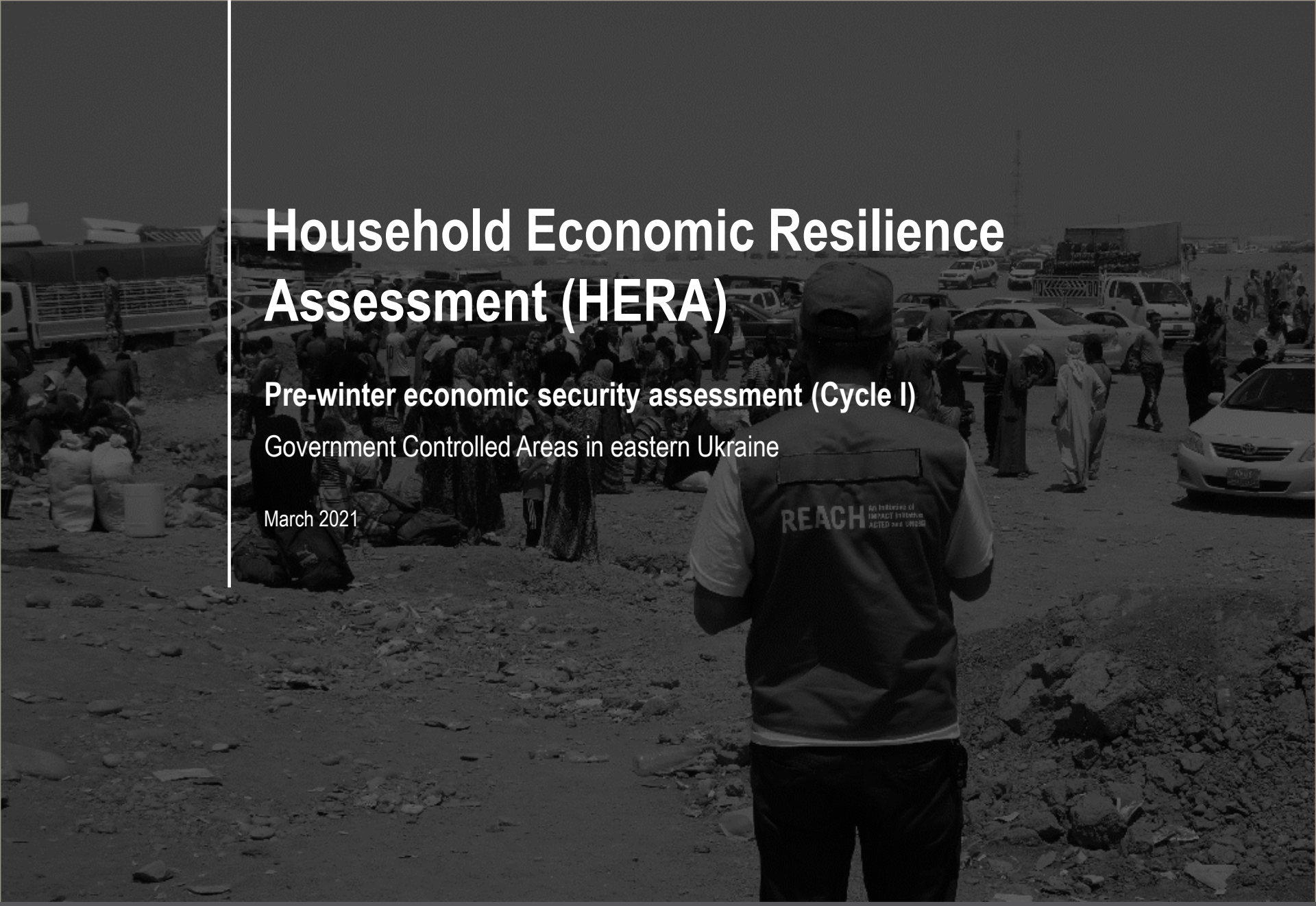
Household Economic Resilience Assessment (HERA)

Pre-winter economic security assessment (Cycle I)

Government Controlled Areas in eastern Ukraine

March 2021



REACH Informing more effective humanitarian action

Objectives of the discussion

Jointly interpret pre-winter findings of the Household Economic Resilience Assessment (HERA).

Discuss partner perspectives from the field.

Triangulate results with additional partner-driven information sources.

