



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION



# Stakeholders in Eco-Industrial Park Development in Ukraine and Plan of Action

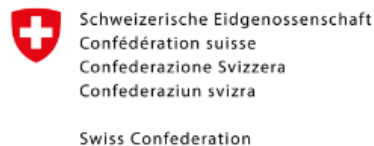
2021 Update



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs,  
Education and Research EAER  
State Secretariat for Economic Affairs SECO



©2021

This document has been produced without formal United Nations editing. The designations employed and the presentation of material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialised”, or “developing” are intended for statistical convenience and do not necessarily express a judgement about the stage reached by a particular country or area in the development process. Mention of any firms or commercial products does not constitute an endorsement by UNIDO.

Required citation:

*Shkolna, Viktoriia; Kleshchov, Anton; Flammini, Alessandro. 2021. Stakeholders in Eco-Industrial Park Development in Ukraine and Plan of Action. UNIDO.*

# Contents

<b>Executive Summary</b> .....	<b>4</b>
<b>1. INTRODUCTION</b> .....	<b>5</b>
<b>1.1 Global Eco-Industrial Parks Programme (GEIPP)</b> .....	<b>5</b>
<b>1.2 Relevance</b> .....	<b>6</b>
<b>1.3 Objectives of this report</b> .....	<b>7</b>
<b>2. Methodology</b> .....	<b>8</b>
<b>2.1 Policy tool for stakeholder assessment in Ukraine</b> .....	<b>8</b>
<b>2.2 Sources of information for stakeholder assessment in Ukraine</b> .....	<b>8</b>
<b>3 Analysis of the Engagement of Identified Stakeholders</b> .....	<b>10</b>
<b>3.1. Stakeholders involved in the GEIPP Ukraine project activities during 2021</b> .....	<b>10</b>
<b>3.2. Stakeholders involved within the Interdepartmental Working Group</b> .....	<b>12</b>
<b>3.3. The update on the Stakeholders Matrix of the GEIPP Ukraine project</b> .....	<b>13</b>
<b>4 Proposal for Actions to Implement in Coordination with Stakeholders to Promote the EIP Policy Framework</b> .....	<b>19</b>
<b>4.1. Background</b> .....	<b>19</b>
<b>4.2. Proposal for actions to promote the EIP Policy framework in 2022</b> .....	<b>20</b>
<b>5. Proposal for EIP Policy Capacity-Building Work Plan for the Year 2022</b> .....	<b>24</b>
<b>5.1. Background</b> .....	<b>24</b>
<b>5.2. The current level of awareness of EIP issues</b> .....	<b>24</b>
<b>5.3. Proposal for Capacity Building Work Plan 2022</b> .....	<b>27</b>
<b>6. Recommendations</b> .....	<b>32</b>

## Executive Summary

---

This report is prepared in accordance with the Project Document, which considers conducting an in-depth analysis of the existing capacity of institutions and service providers and evaluation of the gaps that must be undertaken to secure proper customization of all envisioned interventions to local interest and commitment, needs, and windows of adaptation.

According to the Project Document, the initial stakeholder mapping was conducted during the preparation of the GEIPP Ukraine project, which started in 2019. After that, at the beginning of 2021, the update on stakeholder mapping was developed, which contained proposals to create synergy between identified stakeholders through the creation of the official Interdepartmental Working Group as a consultation body for the Ministry of Economy of Ukraine and the Advisory Board of the GEIPP Ukraine Project.

The update on stakeholders provided in this report includes an analysis of the engagement in 2021 of stakeholders within the GEIPP Ukraine Project Document and Stakeholders Assessment Report (2020).

Based on the results of stakeholders' engagement and their current awareness of EIP issues, this report contains the proposal for capacity-building and awareness-raising actions to implement in coordination with stakeholders to promote the EIP policy framework in 2022 within the GEIPP Ukraine project.

# 1. INTRODUCTION

---

## 1.1 Global Eco-Industrial Parks Programme (GEIPP)

The objective of the UNIDO Global Eco-Industrial Parks (EIPs) Programme is to demonstrate the viability and benefits of Eco-Industrial Parks by scaling up resource productivity and economic, environmental, and social performances of businesses, thereby contributing to inclusive and sustainable industrial development in the developing and transition economies.

Within the framework of the Global Eco-Industrial Parks Programme (GEIPP) in Developing and Transition, Countries currently implemented by UNIDO and funded by the Government of Switzerland through its State Secretariat of Economic Affairs (SECO), the GEIPP Ukraine project will address eco-industrial parks development in Ukraine. This project will build on lessons from the Global Resource Efficient and Cleaner Production (RECP) Programme and create synergies with other UNIDO and SECO projects in the Country.

**Component 1** (Country-level interventions) of the GEIPP Ukraine project:

Outcome 1: EIP incentivized and mainstreamed in relevant policy and regulations, leading to an increased role of EIP in Ukraine's environment, industry, and other applicable policies.

The objective of this outcome, as described in the Global Project Document, is to increase the role of EIP in relevant policies at the national level, aligned with the National Circular Economy approach. Therefore, the GEIPP in Ukraine will include a local and regional level for Outcome 1 to the possible extent.

- » Output 1.1. Mapping of existing capacity of institutions and service providers on EIP development
- » Output 1.2. Strengthened national Institutions relevant to EIP policy development and implementation

Outcome 2: EIP opportunities identified and implementation started, with environmental (e.g., resource productivity), and economic and social benefits achieved by enterprises confirmed.

- » Output 2.1. Benchmarking and in-depth analysis of potential candidate industrial parks for EIP intervention
- » Output 2.2. Enhanced capacity of industrial parks and tenant SMEs to meet international standards and requirements for EIP
- » Output 2.3. EIP requirements implemented by park management and tenant SMEs

**Component 2** (Global Knowledge Development) focuses on developing specific EIP tools and disseminating lessons learned from international experiences.

## 1.2 Relevance

The present report is part of the Ukraine Country-level intervention project, which was launched in October 2019 and will be implemented for five years, particularly Output 1.1, “Mapping of existing capacity of institutions and service providers on eco-industrial parks development,” as outlined in the GEIPP Ukraine Project Document. Within the mentioned, an in-depth analysis of the existing capacity of institutions and service providers and evaluation of the gaps were undertaken to secure proper customization of all envisioned interventions to local interest and commitment, needs, and windows of adaptation.

Activity 1.1.1 involves updating the stakeholder mapping. During the preparation of the GEIPP Ukraine Project, a stakeholder mapping analysis was undertaken, which served as an integral part of the project. According to the GEIPP Ukraine Project Document, the initial stakeholder mapping analysis would be updated before subsequent activities in Ukraine. Within this activity, the roles and contributions of the Government, regional authorities, and the private sector related to IPs and EIPs are estimated, and capacity requirements for mainstreaming EIPs are identified among the stakeholders.

According to the Implementation Handbook for Eco-Industrial Parks (2017), the vital step in scoping EIP interventions is to identify stakeholders and their expectations, analyze their power, influence, and interest to enable a sound transition to EIP models and maximize long-term benefits. It will help determine which stakeholder groups need to be involved throughout the project implementation and assist in specifying the terms of engagement. The Implementation Handbook for Eco-Industrial Parks (2017) recommends conducting a stakeholder mapping, defining an overall strategy involving the different stakeholder groups, and developing the action plan with concrete instruments and tools to apply the various stakeholder groups.

In particular, the results of the Stakeholder Mapping Report (2020) were used for the set-up of the Advisory Board of the GEIPP Ukraine project and the establishment of the official Interdepartmental Working Group on EIP policy development by the Ministry of Economy of Ukraine.

According to the Implementation Handbook for Eco-Industrial Parks (2017), stakeholders are any organization or group affected by or can affect industrial parks’ efforts to implement an eco-industrial park. Stakeholders include local community members, government officials, NGOs, other companies inside and outside the industrial park, or many different groups or individuals.

EIP policy implementation covers different policy sectors, notably economic, investment, environmental, industrial, fiscal, spatial/territorial development, and land use planning. It requires creating multiple interrelations among the respective policy stakeholders. Awareness raising and support for capacity building of decision-makers in the country will enhance their influence and involvement in the EIP policy implementation, creating a consolidated and targeted framework for EIPs and motivating businesses to transform into EIPs. The international framework for EIPs developed by UNIDO, the World Bank Group, and GIZ encourages partners and stakeholders to adopt the frameworks’ recommendations for planning, development, management, operations, and monitoring of EIPs. By adopting an international EIP framework to national conditions, the country can move systematically towards more inclusive and sustainable industrialization.

### **1.3 Objectives of this report**

The objectives of this report are the following:

- » To analyze the engagement of identified stakeholders within the GEIPP Ukraine Project Document and Stakeholders Assessment Report (2020) developed within the GEIPP Ukraine project;
- » To establish a set of proposed actions to implement in coordination with stakeholders to promote the EIP policy framework;
- » To suggest a work plan for the 2022 year for EIP policy capacity-building.

## 2. Methodology

---

### 2.1 Policy tool for stakeholder assessment in Ukraine

The methodology used in this report is based on developments of UNIDO for EIP policies<sup>1</sup> and<sup>2</sup> the UNIDO Policy Support Tool<sup>3</sup> developed for the GEIPP Programme.

Stakeholders<sup>4</sup> are organizations or groups that can influence IP's efforts to develop and implement the EIP policy. Stakeholders can represent local communities, governmental institutions, NGOs, companies inside and outside the IP, and other interested groups.

Initially, it was essential to identify proper stakeholders based on their impact, concerns, needs, mandates, influence, and contribution to effective collaboration and coordinating the implementation of the EIP for the successful implementation of the GEIPP in Ukraine. Identified stakeholders are expected to engage others from the outset to broaden participation and dialogue. National decision-makers and stakeholders/constituents influence sustainable development issues. At the same time, their knowledge of the concept and benefits of the EIP is limited. Therefore, the GEIPP Ukraine project supports raising awareness and capacity building for all groups of identified stakeholders through various instruments, from widely targeted workshops and training to targeted measures for decision-makers and pilot IPs.

This report contains an analysis of the **engagement of stakeholders in EIP policy development** within the GEIPP-Ukraine Project implementation **in 2021**. The report includes an **updated estimation of stakeholders' influence and interest**, initially identified in the GEIPP-Ukraine Project Document and Stakeholders Assessment Report (2020).

The identified stakeholders are targeted to be involved in EIP development in Ukraine. Their capacities are to be considered when developing and implementing the EIP policy most effectively by support in collaboration to bring synergy and high effect.

### 2.2 Sources of information for stakeholder assessment in Ukraine

In 2021, the data about stakeholders in the sphere of IP and EIP in Ukraine was taken from the following sources:

- » News and updates on official webpages of state bodies and institutions, newly adopted legislation, national economic and socio-environmental strategies and policies, and available draft legislation developed during 2021; Interviews with members of the Interdepartmental Working Group on EIP policy developing through the developed questionnaire (Annex A) based on modules and objectives of the UNIDO policy tool;
- » Meetings with key stakeholders and the GEIPP Ukraine project' beneficiary, the Ministry of Economy of Ukraine, throughout January-November 2021;
- » Workshops and meetings conducted by the GEIPP Ukraine project in January-November 2021 for a wide range of stakeholders, two meetings of the Interdepartmental Working Group on EIP policy development held on June 23<sup>rd</sup> and October 7<sup>th</sup>, 2021, and two meetings of the Advisory Board of the GEIPP Ukraine project.

All official web pages were accessed from October to November 2021. To identify the need for technical support, filling in the questionnaire by members of the Interdepartmental Working Group on EIP policy developing stakeholders was provided in October 2021.

---

<sup>1</sup> Handbook for Eco-Industrial Parks (2017) [https://open.unido.org/api/documents/7523639/download/UNIDO%20Eco-Industrial%20Park%20Handbook\\_English.pdf](https://open.unido.org/api/documents/7523639/download/UNIDO%20Eco-Industrial%20Park%20Handbook_English.pdf)

<sup>2</sup> An International Framework For Eco-Industrial Parks (Version 2.0, 2021): <https://openknowledge.worldbank.org/handle/10986/35110>

<sup>3</sup> <https://tii.unido.org/eco-industrial-parks-tools>

<sup>4</sup> [https://www.unido.org/sites/default/files/files/2018-05/UNIDO%20Eco-Industrial%20Park%20Handbook\\_English.pdf](https://www.unido.org/sites/default/files/files/2018-05/UNIDO%20Eco-Industrial%20Park%20Handbook_English.pdf)

To ensure proper involvement and collaboration with stakeholders, the GEIPP Ukraine project team has, at each step along the way, consulted with UNIDO EIP experts in the headquarters during the process. This action ensures that the EIP implementation is aligned with the global best practices.

## 3 Analysis of the Engagement of Identified Stakeholders

---

### 3.1. Stakeholders involved in the GEIPP Ukraine project activities during 2021

According to the GEIPP Ukraine Project Document, the project is to address three levels of stakeholders in Ukraine. It will contribute through lessons learned and tools developed to the global component of the programme.

Initially, the GEIPP Ukraine Project Document identified the three levels of stakeholders on a national total of 15 stakeholders. Within preparing the Stakeholder Mapping Report (2020), the number of identified stakeholders relevant to EIP development increased to 52<sup>5</sup> (Annex B), including financial and international organizations, associations, and non-governmental/civil organisations pertinent to the development of the EIP policy in Ukraine (the detailed information on stakeholders is given in the Stakeholder Mapping Report (2020)).

From January to November 2021, the GEIPP Ukraine project actively engaged stakeholders in various activities. These activities focused on baseline studies, raising awareness, and capacity-building related to the EIP framework and industrial symbiosis, which are central to the project's objectives. A total of 475 participants actively participated in these activities, with a particular emphasis on the following:

- » Stakeholder Mapping and Policy Gap Analysis were developed and presented to the stakeholders.
- » The MinEconomy established the IWG on May 5<sup>th</sup>, 2021. Two meetings of the IWG were conducted on June 23<sup>rd</sup> and October 7<sup>th</sup>, 2021.
- » EIP Policy Action Plan submitted by the IWG.
- » The Advisory Board of the Project to Empower the Private Sector was established in 2021. Two meetings of the Advisory Board were conducted. It aims to generate valuable ideas for the project implementation and empower the private sector to speak up and raise their needs and visions on EIP development. The Advisory Board aims to deepen communication with and among the stakeholders. It will result in inclusive and comprehensive recommendations based on the current economic situation and country-specific requirements. The Advisory Board involves representatives of the national and regional authorities, national, international, and sectoral organizations, and academia.
  - Training for the national service providers on EIP assessments was accomplished.
  - Eight international awareness-raising events were conducted:
    - For policymakers on March 9, 2021, on June 16<sup>th</sup>, 2021, on July 8-9<sup>th</sup>, 2021
    - for IPs and business on March 17-18, 2021, on May 27<sup>th</sup>, 2021, on June 30, 2021, September 16<sup>th</sup>, 2021, and October 20<sup>th</sup>, 2021
  - The Project Communication Strategy was finalized, and the implementation started. The Project website was launched as a part of the Project Communication Strategy.

Also, in 2021, the communication with key stakeholders was conducted via online and offline meetings; the aim was to update on the progress to present the Project and find synergies for cooperation. At least 12 meetings with such key stakeholders were conducted:

---

<sup>5</sup> Such stakeholders as Regional state administrations, Local councils and their executive bodies (administrations), IP initiators, IP management companies, and IP tenants were considered as one group of stakeholders with the same functions or/and activities.

SECO, the Ministry of Economy of Ukraine, the Ministry of Finance of Ukraine, the Ministry of Environmental Protection of Ukraine, and UkrGazBank.

