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**FISCAL REGULATION TRENDS
OF UKRAINE'S AGRICULTURAL DEVELOPMENT
IN THE WAR AND POST-WAR RECOVERY CONDITIONS**

**ТЕНДЕНЦІЇ ФІСКАЛЬНОГО РЕГУЛЮВАННЯ
АГРАРНОГО РОЗВИТКУ УКРАЇНИ
В УМОВАХ ВІЙНИ ТА ПОВОЄННОГО ВІДНОВЛЕННЯ**

The decisive impact of the agricultural sector on the pre-war dynamics of the socio-economic development of Ukraine and its rural areas, as well as its key role in guaranteeing the country's food security and maintaining the stability of the national economy during the war period, prove its strategic priority and significant internal potential for preserving and further increasing the volume of production and export activity in the conditions of wartime risks and challenges of post-war recovery. The above substantiates the importance of modernisation of fiscal regulation of the development of the agricultural sector as the main tool of the state's impact on the dynamics of agrarian and rural development of the country and response to modern military challenges and threats.

The need to reform the system of fiscal regulation of agricultural development is also determined by the requirements for the implementation of the strategic Plan for the recovery, reconstruction and modernisation of Ukraine (Ukraine Plan), the effective implementation of which is a necessary condition for receiving financial assistance from the EU budget in 2024-2027 through the Ukraine Facility instrument and a catalyst for accelerating the accession of Ukraine to the European Union. The sectoral development strategy of Ukraine Plan defines the agro-food sector as a key industry of national importance and global potential, the growth of which will ensure comprehensive development of the economy and activate related industries. This will require the concentration of investment resources and government efforts to stimulate the sustainable development of agro-food production, increase its competitiveness and productivity, facilitate adaptation to European standards, ensure the quality and safety of food products, as well as increase the level of environmental friendliness of production processes [1; 2].

The programme of activities of the Government of Ukraine for the medium-term period also positions the domestic agro-industrial complex and its processing component with a high content of added value as key points of post-war economic growth, reconstruction of the affected areas, support for the development of rural areas, and improvement of the well-being of the population, which will need the implementation of a scientifically justified approach to fiscal stimulation of priority anticipatory development of national agro-industrial production and its modernisation according to European standards.

Fiscal regulation acts as a powerful instrument of the state's impact on the development of the agricultural sector, as it substantiates the peculiarities of the formation and directions of the use of budget funds for the development of the industry on the basis of the defined

goals and priorities of the country's agrarian and rural development, taking into account the requirements for the effective achievement of the planned sectoral and socio-economic results. The specifics of the tax regulation of the industry and the planning of the volume and structure of budgetary expenditures of the agrarian direction determine the priorities of the development of the agro-industrial production of the country, and, forming these indicators, the state implements the measures of the agrarian policy with defined goals, tasks, directions, expected results and is able to influence the trends of the development of the industry and prevent negative processes in the medium and long term [3; 4].

The system of fiscal regulation of the development of agro-industrial production involves the use of the following main tax and budget instruments:

- regulation of the level of taxation of agricultural producers through changes in tax rates, provision of tax and customs benefits and preferences, introduction of special taxation regimes based on sectoral or territorial characteristics;
- direct irreversible state financial (budgetary) support for priority and effective agro-industrial producers (providing budget dotations, subsidies, grants, compensations, reimbursements, additional payments, other special payments) and its differentiation according to priority industry and territorial characteristics;
- budget lending of priority agricultural enterprises and farms;
- budgetary financing of institutional and infrastructural support for the functioning of the agrarian sector of the country's economy, priority sectoral directions and reformation measures;
- budgetary financing of fundamental and applied research and development in the field of agrarian economy, measures to stimulate the implementation of their results in production activities;
- the use of budgetary mechanisms to stimulate the development of credit support and insurance coverage of agricultural business activities, in particular, the mechanism of partial compensation of interest rates on loans by the state and the provision of state guarantees to ensure the credit obligations of agricultural producers.

The significant impact of the agricultural sector on the dynamics of economic and socio-demographic processes in the country, national and global food security, employment of the population, stability and balance of rural and regional development requires the modernisation of fiscal instruments for supporting and stimulating agricultural production in the following areas:

- introduction of strategic indicative planning for the development of the domestic agricultural sector through the development of long-term forecasts and medium-term plans for the development and reformation of its branches and the formation on this basis of the Strategy for the post-war European integration development of the agricultural sector of Ukraine with the specification of the peculiarities of its fiscal support;
- achievement of consistency, dynamic adaptability and flexibility in the use of budget and tax regulation tools as components of a complete system of fiscal regulation of the development of agricultural production based on the criterion of maximally efficient and effective achievement of the strategic priorities of the development of the industry;
- improvement of the formation of budget programs of agrarian direction on the basis of the criteria of strategic direction, priority, effectiveness and socio-economic efficiency of program measures in the conditions of restoration of medium-term program-target planning of the budget;
- introduction of an assessment of the final socio-economic effect of the implementation of budget programs of agrarian direction, which involves the study of their impact on indicators of the functioning of agricultural industries, trends in their development, the levels of productivity, profitability and competitiveness of domestic

agro-industrial producers, as well as economic and socio-demographic indicators of the development of rural territory;

- increasing the share of local budgets in the structure of fiscal support for the development of Ukraine’s agricultural production in accordance with European standards of subsidiarity and decentralisation;

- modernisation of the mechanism of budget support for the development of national agro-industrial production in accordance with the principles of the Common Agricultural Policy of the EU, as well as optimisation of the volumes and tools of direct budget support of domestic agricultural producers in accordance with European standards;

- anticipatory development of budgetary stimulation of credit investment and insurance support for production and export activities of domestic agro-industrial producers, especially in the affected territories to accelerate their post-war reconstruction;

- further stimulation of the development of digitisation and automation of the processes of planning and execution of budget programs to support the agricultural sector and its producers, in particular through the IT system of budget planning and monitoring, the digital platform of the State Agrarian Register, the Diia portal.

Reforming the fiscal regulation of Ukraine’s agricultural development, taking into account the principles of strategic orientation, indicativeness, priority, effectiveness and socio-economic efficiency, will contribute to strengthening the effectiveness of tax and budget instruments in achieving the strategic priorities of the agrarian and rural development of Ukraine, supporting the financial stability, productivity, and competitiveness of domestic agricultural producers in the conditions military and European integration challenges, stimulation of sustainable development of domestic agro-industrial production based on innovative, ecological, inclusive approaches of the EU’s Common Agricultural Policy.

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