DRAFT 26.5.2021

ACTION PLAN

Lapland University of Applied Sciences

EXTRA-SMEs - Improving policies to boost SME competitiveness and extraversion in EU coastal and rural areas where aquaculture is a driver of the regional economy

SME Competitiveness

Co-created spatial plan for Kemijoki river watercourse aquaculture

PART I – General Information

PROJECT: EXTRA-SMEs

PARTNER ORGANISATION: Lapland University of Applied Sciences

COUNTRY: Finland

NUTS2 REGION: FI1D (East and Northern Finland)

NUTS 3 REGION: FI1D7 (Lapland)

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PART II–Policy context

The Action Plan aims to impact:

Other regional development policy instrument

Name of the policy instrument addressed:

Lapland's food programme (Regional Council of Lapland, 2017)

The policy context and the contribution to improve the policy instrument

The action plan of Lapland will contribute to better implementation of the policy instrument addressed and mentioned above. The policy instrument is programme for the development of the sustainable food production in Lapland. The impact of the action plan on the use of funding in Lapland is indirect. The focus is on having policy change and improvements on the Lapland's food programme. These improvements, agreed by managing authority, will guide the use of structural and regional funds in the region of Lapland. Action plan will also provide specification benefiting the monitoring of the regional S3 where sustainable use of the natural resources, including the fish, is also highlighted. Better implementation of the Lapland's food programme means also better use of funding based on actual needs of stakeholders in the region. The entire process will benefit from implementing lessons learnt from other project partners during EXTRA-SMEs Phase 1.

This could mean good practices and findings from EXTRA-SMEs exchange of experiences, interregional workshops and joint deliverables supporting the collecting the project's good practise discovery processes with the other EXTRA SMEs partners. Main desired for the Lapland was to learn though the exchange of experiences to support entrepreneurship, to boost competitiveness, to learn how to extroversion of the region's SMEs, to find support on administrative practises. The main learning from the SMARTY SMEs partners for Lapland was to focus on improving the conditions enabling SME competitiveness activities for aquaculture and actions targeting more sustainable aquaculture and which will also impact on the business support services offered for SMEs in Lapland. To develop sustainable aquaculture business activities are based on sufficient spatial planning process engaging necessary stakeholders and interests' groups in to a process from the very beginning.

In Lapland the EXTRA SMEs Lapland stakeholder involvement (see later the introduction) including the management authority, was very intensive. Based on the expertise

of the stakeholders, the piloting area for the proposed action was selected. For aquaculture in Kemijoki river watercourse in Lapland (Picture 1).

Picture 1. Kemijoki river water course

The referred policy instrument could be utilised more effectively to support Kemijoki river-based aquaculture in the region. The funding available for SME Competitiveness, could be seen as one of the valuable approaches for new cooperation between universities, research and business intermediaries working actively with SMEs.

Regional Council of Lapland together with other responsible authorities (see stakeholders) iare committed to look for the developed policy change and proposals supporting the delivery of the proposed action plan. The key factor for a successful spatial plan is to engage all the relevant stakeholders and interest groups in the process from the first steps. The purpose is to benefit on co-creation method focusing on collaborative development of developing the new value for the aquaculture in Lapland together with experts and stakeholders .

PART III–Details of the actions envisaged

The policy instrument, Lapland's food programme 2025 (launched 2017) describes the aquaculture production in Lapland and its development potential by increasing the value of fish produce, quality assurance of fish products and training for professional. However, the targeted policy instrument does not describe the need to increase the fish production and how to surpass the bottlenecks (described below) of the fish production. It is agreed with regional council (MA) that this action should be included and delivered in the region based on accurate spatial planning involving all the necessary stakeholders. Regional council of Lapland is one of the legal entities on national level responsible for maritime spatial planning of coastal areas.

The requirement by Finnish or European law is not the same though than for fresh water courses in inland. For improvement local or regional policy this would mean more sustainable and viable fish production which would lead to growth of SMEs in the field of fish industry. Finland has one of the highest potentials for inland fishing industry development and sustainable protein production. With 188 000 lakes and hundreds of rivers, Finland offers enormous opportunities for sustainable fish production. Lapland as a region is almost 1/3 of the land and sea area of Finland and 550 km long Kemijoki watercourse is the longest river in the country. This plan would be a prime example to adapt spatial planning for inland watercourse creating new sustainable business. Best results will be reached by involving all the necessary stakeholders in the region and national level when required. Finnish freshwater resources are among Europe's most abundant in relation to population (Finnis Organic Farming Institute, 2021).