Since January 2021, **new stakeholders** were identified and engaged in the GEIPP Ukraine project activities and provided their interests and influence for the EIP sphere:

### **Makro level**

*The governmental institutions:*

- » The Reforms Delivery Office of the Cabinet of Ministers of Ukraine <sup>6</sup>
- » The Ministry of Science and Education of Ukraine <sup>7</sup>
- » SME Development Office under the Ministry of Economy of Ukraine <sup>8</sup>

### **Meso level**

- » Regional Development Agencies <sup>9</sup>

*Associations:*

- » Ukrainian Ecological Alliance <sup>10</sup>
- » Center for Environmental Initiatives 'Ecoaction' <sup>11</sup>
- » Ukrainian Association of Cement Producers <sup>12</sup>
- » Public Association Ivano-Frankivsk Regional Agrarian Chamber

*Educational and Scientific Institutions:*

- » Institute of Economics and Forecasting of the National Academy of Sciences of Ukraine <sup>13</sup>
- » Ukrainian National University of Construction and Architecture
- » National Aviation University
- » Kyiv State Ecological Academy
- » Dnipro National Metallurgic Academy of Ukraine
- » Zhytomyr Polytechnic University
- » Bila Tserkva Institute of Continuous Professional Education
- » Bila Tserkva National Agrarian University

The description of functions and competence of the identified Governmental institutions and associations is given in Annex C of this report (the definition of stakeholders from the public sector is given with insights of mandate, role in EIP promotion, relevance, interest, capacity to implement the role, considering their roles in EIP policy formation and implementation).

During the GEIPP Ukraine project activity in 2021, the number of identified stakeholders increased to 68. More than 47 stakeholders, including the newly identified ones,<sup>14</sup> were involved in the GEIPP Ukraine project activities.

---

<sup>6</sup> <https://www.kmu.gov.ua/en/reforms-delivery-office-cabinet-ministers-ukraine>

<sup>7</sup> <https://mon.gov.ua/eng>

<sup>8</sup> <https://sme.gov.ua/>

<sup>9</sup> <https://www.minregion.gov.ua/napryamki-diyalnosti/derzhavna-rehional-na-polityka/institutsiyne-zabezpechennya-regionalnogo-rozvitku/agentsiyi-regionalnogo-rozvitku/>

<sup>10</sup> <http://ukrecoaliance.com.ua/en/about-us/>

<sup>11</sup> <https://en.ecoaction.org.ua/>

<sup>12</sup> <http://ukrcement.com.ua/>

<sup>13</sup> <http://ief.org.ua/>

<sup>14</sup> Such stakeholders as Regional state administrations, Local councils and their executive bodies (administrations), IP initiators, IP management companies, and IP tenants were considered as one group of stakeholders with the same functions or/and activities. In the Stakeholder Matrix academia and educational institutions are also mentioned as a group of stakeholders, not each separately.

### 3.2. Stakeholders involved within the Interdepartmental Working Group

Based on the complex, multidimensional nature of EIPs and the UNIDO Implementation Handbook for Eco-Industrial Parks (2021) recommendations, a multi-stakeholder approach that would enlarge collaboration and synergies was proposed within the Stakeholder Mapping Report (2020) in the form of creating the working group on EIP policy developing in Ukraine.

Based on the mentioned proposals of the GEIPP Ukraine project, the Ministry of Economy of Ukraine established by the Order on May 5<sup>th</sup>, 2021, the Interdepartmental Working Group for EIP policy development in Ukraine (referred to as the IWG).



The Governmental Working Group aims to prepare recommendations and proposals to update laws and regulations for developing an enabling framework for EIP development in Ukraine. The Governmental Working Group involved representatives ( in total 20 representatives) of such institutions:

- » The Ministry of Economy of Ukraine
- » The Ministry for Regional Development, Building, and Housing of Ukraine
- » The Ministry of Finance of Ukraine
- » The Ministry of Education and Science of Ukraine
- » The Ministry of Energy of Ukraine
- » The State Agency for Energy Efficiency and Energy Saving of Ukraine
- » The European Business Association
- » The Chamber of Commerce and Industry of Ukraine
- » The Federation of Trade Unions of Ukraine
- » The Federation of Employers of Ukraine

- » The State Enterprise ‘Office for Attracting and Supporting Investments’
- » The Association of Ukrainian Cities
- » The Public Association ‘Ivano-Frankivsk Regional Agrarian Chamber’.

Detailed information on powers and members of the IWG is given in Annex D.

**The First (constituent)** meeting of the Interdepartmental Working Group on EIP Policy Development in Ukraine was held on June 23<sup>rd</sup>, 2021, and raised discussion between the Ministry of Economy of Ukraine and the Ministry for Territorial and Community Development on elaborating the Concept for the Development of Industrial Parks for 2021-2024 (the IP Strategy with EIP perspective is outlined in section 4 of this report).

**The Second meeting** of the IWG was held on October 7<sup>th</sup>, 2021. The Second meeting of the IWG has raised comprehensive discussion between the ministries, central authorities, and associations on provisions of the Strategy for Industrial Parks development with the prospect of EIP development in Ukraine to support the achievement of SDGs and de-carbonization approach. The Second meeting of the IWG resulted in the following outputs:

- » The IWG approved the EIP Policy Action Plan;
- » The IWG approved the necessity for including the task for developing the draft Law of Ukraine "On Amendments to the Law of Ukraine On Industrial Parks for the implementation of the model of eco-industrial parks in Ukraine" into the draft Plan of Priority Actions of the Cabinet of Ministers of Ukraine for 2022;
- » The IWG discussed the issues to be included in the draft Strategy for Industrial Parks development with a separate section consisting of the prospect for eco-industrial parks development; the IWG was informed that the GEIPP Ukraine project will support the Strategy development.

The results of the IWG functioning showed that this form of collaboration is effective for raising discussions between decision-makers and influence associations, raising interest between different stakeholders on the EIP model, and exchanging knowledge on current stakeholders’ activities, which can contribute to the EIP promotion and development, and coordination of stakeholders actions for targeted EIP development.

The MinEconomy notes that the Interdepartmental Working Group was created in the framework of the GEIPP Ukraine Project to prepare recommendations and proposals for regulatory development policy of eco-industrial parks, and the MinEconomy appreciates the support of UNIDO in implementing the model of eco-industrial parks in Ukraine<sup>15</sup>.

### 3.3. The update on the Stakeholders Matrix of the GEIPP Ukraine project

Many stakeholders have been involved and will be involved further in forming and implementing the EIP policy in Ukraine. The UNIDO policy tool was used to create the stakeholder impact assessment matrix. The Stakeholder Mapping Report (2020) outlines detailed information about the estimating approach. The matrix helps to identify key stakeholders based on their impact on and interest in the EIP Policy.

The update on the Stakeholders Matrix of the GEIPP Ukraine project, by results of the GEIPP Ukraine project activities in 2021, shows that some stakeholders have changed their position due to recent developments and updates on IP policy and visible initiatives to further contribute to EIP policy development. This report contains only an update on the Stakeholders Matrix of the GEIPP Ukraine project. The initial estimation and description of stakeholders are given in the Stakeholder Mapping Report (2020).

---

<sup>15</sup> Following the letter of the MinEconomy № 3905-02/49366-07 dated 11.10.2021

## Key stakeholders assessment (green frame): a critical role in the implementation of EIP policy

**The Ministry of Economy of Ukraine** (the Mineconomy) keeps the critical role in EIP policy development due to its official powers and competence, together with including EIP provisions to the National Economy Strategy of Ukraine by 2030 and draft Strategy for IP development and establishing an official IWG which strengthened collaboration and synergy between decision-makers and leading business associations for developing and promotion of EIP policy.

**The Committee of Verkhovna Rada of Ukraine on Economic Development** (the Parliament Committee on Economic Development) showed its high interest in IP development by pushing for amendments to the Law in IP. The Committee supports the EIP perspective<sup>16</sup>, at the same time, the awareness is to be enlarged on issues of EIPs for members of the Parliament, their assistants, and the Secretariat of the Committee.

In 2021, to the stakeholders who play a significant and leading role in developing the EIP policy, we added the **Ministry for Regional Development, Building and Housing of Ukraine** (the Minregion) and the **Reforms Delivery Office of the Cabinet of Ministers of Ukraine** (the CMU Office of Reforms).

The **Ministry of Community and Territorial Development** activity has strengthened its position in the matrix regarding policy influence. Namely, the Ministry promotes the development of industrial parks as a powerful impetus for economic growth<sup>17, 18, 19, 20</sup>.

The **Ministry of Community and Territorial Development** supported the development of the abovementioned amendments to the Law of Ukraine 'On Industrial Parks' and keeps growing stimulus for IPs<sup>21</sup>, which was foreseen by draft Laws № 5688<sup>22</sup> and № 5689<sup>23</sup>, which developed as a package to the adopted law amendments. The Ministry of Community and Territorial Development actively supports the Presidential Program 'Big Building', which provides plans to build infrastructure for a network of 25 state-funded industrial parks over the next three years that will create hundreds of thousands of jobs in related sectors of the economy<sup>24, 25, 26</sup>. Representatives of the Ministry joined policy workshops organized by the GEIPP Ukraine Project; also, two representatives of the Minregion joined the Interdepartmental Working Group on EIP policy development.

---

<sup>16</sup> Based on the speech of Mr. Dmytro Natalukha, the Chairman of the Parliament Committee on Economic Development on the 1st Policy Workshop on EIP policy implementation in Ukraine, organized by the GEIPP Ukraine project on March 9<sup>th</sup>, 2021.

<sup>17</sup> <https://www.minregion.gov.ua/press/news/oleksij-chernyshov-zaklykav-regiony-doluchatsya-do-rozbudovy-industrialnyh-parkiv-cze-potuzhnyj-poshtovh-dlya-rozvytku-ekonomiky/>

<sup>18</sup> <https://www.minregion.gov.ua/press/news/oleksij-chernyshov-efektyvnyj-industrialnyj-park-v-ukrayini-zdaten-stvority-pomad-tysyachu-robochyh-miscz/>

<sup>19</sup> <https://www.minregion.gov.ua/press/news/oleksij-chernyshov-rozvytok-industrialnyh-parkiv-dast-potuzhnyj-restart-vitchyznyanij-promyslovosti/>

<sup>20</sup> <https://www.minregion.gov.ua/press/news/oleksij-chernyshov-pidtrymav-konceptyiu-budivnytva-industrialnyh-parkiv-u-lvovi/>

<sup>21</sup> <https://www.minregion.gov.ua/press/news/oleksij-chernyshov-rozvytok-industrialnyh-parkiv-dast-potuzhnyj-restart-vitchyznyanij-promyslovosti/>

<sup>22</sup> [http://w1.c1.rada.gov.ua/pls/zweb2/webproc4\\_1?pf3511=72318](http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=72318)

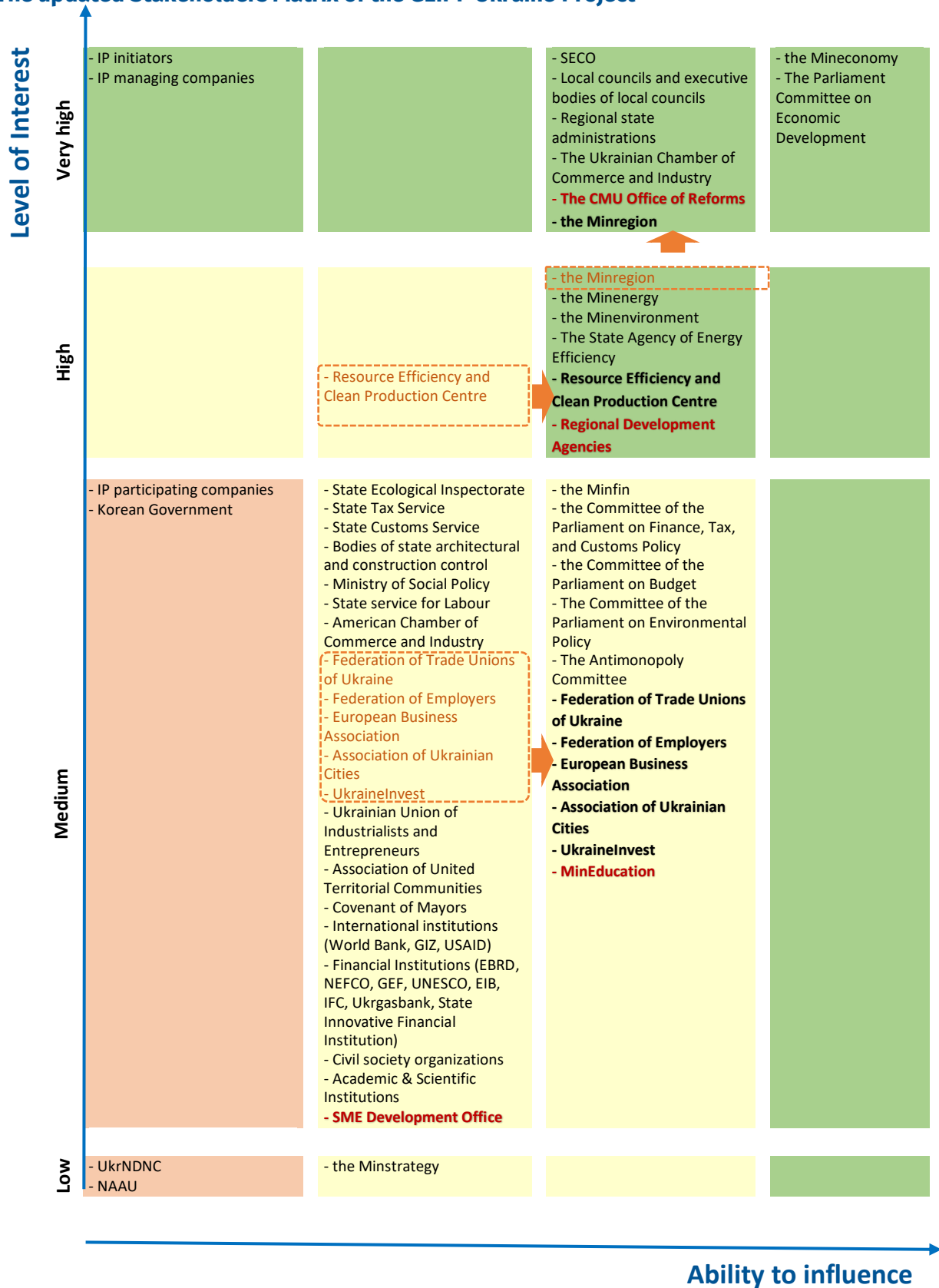
<sup>23</sup> [http://w1.c1.rada.gov.ua/pls/zweb2/webproc4\\_1?pf3511=72319](http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=72319)

<sup>24</sup> <https://www.kmu.gov.ua/news/oleksij-chemishov-uryad-planuye-pobuduvati-infrastrukturu-dlya-25-industrialnih-parkiv-protyagom-najblizhchih-troh-rokiv>

<sup>25</sup> <https://www.minregion.gov.ua/press/news/oleksij-chernyshov-zaklykav-regiony-doluchatsya-do-rozbudovy-industrialnyh-parkiv-cze-potuzhnyj-poshtovh-dlya-rozvytku-ekonomiky/>

<sup>26</sup> <https://www.minregion.gov.ua/press/news/oleksij-chernyshov-uryad-planuye-pobuduvaty-infrastrukturu-dlya-25-ty-industrialnyh-parkiv-protyagom-najblizhchih-troh-rokiv/>

## The updated Stakeholders Matrix of the GEIPP Ukraine Project<sup>27</sup>



<sup>27</sup> New stakeholders identified and engaged in the GEIPP Ukraine project activities in 2021 marked by dark red colour font. Associations and education institutions were not marked as they are illustrated as groups of institutions.

The **Reforms Delivery Office of the Cabinet of Ministers of Ukraine** supports the EIP policy<sup>28</sup>. It significantly impacts IP and EIP policy as an advisory body to Ukraine's Cabinet of Ministers.

