

CHAPTER 28
BUDGETARY REGULATION
OF AGRO-INDUSTRIAL PRODUCTION
IN THE CONTEXT OF IMPLEMENTING STRATEGIC PRIORITIES
FOR THE COUNTRY'S SOCIAL AND ECONOMIC DEVELOPMENT

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INTRODUCTION

The current challenges of increasing financial and economic globalization and financial crises, geopolitical conflicts and wars, climate change and natural disasters, pandemics and other dangers significantly affect the stability and efficiency of national economies. In these conditions, it is necessary to improve the mechanisms for maintaining the stability of the country's economy and its recovery after crises, guaranteeing its long-term growth trajectory in a dynamic environment and achieving socio-economic stability in the country as a whole. The agricultural sector, as a key sector of the economy of most countries, also operates in conditions of dynamic changes and global challenges, which requires it to be able not only to resist external influences, but also to quickly adapt to new economic conditions.

This makes the study of the issues of ensuring economic resilience relevant, which characterizes the ability of economic sectors to adapt to changes in the external and internal environment, to recover and transform after crises and disasters, and to maintain the stability of their development in conditions of uncertainty and instability. Countries with a high level of economic resilience are able to ensure accelerated economic recovery after crises and disasters, guarantee socio-economic stability and the sustainability of the financial system, and also modernize in a timely manner in a modern dynamic environment to achieve a long-term growth trajectory.

The issue of strengthening resilience is also becoming relevant for the economy of Ukraine and its agricultural sector, which have suffered significant destructive impact since the beginning of the war, in particular, a large number of industrial and infrastructure facilities have been destroyed and damaged, significant losses have been caused to farmers and rural communities, production and supply chains of agricultural products and raw materials have

been disrupted, and the workforce and labour potential have been partially lost due to migration and mobilization processes.

The state plays a decisive role in ensuring a sufficiently high level of resilience of the country's economy by forming and implementing effective economic policy and the features of its budget and tax support, stimulating entrepreneurship and investments in infrastructure, human capital, innovation, through the development of institutions, the implementation of anti-crisis management mechanisms, etc. Thus, the resilience of the country's economy is largely determined by the features and effectiveness of budget policy in supporting, stimulating and regulating economic development. Since the indicators of the volume and structure of budget expenditures for economic activity characterize the priority areas of development of the country's economy and the features of their budgetary support, by regulating these indicators, the state is able to implement a flexible budget policy to support, stimulate and reform sectors of the economy in response to modern challenges, risks and threats, thereby influencing the level of economic resilience and strengthening it.

This will require the ability of the country's budget to flexibly adapt and timely modernize the directions and mechanism of budget and tax support for the development of the economy and its agro-industrial complex in response to the latest challenges and threats, as well as to constantly increase the level of effectiveness and socio-economic efficiency of budget programs of economic direction. Accordingly, the importance of substantiating scientific and methodological approaches to increasing the efficiency of budget regulation of the development of agro-industrial production in ensuring the sustainable socio-economic development of the country and increasing its resilience in conditions of instability is becoming more important.

28.1. Theoretical and Methodological Approaches to Increasing the Efficiency of Budget Regulation of the Country's Agro-Industrial Production Development

Effective budget policy to support sustainable socio-economic development in modern conditions requires constant improvement of approaches to managing budget resources to increase its effectiveness in implementing strategic priorities for the country's development in various spheres of public relations and obtaining the maximum socio-economic effect from the use of budget resources.

The current stage of development of economic relations requires deepening research on ensuring a high level of resilience of economic systems, which characterizes their ability to maintain functionality under the negative influence of external and internal factors, quickly recover from crises and flexibly adapt to changes and transform, preserving their key functions and ensuring sustainable development in conditions of global instability and uncertainty. The level of economic resilience in modern conditions is becoming a key characteristic that characterizes the country's ability to ensure sustainable socio-economic development in a dynamic environment, to achieve its high competitiveness at the global level ¹.

Among the factors influencing the level of economic resilience of a country, institutional capacity (rule of law, effective public administration, transparency of public policies, etc.), the degree of diversification and balance of production and exports, financial stability (stable banking system, effective fiscal policy), existing innovation potential, social cohesion (trust, quality of education and healthcare, indicators of population well-being, absence of significant income inequality), the level of global financial and economic integration (participation in international value chains, access to external markets, etc.) should be highlighted ².

Specific characteristics of the concept of "resilience" are its multifaceted and interdisciplinary nature, which creates opportunities for its application in studying the effectiveness of the functioning of various economic systems in a modern dynamic environment, in particular, models of socio-economic development of the country and its strategic planning and forecasting, public finance management systems and medium-term budget planning, and models of budget regulation of the agro-industrial production development.

