



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



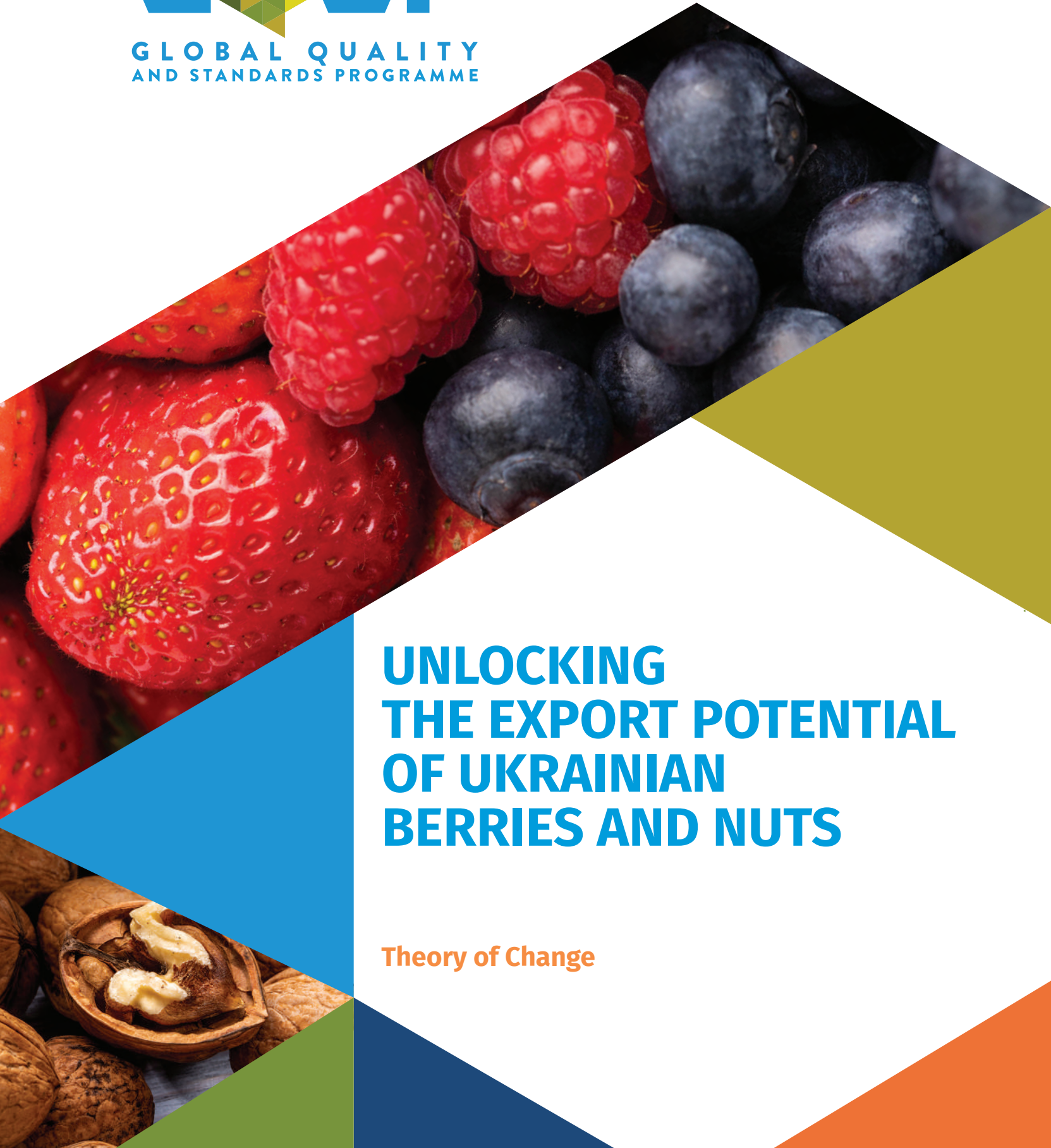
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Education and Research EAER
State Secretariat for Economic Affairs SEO