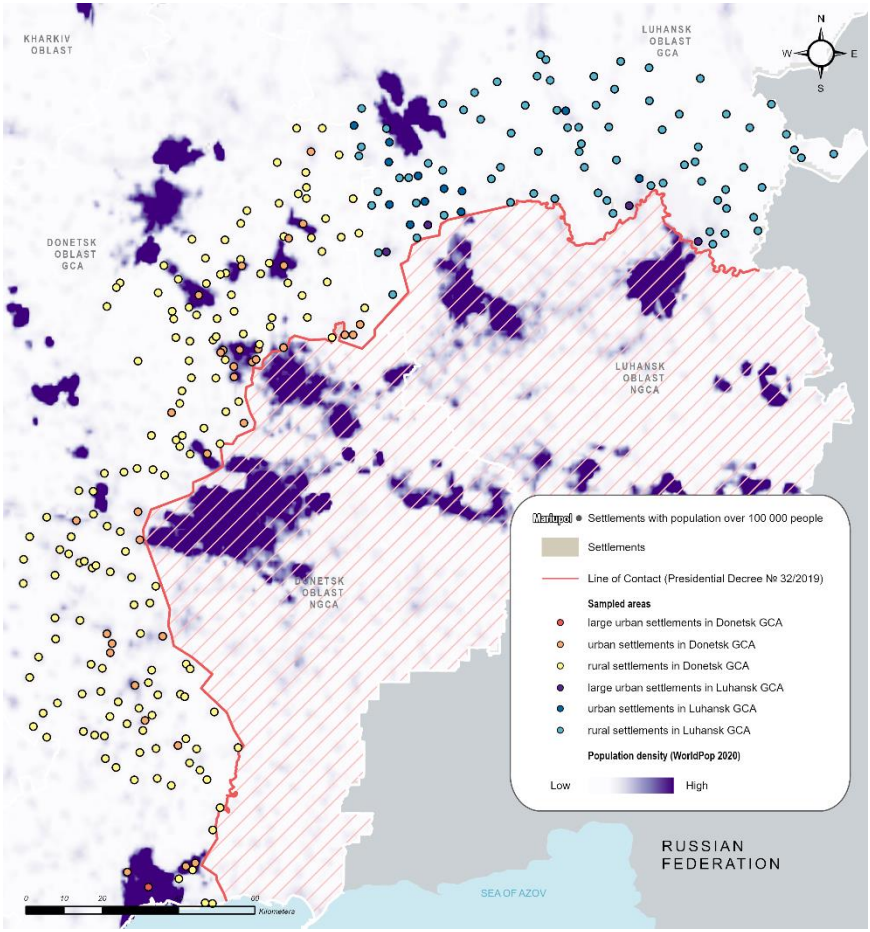
Assessment context

1) *A secondary data analysis of the 2020 Government Controlled Areas (GCA) Multi-Sector Needs Assessment (MSNA). Factsheet available online.*

2) *First round: a pre-winter quantitative survey covering households bordering the contact line in GCA in eastern Ukraine. The sample was selected through 2 stages random stratified sampling (first by settlement and then by population number in each strata) at a 95% level of confidence and 5% margin of error. Data was collected between* ***November 23 and December 11, 2020.***

3) *Second round: a post-winter quantitative survey which will measure the macro-level change of household economy throughout the winter –* ***data collection ongoing (March 2021)****.*

Methodology and coverage



Map of HERA assessed settlement's location.

Data collection: 23 November – 11 December 2020.

Coverage: 2,390 households interviewed across six strata.

Due to the epidemiological situation, REACH collected data through remote telephone surveys with randomly selected respondents among those who had a previous interaction with REACH and consented to be contacted again. In certain areas, phone numbers were complemented with contacts randomly selected and shared with consent by public authorities or local partners. As such, findings are not generalizable to all GCA residents in the area of interest and encourage further analysis of the economic situation of households living close to the contact line.

Findings are statistically significant at 95% level of confidence level and 5% margin of error for each strata.

HERA Areas

Strata	*Number of settlements*	*Population*	*Final number of phone interviews*
Mariupol	1	436,569	348*
Donetsk urban	34	419,781	424
Donetsk rural	148	135,365	417
Luhansk "large" urban	4	57,814	404
Luhansk urban	12	36,052	390
Luhansk rural	75	52,841	407
TOTAL	**274**	**1,138,422**	**2,390**

Donetsk urban areas include all urban areas in GCA Donetsk Oblast, excluding the city of Mariupol. Luhansk large urban areas include all urban-designated areas with a population larger than 10,000 inhabitants in GCA Luhansk oblast. Luhansk urban area includes all urban-designated areas with a population smaller than 10,000 inhabitants in GCA Luhansk oblast.

* Findings statistically significant at a 95% level of confidence and 6% margin of error.

Limitations

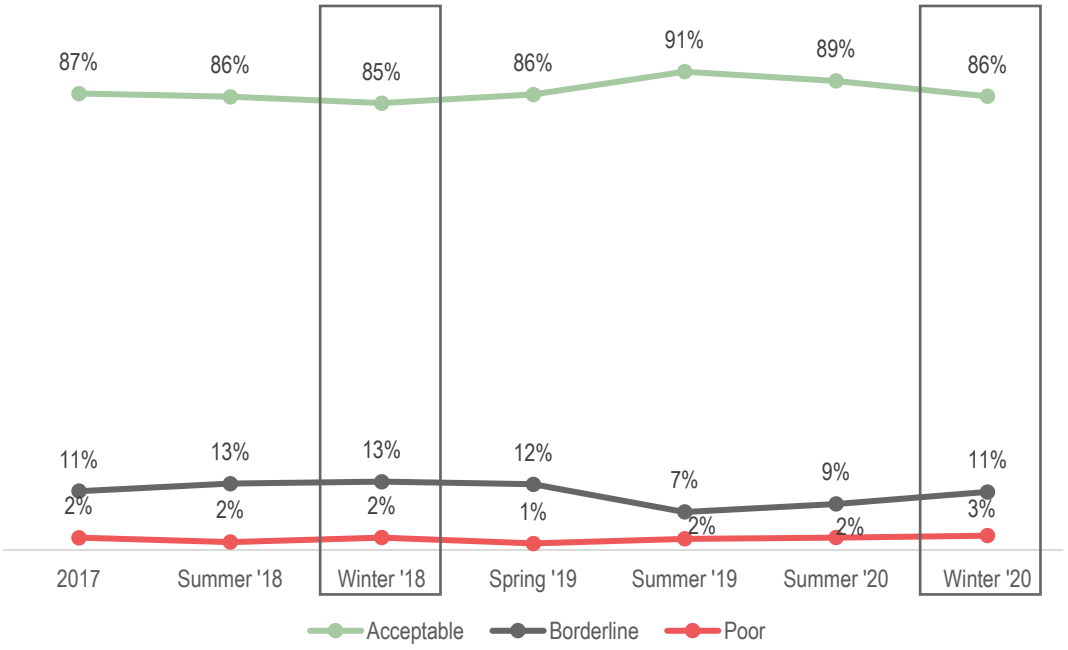
- All information was self-reported by an adult member of the household. This might have caused response bias, due to the belief that their responses could influence the reception of assistance. In order to mitigate for the potential response bias, enumerators were instructed to explain the role of REACH assessments and clarify that households' responses are not tied to their receipt of aid in the future.
- Information related to past behavior could be subject to recall bias.
- The assessment was conducted at the beginning of winter, therefore reporting on some indicators may have be influenced by seasonality.

