

# Governing Body

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### Institutional Section

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Report on developments relating to the resolution concerning the Russian Federation's aggression against Ukraine from the perspective of the mandate of the International Labour Organization

## **▶** Introduction

- 1. At its 344th Session (March 2022), the Governing Body adopted a resolution on the Russian Federation's aggression against Ukraine from the perspective of the mandate of the International Labour Organization (ILO). <sup>1</sup> The resolution requested the ILO to provide all possible assistance to tripartite constituents in Ukraine. It also requested the Office to work with constituents in developing programmes in support of those who fled Ukraine. Further, the resolution decided to temporarily suspend ILO development cooperation assistance to the Russian Federation except for humanitarian assistance and to suspend invitations to the Russian Federation to discretionary meetings of experts, conferences and seminars whose composition is set by the Governing Body.
- 2. Following the second report on the implementation of the resolution, at its 346th Session (October–November 2022) the Governing Body encouraged the Director-General to continue to monitor and take appropriate steps to safeguard the labour rights of workers and support the sustainability of enterprises in Ukraine, including in areas that are currently controlled by the Russian Federation, and including for workers in nuclear power plants and for seafarers.

<sup>&</sup>lt;sup>1</sup> GB.344/Resolution.

Further, it requested the Director-General to continue responding to constituents' needs in Ukraine and expand the ILO's resource mobilization efforts, to continue efforts to safeguard the development cooperation or technical assistance to all countries in the subregion covered by the ILO Decent Work Technical Support Team and Country Office for Eastern Europe and Central Asia in Moscow (DWT/CO–Moscow), to continue monitoring the impact of the Russian Federation's aggression against Ukraine on the world of work and to report to the Governing Body at its 347th Session (March 2023). <sup>2</sup> This document responds to the Governing Body's decision by providing an overview of developments and their impact on the world of work in Ukraine, in neighbouring countries and globally. <sup>3</sup> In addition, it highlights actions taken or options being considered by the Office to give effect to the resolution of the Governing Body.

## ► General developments

- 3. The Russian military aggression has now persisted for over a year and is continuing to cause devastation both on the occupied territories and the rest of the country, through continued aerial strikes and substantive damage, particularly to energy infrastructure and to enterprises located in disputed areas. Disruptions in gas, water and electricity supply have harmed people, livelihoods and enterprises. While refugee flows have slowed down, displacement remains widespread, with over 8 million refugees and an estimated 5.4 million internally displaced persons. <sup>4</sup> Effects on host labour markets are not well documented, but emerging evidence suggests that the large inflow of refugees has not caused negative impacts. Nevertheless, some receiving countries are facing challenges. The Director-General visited the Republic of Moldova in mid-February, where he signed an agreement on a project funded by the Swiss State Secretariat for Economic Affairs to assist in the implementation of the Decent Work Country Programme (DWCP), and observed first-hand some of the efforts to absorb the spillover effects of the conflict in neighbouring countries; he assured constituents of the ILO's continued support to mitigate the negative impacts.
- **4.** Following the Russian Federation's attempted illegal annexation of four regions of Ukraine on 4 October 2022, the United Nations General Assembly adopted resolution A/ES-11/L.5, <sup>5</sup> declaring that it had no validity under international law. On 18 October 2022, the Independent International Commission of Inquiry on Ukraine presented its first detailed written report to the UN General Assembly, in which it found reasonable grounds to believe that war crimes have been committed. <sup>6</sup>
- **5.** On 25 October 2022, the German Federal Government, under its Presidency of the G7, and the European Commission hosted in Berlin an international conference of experts on Ukrainian reconstruction, outlining plans for a coordinated donor platform for public and private sector support, and discussing how to ensure a sustainable reconstruction effort. <sup>7</sup>

<sup>&</sup>lt;sup>2</sup> GB.346/INS/PV, para. 546.

<sup>&</sup>lt;sup>3</sup> Data in this report reflects the situation up to 17 February 2023. If necessary, the Office will provide the Governing Body with an oral update on developments since that date.

<sup>&</sup>lt;sup>4</sup> UNHCR, Operational data portal – Ukraine refugee situation and IOM Displacement Tracking Matrix, accessed on 9 February 2023.

<sup>&</sup>lt;sup>5</sup> United Nations General Assembly, Eleventh emergency special session, Territorial integrity of Ukraine: defending the principles of the Charter of the United Nations, A/ES-11/L.5, 7 October 2022.

<sup>&</sup>lt;sup>6</sup> Report of the Independent International Commission of Inquiry on Ukraine, A/77/533, 18 October 2022, para. 109.

<sup>&</sup>lt;sup>7</sup> German Federal Government, "Donor platform to help rebuild Ukraine".