The challenges for higher production of fish in the watercourse of Kemijoki include, for instance: nutrient discharge from which may cause local eutrophication. To avoid such issues, environmental risks need to be assessed and solved sustainably. On the other hand, the overall load of the aquaculture has fallen in Finland by around 70 % if compared to early 90's. This offers a great potential for increasing the offer for local fish. Fish consumption has clear health benefits and salmonids are preferred by consumers. However, the general image of the aquaculture is still poor due to the incomplete information available for the public and poor reputation linked to the negative regional environmental impacts. Media have a clear impact on the public opinion as it is created primarily through contact with media rather than direct experience. As the media is an important source of information about the aquaculture, the way it present aquaculture issues has an impact on public opinion as well as authorities and political decision makers at the municipality level.

Finnish Government Programme includes strategic goal dynamic and thriving Finland. This goal includes programme promoting domestic fish and practising fishing in a way that secures sustainable fish stock. The programme aims among other things to double the consumption of the fish and triplicate the fish farming production (about 13 000 metric tons at the moment) in Finland. Most of the additional production will take place at Baltic Sea

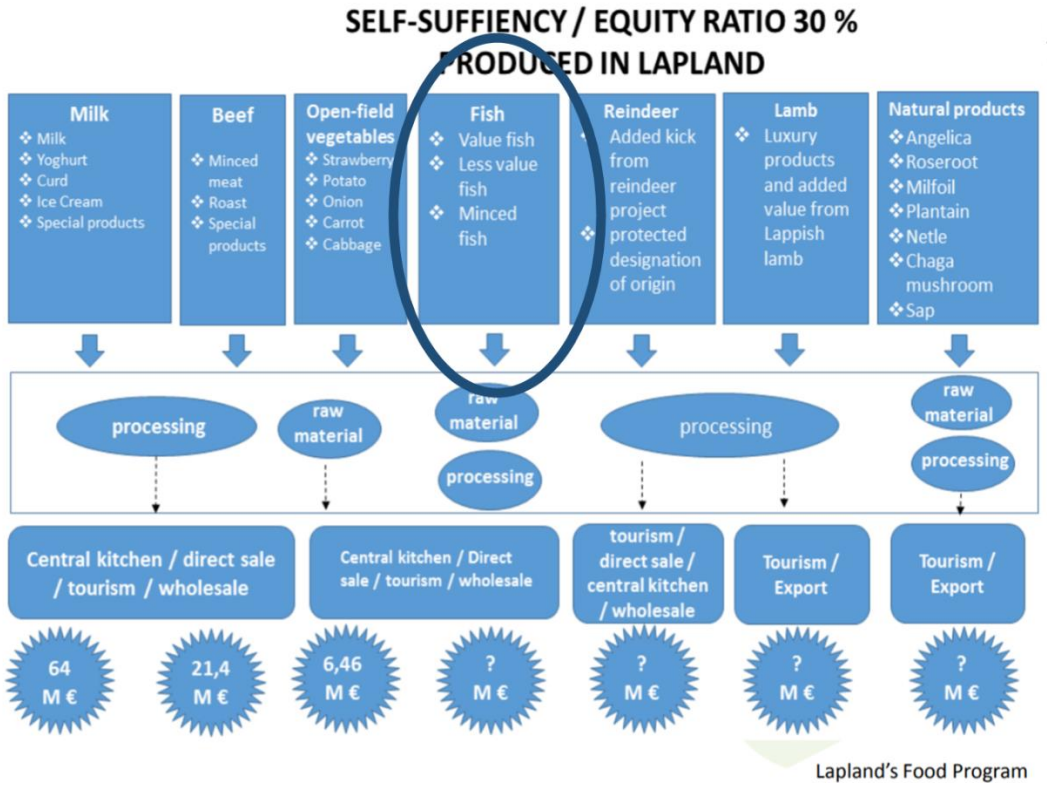
(pelagic/off-shore fish farm cages). However, the programme aims to increase the inland fish farming production, too.

