



Cost of Living in Ivano-Frankivska's hromadas: Preparing for the future

Findings from the post-assessment workshop

December 2024 | Ukraine

Key Messages

- Local authorities agree that, regardless of how the future unfolds, hromadas will need a stronger support system to meet the needs of groups affected by the conflict, including veterans and their families, disabled individuals, internally displaced persons (IDPs), and other vulnerable groups.
- This complex support system should include access to affordable housing, healthcare and mental and psychosocial (MHPSS) services, education, employment support programmes and legal aid. The provision of services should be based on the principles of accessibility and inclusivity, grounded in the concept of a barrier-free environment¹.
- Central government efforts to revitalize the economy, such as introduction of employment programs, tax and social benefits reforms, and business support, were noted as a crucial component in addressing local challenges. Additionally, effective practices suggested in the public sphere included strengthening local governance, improving resource management, and enhancing coordination of public services.

Context and rationale

The full-scale invasion of Ukraine, which began in February 2022, has triggered a sharp and prolonged rise in prices of essential items, disrupted supply chains and fuelled displacement, deteriorating households' livelihoods situation and increasing the need for social protection system's adaptations. In 2024, REACH conducted the [Cost of Living Assessment](#) across four hromadas in Ivano-Frankivska and Kharkivska oblasts, varying by their proximity to hostilities and their urban/rural status. The assessment explored differences in Multi-Purpose Cash Assistance and social protection coverage, local systems' adaptations, and households' adoption of Livelihood Coping Strategies (LCS)², to inform efforts aimed at strengthening long-term sustainability of socio-economic recovery.

Key challenges identified in [hromadas of Ivano-Frankivska oblast](#) (Yaremchanska, Vorokhtianska) included an economic downturn coupled with inflation, driven by disruptions to tourism and exports, increased unemployment (including among IDPs), and gaps in social protection that have left certain groups under-supported and vulnerable. As a result, many households reportedly struggled to meet their financial needs, including healthcare expenses, and resorted to LCS. Local authorities anticipated a further increase in demand for support, amid the ongoing war, continued displacement and struggling economy.

Methodology overview

In November 2024, REACH held a post-assessment workshop to validate findings and involve local actors from Yaremchanska and Vorokhtianska hromadas in exploring potential future developments regarding local population's needs. The workshop brought together representatives of local authorities, non-governmental organisations (NGOs), and public service providers, fostering peer-to-peer cooperation between rural and urban municipalities on future potential adaptation measures.

Using a scenario-planning approach (see p. 6 for details), participants examined scenarios varying by security conditions, economic trends, and migration patterns. They identified population groups likely to require the most assistance under each scenario, discussed adaptation measures needed in social protection, education, and healthcare, and considered challenges local stakeholders might face in implementing these measures.

Picture 1: Workshop in Yaremche, November 2024



Scenario 1: Recovery - New beginnings for Ukraine

Security situation in Ukraine has been stabilising, opening a path to long-awaited recovery. The reduced demand for defence spending has freed up government resources, which are now redirected towards rebuilding and revitalising the business landscape. With fresh initiatives in place, enterprises are blossoming, driving Ukraine's GDP upwards, allowing for a gradual improvement in quality of life across many regions. Inflation remains on the higher side but is stable.

These developments draw back hundreds of thousands of displaced Ukrainians and refugees, who now return to their hometowns in search of a fresh start. Many arrive hoping to reconnect with their previous jobs, while others look for fresh opportunities in a transforming economy. Meanwhile, children returning from abroad face their own path of reintegration, adapting to the Ukrainian education system and reconnecting with the rhythm of school life and old friends. At the same time, some internally displaced families choose to remain in Western Ukraine, where they have already built new lives and established a sense of stability over the past few years.

Foreign investment is streaming in, complemented by international recovery funds, allowing large-scale reconstruction projects to gain momentum. However, the focus remains on larger urban centres, leaving rural communities waiting longer for the repairs needed to restore their roads, schools, and utilities. Moreover, some vulnerable people face difficulties in adjustment, as they find themselves unprepared for the transition after becoming reliant on humanitarian cash assistance and in-kind aid, which are no longer readily available. This disparity hints at the challenges that lie ahead, yet Ukraine's progress stands as a proof of resilience and the promise of a revitalised future.