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On 13 December 2022, the Governments of France and Ukraine co-organized the International Conference in Support of the Ukrainian People, which was held in Paris. <sup>8</sup> Participants pledged a new total contribution of up to €1 billion for emergency support, particularly towards the regeneration of destroyed infrastructures, and agreed to improve coordination of donor efforts, including alignment of humanitarian and recovery aid. On 3 February 2023, a joint European Union–Ukraine summit took place in Kyiv, in which the EU reaffirmed its commitment to support a fast recovery and reconstruction and promised additional financial support and assistance on reforms. This highlights the continued donor support to Ukraine but is also indicative of the dire needs of the Ukrainian State to ensure the functioning of services. Data from early December 2022 indicates that a cumulative €88 billion in financial and humanitarian aid have been pledged in support of Ukraine; however, particularly for the EU, the gap between commitments and disbursements remains significant. <sup>9</sup>

# Impact on jobs, livelihoods and enterprises

- **6.** Beyond the humanitarian costs of the aggression against Ukraine, its impact on economic and labour market conditions has been severe. Due to the scarcity of data, the effects on the world of work can only be estimated imprecisely and are subject to high uncertainty. Nonetheless, ILO estimates indicate that employment losses in Ukraine have been dire.
- 7. The tenth edition of the ILO Monitor on the world of work estimated that employment in Ukraine declined by 15.5 per cent in 2022, equivalent to 2.4 million jobs lost. 10 ILO employment projections based on current macroeconomic forecasts suggest stagnant activity in 2023 as the hostilities continue to severely constrain the potential of the Ukrainian economy and its labour market. Based on the assumption that the security situation will remain close to its current state for the entire year, the Office estimates an employment growth rate of just 0.5 per cent, corresponding to an increase of only 70,000 jobs. Widespread missile and drone strikes and the resulting security deterioration and power cuts have derailed a nascent recovery and are weighing heavily on the outlook for 2023. 11 The labour market outlook remains highly uncertain, even in the absence of significant changes in the evolution of the conflict. This uncertainty is reflected in the wide prediction interval for employment growth in 2023, ranging from a 5.8 per cent decrease (corresponding to another major downturn) to a 6.8 per cent increase (corresponding to a substantial labour market rebound). Sustained recovery and strong job growth are unlikely to materialize unless the security situation materially improves. Moreover, a cessation of hostilities would almost certainly be associated with extraordinary rates of economic recovery. 12

<sup>&</sup>lt;sup>8</sup> Government of France, Ministry for Europe and Foreign Affairs, "International Conference in Support of the Ukrainian People: Statement by the French and Ukrainian Co-Chairs (13 December 2022)."

<sup>&</sup>lt;sup>9</sup> Data derived from Arianna Antezza et al., "The Ukraine Support Tracker: Which countries help Ukraine and how?" Kiel Working Paper, No. 2218, 1-65 (7 December 2022 update).

<sup>&</sup>lt;sup>10</sup> ILO, *ILO Monitor on the World of Work. Tenth edition*, 31 October 2022. The prediction interval at the 95 per cent confidence level corresponds to a decline in employment of between 8.2 and 22.7 per cent.

<sup>&</sup>lt;sup>11</sup> For evidence of a recent deterioration in economic conditions, see the Monthly Macroeconomic and Monetary Review of January 2023 of the National Bank of Ukraine.

<sup>&</sup>lt;sup>12</sup> The new estimates have closely followed the methodology outlined in the tenth edition of the *ILO Monitor*, by estimating the employment output elasticity. The source of the GDP growth forecast during 2023 is the Economist Intelligence Unit. The

8. A sizeable share of Ukraine's workforce have fled the country as refugees and remain abroad, significantly reducing labour supply. Ukrainian refugees have now exceeded 8 million; however, that figure has been growing at a slower rate in recent months compared to the early days of the conflict. The ILO estimates that approximately 1.7 million refugees, overwhelmingly women, were employed in Ukraine before they fled. These previously employed refugees accounted for 11 per cent of the country's total workforce before the conflict, and a larger share of the workforce in occupations such as services and sales workers, professionals, managers, clerical support workers, and technicians and associate professionals. In terms of employment by economic activity, the refugee outflux is likely to have had a disproportionately adverse effect on the workforce of Ukraine's wholesale and retail trade, education, and health and social services sectors, in which nearly 40 per cent of previously employed refugees were working prior to the conflict. <sup>13</sup>

