on the complementarity with other Union instruments, including LIFE.

The rules of the LIFE programme unambiguously exclude project financing from any other EU funding source. The application procedure ensures that no double payments will be made to a single project.

Only projects that cannot include research will be supported under the measure concerning co-operation. However, research organisations may take part in multilateral HORIZON 2020 projects with practical level links to primary production, under which research may be funded. In this context, an EIP project funded under the programme may partner with a research project and the operation of the project may be complemented by research, but the financing is granted on different principles and cannot be allocated to the same costs or activities.

## 15. PROGRAMME IMPLEMENTING ARRANGEMENTS

**15.1. The designation by the Member State of all authorities referred to in Article 65(2) of Regulation (EU) No 1305/2013 and a summary description of the management and control structure of the programme referred to in Article 55(3)(i) of Regulation (EU) No 1305/2013 and arrangements under Article 74(3) of Regulation (EU) No 1303/2013**

### 15.1.1. Authorities

Authority	Authority name	Head of the authority	Address	E-mail
Managing authority	Ministry of Agriculture and Forestry	Director-General		kirjaamo@mmm.fi
Certification body	BDO Oy	JHTT, CIA, CCSA, CISA, CFE		info@bdo.fi
Accredited paying agency	Agency for Rural Affairs	Director-General		kirjaamo@mavi.fi

15.1.2. Summary description of the management and control structure of the programme and arrangements for the independent examination of complaints

#### 15.1.2.1. Management and control structure

The implementation of the programme comprises three sets of tasks: the tasks of the authority in charge of managing the programme, i.e. the Managing Authority, the tasks of the authority in charge of payments, i.e. the paying agency, and the tasks of the certifying body. The management and control system has been designed to ensure a clear allocation and separation of functions between the Managing Authority, the paying agency and the certification body. In addition, there is a clear division between the main tasks of the paying agency, i.e. control and authorisation of payments, including administrative and on-the-spot checks, paying the EAFRD contribution and keeping accounts of payments, at all operative levels. On-the-spot checks under the responsibility of the Member States and inspections concerning Leader local action groups have been organised independently.

##### *Managing Authority*

The Ministry of Agriculture and Forestry is responsible for administering the programme and the related measures and for performing the other tasks of the Managing Authority as referred to in Article 66 of the Regulation on support for rural development. The tasks of the Managing Authority delegated to other authorities are specified in national legislation.

##### *Paying agency*

The Agency for Rural Affairs serves as the paying agency in Finland. In the Agency for Rural Affairs, the tasks of the paying agency have been divided as required in the statutes. The paying agency tasks delegated to other authorities are specified in national legislation or written agreements.



*Certification body*

The Ministry of Agriculture and Forestry as the competent authority selects an authorised audit firm for the certification body through a tendering process.

In addition to technical assistance, two national schemes that will be financed can be distinguished (regional and local rural development and other rural development), for the part of which the tasks of the Managing Authority and paying agency have been organised as follows:

*Financing scheme for regional and local rural development (measures: Codes 1, 4 (excluding 4.4), 6, 7, 16 and 19).*

Implementation of regional and local rural development measures as relates to the beneficiaries is the duty of the ELY Centres (Centres for Economic Development, Transport and the Environment) (regional authorities). In cases where the Leader approach is followed, local action groups also take part in the implementation. The rural division of a provincial co-operation group or similar will be in charge of coordinating the beneficiaries of the Rural Development Fund and other ESI Funds at the regional level.

Decisions on granting support (a task delegated by the Managing Authority) and payments (a task delegated by the paying agency) will be made by the ELY Centres, which perform administrative checks on all support and payment applications. In cases where the Leader approach is followed in projects other than a local action group's own projects, the local action group will consider whether or not granting support is appropriate, after which the ELY Centre will verify that granting support is legal before making a support decision. In a local action group's own projects, the ELY Centre will also consider whether granting support is appropriate while making a general decision on granting support. The support will be paid by the Agency for Rural Affairs (paying agency).

On-the-spot controls based on random sampling will be carried out by the Agency for Rural Affairs, excluding cases of structural support for agriculture (measures: Codes 4.1 and 6.1), in which the checks will be performed by the ELY Centre on farms selected by the Agency for Rural Affairs on the basis of random and risk-based sampling.

Reimbursement procedures will be almost identical throughout the programme. Decisions on the reimbursement of support will be made by the authority having granted the support. The Agency for Rural Affairs will carry out some of the recovery measures and maintain a list of debtors and the amounts to be reimbursed. The Agency for Rural Affairs will also be responsible for submitting irregularity reports to OLAF.

The Agency for Rural Affairs will provide instructions for implementing the measures and supervise the activities of the ELY Centres for the part of Managing Authority and paying agency tasks by means of administrative and control system inspections.

*Financing scheme for other rural development (measures: Codes 2, 4.4, 10, 11, 13 and 14).*

Implementation of support schemes concerning natural constraint payments, environment payments, support for organic production, animal welfare and non-productive investments as relates to the beneficiaries will be the responsibility of the ELY Centres and the municipal rural industrial development authorities (local authorities). In the farm advisory system (measure 2.1), the Agency for Rural Affairs will be in charge of

the tendering process for and approvals of advisers, after which the ELY Centre will grant and pay out the support to advisers.

A local/regional authority will make decisions on approving commitments or contracts and the costs of non-productive investments (a task delegated by the Managing Authority). By these decisions, the support in question will be committed for the entire support period. Depending on the target of the financing, either a local or a regional authority will make payment decisions and perform administrative checks related to these support forms annually (a task delegated by the paying agency).

On-the-spot checks will be carried out by the ELY Centre on farms selected by the Agency for Rural Affairs on the basis of random and risk-based sampling.

