



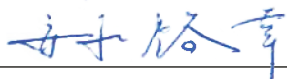
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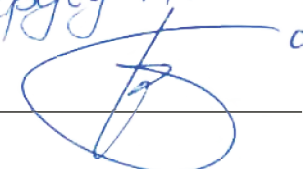
# GREEN INDUSTRIAL RECOVERY PROGRAMME UKRAINE 2024-2028

CREATING OPPORTUNITIES FOR PEOPLE  
SUPPORTING BUSINESSES AND ATTRACTING INVESTMENT  
FOSTERING A GREEN ECONOMY

ON BEHALF OF UNIDO

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## SUMMARY

TABLE 1: PROGRAMME SUMMARY

Programme ID:	220091
Programme title:	UNIDO green industrial recovery programme for Ukraine 2024-2028
UNIDO strategic priorities:	Circularity, waste and pollution reduction Climate change mitigation and adaptation in industry Digital transformation and fourth industrial revolution Innovation and technology absorption Structural transformation and sectoral expertise
Results areas:	Result 1: Policies and strategies for inclusive and sustainable industrial and the Sustainable Development Goals Result 2: Conducive industrial ecosystems
Markers and categories:	2A – significant expected contribution to gender equality Category C
Foreseen start and end date:	1 April 2024 – 31 December 2028
Government line Ministry:	Ministry of Economy of Ukraine
Counterparts:	Ministry of Agrarian Policy and Food of Ukraine Ministry of Digital Transformation of Ukraine Ministry of Energy of Ukraine Ministry of Environmental Protection and Natural Resources of Ukraine Ministry of Health of Ukraine Ministry of Strategic Industries of Ukraine Ministry for Communities, Territories and Infrastructure Development of Ukraine State Agency on Energy Efficiency and Energy Saving of Ukraine
Funding sources for coordination, resource mobilization, communication, monitoring and reporting:	UNIDO regular programme of technical cooperation, Czech Republic, Poland
Funding:	
UNIDO contribution:	EUR 80,000
Donor contribution:	EUR 103,541
Support costs (13 per cent):	EUR 11,912
Total budget (excl. support costs):	EUR 171,629
Grand total (incl. support costs)	EUR 183,541
Resource mobilization target:	USD 250 million
UNIDO responsible programme manager:	Solomiya Omelyan, Chief, Regional Bureau for Europe and Central Asia
Coordinating office:	Regional Bureau for Europe and Central Asia

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## LIST OF ACRONYMS

<b>DAC</b>	Development Assistance Committee
<b>EIB</b>	European Investment Bank
<b>EU</b>	European Union
<b>FAO</b>	Food and Agriculture Organization
<b>GCF</b>	Green Climate Fund
<b>GDP</b>	gross domestic product
<b>GEF</b>	Global Environment Facility
<b>ICT</b>	information and communications technology
<b>IDP</b>	internally displaced person
<b>IFI</b>	international financial institution
<b>ILO</b>	International Labour Organization
<b>IOM</b>	International Organization for Migration
<b>IRPF</b>	integrated results and performance framework
<b>MSMEs</b>	micro-, small and medium-sized enterprises
<b>MTPF</b>	medium-term programme framework
<b>MVA</b>	manufacturing value added
<b>NCB</b>	National Coordination Body
<b>OCHA</b>	Office for the Coordination of Humanitarian Affairs
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PMU</b>	Programme Management Unit
<b>RDC</b>	Regional Development Coordinator
<b>RDNA</b>	Rapid Damage and Needs Assessment
<b>RPTC</b>	regular programme of technical cooperation
<b>SDG</b>	Sustainable Development Goal
<b>TF</b>	Transitional Framework
<b>UNCT</b>	United Nations Country Team
<b>UNDP</b>	United Nations Development Programme
<b>UNDSS</b>	United Nations Department of Safety and Security
<b>UNEP</b>	United Nations Environment Programme
<b>UNHCR</b>	United Nations High Commissioner for Refugees
<b>UNICEF</b>	United Nations International Children's Emergency Fund
<b>UNIDO</b>	United Nations Industrial Development Organization
<b>UNRCO</b>	United Nations Resident Coordinator Office
<b>UNSDCF</b>	United Nations Sustainable Development Cooperation Framework
<b>VNR</b>	Voluntary National Review
<b>WHO</b>	World Health Organization



# 1 EXECUTIVE SUMMARY



The **green industrial recovery programme for Ukraine 2024-2028** is a strategic framework of the United Nations Industrial Development Organization (UNIDO) to support the response of the Government of Ukraine to the socioeconomic impact of the war in Ukraine, which started on 24 February 2022. The programme sets out a strategic vision for a multi-stakeholder and cross-dimensional partnership to create a transformative and resilient recovery of Ukraine's industry and foster sustainable industrial development.

The UNIDO green industrial recovery programme is guided by the objectives of the 2030 Agenda for Sustainable Development and, in particular, the targets of Sustainable Development Goal (SDG) 9 and is aligned with the Government's early recovery priorities, policy reform vision and national sectoral strategies. All interventions planned under the green industrial recovery programme build on strong cooperation and partnership with line ministries and other national counterparts in Ukraine. The programme was further developed in close consultation with development and funding partners, whose support is indispensable for the programme's operationalization.

The green industrial recovery programme is further synergetic with the strategic frameworks of the United Nations in Ukraine, including the Transitional Framework (TF) 2022-2024. The TF serves as a bridging document between the previous United Nations – Ukraine Partnership Framework 2018-2022 and the upcoming United Nations Sustainable Development Cooperation Framework (UNSDCF) for Ukraine 2025-2029. UNIDO has been an active member and contributor of the United Nations Country Team (UNCT) in Ukraine, cooperating closely with the United Nations Resident Coordinator Office (UNRCO) and sister agencies.

UNIDO envisions a **resilient, green and sustainable industry in Ukraine** and promotes a **strategic and integrated approach**, focusing on the below key inter-connected impact areas.

**FIGURE 1: UNIDO IMPACT AREAS FOR THE GREEN INDUSTRIAL RECOVERY OF UKRAINE**



The green industrial recovery programme and interventions under it have a funding requirement of **USD 250 million**. Funding will be leveraged through cooperation with development and funding partners under the strategic leadership of the Government of Ukraine.

# 2 INTRODUCTION

The UNIDO green industrial recovery programme was requested by the Government of Ukraine in June 2022 in response to the repercussions of the war in Ukraine that started in February 2022. The request was further reiterated throughout 2023. Related letters of request are available in Annex I. The programme was developed in line with the country's strategic priorities, needs and capacities, as well as UNIDO's mandate, service offer and strategic vision.

The programme is further based on the [UNIDO strategy for post-conflict/-crisis situations](#). As the United Nations specialized agency mandated to advance inclusive and sustainable industrial development, UNIDO leverages its technical know-how to restore livelihoods, strengthen employability, support environmental sustainability and build resilient communities out of ones that have been affected by crises and conflicts.

Over the past decade, UNIDO's work in post-conflict/-crisis settings has become increasingly relevant. UNIDO has been active in addressing the needs of vulnerable peoples and communities, including forcibly displaced persons. UNIDO has also supported post-crisis rehabilitation efforts by securing, restoring and developing livelihoods and productive capacities. UNIDO's approach to post-conflict situations is founded on the following principles:

**Promotion of participatory processes:** Following the logic that participation creates ownership and increases the efficiency of industrial strategies and policies by capitalizing on context-based knowledge and institutions, the approach applies UNIDO's convening power to bring relevant stakeholders together.

**Opportunities for short-term successes in support of longer-term impact:** Overambitious objectives can hamper the achievement of development goals. While long-term thinking and vision at the industrial level is a core element of national industrial strategies also in post-conflict situations, delivering sustainable industrial development quick wins in rehabilitation and job creation facilitates a positive impact in the longer term for inclusive growth. UNIDO thereby aims to build bridges between industrial rehabilitation and development activities through a combination of quick interventions and longer-term support.

**Integration and scale-up:** In light of the volatility of post-conflict environments, multi-disciplinary sustainable industrial development approaches encompass analysis, formulation of policies and action plans and the implementation, demand for replication and expansion of successful practices and policies.

The programme therefore will take a staged approach to recovery and development, building around the below three phases.

**FIGURE 2: UNIDO PHASED APPROACH TO THE GREEN INDUSTRIAL RECOVERY OF UKRAINE**



Acknowledging the current high degree of uncertainty and fluidity of the situation in Ukraine, the programme provides an overarching strategic planning direction for UNIDO's operations in the country while remaining adjustable as the situation evolves.

As part of the **preparatory phase** undertaken in 2023, UNIDO carried out extensive analytical and research activities consolidated in a comprehensive industrial diagnostic study and other knowledge products, addressing the cross-sectoral nature of the impact of the war on Ukraine's industry. Some pilot emergency response activities have been launched. UNIDO prepared the necessary groundwork for the green industrial recovery programme and established strong networks of partners in Ukraine and beyond, allowing for swift and efficient scale-up.

During the **early recovery phase**, UNIDO will deliver response actions focusing on the provision of the best available business practices, knowledge, modern technology, training and capacity-building for ensuring that people in Ukraine have access to jobs and income-generating opportunities, resilience to continuous shocks is strengthened and key industrial processes are maintained for the stabilization of Ukraine's economy and industry.

The **reconstruction phase** will target medium- and long-term objectives of the country's development around the identified strategic areas based on the results achieved in the preceding period. During this phase, UNIDO will work to foster the country's continuous recovery, resilience building and development based on the identified high-potential industrial sectors, evolving needs and newly developed policy frameworks.

# 3 COUNTRY CONTEXT

## NATIONAL VISION AND DEVELOPMENT GOALS

Prior to the start of the war in 2022, Ukraine had been on the path of reforming its governance system and transforming the economic model towards greater efficiency and sustainability with certain challenges along the way. According to Ukraine's 2021 Voluntary National Review (VNR), since 2015, a series of reforms have been launched in Ukraine, aiming to implement socioeconomic transformations and strengthen its democratic system. The SDGs are integrated into the state policy on a "leave no one behind" basis. According to the VNR's results, Ukraine has generally achieved progress in 15 of 17 SDGs. A key success is poverty reduction – from 58.3 per cent in 2015 to 43.2 per cent in 2018.

The outbreak of the war drastically changed the country's set of priorities and needs, reversing some of the previous achievements and trends. Ukraine is committed to building back better and reforming its socioeconomic and industrial systems with a future orientation towards resilience and sustainability. European Union (EU) integration has become one of the key processes informing Ukraine's national vision in development goals. On 14 December 2023, the European Council decided to open negotiations with Ukraine on EU membership. The Government of Ukraine further started exploring its needs in terms of meeting the requirements of the EU *acquis*, which is the collection of common rights and obligations that constitute the body of the EU law and are incorporated into the legal systems of all EU members.

## POLICY FRAMEWORK

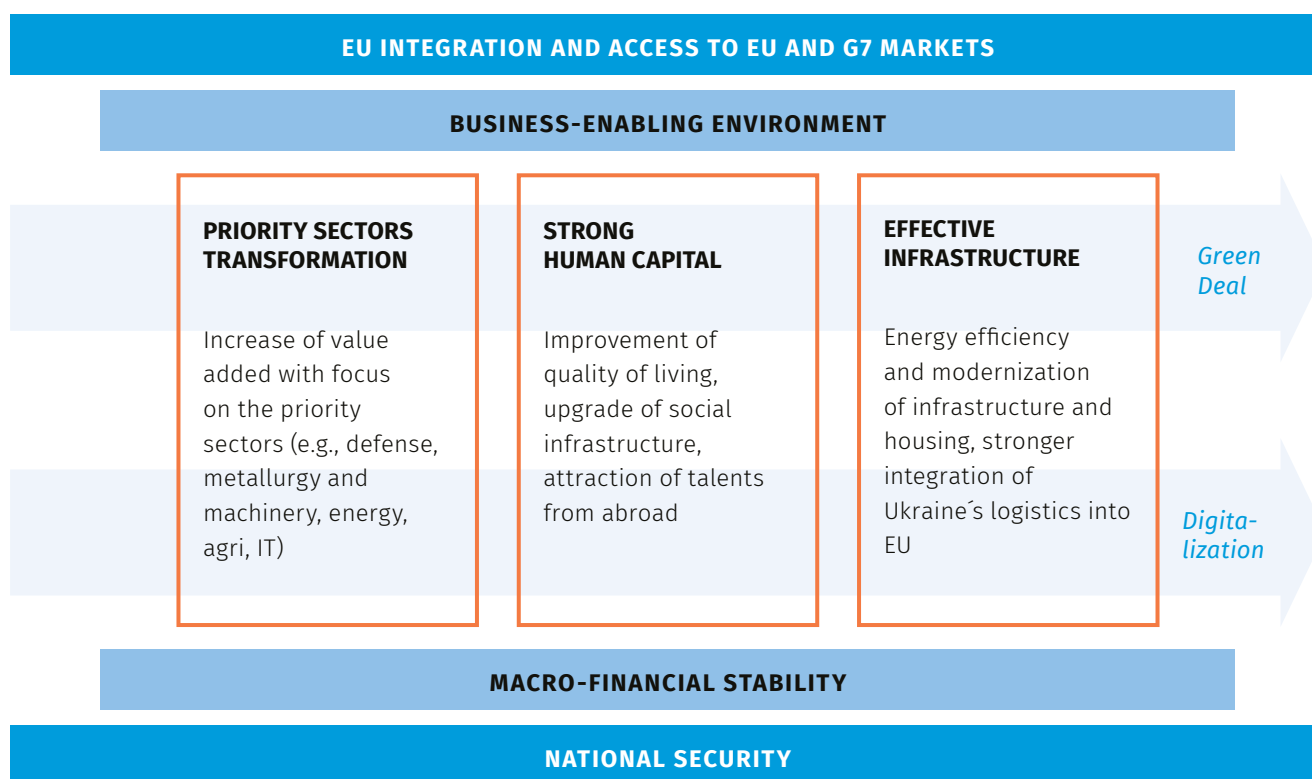
Ukraine does not have a formalized industrial development policy. The most recent draft was developed in 2017 by the former Ministry of Economic Development and Trade (currently, the Ministry of Economy) and was structured around the following three pillars: inclusive and sustainable industrial development, strengthening the integration of global production networks and increasing the resource efficiency of industry.

The [Sustainable Development Strategy for Ukraine until 2030](#) was also drafted in 2017 but has not been adopted. In 2019, the SDGs and their achievement were officially incorporated into the national agenda by the [Decree of the President of Ukraine "On the Sustainable Development Goals of Ukraine for the period up to 2030"](#) taking into account the National Report „Sustainable Development Goals: Ukraine“. In 2020, the [Cabinet of Ministers of Ukraine](#) stipulated the need to achieve the SDGs in the process of formulating and implementing the state policy of Ukraine.

The strategic document that outlines Ukraine's vision for economic and industrial development until 2030 is the [National Economic Strategy](#) adopted in 2021. The expected results of the National Economic Strategy include the establishment of a favourable environment for business development and investment, achievement of competitiveness in the international market, development of innovations, modernization of economic sectors and development of human potential, as well as ensuring equal opportunities for women and men. The National Economic Strategy will be reviewed in 2024 and 2027, taking into account the results of its implementation.

However, the ongoing war has challenged the relevance of national strategic documents through the major disruption of economic activity and damage to the infrastructure, environment and livelihoods of the Ukrainian people. As a response, the draft National Recovery Plan was developed and presented at the Ukraine Recovery Conference 2022 in Lugano (Figure 3) and further adjusted to meet the country's evolving needs.

FIGURE 3: RECOVERY VISION OF UKRAINE, 2022



In 2024, the Government of Ukraine prepared a draft strategy for the recovery, sustainable development and digital transformation of small and medium-sized enterprises for the period up to 2027. This strategy is consistent with and complements the Ukraine Plan (replacing the National Recovery Plan), a comprehensive document setting out a programme of actions and specific reforms for the next four years to be implemented through the mechanisms provided by the EU's Ukraine Facility – a major financing mechanism for the reconstruction of Ukraine.

The main documents that contain provisions on environmental policy in Ukraine are the Law “On the Basic Principles of the State Environmental Policy of Ukraine until 2030”, the National Environmental Action Plan until 2025 and the National Economic Strategy 2030. The former covers environmental issues as part of broader economic policy, and the National Economic Strategy 2030 addresses “green” goals at the sectoral level (e.g. energy, industry and mining). To strengthen the country's energy systems, the Government of Ukraine approved the National Energy Strategy of Ukraine (Order of the Cabinet of Ministers of Ukraine dated 21 April 2023 No. 373-p). Support for innovation is outlined in the Strategy for the Development of the Innovation Sector until 2030 and the Action Plan for its Implementation for 2021-2023.

## INDUSTRIAL CONTEXT

Before the war, in 2021, [Ukraine's gross domestic product \(GDP\) growth](#) was comparatively low (3.4 per cent year-on-year) when compared to that of Central Europe and the Baltics, which was 6.5 per cent year-on-year. Like its neighbours, Ukraine also experienced COVID-19-related contractions of GDP at a rate of -3.8 per cent, compared to the average of -3.4 per cent for Central Europe and the Baltics as a whole.



In the last decade, the [national economic structure of Ukraine](#), previously heavily focused on the export of goods, progressively shifted towards the service economy with an emphasis on information and communications technology (ICT) services, which made up 39 per cent of service exports in 2021 (compared to 14 per cent in 2014). The service sector employed most of the workforce in 2021 and accounted for half of GDP. In contrast, [agriculture](#) made up only 11 per cent of national GDP in 2021 and 14 per cent of employment but a large proportion of total exports (43.9 per cent). As one of the major grains and vegetable oil producers, Ukraine played a critical role in ensuring global food security.

The [labour market had structural weaknesses](#), such as a relatively high and persistent unemployment rate (10.1 per cent for women and 9.5 per cent for men in 2021), a sustained gender gap, as well as a shrinking labour force due to an ageing population and outflow migration. The International Labour Organization (ILO) also highlights [elevated youth unemployment](#), inactivity and a notable skills mismatch. In addition, there was a high degree of informality in the labour market (21 per cent of the workforce in 2019), mainly in the agriculture, wholesale and trade, as well as the construction sector.

Before the war, Ukraine was characterized by [increasing inequalities](#) with Kyiv city, central regions (oblasts) (Dnipropetrovsk, Poltava) and some eastern oblasts (Kharkiv, Zaporizhzhia) seeing faster economic growth than western and central parts of the country. While the cities of Kyiv and Kharkiv attracted most of the ICT and financial service activities, eastern oblasts had higher concentrations of industrial activities. Therefore, regional centres in those oblasts attracted most of the national and international investment. This led to growing income disparities between those areas and the rest of the country, further exacerbated by increased labour migration from western oblasts to neighbouring countries.

According to the UNIDO industrial diagnostic study, Ukraine's industrial production is facing profound challenges, preceded by a series of shocks that have had an impact on the growth rate of the country's GDP (Figure 4) and industrial production (Figure 5) over the last 15 years.

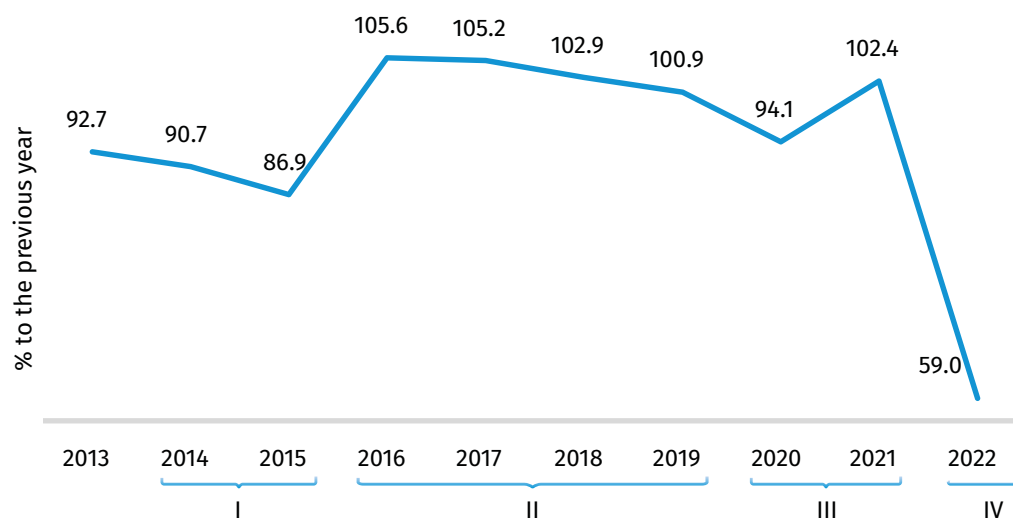
**FIGURE 4: DYNAMICS OF UKRAINE'S GDP GROWTH, 2000-2022**

Data source: World Development Indicators, World Bank



**FIGURE 5: UKRAINE'S MANUFACTURING INDUSTRIAL PRODUCTION INDEX, 2013-2022**

Data source: State Statistics Service of Ukraine

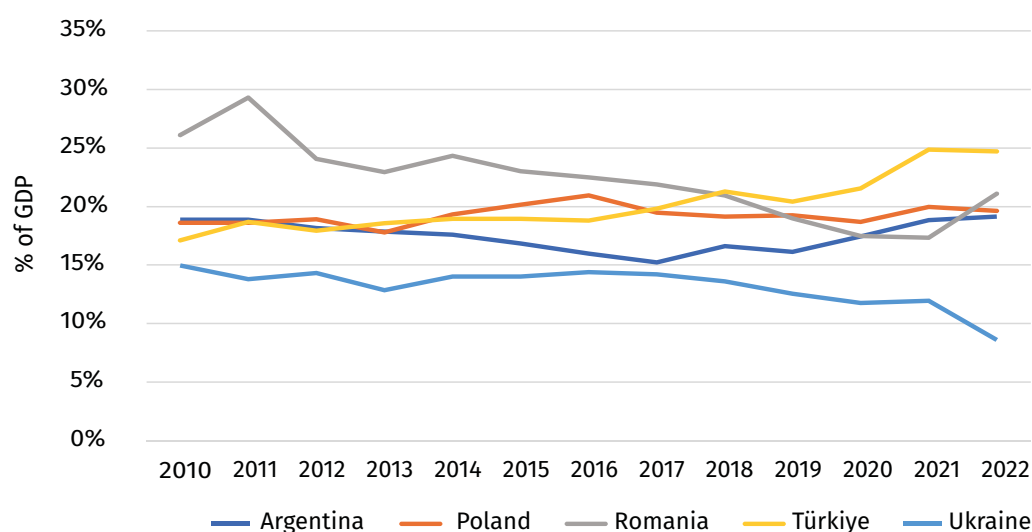


Note: I – non-recognized annexation of Crimea and beginning of the conflict in eastern Ukraine; II – continuation of the conflict in eastern Ukraine; III – continuation of the conflict in eastern Ukraine and spread of the COVID-19 pandemic; IV – war in Ukraine

Despite Ukraine's relatively strong performance in the ranking of the SDGs (38th of 166 economies), a concerning trend in the country's industrial development indicators is evident, namely a decreasing share of manufacturing value added (MVA) in total GDP (Figure 6) and a decline in industry employment (Figure 7). Moreover, industry's environmental footprint presents a challenge, with the intensity of Ukraine's industrial water use (Figure 8), raw material consumption (Figure 9) and CO<sub>2</sub> emissions (Figure 10), considerably surpassing the EU's average. Hence, there is a pressing need to prioritize policy initiatives aimed at advancing Ukraine's industrialization in alignment with the SDG targets.

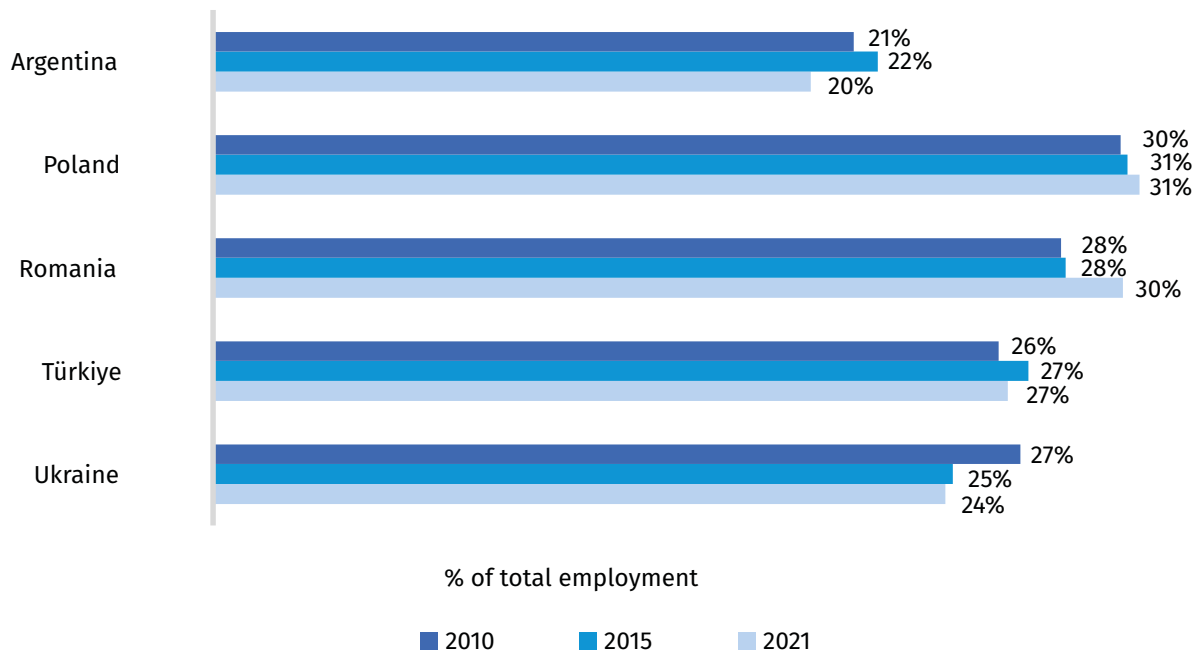
**FIGURE 6: SHARE OF MVA IN GDP, 2010-2022**

Data source: National Accounts, United Nations Statistics Division



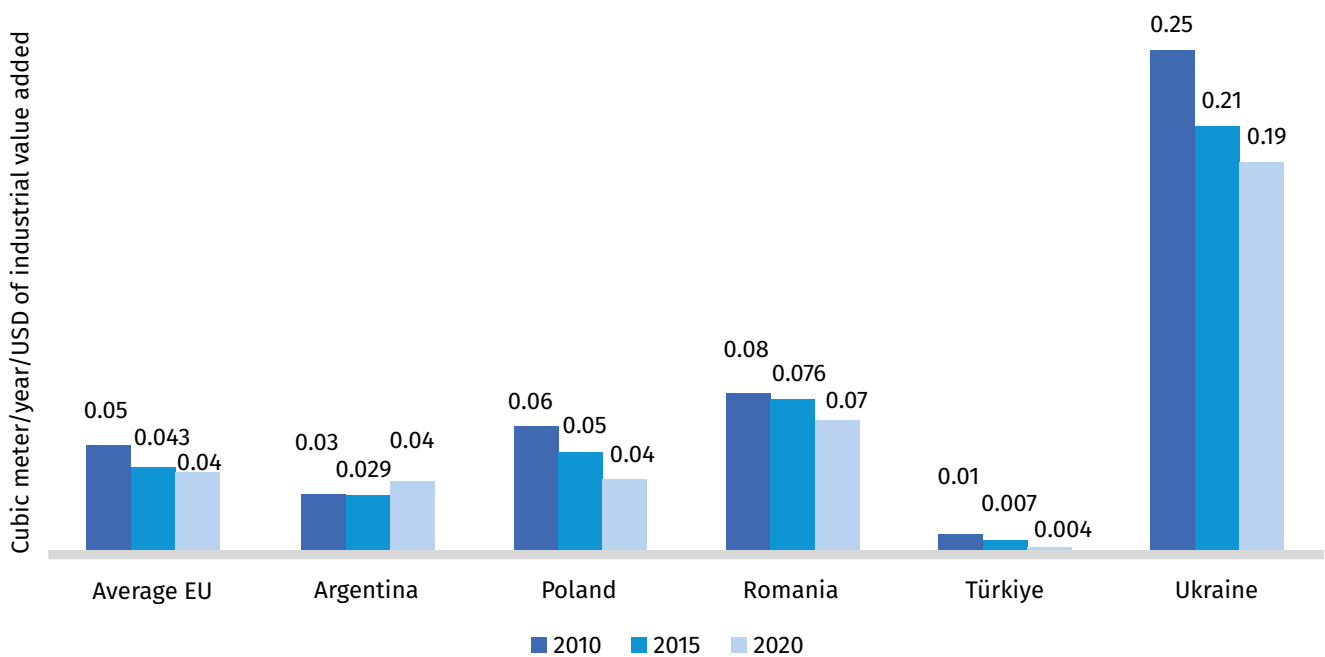
**FIGURE 7: SHARE OF INDUSTRY EMPLOYMENT, 2010, 2015 AND 2021**

Data source: World Development Indicators, World Bank



**FIGURE 8: INDUSTRIAL WATER USE INTENSITY, 2010, 2015 AND 2020**

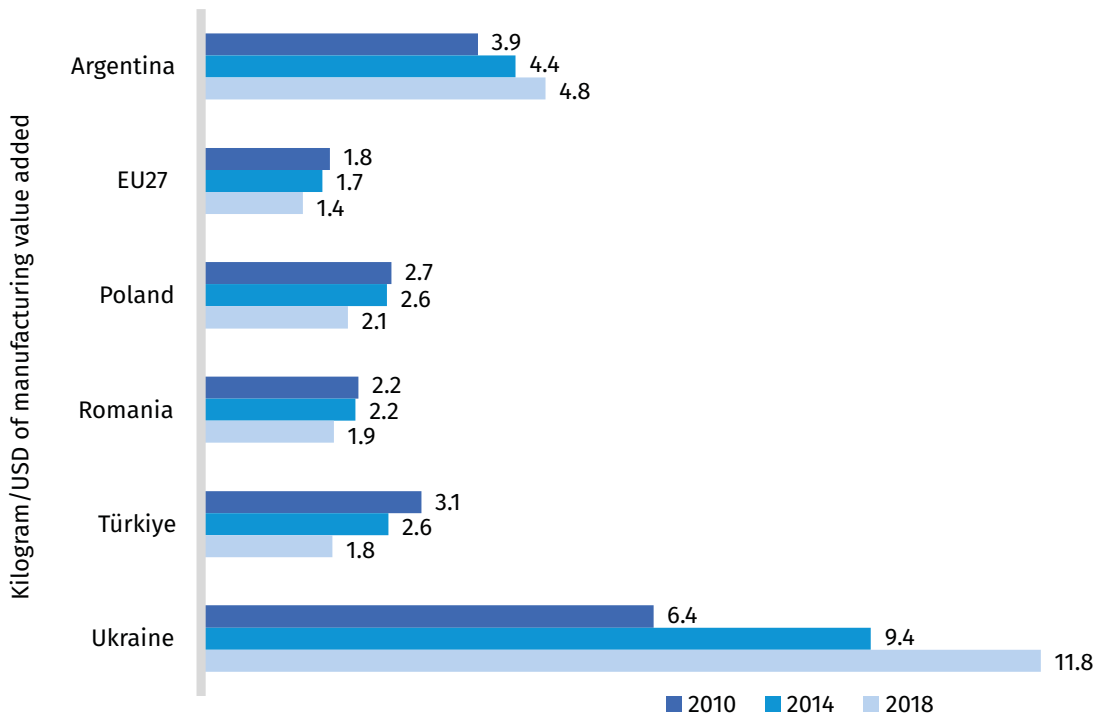
Data source: UNIDO elaboration based on AQUASTAT, Food and Agriculture Organization (FAO) (industrial water withdrawal) and World Development Indicators, World Bank (industry value added)



Note: The average of the EU for this specific indicator corresponds to all European countries

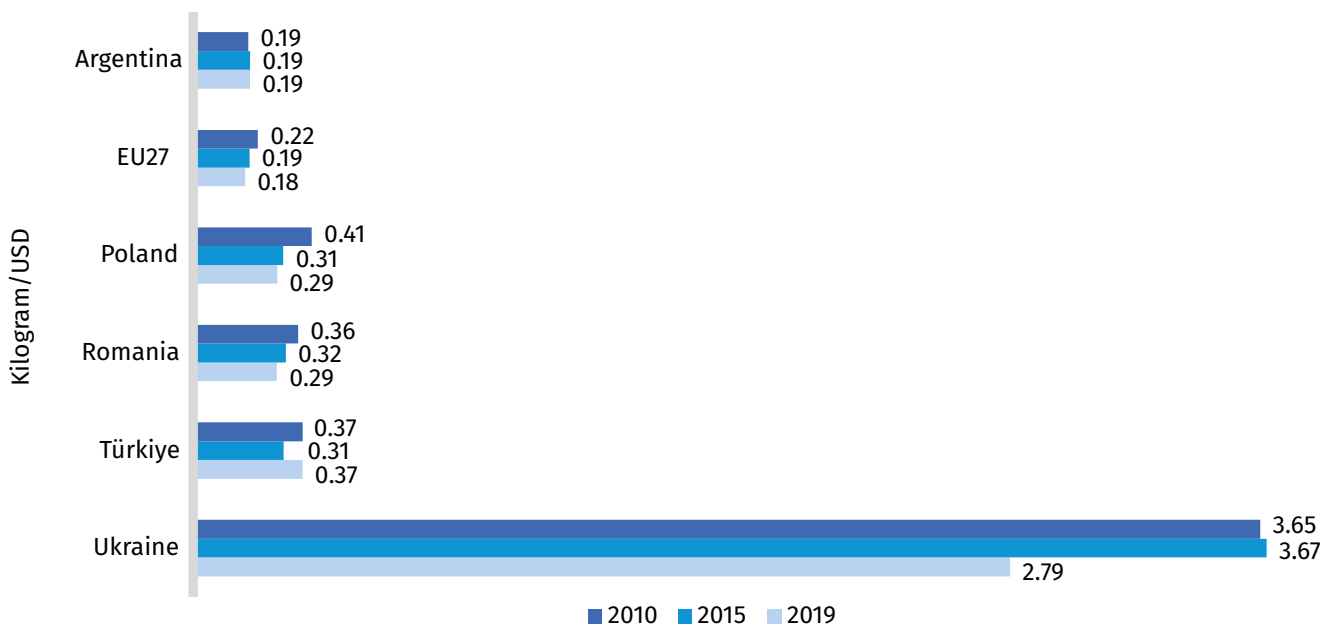
**FIGURE 9: RAW MATERIAL CONSUMPTION INTENSITY, 2010, 2014 AND 2018**

Data source: UNIDO, based on Hotspot Analysis Tool for Sustainable Consumption and Production, Vienna University of Economics and Business (raw material consumption) and World Development Indicators, World Bank (GDP)



**FIGURE 10: MANUFACTURING CO<sub>2</sub> EMISSIONS INTENSITY, 2010-2020**

Data source: UNIDO based on the Organisation for Economic Co-operation and Development (OECD) (manufacturing CO<sub>2</sub> emission) and World Development Indicators, World Bank (MVA)



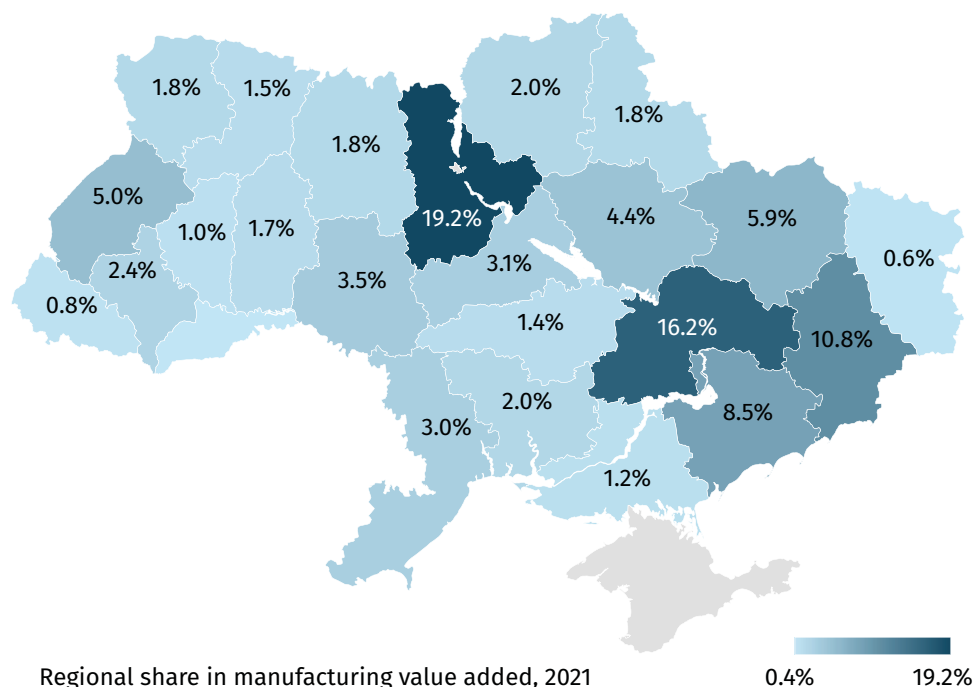
## IMPACT OF THE WAR

According to the UNIDO industrial diagnostic study, the ongoing conflict has exacerbated the country's challenges on the path towards inclusive and sustainable industrial development. The generation of MVA is concentrated in five regions (oblasts): Kyiv (19.2 per cent of MVA), Dnipropetrovsk (16.2 per cent of MVA), Donetsk (10.8 per cent of MVA), Zaporizhzhia (8.5 per cent of MVA) and Kharkiv (5.9 per cent of MVA). Together, these regions accounted for 60.6 per cent of the country's MVA and 60.2 per cent of capital investment in 2021 (Figures 11 and 12). The geographic location of these regions in Ukraine's east and southeast, where the armed conflict is concentrated, has rendered the manufacturing sector in these areas particularly vulnerable to the war's impacts.

