

**Workshop on**  
**“Developing a Green Business Support Strategy for**  
**Ukrainian Private Business Organizations”**  
**(with focus on metal and mining industries)**

*A UBCCE-GTZ project*  
*supported by the Federal Ministry for the Environment of Germany (BMU)*  
*in the framework of its International Climate Initiative*

## **Summary Report**



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## **TABLE OF CONTENTS**

1. Background and objectives
2. Development of the workshop
3. Results of the work in break-out groups
4. Main results of the workshop

## **ANNEXES**

1. List of participants (in English and in Russian)
2. Workshop agenda (in English and in Russian)
3. Presentations
  1. “Experiences from International Cooperation” (Dr. Schreiber – English)
  2. “Green business from the perspective of B.A.U.M.” (Mr. Köpnick – English)
  3. “Attraction of additional investment within Kyoto” (Mr. Altuchov – Russian)
  4. “Green Business Support Strategy for Ukrainian business organizations” (Ms. Maslyukivska – Ukrainian)
4. Draft of “Green Business Support Strategy for Ukrainian business organizations”
5. Reflections in Ukrainian Media (in Ukrainian and in Russian)



## 1. Background and Objectives

The *Union of Black Sea and Caspian Confederation of Enterprises* (UBCCE) is carrying out a project aimed to develop a Green Business Support strategy for its members. This project is supported by the GTZ on behalf of Federal Ministry for the Environment of Germany (BMU) in the framework of its International Climate Initiative (ICI). Due to its important regional role Ukraine has been chosen as one of the pilot countries in this project.

In the framework of the project, on the 7<sup>th</sup> and 8<sup>th</sup> of October 2010, a workshop aimed to develop the "Green Business support strategy for Ukrainian business associations with focus on Metal and Mining Industries" was held in Donetsk. The workshop was organized by UBCCE's Ukrainian member, Confederation of Employers' of Ukraine (CONFEU), with the support of GTZ and UBCCE.

Donetsk has been identified as the host city for the workshop in Ukraine at the kick-off workshop held in Eschborn (Germany) in June 2010. The decision to hold the workshop in one of the industrial regions of Ukraine – Donbass, and its historical center Donetsk, was motivated by its industrial potential, especially in mining and metal production that corresponded to the project objectives.

The objectives of the workshop were formulated due to the overall goal of the project which is: to develop a business strategy that helps private sector associations and enterprises to respond to the multiple challenges and opportunities of climate change in an efficient and proactive manner. The Green Business Support Strategy should provide orientation to the business sector and address information needs, management issues, business opportunities, technology transfer and cooperation (focus: Green business, climate-friendly technologies, energy and resource efficiency).

Thus, the main objectives of the workshop were defined as follows:

- To discuss the concept paper of "Green Business Support Strategy for Ukrainian business organizations" elaborated by the national expert and to give recommendations on the basis of it;
- ◆ to raise awareness of climate-change challenges and the business opportunities for private sector they bring along among Ukrainian private business organizations and business representatives;



- ◆ to demonstrate examples of “greening “ business and economic benefits of green technologies;
- ◆ to offer the opportunity for information exchange on green business and network building for business organizations interested in tackling climate-change challenges;
- ◆ to look at Ukrainian business organizations opportunities and possibilities in development of “green business economy” and providing support to their members.

As regards to subject matter and timing, the workshop was in line with a range of other events in the region and in Ukraine, first of all with German-Ukrainian Energy Forum (Forum on Energy Efficiency and Alternative Energy Resources which consists of four events to be held between 15.09.2010 and 18.11.2010).

## **2. Development of the workshop**

Considering the results of the kick-off workshop, the workshop in Donetsk was attended by the task force members formed; UBCCE representatives from Azerbaijan (1) and Georgia (1), UBCCE Secretariat (1), UBCCE Presidency (1) as well as representatives from GTZ and B.A.U.M (German Association of Green Enterprises). Moreover, the representatives of state and local authorities, business organizations (local and national), business community, international organizations (UNDP), NGOs and media participated at the workshop (see Annex 1: List of participants).

In the opening session on the 7th of October, participants were welcomed by H.E. Ambassador of Federal Republic of Germany to Ukraine, Dr. Hans-Jurgen Heimsoeth, followed by Mr. Andrey Shishatskyi, Head of the Donetsk Oblast Counsel, Mr. Viktor Panteleyencko, Vice-President of Confederation of Employers' of Ukraine and Mr. Ioannis Patsiavos, Executive Board Member of UBCCE and Int. Relns. Coordinator of Hellenic Federation of Enterprises (SEV) (see annex 2: Workshop agenda).