GLOBAL QUALITY
AND STANDARDS PROGRAMME



UNLOCKING THE EXPORT POTENTIAL OF UKRAINIAN BERRIES AND NUTS

Theory of Change

Project Description and Importance of Theory of Change

ToC structure

The Global Quality and Standards Program (GQSP) is a large-scale initiative funded by the Swiss Confederation, through the Swiss State Secretariat for Economic Affairs (SECO) and is implemented by UNIDO. The program is designed to strengthen the quality and standards compliance capacity in SECO partner countries to facilitate market access for small and medium-sized enterprises (SMEs) by working in emblematic value chains per country through a number of country projects.

In Ukraine, GQSP aims to underpin the country's export capacities for berries and nuts (B&N). This will be achieved by fostering Ukraine's competitiveness through enhancing the quality and standards compliance capacity along the fruits value chain to facilitate market access for SMEs. As such, the project supports and complements the implementation of Ukraine's development agenda.

"Theory of Change" (ToC) has been increasingly used by international agencies and other organizations to increase the quality of implementation of programs and projects. This practical tool, seeking to identify how the project activities lead to the desired impact,

is increasingly favored by beneficiaries and donors. A ToC helps policymakers in developing countries to reach an understanding of how the project fits into their long-term and broader transformation objectives. To donors, a ToC communicates the logic of interventions and their sustainability after the project completion.

UNIDO regularly applies ToC in its technical assistance to make a credible estimate of the extent to which it contributes to project objectives and overarching development goals. Project teams use ToC tools to define the process and conditions required to reach the desired impact, leading to better and more effective planning.

A ToC is often presented visually to make it more widely accessible and easier to read, as visual representations can clarify key ideas beyond words. UNIDO opted to present the project's ToC in form of a tree that not only illustrates the selected fruits value chain (conditions for the realization of the expected impact), but also allows for representation of the project from "root to fruit".

What is the envisaged impact?

Any ToC starts with the question "What is the long-term goal or impact the project will contribute to?". The overall objective of the GQSP Ukraine is to contribute to promote Ukraine's economic development, by enhancing trade capacities and fostering competitiveness through quality and standards in berries and nuts value chains.

What conditions must be in place to reach the goals?

Once the impact has been clearly defined, the next question is: "What conditions must be in place to reach the goals?". For a country to enhance trade capacities and fostering competitiveness, many conditions need to be met. UNIDO, in close cooperation with national stakeholders, defined the key conditions needed to achieve the overarching goal. Those conditions relate to multiple areas, however, it has to be understood that no project alone can meet all the necessary conditions to achieve any long-term transformation of the country. Therefore, the ToC shown in this document presents in:

- **Green** conditions that the project has greatest contribution to, being its main focus
- **Yellow** conditions the project has partial contribution to, whose realization is determined also by other complementary initiatives of UNIDO or other partners
- **Red** conditions not within the project's scope, but expected to be fully addressed by other initiatives complementary to GQSP

Which focus areas and concrete interventions determine the realization of the conditions?