The Agency for Rural Affairs will be in charge of providing implementation instructions and quality control for tasks delegated to local/regional authorities.

#### *Technical assistance*

Technical assistance will be used at both the national and the regional level to implement the programme under the responsibility of the Managing Authority. In addition, part of the technical assistance will be allocated to the National Rural Network. For a more detailed description of the administration of the technical assistance, see section 15.6.

#### *Monitoring systems*

The authorities' information systems and registers will be used to provide information for the Managing Authority and the paying agency, the Commission, the Monitoring Committee and evaluators. Key data on applicants, the support forms applied for, and the control and payment of support will be obtained from the information systems.

*The information system for farming support, or the integrated administration and control system*, consists of four components in Finland: an application for the administration of support, a bovine identification register, a parcel register and a payment entitlement register. The majority of the EU and national aid paid to farmers in Finland will be handled in the Support Application. The largest part of basic agricultural statistics will also be collected using this system. The Support Application consists of components for processing, calculating and controlling support payments and a payment and reporting system, which are linked to the Integrated Administration and Control System, or the IACS central register.

*The information system for project, business and structural aids (Hyrrä)* will be used to process EU co-financed and nationally financed investment support for farms and business start up support for young farmers. Investment and start up support for reindeer husbandry, the Skolt area and natural economy will also be processed in the Hyrrä eService. In addition, the system will be used to handle all measures related to local and regional rural development (business and project support).

The e-government and administration system will be used as a tool for submitting and processing applications, decision-making related to granting and paying support, and for monitoring and controlling projects. The information system will facilitate the processing of support applications, granting and payment of support, recording of control data and monitoring and reporting of support payments.

*The support payment system (Sampo)* will be used to pay out and reimburse support and to monitor and report to the Commission on outstanding debts.

*Adequacy of personnel resources and administrative capabilities*

An effort will be made to streamline programme administration and thus ensure a more efficient use of the personnel and other resources. The introduction of e-services, in particular, is expected to reduce the need for personnel resources in the administration towards the latter half of the programming period. The simple cost procedures to be introduced (lump-sum and flat-rate payments) will also reduce the workload of both the applicants and the administration, provided that the applicants embrace this possibility. According to the ex-ante evaluation, recording the secondary effects of the measures will bring some additional work for the regional administration. Enhancing the programme's impacts and their improved monitoring are some of the general objectives of the programme, however, and extremely important for ensuring efficient resource use. Technical assistance will contribute to supporting the adequacy of the programme's personnel resources and administrative capabilities.

*15.1.2.2. Arrangements for examination of complaints*

Instructions for appealing will be attached to all decisions issued by the authorities. An applicant who is not satisfied with a decision they have received from the authorities may appeal it to the Hämeenlinna District Court. The period for submitting appeals is 30 days, starting from the day following the date on which the applicant was informed of the decision.

A beneficiary should address to the Hämeenlinna District Court an appeal document which contains the appellant's contact details, the decision they wish to appeal, information about the type of reconsideration the appellant requests, and the justifications of this request.

**15.2. Planned composition of the Monitoring Committee**

The government will appoint a Monitoring Committee referred to in Article 47 of the general regulation.

The Ministry of Agriculture and Forestry will be responsible for the Monitoring Committee, and a representative of the Ministry will act as its chair. Representatives of the following stakeholders will be invited to become members of the Monitoring Committee: the Ministry of the Interior, the Ministry of Employment and the Economy, the Ministry of the Environment, the Ministry of Finance, the Agency for Rural Affairs, the Regional Councils, the ELY Centres, producer and environmental organisations, rural youth and women's organisations and local action groups, as well as any other stakeholders that play a key role for implementing the programme. Commission representatives may take part in the Committee's work in an advisory role.

Provisions on meetings, decision-making procedures and the possibility of the Monitoring Committee to consult experts that are necessary for organising the work of the Monitoring Committee will be laid down in

the Monitoring Committee's rules of procedure. The Ministry of Agriculture and Forestry as the Managing Authority of the programme will approve the Monitoring Committee's rules of procedure.

15.3. Provisions to ensure that the programme is publicised, including through the National Rural Network, making reference to the information and publicity strategy, which describes the information and publicity arrangements referred to in Article 13 of Regulation (EU) No 808/2014

*Communication on applying for support and the opportunities offered by the programme*

By means of effective communications, it will be ensured that everyone who can potentially benefit from the programme will be informed about it. The aim is that

- potential beneficiaries will be aware of the opportunities offered by the programme and that the financing will be utilised
- good ideas and practices will be spread and competence will be built up
- co-operation between rural actors will be enhanced.

Potential beneficiaries will be informed about opportunities of applying for financing by means of electronic communication channels, newspaper advertisements and other media. Marketing material encouraging potential beneficiaries to make use of the support will be produced for various actors. Brochures that explain the various support forms under the programme will be distributed by regional authorities, local action groups and financial institutions. The brochures will mainly be produced in electronic and printable formats. Training will be provided to ensure that each party will be able to communicate about the opportunities offered by the programme.

Information about the opportunities, regulations and payment conditions and advice on how to apply for support will be collected in the Maaseutu.fi portal, from which visitors will be redirected to the websites of such actors as the Ministry, the Agency for Rural Affairs, the ELY Centres or local action groups. The website Maaseutu.fi will be the key communication channel for the programme. This website features news items sent in by programme actors, information about events, training and communication material, and links to other key communication forums. Rural actors are offered a possibility of sharing their experiences and ideas directly and presenting the results of programme work online. The main channel for inter-administrative communication will be the Aitta extranet system.

