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# Analysis of the state and prospects of sustainable rural development in Ukraine in the context of European integration (Analytical note)

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Implemented by



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## **About the Project “German-Ukrainian Agricultural Policy Dialogue” (APD)**

The project “German-Ukrainian Agricultural Policy Dialogue (APD)” has been implemented with the support of the Federal Ministry of Food and Agriculture (BMEL) since 2006 and is currently being implemented until 2024 at its request through the executor of GFA Consulting Group LLC, as well as a consortium consisting of IAK Agrar Consulting, Leibniz Institute for Agricultural Development in Transition Economies and AFC Agriculture and Finance Consultants GmbH. The recipient of the project is the National Association of Agricultural Advisory Services of Ukraine “Dorada”. The beneficiary of the project is the Ministry of Agrarian Policy and Food of Ukraine. The project should support Ukraine in the areas of sustainable agriculture, efficient processing industry and international competitiveness in accordance with the principles of market and regulatory policies taking into account the development potential that arises under the Association Agreement between the EU and Ukraine. To meet this goal, the Project should provide information on German experience, in particular, East German, as well as international European experience in development of agrarian and forestry policy framework, as well as on the organization of relevant agrarian and political institutions.

The APD consists of two thematic pillars, one of them – the land component – is managed by BVVG German AgriForest Privatization Agency, a state-owned enterprise that is responsible for the administration of state-owned agricultural and forestry land in (Eastern) Germany. Under the land component, the project offers an exchange of experience and know-how between Ukrainian and German land management experts from BVVG and additional German land management institutions. The land component focusses on political, legal and technical issues related to land management and accompanies the current discussions in Ukraine concerning land market development.



[www.apd-ukraine.de](http://www.apd-ukraine.de)

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## INTRODUCTION

Ukraine is now at a stage in its history when any thoughts about development, let alone sustainable development, seem not very relevant or even appropriate. A state that is fighting for its right to exist is not concerned with sustainability - it is about basic survival, and therefore all efforts and resources are now primarily directed at achieving victory in this war, because without victory there will be neither sustainability nor, in fact, a state.

However, even in times of war, potential post-war problems and future needs should not be overlooked - the country should be prepared for post-war challenges that will be no less tragic, but no less difficult.

In addition, development does not stop during a war. Moreover, the prospects of winning the war depend crucially on the cohesion and resilience of society, on the economic and financial capacity of the state.

Ukraine has set an example of resilience for the world, and now we need to start preparing the ground for a transition to sustainable development based on resilience in defending the state.

Therefore, the development and implementation of sustainable development approaches in all key areas of life remains relevant today, and after the war is won, its relevance will increase many times over. One of these areas is rural development, where sustainability (or lack thereof) is always the most pronounced and obvious.

## DEFINITION OF THE CONCEPT

Sustainable development is one of the fundamental concepts on which globally recognised approaches to development strategy and planning are currently based. The concept of sustainable development implies the need to strike a balance between meeting the current needs of humanity and protecting the interests of future generations, both in terms of necessary resources and a safe environment.

One of the most well-known and, at the same time, understandable definitions of sustainable development is the formulation contained in the report "Our Common Future"<sup>1</sup>, which was presented to the UN in 1987 by the World Commission on Environment and Development (the so-called "Brundtland Commission"):

*"development that meets the needs of the present without compromising the ability of future generations to meet their own needs"*

It should be noted that in Ukraine, the concept of sustainable development is not always interpreted accurately and correctly enough. Obviously, one of the reasons for this is the

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<sup>1</sup> Report of the World Commission on Environment and Development: note / by the Secretary-General. [UN. Secretary-General; World Commission on Environment and Development](#). 1987. Source: <https://digitallibrary.un.org/record/139811>>. Text: <https://sustainabledevelopment.un.org/content/documents/5987our-common-future.pdf>

not entirely successful (accurate) translation of the corresponding English term "sustainable development". If we try to translate "sustainable" literally, we see that it means development that is "able to sustain itself". Unfortunately, the official term "sustainable development" established in the Ukrainian language does not exhaustively describe the essence of the concept, and therefore we sometimes have completely different understandings and applications of the term "sustainability".

For example, it is often assumed that sustainability of development is its permanence, manifested in a steady increase in economic and/or other indicators. However, this understanding is wrong and can even be harmful. The constant current growth may just exhaust the capacity for sustainability, i.e., for maintaining the potential for development both now and in the future.

Another not entirely accurate understanding of sustainability is balance. Yes, balance is an important component of sustainability, but sustainability is far from being limited to its balance. What is (or looks) balanced at the moment is not always viable and sustainable in the long run.

Another understanding of sustainability is resilience. Quite often, the term "sustainable development" is even used as a synonym for "sustainable development". Obviously, resilience is one of the closest concepts to the original term "sustainability". However, it is also not a complete equivalent, as resilience is often understood as the ability to resist external influences, while sustainability is more about the internal state of the system.

Additional arguments in favour of the fact that the translation used in Ukrainian is not entirely accurate in essence are the German (*nachhaltig*<sup>2</sup>) and French (*durable*<sup>3</sup>) terms. Both of them have a similar meaning: (long) lasting, durable, long-lasting, strong, stable.

At the same time, it should be noted that the term "sustainable development" in the Ukrainian language is indeed well-established, and that it is mostly understood and interpreted in the society in the sense of "sustainable development". In the past, the term "sustainable development" was also used quite often (by analogy with the term "sustainable development" used in official Russian-language versions of UN documents). However, in recent years, the term "sustainable development" has been used more often, including in official state documents, including regulatory acts.

The meaning of the term "sustainable development" is not specifically defined in any act of Ukrainian legislation. In official documents, this term is already found in the translation of the UN General Assembly resolution of 25 September 2015<sup>4</sup>, which approved the

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<sup>2</sup> **nachhaltig** - long-lasting; persistent, steady; deep, unforgettable (*about an impression*). Corresponding verb: **nachhalten** - to last for a long time (*about the effect of something*); to be held, preserved (V. Muller, Great German-Ukrainian Dictionary. - K.: 2005)

<sup>3</sup> **durable** - long-lasting, long-lasting; strong. Corresponding noun: **durabilite** - **durability**, strength (French-Ukrainian Dictionary. Ukrainian-French Dictionary / edited by V. Busel - K.: 2012)

<sup>4</sup> Resolution adopted by the General Assembly on 25 September 2015, 70/1. **Transforming our world: The 2030 Agenda for Sustainable Development** (Source: <https://www.undp.org/uk/ukraine/publications/%D0%BF%D0%B5%D1%80%D0%B5%D1%82%D0%B2%D0%BE%D1%80%D0%B5%D0%BD%D0%BD%D1%8F-%D0%BD%D0%B0%D1%88%D0%BE%D0%B3%D0%BE-%D1%81%D0%B2%D1%96%D1%82%D1%83->

Sustainable Development Goals. Since then, this term has been used in almost all official documents.

It is also used in the Decree of the President of Ukraine<sup>5</sup> , which refers to the implementation of the Sustainable Development Goals.

