

ENHANCING EMPLOYABILITY AND SKILLS FOR INTERNALLY DISPLACED AND CONFLICT- AFFECTED PEOPLE IN LUHANSK REGION



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FINAL PROJECT REPORT

20 December 2019 – 30 April 2021

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ACRONYMS AND ABBREVIATIONS

CVET Centre for Vocational Education and Training

EU European Union

GIZ Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

IDP Internally Displaced Person

MSME Micro, Small and Medium Enterprise

SES State Employment Service of Ukraine

UN RPP United Nations Recovery and Peacebuilding Programme

UNDP United Nations Development Programme

VET Vocational Education and Training

CONTEXT OVERVIEW

The socio-economic impact of the armed conflict in eastern Ukraine continues to perpetuate uneven and non-inclusive development across the country, particularly in Donetsk and Luhansk oblasts. Two thirds (3.9 million) of the estimated 6.6 million residents of the two oblasts have been affected directly by the conflict, with most in need of humanitarian and emergency assistance. Since the start of the conflict, more than 3,320 civilian men, women and children have been killed and another 9,000 injured. Almost 1.5 million conflict-induced internally displaced persons (IDPs) were registered across the country by the Ministry of Social Policy as of July 2021¹.

Although a ceasefire and an outline for a political settlement were agreed in the Minsk Memorandum in September 2014 and a Package of Measures for its implementation was agreed in February 2015 (later endorsed by United Nations Security Council Resolution 2202 of 17 February 2015), no effective ceasefire has taken hold for any significant period. Negotiations in the established international formats – the Normandy Quartet and Trilateral Contact Group – have come to a virtual standstill, while on the ground the initial reduction in hostilities and ceasefire violations caused by the COVID-19 outbreak and the July 2020 renewed ceasefire began to rise again in 2021. Tensions further increased in the spring of 2021 when the Russian Federation deployed an estimated 100,000 troops along Ukraine's borders and in the Black Sea area during a series of military exercises. The continuing conflict and the prevailing absence of a political solution have taken a heavy toll on the lives of millions of ordinary Ukrainians living on both sides of the "contact line". Sporadic shelling, landmines, and unexploded ordnances still pose a threat. Community infrastructure and civilian assets are also targeted, putting millions at risk of losing access to water, health, education and heating, and social and economic ties have been disrupted.

Moreover, the novel coronavirus outbreak exacerbated inequalities and is believed to set back human development for the first time since 1990. According to the UNDP's report "COVID-19 and Human Development: Assessing the Crisis, Envisioning the Recovery"², the combined impact of different shocks affecting health, education and incomes could mean the largest reversal in human development on record. The economic consequences of the pandemic have hit poorer economies and regions harder, as they have been less able to deal with the socio-economic impacts.

In Ukraine, in mid-March 2020, the government-imposed quarantine restrictions to minimize the risk of the coronavirus transmission across the country, including, in the conflict-affected areas of Donetsk and Luhansk oblasts. In May 2020, these restrictions were eased, and an adaptive quarantine was introduced to counter the spread of the virus. Since then, the COVID-19 restrictive measures have been implemented in each oblast in accordance with their own risk levels. Most recently, the epidemiological situation has been deteriorating, and the adaptive quarantine has been extended until 31 December 2021.

The conflict-related issues and the imposed lockdown have had significant negative economic consequences; it caused a reduction in economic activity, hence, in outputs, trade, and, subsequently, household spending. The real GDP in 2020 decreased by 4% compared to 2019. Unemployment and the level of vulnerability have increased across Ukraine, with Luhansk Oblast being the most affected: in 2020, the national unemployment rate constituted 9.5%, compared to 15.4% in Luhansk Oblast.

According to the Assessment of the impact of the COVID-19 pandemic on micro, small and medium size enterprises in eastern Ukraine³, conducted by the UN Recovery and Peacebuilding

¹Ministry of Social Policy of Ukraine.