It is important to further develop the theoretical and methodological principles of improving the budget regulation of the agro-industrial production development based on the provisions of the concept of dynamic systems' resilience. Since in most countries, including Ukraine, budget regulation of economic development is carried out on the basis of the program-targeted management method, it is advisable to substantiate the increase in the level of resilience of the budget regulation system for the agro-industrial production

¹ Melnyk M., Ivaniuk U., Leshchukh I., Halkiv L. (2023). The sustainable development and resilience of socio-economic system: Conceptualization and diagnostics of problems in conditions of global challenges and shocks. *International Journal of Sustainable Development and Planning*. Vol. 18, No. 4. P. 1035-1037.

² Hallegatte, St. (2014). Economic Resilience: Definition and Measurement. Policy Research Working Paper, No. 6852.

development by deepening the application of the principles of strategic orientation, priority, effectiveness and socio-economic efficiency in planning agrarian budget programs ³.

Deepening the strategic focus and prioritized approach in the process of budget regulation involves strengthening the relationship and coherence between medium-term budget planning and state strategic planning and forecasting of the country's socio-economic development in order to direct limited budget resources to achieving the approved strategic priorities for the country's development in various spheres of public relations and obtaining planned socially significant results.

The principle of effectiveness occupies a central place in the program-target model of budget resource management, which is manifested in the implementation of the processes of budget formation and execution depending on the planned and achieved level of effectiveness of budget programs. Medium-term budget planning in modern conditions should provide for a systematic assessment of the effectiveness of budget expenditures at all stages of the budget management cycle «forecasting – planning – execution – control» in order to identify ineffective budget programs and, on this basis, adjust the planned budget indicators. Integration of monitoring the effectiveness of budget programs in terms of the implementation of planned intermediate, direct and final results into all stages of the budget process will allow creating a holistic system of budget regulation, which will aim at dynamic optimization of the distribution and use of limited budget resources, taking into account the criteria of the expected and achieved level of effectiveness in order to minimize the ineffective spending of budget funds and obtain the necessary socially significant results from the use of budget resources ⁴.

The assessment of the socio-economic effectiveness of budget regulation is based on an in-depth study of the impact of budget indicators on the development trends of sectors of the national economy, the level of competitiveness and productivity of domestic producers, indicators of socio-economic development of regions and rural territories, employment and income levels of the population and their well-being, etc. Using the results of the

³ Finansove rehulyuvannya rozvytku aharnoho sektoru ekonomiky ta sil'skykh terytoriy (2025). [Financial regulation of the development of the agricultural sector of the economy and rural territories]; monograph; edited by L.D. Tulush. Kyiv: NSC "IAE", 2025. P. 325-327.

⁴ Samoshkina O.A. (2019). Prohramno-tsil'ove upravlinnya byudzhetnyimi resursamy u mekhanizmi suspil'noho rozvytku [Program-targeted management of budgetary resources in the mechanism of public development]. *Ekonomichnyy visnyk universytetu*. DVNZ «Pereyaslav-Khmel'nyts'ky derzhavnyy pedahohichnyy universytet imeni Hryhoriya Skovorody». Volume 43, P. 190.

assessment of the socio-economic effectiveness of budget expenditures in the budget process will allow supporting the development of those industries and areas that provide the greatest socio-economic effect for the country, generate high added value and make a significant contribution to supporting the sustainable socio-economic development of the country and the level of its resilience in conditions of instability.

Ensuring the strategic orientation of the agrarian budget expenditures involves their long-term forecasting and medium-term and annual program-targeted planning within the framework of the implementation of the Strategy for the Development of the Agrarian Sector and other sectoral strategies. Such a comprehensive approach to the formation of agrarian budget expenditures will allow to coordinate strategic sectoral plans with the financial capabilities of the budget, to ensure the relationship between the planned results of the budgetary programs and the approved strategic priority goals of agrarian and rural development for their successful and effective implementation. The model of program-targeted formation of the agrarian budget expenditures in the system of state strategic planning and forecasting is presented in Figure 1.

In the context of strategic management of budget resources, the budget formation process should begin with the development of a Budget Strategy and long-term forecasting of the volume and structure of budget revenues and expenditures based on the forecast of the main macro indicators of the country's economic and social development.

The budget strategy and long-term forecast of agrarian budget expenditures must be consistent with the Strategy for the Socio-Economic Development of the Country, the Strategy for the Development of the Agricultural Sector and other strategic documents on agrarian and rural development, strategic plans of activities of sectoral administrators of budget funds. Such a systematic approach to the formation of state strategic documents allows for the formation of a coordinated system of strategic priority goals and objectives of the country's development in various spheres of public relations with clear mechanisms for their implementation within the framework of budget policy and budget financing opportunities.

The main purpose of long-term forecasting of agrarian budget expenditures in the state strategic planning system is a prospective assessment of the resource potential for implementing the country's agri-food policy, curbing the unjustified growth of agrarian budget expenditures by coordinating strategic sectoral development plans with budgetary capabilities, which creates the prerequisites for guaranteeing budgetary balance and sustainable development of the agro-industrial sector in the medium and long term.