The **Resource Efficiency and Cleaner Production Centre** is supposed to influence the EIP policy development more as a service provider of the GEIPP Ukraine project for implementing the EIP Policy Action Plan. The capability, experience, technical capacity, and practical knowledge of resource-efficient and clean production of the centre may be an advantage for strengthening the capacity of decision-makers to bridge the gaps and overcome barriers.

**Primary stakeholders assessment (yellow frame): a significant level of influence and interest in EIP policy; at the same time, their influence is still high, but the interest is not high enough**

Considering the dividing functions in the sphere of industrial policy between the Ministry of Economy of Ukraine and the newly established **Ministry of Strategic Industries** (the Minstrategy), it seemed that the Ministry of Strategic Industries would become the main one in forming the draft of the Strategy for the Development of the Industrial Complex of Ukraine for the Period up to 2030 (the draft of the Strategy involved provisions on EIP development). However, the Ministry of Strategic Industries didn't continue the work on the mentioned draft Strategy in 2021. At the same time, the Ministry of Strategic Industries supports the creation of efficient EIPs. In particular, it announced intentions to initiate the creation of the EIP for industrial waste processing for up to 50 years in Kryvyi Rih city, Dnipropetrovsk oblast<sup>29</sup>.

The following stakeholders were actively engaged into the EIP policy development process after having been included by the Ministry of Economy in the EIP Inter-departmental Working Group (IWG): the **Federation of Trade Unions of Ukraine**, the **Federation of Employers of Ukraine**, the **European Business Association**, the **Association of Ukrainian Cities**, the **UkraineInvest**. The detailed description of powers and functions is given in the Stakeholder Mapping Report (2020). These stakeholders actively participated in workshops organized by the GEIPP Ukraine project, meetings of IWG organized by the Ministry of Economy of Ukraine and the GEIPP Ukraine project. They showed intentions to participate in EIP policy development. At the same time, associations expressed the expectations of their members about EIP policy implementation during the IWG meetings. Among the expectations advanced in the meeting were the EIP criteria and assessment parks. Associations maintain that the EIP assessment should be transparent, the requirements must be realistic and suitable to the national conditions of Ukraine, and the mechanisms of support should be developed for EIPs. Associations expressed their interest in contributing to the development of the IP Strategy with an EIP approach and engaging the experience and expectations of their members in the development of EIP regulations.

It is still important to build communication with the following stakeholders: the **Committee of the Verkhovna Rada on Finance, Tax and Customs Policy**, the **Committee of the Verkhovna Rada on Environmental Policy**, which influences economic incentives for EIPs and legal conditions of environment policy, ecological taxation, waste management, climate policy.

---

<sup>28</sup> Based on the speech of Mr. Artem Sachuk, Senior Project Manager in sphere of Investment climate and economic growth of the Reforms Delivery Office of the Cabinet of Ministers of Ukraine during meeting with the GEIPP Ukraine project on strategic issues of EIP Policy developing in Ukraine between representatives of the Interdepartmental Working Group on EIP policy development in Ukraine and decision-makers with International Experts and the 2<sup>nd</sup> Meeting of the Advisory Board of the GEIPP Ukraine project on November 9<sup>th</sup>, 2021.

<sup>29</sup> <https://www.kmu.gov.ua/news/oleg-uruskij-rozvitok-innovacijnogo-virobnictva-ye-odnim-iz-prioritetiv-roboti-minstrategpromu>

In the stage of developing proposals for economic instruments to support the policy of eco-industrial parks (actions in paragraph “Economic instruments: EIP policy intervention actions” of the Policy Action Plan of EIP policy development), it is essential to build communication with financial institutions that will expand financing tools for environmental projects with the stable return of investments for EIP projects.

The regional administrations and local councils showed their high interest in the activities of the GEIPP Ukraine project in 2021. Namely, due to collected data about participants, **more than 30 municipalities and 18 regional administration** representatives took part in awareness-raising events of the GEIPP Ukraine project. According to the Implementation Handbook for Eco-Industrial Parks (2017), involving local communities is one of the success factors for EIP implementation because it can bring significant advantages and speed up the process.

### **Secondary stakeholders assessment (orange frame): a low level of influence on national decision-making**

Since the adoption of the fundamental Law ‘On Industrial Parks’ in 2021, the development of industrial parks has not grown significantly, as the economic activity of industrial parks remains slow. According to the data of the Ministry of Economy of Ukraine <sup>30</sup>, as of November 4<sup>th</sup>, 2021, out of the 52 industrial parks included in the Register, only 24 have selected management companies, and only **8 of them attracted tenants (15 tenants in total)**. As mentioned, in Ukraine, by the end of 2021, more than 80 per cent of industrial parks are documented, but industrial parks do not provide significant economic activity.

There are also at least **13 industrial parks in Ukraine that are not included in the Register** of Industrial Parks, which are at different stages of development, and several of them operate on the principles of industrial parks (and operate based on the industrial infrastructure of the Soviet times). However, such parks include **up to 50-100 tenants**: IP ‘Bila Tserkva Cargo Aviation Complex’ – 53 tenants, LLC ‘Industrial Park ‘PATRIOT’ – 100 tenants, Industrial Park “Cheksil” – 46 tenants, Industrial Park on the territory of the plant ‘Zaporizhkan’ – 50 tenants, IP ‘Chemical and Metallurgical Plant’ – 4 tenants, IP ‘Melitopol’ – 4 tenants.

The GEIPP Ukraine project established cooperation with industrial parks that are not included in the Register of IPs based on results of selecting IPs to identify the parks with higher potential of becoming an EIP with the support of GEIPP in Ukraine, according to the UNIDO EIP tools <sup>31</sup>. The Prioritization of pre-selected industrial parks was based on qualitative criteria covering park management, environmental, economic, and social aspects, replicability, and visibility. The review, performed during the preparation phase, against these criteria resulted in the pre-selection of the following IPs as the parks with higher potential for converting into EIPs: IP ‘BtsVAK’ (Bila Tserkva city, Kyiv oblast) was selected as model IP for its high improvement potential, engagement of the management and the board of directors; IP ‘AgroMash’ (Zaporizhzhia city) as a small size industrial park it will receive support in the development of management capacities and attracting of tenants; IP ‘Patriot’ (Sumy city) is recommended for the capacity-building of the management company.

Therefore, the GEIPP Ukraine project involves IP tenants from IPs in the Register of IPs. At the same time, only tenants of the BVAK IP are receiving the full package of services, including RECP assessments and industrial symbiosis opportunities identification, EIP planning, zoning recommendations, and improvement of managing company capacities.

<sup>30</sup> <https://me.gov.ua/Documents/List?lang=uk-UA&id=6463d3ba-aa13-4e54-8db9-0f36642c43d9&tag=IndustrialniParkiVUkraini>

<sup>31</sup> <https://www.greenindustryplatform.org/tools-and-platforms/unidos-eco-industrial-parks-eip-tools-english>

The other two IPs will undergo UNIDO EIP assessment to identify the parks' requirements and provide them with assistance.

The analysis of engaging stakeholders during 2021 shows a large number of stakeholders (and stakeholders' groups) involved in GEIPP Ukraine project activities aimed at EIP policy development, from the level of policymakers to regional/local authorities and business associations. That resulted in the establishment by the Ministry of Economy of Ukraine the **Interdepartmental Working Group**, which approved the Policy Action Plan for EIP implementation in Ukraine, developed by the GEIPP Ukraine Project. The Interdepartmental Working Group is empowered enough to amend the IP policy into the EIP by amending the existing law & regulation system for IPs into EIP policy. Different stakeholders widely support the EIP approach. At the same time, there is a lack of national strategic vision for EIP development. Therefore, it is necessary to develop tailor-made adoption of EIP definitions and requirements that suit Ukraine's national conditions.

## 4 Proposal for Actions to Implement in Coordination with Stakeholders to Promote the EIP Policy Framework

---

### 4.1. Background

Based on the collaboration of the GEIPP Ukraine project and the Ministry of Economy of Ukraine, at the beginning of 2021, the Government outlined strategic provisions for EIP development. On March 3, 2021, the Government of Ukraine adopted the National Economic Strategy by 2030, which includes the strategic course for industrial development and, among others, the prerequisites for the Eco-Industrial Parks development. Namely, the National Economic Strategy by 2030 includes such measures: the Government will provide state financial support to the officially registered industrial parks to scale up their economic, environmental, and energy performance to introduce and sustain the model of eco-industrial parks. In such a way, the Government aims to promote the EIP model based on cooperation among the tenant companies of industrial parks. The mentioned approach is defined as the task of achieving the strategic goal of the creation of new production facilities through the stimulation of innovative activities of enterprises in all regions of the country.

On September 7th, 2021, the Parliament adopted the Law on Amendments to the Law of Ukraine 'On Industrial Parks', aimed at attracting investment in the industrial sector of the economy by introducing incentives in industrial parks. The Law amendments involved proposals of two drafts: № 4416-1<sup>32</sup> initiated by the Member of the Parliament, Mr. Dmytro Natalukha, who is the Chairman of the Parliament Committee on Economic Development, and № 5021<sup>33</sup> developed by the Ministry of Economy of Ukraine on behalf of the Government of Ukraine. The final text of the adopted Law results from the collaboration of the Parliament Committee on Economic Development and the MinEconomy while preparing it for the second reading. A detailed description of the amendments is given in Annex D.

The adopted Law on Amendments to the Law of Ukraine 'On Industrial Parks' **expands the terminology of IPs and defines their activities**: IP is the area defined by the initiator of IP by planning documentation and equipped with proper infrastructure, within which members of the IP can provide economic activity in areas of **the processing industry, waste management** (except waste disposal), and also **scientific and technical activities, activities in the area of information and telecommunications**.

Partially, amendments stand in line with the International EIP Framework. Among the changes, it is essential to mention that the environmental component was included in the IP definition (see above). International experience demonstrates that the EIP concept is a valid and sustainable approach to promoting environmental protection in existing and new industrial parks (pp. 11, 13, 15, 17 of the International EIP Framework).

Also, the Law obliged the Cabinet of Ministers of Ukraine to establish a governmental body to implement the policy related to the industrial park operation before January 2025. The EIP is a type of industrial park. So, the governmental body will also implement the policy related to the EIP operation issues. The creation of such a legal body is in line with the requirements of the International EIP Framework (pp. 16, 31, 38 of the International EIP Framework).

---

<sup>32</sup> [http://w1.c1.rada.gov.ua/pls/zweb2/webproc4\\_1?pf3511=70639](http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=70639)

<sup>33</sup> [http://w1.c1.rada.gov.ua/pls/zweb2/webproc4\\_1?pf3511=71012](http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=71012)

Also, the Law obliged the Cabinet of Ministers of Ukraine to adopt the Strategy for IP development in Ukraine within six months after the amendments entered into force<sup>34</sup>. **The Ministry of Economy of Ukraine requested the GEIPP Ukraine project to provide support to the Ministry for Economy of Ukraine during the preparation of a draft EIP prospect for the Industrial Parks' Strategy, namely the definition of EIP and tasks to national authorities to adopt UNIDO recommendations to EIP to national conditions, focus on ensuring the practical implementation of the eco-industrial park model in Ukraine, promoting and state support to development (transformation) of industrial parks based on the EIP model. Also, the EIP prospect includes intentions of the Government of Ukraine to adopt legislative definitions of "industrial symbiosis " and "eco-industrial park", criteria and procedure compliance with them, confirmation, the introduction of mechanisms of state stimulation of transformation of industrial parks into eco-industrial ones. Therefore, the GEIPP Ukraine project, with consultations of international experts, elaborated with the Ministry of Economy of Ukraine provisions on EIP development in Ukraine (detailed in Annex E) and will be further approved by the Government as an integral part of the Strategy.**

## 4.2. Proposal for actions to promote the EIP Policy framework in 2022

In promoting and supporting the development of EIPs, UNIDO aims to mainstream and upscale the application of Resources Efficient and Cleaner Production by businesses and government and contribute to sustainable consumption and production. According to the Implementation Handbook for Eco-Industrial Parks (2017), in line with its mandate **to** promote and accelerate sustainable and inclusive industrial development in developing countries and economies in transition, the UNIDO EIP approach was taken to propose the following actions to implement in coordination with stakeholders to promote the EIP Policy framework.

The following activities are proposed within the GEIPP Ukraine for the year 2022:

- » **Raise awareness among key stakeholder groups** in private and public sectors of the benefits and added value of EIPs and associated implementation processes and **develop a capacity building of key stakeholders** throughout the entire development of EIPs (technical and non-technical capacities). (see section 5 of this report).
- » **Provide translation of UNIDO publications on the EIP concept** and associated practices into national policies and government decision-making processes.<sup>35</sup> It is reasonable to continue translating UNIDO materials for further promotion. Such UNIDO editions are proposed to be adopted to national conditions<sup>36</sup>:
  - 'Global Assessment of Eco-Industrial Parks in Developing and Emerging Countries' which covers achievements, Good Practices, and lessons learned from 33 IPs in 12 selected emerging and developing countries;
  - 'A Practitioner's Handbook for Eco-Industrial Parks: Implementing the International EIP Framework (2018)' = is a practical guide that takes stakeholders through the entire operational process. The book is intended to help practitioners operationalize the International EIP Framework at the national and

---

<sup>34</sup> The Law on Amendments to the Law of Ukraine 'On Industrial Parks', aimed at attracting investment in the industrial sector of the economy by introducing incentives in industrial parks, came into force on October 7<sup>th</sup>, 2021.

<sup>35</sup> The GEIPP Ukraine project has provided the translation of three basic UNIDO publications and disseminated them between stakeholders in printed and electronic versions: 'International Framework for Eco-Industrial Parks (2021)', 'Implementation Handbook for Eco-Industrial Parks (2017)', 'Achievements and Key Insights from the Global RECP Programme 2012-2018', also by request of the Ministry of Economy of Ukraine the UNIDO publication 'International Guidelines for Industrial Parks' was translated into Ukrainian.

<sup>36</sup> <https://www.unido.org/our-focus/safeguarding-environment-resource-efficient-and-low-carbon-industrial-production/eco-industrial-parks>

park level. Further, it should assist the practitioners in identifying specific EIP performance requirements outlined in the Framework.

- » **Continue to develop and advise on park management structures** to take care of various topics required to build and operate IP sustainably, attract investments, and provide attractive working conditions. A formalized and well-functioning park management structure is crucial for an EIP. Park management assists EIPs and their tenant companies to take advantage of opportunities associated with RECP, industrial synergies, integration with the local community and natural environment, spatial planning/zoning, and park-level infrastructure and utility services.
- » A Policy Analysis Report was prepared in 2021 by the GEIPP-Ukraine project. It found that the functions of an industrial park management entity are actually outlined in the Ukrainian legislation. At the same time **the legislation does not contain a description of services that such entities are expected to provide to resident companies**. At the same time, the number of active IP managing companies is still low (see Annex B), and they do not have extensive experience in park management.
- » Also, **to support formation of well-functioning park management structures** in Ukrainian national conditions, it is **reasonable to contribute from the GEIPP Ukraine side to develop with the attraction of International GEIPP Experts comprehensive guidance** aimed at the following: creating minimal requirements to the EIP management structures, minimal list of provided services within the national conditions and regulations in Ukraine, establishing planning, monitoring, risk assessment, and reporting system within the EIP.
- » Continue to provide **technical support to upscale resource efficiency and industrial synergies/symbiosis**.
- » Such activity is conducted within the GEIPP Ukraine project according to the Project Document, and the detailed information is outlined within the Annual Progress Reports.
- » **Optimize interventions and identify the most appropriate EIP activities** that are most suitable and most effective for stakeholder groups to work on.