²<http://hdr.undp.org/en/hdp-covid>

Programme (UN RPP), a significant percentage of local companies (56%) have not been able to adapt to the new conditions caused by the pandemic or have adapted only partially. Furthermore, the socio-economic assessment of the impact of the pandemic on businesses and households, carried out by the United Nations System in Ukraine⁴, showed that the smaller the business are, the more they are impacted by external shocks, such as the COVID-19 pandemic. The results of the assessment also revealed that women have often been more affected by the economic slowdown resulting from the pandemic than men. Although there are sectoral specifications, in general, women have more likely been laid off or sent to unpaid/paid leave during the lockdown.

The combination of a high level of informality, widespread unemployment, low savings rates, and strong reliance on remittances highlights the vulnerability of large segments of the society to a prolonged lockdown impacted by economic downturn. According to the World Bank, Ukraine's economic recovery in 2021 is expected to be mild, given the high uncertainty associated with the vaccine rollout and the direction of economic policies to address investment bottlenecks and to safeguard macroeconomic sustainability⁵.

Therefore, the creation of new employment opportunities for conflict-affected population continues to be an urgent priority in Luhansk Oblast. Furthermore, these opportunities must be backed by relevant vocational education curricula for youth and re-skilling training programmes for people formerly employed in heavy industry and mining, as well as in agriculture, fishing and related businesses.

These pressing challenges and needs were addressed by UNDP within the framework of the "Enhancing employability and skills for Internally Displaced and Conflict-Affected People in Luhansk region" project. The Project aimed to improve

employment and livelihood opportunities for internally displaced persons (IDPs) and host community members in Luhansk Oblast through the provision of quality vocational training and retraining programmes and entrepreneurship development. As a result, professional skills of conflict-affected women and men (including vulnerable groups) are better aligned with labour market needs that will contribute to improving resilience of local populations (including IDPs) and prevent further deterioration of the economic situation in Luhansk Oblast.

The Project was integrated into the UN Recovery and Peacebuilding Programme (UN RPP), a comprehensive undertaking to address priority needs of eastern Ukraine following the outbreak of the armed conflict in spring of 2014. The Programme is intended to strengthen community security and social cohesion, support the economic recovery of conflict-affected communities, and further the implementation of decentralization and healthcare reforms in the government-controlled areas of Donetsk and Luhansk oblasts, as well as Kherson and Zaporizhzhia oblasts. The Project's interventions were aligned with and complemented the EU-funded project "EU Support to the East of Ukraine – Recovery, Peacebuilding and Governance", also implemented by the UN RPP.

The UN RPP is being implemented by four United Nations agencies: the United Nations Development Programme (UNDP), the UN Entity for Gender Equality and the Empowerment of Women (UN Women), the United Nations Population Fund (UNFPA) and the Food and Agriculture Organization of the United Nations (FAO). The Programme is supported by twelve international partners: the European Union (EU), the European Investment Bank (EIB), the U.S. Embassy in Ukraine, and the governments of Canada, Denmark, Germany, Japan, the Netherlands, Norway, Poland, Sweden, and Switzerland.

³Market Conditions and Business Environment in the Priority Sectors of the Economy in Donetsk, Luhansk, and Zaporizhzhia Oblasts of Ukraine

⁴COVID-19 in Ukraine: Impact on Households and Businesses

⁵The World Bank in Ukraine, 2021.

PROJECT RESULTS

The ultimate goal of the Project was to improve the employability and livelihood opportunities for IDPs and host community members in Luhansk Oblast through the provision of quality vocational training and retraining programmes and entrepreneurship development. Thus, the Project activities contributed to increasing the level of economic security and wellbeing among the conflict-affected women and men and creating sustainable private (and public) sector job growth in the region based on the needs and trends emerging in the local labour market.

With the support from the Project, 109 (75 women, 22 IDPs) conflict-affected people from Luhansk Oblast strengthened their business skills in financial, legal, HR issues, as well as in

other practical aspects of MSME activity, such as marketing, sales and promotion. Moreover, 21 (16 women, 6 IDPs) training participants managed to launch their own businesses.

