



The Key to Making a Difference

The Finnish Leader Local Action Groups

RURAL DEVELOPMENT
PROGRAMME FOR
MAINLAND FINLAND
2007-2013

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Staff of the Development Association of the Seinäjoki Region

In Finland the Leader local action group (LAG) is a registered association that develops rural areas by funding local rural development projects and granting support for enterprises. There are 56 LAGs in Finland, and their activities cover the whole country.

In the programming period 2007–2013, the Finnish Ministry of Agriculture and Forestry was the first in the EU to approve the Leader local action groups for Mainland Finland in August 2007. The Ministry grants the annual funding for the groups, as well as monitors and evaluates their activities. The Finnish Agency for Rural Affairs, which operates under the Ministry of Agriculture and Forestry, supervises, steers and trains the LAGs. The Rural Network Unit provides information about the activities of the LAGs, organises training and meetings and promotes the work of the groups internationally.

In the programming period 2007–2013 a Leader LAG got started for the first time in the autonomous province of Åland. Unlike the other Finnish LAGs, the Leader Åland

LAG will not grant financial support for investments to private enterprises. The group operates in the archipelago area and provides funding for development projects that promote e.g. tourism, village activities and conservation of the natural and cultural heritage.

Pioneers in mainstreaming

During the ten years of Leader activity Finland has become one of the top countries in Europe in LAG work. When Finland joined the EU in 1995, preparations were made immediately to start up Leader action. At that time Finland had a strong culture of village action, to which the Leader activities were well suited. Leader was felt to be very suitable for Finland and it was seen as a productive way of developing rural areas, since it gathers the existing actors together and offers a new kind of opportunity to participate in developing the local area.

A special feature of the work of the LAGs in Finland is that here the Leader action was mainstreamed into groups

receiving funding from other development programmes. Mainstreaming took place very rapidly: the first LAGs were established in 1996 and the Finnish version of LEADER II, i.e. the POMO Programme, was launched in 1997. The idea of mainstreaming has also been applied in the other European countries.

Participation open to all

In the area of one LAG there are on average some 40,000 inhabitants, ranging from 14,000 to almost 100,000 inhabitants. Any inhabitant of the area may take part in the group's activities by carrying out a project or participating in one or becoming a member of the LAG which is a registered rural development association.

The activities of the LAG are steered by the board of the action group. The group holds an annual general meeting once a year, where new members are elected to the board. The tripartite principle is followed in the composition of the board: one third of the board members represent the municipalities in the area, one third represent companies or corporations and one third ordinary residents who are not in the decision-making organs of the municipalities or corporations. Thus all these groups are equally represented in the LAG's board. The maximum term of office for a board member is six consecutive years.

Funding for enterprise and development projects

Through the LAG, it is possible to apply for funding for enterprise or for non-profit development projects. The groups mainly fund small rural enterprises and those that are starting up. Funding may be granted for the company's investments and development and for the wage costs of the first employees.

Development projects promote the economy of the area, develop villages and the environment, provide training and promote international activities. The registered associations may also apply for the agri-environment payments, provided that the LAG supports the application.

The LAGs themselves may also implement and co-

Finnish Local Action Groups

- In Mainland Finland there are 55 LAGs, in the autonomous region of Åland there is one LAG
- The Rural Development Programme for Mainland Finland was approved on August 10, 2007
- The LAGs of Mainland Finland got started on August 21, 2007

ordinate projects.

The LAGs are central actors for internationalisation in rural areas: they open up an important funding channel for international rural projects and joint business projects. There are LAGs almost in every EU Member State, which thus constitute a good network for international rural activity.

Funding through the LAGs

In the programming period 2000–2006, the average scale of the Finnish projects was 38,000 euros (public and private funding, LEADER+ projects in the period 2000–2006). The budget of the projects ranged from 500 euros to 500,000 euros. In the programming period 2007–2013 the maximum amount of public funding for Leader projects is 150,000 euros per project.

In 2007–2013 the amount of public funding available for LAGs is in the range of 2.5–6.8 million euros per group. Altogether the Finnish LAGs have 242 million euros of public funding to be allocated to projects.

The groups are funded from the Rural Development Programme for Mainland Finland 2007-2013, which is funded under the EAFRD. A fifth of the funding comes from the local municipalities of the LAG areas.