In his speech Mr. Ambassador emphasized the importance of energy efficiency and “greening” economy in general and the interest of Germany in development in that regard in Ukraine.

Mr. Andrey Shishatskyi stressed the importance of the workshop objectives for an industrialized region like Donetsk. He also underlined the importance of alternative energy resources such as solar, wind and bio energy for the region. He said that the local



authorities are interested in experience gained by European counterparts by use of the resources mentioned. He expressed the hope that the ecological projects could be co-financed together with European partners.

Mr. Viktor Panteleyenکو, Vice-President of the Confederation of Employers' of Ukraine, welcomed participants on behalf of the host organization and stressed the necessity of "green technology export" from European countries to Ukraine.

Mr. Ioannis Patsiavos, Executive Board Member of UBCCE and International Relations Coordinator of Hellenic Federation of Enterprises mentioned the regional and global aspects of greening economy and their role in view of globalization and climate changes and underlined the importance that UBCCE attaches to the Project for developing the capacities of its members in this sense.

Following the welcome speeches, presentations enabling participants to gain an overview of what "Green Business" is and means for enterprises and private sector organizations were delivered. (see Annex 3: Presentations). This session was moderated by Mr. Viktor Panteleyenکو (Vice-President, CONFEU).

In the first presentation, Dr. Detlef Schreiber, Head of the Environment, Resource Efficiency and Waste Management Section of GTZ (Germany) pointed out the main aspects of green business, global trends and perspectives particularly with regards to European 2020 strategy; moreover, some examples of international cooperation in green business have also been presented (e.g. GTZ Green Economy and environmental management projects).

The following presentation was delivered by Mr. Herbert Köpnick, Senior Adviser at the German Association of Green Enterprises (B.A.U.M.) and the Bavarian State Ministry of the Environment and Public Health who described B.A.U.M. consulting mechanisms by examples set regarding co-operation between the business community and local authorities in greening economy with the help of Green Pact in Bavaria.

The afternoon of the workshop comprised two more sessions: panel discussion and presentation of the draft of the "Green Business support strategy for Ukrainian private business organizations" prepared by the national expert followed by the work in break-out groups on the elaboration of the recommendations on the draft in question.

In the panel discussion, the business was represented by leading financial and industrial group operating among others in areas including metals and mining as well as energy



(Panelist: Mr. Jock Mendoza-Willson, Director of Department on Development and Foreign Relations, System Capital Management) and by a company expert on environmental consultancy and brokerage services in the international emission trading market (Mr. Yevgeniy Altukov, Head of Global Carbon Representation in Donetsk). Representative of state authority (Mr. Oleksandr Kolisa, Deputy Head, Department of Technical Policy of the National Agency on Efficient Use of Energy Resources, NAER) and GTZ representative (Mr. Anton Wirth, Team Leader of the GTZ-Project in Ukraine “Sustainable Economic Development”) tried with the business representatives to identify obstacles and incentives on the way towards Green Economy in Ukraine and the role of private business organizations in this process. The panel discussion was moderated by Ms. Nataliya Denisenko, Chairman of the Board of NGO “Letavitsa”.

Mr. Jock Mendoza-Willson pointed out the existing barriers to improve environmental performance including: limited access to capital as result of recession, depressed prices for steel and iron ore, uncertainty in the development of global mechanism to mitigate and adapt to climate change. (Speech: <http://www.scm.com.ua/en/publish/article/146097>).

Mr. Oleksandr Kolisa described some challenges that NAER is facing in its day-to-day activities: weak spread of information on the subject in Ukraine despite the efforts on the part of the state and the agency in particularly in this regard, certain populism and lack of qualified analyses in preparing projects on energy efficiency and resource management which are presented to the agency.

Mr. Wirth made reference to the matter from a GTZ-perspective, referring to the respective GTZ-Projects in Ukraine (“Sustainable Economic Development”, “Energy Efficiency in Buildings”).

Mr. Yevgeniy Altukhov has presented the Global Carbon activities in Donetsk region and described the mechanism of getting benefits from implementing Kyoto Protocol.

The third session was dedicated to discussion of the draft of the Green Business support strategy for Ukrainian private business organizations prepared by national expert, Ms. Olena Maslyukivska, Senior Lecturer, Department of Environmental Studies, National University of “Kyiv-Mohyla Academy”. She also moderated the work in break-out groups that followed.