Main findings

- Overall trends in the Food Consumption Score (FCS) in areas close to the contact line seem stable over time, particularly in comparison to other winter periods.
- However, the HERA revealed a high proportion of households found to have a poor and borderline FCS in Luhansk oblast, **notably higher in designated Luhansk large-urban area and Luhansk urban area**. Indicators related to subjective views about households' own food security (such as concerns about meeting households' food needs) validate the concerns about the food consumption vulnerability in these areas.
- Demographic factors that are traditionally linked to higher levels of vulnerability were more prevalent in areas which were found as having a high household incidence of poor or borderline FCS. Furthermore, differences in FCS among households with vs. without these demographic vulnerabilities seemed to be even further pronounced in areas of concern.
- Demographic factors along with the level of income and sources of income expressed a high variability across the six areas assessed.

HERA 2020 Pre-Winter: Food Consumption Score

Proportion of households found to have acceptable, borderline, or poor FCS throughout time (excluding Mariupol)

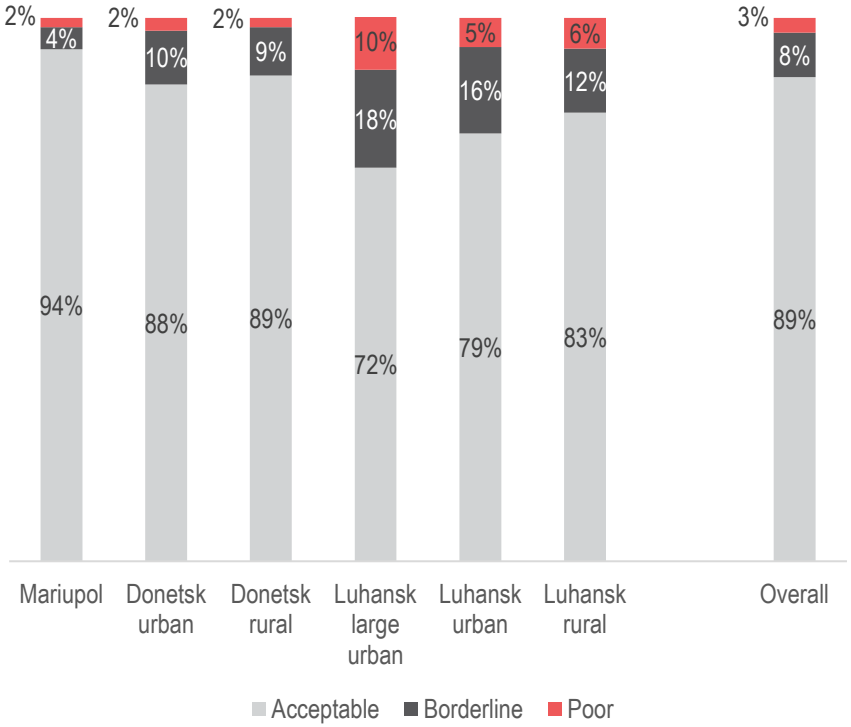


Winter 2020 data excludes Mariupol which had not been assessed in past REACH assessments.

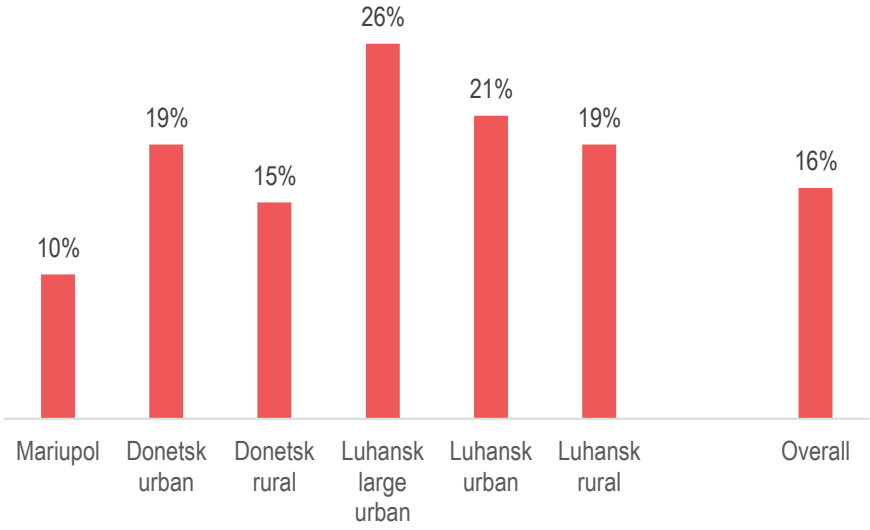
Source of data for previous years: REACH MSNA assessments.