In addition, funding and work contributions for the Leader projects worth an estimated 128 million euros comes from entrepreneurs, associations and other organisations. The work contributions are traditionally voluntary work, for example, repairing a village hall or landscape improvement work.

In addition, the LAGs may apply for funding, for example, from national regional development programmes or EU Structural Fund programmes.

The application is submitted to the LAG, the official decision comes from the T&E Centre

When an applicant has submitted its application to a LAG, the board of the action group processes the application and gives a statement on it. The main criterion for selecting the projects to be funded is how well they meet the conditions of the local strategy drawn up by the LAG, the Leader principle and the Rural Development Programme for Mainland Finland. After processing by the board, the LAG submits the application together with the statements to the Employment and Economic Development Centre (T&E Centre), which is the regional authority operating under the Ministry of Agriculture and Forestry. In Finland there are 15 T&E Centres in all.

The LAGs and T&E Centres cooperate closely. When the LAG's board has decided on the project to be funded, the T&E Centre checks the legality of the project, and passes an official decision on the project. If the LAG has supported a project, the T&E Centre can give a negative decision only if the project is illegal. If the LAG has not supported the project, the T&E Centre cannot decide to accept it for funding.

The applicant may start the project as soon as the LAG has received the application, but getting a project started before the T&E Centre has given its official decision on funding is not recommended. In general funding that has been granted is paid after the project and payment have been applied for separately. Only in the case of non-profit organisations can the applicant receive 20 per cent of the project funding before acceptable costs have been incurred.



Kalevi Virtanen

Tug of war at Janakkala Village Olympics

FURTHER INFORMATION



Rural Development in Finland

The administration of rural development in Finland is constructed as follows:

- The LAGs provide funding for enterprises and development projects that are in line with the local strategy. The registered associations are eligible to apply for support for special agri-environment measures if they have a supporting statement from a LAG.
- The municipalities fund Leader activities and grant agri-environment payments.
- The T&E Centres provide funds for business aid and projects and they also grant the payments for special agri-environment measures.
- The Finnish Agency for Rural Affairs is the national authority responsible for the administration of rural funding. The Agency compiles application forms and instructions and is responsible for paying and supervision of the funds granted.
- The Rural Network provides links between rural developers. The Rural Network Unit provides services for the LAGs and assists them, for example, in finding international partners. The Rural Network Unit operates under the Ministry of Agriculture and Forestry.
- The Ministry of Agriculture and Forestry is responsible for planning the programme and any changes in it, for statutory aspects and for state funding and its allocation to the regions

Finland is a sparsely populated EU country

Finland has 5.3 million inhabitants, who mainly live in cities or towns and rural areas close to them. Nearly a third of Finns live in rural heartland areas and sparsely populated rural areas. Finland, which joined the EU in 1995, is the northernmost Member State of the Union. It is one of the most rural countries in Europe, since most of its land area is covered by forest and waters. The EU's only indigenous people, the Sámi, live in northern Finland.

Leader on the Åland Islands

- Åland is an autonomous, demilitarised, Swedish-speaking region of Finland
- Åland consists of more than 6,500 islands, of which 60 are inhabited
- Åland has 16 municipalities and 27,000 inhabitants, 11,000 of whom live in the only town, Mariehamn, 13,700 in rural areas and 2,300 in the archipelago.
- The Rural Development Programme for the Åland Islands was approved on February 15, 2008
- Leader activities cover the whole region of Åland. Leader activities are coordinated by the Government of Åland and implemented by the one LAG of the region.

The People behind the Action

Clear bookkeeping is essential

Financial Manager Tuula Saastamoinen, of LAG Etpähä ry

Financial Manager Tuula Saastamoinen has been responsible for the payments in LAG Etpähä ry in southern Finland for six years now. Ms Saastamoinen participates in the LAG board meetings, where they deal with project applications submitted and decide on support for projects. The application with statements is then sent to the T&E Centre.

When the decision on funding or payments arrives from the T&E Centre, Tuula Saastamoinen, as the payments coordinator, goes through the decision point by point with the project leader and the person responsible for bookkeeping and makes sure that the applicant takes everything into consideration that has been mentioned in the decision.