Sustainable development has three key and integral components: economic, environmental and social. Here is one of the most common ways to present the sustainability framework in the form of a graphic diagram<sup>6</sup> :



Соціум – Society. Довкілля – Environment. Економіка – Economy. Стійкий – Sustainable. Терпимий – Patient. Справедливий – Fair. Життєздатний – Viable.

It is important that true sustainability can only be achieved at the intersection of all three dimensions, and distortions in any direction negatively affect the desired balance. In fact, sustainability is about balance, harmony, and equilibrium.

It is also important that the concept of "development" from a sustainability perspective is not the same as "growth", but means improvement and positive change in a broad sense. Because current growth (economic, welfare, etc.) can be caused by a distortion that can ultimately have a negative impact on sustainability (for example, economic growth with simultaneous environmental degradation).

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%D1%80%D0%BE%D0%B7%D0%B2%D0%B8%D1%82%D0%BA%D1%83-%D0%B4%D0%BE-2030-  
%D1%80%D0%BE%D0%BA%D1%83)

<sup>5</sup> Decree of the President of Ukraine "On the Sustainable Development Goals of Ukraine for the period up to 2030" of 30 September 2019 No. 722/2019 <https://zakon.rada.gov.ua/laws/show/722/2019#Text>

<sup>6</sup> Retrieved from here: <http://ssi.org.ua/blog/shcho-take-stalyi-rozvytok>

# REGULATORY FIELD

## UN SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals, as mentioned above, were adopted by the UN General Assembly on 25 September 2015 (Resolution 70/1 "Transforming our world: The 2030 Agenda for Sustainable Development").

A total of 17 goals have been set for the period until 2030.

At least half of these seventeen goals are directly or indirectly related to agricultural and rural development policy:

*1) overcoming poverty;*

*2) overcoming hunger, achieving food security, improving nutrition and promoting sustainable agricultural development;*

*3) ensuring a healthy lifestyle and promoting well-being for all at all ages; ...*

*8) promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; ...*

*11) ensuring the openness, security, resilience and environmental sustainability of cities and other settlements;*

*12) ensuring the transition to rational consumption and production models;*

*13) taking urgent measures to combat climate change and its consequences; ...*

*15) protecting and restoring terrestrial ecosystems and promotion of their rational use, rational forest management, combating desertification, halting and reversing the process of land degradation and halting the loss of biodiversity.*

The Sustainable Development Goals were adapted in Ukraine through inclusive consultations, the results of which were summarised in the National Report "Sustainable Development Goals: Ukraine" (2017)<sup>7</sup> .

In 2020, the first "Voluntary National Review on the Sustainable Development Goals in Ukraine" was prepared<sup>8</sup> , which assesses Ukraine's progress towards achieving the Goals. It should be noted that in this review, most of the goals that are somehow related to rural development (goals 11, 12, 13, 15) were placed in the category of low or very low probability of achievement.

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<sup>7</sup> The national report is available on the website of the Ministry of Economy <https://www.me.gov.ua/Documents/List?lang=uk-UA&id=938d9df1-5e8d-48cc-a007-be5bc60123b8&tag=TSiliStalogoRozvitku>

<sup>8</sup> The overview is available on the website of the Ministry of Economy <https://www.me.gov.ua/Documents/List?lang=uk-UA&id=938d9df1-5e8d-48cc-a007-be5bc60123b8&tag=TSiliStalogoRozvitku>

# LEGISLATION OF UKRAINE. STRATEGIES AND PROGRAMMES

## LEGISLATION

The requirement to take into account the Sustainable Development Goals of Ukraine when planning the development of the state is contained in the relevant Decree of the President of Ukraine "On the Sustainable Development Goals of Ukraine for the period up to 2030" :<sup>9</sup>

*The Sustainable Development Goals of Ukraine for the period up to 2030 are the benchmarks for drafting forecast and programme documents, as well as draft regulations to ensure a balance between the economic, social and environmental dimensions of Ukraine's sustainable development.*

The Law of Ukraine "On the Basic Principles (Strategy) of the State Environmental Policy of Ukraine for the Period up to 2030"<sup>10</sup> defines the regulatory framework for the environmental component of sustainable development. In particular, the Sustainable Development Goals and their achievement in Ukraine are listed in the list of environmental policy principles

*The main principles of the state environmental policy are: ...*

*Ukraine's achievement of the Sustainable Development Goals (SDGs), which were approved at the United Nations Sustainable Development Summit in 2015;*

*promoting balanced (sustainable) development by achieving a balance of development components (economic, environmental, social), focusing on the priorities of balanced (sustainable) development; ...*

The law sets targets for sustainable consumption and production, sustainable development of natural resource potential, sustainable water and land use, sustainable low-carbon economic development, and a sustainable waste management system.

The law sets thirty digital indicators for assessing the implementation of the state environmental policy as of 2015 (baseline), 2020, 2025 and 2030.

It is noteworthy that the term "sustainable" is used synonymously with "balanced" in this law.

In 2019, the Government approved a list of indicators for data collection to monitor the implementation of the Sustainable Development Goals by its order "Issues of data collection for monitoring the implementation of the Sustainable Development Goals"<sup>11</sup> , which

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<sup>9</sup> Decree of the President of Ukraine "On the Sustainable Development Goals of Ukraine for the period up to 2030" of 30 September 2019 No. 722/2019 <https://zakon.rada.gov.ua/laws/show/722/2019#Text>

<sup>10</sup> (Bulletin of the Verkhovna Rada (VRU), 2019, No. 16, p.70) <https://zakon.rada.gov.ua/laws/show/2697-19#Text>

<sup>11</sup> CMU Order of 21 August 2019 No. 686-r <https://zakon.rada.gov.ua/laws/show/686-2019-%D1%80#Text> (no list of indicators!)



includes data collection for monitoring the implementation of the Sustainable Development Goals, data disclosure, and coordination of work on the development of metadata for indicators.

The Law of Ukraine "On the Principles of the State Regional Policy"<sup>12</sup> defines the principle of sustainable development as one of the principles of the state regional policy:

*10) Sustainable development - development of society to meet the needs of the current generation while taking into account the interests of future generations;*

Amendments to the law were adopted during the full-scale war, in July 2022<sup>13</sup>, they take into account current realities and the need to change public policy in line with these realities.

Sustainability in this law is present not only at the level of principles - among the functional types of territories, one of the types is defined as territories of sustainable development

*6. Territories of sustainable development are self-sufficient micro-regions, territorial communities with the existing socio-economic potential of the territories and capable of balanced development in the economic, social and environmental spheres.*

The law also stipulates that state support for regional development should be based on the principle of sustainability of results, among other things

*8) Sustainability of results - ensuring a stable long-term effect, preserving the positive results obtained in the long term.*

This law defines a system of interconnected strategic planning documents for state regional policy, and thus all these documents should be based on the above principles, i.e. take into account the need to ensure sustainability. At the national level, such a document is the State Strategy for Regional Development - see below.

## **STRATEGIC DOCUMENTS**

Unfortunately, Ukraine still lacks a coherent and effective strategic planning system<sup>14</sup>, and this is a significant problem. The implementation of sustainable development approaches requires high-quality and mutually agreed strategic documents.