- 9. The broader economy suffered a severe decline, with an estimated year-on-year drop in gross domestic product (GDP) of 35 per cent in the last quarter of 2022. <sup>14</sup> While measures by the National Bank of Ukraine and budget support by donors have helped to stabilize core inflation, it nevertheless ran to 22.6 per cent in 2022. The aggregate hides a particularly dire rise in energy prices of 69.4 per cent last year, driven by attacks on energy infrastructure, which poses severe challenges to enterprises and households. <sup>15</sup>
- **10.** A recent assessment by the Food and Agriculture Organization of the United Nations indicates that one in four rural households engaged in agricultural production had reduced or stopped agricultural production due to the conflict. <sup>16</sup> This negatively affects rural livelihoods and interrupts local value chains, as rural households account for a third of production, despite not being considered part of the commercial agricultural economy.
- 11. With respect to workers in nuclear power plants, particularly in the Zaporizhzhya plant, the ILO has been liaising with relevant UN agencies (the International Atomic Energy Agency (IAEA) and the Office of the United Nations High Commissioner for Human Rights (OHCHR)) and with the relevant trade unions to gain a better understanding of the situation on the ground. While workers' potential increased exposure to radiation remains a key concern, exhaustion and stress endured by the workers in nuclear power plants may also have grave impacts on their safety and health. The stress is mainly due to reduced staffing levels, fatigue resulting from prolonged working hours and additional shifts, psychological pressure from the ongoing military conflict, including continuous explosions near the Zaporizhzhya plant as reported by the Director-General of the IAEA, <sup>17</sup> and the absence of family members who have fled the areas. There is also evidence that the staff in the Zaporizhzhya plant are still being urged to accept new labour contracts with the Russian state atomic energy corporation Rosatom, while the Ukrainian national operator Energoatom is urging them not to do so. <sup>18</sup> Such pressure

elasticity estimation is based on a linear regression model using a sample of 62 countries in 2021. Selecting that year allows the model to capture the degree of recovery after a sudden stop in economic activity.

<sup>&</sup>lt;sup>13</sup> See UNHCR, "Ukraine situation: Regional protection profiling and monitoring factsheet", 21 December 2022.

<sup>&</sup>lt;sup>14</sup> National Bank of Ukraine, "Speech by NBU Governor Andriy Pyshnyy at Press Briefing on Monetary Policy Decisions", 26 January 2023.

<sup>&</sup>lt;sup>15</sup> National Bank of Ukraine, "NBU 2022 Inflation Update", 11 January 2023.

<sup>&</sup>lt;sup>16</sup> FAO, Ukraine: Impact of the War on Agriculture and Rural Livelihoods in Ukraine – Findings of a Nation-Wide Rural Household Survey, December 2022.

<sup>&</sup>lt;sup>17</sup> IAEA, "Update 144 – IAEA Director General Statement on Situation in Ukraine", 26 January 2023.

<sup>&</sup>lt;sup>18</sup> IAEA, "Nuclear Safety, Security and Safeguards in Ukraine: Report by the Director General", 10 November 2022.

- raises concerns not only about employment contracts and possible situations of forced labour, but also about the potential consequences for radiation safety and protection.
- 12. In light of this, the ILO Committee of Experts on the Application of Conventions and Recommendations (CEACR) examined the issue of occupational exposure to radiation of nuclear power plant workers at its meeting in November-December 2022, in the context of its examination of the application of the Radiation Protection Convention, 1960 (No. 115), and the Occupational Safety and Health Convention, 1981 (No. 155), and referred to the reports of the IAEA on the substantial risks to the safety and integrity of the Zaporizhzhya plant. The CEACR urged that all necessary measures be taken to protect the safety and health of nuclear power plant workers. In particular, it urged the strengthening of the implementation of Convention No. 115, ratified by both Ukraine and the Russian Federation, with a view to ensuring the effective protection of workers against ionizing radiation in the course of their work. Moreover, an IAEA report highlighted the physical danger due to the presence of landmines, which are endangering plant staff members' lives during repair works caused by multiple instances of shelling close to the Zaporizhzhya plant. Multiple accounts of detention of managerial workers of the plant by Russian forces are also concerning. 19 In September 2022, the Nuclear Power and Industry Workers' Union of Ukraine (Atomprofspilka) alleged that more than 200 workers had been detained. <sup>20</sup> In response to the findings of numerous monitoring missions, the IAEA decided in December 2022 to station nuclear safety experts in all Ukrainian nuclear power plants; they are now all in place. 21 To better monitor workers' rights violations, the ILO has also facilitated exchanges between the OHCHR and national and international trade unions, to ensure that violations are reflected in forthcoming reports of the UN Human Rights Monitoring Mission in Ukraine. 22
- 13. With regard to the obligations of the Russian Federation under the Maritime Labour Convention, 2006, as amended (MLC, 2006), the CEACR at its November–December 2022 sitting recognized the dire circumstances for seafarers in Ukraine, noting that ten months after the beginning of the crisis, 65 ships flying the flags of more than 20 countries with around 315 seafarers on board were still stranded in Ukrainian ports, unable to depart safely. Further, seafarers working on board ships under the Black Sea Grain Initiative, thereby contributing to staving off famine and stabilizing food prices, were risking their lives by sailing in mined waters. The CEACR acknowledged their courage and underlined the fundamental importance of preserving seafarers' rights as enshrined in the MLC, 2006. The Office has continued to organize regular meetings with the International Maritime Organization (IMO) and representatives of the Maritime Transport Workers' Trade Union of Ukraine, the International Transport Workers' Federation, the International Chamber of Shipping and a number of seafarers' welfare organizations on the impact on seafarers of the Russian Federation's aggression against Ukraine. Such meetings have offered opportunities for collaboration with relevant international bodies focusing on protective measures.
- **14.** The broader labour impact at the global and regional levels remains unclear, but it seems that initial fears of the conflict's impact on neighbouring countries have not fully materialized. New evidence suggests that multiple countries in the South Caucasus and Central Asia have seen