Figure 13 presents an overview of Ukraine regions' export performance in 2022 compared to the three-year average from 2019 to 2021. The data reveal substantial variations across regions, with exports from non-frontline regions outperforming other regions. All regions with the exception of Ivano-Frankivsk oblast located further away from the frontline witnessed an uptick in their exports in 2022 resulting in an overall increase of 21 per cent in their export volumes. All frontline regions, on the other hand, experienced a significant downturn, with their aggregate exports plummeting by 58 per cent in 2022 relative to the average between 2019 and 2021.

**FIGURE 11: UKRAINE'S REGIONAL DISTRIBUTION OF MVA, 2021**

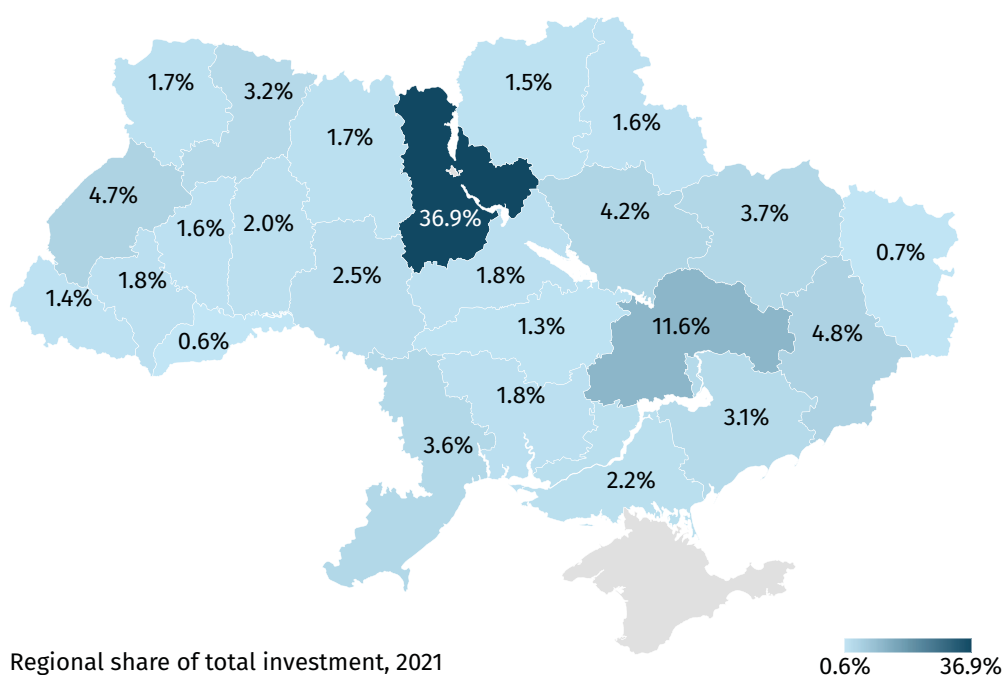
Data source: State Statistics Service of Ukraine



Note: The boundaries, names and designations on this map do not imply UNIDO's official endorsement or acceptance

**FIGURE 12: UKRAINE'S CAPITAL INVESTMENT BY REGION, 2021**

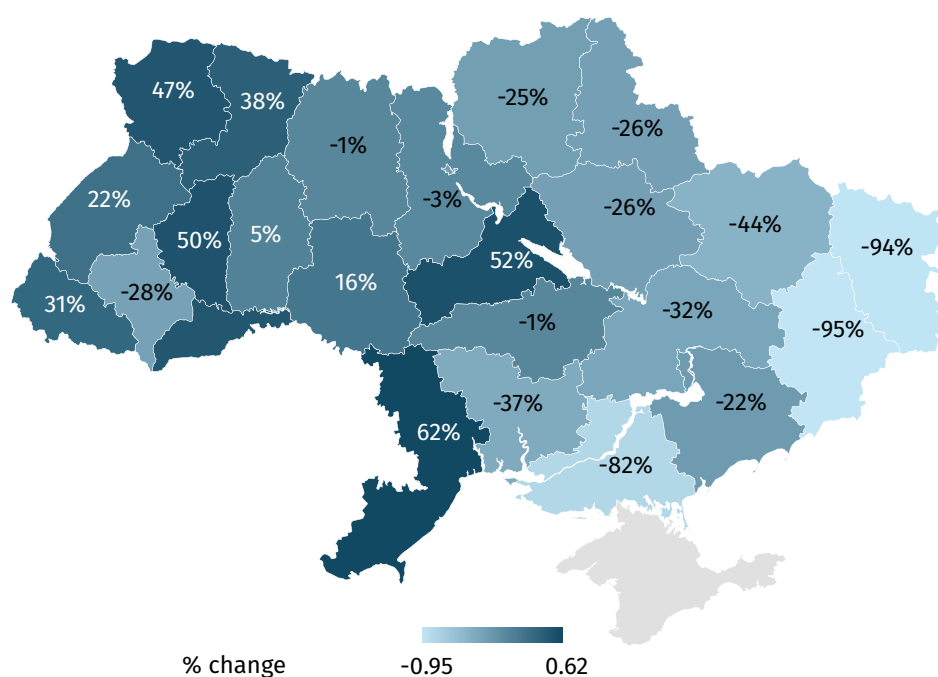
Data source: State Statistics Service of Ukraine



Note: The boundaries, names and designations on this map do not imply UNIDO's official endorsement or acceptance

**FIGURE 13: REGIONAL PERCENTAGE CHANGE IN GOODS EXPORTS IN 2022 RELATIVE TO THE AVERAGE BETWEEN 2019 AND 2021**

Data source: State Statistics Service of Ukraine



Note: The boundaries, names and designations on this map do not imply UNIDO's official endorsement or acceptance

The war has led to a decrease in the volume of industrial products sold in 15 out of 24 two-digit industries (ISIC classification) with the most significant decline observed in the tobacco industry (53 per cent), followed by machinery and equipment (38 per cent), other non-metallic mineral products (34 per cent), basic metals (29 per cent) and printing and reproduction of recorded media (also 29 per cent). All two-digit manufacturing industries (ISIC classification) experienced a decline in production with basic metals, coke and refined petroleum, as well as non-metallic materials seeing a reduction of over 60 per cent in 2022 compared to the 2019-2021 average. Frontline regions, such as Zaporizhzhia oblast, Donetsk oblast, Kharkiv oblast and the city of Kyiv suffered the most in terms of value-added loss. Donetsk oblast, a frontline region, incurred the highest damage and loss, necessitating an estimated USD 10.5 billion in support.

In terms of trade, Ukraine's aggregate exports and imports in goods declined by 18.8 per cent and 13.3 per cent respectively in 2022 compared to the average of 2019-2021. However, exports to the EU increased by 30 per cent, while non-EU exports decreased by 51 per cent. Ukraine's imports from the EU increased by 1 per cent while imports from non-EU countries decreased by 24 per cent. Regionally, exports from frontline oblasts fell by 58 per cent in 2022 compared to the average exports of 2019-2021. The largest declines in exports were observed in Donetsk oblast (95 per cent), Luhansk oblast (94 per cent) and Kherson oblast (82 per cent). Non-frontline regions experienced an increase in exports of 21 per cent. In many frontline regions, a few sectors account for most of the region's exports. For instance, basic and fabricated metals accounted for 89 per cent of Donetsk oblast's total exports in 2021. These sectors experienced a fall in exports of 99 per cent. In the Kharkiv oblast, food and beverage exports declined by 51 per cent, while machinery exports declined by 58 per cent in 2022. These sectors accounted, respectively, for 34 and 22 per cent of total region exports.

According to the World Bank's third Rapid Damage and Needs Assessment (RDNA 3), the total damage to the commerce and industry facilities between February 2022 and 31 December 2023, is estimated at USD 15.6 billion, a 43 per cent increase above the estimated USD 10.9 billion reported in [RDNA 2](#) as of 24 February 2023. Most of the damage (83.6 per cent) was to industry with the rest to commerce. About half of the damage (56 per cent) occurred to large and medium-sized enterprises, both public and private (USD 8.8 billion). Roughly half of the damage estimate for those firms (USD 4.2 billion) was due to the destruction of two steel plants in Donetsk oblast.



# **4** **PROGRAMME COMPONENTS**

## IMPACT AREAS

To achieve the long-term industrial recovery of Ukraine, people and businesses need to be supported across the country, including on the local level. To facilitate social cohesion and increase the labour force participation rate, particularly among vulnerable and marginalized groups, skills development and new employment opportunities are required together with strategies to enable the reinsertion of war-affected people into the labour market. Businesses must be supported in getting access to know-how and expertise, upgrading their practices and processes, increasing their competitiveness and value addition, as well as strengthening their access to markets to incentivize investment. All interventions must ensure that production and products are green, energy-efficient and resource-efficient, fostering the advancement of a circular economy.

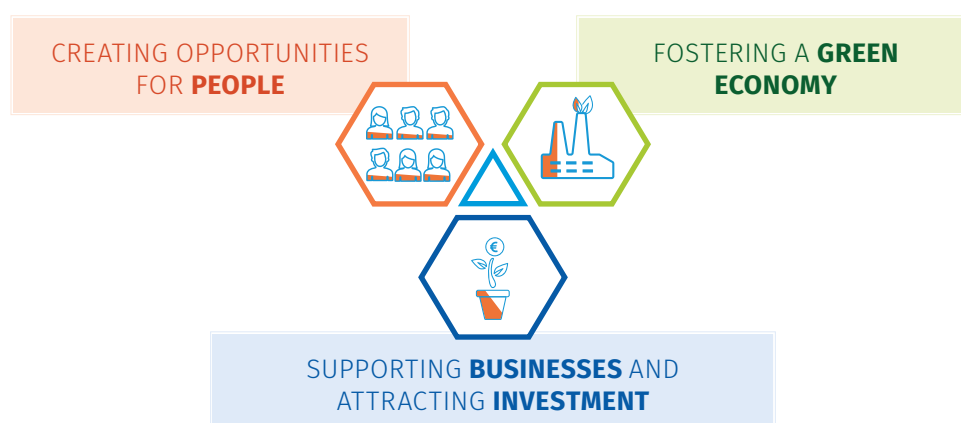
The key recommendations of the UNIDO industrial diagnostic study informing the current programme and UNIDO's cooperation with counterparts in Ukraine are the following:

- Reiterate the industrial policy as a priority in the Government's agenda to reverse the trend of deindustrialization;
- Approve an action plan for recovery and reconstruction;
- Take decisions on industry prioritization, territorial rebalancing of industrial development and product and market diversification to reduce vulnerability;
- Reverse the decline in the production of medium-tech products, innovation and digitalization within Ukraine's industrial economic system;
- Address the collapse of foreign and domestic investment since the outbreak of the war and the limited access of firms to credit by introducing a comprehensive programme of loans, grants and investment promotion initiatives for recovery, expansion and upgrading;
- Provide technical assistance to support micro-, small and medium-sized enterprises (MSMEs), youth and women to promote economic empowerment and improve their technical skills;
- Provide technical assistance to policymakers at the national and local levels to identify priority industrial sectors, products with growth potential and value chains with strong prospects of increased value addition;
- Make technical assistance available to industrial sectors that are heavily affected by the conflict;
- Amend the regulatory framework (reducing administrative burdens, reforming legislation and public procurement) and promote business upgrading initiatives (upgrading production processes, promoting Ukraine's businesses in foreign markets and participating in international exhibitions), as the preliminary findings from the UNIDO survey suggest that tax exemptions or reductions, access to new credit, grant support and preferential loans are identified by businesses as current and future policy instruments that could mitigate the conflict's effects;
- Support access to financial resources, dealing with red tape and finding new international and domestic markets;
- Intensify efforts to increase the relevance of Ukrainian products in the European market and align Ukrainian standards with EU requirements;
- Intensify efforts to increase the relevance of Ukrainian products in the European market and align Ukrainian standards with EU requirements;

- Simplify regulations and improve the business environment;
- Review education; programmes and technical and vocational education and training to improve connections with the industrial system;
- Improve statistics reporting for monitoring;
- Strengthen public-private partnerships;
- Promote sound environmental practices related to circular economy, resources (water and energy), material efficiency and decarbonization to support the green transformation of the industrial sector and of the economy to boost business competitiveness;
- Decarbonize hard-to-abate industries, diversify towards low-emissions intensity products and promote structural transformation towards less emission-intensive sectors;
- Rebuild energy infrastructure and green the energy and electricity systems with a stronger focus on small plants to meet consumer needs (distributed energy);
- Improve governance through capacity development, stringent monitoring of policy measures and effective decentralization.

Taking into consideration the identified needs and long-term industrial recovery and development opportunities, the UNIDO theory of change is built around the below three primary impact areas, corresponding to the Organization's mandate, service offer and comparative advantage.

**FIGURE 1: UNIDO IMPACT AREAS FOR THE GREEN INDUSTRIAL RECOVERY OF UKRAINE**

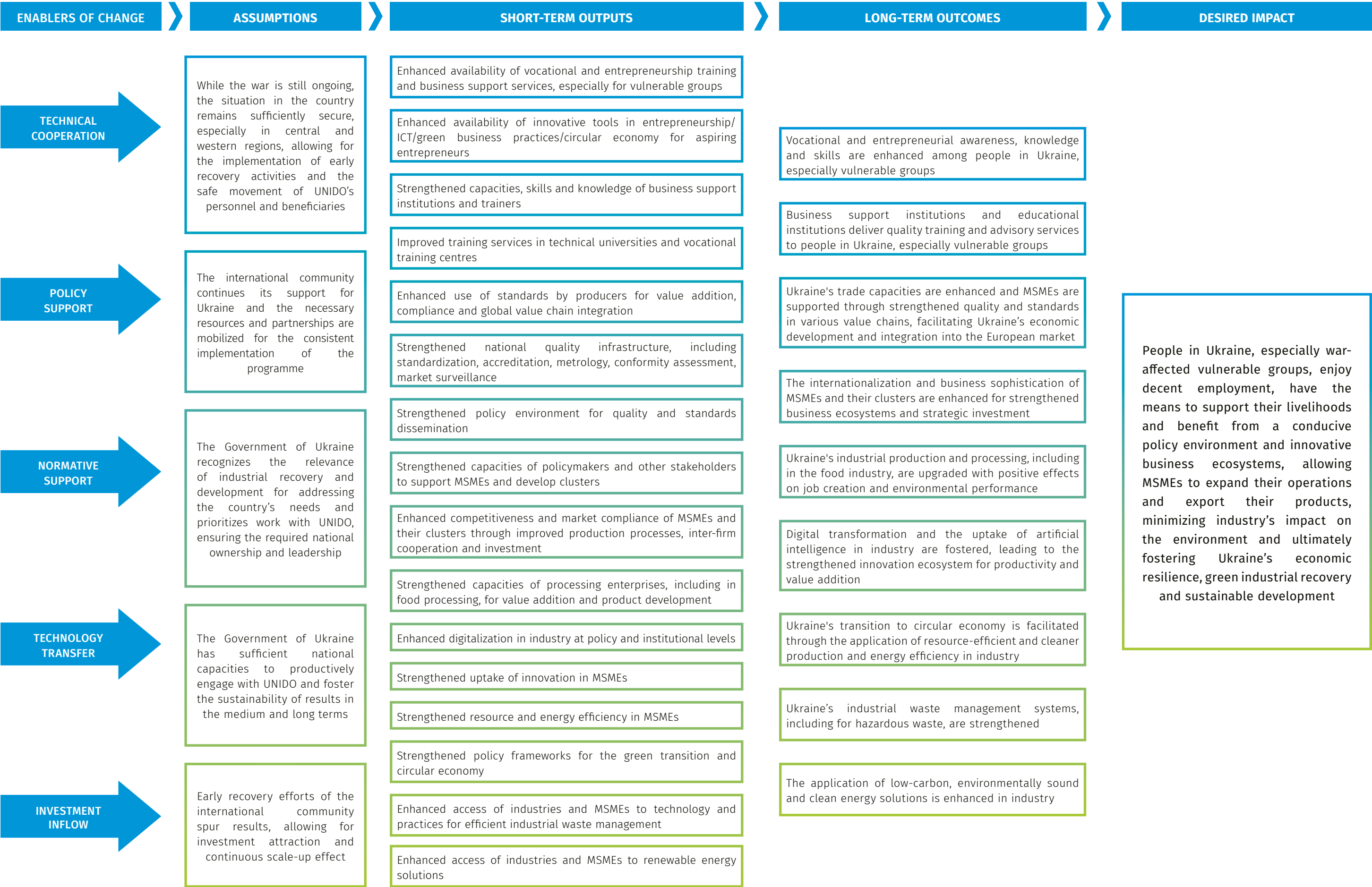


Each of these impact areas will be explored further based on the evolving situation in Ukraine, the Government's emerging needs and priorities, opportunities for partnerships and resource mobilization and with due consideration given to the work of other United Nations sister agencies, development agencies, international financial institutions, humanitarian organizations, civil society and the private sector.

UNIDO's overarching strategic vision for Ukraine is contained in the below theory of change, reflecting the chain of impact and necessary preconditions for the development of durable solutions and long-term results.

THEORY OF CHANGE

FIGURE 14: THEORY OF CHANGE OF THE GREEN INDUSTRIAL RECOVERY PROGRAMME



# 5 STRATEGIC FRAMEWORK

## RATIONALE FOR THE PROGRAMME

UNIDO's response to the war in Ukraine is part of the Organization's long-standing commitment to the country's sustainable industrial development, economic growth, social well-being and environmental sustainability. For many years, UNIDO has been contributing towards improving and greening the productive capacities of Ukraine through industrial policymaking, technical cooperation, capacity-building, peer learning, knowledge transfer and private sector engagement, among others.

As of the beginning of 2024, UNIDO has a network of 39 national experts deployed in Ukraine and implements a diverse portfolio of projects with a total budget exceeding USD 25 million. While the majority of projects started in Ukraine before the war and adapted their activities to address the emerging country's needs, new initiatives were launched in 2023 as pilot activities under the framework of the green industrial recovery programme to address the acute needs of Ukraine and its people in response to the war. All UNIDO projects contribute to the overarching objectives of the green industrial recovery programme and complement each other with a vision of the theory of change presented in Figure 14.

An overview of the UNIDO project portfolio in Ukraine covering the years 2023 and 2024 is provided below.

**FIGURE 15: UNIDO PROJECT PORTFOLIO IN UKRAINE**

<b>Introduction of energy management system standards in Ukraine's industry</b> Donor: Global Environment Facility Budget: USD 5.5 million	<b>Environmentally sound management and final disposal of polychlorinated biphenyls (PCBs)</b> Donor: Global Environment Facility Budget: USD 5.2 million	<b>Global Cleantech Innovation Programme (GCIP) for start-ups in Ukraine (phases 1 and 2)</b> Donor: Global Environment Facility Budget: USD 2.9 million
<b>Global Eco-Industrial Parks Programme (GEIPP) in Ukraine (phase 1)</b> Donor: Switzerland (SECO) Budget: EUR 2.2 million	<b>Global Quality and Standards Programme (GQSP) in Ukraine (phases 1 and 2)</b> Donor: Switzerland (SECO) Budget: EUR 2.1 million	<b>EU4Environment programme</b> Donor: European Union Budget: EUR ~1.3 million
<b>Accelerating investment for climate and clean energy SMEs in Ukraine (PFAN)</b> Donors: Sweden (Sida), Norway (Norad) Budget: USD ~800,000	<b>Women and youth economic empowerment in western Ukraine for inclusive and sustainable recovery</b> Donor: Austria Budget: EUR 600,000	<b>Industrial capacity-building, policy advice and diagnostics for the green recovery of Ukraine</b> Donor: Germany (BMZ) Budget: EUR 3 million
<b>Strengthening the resilience and competitiveness of Ukraine's quality infrastructure</b> Donor: Germany (GIZ) Budget: EUR 750,000	<b>Emergency assistance for 3D-printed prosthetics and job creation in Ukraine</b> Donor: Japan Budget: USD 1 million	<b>Emergency assistance for job integration of disabled people through 3D-printing technology in Ukraine</b> Donor: Japan Budget: USD 730,000

In addition, there are four UNIDO hard pipeline projects under development for Ukraine as a part of the green industrial recovery programme.

**FIGURE 16: UNIDO HARD PIPELINE PROJECTS IN UKRAINE**



Furthermore, in order to allow a swift and efficient scale-up of the UNIDO project portfolio in Ukraine and based on the vast knowledge and networks established in the country, the below 14 initial project proposals have been requested by the Government of Ukraine and developed by the Organization in close cooperation with relevant stakeholders for further discussion with funding partners. The initial texts of these proposals are available in Annex II.

1. [Job creation for disabled individuals in Ukraine;](#)
2. [Women's economic empowerment in Ukraine;](#)
3. [Skills development for a sustainable recovery in Ukraine;](#)
4. [Scale-up of social and impact entrepreneurship to enable a just energy transition;](#)
5. [Supporting the reconstruction and development of industrial sectors in Ukraine through fostering digital transformation and innovation ecosystem;](#)
6. [Accelerating Ukraine's green recovery through municipality-driven cluster development with micro-, small and medium-sized enterprises;](#)
7. [Private sector transition to a green and circular economy in Ukraine;](#)
8. [Initial revitalization of the food processing industry of Ukraine;](#)
9. [Leveraging quality and standards for the green recovery of Ukraine;](#)
10. [Industrial Energy Efficiency and Decarbonization Transformation Facility for Ukraine;](#)
11. [Building the manufacturing capacity and supply chain for the decarbonized and energy-efficient reconstruction of housing in Ukraine;](#)
12. [Supporting Ukraine's green hydrogen transition for low-carbon industrial reconstruction and development;](#)
13. [Fostering blue economy activities in Ukraine;](#)
14. [Support for a new, green, innovation-driven industrial policy for Ukraine.](#)

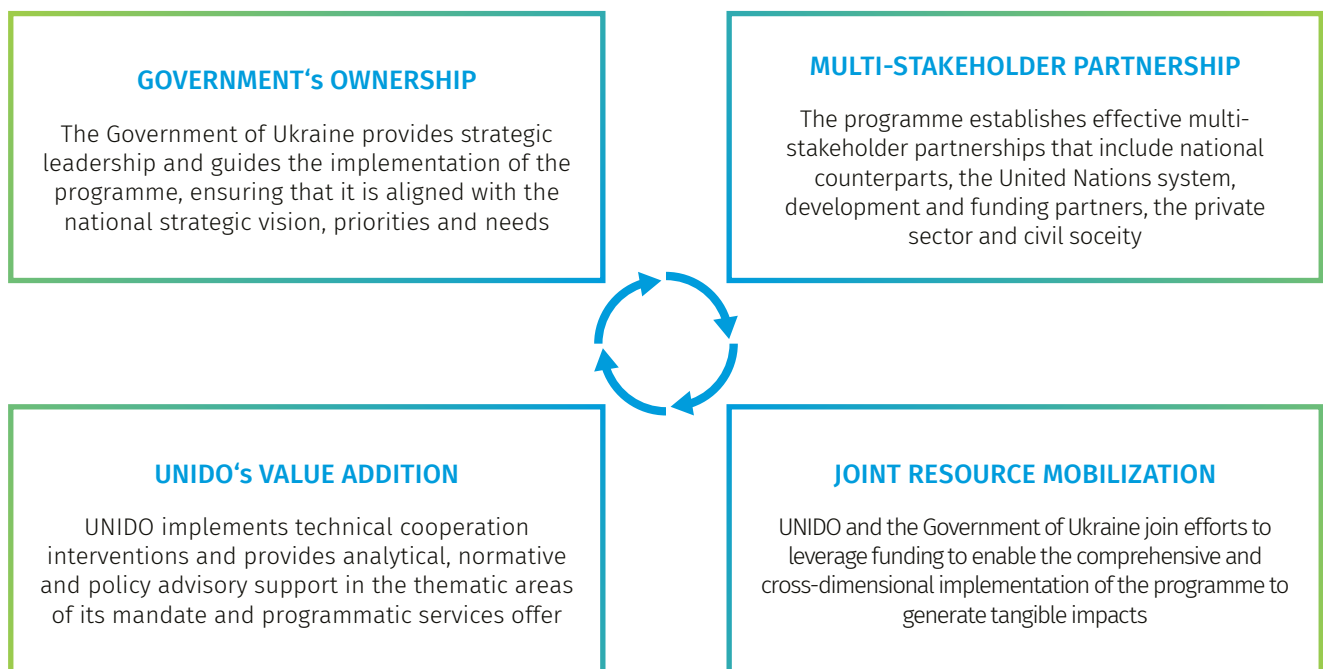


The key **strategic objective of the programme**, therefore, is to allow for the integration and scale-up of the UNIDO project portfolio in Ukraine, including technical cooperation, technology transfer, capacity-building and policy advisory services in order to contribute considerably to the country's green industrial recovery, resilience building, as well as inclusive and sustainable industrial development in a coordinated, coherent and synergetic manner.

## KEY BUILDING BLOCKS

The UNIDO green industrial recovery programme can only be successful if its key principles are upheld. An overview of these major building blocks is provided below.

**FIGURE 17: KEY BUILDING BLOCKS OF THE GREEN INDUSTRIAL RECOVERY PROGRAMME FOR UKRAINE**



## LEAVING NO ONE BEHIND

Ukraine's industrial development process must be built on inclusiveness, ensuring equal opportunities for all. Vulnerable groups have already faced structural bottlenecks before the outbreak of the war and are currently experiencing significant setbacks. Therefore, leaving no one behind will be the key principle, underpinning UNIDO's work in Ukraine in response to the war. Its main elements are outlined below.

### Community-based initiatives on the local level

UNIDO emphasizes the importance of supporting initiatives at the grassroots level, acknowledging that sustainable recovery and development should be rooted in and benefit local communities.

### Direct benefits to people, especially vulnerable groups

The primary focus of the UNIDO green industrial recovery programme is to directly benefit individuals with a particular emphasis on those who are considered vulnerable or marginalized.

### Special support for women

UNIDO recognizes the unique challenges faced by women and, therefore, aims to tailor its interventions. This includes single mothers, acknowledging the additional responsibilities they may bear.

### Inclusive support for people with disabilities

UNIDO fosters inclusivity by providing targeted support for people with disabilities. The goal is to ensure equal access to economic opportunities and reintegration into the labour market.

### Assistance for displaced persons and returnees

Considering the challenges faced by displaced persons and returnees, UNIDO seeks to contribute to their economic stability and integration into local communities, either in a place of displacement or return.

### Support for the economic reintegration of veterans

UNIDO recognizes the unique circumstances of veterans and aims to assist them in reintegrating into the labour market and generating income.

### Amplification of the voices of youth, especially young women

UNIDO places a specific focus on empowering youth with special attention to young women. This recognizes the importance of their contribution to local recovery and long-term development.

## LOCAL APPROACH

The reform of local self-governance and the strengthening of municipality-based economic and administrative autonomy in decision-making became an important factor in the robust state-supported community-based response to the war. In Ukraine's large cities, MSMEs often have better access to business support services, while MSMEs in smaller communities are often left behind. In these small communities, access to know-how, finance, equipment, technology and markets is limited. Local municipality administrations therefore have limited capacities to support green industrial recovery and economic growth. These municipalities must be enabled to offer a conducive environment for business development and human-centred recovery. In addition, they are at the forefront of European integration, where shared values and compatible approaches, mindsets and social networks form the basis of sustainability.

To address the challenges on the local level, UNIDO will engage in area-based, integrated and multi-sectoral programming engaging local authorities and communities. This will also support decentralization endeavours and bolster local capabilities. In order to effectively target the most vulnerable areas, UNIDO will enable the alignment of efforts, ensuring that interventions are coherent and complementary with all relevant stakeholders, including local administrations. Local liaison and coordination mechanisms in municipalities will be reinforced with a particular emphasis on supporting MSMEs.

The geographical focus of the programme will be on the regions which are under the control of the Government of Ukraine. In order to better target interventions on the local level, the established UNIDO network of regional development coordinators (RDCs) will be broadly utilized. This network was informed by the understanding that resource generation for investment and economic activity, in particular in industry, is centred in municipalities. The network works as follows:

- The work of RDCs will be initially limited to twelve western-located oblasts of Ukraine given that in these oblasts, local conditions are conducive to the facilitation of economic development, whereby as the situation improves, further oblasts can be added;
- RDCs are responsible for a defined geographic area (i.e. one oblast) and municipalities in it;

- RDCs limit their work to municipalities between 10,000 and 400,000 inhabitants as in larger municipalities (e.g. Kyiv and Lviv) different conditions prevail, which suggest varying needs and methodologies;
- RDCs collect information about the economic situation and development-related factors in each of the municipalities they are responsible for, including, but not limited to information on existing industries, available population that is ready to work, skills needs, etc.;
- RDCs further establish contacts with local municipal administrations, businesses, their associations, industries, non-governmental organizations, academia, etc.

## EVIDENCE-BASED AND DATA-DRIVEN APPROACH

As referred to in the previous chapters, UNIDO already conducted a comprehensive industrial diagnostic study, paving the way for an informed, evidence-based and data-driven approach to the Organization's interventions. Industrial diagnostics have been carried out to extrapolate a strategic direction for the country's future industrialization and green recovery. This assessment builds on the existing policies of the Government of Ukraine and the EU Ukraine Plan, as well as proposes solutions in response to existing challenges related to economic growth, modernization of the economic system, and integration with the EU to foster recovery, reconstruction and reform at all levels (i.e. macro-, meso- and micro-level).