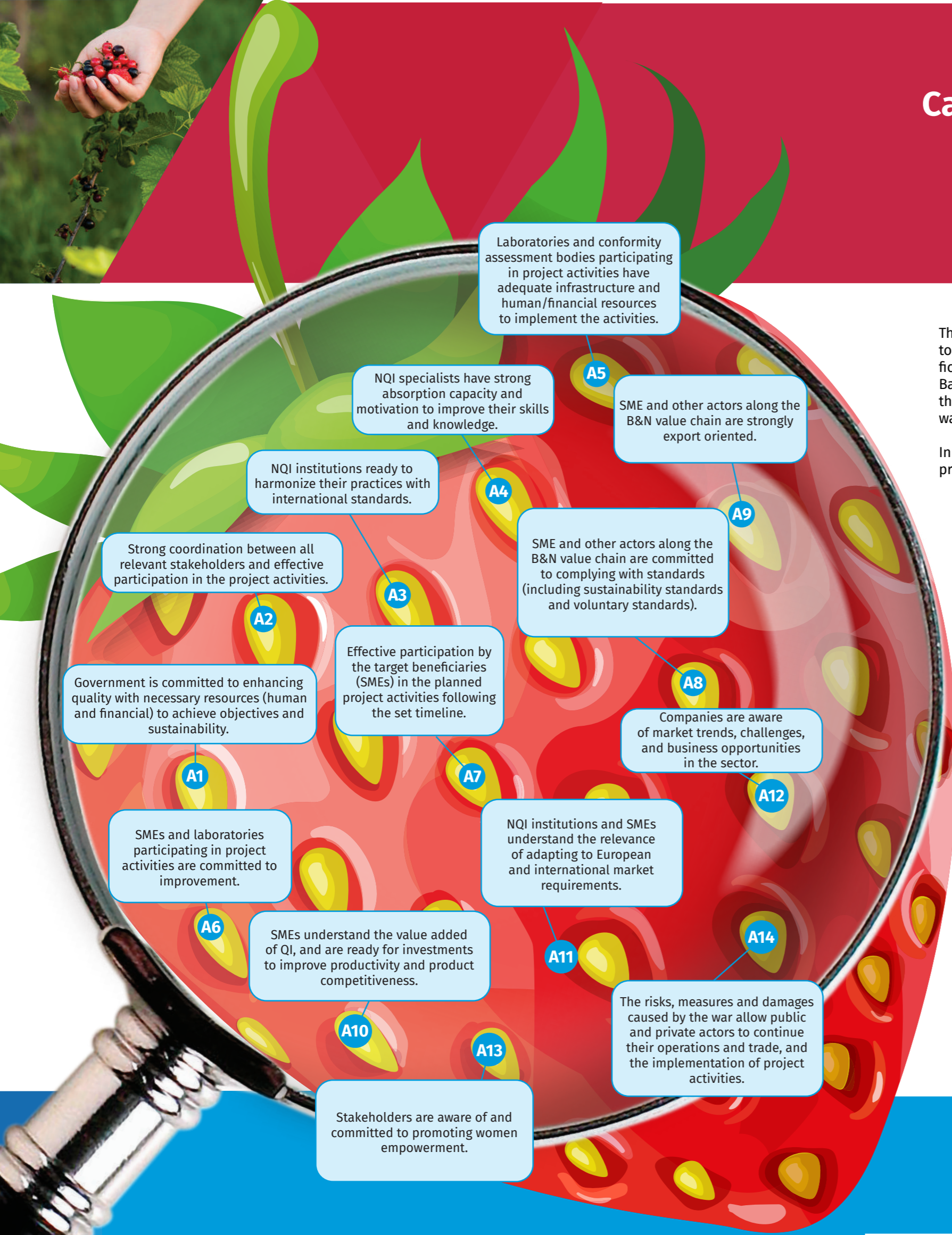
After illustrating those conditions that GQSP Ukraine can 'fully' or 'partially' contribute to achieve project impact, the ToC shows concrete focus areas and concrete interventions that will lead to meeting those conditions. Linkages shown in different colors represent the process of causality.

Which assumptions allow the realization of the outputs?

The ToC also specifies which assumptions are to be particularly considered, in order to grant that the causality connections flow properly. Indeed, assumptions are elements that are taken as true or necessary for the theory to be valid and for the desired outcomes to be achieved. These assumptions can pertain to various aspects, including the context in which the change is expected to occur, the relationships between different factors, and the behaviors of stakeholders involved.