<sup>&</sup>lt;sup>19</sup> IAEA, Nuclear Safety, Security and Safeguards in Ukraine.

<sup>&</sup>lt;sup>20</sup> IndustriALL, "IndustriALL Global Union Statement on Ukraine and Nuclear Workers", 20 September 2022.

<sup>&</sup>lt;sup>21</sup> IAEA, Update 144 on Situation in Ukraine.

<sup>&</sup>lt;sup>22</sup> The next report of the UN Human Rights Monitoring Mission in Ukraine is expected to be released by the end of March 2023; see https://www.ohchr.org/en/countries/ukraine.

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an increase in remittances, <sup>23</sup> although this might largely reflect a flight of capital from the Russian Federation by Russian citizens who moved to those countries. These capital flows are expected to have a smaller multiplier effect on receiving economies than traditional remittances, but may cause instabilities in the future, particularly in the real estate sectors of the relevant countries.

# Impact on ILO constituents, implementation of DWCPs and development cooperation

#### Ukraine

#### Government

- 15. The ILO's main interlocutors within the Government of Ukraine the Ministry of the Economy and the Ministry of Social Policy remain fully operational. As public resources are depleting due to a decline in tax receipts caused by the massive loss in GDP, the Administration has become more dependent on budgetary support from the international community. <sup>24</sup> Between January and July 2022, the Government's own revenues only covered 63 per cent of expenditures. The gap was covered by monetary financing from the National Bank of Ukraine, foreign grants and foreign debt accumulation. Foreign grants accounted for almost 16 per cent of all revenues more than 40 per cent of the shortfall. <sup>25</sup>
- 16. The State Employment Service is a key ILO partner in promoting inclusive labour markets. It is currently undergoing major changes, with staff reductions caused by the conflict and with the introduction of digital solutions. The Government's main aim is to increase the budget for active labour market programmes (from 800 million to 4.5 billion Ukrainian hryvnia), while reducing the duration and amount of unemployment benefits (from 12 to 3 months, with a flat-rate benefit equal to the minimum wage of 6,700 hryvnia). <sup>26</sup> In addition, the State Employment Service launched a large public works programme in November 2022 called Army of Recovery, which had reached 4,500 unemployed persons by mid-January 2023. The State Employment Service is continuing to offer job matching for businesses and workers who have relocated from combat zones and to grant support to start-ups. On the request of the Ministry of the Economy, the ILO advises the State Employment Service on legal questions, digitalization of services, career counselling and entrepreneurship training.
- 17. Another key government partner in Ukraine is the State Labour Service. As the mandate of the labour inspectorate is limited under martial law, the ILO helped to adapt its services. Under the "Ukraine Works!" programme, the inspectorate provides legal advice on work contracts and relocation of companies operating under martial law; to date, 54,000 enterprises have

<sup>&</sup>lt;sup>23</sup> UN Development Coordination Office, "Implications of the war in Ukraine on the SDGs and remittances in Europe and Central Asia", forthcoming.

<sup>&</sup>lt;sup>24</sup> According to Prime Minister Denys Shmyhal, the expected budget deficit for 2023 is US\$38 billion and will be largely covered by the International Monetary Fund (IMF), the United States and the European Union; see Euronews, "Ukraine Budget Deficit Seen at \$38 billion in 2023 – Interfax Quotes PM", 15 September 2022.

<sup>&</sup>lt;sup>25</sup> Tetiana Bogdan, "Ukraine's Public Finances: Radical Change in Time of War", in Monthly Report No. 10/2022, Vienna Institute for International Economic Studies.

<sup>&</sup>lt;sup>26</sup> Said changes were discussed with the social partners in the relevant parliamentary committee, but their views were not always adequately taken into account.