Based on UNIDO's approach, consolidated through years of experience and research, the diagnostic study is structured around the following four chapters informed by quantitative data and consultations with stakeholders and experts in Ukraine:

**Chapter 1** provides a macro-level analysis and examines the economic, social and environmental dimensions to capture the key thematic areas that require policy action.

**Chapter 2** contains a meso-level analysis of industrial sectors to gauge their potential and highlight those that deserve increased attention due to the impacts of the war.

**Chapter 3** involves a micro-level analysis of Ukrainian firms based on 501 survey responses and focuses on identifying critical bottlenecks in their business operations. This information is useful for designing effective projects under the green industrial recovery programme.

**Chapter 4** entails a product analysis to capture key strategies for Ukraine's economic diversification.

In addition, analyses and mapping were conducted in 2023 across other areas pertaining to sustainable industrial development, including the following:

- Assessment of gaps and needs of local industries and MSMEs and mapping of support institutions, initiatives and programmes for each oblast;
- Mapping of entrepreneurship support institutions and the diagnostics of the entrepreneurship support and technical and vocational education and training ecosystem;
- Analysis of circular economy implementation with exploratory foresight for available circular economy practices and potential projects;
- In-depth assessment of the packaging sector of Ukraine.

Throughout the implementation of the programme, UNIDO will continue conducting analyses, diagnostics and assessments across various critical thematic areas of its mandate to continuously generate high-quality

primary data pertaining to opportunities and needs in the industrial recovery and development of Ukraine. The data will be accompanied by qualitative and quantitative indicators that allow for tracking and disaggregation by geographical area, various target groups and other relevant characteristics.

## INSTITUTIONAL CAPACITY DEVELOPMENT

During the development of this programme, UNIDO began working with national institutions and policymakers in Ukraine to build their capacities in a number of relevant areas, including industrial policymaking, circular economy, quality infrastructure, food processing industry, job creation, MSME support and digital transformation.

UNIDO has already supported the policymaking process in Ukraine by developing the following key inputs:

- Circular economy roadmap for Ukraine;
- Roadmap for the revitalization of Ukraine's food processing industry through green recovery;
- National guiding framework of standards and technical regulations for the green reconstruction of Ukraine;
- Inputs to the draft law of Ukraine on robotics and robotization, as well as the draft programme for the use of artificial intelligence in priority sectors of the economy for the period until 2026.

UNIDO, through its work in the areas of quality infrastructure, strengthened the institutional capacity of the Ukrainian Standardization Agency/National Standards Body in the areas of good standardization practices. UNIDO also strengthened the online services of the National Accreditation Agency of Ukraine and enhanced the country's conformity assessment capacities, including through the in-depth assessment of national laboratory capacities, provision of test equipment, capacity-building of staff, establishment of an operational quality management system, cooperation between laboratories and producers of priority products and transfer of national standards, which are adapted to the European ones.

Throughout programme implementation, UNIDO will continue supporting national institutions to further strengthen their capacity and adapt to the new challenging context with the ultimate objective of preparing a comprehensive and results-oriented industrial development strategy for Ukraine. UNIDO will help strengthen the Government's response and support the process of building resilience, as well as provide assistance linked to fulfilling conditions under the EU *acquis* with a special focus on Chapter 20.

# **6 CREATING OPPORTUNITIES FOR PEOPLE**

## RATIONALE FOR ENGAGEMENT

People in Ukraine have been impacted in diverse ways by the ongoing war. Some are still contending with significant humanitarian needs as they host a large number of displaced individuals who may not have a safe and suitable place to return to in the near future. These communities struggle to provide housing and essential resources while maintaining social cohesion. Others are ready to embark on recovery and reconstruction efforts, creating conditions for voluntary returnees, both from within the country and abroad, to reintegrate and rebuild their livelihoods.

One immediate consequence of the war was large-scale population displacement. According to the United Nations High Commissioner for Refugees (UNHCR), as of November 2023, there are around [6 million refugees](#) from Ukraine recorded in Europe and 392,100 refugees from Ukraine recorded beyond Europe. According to the International Organization for Migration (IOM), there are more than [3.5 million internally displaced persons \(IDPs\)](#) in Ukraine. According to the [RDNA 2](#), high levels of displacement, especially outside Ukraine, have heightened already existing demographic concerns about Ukraine's shrinking skilled labour force, especially as 2 million children have left Ukraine and are expected to remain abroad.

As a result of the war, Ukraine is likely to have more female-headed households, a larger proportion of single-earner households and increasing numbers of households with individuals with disabilities. Between February and March 2023, the Office for the Coordination of Humanitarian Affairs (OCHA) estimated that nearly [18 million people](#) in Ukraine were in need (6.3 million IDPs located throughout the country, 6.9 million people who remained in their homes and 4.4 million returnees). Out of these, 11.1 million were in urgent need of humanitarian assistance and protection.

On 1 January 2022, there were approximately [500,000 veterans](#) in Ukraine. According to the Ministry of Veterans Affairs of Ukraine, by May 2023 this number had grown to 770,000. The projected number of veterans (including persons with disabilities resulting from the war), family members and families of fallen soldiers that will need support in the post-war period is estimated at between 3 million and 5 million people (10-15 per cent of the total population of Ukraine).

According to the FAO, [rural households](#), which accounted for 30 per cent of the population before the war, in general, were more socially disadvantaged in livelihoods and living conditions. Although they were more food secure as they could consume their own farm produce, they tended to experience higher unemployment rates, lower access to social services and a more acute gender gap.

The war has aggravated existing gender inequalities in the country, especially impacting vulnerable women who face disproportionate disruptions. According to the State Employment Service of July 2022, [61 per cent of the registered unemployed](#) in Ukraine are women. Employed women are predominantly in low-paid sectors with a lack of opportunities to develop professionally. In terms of [entrepreneurial activities](#), women own only 11 per cent of Ukraine's 330 largest enterprises. The [Global Gender Gap Index 2023](#) ranks Ukraine number 66 out of 146 countries. Women's position during wartime has been aggravated in view of the lack of access to economic resources and skills demanded by the labour market, domestic work burdens and psychological stress.

Since February 2022, changes in the labour market have reflected both the outflow of the working-age population and the economic difficulties directly linked to the war. The ILO estimates that [employment](#) is now 15.5 percentage points lower than during the pre-war level. The OECD national business survey showed that in the fourth quarter of 2022, the [sectors with the highest wage contractions](#) on an annual basis were construction; agriculture, forestry and fishing; transportation and storage; and manufacturing. In contrast, wages in wholesale, retail trade and repairs; information and communication; and human health and social

work, have largely followed inflation trends, increasing by about 27 per cent.

Most [Ukrainian refugees abroad](#), according to UNHCR monitoring, are highly employable, resulting in shortages of highly skilled workers within Ukraine. These workforce demographic changes will be particularly important when looking ahead to labour market recovery, which will need to account for the loss of highly skilled workers and help facilitate the integration of IDPs into local labour markets.

Households nationwide have experienced decreases in income, with the south-eastern region particularly affected. This is also reflected in national [poverty levels](#), which increased from 5.5 per cent to 24.1 per cent in 2022 (based on the poverty line of USD 6.85 per person per day). According to the UNDP, the [decrease in income](#) was derived mainly from job loss, salary cuts and reduced working hours.

The [General Population Survey](#) of the IOM found that 57 per cent of IDP and 64 per cent of non-IDP respondents sought employment after February 2022. The top challenges cited by these groups while searching for a job included a lack of jobs in their areas matching their interest and expertise (mentioned by 91 per cent of IDPs and 84 per cent of non-IDPs) a lack of work due to the war in a location (82 per cent of IDPs and 76 per cent of non-IDPs) and low offered salary (45 per cent of IDPs and 76 per cent of non-IDPs). Safety and security concerns also inhibited livelihoods.

Ukraine's labour market has been facing an oversupply of higher education graduates amidst industry-specific skill shortages. In addition, the mismatch between skills supply and the requirements of modern jobs for the green and digital economy is growing. According to a World Bank survey, 40 per cent of companies in four key sectors (agriculture, food processing, ICT and renewable energy) report a [significant skills gap](#) in their workforce, hindering their business goals. Claims lie in the education system that often fails to equip individuals with the necessary practical skills, appropriate expertise and up-to-date knowledge.

## UNIDO SERVICE OFFER

In order to address the above-outlined challenges, it is crucial to design and implement targeted programmes to empower economically women, youth, disabled individuals, IDPs, as well as veterans, including tailored initiatives to improve their access to education, vocational training and skills development, with a specific focus on fostering innovative industrial entrepreneurial skills.

Drawing from its strategy for post-conflict/-crisis situations, UNIDO has extensive experience in implementing technical assistance projects targeting the most vulnerable, including refugees, IDPs and returnees in numerous conflict-affected and post-conflict countries. Building on these experiences, UNIDO will promote industrial development and economic recovery by triggering a [structural transformation](#) geared towards strengthened industrial sectors to leverage the positive externalities associated with this expansion, including innovation and productivity growth, knowledge spillovers, skills development, employment generation, the creation of forward and backward linkages and technological upgrading.

UNIDO will continue fostering the [economic empowerment of women and youth](#) in sustainable industries and focus on promoting future socio-economic inclusivity and resilience throughout its technical cooperation portfolio. The primary focus of UNIDO's activities in this area is on the knowledge, skills, technologies and business support services required to enable women and youth to engage in productive activities, thereby generating income. UNIDO's portfolio comprises projects in entrepreneurship and enterprise development, including support for youth and women to seize opportunities of digital technologies and promote digital transformation. UNIDO has experience in managing [skills development](#) programmes and facilitating public-private development partnerships to address the industrial skills mismatch. This includes reforming technical



and vocational education and training (policies and enhancing the capacity of local business support and educational institutions).

UNIDO will also stimulate the **creation of quality jobs**, particularly in more labour-intensive sectors with strong potential for value addition and differentiation, including the food and wood products industries, the manufacturing of energy equipment and agricultural machinery, as well as the construction industry. To support **income generation**, UNIDO will focus on developing market-driven skills among various groups of the population with a focus on vulnerable groups. This includes offering vocational and technical education and training, as well as entrepreneurship programmes to align individuals' skills with the demands of the modern job market, particularly in green and digital economy sectors.

A comprehensive approach to the promotion of an entrepreneurial culture is needed to strengthen the entrepreneurial environment. UNIDO has extensive experience in improving the institutional infrastructure to promote competitive entrepreneurial activities in the formal sector, including through skills training and curriculum development programmes for **entrepreneurship education**. Comprehensive curricula should be developed at different levels of education to inspire and cultivate an entrepreneurial mindset in society. These programmes should focus not only on cognitive skills, such as digital, financial and management skills but also on key non-cognitive skills, such as teamwork and active learning.

As civilian and military casualties continuously increase in the disabled population of Ukraine, UNIDO will also support the **economic reintegration of disabled individuals** and help businesses in creating inclusive work environments, providing accommodations and encouraging private sector engagement to advance recovery and expand opportunities for the disabled population. To address the local demands for prosthetics and assistive products, UNIDO will continue modernizing the domestic supply chain to increase the local availability of such items and foster a more inclusive society.

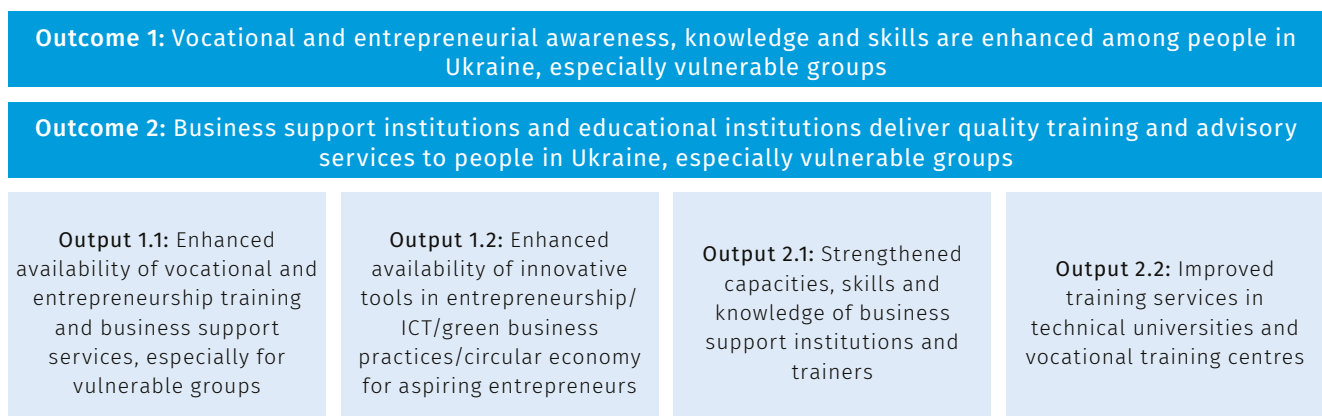
#### 3D-PRINTED PROSTHETICS AND JOB CREATION PROJECT

UNIDO provides technology transfer for 3D-printed prosthetics from Japan to Ukraine and supports job creation for people with disabilities. The adoption of this innovative technology will make prosthetics more accessible and affordable in the long term with at least 100 people to be supported in 2024.

BEST PRACTICE

## RESULT CHAIN

FIGURE 18: RESULT CHAIN OF IMPACT AREA “CREATING OPPORTUNITIES FOR PEOPLE”



# **7 SUPPORTING BUSINESSES AND ATTRACTING INVESTMENT**

## RATIONALE FOR ENGAGEMENT

The impact of the war on the MSME population in Ukraine has been massive and is expected to deepen further as the conflict continues. Based on the results of the [quantitative and qualitative analysis](#) conducted by the European Bank for Reconstruction and Development (EBRD) in 2023, only 57 per cent of MSMEs in production and services maintain operation while 37 per cent reduced output and 6 per cent suspended operations. Further, those MSMEs still in operation saw a significant reduction in the volume of activity. According to the Government-backed poll data, 8 per cent of enterprises completely stopped their activities, and 18.5 per cent worked at less than half capacity. Only 50.1 per cent of enterprises experienced a 40-90 per cent workload, similar to the pre-war levels. MSMEs are trying to adapt to the challenging operational conditions, relocating, transitioning online, reducing the geography of activities and resuming production at lower capacities.

UNIDO has identified several key bottlenecks for Ukrainian businesses as a result of the war, including liquidity issues (difficulty in securing operating capital), availability and cost of energy, availability and cost of materials, availability of personnel, decrease in purchasing power and increases in the cost of production. Material destruction is likely to have an impact on MSME operations well beyond the end of the war and it may possibly lead to changes in the structure of the country's productive capacity.

Conversely, the impact of workforce displacement on MSMEs may be limited to the short term, as people may progressively return, with the exception of businesses located in the cities and villages suffering a high level of destruction, which impedes the return of the local population. Much depends on the course of the war, since the longer people are displaced from certain places, the less likely they may be to return. Further, it is clear from the needs of Ukrainian businesses that a future workforce will need reskilling as there are not enough skilled workers to meet the needs of industry and returnees may not return to the same job as before.

The impact of the disruption of the internal and external supply chains on MSMEs' operations is difficult to assess at this stage. Supply chains continue to operate (albeit at lower levels) in large parts of the country and may return to close to normal operations once the fighting ends, excluding the areas that have suffered the highest level of war damage. However, export infrastructure remains a key challenge, with a decrease in the volume of air transportation of 100 per cent, sea transportation of 85 per cent, rail freight transportation of 52.1 per cent and road freight transportation of 21.7 per cent. As a result, the logistics leverage increased, which led to an increase in the waiting period for transshipment, as well as an increase in costs due to additional logistics operations.

An additional risk is that a continuation of the war and the high level of uncertainty about the reliability of supplies from Ukraine may induce foreign companies to review their economic relations with Ukrainian suppliers. The war has caused a loss in revealed comparative advantage in the food and beverage sector and the wood and wood products sector. If these trends continue, Ukraine may no longer be seen as a key import partner or attract adequate overall investment. Furthermore, Ukraine played an important role in the European automotive sector, producing cables and mechanical components. Shortages in components made in Ukraine have started to disrupt production in EU car plants and will require the establishment of new value chains in the region.

However, one of the biggest threats to MSMEs operating in Ukraine is coming from the collapse of domestic demand and traditional export markets. MSMEs, particularly in eastern regions, no longer have access to their normal export markets, finalizing a trend that began in 2011. With GDP expected to drop by over 30 per cent, the [loss of income](#) may only partly be compensated by foreign aid, a surge in remittances from Ukrainian workers in EU countries (estimated to increase by 20 per cent in 2022) and increased trade with EU countries.

The war has further compromised Ukraine's agricultural production, which is vital for the country's economy

and global food security. Three major types of damage – physical degradation, widespread chemical pollution, as well as exploded ammunition – have severely impacted millions of hectares of Ukrainian farmland. According to the FAO, [damage to small-scale farming](#) has been extensive. The lack of access to usable land, including contamination of at least part of that land by unexploded ordnances, mines, bombshells and debris, destruction of agricultural equipment and facilities, damage to livestock and crops, stolen farm inputs and outputs, and the need for re-cultivation of land. The economic downturn combined with displacement has also led businesses to close and self-employed individuals to lose their productive assets. Additionally, the level of innovation and investment in creating value addition with food products has traditionally been low. Local producers lack the capacity to create high-value-added products that meet European standards.

At the same time, activity in the fast-expanding ICT sector appears to be less affected. Internet connectivity and services have continued to operate through the first phase of the war, excluding the zones affected by the most intense fighting, and staff employed by ICT companies could relocate to areas less touched by the war and continue working. At the beginning of May 2022, the sector was estimated to operate at [80 per cent of its capacity](#). In 2021, Ukrainian ICT exports grew 36 per cent year-on-year to total USD 6.8 billion, representing 10 per cent of the country's total exports. Meanwhile, the number of Ukrainians employed in the ICT industry increased from 200,000 to 250,000 across start-ups, MSMEs and large firms. At the beginning of 2022, the ICT sector provided [export earnings of USD 2 billion](#) (+28 per cent on the previous year).

Despite its relatively low economic performance, Ukraine possesses strong economic potential due to its large labour force, geographic size and strategic location. Many of the export products are produced within Ukrainian industrial agglomerations and territorial structures, creating an enabling business ecosystem for the development of local business connections, including clusters.

## UNIDO SERVICE OFFER

Ukraine's MSMEs account for more than 99 per cent of all registered businesses but they face significant challenges, including the lack of the needed business support ecosystem. This ecosystem is necessary to enable MSMEs to effectively overcome the challenges associated with the war and to play a key role in economic recovery and growth in the future. Developing an internal ecosystem involves creating support networks, providing access to training and resources and creating an environment that encourages innovation and sustainability.

Businesses need support in upgrading their practices and processes, increasing their competitiveness and value addition, as well as strengthening their access to markets and investment attractiveness. The labour force participation rate needs to increase, particularly among disadvantaged groups. Skills development, in turn, needs pairing with suitable opportunities and supportive framework conditions.

Rebalancing the [distribution of productive activities](#) across Ukraine's regions will contribute to reducing vulnerability, increase resilience and ensure that industrialization becomes more regionally inclusive. Despite the growing focus on governance decentralization, both private sector actors and policymakers underrate the significant role municipalities can play in industrial development. Further, many enterprises in smaller communities lack the support needed to take advantage of existing assistance schemes set out by the Government. To address these issues, UNIDO will raise awareness about the relevance of the local approach to development and strengthen policy capabilities on a local level to support the development of the private sector for sustainable recovery.

To rebalance the sub-sectoral level, the structural transformation process should be intensified by improving existing medium-high technology industries and diversifying towards emerging industries, considering the

positive externalities these can generate. UNIDO will work to strengthen resource-based sub-sectors such as **food processing**, in which the country has a comparative advantage and which plays a pivotal role in achieving other policy objectives, such as food security, employment generation, value-added creation and access to export markets.

UNIDO will improve the **competitiveness and value-added of industry** by enhancing capacities within processing enterprises for further value addition and product development, as well as improved product quality, safety and packaging for the EU Single Market readiness. For improved processing technology and efficiency, UNIDO will help enhance energy efficient practices, automation and the adoption of renewable energy and utilization of bio-waste in the transition to green low-carbon growth. UNIDO will further help Ukraine strengthen its trade with the EU and align industrial products with EU requirements.

Accelerating the recovery of the manufacturing industry is crucial for advancing the **diversification and sophistication of Ukraine's production**. Pursuing an export diversification strategy that increases the number of products for export to enter new markets, while further deepening trade relations with existing partners, will be crucial to intensifying the country's industrial development, reducing vulnerability to external shocks and bolstering resilience. UNIDO will therefore help Ukraine align its industry with the EU *acquis* in relevant areas, support businesses in finding new markets and suppliers, and help build resilience and adapt their supply chains to withstand the threat of disruption.

Ukraine's efforts to restore its competitiveness and strengthen its capacity to produce and export manufactured goods must be underpinned by commitment and coordinated support from both the **public and private actors**, especially in the aspiration for EU integration. Several challenges must be addressed, however, to harmonize Ukraine's legislation with that of the EU *acquis*.

At the industry level, UNIDO will enable producers to make the best use of **standards** to add value to their productive capacities. UNIDO will work to foster their **compliance capacity** for engagement in global value chains and ensure green and sustainable production practices, modernize production and increase quality, enhance entrepreneurship and the internationalization of MSMEs through the application of new technologies and collective activities, as well as strengthen inter-firm and inter-cluster cooperation creating concrete linkages with importers of high-value products in Europe and other markets.

#### GLOBAL QUALITY AND STANDARDS PROGRAMME (GQSP)

UNIDO enabled wooden window producers to measure the thermal performance of their products, optimize design and be more energy efficient. Standardization, accreditation and testing services have been strengthened for a conducive business environment, ultimately promoting exports.

BEST PRACTICE

Furthermore, UNIDO will provide **guidance to MSMEs** in manufacturing, ICT, agribusiness and other selected pilot clusters by establishing public-private partnerships, assisting in developing joint supply chain management and marketing strategies, promoting innovation and start-up development, ensuring up-skilling and re-skilling, contributing to the implementation of collective business upgrading, quality improvement and fostering internationalization initiatives such as MSME export consortia.

At the institutional level, UNIDO will support the **national quality infrastructure** (standardization, accreditation, metrology, conformity assessment, market surveillance) and cluster support institutions (business development services, collection centres, sectoral and business associations, financial institutions and academia) in providing state-of-the-art and tailored services in line with industrial capacities and needs, fostering the adoption of international standards and their dissemination among industry and promoting international best practice and linkages with more advanced institutions, facilitating the development of customized financial

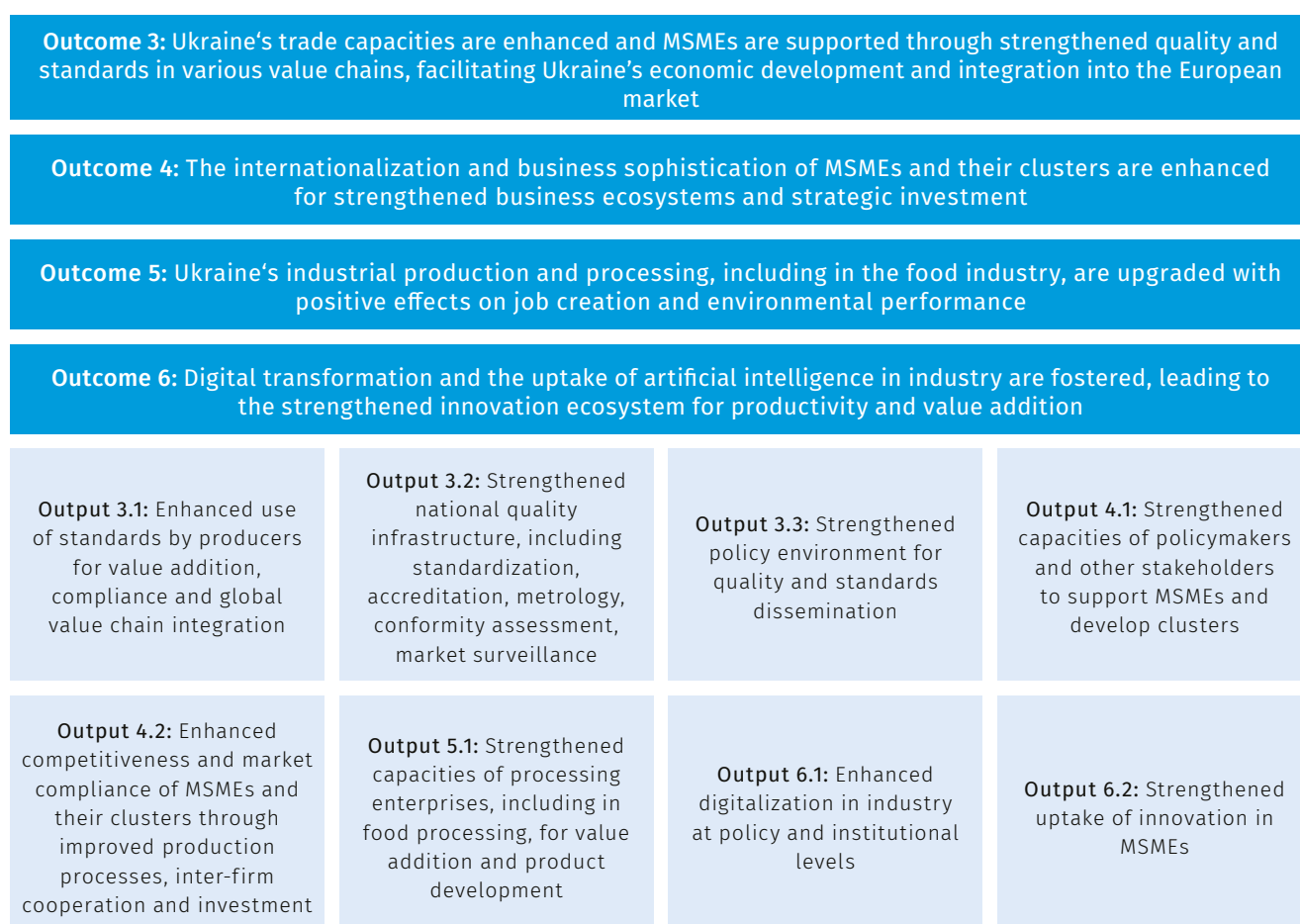
and business services and products, and promoting the internationalization and integration of Ukrainian clusters into European cluster networks.

At the policy level, UNIDO will create a **conductive policy environment** for accelerated MSME and cluster development, as well as quality and standards dissemination through strengthening the capacities of policymakers and support institutions to identify and develop clusters and the formulation of cluster support policy frameworks, reforming and strengthening the quality infrastructure, providing incentive schemes, improving access to finance among MSMEs, as well as by expanding cross-border business relationships and economic policy networks.

Boosting **innovation in industry** requires concerted efforts from both public and private sector actors, in particular reinvestment of revenues in business development, joint innovative efforts by the Government of Ukraine, research institutes, universities and businesses, the creation of research and development centres, as well as the promotion of competitive and innovative technological solutions. Technology transfer from other countries, especially those with advanced innovation ecosystems, will be crucial to fostering resilience building in Ukraine. UNIDO will thus support Ukraine to re-establish a robust digital infrastructure, foster the development of digital skills and strengthen digitalization in businesses. Incentives will be needed to prevent brain drain and encourage ICT experts to return to Ukraine.

## RESULT CHAIN

**FIGURE 19: RESULT CHAIN OF IMPACT AREA “SUPPORTING BUSINESSES AND ATTRACTING INVESTMENT”**



# **8 FOSTERING A GREEN ECONOMY**



## RATIONALE FOR ENGAGEMENT

Ukraine faces multiple challenges due to the ongoing war and a legacy of inadequate environmental and climate-sensitive planning with impacts on critical infrastructure, food systems, human health, ecosystems and the broader environment. The war has led to the destruction of environmental monitoring infrastructure, accelerated ecosystem degradation, industrial pollution and waste accumulation.

According to EcoZagroza, as of 18 July 2023, there have been [2,450 reports \(2,317 verified\)](#) of military actions with a direct environmental effect. Estimates based on Ukraine's environmental inspections show that the war has inflicted roughly EUR 52.4 billion (UAH 2,071 billion) in environmental damage. This includes EUR 27 billion in air pollution, EUR 23.6 billion in damage from waste pollution, EUR 1.5 billion in damage to water and EUR 0.3 billion in damage to soils.

According to the [preliminary monitoring](#) of the United Nations Environment Programme (UNEP), Ukraine faces a compounded, multi-dimensional environmental crisis that has either exacerbated existing issues or added new ones. UNEP stresses the presence of multiple crises associated with chemicals, munitions and military equipment, the presence of a range of pollutant damage inflicted to fuel storage facilities, industrial infrastructure and critical infrastructure, such as water, energy and waste management systems, urban areas, as well as agricultural and natural areas. It concludes that the country and the region risk being burdened with a toxic legacy long after the conflict ends.

Already before the war, Ukraine's economy has been dominated by resource-intensive production, including energy-intensive technologies. Waste management is one of the leading challenges to environmental safety, and the volume of waste generation, including chemicals and hazardous substances, has grown in the country. Further, data indicates that Ukraine has a high manufacturing raw material consumption intensity, which is about 5-6 times higher than that of its comparators and the EU average. With the stated goal of EU accession, Ukraine will need to comply with requirements associated with the EU's key environmental strategies and plans, including Chapter 27 of the *acquis*.

Limited state-stimulating instruments to transition to a circular economy, including narrow knowledge and capacities among decision makers and the lack of best practices and understanding of applicable business models combined with unavailability of funding, acquisitions for collaborative business projects with the EU, green lending and preferential loans for MSMEs. Additionally, many enterprises lack the financial resources to modernize their production facilities. Lastly, there is a notable lack of information and consulting activities in the field of circular economy.

Furthermore, Ukraine remains one of the most carbon-intensive countries in the world despite a significant industrial decline since 1990. Ukraine's energy consumption and emission level per unit of GDP are much higher than that of the EU and the world average. Energy productivity and production-based CO<sub>2</sub> productivity have shown an upward trend, however, they are still on a low level.

Industry is the [largest final energy consumer](#) in Ukraine. The country has been historically dependent on imports for around 83 per cent of its oil consumption, 33 per cent of its natural gas and 50 per cent of its coal. In 2018, Ukraine imported 8.5 megatons (10.6 billion cubic meters) of [natural gas](#), 13.8 megatons of coal and 10.4 megatons of oil products.

Due to the war, Ukraine's power system remains extremely vulnerable and continues to operate in emergency mode with hardly any safety margin for both power grids and generation. According to the UNDP, [generation capacity](#) has decreased by more than half, from 37.6 gigawatts to 18.3 gigawatts as of 30 April 2023. Manoeuvring capacity in the system has suffered the most and decreased by 68 per cent from 14.3 gigawatts to 4.6 gigawatts, primarily in thermal power plants. Available nuclear generation capacity decreased by 44 per cent from 13.8



gigawatts to 7.7 gigawatts. Available hydro generation capacity decreased 29 per cent from 6.6 gigawatts to 4.7 gigawatts. Available renewable capacity decreased by 24 per cent from 8.1 gigawatts to 6.2 gigawatts. In the transmission network, 42 out of 94 crucial high-voltage transformers have been damaged or destroyed.

According to the [RDNA 2](#), damage to power, gas, heating infrastructure and coal mining exceeds USD 10 billion and is increasing. Short-term priority areas to be included in the emergency response continue to be increasing the resilience of the transmission network and providing backup/generation capacities for critical infrastructure. In the mid-term, the loss of obsolete coal-fired generation opens an opportunity for their replacement using greener alternatives and decentralizing generation capacities. To achieve this, Ukraine will have to increase transparency through energy market reforms and implement good governance practices as critical prerequisites for private and public investments required for sustainable green transformation.

To ensure [energy security and independence](#), Ukraine has been increasing power generation capacities from 108 to 176 billion kilowatt-hours and shifting from energy shortage to a net export of 9 billion kilowatt-hours. Green transition and decentralization are partially achieved through developing carbon-neutral generation capacities and further harmonizing with EU markets to deliver affordable, reliable and modern energy. This is demonstrated by the ongoing construction and installation of 1.4 gigawatts of new high manoeuvring capacities controlling at least 80 per cent of the installed capacity.

## UNIDO SERVICE OFFER

In order to advance on the EU accession path, the green industrial recovery of Ukraine must include opportunities to promote the decarbonization of industry and transition to a circular economy, including the promotion of resource-efficient and cleaner production, effective waste management (including hazardous waste), energy efficiency and the introduction of renewable energy sources.

UNIDO will support Ukraine in implementing [greener and circular industrial processes](#) and diversifying into new products that incorporate low-carbon technologies. Promoting a circular economy will contribute to the country's biodiversity protection and climate change agendas and improve resilience to potential supply chain disruptions. UNIDO will further build the capacity of the Government of Ukraine to comply with the requirements of the EU Green Deal and *acquis*.

### EU4ENVIRONMENT ACTION

UNIDO offered support to 15 companies of different sizes, which were forced to relocate operations, including a pet food manufacturer from Kharkiv oblast. UNIDO facilitated the installation of an autonomous solar power plant to ensure an uninterrupted supply of clean energy for their production lines.