A carefully drafted application speeds up the processing

In six years, Ms Saastamoinen has seen all sorts of bookkeeping and payment applications. At the payment

stage she goes through the application, appendices and bookkeeping and asks for any clarifications needed. "If a payment application is as complete as possible it speeds up the process and the support will be paid sooner," Ms

Saastamoinen stresses. Monitoring is also one of her tasks: as payment coordinator she reminds the applicant about upcoming payments and reporting.



International cooperation provides ideas for local action

Project Manager Marika Saranne, LAG Peräpohjolan kehitys, Rural Development Association

Marika Saranne works as Project Manager in the LAG Peräpohjolan kehitys, Rural Development Association in Lapland. Her task is to advance projects in the area where the LAG operates, in particular, she is responsible for international projects funded by the group.

Most of the international projects being carried out by the Peräpohjolan kehitys LAG relate to tourism. Partners have been found from all around Europe, for example, from Ireland and Spain. One theme of international projects is finding sustainable ways of utilising nature in tourism.

Useful networks

National and international networks have been built up in different projects and they are also open to others than those directly involved in the project. "In addition

to expert networks, entrepreneur networks are important for developing the whole area," Ms Saranne believes.

International cooperation has been enlightening.

"Going abroad and seeing different

ways of doing things brings development ideas that can be applied in your own country," she explains.

In international projects challenges are presented by cultural differences: different operating cultures, financing practices or legislation.



T&E centre contact person gives guidance to LAGs and applicants

Senior Planning Officer Tuomo Hämäläinen, contact person for LAGs at the North Karelia T&E Centre

In Finland the legality of projects is examined by the regional authorities, Employment and Economic Development Centres (T&E Centres). There are altogether 15 T&E Centres around the country. Every T&E Centre also has a contact person for LAGs, who specialises particularly in these groups. They advise and keep in contact with the groups as well as prepare the official project decisions.

Senior Planning Officer Tuomo Hämäläinen has ten years of experience as a contact person for LAGs in the T&E Centre of North Karelia in eastern Finland.

"I am primarily responsible for questions from the LAGs regarding the EU and national legislation," Mr Hämäläinen describes his task. "At times I also give guidance to applicants for funding who contact the T&E Centre since, especially for those planning their first project, the sources of funding may be unclear," he continues.

Regular contact important

In the region of North Karelia, with some 170,000 inhabitants, about a hundred Leader projects are implemented annually. The LAGs have a great responsibility for local rural development. "It's important that cooperation and information flow between the authorities and the LAGs is smooth and that the projects complement other development programmes," Mr Hämäläinen stresses.

In North Karelia the regional authorities and LAGs have met regularly to discuss all the projects funded by the Leader LAGs over ten years.



The Chairman: a link between the board and the office

Esa Urhonen, Chairman of the board, Regional Rural Development Association Ravakka

Esa Urhonen, Chairman of the board of the Regional Rural Development Association Ravakka in western Finland cooperates actively with the LAG's Executive Manager and Project Manager. Leader activities have been familiar territory to him for a long time.

Ravakka's board deals with the applications received by the group every second week. The Chairman and LAG employees always meet before the board meetings to go through the agenda.

Broader perspectives

"The Chairman's task requires knowledge of the area and an active willingness to get involved in the practical work," says Mr Urhonen. "The Chairman acts as a link between

the board and the employees and extends the contact surface to the municipalities and other actors in the area."

According to Mr Urhonen, the LAGs have come to stay. "It's worth getting involved in the work of the local action groups," urges Mr Urhonen, who as a representative of the organisations has got to know the work of the LAGs very well. "It broadens your perspectives on rural development."



Experiences of success are motivating

Executive Manager Riitta Bagge, Association for Rural Development in Central Karelia, Jetina

Riitta Bagge is Executive Manager of the Association for Rural Development in Central Karelia, Jetina, in eastern Finland. "The tasks of Executive Manager of a LAG involve running the whole show," says Ms Bagge, putting it in a nutshell. The Executive Manager is responsible for administration of the association, managing the finances, organising committee meetings and keeping contacts with stakeholders.

In addition, the Executive Manager deals with the payment applications, together with the project secretary. "The work requires organisational skills, PR skills and willingness to change," Ms Bagge states.

She became interested in Leader activities in 1995, when planning in her own home village motivated her to join in. Riitta Bagge has previously served both as Chairwoman and Executive Manager.

