ETF PROPOSAL: VETERANS’ GUARANTEE

In the early stages of Ukraine’s rebuilding efforts, it is essential to introduce a comprehensive reform plan. This plan will prepare education, training, employment, and social protection systems for the effective delivery of integrated services. These should be based on outreach, guidance, and tailored support measures.

Proposal Scope:

**Enhanced inclusiveness:** Improve the inclusiveness of education, training, and employment systems to support the integration and reintegration of all Ukrainian citizens, whether displaced or not, into the national economy.

**Smooth transitions:** Facilitate smooth transitions from unemployment or inactivity into employment, reskilling, or upskilling, and between jobs, ensuring that individual contributions align with current and future economic needs in light of EU accession and national recovery.

Target group: The primary focus is on veterans. Nonetheless, the proposal also considers the broader needs of various groups, including returnees, internally displaced persons (IDPs), and young people, addressing their diverse capacities, educational backgrounds, and exposure to skill gaps and shortages. The approach aims to accommodate both young and adult learners and workers, preventing stigmatisation and segregation.

Vision: This acknowledges the unique challenges of the military aggression of Russia against Ukraine. It proposes a system that supports injured veterans by aligning job opportunities with the national register of levels of invalidity. This alignment will enable their full and flexible integration into the labour market, entrepreneurship, self-employment, and re-skilling/upskilling initiatives, complemented by strong career guidance and support structures.
CORE ELEMENTS OF THE GUARANTEE

Reliable information base:

**Skills identification system:** Further develop the current skills identification system to effectively match veterans’ skills with the current and future demands of the Ukrainian economy. This includes refining a labour market and skills information system designed to capture the needs of specific groups, various occupational and skills areas, as well as local and regional requirements.

**User-friendly services:** Strengthen inclusive career systems to ensure services are accessible and easy to use, incorporating comprehensive skills profiling to better serve all users.

Flexible and forward-looking skills development opportunities:

**Training supply:** Ensure a flexible and demand-driven supply of training and retraining programmes, including the introduction or expansion of a microcredentials approach to enhance the flexibility of training provision and validation, along with competence-based assessments.

**Transparency and comparability:** Improve the transparency and comparability of training, validation, and job offers, focusing on their availability, accessibility, and interoperability.

**Clear pathways to labour market (re) integration:**

**Policy design and calibration:** Redesign and recalibrate active labour market policies to effectively address the needs of jobseekers in the (post) war and EU accession contexts.

**Capacity building of employment services:** Develop the capacity of employment services to support specific needs, including those of returning citizens, IDPs, veterans, survivors, women transitioning to new roles, and those not in employment, education or training (NEETs).

**Integrated service delivery:** Establish a ‘one-stop shop’ offering comprehensive service packages for people with disabilities, including veterans. These packages should cover medical rehabilitation, psychological support, vocational orientation, career guidance, re/upskilling, skills validation, job placement (including subsidised employment), and self-employment opportunities.

**Empowering veterans’ organisations:** Strengthen veterans’ organisations by empowering them to play a more significant role in the design and delivery of targeted services and programmes aimed at facilitating labour market reintegration.

WHY THE ETF?

As Ukraine moves towards EU integration, the ETF’s expertise is crucial for ensuring that skills development and recovery efforts are sustainable and inclusive.

The European Union should be the main reference for the systemic and policy reforms Ukraine aims to undertake. The European Training Foundation (ETF) brings 30 years of experience supporting non-EU countries in aligning their educational and employment systems with EU standards, particularly former EU candidate countries. This experience is important as Ukraine’s future lies within the EU. Although full EU accession is down the road, economic integration is already underway and is expected to accelerate. This integration will significantly influence the demand for skills, the types of competences
and qualifications required, due to the recalibration of economic sectors, as well as evolving product and service standards.

It is therefore essential that skills recovery efforts are thoroughly embedded within the broader framework of policy and institutional reforms. This integration will help to ensure the sustainability and extensive reach of support measures, supporting Ukraine’s gradual integration into the EU.

**LESSONS FROM THE ETF’S EXPERIENCE IN CONFLICT SITUATIONS**

Drawing on lessons from past conflicts and crisis situations, including experiences in Bosnia and Herzegovina, Kosovo, and more recently the migrant crises in Türkiye and Lebanon, the ETF can showcase several key strategies:

**Development and support:** Combine skills development initiatives with clear pathways to labour market (re)integration.

**Tailored solutions:** Implement solutions that are flexible and tailored to specific contexts, regions, or groups, ensuring that outcomes are comparable for all beneficiaries. This approach will help to avoid fragmented and uncoordinated practices among donors, which can lead to parallel models of skills development or labour market (re)integration.

**Active employment strategies:** Minimise reliance on passive support measures and promote proactive job-seeking.

**Comprehensive perspective:** Take into account the specific needs, contexts, and expectations of individuals, their families, and the broader community.

**Empowerment of authorities:** Enable national and local authorities or stakeholders to actively plan, steer, monitor, and evaluate recovery efforts.