Causality flows

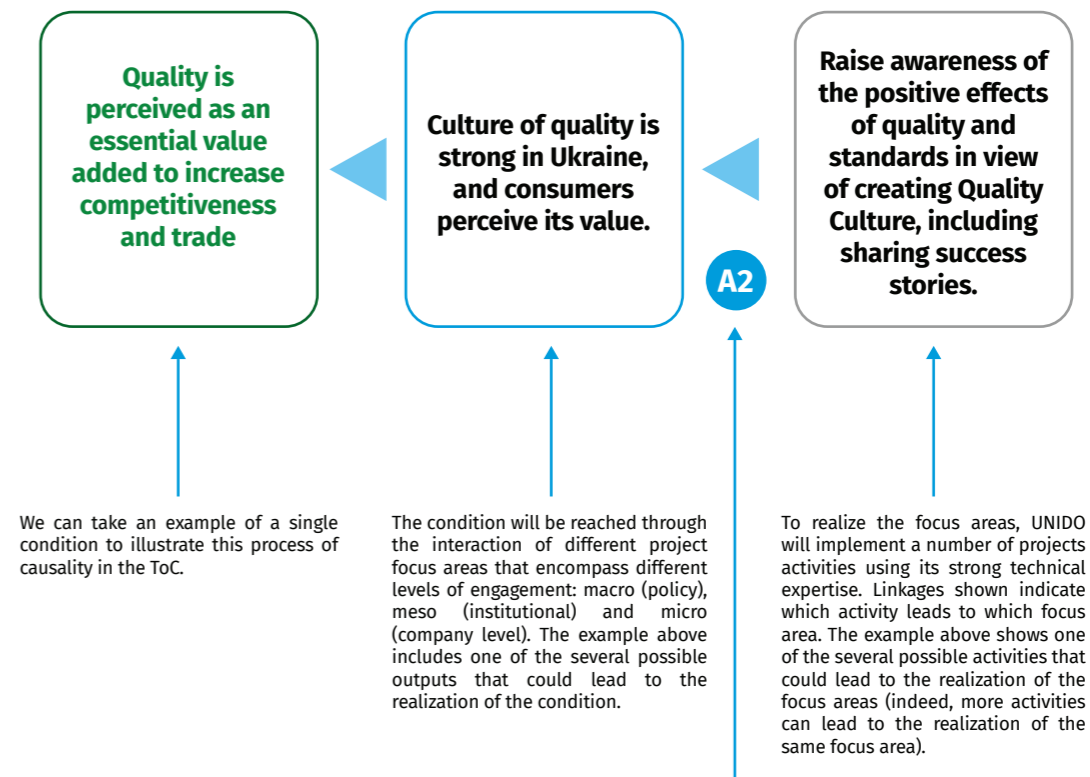


Theory of change helps UNIDO and its project partners to better communicate the project's work to beneficiaries and other interested stakeholder groups. Based on the logical sequence of events described in this document, the elaborated ToC offers an effective way of explaining what the project does and why.

partners active in the country, and seek synergies towards the achievement of common objectives. This ToC is a living document, which will evolve with the project, as UNIDO will continuously collect feedback from stakeholders, and periodically review all key elements and linkages.

In this sense, it is also seen as a powerful tool to align project activities with those of other development

Below is an example of how the causality link should be read:



We can take an example of a single condition to illustrate this process of causality in the ToC.

The condition will be reached through the interaction of different project focus areas that encompass different levels of engagement: macro (policy), meso (institutional) and micro (company level). The example above includes one of the several possible outputs that could lead to the realization of the condition.

To realize the focus areas, UNIDO will implement a number of projects activities using its strong technical expertise. Linkages shown indicate which activity leads to which focus area. The example above shows one of the several possible activities that could lead to the realization of the focus areas (indeed, more activities can lead to the realization of the same focus area).