Furthermore, three vocational education programmes – Car Diagnostics, Tire Mounting and Nozzle Cleaning – have been developed by the Project to meet the current needs of the labour market in the sphere of automotive service. Overall, 124 (2 women, 20 IDPs) people received practical knowledge and skills on the above-mentioned subjects out of which some 90 (2 women, 17 IDPs) specialists find jobs in the region, despite the unfavourable labour market situation caused by the COVID-19 pandemic.



Participants of the training programme on car diagnostics during a practical class.

Photo credit:
Vitalii Sheveliev/
UNDP Ukraine

ACTIVITY 1.

Develop and output 5-day training courses for at least 100 IDPs and conflict-affected persons on starting up and expanding private enterprises

The lack of market's appropriate business services and trainings has been a sustained challenge for business development in eastern Ukraine. In this regard, the Project's interventions were directed at strengthening the capacity

and enhancing the business skills of local entrepreneurs and start-ups through delivering training sessions on launching, managing and developing businesses.

Prior to the launch of the training programme, the Project conducted a series of meetings with the representatives of Luhansk Oblast State Employment Service (SES) and Luhansk Centre for Vocational Education and Training (CVET) to discuss the design and implementation of the learning courses taking into account the current needs of the labour market in the region.

The 5-day training programme was developed with special emphasis on the target audience, namely jobless people with secondary or vocational education, those living in small cities and villages of Luhansk Oblast, and those with limited or no prior experience in business. The tailored business training programme covered the following issues: business ideas origination, starting a business, marketing, sales and advertising, current legal aspects of enterprise registration and activity, business skills training for women entrepreneurs, effective business management during the COVID-19 pandemic, etc.

To attract the potential trainees, the Project in cooperation with the Luhansk SES launched a wide promotion campaign, including advertisements in urban transport and social media. The Project has noticed a high demand

for business skills development and interest to participate in the capacity-building programme.

In total, six 5-day training sessions were conducted in Sievierodonetsk during 21 September – 16 October 2020. However, due to the COVID-19 restrictions and the massive wildfires in Luhansk Oblast that started at the end of September 2020, it was decided to hold an additional online session on 19-23 October 2020 for those who were not able to attend the in-person sessions.

As a result, 109 (75 women, 22 IDPs) people took part in the business training programme on starting up and expanding private enterprises and improved their knowledge and skills in financial, legal, HR and other practical issues of MSME activity, as well as in marketing, sales and promotion. The participants also received practical advice on how to choose an effective business model, strengthen their business ideas and on avoiding common mistakes in business planning. Moreover, upon the completion of the training programme, 21 (16 women, 6 IDPs) trainees launched their businesses, among which were a music school in Sievierodonetsk, a repair in Bulavynivka village (Novopskov raion) and a particle board furniture workshop in Svatove.



Participants of the Project's business training programme during a practical session.

Photo credit:
Vitalii Sheveliev/
UNDP Ukraine

Apart from the learning programme, the Project also developed a Handbook (Annex 3) and a Practice book (Annex 4) on starting a business, which were distributed among the participants of the above-mentioned training sessions.

In addition, the Project carried out regular monitoring visits and spot-checks to communicate

with the training participants and to receive their feedback on the programme. Notably, over 77% of the trainees confirmed that the learning programme provided them with necessary knowledge and skills on how to start a business and some 56% stated that with the knowledge received they were able to develop and present their business plans.

ACTIVITY 2.

Develop and output short-term training courses for unemployed IDPs and other conflict-affected persons from the targeted communities (in partnership with Luhansk Oblast Centre for Vocational Education)

To implement this activity, the Project primarily developed the corresponding curricula and textbooks on automotive service training courses (Car Diagnostics, Tire Mounting, and Nozzle Cleaning) that take into account the latest trends of the automotive industry and market demand as well as the National standards of Ukraine (DSTU), including DSTU 3649:2010 Wheeled vehicles; Safety requirements for technical conditions and methods of control; DSTU 2322-93 Repaired cars; General technical conditions, and others. As a result, based on

the methodology and curricula agreed with the Luhansk CVET, three handbooks on Car Diagnostics (Annex 5), Tire Mounting (Annex 6), and Nozzle Cleaning (Annex 7) were developed to be used during the corresponding training and retraining courses.