Below, we briefly describe the current state strategic planning documents in the field of rural development (including framework documents that refer to rural development), indicating where sustainable development approaches have already been implemented in some way. We also mention some documents that were previously in force or under

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<sup>12</sup> (Bulletin of the Verkhovna Rada (VVR), 2015, No. 13, p. 90) <https://zakon.rada.gov.ua/laws/show/156-19#Text>

<sup>13</sup> Law on Amendments to the Law of Ukraine "On the Principles of State Regional Policy", No. 2389-IX of 09.07.2022 [http://w1.c1.rada.gov.ua/pls/zweb2/webproc4\\_1?pf3511=71562](http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=71562) (draft law No. 5323 of 01.04.2021)

<sup>14</sup> The problems of strategic planning in the field of rural development were discussed in the previous policy brief by the same author "Analysis of the state and prospects of state strategic planning in the field of rural development policy" (December 2022)

development, where sustainable development approaches have been implemented or attempted to be implemented.

## **CONCEPT OF RURAL DEVELOPMENT**

It is worth noting that Ukraine does not have a separate rural development strategy, which means that rural development at the state level has not yet been recognised as a separate area of state policy<sup>15</sup> .

Therefore, there is only a brief Concept of Rural Development<sup>16</sup> for the period up to 2025 approved by the Government, where sustainability (or, more precisely, the need to apply sustainable development approaches) is explicitly mentioned only in the introductory paragraph:

There is a need for a comprehensive approach to solving rural development problems based on the principles of sustainable development.

The goals and objectives defined by the Concept contain some elements of the approach, but, in our opinion, sustainability is not included in this document as a fundamental idea. Even in the description of the most favourable (third) scenario, it refers to complexity and rationality, but not to sustainability. In addition, there is no financial instrument for implementing the Concept, and therefore its effectiveness seems to us to be highly debatable.

## **NATIONAL ECONOMIC STRATEGY FOR THE PERIOD UP TO 2030**

The NES-2030 Framework was approved by the Government in April 2021<sup>17</sup> . A positive development is that the NES-2030 for the first time lists agricultural policy and rural development policy together (in the same section), but as two separate policies.

As for sustainability approaches, the Strategy's "mission" already states that the Sustainable Development Goals should be taken into account. The Strategy defines some goals and objectives for achieving sustainability, including in the agricultural sector:

*The mission of this Strategy is to create opportunities for the realisation of the country's existing geographical, resource and human potential to ensure an adequate level of well-being, self-realisation, security, rights and freedoms of every citizen of Ukraine through innovative, outperforming economic growth, taking into account the Sustainable Development Goals and the need to achieve climate neutrality no later than 2060.*

*... approximation of national legislation, standards and practices to the European principles of sustainable agriculture policy and good agricultural practices, gradual alignment of state agricultural policy with the EU Green Deal in agriculture*

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<sup>15</sup> This is described in detail in the previous policy brief

<sup>16</sup> Approved by the Order of the Cabinet of Ministers of Ukraine No. 995-r dated 23 September 2015 (<https://zakon.rada.gov.ua/laws/show/995-2015-%D1%80#n8>)

<sup>17</sup> Resolution of the Cabinet of Ministers of Ukraine No. 179 of 03.03.2021 <https://zakon.rada.gov.ua/laws/show/179-2021-%D0%BF>

*Implementation of sustainable development principles and gradual transition to a green economy*

The NES-2030 also includes theses on sustainable land use, sustainable management of natural resources, sustainable public procurement, sustainability in the energy sector, and spatial planning with regard to the Sustainable Development Goals.

Unfortunately, we have not been able to find any implementation plan, financial instruments, or any information on the progress of the NES-2030, and therefore there are reasonable doubts that this strategy is being implemented and/or will be implemented at all.

### **STATE REGIONAL DEVELOPMENT STRATEGY (SRDS-2027)**

The State Strategy for Regional Development until 2027 (SRDS-2027)<sup>18</sup>, approved by the Government in 2020, is also currently in force. One of the priority areas of the state regional policy is the development of rural areas, which has 17 tasks.

Unfortunately, there are no interconnections between the SFDRR-2027 and the NES-2030 framework, which was also adopted by the Government, but a little later, although these documents should form a single system of strategic planning documents of state policy.

The preamble to the SFDRR states that it was developed with the Sustainable Development Goals in mind

*This Strategy defines the general vector of sustainable development of the regions and has been developed in accordance with the Sustainable Development Goals of Ukraine until 2030, approved by the Decree of the President of Ukraine No. 722 of 30 September 2019*

Sustainability is also at the centre of the definition of the goal of the state regional policy, and all components of sustainability are mentioned.

*The strategic goal of the state regional policy until 2027 is development and unity focused on people - a decent life in a cohesive, decentralised, competitive and democratic Ukraine, ensuring the effective use of the internal potential of territories and their specialisation to achieve sustainable development of the country, which creates conditions for increasing the level of well-being and income of citizens while achieving cohesion in the social, humanitarian, economic, environmental and spatial dimensions.*

The SFDRR has goals and objectives related to sustainability in various areas: sustainable mobility, sustainable environmental management, sustainable water supply, sustainable development of mountainous areas, sustainable consumption, sustainable energy development, sustainable industrial development, etc.

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<sup>18</sup> CMU Resolution of 5 August 2020 No. 695 <https://zakon.rada.gov.ua/laws/show/695-2020-%D0%BF/print>

As part of one of the strategic goals of the SFDRR to build a system of governance, the document explicitly sets out operational goals for implementing and monitoring the achievement of the Sustainable Development Goals at the regional and local levels.

*Ensuring the implementation of the Sustainable Development Goals at the regional and local level, which should be integrated into policy-making at all levels ...*

*Developing and implementing a system of agreed criteria that defines the social, economic and environmental impacts of the proposed policy and, accordingly, the possibility of achieving the Sustainable Development Goals at the regional level.*

*Introduce a system of multi-level monitoring of the Sustainable Development Goals, which involves the implementation of a system of Sustainable Development Goal indicators and mechanisms for collecting, analysing, evaluating and reporting at the regional and local levels.*

However, the SFDRR does not contain any specific tasks for sustainable rural development. However, the direction "Rural Development" is part of the first strategic goal, the very wording of which is very much in line with the concept of sustainability and contains its key components:

*Strategic objective I. "Formation of a cohesive state in social, humanitarian, economic, environmental, security and spatial dimensions"*

The financial instrument for the implementation of the SFDRR is the State Fund for Regional Development (SFRD), as expressly defined in Article 24-1 of the Budget Code of Ukraine:

*2. The funds of the State Fund for Regional Development shall be used to implement investment programmes and regional development projects aimed at the development of regions and in line with the priorities set out in the State Strategy for Regional Development and relevant regional development strategies*

The Government has approved the Action Plan for the implementation of the SFDRR for 2021-2023<sup>19</sup>, which translates the goals and objectives of the strategy into operational actions.