"The LAG is a channel for influencing things directly. It has also been interesting to be involved in creating our own ways of working," Ms Bagge says.

Every idea is worth considering

"The best thing about the job is the feeling of having succeeded: when a project is successful, and the measures



taken are sustainable. Often the project continues to live in one way or another. Sometimes more permanent co-operation systems are also built up through the projects," Ms Bagge says.

According to Riitta Bagge, through the Leader LAG it is possible to have projects that are close to people and to develop one's own home region one small step at a time. She invites everyone who has an idea of how things could be better to participate. "Every idea is worth considering and no-one will be turned away," she encourages people.

Active players

The inhabitants of Jakokoski are developing their village together



Chairwoman Saara Sormunen

The village of Jakokoski in eastern Finland has reversed the direction of migration and attracted a hundred new inhabitants over the past ten years. The active villagers of Jakokoski have carried out more than ten projects that have improved the village's services, made people feel more at home there and fostered a team spirit. Much of the actions have been voluntary work.

Jakokoski has an active village association that has carried out several projects. According to Chairwoman Saara Sormunen, Leader funding has been a good tool for developing the village. Funding has been applied for from the Joensuu Region Leader Association.

Tourism, culture and services

One of the development projects has been the improvement of a local canal more than a hundred years old, which was built in its time to facilitate water traffic past the rapids on the river. The villagers have built an outdoor terrace and toilet facilities for the café on the canal. An old pilot vessel has taken on a new life as a cruise boat, and sheep were purchased to graze and thus improve the landscape.

In addition to the museum canal project, which is aimed at promoting tourism, the Jakokoski villagers have



University of Joensuu's observatory

compiled a book about the village, arranged puppet theatre performances and erected an environmental artwork. In the latest project, the villagers have renovated conference premises for rent in an old arsenal connected with the University of Joensuu's observatory.

View from the observatory



Waste turned from loss to gain in Lapland



The inhabitants of the municipality of Muonio in northern Lapland have developed a grass-roots approach to utilising natural resources. The project, funded by the Multitude of Village Culture in the Land of Mountains LAG, aims at more efficient utilisation and sorting of waste.

Waste sorting instructions for tourists

Small-scale waste composting is important in the wilderness of Lapland, where there are many tourists and the nearest landfill site may be hundreds of kilometres away. The key aspect of the project was to disseminate infor-

mation about waste sorting. The inhabitants of Muonio translated the instructions for sorting waste into six languages for tourists.

A diverse range of work for recycling

Local people have also cooperated on producing food for sled dogs from the catch from fish management operations in the lakes and from the by-products of reindeer husbandry, i.e. waste that would otherwise be a nuisance has been converted to gain in the area. A social enterprise has been founded within the project specialising in environmental management, fish processing and animal feed production. The project has also organised questionnaires and surveys related to the recycling and sorting of waste.

Cooperation provides ideas for business



Elina Vehkala

The Finnish LAG Viisari and the Italian Montagna LEADER+ LAG joined forces in the international project "Improve". In the project, the rural entrepreneurs and young people of both countries had the opportunity to work in an enterprise in another country, to learn new things and forge contacts.

Vocational exchanges, training and international seminars were arranged in both countries. There were enterprises from rural tourism to honey production and organic farming. Fourteen entrepreneurs and ten young people participated in the project.

Exchange of ideas

International cooperation motivated people to find new products and develop their own enterprise. A Finnish

bakery entrepreneur visited an Italian bakery as a trainee and brought back new product ideas for the family bakery. A Finnish catering firm extended their own business according to a model they had seen in Italy, opening a restaurant that can be hired for functions next to their home.

For the young people involved in the project, the cooperation in Italy motivated them especially to learn languages and encouraged them to use the languages they had learned.

The Improve project has been continued, now with another Finnish LAG and two Italian partners.

Support for enterprise Cruise enterprise launched by Leader funding



Saariöilikkene Jonnar Ky

In south-eastern Finland the eastern archipelago of the Gulf of Finland and the waterways of the Kymijoki River are close at hand, offering opportunities for enterprise. A few years ago, local entrepreneur Joni Hietakangas founded a company that arranges regular and charter cruises. He read about the opportunity to apply to the local action group for funding in the local newspaper.

