ETF COUNTRY INFORMATION FICHE

UKRAINE

BASIC COUNTRY DATA

Total Population: 45 372 700
(last available year: 2013, State Statistics Service of Ukraine)

Youth dependency ratio: 20.52%
(last available year: 2013, World Bank)

GDP ANNUAL GROWTH RATE (%)

**GDP PER CAPITA (CURRENT INTERNATIONAL $)**

![GDP Per Capita Chart]


**EMPLOYMENT RATE 15-70 (%)**

![Employment Rate Chart]


**UNEMPLOYMENT RATE (%)**

![Unemployment Rate Chart]

The Ukraine 2020 Sustainable Development Strategy, adopted by presidential decree in January 2015, sets important targets, including reform priorities such as decentralisation and public administration reform, deregulation and entrepreneurship development. A key target to be met by 2020 is that Ukraine will join the top 30 countries in the world based on the World Bank’s Doing Business parameters. The economic reform policy is focused on ensuring macroeconomic stability, energy efficiency and improved governance. In order to respond to the challenges ahead, Ukraine is also preparing for in-depth structural reforms to reduce imbalances, improve governance and boost the business climate.

In 2014, according to the Business Environment and Enterprise Performance Survey conducted by the World Bank, 20% of enterprises considered the inadequacy of skills the main obstacle to business development. Ukraine is one of the most rapidly aging countries in Europe, which increases the demographic burden on the working cohort. A shortage of skilled workers is anticipated for the near to medium-term future. The major challenges affecting labour
market development are the low level of labour mobility, high levels of informal employment and a mismatch between employees’ occupational skills and employers’ requirements.

The EU-Ukraine Association Agreement was signed in 2014. It provides for economic and sectoral cooperation across a number of areas, including energy, transport, manufacturing, agriculture, tourism, services and environmental protection. In March 2015, the EU-Ukraine Association Agenda was endorsed to prepare and facilitate the implementation of the Association Agreement. An important element of the agenda is the commitment on both sides to work together to support the country in establishing a VET system that better serves the needs of a changing economy and to ensure that VET structures are modernised as outlined in the Copenhagen Process. To ensure a competitive economy, human capital development is a core issue.

VET and employment policy: Progress since 2012

- The VET system’s vision is part of Ukraine’s National Strategy for Education Development that runs until 2021. The strategy was approved in June 2013. The legal and regulatory framework was enhanced by the adoption of legislation that directly impacts on the development of the VET system in general and the functioning of VET schools in particular. The framework Law on Education is currently being elaborated. In the longer term, the development of a strategic vision for VET that will address the issues of skills and lifelong learning in Ukraine in a holistic way remains one of the key priorities.

- The optimisation of the state order for training skilled workers in VET institutions is progressing well. In 2012, the On the Formation and Placement of the State Order for Specialists, Academic Staff and Skilled Workers Training, Further Training and Retraining Act was adopted. This act governs the formation of the state order, taking into account the medium-term forecast for the demand for specialists and skilled workers in the labour market and the estimated average cost of training a skilled worker. It also sets out the conditions of government-financed enrolment.

- With a view to training a competitive workforce, training and practical centres dedicated to the introduction of innovative technologies are being set up with the assistance of social partners. In order to improve the professional development of VET teachers, the Procedure on the Advanced Training of Pedagogical Workers in VET Institutions (instruction of the Ministry of Education and Science, 2014) was adopted. It provides for the mandatory advanced training of VET teachers at least once every five years at post-graduate education institutions, universities, VET training centres, and in VET schools.

- Ukraine is actively engaged in promoting the concept of entrepreneurship. The On Small and Medium Entrepreneurship Development and Support in Ukraine Act, adopted in 2012, regulates government policies in the field of business activities and the development of entrepreneurial attitudes. The National Programme for Small and Medium Entrepreneurship Development was approved to create favourable conditions for SMEs. The Small Business Act for Europe (SBA) is the strategic guideline for the further development of entrepreneurship in Ukraine.

