

**The National Council for the Recovery of Ukraine from the  
Consequences of the War**

## **Draft Ukraine Recovery Plan**

**Materials of the “New agrarian policy”  
working group**

**July 2022**

## 1. Key issues to be solved within the framework of the Recovery Plan

*Situation in the agri-business sector before the war:* Agribusiness sector is one of the Ukraine's economic powerhouses: the industry had sustainably grown before the start of the full-scale war, showing 5–6% annual growth, with a share of agricultural production in GDP amounting to 10%, and taken together with processing of agricultural products, to 16%. Agriculture was one of the leaders of world production in terms of some types of food, ensuring trade equivalent to 6 percent of global calorie consumption. Ukraine was a leader in international trade in sunflower oil (world leader), rapeseed and barley (third and fourth respectively in the rating), and other products. Ukraine annually earned USD 22 billion from the trade in agricultural products and food products whose share was 41% of total exports.

*The development of industrial agricultural production in Ukraine made it possible to offset the impact of disparities in the levels of state support and lending costs with the countries of North America and the EU, and to compete successfully in international markets;*

*Introduction of the maximum amount of agricultural land into agricultural circulation resulted in the end of extensive growth (by increasing the land bank) and has led to a gradual transition to intensive growth by improving production technologies, production of higher value-added goods, renewal of equipment and storage facilities, development of processing sector.*

*Adoption of the land reform package not only launched the land market, but also significantly improved land relations, reduced corruption and raiding; and the agricultural sector became more attractive for investment due to the reform. Moreover, the land reform has become a basis for long-term development, and for example, for laying out orchards and vineyards.*

*The launched land reclamation reform has opened opportunities for agricultural producers to invest independently in expanding the area of irrigated land and reducing water supply losses, which leads to an increase in gross agricultural production.*

*The new Law of Ukraine "On Cooperation" has created an opportunity to develop cooperatives that unite hundreds and thousands of small and medium-sized agricultural farms, rising their competitiveness to the level of large agricultural holdings.*

### State of implementation of programme documents:

The key documents that determine the programme principles of agricultural policy in Ukraine are: the National Economic Strategy until 2030, the Concept of the State Target Programme for the Development of the Agricultural Sector for the Period until 2022, the Ordinance of the Cabinet of Ministers of Ukraine No. 688-p of 14 August 2019 "On approval of the Irrigation and Drainage Strategy in Ukraine until 2030", Ordinance of the Cabinet of Ministers of Ukraine No. 995-p of 23 September 2015 "On approval of the Concept of Rural Development", Ordinance of the Cabinet of Ministers of Ukraine No. 489-p of 19 July 2017 "On approval of the Action Plan for the Implementation of the Concept of Rural Development".

**Impact of the war on the defined analysis area:** The sea ports blockade has led to a substantial reduction in exports: from 6 to 7 million tons per month to 1.5 tons per month. That has led to a fall in domestic selling prices of agricultural products below the cost level, which threatens the bankruptcy of agricultural enterprises. If sea ports remain blocked until the new harvest begins, Ukraine's grain storage shortage will be up to 15 million tons, and a lack of funds from agricultural sales will jeopardize the 2022 harvesting and sowing campaigns.

According to the FAO's primary assessment, direct losses of assets in the sector can amount to USD 6.5 billion. Currently around 5 percent of agricultural land is damaged. The loss of available cultivated areas is over 25 percent, the loss of irrigated land is over 70 percent, the loss of berry fields is around 25 percent and the loss of orchards is 20 percent. The production cost has increased due to an increase in prices for fertilisers, fuel and seeds. Large land areas are dangerous for production due to damage and mine threat. Agricultural, warehousing, transport, energy and processing infrastructure facilities have been significantly destroyed.

Due to physical destruction of agricultural enterprises in the combat zone, the expected potential loss estimate is up to 30 percent of livestock. Moreover, there are challenges that were not addressed before the war: the difficulty of connecting to utility networks, protective barriers to entry of agricultural products into other markets (including EU quotas), incomplete adaptation of legislation in the field of safety, veterinary and phytosanitary control to EU *acquis*, problems with blocking tax invoices, insufficient capacities for transshipment and delivery of agricultural products to satisfy the growing needs of agricultural producers.

Key challenges (in general, for the defined area)	<ul style="list-style-type: none"> <li>❑ lifting the blockade and development of seaports, creation of alternative export routes</li> <li>❑ transformation and full provision of the environment for sustainable economic activity of all entities engaged in the agribusiness sector;</li> <li>❑ rapid recovery, creating new economic chains and supporting competitive processing industry;</li> <li>❑ providing all entities engaged in the agribusiness sector with high-quality end-to-end infrastructure: land, irrigation and drainage systems, funding, transport and logistics, utility networks;</li> <li>❑ restoration of safe physical and environmental condition of the lands;</li> <li>❑ overcoming corrupt practices and the shadow market of land and agricultural products, improving the investment climate;</li> <li>❑ balanced production of high- and low-margin products;</li> <li>❑ improvement of energy efficiency in the sector through the development of bioenergy;</li> <li>❑ achievement of the optimal level of physical and economic food security;</li> <li>❑ ensuring sustainable growth in the context of implementation of measures aimed at climate neutrality under the Green Deal.</li> <li>❑ Ukraine's timely compliance with its obligations regarding harmonisation of domestic legislation with the EU <i>acquis</i> under the Association Agreement</li> </ul>
Key opportunities (in general, for the defined area)	<ul style="list-style-type: none"> <li>❑ high level of support from the international community interested in the recovery of Ukraine as one of global guarantors of food security;</li> <li>❑ the recovery of the sector will provide an impetus for the development of related economic sectors: machinery and equipment, tertiary sector, trade, transport, chemical industry, etc.;</li> <li>❑ increase in crop yields by a factor of 2–3 due to the use of hydraulic land reclamation;</li> <li>❑ the package of laws on land reform and other deregulation and anti-corruption initiatives adopted by the Verkhovna Rada of the 9th convocation significantly improves the business climate in the agricultural sector;</li> <li>❑ the level of production per employed person can be increased by 6 times through increased processing and more intense implementation of digital technology;</li> <li>❑ the launch of the land market will help attract investment in capital-intensive production: orchards, berry plantations, and gives impetus to the development of land reclamation, infrastructure, increasing soil fertility.</li> </ul>
Key restrictions (in general, for the defined area)	<ul style="list-style-type: none"> <li>❑ a sharp drop in demand due to limited logistics, reduction in the sector profitability, liquidity shortage;</li> <li>❑ deterioration of the land quality;</li> <li>❑ limited access to funding for all entities engaged in the agribusiness sector;</li> <li>❑ reduced technical capacity of the sector;</li> <li>❑ shortage of qualified human resources;</li> <li>❑ lack of effective instruments for the improvement of competitiveness, structural transformation and economic sustainability of the entities engaged in the agribusiness sector in whole.</li> </ul>