Thus, the SFDRR-2027 is probably the most effective strategic document of the state policy today, which applies elements of sustainable development approaches, including those related to rural development, in a systematic manner. However, the effectiveness of this strategy is also quite relative, since, for example, the actual areas of projects financed by the SFRD have little to do with the goals and objectives of sustainable development - as a rule, funds are allocated for projects of construction or reconstruction of social infrastructure facilities.

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<sup>19</sup> Order of the CMU of 12 May 2021 No. 497-p <https://zakon.rada.gov.ua/laws/show/497-2021-%D1%80#Text>

## **ESTABLISHMENT OF THE RURAL DEVELOPMENT FUND**

In view of the above, the idea of creating a separate instrument for financing rural development policy - the Rural Development Fund - remains important. The possibility of establishing such a fund is envisaged in the SFDRR<sup>20</sup>, and the provision for its creation is contained in the final provisions of one of the laws<sup>21</sup>

The need to introduce such a tool has long been discussed in expert circles and among self-government bodies - for example, the All-Ukrainian Association of Communities proposed<sup>22</sup> to include a clause on the creation of the Fund in the National Plan for Post-War Reconstruction of Ukraine. However, this initiative did not find support, and the Fund has not been created to date.

## **PAST STRATEGIES AND PROJECTS THAT DID NOT BECOME STRATEGIES SUSTAINABLE DEVELOPMENT STRATEGY "UKRAINE - 2020" (SDSU-2020)**

It is noteworthy that Ukraine already had a framework strategy for sustainable development, which was approved by a presidential decree in January 2015<sup>23</sup>. It is unclear whether the aforementioned current NES-2030 is a "successor" to the SFDRR-2020, as there is no relationship between them, and they were adopted by different authorities (the Government and the President) by regulations of different levels (decree and decree).

The sustainability in this strategy was present not only in the name, but also in the definition of one of the "vectors of movement forward":

*The development vector is to ensure sustainable development of the state, implement structural reforms and, as a result, improve living standards. Ukraine should become a country with a strong economy and advanced innovations. To achieve this, it is necessary to restore macroeconomic stability, ensure sustainable economic growth in an environmentally friendly manner, create favourable conditions for doing business and a transparent tax system*

Unfortunately, the MTP 2020 did not mention rural development at all. Among the 62 (!) reforms identified by the strategy, there was only the "Reform of Agriculture and Fisheries", but this reform was not detailed in the document, as it was not included in the list of 10 priority reforms.

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<sup>20</sup> Quote from the SFDRR: "The source of financial support for certain tasks of this Strategy may be the **fund for rural development**, which should be created by introducing appropriate amendments to the Budget Code of Ukraine"

<sup>21</sup> Law of Ukraine "On Amendments to Certain Legislative Acts of Ukraine on the Terms of Turnover of Agricultural Land" (Bulletin of the Verkhovna Rada of Ukraine (VRU), 2020, No. 20, p. 142) <https://zakon.rada.gov.ua/laws/show/552-20#Text>

<sup>22</sup> The National Recovery Plan for Ukraine should include a Rural Development Fund." - news on the WAG website, 28.05.2022. Source: <https://communities.org.ua/novyny/naczplan-z-vidnovlennya-ukrayiny-maye-peredbachaty-fond-rozvytku-silskyh-terytorij-vag/>

<sup>23</sup> Decree of the President of Ukraine on the Strategy for Sustainable Development "Ukraine - 2020" of 12 January 2015 No. 5/2015 <https://zakon.rada.gov.ua/laws/show/5/2015#Text>

## **SUSTAINABLE DEVELOPMENT STRATEGY OF UKRAINE UNTIL 2030 (DRAFT) (SSRU-2030)**

In 2017, a group of experts with the support of the United Nations Development Programme in Ukraine developed (and even registered as a draft law<sup>24</sup>) the draft Sustainable Development Strategy of Ukraine until 2030<sup>25</sup>. The name of the document makes it obvious that both its time horizon and content are based on the Sustainable Development Goals. However, this draft never became a strategy, and the relevant draft law was not considered at all and was withdrawn.

It should be noted that the MTP 2030 does not have separate targets for rural development - there are only related targets for territorial development and reduction of disparities.

## **THE UNIFIED COMPREHENSIVE STRATEGY AND ACTION PLAN FOR THE DEVELOPMENT OF AGRICULTURE AND RURAL AREAS IN UKRAINE FOR 2015-2020 (UCS-2020)**

Another draft that was developed in a fairly inclusive manner, but also failed to become a strategy, is the Unified Comprehensive Strategy and Action Plan for the Development of Agriculture and Rural Areas in Ukraine for 2015-2020.<sup>26</sup>

The aim of this strategy was to increase the competitiveness of the agricultural sector and promote sustainable rural development in line with international and European standards. The draft contains a number of ideas that are still relevant today, but overall it is clearly outdated and in need of a major update.

## **KEY EUROPEAN INTEGRATION BENCHMARKS**

### **A LONG-TERM VISION FOR THE EU'S RURAL REGIONS**

To understand the far-reaching objectives of EU rural development policy, it is worth paying attention to the recently published long-term vision for the EU's rural areas (until 2040)<sup>27</sup>, which is fully based on a sustainable development approach and defines four development goals/directions - see figure<sup>28</sup> and description below.

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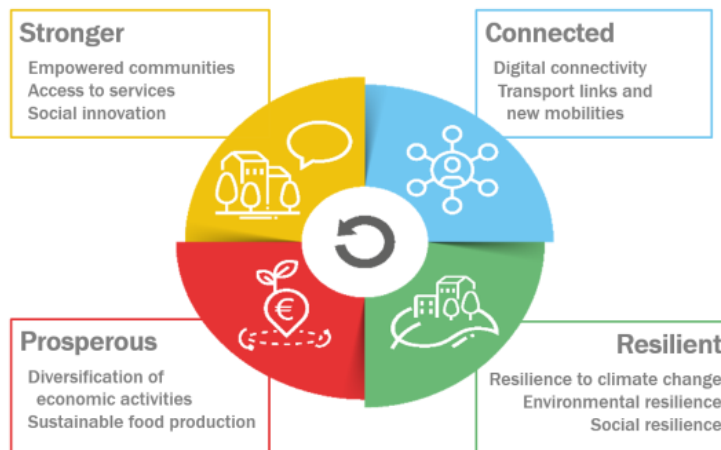
<sup>24</sup> Draft Law 9015 of 07.08.2018 [http://w1.c1.rada.gov.ua/pls/zweb2/webproc4\\_1?pf3511=64508](http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=64508)

<sup>25</sup> The document is available on the website of the UN Resident Coordinator in Ukraine here: <https://www.undp.org/uk/ukraine/publications/%D1%81%D1%82%D1%80%D0%B0%D1%82%D0%B5%D0%B3%D1%96%D1%8F-%D1%81%D1%82%D0%B0%D0%BB%D0%BE%D0%B3%D0%BE-%D1%80%D0%BE%D0%B7%D0%B2%D0%B8%D1%82%D0%BA%D1%83-%D1%83%D0%BA%D1%80%D0%B0%D1%97%D0%BD%D0%B8-%D0%B4%D0%BE-2030-%D1%80%D0%BE%D0%BA%D1%83>

<sup>26</sup> <https://www.minregion.gov.ua/napryamki-diyalnosti/derzhavna-rehional-na-polityka/rozvitok-silskih-teritoriy/normativno-pravove-zabezpechennya-rozvitok-silskih-teritoriy/normativno-pravove-zabezpechennya/>

<sup>27</sup> [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/new-push-european-democracy/long-term-vision-rural-areas\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/new-push-european-democracy/long-term-vision-rural-areas_en)

<sup>28</sup> Illustration taken from the official [website](https://rural-vision.europa.eu/rural-vision_en) of The EU rural vision [https://rural-vision.europa.eu/rural-vision\\_en](https://rural-vision.europa.eu/rural-vision_en)



**Stronger rural areas with** empowered and active local communities. Residents are actively involved in governance, and this is the basis for integrated solutions and investments. Innovative solutions for digital service delivery, encouraging social innovation.