During the Second meeting of the Interdepartmental Working Group on EIP policy development in Ukraine conducted on October 7<sup>th</sup>, 2021, the IWG members were asked to fill in the Questionnaire (Annex A), which allowed them to prioritize their vision for the **most appropriate measures to promote and support the implementation of the concept of EIPs** (*with a possibility to mark several informational needs in the Questionnaire*):

- **76%** of IWG members marked the **events on opening the infrastructure** of pilot EIPs in Ukraine and conducting **visits** to existing EIPs in other GEIPP countries;
- Almost **70%** indicated the dissemination of **informational materials** and the functioning **website of the GEIPP** Ukraine project;
- **65%** marked the establishment of a **voluntary network of EIPs/IPs** for the dissemination experience and exchange of knowledge;
- More than **50%** indicated the appropriate placing of **information on EIPs on the official websites** of government agencies, the continuation of **training and workshops**, and the organization of expert **public discussions**.

Therefore, taking into account the results of the survey, it is **reasonable to provide support for the GEIPP Ukraine project for opening the infrastructure** of pilot EIPs,

disseminating **informational materials, support for** establishing a **voluntary network of EIPs/IPs**, placing **information on EIPs on the official websites**.

Also, it is reasonable to consider the proposals by the results of the 1<sup>st</sup> Advisory Board of the GEIPP Ukraine project, which aimed at promoting EIP policy, namely:

- Developing effective legislative mechanisms for attracting foreign investors and wide popularisation of the EIP model as one which considers European directives and course for a circular economy.
  - Enhance cooperation with the RECP Center, given its experience in industrial assessments and implementation of standards clear for international investors.
  - Draft a list of the cleanest production companies in Ukraine as examples for others.
  - To focus on implementing EIPs and clean technologies in the most polluted regions of Ukraine.
  - Communicate and cooperate with international EIP owners (online) to gain successful experience.
  - Developing the methodology of green certification for producers and IP. Establish an entity to implement the method nationally.
  - Consider guarantees on international bank involvement and consult on bank guarantees based on co-financing of up to 10%.
  - Focus the promotion of EIP on the benefits of profitability and savings for IPs and their tenants.
- » Undertake **performance monitoring and benchmarking** to track the progress of EIPs against set objectives and thus demonstrate environmental, economic, and social outcomes in an efficient, transparent, and accountable manner.
- » Due to the request of the Ministry of Economy of Ukraine, the GEIPP Ukraine project provided support to develop EIP prospects within the IP Strategy. Notably, the proposals include such a set of actions on tracking progress by the stages of the Strategy implementation. The following activity will **require the support of the GEIPP Ukraine project**:

*At the first stage (2022-2023):*

- developing the legal framework for the establishment and operation of EIPs, including the planning and monitoring of processes within parks and at the national and regional levels;
- formation of a system of management and monitoring of the results of EIPs;

*At the second stage (2024-2027):*

- Setting up a monitoring system that allows measuring of progress and reporting;
- Developing a system of benchmarks (benchmarking) in the framework of the implementation of the levels of the eco-industrial park model: industrial park, bronze, silver, and gold EIP.

Given that the Government of Ukraine intends to adopt the Strategy for the development of IPs in Ukraine with provisions aimed at EIP development during the following years, it will serve as the basis for conducting coordinated actions of stakeholders to promote the

EIP Policy framework. Further, the essential list of activities to develop EIP policy is outlined within the EIP Policy Development Roadmap proposed by the GEIPP Ukraine project and approved by the IWG. It is also reasonable to involve the private sector within the Advisory Board of the GEIPP Ukraine project to provide the link between decision-makers and businesses and receive good feedback and recommendations from them.

## 5. Proposal for EIP Policy Capacity-Building Work Plan for the Year 2022

---

### 5.1. Background

According to the Implementation Handbook for Eco-Industrial Parks (2017), each stakeholder has a different role and set of responsibilities and, thus, different expectations of the EIP project. It is essential to understand these expectations to assess whether a stakeholder's interests and needs are aligned with the project objectives.

Based on the approach of the Implementation Handbook for Eco-Industrial Parks (2017), it is necessary to identify which stakeholder requires awareness-raising at the beginning of the process. Because the primary objective of awareness-raising is to convince stakeholders of the benefits and added value of eco-industrial parks and ensure their support, the next step is to determine their current awareness levels and main concerns concerning the topic. The development of targeted and efficient awareness-raising activities should be disseminated through different materials and channels, even for the same objective. The same group of stakeholders can be reached by other materials and media, depending on their personalities.

The influence and interests of EIP stakeholders were identified during the stakeholder mapping. According to the Stakeholders Matrix of the GEIPP Ukraine project, the goods of the three levels of stakeholders were placed, and the initial scope of raising awareness and capacity-building interventions from the GEIPP Ukraine project was proposed within the Stakeholder Mapping Report (2020).

### 5.2. The current level of awareness of EIP issues

Although most awareness-raising efforts should be accomplished during the initial phases of EIP development, it is necessary to continue awareness-raising activities during the operational stage to ensure that critical stakeholders are continuously informed of the EIP process.

Therefore, during the Second meeting of the Interdepartmental Working Group on EIP policy development in Ukraine conducted on October 7<sup>th</sup>, 2021, the IWG members were asked to fill in the Questionnaire (Annex A) for updating the Stakeholder Mapping and prepare a proposal for EIP policy raising awareness and capacity building work plan.

The results of filling in the Questionnaire showed that IWG members (17 IWG members present at the meeting have filled out the Questionnaire) estimate their awareness of EIP issues on the following level:

**18%** fully understand the benefits of EIPs;

**35%** have theoretical knowledge and have questions on how to apply it in practice;

**12%** have a middle level of understanding of the EIP approach;

**35%** have a low level of knowledge of the EIP approach.

#### ***Expectations on information, institutional support, and most appropriate forms to support***

The prioritization of the **information needs of the IWG members** with regards to the development of the framework conditions (including regulations) for the implementation

of EIP policy on the following topics (*with a possibility to mark several informational needs in the Questionnaire*):

**76%** of IWG members indicated the need for **basic knowledge** about EIPs, mechanisms and tools to **support environmental and resource-efficient technologies** for EIPs, and the advantages of the concept of EIPs, including economic, ecological and social.

**53%** indicated the need for **practical approaches for introducing industrial symbiosis** within Ps s and **resource-efficient and environmentally friendly production**;

**41%** - detailing of UNIDO **economic recommendations** and **recommendations for the management of EIPs** (including requirements for the management company, tenants, and providing services in the park);

**17%** - detailing of UNIDO environmental and social recommendations for EIPs.

The prioritization of the IWG members of **institutional needs for the development of the framework conditions (including regulatory) for the implementation of the policy of eco-industrial parks and their further development** (*with a possibility to mark several informational needs in the Questionnaire*):

Almost all IWG members indicated the need for methodological **support for regional and local authorities** and **methodological and recommendation materials for the planning of EIPs**, including goals, objectives, expected socio-economic consequences, impact on the development of regions and local communities;

**70%** indicated the need to support developing a framework for **national planning for EIPs** and developing **criteria for budget support of EIPs**;

65% indicated the need for sharing between stakeholders in Ukraine's international experience of attracting investors to EIPs;

**53%** indicated the need for **developing a Digital Map** on the Internet with the ability to map information about EIPs/IPs and their projects to attract investment, and the need for **support for development at the national level of the strategy/concept of EIPs**, including goals, objectives, expected socio-economic consequences, impact on regional development, business;

**20%** indicated the need to support the development of a national body (separate authority in the newly adopted Law).

Also, to understand the interests and level of awareness on EIP, the Questionnaire was disseminated through the Google-form between **Meso-level stakeholders** (by up to 150 contacts of local/regional bodies, academia, associations, and IPs from the GEIPP Ukraine events) that resulted in collecting opinions of **46 respondents**, 52% of whom represent regional/local bodies, 17% educational institutions, 13% NGO, 5% associations. The mentioned shows a large interest of local/regional bodies in the issues of EIPs.

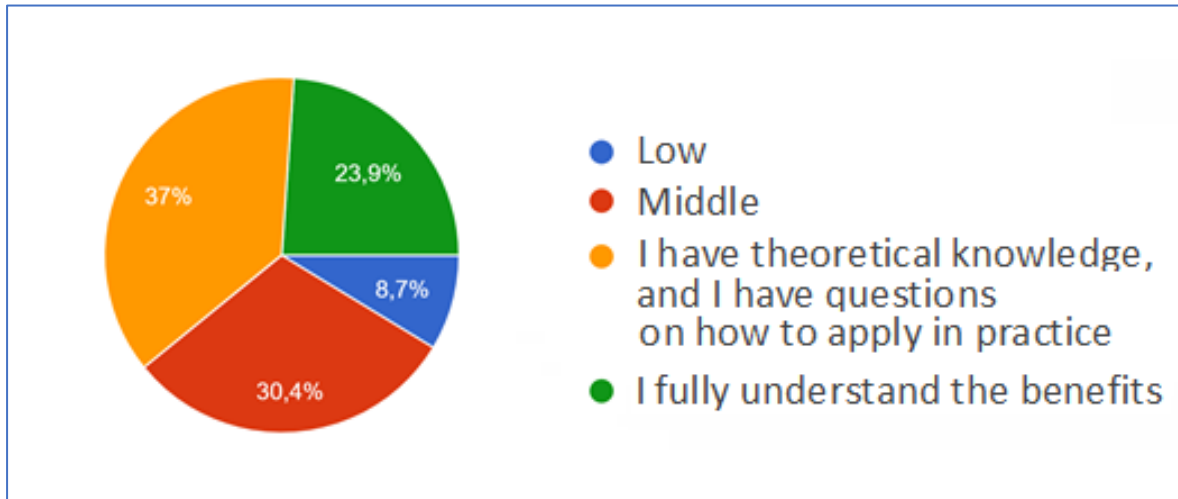
The generalized survey results showed that **96% of respondents think it is necessary to determine the strategic goals and objectives** of developing eco-industrial parks in Ukraine

at the national level. It is essential to create an action plan and/or program (short-, medium-, long-term) at the national level to promote the model of eco-industrial parks.

**100% of respondents of Meso-level think it is necessary to disseminate information about the EIP model.**

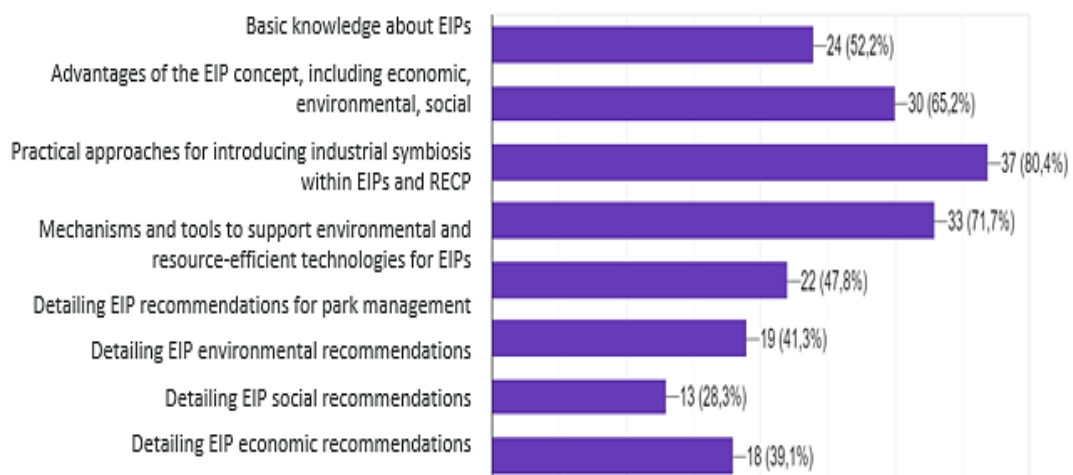
The estimation by meso-level respondents of their awareness of the EIP model is shown in Diagram

**Diagram 1.** Estimation by Meso-level respondents of their awareness of the EIP model

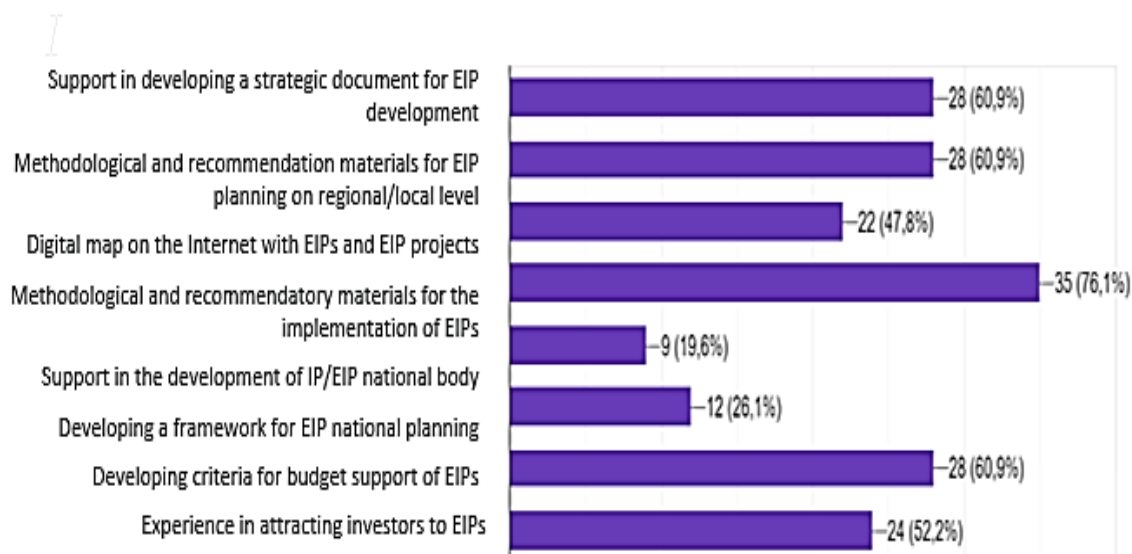


The expectations of meso-level stakeholders on the required information and institutions to promote EIPs are shown in diagrams 2 and 3.

**Diagram 2.** Information needs of the Meso-level stakeholders for the development of the framework conditions (including regulations) for the implementation of EIP policy



**Diagram 3.** Institutional needs of the Meso-level stakeholders for the development of the framework conditions (including regulations) for the implementation of EIP policy



### 5.3. Proposal for Capacity Building Work Plan 2022

Based on identified expectations on information, institutional support, and most appropriate forms of support, according to approaches to fulfil awareness and capacity building approaches of the Implementation Handbook for Eco-Industrial Parks (2017), the work plan proposal for the GEIPP – Ukraine Project can involve following measures for 2022 within Activity 1.2.2 ‘Capacity building and Awareness-raising:

#### For the IWG members and EIP key stakeholders

- » Based on the expectations of the IWG members outlined above, a **series of awareness-raising events** on EIP policy implementation **for the IWG and Governmental officials** are reasonable on such topics (developed by the International EIP Policy Experts based on practical knowledge of EIP policy in GEIPP countries):
  - Basic knowledge and practical advantages of the concept of EIP, including economic, environmental, and social;
  - practical approaches for introducing industrial symbiosis (interaction) within EIPs and resource-efficient and environmentally friendly production;
  - mechanisms and tools to support environmental and resource-efficient technologies for EIPs, incl. international experience;
  - detailing UNIDO recommendations for EIPs (each of four: ecological, economic, social recommendations and managing);
  - planning of EIPs, including goals, objectives, expected socio-economic consequences, and impact on the development of regions and local communities.
- » Support the Mineconomy to **operate the Interdepartmental Working Group** to develop a policy for EIPs in Ukraine.