## 2. Goals, tasks and stages of the Recovery Plan within the direction “New agricultural policy”

	Stage 1: June 2022 – end of 2022	Stage 2: January 2023 – December 2025	Stage 3: January 2026 – December 2032
<b>PROBLEM 1</b>			
Strategic goal	Economic transformation of the agribusiness sector		
Goal to be achieved to solve the issue during each stage	Maintaining the economic potential of the agribusiness sector	Restoration of the economic potential of the agribusiness sector	Rapid improvement of the economic performance of the agribusiness sector
Deadline within the stage	during the Stage	annually during the Stage	annually during the Stage
Risks related to the goal achievement	<ul style="list-style-type: none"> <li>☒ escalation of the military conflict, its expansion to other areas;</li> <li>☒ further destruction of supply chains;</li> <li>☒ lack of available funding, unavailability of credit resources;</li> <li>☒ bankruptcy of a large number of enterprises.</li> </ul>	<ul style="list-style-type: none"> <li>☒ insufficient funding, limited credit resources;</li> <li>☒ unfavourable investment climate, inadequate investor protection legislation, persistence of corruption;</li> <li>☒ lack of adequate state support;</li> <li>☒ lack of investment opportunities for market operators;</li> <li>☒ insufficient implementation of safeguard measures at the previous stage;</li> <li>☒ slow opening of prospective markets.</li> </ul>	<ul style="list-style-type: none"> <li>☒ insufficient funding, limited credit resources;</li> <li>☒ unfavourable investment climate, inadequate investor protection legislation, persistence of corruption;</li> <li>☒ lack of adequate state support;</li> <li>☒ lack of investment opportunities for market operators;</li> <li>☒ insufficient implementation of rehabilitative measures at the previous stage;</li> <li>☒ slow opening of prospective markets.</li> </ul>
Measurable goal achievement indicator	Ensuring food security. Completion of harvesting and sowing campaigns in 90 percent of the controlled cultivated areas.	A strong start during the post-war period. Recovery of the sector to the pre-war level.	50% of grain export potential will be processed. Increase in commercial production of livestock products by 20 to 85 percent.
Total funding requirement for the goal achievement	<p>UAH 3.4 billion (USD 113 million) for providing farmers with temporary crop storage facilities, given the lack of 15 million tons of storage capacities.</p> <p>UAH 84 billion (USD 2.8 billion) for crediting of the 2022 and 2023 harvesting and sowing campaigns based on the assumption that ports would remain blocked till the beginning of 2023.</p>	UAH 728 billion (USD 24.2 billion). Projects 5.1, 5.2, 5.3, 5.4, 5.5, 5.8, 5.9, 5.13, 5.14, 5.15, 5.16	UAH 843.5 billion (USD 28.1 billion). Projects 5.1, 5.2, 5.3, 5.4, 5.5, 5.10, 5.13, 5.14, 5.15, 5.16

	Stage 1: June 2022 – end of 2022	Stage 2: January 2023 – December 2025	Stage 3: January 2026 – December 2032
Links between the goal and other directions	<ul style="list-style-type: none"> <li>☐ State support and taxation</li> <li>☐ Financing and lending</li> <li>☐ European integration</li> </ul>	<ul style="list-style-type: none"> <li>☐ State support and taxation.</li> <li>☐ Funding and lending.</li> <li>☐ European integration.</li> <li>☐ Environmental conservation.</li> </ul>	<ul style="list-style-type: none"> <li>☐ State support and taxation.</li> <li>☐ Financing and lending</li> <li>☐ European integration.</li> <li>☐ Alternative energy development.</li> <li>☐ Environmental conservation.</li> </ul>
Tasks aimed at achieving goals	<ul style="list-style-type: none"> <li>☐ Production crediting and allocation of current funds for farmers.</li> <li>☐ Ensuring food security at a level not lower than the established threshold values of food security indicators</li> <li>☐ Taxation: abolition of the fuel excise tax, the VAT reduction, imposition of the tax rate of 2 percent of turnover.</li> <li>☐ Simplified regulation of the fuel sales, in particular, cancellation, for a period of martial law, of the fines for fuel sales by the entities engaged in the agribusiness sector, without the licenses for wholesale trade.</li> <li>☐ Imposing restrictions on the percentage of grain carriers and fuel transport vehicles which may be taken from an agricultural enterprise for military purposes.</li> <li>☐ Evacuation of national resources, collections, varieties, breeds, laboratory equipment, etc. from research institutions which were or are located in the active combat areas or in the areas where there is a risk of active combat.</li> <li>☐ Reduction of administrative burden from the Risk Assessment Criteria Monitoring System.</li> </ul>	<ul style="list-style-type: none"> <li>☐ Inventory of lost production units, including commodity production and processing units (projects 5.1, 5.2, 5.3, 5.4, 5.5).</li> <li>☐ Attraction of investment in the priority areas (projects 5.1, 5.2, 5.3, 5.4, 5.5).</li> <li>☐ Maintaining the purchasing power of the population through reduction in the VAT rate for food to 0 percent or 7 percent (after the abolishment of the martial law).</li> <li>☐ Restoring and setting out new orchards and berry fields (project 5.3).</li> <li>☐ Inventory of the technological readiness for commodity processing, launching new commercial production of equipment (project 5.5)</li> <li>☐ Localisation and production of agricultural machinery and equipment</li> <li>☐ Lending and insurance as main elements of state support (projects 5.1, 5.2, 5.3, 5.4, 5.5).</li> <li>☐ Development of the cooperative system, in particular the implementation of the taxation model for cooperatives applicable in the EU and the USA, i.e. “patronage dividends” (projects 5.3, 5.4).</li> <li>☐ “Unshadowing” of agricultural production: registration of all producers as market operators, ensuring traceability of products “from the field to the table” (project 5.5)</li> <li>☐ Implementation of a programme for return of qualified human resources to Ukraine and</li> </ul>	<ul style="list-style-type: none"> <li>☐ Launching production units for processing, including advanced processing, of grain and oleaginous crops (project 5.5).</li> <li>☐ Construction of seed factories (project 5.15).</li> <li>☐ Redirection of grain and oleaginous raw materials to the livestock sector (project 5.4).</li> <li>☐ Development of organic production (projects 5.3, 5.4, 5.5)</li> <li>☐ Opening new sales markets for fruit, livestock and processed products (projects 5.3, 5.4, 5.5).</li> <li>☐ Localisation and production of agricultural machinery and equipment, including tractors (projects 5.3, 5.4, 5.5)</li> <li>☐ Allocation of the main part of state support funds to finance lending and insurance programmes (projects 5.1, 5.2, 5.3, 5.4, 5.5).</li> <li>☐ Opening new sales markets for fruit, livestock and processed products (projects 5.3, 5.4, 5.5).</li> <li>☐ Implementation of world best practices of GMO control and distribution (project 5.13)</li> <li>☐ Connection to the electronic phytosanitary certificate management system of the Food and Agriculture Organisation of the United Nations (ePhyto) to provide the opportunity to obtain electronic international phytosanitary certificates (project 5.13).</li> <li>☐ Development of software to ensure full-fledged system operation in the format of an electronic</li> </ul>

