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INVESTMENT SUPPORT FOR AGRICULTURAL ENTERPRISES IN UKRAINE: FAO PROGRAMS

In the current conditions of Ukraine's development, under the circumstances of a full-scale war, the economy faces important issue and tasks: preserving the trends in society that have developed, developing small and medium-sized businesses to address important socio-economic problems, and, among other things, ensuring food security in our country. With the beginning of a full-scale war, the problem of food security arose for the whole world, since agricultural products simply could not be either collected or delivered according to the concluded contracts.

At the same time, the importance of small and medium-sized business development is justified by the fact that it is an effective tool for solving the problem of employment of the population, increasing the income of business owners, ensuring the development of the quality of goods and services in conditions of competition, etc. In war time this becomes acutely relevant, since business was forced to relocate and start anew. If this applies to enterprises in the agricultural sector, it is worth noting that this further complicates the process of resuming their activities in new territories. Under such conditions, international donors play a significant role in supporting the domestic agricultural sector and small and medium-sized businesses. The Food and Agriculture Organization of the United Nations (FAO) plays a major role in this, making significant efforts to restore the agricultural sector of Ukraine.

It is worth noting that FAO assistance does not always involve the implementation of investments in their classical sense, that is, the provision of funds, but can also be in material form (sleeves for storing grain, seeds, etc.). But this can also be considered an investment in the development of our small and medium-sized agricultural enterprises. FAO invests its funds, knowledge, and experience in the Ukrainian agricultural sector, providing assistance in various forms to rural households, farms, and other

agricultural enterprises in order to improve their production status, provide them with seed material, restore production, demining, and improve the condition of lands where hostilities were fought, involving as much as possible in the creation of value-added and supply chains, etc. In this case, investment support provides an opportunity to solve the problem of food security in Ukraine, as well as to resolve socio-economic issues that have become acute after the start of the full-scale invasion. Assistance to rural households is aimed at providing them with both seed material and cash assistance in order to stimulate them to grow for themselves and sell surplus products. Assistance to representatives of small and medium-sized businesses is more diversified, but is also focused on maximum stimulation of agricultural entrepreneurial activity.

FAO is implementing programs mainly in 9 frontline oblasts, namely: Chernihiv, Sumy, Kharkiv, Dnipropetrovsk, Donetsk, Zaporizhia, Kherson, Mykolaiv and Odesa. Luhansk oblast is almost completely occupied and providing assistance to support the agricultural sector in the territory controlled by Ukraine is impossible.

However, since 2023, a program for other regions has also been implemented in Ukraine, information about which is given in Table 1.

Table 1 shows important FAO investment programs implemented in Ukraine together with the EU. As of the end of 2024, 2.8 million USD had been allocated to 237 Ukrainian agricultural producers under this program. It is focused on assisting producers in 4 oblasts of Ukraine – Lviv, Ivano-Frankivsk, Zakarpattia and Chernivtsi. Since 2025, the possibility of participating in this program has also been added to Dnipropetrovsk oblast. This investment grant supports such sectors as berry growing, vegetable growing, aquaculture, Hutsul sheep bryndza, Hutsul cow bryndza, Transcarpathian honey and Transcarpathian wine. In 2025, a support sector was also added – non-timber forest products (e.g. mushrooms and wild berries). This grant program is focused on the development of agricultural value chains.

By participating in this program, small-scale farmers can receive up to the equivalent of \$10,000, and micro and small agricultural enterprises, cooperatives, and producers of products with geographical indications can receive the equivalent of \$25,000. Also, a mandatory condition is to co-finance the project with your own contribution, which differs from the selected value chain.

Table 1

**FAO and the EU investment project in Ukraine
to support small and medium-sized agricultural producers**

Assistance form	FAO Partners	Oblasts	Basic conditions for participants	Implementation time / submission deadline
Investment project, grant support “Integrated, competitive and economically rational creation of value chains in agriculture, fisheries and forestry”	EU	Transcarpathian, Ivano-Frankivsk, Lviv and some districts of Chernivtsi oblast. Since 2025, Dnipropetrovsk oblast has also been added	This project includes a grant support program, an emergency response program, and a plant genetic bank preservation and relocation focus. The program aims to stimulate added value creation.	2023-2025
New window within the third grant cycle of the project “Integrated, competitive and economically rational creation of value chains in agriculture, fisheries and forestry”	EU, Ministry of Agrarian Policy and Food of Ukraine	Transcarpathian, Ivano-Frankivsk, Lviv, Chernivtsi.	The program focuses on providing funding (\$ 150,000) to SMEs to develop aggregation models that allow smallholder farmers to be integrated into supply chains.	March 17, 2025

Source: compiled by the author based on [1; 2; 3]

The current program of this grant is the program from the new window of the third grant cycle, which provides support for aggregation models in agriculture and financing of enterprises up to 150,000 USD, subject to 50% of the participant’s own investment contribution. Thus, FAO stimulates the development of small and medium-sized enterprises, as well as their readiness to integrate small farmers into their business models, which will contribute to the inclusive development of the agricultural sector of Ukraine.

Thus, we see that FAO is implementing various investment support programs for Ukrainian enterprises, one of which is the program implemented together with the EU – grant support “Integrated, competitive and economically rational creation of value chains in agriculture, fisheries and forestry”. This program is focused on supporting agricultural producers in oblasts of Western Ukraine (in 2025, Dnipropetrovsk oblast was added). The implementation of this grant support will allow domestic enterprises to receive financing for the development of their activities, which will have a positive socio-economic impact on their functioning and improve work results. With such programs, FAO demonstrates a high level of partnership and readiness to support Ukrainian agrarian business.

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