Multi-channel communication about opportunities offered by the programme will rely on such means as newsletters, audiovisual products and radio programmes. Social media will be used in a goal-oriented manner following the guidelines issued for the use of this channel. The actors will work together to produce articles and supplements for the media. All communication will be tailored to the target group.

The success of communication will be monitored by collecting feedback on events, analysing web traffic and gathering media intelligence focusing on certain themes. The communication, programme management and monitoring functions will work closely together, enabling communication to respond rapidly to programme needs.

*Communication to citizens about the EU's role in programme financing*

The aim of communicating to citizens about the significance of EU funding is that

- the citizens are aware of the programme's impacts and that information about outcomes achieved on EU financing is available
- an increasing number of citizens will agree with the claim that rural areas produce well-being for the entire country and may contribute to solving climate and environmental problems.

The target groups will comprise potential beneficiaries who are not aware of the opportunities offered by the programme, and all other citizens. The latter group is important, as public spending can be justified by highlighting programme results. Information about the significance of EU financing will also be targeted at policy-makers at the national and the regional level (see section 9.6, communication about evaluation). Various media will be vital partners in the efforts to inform the citizens.

The website Maaseutu.fi will be promoted as the primary source of information on rural affairs. The site will showcase projects that have received funding and describe their impact in concrete terms.

In the extensive Rural Development Programme, certain themes will be selected during the programming period to be highlighted by means of various campaigns. Campaigns will be taken to wherever people are: social media, summer events, shopping venues, village meetings etc.

The Ota kantaa online forum, which was used in the preparation of the programme, will also be utilised in the future to animate public debate. Other social media channels will also be used to encourage interactive communication.

Awareness of the programme will be promoted by a systematic use of its logo and core messages. Visual identity guidelines will be followed in communication concerning the programme. Pursuant to the Implementing Regulation (808/2014, Article 13, Annex 3), the beneficiaries must include the European Union flag and the following motto in communication materials related to the programme: "European Agricultural Fund for Rural Development: Europe investing in rural areas." Communication materials, including websites, publications and press advertisements, must indicate the party having produced and funded the material and give their contact details. On sites specified in the Implementing Regulation, temporary or permanent signs will be set up that provide information about programme financing. If the support is funded following the Leader approach, in addition to the EU flag, all information materials must also bear the EU Leader logo.

The Managing Authority will prepare instructions for the beneficiaries, following which the beneficiaries can participate in publicising programme outcomes. These real-life examples will demonstrate the programme's impacts. The logos and communication guidelines can be downloaded from the website Maaseutu.fi.

The recognizability and image of the programme will be monitored regularly by means of awareness surveys targeted at citizens and rural entrepreneurs and producers, and by using other media intelligence techniques.

*The role of the Finnish Rural Network in programme communication*

Communication about the programme will be based on a strategic communication policy that covers the entire programming period. The communication policy was drawn up by the joint communication team of the Ministry of Agriculture and Forestry, the Agency for Rural Affairs and the Rural Network Unit together with the programme's regional communication network.

The strategic communication policy specifies the basic principles of programme communication and includes a description of its current status, strategic goals, core messages, target groups and partners, division of labour, channels and resources, and a description of how communication will be monitored and how it will be used to promote the transparency of the programme process and highlight the role of the programme, the Funds and the EU. In addition, the policy document outlines the priorities and themes of communication during the programming period. On this basis, annual communication targets will be drawn up for the joint annual communication plan.

The cornerstone of programme communication will be an effective National Rural Network, in which each actor will communicate about the programme to its own stakeholders in a coordinated manner. The partnerships that will take shape around the programme's themes will play a key role in getting the messages across and ensuring a wide coverage. Parties that play a key role for information flows will be identified, and a basic information package about the programme will be put at the disposal of each party.

The Ministry of Agriculture and Forestry will lead the programme's communication team and coordinate the annual plans for programme communication. It will be responsible for the planning, monitoring, reporting and evaluation related to communication. The Ministry will disseminate information about changes in the programme document, EU regulations and partnerships between the funds.

The Agency for Rural Affairs will be responsible for detailed descriptions of payment conditions and instructions for applicants. The Agency will maintain registers related to project administration and ensure that follow-up data will be available for communication purposes.

The Rural Network Unit will communicate about the opportunities offered by the programme, its results and the good practices it generates. The Rural Network Unit will coordinate the programme's communication network and produce communication materials for shared use. The Unit will maintain and develop the Maaseutu.fi website and the programme's social media channels.

The communication network, which will include the information officers of the ELY Centres and local action groups, will share good communication practices. Regional information officers will liaise with rural actors in their regions and produce content for national communication. Parties in charge of communication will share content and tools to produce synergy benefits and to avoid overlapping work.

Local action groups, the ELY Centres, communication projects and municipal rural industrial development authorities will serve as contact points for applicants and beneficiaries in issues related to applying for support. The particular target group of their communications will be actual and potential beneficiaries.

15.4. Description of mechanisms to ensure coherence with regard to local development strategies implemented under LEADER, activities envisaged under the co-operation measure referred to in

Article 35 of Regulation (EU) No 1305/2013, the basic services and village renewal in rural areas measure referred to in Article 20 of that Regulation, and other ESI Funds

Official decisions on all discretionary Rural Development Fund aids will be made at the regional ELY Centre which, in its capacity as a Managing Authority, will ensure that projects found appropriate by the local action groups are compliant with EU and national legislation. The local action groups and the ELY Centre in the region will make sure that projects proposed as part of the measures concerning the development of rural services and villages and co-operation are in line with the specifications given in the programme document.

The local action groups will implement their own strategies in their operating areas and work together with other similar groups and other actors in the area. The use of selection criteria will ensure that measures will be financed in observance of the priorities and that an open and non-discriminatory selection process will be followed.