BEST PRACTICE

Given that Ukraine's [material efficiency](#) is currently low, UNIDO will support the country with the development of effective industrial waste prevention and management policies and principles and encourage the associated circular economy practices, including green product design, remanufacturing, refurbishment and recycling, among others. As part of the country's sustainable industrial development agenda, the improvement of material efficiency may result in triple dividends of reducing the dependence on the supply of raw materials, lowering environmental pressure and improving industry's competitiveness. The adoption of circular economy principles and regulations to enforce it will be key, focusing on waste prevention rather than on waste disposal.

UNIDO will further support Ukraine by collecting data and information on [industrial waste generation](#) and on the composition of waste, reviewing available technologies and treatment methods that can be used to recover value and stimulate industrial symbiosis options. In particular, the processing of industrial waste and its export potential (e.g. rare earth materials) and exploring scarce materials for domestic use, as well as the

creation of circular bioenergy clusters and hydrogen transmission systems infrastructure will be considered. Moreover, special attention must be given to raising awareness and improving capacities to properly separate waste at the source.

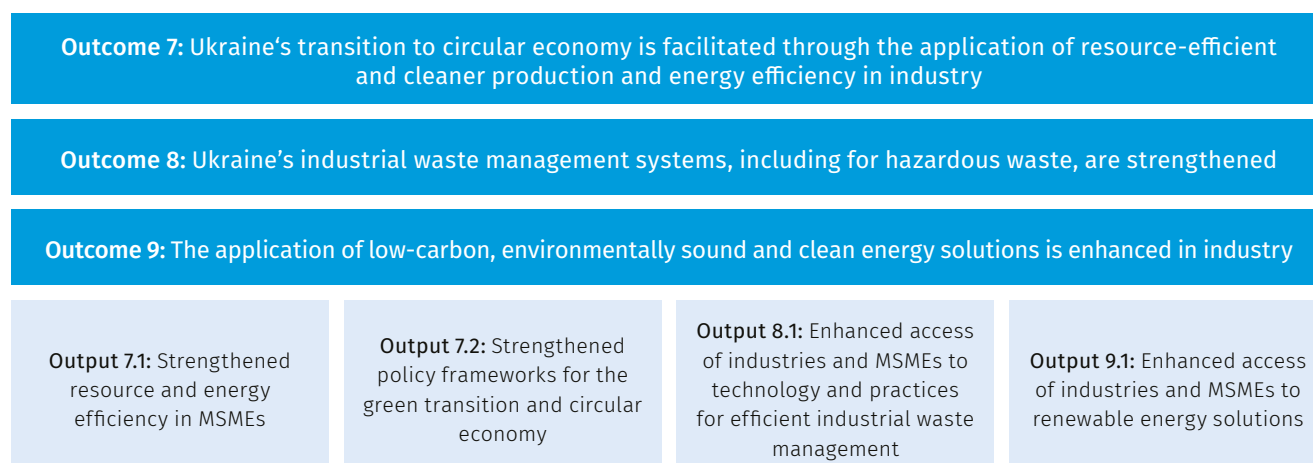
UNIDO will support immediate response actions to ensure the country's **energy security and independence, green transition, decarbonization** and further synchronization with EU energy markets. Key areas of focus where UNIDO can support Ukraine will include distributing generation energy sources nationwide and decentralizing the power system, enhancing manoeuvring capacities in the power system by introducing modern and environmentally friendly generation facilities, increasing the share of renewable energy sources in the national energy mix, gradually reducing coal generation in accordance with Ukraine's commitments to reduce CO<sub>2</sub> emissions, as well as exploring opportunities to improve energy efficiency in industry. Green hydrogen can play a crucial role in the reconstruction and further net zero industrial development of the country, particularly the steel sector and the production of ammonia, which have been affected by the war. In the context of the energy transition, it is critical to ensure that it is "just", meaning that an extensive community engagement is facilitated and attention is given to how vulnerable people are affected so that their daily routines and ability to pay are not disrupted.

**Clean technologies**, as well as associated support to entrepreneurs to develop and deploy them, have been an important part of UNIDO's operation in the country. Start-ups and MSMEs build the backbone of the Ukrainian economy, providing jobs, contributing to the GDP growth and spurring environmentally friendly and socially inclusive innovation, encompassing both new technologies and business model solutions with positive impact. To this end, UNIDO will continue supporting MSMEs and start-ups on their way to the introduction and dissemination of clean technologies and innovation.

The integration of sustainable practices and technologies is essential for the modernization of the MSME sector in Ukraine, particularly in pursuit of the **EU Green Deal**. Industries that are highly carbon-dependent are likely to face the greatest challenges along the way. To navigate these changes, UNIDO will support MSMEs by assisting the Government in introducing standards and regulations and encouraging national policy alignment with that of the EU. UNIDO will thus strengthen the environmental performance of MSMEs, stimulate the development of green initiatives, foster energy efficiency and circular economy and promote sustainable production management.

## RESULT CHAIN

FIGURE 20: RESULT CHAIN OF IMPACT AREA "FOSTERING A GREEN ECONOMY"



# 9 DELIVERY MODALITIES

## RESOURCE MOBILIZATION AND PARTNERSHIPS

A resource mobilization and partnership-building strategy will be developed and regularly updated to supplement the programme. Initial mappings of potential donors and partners with are available in Annex III.

On the macro level, UNIDO will work with line ministries of Ukraine, development and funding partners, the UNRCO and sister agencies under the UNCT in Ukraine, as well as international financial institutions and other international counterparts for the integration and scale-up of results as appropriate. On the meso level, UNIDO will work with stakeholders in Ukraine relevant to industrialization, including business support institutions, non-governmental organizations and academia. Furthermore, UNIDO will explore opportunities for engagement with municipal and city administrations in Ukraine, as important enablers of industrial recovery on the level of local communities. On the micro level, UNIDO will directly support firms, with a special focus on MSMEs, and work with people, strengthening their employability and resilience, including vulnerable groups.

The objectives of the programme can be achieved only if sufficient funding is leveraged for the implementation of technical cooperation projects that constitute core interventions within the framework of the programme. The funding strategy for the green industrial recovery programme is therefore to leverage strategic partnerships with bilateral and multilateral donors, including non-traditional donors and the private sector. UNIDO, as part of the United Nations system, is uniquely positioned among development partners in Ukraine, building off its value proposition, geographical coverage, presence on the ground in Ukraine, as well as the wide range of partnerships with national counterparts, local authorities, civil society and the private sector.

The green industrial recovery programme will remain flexible to adapt its focus over time as the Government of Ukraine moves from early recovery priorities to longer-term national development priorities. Through durable solutions tailored to the needs of communities, including restoring livelihoods and improving social cohesion and resilience, investment in resilience and recovery will also ensure that humanitarian needs over time decrease.

The green industrial recovery programme and interventions under it have a funding requirement of **USD 250 million**. To close the existing funding gap, UNIDO will closely work with the donor community and the Government of Ukraine, which assumes ownership of the programme and will lead the resource mobilization work together with the Organization. For efficient resource mobilization and partnership building, inter-ministerial and cross-organization communication and coordination will be required on a daily basis.

The programme gives high priority to establishing close cooperation with development and funding partners, including bilateral and multilateral donors, international financial institutions and other international actors, including sister United Nations agencies. Integrated and coherent resource mobilization for the implementation of the programme will also contribute to the closure of the funding gap for the strategic priorities of the TF and UNSDCF, which are closely linked to UNIDO's strategic priorities in Ukraine. Resource mobilization activities within the programme will be aligned with the resource mobilization approach envisaged under the TF and UNSDCF and will further seek to derive from and complement their respective funding approaches.

To leverage the necessary funding to operationalize the programme, UNIDO will continuously build on its effective coordination within the United Nations development system by engaging with the UNRCO and the UNCT on the ground. Cooperation with sister United Nations agencies will aim at joint partnership building, resource mobilization and programming while capitalizing on existing funding instruments, including multi-partner trust funds to be established in support of United Nations programmatic frameworks.

Among multilateral donors, the EU and its institutions traditionally hold sizeable funding available for development cooperation in Ukraine, contributing above [USD 1.4 billion of gross official development assistance](#) in 2020-2021. As one of the key strategic partners, spearheading reconstruction efforts, including

the Ukraine Plan and the Ukraine Facility, the EU will be crucial for operationalizing UNIDO's green industrial recovery vision.

The EU will pool support to Ukraine into one single instrument, the Ukraine Facility, which will provide EUR 50 billion (EUR 33 billion in loans and EUR 17 billion in grants) to foster Ukraine's recovery, reconstruction and modernization and support its efforts to carry out reforms as part of its accession path to the EU. The Facility has three pillars: Pillar I will be direct budgetary support to the Government of Ukraine in the form of grants and loans based on the Ukraine Plan; Pillar II will support investment in Ukraine in the form of budgetary guarantees and a blend of grants and loans from public and private financial institutions; and Pillar III will provide technical assistance and other supporting measures to help Ukraine align with EU *acquis* and carry out structural reforms on its path to future EU membership. Pillar-assessed United Nations agencies, including UNIDO, will be eligible for grants under Pillar III.

To this end, within the framework of the programme, UNIDO will continue coordinating potential joint activities and building a long-lasting and trustful relationship both at the country level with the EU Delegation to Ukraine and at the Brussels level with the Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR) and other institutions. Cooperation opportunities and joint resource mobilization efforts will be also explored within economy recovery programmes rolled out by the EBRD and the European Investment Bank (EIB).

To encourage the application of the Team Europe approach, joint efforts involving the EU, its members and financial institutions will be encouraged through the platform of UNIDO. UNIDO is a Team Europe partner for the programme, with Germany providing funding for the majority of preparatory activities and the Czech Republic and Poland complementing this effort with softly earmarked contributions. Further funding was mobilized from Austria, Bulgaria, Japan and Switzerland for specific country-level interventions.

Cooperation with bilateral donors traditionally active in Ukraine, including the members of the Development Assistance Committee (DAC), as well as emerging donors will be further sought. According to [gross official development assistance disbursement data](#) for 2020-2021, the most active bilateral donors in Ukraine include the United States of America, Germany, Poland, Switzerland, the United Kingdom, Canada, Sweden and Denmark.

For UNIDO, cooperation with Japan will close, to a large extent, the funding gap of the green industrial recovery programme. At the end of 2023, the Ministry of Economy, Trade and Industry of Japan announced its intention to allocate JPY 25.8 billion (USD 188 million) towards UNIDO's work to support Ukraine's green industrial recovery and development through technology transfer from and co-creation of new businesses with Japan's private industries. The activity will be fully developed throughout 2024-2025.

Moreover, UNIDO will seek to contribute to the activities of vertical funds in Ukraine, including the Global Environment Facility (GEF) and the Multilateral Fund for the Implementation of the Montreal Protocol. The Green Climate Fund (GCF) is another vertical fund UNIDO will engage with once Ukraine becomes eligible. For working with these funding instruments, which traditionally entrust UNIDO with a variety of activities to prevent and mitigate the effects of climate change, the Government must play a leading role in prioritizing cooperation areas of the green industrial recovery programme vis-à-vis available funding windows.

In addition to traditional donors, UNIDO will seek to mobilize innovative financing, including through cooperation with the private sector. Should partnerships with the private sector materialize, appropriate due diligence requirements will be identified. When initiating a partnership, the respective procedures of each funding organization shall be applied. The sourcing of goods and services will be aligned with the funding source/donor requirements accordingly. The mobilization and pooling of a multitude of resources, networks, as well as the knowledge and expertise of various partners will considerably strengthen the results of UNIDO's technical assistance within the framework of the programme in the spirit of the multi-stakeholder partnership.

## PROGRAMME MANAGEMENT STRUCTURE

In order to ensure that UNIDO's activities respond to the needs of the people of Ukraine and the priorities of the Government, all interventions will be closely aligned and consulted with the country's institutional and strategic frameworks with the close involvement of national counterparts, including on the central and local levels.

To coordinate all the work internally in UNIDO, the Programme Management Unit (PMU) was established to facilitate all activities related to the implementation of the green industrial recovery programme and ensure continuous coordination, monitoring and reporting. Under the overall leadership of the Chief of the UNIDO Regional Bureau for Europe and Central Asia and the Senior Coordinator for Ukraine based at the UNIDO headquarters in Vienna, Austria, the PMU comprises a coordinating team based in the UNIDO headquarters and in Ukraine (Kyiv and Lviv, primarily) and technical leads for separate thematic areas of the programmes and their respective teams. The PMU composition currently includes project managers and experts from the following UNIDO's technical divisions:

- Division of Agribusiness and Infrastructure Development;
- Division of Capacity Development, Statistics and Industrial Policy Advice;
- Division of Circular Economy and Environmental Protection;
- Division of Decarbonization and Sustainable Energy;
- Division of Digital Transformation and Artificial Intelligence Strategies;
- Division of Fair Production, Sustainability Standards and Trade;
- Division of SME Competitiveness, Quality and Job Creation.

The key national coordinating body for the implementation of the green industrial recovery programme nominated by the Government of Ukraine is the Ministry of Economy of Ukraine, which has demonstrated a high level of commitment and ownership towards UNIDO's work in the country. Throughout the programme's preparatory phase, the Ministry of Strategic Industries of Ukraine coordinated the establishment of the National Coordination Body (NCB), which aims to provide the overall strategic direction for the green industrial recovery programme and ensure that it is effectively implemented.

The NCB, as the programme's steering committee, is responsible for ensuring the Government's ownership of the programme and facilitating general coordination between all the partners engaged in its implementation, reviewing the overall progress, undertaking stocktaking and supporting the introduction of the necessary adjustments. The NCB brings together all the line ministries and other national counterparts and partners relevant to the programme to ensure a high level of coordination and national ownership.

The NCB terms of reference were officially adopted on 17 October 2023 by the decree of the Ministry of Strategic Industries, in accordance with national legislation. The Ukrainian original and the English unofficial translation of the decree are available in Annex IV. The decree is currently under the amendment process by the Cabinet of Ministers of Ukraine to stipulate the coordinating role for the programme of the Ministry of Economy of Ukraine. By the decree, the permanent composition of the NCB includes the following ministries:

- Ministry of Economy of Ukraine;
- Ministry of Agrarian Policy and Food of Ukraine;
- Ministry of Energy of Ukraine;
- Ministry of Environmental Protection and Natural Resources of Ukraine;

- Ministry of Strategic Industries of Ukraine;
- Ministry for Communities, Territories and Infrastructure Development of Ukraine.

Meetings of the NCB, either in full or in part, are organized every six months to review progress, endorse work plans and apply corrective actions, as required. Such meetings are organized in a hybrid format, virtually or in person, depending on the circumstances. The NCB is further supplemented by the network of focal points from all relevant counterparts, coordinating operational aspects of the programme with UNIDO on a daily basis. Other entities, including the Ministry of Digital Transformation of Ukraine, the Ministry of Health of Ukraine and the State Agency on Energy Efficiency and Energy Saving of Ukraine, can take part in NCB meetings based on a given agenda, topics of discussion and needs. Projects to be launched under the green industrial recovery programme might establish their respective steering committees, which will consult and coordinate their work with the NCB.

The first NCB meeting for the green industrial recovery of Ukraine was held on 27 June 2023 and established the national coordination mechanism for the green industrial recovery programme by presenting the NCB terms of reference and discussing key short- and medium-term priorities for partnership building and resource mobilization. The meeting report is available in Annex V.

The second NCB meeting for the green industrial recovery of Ukraine was held on 12 December 2023 to discuss the progress achieved, present key results and further needs in coordinated and result-oriented partnership building and resource mobilization, as well as identify the way forward for different stakeholders. During the meeting, NCB members endorsed initial project proposals developed by UNIDO for the green industrial recovery programme for further technical consultations with line Ministries and potential donors. The meeting report is available in Annex VI.

**FIGURE 21: GENERAL STRUCTURE OF THE PROGRAMME COORDINATION MECHANISM**

UNIDO PROGRAMME MANAGEMENT UNIT (PMU)			NATIONAL COORDINATION BODY (NCB)	
REGIONAL BUREAU FOR EUROPE AND CENTRAL ASIA	SENIOR COORDINATOR FOR UKRAINE	TECHNICAL TASK FORCE ON UKRAINE	CO-CHAIR FROM UNIDO	CO-CHAIR FROM THE GOVERNMENT OF UKRAINE
The PMU is led by the Chief of the Regional Bureau and the Senior Coordinator for Ukraine, and is composed of a group of technical project managers and thematic experts			Members of the NCB include high-level representatives of all key line Ministries, which are appointed by the Government of Ukraine	
Daily work from UNIDO headquarters in Vienna and on the ground in Kyiv, Lviv and other cities of Ukraine			Regular meetings (every six months and additional meetings if need arises) to provide strategic guidance, support resource mobilization and exercise overall oversight	
<b>KEY TASKS:</b> <ul style="list-style-type: none"> <li>• Coordinate and support all programme-related activities, including funds administration, implementation, monitoring, evaluation, coordination, etc.</li> <li>• Maintain partnerships with various stakeholders</li> <li>• Conduct regular communication and outreach activities</li> <li>• Collect and store all the data for result-based management and reporting to the donor/s</li> </ul>			<b>KEY TASKS:</b> <ul style="list-style-type: none"> <li>• Ensure ownership and institutional support required to efficiently achieve the identified objectives</li> <li>• Promote and facilitate inter-ministerial cooperation for the implementation of the programme</li> <li>• Ensure the sustainability, long-term vision and complementarity of all programmatic activities</li> <li>• Facilitate resource mobilization</li> </ul>	



## COMMUNICATION AND ADVOCACY

Communication and advocacy activities will be continuously undertaken to widely mainstream the joint effort of UNIDO, the Government of Ukraine and donors of the programme and projects under its umbrella, build multi-stakeholder partnerships and generate the multiplier effect with other technical cooperation activities and development partners, including the United Nations representation on the ground and sister agencies in Ukraine. A dedicated communication strategy has been devised for the green industrial recovery programme and will be duly updated throughout the programme implementation phase.

In order to ensure that the key messages are transmitted correctly and consistently based on the identified key target audiences and that UNIDO activities under the programme are accurately promoted, the PMU will regularly consult and cooperate with the UNIDO Office of Communication, Speeches and the Innovation Lab, as well as the office of the UNIDO Director General and the Chief of Cabinet.

Communication and advocacy activities under the programme aim to provide different target audiences with tailored messages vis-à-vis its activities and UNIDO's general engagement and strategic vision in Ukraine. It includes the dissemination of information through UNIDO's and partners' online platforms and social media channels, as well as national and international media, as appropriate.

In the preparatory phase, the following baseline communication activities have been undertaken and will be further continuously capitalized upon:

- Update of the [UNIDO webpage on the green industrial recovery vision for Ukraine](#), including the publications of impact stories, news articles and knowledge products;
- Maintenance of the established social media accounts on UNIDO's work in Ukraine on [Facebook](#) and [LinkedIn](#) in Ukrainian and English;
- Utilization of the established database of photo and video materials, capturing the results of UNIDO's work and providing references for the programme's impact areas.

## GENDER EQUALITY AND EMPOWERMENT OF WOMEN AND YOUTH

The UNIDO gender compliance and marker form has been completed for the programme, and it was assigned gender marker 2A – significant expected contribution to gender equality.

Gender equality and the empowerment of women and youth will be a cross-cutting priority widely mainstreamed throughout the realization of all the programme's activities, supporting the advancement of gender equality and the empowerment of women and youth by encouraging investment in women-/youth-owned/-led businesses, strengthening networks, improving access to markets and providing capacity-building, technology and clean energy solutions to women-/youth-owned/-led enterprises and individual entrepreneurs.

All activities under the programme are and will be set out to ensure gender-balanced participation of target beneficiaries with both women and men having the opportunity to access, participate in and benefit (with a target of at least 40 per cent of whichever gender is underrepresented). Technical cooperation activities specifically supporting the empowerment of women and youth will be implemented and gender experts will be recruited.

Any documents prepared under the programme will reflect gender considerations and the equal participation of women and young people while consultations with associated business groups in the drafting process



will be supported. Toolkits and guidelines produced under the programme will include a chapter or section on gender considerations or have gender-responsive content with due consideration to the contribution of young people integrated throughout each publication. In addition, some of the toolkits and guidelines would specifically address the enhancement of the participation of women and youth in a respective subject area.

Analytical and statistical publications produced will present and analyse differences between women and men, including young women and men, in terms of their needs and opportunities as well as in proposed response strategies and recommendations. To the extent possible, publications will present gender- and age-disaggregated data on the individual and enterprise levels. Moreover, capacity-building activities will include gender- and age-responsive substantial content.

The impact of activities on gender equality and the empowerment of women and youth will be measured through gender- and age-sensitive indicators, as well as gender- and age-disaggregated data, both on the individual and enterprise levels. Gender- and age-sensitive qualitative information will be regularly collected, monitored and reported on to track progress.

## ENVIRONMENTAL AND SOCIAL SCREENING

As per UNIDO Environmental and Social Safeguards Policies and Procedures, the environmental and social screening template has been completed and this programme has been categorized as “category C”. Although no further specific environmental and/or social assessment is required for “category C” activities, environmental and social aspects will be duly considered and widely mainstreamed in all programme activities. Advisory services and capacity-building activities provided under the programme will consider environmental and social safeguards. Sustainable procurement principles will be followed to the extent possible. All upcoming projects within this programme will be subject to individual environmental and social risk assessments.

## SAFETY AND SECURITY

All security-related issues, including travels to/from Ukraine, will be considered in full compliance with the guidance of the United Nations Department for Safety and Security (UNDSS) in Ukraine. The Government of Ukraine will take the necessary measures to ensure the safety and security of UNIDO’s personnel engaged in programme activities in the country. Programme activities are conditional on the safety and security of UNIDO’s personnel, vendors, beneficiaries and other actors involved.

## BUDGET

While resources for the implementation of technical cooperation projects under the umbrella of the programme will be mobilized throughout its implementation, the budget for coordination, resource mobilization, communication, monitoring and reporting over the period of five years will be covered by a combination of sources, namely the UNIDO Regular Programme of Technical Cooperation (RPTC) and donor contributions, including EUR 42,125 provided by Poland and EUR 61,416 provided by the Czech Republic, including support costs. This tentative budget is provided below.

TABLE 2: PROGRAMME BUDGET BREAKDOWN

BL	DESCRIPTION	2024 (EUR)	2025 (EUR)	2026 (EUR)	2027 (EUR)	2028 (EUR)	TOTAL (EUR)
COORDINATION, RESOURCE MOBILIZATION, COMMUNICATION, MONITORING AND REPORTING							
1100	International experts	23,000	23,000	10,000	10,000	10,000	76,000
1600	Staff travel	4,000	4,000	0	0	0	8,000
1700	National experts	21,000	21,000	8,000	8,000	8,000	66,000
3500	International meeting	5,000	5,000	1,000	1,000	1,000	13,000
5100	Other direct costs	2,580	3,049	1,000	1,000	1,000	8,629
Total budget (excl. support costs)		55,580	56,049	20,000	20,000	20,000	171,629
Support costs (13 per cent)		5,925	5,987	0	0	0	11,912
Grand total (incl. support costs)		61,505	62,036	20,000	20,000	20,000	183,541
Donor contribution (incl. support costs)		51,505	52,036	0	0	0	103,541
Requested from the UNIDO RPTC		10,000	10,000	20,000	20,000	20,000	80,000

This budget reflects the minimal needs for the full-fledged implementation of the programme, including one part-time international expert in the headquarters in Vienna to support programme administration, coordination, partnership building, resource mobilization, communication, monitoring and reporting, as well as one part-time national expert on the ground in Kyiv to ensure liaison and coordinator with national counterparts and donors, as well as the United Nations system through the UNCT. The budget also envisages funding for the organization of promotional and awareness-raising activities and other necessary costs, such as translation, interpretation, design, etc.

## WORK PLAN

TABLE 3: PROGRAMME WORK PLAN

ACTIVITY	2024	2025	2026	2027	2028
1. Coordinate the development, fine-tuning, as well as internal and external clearance and approval of tailored project proposals under the programme, responding to emerging opportunities and challenges in consultation with the PMU, the Government of Ukraine, the UNRCO, United Nations sister agencies and funding partners					
2. Coordinate programme implementation, resource mobilization, introduction of adjective measures and scale-up with the Government of Ukraine, including through the organization of annual NCB meetings					
3. Continue engagement with the United Nations development system on the ground to ensure synergetic interventions and the One United Nations approach, including for the development and implementation of the UNSDCF 2025-2029					
4. Ensure targeted engagement with development and funding partners, including through promotional events (e.g. the Ukraine Recovery Conference in Berlin in June 2024), donor roundtables and continuous bilateral and multilateral engagements					
5. Continue the implementation of the communication strategy for Ukraine, including the development of stories for the dedicated webpage, social media publications, photo and video materials, handouts, etc. while highlighting the joint effort of UNIDO, the Government of Ukraine and all donors					
6. Ensure the regular monitoring of the programme against the results framework, prepare annual progress reports, clear them internally and share them with the NCB					
7. Prepare the final self-evaluation report, clear it internally and share it with the NCB					

## MONITORING, REPORTING AND EVALUATION

The UNIDO green industrial recovery programme for Ukraine and projects to be established under it will be subject to monitoring, reporting and evaluation processes in line with UNIDO's rules and regulations and in conformity with the relevant Director General's administrative instructions and United Nations norms and standards, including the human-centred approach to reporting and evaluation.

Moreover, all activities related to monitoring, reporting and evaluation will be in line with UNIDO's results-based management approach and the 2019 integrated results and performance framework (IRPF), supporting the implementation of the Organization's medium-term programme framework (MTPF) 2022-2025 (and its subsequent editions) and the theory of change.

UNIDO will work closely with national counterparts to implement reporting, monitoring and evaluation activities, covering the overall programme and all projects launched under its umbrella. While separate projects will have their own integrated reporting, monitoring and evaluation frameworks, the comprehensive monitoring of results on the programme level will be undertaken to understand the value addition of the green industrial recovery programme. These activities will include programme and project monitoring, data collection on an annual basis and regular provision of progress reports.

The programme managers together with the PMU will ensure daily monitoring and coordinate the preparation of annual work plans and progress reports in line with the reporting needs of the MTPF and IRPF. They will cover the status of all the implementation of the programme's impact areas, as well as coordination, resource mobilization and communication activities. The focus will be put on the achievement of targets under the indicators outlined in the programme's results framework. The PMU will collect and store all the data to allow for comprehensive monitoring and timely reporting. The achievement of targets outlined under the indicators of the results framework will be verified against the identified sources of information. Annual progress reports submitted to the donors of the programme will be supplemented by financial delivery reports.

A mid-term review will be carried out during the third year of the programme implementation. The mid-term review serves as an assessment of progress towards the overall results and provides practical suggestions for adaptive measures on the way forward. This includes revisions, if required, on programme-level aspects, such as the NCB, integration of UNIDO services, the overall alignment with the UNSDCF and synergies with partner interventions. The mid-term review will not include a detailed review of each individual project launched under the programme, however, their progress will be considered.

The green industrial recovery programme is also subject to a terminal self-evaluation during the last year of its implementation. The evaluation validates the results of the programme, identifies existing or emerging gaps, as well as serves to guide UNIDO's future work in the country and helps inform the decision of the UNIDO Operations Committee on the way forward. The final evaluation also does not serve to evaluate each individual project launched under the programme. All reports will be shared with the NCB and other relevant stakeholders in order to communicate the results and successes as well as to address any challenges.

**TABLE 4: PROGRAMME REPORTING AND EVALUATION PLAN**

	ACTIVITY	RESPONSIBLE PARTIES	TIMEFRAME
<b>IMPLEMENTATION PHASE</b>	Annual progress report	The PMU prepares each report and submits it to the NCB and programme donors	Every 12 months
	Mid-term review report	The PMU prepares the report and submits it to the NCB and programme donors	2026
<b>COMPLETION PHASE</b>	Terminal self-evaluation report	The PMU prepares the report and submits it to the NCB and programme donors, as well as to the UNIDO Operations Committee for the identification of the way forward	2028

## SUSTAINABILITY

The programme is in line with Ukraine's industrial development needs and will rely on the following operational principles in order to ensure the sustainability of results:

- Ensuring national ownership and leadership through close collaboration with the Government of Ukraine and other relevant stakeholders so that programme activities, lessons learned and best practices become focal areas to build on;
- Ensuring multi-stakeholder coordination and a high degree of participation and engagement of both public- and private-sector stakeholders to secure support and strong commitment;
- Avoiding duplication and capitalizing on other ongoing, pipeline and completed projects and programmes while building on the existing capacities and networks;
- Adopting a long-term approach and supporting the promotion of policy frameworks for transformational change while utilizing the positive results of the interventions as a reference and benchmarking tool for replication;
- Facilitating the functionality and effectiveness of the coordination mechanism through the NCB;
- Working towards the scale-up and integration of all UNIDO activities with a demonstrative effect;
- Promoting solutions, practices and technologies for sustainability, inclusivity, resilience building and circularity.

## RISK MANAGEMENT

In light of the volatility of the situation in Ukraine and the need for comprehensive and consistent support mechanisms, a multi-disciplinary sustainable development approach should encompass analysis, formulation of policies and proposals for intervention, as well as the implementation and expansion of successful practices and policies. All activities in Ukraine should be demand-driven and based on a thorough understanding of the challenging situation in the country and the longer-term development perspectives and associated risks.

Moreover, given the high volume of humanitarian, technical assistance and development cooperation activities undertaken in Ukraine by various international actors, it is necessary to ensure the complementarity and synergetic effect of UNIDO's work, regularly engaging in the international dialogue and, most importantly, responding to the country's acute and evolving needs with a view to longer-term implications.

UNIDO's consistent and continuous engagement with the NCB and the United Nations system in Ukraine, including through the UNCT and the UNRCO, are indispensable for ensuring the complementarity of international efforts, long-term impact and sustainability. Within UNIDO, regular exchanges within the PMU, as the key internal coordination mechanism, with the ad-hoc engagement of various relevant structural units are pivotal for ensuring that UNIDO acts as one in a coordinated and well-structured manner.

Furthermore, in view of the above-mentioned magnitude of international assistance efforts, it is crucial for UNIDO to capitalize on its comparative advantage and offer the services within its unique areas of expertise and value addition to avoid duplication. As the knowledge products and analytical materials produced within this programme should offer first-hand and original primary data in the areas related to industrial recovery, manufacturing, green economy and the use of energy in industry, UNIDO will be well-positioned to further

advance its offer and scale up within the scope of its mandate.

An overview of risks and mitigation measures pertaining to the implementation of the programme is presented below.

**TABLE 5: MATRIX OF PROGRAMME RISKS AND MITIGATION MEASURES**

ASSUMPTION	RISK DESCRIPTION	RISK LIKELIHOOD	RISK IMPACT	MITIGATION MEASURES
While the war is still ongoing, the situation in the country remains sufficiently secure, especially in central and western regions, allowing for the implementation of early recovery activities and the safe movement of UNIDO's personnel and beneficiaries	Escalating hostilities and degrading security situation in the country putting at risk personnel and beneficiaries, damaging critical industrial infrastructure, as well as hindering future sustained partnerships and investment promotion	MEDIUM	HIGH	<ul style="list-style-type: none"> <li>All activities can be implemented while the war is still ongoing and will be primarily located in the ten western oblasts of Ukraine, as well as Kyiv and Cherkasy oblasts</li> <li>On the basis of country circumstances, UNIDO and the donor might decide to adjust and/or interrupt programme activities, as well as modify the delivery modalities in close coordination with national counterparts to ensure the safety and security of personnel and beneficiaries</li> <li>All UNIDO operations will be conducted following the established security protocols, including those of the Government of Ukraine, and guidance of the UNDSS</li> <li>Programme activities will not engage with industrial sites which could be potentially targeted by military attacks</li> <li>The programme will maintain a contingency plan and undertake preventive measures to ensure the safety and security of personnel and beneficiaries</li> </ul>
The Government of Ukraine recognizes the relevance of industrial recovery and development for addressing the country's needs and prioritizes work with UNIDO, ensuring the required national ownership and leadership	Lack of national ownership and leadership	LOW	HIGH	<ul style="list-style-type: none"> <li>UNIDO will undertake close coordination and regular discussions with all relevant stakeholders from the outset of the programme, including through the NCB</li> <li>Given the commitment of the Government of Ukraine to the programme, it is expected that intra-governmental coordination and communication are well-sustained</li> <li>UNIDO will work on the side of communication and advocacy to deliver tailored messages to key target audiences to ensure that sustainable industrial development is perceived as an important enabler of the country's green industrial recovery and resilience building</li> </ul>

ASSUMPTION	RISK DESCRIPTION	RISK LIKELIHOOD	RISK IMPACT	MITIGATION MEASURES
The Government of Ukraine has sufficient national capacities to productively engage with UNIDO and foster the sustainability of results in the medium and long terms	Lack of institutional absorptive capacities	HIGH	MEDIUM	<ul style="list-style-type: none"> <li>To the extent possible, the programme will attempt to assess the absorptive capacities of all relevant counterparts and adjust activities should challenges arise</li> <li>Given the commitment of the Government of Ukraine to the programme and the availability of the institutional framework of the NCB, there is an opportunity for swift and effective corrective actions in case of challenges</li> </ul>
The international community continues its support for Ukraine and the necessary resources and partnerships are mobilized for the consistent implementation of the programme	Lack of donor funding	MEDIUM	MEDIUM	<ul style="list-style-type: none"> <li>UNIDO will maintain a resource mobilization strategy and donor mapping to ensure that all engagements with development and funding partners are result-oriented and based on a clear alignment of development priorities</li> <li>The Government of Ukraine through the NCB will lead resource mobilization work together with UNIDO and prioritize UNIDO's mandate and expertise in its engagements with donors</li> <li>UNIDO will work closely as part of One United Nations in Ukraine and engage in joint resource mobilization and programming with sister agencies</li> </ul>
Early recovery efforts of the international community spur results, allowing for investment attraction and continuous scale-up effect	Continuous needs for humanitarian assistance and lack of opportunities for development cooperation	MEDIUM	LOW	<ul style="list-style-type: none"> <li>UNIDO will take a staged approach to engagement in and with Ukraine, analysing the opportunities for integration and scale-up at every step and ensuring that the necessary absorption capacities are in place</li> <li>Given the large-scale funding to be provided to UNIDO from Japan, the transfer of technology and attraction of investment become possible</li> </ul>
All counterparts are well engaged in and informed of programme activities, as well as committed to long-standing and sustainable results, informing UNIDO of any challenges in a timely manner	Continued delays and disruptions in programme implementation	MEDIUM	MEDIUM	<ul style="list-style-type: none"> <li>UNIDO will continue maintaining close and regular dialogue with national counterparts and address any arising concerns in a timely manner through the NCB, as well as adjust the programme work plan and priorities based on the changing situation and emerging needs</li> <li>UNIDO will work to articulate the programme's value addition in addressing the country's needs and priorities for green recovery and sustainable industrial development</li> </ul>

ASSUMPTION	RISK DESCRIPTION	RISK LIKELIHOOD	RISK IMPACT	MITIGATION MEASURES
UNIDO's interventions are result-oriented and sustainable in the long term	No lasting or sustainable impact emerging from the programme	LOW	HIGH	<ul style="list-style-type: none"> <li>UNIDO will work together with national counterparts to ensure that consideration is given to the long-term sustainability of interventions, and programme activities will be adapted should there be a risk of no impact given the low level of absorptive capacity, lacking national ownership, evidence of the limited uptake of introduced technology or other emerging risks</li> <li>All sustainability considerations will be taken into account through the programme's monitoring, reporting and evaluation activities</li> </ul>
Internal administrative capacities are sufficient for the implementation of the programme	Limited administrative resources in UNIDO	LOW	MEDIUM	<ul style="list-style-type: none"> <li>UNIDO will carefully analyse all the administrative needs, including human resources and other internal capacities, and will reflect these needs in a programme work plan to be regularly updated based on the evolving circumstances</li> <li>UNIDO will recruit the necessary personnel to support programme implementation</li> </ul>
No unforeseen suspension of the programme or UNIDO's operations in Ukraine occur	Unforeseen circumstances, which are not described in the programme document	HIGH	MEDIUM	<ul style="list-style-type: none"> <li>Should any unforeseen changes in circumstances occur, UNIDO will ensure that the necessary mitigation measures are identified depending on the level and impact of a given risk in close cooperation with national counterparts in Ukraine</li> </ul>

## LEGAL CONTEXT

The Government of Ukraine agrees to apply to the present programme, *mutatis mutandis*, the provisions of the Standard Basic Assistance Agreement between the United Nations Development Programme and the Government, signed and entered into force on 18 June 1993.