	Stage 1: June 2022 – end of 2022	Stage 2: January 2023 – December 2025	Stage 3: January 2026 – December 2032
		<p>development of up-to-date sectoral expertise (projects 5.3, 5.4, 5.5)</p> <ul style="list-style-type: none"> <li>▣ Development of a new normative monetary evaluation methodology, which correlates with real yield, and in particular, takes into account the current soil moisture level.</li> <li>▣ Provision of incentives for employment of internally displaced persons in horticulture (project 5.3)</li> <li>▣ Establishment of a ban on unfair trade practices in relations between enterprises in the supply chains of agricultural and food products (project 5.5)</li> <li>▣ Combating food fraud: making a definition of food fraud and liability for food fraud at the legislative level (project 5.5)</li> <li>▣ Introduction of access of Ukrainian agricultural producers to high-quality meteorological services</li> <li>▣ Improving the quality of agricultural education: introduction of the principle of financing universities depending on the wage rates of graduates of such universities and on the principle of setting up supervisory boards of universities, composed mainly from university graduates and employers of those graduates</li> <li>▣ Financial autonomy of research organisations and their subdivisions in terms of the use of funds</li> <li>▣ Modification of the financing model for scientific developments (co-financing by the State of the developments funded by the business).</li> <li>▣ Implementation of activities aimed at obtaining an indefinite quota and duty free treatment of Ukrainian products from our strategic partners — the EU, the USA, Canada, Japan (projects 5.3, 5.4, 5.5).</li> </ul>	<p>grain owner's account having features similar to the client-bank system.</p> <ul style="list-style-type: none"> <li>▣ Development of the bioenergy sector taking account of the REPowerEU Plan (projects 5.2, 5.10).</li> <li>▣ Full implementation of commitments in the field of agriculture, sanitary and phytosanitary measures provided for in the EU-Ukraine Association Agreement, conducting audits (projects 5.5, 5.13)</li> <li>▣ Development of a “Smart Green Agreement”: gradual bringing of the requirements for Ukrainian agricultural producers in line with the EU Green Deal, with an account taken of Ukrainian national specifics (project 5.10)</li> <li>▣ Large-scale training of Ukrainian producers on the requirements of European <i>acquis</i> in the field of agriculture, sanitary and phytosanitary requirements, the EU Green Deal (projects 5.10, 5.13)</li> </ul>

	Stage 1: June 2022 – end of 2022	Stage 2: January 2023 – December 2025	Stage 3: January 2026 – December 2032
<b>PROBLEM 2</b>			
Strategic goal	Development of the agricultural infrastructure		
Goal to be achieved to solve the issue during each stage	Building new supply routes, exports enhancement, domestic logistics streamlining	Attracting investment in the agribusiness sector, in particular in the infrastructure. Engaging land areas in the economic circulation at the pre-war level	Diversification of export risks. Radical increase the efficiency of land use
Deadline within the stage	annually during the Stage	annually during the Stage	annually during the Stage
Risks related to the goal achievement	<ul style="list-style-type: none"> <li>❑ escalation of the military conflict, its expansion to other areas;</li> <li>❑ further destruction of supply chains;</li> <li>❑ lack of available funding, unavailability of credit resources;</li> </ul>	<ul style="list-style-type: none"> <li>❑ remaining hotspots of the military conflict;</li> <li>❑ limited regaining of control over the occupied territories;</li> <li>❑ insufficient funding, limited credit resources;</li> <li>❑ unfavourable investment climate, inadequate investor protection legislation;</li> <li>❑ insufficient implementation of safeguard measures at the previous stage;</li> <li>❑ lack of adequate state support;</li> </ul>	<ul style="list-style-type: none"> <li>❑ insufficient funding, limited credit resources;</li> <li>❑ unfavourable investment climate, inadequate investor protection legislation;</li> <li>❑ lack of adequate state support;</li> <li>❑ insufficient implementation of rehabilitative measures at the previous stage;</li> <li>❑ lack of investment opportunities for market operators.</li> </ul>
Measurable goal achievement indicator	Realisation of the export potential at the level of at least 60 percent of the potential capacity.	Diversification of logistics: increase in the export potential by ~12 million tons of cereal crops (1 million tons per month, 10 grain storages with a capacity of 100 thousand tons), foreign currency earnings of USD 3.5 billion per year. Land restoration: the economic effect of UAH 30 billion per year from the productive use of this land.	Development of the Danube River traffic: increase in the export potential by ~12 million tons of processed products, foreign currency earnings of USD 18 billion per year (at the price of USD 1,500 per ton). Commercialisation of scientific developments: +1 percent of the GDP.
Total funding requirement for the goal achievement	a 70% subsidy for the construction of grain and oil trans-loading terminals across the Ukraine-Poland border using oil pipelines and belt conveyors worth UAH 1.26 billion (USD 42 million). Total trans-loading capacity is 4 million tons grain and 1 million tons of oil per year.	UAH 111.7 billion (USD 3.7 billion). Projects 5.6, 5.7, 5.11, 5.12	UAH 2 billion (USD 60 million). Project 5.7