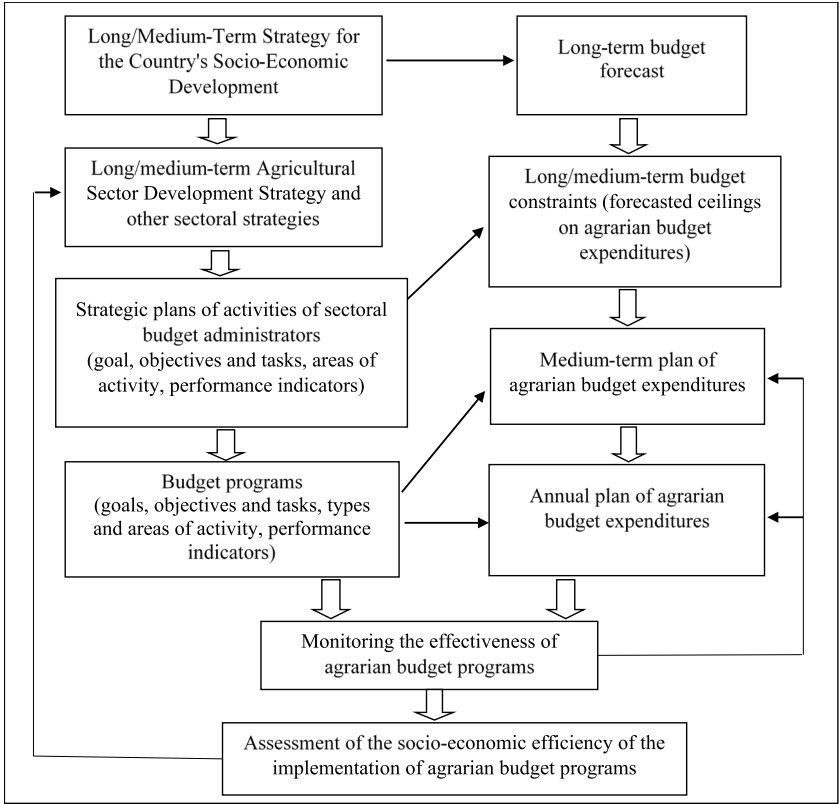


Figure 1. Model of program-targeted formation of the agrarian budget expenditures in the system of state strategic planning and forecasting

Source: compiled by the author

The forecast volumes of agrarian budget expenditures are formed for a period of up to 10-15 years on the basis of a long-term forecast of the total level of budget revenues and expenditures, its deficit (surplus), determined within the framework of the forecast dynamics of the country's economic development and the public debt management strategy. The structure of agrarian budget expenditures is forecast in terms of the main budget administrators in accordance with their strategic activity plans, taking into account the level of priority, effectiveness and socio-economic efficiency of their budget programs.

Long-term forecast indicators of the level of agrarian budget expenditures in general and in terms of budget administrators act as limit levels (limitations) of budget financing of the activities of sectoral budget administrators, since they are determined within the framework of the forecast dynamics of economic development and expected opportunities for accumulating budget resources in the medium and long term.

In order to implement the approved Strategy for the Agrarian Sector Development and within the framework of long-term budgetary constraints, sectoral managers of budget funds form strategic plans for their activities, which determine their main goal, strategic goals and objectives, types and areas of activity for their implementation, expected results, as well as the necessary amounts of budget financing.

To implement the strategic plans of their activities, budget administrators develop budget programs, each of which must have a clearly defined main goal of its formation, goals and objectives for its achievement, specified types and areas of activity for their implementation, the volume of budget financing of the program by year, as well as a list of performance indicators that are used to assess the degree of achievement of the set goals.

The medium-term plan for the expenditure part of the budget (from 3 to 5 years) in the context of budget programs of sectoral state administration bodies is formed and approved by analysing, coordinating and summarizing budget financing indicators defined in the strategic activity plans of budget funds managers and passports of their budget programs.

The forecasting, medium-term and annual planning of budget indicators should be carried out using a sliding method of formation, which provides that after the end of the current budget year, forecast (planned) indicators of another year are added to the forecast (planned) indicators of subsequent periods, and the previous forecast (planned) indicators remain either unchanged or can be adjusted taking into account certain criteria (in particular, the level of priority and effectiveness), changes in the forecast dynamics of the main macro indicators of the country's development, the influence of other significant factors. The sliding method of forecasting and planning of budget indicators in the annual and medium- and long-term perspective gives budget policy signs of continuity and consistency in achieving certain strategic priorities in various spheres of public relations.

Long-term forecasting of agrarian budget expenditures should be carried out on the principles of sliding formation and provide for adjustment of forecast indicators for subsequent periods taking into account the level of priority, effectiveness and socio-economic efficiency of agrarian budget programs and

the activities of sectoral administrators of budget funds. In turn, medium-term planning of agrarian budget expenditures should provide for sliding planning within the framework of the indicators of the relevant long-term forecast, and their subsequent annual planning within the framework of the relevant medium-term plan, and also be adjusted based on an analysis of the level of priority, effectiveness and socio-economic efficiency of agrarian budget programs.