# 10 RESULTS FRAMEWORK

**TABLE 6: PROGRAMME RESULTS FRAMEWORK**

INTERVENTION LOGIC	INDICATORS AND TARGETS	SOURCES OF VERIFICATION	ASSUMPTIONS
<b>EXPECTED PROGRAMME IMPACT<sup>1</sup></b>			
<p><b>Impact:</b> People in Ukraine, especially war-affected vulnerable groups, enjoy decent employment, have the means to support their livelihoods and benefit from a conducive policy environment and innovative business ecosystems, allowing MSMEs to expand their operations and export their products, minimizing industry's impact on the environment and ultimately fostering Ukraine's economic resilience, green industrial recovery and sustainable development</p>	<p><b>ECO.1:</b> Number of firms with economic gains (additional sales, savings) <b>Target:</b> 500, 40 per cent women-led</p> <p><b>ECO.3:</b> Number of firms with an increase in exports <b>Target:</b> 150, 40 per cent women-led</p> <p><b>SOC.1:</b> Number of additional jobs created and jobs retained <b>Target:</b> 4,000, 40 per cent women</p> <p><b>SOC.2:</b> Number of MSMEs with increased inclusion in value chains <b>Target:</b> 200, 40 per cent women-led</p> <p><b>ENV.1:</b> Cumulative reduction of CO<sub>2eq</sub> emissions <b>Target:</b> 300,000 tons</p> <p><b>ENV.2:</b> Cumulative tons of pollutants reduced or phased out <b>Target:</b> 2,000 tons</p>	<p>Programme progress reports</p> <p>Programme mid-term review</p> <p>Programme final self-evaluation</p>	<p>While the war is still ongoing, the situation in the country remains sufficiently secure, especially in central and western regions, allowing for the implementation of early recovery activities and the safe movement of UNIDO's personnel and beneficiaries</p> <p>The Government of Ukraine recognizes the relevance of industrial recovery and development for addressing the country's needs and prioritizes work with UNIDO, ensuring the required national ownership and leadership</p> <p>The Government of Ukraine has sufficient national capacities to productively engage with UNIDO and foster the sustainability of results in the medium and long terms</p> <p>The international community continues its unwavering support for Ukraine and the necessary resources and partnerships are mobilized for the consistent implementation of the programme</p> <p>Early recovery efforts of the international community spur results, allowing for investment attraction and continuous scale-up effect</p>

<sup>1</sup> The programme's impact constitutes a collective cumulative impact of all separate technical cooperation projects initiated under its umbrella.

## PROGRAMME OUTCOMES<sup>2</sup>

**Outcome 1:** Vocational and entrepreneurial awareness, knowledge and skills are enhanced among people in Ukraine, especially vulnerable groups

**Outcome 2:** Business support institutions and educational institutions deliver quality training and advisory services to people in Ukraine, especially vulnerable groups

**Outcome 3:** Ukraine's trade capacities are enhanced and MSMEs are supported through strengthened quality and standards in various value chains, facilitating Ukraine's economic development and integration into the European market

**Outcome 4:** The internationalization and business sophistication of MSMEs and their clusters are enhanced for strengthened business ecosystems and strategic investment

**Outcome 5:** Ukraine's industrial production and processing, including in the food industry, are upgraded with positive effects on job creation and environmental performance

**Outcome 6:** Digital transformation and the uptake of artificial intelligence in industry are fostered, leading to the strengthened innovation ecosystem for productivity and value addition

**BUS.1:** Cumulative number of firms with improved management practices

**Target:** 500, 40 per cent women-led

**TEC.1:** Number of new technologies developed or adapted

**Target:** 30

**POL.1:** Cumulative number of new or revised policies adopted by policymakers

**Target:** 5 (all gender-responsive)

**POL.2:** Cumulative number of new standards adopted or implemented

**Target:** 20

**POL.3:** Number of guidelines adopted by relevant actors

**Target:** 30 (all gender-responsive)

**INV.3:** Value (USD) of new investments leveraged

**Target:** 50 million

**GOV.1:** Number of institutions established or strengthened

**Target:** 30

**GOV.2:** Number of actors participating in enhanced collaboration settings (clusters, networks)

**Target:** 200

Project reports and evaluations

Programme progress reports

Programme mid-term review

Programme final self-evaluation

All counterparts are well engaged in and informed of programme activities, as well as committed to long-standing and sustainable results, informing UNIDO of any challenges in a timely manner

Line ministries and other counterpart institutions of Ukraine are willing to strengthen cooperation with UNIDO and foster green industrial recovery through a number of cross-sectoral interventions

The programme is strongly supported by UNIDO internally and an efficient coordination mechanism is in place to ensure synergies and scale-up

The security situation in the country allows for the delivery of technical cooperation activities and productive engagement with project beneficiaries

The Government of Ukraine recognizes the relevance of industry in addressing the country's recovery needs and prioritizes work with UNIDO, ensuring the required national ownership and leadership

Ukraine remains high on the international development agenda, allowing for effective partnership-building

Target audiences and development partners are interested in UNIDO's work to support the green industrial recovery programme

<sup>2</sup>The programme's outcomes constitute a collective cumulative outcome of all separate technical cooperation projects initiated under its umbrella.

<p><b>Outcome 7:</b> Ukraine's transition to circular economy is facilitated through the application of resource-efficient and cleaner production and energy efficiency in industry</p> <p><b>Outcome 8:</b> Ukraine's industrial waste management systems, including for hazardous waste, are strengthened</p> <p><b>Outcome 9:</b> The application of low-carbon, environmentally sound and clean energy solutions is enhanced in industry</p>	<p><b>KASA.1:</b> Number of actors gaining awareness/ knowledge on UNIDO knowledge areas <b>Target:</b> 10,000, 40 per cent women</p> <p><b>KASA.2:</b> Number of actors gaining skills on UNIDO knowledge areas <b>Target:</b> 1,000, 40 per cent women</p>		
<b>COORDINATION, RESOURCE MOBILIZATION COMMUNICATION, MONITORING AND REPORTING</b>			
All the elements of the programme are coordinated internally with the engagement of technical units and thematic experts through the PMU	<p><b>CPO.2:</b> Number of United Nations interagency mechanisms with UNIDO participation <b>Target:</b> 3 (UNCT, results groups)</p>	Project reports and evaluations	UNIDO has sufficient internal coordination and implementation capacities for the operationalization of the programme
All the elements of the programme are coordinated externally with national counterparts through the NCB, international partners and donors, while sufficient resources for the implementation of projects under its umbrella are mobilized	<p><b>CPO.4:</b> Number of interventions or joint programmes with United Nations system entities <b>Target:</b> 7 (new interventions over five years)</p> <p><b>CPO.5:</b> Number of interventions (projects/ programmes) in partnership with non-United Nations institutions <b>Target:</b> 2 (new interventions over five years)</p>	<p>Programme progress reports</p> <p>Programme mid-term review</p> <p>Programme final self-evaluation</p>	<p>The Government of Ukraine and other national stakeholders are interested in and committed to cooperation with UNIDO</p> <p>Development and funding partners are willing to cooperate with UNIDO and provide support for the implementation of the programme</p>
The implementation of the programme is diligently monitored and reported against with the identification of gaps and needs, and the final self-evaluation is undertaken	<p>Percentage of projects under this programme whose quality was evaluated satisfactory at completion <b>Target:</b> 100 per cent</p> <p>Percentage of projects under this programme with gender marker category 2A or 2B <b>Target:</b> 50 per cent – 2A, 5 per cent – 2B</p>		The implementation of the programme follows the identified timeframe and activities are undertaken in an efficient and effective manner
External communication and outreach are ensured to foster the visibility of UNIDO's work, fields of expertise and value addition in Ukraine	<p><b>CPO.1:</b> Number of global fora, workshops/EGM/ side events organized <b>Target:</b> 7 (all gender-responsive)</p>		The external audience is interested in UNIDO's activities in Ukraine and promotional activities lead to increased awareness

## ANNEX I: LETTERS OF REQUEST



**МІНІСТЕРСТВО З ПИТАНЬ  
СТРАТЕГІЧНИХ ГАЛУЗЕЙ  
ПРОМИСЛОВОСТІ УКРАЇНИ**

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**MINISTRY OF STRATEGIC  
INDUSTRIES OF UKRAINE**

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**Dr. Gerd Müller  
Director-General**

**United Nations Industrial Development  
Organization**

**Your Excellency Dr. Gerd Müller!**

I would like to thank you personally and UNIDO for your concern over the initiatives aimed at stopping the brutal military aggression against sovereign Ukraine. It is already clear today that the danger lies not only in the disregard for democratic values and norms of international law, which the aggressor-country and its satellites demonstrate with all their impudence. Genocide and killings of the civilians have been going on for more than 120 days. Atrocities, looting and destruction of all types of infrastructure in Ukraine are taking place daily. The scale of these crimes is incomprehensible for any Homo sapience and they resemble more and more the notorious events of the last century.

We will also have to face the consequences of the disappointing forecasts of the global financial, energy and food crisis, while we witness unprecedented media manipulations from the aggressor's side to undermine and blackmail the world community as they strive avoid their responsibility for creating this chaos.

The entire Ukraine is sincerely grateful to everyone who believes in our victory and who have united in helping us to save our common peaceful future.

UNIDO's contribution into the United Nations Interim Transitional Framework activities will be particularly relevant in restoring Ukraine's industry from the consequences of military aggression. I rely on the experience of UNIDO and the continuation of the Green Recovery and Post-Crisis Program for Ukraine. As a member of the National Council for the Reconstruction of Ukraine from the effects of the war, I focus on exploring in detail the UNIDO potential in order to effectively utilize its resources.

I count on our cooperation in all areas, both within the National Council for the Recovery of Ukraine from the consequences of the war, and on other activities aimed at supporting and continuing the implementation (including financing) of on-going UNIDO projects.



МІНІСТРАТЕГПРОМ  
№1.0-9/2591 від 30.06.2022  
КЕП: Рябікін П. Б. 30.06.2022 13:14  
58E2D9E7F900307B040000008D733300E8319C00  
Сертифікат дійсний з 02.12.2021 00:00 до 01.12.2023 23:59

I suggest that the subsequent expert coordination shall be carried out on the operational level between the authorized representatives of the respective Parties. Mr. Yuriy Petrovskyi, the Deputy Minister for European Integration ([y.petrovskyi@mspu.gov.ua](mailto:y.petrovskyi@mspu.gov.ua)) from the Ministry of Strategic Industries of Ukraine shall be involved in this work.

I also wish to reaffirm my sincere respect to UNIDO and our commitment to abide by all the legal aspects of UNIDO's work.

With regard to the information you provided earlier, I do hope you appreciate the sensitivity of the delicate issue of participation of the citizens of the Russian Federation, the Republic of Belarus and of all those who are sympathetic towards the actions of these countries under the circumstances and, they, as such, shall be limited in their participation in our joint work.

**Sincerely,**

**Pavlo RIABIKIN**  
**Minister for Strategic Industries**  
**of Ukraine**



**МІНІСТЕРСТВО ЕКОНОМІКИ  
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На № \_\_\_\_\_ від \_\_\_\_\_

United Nations Industrial Development  
Organization (UNIDO)  
Ms. Solomiya Omelyan, Chief, Regional Bureau for  
Europe and Central Asia  
Mr. Stephan Sicars, Senior Coordinator for Ukraine

***On strategic cooperation  
within the framework of the UNIDO Green  
Industrial Recovery Programme for Ukraine***

Dear Ms. Solomiya Omelyan and Mr. Stephan Sicars,

first of all, the Ministry of Economy of Ukraine expresses its respect to UNIDO. We highly appreciate the UNIDO work in response to the war in Ukraine as part of a long-standing commitment to the Ukraine's sustainable industrial development, economic growth, social well-being and environmental sustainability.

In order to restore and elevate Ukraine's industrial potential to a European level, it is necessary to establish approximately 600 modern productions in various sectors. These sectors range from the textile industry, woodworking, and construction materials manufacturing, to green metallurgy, the food industry, machinery, and automotive. The approximate need for investments in such productions amounts to about USD 90 billion. Production of glass, paper, ceramic goods, green steel, agro-machinery, as well as grain processing, woodworking, oil refining, and many other types of production are all on the radar. Not to mention Ukrainian military tech, which is expected to have a significant impact. A great deal of opportunities arise from:

- Post-war recovery needs in Ukraine (Ukraine will require a substantial amount of construction materials and more).
- The need to substitute Russian and Belarusian goods both in Ukrainian and European markets.
- The growing sectors of the economy, such as Military Tech and the Agro Sector, have the potential to drive many other production opportunities in Machinery, Electronics, and related industries.
- Ukraine possesses abundant natural resources of various kinds that could be processed into different types of goods.



ДОКУМЕНТ СЕД Мінекономіки АСКОД

Підписувач **Бігун Надія Валеріївна**

Сертифікат **3FAA9288358EC0030400000054F73400CD21C400**

Дійсний з по **12.10.2025 23:59:00**

Мінекономіки



3832-06/68838-07 від 14.12.2023 19:54

- The Ukraine-EU Trade Agreement can be used as leverage for manufacturing facilities situated in Ukraine, providing a strong boost for moving up the value chains.

The pursuit of these opportunities requires a set of well-coordinated policy actions supported by tools and strategic projects helping to restore the livelihoods of war-affected people, support sectors and businesses that were damaged or relocated as a result of the war and strengthen the long-term sustainability and resilience of Ukraine's industry. The Ministry is on track with its mission to ensure and strengthen the aforementioned economic development toolset - and we see that, in this regard, cooperation with UNIDO can bring positive tangible results.

According to our estimations, Ukraine has lost a significant part of its industry due to the Russian invasion and premature de-industrialization. The manufacturing value added in Ukraine has dropped below 8% of GDP, which is just half of the EU level. It is absolutely critical to develop a modern, diversified industrial sector in Ukraine to increase its economic complexity and ensure wartime resilience, as well as post-war recovery. Ukraine needs to massively promote its manufacturing industry to sustain economic development and ensure healthy economic integration with the European Union. There is a clear need to support these efforts with economic development tools, based on the best international practices and UNIDO frameworks.

In this regard, the Ministry of Economy expresses our keen interest and readiness to closely cooperate with UNIDO on developing and implementing a Green Industrial Recovery Programme for an initial period of five years to improve the productive capacities of Ukraine, industrial policy-making, private sector support and human capital development.

The Ministry of Economy also highlights our particular determination to become a leading national counterpart of UNIDO Green Industrial Recovery Programme in initiatives focused on development of regional clusters, circular economy, support of processing industries, including agro-processing and industrial parks, creating job opportunities for people, including skills development, economic empowerment for women and war-affected people, and economic revitalization of the Ukrainian territories affected by hostilities and occupation. In this regard, the Ministry of Economy is ready:

- to regularly participate in technical consultations with UNIDO team on development of the components of Green Industrial Recovery Programme;
- to systematically participate in the Unido-Ukraine Coordination Mechanism as one of the key national counterparts to ensure ownership required to efficiently achieve the objectives of the Program;
- to contribute to multilateral negotiations with international partners and development finance institutions to facilitate resource mobilization for scale-up.

We believe that the cooperation between UNIDO and the Ministry of Economy can bring tangible and sustainable results for economic recovery and growth, based on the green transition and decarbonization principles, which is prioritized by the Ukrainian government.

With respect,

**Deputy Minister of Economy**

**Nadiya Bigun**



## ANNEX II: UNIDO PROJECT PROPOSALS

This list of project proposals is preliminary and will be amended as the country's needs evolve. The development of full-fledged project documents will be undertaken by UNIDO in a staged approach subject to the expression of interest by one or several funding partners and with due regard to the developments in Ukraine. The proposals have been clustered according to the three thematic areas for intervention, namely, creating opportunities for people; supporting businesses and attracting investment; and fostering a green economy.

### CREATING OPPORTUNITIES FOR PEOPLE

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[Women's economic empowerment in Ukraine](#)

[Skills development for a sustainable recovery in Ukraine](#)

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### SUPPORTING BUSINESSES AND ATTRACTING INVESTMENT

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### FOSTERING A GREEN ECONOMY

[Industrial Energy Efficiency and Decarbonization Transformation Facility for Ukraine](#)

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[Support for a new, green, innovation-driven industrial policy for Ukraine](#)

## CREATING OPPORTUNITIES FOR PEOPLE

### PROJECT PROPOSAL 1

<b>Project title:</b>	Job creation for disabled individuals in Ukraine
<b>Project duration:</b>	5 years

#### CONTEXT

Due to the war in Ukraine, civilian and military casualties alike increase the disabled population substantially. Alone the war-related need for prosthetics is estimated to be at a level of several tens of thousands above pre-existing levels. Several times higher are a multitude of other physical handicaps caused by the war, which pose severe barriers to employment. It is thus critical to enable disabled people a fulfilled life and retain them in the workforce. The Government of Ukraine has already implemented programmes and policies to enhance employability, but challenges remain, particularly within MSMEs.

The provision of assistive products faces significant challenges in Ukraine with local manufacturers struggling to offer quality options. Reliance on foreign suppliers is limiting accessibility for many disabled individuals. Also, businesses often harbour biases towards disabled individuals, unaware of proper accommodations or facing difficulties in procuring accommodating equipment. This shows the need to modernize Ukraine's domestic supply chain to increase the availability of assistive products and foster a more inclusive society.

The economic reintegration of disabled individuals is vital for Ukraine's future. Support for businesses in creating inclusive work environments, providing accommodations and encouraging private sector engagement will advance recovery and expand opportunities for the disabled population. This effort will promote social equity and contribute positively to Ukraine's social and economic growth.

#### PROPOSAL

The project capitalizes on the ongoing UNIDO project that introduces 3D-printed solutions for prosthetics in Ukraine. The proposed project aims to strengthen Ukrainian manufacturing capacity for accessibility solutions for disabled people, integrating 3D printing technologies into the curriculum of universities and vocational schools and the production processes of companies, and fostering innovation and collaboration to create sustainable employment opportunities for disabled individuals.

The key project components include the following:

1. Providing direct support to MSMEs to enhance employment opportunities for disabled individuals within their workplaces including through awareness-raising activities of governmental programmes for the economic reintegration and reduction of employment-related stigma surrounding people with disabilities;
2. Supporting local producers to enhance the manufacturing of affordable high-quality prosthetics and assistive devices through the adoption of 3D-printing technology and technical assistance to enhance production processes;
3. Providing training programmes to enable students and professionals to develop and upgrade the skills needed for advancement of the 3D-printing technology;
4. Establishing a hub for research and development and academia/industry linkages to support ongoing growth, collaboration, and technological advancement in the field of assistive technologies including prosthetics;
5. Providing grants and/or equipment for initiatives aimed at creating employment opportunities for disabled individuals and facilitating the integration of these individuals into the workforce.

## PROJECT PROPOSAL 2

<b>Project title:</b>	Women's economic empowerment in Ukraine
<b>Project duration:</b>	3.5 years

### CONTEXT

Gender inequality in Ukraine's labour market is striking. According to the State Employment Service of July 2022, 61 per cent of the registered unemployed in Ukraine are women. Employed women are predominantly in low-paid sectors with a lack of opportunities to develop professionally. In terms of entrepreneurial activities, women own only 11 per cent of Ukraine's 330 largest enterprises. The Global Gender Gap Index 2023 ranks Ukraine number 66 out of 146 countries, which further confirms the need to empower women and achieve gender equality.

Women's situation has been aggravated by the challenges during wartime in view of the lack of access to economic resources and skills demanded by the labour market, domestic work burdens and psychological stress. Fostering women's entrepreneurship and participation in economic recovery will be crucial to enable outcomes of recovery and sustainability. All these facts suggest the requirement to promote the development of women's economic opportunities, particularly for helping them embark on an entrepreneurial career and enhance their professional potential.

### PROPOSAL

In order to foster women's economic empowerment in Ukraine, the project proposes the following interventions at the institutional and enterprise levels:

1. At the institutional level, the project will support women's organizations, particularly women's business support institutions by enhancing the knowledge and delivery capacity of these organizations relating to digital sustainable entrepreneurship and the development of soft skills (success mindset). Assistance will also be provided by strengthening the collaboration between women's organizations and the private sector to foster concrete job opportunities for women. The project will also aim to develop a methodology for gender-neutral job evaluation and to regularly deliver training for labour inspectors, managers and HR departments on gender-neutral labour assessments in alignment with the 2023-2025 National Strategy for Overcoming the Gender Pay Gap.
2. At the enterprise level, the project will provide direct assistance to aspiring women entrepreneurs and women-led enterprises through training, business coaching and technical assistance in line with their needs using a demand-driven approach. In close coordination and collaboration with women's organizations, women-led business projects will be identified and needs assessments for training, coaching and technical support will be conducted. The initiative will train women entrepreneurs in digital sustainable entrepreneurship as well as soft skills to instil confidence in women's ability to create and lead a business. In addition to training, the project aims to engage business coaches to support (aspiring) women entrepreneurs in access to finance and other business services to facilitate the start-up and growth of their businesses.

The project's key development objective is to create job opportunities for women by developing new and existing women-led businesses in selected regions (oblasts) of Ukraine.

## PROJECT PROPOSAL 3

<b>Project title:</b>	Skills development for a sustainable recovery in Ukraine
<b>Project duration:</b>	5 years

### CONTEXT

Ukraine's labour market is facing an oversupply of higher education graduates amidst industry-specific skill shortages. In addition, the mismatch between skills supply and the requirements of modern jobs for the green and digital economy is growing. According to a [World Bank survey](#), 40 per cent of companies in four key sectors (agriculture, food processing, ICT and renewable energy) report a significant skills gap in their workforce, hindering their business goals. Claims lie in the education system that often fails to equip individuals with the necessary practical skills, appropriate expertise, up-to-date knowledge, a good attitude and self-discipline.

Despite disruptions from the ongoing war, which affected numerous educational facilities, Ukraine remains committed to modernizing its vocational education and training (TVET) system as highlighted in the 2021 TVET policy document. By aligning TVET with the green and digital economy's needs and emphasizing women's empowerment through entrepreneurship, Ukraine has the potential to develop a skilled workforce necessary for a sustained recovery. A successful economic recovery can only be built on sustained growth, high production efficiency and significant job creation, which requires skilled labour.

### PROPOSAL

The project proposal envisages the following activities:

1. Support the digitization process and analytics for the governmental vouchers programme for upskilling and reskilling: support in the digitization of the governmental voucher programme for upskilling and reskilling and in the implementation of a digital system to analyse the outcomes of such programme.
2. Supporting the establishment and operationalization of a "Skills Hub" to support the establishment of opportunity-driven skills development programmes and entrepreneurship development services to facilitate women's and youth's access to decent jobs and economic empowerment support towards the green and digital transition. The Skills Hub will also harness collaborations with EU vocational centres and networks (e.g. [GREENOVET](#)), facilitating the exchange of knowledge and collaborative initiatives.
3. Developing and delivering demand-driven, industry-specific curricula through the increased participation of the private sector. By aligning skills development closely with market needs, the capacities of trainees, trainers and MSMEs will be strengthened towards improved job and trade opportunities, while the capacities of sustainability professionals and economic, social and environmental leaders will be enhanced towards more sustainable supply chains.
4. Upskilling and reskilling of the MSME workforce by offering programmes to MSMEs to address the job-skill mismatch of the workforce, ensuring alignment with the requirements from the green and digital transition and new due diligence sustainability requirements. By ensuring a consistent dialogue with MSMEs, training programmes will be adjusted and updated accordingly based on the evolving skill needs. Specific attention will be given to establishing programmes that are specifically tailored to women and to skill, reskill and upskill as well as to support aspiring women entrepreneurs.
5. Providing job placement opportunities for youth and women through partnerships with private sector institutions, offering apprenticeships and on-the-job training, providing career orientation programmes and guiding youth towards opportunities in the green and digital economy.
6. Providing entrepreneurial support for women by developing initiatives to support aspiring and existing

women entrepreneurs, including business development plans, access to finance and mentoring.

7. Improving the capacity of TVET personnel by designing tailored training programmes for TVET managers, administrators and educators, focusing on financial sustainability and strategic management.
8. Enhancing labour market intelligence through forward-looking skill anticipation tools, ensuring reliable medium-term labour market forecasts that address job skill mismatches and inform policymaking.

## PROJECT PROPOSAL 4

<b>Project title:</b>	Scale-up of social and impact entrepreneurship to enable a just energy transition
<b>Project duration:</b>	5-6 years

### CONTEXT

UNIDO recognizes that the current global landscape is characterized by the existence of a set of cross-cutting and mutually reinforcing global challenges that are also referred to as poly-crisis. They include environmental issues, such as climate change, biodiversity loss and pollution on the one hand, all of which form a triple planetary crisis, as well as socioeconomic shocks such as wars, financial crises, inflation, migration, hunger, poverty, unemployment or disruption of global value chains on the other hand. A successful response to the poly-crisis requires a system approach that reflects a profound understanding of the interdependencies between various challenges and that is based on a holistic view of the system dynamics, and engagement of various actors, including individuals, private sector, governments, financiers and non-governmental organizations. At the same time, while keeping in mind the complexity of the socioeconomic and environmental system, there must be specific entry points defined through which the challenges are addressed and system transitions are unlocked and sustained.

In this project proposal, UNIDO focuses on just energy transitions as such an entry point. Energy transitions have multi-faceted socioeconomic impacts, both positive and negative. The latter include for example distributional conflicts (uneven distribution of costs and benefits among different groups), economic inequalities, job losses, workforce displacement and unintended social consequences. In Ukraine, this can exacerbate the already existing challenges, for example affecting vulnerable residents' ability to pay for energy. The implementation of smart technology-led transitions and low-carbon energy system innovations is increasingly urged to become more people-centred by taking energy poverty and other justice-related issues into account. Just energy transitions require more than a technological approach. Extensive community engagement is required, and in particular, attention needs to be given to how vulnerable people are affected so that their daily routines and ability to pay are not disrupted.

### PROPOSAL

Based on the service offering of the UNIDO Global Cleantech Innovation Programme (GCIP), the following intervention lines are proposed to be part of this project: accelerating solutions, financing social and impact entrepreneurship, advancing ecosystems, measuring impact and project progress and communicating.

The direct beneficiaries of the project will be the following:

1. Social and impact entrepreneurs with innovative ideas (products, services) 1) which accelerate just energy transitions while incorporating gender and youth mainstreaming, provision of employment and business opportunities for forcibly displaced persons and host communities, engaging low-income households and vulnerable people as suppliers, employees, clients, etc. at the core of their business models; and/or 2) which address the needs of low-income households and vulnerable people that have been negatively impacted by clean energy/low-carbon transitions;
2. Social and impact entrepreneurship ecosystem stakeholders (policymakers, non-governmental organizations, investors, trainers/mentors/judges, etc.);
3. Vulnerable groups, including low-income households, women, youth, migrants, displaced persons and host communities, etc.

## SUPPORTING BUSINESSES AND ATTRACTING INVESTMENT

### PROJECT PROPOSAL 5

<b>Project title:</b>	Supporting the reconstruction and development of industrial sectors in Ukraine through fostering digital transformation and developing a robust and competitive digital ecosystem aligned to EU digital acquis
<b>Project duration:</b>	4 years

### CONTEXT

This intervention is aimed at providing technical assistance to Ukraine's industry and national stakeholders with regard to digital transformation and EU alignment. While Ukraine has achieved great progress in digitalization, more work is needed to understand, align with and implement the EU Single Digital Market on the path to the EU accession. Indeed, Ukraine has identified digital transformation as a key topic in need of further support within the Ukraine Plan and has requested assistance in aligning with the EU Single Digital Market, EU Artificial Intelligence Act, EU Digital Competency Framework, as well as preparing for the Digital Product Passport. Their needs are directly aligned with the EU's Ukraine Facility, particularly Pillar III, which relates to technical assistance to Ukraine to the design and implement EU accession-related reforms by adopting and implementing political, institutional social and economic reforms to comply with the EU's rules, standards, policies and practices. In addition, one of the specific objectives of the Facility to promote digital transformation as an enabler for sustainable development and inclusive growth is equally reflected in the Ukraine Plan.

On an industry level, many enterprises in Ukraine still operate with outdated production technologies, which impacts efficiency, quality and competitiveness. Adapting modern and digital technologies is paramount for these enterprises to meet contemporary market demands and achieve economic growth. In 2021, according to research conducted by the International Trade Research Centre, Ukraine's integration into the EU Single Digital Market will lead to a 12.1 per cent increase in Ukraine's GDP, as well as overall positive trends in bilateral trade. UNIDO is currently directly supporting the Ministry of Strategic Industries and the Ministry of Digital Transformation of Ukraine in order to promote digital transformation of the country's industrial sector. Initial work has so far focused on shaping the policy framework and raising awareness on the promotion of digitalization and the uptake of artificial intelligence and robotics in industry.

### PROPOSAL

In alignment with the Ukraine Facility, the Ukraine Plan and the vision of Ukraine's Economic Growth in 2024-2027, UNIDO would implement a comprehensive programme aimed at supporting industrial digital development from policy to firm level providing guidance on artificial intelligence and related digital policies and applications in industry, digital competencies skills development and the integration of digital technologies in industry aligning to relevant chapters of the EU *acquis*. As such, this programme directly addresses the needs and objectives of the Ministry of Strategic Industries and Ministry of Digital Transformation articulated to UNIDO, including the following:

1. Assistance in setting up digital innovation technology hubs in Ukraine based on best international practices.
2. Conducting an assessment to identify jointly with the government policy and framework gaps in relation to EU digital rules standards and policies.
3. Strategy and industrial policy advisory services on artificial intelligence and related digitalization and support in the implementation of the state programme on the use of artificial intelligence technologies in priority sectors of the economy for the period until 2026.

4. Strengthening institutional capacity for effective dialogue and implementation of EU frameworks in the local context under the enlargement policy.
5. Organizational support in the establishment of artificial intelligence regulatory sandboxes and codes of conduct for businesses.
6. Development of an artificial intelligence risk and impact methodology.
7. Methodological assistance for the development of framework formation digital competencies for workers in key industries and public-private online platform for the national reskilling programme.
8. Utilization of UNIDO's digital maturity framework to carry out MSME assessment in a systematic way, highlighting challenges in the adoption of digital transformation.
9. Creation of a comprehensive tailored curriculum and capacity-building for MSMEs on the integration of industry 4.0 technologies and standards into processes in modular structure from basic to advanced technology.
10. Guidance and assistance in industrial digital upgrading to MSMEs and industrial clusters on the adoption of appropriate industry 4.0 and digital technologies solutions.
11. Development of a digital competency framework and training on new advanced digital skills among personnel in industry in order to implement digital technologies.



