Ministry of Foreign Affairs

Activity: Incredible Villages of Ukraine (25-0002334)

Id	25-0002334
Date	04-12-2025
SAP application number	

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Key data

Activity basics

Type	Standard
Short name	Incredible Villages of Ukraine
Contract party	Nataliia Fursenko PE (30213354)
ODA	Yes
Amount EUR	25000
Start date	01-12-2025
End date	01-12-2026
Full name	Agroportal - “CraftUP Ukraine” follow up of “Incredible Villages of Ukraine”
Summary	Support of the regional craftsmen – producers of food products in the regions of Ukraine in moving from private craftsmen to the registered micro/mini/small business: 1) identifying the bottle necks, support in trainings/coaching 2) certification/registration/obtaining permissions and providing financial support for upgrading the production in order to comply with requirements of food production. The project for the Embassy Fund (2) will support the Results 1-4 of PSD project application to RVO for the amount of 32 000 EUR (1) (see attached). The presentation of the project proposal is available via the link. https://drive.google.com/file/d/16OA1ayOOhgkWbZVicqk5wejkjvGyzRJP/view?usp=drive_link

Activity details

Date of receipt of proposal	01-09-2025
Proposal’s reference number	
Budget holder	Ambassade Kyiv (8231KIE)
Limit access	No
Related activity	

Accounting data

SAP application number	
Funds center	KIE General ODA activities contributions (1705U02160066)

Policy data

Cooperation modality	Project support
Technical assistance	50% or more of the activity budget
CRS code	31120 Agricultural development
Policy Keywords	
Refugees & host communities	Yes
Team Europe Initiative	No
Policy Markers	
__Trade & The Economy	Significant
_Security & Stability	Significant
Biodiversity	Not targeted
Climate change: adaptation	Not targeted
Climate change: mitigation	Not targeted
Desertification	Not targeted
Equality between men & women	Significant
Migration	Not targeted
Private sector development	Principal
Explain your choices	The project aims to develop the local economy and integrate Ukrainian small-scale producers into national and international markets, which strengthens Trade & The Economy through business legalization, sales growth and production. The activity contributes to the economic resilience of communities during wartime, supports displaced entrepreneurs and increases local Security & Stability. Special attention is paid to the involvement of women entrepreneurs and ensuring equal opportunities in access to financing and training, which supports gender equality. Supporting producers in registering, certifying and scaling up their businesses directly strengthens Private Sector Development, creating jobs and shaping a modern, formalised and competitive craft sector in Ukraine.

Beneficiary location

Beneficiary location	Country
Country	Ukraine
Location type	Village
Specific location	Across the country

Policy Appraisal

Policy relevance

- What policy objectives, as set out in the annual plan, policy notes etc., will this activity contribute to?

The Incredible villages of Ukraine project directly contributes to several strategic priorities of the Netherlands' Multiannual Country Strategy 2023–2026 for Ukraine, particularly in the areas of private sector development (PSD), sustainable agriculture, rural resilience and employment generation. It supports inclusive economic growth in rural areas and aligns with key themes of the PSD Toolkit, fostering entrepreneurship, self-reliance, and access to markets and finance.
In addition, the project stimulates environmentally responsible production and the rational use of natural resources, which is in line with the global Sustainable Development Goals (SDG 12) and contributes to economic, social and environmental sustainability, which is one of the priority of KYI-LVVN (B.4).

Rationale

- What issue/problem will be addressed by the activity
- Why does the activity help to address the issue/problem?
  For ODA activities over EUR 250.000, please explain the Theory of Change

The funding of the project will be used as a grant for the shortlisted group of craft producers who on the stage ' of the PSD Craft UP project will need financial support in order to upgrade their production facilities to the level required for certification as food producers. At the moment the expected number of shortlisted producers that will successfully get to the stage 4 is 20.

Contextual analysis

- Who is/are the target group(s) and why?
- Who are the other main stakeholders?
- To what extent have stakeholders been involved in formulating the proposal?
- Is the intervention aimed at a specific geographical location, and if so, why?