	Stage 1: June 2022 – end of 2022	Stage 2: January 2023 – December 2025	Stage 3: January 2026 – December 2032
	a 50% co-financing for the construction of a new transport corridor to the ports of Poland and Lithuania on the basis of a broad gauge, worth UAH 15 billion (USD 500 million). The capacity is about 1 million tons per month.		
Links between the goal and other directions	<ul style="list-style-type: none"> <li>☐ Financing and lending</li> <li>☐ European integration</li> </ul>	<ul style="list-style-type: none"> <li>☐ State support and taxation.</li> <li>☐ Funding and lending.</li> <li>☐ European integration.</li> </ul>	<ul style="list-style-type: none"> <li>☐ State support and taxation.</li> <li>☐ Financing and lending</li> <li>☐ European integration.</li> <li>☐ Environmental conservation.</li> </ul>
Tasks aimed at achieving goals	<ul style="list-style-type: none"> <li>☐ Implementation of the EU-Ukraine <i>Solidarity Lanes</i> Action Plan to improve Ukrainian agricultural exports and bilateral trade, including: optimisation of border crossing points, simplification of phytosanitary and customs clearance procedures for export cargoes containing agricultural products, and improvement of interaction between all transport participants by introducing an end-to-end trans-loading planning system and introducing electronic queues for vehicles in ports, etc.</li> <li>☐ Measures aimed at increasing storage capacities for cereal and oleaginous crops, in particular through the use of PET storage sleeves and temporary grain storage facilities.</li> <li>☐ Unblocking of sea ports. Active lobbying of “blue convoys” for ships entering Ukrainian ports for the purpose of export of agricultural products in international organisations.</li> <li>☐ Construction of a new transport corridor to the ports of Poland and Lithuania on the basis of a broad gauge.</li> </ul>	<ul style="list-style-type: none"> <li>☐ Building land infrastructure as an element of diversification of logistics supplies from Ukraine and as an alternative to sea ports (project 5.6),</li> <li>☐ creation of an alternate logistics corridor to the Baltic states through Poland (project 5.11).</li> <li>☐ Simplification of the utility connection procedures, in particular: allowing farmers to build infrastructure lines by themselves to connect to remote facilities and small distribution systems to connect household consumers (projects 5.2, 5.3, 5.5), OECD’s obligation to publish on the Internet the data on the available capacities.</li> <li>☐ Introduction of the “smart microgrid” concept — small green energy producers will have the right to sell their own electric power in “their village” (projects 5.1, 5.2, 5.3, 5.4, 5.5, 5.6)</li> <li>☐ Development of land reclamation, in particular: rehabilitation and construction of new reclamation systems, establishment of state reclamation infrastructure operators (managed by water users), promotion of the establishment and development of water user organisations and attraction of private investment in the construction of new reclamation systems (project 5.1).</li> </ul>	<ul style="list-style-type: none"> <li>☐ Development of the Danube River traffic as an efficient way to access the Central and Western European markets (project 5.7).</li> <li>☐ Development of new approaches to improve the investment attractiveness of land resources in order to expand biodiversity and expand the list of export commodity items (project 5.10).</li> <li>☐ Applied research and development in the food industry with the main goal to break new ground and obtain new innovative product lines in the raw material processing segment (project 5.5).</li> </ul>





5.1	Development of reclamation systems	Due to reduction in irrigated areas from 2.3 million hectares in 1990 to 0.6 million hectares in 2021 and losses caused by the aggression and climate change, the agriculture does not generate the maximum value added in some areas and is at risk due to growing drought in other areas. Irrigation enables to increase yield by 100 percent, EBITDA, in average, increases by USD 500 per hectare, and the payback period is up to 5 years for investment of UAH 2,500 per hectare.	Restoration of 100 percent of the destroyed and damaged reclamation infrastructure. Construction of new irrigation systems and other support infrastructure on the area of 1 million hectares. Restoration and construction of water management (drainage) systems on the area of 500 thousand hectares.	Increase in production by 8 million tons of cereal crops per year. Increase in proceeds by USD 2.5 billion per year. Increase in employment by 25 thousand jobs (7 thousand in the sector and 18 thousand in related sectors). Energy modernisation.	Ministry of Agrarian Policy and Food	UAH 120 billion (USD 4 billion)	State Budget, international loans and the EU donor aid	Amending legislation on reclamation systems management, financing reclamation systems construction and reconstruction projects	
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5.2	Bioenergy independence	<p>Energy independence will enable to solve critical strategic, industrial and social issues: out of 26.8 billion cub. m of gas consumed in 2021, the share of imported gas was 2.6 billion cub. m, and it was 16 billion cub. m in 2020. Domestic biogas production in Ukraine can cover consumption of 2 billion cub. m at the minimum tariff of EUR 500 per 1 thousand cub. m, which is more than twice lower than the spot price at the European exchanges. Corn silage, straw, as well as waste and humus at the ratio of 20:50:30 will become raw materials for biogas production.</p> <p>In the case of biomethane production from organic waste with the addition of not more than 20% of the silage of energy crops on the European market, an additional premium is paid for it.</p>	Partial energy independence, development of commercial production of biogas, construction of 333 plants for processing of agricultural crops and silage to biogas, provision of the market with 2 billion cub. m of domestically produced gas.	Improvement of the balance of payments; additional proceeds of up to 1.4 billion; prospective localisation of equipment production.	Ministry of Agrarian Policy and Food	UAH 108 billion (USD 3.6 billion)	State Budget, international loans and the EU donor aid	Introducing amendments to the legislation on alternative energy	REPowerEU, increase of bio-methane production in the EU from 18 to 35 billion cub. m in 2030
5.3	Fruit and vegetables in Ukraine	25 percent of berry fields and 20 percent of orchards were lost due to the war. Ukraine remains a net importer of vegetables, fruit and berries: the trade balance was - 0.5 billion dollars in 2021. There is a lack of jobs in rural areas. It is necessary to provide raw materials for the processing sector.	Restoring/ setting out new berry fields on the area of 49.8 thousand hectares, new orchards on the area of 230.7 thousand hectares and nuts on the area of 8.4 thousand hectares.	1,117 thousand jobs, USD 5.6 billion in revenues per year.	Ministry of Agrarian Policy and Food, Ministry for Communities and Territories Development, Ministry of Economy	UAH 210 billion (USD 7 billion)	State Budget, international loans and the EU donor aid	Introducing amendments to the legislation on state support	

