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**MODERNISING UKRAINE'S INSTITUTIONAL MECHANISM FOR
AGRICULTURAL AND RURAL DEVELOPMENT POLICY:
LEGISLATIVE PRIORITIES IN THE CONTEXT
OF EU INTEGRATION**

**МОДЕРНІЗАЦІЯ ІНСТИТУЦІЙНОГО МЕХАНІЗМУ УКРАЇНИ
ДЛЯ РЕАЛІЗАЦІЇ ПОЛІТИКИ У СФЕРІ СІЛЬСЬКОГО
ГОСПОДАРСТВА ТА РОЗВИТКУ СІЛЬСЬКИХ ТЕРИТОРІЙ:
ЗАКОНОДАВЧІ ПРИОРИТЕТИ В КОНТЕКСТІ ІНТЕГРАЦІЇ В ЄС**

Ovieian H. V.

*Degree-Seeking Researcher,
Scientific Research Institute
of Public Law,
Kyiv, Ukraine*

Овсян Г. В.

*здобувач
Науково-дослідний інститут
публічного права
м. Київ, Україна*

Ukraine's accession process has shifted agricultural reform from general legislative approximation towards institutional readiness. In its 2025 assessment of Chapter 11, the European Commission identified continued implementation of the Strategy until 2030, stronger administrative capacity, the paying-agency framework, the Farm Sustainability Data Network (FSDN), the Integrated Administration and Control System (IACS), the land parcel identification system (LPIS) and stronger advisory services as priorities [1, pp. 19, 94]. After the reporting period covered by that assessment, Ukraine adopted Law No 4619-IX [2]. By Order No 1526-r, the Cabinet of Ministers subsequently designated, with effect from 1 July 2026, the Ukrainian State Fund for Farm Support as the budgetary institution performing the functions of the Paying Agency [3]. The legislative question is therefore not whether EU-compatible institutional names have been introduced, but whether the new elements are embedded in a coherent allocation of competences, resources, procedures and accountability.

Legal approximation, implementation, institutional arrangements, administrative capacity and enforcement are related but distinct. Approximation concerns convergence with the *acquis*; implementation translates rules into procedures and decisions; institutional arrangements allocate powers and resources; capacity concerns personnel, finance and information systems; and enforcement demonstrates practical application, control and review. Before accession, CAP regulations do not place Ukraine within the EU shared-management system, although they constitute

authoritative benchmarks for institutional preparation. In parallel, the Association Agreement requires cooperation and gradual approximation in agriculture and rural development [4, Arts. 403–405]. This paper argues that modernisation requires a complete policy cycle linking planning, financing, delivery, monitoring, audit and remedies.

The national legislative framework now comprises the Strategy for the Development of Agriculture and Rural Areas until 2030 [5], the State Agrarian Register [6] and the phased institutional architecture enacted by Law No 4619-IX [2]. The latter establishes the legal framework for the Paying Agency, FSDN and IACS while providing for deferred commencement: the FSDN and IACS provisions are scheduled to enter into force on 1 January 2027, whereas the Paying Agency provisions take effect 18 months after publication of the Law, but not before the date on which the Agency begins operating [2]. It also provides that IACS is to function as a subsystem of the State Agrarian Register and to comprise, *inter alia*, parcel-identification, geospatial, area-monitoring, applicant-identification and payment-compliance monitoring subsystems [2]. This is a significant legislative advance, but enactment and designation are not equivalent to operational readiness; nor is designation equivalent to accreditation under the EU model. A national strategy is likewise not a CAP Strategic Plan drawn up by a Member State and approved by the Commission. The first priority is therefore integrated programming: clear responsibility for strategic management; rules on delegation and retained responsibility; representative monitoring and partnership; *ex ante* evaluation and strategic environmental assessment where required; annual performance reporting; and a legally defined link between strategy, budget and public investment. Regulation (EU) 2021/2115 provides relevant institutional benchmarks [7].

This priority also requires a disciplined hierarchy of legal regulation. Primary legislation should determine institutional mandates, the non-transferable core of public powers, the grounds for granting, refusing, suspending and recovering support, the purposes and limits of data use, control powers, audit independence and remedies. Secondary legislation may specify workflows, technical standards, interoperability protocols and evidentiary rules. The commencement of new procedures should be linked not only to a calendar date but also to published readiness criteria, adequate staffing, completed system testing and formal confirmation that operational safeguards are in place. This would reduce the risk that existing support procedures cease before the new institutions can lawfully perform their functions.

The second priority is financial assurance. Regulation (EU) 2021/2116 distinguishes the competent authority, accredited paying agencies and certification bodies [8, Arts. 8–12]. Commission Delegated Regulation (EU)

2022/127 further separates the authorisation and control of payments, execution of payments and accounting [9, Annex I]. The enacted Ukrainian framework provides, upon commencement, for the Paying Agency's exclusive administration of state support, retained responsibility for delegated functions and a permanent internal-audit unit [2]. The remaining implementing framework should operationalise functional separation; risk-management, anti-fraud and recovery procedures; independent certification; and a transparent process for assessing continuing compliance with accreditation criteria. Decisions affecting applicants should be reasoned and open to administrative and judicial review. Without these safeguards, the Paying Agency may remain a payment channel rather than an accountable institution protecting both public funds and beneficiaries.

The third priority is the operational and evidentiary architecture of IACS and LPIS. Under EU rules, IACS comprises interconnected identification, application, monitoring and control elements supported by geospatial data [8, Arts. 65–72]. The enacted Ukrainian framework provides that IACS will function within the State Agrarian Register and include a parcel-identification subsystem based on data from the State Land Cadastre and other public registers [2]. The next task is to ensure verified interoperability among the State Agrarian Register's IACS subsystem, the State Land Cadastre, animal-identification systems and other authoritative sources, using common identifiers, data-quality rules and traceable correction procedures. Under the EU FSDN model, FSDN records may be linked to IACS and other administrative datasets, but individual data may be used only for the purposes established by the FSDN legal framework and not for payment controls or taxation [10]. Housing IACS within the Register does not eliminate the need for a legally and technically reliable LPIS: identifying an applicant is not equivalent to establishing the location and eligibility of each parcel claimed for support. Wartime loss of records, occupation of territory, land contamination and restricted access require special evidentiary rules, while cybersecurity and the right to contest automated findings should be treated as elements of legality.

The fourth priority is coherent agricultural-market legislation. The European Commission noted continued legislative alignment, particularly concerning marketing standards, and the need to strengthen administrative capacity for control and enforcement in the field of quality policy [1, p. 94]. Regulation (EU) No 1308/2013 integrates market information, producer organisations, marketing standards, public intervention, private storage and crisis measures [11]. Ukraine should therefore identify the competent authorities and their powers; establish recognition and reporting procedures; define objective conditions for crisis action; secure competition safeguards; and ensure accountability for sectoral programmes. Fiscally significant

instruments should follow, not precede, reliable data, control and audit capacity.

The fifth priority is to recognise rural development as an autonomous and territorially grounded policy field. The LEADER approach, reflected in Regulation (EU) 2021/2115, is relevant as an institutional benchmark, although the Regulation's funding and implementation obligations for Member States do not apply to Ukraine before accession [7]. National legislation should establish a transparent framework for local action groups, bottom-up strategies, project selection, co-financing, conflict-of-interest prevention, audit and review, while assigning a substantive role to local self-government and avoiding duplication with regional policy. The sixth priority is the Agricultural Knowledge and Innovation System (AKIS). The 2004 Law on Agricultural Advisory Activities predates the current CAP conception of AKIS [12]; its modernisation should define system coordination, a plurality of service providers, adviser qualifications and impartiality, quality assurance, digital services, stable financing and data confidentiality, with Regulation (EU) 2021/2115 serving as a benchmark [7].

To organise these reforms, this paper proposes a functional-readiness model of approximation. Each acquis-oriented act should be accompanied by a matrix identifying the competent authority and separation of functions, staffing and finance, authoritative data sources, control and audit, applicants' rights and remedies, and the objective milestone at which the relevant rule becomes operational. Sequencing should follow institutional dependence: strategic governance first; the Paying Agency's financial-assurance framework, IACS and LPIS as a single assurance layer; and FSDN, rural partnership, AKIS and market instruments through staged and monitored implementation. An annual public report should compare adopted legislation with actual institutional readiness.

Thus, modernisation does not consist in reproducing EU terminology. Its legal criterion is a traceable chain from a public objective, through competence, budget and data, to an individual decision, control, remedy and measurable result. Such an approach would distinguish current national law from policy commitments and future membership obligations, prevent institutions from remaining nominal and create the conditions for Ukraine's effective participation in the CAP after accession.

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