**Connected (communalised) rural areas**, well connected to each other and to cities. Better public transport services, deeper digital infrastructure.

**More sustainable<sup>29</sup> rural areas** that contribute to well-being: climate resilience, environmental resilience and social resilience. Conservation of natural resources, restoration of landscapes, including cultural landscapes, greening of agricultural activities and shortening of supply chains will make rural areas more resilient to climate change, natural disasters and economic crises. The key role of rural areas in a sustainable bio- and circular economy.

**Prosperous rural areas.** Diversification of economic activity. Sustainable production of food (products). Diversification into new sectors, which will have a positive impact on employment and increase the added value of agricultural activities. Diversification should be based on sustainable local economic strategies, including measures that make the environment attractive to companies and expand digital literacy.

From the description and the figure, it is clear that the EU's vision for the future of rural areas is based on sustainable development approaches, both for the agricultural sector and for rural development. In fact, the document itself,<sup>30</sup> states that it *"contributes to and helps achieve the 2030 Agenda and the Sustainable Development Goals"*

## **RURAL DEVELOPMENT IN THE EU'S NEW COMMON AGRICULTURAL POLICY**

At the beginning of this century, the EU's Common Agricultural Policy (CAP) began to change qualitatively, being supplemented by non-market policies. Market-based measures alone could not help Europe to balance its agricultural structure, increase the competitiveness of farmers on domestic and foreign markets, ensure proper animal wel-

<sup>29</sup> The term used here is "resilient" (meaning: able to withstand, resistant, elastic, etc.), not "sustainable", but the meaning is actually the same - the point is that the system can withstand the load, recover and maintain the ability to function effectively

<sup>30</sup> A long-term Vision for the EU's Rural Areas - Towards stronger, connected, resilient and prosperous rural areas by 2040. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS. Document 52021DC0345. *Source:* <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021DC0345>

fare, preserve the environment and promote sustainable rural development. For this reason, the CAP was structured in two levels: the first is market-based agricultural policy (direct payments) and the second is rural development policy. The latter is driven by Europe's growing concern about social and environmental issues, the lower quality of life in rural areas compared to urban areas, climate change, uneven regional development, etc.

Since the beginning of this year, 2023, the implementation of the new EU CAP, designed for the period 2023-2027, has begun. The new agricultural policy has ten goals (see below for a graphical representation of them<sup>31</sup> ), of which the vast majority relate to sustainability and rural development. Each EU country has a national strategic plan for CAP implementation. In general, the CAP is clearly aimed at achieving the goals of the European Green Deal and supporting the transition to sustainable agriculture and forestry.



Promoting research, knowledge sharing and innovation will be essential to ensure a smart and sustainable agricultural sector. In this context, the European Commission has proposed to allocate €10 billion from the Horizon Europe programme for projects related to food, agriculture, rural development and the bioeconomy. The Agricultural Knowledge and Innovation System (AKIS) is designed to stimulate the development of innovative projects, disseminate their results and encourage their wider use.

## EUROPEAN GREEN DEAL

The European Green Deal<sup>32</sup> , launched in December 2019, is an ambitious document that sets out Europe's goal of becoming the first climate-neutral continent by 2050.

<sup>31</sup> Taken from the website of the European Commission: [https://agriculture.ec.europa.eu/common-agricultural-policy/cap-overview/cap-2023-27/key-policy-objectives-new-cap\\_en](https://agriculture.ec.europa.eu/common-agricultural-policy/cap-overview/cap-2023-27/key-policy-objectives-new-cap_en)

<sup>32</sup> **A European Green Deal** . Source: [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en) Document (Communication): [https://eur-lex.europa.eu/resource.html?uri=cellar:b828d165-1c22-11ea-8c1f-01aa75ed71a1.0002.02/DOC\\_1&format=PDF](https://eur-lex.europa.eu/resource.html?uri=cellar:b828d165-1c22-11ea-8c1f-01aa75ed71a1.0002.02/DOC_1&format=PDF). Appendix: [https://eur-lex.europa.eu/resource.html?uri=cellar:b828d165-1c22-11ea-8c1f-01aa75ed71a1.0002.02/DOC\\_2&format=PDF](https://eur-lex.europa.eu/resource.html?uri=cellar:b828d165-1c22-11ea-8c1f-01aa75ed71a1.0002.02/DOC_2&format=PDF)



This Agreement is in fact a roadmap, and the movement towards the stated goal is called the European Green Deal (EGD). The key areas of the EGD are clean energy, climate action, construction and renovation, sustainable industry, sustainable mobility, pollution reduction, biodiversity, and sustainable agricultural policy (the Farm to Table Strategy). The tools for implementing the Green Deal are presented in the graphic diagram<sup>33</sup>.



## THE NEW EUROPEAN BAUHAUS

The new initiative New European Bauhaus links the European Green Deal to everyday life and living space. One of the three Bauhaus values is sustainability: from climate goals to circularity, zero pollution and biodiversity. The other two values are aesthetics and inclusion. Based on the Bauhaus experience, recommendations for Ukraine on how to rebuild destroyed buildings (including housing and buildings in rural areas) in a high quality, sustainable and inclusive way have been prepared<sup>34</sup>.