Geographic variances across food security measures

Proportion of households found to have acceptable, borderline, or poor FCS, by location



Proportion of households reporting on being concerned <u>every day</u> about not being able to meet the food needs of their households, by location



Food access

Average total expenses and expenses on food (30 days prior to data collection), by location*

	Mariupol	Donetsk urban	Donetsk rural	Luhansk large urban	Luhansk urban	Luhansk rural	Overall
Average of the reported total household expenses	10,530	8,080	7,270	6,430	7,970	6,150	8,700
Average of the reported amount spent on food (weighted)	**4,430**	**3,350**	**2,720**	**2,650**	**2,580**	**2,070**	**3,560**
% of total expenses spent on food	45%	46%	41%	45%	42%	38%	45%

Proportion of households reporting own production as a source of food (30 days prior to data collection), by location**

	Mariupol	Donetsk urban	Donetsk rural	Luhansk large urban	Luhansk urban	Luhansk rural	Overall
Own production	11%	38%	66%	37%	60%	67%	33%

* Rounded to nearest 10 UAH.

** Other responses included convenience store, supermarket, farmer's market, relatives' support, and door-to-door food distribution (not shown here). Households could select multiple options.

Food consumption

Proportion of households reporting on their food consumption in the seven days prior to data collection, by selected food items and location

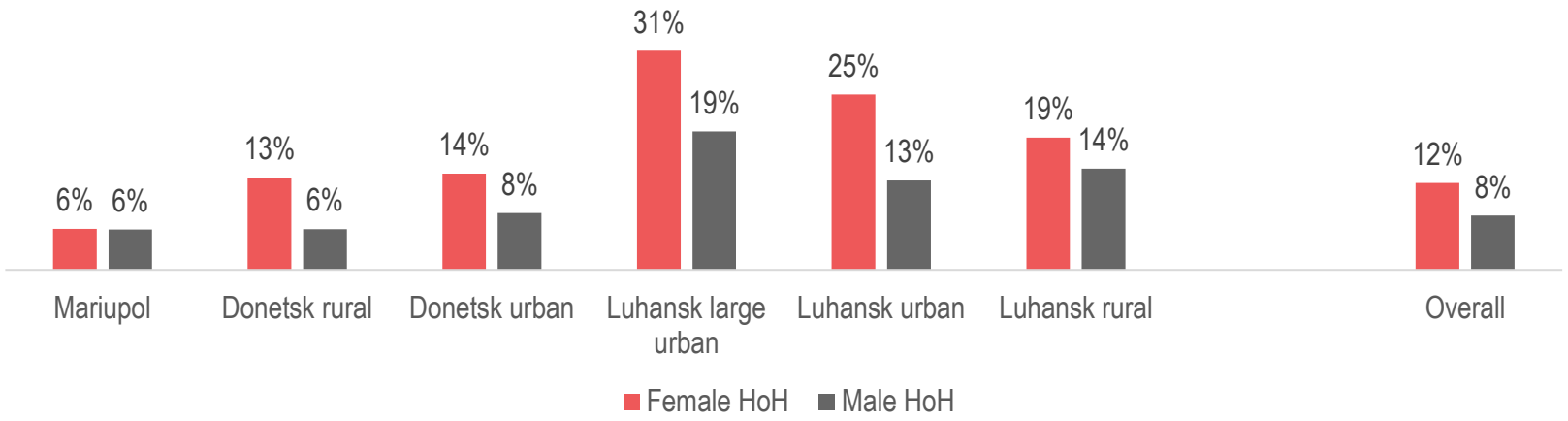
# of days	Cereals	Roots and tubers	Vegetables	Fruits	Meat or fish	Eggs	Pulses	Dairy products	Oil and fat	Sugar or sweets	Condiments and spices
0 days	0%	0%	8%	12%	7%	8%	45%	15%	2%	5%	2%
1 day	1%	1%	6%	11%	12%	10%	20%	15%	2%	3%	1%
2 days	2%	4%	12%	12%	12%	15%	14%	15%	3%	5%	1%
3 days	4%	8%	13%	11%	14%	17%	9%	13%	7%	5%	2%
4 days	3%	8%	9%	8%	10%	11%	3%	8%	5%	4%	2%
5 days	5%	8%	8%	6%	9%	7%	2%	6%	8%	5%	2%
6 days	3%	5%	3%	3%	4%	3%	0%	3%	6%	2%	1%
7 days	82%	65%	41%	36%	32%	29%	8%	26%	68%	70%	91%

Proportion of households reporting on their food consumption by food item consumed every day in the seven days prior to data collection