Therefore, increasing the resilience of budget regulation requires a systematic analysis of the planned and achieved level of effectiveness and socio-economic efficiency of budget expenditures and budget programs of agrarian direction, the activities of sectoral administrators of budget funds to take into account its results when forming new and adjusting previous forecast and planned indicators in order to ensure dynamic optimization of the distribution/redistribution of budget funds for the development of the agro-industrial sector, taking into account the criterion of budget effectiveness.

Thus, the program-targeted formation of budget expenditures of the agrarian direction in the system of state strategic planning and forecasting should include the following main stages:

- forecasting the level of agrarian budget expenditures within the framework of the long-term budget trajectory, which is determined as a whole and in the context of sectoral state administration bodies on the basis of approved sectoral strategies, strategic plans of public administration bodies responsible for the implementation of the country's agri-food policy, and taking into account the level of socio-economic effect of directing budget funds to the development of the agro-industrial sector;

- medium-term program-targeted planning of budget expenditures of the agrarian direction in the context of budget programs of sectoral state administration bodies, which is carried out using the method of their sliding planning within the framework of the developed long-term forecast of sectoral budget expenditures and taking into account the level of priority and effectiveness of budget programs and activities of sectoral public administration bodies;

- annual program-target planning of agrarian budget programs by applying the method of their sliding formation within the framework of the approved medium-term plan;

- systematic monitoring of the effectiveness and assessment of the socio-economic efficiency of agrarian budget programs and the activities of sectoral administrators of budget funds at all stages of the budget process to adjust the forecast and planned indicators of the expenditure part of the budget, taking into account the criterion of budget effectiveness.

The main difference between monitoring the effectiveness of budget programs and assessing the socio-economic efficiency of budget programs is the purpose. Monitoring the effectiveness of a budget program is aimed at continuous monitoring of the process of implementing a budget program, while assessing the socio-economic efficiency of a budget program is carried out at a certain stage, in particular, at the end of the implementation of the budget program, the transition to a new stage of program implementation, and involves a more in-depth analysis of the obtained socio-economic results. Data from monitoring the effectiveness of budget programs are usually used when adjusting the further implementation of the budget program, to track the intermediate results of the implementation of budget programs. Assessment of the final socio-economic efficiency of budget programs is carried out during prospective forecasting and planning of budget indicators, is aimed at determining the degree of achievement of final socially significant results as a result of the implementation of the budget programs and requires a more in-depth methodological justification.

Deepening the application of the principles of effectiveness in the budget process also requires the introduction of monitoring of the effectiveness of the activities of budget funds managers, which should be carried out at all stages of the budget process and be based on an analysis of the effectiveness of their budget programs, comparing the actual performance indicators of their activities with the planned ones, defined in strategic plans, and the corresponding indicators of other managers. Based on monitoring the effectiveness of the activities of a budget fund manager in the budget planning process, it is possible to redistribute budget funds from other budget fund managers in his favour in the event of his effective performance or to redistribute a share of his budget resources in favour of other budget fund managers in the event of his insufficiently effective performance.

28.2. Budgetary Regulation Efficiency of Ukrainian Agro-Industrial Production in the Context of Implementing Strategic Priorities of Agrarian and Rural Development

Ukrainian agro-industrial sector is critically important for the functioning and maintenance of the stability of the national economy, as it guarantees national and global food security and, to a certain extent, the economic and environmental security of the country, generates a significant share of export revenues, ensures the development of other technologically related sectors of

the economy, determines the socio-economic conditions of life of the rural population and the development of rural areas, etc.

Budgetary regulation of the Ukraine's agro-industrial sector development is carried out on the basis of medium-term program-targeted budget management. The processes of planning, implementation and control over the implementation of budget expenditures in the agrarian sector are carried out in the context of budget programs, which are developed and implemented by budget administrators represented by public administration bodies responsible for the formation and implementation of the country's agri-food policy.

In recent years, the budget process of Ukraine has been gradually transitioning from annual budget planning to a system of medium-term budget management, which involves the implementation of planning processes for agrarian budget expenditures in the context of budget programs of budget administrators for a three-year period to implement the strategic priorities of the country's agrarian and rural development.

According to the amended Article 33 of the Budget Code of Ukraine, the Budget Declaration is to be formed as a medium-term budget planning document, which must contain strategic objectives of state policy, which are formed and detailed by the main managers of budget funds in accordance with approved national priorities and sectoral strategic documents. The Budget Declaration must also contain the maximum amounts of budget expenditures for the main managers of budget funds for each year of the medium-term period for further planning of their budget programs necessary for the implementation of the approved strategic objectives and achievement of planned results ⁵.

