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GLOBAL QUALITY
AND STANDARDS PROGRAMME



Quality and Standards for the wood industry in Ukraine

Realizing the export potential of children's furniture
and wooden windows



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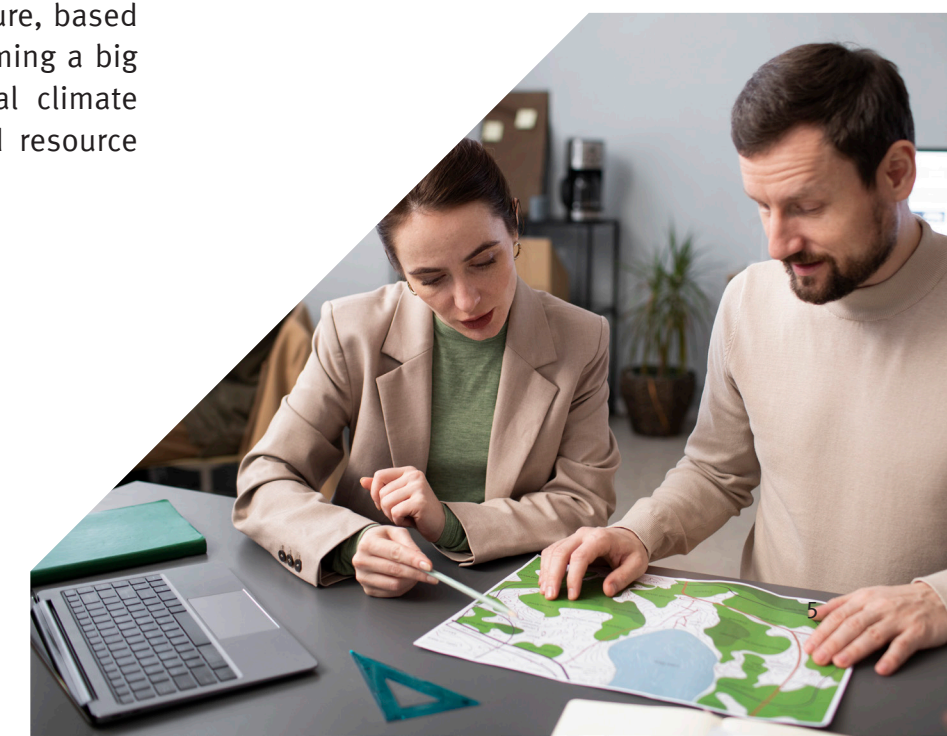


CONTEXT



The wood processing industry in Ukraine plays a significant role in providing employment opportunities and contributing to the country's economic growth. The sector is comprised of approximately 6,500 firms, including about 500 large and medium enterprises. About 30% of these companies manufacture higher value-added products (e.g. furniture and windows). For Ukrainian manufacturers to capitalize on the opportunities offered by international trade, they need to comply with the requirements of the relevant technical and environmental standards to access more demanding global markets.

Disruption has also opened a window for Ukraine to reshape its future, making it greener and more resilient. The reconstruction of physical infrastructure can allow for building back better and investing in the future, based on sustainability principles, overcoming a big carbon footprint, reducing potential climate impacts and improving energy and resource efficiency.





The Ukrainian wood processing sector needed to strengthen its capacities to cater to demand and comply with the requirements of both the domestic and international markets.



Against this backdrop, the Global Quality and Standards Programme (GQSP) Ukraine initiative helped realize the export potential of the children's furniture and wooden windows value chains in Ukraine by strengthening related quality and standards compliance services to the benefit of small and medium-sized enterprises (SMEs) and by promoting the use of those services among the value chain participants to ultimately facilitate market access.

The Global Quality and Standards Programme (GQSP) aims at developing comprehensive solutions for common quality and standards related challenges. It achieves this through knowledge dissemination at the global level and focuses on specific value chains at the country level to provide targeted technical support that not only helps to overcome compliance challenges and facilitate market access for specific products—with demonstrable results over a project lifespan—but also has a “knock-on” effect in terms of more generic QI development. Funded by the Government of Switzerland through its State Secretariat for Economic Affairs (SECO), and implemented by UNIDO, the GQSP contributes to a number of key conditions and transformational goals, resulting in greater international competitiveness, increased exports and sustainable trade. Find out more about the impact of the GQSP in the publication [Improving Trade. Changing Lives.](#)



This positive impact for private sector producers was achieved through:

- ➞ an in-depth value chain study;
- ➞ evaluation of the national standardization system using good standardization practice (GSP) diagnostic;
- ➞ drafting of the national standardization strategy;
- ➞ advancing the digitalization of the standardization process;
- ➞ strengthening selected testing facilities;
- ➞ building capacities among business support entities; and
- ➞ developing a national Guiding Framework of Standards and Technical Regulations for green reconstruction.