Groups receiving finance from the ELY Centres must draw up agreements or similar documents describing the division of labour between the Centre and the local action group. This document must contain a jointly agreed, clear division of labour regarding the financing of projects and business support. An indicative table of contents for a co-operation agreement could be as follows: definition of areas in which business support will be granted, selection criteria for and regional policies on business support, coordination of business support, development projects and investment projects for public use (including selection criteria) and financing priorities, agreed operating methods including forms of co-operation, coordination of communication, and other necessary issues relevant to the agreement.

#### 15.5. Description of actions to achieve a reduction of administrative burden for beneficiaries referred to in Article 27(1) of Regulation (EU) No 1303/2013

In particular, the beneficiaries' administrative burden will be reduced by e-government. For the part of agricultural payments, an electronic application system was already introduced during the programming period 2007–2013. For the part of business and project support in rural areas including the Leader approach, e-government will be introduced from the beginning of programming period 2014–2020. These services will allow the applicants to submit both their applications and all their attachments electronically. Alternatively, paper applications may still be submitted, but the target is that after the middle of the programming period, the majority of the applications would be submitted electronically. Applicants can also use the electronic system to track the progress made with the processing of their applications and submit any complementary information. At the beginning of the programming period, the introduction of e-government will increase the applicants' need for advice, but once they become accustomed to using the system, it will reduce the administrative burden for the applicants, the beneficiaries and the authorities alike.

The administrative burden of beneficiaries of project and business support will also be reduced by introducing so-called simplified cost models, or lump-sum and flat rate payment procedures. In particular, this will shorten the processing times of payment applications. The beneficiaries will no longer need to submit receipts or receipt copies for all the costs they have incurred, which will considerably reduce the administrative work for both the beneficiary and the official processing the application. The administrative

processes for handling payment applications have also been improved by learning from the best practices in various regions.

In addition, the administrative burden of local action groups will be reduced by a new project form, a thematic project. In a thematic project, small projects and applicants focusing on the same theme will be included in a single application, where the applicant is the local action group. The application will contain a coordination plan for the project theme, and the local action group will assume responsibility for the project. The duration of the project may be the entire programming period. The lump-sum payment procedure may also be applied to applying for payments for a thematic project, which will further reduce the administrative burden.

In case of projects and business support related to the Leader approach, the beneficiaries will apply for payments directly to the ELY Centre, rather than to the local action group. As the phase of processing the application in the local action group is by-passed, the beneficiary will receive the payment decision within a shorter delay. Decisions on funding for the running costs of local action groups, on the other hand, will be made centrally by the Agency for Rural Affairs, which will improve the efficiency and consistency in the administration of this type of funding.

The results and impacts of measures to reduce the administrative burden will be monitored and evaluated regularly, e.g. 2-3 times during the programming period, and the evaluation reports will be included in the annual reports.

15.6. Description of the use of technical assistance including actions related to the preparation, management, monitoring, evaluation, information and control of the programme and its implementation, as well as the activities concerning previous or subsequent programming periods as referred to in Article 59(1) of Regulation (EU) No 1303/2013

Technical assistance can be used to fund operations related to the preparation and implementation of the programme, including programme management, communication, training, monitoring, evaluation, preparations related to support to be granted and preparation of payment decisions, excluding the approval of payment decisions.

Technical assistance will be used for communicating about the programme contents, funding opportunities and outcomes, and training relevant to the programme following a communication strategy drawn up by the Managing Authority. A significant part of the communication strategy will be implemented by the National Rural Network. Technical assistance will also be used to fund operations and studies related to programme monitoring, Monitoring Committee activities, and operations related to developing information systems used for programme monitoring. Evaluations related to the programme carried out following an evaluation plan will also be funded by technical assistance. Particular objects of these evaluations will include the impact and effectiveness of the programme, as well as the development of the programme's contents and measures. If necessary, ex post evaluations of the Rural Development Programme 2007–2013 will also be funded.

Technical assistance will be used for staff payroll costs both at the national level (Ministry of Agriculture



and Forestry and the Agency for Rural Affairs) and the regional level (ELY Centres). Persons hired on technical assistance will perform Management Authority and paying agency duties, thus complementing the national resources of the authorities allocated to RDP duties. If persons employed on technical assistance from EARDF also perform other tasks than those related to the Rural Development Programme, a record must be kept of their working hours, making it possible to itemise working time spent on duties related to different programmes or sources of finance. Only a share of their salaries corresponding with the share of working time spent on Rural Development Programme duties can be paid from EARDF technical assistance. Under Government Decree on technical assistance (395/2014), a person hired on technical assistance may also not perform duties related to payment authorisations, book-keeping of funds allocated to the programme, or control, these tasks must always be managed on national resources.

In addition to the aforementioned uses, technical assistance will also be reserved for the Managing Authority for possible other purposes.

Technical assistance may be used to boost the impacts of measures and to guarantee their continuity, to analyse the current status and to develop measures, and for planning and ex ante evaluations as well as for the development of monitoring and information systems by which it can be ensured that the best practices and experiences from the previous programme will be communicated to similar measures in the financing period starting in 2021.

Technical assistance will be used at the Ministry of Agriculture and Forestry, the Agency for Rural Affairs, the National Rural Network and the ELY Centres. The Ministry of Agriculture and Forestry will allocate funds to each actor following a plan for technical assistance use. The Managing Authority will prepare instructions for using technical assistance, and the expenses will be audited and approved by the paying agency.