Furthermore, the Project organized procurement and installation of the required equipment to ensure smooth and efficient learning process, taking into account the current market demand and national standards in automotive services.



Trainees of the learning session on tire mounting.

Photo credit:
Vitalii Sheveliev/
UNDP Ukraine

To ensure technical capacity and quality training provision, in December 2020 the Project delivered the following equipment to the Luhansk CVET:

- Two-rack vehicle lift
- Device for checking and adjusting headlights
- Gas analyser and opacimeter
- System tester / multi-model scanner
- Noise meter
- Tire changer
- Balancing stand
- Piston compressor with belt drive
- Tire vulcanizer
- Station for diagnostic and cleaning of nozzles with ultrasonic bath 100W / 1-liter volume
- Stand for diagnostic of gas nozzles and oscilloscope
- Furniture for classrooms and workshops
- Notebooks, projector, and projection screen

The provided set of equipment allowed the trainees to learn a wide range of approaches in automotive services and therefore to increase their opportunities to find jobs at automotive enterprises in the region.

After reviewing the curricula and handbooks on Car Diagnostics, Tire Mounting, and Nozzle Cleaning, the Luhansk CVET revealed that the trainers of the centre lacked knowledge on the modern approaches of car maintenance and needed capacity building in the subject. Therefore, to ensure a smooth start of the training programmes and capacity building for the Luhansk CVET staff, the UN RPP engaged trainers from Mariupol Vocational Lyceum of Automotive Transport and Kherson State Maritime Academy to conduct the first sessions of each learning programme.

In total, 16 5-day training sessions were conducted during the course of the Project (six sessions on Car Diagnostics⁶, five on Tire Mounting and five on Nozzle Cleaning), which engaged overall 124 (2 women, 20 IDPs) people, including 2 (all men) CVET trainers. The learning programme included general theoretical material, overview of the existing legal basis in the sphere of automotive service provision as well as practical classes on each subject.



Participants of the training programme on nozzle cleaning during a practical class.

Photo credit:
Vitalii Sheveliev/
UNDP Ukraine

⁶ Due to the high demand on the Car Diagnostics training programme, additional session was arranged and conducted for 10 people (all men) on 22-29 April 2021.

Importantly, the training equipment and the developed knowledge products will be further used by the local partners to enhance the quality of vocational education and training in the region. Notably, since the completion of the Project activities, the CVET has used the handbooks and the provided equipment for the training of locksmiths of wheeled vehicles. It now gives the trainees not only the basic competencies

required by the education standards but also additional knowledge and skills of using modern car service equipment. Such an approach improves the competitiveness of the CVET graduates in the labour market. During 27-31 May 2021, the Luhansk CVET conducted a short-term training session on tire mounting for 12 trainees (all men).

LESSONS LEARNED AND RECOMMENDATIONS

1

Since one of the main obstacles during the Project implementation period was the COVID-19 pandemic followed by quarantine restrictions, it is necessary to support the development of remote learning approaches in local vocational education and training (VET) institutions. Though the nature of vocational education requires development of practical skills, which is hard to achieve without in-person teaching, the theoretical part of the course (usually about 30%) may be taught via online platforms.

2

Considering limited consumption capabilities of the local population, and the loss of access to some traditional markets due to the conflict, studies showed that in order for the MSMEs in the target areas to develop and expand, internationalization efforts must be undertaken and further improved, for the companies to be able to enter international markets, particularly that of the European Union with unparalleled purchasing power.

3

To ensure effective contribution of MSMEs towards development and sustainable job creation, gender mainstreaming must take a central role. This will have important economic and social consequences. Women have been more affected by the overall crisis and economic slowdown, mostly due to the sectoral employment patterns. In addition, adaptation strategies have a significant negative effect on women employees, who were more likely laid off or sent to unpaid leave during the lockdown than men were. Continuous efforts must take place to bring qualified women to the labour market to ensure equitable development. Hence, activities to encourage women entrepreneurship, particularly among the IDPs, and to support stereotype-free education broadening the employment opportunities for women, need to be facilitated.