ACTION 1. Fish farming potential at Kemijoki river watercourse: co-creation of the spatial planning supporting the sustainable fish farming

The background

The vision of Lapland's food programme is to reach self-sufficiency of 30 % in the selected foods. The vision includes the raw material production and refining of foods that are suitable for the Lapland's cli-mate circumstances. The main message of Lapland's food programme is how it is possible to create more entrepreneurship in food sector, support its profitability and that way improve the vitality of the rural countryside.

The programme also presents some of the actions that increase the profitability of food sector through the efficient use of local food and natural products in Lapland. The programme also describes how to build new business and income models in Lapland.



Picture 1: Lapland's food programme objectives

As stated earlier the Finland and Lapland has the biggest potential to develop the freshwater fishing and fish farming in EU. That will be put in to the practise in two levels:

- to encourage the use of the domestic fish
- to increase the fish farming to guarantee the domestic fish stock.

The potential of the fish farming industry in Lapland is very prominent but it is lacking the systematic sector specific strategic approach. Thank to EXTRA SMEs collaboration in Lapland the sector has been taken more frankly and its potential to support Lapland's food sector development has been acknowledged.

It was realised that starting point must be the systematic process of spatial planning involving widely different stakeholders and intergroups. That process is missing from the Lapland's food programme and is needed. That will the starting point for the both to support EXTRA SMEs objectives and expected change in Lapland:

- to increase the capacity of the public administration to effectively support SME competitiveness in the region – Enable regional authorities to effectively implement

policies on SMEs entrepreneurial development, internationalisation, and extraversion.
- awareness and consensus building among the wider aquaculture sector, the workforce and citizens to support measures for SMEs development - Raise Awareness on the benefits of modernisation of the aquaculture SMEs value chain.
- Incentivise investments, outwards-looking entrepreneurship, address limited access to finance, lack of knowledge, and inability to expand in wider markets.

The starting point for the strategic approach is to implement the spatial planning process with strong participatory planning approach, sustainable and green investment plan.

The Lapland action plan process is benchmarking an example from EXTRA-SMEs partner Western Development Council from Ireland presented in the relation of the . The content and process of the spatial planning and especially its stakeholder engagement (co-creation) part was presented during exchange of experiences in Sligo, Ireland at project meetings on 19-20 March 2019 (Harnessing Our Ocean Wealth (HOOW), Ireland's integrated marine plan). Particularly the overall statement "To give coastal communities and other stakeholders a clear role in determining how we plan for current and future uses and treatment of our marine territory" created the idea to adapt the practise also to be used in the fresh water territory in Lapland. Irish good practise was also pointed out as a recommendation in the project delivery "Comparative baseline analysis, "On existing regulatory frameworks for licencing procedures and EXTRA SMEs' economic operations, published April 2019.

The Lapland action will also benefit from the Online Interregional workshop on managing stakeholders' conflicts of interest organised 11 November 2020. Liguria Cluster for Marine Technologies introduced the Working Group on the subject, which is a part of the overall Liguria region approach insights for a correct integrated management approach of the sector at a region level. As a result of the working group collaboration also the guideline was developed to support further communication among the society.

Action: Co-creation of the spatial planning supporting the sustainable fish farming

From the Lapland's territory about the 7% is covered by the lakes and rivers. Farming of food fish should be directed towards suitable water areas both in Bothnia Bay (offshore farming) and inland waters. Another way to increase the production is to promote and bring into use new farming technologies like recirculating aquaculture systems. These activities will enhance management of aquaculture environmental impact

and enable the increase of the production by getting new permits for the production. In this action plan, focus will be on inland waters, namely Kemijoki river main water-course spatial planning.

Lapland action plan piloting area will be the Kemijoki river water course drainage area whcih is about 51 000 km^2. The average discharge of the Kemijoki river at the mouth of the river is 556 m^3 per second. 21 hydro power plants are located at the Kemijoki water course. The seven power plants at the Kemijoki's main river bed are among to ten largest in Finland. Because of the intensive power production, the major river is heavily regulated. However, the water quality is good, allowing the farming of salm-onids.