The introduction of medium-term planning of agrarian budget programs required the development and approval of strategic documents on sectoral development with an assessment of the amount of financial resources, in particular budgetary, necessary to achieve the strategic goals, objectives and results set in them. To date, the Strategy for the Development of Agriculture and Rural Areas in Ukraine for the period until 2030, the Strategy for Food Security of Ukraine for the period until 2027, the Concept of the State Targeted Economic Program for the Development of Livestock for the period until 2033, the Strategy for the Development of the Fisheries Industry of Ukraine for the period until 2030, etc. have already been approved. To implement them, public administration bodies responsible for the implementation of agri-food policy form strategic plans for their activities and budget programs, the passports of

⁵ Budget Code of Ukraine dated 07/08/2010 No. 2456-VI. Available at: <https://zakon.rada.gov.ua/laws/show/2456-17#Text>

which must contain clearly defined medium-term goals, objectives, areas of activity and specific expected results, in particular performance indicators regarding budget expenditures, expected product and its quality, and the level of effectiveness of program activities for each year of the planning period, determined in accordance with agrarian specifics.

Budgetary regulation of Ukraine's agro-industrial sector development in the pre-war and war periods is carried out using the following instruments:

- direct state financial (budgetary) support for priority and effective agricultural producers through the provision of budget subsidies, grants, compensations, reimbursements, additional payments, other special payments and its differentiation according to priority sectoral and territorial criteria;
- budget lending to priority and effective agricultural enterprises and farms;
- budget financing of institutional and infrastructural support for the functioning of the country's agrarian sector, priority sectoral areas and reforms;
- budget financing of fundamental and applied research in the field of agrarian economy, measures to stimulate the implementation of their results in production activities;
- application of budget incentives for the development of credit and investment support and insurance coverage of the activities of agro-industrial producers, in particular mechanisms for partial compensation by the state of interest rates on loans and insurance payments, and provision of state guarantees to secure credit obligations ⁶.

A study of the dynamics of the volume of budgetary support for the Ukraine's agro-industrial sector development for the period 2013-2024 indicates a stable trend of decreasing its share in the structure of expenditures of the Ukraine's consolidated budget from 1.69% in 2013 to 1.01% in the pre-war 2021 and the minimum value of 0.25% in 2024, except for the period of 2017 with an increase in the corresponding indicator from 0.79% to 1.35% due to the abolition of the special VAT taxation regime for farmers and the gradual transition of the state to predominantly budgetary regulation of the domestic agrarian sector development (Figure 2).

The identified trends indicate an insufficient level of budget support for the advanced sustainable development of the domestic agro-industrial sector as a key GDP forming link of the national economy and a catalyst for post-war

⁶ Tulush, L.D., Samoshkina, O.A., Hryshchenko, O.Yu. (2024). Reformuvannya systemy fiskal'noho rehulyuvannya rozvytku ahramoho sektoru ekonomiky ta sil's'kykh terytoriy: monohrafiya. [Reforming fiscal regulation system of the development of agricultural sector and rural areas: monograph.]. Kyiv: NSC "IAE". P. 10-11.

recovery, which is also identified by the approved forecast and program documents on the country's strategic development as a priority in the context of ensuring food security, indicating its products as those of strategic importance for guaranteeing the national security of Ukraine.

The structure of budget support for the development of agro-industrial production in Ukraine, on average for the pre-war period of 2017-2021, was characterized by the following indicators: budget financing of institutional support - 63.3%; direct state financial support for agro-industrial producers - 27.6%; budget financing of fundamental and applied research in the field of agrarian economy – 8.5%; budget lending to farms - 0.6%. With the introduction of martial law, the total volume of budget support for the industry's development decreased by 37% compared to pre-war 2021, mainly due to a significant reduction in the volume and transformation of the mechanism of direct state financial support for agro-industrial producers and the suspension of budget lending to farms.

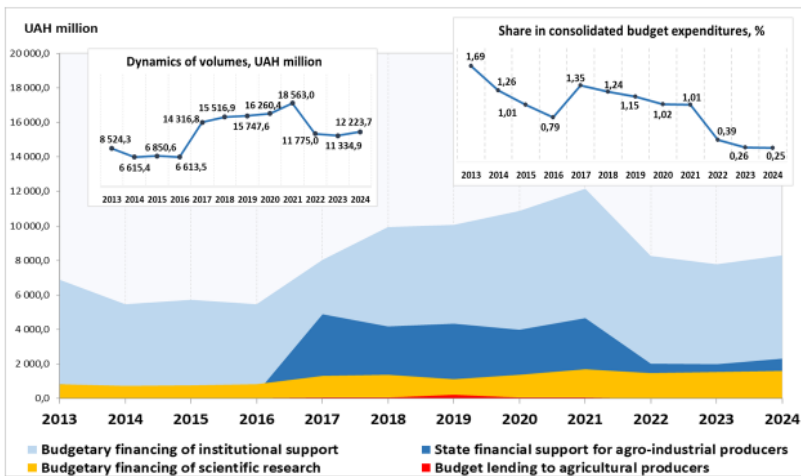


Figure 2. Dynamics of the volumes and structure of budgetary support for the Ukraine's agro-industrial sector development in 2013-2024

Source: based on the data ^{7, 8}

⁷ Ofitsiyniy sait Ministerstva finansiv Ukrainy [Official website of the Ministry of Finance of Ukraine]. Available at: <https://www.mof.gov.ua>

⁸ Ofitsiyniy sait Derzhavnoho ahrahmoho reyestru Ukrainy [Official website of the State Agrarian Register of Ukraine]. Available at: <https://www.mof.gov.ua>

When studying the features of state financial regulation of the Ukraine's agro-industrial sector development, it should be noted that since 2017, the main instrument of state financial support for domestic agrarian producers has been direct budget support in the form of partial compensation for the cost of production resources, the total amount of which was to be at least 1% of agricultural output. Trends in the pre-war and war periods indicate a decrease in the volume of direct budget support for domestic agrarian producers in relation to gross agricultural output from a maximum value of 0.9% in 2017 to 0.6% in the pre-war 2021 and 0.2% in the war years, respectively.