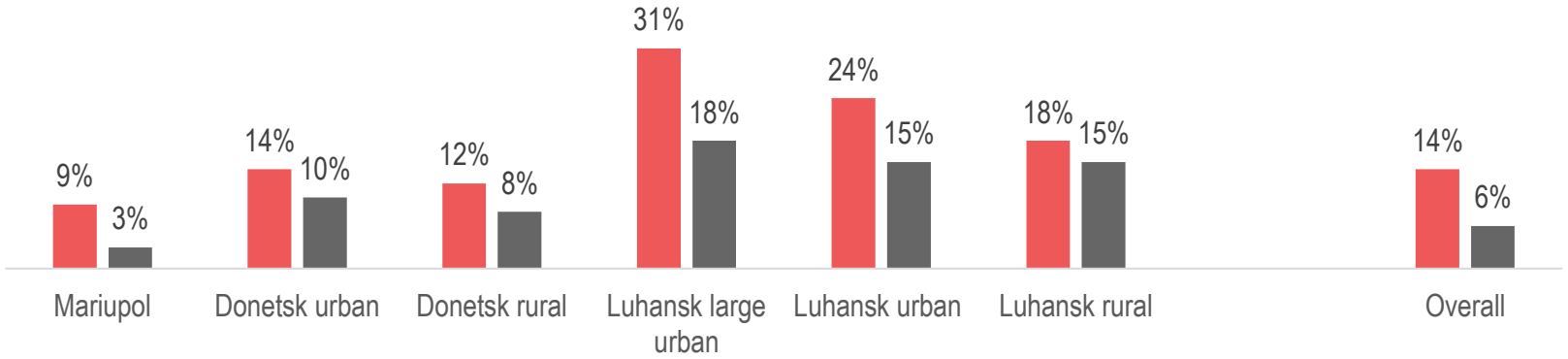
Food items	Mariupol	Donetsk urban	Donetsk rural	Luhansk large urban	Luhansk urban	Luhansk rural	Overall
Cereals	80%	87%	81%	74%	84%	79%	82%
Roots and tubers	60%	69%	71%	60%	74%	65%	65%
Vegetables	48%	36%	40%	25%	39%	43%	41%
Fruits	46%	34%	31%	17%	24%	21%	36%
Meat or fish	42%	29%	28%	15%	22%	21%	32%
Eggs	33%	29%	26%	21%	19%	17%	29%
Pulses, nuts, eggs	8%	9%	6%	4%	7%	5%	8%
Dairy products	32%	23%	22%	13%	17%	19%	26%
Oil and fat	65%	71%	72%	53%	72%	72%	68%
Sugar or sweets	67%	73%	77%	53%	77%	76%	70%
Condiments and spices	92%	92%	90%	76%	92%	88%	91%

FCS and household characteristics

Proportion of households found to have poor or borderline FCS by gender of the head of household (HoH)



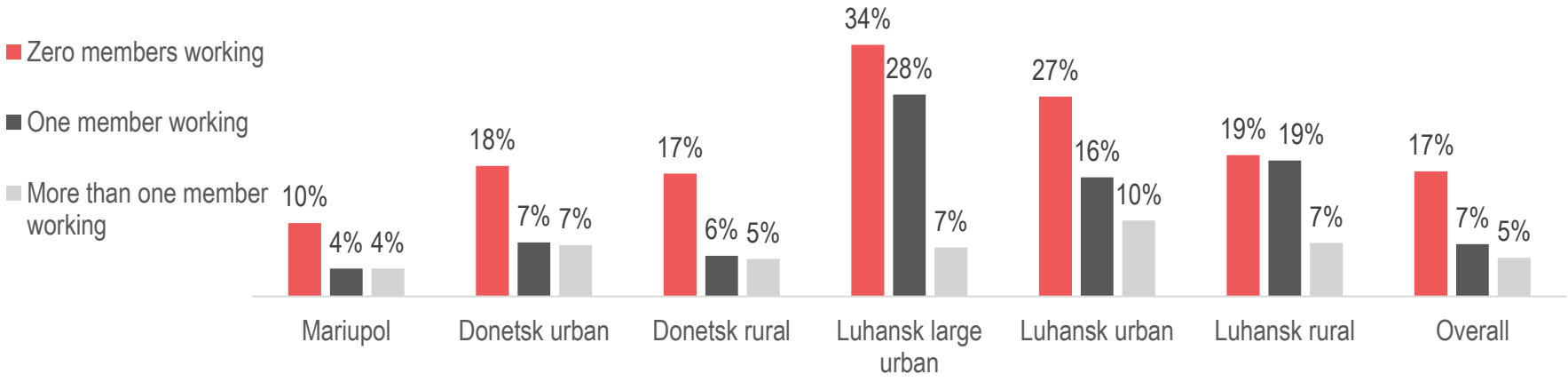
Proportion of households found to have poor or borderline FCS and households reporting at least one vulnerability among their household members*



* Vulnerability includes chronic disease, disability or single parent household.

FCS and number of household members working

Proportion of households found to have poor or borderline FCS by the number of household members working per household, by location



Average # of household members reporting any renumerated activity in the past 30 days	*1.0*	*0.8*	*0.9*	*0.6*	*0.6*	*0.6*	*0.8*
Average age of all household members	*39*	*39*	*45*	*49*	*46*	*47*	*41*

Income analysis

Proportion of households reporting on the sector of employment* of household members, by location

Sectors of employment	Mariupol	Donetsk urban	Donetsk rural	Luhansk large urban	Luhansk urban	Luhansk rural	Overall
Service sector	20%	22%	16%	12%	17%	17%	20%
Industry	18%	14%	6%	9%	6%	3%	14%
Trade	17%	11%	10%	12%	10%	10%	13%
Education	6%	7%	11%	9%	11%	13%	7%
Municipal sector	8%	6%	8%	8%	13%	7%	7%
Transportation	5%	7%	6%	12%	3%	4%	6%
State service	4%	6%	5%	4%	5%	4%	5%
Healthcare	4%	5%	5%	7%	4%	9%	5%
Agriculture	1%	2%	21%	3%	8%	17%	4%
Construction	4%	4%	1%	1%	2%	2%	4%
Social services	1%	6%	1%	2%	2%	3%	3%
Mines	0%	4%	4%	13%	11%	2%	3%
Daily laborer	2%	3%	3%	3%	5%	8%	3%