The response plan (Fig. 1) for this scenario emphasised development projects aimed at transitioning away from reliance on humanitarian aid to address persisting vulnerabilities. While the plan encompassed both rural and urban areas, participants highlighted the importance of giving particular consideration to rural communities (incl. by NGOs) to ensure they are not overlooked in the process.

Among the vulnerable groups, participants prioritised persons with disabilities and those with special medical needs as requiring the most support, while also recognising the needs of the elderly and families with children. The scenario anticipated a significant influx of returnees who would require access to education and reintegration support for children, as well as employment opportunities and housing.







To address basic needs local and central authorities were expected to implement initiatives, such as medicine provision programmes, social housing, and education, while ensuring that services are accessible and inclusive. Local authorities would require increased financial resources, material support,

and human capital to carry out these initiatives effectively.

Significant emphasis was placed on workforce mobilisation through public or non-governmental training programmes, support for self-employment (incl. grants), and the anticipated creation of new workplaces by the private sector, within the concept of a barrier-free environment. For these initiatives to succeed, the central government was expected to prioritise economy stabilisation, anti-corruption efforts, in effect attracting foreign investment.

Participants highlighted the need to support veterans and their families, possibly through (I)NGOs. They suggested establishment of a single centre offering comprehensive social programmes, including grant programmes, (re)training, and MHPSS services. Participants expressed hope for maintaining relationships with international partners while fostering new connections, particularly with development organisations. They also underscored the importance of strengthening private sector-NGO cooperation in formulating and implementing development strategies.

Figure 1: Scenario 1 - Response plan

		Government	Local authorities	IOs	NGOs	Private sector
 IDPs	Provision of social housing	●	●			
	Free trainings in specialised job skills for the unemployed				●	
	State-sponsored mortgage support (E-Oselya)	●	●			
	Targeted grant support	●				
 Veterans	Establishment of a Veteran Centre providing MHPSS, information, referrals for veterans and their families			●	●	
	More employment centres and trainings	●	●			
	Self-employment, business and grant support			●	●	
	Strengthening preferential social, medical, legal services	●	●			
 Children	Increasing the capacity of educational institutions	●	●			
	Enhanced accessibility of services	●	●			
 People with disabilities	Increasing inclusivity in workplaces					●
 Elderly	Establishment of institutions for supported living	●	●			
 Returnees	Reconstruction of housing	●	●			
	Re-integration programmes for returnee children				●	

Scenario 2: Recovery in the shadow of war

As the security situation improves, restoration and early recovery efforts are bringing fruitful results: businesses reopen, new businesses launch thanks to grant programmes, logistical routes are repaired, and agriculture is recovering to pre-war levels as demining efforts progress. Driven by these opportunities, Ukraine's GDP grows. These advancements encourage refugees to return to the Western and Central Ukraine, contributing to local economies. Yet, in contrast to these areas of growth, the conflict remains entrenched in Ukraine's southeastern regions. Here, deteriorating security conditions are driving ongoing evacuations and internal migration, creating a stark divide between the stability in the West and the turmoil in the East.

In the West, the influx of displaced families—many of them headed by single mothers—presents additional challenges. Flexible employment opportunities are scarce for these women, who carry the dual responsibility of caring for children or other vulnerable family members, and financially supporting their families. At the same time, businesses and local service providers seek to employ full-time staff essential to maintaining their operations.

Meanwhile, humanitarian aid in the West is gradually scaled down, with resources diverted to address urgent needs in the East. At the same time, the government's fiscal policy remains heavily focused on military expenditure, resulting in increased taxes and cuts in social protection benefits. These factors place additional burdens on communities, even as they navigate the complex path toward recovery and stability.

This response plan (Fig. 2) prioritised boosting the local economy and accumulating recovery capital amid gradual economic recovery and protracted conflict in the East. Vulnerable groups included households with children or elderly members, people with disability or chronic illnesses, IDPs, returnees and veterans.

In addition to ensuring provision of basic services, such as healthcare and education, participants highlighted the need to revitalise economic activity by supporting local and relocated businesses, and attracting foreign investment, as well as building local capacity through Information and Communications Technology (ICT) literacy courses and retraining opportunities. NGOs were also expected to mobilize resources through grants and expand their activities to rural hromadas.