## AGREEMENT ON EUROPEAN INTEGRATION BETWEEN UKRAINE AND THE EU

Ukraine's commitments to sustainable agricultural development and rural development are enshrined in the Association Agreement between Ukraine and the European Union<sup>35</sup>, which was ratified in September 2014. Chapter 17 of the Agreement, entitled "Agriculture and Rural Development", defines the areas of cooperation in these sectors/areas (Article 404):

*Cooperation between the Parties in the field of agriculture and rural development<sup>36</sup> covers, inter alia, the following areas:*

<sup>33</sup> Scheme from the European Commission website: [https://state-of-the-union.ec.europa.eu/leading-green-transition\\_uk](https://state-of-the-union.ec.europa.eu/leading-green-transition_uk)

<sup>34</sup> [https://new-european-bauhaus.europa.eu/system/files/2023-02/221207\\_NEB\\_circular\\_housing.pdf](https://new-european-bauhaus.europa.eu/system/files/2023-02/221207_NEB_circular_housing.pdf)

<sup>35</sup> [https://zakon.rada.gov.ua/laws/show/984\\_011#n2470](https://zakon.rada.gov.ua/laws/show/984_011#n2470)

<sup>36</sup> Hereinafter, in quotations from documents, underlining and highlighting in a different font are made by the author

*a) promote mutual understanding of agricultural and rural development policies;*

*... c) promoting modern and sustainable agricultural production, taking into account the need to protect the environment and animals, in particular by promoting the use of organic production methods and the use of biotechnology, inter alia, by introducing best practices in these areas;*

*d) sharing knowledge and best practices on rural development policies to promote the economic well-being of rural communities;*

*... i) exchange of best practices on policy support mechanisms for agriculture and rural development; ... .*

The Report on the International Expert Conference on the Restoration, Reconstruction and Modernisation of Ukraine (25.10.2022, Berlin)<sup>37</sup> also emphasises that the EU supports and will continue to support Ukraine's movement towards sustainability:

*The international community stands firmly behind Ukraine and is committed to supporting its recovery, reconstruction and modernisation towards a sustainable, democratic and prosperous future in line with its European path.*

### **IPARD III PRE-ADMISSION SUPPORT TOOL**

European integration also opens up the possibility for Ukraine to gain access to financial support instruments for candidate countries, including in the area of rural development. This opportunity is very important for at least two reasons:

*(1) these are potential real additional resources, and quite a lot of them;*

*(2) these are important guidelines for the direction of the sector's development (the ideology of the instruments laid down in the EU will force the state to formulate appropriate policies and direct its actions in the appropriate directions - otherwise, the instruments will be unavailable).*

In the field of agrarian and rural development, the IPARD III instrument<sup>38</sup> is fully based on sustainable development approaches and, within the current planning period, can be directed at a number of important goals/areas, such as elaboration of local development strategies and building social capital of communities (CCLD/LEADER approach), investments in rural community infrastructure, diversification of employment (high value-added products, beekeeping, handicrafts, rural tourism, etc.), capacity building of local authorities, agro-environmental and climate measures.

However, in order to access EU support instruments, the state must create the necessary preconditions (institutional, organisational and other), and the authorities (both executive and, above all, local self-government), farmers and communities must be ready to use these instruments.

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<sup>37</sup> <https://www.bundesregierung.de/resource/blob/992814/2153244/7b13a64361fe37cb52549a2d0dead9ea/2022-12-12-ukr-aufbaukonferenz-abschluss-data.pdf?download=>

<sup>38</sup> [https://agriculture.ec.europa.eu/international/international-cooperation/enlargement/pre-accession-assistance/overview\\_en](https://agriculture.ec.europa.eu/international/international-cooperation/enlargement/pre-accession-assistance/overview_en)

## **CLLD/LEADER**

The CLLD/LEADER programme<sup>39</sup> - a software tool for supporting local rural development initiatives<sup>40</sup> - may be especially important for hromadas and self-government.

As a condition for participation in the programme is the formation of action groups in communities involving entrepreneurs, the public and government representatives, this can be a significant impetus for the real involvement of citizens in solving local issues, developing local democracy and building social capital in rural communities - all of which are key to ensuring sustainable community development.

## **RURAL DEVELOPMENT IN THE CONTEXT OF SUSTAINABILITY**

### **STATE OF PLAY**

In general, it seems that in the field of rural and agricultural development in Ukraine, there are still more talks about sustainability, various declarations and intentions to move towards sustainability than real steps to implement the sustainable development approach in state policy documents.

Often, there is also a substitution of concepts - when policies/measures to ensure economic or social stability or growth are called policies/measures to ensure sustainability (because a title that includes the term "sustainability" looks more modern and relevant).

However, it should not be forgotten that stability (or even growth) of certain social, economic, environmental or other important indicators does not always mean sustainability - for example, growth can occur at the expense of mobilising all available resources, and thus in the long run can lead to resource depletion and other negative social consequences.

Sustainability is not always about ongoing stability or growth. Moving towards sustainability is, first and foremost, a fundamental change of approach, when the state, represented by its leaders, parliamentary and governmental institutions, begins to think not in terms of electoral cycles but in terms of long-term strategic perspectives, not in terms of voters' interests but in terms of the interests of current and future generations.

Thus, as noted above, the legislation and state strategies and programmes in the field of rural development seem to refer to sustainable development, but there are no practical steps to implement the relevant approaches.

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<sup>39</sup> LEADER is an acronym from the French phrase "Liaisons entre actions de développement de l'économie rurale"; CLLD is an abbreviation of the English term "Community-Led Local Development".

<sup>40</sup> For the content, see, for example, the website: [https://ec.europa.eu/enrd/leader-clld\\_en.html](https://ec.europa.eu/enrd/leader-clld_en.html)

A clear illustration of the poor state of affairs with the implementation of European approaches in Ukraine is a recent publication that assessed Ukraine's European integration progress in various areas<sup>41</sup>. In the publication, our "successes" in agriculture and rural areas were given the lowest score - 1 on a 5-point scale. By the way, Ukraine received the lowest score in only 8 out of 32 areas. In a number of other areas, the assessment of Ukraine's European integration success is higher - 2, 3 and even 4 points (4 areas received the highest score).

## KEY RISKS

### INSTITUTIONS

Despite the fact that even in times of war, Ukraine's system of government continues to function effectively in general, our institutional weaknesses are evident in the implementation of European approaches.

For example, Ukraine still does not have a government body responsible for implementing the state policy of rural development (or rural development), and thus would be fully responsible for implementing sustainable development approaches in this area.

**The Ministry of Agrarian Policy and Food of Ukraine** does not emphasise sustainability and is in no hurry to take responsibility for making rural development policy a part of agricultural policy (as it is currently in the European Union). Neither the name, nor the structure of<sup>42</sup>, nor the actions of the Ministry of Agrarian Policy show any attention to rural development issues. Thus, on the page "Rural Development" of the Ministry's official website, the latest information on the implementation of the relevant policy is currently the news of November 2021 (!) on the progress of the implementation of the Concept of Rural Development in 2020!

The Ministry's website page "Mission and Strategy"<sup>43</sup> has neither a mission nor a strategy (not only in the area of rural development, but also in the agricultural sector) - only a list of tasks of the Ministry of Agrarian Policy from the Ministry's regulations, which does not mention sustainability.

In addition, the draft action plan for post-war reconstruction and development of Ukraine<sup>44</sup>, which was developed by the Ministry's working group "New Agrarian Policy", does not contain any goals, plans or measures related to rural development.

