



# Cost of Living: Adaptation Strategies & Social Interventions in the Community

**Key Findings – Key Informants**

May 2024



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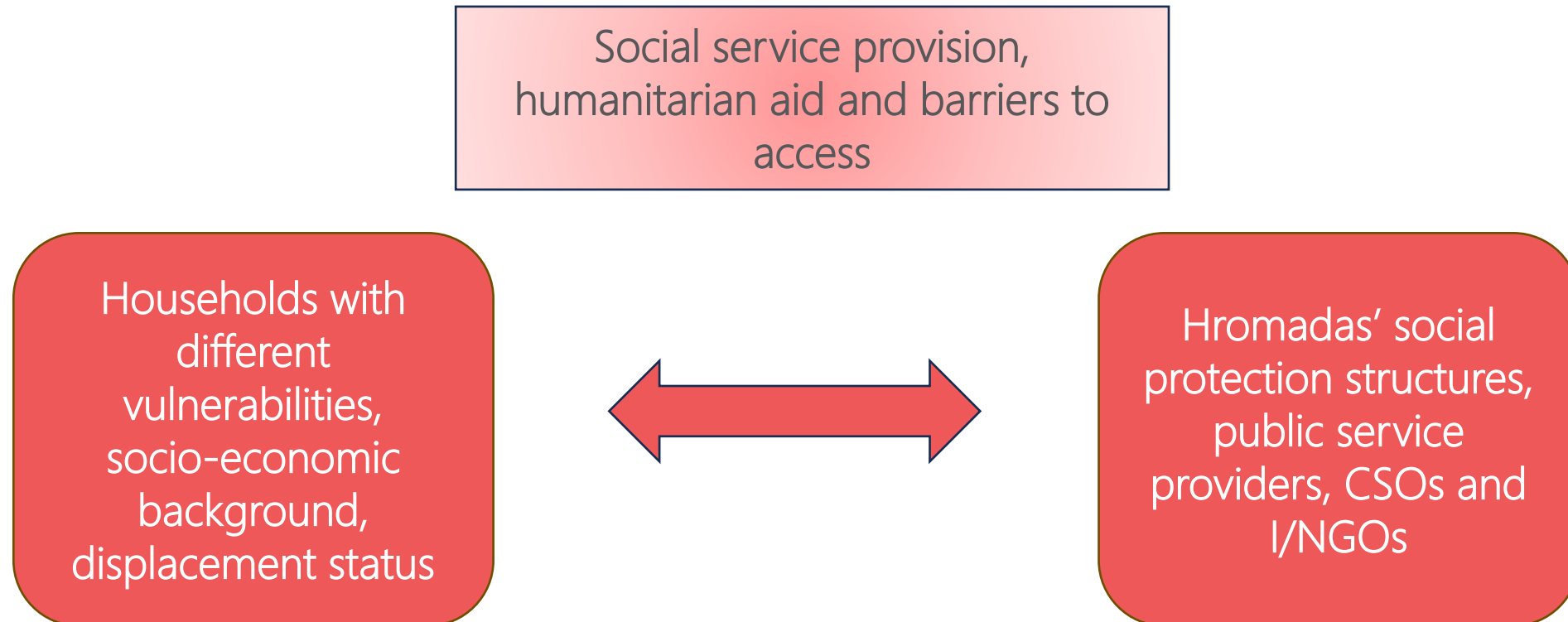
A world map is centered in the background, rendered in a light gray color. Overlaid on the map is a complex geometric pattern of thin, light gray lines forming a network of irregular polygons, resembling a low-poly mesh or a network diagram. The overall aesthetic is clean and modern.

**01**

# Background

# Aim of the assessment

- Analyse how the Ukrainian society in the **four assessed hromadas** is coping with and adapting to the **rising cost of living** and the shocks brought by conflict.



# Background: Secondary Sources

- Worsening livelihood indicators, in a context of stabilization of macro-economic context.
  - **MSNA 2023 and HSM Calibration 2024**: higher gap in livelihoods compared to 2022; humanitarian and social protection transfers becoming important sources of income for HH.
  - **JMMI**: affordability of essential items the main financial barrier to accessing markets, especially in the East > degradation of resistance to shocks and entrenchment of poverty?
- Alignment of humanitarian and social protection system: Perekhid Initiative & CWG.
  - **CALP, Linking Humanitarian Cash and Social Protection in Ukraine and STAAR, Humanitarian Assistance and Social Protection Linkages**:
  - **CCD, Alignment Options for Humanitarian Cash with the Ukrainian Social Protection System, (Sept. 2023)**: survey of SPS, legal coverage, effective coverage, actual subsistence minimum.

Qualitative analysis  
of coping strategies

Duplication of  
targeting and left-  
behind groups

Variance in social  
protection coverage  
at the local level

Return dynamics and  
opportunities for  
early recovery

A world map is shown in a light gray, semi-transparent style, overlaid on a background of a light gray geometric pattern of interconnected lines forming various polygons. The map is centered on the Atlantic Ocean. In the center of the map, the number '02' is written in a bold, red, sans-serif font.

02

# Methodology

# Methodology & Data Collection

- Secondary data review
- Qualitative data collection

## 01

### Key Informant Interviews

Hromada authorities, public service providers, CSOs and I/NGOs.

12 to 19 February

social system adaptation, barriers for vulnerable groups, coordination and duplication between state social protection and the humanitarian system at the local level.

## 02

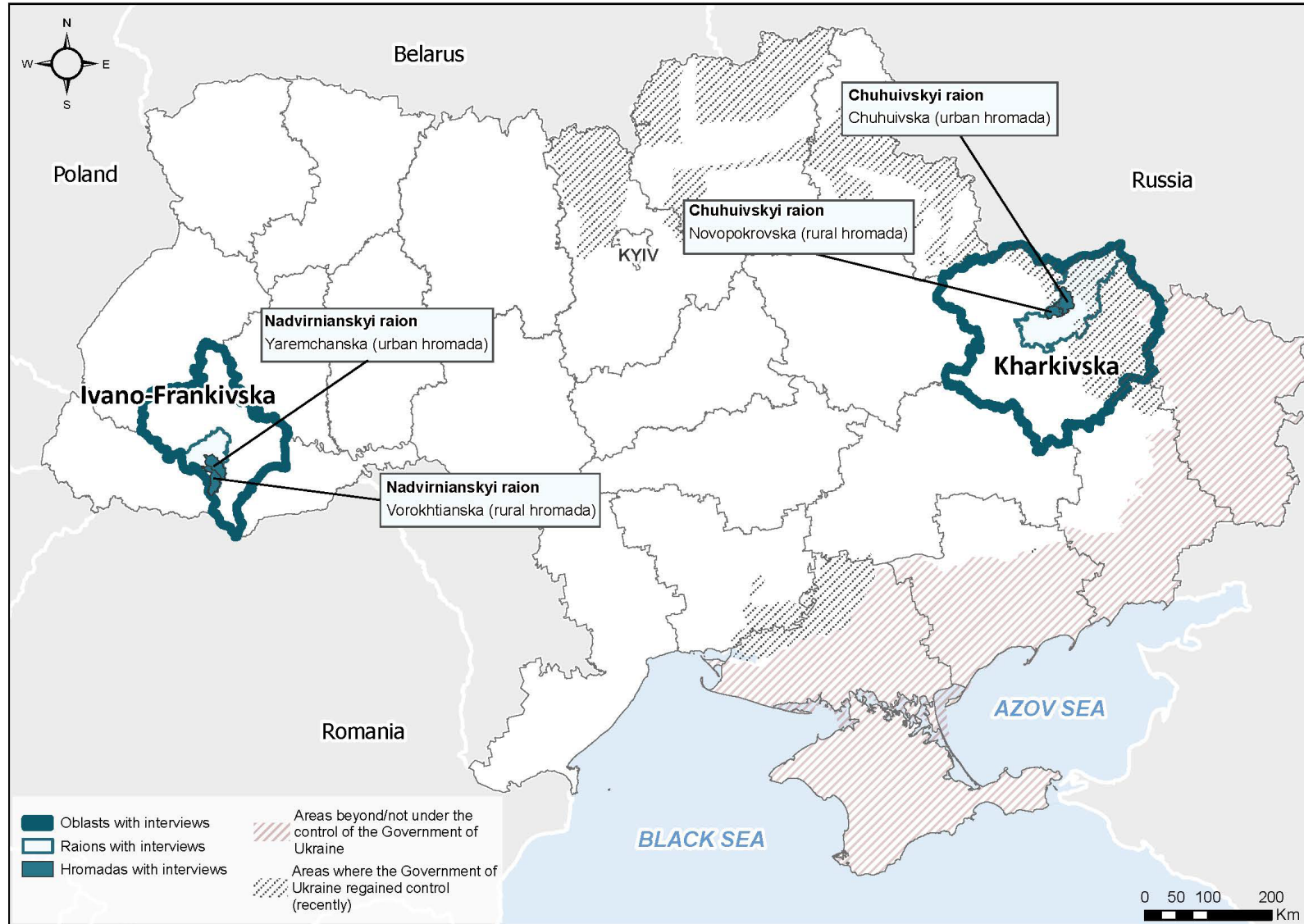
### Household Interviews

Respondents by displacement status and receipt of support

26 February to 7 March

drivers of negative livelihood coping strategies, how the receipt of support drives longer-term adaptation strategies.

# Primary data collection coverage map



- KI: 10 per hromada > 47
- HHI: 20 per hromada > 96





03

# Key findings

# Key Findings



## Economic Context

The main sectors of economic activity remained disrupted by conflict damage (Kharkiviska) and by displacement dynamics. The lack of suitable employment was characterised as a crucial issue in all surveyed hromadas. At the same time, sustained rise in prices coupled with stagnation of wages and social protection payments led to widespread decline in purchasing power.



## Targeting and left-behind groups

Targeting for MPCA and the main social protection payments (and in-kind packages) remained similar, leaving certain population groups uncovered by additional help, temporary or stable.



## Hromadas' social protection adaptation

Local actors expanded their activities to respond to increased needs, often without an increase in budget or training. Longer hours and increased security risks made it difficult to retain staff and to recruit personnel experienced in psychological and physical rehabilitation. This hindered efforts to restore services and to launch early recovery activities.



## **Key Finding 1**

The main sectors of economic activity remained disrupted by conflict damage and by displacement dynamics. At the same time, sustained rise in prices coupled with stagnation of wages and social protection payments led to widespread decline in purchasing power.

# Economic Context

## Outmigration

Outmigration of working age people contributed to lower levels of economic activities and to a decrease of the size of hromadas' budgets (which rely on income taxes).

KIs often reported on the difficulty in finding qualified personnel, while HHIs on barriers to employments based on age or skills.

"The general situation has affected the increase of needs in the community. The security situation: the damaged amount of social infrastructure and housing leads to the number of people who want to return being not as large as we would like. ... There will be no people, there will be no jobs. Accordingly, there is no production or life activity of the community. " NGO, Chuhuiviska.

"The first year of the war was not very difficult, the formation of the budget has not changed, now it is a little more difficult, especially since September 2023, because all the personal income tax of the military and firefighters was taken away for defence, so we have little left in the development fund. " Governmental, Yaremchanska.

# Economic Context

## Gendered Barriers to Employment



### Women

Lack of childcare options, especially in Kharkiviska, due to online schooling.

Working part-time limited earnings and type of employment.



### Men

Mobilisation requirements resulted in men avoiding formal employment. Several KIs reported of men not accessing social protection benefits they were entitled to or public services (healthcare, employment centres) to avoid formal registration with recruitment centers.

# Decline in purchasing power

- Stagnation of wages and social protection payments.
- Indexation of pensions not in line with inflation.

- Inflation:  
April 2023: 21.3% ->  
May 2024: 3.2%  
*BoU.*

- Rise in food prices, medicines, utilities (solid fuel).

"Of course, vulnerable groups remain, as pensions and social benefits remain low. Now you can't really live on 3,000 UAH, even if you receive some subsidies." Governmental, Chuhuiviska.

"Currently, 80% of the local population needs financial support to function normally". Governmental, Vorokhtianska.



## Key Finding 2

Targeting for MPCAs and main social protection payments (and in-kind packages) remained similar, leaving certain population groups uncovered by additional help, temporary or stable.

# Groups identified as not directly targeted

- Non-displaced “local” community
- Able-bodied working age people
- Unemployed
- Families with 1 or 2 young children
- People between 50 and pension age

"Families with one or two children are not entitled for assistance. This is very important if there are young children in the family and only the father works, based on the average salary in our region their income is 8,000 -10,000 UAH. It is not possible to support a family of four, especially if you rent a house". NGO, Yaremchanska & Vorokhtianska

"When we administered the distribution of humanitarian aid, there was always a certain list of categories for which we could issue humanitarian aid. From time to time, we were contacted by locals, who were also in dire need of this help. For example, when we distributed diapers to IDP families with children under 3 years old, we were often visited by local families with many children, who also really needed these diapers due to financial difficulties, but we were forced to refuse them. "

Public service provider, Vorokhtianska





## Key Finding 3

Local actors expanded their activities to respond to increased needs, often without an increase in budget. Longer working days and security risks made it difficult to retain staff and to recruit experienced personnel. This hindered efforts to restore services and to launch early recovery activities.

# Expansion of activities



## Delivery and coordination of humanitarian aid

- Especially in Kharkivska, governmental KIs reported having delivered aid in first-person, especially in 2022
  - Personal risk
- Outreach to vulnerable population: proactive engagement with the community, help with bureaucracy.



## Psycho-social support and rehabilitation

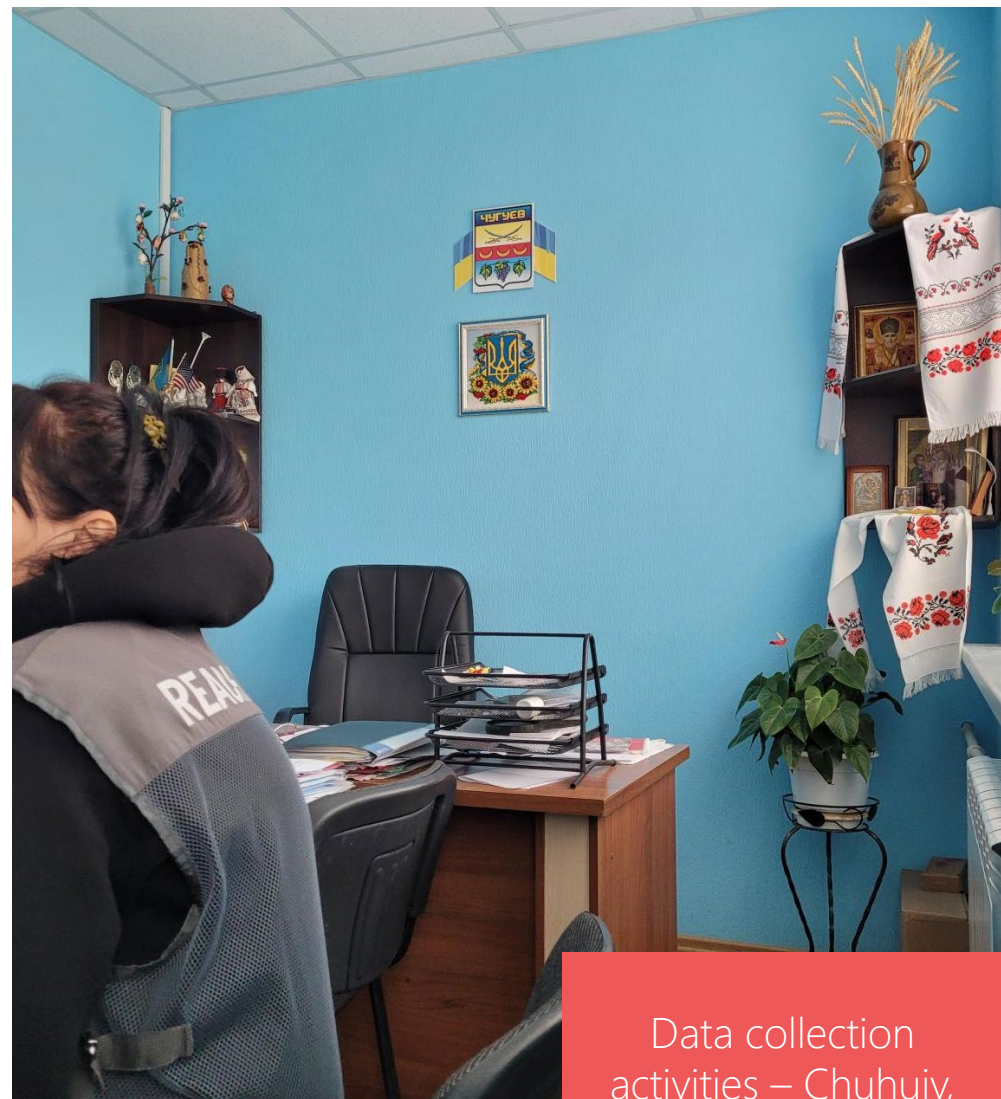
- Several KIs reported having added MHPSS activities, for beneficiaries and their own personnel, through cooperation with NGOs or support of regional structures.
- Others have focused on early recovery: rehabilitation activities both healthcare and employment for veterans and affected people.

# Different budget dynamics

"I am grateful to everyone who did not leave our community two years ago. They supported and helped in some way, solved problems timely, so there were no long-term interruptions. Only because there were community leaders in the city, who, with their own strength and capabilities (in their own car, brought bread and other food to the territory of our community). A lot can be said about this, but it all depends on the management activities of the hromada leadership "

Public service provider,  
Novopokrovska.

- Governmental bodies and public service provision reported budget increases or reductions, with no overarching trend clearly emerging.
- In social protection departments - budget unchanged, but increased request for help had in fact made it insufficient.
- KIs working in healthcare reported increased budget, since it was allocated based on registered number of patients (IDP arrivals, especially in Ivano-Frankivska).
- Public educational institutions received less budget due to online activities.
- A large number of governmental and public service KIs reported that employees and managers in their department started working longer hours in order to respond to increased needs and to process new applications for support. Only a part of the KIs said that their working hours had returned to normal.



Data collection  
activities – Chuhuiv,  
February 2024

# Outstanding needs of local authorities

- Need for materials, equipment or repairs: rural, oblasts variance
- HR: qualified personnel, retaining personnel, training.
- Budgets of public facilities stretched by increase in prices.
- Decrease in in-kind aid to redistribute to the population.
- Shelter requirements for education facilities and accessibility.
- Issues with attracting funding - >“competition” with NGOs: higher trust, requirement of many projects was that the application should be sent by NGO and not by local public department.

# Expected challenges in coming months

- Increased demand for services and support: deteriorating security situation in Kharkiviska, psycho-physical reintegration.
- Rise in prices and continued degradation of purchasing power and standard of living.
- Decrease in available humanitarian aid.
- Change in IDP allowance: burden of re-application.

"Financial assistance helped many to rent housing. If financial assistance is taken away, then the problem of lack of jobs is exacerbated."  
Governmental, Yaremchanska

"Now the big problem is employment, not only for IDPs, but also for locals. There is a need for educational projects, motivational areas of work with young people and people with vulnerabilities. Retraining, online work, because there are many new directions. The same people with vulnerabilities: they can work, but they need to be taught computer and financial literacy, and the use of devices"  
Yaremchanska and Vorokhta

# Thank you for your attention



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