The following pages aim to highlight the main achievements of the GQSP Ukraine over its first programme phase from 2019–2023.



QUALITY INFRASTRUCTURE BENEFITS FOR ADDRESSING THE NEEDS OF PRODUCERS



Setting up a quality infrastructure (QI) system is one of the most pragmatic steps that a nation can take on its path towards cultivating a thriving economy as a basis for prosperity, health and well-being. Quality infrastructure is a system contributing to governmental policy objectives in areas including industrial development, trade competitiveness in global markets, efficient use of natural and human resources, food safety, health, the environment and climate change.

A QI system has traditionally been seen as a catalyst for improving the quality of products and services on a national scale. In turn, it helps to stimulate demand for these products and services, invigorating individual businesses and the economy as a whole. By helping national industry to meet the requirements of export markets, a QI system increases the competitiveness of the nation's economy and its ability to participate in global trade and in value chains.



With production lines extending beyond a single country, global value chains have become increasingly important for trade. Despite quality requirements posing obstacles for producers, particularly from developing countries, to enter and participate in global value chains, capacity to prove compliance can result in opportunities and lead to integration into the global market.

To address market access challenges and embrace market opportunities, the GQSP Ukraine assisted business support institutions in the wood and wood products sector in making full use of the national QI system to improve market competitiveness, market intelligence and compliance with market requirements, standards and technical regulations to increase export potential.



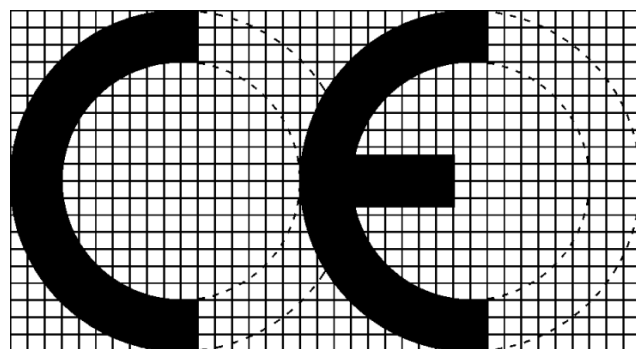
One way this was achieved was by strengthening the quality services offered by sectoral business associations, including boosting Ukrainian manufacturers' awareness of the CE marking requirements. To raise awareness among producers and facilitate their uptake of CE marking, GQSP Ukraine supported the development of guidelines for the target sub-sectors: "CE marking for furniture. European requirements and potential for Ukraine" and "CE marking for windows. European requirements and potential for Ukraine". This translated to increased export of products to the European Union, as CE marking indicates that a product conforms to specific European technical standards, enabling it to be placed legally on the market in any European member state.





The letters ‘CE’ appear on many products traded on the extended Single Market in the European Economic Area (EEA). They signify that products sold in the EEA have been assessed to meet high safety, health, and environmental protection requirements.

By affixing the CE marking to a product, a manufacturer declares that the product meets all the legal requirements for CE marking and can be sold throughout the EEA. This also applies to products made in other countries that are sold in the EEA.



The two main benefits CE marking brings to businesses and consumers within the EEA are:

- ✓ Businesses know that products bearing the CE marking can be traded in the EEA without restrictions
- ✓ Consumers enjoy the same level of health, safety and environmental protection throughout the entire EEA

CE marking is a part of the European Union’s harmonization legislation.



Another way this was achieved was by strengthening the compliance capacity of private businesses in Ukraine to comply with international market requirements and standards, through workshops and trainings held with members of designated business associations, including participants from businesses and test laboratories. Collaborating with associations maximized engagement with 71 private sector producers, equipping them to take steps towards improving their compliance with standards, ultimately enhancing their competitiveness by facilitating the development of export-oriented woodworking and wood processing industries.

In the process of strengthening the capacity of the business support entities to offer quality related services, the GQSP Ukraine realized the need to explain to SMEs, particularly in the furniture sector (which is not regulated in Ukraine), all the benefits of using the standards. This is reflected in the publication [Creating value with standards: Special focus on the wood manufacturing industry in Ukraine](#), which includes case studies of how the use of standards has led to increased economic benefits particularly in Eastern Europe.

Raising awareness of wooden windows and children’s furniture producers about the available opportunities of the national QI system will increase their competitiveness in the market, improve market information and compliance with market requirements, standards and technical regulations to increase export potential.





STRENGTHENING INSTITUTIONS AND LABS

One of the GQSP Ukraine's main activities benefitting private sector producers is its work with partners to enhance the institutions that provide QI, including those responsible for the testing of products. Key QI institutions, particularly relevant to wood and processed wood industries, were strengthened through capacity building, the use of best practices, skills development and implementation of management systems to ensure quality and international recognition of their services.