- » **Developing informational video materials on EIP** for the Mineconomy for further video distribution through appropriate information channels <sup>37</sup>.
- » **Developing EIP prospect to the Governmental Strategy** for Industrial Parks development, creating the list of actions for EIP model implementation within the Strategy <sup>38</sup>.
- » Provide **realization of the Policy Action Plan for EIP policy development**, which was approved at the 2<sup>nd</sup> Meeting of the IWG to support the Mineconomy.
- » Support the **realization of the first stage of the EIP prospect of the Governmental Strategy** for Industrial Parks development by:
  - **Analysing the application of international recommendations to EIPs** developed by the United Nations Industrial Development Organization, the World Bank Group, and GIZ, and determining in the national conditions of Ukraine of the principles (regulatory prerequisites) and compliance criteria for EIPs, considering their potential, impact on export development, especially in promising sectors;
  - Developing a **benchmarking system** in the framework of the implementation of the levels of the EIP model: industrial park, **bronze, silver, and gold EIPs**;
  - **Conducting national analysis of the use of industrial land, value chains, and conditions for the location of industrial enterprises to identify promising areas for eco-industrial parks and profitable sectors of the economy**;
  - **Supporting the establishment of the EIP master planning and the development of principles of complex territorial planning of the location of eco-industrial parks on a national scale at regional and local levels**:
    - Developing **digital mapping resources for EIPs** (IPs) (can be provided within website creation or as independent digital product) to give national capacity to **EIP master planning**;
    - Preparing **guidance** (methodological materials) **for policymakers and regional/local authorities** about national and local **master planning of EIPs** (with workshop presentation);
  - Supporting and consulting the International GEIPP Experts on the promotion of Ukraine's intentions to launch EIPs outside of the country at available international informational platforms, international conferences, bilateral events, etc
  - Supporting and consulting the International GEIPP Experts on identifying potential partners from private investors, banks, and international development agencies ready to invest in Ukraine EIP based on the criteria stipulated in this strategy.
- » **Developing EIP definition and criteria** considering international UNIDO recommendations and national conditions, reviewing and preparing amendments/modifications to policies and regulations <sup>39</sup>.

---

<sup>37</sup> According to the request of the Ministry of Economy of Ukraine № 3902-05/49366-07 dated 11.10.2021 to the GEIPP Ukraine project.

<sup>38</sup> According to the request of the Ministry of Economy of Ukraine № 3902-05/49366-07 dated 11.10.2021 to the GEIPP Ukraine project.

<sup>39</sup> By results of the 2<sup>nd</sup> Meeting of the IWG, the IWG approved (by the protocol) necessity for including the task for developing draft Law of Ukraine 'On Amendments to the Law of Ukraine On Industrial Parks for the implementation of the model of eco-industrial parks in Ukraine' into the draft Plan of Priority Actions of the Cabinet of Ministers of Ukraine for 2022.

- » **Conducting regulatory analysis to support the development of proposal revision on legislative and regulatory basis for introducing the industrial symbiosis**, e.g. in spheres of waste management, energy supply, etc.
- » Supporting the Mineconomy and the IWG in **developing economic supporting mechanisms** for EIPs (with the support of the International GEIPP experts), namely, developing the Report on available incentives and support in Ukraine relevant for EIP development, preparing a basic report about available economic and informational instruments in Ukraine.
- » Providing consultation to the Ministry of Economy of Ukraine (together with International Experts) in establishing a **National Authority** for Industrial parks as prescribed by the adopted 2021 amendments to the Law of Ukraine on IP.
- » Conducting large-scale **Annual National EIP Forum** to promote progress in creating conditions for EIPs, attracting investors, and motivating political establishments to support the EIP development.
- » **Organizing an onsite visit to the model EIP BTsVak** with the IWG Members.
- » **Organizing a study tour** to one of the GEIPP countries or a virtual visit to EIP in GEIPP countries (due to global pandemic circumstances).
- » Continuing **expert discussions** on EIP policy (online/offline) within the Advisory Board of the GEIPP Ukraine Project.

#### For the primary stakeholders

- » Preparing a set of **guidance (methodology materials) for regional/local authorities and businesses** (park initiators and managing companies) **on the following topics** (with workshop presentations)<sup>40</sup>:
  - development of a practical **concept and business plan**; planning of EIPs by the regional/local authorities, including goals, objectives, expected socio-economic consequences, and impact on the development of regions and local communities;
  - how **to plan and launch EIP within national conditions** in Ukraine (incl. regulatory);
  - how **to transform IP into EIP** (including conclusions and experience in pilot EIPs (within GEIPP Ukraine Project) in Ukraine considering national conditions).
- » Preparing **guidance** (booklets) **for local authorities and businesses** (park initiators and managing companies) on **attracting investments into EIP** projects (with workshop presentations).
- » Developing (with the attraction of International GEIPP Experts) **comprehensive guidance** aimed at the following: creating minimal requirements to the EIP management structures, a minimal list of provided services within the national conditions and regulations in Ukraine, establishing planning, monitoring, risk assessment, and reporting system within the EIP.
- » The EIP Forum was planned for December 9<sup>th</sup> to involve investors in the Ukrainian IPs. The ambassadors of partner countries and government officials will be invited. As well,

---

<sup>40</sup> The representatives of the Governmental Reform Delivery Office and the Zhytomyr regional agency raised this need of regional/local authorities and IWG members indicated this need as the most appropriate.

- » Establishing an **annual EIP Transition Award** to increase the national business involvement in the process of IPs transition to EIPs.
- » Conducting **outreach campaigns** on knowledge of EIPs:
  - For regional/local authorities and businesses: on benefits of EIP (economic, social, environmental) and international trends in investment, pollution in case of poor planning and operation of EIP, potential problems during the creation and operation of EIP, development of EIP concept;
  - for regional/local authorities and business: on infrastructure development opportunities via EIPs (roads, networks), local employment opportunities, ways to establish EIPs, EIPs concept and business plan development, investment attraction, case studies, and success stories (along with problems and ways to address them), practices (and instruments) to overcome local budget burdens;
  - for businesses (especially IP managing companies) on economic revenues and savings that can be achieved through industrial symbioses, as well as teaching leadership skills, knowing ways to attract participating companies, monitoring the activities of EIPs (it is possible to spread this knowledge also to local authorities);
  - for financial institutions on “green” finance instruments, benefits of EIPs (mainly economic, yet responsible business is also interested in environmental and social effects), the worldwide experience of financial mechanisms and requirements for EIPs (it is possible to spread this knowledge also to local authorities);
  - for civil society organizations on the environmental impact of the EIPs, on the justification of state economic support for EIPs

### For the secondary stakeholders

- » Support to develop (with the attraction of International GEIPP Experts) comprehensive guidance aimed at forming solid and well-functioning park management structures following: creating minimal requirements to the EIP management structures, a minimal list of provided services within the national conditions and regulations in Ukraine, establishing planning, monitoring, risk assessment, and reporting system within the EIP.
- » Support the creation of a voluntary network of initiators, management companies, and participants of IPs and EIPs for sharing experience and knowledge exchange (a communication platform can also be created within the GEIPP Ukraine website). The network will be a basis for further making specialized EIP/IP associations (for existing IPs: managing companies and tenants (included and not included in the State Register of IPs), IP initiators, oblast administrations, municipalities, and communities (who intend to create IPs/EIPs).
- » Training on EIP-specific topics for specific stakeholders (managing companies, participating companies, businesses, and local authorities), including developing training materials.

Based on the results of the activities of the GEIPP Ukraine project provided during the previous two years, it is reasonable to concentrate endeavours in 2022 on further spreading knowledge on the EIP model together with providing guiding materials between all stakeholders’ groups on practical use of knowledge and applying international EIP

framework, industrial symbiosis, and RECP. The capacity-building in 2022 is considered to be concentrated on support for developing EIP definition and criteria considering UNIDO recommendations and adopted to national conditions in Ukraine that will be the basis for developing amendments to the Law of Ukraine On Industrial Parks for the implementation of the model of eco-industrial parks in Ukraine. It is vital to provide capacity-building measures for strengthening potential park initiators to plan and design EIPs and attract investors together with enlarging awareness of building industrial symbiosis.

## 6. Recommendations

---

The GEIPP Ukraine project developed the Stakeholder Mapping (2020) and Policy Analysis Report (2021) to involve relevant stakeholders and compare national policies with the international framework of UNIDO for EIPs.

In 2021, the activity of the GEIPP Ukraine project resulted in a significantly increasing number of identified and engaged stakeholders. National policy-makers have shown high interest in EIP policy development and regional/local bodies to the EIP model. The business associations support the EIP approach and emphasize the necessity of an adequate regulatory basis and support for EIP implementation.

The official Interdepartmental Working Group on EIP policy development was created by the Ministry of Economy of Ukraine on GEIPP Ukraine proposals. The Interdepartmental Working Group approved the EIP Policy Action Plan developed with GEIPP Ukraine project support and approved the task for developing the draft Law of Ukraine 'On Amendments to the Law of Ukraine On Industrial Parks for the implementation of the model of eco-industrial parks in Ukraine' for inclusion in the Plan of Priority Actions of the Cabinet of Ministers of Ukraine for 2022.

As a result of the broad awareness-raising and capacity-building campaign provided by the GEIPP Ukraine project, the EIP prospect was included in the National Economy Strategy of Ukraine by 2030. Also, the EIP policy development will be included in Ukraine's Strategy for Industrial Parks development.

Based on the achieved results of the activities of the GEIPP Ukraine project, it is reasonable to concentrate endeavours in 2022 on further spreading knowledge on the EIP model together with providing guiding materials between all stakeholders' groups on practical use of knowledge about EIP and applying international EIP framework, industrial symbiosis, and RECP. It is crucial to provide

When carrying out the GEIPP Ukraine project activities, it is crucial to apply an integrated approach that will ensure effective communication between stakeholders. For the successful implementation of EIP policy, it is vital to meet the initial information needs of stakeholders to motivate them in legislation, coordinate their efforts in developing legislative provisions for EIP policy and national vision of EIP development, exchange knowledge with local authorities on EIP benefits and identify ways to attract investors, development of a communication platform between national and local authorities, and business.

**Annex A**

**Questionnaire for stakeholders within the UNIDO project of technical assistance  
'Global Eco-Industrial Parks Programme – Ukraine: Country Level Intervention'**

\_\_\_\_\_ 2021

**Please indicate the institution you represent \_\_\_\_\_**

**In your opinion, is it necessary to determine at the national level the strategic goals and objectives of the development of eco-industrial parks in Ukraine?**

- Yes
- No

**Please select the information needs that you consider important for the development of the framework conditions (including regulations) for the implementation of eco-industrial parks policy:**

- Basic knowledge about eco-industrial parks
  - Advantages of the concept of eco-industrial parks, including economic, environmental, social
  - Practical approaches for introducing industrial symbiosis (interaction) within eco-industrial parks and resource-efficient and environmentally friendly production
  - Mechanisms and tools to support environmental and resource-efficient technologies for eco-industrial parks
  - Detailing of UNIDO recommendations for the management of eco-industrial parks (including requirements for the management company, tenants, and providing services in the park)
  - Detailing of UNIDO environmental recommendations for eco-industrial parks
  - Detailing of UNIDO social recommendations for eco-industrial parks
  - Detailing of UNIDO economic recommendations for eco-industrial parks
  - Other
- \_\_\_\_\_

**Please select the institutional needs for the Project support that you consider important for the development of the framework conditions (including regulatory) for the implementation of the policy of eco-industrial parks and their further development:**

- Support in the development at the national level of the strategy/concept of eco-industrial parks, including goals, objectives, expected socio-economic consequences, impact on regional development, business
- Support in the development of regional and local methodological and recommendation materials for the planning of eco-industrial parks, including

goals, objectives, expected socio-economic consequences, impact on the development of regions and local communities

- Digital map on the Internet with the ability to map information about industrial parks, eco-industrial parks, and their projects to attract investment
- Support in the development of methodological and recommendatory materials for the implementation of the model of eco-industrial parks
- Support in the development of a national body (separate authority in the newly adopted Law)
- Support in developing a framework for national planning for eco-industrial parks
- Developing criteria for budget support of eco-industrial parks
- Experience in attracting investors to eco-industrial parks

**Please select the measures that you think are most appropriate to promote and support the implementation of the concept of eco-industrial parks:**

- Meetings with the Project
  - Functioning of the Interdepartmental Working Group for the development of legislation on the implementation of the concept of eco-industrial parks in Ukraine
  - Voluntary network of industrial and pilot eco-industrial parks for dissemination of experience and exchange of knowledge
  - Seminars, workshops
  - Trainings
  - Expert / public discussions/debates
  - Information materials
  - Project website
  - Information on eco-industrial parks on the official websites of government agencies
  - Events on opening the infrastructure of pilot projects of eco-industrial parks in Ukraine
  - Conducting expert visits to existing EIP in other GEIPP countries
  - Information at conferences, forums at the national level
  - Other
- 

**Among which stakeholders it is expedient to disseminate information about the model of EIPs?**

- IWG Members
- Central bodies (you can indicate) \_\_\_\_\_
- Local councils, amalgamated hromadas (communities)
- Associations (you can indicate) \_\_\_\_\_

- Academia (you can indicate) \_\_\_\_\_
- Sectoral unions (you can indicate) \_\_\_\_\_
- Other (you can indicate) \_\_\_\_\_

**How do you assess your level of understanding of the model of eco-industrial parks?**

- Low
- Middle
- I have theoretical knowledge, and I have questions on how to apply it in practice
- I fully understand the benefits

**What initiatives do you have in your institution that can influence the support of eco-industrial parks in Ukraine (draft laws, regulations, programs, etc.)?**

---

**What, in your opinion, are the existing financial and economic programs and tools, information tools that can be useful to support projects/enterprises of eco-industrial parks in Ukraine?**

---

**Do you consider it necessary to develop at the national level an action plan and/or program (short-, medium-, long-term) to promote the model of eco-industrial parks?**

- Yes
- No

**Do you think it is necessary to disseminate information about the model of eco-industrial parks?**

- Yes
- No

## Annex B Three levels of EIP stakeholders in Ukraine (Updated)<sup>41</sup>

### **Macro-level:**

*The Verkhovna Rada of Ukraine (the Parliament):*

- » the Committee of the Verkhovna Rada of Ukraine on Economic Development
- » the Committee of the Verkhovna Rada of Ukraine on Finance, Taxation, and Customs Policy
- » the Committee of the Verkhovna Rada of Ukraine on Budget
- » the Committee of the Verkhovna Rada of Ukraine on Environmental Policy and Nature Management

*The Cabinet of Ministers of Ukraine (itself) and the authorities in the Governmental system:*

- » the Ministry of Economy of Ukraine (the Mineconomy)
- » the Ministry of Community and Territorial Development (the Minregion)
- » the Ministry of Environmental Protection and Natural Resources (the Minenvironment)
- » the Ministry of Finance of Ukraine (the Minfin)
- » the Ministry of Energy of Ukraine (the Minenergy)
- » the Ministry of Strategic Industries (the Minstrategyindustry)
- » the Antimonopoly Committee of Ukraine
- » the Ministry of Social Policy
- » the State Agency for Energy Efficiency and Energy Saving
- » the National Standardization Body
- » the National Accreditation Agency of Ukraine
- » Bodies of state architectural and construction control and supervision
- » the State Ecological Inspectorate of Ukraine
- » the State Tax Service
- » the State Custom Service
- » the State Service of Ukraine for Labour
- » the Reforms Delivery Office of the Cabinet of Ministers of Ukraine <sup>42</sup>
- » the Ministry of Science and Education of Ukraine <sup>43</sup>
- » SME Development Office under the Ministry of Economy of Ukraine <sup>44</sup>

### **Meso-level:**

- » The UkraineInvest
- » Regional Development Agencies <sup>45</sup>

*Regional state administrations (24 ones)*

*Local councils and their executive bodies (administrations)*

*IP initiators (bodies that are authorized to create IPs)*

*IP management companies*

*Sectoral, business associations, and unions, including those established by communities*

---

<sup>41</sup> Stakeholders identified during 2021 marked by the green font colour.