Cruises to various destinations

The Development Association Sepra granted Mr Hietakangas funds to purchase a vessel, to build a cafeteria on bo-

ard and to hire a deck hand. The funding made it possible to get the enterprise started, as building a cafeteria was indispensable for the cruise operation.

Now m/s Alfa has been cruising for four summers. There are several destinations, from the fortress islands to bird sanctuaries and fishing villages. For example, cruises open to the public are organised at Midsummer and during the spring bird migration season.

Dryer brings efficiency for processing natural products



About two-thirds of Finland's land area is covered with forest. Wild berries, mushrooms and herbs are picked for household use and for industrial processing. No special permit is needed in Finland to pick natural products. This practice, known as the public right of access, is a special feature of the Nordic countries. Gathering the products of nature and walking or hiking in the countryside must, however, be done so that it does not cause any harm or disturbance to the environment or the landowner.

Berries are an important source of income

Masses of wild berries grow in Kainuu, a region with 84,000 inhabitants in the central part of Mainland Finland. Berry picking has considerable economic significance due to the income from both picking and processing. The Oulujärvi Leader Local Action Group operating in

the region provided funds for development work on a dryer for processing natural products, and as a result of the project, a multi-purpose dryer prototype was created. The dryer will significantly improve the quality of the berries, mushrooms, herbs and vegetables dried, as well as speeding up the work and reducing the amount of handling of the products during the drying process.

The dryer is in use in Gurmetti Oy, a company that processes local natural products, for example, preserves, jams, sauces, spices and sweets. The project leader, Managing Director of the firm Veikko Heikkinen, praises the help and advice he received from the LAG when applying for the funding.

"I would like to see more of this type of consultation on the customer's terms," says Mr Heikkinen.

Local action groups, Employment and Economic Development Centres (T&E Centres) and rural typology in Finland

