

**СПІЛКА
ПІДПРИЄМЦІВ
МАЛИХ, СЕРЕДНІХ І
ПРИВАТИЗОВАНИХ
ПІДПРИЄМСТВ
УКРАЇНИ**



**THE UNION OF THE
ENTREPRENEURS OF
SMALL, MEDIUM-SIZED
AND PRIVATIZED
ENTERPRISES OF
UKRAINE**

**Communication on Engagement (COE)
Global Compact**

**The Union of the Entrepreneurs of Small, Middle-Sized
and Privatized Enterprises of Ukraine**

October 2014 – October 2016

I am pleased to confirm that The Union of the Entrepreneurs of Small, Middle-Sized and Privatized Enterprises of Ukraine (UESMPEU) reaffirms its support to the United Nations Global Compact and its Ten Principles in areas of Human Rights, Labour, Environment and Anti-Corruption. This is our Communication on Engagement with the United States Global Compact. We welcome feedback on its contents.

In this communication of Engagement, we describe the actions that our organization has taken to support UN Global Compact and its Principles as suggested for an organization like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely,

Viacheslav M. Bykovets
Executive Director

The Union of the Entrepreneurs of Small, Middle-sized and Privatized Enterprises of Ukraine (hereinafter – the Union) according to the Programme of Action of the Board and the Executive Directorate of the Union on the implementation of the main business lines of the Union in 2014, 2015, 2016 and in accordance with the 10 principles of the UN Global Compact, focuses its activities on the following purposes.

1. Human rights

Principle 1. The members of the organization support and respect human rights, proclaimed by the international community, through their actions.

To this end, professionals and experts of the Union, entrepreneurs – members of the Union actively participated in the events which were held in Ukraine, particularly in the regional seminar “Business security and respect for the trading partners” (November, 2015).

In 2014 – 2016 the members of the Union actively participated in the implementation of the following projects:

- ILO / UNDP project “Social Inclusion of People with Disabilities through Access to Employment”;
- ILO and the German Corporation for International Cooperation (GIZ) project “HIV / AIDS prevention in the workplace”;
- ILO, UNAIDS and the UN Population Fund project “Voluntary HIV counseling and testing for employees”.

In 2014 – 2015 the Union continued the HIV/AIDS preventative work in the workplace in line with its own implementation Strategy. The Union’s declared Strategy on the matter comprises various outreach activities (issuing of information bulletins, posters, roundtable discussions, workshops, dissemination of information material) awareness-raising activities etc.

In July, 2016 a representative of the Union became the member of the National Tripartite Advisory Council of the International Labor Organization project “Addressing HIV stigma and discrimination to protect women and men workers from unacceptable forms of work”

In 2014 – 2016 the representatives of the Union worked within Tripartite Commissions on the following issues:

- on the revision of the minimum wage according to established procedure;
- on the settlement of wage arrears (salary position), pensions, educational grants and other social benefits;
- on the execution of the scientific-social examination of food basket, non-food products and services to determine the cost of living.

The representatives actively participated in the sittings of these commissions and in the discussions of the issues on the agenda.

Principle 2. Members of the Union (entrepreneurs, owners of enterprises, institutions and organizations) guarantee their non-involvement in human rights violation.

These issues are always under review by the Executive Directorate, Administration and Council of the Union.

In December, 2014 the representatives of the Union attended the presentation of the publication of the UN Guidelines on business activities in terms of human rights initiated by the UN system in Ukraine and the Ministry of Foreign Affairs of Ukraine.

The UN guidelines in terms of human rights were ratified by the Human Rights Council in 2011. They define the responsibilities of companies in the field of human rights not only in their own business activities, but also in relation to the government institutions, business partners and other stakeholders.

2. Labor relations

Principle 3. The Union Council as well as the enterprises, institutions, organizations – members of the Union always support the freedom of associations and recognize the right to organize and bargain collectively.

Among the members of the Union there are not only enterprises but also associations of national and regional significance, including industrial associations “Ukrpyvo”, “Ukroliyprom”, “Plastic Foam Manufacturers Association”.

The Union has been an active participant of the negotiating process between the government, the working unions and the employers for many years. It has signed the General Agreement on the Regulation of the Basic Principles and Norms of Social and Economic Policy and Labor Relations in Ukraine.

In 2014 – 2015 the Union and its members actively participated in all events (round tables, conferences, meetings) within the framework of the ILO Project “Improving Collective Bargaining and Labor Law Compliance in Ukraine”.

Principle 4. The Union actively supports the elimination of all forms of forced labor. Thus, in 2014 – 2015 the Union representatives actively participated in the events (round tables, workshops, conferences, meetings), that were held within the framework of the ILO-EU Project “Effective Governance of Labor Migration and its Skills Dimensions”.

Principle 5. In 2014 – 2016 The Union and its members have actively advocated the complete elimination of child labor. For this purpose, members of the Union have been actively involved in the events (round tables, trainings, conferences) of the international projects to eliminate various forms of child labor.

In October, 2016 the Union representatives attended the parliamentary hearings on “Children's Rights in Ukraine: security, compliance, protection”.

Principle 6. In 2014 – 2016 the Union and its members actively advocated the elimination of discrimination in respect of employment and occupation.

The Program of Actions of the Union in 2014 – 2016 in the field of employment covers a number of measures:

- To encourage the employers and entrepreneurs to preserve and create jobs;
- To intensify the public policy in the labor market in order to achieve its speediest adaptation to the structural changes in the economy, development of human resources, optimization of the usage of the employment potential of the regions and the whole country, stimulation of the population's economic activity;
- To engage women, youth, disabled persons, persons released from military service to the reserve, the unemployed and people living in rural areas to entrepreneurial activity.
- To encourage the enterprises to carry out the actions in order to improve the productivity of work and thus to increase the income of workers.