It is important to note that until 2017, tax instruments to support domestic agrarian producers prevailed in the form of preferential VAT taxation and the possibility of choosing a simplified taxation system with the application of a single tax. At the same time, the use of budget support instruments was quite limited and was carried out mainly in the areas of stimulating the development of the livestock and agricultural product processing industries, reducing the cost of lending and budget lending to farms. After the gradual abolition of preferential VAT taxation for agrarian producers in 2016-2017, the use of tax support instruments has significantly decreased. Currently, it only provides for the possibility of choosing a simplified taxation system through the payment of a single tax of group IV for agricultural producers with an agricultural production share of at least 75%, as well as the application of a reduced VAT rate of 14% for certain types of agricultural products.

The persistent trends of the pre-war and war periods towards a decrease in the volume of direct budget support for domestic agrarian producers with limited use of tax support instruments for the development of the industry significantly limit the possibilities of effective use of the regulatory potential of budgetary policy in achieving the strategic priorities of the country's agrarian and rural development, especially in the context of significant military risks to maintain the positive dynamics of the domestic agro-industrial production development, its restoration in the war-affected and deoccupied territories, and reform in accordance with the standards of the EU's Common Agricultural Policy (CAP). It is advisable to increase the volume of direct budget support for agrarian producers to the level of 1% of agricultural output with an emphasis on the affected territories and territories with increased war risks, and in the medium and long term, gradually bring its level to the standards of providing financial support within the framework of the EU's CAP to reform industry production processes in accordance with EU requirements, increase the

competitiveness of domestic agrarian producers and ensure their successful integration into European agri-food markets⁹.

In the structure of state financial support for agro-industrial producers in Ukraine in the pre-war period of 2017-2021, the largest share on average was support for the development of livestock breeding and processing of agricultural products – 51.9%; partial compensation for the cost of domestically produced agricultural machinery and equipment – 19.5%; financial support through cheaper loans – 15.0%; support for the development of horticulture, viticulture and hop growing – 8.6%; support for the development of farms – 4.0%.

During the war period, the directions and instruments of state financial support for agro-industrial producers in Ukraine are being reformatted and modernized, in particular, the areas of support are being prioritized taking into account the criterion of the expected effect in terms of restoring economic activity and rebuilding the affected territories, as well as stimulating the development of the agro-industrial sector on sustainable, innovative, ecological and inclusive approaches and EU standards.

The development of horticulture, berry growing, viticulture, greenhouse farming, the development of livestock breeding and processing of agricultural products, the advanced development of small agricultural producers and the gradual increase in irrevocable state financial support for their entrepreneurial activities, the production of domestically produced agricultural machinery and equipment, the development of melioration systems and water user organizations, the demining of agricultural lands, the stimulation of domestic demand for domestic goods and services, and the state stimulation of the creation of industrial parks are identified as priority areas for budget support.

A tool for state grant support for agro-industrial producers has been introduced on the basis of co-financing in priority areas for the development of the domestic agro-industrial sector (creation or development of horticulture, berry growing, viticulture, greenhouse farming, agro-processing enterprises) provided that they achieve significant socio-economic results, namely, the creation of new jobs to support employment and incomes of the population, internally displaced persons, veterans, contributing to the replenishment of the revenue part of state and local budgets through the payment of taxes in the

⁹ Rozvytok ahrarynoho sektoru ta sil's'kykh terytoriy v umovakh voyennoho stanu y povoyennoho vidnovlennya: naukova dopovid' (2023). [Development of the agricultural sector and rural areas in the conditions of martial law and post-war reconstruction: scientific report] / Y.O. Lupenko, O.M. Nechiporenko, M.I. Pugachev, etc. Kyiv: NSC "IAE". P. 128-130.

amount of grants received, carrying out entrepreneurial activities in territories affected by hostilities to ensure their reconstruction, etc.

It should also be noted the processes of increasing the differentiation of instruments and volumes of budget support for agro-industrial producers in Ukraine, taking into account the territorial criterion, depending on the coverage of military operations, the level of destruction and losses incurred, with an emphasis on assistance to the most affected regions and territories with increased military risks. There is also a priority budget stimulation of the development of credit support for the production and export activities of agro-industrial producers and their preferential lending with the participation of the state (launch of the Fund for Partial Guarantee of Loans in Agriculture, improvement of the state programs "Affordable Loans 5-7-9%", "Affordable Financial Leasing 5-7-9%", "Affordable Factoring" and the expansion of their action in de-occupied, affected and close to combat zones territories, implementation of credit and insurance programs of the Export Credit Agency). There is also a proactive development of digitalization and automation of the processes of providing state financial support to agro-industrial producers through the platform of the State Agrarian Register, the portal Diya.