LOCAL ACTION GROUPS IN MAINLAND FINLAND

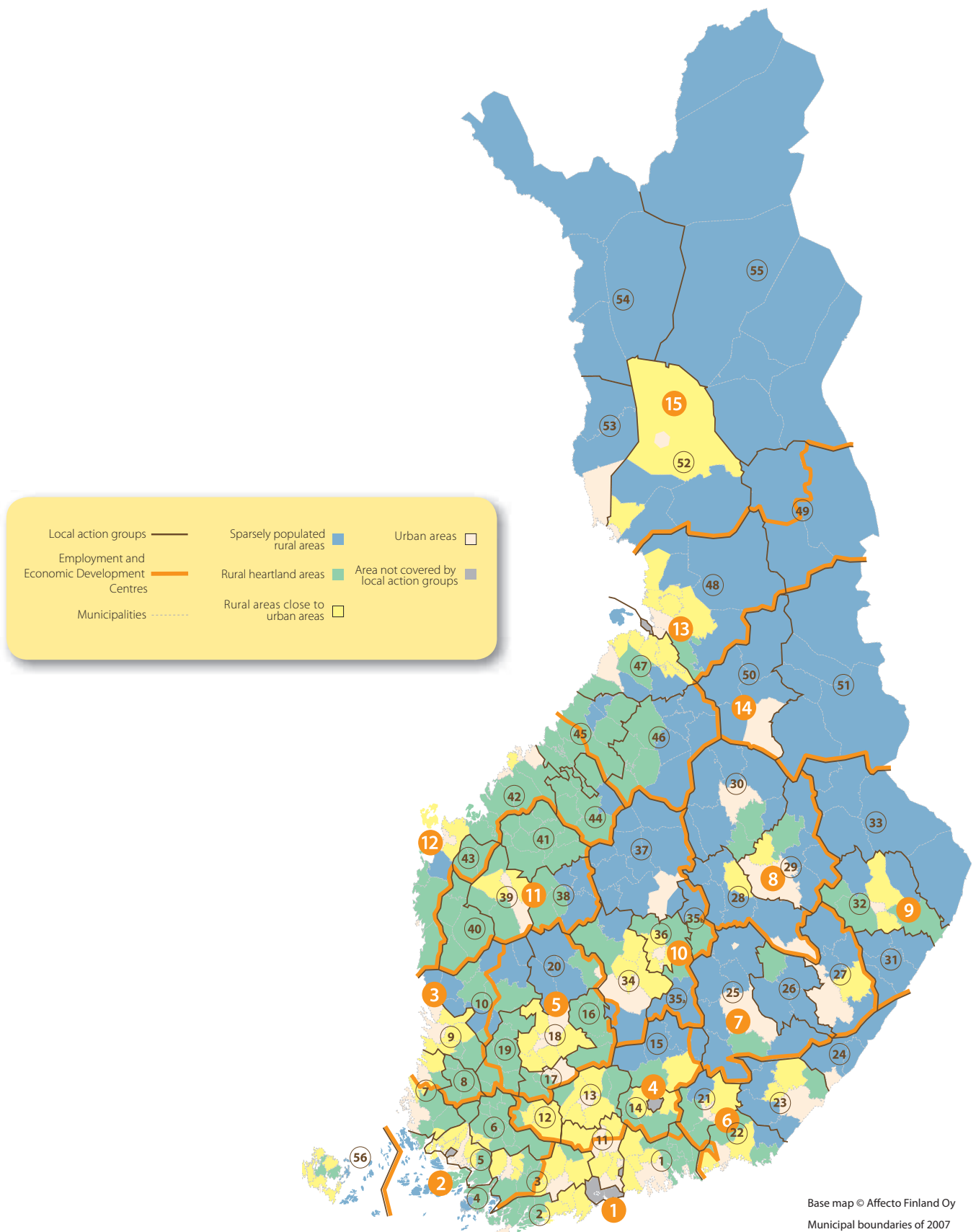
1. Local Action Group SILMU
2. Pomoväst rf
3. Ykkösakseli ry
4. In the Same Boat
5. Rural Wellbeing for SW -Finland
6. South-West Finland Riverside Partners Association
7. Regional Rural Development Association Ravakka
8. Pyhäjärvisseutu Local Action Group (Pyhäjärvisseutu LAG)
9. Karhuseutu development association
10. Aktiivinen Pohjois-Satakunta ry
11. Eteläisen maaseudun osaajat EMO ry
12. LounaPlussa ry
13. Häme Area Association for Rural Development
14. LAG Etpähä ry
15. Päijänne-Leader Local Action Group
16. Pomoottori ry
17. Pirkan Helmi ry
18. Kantri ry
19. Joutsenten Reitti LAG
20. PoKo ry
21. Growth of North Kymi ra
22. Development Association Sepra
23. Länsi-Saimaan kehittämissyhdystys ry
24. Etelä-Karjalan Kärki-LEADER ry
25. Veej'jakaja ry
26. Rajupusu Leader ry
27. Piällysmies ry
28. Rural Development Association Strawberry
29. Development Association Kalakukko
30. Rural Development Association of Upper Savo
31. Association for Rural Development at Central Karelia Jetina
32. Joensuu region LEADER
33. LAG Karelian Hills LEADER
34. Billhook-group
35. LAG Maaseutukehitys ry
36. Jyväsräihi ry
37. LAG Viisari
38. Kuudestaan LAG
39. Development Association of Seinäjoki Region
40. Suupohja Development Association
41. Aisapari LAG
42. Studieförbundet i Österbotten r.f.
43. Local Action Group YHYRES (LAG YHYRES)
44. Pirityiset ry
45. Rieska-LEADER ry
46. Keskipiste-Leader ry
47. The development association Nouseva Rannikkoseutu ry
48. Riverside's Modern Association of Rural Areas
49. Myötäle ry
50. Lake Oulujärvi LEADER
51. Kainuu Businesswoman Leader
52. LAG Peräpohjolan kehitys, Rural development association
53. Outokaira Tuottamhan ry
54. The Multitude of Village Culture In The Land of Mountains
55. The Northernmost Lapland Leader

LOCAL ACTION GROUP ON THE ÅLAND ISLANDS

56. LEADER on the Åland Islands

EMPLOYMENT AND ECONOMIC DEVELOPMENT CENTRES (T&E CENTRES)

1. Uusimaa
2. Varsinais-Suomi
3. Satakunta
4. Häme
5. Pirkanmaa
6. Southeastern Finland
7. South Savo
8. North Savo
9. North Karelia
10. Central Finland
11. South Ostrobothnia
12. Ostrobothnia
13. Northern Ostrobothnia
14. Kainuu
15. Lapland



Base map © Affecto Finland Oy
Municipal boundaries of 2007



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



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