5.4	Meat and dairy independence	The continuing decline in the livestock production capacity, primarily in the beef and dairy cattle segment, led to growing import dependence (up to 30 percent) and created risks for the food security of Ukraine. Livestock development is an opportunity to diversify sales channels for agricultural producers of cereal and oleaginous crops. Livestock recovery is the guarantee for existence of the processing industry.	In order to ensure balanced sector recovery, the commodity supply segment in the livestock breeding sector should increase by 480 thousand tons of pork (64%), by 160 thousand tons of beef (59%), by 500 thousand tons of poultry (36%), by 7 billion eggs (50%), and by 1.8 million tons of milk (20%). Grain feed consumption will increase by 85 percent, up to 18 million tons.	Up to 50 thousand new permanent jobs. Improvement of balance of payments from livestock product sales by USD 2.7 million; +12 percent of value added per employed person.	Ministry of Agrarian Policy and Food, Ministry of Economy, State Service of Ukraine for Food Safety and Consumer Protection	UAH 229.9 billion (USD 7.66 billion): Capital investments in the amount of UAH 165.6 billion (USD 5.52 billion), and working capital investments in the amount of UAH 64.3 billion (USD 2.14 billion)	State Budget, international loans and the EU donor aid	Permanent abolition of quotas and customs duties for processed products by the EU, the USA, the United Kingdom, Japan and Canada	Tax legislation of the EU, the USA, the United Kingdom, Japan and Canada
5.5	Export-oriented food factory: promotion and development of processing of products of plant origin	Raw materials (over 55 percent) and primary processing products (35 percent) continue dominating in the export structure of agricultural products. This model is ill-balanced and leads to low production level in the sector in whole. Ukraine annually loses USD 50 to 250 per ton of raw materials sold due to the lack of extension of the value added chain to processing.	Increase in raw material processing by 85 percent, from the current level of 20.1 million tons per year to 38.8 million tons per year in 2030. The share of raw material processing is 50 percent of the export potential. Production of deep processing products: starch, fibre, lecithin, special fats, protein concentrates, isolates, etc.	Increase of export earnings per conditional ton of raw materials sold by 40 percent (it would be USD 21 billion vs. USD 15 billion at the year-end 2021)	Ministry of Agrarian Policy and Food, Ministry of Economy	UAH 474 billion (USD 15.8 billion): UAH 306 billion (USD 10.2 billion), and working capital in the amount of UAH 168 billion (USD 5.6 billion)	State Budget, international loans and the EU donor aid	Permanent abolition of quotas and customs duties for processed products by the EU, the USA, the United Kingdom, Japan and Canada	Tax legislation of the EU, the USA, the United Kingdom, Japan and Canada

5.6	Construction of transshipment facilities and cross-border terminals in Western Ukraine	The difference in Ukrainian and European rail gauges creates the need for transit hubs on the western border to reload agricultural products from Ukrainian cars to the European cars, and also, for the construction of grain and oil trans-loading terminals across the Ukraine-Poland border using oil pipelines and belt conveyors. The project is feasible in terms of diversification of logistics risks and increased exports to the EU.	Construction of: - trans-shipment facilities with a capacity of at least 1 million tons; - cross-border terminals with the capacity of 4 million tons of grain and 1 million tons of oil per year.	Increase in the export potential by ~12 million tons of processed products; 4 million tons of grain, 1 ton of oil, foreign currency earnings of USD 6.2 billion per year.	Ministry of Agrarian Policy and Food, Ministry of Infrastructure	UAH 7.3 billion (USD 242 million)	International loans and the EU donor aid	Judiciary and law-enforcement reform, deregulation of the connection to engineering networks	
5.7	Development of export of agricultural products by river	The EU cargo transport infrastructure makes substantial use of the Danube River Basin, including for the delivery of agricultural products. The use of Ukrainian ports on the Danube River will enable to reduce the cost of logistics, increase the logistics capacity of the Ukrainian exports, intensify the exports of fruit and vegetables from the south of Ukraine as well as the exports of finished products.	Modernisation of the port infrastructure: construction of terminals with a storage capacity of at least 1 million tons. Development of own merchant fleet: purchase, long-term charter or lending for the construction of at least 100 vessels.	Increase in the export potential by ~12 million tons of fruit and vegetable products and processed products; foreign currency earnings of USD 18 billion per year.	Ministry of Agrarian Policy and Food, Ministry of Infrastructure	UAH 8 billion (USD 267 million)	International loans and the EU donor aid	Judiciary and law-enforcement reform, deregulation of the connection to engineering networks	

5.8	Return of agricultural land to the economic circulation	Around 5 percent of agricultural and related land has been damaged due to warfare. In this regard, it is important to take measures at the national level to return it to the economic circulation. They include the inventory of such land, calculation of its total area, classification, analysis and assessment of damages and losses, measures for its return: de-mining, remediation, conservation, as well as monitoring.	Return of all land resources damaged and lost in the agricultural sector to the economic use.	The economic effect of UAH 30 billion per year from the productive use of this land	Ministry of Agrarian Policy and Food State Emergency Service	UAH 48.2 billion (USD 1.61 billion)	International loans and the EU donor aid	CMU Resolution “On the Procedure for return of agricultural land to the economic circulation”	
5.9	Mapping Ukraine and implementation of the National Geospatial Data Infrastructure	Without providing up-to-date cartographic data, restoration and development of areas is impossible. The implementation of the NGDI, including land monitoring, will ensure the effective adoption of managerial decisions by public authorities and local self-governments, meeting the public needs in all types of geographical information, integration into global and European geospatial data infrastructure	Surveying and creation of an actual cartographic basis of the whole area of Ukraine. Filling National Geoportal with content	Effective use of geospatial data will lead to annual GDP increase of up to 1%	Ministry of Agrarian Policy and Food Ministry for Communities and Territories Development State Geocadastre	UAH 3.3 billion (USD 110 million)	State Budget, international financial organisations	NGDI development plan	