4

Despite continuing high demand for business skills development in large cities and administrative centres, it was noted that many participants find it difficult attending training far from their place of residence. This is particularly true for people with disabilities, single parents, self-employed and others. Therefore, it is advisable to deliver trainings in the remote areas in addition to those administrative centres where learning activities are traditionally concentrated.

5

The Project has revealed a high demand for business skills development among the residents of the small and rural settlements of the region. In this regard, it is advised to tailor a business training programme, namely its part related to generation of business ideas, market development and analysis, to the specific needs and market demand in these settlements. This will allow the local entrepreneurs to acquire effective tools aimed at development of their own business in small towns and villages.

COMMUNICATION, VISIBILITY AND KNOWLEDGE

During the implementation period, the Programme ensured high level of visibility of the Project activities and effective communication of positive results of the partnership between Luhansk Oblast State Employment Service (SES), Luhansk Centre for Vocational Education and Training (CVET), GIZ, and the UN RPP.



To showcase the Project implementation and its results a summarizing video was developed upon the completion of the training events. The video is available at

In addition, three promotional videos describing each training programme were prepared to be used by the Luhansk CVET to attract new students:



Video about
Car Diagnostics
Course



Video about
Tire Mounting
Course



Video about
Nozzle Cleaning
Course

Project activities and results were widely covered on the website of Luhansk CVET and Luhansk SES and in social media. The list of key articles, posts, and announcements are the following:



In addition, the Project facilitated the development of the practical manual and the workbook to provide all the required information to the entrepreneurs on business start-up, day-to-day operation and further expansion (Annexes 3 and 4) as well as the handbooks on Car Diagnostics (Annex 5), Tire Mounting (Annex 6), and Nozzle Cleaning (Annex 7) which will be further used for training and retraining during the corresponding short-term courses.

RISK ANALYSIS

1

The quarantine measures to contain the spread of COVID-19 in Ukraine may be extended to 2022, leading to a worsening of the economic situation and a sharp deterioration of people's life quality, first of all among the most vulnerable groups. In its turn, the impact of infection risk mitigation measures on the economy of small communities can be disastrous, with serious consequences on people's wellbeing and mental health, hugely affecting the most fragile community members. Worsening of the epidemic situation and enforcement of the quarantine measures may negatively affect sustainability and further development of the businesses, decrease their resilience and ability to maintain the newly created jobs.

2

Worsening of the macroeconomic situation in Ukraine together with the burden put on the national financial institutions by the COVID-19 pandemic may lead to increase of inflation rates, depreciation of the national currency and limiting access to credit resources. The further economic downturn in the country and worldwide may generate uncertainty within the business environment and create lack of resources for business development, especially in the conflict-affected context, and provoke a fear to start/expand business or invest in production facilities, real estate and land.

3

Although a ceasefire and an outline for a political settlement were drawn up in the Minsk agreements, no effective ceasefire has taken hold for a significant period of time. Deterioration of the security situation in Luhansk Oblast may preclude minimal security conditions necessary for programming in the areas close to the "contact line" and GCAs of these oblasts.

Annex 1

Project Results Framework

Indicator	Baseline (2019)	Result (2021)	Target (2020)	Source
1 The number of IDPs and conflict-affected persons with increased knowledge and skills on starting and improving businesses	0	109 (including 75 women, 22 IDPs)	100	Project records, training feedback forms
2 The number of IDPs and conflict-affected persons with improved capacity in the sphere of automotive service and technology (unique participants)	0	124 (including 2 women, 20 IDPs)	100	Project records, training feedback forms
3 The number of new vocational education programmes in automotive service and technology, developed by the Project	0	3	3	Project records, copies of developed vocational education programmes
4 The number of new businesses created by the participants of the capacity building programmes	0	21 (including 16 women, 6 IDPs)	10	Project records, post-training assessments of the participants
5 The number of IDPs and conflict-affected persons trained by the projects who are employed in formal jobs	0	90 (including 2 women, 17 IDPs)	100	Project records, post-training assessments of the participants