The use of technical assistance will be supervised by the Agency for Rural Affairs' Department of Control acting as a party independent from the Managing Authority and the paying agency. Pursuant to Article 62 of Commission Implementing Regulation (EU) No 809/2014, administrative checks and on-the-spot checks shall be carried out by an entity of the Agency for Rural Affairs/ Ministry of Agriculture and Forestry whose duties do not include authorising the payment of technical assistance, who does not itself use technical assistance, and who is functionally independent from entities using or authorising the payment of the technical assistance.

The total amount of public funding for technical assistance is EUR 70 million, of which EUR 10 million will be allocated for the use of the National Rural Network. Public funding will consist of a contribution from the European Agricultural Fund for Rural Development and a national contribution. The contribution of the Rural Development Fund will be 42% of the eligible public expenditure. The national contribution will consist of central government (state) funding.

A financing plan covering the entire programming period will be prepared for technical assistance use, and more information will be provided in detailed plans for technical assistance use and funding decisions some 3 or 4 times during the programming period. The Agency for Rural Affairs will prepare the plan for technical assistance use, monitor the overall use of the assistance and prepare reports on its use. The plan for technical assistance use will be approved by the Ministry of Agriculture and Forestry.

## **16. LIST OF ACTIONS TAKEN TO INVOLVE PARTNERS**

### **16.1. 01 Preparation groups**

#### **16.1.1. Subject of the corresponding consultation**

In April 2011, the Ministry of Agriculture and Forestry appointed working groups on environment payments (including organic production and non-productive investments), natural constraint payments, risk management, animal welfare payments, business support, and regional development and structural support to work on programme preparation. At a later date, the mandate of the strategy group was extended to also preparing a strategy for the new programming period, and a Leader working group was appointed.

The preparation of measures was based on the working groups with broad-based representation of various stakeholders. The stakeholders who participated in programme preparation represented different branches and levels of administration, regional actors, producer organisations, Leader groups, NGOs, advisory organisations and research institutes. In the composition of the participants, an effort was made to ensure broad inclusion of various stakeholders, as well as a balance between different types of actors and various regions.

#### **16.1.2. Summary of the results**

Programme measures

### **16.2. 02 Communication**

#### **16.2.1. Subject of the corresponding consultation**

Communication regarding the new programme was planned as part of CAP communication by the Ministry and the Agency for Rural Affairs. The key communication channel for the RDP is the Maaseutu.fi website, where new pages for the forthcoming programming period were set up. Information about progress in programme preparation was communicated in news items, press releases and the newsletter Liiteri.

Information on programme preparation and progress made with it was collected at the Maaseutu.fi site, including links to draft regulations and the draft programmes (1st version in May 2013, 2nd version in December 2013 and 3rd version in March 2014).

In 2011–2013, information on progress made with RDP preparation was also disseminated at training events for various actors, seminars, negotiation meetings and workshops. At these events, the schedules of programme preparation were explained, draft measures were presented and development ideas were received. As the reform was delayed, transitional arrangements were also discussed.

#### 16.2.2. Summary of the results

Transparent, up-to-date communication.

Ideas for and comments on the preparation of measures could be sent to dedicated e-mail addresses and representatives of the preparation groups. The comments received were utilised in the work of both public officials and the preparation groups.

#### 16.3. 03 Website Ota kantaa.fi

##### 16.3.1. Subject of the corresponding consultation

In spring 2013, a public debate on the draft measures was launched in the Ota kantaa.fi forum maintained by the Ministry of Justice. The debate was extensively promoted on websites, in social media and via e-mail subscription lists. The topics of the debates were associated with the development of agri-environment issues, animal welfare, entrepreneurship, development projects and local development.

##### 16.3.2. Summary of the results

Those who took part in the debate were relatively well informed, and the comments made were appropriate. Some of the discussions were directed at those with in-depth knowledge of the subject, while some were intended more directly for the general public. While the topics that sparked the liveliest debate were development projects and local development, all other themes also attracted interest. The highest number of followers was attracted by the debate on animal welfare, at best almost 300. The preparation groups drew on these discussions in their work.

#### 16.4. 04 Official circulation for comments

##### 16.4.1. Subject of the corresponding consultation

As the official circulation for comments on the programme was launched (23 May–25 June 2013), an event to elucidate the objectives and contents of the draft programme was organised. In this context, the environmental impact report produced as part of RDP preparation in compliance with the Act on the environmental impact assessment of plans and programmes of the authorities (200/2005) was introduced.

The draft programme could be accessed at the website Maaseutu.fi, where a recording of the presentation event could also be viewed.

#### 16.4.2. Summary of the results

More than 100 opinions were received to support the further preparation of the draft programme and measures. These opinions are public, and they can be accessed in the Government's project register. The observations made in these opinions contained feasible proposals for improving the programme. In discussions within the preparation groups, the measures were adapted, and a second draft of the programme was published in December 2013. This helped to ensure that the stakeholders were informed of the phases of RDP preparation and the measures long before programme implementation was initiated.

The highest number of comments on the topic of environment payments were related to the operations concerning nutrient use and their targeting. In particular, various parties expressed conflicting views on the needs for fertilization. Most of these viewpoints had already been brought up in the broad-based preparation group working on the environment payment, and compromises regarding the conflicting views had already been sought in the draft circulated for opinions.

In natural constraint payments, the requirement of a minimum area of five hectares was given up as a consequence of the opinions received. The resulting requirement is that while the farm must have a holding of five hectares, payments will be made for the total surface area. The degression limits were also lowered.

The regional strategies and programme implementation plans were prepared by regional managing authorities ensuring broad-based participatory involvement of the citizens and stakeholders. These documents were discussed by the working group preparing measures 01, 04, 06, 07 and 16. At the same time, the coordination and complementarity of ESI Fund operations were ensured at the level of public servants and in the preparation of the Partnership Agreement.