**Learning from Bosnia and Herzegovina:** The current economic and technological context in Bosnia and Herzegovina, which has evolved significantly, offers valuable insights that could enhance employment opportunities for veterans and displaced people in Ukraine, provided there is serious investment in skills development.
SNAPSHOT OF FINDINGS AND PROJECTIONS: 2023-24

Current state of skills supply and development in Ukraine:

The Russian invasion continues to impose significant socio-economic costs on Ukraine, profoundly affecting its education and training systems. The conflict has resulted in substantial infrastructure damage and workforce disruptions. Despite these challenges, the education and training sector remains committed to its EU integration path. However, the data on sector-specific and broader socio-economic impacts are stark:

- Between 2021 and 2023, Ukraine lost approximately a quarter of its pre-war economic output.\(^1\)

- The country is experiencing the largest migration in post-WWII Europe, with about 25% of the population forcibly displaced, including refugees and internally displaced people.\(^2\)

- The poverty rate has increased dramatically, rising from 5.5% in 2021 to 22% in 2022.

- Over 12% of the education and training infrastructure is damaged or has been destroyed. Furthermore, more than 21% of the pre-war labour force is at risk of skills obsolescence due to unemployment caused by business closures, security concerns, caregiving responsibilities, and disabilities.\(^3\)

- Approximately 70% of young Ukrainians have changed their learning and career visions post-war escalation, with two-thirds considering acquiring skills or entering professions that would contribute to Ukraine’s reconstruction (ETF-UNICEF, 2024).

- The war has drastically reduced the effectiveness of employment support and training for jobseekers. The number of jobseekers receiving specialised services from the State Employment Service (SES) dropped from two million in 2021 to one million in 2023, with training participants falling from nearly 140,000 to just over 46,000 in 2022.

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POPULATION

Ukrainian population for 2022
(Statistics service for Ukraine - estimates)

- Ukrainian population for 2022: 41.2m

- Refugees from Ukraine recorded from across the EU: 5.93m on 29/11/23 (UNHCR 16/02/24)

- Internally displaced recorded from across the EU: 3.67m on 25/09/23 - 1% increase (IOM estimates 21/02/24)

- Total returnees: 4.57m on 21/12/23 - 2.62% decrease (IOM estimates 21/02/24)
A REMARKABLE SHOW OF RESILIENCE

Despite the severe impact of the war, the public employment services (PES) maintained a relatively effective unemployment to employment transition rate of about 29% in 2022, compared to 34% in 2021. The education and training system continues to perform well, particularly in adult education, though challenges persist, such as the limited appeal of initial vocational education and training (VET) programmes. The quality of learning outcomes in VET for young people remains high internationally, despite the war, but the employability of VET graduates is modest, indicating a need for stronger ties to the labour market. Furthermore, while Ukraine progresses in integrating the green and digital transitions into curricula, faster adaptation to market demands is necessary, especially to support disadvantaged learners.

Ukrainian refugees in EU-27 Member States
Beneficiaries of temporary protection as of September 2023
(Eurostat 21/02/24)

Impact on educational infrastructure by region

3,798 Damaged and destroyed education facilities (12.1% of total) (Ukrainian MoES 21/02/24)

151 Damaged and destroyed vocational schools (18.3% of total) (Ukrainian MoES 21/02/24)
GAUGING DEMAND FOR RECONSTRUCTION SUPPORT

The EU recently established the Ukraine Investment Framework, a key component of the €50 billion Ukraine Facility, to stimulate public and private investments in recovery and reconstruction. Current estimates suggest that reconstruction could cost approximately 2.8 times Ukraine’s GDP for 2023. Education alone may require around US$ 10.7 billion. Employment must increase by 37% to meet 2032 GDP targets, necessitating that about a third of jobs be highly skilled, while a quarter will require VET.

Despite significant efforts in reconstruction and hybrid teaching modalities, the damage to the VET system and the loss of skilled teachers are likely to significantly impact learning accessibility, potentially altering labour market dynamics and increasing vulnerability among the working-age population.

As stated by the national authorities, reconstruction should focus intensively on human capital development, including infrastructure restoration, digitalisation, alignment with regional labour markets, and EU priorities and goals.

A substantial portion of adults, around 45% economically inactive and 15% in precarious employment in 2023, needs learning opportunities due to heightened socio-economic risks. As already mentioned above, a growing number of veterans also require support.

Young Ukrainians are increasingly seeking internships, volunteering opportunities, job shadowing, and skills training to facilitate their transition from school to work. However, there is a significant need for more active outreach and comprehensive online services for career guidance and self-learning, especially among displaced people and those outside Ukraine (ETF-UNICEF, 2024).

The portfolio of active labour market programmes must continue to adapt to war conditions, recovery needs, and EU standards. Ukraine has introduced flexible training methods like vouchers but requires a more holistic approach to address labour market needs, including support for mobility, settling-in grants, wage subsidies, return migration schemes, and specialised programmes to address geographical mismatches and structural adjustments.

Given the challenging context, the PES must promote equitable access to the labour market and assist disadvantaged workers in finding employment. Special attention is needed for people with disabilities, whose numbers are expected to rise due to the impact of the war.

LEARN MORE

1 IMF March 2024
2 ETF calculations based on UNCHR and IOM estimates
3 Including those in the country and refugees; ETF calculations based on UNHCR for refugees and ILO evidence at national level.
4 RDNA 3
5 MoES and KSE
6 Employment % grow compared to pre-war levels (2021); ILO estimates