<sup>42</sup> <https://www.kmu.gov.ua/en/reforms-delivery-office-cabinet-ministers-ukraine>

<sup>43</sup> <https://mon.gov.ua/eng>

<sup>44</sup> <https://sme.gov.ua/>

<sup>45</sup> <https://www.minregion.gov.ua/napryamki-diyalnosti/derzhavna-rehional-na-polityka/institutsiyne-zabezpechennya-regionalnogo-rozvitku/agentsiyi-regionalnogo-rozvitku/>

- » the Ukrainian Chamber of Commerce and Industry
- » the Association of IP
- » the Ukrainian League of Industrialists and Entrepreneurs
- » the Federation of Employers of Ukraine
- » the Federation of Trade (Labor) Unions of Ukraine
- » the American Chamber of Commerce and Industry
- » the European Business Association
- » the Center for Economic Growth of Ukraine
- » the Association of Ukrainian Cities
- » the Association of Amalgamated Communities (Hromadas) of Ukraine
- » the Covenant of Mayors in Ukraine
- » Ukrainian Ecological Alliance <sup>46</sup>
- » Center for Environmental Initiatives 'Ecoaction' <sup>47</sup>
- » Ukrainian Association of Cement Producers <sup>48</sup>
- » Public Association Ivano-Frankivsk Regional Agrarian Chamber

#### *Educational & Scientific Institutions*

- » Igor Sikorsky Kyiv Polytechnic Institute
- » Taras Shevchenko National University of Ukraine
- » Kyiv Mohyla National University of Ukraine
- » Ukrainian National University of Construction and Architecture
- » National Aviation University
- » Kyiv State Ecological Academy
- » Dnipro National Metallurgic Academy of Ukraine
- » Zhytomyr Polytechnic University
- » Bila Tserkva Institute of Continuous Professional Education
- » Bila Tserkva National Agrarian University
- » Institute of Economics and Forecasting of the National Academy of Sciences of Ukraine <sup>49</sup>

#### *Financial institutions*

- » European Bank for Reconstruction and Development
- » Northern Environmental Finance Corporation
- » Global Environment Facility
- » UNESCO
- » the World Bank (including IFC)
- » International Finance Corporation
- » the European Investment Bank
- » Ukgasbank
- » the State Innovative Financial and Credit Institution of Ukraine

#### *International institutions*

- » SECO
- » GIZ
- » USAID

---

<sup>46</sup> <http://ukrecoalliance.com.ua/en/about-us/>

<sup>47</sup> <https://en.ecoaction.org.ua/>

<sup>48</sup> <http://ukrcement.com.ua/>

<sup>49</sup> <http://ief.org.ua/>

- » The Government of the Republic of Korea

*Civil society organizations*

- » the Reanimation Package of Reforms Coalition
- » the Professional Association of Ecologists of Ukraine
- » the Environment People Law
- » the National Ecological Center of Ukraine
- » the Resource Efficient and Cleaner Production Centre

**Micro-level:** IP tenants

## Annex C

### Description of nationwide stakeholders relevant to the EIP development in Ukraine identified and engaged within the GEIPP Ukraine project activity during 2021<sup>50</sup>

#### **Macro-level**

##### *The Governmental institutions*

<i>Stakeholder name</i>	<b>The Reforms Delivery Office of the Cabinet of Ministers of Ukraine</b> <small>51</small>
<i>Mandate</i>	The Reforms Delivery Office is an advisory body to Ukraine's Cabinet of Ministers. The Minister of the Cabinet of Ministers of Ukraine is the head of the Reforms Delivery Office. The Reforms Delivery Office is the organization that helps the Government of Ukraine in designing and implementing the country's priority reforms. With involving international and local experts, the Office provides comprehensive support to the Government for reforms implementation.
	<ul style="list-style-type: none"> <li>» EIP policymaking</li> <li>» EIP policy implementation</li> <li>» Facilitating finance support for EIPs development</li> <li>» Developing and facilitating incentives for EIPs</li> <li>» EIPs Master planning</li> <li>» EIP policy monitoring</li> <li>» State and local budget planning for EIPs support</li> <li>» Coordination between stakeholders</li> <li>» EIP monitoring</li> </ul>
<i>Relevance</i>	The Reforms Delivery Office promotes quality, sustainable and successful changes in Ukraine. The Office is the part of the Ukraine Reform Architecture Project (URA), supported by EBRD and the EBRD's Ukraine Stabilisation and Sustainable Growth Multi-Donor Account (Denmark, Finland, France, Germany, Italy, Japan, the Netherlands, Norway, Poland, Sweden, Switzerland, the United Kingdom, the United States and the European Union, the largest donor).
	One of the priorities is creating a favorable environment for development and doing business in Ukraine, which is a necessary prerequisite for the country to achieve a higher level of economic development and integration into the EU common market. The Office initiated itself joining the GEIPP Ukraine project activities: as observing participation in IWG meetings, on the Advisory Board of the GEIPP Ukraine project.

<sup>50</sup> Description of nationwide stakeholders relevant to the EIP development in Ukraine which were identified initially included in the Stakeholders Assessment Report (2021)

<sup>51</sup> <https://www.kmu.gov.ua/en/reforms-delivery-office-cabinet-ministers-ukraine>

<i>Capacity to implement the role</i>	The Office has official status and powers given by the Government of Ukraine, the pull of experts who contribute to ensuring the proper organization and coordination of reforms, in particular the planning of appropriate measures, monitoring, and analysis of their implementation.
---------------------------------------	---

<b>Stakeholder name</b>	<b>The Ministry of Science and Education of Ukraine <sup>52</sup></b>
<i>Mandate</i>	The Ministry of Education and Science ensures the formation and implementation of state policy in the fields of education, science and technology, and innovation.
	<ul style="list-style-type: none"> <li>» EIP policymaking</li> <li>» EIP policy implementation (scientific and educational aspects)</li> </ul>
<i>Relevance</i>	The Ministry influences the formation of proposals on the volume and distribution of educational subventions according to the tendencies in economic activities.
	The Ministry researched eco-friendly issues which can be used while the IP Strategy with EIP prospective development. Also, the IP Strategy with EIP perspective will contain provisions on education in the sphere of ecology.
<i>Capacity to implement the role</i>	The Ministry can involve students in the development of the IP Strategy with the EIP perspective for obtaining an unbiased, separate opinion.

<b>Stakeholder name</b>	<b>SME Development Office under the Ministry of Economy of Ukraine <sup>53</sup></b>
<i>Mandate</i>	<p>The Office is a permanent advisory body under the Ministry of Economy of Ukraine, established to assist in the implementation of the tasks set by the action plan for the implementation of the Strategy for Small and Medium Business Development in Ukraine until 2020.</p> <p>The Office works with the financial support of the European Union within the FORBIZ project and the EU4Business Initiative.</p>
<i>Role in EIP promotion</i>	» EIP policy implementation

<sup>52</sup> <https://mon.gov.ua/eng>

<sup>53</sup> <https://sme.gov.ua/>

<b>Relevance</b>	The mission of the Office is to form a system of support for SMEs by improving access to information, financing, infrastructure development, and promotion of business culture in Ukraine.
<b>Interest</b>	The Office is tasked with preparing proposals to improve SMEs' access to information, training, and financing through the development of targeted support programs, the creation of a single information portal, and the organization and development of a network of business support centers at the regional and local levels.
<b>Capacity to implement the role</b>	The Office involves a wide range of interested organizations, institutions, projects of international technical assistance, business associations, the purpose of which is the development and popularization of entrepreneurship in Ukraine.

## Meso level

<b>Stakeholder name</b>	Regional Development Agencies <sup>54</sup>
<b>Mandate</b>	<p>The Regional Development Agency is a non-profit institution established for the effective implementation of state regional policy.</p> <p>Today Agencies exist in 21 regions. The co-founders of the Agencies are regional chambers of commerce and industry, associations of local governments, higher education institutions, and public organizations.</p>
<b>Role in EIP promotion</b>	EIP policy implementation
<b>Relevance</b>	<p>The Ministry of Community and Territorial Development, together with the Office for Investment Attraction and Support, the Office for Entrepreneurship and Export Development, and the Public-Private Partnership Support Agency, signed a Memorandum of Cooperation to implement joint regional development initiatives. In particular, the aim is stimulation of business activity and an export direction.</p>
<b>Interest</b>	<p>Improvement of mechanisms for stimulating investment and business activities at the regional and local levels in the framework of the implementation of state regional policy.</p>
<b>Capacity to implement the role</b>	<p>Regional development agencies throughout the country will implement measures to promote exports and support entrepreneurship in communities, increasing the investment attractiveness of the regions. In addition, they will be involved in public-private partnership projects. As a result, it should help Ukrainian producers from different regions to enter international markets. It is expected by the Ministry of Economy of Ukraine and the Office of Reforms of the Government that the EIP model will support export-oriented industries.</p>

### *Associations*

**Public Association Ivano-Frankivsk Regional Agrarian Chamber.** The Association proposed joining the IWG. The association has offices in 17 regions and operates to introduce in Ukraine a platform for the representation of agricultural producers and individuals-owners of agricultural land, which will contribute to the development of rural areas, their ecological status, and the agricultural economy of the country. This approach aims at an effective circulation of agricultural land, the environmental well-being of rural areas, and

<sup>54</sup> <https://www.minregion.gov.ua/press/news/u-minregioni-pidpysaly-memorandum-shhodo-stymulyuvannya-pidpryemnyctva-v-regionah/>

the competitiveness of the agricultural sector of these economies. Therefore, the Assembly has developed a draft Law of Ukraine 'On Agrarian Chambers of Ukraine', which is currently being discussed at the level of industry associations, after which it will be submitted to public authorities for its development and adoption.

Among the main projects of the Assembly are currently projects aimed at improving the access of agricultural producers to markets for their products and working with united territorial communities in terms of establishing on their territories IPs of agricultural and environmental direction. The Association works currently on two pilot projects of the creation of IPs of agricultural and environmental orientation in the Ivano-Frankivsk and Chernihiv regions.

**Ukrainian Association of Cement Producers** <sup>55</sup>. The mission of the Association is to position the industry as a leading force in the sustainable development of Ukraine. One of the priority areas of the Association is the transition of the industry to European standards, the formation of a platform for the beginning of the active introduction of technologies of cement-concrete roads in Ukraine, cement, and environment, etc.

**Ukrainian Ecological Alliance** <sup>56</sup>. The Alliance is the association of enterprises for utility services and waste management in Ukraine. The Association was founded in 2011 by waste management companies Veolia and Remondis. Today the Association involves 15 members.

**Center for Environmental Initiatives 'Ecoaction'** <sup>57</sup>. The Center is a civil society organization that unites the efforts of experts and activists in a joint struggle to protect the environment. The Center advocates for energy efficiency, renewable energy, countering climate change, clean air for all, and sustainable development of transport and agriculture in Ukraine.

---

<sup>55</sup> <http://ukrcement.com.ua/>

<sup>56</sup> <http://ukrecoalliance.com.ua/en/about-us/>

<sup>57</sup> <https://en.ecoaction.org.ua/>

## Annex D

### Provisions on the Interdepartmental Working Group for implementing the policy on EIP development

APPROVED

by Order of the Ministry of Economic Development, Trade and Agriculture of Ukraine (*the Ministry of Economy of Ukraine since 31.05.2021*)  
May 5, 2021, № 911-21

1. The Interdepartmental Working Group for the implementation of the policy on EIP development (hereinafter - the Interdepartmental Working Group) is a temporary advisory body under the Ministry of Economy, which is formed to prepare recommendations and proposals for the regulatory base for EIP policy.

2. The Interdepartmental Working Group acts according to the Constitution and laws of Ukraine, as well as decrees of the President of Ukraine and resolutions of the Verkhovna Rada of Ukraine, acts of the Cabinet of Ministers of Ukraine adopted under the Constitution and laws of Ukraine, other regulations, orders of the Ministry of Economy and this Regulation.

3. The main task of the Interdepartmental Working Group are:

developing and preparation of recommendations and proposals for a legislative and regulatory base to ensure the implementation of EIP policy;

identification of ways, mechanisms, and instruments to solve problematic issues that arise during the implementation of EIP policy.

4. The Interdepartmental Working Group following its tasks:

studies and analyses international experience for institutional and law/regulatory support for implementing the EIP policy;

analyses the legislation in the field of state regulation of industrial parks, investment activities, industrial, environmental, regional, financial policy, state support and instruments to stimulate the development of industrial parks, etc. ;

formulates the conceptual vision, goals, and objectives of the EIP policy;

search for optimal ways of implementation and tools to support and stimulate EIP based on the analysis of international experience in the sphere of EIP and national legislation in the sphere of industrial parks;

develops recommendations and suggestions for draft legislative and regulatory acts for implementation of the EIP policy.

5. The interdepartmental working group has the right to:

1) to receive following the established procedure from central and local executive bodies, local self-government bodies, enterprises, institutions, and organizations the information necessary for the performance of the tasks assigned to it;

2) to involve in its work representatives of central and local executive bodies, local self-government bodies, enterprises, institutions, and organizations (in agreement with their heads), as well as independent experts (by consent).

6. Following assigned tasks, the Interdepartmental Working Group shall cooperate with state bodies, local self-government bodies, enterprises, institutions, and organizations.

7. The Interdepartmental Working Group consists of the chairman, deputy chairman, secretary, and its members.

8. The form of work of the Interdepartmental Working Group is the meeting held by the decision of the chairman or deputy chairman.

The meeting of the Interdepartmental Working Group is chaired by the chairman, and while his/her absence - by the deputy chairman.

The secretary of the Interdepartmental Working Group provides the preparation of materials for consideration at the meetings and generalization of the materials based on the results of their consideration. Members of the Interdepartmental Working Group facilitate the preparation of such materials within their competence by submitting materials and proposals in advance and promptly.

The meeting of the Interdepartmental Working Group is considered valid if more than half of its members are present. Members of the Interdepartmental Working Group participate in the meetings in person.

The agenda of the meeting shall be sent to the members of the Interdepartmental Working Group no later than five working days before the date of the meeting.

Meetings of the Interdepartmental Working Group can be carried out remotely using information and communication and digital technologies, particularly online while ensuring reliable authentication of all members.

9. At its meetings, the Interdepartmental Working Group develops proposals and recommendations on issues within its competence.

Proposals and recommendations are considered approved if more than half of the members of the Interdepartmental Working Group present at the meeting voted for them.

In the case of equal distribution of votes, the vote of the chairman at the meeting is decisive.

Proposals and recommendations are recorded in the minutes of the meeting, which are signed by the chairman of the meeting and the secretary and sent to all members of the Interdepartmental Working Group.

A member of the Interdepartmental Working Group who does not support the proposal (recommendation) may express his / her dissenting opinion in writing, which shall be attached to the minutes of the meeting.

10. Proposals and recommendations developed by the Interdepartmental Working Group are recommendatory and are submitted to management for consideration to the Ministry of Economy to decide on their implementation.

11. Organizational, informational, and logistical support of the Interdepartmental Working Group is provided by the Investment Department of the Ministry of Economy of Ukraine.

