

Axis 4 Factsheet: FINLAND

Geographical map: Finland



1. Context in which Axis 4 is being developed and main challenges faced.

Finland has a population of 5.3 million and all its regions have significant coastal or inland waters. Indeed, the surface area of inland waters, 33 500 km², makes up approximately 10% of the country's total surface area. The combined employment of companies specialised in the fisheries sector was some 3 250 jobs in 2006. Fishing employed about 900 individuals (668 in the sea area and some 230 in inland areas), fish processing about 850, retail sales about 600, wholesale about 500 and aquaculture about 450 people. In addition, there are some 2 000 part time professional fishermen.

The total catch from the Baltic Sea was around 110 000 tonnes in 2008. Baltic herring accounts for some 75% of the Baltic catch. Sprat, pike-perch, salmon, cod and whitefish are also important species.

Total commercial inland catch amounts to only about 5 000 tonnes per year, but it has a relatively higher value than the sea catch (21% in terms of value but only 4% in terms of volume). The most important species captured in inland waters is vendace, which accounts for 70% of the economic value.

As for aquaculture, the annual total production is around 13 000 tonnes, of which 80% is coastally located. Rainbow trout and whitefish are the main species. The value of production (42 million Euros in 2008) exceeds the total value of the coastal and inland fishing catch (30 million Euros in 2008).

In a European context, abundant lakes and their multiple uses for commercial fishing, recreational activities and aquaculture probably represent the most unique feature of the Finnish inland fisheries. Many traditional fishing techniques, like seine and net fishing under ice, are still in professional use but jigging on ice-covered areas also offers experiences to tourists.

A relatively modern processing industry combined with progressive product development and good knowledge of the local market means the Finnish fish sector is able to respond well to domestic customer needs. In addition, with the exception of cod which has experienced significant population decline over the past few years, Finland possesses relatively healthy fish stocks. This is especially true of inland waters, where the government hopes to increase total catch by around one third of its present level.

However, Finland also faces a number of challenges. In particular, the fact that recreational fishers are estimated to add a further 30% to the total catch - the vast majority for private consumption - makes the task of regulating fish stock rather complicated.

Indeed inland recreational fishing in 2006 was estimated at over 30 000 tonnes compared to 4 500 tonnes caught by commercial inland fishermen. Increasing pressure from international competition and aging of entrepreneurs within industry are confounded by a lack of knowledge of international markets and export competence. Low levels of internal and external co-operation within the industry also weaken organisational capacity. These factors result in limiting operations to the domestic market. Another, very specific, issue is a growing seal predation on the Baltic Sea area.

Despite the recent establishment of a compensation procedure, this is a threat to the continuity and profitability of professional fishing.

While the fisheries sector makes up only 0.5% of total employment in Finland¹ the economic and social significance of the fisheries industry is particularly high in rural and some coastal areas where it is difficult to find alternative trades and which as a result run the risk of de-population. As such, improving the profitability of the fisheries industry is considered essential for the continuity of environmentally friendly activities and positive impacts on employment and regional development.

2. The national response in terms of Axis 4

The measures of Axis 4 in Finland are particularly aimed at developing co-operation between regional operators within the fisheries sector; increasing employment; and the general operating conditions of the fisheries industry. Finnish general rural policy has a strong tradition of using the Leader method for public participation and rural empowerment – the expectations on fisheries side are therefore high. Given the extremely high proportion of recreational fishermen in Finland, the fisheries local action groups (FLAGs) aim especially to develop professional fishing activities, aquaculture and fish-processing: profitability and employment being the key words.