In 2014 – 2016 the members of the Union actively participated in the events organized within the framework of the projects:

- Project of the German Corporation for International Cooperation (GIZ) “Promoting economic development and employment in Ukraine”;
- ILO-EU Project “Improving safety and health at work through a Decent Work Agenda”.

In addition, in 2014 – 2016 the members of the Union actively participated in the development, discussion of the draft Labour Code of Ukraine.

In particular, in November, 2015 the Union representatives took part in the Round Table on “Draft Labor Code of Ukraine: legal innovations for business”, in April, 2016 they participated in the tripartite meeting on “Submission of Memorandum of technical comments of International Labour Office to the draft Labour Code of Ukraine.”

In February, 2015 the Union representatives took part in the Round Table on “Conflict settlement in the labor market of Ukraine in terms of European integration: the new model of resolving labor disputes and prospects of its implementation”.

3. Environment

Principle 7. The members of the Union – entrepreneurs, business owners, adhere to a preventive approach to environmental issues in their activities.

In order to popularize the preventive environmental strategy of UNIDO and UNEP in relation to production processes for the purpose to increase production efficiency and reduce environmental

and health risks, the Union and its partners, especially Resource Efficient and Cleaner Production Center in Ukraine, held a series of forums on that matter:

- December 15, 2015 – forum “Resource Efficient and Cleaner Production (RECP): reduction and safe waste management”;
- February 16, 2016 – forum “Resource Efficient and Cleaner Production (RECP): source of water supply and efficient use of it”;
- March 29, 2016 – forum “Resource Efficient and Cleaner Production (RECP): reduction of waste water and wastewater treatment”;
- April 22, 2016 – forum “Resource Efficient and Cleaner Production (RECP): the reduction and control of emissions into the atmosphere”;
- June 14, 2016 – forum “Resource Efficient and Cleaner Production (RECP): the efficient use of materials”.

Principle 8. The Union and its members – entrepreneurs, are taking the initiatives aimed at increasing responsibility for the environmental conditions. For this purpose, on May 13, 2015 the members of organization took part in the seminar on “Promoting achievement of better environmental indices of small, middle-sized enterprises”. The seminar was held within the framework of the “Greening Economies in the European Union's Eastern Neighborhood” (EaP GREEN) for the purpose to familiarize participants and interested organizations with a survey findings of employers in an indicated sector.

Principle 9. The Union and its members strongly contribute to the development and dissemination of environmentally-friendly technologies.

For this purpose, a series of events were held with the participation of representatives from the Union on that matter in 2015 – 2016.

Thus, on February 12, 2015 there was a meeting of experts within the framework of the EU Project on “Promoting achievement of better environmental indices of small, middle-sized enterprises”. The First Vice President, Executive Director of the Union V.M. Bykovets took part in the meeting and gave the presentation on “Potential role of business associations in promotion of “green” method of doing business by small and middle-sized enterprises in Ukraine”.

On November 17, 2015 there was held a seminar on “Promoting achievement of better environmental indices of small, middle-sized enterprises in Ukraine”. The seminar was held within the framework of the “Greening Economies in the European Union's Eastern Neighborhood” (EaP GREEN) to familiarize participants with the current situation in Ukraine in the sphere of development and implementation of policy instruments to promote a “green methods of doing business in small and middle-sized enterprises (SMEs) and to provide recommendations for policymakers in Ukraine”.

In March, 2016 the first Vice President, Executive Director of the Union V.M. Bykovets attended the regional conference on “Promoting ecologization of small and middle-sized enterprises

in the Eastern Partnership”. The conference was held in Chisinau (Moldova) within the framework of projects implemented in four countries of the Eastern Partnership (Armenia, Georgia, Moldova, Ukraine).

4. Anti-corruption.

Principle 9. The Union and its members are trying to counter all forms of corruption, including extortion and bribery through their actions.

For this purpose, the Union is working consistently and purposefully on reforming of entrepreneurship legislation, creating the best legal and organizational conditions for launching and establishment of entrepreneurial activity, for growth and development of small and middle-sized businesses.

The Union believes that there is a need to introduce simple, convenient and understandable registration and licensing procedures, that ensure favorable conditions for legalization of business and eradicating corruption in Ukraine.

For example, in 2015 – 2016 the direction of the Union, the Union experts held a series of meetings with international experts and public procurement experts which consulted the Government of Ukraine during the development of normative instruments to improve the system of public procurement.

As a result, the Union experts’ proposals were taken into account when developing the system of public procurement “PROZORRO”.

The Union experts are actively working towards the development of draft legislation to reform tax legislation.

Thus, the Vice President of the Union T. Shevtsova participated in drafting the law “On Amendments to the Tax Code of Ukraine as for the tax on outflowed capital”, which introduction will simplify the taxation and administration system. Transactions between taxpayers will not be the object of control, tax pressure on business will be reduced by introducing transparent and understandable taxation system.

Some practical results of the Union:

- The impact of the Union and its partners to solve existing problems through consistent and systematic activities has significantly increased;

- The Union is actively involved in the development, discussion, elaboration of legislative initiatives. Due to the active participation of the Union, there were introduced a number of changes and proposals for laws:

- “On Registration of Legal Entities and Individual Entrepreneurs”;

- “On licensing of business activities”;

- “On state supervision (control) in the sphere of business activity”;
- “On social dialogue”;
- “On Collective Agreements” and others.