5.1 0	Promoting the transition of the agri-food sector to Green Growth	Adaptation to climate change and mitigation of its consequences must be at the heart of the medium-term transformation of agriculture and preparation for accession to EU. Most agricultural emissions are currently due to soil misuse and inefficient use of fertilisers, that's why future government support programmes and policies should encourage farmers to implement technologies to reduce GHG emissions and adapt to climate change while maintaining farm profitability. Public policy and support should also focus on creating an enabling environment for attracting climate/carbon funds and creating "smart" climate services and information gathering.	Preparation of an action strategy and plan for the adaptation of the agri-food sector in accordance with the EU Green Deal; Agricultural receipts and other legislation have been adapted to reduce the costs of monitoring, reporting and verifying GHG emissions; At least 60% of farmers have access to the soil maps necessary for precision farming; climate-smart agriculture technologies (i.e. no-till or minimum tillage technologies, precision farming, organic fertilisers, etc.) will be introduced on 40% of arable land by 2030	The economic effect will be achieved by reducing the instability of agricultural production due to climate change, additional investment resources for farmers, and maintaining/expanding access to the market with increased environmental requirements	Ministry of Agrarian Policy and Food	UAH 167 billion (USD 5.6 billion).	International financial organisations		
5.1 1	Construction of a new transport corridor to the ports of Poland and Lithuania on the basis of a broad gauge.	The difference in Ukrainian and European rail gauges seriously limits the opportunities for exports of agricultural products via Polish and Lithuanian ports. The construction of a broad-gauge railway through the territory of Poland will make it possible to connect the Ukrainian and Baltic railways into a single network. The project is feasible in terms of diversification of logistics risks and increased exports to the EU.	Creation of a new transport corridor that makes possible unhindered transportation of at least 1 million tons of products per month by rail.	The economic effect is achieved through reducing logistics risks by diversifying exports. The additional route will enable increasing exports by 12 million tons of grain per year	Ministry of Agrarian Policy and Food Ministry of Infrastructure	Total need: UAH 15 billion (USD 500 million)	State Budget, donor aid		

5.1 2	Maintaining the agricultural sector in the context of the sea port blockade	The sea port blockade makes it impossible for farmers to sell their products, leaving them without funds required for the 2022 harvesting campaign and the 2022–2023 sowing campaign. It is also important to solve the issue of yield storage given the shortage of 10 million tons of grain storage capacities. Given the lack of domestic resources, it is important to establish a special fund to finance those measures.	Providing farmers with necessary resources for the completion of harvesting and sowing campaigns. Preservation of the 2022 harvest until ports are unlocked, by purchasing and/or building temporary storage facilities	The economic effect of UAH 600 billion from the 2022 yield preservation and provision for the 2022–2023 sowing campaign.	Ministry of Agrarian Policy and Food	UAH 87.4 billion (USD 2.91 billion)	International loans and the EU donor aid		
5.1 3	Facilitation of the implementation of key reforms under the Association Agreement and the EU-Ukraine Deep and Comprehensive Free Trade Area in terms of plant health, and improving phytosanitary control to ensure compliance with EU requirements.	Implementation of the Association Agreement and the EU-Ukraine Deep and Comprehensive Free Trade Area is a key reform aiming at unimpeded movement of agricultural products and foodstuffs within EU and in the major part of the world. To date, only 64% of the commitments made in terms of the implementation of EU <i>acquis</i> have been fulfilled	Establishing a system of requirements to, and control of, the products “from the field to the table”, similar to EU requirements	The economic effect achieved through the creation of unimpeded movement of agri-food products between Ukraine and the EU, and through increasing other countries’ confidence in the Ukrainian control system	Ministry of Agrarian Policy and Food	UAH 120 million (USD 4 million)	EU donor aid		
5.1 4	Comprehensive planning of spatial development	Transformations in the field of decentralisation, spatial development and land relations in Ukraine, provided by the laws on the land reform	Comprehensive plans for the spatial development of the territories of all 1469	Increase in the annual budget revenues of each community by at	Ministry of Agrarian Policy and Food Ministry for	UAH 5.4 billion (USD 180 million)	Local budgets, international financial organisations	Amending some land legislation as regards spatial	



	and land use in the communities	package, as adopted in recent years, should give impetus to the process of attracting investment to significantly improve living standards and improve the quality of life in the settlements, and preserve historical and natural environment, and maintain effective management of resources of territorial communities. Comprehensive plans will ensure sustainable development of territories, taking into account state's, public and private interests, and will become an effective practical tool for managing the restoration of communities, saving money and reducing the risks of corruption, and also, for attracting investment.	communities have been created	least UAH 1 million, saving money on planning work up to 30%, a significant reduction in time for the development of planning documentation, attracting investment to communities.	Communities and Territories Development State Geocadastre			planning, and amending state land cadastre	
5.1 5	Development of seed production: construction of factories for the production of hybrid seeds	Plant industry in Ukraine is highly dependent on imported seeds. About 40% of hybrid seed is imported, which shows the potential for localisation of seed production. The construction of new factories for the production of hybrid seeds will increase the food security of the country, reduce the logistical costs of seeds and enable the development of Ukrainian breeding	Factories with a capacity of about 4 million seed units have been built	Substitution of imports of grain seeds by 100% in the equivalent of USD 370 million.	Ministry of Agrarian Policy and Food	UAH 10.5 billion (USD 350 million)	Foreign direct investment	Amendments to the law in terms of strengthening of liability for fraud, and as regards compliance with copyright, with appropriate royalty payments	
5.1 6	Prompt recovery of agribusiness sector after the war	FAO experts estimate the potential direct damage to Ukraine's agricultural assets since the start of the war at USD 6.5 billion. This includes destroyed irrigation infrastructure, storage facilities, machinery and other agricultural equipment, port infrastructure, greenhouses, field crops, livestock and processing plants. In order to restore the condition of the	Restoration of working condition of ~10,500 enterprises in the agribusiness sector that had to suspend their activities because of the war.	Agribusiness sector's share in the country's GDP — 18%. Industry's foreign currency earnings — USD 27.7 billion Restoration of 150 thousand jobs lost	Ministry of Agrarian Policy and Food	UAH 195 billion (USD 6.5 billion)	State Budget, international loans and the EU donor aid		

		agricultural sector to the pre-war level, funding is needed, and first of all, for the reconstruction of the lost assets.							
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#### 4. Necessary legal framework