## PROJECT PROPOSAL 6

<b>Project title:</b>	Accelerating Ukraine's green recovery through municipality-driven cluster development with micro-, small and medium-sized enterprises
<b>Project duration:</b>	5 years

### CONTEXT

In the current Ukrainian economic context, reversing lost competitiveness, speeding up trade reorientation and strengthening the alignment of the country's economic structure with that of the EU must be considered priorities. Thus, in order to support green economic recovery and reconstruction and to ensure gradual approximation with the EU *acquis*, public and private investment needs to be facilitated, contributing to economic and industrial development and accompanied by technical assistance. The main effort for such investment has to be made in regions, cities and local municipalities to ensure municipality-driven development and strengthen the private sector competitiveness through the MSME cluster development approach. This will reduce imbalances through a better spread of socioeconomic benefits across various municipalities.

### PROPOSAL

UNIDO is considered a pioneer in the MSMEs cluster development with over 30 years of experience. UNIDO's cluster approach focuses on providing guidance to MSMEs during their grouping process, establishing public-private partnerships, promoting innovation and start-up development, and contributing to the implementation of collective business upgrading, quality improvement and joint circular economy projects. Furthermore, UNIDO has extensive experience in developing regional communities and municipalities as an enabling environment for MSME clusters to mitigate the socio-economic impact of crises on the most vulnerable groups of the population, especially the ones affected by war.

The main objective of the project is to enhance entrepreneurship and business sophistication by strengthening national capacities to develop and operate municipality-driven MSME clusters and by providing direct support to MSMEs in the target regions through strategic investments.

In the current Ukrainian context, it is therefore proposed to develop an initiative combining technical assistance, grants and co-investment for the following:

1. Strengthening the capacities of policymakers and support institutions (Regional Development Agency, Entrepreneurship and Exports Promotion Office, Ukrainian Cluster Alliance, etc.) to identify and develop municipality-driven MSME clusters through a municipality-based twinning approach as well as smart specialization opportunities. This will include nationwide cluster mapping and diagnostic studies, as well as providing technical assistance in the formulation and institutionalization of a National Cluster Development Programme and certification of clusters. Further attention will be paid to the approximation of the legislation with EU *acquis* that will enable and increase the competitiveness of the private sector and clusters.
2. Supporting Ukrainian communities and municipalities to twin and engage with European communities and cities for green reconstruction and development of community-driven services, including zoning, infrastructure planning, public enterprises, etc. As part of the component, a twinning support network of Regional Development Coordinators will be strengthened in the target regions, which will also improve the coordination of various UNIDO-wide interventions in Ukraine.
3. Providing direct technical support to 5-7 pilot manufacturing and other business clusters by creating cluster management organizations, enhancing inter-firm cooperation, entrepreneurship and the internationalization of MSMEs through joint and collective business activities.

4. Supporting 5-7 pilot manufacturing and other business clusters with access to qualified workforce, talent scouting and human resources reskilling and upskilling by promoting partnerships between cluster management organizations and local public institutions such as Entrepreneurship and Exports Promotion Office and developing online and in-person capacity-building programmes to address skills mismatch on the job market (Diia.Business platform will be used for online programmes). This component will also ensure better integration of IDPs and returnees from war-affected areas.
5. Offering grants and co-investment opportunities for MSMEs, clusters, community-based organizations and municipalities to develop and implement collective and individual business activities and purchase equipment in order to strengthen skills and knowledge for improved business processes, attract investment and access new markets, upgrade production facilities and build/upgrade public infrastructure for the improvement of basic service delivery. This facility:
  - Will provide micro-grants (up to EUR 10,000) as well as strategic grants and co-investments (up to EUR 300,000) with established selection criteria that will ensure fair and equal access to the available opportunities, especially for grantees from war-affected areas.
  - Will be largely accessible to MSMEs, clusters, community-based organizations, municipalities and other entities in the target regions that were successfully capacitated through components 1-4.
  - Might be hosted or some of the activities could be channelled through the entrepreneurship and exports promotion office.
  - Might establish separate skills and knowledge development grant programmes for MSMEs, clusters and other businesses that were not covered by components 1-4. This programme will aim at enhancing the knowledge and skills of businesses in applying financial tools, fostering a better understanding of business models and promoting best practices in business development. Only upon the successful completion of this stage, businesses will be eligible to apply for micro-grants, strategic grants and co-investment.

## PROJECT PROPOSAL 7

<b>Project title:</b>	Private sector transition to a green and circular economy in Ukraine
<b>Project duration:</b>	5 years

### CONTEXT

The objective of the project is to support the transition of the private sector to achieve a green and circular economic recovery. As such, the project contributes to Ukraine's green reconstruction plan following the war-associated losses and supports the country's EU accession ambition in general, as well as the implementation of the EU Green Deal, in particular. Specific project objectives include the following:

1. Scale up and accelerate the uptake of resource efficiency in the key manufacturing sectors on the regional level, including construction materials, food and beverages and textiles, among others;
2. Promote circular economy principles and practices, including the shared economy as business opportunities;
3. Support companies in accessing financial mechanisms for investment in resource-efficient and cleaner production, renewable energy, energy efficiency and circular economy.

### PROPOSAL

The project is focused on the development of a sustainable and inclusive industrial sector, which also helps reduce energy and food security risks and improve the environmental performance of Ukraine's economy. As such, the action aims to facilitate the increased competitiveness of industry through resource-efficient and circular business models. The introduction of a grant or equipment supply scheme to support investments in resource-efficient and cleaner production, renewable energy, energy efficiency and circular economy will complement the technical assistance activities of the project and create green recovery pathways for the Ukrainian private sector making the country's reconstruction greener.

Transparency, equal opportunities, integrity, co-financing, non-double funding and non-retroactivity principles will underpin the grant/equipment supply scheme. The scheme will primarily target Ukrainian MSMEs operating along the focus and related value chains and may also support non-profit value chain actors that provide inputs for improving circularity and resource efficiency. In particular, the target value chain actors are those that aim to invest in improving resource efficiency and circularity, such as producers, suppliers of packaging, equipment, chemicals, distribution, warehousing, cold chain and retail (e.g. supermarkets). The actors associated with waste collection and valorisation, energy and valuable by-product extraction from waste, as well as other services such as those that enhance productivity through research and development, product design and innovation, digital tools and others, may also be supported by grants and/or supply of equipment and know-how products.

The management and operational mechanisms for the scheme will be developed, including, but not limited to criteria for the eligibility of beneficiaries and expenditures, as well as principles and procedures for awards, monitoring, verification and closure of investments, utilization and transfer of property of equipment, and evaluation of impact along UNIDO's policies, rules and regulations.

## PROJECT PROPOSAL 8

<b>Project title:</b>	Initial revitalization of the food processing industry of Ukraine
<b>Project duration:</b>	5 years

### CONTEXT

Ukraine has requested assistance in strengthening agricultural institutions and regulatory frameworks in line with EU policies, strengthening agricultural value chains, and stimulating and supporting innovation. As a part of the ongoing project “Industrial capacity-building, policy advice and diagnostics for the green recovery of Ukraine”, UNIDO prepared a roadmap to address the needs of the agro-processing industry and, in close collaboration with the Ministry of Agrarian Policy and Food, support the revitalization of Ukraine’s food industry. The goal of this roadmap for the green recovery of the food processing industry is to provide a structured and strategic plan that outlines the stages, including steps, priorities, and actions necessary to steer the sector toward competitiveness, resilience, and environmental responsibility. This roadmap serves as a guiding framework for development partners, policymakers, and industry leaders to collectively work toward several key objectives and to identify investments and programmes to achieve them.

The food industry in Ukraine is diversified and serves both domestic and foreign markets. The food industry proved to be more resilient to the extreme war-time conditions than other manufacturing sectors. Some enterprises have suffered direct war-related physical and economic damages and challenges, and many others are suffering from indirect war-related disruptions to their operations. Further exacerbating the situation, a large part of the Ukrainian population left the country, which in turn significantly reduced the demand in the national market but also left a gap in the workforce. For the prioritization of the most promising and resilient food sectors and sub-sectors, the following prioritisation criteria were applied: export growth, trade surplus, global ranking, EU market importance, war impact, and opportunities for deep processing. With these criteria applied and based on their overall performance before and during the war, also with regards to support food availability and EU export market opportunity, the following sectors are prioritised:

1. Processed milk and milk products (base – milk and cream, full cream milk powder and butter);
2. Fruits products and berries products (base – fruit juices, frozen fruit and berries);
3. Sugar and honey processing (base – raw, white sugar and honey);
4. Products of the milling industry (base – malt, starches, inulin and grain processing products);
5. Livestock products (base – poultry meat and egg products);
6. Vegetable oils and their cleavage products (base – soybean, sunflower and rapeseed oil).

As part of the roadmap, a detailed action plan has been developed for each prioritized sector with clear outcomes, outputs, and activities to be undertaken. During the course of research, two cross-cutting sectors have been identified and action plans are as well being developed, food packaging and food quality & safety. The proposed interventions and programmes in the action plans aim to position Ukraine’s food industries for sustainable and resilient growth while advancing integration into the global market.

### PROPOSAL

In order to accelerate the green transition and at the same time improve the performance of the Ukrainian food industry, investments and technical assistance are needed. The project aims to support between 100-200 small- or medium-sized enterprises to achieve the following:

1. Reestablishment of damaged enterprises;

2. Improved competitiveness and value-added food systems, by enhancing capacities within food processing enterprises for further value addition and product development, as well as improved product quality, food safety and packaging;
3. Improved processing technology and efficiency, by adopting energy efficient practices, automation, adoption of renewable energy, and utilization of bio-waste in transition to green low-carbon growth.
4. Trade logistics revitalized and strengthened;
5. Ukrainian food products aligned with EU requirements and promoted.

It is expected that the project will lead to the increased export of value added Ukrainian food products, resulting in the further growth of the food processing industry, with positive effects with regard to job creation and the implementation of more environmentally friendly technologies.

## PROJECT PROPOSAL 9

<b>Project title:</b>	Leveraging quality and standards for the green recovery of Ukraine
<b>Project duration:</b>	5 years

### CONTEXT

As a vital step in efforts towards EU accession, Ukraine is working to achieve compliance with the EU technical regulations and align with the European quality infrastructure systems. Ongoing work in Ukraine, done in close cooperation with DG GROW and DG NEAR, has shown the strong demand among policymakers and entrepreneurs alike in understanding and adhering to the quality standards of the EU. Indeed, a well-functioning quality infrastructure system will be crucial for Ukraine's engagement in foreign trade, with the EU and other trade partners.

UNIDO has already joined forces with the Ministry of Economy of Ukraine, the National Standards Body (UAS) and international partners like CEN and CENELEC to conceptualize a National Guiding Framework for the use of standards and technical regulation for green recovery, paving the way for the environmentally sustainable reconstruction of destroyed infrastructure, opening up new prospects for Ukrainian businesses to export, which will ultimately create jobs.

### PROPOSAL

To expand this work to meet the demands of Ukraine, it is proposed to implement a technical assistance intervention with the overall objective of supporting the green recovery of Ukraine with quality and standards, particularly through the following activities:

1. Creating an enabling policy, standards and legal framework environment for green recovery
  - Capacitate the Government of Ukraine, including relevant Ministries, policymakers and decision-makers, municipalities, public procurement offices, business support institutions, etc.;
  - Support Ukraine in fostering alignment with the EU, development banks and other donors in view of upscaling the expected impact of the guiding framework;
  - Engage with municipalities to roll out the application of the guiding framework nationally.
2. Strengthening the national quality infrastructure system to provide fit-for-purpose and internationally recognized services
  - Support the national efforts of reforming the quality infrastructure system by assessing current and future needs as well as developing a quality policy fit for a green future;
  - Provide tailor-made technical capacity-building for key quality infrastructure institutions to provide fit-for-future services in line with the market needs;
  - Enhance the capacity of conformity assessment bodies to provide internationally recognized (accredited) testing, certification and inspection services.
3. Enabling Ukraine's industry to support a green and economic recovery
  - Enhance and scale up the capacity of national construction industries (material, construction, infrastructure development, housing, etc.) to produce in accordance with green standards and regulations, building on collective efficiencies (e.g. clusters, industrial parks, etc.);
  - Build trade and export capacities of selected priority sectors to improve their competitiveness in view of higher quality and compliance with standards and international market requirements;
  - Raise awareness and advocate for the important role of quality and standards for green reconstruction as well as export and trade opportunities.

## FOSTERING A GREEN ECONOMY

### PROJECT PROPOSAL 10

<b>Project title:</b>	Industrial Energy Efficiency and Decarbonization Transformation Facility for Ukraine
<b>Project duration:</b>	5-6 years

### CONTEXT

In March-April 2023, the Ukrainian Parliament approved and President Zelenskyy signed an important law that provides for the introduction of a carbon tax on the manufacturing industry and the establishment of a State Fund for Decarbonization and Energy Efficiency Transformation (hereinafter – DEET State Fund). This fund will be financed by carbon tax revenues, as well as contributions from international donors and investors. The DEET State Fund is established as part of Ukraine’s State Budget. The State Agency on Energy Efficiency and Energy Saving of Ukraine (hereinafter – SAE) is the main counterpart and beneficiary of the GEF-UNIDO project „Introduction of energy management system standard in Ukraine’s industry“. SAE requested a project for technical support in the design and operationalization of the Ukrainian National Decarbonization Platform (UANDP). The UANDP is meant to serve as a tool for realizing energy efficiency projects financed by the DEET State Fund. As of February 2024, SAE’s draft design of the DEET State Fund and UANDP include also the following four pillars:

1. Financing instruments (grant and non-grant through and/or in conjunction with the DEET State Fund);
2. Provision of consulting services for energy management systems and energy audits;
3. Provision of training, capacity-building and personnel certification for industry personnel (the war has caused and is causing a human-capacity crisis in Ukrainian industry);
4. Process-/technology-specific technical assistance for investment preparation, including renewable energy and other decarbonization measures.

In June 2023, SAE initiated an intensive DEET State Fund – UANDP international promotion campaign and resource mobilization efforts. Early meetings have shown that international donors, while very supportive of the DEET State Fund and UANDP, have raised concerns regarding Ukraine’s limited experience and constrained institutional and human resources to effectively launch and operate such a complex policy, technical assistance and investment programme. The support of international partner agencies to work with SAE in operationalizing and strengthening the impact of the DEET State Fund and UANDP is envisaged.

### PROPOSAL

The proposed project would consist of two stages in which UNIDO would closely work with SAE and expand the technical support already being provided.

1. Stage 1 – 2024-2025
  - Provide SAE and the Ministry for Infrastructure with time-sensitive technical support for fine-tuning designs and operationalizing the DEET State Fund and UANDP;
  - Develop detailed technical assistance programme document and UNIDO-SAE formal partnership, followed by UNIDO-SAE-Ministry of Infrastructure joint resource mobilization efforts.
2. Stage 2 – 2025-2030
  - Provision of training, capacity-building and certification for industry personnel on energy management,

energy efficiency and decarbonization technologies;

- Provision of expert advisory services to industrial companies for energy management systems implementation and energy audits;
- Provision of expert advisory services for process-/technology-specific investment preparation, including also renewable energy and other decarbonization solutions.
- Financing instruments for industrial energy efficiency and decarbonisation to enhance DEET State Fund resources and impact.



## PROJECT PROPOSAL 11

<b>Project title:</b>	Building the manufacturing capacity and supply chain for the decarbonized and energy-efficient reconstruction of housing in Ukraine
<b>Project duration:</b>	5-6 years

### CONTEXT

Ukraine had/has a meaningful wood manufacturing sector (accounting for approximately 1.5-2 per cent of 2021 total Ukraine industry turnover). In 2020, wood was the seventh most important Ukraine's exported industrial product (USD 514.9 million), but as low-tech and low-value-added product (logs processed).

Ukraine has suffered huge losses and damages to its building stock. Reconstruction will require a tremendous effort and it will be extremely challenging with respect to construction time due to material and workforce supply chain constraints, as well as in capturing decarbonization and socio-economic development opportunities.

In Europe, the wooden building market has strongly grown over the last few years. In 2021, the overall production of cross-laminated timber (CLT) in Germany, Austria, Switzerland, Italy and the Czech Republic grew by 9 per cent compared to 2020, with Austria and Germany accounting for more than 85 per cent of the total production capacity. Wooden buildings range from one-storey houses to 18-storey buildings ([Mjøstårnet](#)).

### PROPOSAL

To develop/create a Ukraine national market and supply chain for CLT and wooden housing and buildings, the project would include the following key components:

1. Transfer/creation of CLT manufacturing capacity in Ukraine;
2. Review and update of housing and building construction regulations;
3. Review and update of sustainable forest management;
4. Training and qualification of wooden housing workforce (architects, engineers, construction workers, etc.);
5. Promotion of wooden housing with all relevant stakeholders (policymakers, municipalities, businesses and citizens);
6. Ensure initial demand for CLT and wooden housing (e.g. two-year full production of newly established Ukraine CLT manufacturing capacity).

The project should be developed and implemented in close partnership with the EU CLT industry/producers and relevant sector professional associations/categories.

## PROJECT PROPOSAL 12

<b>Project title:</b>	Supporting Ukraine's green hydrogen transition for low-carbon industrial reconstruction and development
<b>Project duration:</b>	5 years

### CONTEXT

Green hydrogen can play a crucial role in the reconstruction and further net zero industrial development of the country, particularly the steel sector and the production of ammonia which have been affected by the ongoing conflict. Ukraine's steel industry, known for its substantial impact on international markets, has encountered disruptions in its operations and supply chains, where an estimated 40 per cent of the production capacity has been lost. Metallurgical production, Ukraine's second-largest industry after agriculture, accounts for 20 per cent of its foreign exports. However, in 2022, the country's steel production plummeted by 70 per cent, according to Ukrmetprom, the steel makers association. Similarly, Ukraine previously recognised as a significant player in global ammonia markets, has experienced notable disruptions in ammonia production and trade.

Ukraine has great potential and ambitious targets for the expansion of renewable energy in its energy mix and the production of green hydrogen. This aligns with the European Union's energy goals, especially under the EU-Ukraine Association Agreement and the Energy Community Treaty. In 2014, Ukraine adopted its National Renewable Energy Action Plan which seeks to raise the country's wind energy capacity to 2.28 GW and solar energy from 450 MW to 2,300 MW and small hydro capacity would be boosted from 120 MW to 150 MW. The Ministry of Energy of Ukraine worked to develop a roadmap for the production and use of hydrogen and the use of hydrogen in road transport. Furthermore, a scoping report under the Strategic Environmental Assessment (SEA) procedure of the roadmap was published in line with the UNECE Protocol on SEA.

### PROPOSAL

The proposed project would cover the following key activities:

1. Convening key national stakeholders ranging from the Government, industries, financial sector, research and academia to create a dialogue and facilitate collaborative efforts through knowledge exchange on green hydrogen and the transformations of the ammonia and steel sector.
2. Providing policy recommendations on green hydrogen and for the green reconstruction of industry, in particular, steel and ammonia industries. These would be based on policy and regulation gap assessments, including energy-, environment- and water-related policies. Complementing these, national and international standards would be assessed and carbon market mechanisms and international standards evaluated in order to provide recommendations for the country.
3. Conducting analyses on the industrial process conversion for the application of hydrogen, particularly for steel and ammonia production. Complementary assessments would evaluate possible new industries that can be developed based on green hydrogen and renewable energy and where they can be located. Market studies and analyses of business models would be also conducted.
4. Delivering capacity-building and awareness raising for green hydrogen and net zero industrial development for the Government and private sector.
5. Preparing a green hydrogen industrial cluster (GHIC) on steel or ammonia production. One industrial cluster/park with the potential to become a GHIC would be identified. A complementary stakeholder analysis and an evaluation of the cluster identifying the potential for sector coupling would be developed.

These analyses would also cover the location, renewable energy and water needs, including desalination. In addition, the project would provide technical assistance for the improvement of the readiness of the identified cluster for transition to a GHIC. Finally, a pilot project would be developed for learning and an investment plan prepared for the further expansion of the pilot to the cluster.

## PROJECT PROPOSAL 13

<b>Project title:</b>	Fostering blue economy activities in Ukraine
<b>Project duration:</b>	4 years

### CONTEXT

Ukraine's Black Sea coastline spans 2,782 km, facing degradation due to industrialization, urbanization and war-related biodiversity loss. Ukraine's pre-war economy thrived with fisheries, tourism and maritime transport while overfishing and weak regulations harmed marine biodiversity. Moreover, the economic impact is significant, as the conflict has disrupted ports and exports, causing a significant decrease in cargo processing.

Recognizing the social, cultural and economic significance of Ukraine's marine ecosystems and biodiversity, there is momentum for developing blue economy activities as a crucial part of the country's sustainable and resilient economic recovery and development. Furthermore, the critical loss of biodiversity is also presented as a fundamental systemic challenge in the National Programme N3: Re-build a clean and safe environment of Ukraine's National Recovery Plan.

### PROPOSAL

The blue economy is an important enabler of sustainable development and therefore it is a strategic priority for UNIDO. The Organization provides a comprehensive range of support activities and partnerships to promote the blue economy in coastal developing countries. UNIDO has extensive experience in contributing to various components of the blue economy, including in the areas of fisheries, aquaculture, marine biotechnology, ocean energy and ocean-based commerce and trade. Therefore, the blue economy offers opportunities for economic diversification and growth, both through traditional sectors such as fisheries and aquaculture, and emerging ones, such as eco-tourism, marine pharmaceuticals or ocean renewable energy. These sectors can generate employment, attract investments and contribute to sustainable livelihoods and food security. Furthermore, UNIDO has long-standing experience in working in blue economy sectors in Latin America, Africa and Asia.

UNIDO's goal is to support Ukraine's transition to a green economy, improving waste management, promoting circular business models, climate mitigation measures and sustainable tourism. The key components of the proposal include the following:

1. Initiating a national consultative dialogue to enhance knowledge and awareness of blue economy activities and formulating the blue economy development framework for Ukraine's economic transformation. Stimulating balanced regional development, through the promotion of cross-sectoral linkages and improved the livelihoods of local communities.
2. Supporting private sector and local authorities to embrace blue/green economy by boosting the adoption of resource efficiency and sustainable energy solutions, proper waste management and circular business models. Development of sustainable and resilient marine-based and fisheries value chains along with marine conservation and restoration, linked to water quality, control and the prevention of further environmental contamination.
3. Developing bankable business and investment proposals to support the achievement of the main objectives of the blue economy development framework, including innovative financing instruments such as development impact bonds to ensure the conservation of the coastal zone and the promotion of business activities in the sectors of tourism, fishery and maritime transportation.

## PROJECT PROPOSAL 14

<b>Project title:</b>	Support for a new, green, innovation-driven industrial policy for Ukraine
<b>Project duration:</b>	3 years

### CONTEXT

Ukraine is currently in the process of shaping its industrial policy based on existing challenges and issues in concert with best practices and in full alignment with EU standards. The country recognizes the importance of transitioning to a more sustainable (green) and technology-oriented industry and stimulating technological progress in the industrial sector to ensure long-term economic growth and competitiveness.

In a letter of 14 December 2023 addressed to UNIDO, the Ministry of Economy emphasises the country's need for a *“set of well-coordinated policy actions supported by tools and strategic projects helping to restore the livelihoods of war-affected people, support sectors and businesses that were damaged or relocated as a result of the war and strengthen the long-term sustainability and resilience of Ukraine’s industry.”* The Ministry sees *“cooperation with UNIDO can bring positive tangible results”* in these matters.

With the intention to substantiate this request through the ongoing process of Industrial capacity-building and policy advice, UNIDO has begun to engage in discussions with representatives of various Ministries on the development and implementation of a new green industrial policy focused on innovation and EU compliance.

### PROPOSAL

Based on the deliberations UNIDO held with representatives from various Ministries in 2023, this intervention would establish a permanent cross-ministerial Industrial Policy Support Unit located within the Government of Ukraine that works on the design and serves as a focal point for the implementation of a new EU compliant, evidence-based, green, and innovation-driven industrial policy for Ukraine. In addition, the Industrial Policy Support Unit would be supported by an industrial development data observatory, gathering data from across Ukraine and through efforts in other intervention areas. This observatory will also include data from a representative set of firms collected through surveys, complemented by qualitative information collected from a smaller group of stakeholders. Analysis of the data will allow the Unit to provide regular policy briefs which respond to the pressing issues of the Government. In addition, quality policy-oriented research will be stimulated to enable the use of the data in a longer-term, strategic fashion. As a result, relevant stakeholders are provided with up-to-date information to enable the policy to be based on evidence as well as to monitor progress towards its implementation.

Additionally, this intervention would work closely with the Ministry of Economy to provide the necessary expertise and capacity for the Ministry to implement necessary changes to regulation and practice to create a competitive, EU-compatible manufacturing and processing industry. Together with the already established a Reform Support Team, UNIDO will bring in trained and vetted experts to be embedded within the Ministry that can serve their most pressing needs. These experts would focus on tasks, including the ongoing preparation of industry-specific strategies (manufacturing, agri-business, construction, etc.), support the collection of targeted and time-sensitive data to inform regulation and prepare and guide the necessary policy changes for EU compatibility and industrial growth. By creating a core of expertise and providing direct support with the training and resources of UNIDO behind them, these experts will be able to address the needs of the Ministry on an evolving basis, shape the interventions of the Ministry to follow international best practices and green industrial policy and provide targeted and validated support towards EU accession.

## ANNEX III: MAPPINGS OF POTENTIAL DONORS AND PARTNERS

DONOR	KEY PRIORITIES IN UKRAINE	SYNERGETIC SERVICE OFFER OF UNIDO	ENGAGEMENT STATUS
<a href="#">European Union (EU) Ukraine Facility</a>	<ul style="list-style-type: none"> <li>• Accession of Ukraine to the EU</li> <li>• Regulatory uptake and capacity-building in the framework of the EU <i>acquis</i></li> <li>• Macro-financial assistance</li> <li>• State-building and resilience</li> <li>• Policy instruments</li> <li>• Energy and environment (green transition)</li> <li>• Healthcare</li> <li>• Education</li> <li>• Social protection</li> <li>• Civil society</li> <li>• Infrastructure reconstruction</li> <li>• Foreign policy instruments</li> <li>• Data generation</li> <li>• Livelihoods and economic growth</li> <li>• Humanitarian assistance</li> </ul>	<ul style="list-style-type: none"> <li>• Job creation, including for vulnerable groups</li> <li>• Women's economic empowerment</li> <li>• Skills development</li> <li>• MSME competitiveness</li> <li>• Quality and standards</li> <li>• Municipality-based approach</li> <li>• Cluster development</li> <li>• Decarbonization and energy efficiency in industry</li> <li>• Green hydrogen</li> <li>• Resource-efficient and cleaner production</li> <li>• Circular economy</li> <li>• Waste management</li> <li>• Food processing industry</li> <li>• Blue economy</li> <li>• Digital transformation</li> <li>• Industrial policy advice</li> </ul>	Ongoing The EU funds one ongoing UNIDO project in Ukraine
<a href="#">Global Environment Facility (GEF)</a>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Land degradation</li> <li>• Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>• Decarbonization and energy efficiency in industry</li> <li>• Green hydrogen</li> <li>• Circular economy</li> <li>• Resource-efficient and cleaner production</li> <li>• Waste management</li> </ul>	Ongoing GEF funds four ongoing UNIDO projects in Ukraine
<a href="#">European Bank for Reconstruction and Development (EBRD)</a>	<ul style="list-style-type: none"> <li>• Private sector development</li> <li>• Rule of law</li> <li>• Energy security, sustainability and efficiency</li> <li>• Financial system resilience</li> <li>• Trade and investment</li> <li>• Infrastructure links</li> <li>• Employability of disadvantaged groups</li> </ul>	<ul style="list-style-type: none"> <li>• Job creation, including for vulnerable groups</li> <li>• MSME competitiveness</li> <li>• Resource-efficient and cleaner production</li> <li>• Circular economy</li> <li>• Women's economic empowerment</li> <li>• Municipality-based approach</li> <li>• Decarbonization and energy efficiency in industry</li> <li>• Digital transformation</li> </ul>	Ongoing
<a href="#">European Investment Bank (EIB)</a>	<ul style="list-style-type: none"> <li>• Financial support</li> <li>• Infrastructure development</li> <li>• Climate and energy</li> <li>• Transport</li> <li>• Private sector development</li> </ul>	<ul style="list-style-type: none"> <li>• Decarbonization and energy efficiency in industry</li> <li>• Green hydrogen</li> <li>• MSME competitiveness</li> <li>• Circular economy</li> <li>• Resource-efficient and cleaner production</li> </ul>	Ongoing

DONOR	KEY PRIORITIES IN UKRAINE	SYNERGETIC SERVICE OFFER OF UNIDO	ENGAGEMENT STATUS
<a href="#">Austria</a>	<ul style="list-style-type: none"> <li>Humanitarian assistance</li> <li>Transport infrastructure</li> <li>Healthcare</li> <li>Energy and environmental protection</li> <li>Supporting vulnerable groups</li> </ul>	<ul style="list-style-type: none"> <li>Job creation, including for vulnerable groups</li> <li>Women's economic empowerment</li> <li>Skills development</li> <li>Decarbonization and energy efficiency in industry</li> <li>Resource-efficient and cleaner production</li> <li>Circular economy</li> </ul>	<p>Ongoing</p> <p>Austria funds one UNIDO project in Ukraine</p>
<a href="#">Australia</a>	<ul style="list-style-type: none"> <li>Humanitarian assistance</li> <li>Agricultural production</li> <li>Energy security</li> <li>Vulnerable groups</li> </ul>	<ul style="list-style-type: none"> <li>Job creation, including for vulnerable groups</li> <li>Women's economic empowerment</li> <li>Decarbonization and energy efficiency in industry</li> <li>Food processing industry</li> </ul>	<p>Planned</p>
<a href="#">Belgium</a>	<ul style="list-style-type: none"> <li>Energy efficiency</li> <li>Green energy</li> <li>Humanitarian aid</li> <li>Infrastructure reconstruction</li> <li>Vulnerable groups</li> </ul>	<ul style="list-style-type: none"> <li>Job creation, including for vulnerable groups</li> <li>Women's economic empowerment</li> <li>Decarbonization and energy efficiency in industry</li> <li>Green hydrogen</li> </ul>	<p>Planned</p>
<a href="#">Bulgaria</a>	<ul style="list-style-type: none"> <li>Humanitarian assistance</li> <li>Vulnerable groups</li> </ul>	<ul style="list-style-type: none"> <li>Job creation, including for vulnerable groups</li> <li>Women's economic empowerment</li> </ul>	<p>Ongoing</p> <p>Bulgaria considers the provision of funding for one UNIDO project in Ukraine</p>
<a href="#">Canada</a>	<ul style="list-style-type: none"> <li>Humanitarian assistance</li> <li>Energy</li> <li>Green technology</li> <li>Civil society</li> <li>Vulnerable groups</li> <li>Food security and processing</li> <li>Agriculture</li> <li>Healthcare</li> <li>Capacity-building</li> </ul>	<ul style="list-style-type: none"> <li>Job creation, including for vulnerable groups</li> <li>Women's economic empowerment</li> <li>Skills development</li> <li>Digital transformation</li> <li>Decarbonization and energy efficiency in industry</li> <li>Green hydrogen</li> <li>Industrial policy advice</li> <li>MSME competitiveness</li> <li>Quality and standards</li> <li>Food processing industry</li> <li>Industrial policy advice</li> </ul>	<p>Ongoing</p> <p>Canada confirmed that at this point no funding can be allocated to UNIDO</p>

DONOR	KEY PRIORITIES IN UKRAINE	SYNERGETIC SERVICE OFFER OF UNIDO	ENGAGEMENT STATUS
<a href="#">Croatia</a>	<ul style="list-style-type: none"> <li>Emergency and humanitarian assistance</li> <li>Demining</li> <li>Food production</li> <li>Livelihoods of rural communities</li> </ul>	<ul style="list-style-type: none"> <li>Municipality-based approach</li> <li>Job creation, including for vulnerable groups</li> <li>Skills development</li> <li>Industrial policy advice</li> <li>Food processing industry</li> </ul>	Ongoing
<a href="#">Czech Republic</a>	<ul style="list-style-type: none"> <li>Humanitarian assistance</li> <li>Clean water</li> <li>Electricity</li> <li>Capacity-building</li> <li>Youth employment</li> </ul>	<ul style="list-style-type: none"> <li>MSME competitiveness</li> <li>Quality and standards</li> <li>Cluster development</li> <li>Decarbonization and energy efficiency in industry</li> <li>Job creation, including for vulnerable groups</li> <li>Skills development</li> <li>Industrial policy advice</li> </ul>	Ongoing The Czech Republic provided funding for the UNIDO green industrial recovery programme
<a href="#">Denmark</a>	<ul style="list-style-type: none"> <li>Humanitarian assistance</li> <li>Energy</li> <li>Rule of law</li> <li>Infrastructure</li> <li>Demining</li> <li>Healthcare</li> </ul>	<ul style="list-style-type: none"> <li>Decarbonization and energy efficiency in industry</li> <li>Green hydrogen</li> <li>Industrial policy advice</li> </ul>	Planned
<a href="#">Estonia</a>	<ul style="list-style-type: none"> <li>Humanitarian assistance</li> <li>Digital transition</li> <li>Education</li> <li>Good governance and entrepreneurship</li> <li>Infrastructure</li> <li>Housing</li> <li>Training</li> </ul>	<ul style="list-style-type: none"> <li>Skills development</li> <li>Women's economic empowerment</li> <li>Job creation, including for vulnerable groups</li> <li>Digital transformation</li> <li>Circular economy</li> <li>Decarbonization and energy efficiency in industry</li> </ul>	Planned
<a href="#">Finland</a>	<ul style="list-style-type: none"> <li>Humanitarian assistance</li> <li>Society resilience</li> <li>Green transition</li> <li>Digital transformation</li> <li>Sustainable construction</li> <li>Water and waste management</li> <li>Energy resilience and efficiency</li> <li>Environment</li> <li>Pollution, contamination and environmental damages</li> </ul>	<ul style="list-style-type: none"> <li>Job creation, including for vulnerable groups</li> <li>Women's economic empowerment</li> <li>Skills development</li> <li>Municipality-based approach</li> <li>Cluster development</li> <li>Decarbonization and energy efficiency in industry</li> <li>Green hydrogen</li> <li>Resource-efficient and cleaner production</li> <li>Circular economy</li> <li>Waste management</li> <li>Digital transformation</li> </ul>	Ongoing