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<sup>41</sup> Ukraine the Leader and Ukraine the D: How Brussels Assesses Kyiv's Readiness for EU Accession. <https://www.eu-rointegration.com.ua/articles/2023/02/7/7155643/>

<sup>42</sup> The Ministry of Agrarian Policy does not currently have a rural development unit - see the Ministry's website: <https://minagro.gov.ua/pro-nas/struktura>

<sup>43</sup> <https://minagro.gov.ua/pro-nas/misiya-ta-strategiya>

<sup>44</sup> In accordance with Presidential Decree No. 266/2022 of 21 April 2022, the National Council for the Reconstruction of Ukraine from the Consequences of War has developed an action plan for the post-war reconstruction and development of Ukraine within 24 working groups <https://www.kmu.gov.ua/diyalnist/nacionalna-rada-z-vidnovlennya-ukrayini-vid-naslidkiv-vijni/robochi-grupi> (see materials of Working Group 12)

In general, the work of the aforementioned working group<sup>45</sup> hardly ever includes a sustainable development approach. Sustainable development is mentioned only in the context of spatial planning:

*Comprehensive plans will ensure sustainable development of territories, taking into account state, public and private interests, and will become an effective practical tool for managing the restoration of community territories*

"Sustainability" in the sense of "permanence" is also mentioned in the list of challenges (in the context of the European Green Deal), but for some reason only in relation to the need to ensure climate neutrality:

*Ensuring sustainable growth in the context of the introduction of measures aimed at climate neutrality under the green deal*

In other words, the sustainable development approach is absent in the above-mentioned document not only in relation to rural development policy (which is absent in the document), but also in relation to agricultural policy in general. In general, the goals for the three stages of the plan's implementation are first to preserve the economic potential of the agricultural sector (2022), then to restore it (until 2025), and then to "rapidly increase the economic indicators of the sector" (from 2026). There are no sustainability targets. Only the tasks of the third stage contain targets:

*"Gradual alignment of requirements for Ukrainian agricultural producers with the requirements of the EU Green Deal, taking into account Ukrainian national specifics" (draft 5.10)*

Additionally, it should be noted that Project 5.10 "Promoting the transition of the agri-food sector to green growth" itself deals exclusively with the climate component of sustainability, and its implementation is envisaged only at the third stage, i.e. from 2026. The economic and social components of sustainability are beyond the scope of the New Agricultural Policy <sup>46, 47</sup>.

**The Ministry of Communities, Territories and Infrastructure Development of Ukraine**, which at the end of last year merged with the Ministry of Regional and Local Development - MinRegion, is currently more concerned with accounting for war-damaged

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<sup>45</sup> Draft Recovery Plan for Ukraine. Materials of the working group "New Agrarian Policy" <https://www.kmu.gov.ua/storage/app/sites/1/recoveryrada/ua/new-agrarian-policy.pdf>

<sup>46</sup> It should be noted that the document of the working group "Economic Recovery and Development" does not include the economic component of sustainability. There is only a statement that the new Ukrainian economy "will have high characteristics of sustainability, European integration and economic independence", but no goals and means to make it so are specified (see the document here: <https://www.kmu.gov.ua/storage/app/sites/1/recoveryrada/ua/economic-recovery-and-development.pdf>)

<sup>47</sup> It should also be noted that the document of the Social Protection Working Group also does not include a sustainable development approach. The notion of sustainability is mentioned only once, and even then in a slightly different sense: "Taking into account the sustainability of political priorities in the social sphere, a new model of social policy of Ukraine, which meets the principles and standards of EU social policy and the financial capabilities of the state, will improve the quality of human life, counteract demographic changes, strengthen the level of social protection, contribute to poverty reduction, strengthen social unity, help overcome discrimination in all its forms and increase public confidence in the government." (See the document at <https://www.kmu.gov.ua/storage/app/sites/1/recoveryrada/ua/social-protection.pdf>)

property in order to organise reconstruction. The issues of regional and local development do not yet appear to be a priority if we analyse the actual actions of the Ministry of Infrastructure. Interestingly, the ministry is trying to secure the name "Ministry of Reconstruction" in the public sphere, despite the fact that its official abbreviated name is the Ministry of Infrastructure.

However, in the section of the Action Plan for Post-War Reconstruction and Development of Ukraine<sup>48</sup>, which was developed by the working group "Construction, Urban Development, Modernisation of Cities and Regions of Ukraine", established by the former Ministry of Regional Development, the sustainable development approach is applied quite consistently and systematically - unlike the other sections mentioned above, which were developed under the auspices of other ministries.

The document does not contain separate goals and objectives for sustainable rural development - it refers to the development of territories in general. However

**The Ministry of Economy of Ukraine** (MoE) is also an important governmental entity in the context of the subject of this analysis, as it is the Ministry of Economy that is responsible for achieving the Sustainable Development Goals (in a package with coordination of the work of the EMBs on planning and forecasting of the social and economic development of the state), as defined in the Regulation on the Ministry <sup>49</sup>

*4) analyses the state and trends of economic and social development of Ukraine, sectors and industries of the economy, develops proposals on the main directions of development and reform of the economy, achievement of the Sustainable Development Goals, ensures preparation of relevant plans and programmes, carries out state forecasting of economic and social development of Ukraine, compiles forecast consolidated national accounts for the economy as a whole, in particular the input-output table (inter-sectoral balance), ensures coordination of the work of executive authorities on these issues, develops the structure of economic and social development forecast documents, methodological recommendations for their preparation, and is responsible for introducing modern technologies for forecasting socio-economic processes*

**Interagency coordination.** In order to ensure the integrity of the approach, it is necessary that the above-mentioned agencies and all other relevant agencies coordinate closely with each other. Rural development policy is inherently multisectoral, and therefore its development and implementation is impossible without proper interagency coordination. Most likely, an interagency coordination body is needed to ensure such coordination. Although the practice of establishing such bodies has usually not been very effective, it will obviously be difficult to do without it. Especially since the Ministries of Infrastructure and Economy are headed by two deputy prime ministers, and the Ministry of Agrarian Policy is coordinated by one of them.

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<sup>48</sup> See the document here: <https://www.kmu.gov.ua/storage/app/sites/1/recoveryrada/ua/construction-urban-planning-modernization-of-cities-and-regions.pdf>

<sup>49</sup> <https://zakon.rada.gov.ua/laws/show/459-2014-%D0%BF#Text>

Back in 2020, the Ministry of Economy published a draft resolution on the establishment of the Interagency Coordination Council for Rural Development on its website<sup>50</sup> . However, this body has not yet been established. Its creation could be a step in the right direction, but only if it includes representatives of all stakeholders (the current version of the draft act, unfortunately, does not provide for this).

## **ECONOMY**

According to UN experts,<sup>51</sup> , the Ukrainian economy has shrunk by more than a third since the beginning of the war. Moreover, the Russian-Ukrainian war (against the backdrop of the negative effects of the COVID-19 pandemic that have not yet been overcome) has caused a record slowdown in global economic growth in recent decades - from 3.0% in 2022 to 1.9% in 2023 (forecast).

## **AGRICULTURAL SECTOR**

According to one estimate (by KSE analysts and the Ministry of Agrarian Policy), the cost of physical damage to the agricultural sector as a result of Russia's aggression is USD 6.6 billion. This is 23% of the total value of the assets of Ukrainian agricultural enterprises. That is, almost a quarter of the Ukrainian agricultural sector has been destroyed. Analysts estimate the total indirect losses of the agricultural sector at over USD 34 billion. Thus, the total losses of the agricultural sector are estimated at over USD 40 billion<sup>52</sup> .