Picture 2. Location of the Kemijoki river water course (yellow area) on Lapland and the main spatial planning area

The Description of the process

Proposed action "co-creation of the spatial planning supporting the sustainable fish farming Case - Fish farming potential at Kemijoki river watercourse" is built on 4 complementary work packages: Aim of the action is to implement the exercise "Fish farming potential at

Kemijoki river watercourse: co-creation of the spatial planning supporting the sustainable fish farming.

WP 1: Launching and piloting the social licence to operate process in fish farming

Aim is to benefit from the identified good practises to develop adequate Lapland specific practise in stakeholder and interests group engagement in the spatial planning. Aim is to develop complementary practise to engage the overall spatial planning process with the communities and municipalities overall societal planning but also to land use planning processes. Develop practise will provide wider benefit for the sector and could be multiplied more widely in the region(s) and in livelihoods.

WP 2: Implementing the "Aquaculture spatial plan for the selected pilot area"

Aim of the spatial planning is to provide geographical expression to the economic, social, cultural and ecological policies of a society in the Kemijoki river watercourse. During the systematic assessment of land and water potential use for the aquaculture in the specific condition. As the result, the spatial plan the economic, environmental and social conditions most suitable for the aquaculture to select and adopt the best land/water-use options. From the very beginning, the sustainable and green transition criteria are supervising the process.

WP 2 Developing the digital platform supporting the knowledge sharing and communication

The communication is core in every modern process, and that was also highlighted in the selected good practises. Aim is to launch digital platform as a part of the existing regional platforms. That will support transparent and open dissemination flow. Very important is to pay attention to popularise the information easy to understand but also easy to access. Here will be also developed the ABC of co-creation of the spatial planning – supporting the open development processes.

WP 4 Integrated spatial plan documented

Final delivery is detailing the complete process in a one comprehensive document published in Digital platform. The Integrated spatial plan will summarise the different approaches used in overall process but also instruct "step-by-step" "How to develop successful Integrated Spatial Plan – Case Fish farming potential at Kemijoki river watercourse.

Organisations involved

The Lapland EXTRA SMEs stakeholders' participation has been very active and forward looking from the beginning. Stakeholders have formed a kind of group which is actively developing the joint

- Petri Muje, Project Manager, RDI coordinator, Lapland University of Applied Sciences/Future Bioeconomy expertise group

Policy instrument management authority

- Päivi Ekdahl, Development Manager, Regional Council of Lapland , Regional Development – regional management authority of ERDF and regional funding
- Lassi Kontiosalo, Natural resource specialist, Regional Council of Lapland, External Relations – monitoring the implementation of the Lapland's Food programme

Regional economic development and regulatory monitoring and licencing

- Jari Leskinen, Principal fisheries specialist, Center for Economic Development, Transport and the Environment (Economic Development/Fisheries sector, Lapland) – fisheries (incl. aquaculture) related funding
- Center for Economic Development, Transport and the Environment (Environment, Lapland) – environmental issues
- Regional State Administrative Agency - Aquaculture licencing authority

Research and education institutions (other than project partner)

- Petri Heinimaa, Principal specialist, Natural Resources Institute Finland – aquaculture research
- Saariniemi Jarmo, Site Manager, Lappia (vocational education)

Industry and land owners

- Markku Vierelä, Special planner, Metsähallitus/Wildlife Service Finland – aquaculture spatial planning (State owned water areas)
- Karjalainen Timo, CEO, Laitakarin kala Ltd
- Yrjö Lankinen, CEO, Savon Taimen group, Napapiirin Kala Ltd
- Mari Virtanen, Coordinator, Finnish Fish Farmers Association

Timeframe

- Proposed action final consultation and approval in the Lapland's Food programme

- In September -October 2021 developing the plan for the implementation of the "Fish farming potential at Kemijoki river watercourse: co-creation of the spatial planning supporting the sustainable aquaculture"
- Financial negations regionally October-December 2021
- Implementing project March 2022-Decemebr 2023

Estimated budget

The total budget of the action is 500 000-600 000€

Funding instrument

- REACT-EU – European Regional Development Fund
- AKKE – Regional Development Fund