- Following the adoption of the National Qualifications Framework (NQF) in 2011, the process of implementing this framework in the VET system is underway. A methodology for developing competence-based VET state standards for specific occupations was adopted. Ukraine’s national classifier – the Classification of Occupations – was amended to introduce training for a new set of occupations. Progress has been made in legislating for the use of the NQF. The Law on Higher Education (2014) explicitly refers to the NQF and identifies which higher education qualification types will be part of the NQF. There are ongoing discussions on new education and labour laws.

- The Federation of Employers took the initiative and established the Institute of Professional Qualifications. Five sector skills councils have so far been established under the auspices of the institute. They cover the metal industry, chemical industry, energy generation, coal mining, and agricultural mechanical engineering. Members of these sector skills councils are big companies. The sector skills council functions as a clearinghouse and forum for discussion, to ensure that occupational standards are shared between the companies. As a rule, big companies using a commonly agreed methodology develop occupational standards voluntarily.

Country priorities for VET and employment reforms

1. Develop an overall strategic vision for VET that will encompass further optimisation of VET provision in the country, including improved finance and governance.

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1 The term ‘state order’ is often used in post-Soviet countries and refers to government-financed enrolment and investment in both VET and higher education.
2. Enhance the quality of VET by implementing the NQF more effectively, review qualifications for priority sectors in the economy and systematically introduce lifelong learning.

3. Develop systems to improve the identification and monitoring of skills needs in order to improve the mobility of Ukrainian workers and to counter the skills mismatch, which is a complex and pervasive problem for the Ukrainian economy.

4. Ensure that policy measures are in place to increase the formal employment options for recent graduates.

ETF interventions

- In 2014 and 2015, the ETF supported the key stakeholders in improving evidence-based policy making in VET and applying self-assessment in the Torino Process. This also included self-assessment in four regions of the country – Vinnytsia, Dnipropetrovsk, Khmelnytsky and Sumy – and the city of Kiev. In 2016, the ETF will support the Ministry of Education and Science in running the fourth cycle of VET policy self-assessment, which will include all 25 regions. The expectations are that the process will contribute to ongoing debate on the need to renew VET legislation and improve overall quality, including further implementation of the NQF. The objective is to strengthen the capacities of national and regional authorities to better monitor VET policies in the country.

- In 2015, the Projecting Reform Impact in VET (PRIME) initiative, which supported the Ministry of Education and Science and regional education authorities in exploring policy options for optimising VET provision in a context of upcoming decentralisation, restructuring and introduction of adequate financing mechanisms, was completed. The results indicate that there is a need to create more permanent conditions for initiating and sustaining VET system development in 2016. The most pressing needs are to develop a shared strategic vision for why Ukraine needs VET; to find alternative and diversified financial resources and expert support to ensure the development of VET in all 25 regions; and to help the regions manage their own initiatives to better serve the students, social partners and communities in a decentralised context. In 2016, the ETF will work with the Ministry of Education and Science and key stakeholders in VET in the country to develop a project on good multilevel governance for VET with the aim of implementing decentralisation processes in Ukraine. The project will last a number of years and will focus on the following:
  - multilevel governance and partnership approaches in VET: which decentralisation model and what roles and functions are there for VET stakeholders in Ukraine?
  - rationalising and optimising the provision of VET networks: what, where and how in Ukraine?
  - decentralisation, VET school autonomy, VET provider model: management, funding and ownership implications in the Ukrainian context; how can the move be made from VET school for social inclusion to VET school for economic growth in the country?
  - fostering a feasible public-private cooperation model in VET in Ukraine: what, who, and how?; the objective is to strengthen the capacities for implementing forthcoming education and VET law linked to the ongoing decentralisation process in the country.

- A skills anticipation and employability project is supporting the Ministry of Economic Development and Trade in developing a skills anticipation methodology that focuses on both quantitative and qualitative methods. By December 2015, an inter-ministerial working group led by the ETF had developed a model for skills anticipation. In 2016, the ETF, in cooperation with the Ministry of Economic Development and Trade, the Ministry of Social Policy and the State Employment Service, will formulate an action to continue the support for improving skills matching and employability prospects for Ukrainian citizens. The objective is to ensure the development of a coordinated approach to qualitative and quantitative skills anticipation at national, regional, and sectoral levels.