Proportion of households by economical status of economically inactive household members and location**

Status of HH members	Mariupol	Donetsk urban	Donetsk rural	Luhansk large urban	Luhansk urban	Luhansk rural	Overall
Retired	59%	57%	61%	67%	62%	63%	59%
In education	17%	16%	13%	9%	11%	11%	15%
Doing housework	13%	12%	8%	8%	10%	11%	11%
Unemployed	4%	8%	8%	5%	6%	7%	6%
Permanently sick	3%	4%	6%	8%	6%	4%	4%

* Only relevant sectors of employment (>3%). Table excludes households refusing to respond (2%), military sector (1%), other not listed sectors (1%), IT (1%), finance (1%), NGO worker (1%).
** Only relevant statuses of household members (>3%). Table excludes households reporting that a member is unemployed but not looking for a job (2%), and maternity leave (1%).

Income analysis

Proportion of households reporting on the main five income sources and amount from each source (in UAH) in the 30 days prior to data collection

	Mariupol		Donetsk urban		Donetsk rural		Luhansk large urban		Luhansk urban		Luhansk rural		Overall	
	% of HHs reporting source	Average of the reported amount	% of HHs reporting source	Average of the reported amount	% of HHs reporting source	Average of the reported amount	% of HHs reporting source	Average of the reported amount	% of HHs reporting source	Average of the reported amount	% of HHs reporting source	Average of the reported amount	% of HHs reporting source	Average of the reported amount
Pension	52%	4,610	**62%**	4,140	**66%**	3,930	**71%**	4,150	**68%**	4,510	**68%**	3,650	**60%**	4,260
Paid work (employment)	**67%**	**12,060**	53%	**8,310**	50%	**7,440**	41%	**7,430**	44%	**6,510**	42%	**5,950**	56%	**9,680**
Government safety net	18%	2,210	22%	2,840	16%	2,270	12%	2,560	13%	2,050	16%	2,040	19%	2,450
Financial support from relatives	7%	2,790	6%	2,170	7%	1,890	3%	1,530	5%	2,400	7%	2,190	6%	2,340
Selling locally produced household products	0%	2,000	2%	2,030	10%	2,960	2%	2,490	4%	3,810	8%	2,230	3%	2,540
% of HHs reporting that their income does not change from month to month	**68%**		**70%**		**69%**		**80%**		**72%**		**66%**		**70%**	

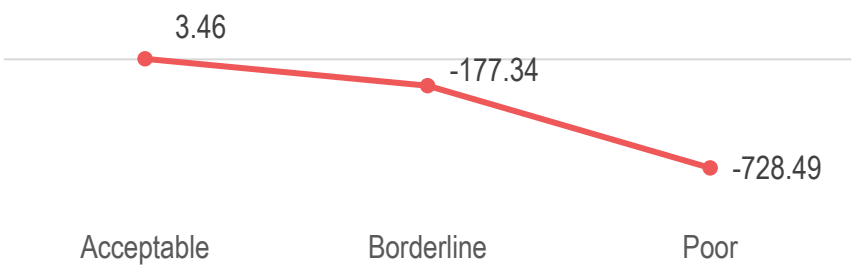
Proportion of households reporting <u>not being able to pay</u> in case any members of the HH needs to seek healthcare

Mariupol	Donetsk urban	Donetsk rural	Luhansk large urban	Luhansk urban	Luhansk rural	Overall
47%	63%	63%	65%	65%	74%	58%

* Rounded to nearest 10 UAH.

Income to expenditure gap analysis

Average income to expenditure gap (in UAH) for households found to have acceptable, borderline or poor FCS

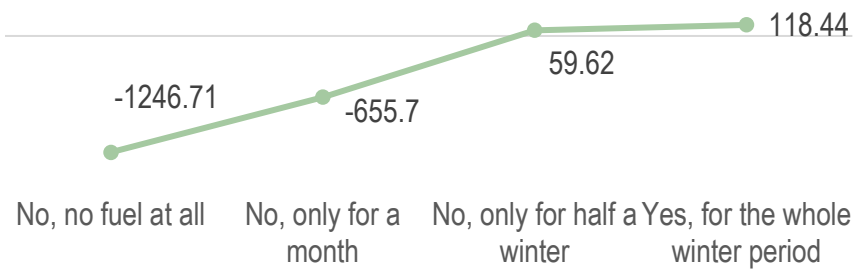


The income to expenditure gap is an exploratory analysis used to identify the direction and intensity of relations between household socio-economic indicators and the residual reported income to expenses. For instance, households found to have an acceptable FCS were found to have a **positive** income to expenditure gap. The value of the gap was observed to have a **linear decrease** for households found to have borderline and poor FCS.