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requested this service. With ILO support, the State Labour Service conducted an advocacy campaign on the risks of human trafficking and labour exploitation for Ukrainians fleeing from the conflict, which reached 1.2 million persons, predominantly women. Moreover, at the request of the Government, the ILO is currently conducting a functional audit to assess the post-conflict future of the State Labour Service.

- **18.** A further important area of cooperation is on reform of labour law. In September 2022, the Ministry of the Economy requested the ILO's comments on the current draft labour code that is to replace the current code dating from 1971. A technical assessment is currently under way. Trade unions are particularly concerned about restrictions on the scope of the application of labour law and international labour standards and have voiced their concerns to the supervisory mechanisms of the ILO. While consultations with the social partners do occur, the Office notes the concerns expressed by some social partners that consultations are insufficient in scope and frequency. <sup>27</sup>
- 19. At its November–December 2022 session, the CEACR examined these legislative developments in its comments on the application of the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), and Convention No. 155, noting the joint observations from the Confederation of Free Trade Unions of Ukraine (KVPU) and the Federation of Trade Unions of Ukraine (FPU) submitted under article 23 of the ILO Constitution, as well as article 23 observations from the International Trade Union Confederation (ITUC) concerning Convention No. 87.
- 20. The CEACR noted with concern the allegations that draft legislation <sup>28</sup> had been introduced into Parliament without prior consultation with the social partners, and it urged the Government to take the necessary measures to review the draft legislation in full consultation with the most representative organizations. The CEACR also urged the Government to ensure that any legal reforms enacted fully conform with these three fundamental Conventions. In addition, the CEACR recalled the importance placed on creating an enabling environment for the establishment, restoration or strengthening of employers' and workers' organizations in responding to crisis situations, as set out in the Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205). Further, concerning allegations that Law No. 2136-IX of 15 March 2022 on Organization of Labour Relations Under Martial Law was adopted without prior consultation with the social partners, and that it restricts the exercise of the right to organize, the CEACR noted the exceptional nature of the legislation and trusted that the law would be declared null and void once the martial law regime is lifted. Concerning

<sup>&</sup>lt;sup>27</sup> Multiple disruptive factors to the functioning of the National Tripartite Social and Economic Council have hindered adequate social dialogue, lowered trust between the Government and social partners and hampered adequate discussions on reforms.

<sup>&</sup>lt;sup>28</sup> The article 23 observations referred to: (i) draft Law on Labour; (ii) draft Law No. 2332 of 29 October 2019 on Amendments to Certain Legislative Acts Concerning the Procedure for Determining the Representativeness of Trade Union and Employer Organizations in Social Dialogue Bodies; (iii) draft Law No. 2682 of 27 December 2019 on Strikes and Lockouts; (iv) draft Law No. 2681 of 27 December 2019 on Amendments to Certain Legislative Acts of Ukraine (on Some Matters of the Trade Unions Activity); (v) draft Law No. 7025 of 4 February 2022 on Self-Regulatory Organizations; (vi) Law No. 6420 on the Legal Regime of Property of All-Union Public Associations (Organizations) of the Former USSR (dated December 2021); (vii) Draft Law No. 6421 on Moratorium on Alienation of Property of All-Union Public Associations (Organizations) of the Former USSR; (viii) Bill No. 3204 on Amendments to Certain Legislative Acts of Ukraine Concerning the Validity of Collective Agreements; (ix) Bill No. 7628 on Collective Agreements and Treaties; and (x) the Draft Law on Safety and Health at Work. The CEACR also examined allegations related to Law No. 2434-IX on Amendments to Some Legislative Acts Regarding Simplification of Regulation of Labour Relations in the Sphere of Small and Medium-Sized Enterprises and Reduction of Administrative Burden on Businesses.

- the article 23 observations by the ITUC, all relevant information has been transmitted to the concerned parties and to the Committee on Freedom of Association.
- 21. The Government has an extensive agenda on labour law reform (for example, amendments on occupational safety and health, work leave, collective agreements and settlement of labour disputes), to which the ILO has provided a wealth of technical comments to strengthen compliance with international labour standards, the EU acquis, and good international practices. In addition, following a Government request, the ILO has prepared legal gap analyses for eight ILO Conventions that the Government aims to ratify. The Office is continuing to follow legislative developments closely and stands ready to support tripartite constituents in the country.
- 22. Ukrainian technical and vocational education and training institutions asked for ILO support in advancing e-learning solutions to provide vocational education under the present security conditions and beyond for Ukrainian students inside and outside the country. As a result, in December 2022, the "Vocational Training Online" e-learning platform was launched, reaching out to 250,000 students and 35,000 teachers. The platform is smartphone-enabled and accessible for people with disabilities, and will also support the upskilling of adult workers in the future.
- 23. The Ministry of Social Policy is considering a reform of the pension system that would introduce a mandatory funded pension pillar, and has reached out to the ILO to ensure that the introduction of the new pillar to the system is aligned with the principles and benchmarks established by ILO social security standards. The Office remains vigilant on ensuring that the social partners are properly consulted.
- **24.** Ongoing organizational and legal reforms illustrate that the support to Ukraine needs to include humanitarian, budgetary and development assistance in parallel, rather than taking a staged approach with development assistance starting at a later phase. The Ukrainian constituents want to lay the ground for an early recovery and reconstruction now a point they reiterated in their conversation with the Director-General on 8 February 2023.