- An ongoing qualifications framework project is supporting the Ministry of Education and Science, the Ministry of Social Policy and the Federation of Employers in implementing the NQF law adopted in 2011. Currently, all stakeholders are working actively on different aspects of the NQF; however, a holistic approach to developing an NQF for lifelong learning in Ukraine is still in the process of development. In 2016, the ETF will support the key stakeholders in developing a holistic approach to the NQF, which will also include ETF advice on the validation of non-formal and informal learning and advice on specific aspects of VET legislation relevant to an NQF for lifelong learning. As a point of departure, the review of the NQF Action Plan 2011 will be used.
The entrepreneurship and enterprise skills project based on the findings of the last SBA country assessment completed in 2015 and the results of the call for good practice in 2016 will ensure expertise inputs for the development of key competences in entrepreneurship. This will build on the initial work of the Polish-supported School Entrepreneurship Academy. There will be a particular focus on how entrepreneurship is integrated into the curriculum with implications for teacher training and the national curriculum.

**Support to the EU Delegation**

The European Commission’s twinning project entitled ‘Modernisation of Legislative Standards and Principles of Education and Training in Line with the EU Policy on Lifelong Learning’ was completed in April 2015 following two years of intervention. This is the only intervention that systematically addressed the VET system. The ETF has been actively supporting implementation of the project and promoting the inclusion of a skills agenda in EU interventions.

The European Commission’s Technical Assistance and Information Exchange instrument (TAIEX) is preparing a new Law on Education for Ukraine, the main beneficiary of which is the Committee of Science and Education of the Parliament of Ukraine (Verkhovna Rada). In 2015, the ETF provided advisory services to the EU Delegation in Ukraine and to the Directorate-General for Neighbourhood and Enlargement Negotiations (DG-NEAR) and TAIEX in relation to these two European Commission interventions. In particular, it used its in-house expertise and knowledge of governance in education and training, financing of VET, the NQF and lifelong learning policies.

In 2015, as part of the EU’s €11 billion package supporting Ukraine, the European Commission adopted a special measure for private sector development and approximation worth €70 million. This measure is a response to the urgent need to support the recovery and economic development in Ukraine. In particular, it will help SMEs across the country’s regions, boosting jobs and growth. It will be complemented by a €40 million loan guarantee facility channelled through the Neighbourhood Investment Facility (NIF) which will also ease access to finance for Ukrainian businesses.

In December 2015, the European Commission adopted a special measure to decentralise reform in Ukraine, and the action document entitled ‘U-LEAD with Europe: Ukraine Local Empowerment, Accountability and Development Programme’ was approved. The total estimated cost is €97 million, of which the EU has contributed €90 million. This action is co-financed by Germany to the amount of €6 million and Poland to the amount of €1 million. The action includes two main components:

- enhanced capacity to implement decentralisation and regional policy reforms
- administrative service centres and awareness-raising of citizens on local self-governance

In 2016, the ETF will provide expertise to the EU Delegation and European Commission services on issues related to the implementation of the Association Agreement. The ETF will contribute to the development of the EU-financed private sector programme, which contains a component on the role of human capital development for business development.

On the request of the European Commission and the EU Delegation, the ETF will continue to support the preparation of new and upcoming European Commission interventions in the sector and will guarantee its contribution to the programming of the new European Commission envelope.

<table>
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<tr>
<th>EU project</th>
<th>Period</th>
<th>Budget</th>
<th>ETF role</th>
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<tr>
<td>Modernisation of Legislative Standards and Principles of Education and Training in Line with the EU Policy on Lifelong Learning</td>
<td>2013-2015</td>
<td>€1.5 million</td>
<td>Policy design, monitoring and evaluation</td>
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For more information, see: [http://eeas.europa.eu/delegations/country/](http://eeas.europa.eu/delegations/country/)
Key donors in VET

There are no major donors in VET or skills issues in Ukraine. Support from international organisations and donors is provided mainly in the form of short-term technical assistance and small-scale projects. The ETF has worked actively with the Council of Europe and the British Council to support implementation of the NQF. This joint donor support for the NQF will continue in 2015. Since the beginning of 2015, efforts have been made by the Ministry of Education and Science in cooperation with the Embassy of the Czech Republic to establish a platform for donor cooperation and the exchange of information. This is a first attempt to support the coordination of donors in the education sector.

Key publications


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