## **POTENTIAL OPPORTUNITIES AND CHALLENGES**

### **THE INTERNAL DIMENSION**

The war, while causing irreparable damage to the country, also prompts the development of new, more effective policies and the introduction of modern approaches to planning and implementing the recovery of communities and territories affected by the war. It is likely that both the structure of the economy and the system of social services will undergo significant changes. The resettlement pattern will also be different, as people and businesses are unlikely to be in a hurry to return to the regions bordering Russia.

By the way, there is a certain prospect for rural areas and agriculture here, as those people who intend to continue to cultivate their land and run their own households are the fastest to return to their homes. Therefore, it is quite possible that in the regions bordering Russia (even in those that were industrial), small land-related businesses based on self-employment will prevail in the coming years.

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<sup>50</sup> Draft Resolution of the Cabinet of Ministers of Ukraine "On the Establishment of the Interagency Coordination Council for Rural Development". 11.11.2020 . Directorate of Rural Development. Source: <https://www.me.gov.ua/Documents/Detail?lang=uk-UA&id=85859684-fd5d-4839-93be-93d32e23e4b3&title=ProktPostanoviKabinetuMinistrivUkrainiproUtvorenniaMizhvidomchoiKordinatsiinoiRadiZPitanSilskogoRozvitku>

<sup>51</sup> Press release dated 25.01.2023 based on the UN report "World Economic Situation and Prospects for 2023" (in Russian) available at [https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/WESP2023\\_PR\\_CIS\\_SEE\\_R.pdf](https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/WESP2023_PR_CIS_SEE_R.pdf)

<sup>52</sup> Losses of \$40 billion: how Ukraine's agricultural sector is suffering because of the war. Yevropeiska Pravda, 19.12.2022. <https://www.epravda.com.ua/columns/2022/12/19/695167/>

It is clear that in the near future Ukraine will face extremely difficult economic conditions, but this should not be a reason to postpone the transformation of the national economy (including the agricultural sector) based on the concept of sustainable development. On the contrary: there is no point in rebuilding the old economy - it makes sense to immediately build a new economy based on modern approaches.

The same applies to other dimensions of sustainability, such as environmental and social. All new/updated government policies can and should be based on the concept of sustainable development. Right now, it is expedient and necessary to do so.

## **THE EUROPEAN DIMENSION**

European integration is both an additional incentive to implement the necessary changes and an additional framework within which Ukraine should plan its next steps.

First and foremost, Ukraine has to properly fulfil its "home" European integration task in all areas, including rural and agricultural development.

To begin with, it should at least be acknowledged that rural development (otherwise known as rural/rural territorial development) is a separate area that requires separate policies and separate policy implementation instruments. Therefore, it is necessary to develop and implement a new state strategy for rural development based on a sustainable development approach and harmonised as much as possible with the relevant EU rural development policies and the European Green Deal.

At the same time, it is necessary to coordinate and harmonise the policies of related agencies - the Ministry of Infrastructure, which deals with the development of territories and communities, and the Ministry of Agrarian Policy, which is in charge of rural development.

## **THE WORLD DIMENSION**

The above-mentioned UN press release states that the achievement of the Sustainable Development Goals is in jeopardy, but at the same time quotes the UN Secretary-General as saying that unprecedented measures are needed to achieve the Goals. Here is the relevant quote from the release (in the original language):

*The gloomy outlook for the global economy is also threatening the achievement of the 17 Sustainable Development Goals (SDGs)...*

*"This is no time for short-sighted approaches and no time for reckless fiscal austerity that exacerbates inequalities, increases suffering and could make the SDGs even more elusive. These unprecedented times call for unprecedented measures," said United Nations Secretary-General António Guterres. "These measures include a revolutionary package of incentives to achieve the SDGs, created through the collective and concerted efforts of all stakeholders," he added.*

This statement by António Guterres, in our opinion, can be considered programmatic - obviously, the efforts of the UN and other international organisations will be aimed at



neutralising threats and maintaining the world's progress towards achieving the Sustainable Development Goals in the near future, despite the unprecedented challenges caused by the war in Ukraine. It can be expected that new, truly revolutionary measures and strong new incentives for achieving the SDGs will be introduced, and these are likely to be available to Ukraine - both for government and business. This should be taken advantage of.

## **SOME CONCLUSIONS AND RECOMMENDATIONS**

Sustainability has become a fashionable topic of discussion and debate, but it is hardly possible to argue that actual Ukrainian policy, particularly in the area of rural development, is based on sustainable development approaches. Strategic and programme documents are often replete with "sustainability" in their titles (and even in their texts), but in their content they have very little to do with sustainable development goals and/or tools.

It is necessary to move from declarations and big names to meaningful policy documents based on the concept of sustainability - strategies, plans, programmes, and documents backed by appropriate financial instruments.

We need a new vision of the Ukrainian village as part of a new vision of Ukraine. The post-war Ukrainian village - like the post-war Ukraine - must be different: more modern, dynamic, prosperous, comfortable, sustainable. This vision should be the basis for a new state policy of rural development.

In formulating a new policy, Ukraine must strike a balance between the immediate challenges and needs caused by the war and the strategic goals and long-term objectives of ensuring sustainable and progressive rural and agricultural development. That is, the new Ukrainian policy should take into account the factors and challenges of the war (such as security, displacement of people and businesses, etc.), but at the same time, it should be forward-looking and based on sustainable development approaches.

Ukraine's European integration imposes new requirements for policy approaches, content and timing of necessary changes. In the new rural development policy documents, Ukraine should take as reference points the goals/directions set out in the new EU Common Agricultural Policy and the European Green Deal, which will ensure the right vector of rural development and fast and effective European integration in this area.

In the process of European integration, Ukraine needs to gain access to the IPARD III pre-accession support instrument for candidate countries in the field of rural and agricultural development as soon as possible - this requires practical steps both at the state level (creation of institutional, organisational and other preconditions) and at the community level (training of local authorities, entrepreneurs and active citizens to use the toolkit, in particular CLLD/LEADER).

Rural development policy should be embodied in a separate governmental Rural Development Strategy, which will be fully based on sustainable development approaches and will be harmonised with the relevant EU policy documents to the maximum extent possible.

Alternatively, a single Strategy for Rural and Agricultural Development could be developed and adopted. It is also possible to update the current State Strategy for Regional Development. However, in our opinion, a separate Rural Development Strategy (closely linked and coordinated with the agricultural sector development strategy and the regional development strategy) is more desirable, as it would be a clear indication that rural development in Ukraine is finally recognised as a separate area of state policy.

In order to ensure the effectiveness of the Strategy, it is necessary to create a separate financial instrument for implementing the state policy of rural development - the Rural Development Fund.

If in the current planning period<sup>53</sup> Ukraine has an adequate rural development policy of its own, it can be predicted that in the future Ukraine will be able to be proactive and possibly influence European rural and agricultural policy for the next planning periods, or even participate in its formation (provided that Ukraine successfully moves towards European integration).

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<sup>53</sup> (remind you that the EU CAP is designed for 2023-2027)