In collaboration with the International Organization for Standardization (ISO), the GQSP Ukraine improved the operations of UAS—the Ukrainian national standards body (NSB)—through the application of Good Standardization Practices (GSP), which covers the ways in which NSBs should be established and operate taking into consideration legal and social differences among countries. Aspects of particular importance include the systems of establishing and publishing standards as well as issues of organizational structure and governance of an NSB. Improving the services offered by the UAS in line with international good practices ultimately leads to a sustainable standardization system in Ukraine, benefitting all stakeholders, especially private sector producers.



Similarly, with the support of ISO, a first draft of the national standardization strategy has been formulated.

In a similar vein, the Government of Ukraine is actively working on Ukraine's integration into associative accession to the European Union (EU). As part of this process, work is underway to adapt national legislation to EU requirements. With technical support from the GQSP, 18 standards have been officially adopted, which will allow wooden window manufacturers and relevant laboratories to use European approaches to product testing, providing them access to European markets.

As standardization is one of the most important components of the national QI system, the availability of appropriate standards will enable manufacturers and testing laboratories to prove the quality of their products, which is essential in the sustainable reconstruction of Ukraine.





The GQSP Ukraine also assisted two laboratories for testing windows to improve their capacities and service offer. This included the provision of equipment for the laboratories' most pressing equipment needs. Furthermore, in collaboration with the Bern University of Applied Sciences (BFH) and Agency for Sustainable Development of the Carpathian Region (FORZA), the GQSP facilitated business and marketing planning for testing laboratories and ensured international recognition of them.

Recognized laboratories with modern equipment, trained staff and motivated management will lead to an increased number of internationally recognised quality certificates for exports in the long run. This, in turn, will empower producers in the private sector to capitalize on the advantages offered by international trade.



CREATING A SUSTAINABLE CULTURE FOR QUALITY

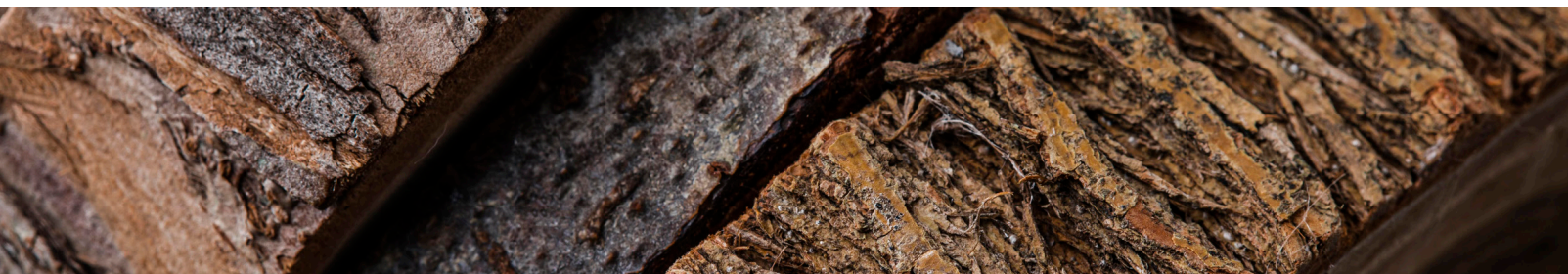
One of the primary benefits of the QI system is to boost a nation's ability to participate in global markets. To this end, governments must ensure a conducive policy framework and that nations implement standards and technical regulations consistent with world trade rules to prevent mandatory technical regulations, established by the World Trade Organization, from becoming technical barriers to trade (TBT), impeding the flow of goods and services between nations. It is imperative for the QI system to include a national regulatory framework to ensure consistency among regulators.

To address risks associated with TBT, a QI system should operate within a quality-centric "environment", emphasizing a "do right first time" approach. Known as "culture for quality", the environment comprises shared values, beliefs, expectations and commitments toward quality, supported by policies, systems and processes covering, production, management, thinking, communication and decision-making that guide everyday actions and improvements.





Culture for quality encompasses a favorable business environment, spanning over key institutions, producers, markets and consumers, and involves shared and accepted patterns. This culture, embedded at the individual, organizational, societal and country levels, contributes to the development of effective care for quality. Developing a culture for quality is the most effective way to ensure and improve quality across all levels, fostering competitiveness in the global market.



A conducive policy environment, along with a solid culture for quality, is fundamental for the sustainability of a QI system. Continuous engagement and harmonious interaction among all stakeholders are essential for a sustainable QI system and private sector development based on quality and competitiveness.