The project meets Ukraine's national priorities for the development of SMEs and craft production as business cluster. In 2024, the Ukrainian government introduced legal regulations to support small producers, in particular, it adopted amendments to the Law of Ukraine "On Basic Principles and Requirements for the Safety and Quality of Food Products", which define the concept of a craft food product and simplify the registration of small producers. This enabled such entrepreneurs to conduct their activities on a declarative basis, without the need to obtain an operating permit, which facilitates their entry into the official economy, business development and market integration.

- Local private sector:

SMEs - craft producers who are not yet registered legally as entrepreneurs or those who need support for scaling up. Craft producers will be selected after three stages of the project Craft UP, which will be finalized with RVO in the second half of 2026.
The active stakeholders are:
AgroPortal.ua (legal entity Natalia Fursenko) - coordinator of the project and up to 20 legal entities - craft producers, supported by the program.

Craft producers are the primary beneficiaries of the project. They will take part in surveys, training programs, mentoring sessions in the framework of PSD project "Craft UP", and co-financing opportunities in the framework of the project "Incredible villages". Their engagement is central to achieving project results — from formal business registration and certification to scaling their production.

- **Is the intervention aimed at a specific geographical location, and if so, why?**

The community Incredible villages of Ukraine which has up to 14,000 participants coming from different parts of Ukraine including producers that relocate from the front line territories, so project is open to all geographical locations as long as participants has active operations and would like to contribute to their communities.

Additional remarks (if applicable)

Results

Monitoring and evaluation

Monitoring

- Specify what reporting information is required for this activity, based on the activity analysis decision tree (see Help).

Monitoring and evaluation will follow the Embassy Fund procedures and will be aligned with the PSD (Private Sector Development) Project “Craft UP” structure, because the Embassy Fund component is an integrated part of a larger PSD initiative. Since the implementation timeline and activities will depend on the PSD project approval and procurement structure, more precise monitoring and evaluation tools will be presented after Stage 2 of the PSD project, when the results and timelines become more concrete.

Finance

Budget breakdown

- Include an overview of the activity budget, including overhead costs.
- Is the budget arithmetically correct?
- Are the amounts/rates in the budget acceptable?
- Briefly explain the structure of the budget.
- Are overheads proportional to outputs? What is included? What is recharged?
- Is implementation conditional on the budget being amended in an inception phase? (Specify the requirements that the budget must satisfy and the date by which the budget must be amended)

The total project budget amounts to €57,000 (with potential extension up to €75,000). This includes €25,000 from the Embassy Fund, €32,000 from the PSD project, and €18,000 potential follow-up funding. The majority of funds (approximately 90%) will be allocated directly to support selected craft producers (up to 20), covering essential costs such as certification, technological upgrades, and business development. Overhead costs are capped at 10% (around €2,500), covering accounting, bank fees, and inflation adjustments. The budget structure is results-oriented and linked to activities described in the proposal. Arithmetic checks are correct, and cost levels are acceptable. The average salary for 2 months for the accountant including taxation. Average 2% of the bank fees for transfer.

Earmarking

- Is the Dutch contribution to the programme earmarked (i.e. reserved for a specific purpose)? If so, specify the reasons why.

The Dutch contribution is earmarked for targeted support to craft producers at the scaling and formalization stage of their business.

Prepayments

- Based on the prepayment decision tree (see Help), do the payments need to be entered as prepayments and why? In the case of a lump sum, assess this against the applicable criteria and give the reasons for your choice.
- What is the maximum percentage that can be paid as prepayment, and why?
- Which are the reporting obligations on the basis of which prepayments can be closed?

It will be one first payment in amount of 25,000 EUR. Prepayments are necessary to ensure timely delivery of services and equipment to the selected producers. Prepayments will be closed based on financial and narrative reports, including proof of expenditure by beneficiaries and progress reports on outputs.