Leader group representatives also took part in the preparation of the measures in the working groups and in the regions, and their views were taken into account in programme contents and emphases.

#### 16.5. (Optional) explanations or additional information to complement the list of actions

##### *General information about RDP preparation*

The preparation and organisation for programming period 2014–2020 started at the Ministry of Agriculture and Forestry in summer 2010. The Ministry launched programme preparation at the national, regional and local level in 2011. The Ministry informed the ELY Centres and the Leader groups about the work to prepare the programming period through the maaseutu.fi website, by letters, training events and by electronic newsletters..

##### *Broad-based working groups*

Programme preparation relied on broad-based working groups. Preparation in such fields as financing, ex-ante conditionalities, advisory services and evaluations was carried out in groups of public servants.

The working groups on environment payments, animal welfare payments and business and regional development support also had subgroups. The working group on environment payments set up subgroups on

the following themes: information system utilisation, nutrient use, plant cover, organic production, horticulture plants, diversity and landscape, genetic resources, treatment of runoff waters and environmental investments, targeting of measures and financial calculations. The working group on animal welfare payments had subgroups on bovines, pigs, poultry, and sheep and goats. The working group on business and regional development support had subgroups on knowledge transfer and information, services and villages.

The preparation groups were tasked to produce proposals for measures, ensuring that the needs for measures were examined during the preparation process, and to devise adequately targeted measures of a high impact that would be as cost-effective as possible and feasible in administrative and practical terms. The groups also sought means for such ends as more efficient RDP implementation, simplification of the measures and reducing the administrative burden. The groups aimed for transparent preparation, invited experts to their meetings for consultations, and discussed initiatives obtained from outside the group. The group members also passed on information to their background organisations about the possibilities offered by the draft regulations on rural development, their restrictions, and progress made in RDP preparation.

#### *Events for the administration*

The preparation of environment payments was launched at a joint brainstorming session of the Ministry of Agriculture and Forestry and the Agency for Rural Affairs on 28 February 2011.

A separate workshop was organised with the paying agency, in which an effort was made to identify good measures and practices and to modify the proposals for measures produced by the preparation groups to improve their controllability and verifiability. Discussions were also had on the need to modify the proposed measures to facilitate information systems, e-government and administrative processes.

#### *Events for stakeholders*

A regional strategy seminar on programme preparation to support the regions in their strategy processes was held at Heureka on 7 February 2012. All ELY Centres and Regional Councils organised future workshops in their regions in 2012. At fifteen regional events, some 900 parties interested in rural development came together to plan the future. In spring 2013, four events for the major regions were organised to introduce the Partnership Agreement and the preparation of the European Structural and Investment Funds (ESI Funds) programme to the participants and to support regional co-operation. In total, some 400 regional actors and stakeholder representatives took part in these events.

Regional governments were in charge of preparing regional strategies and plans, with the aim of contributing regional information and views to RDP and ensuring equality in programme preparation. Similarly, leader groups contributed to preparing measures contained in the programme, and thousands of people and hundreds of communities and organisations at the local and regional level took part in these efforts. At the same time, the coordination and complementarity with the ESI Funds for the forthcoming period was prepared.

#### *Actors involved in RDP preparation*

Ahlman teaching farm, Atria, Birdlife Finland, Finnish Food Safety Authority Evira, Animalia animal welfare association, the Association for Animal Disease Prevention ETT, the ELY Centres, Leader groups, the Finnish Association of Fruit and Berry Growers, the University of Helsinki, HK Agri Oy, the Finnish Organic Association, the Nature and Game Management Trust Finland, MTT Agrifood Research Finland,

*Unofficial translation*

the Ministry of Agriculture and Forestry, the Central Union of Agricultural Producers and Forest Owners MTK, the Agency for Rural Affairs MAVI, Metsähallitus, Natur och miljö, Cattle Breeders' Association, the Association of ProAgria Centres, Central Organisation of Horticultural farms, the Finnish Federation for Animal Welfare Associations SEY, the Finnish Poultry Association, Association of Finnish pig farmers, Snellman Oy, the Finnish Association of Nature Conservation, the Finnish Wildlife Agency, the Finnish Environment Institute SYKE, Svenska Lantbruksproducenternas Centralförbund SLC, Association of Finnish nurseries, the Ministry of Employment and the Economy, the Ministry of Finance, farmers, project actors, WWF Finland, YARA Finland, private advisers, the Ministry of the Environment, the Village Action Association of Finland, Vakka-Suomifisheries group, Regional Councils, the Association of Finnish Local and Regional Authorities, Etelä-Pirkanmaa regional administration, and the Federation of Finnish Enterprises.

## **17. NATIONAL RURAL NETWORK**

### **17.1. The procedure and the timetable for establishing the National Rural Network**

The National Rural Network will be established as soon as possible after the Rural Development Programme 2014–2020 has been approved by the Commission. The Rural Network will be established in 2014. In September 2014, a Director for the National Rural Network was appointed following an open application procedure. After the appointment of the Director, the process to recruit other employees for the National Rural Network began. The aim is to launch the National Rural Network's activities in early 2015.

The Managing Authority (the Ministry of Agriculture and Forestry) will appoint a steering group and a steering group chairperson for the National Rural Network. A steering group will be appointed in autumn 2014.

A unit serving the National Rural Network (Rural Network Services) will be set up as part of the Agency for Rural Affairs.

### **17.2. The planned organisation of the network, namely the way organisations and administrations involved in rural development, including the partners, as referred to in Article 54(1) of Regulation (EU) No 1305/2013 will be involved and how the networking activities will be facilitated**

All partners referred to in Article 5 of the General Regulation 1303/2013 will be invited to take part in the National Rural Network, including representatives of the management of the Rural Development Programme, socio-economic partners relevant to the programme contents and NGOs. All interested parties are welcome to take part in the Rural Network.