Income to expenditure gap analysis model

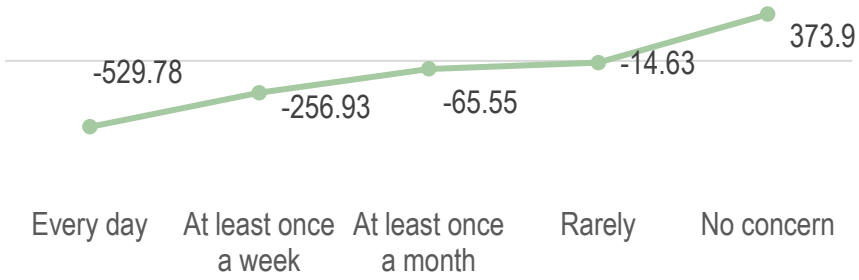
Income to expenditure gap analysis

Average income to expenditure gap (in UAH) of households reporting on having enough fuel for the upcoming winter



Households reporting having no fuel at all for the upcoming winter at the moment of the interview (December 2020) were found to have a **negative and low** income to expenditure gap. The gap of households reporting having fuel for the whole winter period was found to be **positive**.

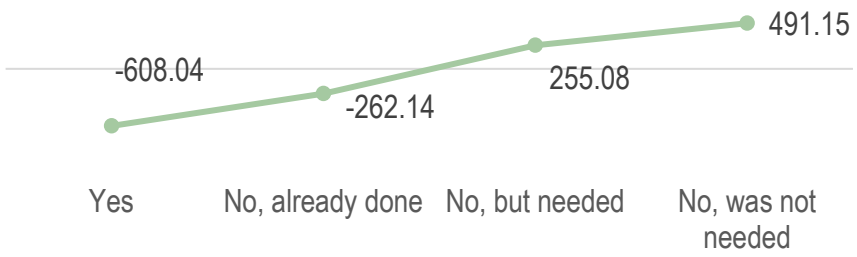
Average income to expenditure gap (in UAH) of households reporting on worrying about their food needs



Households reporting worrying about their food needs every day were found to have a negative and low income gap. There was a **positive linearity** between households reporting on worries related to food needs and the income to expenditure gap.

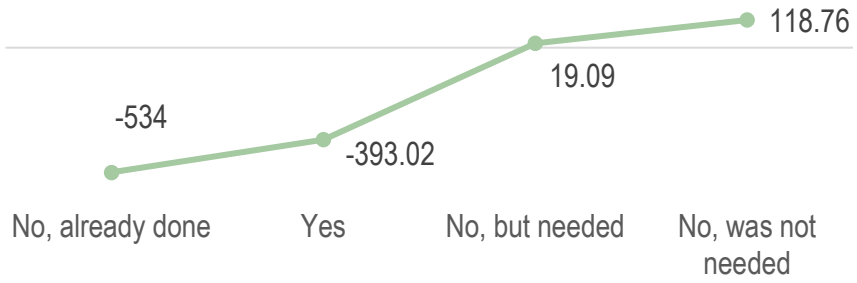
Income to expenditure gap analysis

Average income to expenditure gap (in UAH) of households reporting on spending their savings



Households reporting having spent their savings in the 30 days prior to data collection were found to have a **negative and low** income to expenditure difference. The gap of households reporting not needing to spend their savings in the 30 days prior to data collection was found to be **positive**.

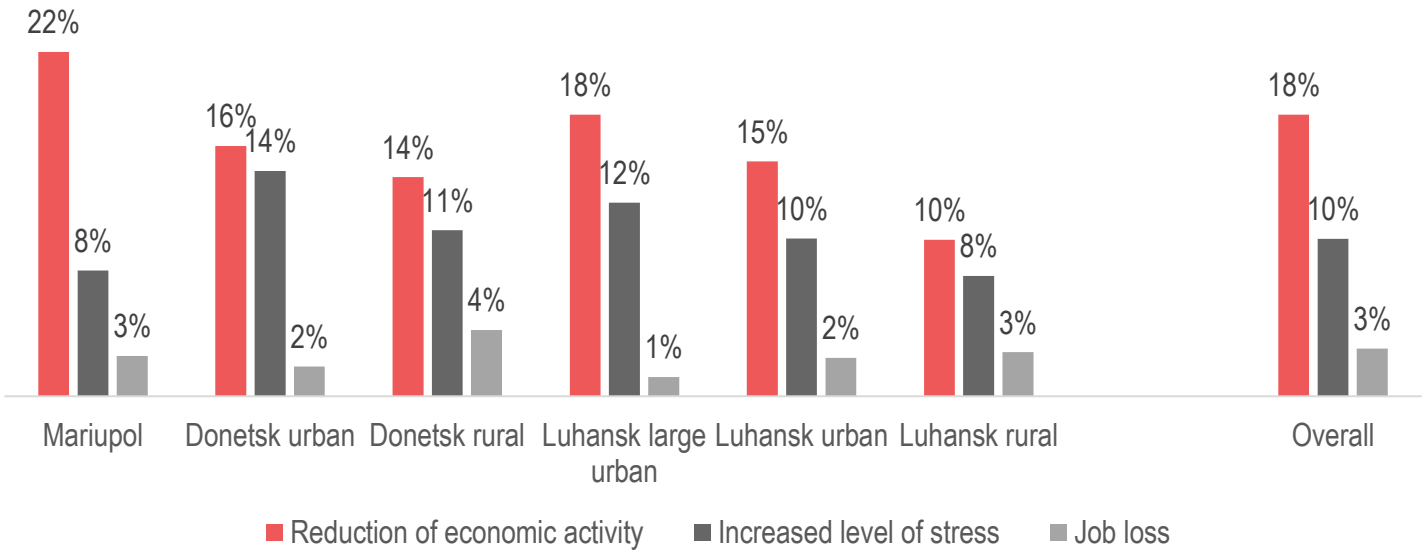
Average income to expenditure gap (in UAH) of households reporting on reducing their healthcare expenditure



Households reporting having reduced their expenditure on healthcare the 30 days prior to data collection were found to have a **negative and low** income to expenditure difference. The gap of households reporting not needing to reduce their healthcare expenditure in the 30 days prior to data collection was found to be **positive**.