DONOR	KEY PRIORITIES IN UKRAINE	SYNERGETIC SERVICE OFFER OF UNIDO	ENGAGEMENT STATUS
<a href="#">France</a>	<ul style="list-style-type: none"> <li>Humanitarian assistance</li> <li>Infrastructure</li> <li>Energy</li> <li>Digital technologies</li> <li>Water supply and drainage</li> <li>Waste processing</li> <li>Demining</li> <li>Cultural heritage</li> </ul>	<ul style="list-style-type: none"> <li>Decarbonization and energy efficiency in industry</li> <li>Digital transformation</li> <li>Food processing industry</li> <li>Industrial policy advice</li> <li>Waste management</li> </ul>	Ongoing
<a href="#">Germany</a>	<ul style="list-style-type: none"> <li>Financial aid</li> <li>Humanitarian assistance</li> <li>Energy</li> <li>Water supplies</li> <li>Climate and environment</li> <li>SME development</li> <li>Infrastructure reconstruction</li> <li>Social protection</li> <li>Healthcare</li> <li>Capacity development</li> <li>Education</li> </ul>	<ul style="list-style-type: none"> <li>Job creation, including for vulnerable groups</li> <li>Women's economic empowerment</li> <li>Skills development</li> <li>MSME competitiveness</li> <li>Quality and standards</li> <li>Municipality-based approach</li> <li>Cluster development</li> <li>Decarbonization and energy efficiency in industry</li> <li>Resource-efficient and cleaner production</li> <li>Circular economy</li> <li>Waste management</li> <li>Food processing industry</li> <li>Digital transformation</li> <li>Industrial policy advice</li> </ul>	<p>Ongoing</p> <p>Germany funds two ongoing UNIDO projects in Ukraine</p> <p>Germany considers the provision of additional funding</p>
<a href="#">Ireland</a>	<ul style="list-style-type: none"> <li>Humanitarian assistance</li> <li>Healthcare</li> <li>Capacity-building</li> </ul>	<ul style="list-style-type: none"> <li>Job creation, including for vulnerable groups</li> <li>Skills development</li> </ul>	Planned
<a href="#">Italy</a>	<ul style="list-style-type: none"> <li>Humanitarian assistance</li> <li>Vulnerable groups</li> <li>Food security</li> <li>Energy infrastructure</li> <li>Infrastructure</li> <li>Capacity-building</li> <li>Education and culture</li> </ul>	<ul style="list-style-type: none"> <li>Job creation, including for vulnerable groups</li> <li>Women's economic empowerment</li> <li>Skills development</li> <li>Municipality-based approach</li> <li>Decarbonization and energy efficiency in industry</li> <li>Waste management</li> <li>Food processing industry</li> <li>Industrial policy advice</li> </ul>	Ongoing

DONOR	KEY PRIORITIES IN UKRAINE	SYNERGETIC SERVICE OFFER OF UNIDO	ENGAGEMENT STATUS
<a href="#">Japan</a>	<ul style="list-style-type: none"> <li>Humanitarian assistance</li> <li>Infrastructure</li> <li>Energy sector</li> <li>Technology transfer</li> <li>SME promotion</li> <li>Assistive technology</li> <li>Agriculture</li> <li>Demining</li> </ul>	<ul style="list-style-type: none"> <li>Job creation, including for vulnerable groups</li> <li>MSME competitiveness</li> <li>Quality and standards</li> <li>Municipality-based approach</li> <li>Cluster development</li> <li>Decarbonization and energy efficiency in industry</li> <li>Green hydrogen</li> <li>Resource-efficient and cleaner production</li> <li>Circular economy</li> <li>Waste management</li> <li>Food processing industry</li> <li>Digital transformation</li> <li>Industrial policy advice</li> </ul>	Ongoing
<a href="#">Kingdom of the Netherlands</a>	<ul style="list-style-type: none"> <li>Humanitarian assistance</li> <li>Healthcare</li> <li>Energy</li> <li>Private sector</li> <li>Infrastructure</li> <li>Culture</li> <li>Agriculture</li> <li>Vulnerable groups</li> <li>Civil society</li> </ul>	<ul style="list-style-type: none"> <li>Job creation, including for vulnerable groups</li> <li>Women's economic empowerment</li> <li>Skills development</li> <li>MSME competitiveness</li> <li>Quality and standards</li> <li>Municipality-based approach</li> <li>Cluster development</li> <li>Decarbonization and energy efficiency in industry</li> <li>Circular economy</li> <li>Waste management</li> <li>Food processing industry</li> </ul>	Planned
<a href="#">Latvia</a>	<ul style="list-style-type: none"> <li>Humanitarian assistance</li> <li>Healthcare</li> <li>Private sector</li> <li>Infrastructure and housing</li> </ul>	<ul style="list-style-type: none"> <li>Decarbonization and energy efficiency in industry</li> <li>Quality and standards</li> <li>Waste management</li> </ul>	Planned
<a href="#">Lithuania</a>	<ul style="list-style-type: none"> <li>Humanitarian assistance</li> <li>Financial aid</li> <li>Infrastructure</li> <li>Energy</li> </ul>	<ul style="list-style-type: none"> <li>Decarbonization and energy efficiency in industry</li> <li>Quality and standards</li> <li>Waste management</li> </ul>	Planned

DONOR	KEY PRIORITIES IN UKRAINE	SYNERGETIC SERVICE OFFER OF UNIDO	ENGAGEMENT STATUS
<a href="#">Norway</a>	<ul style="list-style-type: none"> <li>Humanitarian assistance</li> <li>Infrastructure</li> <li>Energy security and efficiency</li> <li>Healthcare</li> <li>Women and youth empowerment</li> </ul>	<ul style="list-style-type: none"> <li>Job creation, including for vulnerable groups</li> <li>Women's economic empowerment</li> <li>Skills development</li> <li>Quality and standards</li> <li>Decarbonization and energy efficiency in industry</li> <li>Resource-efficient and cleaner production</li> <li>Circular economy</li> <li>Waste management</li> <li>Blue economy</li> </ul>	Ongoing
<a href="#">Poland</a>	<ul style="list-style-type: none"> <li>Humanitarian assistance</li> <li>Private sector and entrepreneurship</li> <li>Infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Job creation, including for vulnerable groups</li> <li>Skills development</li> <li>MSME competitiveness</li> <li>Municipality-based approach</li> <li>Decarbonization and energy efficiency in industry</li> <li>Waste management</li> </ul>	<p>Ongoing</p> <p>Poland provided funding for the UNIDO green industrial recovery programme</p>
<a href="#">Slovenia</a>	<ul style="list-style-type: none"> <li>Humanitarian assistance</li> <li>Vulnerable groups</li> </ul>	<ul style="list-style-type: none"> <li>Job creation, including for vulnerable groups</li> <li>Women's economic empowerment</li> <li>MSME competitiveness</li> </ul>	Ongoing
<a href="#">Spain</a>	<ul style="list-style-type: none"> <li>Humanitarian assistance</li> <li>Health infrastructure</li> <li>Economic aid</li> </ul>	<ul style="list-style-type: none"> <li>Job creation, including for vulnerable groups</li> <li>Skills development</li> <li>Decarbonization and energy efficiency in industry</li> </ul>	Ongoing
<a href="#">Sweden</a>	<ul style="list-style-type: none"> <li>Institutional capacity- building</li> <li>Humanitarian assistance</li> <li>Reconstruction</li> <li>Rule of law</li> <li>Critical infrastructure</li> <li>Green transition</li> <li>Entrepreneurship and trade</li> <li>Digital transformation</li> </ul>	<ul style="list-style-type: none"> <li>Job creation, including for vulnerable groups</li> <li>Women's economic empowerment</li> <li>Skills development</li> <li>MSME competitiveness</li> <li>Quality and standards</li> <li>Municipality-based approach</li> <li>Cluster development</li> <li>Decarbonization and energy efficiency in industry</li> <li>Resource-efficient and cleaner production</li> <li>Circular economy</li> <li>Waste management</li> <li>Digital transformation</li> </ul>	Ongoing

DONOR	KEY PRIORITIES IN UKRAINE	SYNERGETIC SERVICE OFFER OF UNIDO	ENGAGEMENT STATUS
<a href="#"><u>Switzerland</u></a>	<ul style="list-style-type: none"> <li>• Peace, protection and democratic institutions</li> <li>• Sustainable cities</li> <li>• MSMEs and competitiveness</li> <li>• Agriculture</li> <li>• Healthcare</li> <li>• Energy and environment</li> <li>• Institutional capacity development</li> <li>• Vulnerable groups</li> </ul>	<ul style="list-style-type: none"> <li>• Job creation, including for vulnerable groups</li> <li>• Women's economic empowerment</li> <li>• Skills development</li> <li>• MSME competitiveness</li> <li>• Quality and standards</li> <li>• Municipality-based approach</li> <li>• Cluster development</li> <li>• Decarbonization and energy efficiency in industry</li> <li>• Resource-efficient and cleaner production</li> <li>• Circular economy</li> <li>• Waste management</li> <li>• Food processing industry</li> <li>• Industrial policy advice</li> </ul>	<p>Ongoing</p> <p>Switzerland funds two ongoing UNIDO projects in Ukraine</p> <p>Switzerland confirmed the provision of additional funding to ongoing projects</p>
<a href="#"><u>United Kingdom of Great Britain and Northern Ireland</u></a>	<ul style="list-style-type: none"> <li>• Humanitarian assistance</li> <li>• Energy independence</li> <li>• Critical infrastructure</li> <li>• Transport systems</li> <li>• Digital technologies</li> </ul>	<ul style="list-style-type: none"> <li>• Job creation, including for vulnerable groups</li> <li>• Women's economic empowerment</li> <li>• Skills development</li> <li>• Decarbonization and energy efficiency in industry</li> <li>• Digital transformation</li> <li>• Green hydrogen</li> </ul>	<p>Ongoing</p>
<a href="#"><u>United States of America (USA)</u></a>	<ul style="list-style-type: none"> <li>• Economic growth and trade</li> <li>• Humanitarian assistance</li> <li>• Energy assistance and security</li> <li>• Economic assistance</li> <li>• Infrastructure</li> <li>• SME development</li> <li>• Vulnerable groups</li> <li>• Healthcare systems</li> <li>• Education</li> <li>• Institutional capacity development</li> <li>• Agriculture and food security</li> <li>• Innovation, technology, and research</li> </ul>	<ul style="list-style-type: none"> <li>• Job creation, including for vulnerable groups</li> <li>• Women's economic empowerment</li> <li>• Skills development</li> <li>• MSME competitiveness</li> <li>• Quality and standards</li> <li>• Cluster development</li> <li>• Decarbonization and energy efficiency in industry</li> <li>• Resource-efficient and cleaner production</li> <li>• Circular economy</li> <li>• Waste management</li> <li>• Food processing industry</li> <li>• Digital transformation</li> <li>• Industrial policy advice</li> </ul>	<p>Ongoing</p>

POTENTIAL PARTNER	TYPE OF ACTOR	SYNERGETIC SERVICE OFFER OF UNIDO
All-Ukraine NGO Living Planet	Non-governmental organization	<ul style="list-style-type: none"> <li>• Decarbonization and energy efficiency in industry</li> <li>• Resource-efficient and cleaner production</li> <li>• Circular economy</li> <li>• Waste management</li> </ul>
Association "Ukroliyprom"	Intermediary institution	<ul style="list-style-type: none"> <li>• Food processing industry</li> <li>• MSME competitiveness</li> <li>• Quality and standards</li> <li>• Cluster development</li> </ul>
Association of Bakers	Intermediary institution	<ul style="list-style-type: none"> <li>• Food processing industry</li> <li>• MSME competitiveness</li> <li>• Quality and standards</li> <li>• Cluster development</li> </ul>
Association of Food Industry Producers of Ukraine	Intermediary institution	<ul style="list-style-type: none"> <li>• Food processing industry</li> <li>• MSME competitiveness</li> <li>• Quality and standards</li> <li>• Cluster development</li> </ul>
Association of Industrial Automation of Ukraine	Intermediary institution	<ul style="list-style-type: none"> <li>• Quality and standards</li> <li>• Cluster development</li> <li>• MSME competitiveness</li> <li>• Digital transformation</li> </ul>
Bioenergy Association of Ukraine	Intermediary institution	<ul style="list-style-type: none"> <li>• Decarbonization and energy efficiency in industry</li> <li>• Resource-efficient and cleaner production</li> <li>• Circular economy</li> <li>• Waste management</li> </ul>
Digitizing Space	Private sector	<ul style="list-style-type: none"> <li>• Decarbonization and energy efficiency in industry</li> <li>• Circular economy</li> <li>• Digital transformation</li> </ul>
Diia. Business	Private sector	<ul style="list-style-type: none"> <li>• Cluster development</li> <li>• Digital transformation</li> <li>• MSME competitiveness</li> </ul>
Entrepreneurship and Exports Promotion Office	Intermediary institution	<ul style="list-style-type: none"> <li>• Job creation, including for vulnerable groups</li> <li>• Women's economic empowerment</li> <li>• Skills development</li> <li>• MSME competitiveness</li> <li>• Quality and standards</li> <li>• Cluster development</li> <li>• Digital transformation</li> <li>• Industrial policy advice</li> </ul>
European Business Associations	Intermediary institution	<ul style="list-style-type: none"> <li>• Job creation, including for vulnerable groups</li> <li>• Women's economic empowerment</li> <li>• Skills development</li> <li>• MSME competitiveness</li> <li>• Quality and standards</li> <li>• Cluster development</li> </ul>

POTENTIAL PARTNER	TYPE OF ACTOR	SYNERGETIC SERVICE OFFER OF UNIDO
Export Booster	Intermediary institution	<ul style="list-style-type: none"> <li>• MSME competitiveness</li> <li>• Quality and standards</li> <li>• Cluster development</li> </ul>
Global 100 RE UKRAINE	Intermediary institution	<ul style="list-style-type: none"> <li>• Decarbonization and energy efficiency in industry</li> <li>• Circular economy</li> <li>• Digital transformation</li> </ul>
Greencubator	Non-governmental organization	<ul style="list-style-type: none"> <li>• Decarbonization and energy efficiency in industry</li> <li>• Resource-efficient and cleaner production</li> <li>• Circular economy</li> <li>• Waste management</li> <li>• Digital transformation</li> </ul>
Ivan Franko National University of Lviv	Academia	<ul style="list-style-type: none"> <li>• Research and statistics</li> <li>• Industrial policy advice</li> <li>• Skills development</li> </ul>
Kyiv School of Economics	Academia	<ul style="list-style-type: none"> <li>• Research and statistics</li> <li>• Industrial policy advice</li> <li>• Skills development</li> </ul>
Lviv Business School	Academia	<ul style="list-style-type: none"> <li>• Research and statistics</li> <li>• Industrial policy advice</li> <li>• Skills development</li> </ul>
Lviv Polytechnic National University	Academia	<ul style="list-style-type: none"> <li>• Research and statistics</li> <li>• Industrial policy advice</li> <li>• Skills development</li> </ul>
National Academy of Sciences of Ukraine	Academia	<ul style="list-style-type: none"> <li>• Research and statistics</li> <li>• Industrial policy advice</li> <li>• Skills development</li> </ul>
National Accreditation Agency of Ukraine	Intermediary institution	<ul style="list-style-type: none"> <li>• Cluster development</li> <li>• Digital transformation</li> <li>• MSME competitiveness</li> </ul>
National Agency for the Development of Innovations	Intermediary institution	<ul style="list-style-type: none"> <li>• Cluster development</li> <li>• Digital transformation</li> <li>• MSME competitiveness</li> </ul>
National Association of Manufacturers of Baby Food, Canned Milk and Juice Products	Intermediary institution	<ul style="list-style-type: none"> <li>• Food processing industry</li> <li>• MSME competitiveness</li> <li>• Quality and standards</li> <li>• Cluster development</li> </ul>
National Association of Sugar Growers of Ukraine	Intermediary institution	<ul style="list-style-type: none"> <li>• Food processing industry</li> <li>• MSME competitiveness</li> <li>• Quality and standards</li> <li>• Cluster development</li> </ul>

POTENTIAL PARTNER	TYPE OF ACTOR	SYNERGETIC SERVICE OFFER OF UNIDO
National Research Foundation of Ukraine	Academia	<ul style="list-style-type: none"> <li>• Research and statistics</li> <li>• Industrial policy advice</li> <li>• Skills development</li> </ul>
National Technical University of Ukraine Kyiv Polytechnic Institute	Academia	<ul style="list-style-type: none"> <li>• Research and statistics</li> <li>• Industrial policy advice</li> <li>• Skills development</li> </ul>
Regional Development Agency	Intermediary institution	<ul style="list-style-type: none"> <li>• MSME competitiveness</li> <li>• Quality and standards</li> <li>• Municipality-based approach</li> </ul>
Taras Shevchenko National University of Kyiv	Academia	<ul style="list-style-type: none"> <li>• Research and statistics</li> <li>• Industrial policy advice</li> <li>• Skills development</li> </ul>
Tech StartUp School	Private sector	<ul style="list-style-type: none"> <li>• Digital transformation</li> <li>• MSME competitiveness</li> </ul>
Ukraine Berries Association	Intermediary institution	<ul style="list-style-type: none"> <li>• Food processing industry</li> <li>• Quality and standards</li> <li>• Cluster development</li> </ul>
Ukraine Standardization Agency	Intermediary institution	<ul style="list-style-type: none"> <li>• Food processing industry</li> <li>• MSME competitiveness</li> <li>• Quality and standards</li> <li>• Cluster development</li> </ul>
Ukrainian Agrarian Confederation	Intermediary institution	<ul style="list-style-type: none"> <li>• Food processing industry</li> <li>• MSME competitiveness</li> <li>• Quality and standards</li> <li>• Cluster development</li> </ul>
Ukrainian Agribusiness Club	Intermediary institution	<ul style="list-style-type: none"> <li>• Food processing industry</li> <li>• MSME competitiveness</li> <li>• Quality and standards</li> <li>• Cluster development</li> </ul>
Ukrainian Business and Trade Association	Intermediary institution	<ul style="list-style-type: none"> <li>• MSME competitiveness</li> <li>• Quality and standards</li> <li>• Cluster development</li> </ul>
Ukrainian Business Council	Intermediary institution	<ul style="list-style-type: none"> <li>• MSME competitiveness</li> <li>• Quality and standards</li> <li>• Cluster development</li> </ul>
Ukrainian Chamber of Commerce and Industry	Intermediary institution	<ul style="list-style-type: none"> <li>• Job creation, including for vulnerable groups</li> <li>• Women's economic empowerment</li> <li>• Skills development</li> <li>• MSME competitiveness</li> <li>• Quality and standards</li> <li>• Cluster development</li> </ul>

POTENTIAL PARTNER	TYPE OF ACTOR	SYNERGETIC SERVICE OFFER OF UNIDO
Ukrainian Club of Packagers	Intermediary institution	<ul style="list-style-type: none"> <li>• Food processing industry</li> <li>• MSME competitiveness</li> <li>• Quality and standards</li> <li>• Cluster development</li> </ul>
Ukrainian Cluster Alliance	Intermediary institution	<ul style="list-style-type: none"> <li>• MSME competitiveness</li> <li>• Quality and standards</li> <li>• Cluster development</li> </ul>
Ukrainian League of Industrialists and Entrepreneurs	Intermediary institution	<ul style="list-style-type: none"> <li>• MSME competitiveness</li> <li>• Digital transformation</li> </ul>
Ukrainian Startup Fund	Financial institution	<ul style="list-style-type: none"> <li>• Digital transformation</li> <li>• MSME competitiveness</li> <li>• Decarbonization and energy efficiency in industry</li> </ul>
Union of Dairy Enterprises of Ukraine	Intermediary institution	<ul style="list-style-type: none"> <li>• Food processing industry</li> <li>• MSME competitiveness</li> <li>• Quality and standards</li> <li>• Cluster development</li> </ul>
Union of Honey Exporters and Processors of Ukraine	Intermediary institution	<ul style="list-style-type: none"> <li>• Food processing industry</li> <li>• Quality and standards</li> <li>• Cluster development</li> </ul>
Union of Millers of Ukraine	Intermediary institution	<ul style="list-style-type: none"> <li>• Food processing industry</li> <li>• MSME competitiveness</li> <li>• Quality and standards</li> <li>• Cluster development</li> </ul>
Union of Poultry Breeders of Ukraine	Intermediary institution	<ul style="list-style-type: none"> <li>• Food processing industry</li> <li>• Quality and standards</li> <li>• Cluster development</li> </ul>
Vasyl Stefanyk Precarpathian National University	Academia	<ul style="list-style-type: none"> <li>• Research and statistics</li> <li>• Industrial policy advice</li> <li>• Skills development</li> </ul>



## ANNEX IV: DECREE ON THE ESTABLISHMENT OF THE NCB



МІНІСТЕРСТВО З ПИТАНЬ СТРАТЕГІЧНИХ ГАЛУЗЕЙ ПРОМИСЛОВOSTІ УКРАЇНИ  
(Мінстратегпром)

### НАКАЗ

Київ

№ \_\_\_\_\_

**Про утворення координаційної  
робочої групи зі сталого  
промислового розвитку  
України**

Відповідно до Порядку залучення, використання та моніторингу міжнародної технічної допомоги, затвердженого постановою Кабінету Міністрів України від 15.02.2002 № 153, абзацу двадцять першого пункту 2 переліку центральних органів виконавчої влади, інших державних органів, відповідальних за виконання зобов'язань, що випливають із членства України в міжнародних організаціях, затвердженого постановою Кабінету Міністрів України від 13.09.2002 № 1371 (у редакції постанови Кабінету Міністрів України від 30.11.2011 № 1276), підпункту 3 пункту 6, підпункту 22 пункту 10 Положення про Міністерство з питань стратегічних галузей промисловості України, затвердженого постановою Кабінету Міністрів України від 07.09.2020 № 819, та з метою координації та якісної реалізації проєктів Організації Об'єднаних Націй з промислового розвитку

### НАКАЗУЮ:

1. Утворити координаційну робочу групу зі сталого промислового розвитку України у складі, що додається.
2. Затвердити положення про координаційну робочу групу зі сталого промислового розвитку України, що додається.
3. Управлінню інвестиційної політики та виставкової діяльності забезпечити організацію роботи координаційної робочої групи зі сталого промислового розвитку України.
4. Контроль за виконанням цього наказу покласти на заступника Міністра з питань європейської інтеграції Сергія БОЄВА.

Міністр

Олександр КАМИШІН



МІНСТРАТЕГПРОМ  
№220 від 17.10.2023  
КЕП: Камішін О. М. 17.10.2023 10:02  
467148B64C8535F704000000C96A0300A6330B00  
Сертифікат дійсний з 23.03.2023 00:00 до 22.03.2024 23:59

ЗАТВЕРДЖЕНО

Наказ Міністерства з питань  
стратегічних галузей  
промисловості України  
№ \_\_\_\_\_

**Склад координаційної робочої групи зі сталого промислового розвитку  
України**

БОЄВ Сергій	заступник Міністра з питань європейської інтеграції Міністерства з питань стратегічних галузей промисловості України, співголова
СІКАРС Штефан	старший координатор, ЮНІДО, співголова (за згодою)
КАЛЄНДЕР Ольга	в. о. начальника Управління інвестиційної політики та виставкової діяльності Міністерства з питань стратегічних галузей промисловості України, секретар

Члени Координаційної робочої групи:

БІГУН Надія	заступник Міністра економіки України (за згодою)
БОЙКУЛ Олександр	заступник начальника Управління – начальник відділу стратегічного розвитку енергетичної ефективності Управління енергоефективності Міністерства розвитку громад, територій та інфраструктури України (за згодою)
ВОРФОЛОМЕЄВ Андрій	національний координатор партнерства та співробітництва, ЮНІДО (за згодою)
ДЕМЧЕНКОВ Ярослав	заступник Міністра енергетики України з питань європейської інтеграції (за згодою)
ДМИТРАСЕВИЧ Маркіян	заступник Міністра аграрної політики та продовольства України (за згодою)
ІВАЩЕНКО Поліна	начальник відділу координації міжнародної технічної допомоги Департаменту міжнародної співпраці та євроінтеграції Міністерства аграрної політики та продовольства України (за згодою)

КРОПИВНИЦЬКИЙ Роман	директор Департаменту розвитку реального сектору економіки Міністерства економіки України (за згодою)
МОСКАЛЕНКО Дар'я	головний спеціаліст Управління кругової економіки та надокористування Міністерства захисту довкілля та природних ресурсів України (за згодою)
ОБІДНИК Артур	начальник відділу методологічного забезпечення та регулювання енергетичної ефективності Управління енергоефективності Міністерства розвитку громад, територій та інфраструктури України (за згодою)
ОМЕЛЯН Соломія	голова регіонального координаційного бюро для Європи та Центральної Азії, ЮНІДО (за згодою)
ПШУЛІНА Марина	головний спеціаліст Управління кругової економіки та надокористування Міністерства захисту довкілля та природних ресурсів України (за згодою)
РУДИКА Денис	керівник експертної групи з питань стратегічного планування, інформаційно-аналітичного моніторингу та звітності Директорату стратегічного планування та європейської інтеграції Міністерства енергетики України (за згодою)
СИТЮК Антоніна	головний спеціаліст відділу методологічного забезпечення та регулювання енергетичної ефективності Управління енергоефективності Міністерства розвитку громад, територій та інфраструктури України (за згодою)
ФЕДОРЕНКО Євгеній	заступник Міністра захисту довкілля та природних ресурсів України (за згодою)

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ЗАТВЕРДЖЕНО

Наказ Міністерства з питань  
стратегічних галузей  
промисловості України  
№ \_\_\_\_\_

**ПОЛОЖЕННЯ**  
**про координаційну робочу групу зі сталого промислового**  
**розвитку України**

1. Координаційна робоча група зі сталого промислового розвитку України (далі – Координаційна робоча група) є консультативно-дорадчим органом і створена для координації міжнародної технічної допомоги у спосіб проведення регулярного діалогу і спільних зустрічей бенефіціарів та Організації Об'єднаних Націй з промислового розвитку (далі – ЮНІДО), імплементації проєктів з метою всеосяжного сталого промислового розвитку України.

Метою Координаційної робочої групи є підготовка пропозицій і сприяння реалізації проєкту «Розбудова промислового потенціалу, політика та діагностика для зеленого відновлення України» та майбутньої Програми ЮНІДО із зеленого відновлення та післявоєнної відбудови України для інклюзивного та сталого промислового розвитку на період з 2024 по 2028 рік, а також координація роботи центральних органів виконавчої влади та представників партнера з розвитку – ЮНІДО.

Координаційна робоча група у своїй діяльності керується Конституцією і законами України, а також указами Президента України та постановами Верховної Ради України, прийнятими відповідно до Конституції і законів України, Порядком залучення, використання та моніторингу міжнародної технічної допомоги, затвердженого постановою Кабінету Міністрів України від 15.02.2002 № 153, іншими актами Кабінету Міністрів України та цим Положенням.

2. Координаційна робоча група надає рекомендації щодо:

1) визначення пріоритетів здійснення заходів, спрямованих на всеосяжний сталий промисловий розвиток України та проведення реформ у відповідних напрямках державної політики;

2) визначення напрямів співробітництва під час підготовки майбутніх проєктів (програм), сприяння підтримці координації дій органів виконавчої влади з питань, пов'язаних із всеосяжним сталим промисловим розвитком і зеленим відновленням промисловості, включно з досягненням цілей проєктів і програм ЮНІДО в Україні;

3) планування спільних дій і заходів у межах реалізації проєкту «Розбудова промислового потенціалу, політика та діагностика для зеленого відновлення України» та майбутньої Програми ЮНІДО із зеленого відновлення та

післявоєнної відбудови України для інклюзивного та сталого промислового розвитку на період з 2024 по 2028 рік;

4) національних цілей і пріоритетів розвитку України та взаємодії з ЮНІДО, розширення партнерства та залучення фінансування для масштабування діяльності щодо всеосяжного сталого промислового розвитку;

5) підготовки проєктів, програм і робочих планів ЮНІДО щодо всеосяжного сталого промислового розвитку;

6) проєктів регулярних звітів за проєктами/програмами ЮНІДО щодо зеленого відновлення та всеосяжного сталого промислового розвитку;

7) визначення шляхів, механізмів та способів розв'язання проблемних питань, що виникають у зв'язку з підготовкою проєктів ЮНІДО та їх реалізацією.

3. До складу Координаційної робочої групи від бенефіціарів входять заступники керівників бенефіціарів та особи, відповідальні за організацію робіт, пов'язаних з реалізацією проєкту/програми, та представники партнера з розвитку – ЮНІДО.

До засідань Координаційної робочої групи можуть долучатись уповноважені особи Секретаріату Кабінету Міністрів України (за згодою).

Координаційну робочу групу очолюють співголови: по одному представнику від Мінстратегпрому та від ЮНІДО.

4. Формою роботи Координаційної робочої групи є засідання, що проводяться за потреби, але не рідше одного разу на пів року.

Підготовку матеріалів для розгляду на засіданнях Координаційної робочої групи забезпечує секретар.

5. Результатом роботи Координаційної робочої групи є підготовка пропозицій та рекомендацій з питань, що належать до її компетенції з метою реалізації проєкту «Розбудова промислового потенціалу, політика та діагностика для зеленого відновлення України» та майбутньої Програми ЮНІДО із зеленого відновлення та післявоєнної відбудови України для інклюзивного та сталого промислового розвитку на період з 2024 по 2028 рік.

Відповідні результати фіксуються в протоколі секретарем на засіданні та надсилаються усім членам Координаційної робочої групи.

6. Організаційне, інформаційне, матеріально-технічне забезпечення діяльності Координаційної робочої групи, зокрема організацію та проведення засідань, здійснює Мінстратегпром спільно з ЮНІДО (за згодою).

UNOFFICIAL TRANSLATION FROM UKRAINIAN

**MINISTRY OF STRATEGIC INDUSTRIES OF UKRAINE  
(MinStrategProm)**

**DECREE**

Kyiv

No. \_\_\_\_\_

**On the establishment of the National Coordination Body on the Sustainable Industrial Development of Ukraine**

In accordance with the Procedure of attraction, use and monitoring of the international technical assistance, approved by the Resolution of the Cabinet of Ministers of Ukraine No. 153 dated 15.02.2002, paragraph twenty-one of item 2 of the list of central executive authorities and other state bodies responsible for the fulfilment of obligations arising from Ukraine's membership in international organizations, approved by the Resolution of the Cabinet of Ministers of Ukraine No. 1371 dated 13.09.2002 No. 1371 (as amended by the Resolution of the Cabinet of Ministers of Ukraine No. 1276 of 30.11.2011), subparagraph 3 of paragraph 6, subparagraph 22 of paragraph 10 of the Regulation on the Ministry of Strategic Industries of Ukraine, approved by Resolution of the Cabinet of Ministers of Ukraine No. 819 of 07.09.2020, and in order to coordinate and implement the United Nations Industrial Development Organization projects

**I ORDER:**

1. To establish a National Coordination Body on the Sustainable Industrial Development of Ukraine consisting of the members, as per the attached list.
2. To approve the Decree on the National Coordination Body on the Sustainable Industrial Development of Ukraine, which is attached.
3. For the Investment Policy and Exhibition Department to ensure the organization of the work of the National Coordination Body on Sustainable Industrial Development of Ukraine.
4. To entrust the Deputy Minister for European Integration, Serhiy BOYEV with control over the implementation of the decree.