The priorities of the Network's activities will be set by the steering group. The steering group will approve the Network's multiannual and annual action plans. In order to ensure that various parties will have possibilities of participating and exploiting the development potential of different programme parts, an adequate number of thematic subgroups will be set up. The subgroups can bring up issues within their remit for discussion in the Rural Network's steering group and see them implemented through the annual plan.

### **17.3. A summary description of the main categories of activity to be undertaken by the National Rural Network in accordance with the objectives of the programme**

*The objectives of the National Rural Network Activities are*

- promoting stakeholder participation in rural development;
- improving the quality and, in particular, regional visibility of RDP implementation;
- communicating information about the development opportunities for rural development to the general public and potential beneficiaries;

- increasing the number of innovations in agriculture, food production, forestry and rural areas.

*In order to achieve these objectives, the Rural Network Services will*

- communicate about the programme measures, aid schemes, results and the operation of the National Rural Network, e.g. by means of online and media communication and publications. develop communication tools for the use of the National Rural Network. Led by the Managing Authority and together with the national communication network, draw up a communication plan;
- collect and present sample projects showcasing all programme priorities and measures, and distribute good practices related to programme implementation. For example, information about good practices will be disseminated by means of various communication channels and at training events;
- ensure that the results of programme evaluation and monitoring are passed on to programme implementers and for practical use; bring together Rural Network actors to promote the programme themes. Particular attention will be focused on attracting new actors to the activities; evaluate the impact of the Network's activities in spreading awareness about RDP opportunities and its results and in animating actors;
- provide training for programme actors and support their networking, for example by organising meetings and training events; promote inter-regional and national projects and support programme coordination and co-operation between various funding providers to create extensive project packages;
- support co-operation between different themes as well as interregional and international co-operation (in particular, finding project partners);
- support the networking of experts, advisers and innovation actors, including EIP network support, for example by organising specific training targeted at these actors;
- participate and exert influence in the activities of the European Network for Rural Development, e.g. by actively disseminating information about good rural development practices in other EU Member States to Finnish actors, and about good practices in Finland to the European Network.

The objectives and activities of the National Rural Network and the Rural Network Services will be specified in greater detail in the Network's action plan. The contents of the activities will be geared to promoting the achievement of programme objectives.

#### **17.4. Resources available for establishing and operating the National Rural Network**

A total of EUR 10 million of public funding will be reserved for the operation of the Rural Network in programming period 2014 - 2020.



## 18. EX-ANTE ASSESSMENT OF VERIFIABILITY, CONTROLLABILITY AND ERROR RISK

### 18.1. Statement by the Managing Authority and the Paying Agency on the verifiability and controllability of the measures supported under the Rural Development Programme

When the measures were planned, attention was paid to verifiability, controllability and administrative simplification. The Ministry of Agriculture and Forestry as the managing authority and the Agency for Rural Affairs as the managing authority and the paying agency have drawn up an ex ante assessment of the verifiability and controllability of the measures selected for the programme and assure that the measures are verifiable and controllable. Whereas a summary of this assessment is given here (Table 18), a more detailed description is included in the section on each individual measure. The ex-ante assessment presents the risks relevant to programme implementation, mitigating actions and an overall assessment.

**Table 18. Verifiability and controllability of measures**

Measures	Risks relevant to the implementation of measure (verifiability and controllability)	Mitigating actions	General assessment
<b>Knowledge transfer and information actions</b>	Shortcomings in animation, compliance with selection criteria, documentation and knowledge of procurement procedures, functioning of IT systems	Implementation and control were accounted for in the planning, instruction and training, quality assurance, IT system improvement	The measure is necessary in terms of RDP objectives, adequately verifiable
<b>Advisory services</b>	Shortcomings in instructions, functioning of IT systems	Implementation and control were accounted for when planning conditions, training	The measure is necessary in terms of RDP objectives, reduces unintentional errors and sanctions
<b>Investments in physical assets</b>	Shortcomings in instructions, compliance with selection criteria, procurement procedures, interpretation of unit costs, IT systems	Clear legislation, instructions, check lists, testing of systems	The measure is necessary in terms of RDP objectives, instructions in a key role
<b>Farm and business development</b>	Shortcomings in instructions, the timing of the control in relation with the implementation year	Implementation and control were accounted for in the planning, training	The measure is necessary in terms of RDP objectives, instructions in a key role
<b>Development of rural services and villages</b>	Shortcomings in animation, compliance with selection criteria, documentation and knowledge of procurement procedures, functioning of IT systems	Implementation and control were accounted for in the planning, instructions and training, IT system improvement	The measure is necessary in terms of RDP objectives, adequately verifiable
<b>Environment payments</b>	Verifiability, requirements related to periods of maintaining plant cover, large number of plant species groups	Advice and training, IT system development, administrative checks	The measure is necessary in terms of RDP objectives, adequately verifiable regardless of the risks
<b>Organic production</b>	Verifiability, timing of production inspections, accounting for crop	IT system improvement, consistent instructions for	The measure is necessary in terms of