### Trade unions and employers' organizations

- 25. Trade unions and employers' organizations remain operational but are severely affected by the hostilities. A key concern for the social partners remains the loss of membership dues and the resulting negative impact on their financial situation. Unlike the Government, the social partners do not receive budgetary aid from the international community, except for some donations from sister organizations and support from the ILO. Additional resources are needed to support the social partners in maintaining their operations and continuing to adapt the services they offer. Due to the fall in membership dues, the next few months will be vital in terms of their capacity to remain operational.
- 26. The two largest national trade unions, the FPU and the KVPU, are continuing to allocate significant resources to assist internally displaced persons fleeing the conflict. The FPU has utilized many of its properties, including hotels and sanatoriums, to provide shelter and meals for internally displaced persons. Since the start of the conflict, more than 70,000 internally displaced persons spent at least one night at trade union properties. In addition, the KVPU has assisted internally displaced persons and its members by distributing more than 30 tons of provisions. The ILO has contributed to these efforts.
- **27.** The three national employer and business membership organizations (EBMOs) in Ukraine the Federation of Employers of Ukraine (FEU), the Association of Employers' Organizations of

- Ukraine (OORU) and the Confederation of Employers of Ukraine (CEU) estimate that 50 to 60 per cent of their member companies are operating below the capacity utilization from before the war or have completely stopped production, with some enterprises in the combat zones suffering from the complete destruction of their facilities.
- 28. The difficult situation has not weakened the commitment of the employer and business membership organizations to serve their members and their communities, and they have participated in the delivery of emergency aid. With support from the ILO, the FEU purchased food and hygiene boxes from competitively selected member companies, which were distributed to 15,000 internally displaced Ukrainians. In addition, the ILO linked UN humanitarian agencies with employers' organizations advocating to increase the local sourcing for humanitarian assistance.
- 29. The ILO and Ukrainian employers have also resumed work on the development agenda. The FEU started the implementation of a new service for its members, facilitating business matchmaking and the promotion of Ukrainian producers on the EU market. The OORU launched a training and consultancy service on business continuity and resilience. Owing to the substantial increase in persons with disabilities resulting from the conflict, the CEU has started to support companies in integrating them into the workplace.

# Decent Work Technical Support Team and Country Office for Eastern Europe and Central Asia

- **30.** The Office can confirm that the DWT/CO-Moscow is continuing to provide technical cooperation and assistance to all countries in the subregion, <sup>29</sup> with no significant impediments to the delivery of its services. Despite the challenges and unusual circumstances, the DWT/CO-Moscow is maintaining its services to constituents, is implementing its projects and programmes, and is responding to the requests of partners, including directly through an equivalent number of technical advisory missions as in previous bienniums. This has included assistance to address comments of the ILO supervisory bodies, guidance on ratification of and improved reporting on international labour standards, and technical assistance on legislative reform and efforts to strengthen dispute resolution. It has supported national employment strategies and strengthened public employment services. Assistance on social protection has focused on the implementation of social protection floors and legislative alignment with international standards. After the adoption of a safe and healthy working environment as a fundamental principle and right at work, the DWT/CO-Moscow supported gap analyses and legislative responses. It has also provided legislative analysis, and support to employers' and workers' organizations in strengthening their capacity to engage in social dialogue.
- 31. Unrelated to the conflict, and at the request of Georgian constituents, the Director-General decided to reassign the responsibility for Georgia to the ILO Decent Work Technical Support Team and Country Office for Central and Eastern Europe (DWT/CO-Budapest). This reflects Georgia's ambition to join the European Union, taking into account the recognition of the EU Perspective for Georgia by the European Council on 23 June 2022. This EU Perspective could be better serviced by the DWT/CO-Budapest, which has advised multiple countries in the subregion on the EU acquis over the years.