Minister

Oleksandr KAMYSHIN

Digital signature with QR code



МІНСТРАТЕГПРОМ  
№220 від 17.10.2023  
КЕП: Камишін О. М. 17.10.2023 10:02  
467148B64C8535F704000000C96A0300A6330B00  
Сертифікат дійсний з 23.03.2023 00:00 до 22.03.2024 23:59

APPROVED

UNOFFICIAL TRANSLATION FROM UKRAINIAN

Decree of the Ministry of Strategic  
Industries of Ukraine  
\_\_\_\_\_No\_\_\_\_\_

**Members of the National Coordination Body on the Sustainable Industrial Development of Ukraine**

BOYEV Serhiy	Deputy Minister for European Integration, Ministry of Strategic Industries of Ukraine, co-chair
SICARS Stephan	Senior Coordinator for Ukraine, UNIDO, co-chair (as agreed)
KALENDER Olga	Acting Head of the Division of Investment Policy and Exhibition Activities, Ministry of Strategic Industries of Ukraine, secretary
Members of the National Coordination Body	
BIGUN Nadiya	Deputy Minister, Ministry of Economy of Ukraine (as agreed)
BOIKUL Oleksandr	Deputy Head of the Department, Head of the Department for Strategic Development of Energy Efficiency of the Energy Efficiency Directorate, Ministry for Communities, Territories, and Infrastructure Development of Ukraine (as agreed)
VORFOLOMEIEV Andrii	National Programme and Liaison Officer (as agreed)
DEMCHENKOV Yaroslav	Deputy Minister for European Integration, Ministry of Energy of Ukraine (as agreed)
DMYTRASEVYCH Markiyan	Deputy Minister, Ministry of Agrarian Policy and Food of Ukraine (as agreed)
IVASHCHENKO Polina	Head of the Unit for Coordination of International Technical Assistance of the Department for International Cooperation and European Integration, Ministry of Agrarian Policy, and Food of Ukraine (as agreed)
KROPYVNYTSKYI Roman	Director of the Department for the Development of the Real Sector of the Economy, Ministry of Economy of Ukraine (as agreed)
MOSKALENKO Daria	Chief Specialist of the Circular Economy and Subsoil Use Department, Ministry of Environmental Protection and Natural Resources of Ukraine (as agreed)

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OBIDNYK Artur	Head of the Department of Methodological Support and Regulation of Energy Efficiency of the Energy Efficiency Directorate, Ministry for Communities, Territories, and Infrastructure Development of Ukraine (as agreed)
OMELIAN Solomiya	Chief, Regional Bureau for Europe and Central Asia, UNIDO (as agreed)
PISHCHULINA Maryna	Chief Specialist of the Circular Economy and Subsoil Use Department, Ministry of Environmental Protection and Natural Resources of Ukraine (as agreed)
RUDYKA Denys	Head of the Expert Group on Strategic Planning, Information and Analytical Monitoring and Reporting of the Directorate for Strategic Planning and European Integration, Ministry of Energy of Ukraine (as agreed)
SYTIUK Antonina	Chief Specialist of the Department of Methodological Support and Regulation of Energy Efficiency of the Energy Efficiency Directorate, Ministry for Communities, Territories, and Infrastructure Development of Ukraine (as agreed)
FEDORENKO Yevheniy	Deputy Minister, Ministry of Environmental Protection and Natural Resources of Ukraine (as agreed)



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APPROVED

DECREE

**National Coordination Body on Sustainable Industrial Development of Ukraine**

1. The National Coordination Body on the Sustainable Industrial Development of Ukraine is an advisory body established to coordinate international technical assistance through regular dialogue and joint meetings of beneficiaries and the United Nations Industrial Development Organization (hereinafter referred to as UNIDO), and to implement projects for the comprehensive sustainable industrial development of Ukraine. The National Coordination Body is to prepare proposals and promote the implementation of the project, entitled "Industrial capacity-building, policy advice and diagnostics for the green recovery of Ukraine" and the future UNIDO green recovery programme for inclusive and sustainable industrial development and post-war reconstruction of Ukraine for the period from 2024 to 2028, as well as coordination of the work of the central executive authorities and representatives of the development partner - UNIDO.

The National Coordination Body is guided by the Constitution and laws of Ukraine, as well as Decrees of the President of Ukraine and Resolutions of the Verkhovna Rada of Ukraine, adopted in accordance with the Constitution and laws of Ukraine, the Procedure of attracting, use and monitoring of the international technical assistance, approved by Resolution of the Cabinet of Ministers of Ukraine dated 15.02.2002 No. 153, other acts of the Cabinet of Ministers of Ukraine and this Regulation.

2. The National Coordination Body provides recommendations on:

1) Determining priorities for the implementation of measures aimed at the comprehensive sustainable industrial development of Ukraine and implementation of reforms in the relevant areas of state policy;

2) Identifying areas of cooperation in the preparation of future projects (programmes), providing support for the coordination of actions of executive authorities on issues related to comprehensive sustainable industrial development and green industrial recovery, including the achievement of the objectives of UNIDO projects and programmes in Ukraine;

3) Planning of joint actions and activities within the framework of the project "Industrial capacity-building, policy advice and diagnostics for the green recovery of Ukraine" and the future UNIDO green recovery programme for inclusive and sustainable industrial development and post-war reconstruction of Ukraine for the period from 2024 to 2028;

4) National development goals and priorities of Ukraine and interaction with UNIDO, expansion of partnerships and attraction of funding for scaling up activities on inclusive sustainable industrial development;

5) Preparation of UNIDO projects, programmes, and work plans for inclusive sustainable industrial development;

6) Drafting regular reports on UNIDO projects/programmes on green recovery and inclusive sustainable industrial development;

7) Identifying ways, mechanisms, and methods of solving problematic issues arising in connection with the preparation of UNIDO projects and their implementation.

3. The National Coordination Body consists of the deputy heads of beneficiaries and persons responsible for the organization of work related to the implementation of the project/programme, and representatives of the development partner - UNIDO.

Authorized representatives of the Secretariat of the Cabinet of Ministers of Ukraine may join the meetings of the National Coordination Body (upon agreement).

The National Coordination Body is headed by co-chairs: one representative from the Ministry of Strategic Industries and one from UNIDO.

UNOFFICIAL TRANSLATION FROM UKRAINIAN

4. The form of work of the National Coordination Body shall be meetings held on an as-needed basis, but at least once every six months.

Preparation of materials for consideration at the meetings of the National Coordination Body shall be provided by the secretary.

5. The result of the work of the National Coordination Body is the preparation of proposals and recommendations on issues within its competence for the implementation of the project "Industrial capacity-building, policy advice and diagnostics for the green recovery of Ukraine" and the future UNIDO green recovery programme for inclusive and sustainable industrial development and post-war reconstruction of Ukraine for the period from 2024 to 2028.

The corresponding results shall be recorded in the protocol by the secretary at the meetings and sent to all members of the National Coordination Body.

6. Organizational, informational, logistical support for the activities of National Coordination Body, in particular, the organization and holding of meetings, is carried out by the Ministry of Strategic Industries together with UNIDO (upon agreement).

## ANNEX V: REPORT OF THE FIRST NCB MEETING

### FIRST MEETING OF THE NATIONAL COORDINATION BODY FOR THE GREEN RECOVERY AND SUSTAINABLE INDUSTRIAL DEVELOPMENT OF UKRAINE

#### DATE, TIME AND VENUE

27 June 2023, 10:00-11:30 CEST (11:00-12:30 EEST), virtually via Zoom

#### LANGUAGES

English and Ukrainian (with simultaneous interpretation)

#### DELEGATION OF THE GOVERNMENT OF UKRAINE:

1. Mr. Sergiy Boyev, Deputy Minister for European Integration, Ministry of Strategic Industries of Ukraine (co-chair of the NCB)
2. Ms. Nadiya Bigun, Deputy Minister, Ministry of Economy of Ukraine
3. Mr. Yevheniy Fedorenko, Deputy Minister, Ministry of Environmental Protection and Natural Resources of Ukraine
4. Mr. Yevhenii Tsymbaliuk, Ambassador Extraordinary and Plenipotentiary, Permanent Representative of Ukraine to the International Organizations in Vienna (TBC)
5. Mr. Roman Andarak, Director General of the Directorate for Strategic Planning and European Integration, Ministry of Energy of Ukraine
6. Mr. Oleksii Pinchuk, Director of the Department of International Cooperation and European Integration, Ministry of Agrarian Policy and Food of Ukraine
7. Ms. Viktoriia Kuvshynnykova, Deputy Permanent Representative of Ukraine to the International Organizations in Vienna
8. Mr. Andrii Gaidash, First Secretary, Permanent Mission of Ukraine to the International Organizations in Vienna
9. Ms. Olga Kalender, Acting Head of the Division of Investment Policy and Exhibition Activities, Ministry of Strategic Industries of Ukraine
10. Mr. Roman Kropyvnytskyi, Director of the Department for the Development of the Real Sector of the Economy, Ministry of Economy of Ukraine
11. Ms. Polina Ivashchenko, Head of the Unit for Coordination of International Technical Assistance of the Department for International Cooperation and European Integration, Ministry of Agrarian Policy and Food of Ukraine
12. Ms. Maryna Pishchulina, Chief Specialist of the Circular Economy and Subsoil Use Department, Ministry of Environmental Protection and Natural Resources of Ukraine
13. Ms. Daria Moskalenko, Chief Specialist of the Circular Economy and Subsoil Use Department, Ministry of Environmental Protection and Natural Resources of Ukraine
14. Mr. Denys Rudyka, Head of the Expert Group on Strategic Planning, Information and Analytical Monitoring and Reporting of the Directorate for Strategic Planning and European Integration, Ministry of Energy of Ukraine

15. Mr. Oleksandr Boikul, Deputy Head of the Department, Head of the Department for Strategic Development of Energy Efficiency of the Energy Efficiency Directorate, Ministry for Communities, Territories and Infrastructure Development of Ukraine
16. Mr. Artur Obidnyk, Head of the Department of Methodological Support and Regulation of Energy Efficiency of the Energy Efficiency Directorate, Ministry for Communities, Territories and Infrastructure Development of Ukraine
17. Ms. Antonina Sytiuk, Chief Specialist of the Department of Methodological Support and Regulation of Energy Efficiency of the Energy Efficiency Directorate, Ministry for Communities, Territories and Infrastructure Development of Ukraine
18. Ms. Tetiana Bieliaieva, Chief Specialist of the Division of Investment Policy and Exhibition Activities, Ministry of Strategic Industries of Ukraine
19. Ms. Iryna Chub, Chief Specialist of the Division of Investment Policy and Exhibition Activities, Ministry of Strategic Industries of Ukraine
20. Mr. Serhii Choporov, Director of the Department of Digital Development, Digital Transformation, and Digitalisation, Ministry of Strategic Industries of Ukraine
21. Iryna Yarosh, Head of the International Organisations Department, Ministry of Foreign Affairs of Ukraine

#### **DELEGATION OF THE GOVERNMENT OF GERMANY:**

1. Ms. Ulrike Hopp-Nishanka, Head of Project Group Ukraine, Federal Ministry for Economic Cooperation and Development of Germany (BMZ)
2. Mr. Roland Guttack, Policy Officer, Federal Ministry for Economic Cooperation and Development of Germany (BMZ)
3. Mr. Hubert Mükusch, First Secretary, Permanent Mission of Germany to UNIDO

#### **DELEGATION OF UNITED NATIONS RESIDENT COORDINATOR OFFICE IN UKRAINE:**

1. Ms. Karolina Lindholm Billing, United Nations Resident and Humanitarian Coordinator ad interim, Representative in Ukraine, United Nations High Commissioner for Refugees
2. Mr. Aliaksei Vavokhin, Development Coordination Officer, Economist

#### **DELEGATION OF UNIDO:**

1. Mr. Stephan Sicars, Senior Coordinator for Ukraine (co-chair of the NCB)
2. Mr. Jaime Moll de Alba, Director, Division of Regional Bureaus and Field Offices
3. Ms. Solomiya Omelyan, Chief, Regional Bureau for Europe and Central Asia
4. Mr. Anders Isaksson, Chief, Division of Digital Transformation and AI Strategies
5. Mr. Nicola Cantore, Research and Industrial Policy Officer, Industrial Policy Research Unit
6. Ms. Noriko Takahashi, Industrial Development Officer, SME Development and Job Creation Unit
7. Mr. Marco Matteini, Industrial Development Officer, Energy Systems and Industrial Decarbonization Unit
8. Ms. Petra Wenitzky, Industrial Development Expert, Skills Development and Fair Production Unit
9. Ms. Tatiana Chernyavskaya, Industrial Development Expert, Circular Economy and Resource Efficiency Unit

10. Ms. Dorina Nati, Industrial Development Expert, Division of SME Competitiveness, Quality and Job Creation
11. Mr. Tomoyoshi Koume, Industrial Development Officer, Division of Digital Transformation and AI Strategies
12. Mr. Florian Iwinjak, External Relations Officer, Division of Member States and Funding Relations
13. Mr. Andrii Vorfolomeiev, National Programme and Liaison Officer, Regional Bureau for Europe and Central Asia
14. Mr. Franz Brugger, Project Coordinator, Capacity Development and Policy Advice Unit
15. Mr. Erfaun Norooz, Project Associate, Food Security and Food Systems Unit
16. Mr. Aleksa Mirkovic, Project Associate, Food Security and Food Systems Unit
17. Mr. Eric Bishel, Partnership and Communication Expert, Regional Bureau for Europe and Central Asia
18. Mr. Nikolaus Martys, Project Administrator, Division of Digital Transformation and AI Strategies
19. Ms. Rebeca Gallardo, Project Administrator, Division of SME Competitiveness, Quality and Job Creation
20. Ms. Sibilla Sartori, Project Administrator, Division of SME Competitiveness, Quality and Job Creation
21. Mr. Eduardo Moreira, Project Coordinator, SME Development and Job Creation Unit
22. Ms. Nataliya Sole Yaremchuk, Team Assistant, Regional Bureau for Europe and Central Asia

## KEY TAKEAWAYS

The first meeting of the National Coordination Body (NCB) for the green recovery and sustainable industrial development of Ukraine served to kick off the implementation of the UNIDO project “Industrial capacity-building, policy advice and diagnostics for the green recovery of Ukraine” funded by the Federal Ministry for Economic Cooperation and Development of Germany (BMZ). The first meeting established the national coordination mechanism for the project and the future UNIDO green recovery programme for inclusive and sustainable industrial development in Ukraine by adopting the NCB terms of reference and discussing key short- and medium-term priorities for partnership building and resource mobilization.

The event was co-chaired by **Mr. Sergiy Boyev**, Deputy Minister for European Integration, Ministry of Strategic Industries of Ukraine, and **Mr. Stephan Sicars**, Senior Coordinator for Ukraine, UNIDO.

The meeting was moderated by **Mr. Jaime Moll de Alba**, who started by introducing the objectives of the NCB and its first meeting.

**Mr. Yevhenii Tsymbaliuk** in the welcoming remarks noted that this is the first time in the history of Ukraine-UNIDO cooperation that a full-scale strategic analysis of cooperation opportunities in all main areas of the Organization’s mandate is to be conducted. It is essential to engage representatives of all key line Ministries and institutions to the implementation of activities under the project, as well as to incorporate UNIDO’s unique expertise in the areas of circular economy and environmental protection, decarbonization and sustainable energy, as well as agribusiness and infrastructure development for Ukraine’s reconstruction.

**Mr. Sergiy Boyev** in the welcoming remarks thanked UNIDO and all partners who support Ukraine on its path to green recovery and referred to the great damage to Ukraine’s industry caused by the war. Building back better for the country’s industry would imply making it more efficient and greener with the use of best practices and the best available technologies. Last week, Ukraine’s recovery vision was discussed in London and it is symbolic that the UNIDO green recovery programme is being discussed immediately afterwards, as they should go hand in hand. The Ministry of Strategic Industries of Ukraine is ready to coordinate the development of the programme and cooperate with international partners as well as national counterparts.

**Mr. Stephan Sicars** in the welcoming remarks referred to the immense challenges faced by Ukraine as a result of the war. The country's reconstruction will require substantive changes in the structure of the industry due to the scale of destruction, as well as the EU accession process and its framework conditions, including the environmental ones. The old ways of industry no longer meet today's challenges. At the same time, Ukraine's economy needs to provide not only income for individuals and society, but also hope for a good life in the future. UNIDO's role is to help Ukraine rapidly develop a resilient, green and EU-compatible industry.

**Ms. Ulrike Hopp-Nishanka** in the welcoming remarks outlined Germany's contribution to the sustainable and green recovery and reconstruction of damaged industries and infrastructure in Ukraine. The ownership of this process by the Government of Ukraine is key to recovery, as investors and partners may have different visions of the end result. Recovery is not just about rebuilding as it was before, but about building in a more sustainable, resilient and modern way, and the UNIDO project will help with this. As for the Government of Germany, priority areas for the economic recovery of Ukraine are the stabilization and reconstruction, the transformation of the economy with a focus on MSMEs, support for the EU accession process through corresponding economic and political reforms, as well as the engagement of the international private sector in Ukraine through the promotion of trade and investment. The engagement of other partners in Germany, such as GIZ and KfW, is welcome.

**Ms. Karolina Lindholm Billing** in the welcoming remarks highlighted the large number of Ukrainian counterparts engaged in the NCB. She thanked the Government of Germany for its strong support for the UN's ongoing efforts in Ukraine across the entire spectrum of activities. The United Nations has a role to play in the country's recovery, and the United Nations Transitional Framework for 2022-2024 aims to support the Government of Ukraine in meeting its needs. The United Nations was represented by Ms. Denise Brown, Resident and Humanitarian Coordinator in Ukraine, and several agencies at the Ukraine Recovery Conference in London. Assistance to Ukraine and its people can only be delivered through partnerships between states, United Nations entities, communities on the ground and the people themselves. Capacity-building and policy advice remain an important priority for the country's long-term recovery and development.

The moderator guided the NCB members through the endorsement of the NCB terms of reference.

**Ms. Solomiya Omelyan** delivered a presentation about the fruitful cooperation between UNIDO and the Government of Ukraine, including the portfolio of ongoing projects, key elements of the project "Industrial capacity-building, policy advice and diagnostics for the green recovery of Ukraine", the structure and timeline of the future green recovery programme for inclusive and sustainable industrial development in Ukraine, as well as the project management structure and the role of the NCB.

**Ms. Nadiya Bigun** emphasized that sustainable development and green industry are among the main development objectives of the Ministry of Economy of Ukraine. Some priorities of the Ministry include sustainable procurement, including life cycle costs, real economy financial tools, circular economy, green economy policy and the management of construction waste from damaged buildings.

**Mr. Yevheniy Fedorenko** outlined the priorities of the Ministry of Environmental Protection and Natural Resources of Ukraine, including the implementation of green economy principles, support for research in the area of green economy, international cooperation and knowledge exchange, development and implementation of green market instruments, waste management, extended producer responsibility, environmental management standards, environmental labelling and marking, green public procurement, circular economy, implementation of the EU Green Deal and investment into the green economy and environmental protection.

**Mr. Roman Andarak** outlined the priorities of the Ministry of Energy of Ukraine, including preparation for the next winter season, restoration of the energy systems, European integration of energy markets, transparency and free competition in energy markets, integration of physical and cyber security into the design of the

energy systems, low-carbon energy sources, application of the systemic approach to energy efficiency across the energy sector and carbon neutrality.

**Mr. Oleksii Pinchuk** underlined the importance of the agricultural sector for Ukraine, currently contributing around 30 per cent to the country's GDP and outlined some priorities of the Ministry of Agrarian Policy and Food of Ukraine, including the recovery and restoration of agribusiness and food production, as well as European integration.

Output-specific technical project teams presented planned activities under their respective domains of the project "Industrial capacity-building, policy advice and diagnostics for the green recovery of Ukraine":

- **Mr. Nicola Cantore** presented output 1 "Industrial diagnostics for informed policymaking" with a focus on analytical studies using secondary data, surveys of manufacturing firms, stakeholder consultations, consensus building and dissemination of results.
- **Mr. Franz Brugger** presented output 2 "Industrial policy advice and capacity development" with a focus on four industrial policy workshops, a study tour on industrial policy and innovation to Germany, a study tour on industrial policy and circular economy to Italy, training on industrial strategy monitoring and evaluation, policy gap analysis and online coaching on industrial policy.
- **Ms. Noriko Takahashi** presented output 3 "Promotion of growth and resilience of MSMEs and job creation for war-affected people" with a focus on the assessment of the current situation, gaps and needs of local industry and MSMEs by region, mapping of support institutions, initiatives and programmes of the Government of Ukraine, bilateral and multilateral development agencies and non-governmental organizations, identification of gaps and opportunities at the macro (business climate), meso (institutions) and micro (enterprises) levels and preparation of recommendations and action plans to promote the growth and resilience of MSMEs and create jobs for people affected by the war.
- **Ms. Petra Wenitzky** presented output 4 "Empowerment of youth and women with innovative industrial and entrepreneurial skills" with a focus on mapping, diagnostics and needs assessment of business support institutions and educational institutions in Western Ukraine, provision of curricula/course content to selected institutions for training youth and women in innovative industrial and entrepreneurial skills (e.g. new technologies, sustainable business models), as well as training of trainers and instructors, including in innovative teaching methodologies and approaches to engage youth and women.
- **Ms. Tatiana Chernyavskaya** presented output 5 "Promotion of circular economy and strengthening of recycling capacities" with a focus on the assessment of the capacity of civil servants in circular economy, development of priority value chains and recycling capacities and installations for the implementation of circular economy, support with the zero roadmap for the circular economy action plan in Ukraine, as well as pilot application of circular economy practices and principles in selected enterprises/sectors/regions.
- **Mr. Marco Matteini** presented output 6 "Distributed energy generation and energy efficiency for MSMEs" with a focus on energy and carbon saving opportunities; renewable energy and energy efficiency demonstration projects, including the analysis of the availability of technologies and services, dissemination of results and capacity-building for companies through training and e-learning materials.
- **Mr. Erfaun Norooz** presented output 7 "Revitalization of the agribusiness and food processing industry" with a focus on the food processing industry/value chain assessment, identification of immediate, medium- and long-term food packaging needs, as well as the identification of bottlenecks and challenges throughout the newly formed Lviv-Rotterdam trade route.
- **Ms. Dorina Nati** presented output 8 "Strengthening of competitiveness, quality and compliance for market



access” with a focus on impact assessment for the integration of sustainability principles into national standards and technical regulations for green reconstruction, strategic vision for strengthening the competencies of conformity assessment bodies to support green reconstruction, promotion of fair and environmentally sustainable production and trade along value chains, establishment of the network of national and international players in support of sustainability for reconstruction, as well as a feasibility assessment for the development of a business matchmaking online platform to connect key industrial sectors for reconstruction.

- **Mr. Tomoyoshi Koume** presented output 9 “Promotion of digital transformation and uptake of artificial intelligence and robotics” with a focus on the development of the regulatory framework for artificial intelligence and robotics, capacity-building workshops on robotics, development of the online investment promotion platform and digital transformation map components, as well as knowledge sharing related to the implementation of the national programme on the use of artificial intelligence in industries.

**Mr. Andrii Vorfolomeiev** delivered a presentation about the timeline for the development and implementation of the UNIDO green recovery programme and key strategic objectives for different counterparts to scale up activities for the country’s sustainable industrial development. Planned resource mobilization and strategic partnership-building activities should be undertaken in close coordination between UNIDO and the Government of Ukraine for greater results.

Follow-up technical consultations will be organized based on the priorities identified during the NCB meeting. The next NCB meeting is tentatively planned to be held in six months.

## FOLLOW-UP ACTIONS

FOLLOW-UP ACTION	RESPONSIBILITY	DEADLINE
1. Share with NCB members the presentations delivered by UNIDO and other materials related to UNIDO’s work under the project	UNIDO	June 2023
2. Approve the NCB ToR and the NCB composition according to the national legislation	Ministry of Strategic Industries of Ukraine	July 2023
3. Develop and share with NCB members the resource mobilization strategy and engage in consultations with donors	UNIDO NCB members	October 2023
4. Organize bilateral working-level follow-up consultations between UNIDO technical experts and national focal points from respective line Ministries to identify concrete project proposals to be developed, subject to the identification of resource mobilization opportunities	UNIDO in coordination with the operational focal points at Ministries NCB members	September 2023
5. Finalize the green recovery programme for Ukraine	UNIDO in coordination with the operational focal points at Ministries NCB members	March 2024



## ANNEX VI: REPORT OF THE SECOND NCB MEETING

### SECOND MEETING OF THE NATIONAL COORDINATION BODY FOR THE GREEN INDUSTRIAL RECOVERY OF UKRAINE

#### DATE, TIME AND VENUE

12 December 2023 | 10:00 CET/11:00 EET | virtually via Zoom

#### LANGUAGES

English and Ukrainian (with simultaneous interpretation)

#### GOVERNMENT OF UKRAINE:

1. Ms. Nadiya Bigun, Deputy Minister, Ministry of Economy of Ukraine
2. Mr. Yevheniy Fedorenko, Deputy Minister, Ministry of Environmental Protection and Natural Resources of Ukraine
3. Ms. Olga Kalender, Acting Head of the Division of Investment Policy and Exhibition Activities, Ministry of Strategic Industries of Ukraine
4. Mr. Andrii Gaidash, First Secretary, Permanent Mission of Ukraine to the International Organizations in Vienna
5. Mr. Roman Kropyvnytskyi, Director of the Department for the Development of the Real Sector of the Economy, Ministry of Economy of Ukraine
6. Mr. Oleksii Pinchuk, Director of the Department of International Cooperation and European Integration, Ministry of Agrarian Policy and Food of Ukraine
7. Ms. Polina Ivashchenko, Head of the Unit for Coordination of International Technical Assistance of the Department for International Cooperation and European Integration, Ministry of Agrarian Policy and Food of Ukraine
8. Ms. Daria Moskalenko, Chief Specialist of the Circular Economy and Subsoil Use Department, Ministry of Environmental Protection and Natural Resources of Ukraine
9. Mr. Oleksandr Tarasenko, Head of the Expert Group on European and Euro-Atlantic Integration, Deputy Director General of the Directorate for Strategic Planning and European Integration, Ministry of Energy of Ukraine
10. Mr. Oleksandr Boikul, Deputy Head of the Department, Head of the Department for Strategic Development of Energy Efficiency of the Energy Efficiency Directorate, Ministry for Communities, Territories and Infrastructure Development of Ukraine
11. Ms. Antonina Sytiuk, Chief Specialist of the Department of Methodological Support and Regulation of Energy Efficiency of the Energy Efficiency Directorate, Ministry for Communities, Territories and Infrastructure Development of Ukraine
12. Ms. Olga Slavina, Senior project manager, Reform Support Team, Ministry of Economy of Ukraine
13. Mr. Andrei Senchenko, Director of the Department for International Relations, State Agency for Energy Efficiency and Energy Saving
14. Mr. Vladyslav Neveselyi, Head of Regional Development and Work with Local Authorities Department,

State Agency for Energy Efficiency and Energy Saving

15. Mr. Andrii Shyian, Director of the Energy Efficiency Development Department, State Agency for Energy Efficiency and Energy Saving
16. Ms. Olesia Mishchenko, Director of the Strategic Development Department, State Agency for Energy Efficiency and Energy Saving

## UNIDO:

1. Mr. Stephan Sicars, Senior Coordinator for Ukraine
2. Ms. Solomiya Omelyan, Chief, Regional Bureau for Europe and Central Asia
3. Mr. Nicola Cantore, Research and Industrial Policy Officer, Industrial Policy Research Unit
4. Mr. Marco Matteini, Industrial Development Officer, Energy Systems and Industrial Decarbonization Unit
5. Mr. Kjell Sundin, Industrial Development Officer, Food Security and Food Systems Unit
6. Ms. Tatiana Chernyavskaya, Industrial Development Expert, Circular Economy and Resource Efficiency Unit
7. Mr. Tomoyoshi Koume, Industrial Development Officer, Division of Digital Transformation and AI Strategies
8. Mr. Kenth Mattias Larsen, Industrial Development Expert, Skills Development and Fair Production Unit
9. Mr. Franz Brugger, Project Coordinator, Capacity Development and Policy Advice Unit
10. Ms. Mariia Pavlova, Programme Administrator, Regional Bureau for Europe and Central Asia
11. Mr. Eric Bishel, Partnership and Communication Expert, Regional Bureau for Europe and Central Asia
12. Ms. Karin Monaco, Project Administrator, Skills Development and Fair Production Unit
13. Ms. Sibilla Sartori, Project Administrator, Competitiveness, Quality and Compliance Unit
14. Mr. Nikolaus Martys, Project Administrator, Division of Digital Transformation and AI Strategies
15. Mr. Aleksa Mirkovic, Project Associate, Food Security and Food Systems Unit
16. Ms. Mariia Reva, National Liaison Expert, Regional Bureau for Europe and Central Asia
17. Ms. Nataliya Sole Yaremchuk, Team Assistant, Regional Bureau for Europe and Central Asia
18. Mr. Matteo Mairey, Junior Team Assistant, Regional Bureau for Europe and Central Asia
19. Ms. Manon Sophie Vogel, Intern, Regional Bureau for Europe and Central Asia

## KEY TAKEAWAYS

The second meeting of the National Coordination Body (NCB) for the green industrial recovery of Ukraine served to discuss the progress achieved in the development of the green industrial recovery programme, present key results and further needs in coordinated and result-oriented partnership building and resource mobilization, as well as identify the way forward for different stakeholders. Moreover, the meeting allowed for the endorsement of the 15 project proposals developed by UNIDO for further technical consultations with line Ministries and potential donors.

The meeting was moderated by **Ms. Solomiya Omelyan**, who started by recapitulating the key objectives of the NCB and the results of its first meeting held on 27 June 2023.

**Ms. Olga Kalender** delivered welcoming remarks on behalf of Mr. Sergiy Boyev, Deputy Minister for European

Integration, Ministry of Strategic Industries of Ukraine, and highlighted that Ukraine is determined to achieve a sustainable economic and industrial recovery with the support of partners like UNIDO. The country has already achieved tangible results and Ukraine's accession to the European Union (EU) is progressing. This underscores Ukraine's dedication to driving sustainable and green industrial development aligning with EU standards. As Ukraine's key partner within the United Nations system for industrial development, UNIDO is instrumental in driving the green industrial recovery in Ukraine. Cooperation is vital to create jobs, provide support to citizens and support MSMEs. Ms. Kalender thanked UNIDO as well as colleagues from other ministries for their continuous cooperation.

**Mr. Stephan Sicars** in the welcoming remarks thanked the Ministry of Strategic Industries and, in particular, Mr. Sergiy Boyev for the hospitality and collaboration during UNIDO's mission to Ukraine, as well as for the statement delivered during the UNIDO General Conference. UNIDO is committed to supporting Ukraine's industry through its unique expertise, fostering an inclusive, clean and green recovery. UNIDO's tailored strategy developed in close cooperation with the Government of Ukraine will drive the country's sustainable industrial development and help make the economy of Ukraine EU-compatible through technical cooperation, broad support to MSMEs and policy advice.

**Ms. Solomiya Omelyan** delivered a presentation on the UNIDO green industrial recovery programme for Ukraine and the progress achieved in the past months. The programme and its defined three key thematic areas – creating opportunities for people, supporting business and attracting investment, and fostering a green economy – will serve to guide the overall interventions, and provide a programmatic structure based on the unique mandate of UNIDO. Further discussions on the detailed content of the programme will happen in January-March 2024 to finalize and launch the programme towards the end of March 2024. UNIDO will organize stakeholder consultations to ensure that all relevant feedback is collected and will coordinate closely with NCB members and focal points to ensure the leadership and ownership of the Government of Ukraine.

**Mr. Stephan Sicars** delivered a presentation about the 15 developed project proposals and the ongoing coordination with various development and funding partners. As UNIDO has been making great efforts for coordinated and result-oriented resource mobilization, the presentation of concrete project proposals to donors is vital. UNIDO has channelled the first batch of proposals through the NCB and will further elaborate them based on the feedback of line Ministries and the interest of donors. In this regard, UNIDO requests an agreement from the Government of Ukraine to share these project proposals with potential donors and further engage in substantive consultations with all relevant partners to ensure that they fully address the needs and priorities of all parties.

The moderator guided NCB members through the endorsement of the 15 initial project proposals developed by UNIDO in cooperation with the Government of Ukraine for further technical consultations with line Ministries and potential donors.

**Mr. Roman Kropyvnytskyi** noted that a strategic session was held by the Ministry of Economy on the developed UNIDO project proposals. The Ministry is ready to actively participate in the implementation of the green industrial recovery programme and play a leading role in the areas of cluster development, circular economy and the advancement of processing industries.

**Ms. Nadiya Bigun** further underlined the interest of the Ministry of Economy to strengthen cooperation with UNIDO in areas such as cluster economy, circular economy and agro-processing.

**Mr. Oleksii Pinchuk** expressed the appreciation of the Ministry of Agrarian Policy and Food of UNIDO's work and its readiness to strengthen cooperation within the framework of the green industrial recovery programme and concrete projects.

**H.E. Mr. Yevheniy Fedorenko** highlighted that Ukraine's post-war green and sustainable recovery must be developed in line with EU standards. Priorities of the Ministry of Environmental Protection and Natural Resources include the implementation of the 75th directive of the EU on industrial emissions by adopting relevant legislation, the reform of waste management, as well as the development of quality infrastructure and circular economy.

**Mr. Oleksandr Tarasenko** noted that the war led to the destruction of energy sources and the instability of electricity markets due to the decline in demand for electricity. The Government's priority in this regard is to foster decentralized power generation to increase sustainability and resilience. Due to the current natural gas market fluctuation, Ukraine needs to increase its capacities for natural gas whilst decreasing pollution in this sector. Ukraine's Energy Strategy 2050 aligns with EU goals and currently, an action plan in accordance with the strategy is under development to ensure quick recovery.

**Ms. Antonina Sytiuk** highlighted the issue of missing capacities in energy efficiency within the Ministry for Communities, Territories and Infrastructure Development, as well as its readiness to further strengthen cooperation with UNIDO for the implementation of the green industrial recovery programme.

**Mr. Andrei Senchenko** underlined that the State Agency for Energy Efficiency and Energy Saving cooperated with UNIDO and reiterated its interest in further enhancing the joint work under the green industrial recovery programme.

## FOLLOW-UP ACTIONS

FOLLOW-UP ACTION	RESPONSIBILITY	DEADLINE
1. Share with NCB members the presentation delivered by UNIDO	UNIDO	20 December 2023
2. Send an official letter to UNIDO, confirming the endorsement of the project proposals by the NCB for further technical consultations with line Ministries and potential donors	Ministry of Strategic Industries of Ukraine	31 December 2023
3. Continue resource mobilization efforts and share the preliminary endorsed project proposals with potential donors for consideration	UNIDO	19 January 2024
4. Share the draft of the green industrial recovery programme for the review and feedback of line Ministries and other national counterparts	UNIDO	28 February 2024



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