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	rotation plans in cultivation, requirement of producing plants for sale	different authorities	RDP objectives, adequately verifiable
<b>Natural constraint payments</b>	Errors in surface areas, permanent grasslands	Training, IT system development	The measure is necessary in terms of RDP objectives, adequately verifiable
<b>Animal welfare</b>	Poor verifiability, checks of animal numbers for pigs and laying hens	Training and advice, IT system development, administrative checks, cooperation between authorities	The measure is necessary in terms of RDP objectives and responds to consumer expectations, instructions in a key role
<b>Co-operation and innovations</b>	Shortcomings in animation, failure to comply with selection criteria, inadequate documentation, functioning of IT systems	Implementation and control were accounted for in the planning, instructions and training, quality assurance, IT system improvement	The measure is necessary in terms of RDP objectives, adequately verifiable
<b>Leader</b>	Shortcomings in advising, animation or information to beneficiaries, failure to comply with incapacity rules, insufficient justification of decisions, inadequate administrative checks	Implementation and control were accounted for in the planning, instructions and training, quality assurance, IT system improvement, guidance and controls by the administration	The measure is necessary in terms of RDP objectives, instructions, training, advice and quality assurance
<b>Article 44: Leader co-operation groups</b>	Shortcomings in advising, animation or information to beneficiaries, failure to comply with incapacity rules, insufficient justification of decisions, inadequate administrative checks	Implementation and control were accounted for in the planning, instructions and training, quality assurance, IT system improvement, guidance and controls by the administration	The measure is necessary in terms of RDP objectives, instructions, training, advice and quality assurance

Table 18. Verifiability and controllability of measures

**18.2. Statement by the functionally independent body referred to in Article 62(2) of Regulation (EU) No 1305/2013 confirming the adequacy and accuracy of the calculations of standard costs, additional costs and income forgone**

The payment level calculations based on losses of income and expenses incurred for environment payments, organic production, natural constraint payments and animal welfare payments were drawn up by MTT Economic Research. MTT Agrifood Research Finland is the leading research centre in Finland developing the responsibility, competitiveness and sustainable exploitation of natural resources in the food system. Key areas of expertise of MTT Economic Research include economic and sociological research and development related to farms and forestry businesses, the food market, agricultural and forestry policy and sustainable use of natural resources. MTT Economic Research relied on an approach based on standard costs and the best available source data in the calculation of the costs and losses of income incurred for the measures and

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assures that the payment level calculations and the payment levels derived from them are adequate and accurate.

For more information on the methodology used to calculate the payment levels, see the section on each individual measure.

## 19. TRANSITIONAL ARRANGEMENTS

### 19.1. Description of the transitional conditions by measure

*Environment payments (code 10), organic production (Code 11), natural constraint payments (Code 13) and animal welfare (Code 14)*

Until the programme has been approved, farmers can extend commitments and contracts made in programming period 2007–2013 by one year in 2014, and once funds for programming period 2007–2013 have been exhausted, the expenses incurred will be financed from funds for 2014–2020 for the remaining period of the commitment. While an estimate of expenses transferred to programming period 2014–2020 may, on the same principle, also contain other expenses incurred for commitments and contracts made in programming period 2007–2013, as a rule expenses concerning the year 2013 and earlier will be funded, and any repayments will be taken into consideration, in the funds for programming period 2007–2013 until 31 December 2015. The expenses incurred for commitments and contracts relating to programming period 2007–2013 will be paid as indicated by the EARDF contribution rate referred to in section 10.2, and they can be separated from other expenses incurred in programming period 2014–2020 in the information system.

New commitments concerning financing for programming period 2014–2020 will be made at the earliest from the date of approval of the programme.

#### *Other measures*

Regarding axis 1, 3 and 4 for programming period 2007–2013, the last new commitments were as a rule made by 31 December 2013. In certain exceptional cases, a possibility was granted for making in 2014 further commitments from the funds for programming period 2007–2013. In addition to axis 1, 3 and 4, this exception also concerns non-productive investments of axis 2 (Code 4.4), where a small number of commitments may in exceptional cases be carried over to be financed from the funds for programming period 2014–2020 in accordance with the aforementioned principles. As a rule, it is expected that no other expenses incurred for commitments and contracts for programming period 2007–2013 apart from the ones described above will be carried over to be financed from the funds for programming period 2014–2020.

In other measures of programming period 2014–2020 than those described above, preparative operations will be undertaken before the approval of the programme, but new commitments and contracts under the programme relating to the funds for programming period 2014–2020 will, at the earliest, be made from the date of approval of the programme, however ensuring in the above-mentioned exceptional cases that no new commitments are at that stage made from the funds for programming period 2007–2013.

If necessary, technical assistance for programming period 2014–2020 will be used on national risk before programme approval, however so that where technical assistance for 2007–2013 and for 2014–2020 is available simultaneously, it will be ensured that individual cost items are allocated to either 2007–2013 or 2014–2020. In line with these principles, funding for the running costs of those LAGs that the selection committee has proposed for selection as local action groups in programming period 2014–2020 will also be used where necessary.

## 19.2. Indicative carry-over table

Measures	Total Union contribution planned 2014–2020 (€)
M01 – Knowledge transfer and information actions (Article 14)	0.00
M02 – Advisory services, farm management and farm relief services (Article 15)	0.00
M04 – Investments in physical assets (Article 17)	100,000.00
M06 – Farm and business development (Article 19)	0.00
M07 – Basic services and village renewal in rural areas (Article 20)	0.00
M10 – Agri-environment-climate (Article 28)	135,900,000.00
M11 – Organic farming (Article 29)	14,000,000.00
M13 – Payments to areas facing natural or other specific constraints (Article 31)	180,000,000.00
M14 – Animal welfare (Article 33)	30,000,000.00
M16 – Co-operation (Article 35)	0.00
M19 - Support for community-led local development (Leader) (Article 35 of Regulation (EU) No 1303/2013)	0.00
M20 – Technical assistance – Member States (Article 51–54)	0.00
Total	360,000,000.00

## **20. THEMATIC SUB-PROGRAMMES**

Thematic sub-programme name
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