**List of Members of the Interdepartmental Working Group for implementing  
the policy on EIP development**

SKUBAK Julia Andreevna	Director of the Investment Department of the Ministry of Economy, <i>Chairman of the Interdepartmental Working Group</i>
RIABTSEVA Elena Vladimirovna	Deputy Director of the Investment Department - Head of the Department of International Investment Cooperation of the Ministry of Economy, <i>Deputy Chairman of the Interdepartmental Working Group</i>

**Members of the Interdepartmental Working Group:**

BILKO Victor Valerievich	Deputy Director of the Department of Regulation in the field of energy efficiency, industry, and networks - Head of the Department of Energy Efficiency in Industry and Transport of the State Agency for Energy Efficiency (by consent)
BOYKO Olga Alexandrovna	Coordinator of the Committee on Industrial Ecology and Sustainable Development of the European Business Association (by consent)
BUDIY Alexey Valerievich	State expert of the expert group of sectoral programs of regional development of the directorate of regional policy of the Ministry of Regional Development (by consent)
BURENKO Tamara Alekseevna	Deputy Head of the Department of Low Carbon Development of the State Agency for Energy Efficiency (by consent)
GORDINA Vitaly Nikolaevich	Director of the Directorate for Interaction with Business, Regional CCI, and public authorities of Ukrainian Chamber of Commerce (by consent)
GRYVACHEVSKY Serhiy Ivanovych	Head of the Department for Cooperation with the OECD and other international organizations on taxation of the International Taxation Department of the Ministry of Finance of Ukraine (by consent)
KIREEVA Victoria Stanislavovna	Director of the Permitting and Licensing Department activities and prevention of industrial pollution of the Ministry of Environment Protection (by consent)
PETROSHUK Alexander Vasylovych	State expert of the expert group of strategic and budget planning of the Directorate of Strategic Planning and European Integration of the Ministry of Regional Development (by consent)
TARASENKO Alexander Volodymyrovych	Head of the Expert Group of European and Euro-Atlantic Integration of the Directorate for Strategic Planning and European Integration of the Ministry of Energy (by consent)
TARANOV Igor Mikhailovich	Head of the Expert Group on Innovation Development of the Directorate of Science and Innovation of the Ministry of Education and Science (by consent)

FARENIUK Diana Vladimirovna	Deputy Director of the Department of Industrial Policy of the Federation of Employers of Ukraine (by consent)
CHERNIUK Vitaly Ivanovich	Head of the Investment Attraction and Support Department of the state institution "Office for Investment Attraction and Support" (by consent)
SHAPOVALOV Yevhen Olehovych	expert on local economic development of the Association of Ukrainian Cities (by consent)
KLESHCHOV Anton Yosipovich	National Coordinator of the GEIPP Ukraine project (by consent)
LOBODA Alla Sergeevna	Acting Director of the Department of Strategic Planning and International Cooperation of the Ministry of Environment (by consent)
OSTROVSKY Viktor Oleksandrovych	Head of the Department of Production and Employment of the Department of Economic Development and Pricing of the Federation of Trade Unions of Ukraine (by consent)
MELNYK Andrij Mykhailovych	Head of the Attraction Tools Department Investment Department of the Ministry of Economy, <i>Secretary of the Interdepartmental Working Group</i>

## Annex E

### **Summary of provisions of the Law on Amendments to the Law of Ukraine ‘On Industrial Parks’, aimed at attracting investment in the industrial sector of the economy by introducing incentives in industrial parks, adopted by the Parliament of Ukraine on September 7<sup>th</sup>, 2021<sup>58</sup>**

The Law on Amendments to the Law of Ukraine ‘On Industrial Parks’, aimed at attracting investment in the industrial sector of the economy by introducing incentives in industrial parks, **expands the terminology of industrial parks, particularly, defines their activities.** Industrial Park (hereinafter - IP) – is the area defined by the initiator of IP by planning documentation and equipped with proper infrastructure, within which members of the IP can provide economic activity in areas of **the processing industry, waste management (except waste disposal), and scientific and technical activities, activities in the area of information and telecommunications.**

#### ***Law for the first time determines targets of IP functioning in Ukraine:***

- » investment attraction and economic development;
- » economic development of regions and improvement of the quality of life of citizens;
- » introduction of innovative and energy-saving technologies;
- » creation of new jobs;
- » sustainable development and environmental protection.

**The adopted Law envisages changes for the size of land plots for IPs: 10 – 1 000 hectares** (instead of 15–700 hectares). The Law determined that the location between the land plots of IP of land plots on which only the objects of engineering and transport infrastructure are located or are supposed to be under the town-planning documentation.

**The Law for the first time** envisages the objects which can be located on the territory of the IP:

offices of the management company, participants and other subjects of the individual entrepreneur, financial institutions, marketing, and advertising facilities;

- » education institutions;
- » “green” areas;
- » waste management facilities (except waste disposal);
- » scientific parks, accelerators, laboratories for the development of innovative technologies;
- » multi-purpose halls for scientific conferences and other events;
- » fire departments;
- » industrial, warehouse buildings and structures, logistics infrastructure facilities;
- » engineering buildings and structures; other objects not prohibited by law.

**The amended Law still applies the approach to support IPs of the type ‘greenfield’, and the innovation is that the Law creates conditions for the inclusion of IPs in the Register of IPs based on the industrial areas without certain economic activities more than 5 years, namely, IP can be included in the Register if the production facilities are not existing during the last 10 years on its territory and/or production facilities are not operating in the previous five years. Before including the IP in the Register, the condition was the only absence of the integral property complex that allows production activity.**

---

<sup>58</sup> <https://zakon.rada.gov.ua/laws/show/1710-IX#Text>

According to the newly adopted changes, the **inclusion of IPs in the Register** of IPs shall be approved **by the decision of the Government** (*instead of the conclusion of the Ministry of Economy of Ukraine*).

At the same time, the changes provide grounds for exclusion of IPs from the Register in case of failure to agree with the selected management company within two years or absence of economic activity within the IP of its tenants for three years after the IP creating (*before, there were no conditions for exclusion IPs from the Register. Innovations in the Law will result in the exclusion from the Register of more than half of the individual entrepreneurs in the Register, as currently only half of the IPs have a management company, and only 8 out of 51 IPs attracted tenants*).

According to the new amendments, the Law establishes **a new state authority** (*another one than the Ministry of Economy of Ukraine*) as the central executive body that implements the state policy on the establishment and operation of IPs, which shall be coordinated by the Government. The **new state authority shall perform the following functions:**

- » Monitors the functioning of IPs and develops the **Strategy of IP development**;
- » Every six months, receives from the IP management companies and publishes the results of the IPs operation according to the form approved by the Ministry of Economy (*before, the form for reporting was not provided*);
- » Appeals to public authorities, enterprises, institutions, and organizations to address issues related to the establishment and operation of IPs;
- » Provides favourable conditions for the creation and operation of IPs;
- » Maintains the Register of IP;
- » Provides informational and consulting support to the initiators and management companies. Promotes the attraction of tenants;
- » Provides access to public information related to the activities of the IPs;
- » Informs the Ministry of Economy, the State Tax Service, the State Customs Service, relevant local state administrations and municipalities about IP initiators, management companies, and tenants;
- » Ensures support for IPs by state funds;
- » Analyses and summarizes the international experience in the sphere of IPs and attracting investment;
- » Provides the publication on its official website of generalized information on IPs operating.

**The adopted Law stipulates the instruments for support of IP development:**

- » Partial compensation of loan rate to IP management companies and initiators;
- » Full or partial compensation of loan rate to IP tenants for carrying out economic activity and/or IP arrangement;
- » Funding on a non-refundable basis to IP management companies and initiators for IP arrangement and/or for the creation and development of engineering and transport infrastructure;
- » As outlined in separately proposed laws (Draft Laws # 5688 and # 5689), tax and customs incentives are also related to the enacted Law, with corresponding amendments to the Tax and Customs Codes. These draft laws are currently awaiting consideration by the Parliament Committee on Finance, Taxation, and Customs Policy. As of September 26, 2021, they have not been adopted.
- » Also, the Law stipulates that citizens and legal entities are exempt from compensation for losses of agricultural and forestry production in case of using land plots for establishing IPs.

According to the adopted law, **the Government is obliged to implement:**

- » By 01 January 2025, establish a central executive authority that implements the state policy on the IP's establishment and operation (see above). Until the establishment of such a body, these functions are entrusted to the Ministry of Economy;
- » within six months from the date of entry into force of the Law to create a state institution to support the IP initiators, management companies, and tenants and to implement **the Strategy of IP development;**
- » for the next 4fouryears to envisage expenditures of the State Budget not less than UAH 2 billion annually:
  - for partial compensation of loan rate to IP management companies and initiators;
  - for full or partial compensation of loan rate to IP tenants for carrying out economic activity and/or IP arrangement;
  - to provide funds on a non-refundable basis to IP management companies and initiators for IP arrangement and/or for the creation and development of engineering and transport infrastructure;
  - for establishing and functioning a state institution to support the IP initiators, management companies, and tenants, and to implement **the Strategy of IP development.**
- » Within six months from the date of entry into force of the Law to approve the **Strategy for developing IPs.**

## **Annex F**

### **Proposals of the GEIPP Ukraine project on provisions for eco-industrial parks developing to the draft Strategy for the development of industrial parks in Ukraine**

#### **Description of the problems and regulations**

This Strategy covers a period up to 2030, considering the National Economic Strategy until 2030.

Industrial parks have been implemented in Ukraine following the Concept of creation of industrial parks, approved by the order of the Cabinet of Ministers of Ukraine dated August 1, 2006, № 447, which provided that production sites of unattractive investment enterprises in industrial zones and areas free from construction (especially in regions with developed infrastructure), can become “points of regional growth” if industrial parks are created. The concept provided that forming a network of state and regional industrial parks should be carried out within the directions of state and regional industrial policy, considering urban development. To date, most of the provisions of the Concepts are outdated. At the same time, due to the Concept, the provisions of industrial park development have been included in national and regional socio-economic strategies.

The basic Law ‘On Industrial Parks’ of June 21, 2012, № 5018-VI defined the legislative principles for the industrial parks. Since its adoption, the development of industrial parks has not grown significantly, as the economic activity of industrial parks remains slow. Out of the 52 industrial parks included in the Register, only 24 have selected management companies, and 8 of them attracted tenants (15 tenants total). Given that, more than 80 per cent of industrial parks are documented and do not provide operational activities.

At the same time, a significant part of the industrial parks included in the Register is not considered a priority for developing the respective communities and regions. These are eight industrial parks created before 2015, as well as 16 industrial parks established after 2015, which have grounds for their liquidation due to the first part of Article 37 of the Law ‘On Industrial Parks’ (the IP is liquidated if the managing company was not chosen after two years from IP establishing).

There are also at least 13 industrial parks in Ukraine that are not included in the Register of Industrial Parks, which are at different stages of development, and several of them operate on the principles of industrial parks (and operate based on the industrial infrastructure of the Soviet times).

Thus, there is a situation when the industrial parks included in the Register do not show significant development. Some industrial parks in Ukraine have already started their activities. However, most are still under development due to systemic shortcomings that negatively affect the investment climate, the high initial investment costs for logistics and engineering infrastructure, and the lack of experience in park initiators in attracting companies as park participants and investors.

At the same time, in the regions of Ukraine, there are many unresolved problems of environmental pollution, not yet exploring maximum benefit along the entire value chain, from raw material extraction to high-quality products.

This Strategy is designed to ensure balanced economic, social, and environmental dimensions of industrial park development, contributing to Ukraine's sustainable development. Strategic goals of the Strategy for the development of industrial parks in Ukraine and tasks to achieve them meet the goals of sustainable development, defined by the Decree of the President of Ukraine of September 30, 2019, № 722 “On Sustainable Development of Ukraine until 2030”, namely Goals 9 “Industry, innovation and infrastructure”, 12 “Responsible consumption and production”, 7 “Affordable and clean

energy”, 8 “Decent work and economic growth”, 11 “Sustainable cities and communities”, 13 “Climate action”.

Global processes of “green” transformation of the economy in the direction of sustainable development and circular economy create new requirements for industrial enterprises – both included in the global trade and those operating in the domestic market.

In these conditions, it is necessary to introduce a model of industrial parks that can meet current trends of increasing environmental taxation, rising energy costs, the greening of industry, regional development in decentralization, the spread of corporate social responsibility, the need to ensure competitive industrial production in domestic, international, and specifically European markets, as well as trends in global investment in green production. Industry (functioning and especially new enterprises) should consider the reform of industrial pollution, environmental control, environmental impact, and waste management, including industrial, which will lead to the need for new resource-efficient processes and cleaner production in the short term.

In the context of fulfilling the obligations under the Association Agreement between Ukraine and the European Union and achieving the United Nations Sustainable Development Goals, **the policy of eco-industrial parks can become a practical tool with a demonstrative function** in implementing European directives in environmental management, waste management, and resources & energy efficiency, air quality, industrial pollution, and industrial safety, adaptation to climate change, labour legislation, anti-discrimination and gender equality, labour protection and security. International commitments to implement European directives in Ukrainian legislation affect the conditions for eco-industrial parks policy in Ukraine, including creating general national conditions for more responsible businesses and environmentally friendly industries. In promoting i, industrial readiness will strengthen the competitiveness of industrial products produced within eco-industrial parks.

**The transformation of existing industrial parks into eco-industrial parks will help to address the problem of sustainable local resource management, a clean environment, and productive employment comprehensively.**

**The eco-industrial park is a dedicated area for industrial use at a suitable site that supports sustainability through the integration of social, economic, and environmental quality aspects into its siting, planning, management, and operations (through the introduction of industrial symbiosis and waste management system, extended park services, resource-efficient and clean production within the companies, renewable energy production, reuse of treated wastewater).**

Article 262 of the Association Agreement between the European Union and its Member States, of the one part, and Ukraine, of the other part, provides that investment aid to comply with the mandatory standards of the EU directives listed in Annex XXIX to Chapter 6 (Environment) of Title V of this Agreement, within the implementation period provided for therein, and involving adaptation of plant and equipment to meet the new requirements, can be authorized up to the level of 40 % gross of the eligible costs. Article 293 provides for the efforts of the Parties to promote and encourage trade and foreign direct investment in clean goods, services, and technologies, the use of renewable energy sources, energy-saving products and services. The Parties shall also endeavour to facilitate trade in goods to promote sustainable development, particularly goods that are the subject of “fair and ethical trade” and those related to corporate social responsibility and accountability principles.

It is important to provide optimization of regulatory procedures for economic activity in industrial parks, especially eco-industrial parks, which should promote the efficient and

rational use and distribution within them of all types of resources, including waste and by-products of economic activity.

### **Status-quo, trends, and justifications for the need to solve identified problems**

The National Economic Strategy for the period up to 2030 defines the strategic course of state policy to increase investment attractiveness, which includes the expansion and creation of new industrial parks.

The target indicator for 2030 for strategic goal 4, the creation of new production facilities by stimulating innovation in enterprises in all regions of the country using the competitive advantages of each of them is to attract \$ 8 billion in investments through the industrial park mechanism. For the development of industrial parks, the following tasks are expected to be performed:

- » Providing conditions for the creation and development of industrial parks as investment sites with existing engineering and transport infrastructure;
- » Providing incentives for residents of industrial parks;
- » Ensuring the priority of development of the network of industrial parks in regional development strategies and inclusion in the plans of their implementation of relevant specific measures;
- » Providing integrated power supply system (heat, electricity, gas where industrial parks are created, connecting them to networks, and guaranteeing a 24/7 energy supply, encouraging EIPs to produce their renewable energy sources;
- » Ensuring 24/7 water supply and wastewater treatment with a focus on wastewater reuse
- » Cooperation in the planning and creating synergies between urban and park development (e.g. joint local transport system, combined power supply (e.g. optimized load sharing day/night), joint fire brigade, etc
- » Providing state support for industrial parks included in the Register of Industrial Parks by financing measures aimed at improving environmental, energy, and economic indicators (to introduce the model of eco-industrial parks).
- » Support and promotion of a highly professional park management device.

The National Economic Strategy for the period up to 2030 also defines, in particular, such guidelines, principles, and values in economic policy as European integration (implementation of the strategic course of the state for Ukraine's full membership in the EU) and decarbonization of the economy (energy efficiency, renewable energy), development of a circular economy and synchronization with the European Green Course initiative.

The deepening of Ukraine's relations with the EU presupposes the formation of an individual approach to the application of the Carbon Border Adjustment Measure (CBAM) to Ukraine as a state that has committed itself to political association and economic integration with the EU under the Association Agreement, between Ukraine and the EU, as well as the revision of Annexes XXX and XXXI to the Association Agreement between Ukraine and the EU (environmental protection and climate).

Under the fourth part of Article 4 of the Law 'On Industrial Parks', the operation of industrial parks is aimed at investment attraction and economic development of Ukraine; equalization of economic development of regions and improvement of quality of life of the population of Ukraine; introduction of innovative and energy-saving technologies; creation of new jobs; **sustainable development and protection of the natural environment.**

In addition, given that the model **of the eco-industrial park works on the principles of circular economy, its implementation is aimed at implementing the National Economic Strategy until 2030**, namely Strategic Goal 3, “Strengthening the competitiveness of industrial products produced in Ukraine, the introduction of resource- and energy-efficient technologies” of Direction 10 “Industry”, which provides for measures to stimulate the development of the circular economy, to increase resource efficiency.