No.	Title of the legal and normative act for the task	Contents of the drafted/amended legal and normative act	Public authority responsible for the drafting / amending of the legal and normative act	Deadline for development	Final date of entry into force	Status of the legal and normative act
5.1	Law of Ukraine “On Amending Certain Legislative Acts As Regards Improvement of the Management System for Utility Infrastructure Facilities of State-Owned Reclamation Systems”	Modification of the ownership and operational management model for reclamation infrastructure facilities, including establishment of the institution of reclamation system operators. Those amendments will promote attraction of private investment in the reclamation system.	Ministry of Agrarian Policy and Food	Developed	31.12.2022	Under consideration of the relevant public authority
5.2	Law of Ukraine “On Amending the Legislation on Alternative Energy Sources”	Setting the minimum price per cubic metre of gas produced from biological raw materials. If the market price goes below EUR 700, the State will pay compensation to the producer.	Ministry of Agrarian Policy and Food	31.12.2022	31.12.2023	Under preparation
5.3–5.7	Law of Ukraine “On Amending the Law of Ukraine “On State Support for Agriculture in Ukraine”	Providing for the possibility of granting state support through the mechanism for advance of costs and reimbursement of funds on a competitive basis.	Ministry of Agrarian Policy and Food	31.12.2022	31.12.2023	Under preparation
5.4–5.7	Law of Ukraine “On Amending the Law of Ukraine “On State Portfolio Guarantees”	Increasing the maximum turnover of the entity eligible to obtain state portfolio guarantees.	Ministry of Economy	1.6.2023	31.12.2023	Under preparation
5.8	CMU Resolution “On approval of the State Soil Protection and Remediation Programme”	Establishing the procedure for inventory of the land affected by warfare, establishing the policy for its conservation, rehabilitation, remediation and return to the agricultural commodity circulation.	Ministry of Agrarian Policy and Food	1.6.2023	31.12.2023	Under preparation

5.9	Law of Ukraine “On the Specific Features of Construction and Reconstruction of Reclamation Systems”	Setting up mechanisms for attracting private and public investment in the construction and reconstruction of reclamation systems, including trunk canals of national significance.	Ministry of Agrarian Policy and Food	1.6.2023	1.6.2024	Under preparation
5.10	Law of Ukraine “On Amending the Regulation of Innovation Activity and the Activity of Technology Parks”	Establishing mechanisms for financing of scientific developments in the agricultural sector, regulation of the implementation of those developments based on real business models, and project scaling-up.	Ministry of Economy, Ministry of Agrarian Policy and Food	1.6.2023	31.12.2023	Under preparation
5.11	Resolution of the Cabinet of Ministers of Ukraine of 28 December 2000 No. 1921 “On approval of the Regulation on the military transport duty”	Imposing restrictions on the percentage of grain carriers and fuel transport vehicles which may be taken from an agricultural enterprise for military purposes.	Ministry of Economy, Ministry of Agrarian Policy and Food	1.6.2022	31.12.2022	Under preparation
5.12	Law of Ukraine “On State Regulation of Production and Marketing of Ethanol, Cognac and Fruit Spirits, Alcoholic Beverages, Tobacco Products, Liquids Used in Electronic Cigarettes, and Fuels”	Simplified regulation of the fuel sales, in particular cancellation of licences for fuel storage and sale for entities engaged in the agribusiness sector for the martial law period.	Ministry of Economy, Ministry of Agrarian Policy and Food	1.6.2022	31.12.2022	Under preparation
5.13	Tax Code of Ukraine and the CMU Resolution No. 1165 “On approval of the procedures for suspension of the registration of a tax invoice/ adjustment calculation in the Unified Tax Invoice Register”	Reduction of administrative burden from the Risk Assessment Criteria Monitoring System.	Ministry of Finance	1.6.2022	31.12.2022	Under preparation
5.14	Tax Code of Ukraine	On implementation of a new taxation model for agricultural cooperatives — patronage dividends	Ministry of Finance	1.6.2022	31.12.2022	Under preparation
5.15	Draft Law of Ukraine “On Amending Certain Legislative Acts of Ukraine As Regards Improvement of the Efficiency of Agricultural Land Use by Public Sector Entities”	On the effective use of lands in permanent use by state-owned enterprises.	Ministry of Agrarian Policy and Food	1.6.2022		
5.16	Draft Law of Ukraine “On Land Defragmentation”	Elimination of shortcomings of current land use. Formation of economically justified land tenures and land uses on lands of all categories.	Ministry of Agrarian Policy and Food	1.6.2022	31.12.2022	Under preparation
5.17	Draft Law of Ukraine “On Amendments to Certain Legislative Acts of Ukraine as Regards Improvement of the Mechanism of Free Privatisation of Land Plots”	Maximum reduction of free privatisation as the main source of corruption in the land sector	Ministry of Agrarian Policy and Food	1.6.2022	31.12.2023	Under preparation
5.18	Draft Law of Ukraine “On Amendments to Certain Legislative Acts of Ukraine as Regards	Ensuring soil fertility and agricultural production	Ministry of Agrarian Policy and Food	1.6.2022	31.12.2023	Under preparation