Countries must acknowledge the importance of quality, and consumers need to demand/choose it and have access to a supportive and internationally recognized QI system for independent attestation of the quality of a product or service, without which access to developed markets is nearly impossible. However, quality certification alone is insufficient as enterprises also need to demand quality, instilling a culture of continual improvement and professionalism among its employees for long-term production of quality products and services. In the case of Ukraine, recognizing the important role of quality, standards and international good practices in the country's wood industry is key for its sustainable development.

National QI system development requires collaboration of the public authorities in charge and the private sector, with the voluntary participation of society also required to create pressure for quality services. The GQSP Ukraine promotes relevant quality and standards related resources, including best practices, beneficial to producers, via social media channels, workshops and trainings. Thirteen technical publications were also developed and disseminated to further support creating a sustainable quality culture among key stakeholders, particularly producers.





IMPACT STORY

Boosting the energy efficiency of Ukrainian wooden windows for a sustainable future

The war in Ukraine has driven up the domestic demand for windows, prompting producers to set their sights on the local market. The average lifespan of this type of product is 30 years, meaning that the windows built today will impact the future. Recognizing this, the government has put sustainability at the core of its programme and aims to capitalize on the reconstruction efforts to reduce the energy demand in the country.

Wood is a natural insulator and wooden windows can be one of the most energy-efficient window types when manufactured to the highest standards. About 100 producers of windows and structures operate in the Ukrainian market, which is further served by up to 10,000 small companies. However, the lack of capacities among local window manufacturers to meet quality and sustainability requirements may hamper their opportunities to participate in reconstruction activities and generate the much-needed income that would allow them to stay in business.



In support of this sector the GQSP, in close cooperation with the BFH, has put at the disposal of wooden window producers a new testing scope that will equip them to measure the thermal performance of their products, optimize their design and make them more energy efficient.

At a time when many firms have had to relocate their production, the new capacities will allow labs to provide the service remotely through simulation-based calculation, reaching their customers throughout the country. The new testing scope will become an integral part of Ukrainian laboratories' offer of services and is the first step of a wider strategy aimed at building digital capacities among labs to improve their future resilience.

Currently, buildings represent 32% of the total energy consumption in the country and the average thermal transmittance of windows installed in Ukraine is higher than the maximum allowed in the EU. Hence, producing energy-efficient windows can enable local producers to meet domestic and international performance requirements and gain access to new markets, ultimately contributing to creating a more sustainable future in Ukraine and beyond.



LOOKING TO THE FUTURE



Before the war started, Ukraine was facing challenges related to outdated infrastructure, energy inefficiency and environmental degradation. In light of the present circumstances, the country has put forward a Recovery Vision that aims to capitalize on reconstruction efforts, ensuring that they are both guided by and serve as a springboard for sustainability. This so-called “green reconstruction” presents an

opportunity to enable a transition towards sustainable and inclusive growth in the post-conflict era. To achieve this goal, it is crucial to adopt and effectively implement new green practices, which have been codified into international standards. Translated into technical regulations, they are key in defining specifications for public and private investment projects, services and their management.

Reconstruction of physical infrastructure can allow Ukraine to invest in the future, overcome a significant carbon footprint, reduce potential climate impacts, and increase energy and resource efficiency, thereby becoming a pioneer of such practices in Europe. At the same time, these reconstruction efforts can help Ukraine to align with European legislation and requirements as part of its EU accession efforts.

With growing consciousness of climate change, Ukraine is resolved to ensure that the reconstruction of the country serves as a springboard for a greener future. UNIDO is working with the Ministry of Economy of Ukraine to strengthen the country’s regulatory framework, standardization strategy and conformity assessment services, to secure their contribution to the sustainability imperative for its green reconstruction.





Recognizing that the adoption and effective implementation of appropriate standards is crucial for this, UNIDO joined forces with the Ministry of Economy of Ukraine, UAS and international partners like CEN and CENELEC to promote the role of standards for a green reconstruction of the country and conceptualize and develop a National Guiding Framework to lay the foundation for the future use of standards and technical regulations in this endeavour.

In times of disruption, digital transformation has proved to be key for business continuity, competitiveness and resilience. The new National Accreditation Agency of Ukraine (NAAU) web portal was developed to disseminate information and serves as a platform future provision of online accreditation services. UNIDO is also collaborating with UAS to develop an online platform to sell standards as part of a broader digital transformation strategy. At the same time, the digitalization of standardization process positions the UAS to effectively meet the needs of standards users, ensuring the competitiveness and long-term sustainability of the national QI system.

Looking to the future, the GQSP Ukraine will continue to leverage UNIDO's expertise to strengthen quality and standards activities in the country, expanding the sector in which it works.



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