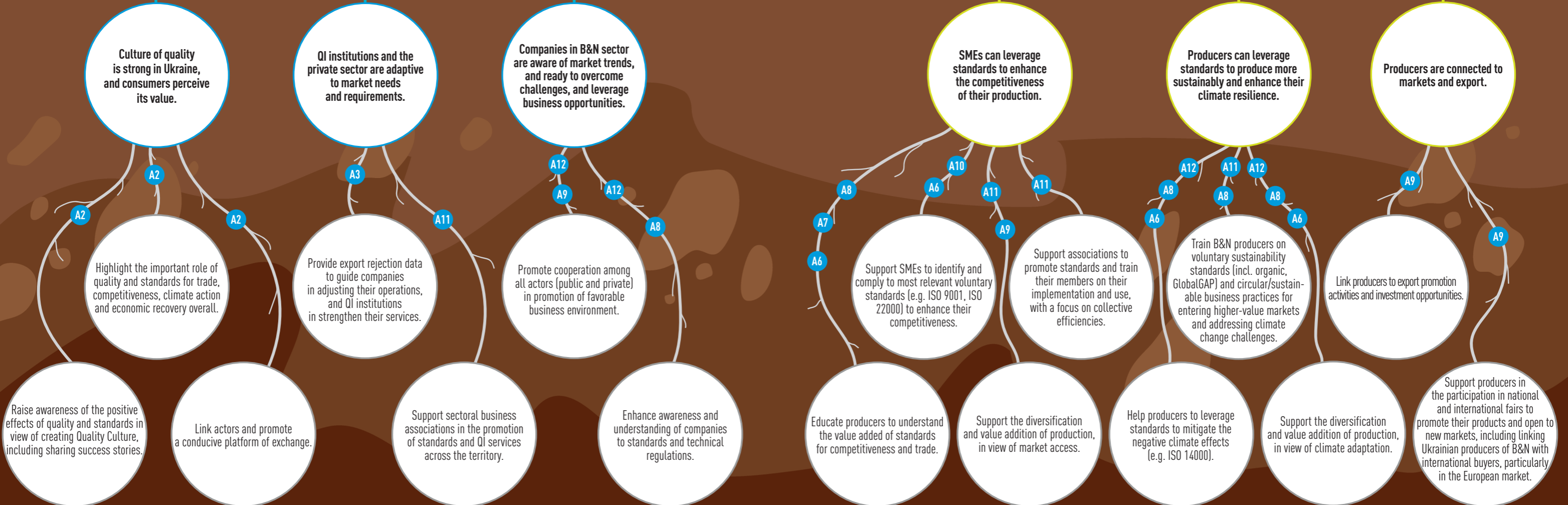
UNIDO also examined the underlying assumptions that can affect the causality of the process. Assumptions are elements to be monitored to assure a smooth implementation of project activities.

The Theory of Change

Promoting economic development through competitiveness and trade

Quality is perceived as an essential value added to increase competitiveness and trade.

Ukrainian SMEs have the capacity to produce sustainably and export.



Legal, regulatory framework and policies are supportive to competitive B&N sector.

Accredited conformity assessment services are available and leveraged by companies to prove compliance with standards.

Strong legal and regulatory capacity of policymakers, in line with market needs.

The legal, regulatory framework and policies support effective QI setup and provision of services.

Promote the alignment of the Ukrainian QI system and market with international and European market requirements.

NAAU has the technical capacity to accredit national CABs (testing, certification, calibration) in line with market needs.

Public and private CABs offer efficiently internationally-acceptable and locally-required services to producers, including of organic production.

Metrology institute offers efficiently internationally acceptable services to producers.

Business Services Organizations (BSOs) offer affordable and valid advice to value chain members regarding certifications.

Review legal, regulatory framework and policies and ensure they are in line with market needs and in support of private actors (particularly in support of SMEs).

Support reforms and policy making to progressively align Ukrainian QI to EU and international market requirements.

Train NAAU evaluators to improve accreditation skills and develop the competence of NAAU in line with international best practice.

Support (virtual/in person) participation of NAAU staff in relevant international/regional events.