Firstly, Ms. Olena Maslyukivska shortly presented main points and objectives of the elaborated draft of the Strategy (see Annex 4: Draft of the Green Business support strategy for Ukrainian private business organizations) which were:

- ◆ to facilitate transition to the green economy in Ukraine via defining the green business concept and providing with necessary information;
- ◆ to provide an analysis of the current legal framework, identifying constraints and new business opportunities in Ukraine;
- ◆ to address the communication tactics for organizations seeking to promote the green business concept to its members and third parties;
- ◆ to highlight ways for cooperation and technology transfer of climate-friendly, energy and resource-efficient technologies in mining and metal industries.

After her presentation the participants were organized in three break-out groups for discussion and elaboration of proposals on following topics:

- ◆ The role of business association in the process of “greening” economy (Group N1)
- ◆ Key segments (group or subgroups) the private business organizations (PBO) should target to reach the expected results (Group N2)
- ◆ Activities of national and regional PBOs which they should perform (e.g. for improving green economy enabling conditions), as well as tools and tactics that will best advance the goals (Group N3)

After a brainstorming session among break-out groups, leaders of each have reported back to all participants with their results.

The second day of the workshop was dedicated to company visit to OJSC “Alchevsk Metal Steel Works” that forms part of Donbas Industrial Union (ISD, <http://www.isd.com.ua/en/>) where workshop participants could see results of some actions undertaken by the Corporation and OJSC “Alchevsk Metal Steel Works” towards resource efficiency, energy saving and environmental protection (more about modernization process in Alchevsk : <http://www.isd.com.ua/en/business/modernization/amk/>).



### 3. Results of the work in break-out groups

Group#1: Role of business organizations in “Greening Economy” in transition countries

- Rising awareness;
- Capacity building, training and education
  - First among associations themselves and then to their members;
- Provide a platform for communication & dissemination of information for members;
- Provide sources of in-depth consulting financing and trainings;
- Transfer of experience & best practices;

Group #2: Key Stakeholders

- State authorities, local governments
- Specialized state agencies and funds (with regional representations)
- Project development organizations
- Scientific and research institutes
- Donors (that could deliver the know-how)
- Investment and financial groups
- Mass media
- Community – active citizenship
- Non-governmental organizations (NGOs)
- Similar organizations in other countries (regions)

+ Business itself

Group #3: Activities and Tools

Being influenced by following factors:

- External
  - a. Markets (e.g. IPO, international standards)
  - b. Standards
- Internal
  - a. Regulations: carrots and sticks on central and local levels
  - b. CSR as owners

Four groups of activities could be identified:

1. Building a Forum (a platform for ideas exchange);
2. Lobbying and presenting business interests at the central government level, local authorities level and community opinion;



3. Providing services: free of charge for members and on a commercial basis for external partners;
4. Educational measures.

All results of the work in break-out groups were carefully examined and noted by the national expert, Ms. Olena Maslyukivska, who will adjust the draft concept with respect to workshop results.

#### **4. Main results of the workshop**

With respect to the workshop objectives, the following results were achieved:

- ◆ The concept paper of “Green Business Strategy for Ukrainian Business Organizations” was discussed. Within the workshop some comments were made and correspondent recommendations were elaborated which will be considered by the national expert when preparing the final text of the mentioned strategy;
- ◆ The workshop provided the participants with information on “Green Business” and served the dissemination of information on the subject in question in the region thanks to the participation of mass media (Radio “Svoboda”, press officer of Donbas Industrial Union, Donetsk Press-club, Magazine “Energy Efficiency”). At the end of the workshop, Mr. Rodion Kolyshko (CONFEDU) and Ms. Olena Maslyukivska (local expert on strategy development) gave a short interview by phone to Deutsche Welle. (see Annexe 5: Reflections of the Workshop in Ukrainian Media)
- ◆ The local authorities showed their interest in the event (the latter was confirmed by the participation by both the representative of the Donetsk State Administration and Donetsk Oblast Council). Therefore, it can be assumed that further activities concerning green business could achieve support on the local governmental level.
- ◆ Positive examples of “greening” business and economic benefits of green technologies were presented and demonstrated on the spot (during the company visit to Alchevsk);
- ◆ Business opportunities for private sector among Ukrainian private business organizations and business representatives were also analyzed;
- ◆ A professional networking has been initiated which should give the opportunity for information exchange on green business among the relevant organizations and other stakeholders.