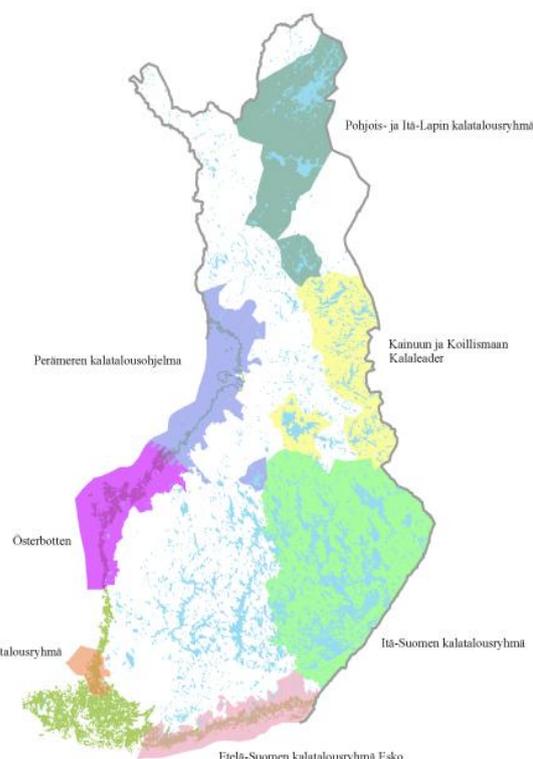
The activities are aimed at facilitating regional business activities. Regional development and co-operation projects associated with the diversification of activities, such as fishing tourism, are financed under this priority axis. FLAGs can also locally coordinate sometimes conflicting demands of commercial and recreational fishing. Indeed, in the more touristic areas, the possibilities for recreational fishing are an important attraction for travelers while in some cases target stock is common to the recreational and professional fishermen. This implies the need to strike a balance between the incomes of the professional fishermen on the one hand and the potential additional gains that fishing tourism can bring to the region on the other hand.

3. The areas: from sparsely populated rural areas to large coastal towns.

With the fisheries sector fairly evenly distributed throughout the country, the whole of Finland was considered eligible for Axis 4. The fisheries areas finally selected range from sparsely populated rural areas to more urbanised coastal zones, each with a specific set of challenges.

The sparsely populated areas suffer in particular from a lack of investment, poor marketing possibilities and high unemployment. Northern Finland, for example, has a population density of only 0.8 inhabitants / km² and an unemployment rate of 16.1%. Eastern Finland, the main lake area where 17.5% of the area is covered by water, has an unemployment rate of 15%.

Along the more urbanised parts of the coast, competing interests for space come from industry, urbanisation and tourism. 1.9 million Finns, for example, use 400,000 waterside holiday residencies during an average of 80-110 days per year, while the country counts 1.2 million recreational fishers.



¹ Between 2002-2003. *Employment in the fisheries sector: current situation, 2006* (FISH/2004/4)

The northern and eastern FLAGs cover large areas of land and water. The East-Finland FLAG, Itä-Suomen kalatalousryhmä, for example, covers an area the size of Belgium. Such large areas imply a significant challenge in terms of making the relatively small Axis 4 budget effective. However, given the logistical difficulties of a sector spread over large distances, the Managing Authority accepted the argument of local actors that a large FLAG area was necessary in order to achieve sufficient critical mass for a long term development strategy.

Moreover, two of the areas selected include some big cities, resulting in unusually high populations. Finland considered that these groups' city areas are important markets for fisheries products and offer significant customer potential in terms of fishing tourism. However, although the areas cover these large cities areas, the eligible fisheries operators are, in practice, located outside the cities thus reducing the targeted population significantly. Discounting the population of the South-Finland FLAG's (Etelä-Suomen Kalatalousryhmä) capital city area, for example, brings it down from 1 087 000 to under 300 000.

The seven² fisheries areas that have been selected and have set up local groups are:

<u>Fishery Area</u>	<u>Surface Area/ km²</u>	<u>Population</u>	<u>Pop. Density/ inhab/km²</u>
Etelä-Suomen kalatalousryhmä Esko	6 500	1 087 000	167
Vakka-Suomen kalatalousryhmä	1 000	20 942	21
Itä-Suomen kalatalousryhmä	67 500	725 423	11
Österbotten	7 222	192 374	27
Kainuun ja Koillismaan Kalaleader	24 980	91 515	3.7
Perämeren Kalatalousohjelma	11 800	193 496	16
Pohjois- ja Itä-Lapin kalatalousryhmä	33 700	25 552	0.8

4. The selection process

Given Finland's long Leader experience, the country opted for a single phase selection process. As the whole of Finland was considered eligible for Axis 4, the Finnish Ministry of Agriculture and Forestry opened a single, nationwide call for tenders for fisheries LAGs and their strategies in June 2007 with no delimitation of areas. Within four months it received 11 applications. By October 2008 eight groups had been selected and approved for an initial period of 2008-2011.

The groups were selected on the basis of their strategies - in particular those presenting the most feasible and innovative regional strategies for developing the area's fisheries industry, and those that demonstrated a cost efficient management system with the financial commitment of the municipalities. The selected groups have a good geographic representation of Finland, four groups are coastal from the Gulf of Finland to the northern end of the Gulf of Bothnia, and four groups are inland from south-east part of the country to Lapland. Fisheries practices and traditions vary considerably between the regions, which makes the exchange of experience between them potentially very rich.

5. The groups

In mainland Finland the fisheries groups have all been formed beneath Leader groups with which they share their administrative support structure. They are established as non-profit organisations. Some LAGs already have more than ten years experience working with Leader in a rural development context and indeed some Leader programmes themselves have supported fisheries related initiatives, especially on the recreational side. Given the fact that rural areas share similar characteristics in terms of unemployment levels, population density and dependency on monotype activities with fisheries dependant areas, synergies with Leader are clear and have been put to good use for implementing Axis 4 in Finland.

However, the fisheries LAGs have separate partnerships to their Leader counterparts, separate project selection and clearly differentiated strategies and accounting. The partnerships in Finnish groups are made up of 30-50 people who were actively involved in the strategy design.

In addition there are important stakeholders, such as local municipal authorities, with whom the partnerships cooperate. The selection committees have between 6-13 individuals.

² Åland was also selected but it has faced delays in setting up a FLAG. The autonomous islands of Åland have no Leader history which seems to have made implementation more difficult.

All fisheries LAGs have hired a full-time coordinator to help applicants design, implement and monitor the projects. Bearing in mind their small budget, some groups have secured extra funding from local municipalities while some have applied for “animation projects” to cover these salary costs.

The overall partnerships are made up of fishing organisations (approximately 50%), other private actors such as fishing processing and tourism companies (approx 10%), public authorities (30%) and Leader members (10%). Many also express a desire to involve research and educational institutes.

6. The strategies

The eight groups have an EFF budget of approximately €450 000 each for the whole programming period. With national co-financing this figure generally rises to about €1 million.

The main task of the fisheries group is to improve the conditions for primary production in the area and to reinforce cluster thinking in the fisheries industry, ensuring that new opportunities and innovations are exploited. The fisheries LAG projects can also address very specific, local needs: for example Vakka-Suomi LAG on West Coast has a training project on how to prevent seal hazards.

The fisheries groups are responsible for the dissemination of new innovations and practices in their area and can also assist entrepreneurs in applying for and managing aid.

7. Key features of administrative and financial systems

Finland’s EFF budget 2007-2013 and funding from National level

% of EFF Budget on Axis 4	EFF Budget on Axis 4 / €	National Funding /€	Total Budget / €	Average Budget per group / €	Number of Groups
9.14	3 606 000	4 806 000	8 412 000	1 051 500	8

(EFF funding 43%, National funding 57%)

- The Ministry of Agriculture and Forestry receives payments made by the Commission
- The fisheries groups select projects under the strategy of Axis 4 in their own area
- Eligibility of applications is checked at the Ministry of Agriculture and Forestry’s regional Employment and Economic Development Centres.
- These regional Employment and Economic Development Centres make payments to projects.
- The fisheries groups are in charge of regional information dissemination and monitoring. They must open a public call for tenders and follow and assist the project implementation.

8. Networking and capacity building

The fisheries groups in Finland make up an informal network through which they communicate and share experiences, although there is no official body coordinating this interaction. The idea is to establish cost-efficient cooperation whereby each group will have one or more thematic area for which they are responsible and about which they would collect and transmit information. These include: International cooperation, Nordic cooperation, Arctic cooperation, Leader-cooperation, development of logistic and infrastructure in fisheries, information, fishing tourism and schooling. The Ministry officials also play an active role here, organizing training and national level meetings.

9. Resources or ideas that may be of interest to other countries

Finland has good experience in the initial phases of setting up local groups which is a resource that other countries may like to draw upon. The Finnish application of Leader method has been disseminated in many European events especially to new EU member states but also to Russia, Mozambique and the Republic of South Africa.

Themes the fisheries groups are most interested in include: the multiple use of marine & fresh water resources and well as ice fishing. With regards to cooperation with other countries, the following areas stand out: fish processing, fishing tourism, and the implementation of food safety legislation.

10. Contacts and links

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