Support certification bodies to obtain new/maintain existing internationally recognized certification of products & management systems.

Support the digitalization efforts of CABs to offer state-of-the-art (incl. remote) conformity assessment services.

Train women experts to support the work of CABs and promote gender equality in conformity assessment.

Train metrology experts to provide services to the sector (e.g. pre-packaging requirements).

Train BSOs to improve information and service delivery related to quality and standards to value chain members (e.g. advisory on standards/certifications).

Review of legal, regulatory framework and policies and align them to the needs of the QI, in line with international best practice.

Creation of a portal to provide all the necessary information about standards, certification, and more generally export markets requirements, and accredited CABs in the B&N value chain.

Digitalize the accreditation process in Ukraine, to allow and facilitate CAB operations in the whole territory.

Train women experts to support the work of NAAU and promote gender equality in accreditation.

Train technical staff of CABs in line with sector needs and standards compliance analysis to enhance conformity assessment (e.g. pesticides).

Provide CABs with state-of-art equipment to increase the quality and efficiency of their services.

Support Organic Standard in promoting and facilitating conformity assessment processes for organic products in the B&N value chain.

Support national metrology to provide state-of-art services, incl. digital maturity assessment and roadmap for digitalizing services.

Provide technical advice on management, business planning and metrology technology.

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Ukrainian SMEs can effectively prove compliance with market requirements.

Ukrainian standards are harmonized with international standards.

The B&N sector benefits from the inclusion of women.

Improved compliance with mandatory market requirements and voluntary standards.

Producers can prove compliance with market requirements.

The country adopts international standards of relevance to the sector and makes them available to the private sector.

Interests of Ukraine are better represented in standard-setting internationally.

UAS operations are efficient, transparent, and inclusive.

Women are skilled to contribute to the development of B&N sector.

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Train producers on pre-packaging requirements, labelling and preparation of required documents mandatory for market access.

Support producers to obtain certification and prove conformity with voluntary requirements (e.g. international standards, sustainability standards).

Educate producers on quality-related challenges and how to overcome them, using standards and conformity assessment services.

Support UAS in the national adoption of international standards (incl. translation).

Train and support national experts to participate in international standard-setting processes (e.g. technical committees).

Support digitalization in standardization at UAS to accelerate standards development/adoption, coordination, promulgation, and grant inclusivity.

Boost women's leadership and managerial skills to unlock their full potential and allow them to hold managerial roles.

Promote job creation in the B&N sector, particularly internally displaced persons (IDPs) and women.

Support SMEs to know and comply with mandatory market requirements with focus on the EU market (e.g. pesticide levels, contamination), incl. emerging regulations related to the EU green deal, on pesticide management, due diligence, deforestation, etc.

Analyze the standards compliance capacity of Ukrainian producers and identify the most pressing bottlenecks hindering exports (using border rejection data).