This **lays the groundwork for the transformation of industrial parks into eco-industrial ones. The eco-industrial park model should be considered a tool for solving problems of regional and sectoral development** within the framework of sectoral strategies and socio-economic strategies of regional development.

Scenarios for the development of industrial parks

*Pessimistic* (lack of practical development support)

It is based on the assumption that the support mechanisms provided by the Law On Industrial Parks will not be implemented in practice, in particular, given the lack of budget funding.

*Neutral* “unchanged” (maintaining current trends and the situation)

It assumes maintaining current trends in the formation and implementation of industrial park development policy and principles of their operation with gradual national extension to economic entities in the field of ecology and voluntary performance of corporate social responsibility in the absence of targeted planning and location of industrial parks. Levels.

Legislative principles do not provide for the development of methodological support for the efficiency of park management, including compliance of industrial production with environmental requirements. The principles of clean and resource-efficient production and the principles of circular economy do not provide competitive advantages for modern and innovative production.

State support instruments provided for in the Law of Ukraine "On Industrial Parks" are aimed at assisting in the initial arrangement of parks. They do not affect their prospects for quality development and operation in terms of decarbonization of the economy and greening of production. Introducing these support tools will not provide long-term benefits to businesses but will. Still, it will allow starting a business on a "business as usual" basis, which will operate within industrial parks. As a result, it will not promote its products in international and European markets.

*Optimistic* “positive transformation” (purposeful efforts aimed at achieving the goals set by this Strategy)

**The eco-industrial park approach is introduced as a competitive advantage in Ukraine.** In the medium term, all industrial parks (included in the Register) meet the criteria of the eco-industrial park to attract investment, create quality jobs, and develop modern industry using resource-efficient and clean technologies. The policy of eco-industrial parks is combined with the target sectors of the economy and, accordingly, aimed at addressing specific sectoral issues.

Given that the development of industrial parks is at an early stage, the operation of enterprises within the parks is isolated and insignificant. Comprehensive and systemic development must begin with eco-industrial parks' progressive principles and criteria to ensure long-term benefits and competitiveness.

It is essential to ensure transparent cooperation between government, the private sector, research institutions, and civil society, on the one hand, and vertical cooperation between national, regional, and local institutions and organizations.

Support for the development of eco-industrial parks involves the expansion of mechanisms and tools. At the same time, compared to support for “business as usual”, supporting eco-industrial parks will bring the advantage of more efficient use of state and local budgets and producing industrial products with higher environmental and economic characteristics.

### **Strategic goals and indicators of their achievement**

**The strategic goal of Ukraine's state policy** in the field of industrial parks is to ensure the decarbonization of the economy and sustainable industrial growth with economic, environmental, and social benefits for regional **development by introducing eco-industrial parks to achieve high ecological, energy, and economic performance of industrial parks—investment attractiveness.**

Achieving the strategic goal is based on the following principles:

- » Introduction of circular economy approaches at the level of eco-industrial parks, an increase of resource efficiency, and the creation of a closed cycle of resource and waste and wastewater use, which can improve economic, ecological, and social qualities of business and help attract investments to the region, attract prestigious foreign companies and increase eco-industrial parks profits;
- » Introduction of resource-efficient and environmentally friendly production, reduction of environmental impact;
- » Aiming for a fast as possible transition from fossil fuel-based energy supply to renewable energy;
- » The focus of eco-industrial parks is on sustainable economic growth, economic development of regions, regional and local development, and the development of united territorial communities while directing the attention of local authorities to create eco-industrial parks;
- » Promoting the creation of production and business infrastructure for eco-industrial parks, which will encourage the development of industrial enterprises that implement progressive modern world business practices;
- » Use of the potential of eco-industrial parks as an effective mechanism for overcoming problems in industry and the consequences of the current economic crisis in Ukraine, including in the face of the challenges of the global pandemic;
- » Transparent and predictable approach to the location (planning) of eco-industrial parks, integrated industrial planning in cities, granting the priority right to create synergies between industry and cities, which will include the social impact on urban populations and employees of eco-industrial parks;
- » Equal conditions of access to eco-industrial parks to state support;
- » Focus on the development of local small and medium-sized businesses;
- » The possibility of transforming existing industrial parks (included in the Register) into eco-industrial parks, with the right to receive appropriate state support.

### *A set of tools for implementing the policy of eco-industrial parks*

#### *Mandatory requirements (regulation)*

Legislation and regulations related to national park planning, requirements for eco-industrial parks, environmental responsibility, planning, and monitoring of operation within parks and at the national and regional levels, control.

It is necessary **to analyze the application of international recommendations to eco-industrial parks** developed by the United Nations Industrial Development Organization, the

World Bank Group, and GIZ and to determine in the national conditions of Ukraine those criteria for eco-industrial parks that take into account their potential, impact on development exports, especially in promising sectors.

**These international recommendations for eco-industrial parks consist of four aspects: park management performance, environmental performance, social performance, and economic performance.**

A comparative analysis of national conditions with international recommendations for eco-industrial parks developed by the United Nations Industrial Development Organization, the World Bank Group, and GIZ concludes that the legislation on industrial parks in Ukraine includes prerequisites for their industrial development and investment. However, the economic conditions for work in industrial parks do not differ from the general national conditions for industry and business. Industrial parks have no environmental and social requirements, but they are not considered in terms of tools to decarbonise the economy. At the same time, there is a lack of legal framework for creating an effective national management system for industrial parks and comprehensive planning of their development at the national scale and regional levels.

Given the above, the minimum principles for the operation of eco-industrial parks in Ukraine should include the following:

*Prerequisites for eco-industrial park management:*

- » effective park management services, including the optimal list of management company services for park participants, including assistance in providing the necessary infrastructure;
- » detailed requirements for the management company;
- » the existing system of planning targets and monitoring their achievement, both at the park level and at the national, regional, and local levels;
- » risk management and monitoring system, including climate risk assessment;
- » planning and zoning, both at the park level and the national, regional, and local levels;

*Environmental principles:*

- » Introduction of environmental and/or energy management system;
- » planning and achieving energy efficiency in production and other processes within the park to reduce energy consumption and greenhouse gas emissions;
- » planning and use of renewable energy sources;
- » focus on the use of ancillary resources of technological processes, including waste heat, the creation of networks of redistribution of energy and heat within the park;
- » monitoring of energy and resource consumption and minimization of their use;
- » monitoring of water consumption and increasing the efficiency of its use, wastewater treatment, and water reuse;
- » minimization of the use of hazardous and toxic materials;
- » implementation of a waste management plan;
- » implementation of a program to encourage the reuse and recycling of materials;

- » creation of platforms for the exchange of waste and secondary raw materials;
- » systematic collection, treatment, recycling, and disposal of waste;
- » analysis and assessment of possible climate risks;
- » integration of EIP into the local natural ecosystem and minimization of its impact on it;

*Social prerequisites:*

- » planning of social infrastructure and monitoring of its functioning for park employees and the local community within its influence;
- » implementation of a plan to create an environment to prevent discrimination;
- » implementation of an effective program of professional development and advanced training for park employees;
- » an adequate system of labour safety and park safety;
- » planning and monitoring of interaction with the public, both within the park and with the local community;

*Economic prerequisites:*

- » creating conditions for cooperation between all interested stakeholders;
- » involvement of small and medium enterprises;
- » involving the local population based on long-term employment contracts, promoting the development of professions and education necessary for the park in cooperation with local institutions;
- » involvement of local businesses to create economic benefits for local development;
- » effective planning of economic activity, creation of financial benefits for regional and local development based on an actual assessment of the needs of the market and industry;
- » increasing demand for products and services of local medium and small enterprises.

Existing industrial parks must transform into EIPs within a defined period, and any new park has to meet the requirements of an EIP from the beginning. The proper requirements system (standards, indicators, or benchmarks) should be developed and established.

As part of implementing the eco-industrial park model, an approach can be defined from the **gradual approximation of the industrial park to the requirements of the eco-industrial park, explaining the following levels: industrial park, bronze, silver, and gold EIP.**

*Management system*

The successful implementation of the national system of EIPs will depend on an effective management system for the functioning of EIPs, including their planning and monitoring of operation and support.

Amendments to the Law of Ukraine “On Industrial Parks” adopted in 2021 stipulate that public administration in the field of creation and operation of industrial parks is carried out within the powers of:

- » the Cabinet of Ministers of Ukraine;
- » the central body of executive power that ensures the formation and implementation of state investment policy;

- » the central body of executive power that implements the state policy on the creation and operation of industrial parks on the territory of Ukraine (authorized state body);
- » local executive bodies and local governments.

At the same time, the Law of Ukraine of September 7, 2021, № 1710-IX provides for the establishment of a state institution to support the initiators, management companies, and participants of industrial parks to intensify the creation and development of industrial parks as well as to assist in implementing this Strategy.

It is necessary to optimize the powers of national authorities to avoid over-regulation of industrial and eco-industrial parks and to avoid excessive complexity of inclusion in the state register of Industrial Parks for further obtaining state support.

In addition, implementing the policy of eco-industrial parks should involve the central executive body, which ensures the formation and implementation of state regional policy and state policy in construction, urban planning, and spatial planning. At the regional level, the performance of the policy of eco-industrial parks should involve regional state administrations and local governments to facilitate the planning of the location of parks and their inclusion in local development programs. Locations for eco-industrial parks with the highest possible potential for financial investment, trade facilitation, and value chain integration should be chosen. When implementing the policy of eco-industrial parks, it is advisable to use the potential of regional development agencies.

It is essential to ensure cross-cutting issues: land, environment, start-ups, work, and conflict resolution, providing a 'single window' approach to the establishment and operation of eco-industrial parks.

To ensure global competitiveness (among competing countries), a "unique sale offer" of the EEA regime should be developed in comparison with other regions.

#### *Financial and economic instruments*

Include support and incentives at the national and regional (local) levels. During the development and formation of economic support at the national level for eco-industrial parks, finding the best mechanisms and tools to support:

- » identification of opportunities for a special state program to support eco-industrial parks;
- » development of support tools with low impact on budgets (for example, revolving fund);
- » identifying support mechanisms that can be obtained with the support of the authorities with minimal budget expenditures (for example, the issuance of green bonds);
- » involvement of international and national financial institutions, governmental and non-governmental organizations of foreign countries that will be interested in projects of eco-industrial parks and development of tools for them (for example, financial and banking institutions, international financial organizations);
- » negotiations with international partners on the provision of grants for environmental projects in the framework of eco-industrial parks;
- » development of tools (incentives) at the regional and local level and multiplication of successful experience.

### *National and international promotion and Information support*

Includes raising awareness of the benefits of cleaner and resource-efficient production, information and methodological support for the establishment of eco-industrial parks, as well as providing consulting support to management companies and participants (including the purchase of consulting services as government support), attracting investment in clean technology, promoting the development of eco-industrial parks voluntary associations, including an influential self-regulatory organization (e.g. specialized association, business associations).

Attracting investments of domestic and foreign investors in eco-industrial parks will require disseminating information among potential investors raising awareness of the initiators of the parks (including representatives of regional and local authorities who are the initiators).

It is advisable to involve the Government Office for Investment Attraction in information support and attracting international investors. It is advisable to involve specialized institutions, as well as regional development agencies in the implementation of information and consulting support.

To support the development of eco-industrial parks, the educational component and the development of qualifications in the industrial sphere should be provided.

### **Tasks aimed at achieving the set goals, stages of their implementation**

The Strategy is implemented in the following stages.

*In the first stage (2022-2023), it provides:*

- » analysis of the application of international recommendations to eco-industrial parks developed by the United Nations Industrial Development Organization, the World Bank Group, and GIZ for their adapted implementation in the national context of Ukraine;
- » development of the legal framework for establishing and operating industrial parks, including the planning and monitoring ratio within parks and at the national and regional levels, control, a 'single window'<sup>59</sup>.
- » for the establishment of eco-industrial parks;
- » creation of a state institution to support the initiators, management companies, and participants of industrial parks to intensify the creation and development of industrial parks (including eco-industrial parks), as well as to assist in the implementation of this Strategy; analysis of the effectiveness of functioning of a state institution to optimize its functions and legal provisions of its operating;
- » development of the regulatory framework for the functioning of the central executive body that implements the state policy on the establishment and operation of industrial parks in Ukraine, whose activities are directed and coordinated by the Cabinet of Ministers of Ukraine;
- » development of principles of complex territorial planning of the location of eco-industrial parks on a national scale at regional and local levels;
- » implementation of pilot projects for the creation of eco-industrial parks, including with the support of international technical assistance projects;

---

<sup>59</sup> 'Single window' means providing services for EIP in one place (can be simplified comparing to business as usual) aimed to reduce the time and number of times to apply to the state (authorities) and provides for the provision of services in a comprehensive manner in one place, from filing an application to issuing the results of a decision of an executive or other body (and to minimize the number of documents that the applicant must submit to the authority for a decision).

- » formation of a system of management and monitoring of the results of eco-industrial parks;
- » raising awareness of the benefits of clean and resource-efficient production and industrial symbiosis within eco-industrial parks.
- » Promotion of Ukraine's strategy outside of the country at international conferences, bilateral events, etc
- » Identification of potential partners from private investors, banks, and international development agencies ready to invest in Ukraine EIP based on the criteria stipulated in this strategy

*The second stage (2024-2027) provides:*

- » practical implementation of state and private sector support mechanisms for the establishment of industrial and eco-industrial parks, analysis of the effectiveness of the support supplied;
- » analysis of the results of the implementation of pilot projects of eco-industrial parks (including with the support of international technical assistance projects);
- » formation and development of the potential of the central body of executive power, which implements the state policy on the creation and functioning of industrial parks on the territory of Ukraine, the activities of which are directed and coordinated by the Cabinet of Ministers of Ukraine;
- » development of mechanisms and tools of support and incentives at the national and regional (local) level, including those with low impact on budgets;
- » attracting international investment in eco-industrial parks, including information campaigns at the international level;
- » information and methodological support for establishing eco-industrial parks, attracting investment in clean technologies.
- » set up a monitoring system that allows measuring progress and reporting.

*The third stage (2027-2030) provides:*

- » conducting a comprehensive analysis of the results of the creation of eco-industrial parks and the effectiveness of support mechanisms, tools and incentives;
- » improvement of legislation in the field of eco-industrial parks, including the system of management and support, planning;
- » multiplication of experience in creating eco-industrial parks in different regions of the country according to their location planning.

### **Operational Plan for the implementation of the Strategy for three years**

The EIP Policy Development Roadmap approved at the Interagency Working Group meeting is an essential list of measures for the operational plan (see The Policy Action Plan on EIPs Development in Ukraine).

The additional tasks to be included in the operational plan:

- » Analysis of the application of international recommendations to eco-industrial parks developed by the United Nations Industrial Development Organization, the World Bank Group, and GIZ, and determination in the national conditions of Ukraine of the principles (regulatory prerequisites) and compliance criteria for eco-industrial parks considering their potential, impact on export development, especially in promising sectors.

- » Determining the principles and terms (transition period) of transformation of industrial parks to the level of eco-industrial parks.
- » Development of a system of benchmarks (benchmarking) in the framework of the implementation of the levels of the eco-industrial park model: industrial park, bronze, silver, and gold eco-industrial park.
- » Analysis of the use of industrial land, value chains, and conditions for the location of industrial enterprises to identify promising areas for eco-industrial parks.



Vienna International Centre  
Wagramerstr. 5, P.O. Box 300,  
A-1400 Vienna, Austria



+43 1 26026-0



[www.unido.org](http://www.unido.org)



[unido@unido.org](mailto:unido@unido.org)



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION