

REACH HSM UKRAINE: Overview of access to cash, financial services and livelihoods in the Occupied Areas

March 2024 | Ukraine

KEY MESSAGES

- The humanitarian situation in the occupied areas of Ukraine remains concerning, as KIs in nearly half of the assessed settlements reported 'high' or above levels of need. **Lack of access to financial services, as well as a shortage of financial resources emerged as prominent drivers of need**, as both were commonly reported among the main concerns and needs.
- **In the majority of the assessed settlements in the occupied areas of Ukraine, KIs reported that cash could be accessed through intermediaries.**¹ However, the situation was concerning in Donetsk Oblast, where KIs in **20 out of 46** assessed settlements reported no access to cash in the settlements. While the use of intermediaries enables access to cash in the occupied areas, it also introduces additional complexities (e.g, commission payments, unregulated exchange rate), requiring regular monitoring of the situation.
- **KIs in a third of the assessed settlements reported use of at least some livelihood coping strategies.** In settlements with 'extreme' and 'severe' overall levels of need, people appeared more likely to apply livelihood coping strategies, including higher likelihood of applying severe and crisis strategies², which highlights the financial vulnerability of people in such settlements.

CONTEXT & RATIONALE

The humanitarian situation in the occupied areas of Ukraine remains a matter of grave concern, as the population in these areas, encompassing at least 1.5 million people in need³, continues to face challenges in relation to meeting their essential needs.

In addition, **access barriers to these territories are expected to persevere in 2024**⁴, which along with the **limited availability of information**, have created a complex environment where the delivery of life-saving aid remains a significant challenge.

REACH's Humanitarian Situation Monitoring (HSM) aims to fill persisting information gaps by providing up to date, multi-sectoral information on the community-level needs of those living in inaccessible areas.

Given the persistent economic challenges experienced by affected populations in the area⁵, **this thematic factsheet focuses on the key findings of the HSM from March 2024 pertaining to access to financial services, cash availability, and households' capacity to meet essential needs in the settlements.**

For detailed findings regarding other sectors by HSM in the occupied areas, please refer to the comprehensive data available on the HSM Dashboard. ⁶

✱ DRIVERS OF HUMANITARIAN NEED

Findings indicated that the **overall level of humanitarian need** in the occupied areas **continued to be relatively high**. Key informants (KIs) in **49% (n=137/278)** of the assessed settlements reported 'high' or above levels of overall need (see Annex on p. 5) in the 14 days prior to data collection. In most of the settlements (**68%, n=188/278**) KIs highlighted **access to financial services among the main concerns**. In addition, in **48% (n=134/278)** settlements KIs indicated financial resources among the top three unmet humanitarian needs. It is noteworthy that **52% (n=70/134)** of these settlements reportedly had 'high' or above levels of humanitarian need, suggesting that financial barriers might be the key drivers of overall humanitarian need in these settlements.

🏠 ACCESS TO FINANCIAL SERVICES AND CASH

🏠 Access to ATMs and banking services

Overall, KIs in **73% (n=203/278)** of the assessed settlements in the occupied areas of Ukraine reported **no access to banking services and ATMs in the 14 days prior to data collection**, which might have led to people employing non-formal mechanisms of obtaining cash, such as access through intermediaries (see Access to cash section).

Settlements closer to the front line appeared to have particularly limited access to financial services, as KIs in **82% (n=126/154)** of the settlements in this zone reported no access to ATMs and banking services, compared to **62% (n=77/124)** in areas which are further from the hostilities.

March findings from REACH's Joint Market Monitoring Initiative (JMMI)⁷ also suggest that access to banks, ATMs, and cash was highly limited in the occupied areas of Ukraine. About a third of the JMMI customer KIs in JMMI⁸ noted that there were no functioning bank branches and mobile bank offices available, neither in the community nor in nearby communities. In terms of access to ATMs, nearly the same number of KIs reported that there were no ATMs in their community.

🏠 Access to cash

Findings suggest that the lack of access to ATMs and banking services in the occupied areas may have promoted the use of non-formal ways of accessing physical cash. Among settlements where reportedly most people had not had access to ATMs and banking services, **19% (n=39/203)** had KIs reporting that cash was not accessible at all in the 14 days before data collection. In **27% (n=55/203)**, it could be accessed only in nearby settlements, in **54% (n=110/203)** of the settlements KIs reported that cash could be accessed through intermediaries. Intermediaries can be understood as individuals or non-formal establishments offering unofficial services of providing cash.

According to other sources⁹, while hryvnia transfers can be made, it is impossible to withdraw money legally. **To obtain cash in rubles, which appears to be the predominant currency,¹⁰ people make digital hryvnia transfers and then receive cash through intermediaries**, often with a commission that can reach between from 5% and 20%. However, **none of the official Ukrainian financial institutions operate in the occupied areas**, with some Russian financial institutions being open¹¹, which continues to pose significant barriers for residents receiving social or other payments via their Ukrainian cards.

The settlements where cash was reportedly not accessible at all were mostly located in areas within 30 km from the front line (n=35/39). The only four settlements with no access to cash further from the hostilities were in Zaporizka and Luhanska Oblasts. In Donetsk Oblast, access to cash was most restricted. In **20 out of 36** assessed settlements with no access to ATMs and banking services in Donetsk Oblast, KIs reported no access to cash. In another **nine** settlements in this oblast, no access to cash was reported in the settlement, but KIs indicated that cash could be accessed in nearby settlements. This way of accessing cash was also relatively common in Luhanska Oblast, where KIs in **33% (n=18/54)** of the settlements reported that cash could be accessed in nearby settlements.

Figure 1: % of settlements by most people having access to ATMs and banking services in the 14 days prior to data collection (n=278)

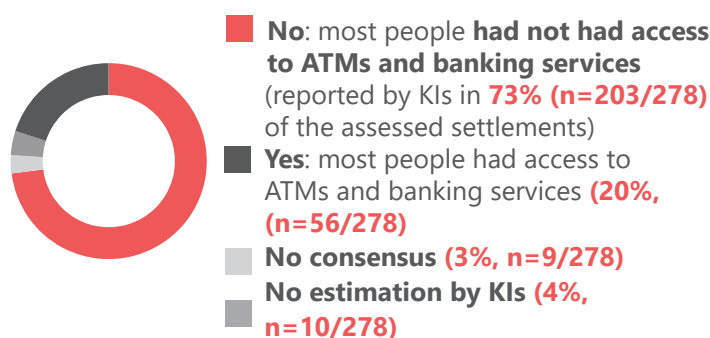
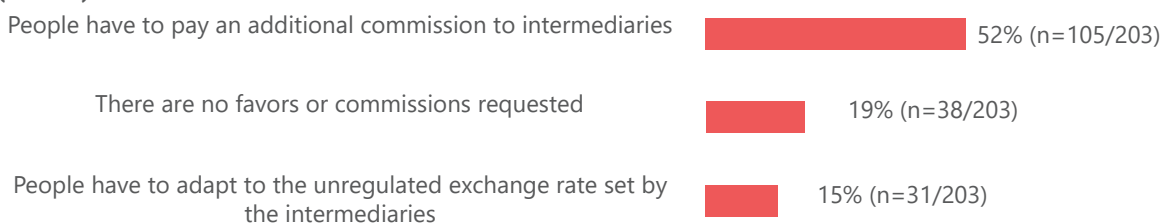


Figure 2: % of settlements by reported instances of required commissions or favors to access cash and financial services (n=208)



LIVELIHOODS

⊗ Barriers to meeting households' needs

With access to financial services and ATMs being highly limited in the occupied areas, and non-formal mechanisms of obtaining physical cash often requiring additional commissions, people in these areas face additional barriers to meeting their need, which are likely less pronounced in government-controlled areas.

Overall, **the most commonly reported barriers that households faced in accessing money to meet their needs included obstacles related to the lack of access to financial services and institutions, which highlights the significant impact of restricted access to cash and banking services on households' ability to meet their essential needs.**

Figure 3: % of settlements by most reported barriers people faced in accessing enough money to meet HH needs in the 14 days prior to data collection (n=278)

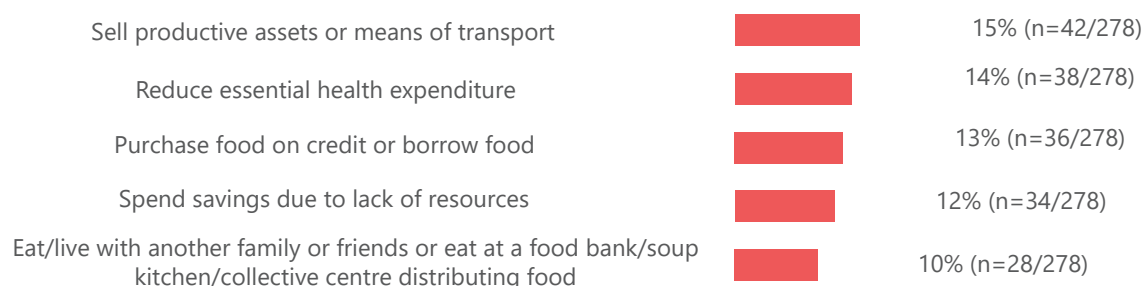


📺 Livelihoods coping strategies

Since the onset of the full-scale invasion, job losses, salary cuts, and reduced working hours experienced by many households have compelled them to resort to livelihood coping strategies¹² more frequently to meet their basic needs.¹³ Considering the additional humanitarian access constraints, the situation in the occupied areas could be even worse. KIs in **31% (n=87/278) of the assessed settlements reported knowledge of use of at least one livelihood coping strategy by households in the settlements.** In another **32% (n=89/278) of the settlements**, KIs reported that they were aware of households that did not have enough money/resources to cover basic needs, but did not know what coping strategies they used. Notably, **in settlements with 'extreme' and 'severe' overall levels of need, people appeared more likely to apply livelihood coping strategies.** KIs in nearly a half of the settlements with such levels of need (**47%, n=29/62**) reported that they were aware of households that did not have enough money/resources to cover basic needs, but did not know what coping strategies they used.

Overall, most commonly reported coping strategies included selling productive assets or means of transport, as well as reducing essential health expenditures. It is noteworthy that in settlements with 'extreme' and 'severe' overall levels of need, **people seemed more likely to use crisis and emergency livelihood coping strategies¹⁴**, such as the use of degrading sources of income, illegal work or high risk jobs (reported by KIs in **13% (n=8/62)** of the settlements with 'severe' or 'extreme' level of need), and reducing essential healthcare expenditure (**21%, n=13/62**)

Figure 4: % of settlements by the applied livelihood coping strategies (n=278)



METHODOLOGY OVERVIEW

Data collection in the occupied areas of Ukraine was conducted between **March 4th and 18th** by adopting the Area of Knowledge (AoK) methodology. **278 settlements (towns and villages)** were assessed through a total of **581 interviews with key informants (KIs)**. These KIs were selected based on their recent knowledge of the settlements of interest: they were either displaced from a settlement in the occupied areas of Ukraine within the 14 days prior to data collection and (or) in regular contact with the people still living in the settlement in the 14 days prior to data collection.

All KI responses from the same settlement were aggregated to have one data point for each variable per settlement.

The **Data Aggregation Plan** used the **average approach** to aggregate the settlement responses by using a severity scale in cases of single-choice questions. In case of 'even' numbers (for example, 1 yes / 1 no), 'no consensus' is reported. If the majority of KIs per settlement are not able to estimate the answer ('Don't know'/'Cannot estimate' options),

'No estimation' is reported per settlement." In case of multiple-choice questions, the rule was to select all responses that have been reported by at least one respondent if the number of respondents was smaller than five, otherwise two out of five or more respondents.

In this brief, the data represents a percentage of settlements (towns or villages) for which KIs reported a specific answer to a survey question. These statistics **cannot be extrapolated to represent a proportion (%) of the population, and thus should be interpreted as indicative** rather than representative. Given the small and unrepresentative sample, these results only provide an indicative understanding of the situation in the assessed areas. These results should be considered based on coverage; some oblasts/raions can be better covered than others due to availability of KIs.

Furthermore, given that the KIs were selected based on whether they fulfilled the selection criteria, there was no minimum number of KIs set per settlement. Therefore, findings on individual settlements should be interpreted with caution as they are also considered indicative.

ENDNOTES

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¹ Intermediaries can be understood as individuals or non-formal establishments offering unofficial services of providing cash

² Livelihoods Coping Strategies classification:

1. **Stress:** Spending savings, Borrowing food, Eating elsewhere, selling HH assets; -Taking on additional job (not present)
2. **Crisis:** Selling productive assets, Reducing health/education expenditures, Moving elsewhere
3. **Emergency:** Using degrading income sources, Selling a house, Ask strangers for money

³ OCHA, [Ukraine- Humanitarian needs and response plan 2024](#), January 2024.

⁴ Ibid.

⁵ [2023 MSNA Area of Knowledge Brief, WFP and REACH, Ukraine](#), February 2024

⁶ Access to the HSM dashboard on the areas beyond the control of the GoU is available upon request to impact.ukraine@impact-initiatives.org.

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⁷ REACH Joint Market Monitoring Initiative (JMMI) Round 24 Dataset, March 2024 - Available upon request to impact.ukraine@impact-initiatives.org.

⁸ A total of 51 KI interviews were conducted within Round 24 of JMMI in the occupied areas

⁹ [in Ukrainian] Radio Svoboda, [What will happen to cards, accounts and money of Ukrainians under occupation?](#), July 2023

¹⁰ [in Ukrainian] DW, [What residents of the Russian-occupied areas of Ukraine tell](#), September 2023

¹¹ National Resistance Center of Ukraine, [Situation in the temporarily occupied territories in 2023](#), January 2024

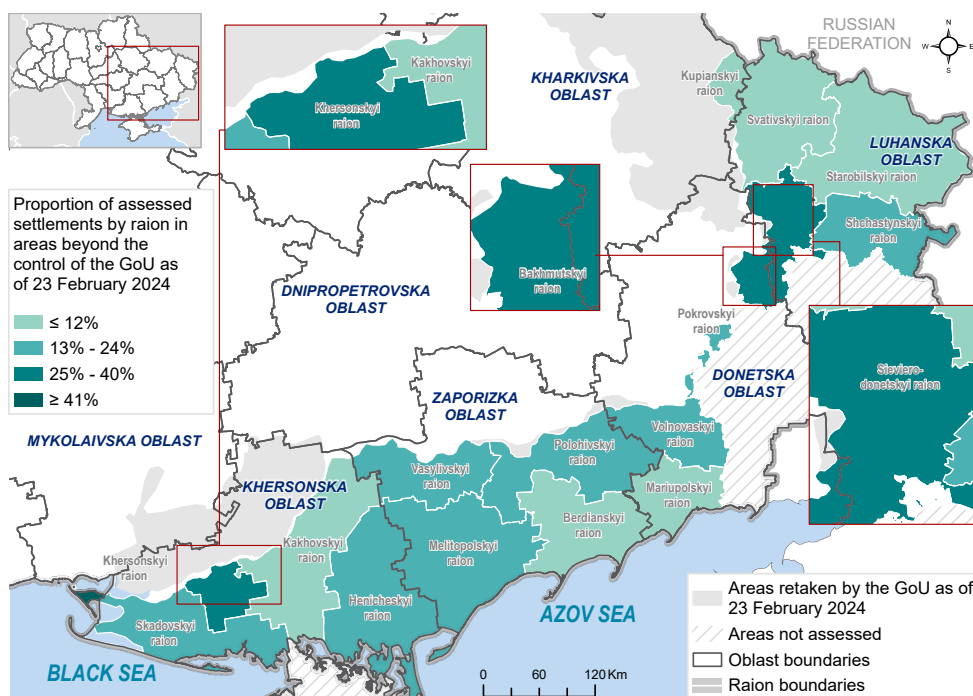
¹² Livelihood coping strategies can be defined as the various actions and adjustments that individuals and households undertake to manage and overcome economic challenges that threaten their ability to meet their essential needs.

¹³ SeeD, UNDP, [Human Impact Assessment Ukraine](#), June 2023

¹⁴ Livelihoods Coping Strategies classification:

1. **Stress:** Spending savings, Borrowing food, Eating elsewhere, selling HH assets; -Taking on additional job (not present)
2. **Crisis:** Selling productive assets, Reducing health/education expenditures, Moving elsewhere
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ASSESSMENT COVERAGE



ANNEX: SEVERITY SCALE DEFINITIONS

Overall level of needs

Extreme: loss of life or imminent risk of loss of life as a result of lack of access to services, food, shelter, or other life-saving assistance.

Severe: living conditions are very poor in the settlement and most people are finding it difficult to meet basic needs, leading to concerns for the mental or physical wellbeing of the population.

High: most people are still able to meet their basic needs, but living conditions are very poor in the settlement.

Moderate: most people are still able to meet their basic needs, but the situation with living conditions requires monitoring.

Limited/no needs: most people are continuing to meet their needs as normal, without significant deterioration of living conditions in the settlement.

Levels of sector-specific needs

Catastrophic: Most people in the settlement were unable to access necessary services/ items (>50% of the population or more than 1 in 2 people).

Extreme: Many people in the settlement were unable to access necessary services/items (25-50% of the population or up to 1 in 2 people).

Severe: Some people in the settlement were unable to access necessary services/items (10-24% of the population or up to 1 in 4 people).

High: A few people in the settlement were unable to access necessary services/items (1-9% of the population or up to 1 in 10 people).

Stress: Situation of concern that requires attention/monitoring, but is manageable/normal, with people still able to access necessary services/items.

None/minimal: Situation is under control/as normal, people were able to access necessary services.

ABOUT REACH

REACH Initiative facilitates the development of information tools and products that enhance the capacity of aid actors to make evidence-based decisions in emergency, recovery and development contexts. The methodologies used by REACH include primary data collection and in-depth analysis, and all activities are conducted through inter-agency aid coordination mechanisms. REACH is a joint initiative of IMPACT Initiatives, ACTED and the United Nations Institute for Training and Research - Operational Satellite Applications Programme (UNITAR-UNOSAT).