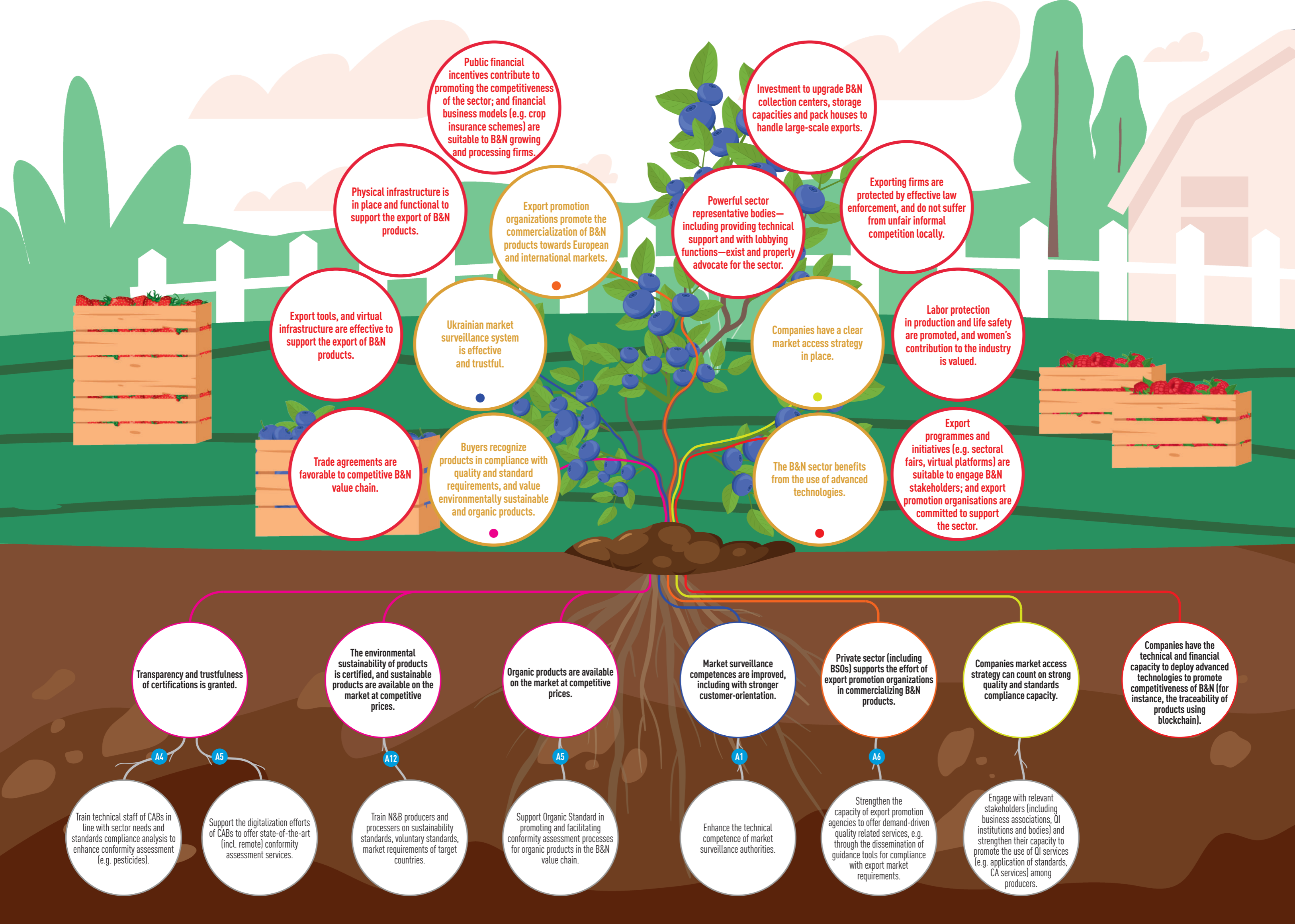
Link producers to relevant conformity assessment service providers.

Support UAS in developing national standards as needed and engaging stakeholders.

Support UAS to participate in international fora and networks (e.g. ISO, CEN/CENELEC).

Train women to boost their technical capacities on highly requested technical roles, to allow them to contribute with their expertise to the work of QI institutions (e.g. technical work in laboratories).

Promote female entrepreneurship to drive business innovation and growth.



Public financial incentives contribute to promoting the competitiveness of the sector; and financial business models (e.g. crop insurance schemes) are suitable to B&N growing and processing firms.

Investment to upgrade B&N collection centers, storage capacities and pack houses to handle large-scale exports.

Physical infrastructure is in place and functional to support the export of B&N products.

Export promotion organizations promote the commercialization of B&N products towards European and international markets.

Powerful sector representative bodies—including providing technical support and with lobbying functions—exist and properly advocate for the sector.

Exporting firms are protected by effective law enforcement, and do not suffer from unfair informal competition locally.

Export tools, and virtual infrastructure are effective to support the export of B&N products.