<sup>&</sup>lt;sup>29</sup> Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

## Areas for action

32. The ILO's support to Ukraine is continuing to focus on economic stabilization, the preservation of jobs and – wherever it can complement the efforts of other UN agencies – humanitarian needs. The sizeable ILO development cooperation portfolio of US\$13 million from before the conflict, which is financed by the Governments of Canada, Czechia, Denmark, Sweden, Germany <sup>30</sup> and the European Union, was reprogrammed in 2022 and has helped to cover some of the most urgent needs of ILO constituents. Despite this, there is a clear need and demand for more ILO support in Ukraine to address the challenges of economic stabilization and job preservation, to secure the nexus between humanitarian aid and early recovery and development, and to help Ukraine on its path towards integration with the European Union. On 8 February 2023, the Director-General held a virtual meeting with Ukrainian tripartite constituents in which the broader lines of the ILO's future support were discussed and confirmed. Constituents underlined again the importance of the ILO's support and requested it to scale up the assistance.

- **33.** Moreover, the ILO is participating in the second round of the Ukraine Rapid Damage and Needs Assessment to ensure that the social and economic impacts pertaining to the ILO's mandate are included. The first assessment, which was conducted by the European Commission and the World Bank and did not include UN agencies, clearly lacked an assessment of employment impacts. <sup>31</sup> The second assessment is expected to be released by the end of March 2023 and should constitute the basis for further engagement on the reconstruction process.
- 34. Despite the increased needs, the ILO's resource mobilization for Ukraine is expected to shrink slightly in the first half of 2023, while resource mobilization in other countries of Central and Eastern Europe is expected to remain stable or grow. More projects will close in Ukraine in the forthcoming months (with cumulative expenditure of US\$4 million) as compared to new resources committed (US\$2.6 million). The main reason is the reluctant position among donors on what approach to take under a very volatile and quickly changing security situation in Ukraine. Many donors have not yet decided on their priorities for 2023 and on whether to support recovery and reconstruction projects in parallel to the budgetary and humanitarian aid, or whether to wait until the end of the conflict.
- **35.** To strengthen resource mobilization, the ILO has:
  - identified, in consultation with Ukrainian constituents, six priority areas for interventions, and regularly reported on delivery; <sup>32</sup>
  - published a detailed technical service offer of the ILO supporting early recovery efforts in Ukraine, focusing on mitigating the impact of the aggression against Ukraine on employment, social protection, rights at work and social dialogue. <sup>33</sup> The document offers a flexible and modular approach to the ILO's involvement across the humanitariandevelopment-peace nexus in a situation characterized by high uncertainty and volatility;
  - conducted two round tables with donors interested in supporting the ILO's work in Ukraine;

<sup>&</sup>lt;sup>30</sup> Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

<sup>&</sup>lt;sup>31</sup> World Bank, *Ukraine Rapid Damage and Needs Assessment*, 31 July 2022.

 $<sup>^{\</sup>rm 32}$  See the dedicated webpage on the ILO's response to the Ukraine crisis.

<sup>&</sup>lt;sup>33</sup> ILO, Support for Ukraine Recovery: Introducing the ILO Service Offer, 2022.

 prepared a detailed plan for reinforcing the ILO's presence in Ukraine, with the aim of participating actively in the recovery and reconstruction process. A strengthened presence in Kyiv would allow the ILO to engage on a day-to-day basis with constituents and to respond promptly to their needs, enlarge the ILO's capacity to improve participation in national and international coordination mechanisms established for supporting Ukraine, intensify the ILO's collaboration with the UN country team, and strengthen resource mobilization.

- **36.** In addition, the Office has earmarked US\$750,000 of resources from the regular budget supplementary account (RBSA) for a project to support affordable childcare in Ukraine to facilitate women's labour market integration.
- **37.** These investments by the Office should help to expand the ILO's support to Ukraine. By supporting recovery and reconstruction projects now, but aiming at more flexible and decentralized interventions instead of a few nationwide projects, the Office can best support constituents and mitigate the risk of failure during the ongoing conflict.
- 38. For the DWT/CO-Moscow, the main challenge remains filling the funding gap for project implementation in the remaining programme countries <sup>35</sup> created by the discontinuation of a LUKOIL-funded project and the stop to a planned funding agreement with the Russian Federation. This has created a deficit of funds to implement DWCPs and other programme activities across the countries under the responsibility of the DWT/CO-Moscow. The ILO swiftly mobilized US\$614,000 of RBSA resources <sup>36</sup> to compensate for some of the funding gap, which allowed the DWT/CO-Moscow to continue programme activities, but also required it to cut some planned activities. Recently, an additional US\$550,000 of RBSA resources were allocated to strengthening constituents' capacities towards gender-transformative policies and programmes in Uzbekistan. The Office is actively negotiating with existing donors to close the existing funding gap. Moreover, discussions are taking place with potential new donors, as well as with national partners in upper-middle-income countries. With the first call for proposals for the Vision 2030 Fund in Uzbekistan, <sup>37</sup> the Office has submitted four joint proposals in cooperation with other UN agencies, <sup>38</sup> which are pending.