Further modernization of state financial support for agro-industrial producers in Ukraine should involve the application of mechanisms for synchronization, adaptability, and flexibility when using tax and budget instruments to support the industry, as well as their optimization based on criteria of effectiveness, socio-economic efficiency, strategic orientation, and priority in fulfilling the tasks of ensuring sustainable agrarian and rural development of the country ¹⁰.

Increasing the effectiveness of state financial support for domestic agro-industrial producers requires strengthening the synchronization and coherence of state strategic planning for the country's agrarian and rural development (Strategy for the Development of Agriculture and Rural Areas in Ukraine for the period until 2030, Food Security Strategy of Ukraine for the period until 2027, Concept of the State Targeted Economic Program for the Development of Livestock Breeding for the period until 2033, etc.) and medium-term program-targeted planning of agrarian budget programs, which will ensure the relationship between the approved strategic priority tasks for the industry's

¹⁰ Derzhavne finansove rehulyuvannya ekonomichnykh peretvoren' (2015). [State financial regulation of economic transformations]: monograph / I.YA. Chuhunov, T.V. Kanyeva ta in.; za zah. red. A.A. Mazaraki. Kyiv: KNTEU. P. 96.

development and the results of the activities of state administration bodies in their implementation.

Focusing on the expansion of areas and instruments of state financial support for agro-industrial producers in Ukraine in 2025-2026 compared to 2022-2024, it should be noted that it is also necessary to increase the effectiveness of agrarian budget programs based on the introduction of an assessment of their impact on the indicators of the functioning of agro-industrial production sectors, the level of financial stability, productivity and competitiveness of domestic producers, indicators of socio-economic development of rural areas, employment of the population, etc. This will allow supporting the development of those industries and areas that provide the greatest socio-economic effect for the country, generate high added value and make a significant contribution to supporting the stability of the economy and the post-war reconstruction of the country.

Increasing the effectiveness of state financial support for agro-industrial producers also requires the introduction of constant monitoring of the implementation of budget support programs and the achieved level of their effectiveness in order to identify insufficiently effective programs in the process of their implementation and opportunities to save budget resources to direct them to other more effective budget support programs.

A study of the features of the implementation of budget programs of state financial support for Ukrainian agro-industrial producers in 2024-2025 indicates an insufficient level of justification for their planning, which led to the need for constant adjustment of annual target indicators, clarification of other parameters of budget programs to ensure their successful implementation, and partial redistribution of budget funds from insufficiently effective budget programs in favour of those that had a higher level of implementation and effectiveness in supporting the production and export activities of producers in the face of wartime challenges.

The issues of scientific substantiation of the directions and mechanisms for implementing state financial support for agro-industrial producers in Ukraine, determining its optimal volume in general and by areas of use, based on an assessment of its impact on the indicators of the functioning of agro-industrial production sectors, the level of financial stability, productivity and competitiveness of domestic agricultural producers, indicators of the development of rural areas, as well as taking into account the need for state stimulation of the modernization of production processes in accordance with European standards, remain relevant.

It is important to continue active state stimulation of the processes of providing state financial support to agricultural producers through the platform of the State Agrarian Register and the Diya portal, which will significantly increase the transparency and accessibility of its provision, especially under martial law, as well as the efficiency and economy of spending budget funds on the development of the industry by reducing management and administrative costs.

Thus, increasing the efficiency and effectiveness of budgetary regulation of the development of agro-industrial production in the context of implementing the strategic priorities of the country's agrarian and rural development should include:

- further improvement of strategic planning for the development of the agro-industrial sector in terms of developing economic and mathematical models for long-term forecasting and medium-term planning of indicators of the functioning of the industry in connection with key indicators of the economic and social development of the country, its regions, and rural areas as components of a single dynamic system, which will significantly increase the level of reliability and accuracy of the constructed forecasts and strategic plans and ensure their compliance with real industry and socio-economic processes, move to a qualitatively new level of formation and implementation of agro-food policy in matters of achieving strategic priorities of the country's agrarian, rural, and socio-economic development;

- strengthening the scientific validity of the processes of forming the Strategy for the Development of the Agricultural Sector in terms of specifying expected results and optimizing mechanisms and tools for their achievement using the principles of systematicity, priority, adaptability, synchronization and flexibility, in particular the features of the application of budget policy instruments in order to direct limited budget resources to the implementation of strategically important industry development programs that will have a significant socio-economic effect in the context of supporting the industry and its reform;

- substantiation of scientific and methodological approaches to assessing the degree of achievement of planned goals and results and the socio-economic effect of the implementation of the Strategy for the possibilities of its improvement and adjustment, which should include regular assessment of the planned and actually achieved level of efficiency in terms of their impact on the indicators of the functioning of the agri-food production sectors, their development trends, the level of competitiveness, productivity and financial

stability of agro-industrial producers, indicators of socio-economic development of rural areas, etc.;

- achieving cross-sectoral coherence of strategic documents by building a mutually agreed hierarchical system of state strategic planning documents – from long-term strategies for socio-economic and agrarian development of Ukraine to strategic activity plans of ministries and the medium-term Budget Declaration, since the combination of strategic planning for the development of the industry with medium-term budget planning will ensure the effective and efficient achievement of the goals of agri-food policy and will allow avoiding possible imbalances in the financial support for the development and reform processes of the industry in the future;

- modernization of the system of budget regulation of the agro-industrial sector development by introducing long-term budget forecasting and improving the system of medium-term and annual planning of budget expenditures on the basis of the program-targeted method, which will allow linking the Strategy for the Development of the Agrarian Sector with the long-term budget trajectory and the financial capabilities of the budget for its implementation, making the process of planning agrarian budget program more targeted, effective and transparent;

- improving the theoretical and methodological principles of assessing the effectiveness and socio-economic efficiency of agrarian budget programs from the point of view of obtaining specific sectoral and socio-economic results, which will allow researching and assessing the socio-economic effect of spending budget funds on the development of the industry, increasing the validity and effectiveness of planning budget programs to support the industry, and strengthening the relationship between the strategic priorities of the country's agrarian and rural development and the results of the activities of state administration bodies;

- increasing the scientific validity of planning areas and volumes of direct budget support for agro-industrial producers, as well as assessing its impact on the indicators of the functioning of agro-industrial production sectors, the level of financial stability and productivity of domestic producers, indicators of socio-economic development of rural areas, population employment, volumes of tax sectoral revenues to budgets of various levels, which will allow supporting the development of those subsectors and areas that provide the greatest socio-economic effect for the country, generate high added value and make a significant contribution to the growth of the national economy and ensuring an adequate level of food security;

– further decentralization of budgetary regulation of the agro-industrial sector development by increasing the level of involvement of territorial communities and financial resources of local budgets in the processes of forming and implementing the country's agri-food policy, financial support programs for local agrarian producers, and creating a favourable institutional environment for their functioning.

CONCLUSIONS

Theoretical and methodological principles for improving the budgetary regulation of the development of agro-industrial production based on the concept of resilience of dynamic systems provide for a rational combination of the principles of strategic orientation, priority, effectiveness, socio-economic efficiency and adaptability in the process of program-targeted planning and implementation of agricultural budget programs. This will allow to increase the qualitative level of the holistic system of financial regulation of the development of the industry in the conditions of the latest institutional transformations caused by the intensification of globalization of financial and economic processes, geopolitical conflicts, the growing influence of military factors and militarization of the economy, climate change, pandemics, etc.

A study of the features of budgetary support for the agro-industrial production development in Ukraine in the pre-war and war periods revealed persistent trends towards a decrease in its level in the total volume of consolidated budget expenditures, an inadequate level of coordination of agrarian budget programs with the approved strategic priorities, an insufficient level of effectiveness of agrarian budget programs, and a deepening of imbalances in the inter-budgetary structure of support for the domestic agro-industrial sector. This leads to a decrease in the level of efficiency of budgetary regulation of the industry and incomplete use of the potential of budgetary instruments in matters of support and stimulation of the country's agrarian and rural development.

Scientific and methodological approaches to increasing the effectiveness of budget regulation of the agro-industrial production development in the context of implementing the strategic priorities of the country's agrarian and rural development are based on the principles of ensuring consistency and synchronization of state strategic planning for the industry's development and medium-term program-targeted planning of agrarian budget programs, the need to implement monitoring of the effectiveness of agrarian budget programs and assessing the final socio-economic effect of their implementation in terms of the impact on the indicators of the functioning of agro-food production

industries and the national economy as a whole, trends in sectoral development and its structural shifts, the level of competitiveness, productivity and financial stability of agro-industrial producers, and indicators of socio-economic development of rural areas.

SUMMARY

The theoretical and methodological principles of improving the budget regulation of the agro-industrial production development on the basis of the concept of dynamic systems resilience were suggested. A model of program-targeted formation of the agrarian budget expenditures in the system of state strategic planning and forecasting has been developed. The features of budgetary regulation of the Ukraine's agro-industrial production development in the pre-war and war periods were generalised. The main trends in the dynamics of the volume and structure of the budgetary support for Ukrainian agro-industrial production in 2013-2024 were analysed. The vectors of transformation of the budgetary regulation of the agro-industrial production development in Ukraine within the framework of state strategic planning and medium-term budget planning for effective overcoming of the challenges of wartime, post-war recovery and reconstruction, and acceleration of European integration processes were outlined. Scientific and methodological approaches to increasing the efficiency of budget regulation of the agro-industrial production development in the context of implementing strategic priorities of the country's agrarian and rural development have been suggested.

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