Impact of COVID-19 on household sources of income

Proportion of households reporting on the impact of COVID-19 on their household income*



* Reduction of economic activity includes either reduced work hours, wage cuts, reduced work activities, or delays in receiving wages or pensions.

Winter outlook

Proportion of households reporting on their type of heating, by location*

Type of heating	Mariupol	Donetsk urban	Donetsk rural	Luhansk large urban	Luhansk urban	Luhansk rural	Overall
Main heating	60%	32%	1%	19%	8%	1%	36%
Gas	30%	34%	40%	47%	42%	49%	35%
Wood	11%	31%	60%	35%	51%	69%	30%
Coal	4%	24%	37%	22%	40%	7%	18%
Electricity	5%	4%	5%	5%	4%	2%	4%
Briquettes (not coal)	0%	2%	8%	0%	0%	3%	2%
Briquettes (coal)	1%	0%	2%	1%	0%	1%	1%
*Average monthly cost for heating, UAH (2019)***	*1,640*	*1,630*	*1,650*	*1,310*	*1,600*	*1,600*	*1,620*

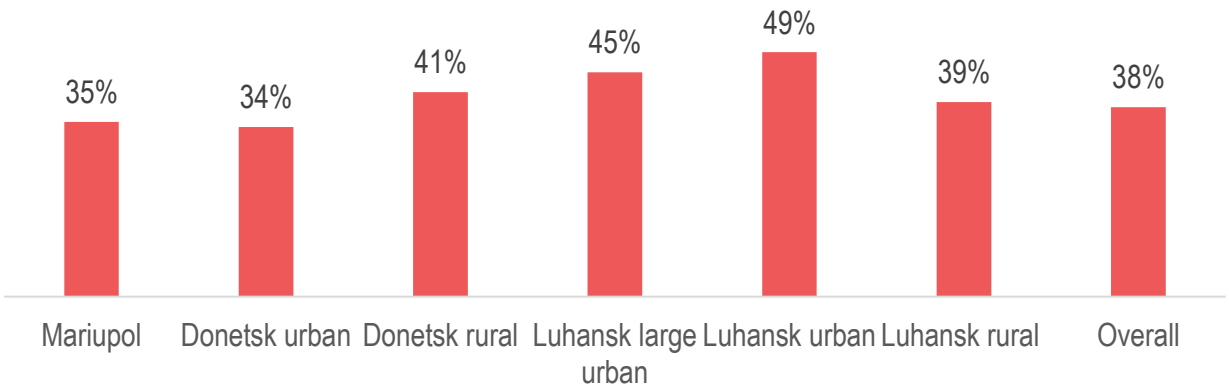
* Multiple options could be selected so findings may exceed 100%.
**Rounded to nearest 10 UAH.

Winter outlook

Proportion of households reporting on their monthly expenses on utilities*

Utilities indicators	Mariupol	Donetsk urban	Donetsk rural	Luhansk large urban	Luhansk urban	Luhansk rural	Overall
Average of the reported total household expenses	10,530	8,080	7,270	6,430	7,970	6,150	8,700
Average of the reported amount spent on utilities (weighted)	1,490	1,320	1,270	1,130	1,320	1,190	1,360
% of total expenses spent on utilities	17%	19%	21%	21%	22%	23%	19%
Average monthly expenditure on utilities **last winter (2019 – 2020)**	1,640	1,630	1,650	1,360	1,600	1,600	1,620

Proportion of households reporting having enough fuel for this winter (2020-2021), by location



* Rounded to nearest 10 UAH.

Household typology summary

Livelihood area	Average age of all household members	The most commonly reported sources of food	% of HHs found to have an acceptable-level FCS	The most commonly reported sources of household income	Avg. reported total HH income per capita (in UAH)*	Avg. reported total HH expenses per capita (in UAH)*	% of HHs reporting an economic impact of COVID-19	The most commonly reported livelihood coping strategies
Mariupol	39	Supermarket Farmer's market Convenience store	94%	Paid work (employment)	4,900	4,640	22%	Spent savings
Donetsk urban	39	Convenience store Farmer's market Supermarket	88%	Pension	3,500	3,570	16%	Reduce health expenditures
Donetsk rural	45	Convenience store Own production Farmer's market	89%	Pension	3,370	3,190	14%	Spent savings
Luhansk large urban	49	Convenience store Farmer's market Own production	72%	Pension	3,230	3,320	18%	Reduce health expenditures
Luhansk urban	46	Convenience store, Own production, Farmer's market	79%	Pension	3,300	3,640	15%	Reduce health expenditures
Luhansk rural	47	Convenience store Own production Farmer's market	83%	Pension	2,810	2,940	10%	Spent savings
Overall	41	Convenience store Farmer's market Supermarket	89%	Pension	3,470	3,510	18%	Spent savings

* Rounded to nearest 10 UAH.

Next steps

- Publication of the pre-winter final report.
- Analysis of post-winter results (data collection ongoing) and report on preliminary findings.
- Factsheet comparing pre-winter and post-winter results to be published in April 2021.