## Situation of ILO staff in Ukraine and in the Russian Federation

**39.** The ILO currently employs 12 staff members in Ukraine (one National Coordinator, two international staff members and nine national staff members), compared to 14 staff members before the outbreak of the conflict. As the UN lifted the relocation status for Kyiv in July 2022, with the final responsibility for staff security remaining with the individual UN agencies, the ILO developed detailed plans for a staged return of staff to Kyiv, which have

<sup>&</sup>lt;sup>34</sup> A decision on the configuration of the office needs to be aligned with the forthcoming discussion of the ILO Programme and Budget for 2024–25.

<sup>&</sup>lt;sup>35</sup> This excludes Belarus and the Russian Federation. In accordance with GB.344/Resolution, no funds (including RBSA) are used or raised in either of these two countries.

 $<sup>^{\</sup>rm 36}$  These funds were allocated for Azerbaijan and Uzbekistan.

<sup>&</sup>lt;sup>37</sup> For details, see "Uzbekistan Vision 2030 Fund".

<sup>&</sup>lt;sup>38</sup> The International Organization for Migration; the International Telecommunication Union; the Office of the United Nations High Commissioner for Human Rights; the United Nations Development Programme; the United Nations Educational, Scientific and Cultural Organization; the United Nations Population Fund; the United Nations Children's Fund; the United Nations Office on Drugs and Crime; UN Women; and the World Health Organization.

been endorsed by the ILO Crisis Coordination Committee, following a mission by the ILO Security Team. The ILO relocated the National Coordinator and the security warden to Kyiv at the beginning of 2023 to ensure closer interaction with constituents, the UN country team and the local donor community. All other staff members are continuing to work temporarily from outside Kyiv and will return later in 2023, depending on the security situation and the availability of key public services such as electricity and heating. The ILO's plans for a staged return to Kyiv have required substantial additional investments into staff safety, including (i) hiring a full-time ILO security assistant; (ii) purchasing an armoured vehicle for staff transport to areas with heightened security risks; and (iii) renting new offices that are considered safe according to the standards of the UN Department of Safety and Security (UNDSS). The office space has been secured from the Office of the United Nations High Commissioner for Refugees (UNHCR) on a preliminary basis, funding for 2023 is available and the lease agreement is being finalized.

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40. The Office can confirm that the DWT/CO-Moscow continues to have the operational capacity to safeguard the technical cooperation or assistance it provides to all countries in the subregion. The Office has recently filled three vacant Technical Specialist positions and all staff members are assigned to Moscow as their duty station. Staff members are still entitled to telework outside of the duty station in a flexible manner, as long as there is a minimum international staff presence in Moscow and the unimpeded delivery of programmatic work to programme countries is ensured. Further, Professional staff members are entitled to additional home leave to ensure their well-being. The continued operation of the office is in line with the latest UNDSS security assessments for Moscow.

## Draft decision

- 41. In the light of the developments in Ukraine outlined in document GB.347/INS/16 and the resolution on the Russian Federation's aggression against Ukraine from the perspective of the mandate of the International Labour Organization (ILO) adopted at its 344th Session (March 2022), the Governing Body:
  - (a) noted the information provided in the document;
  - (b) reiterated its most profound concern at the continuing aggression by the Russian Federation, aided by the Belarusian Government, against Ukraine and at the impact this aggression is causing to tripartite constituents – workers, employers and its democratically elected Government – in Ukraine, and to the world of work beyond Ukraine;
  - (c) urged the Russian Federation again to immediately and unconditionally cease its aggression and withdraw its troops from Ukraine;
  - (d) urged once again the Russian Federation to meet all the obligations following from its ratification of ILO Conventions, including the Maritime Labour Convention, 2006, as amended (MLC, 2006), in particular in relation to the repatriation of seafarers and access to medical care; the Radiation Protection Convention, 1960 (No. 115), in relation to the exposure of workers to ionizing radiations in the course of their work; and the Forced Labour Convention, 1930 (No. 29) and its accompanying Protocol of 2014;

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(e) reiterated its unwavering support for the tripartite constituents in Ukraine, requested the Director-General to continue responding to constituents' needs in Ukraine and to expand the ILO's resource mobilization efforts, including in forthcoming international donor conferences on recovery and reconstruction, and welcomed the detailed plan for reinforcing the ILO's presence in Ukraine;

- (f) further requested the Director-General to enhance resource mobilization efforts for other affected countries across the subregion of Eastern Europe and Central Asia;
- (g) requested that the Director-General continue monitoring the impact on the world of work of the Russian Federation's aggression against Ukraine and report to the Governing Body at its 348th Session (June 2023) on developments in the light of the resolution, including the ILO's continued engagement with relevant UN bodies involved in monitoring human rights violations, and the situation of maritime and nuclear workers.