Additionally, participants proposed establishing a non-governmental veteran centre to provide comprehensive services for veterans and their families, which would offer social, legal, MHPSS and rehabilitation services. Moreover, participants allocated resources to education initiatives,

including establishing a Child Centre for preschool-aged children and opening free-of-charge after-school institutions to help families with childcare and help caregivers take up employment.

Significant attention was directed toward creating a barrier-free, inclusive and accessible environment. This effort included promoting inclusive workplaces and encouraging businesses to adopt universal design principles. Local authorities were expected to take responsibility for measures such as installing ramps, implementing tactile paving, and providing information in Braille. Moreover, these initiatives were to be grounded in comprehensive community needs assessments and effectively communicated.

A challenge that the national government was expected to tackle was increasing wages and social benefits. Additionally, national government would be required to act as a coordinating body to foster economic activity nationwide. Collaboration of local businesses with local authorities and NGOs was also highlighted as an effective practice.

Figure 2: Scenario 2 - Response plan

	Government	Local authorities	IOs	NGOs	Private sector
 IDPs	Free extracurricular activities		●	●	
	Free legal assistance		●	●	
	Increased social benefits and minimum wage	●			
 Veterans	Establishment of a Veteran Centre providing social and legal assistance, MHPSS, rehabilitation	●	●	●	●
	Official representative for the veterans' family members	●	●	●	●
 Households with children	Establishment of a Child Centre for pre-school aged children			●	
	Free trainings in specialised job skills for caregivers			●	
 People with disabilities	Creation of an accessible environment (incl. ramps, tactile paving, Braille)	●			
	Increasing inclusivity in workplaces				●
	Universal design of products and services				●
 Elderly	Information brochures on available services	●			
	Social taxi and new public transport routes	●			
	Trainings to increase digital literacy	●			
	Mobile teams of public service providers	●			

Scenario 3: Tensions in the West - Challenges for IDPs

With the intensifying war in the East of Ukraine, the West experiences an inflow of displaced families seeking safety. While the region remains relatively stable, the impact of inflation and occasional energy shortages is felt across Ukraine, raising costs of essential goods and housing. Economic growth is limited, as the unstable security situation impacts supply chains and discourages foreign investments. Many businesses, especially small and medium ones, are struggling to operate effectively.

As more IDPs settle in the West, increased demand for public services begins to strain an already fragile system. Due to new arrivals, class sizes in schools have increased, making it more difficult to provide quality education, while IDP children face the challenge of adapting to their new surroundings. Increased arrival of IDPs combined with diminishing economic growth leads to rising unemployment. Families are finding it increasingly hard to make ends meet, rapidly depleting their savings. Meanwhile, amid shrinking resources, tensions between local population and displaced people grow.

Meanwhile, humanitarian funding has begun to dwindle, with aid increasingly concentrated on the urgent needs of the East. At the same time, underfunded recovery projects in the hromadas are stalled. As government spending is largely directed toward security and military needs, allocations for social programs and community support remain unchanged, leaving local governments with limited resources to assist those in need. The gap between the needs of the population in the West and the available resources continues to widen, leaving many in a precarious situation, struggling to navigate the uncertain environment.

Due to resource scarcity under this scenario, the presented response plan (Fig. 3) was smaller in scale and focused on improving the current situation as much as possible while strengthening local response capacity. In addition to IDPs, participants acknowledged the vulnerabilities of veterans and their families, households with children, the elderly, and people with disabilities or chronic illnesses - groups that could also face the added vulnerability of displacement.

Addressing the influx of IDPs required local housing support programmes, including assistance for purchasing or building homes and compensation for destroyed housing, as well as employment support and education and integration opportunities for children.

Additionally, the plan emphasized locally-led efforts promoting social integration between local and displaced populations. This included initiatives such as MHPSS services aimed at combating bullying in schools. At the same time, participants noted that both IDPs and locals shared common vulnerabilities. Some local were reportedly struggling to compete with experienced workers from larger cities in the






job market, and faced a higher risk of military conscription.

Essential services that participants wished to see expanded included free medicine provision, legal assistance, and increasing the capacity of educational institutions. Additionally, they proposed the establishment of a veteran centre to address the specific needs of veterans and their families, particularly in relation to employment and MHPSS.

As the development of businesses, including small and medium enterprises, would face significant challenges, a key element in addressing the economic strain involved promoting workforce mobilisation. This included efforts such as central-level tax reform to encourage business growth, foster formal employment (and counter tax avoidance), and promote transparency among employers. