

Grant Program "Support of the organic sector in Ukraine" initiated by the Organic Initiative

Active development of organic production started at the beginning of 2000s; even then Ukraine was considered to be one of the important organic suppliers to the EU market. For many years Ukraine has been a reliable supplier of organic products and maintained its position during the COVID-19 pandemic when supply chains were disrupted. In recent years, Ukraine has been among TOP 5 leading suppliers of organic products to the EU.

According to the European Commission report, Ukraine ranked 4th among 123 countries by the volume of organic products imported to the EU, with the share of 7.8%. In 2020, Ukraine exported 217,210 tons of organic products to the EU. The key organic product categories are cereals and oilseeds (the largest exporter to the EU), soybeans, honey, fruit and vegetables and the products of their processing. The total organic export from Ukraine in 2020 amounted to 332,000 tons and USD 204 millions.

Since the beginning of the Russian invasion to Ukraine in February 24th, Ukraine's organic sector, like the entire agricultural and food industries, is being affected. Much of the land used for organic production has been lost in combat or due to occupation. Despite all the difficulties, many organic producers have started the sowing season, are providing organic products to Ukrainian defenders, and are also providing accommodation and food for the refugees from different parts of Ukraine.

Under these circumstances, Ukrainian organic producers need support to continue organic farming, provide the population of Ukraine and other countries with healthy organic food.

The purpose of the Grant Program is to support the organic producers to overcome the current situation and preserve and strengthen the capacity of the organic sector of Ukraine in the mid- and long-term. *The eligible applicants are organic market operators, service providers, public organisations and unions working in the field of organic production, circulation and labelling of organic products - legal entities residents in Ukraine.*

The Grant Program was initiated by the Organic Initiative, which includes key players of the organic sector of Ukraine. The Organic Initiative joined forces and resources of like-minded people and started its activities in April 2022, it aims to promote the development of the organic market and increase trade with Ukrainian organic products on the domestic and foreign markets.

The monetary fund of the Grant Program is formed from charitable donations and contributions of individuals and legal entities (residents and non-residents of Ukraine), targeted contributions of international projects / technical assistance programs and other revenues.

The Grant Program operates on an ongoing basis (pending a decision to suspend it), with intermediate steps and deadlines for the grant committee to consider applications.

The Grants Committee consists of at least 5 members and includes representatives of the Organic Initiative and international technical assistance projects / programs.

The Grant Program is administered by the International Charitable Organization "Information Centre "Green Dossier" and Lviv City Public Organization "Ecoterra" in accordance with the decision of the Organic Initiative and the statutory tasks of the organizations.

Grant Program phases:

Phase 1

Urgent support of organic producers affected by the Russian invasion since February 24, 2022 for organic certification.

At this phase support could be provided to:

- micro, small and medium enterprises (MSME definition based on IFC approach¹);
- producers with an area under organic production of up to **100 hectares** and under the control of a foreign certification body, which is included in the List of foreign certification bodies (dpss.gov.ua) as of 24.02.2022;
- producers whose areas are located at Zhytomyr, Kyiv, Chernihiv, Kharkiv and Sumy regions which were occupied during the first months of invasion or other regions suffered from active hostilities or direct hits. At the time of signing the support agreements, such areas must be located in the territories controlled by Ukraine.

Possible areas of support and forms of activity within the first phase of the Grant Program:

- providing support to cover the cost of organic certification (as a priority for urgent support);
- purchasing organic products from organic producers (with further distribution among internally displaced persons, vulnerable population, etc);
- support with access to plant protection products, fertilizers and other inputs permitted in organic production, seeds, and other support related to organic technologies.

Producers shall send a request for the urgent support by May 20, 2022, at latest to the e-mail info@organicinitiative.org.ua.

For additional questions, please contact Natalia Cholovska, President of Ecoterra, +38 050 430 76 23.

Applicants will be notified of their support decisions no later than **June 1, 2022**.

Participation in the first phase of the program does not exclude the possibility of participation in the following phases, but for other activities.

The maximum amount of the grant within the 1st phase of the program will be UAH 70,000 (approx 2,250 CHF).

Eligible costs:

- reimbursement (full or partial) of the cost of organic certification;
- purchase of finished organic products to ensure the continuation of activities;
- organization of events (field days, open day, festival / school on the farm, etc.) to stimulate the development of sales of organic products and raise consumer awareness on the domestic market;
- involvement of external experts in order to provide advice on enterprise development;
- creation of online stores or local points of sale to improve consumer access to organic products;
- purchase of seeds, planting material, inputs (plant protection products, fertilizers, etc.) and substances permitted for use in organic production, etc.

Non-eligible costs:

¹ Micro enterprise: up to 10 employees and \$100,000 total asset and annual sales; Small enterprise: up to 50 employees and \$3 million total asset and annual sales; Medium enterprise: up to 300 employees and \$15 million total asset and annual sales.

- capital investments: construction, purchase / lease of land resources;
- salaries for permanent staff;
- reimbursement of travel, accommodation and meals;
- taxes and social benefits, insurance;
- couldn't be covered expenses made before the 24.02.2022.

Criteria for selection of applications for participation in the Grant Program:

- substantive compliance of the application with the terms of the Grant Program;
- logical structure of the application (clear and realistic action plan);
- efficiency of activity (expected practical results at the exit);
- organizational capacity of the applicant;
- adequacy of the budget, its compliance with the content of the application and the terms of the Grant Program.

Publication of Grant Program information: all the Grant Program information - conditions, application forms and reporting requirements, information on philanthropists and grantees will be published and updated on the project administrator's website at least once every three months.

Phase 2

Strengthening the capacity of the organic sector, supporting organic operators and developing the organic market in Ukraine.

At this phase it is important to create the preconditions for further development of the organic sector. Support will be given to initiatives that help restore the economic viability of operators and service providers of the organic market.

Possible areas of support and forms of activity within the second phase of the Grant Program:

- development of the domestic market of organic products in Ukraine and promotion of sales of organic products;
- reduction of supply chains from producer to consumer;
- facilitating access to inputs (plant protection products, fertilizers, etc.) and substances approved for use in organic production, as well as to seeds and planting material;
- restoration and expansion of production units (equipment, materials, technologies etc);
- awareness raising about organic products etc.

The maximum amount of support under the Grant Program under Phase 2 will be 5,000 Swiss francs in hryvnia equivalent.

The dates of the 2nd phase of the program will be announced separately and will depend on the availability of funds.

More detailed information about the grant program and request forms can be found at <https://www.dossier.org.ua/en/projects/organic-sector-support>.

Note! Funds under the Grant Program will be transferred to the bank account as "targeted non-refundable charitable assistance under the grant." Grant recipients are solely responsible for paying taxes and reporting.