	Protection of Soils and Reproduction of Their Fertility”					
5.19	Draft Law of Ukraine “On Comprehensive Reformation of the Rights to Permanent Use of Land Plots”	Transition from post-Soviet to market forms of land use.	Ministry of Agrarian Policy and Food	1.6.2022	1.6.2023	Under preparation
5.20	Draft Law of Ukraine “On Improving the Turnover of Agricultural Land, Including Liberalisation Through the Establishment of the Right to Buy Back Plots of Land Under Household Yards, Structures and Orchards on the Lands Owned by the State and Communities”	Determination of mechanisms for the purchase of land plots under real estate assets and perennial plantations.	Ministry of Agrarian Policy and Food	1.6.2022	31.12.2023	Under preparation
5.21	Draft Law of Ukraine “On the Legal Status of Forestry Lands and Simplification of the Procedure for Entering Data on Those in the State Land Cadastre”	Determination of the legal regime and the procedure for the creation of private and communal forests, and entering data on those in the State Land Cadastre.	Ministry of Agrarian Policy and Food	1.6.2022	1.6.2023	Under preparation
5.22	Draft Law of Ukraine “On Land-Use Restrictions”	Expansion of the range of restrictions and facilities under special land tenure regime thereunder Integration of data on those with the data on other facilities in the State Land Cadastre, and in other public electronic registers.	Ministry of Agrarian Policy and Food	1.6.2022	1.6.2023	Under preparation
5.23	Draft Law of Ukraine “On Land Consolidation”	Optimisation of agricultural land use by forming areas convenient for agricultural production.	Ministry of Agrarian Policy and Food	1.6.2022	31.12.2023	Under preparation
5.24	Draft Law of Ukraine “On Amendments to Certain Legislative Acts of Ukraine as Regards Ensuring Rights of Employees of State-Owned Agricultural Enterprises, Institutions, and Organisations, to Receive a Land Plots (Shares)”	A mechanism for the privatisation of current state-owned agricultural enterprises (both assets and land) is hereby established	Ministry of Agrarian Policy and Food	1.6.2022	31.12.2022	Under preparation
5.25	Draft Law of Ukraine “On Amendments to Certain Legislative Acts of Ukraine as Regards Development of Area Spatial Planning, and State Land Cadastre”	The contents of the documentation on spatial planning will be adapted to the objectives of the restoration of community territories during military operations.	Ministry of Agrarian Policy and Food	1.6.2022	1.6.2023	Under preparation
5.26	Draft Law of Ukraine “On Amending the Tax Code of Ukraine”	The financial model of sustainable functioning and development of the State Land Cadastre and spatial planning is determined.	Ministry of Agrarian Policy and Food	1.6.2022	1.6.2023	Under preparation
5.27	Draft Law of Ukraine “On Amending the Budget Code of Ukraine”	The financial and budget model of sustainable functioning and development of the State Land Cadastre and spatial planning is determined.	Ministry of Agrarian Policy and Food	1.6.2022	1.6.2023	Under preparation

5.28	Draft Law of Ukraine “On Amendments to Certain Laws of Ukraine As Regards Streamlining of the Use of Lands in the Process of Restoration”	Restrictions on the use of lands affected by the hostilities are imposed, and stimulation of the rational use, investments and reclamation of these lands is introduced.	Ministry of Agrarian Policy and Food	1.6.2022	1.6.2023	Under preparation
5.29	Draft Law of Ukraine “On the Registration of Land Plots by Surveying Engineers”	Granting the right to certified land surveyors to register land plots based on the implementation of the pilot project (in order to reduce corruption risks).	Ministry of Agrarian Policy and Food	1.6.2022	1.6.2023	Under preparation
5.30	Resolution of the Cabinet of Ministers of Ukraine “On amendments to certain resolutions of the Cabinet of Ministers of Ukraine as regards development of the State Land Cadastre (No. 1051 et al.)	Expansion of the list of facilities and information in the State Land Cadastre.	Ministry of Agrarian Policy and Food	1.6.2022	1.6.2023	Under preparation
5.31	Resolution of the Cabinet of Ministers of Ukraine “On amendments to certain resolutions of the Cabinet of Ministers of Ukraine as regards development of the spatial planning (No. 926 et al.)”	Supplementing the procedure for developing documentation on spatial planning with norms regulating restoration of territories.	Ministry of Agrarian Policy and Food	1.6.2022	1.6.2023	Under preparation
5.32	Resolution of the Cabinet of Ministers of Ukraine “On drawing up the list of lands in need of restoration, and the Procedure for carrying out restoration works”	Determination of lands in need of restoration as a result of hostilities, and the Procedure for carrying out works on their restoration	Ministry of Agrarian Policy and Food	1.6.2022	1.6.2023	Under preparation
5.33	Resolution of the Cabinet of Ministers of Ukraine “On the Procedure for compensation for damage and losses caused to the land fund”	Determination of the Procedure for compensation for damage and losses caused to the land fund by the hostilities	Ministry of Agrarian Policy and Food	1.6.2022	31.12.2022	Under preparation
5.34	Draft Resolution of the Cabinet of Ministers of Ukraine “On amending the Procedure for Maintaining State Land Cadastre as approved by the Resolution of the Cabinet of Ministers of Ukraine No. 1051 of 17 October 2012”	Entering information on the land reclamation network and a component part of the land reclamation network in the State Land Cadastre.	Ministry of Agrarian Policy and Food	1.6.2022	31.12.2022	Under preparation
5.35	Draft Law of Ukraine “On Attracting Investments in the Development of Aquaculture”	The act determines the legal and organisational principles of management of state-owned assets that may become facilities attracting investment based on a concluded agreement on investments in the development of aquaculture, with a view to creating favourable conditions for, and increasing productivity, and development of, the aquaculture industry in Ukraine.	Ministry of Agrarian Policy and Food	1.6.2022	31.12.2022	Under preparation

5.36	Draft Law of Ukraine “On Amending the Tax Code of Ukraine in Terms of setting Reduced VAT for Foodstuffs”	Sets a reduced VAT on foodstuffs.	Ministry of Agrarian Policy and Food	1.10.2022	31.12.2022	under preparation
5.37	Draft Law of Ukraine “On Protection of Plants”	Revision, updating and bringing public regulation of quarantine and plant protection in line with EU acquis.	Ministry of Agrarian Policy and Food		31.12.2022	Registered with the Verkhovna Rada
5.38	Draft Law “On Amending Certain Laws of Ukraine as Regards Foodstuffs and Other Items Subject to Sanitary Measures”	Setting requirements as regards traceability of foodstuffs, making a definition of food fraud and establishing liability for food fraud.	Ministry of Agrarian Policy and Food	1.10.2022	1.3.2023	under preparation