Ukrainian market surveillance system is effective and trustful.

Companies have a clear market access strategy in place.

Labor protection in production and life safety are promoted, and women's contribution to the industry is valued.

Trade agreements are favorable to competitive B&N value chain.

Buyers recognize products in compliance with quality and standard requirements, and value environmentally sustainable and organic products.

The B&N sector benefits from the use of advanced technologies.

Export programmes and initiatives (e.g. sectoral fairs, virtual platforms) are suitable to engage B&N stakeholders; and export promotion organisations are committed to support the sector.

Transparency and trustfulness of certifications is granted.

The environmental sustainability of products is certified, and sustainable products are available on the market at competitive prices.

Organic products are available on the market at competitive prices.

Market surveillance competences are improved, including with stronger customer-orientation.

Private sector (including BSOs) supports the effort of export promotion organizations in commercializing B&N products.

Companies market access strategy can count on strong quality and standards compliance capacity.

Companies have the technical and financial capacity to deploy advanced technologies to promote competitiveness of B&N (for instance, the traceability of products using blockchain).

Train technical staff of CABs in line with sector needs and standards compliance analysis to enhance conformity assessment (e.g. pesticides).

Support the digitalization efforts of CABs to offer state-of-the-art (incl. remote) conformity assessment services.

Train N&B producers and processors on sustainability standards, voluntary standards, market requirements of target countries.

Support Organic Standard in promoting and facilitating conformity assessment processes for organic products in the B&N value chain.

Enhance the technical competence of market surveillance authorities.

Strengthen the capacity of export promotion agencies to offer demand-driven quality related services, e.g. through the dissemination of guidance tools for compliance with export market requirements.

Engage with relevant stakeholders (including business associations, QI institutions and bodies) and strengthen their capacity to promote the use of QI services (e.g. application of standards, CA services) among producers.

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Conclusions

Trade is an intricate domain, presenting a myriad of challenges that necessitate strategic intervention to ensure its smooth functioning and growth. Among the myriad facets of trade, quality and compliance stand out as critical components, yet they represent just one piece of the larger puzzle.

The success of this project hinges on addressing three critical conditions that currently impede progress and competitiveness within the market.

1 Firstly, there is a pervasive lack of adequate infrastructure to demonstrate compliance with market requirements. This deficiency significantly hampers companies, particularly SMEs, from effectively competing on a level playing field. Without proper quality infrastructure and services in place, businesses struggle to meet the stringent demands of market standards, thereby limiting their growth and market access.

The GQSP Ukraine will strengthen Ukraine's National QI System to provide state-of-the-art internationally recognized services and meet private sector needs in berry and nut production.

2 Secondly, many SMEs lack the necessary knowledge and capacity to adhere to standards and drive innovation. This knowledge gap creates a substantial barrier, preventing these enterprises from understanding and implementing the best practices required for compliance. Moreover, without the capacity to innovate, SMEs are unable to develop and offer new products or services that meet evolving market needs. This stifles their potential for growth and sustainability in an increasingly competitive environment.

The GQSP Ukraine will enhance SMEs' capacity to meet international standards, thereby boosting trade potential and job creation.

3 Lastly, lack of a robust policy frameworks, coupled with limited awareness about the role of quality and standards in market success restrict enterprises from fully understanding the benefits of adhering to these principles. This results in a lower overall commitment to quality and standards, which can adversely affect market performance and consumer trust.

The GQSP Ukraine will foster a culture for quality by raising awareness about the importance of quality and standards in driving sustainable development.

Targeted actions on technical regulations and standards, innovation and new technologies, and sustainability will contribute to addressing the critical conditions listed above, ultimately driving economic recovery, boosting exports, and facilitating the integration of local businesses into global markets.

Based on this comprehensive Theory of Change, UNIDO proposes a holistic approach to tackle these challenges, aiming to stimulate economic recovery, boost exports, and facilitate the integration of local businesses into global markets.





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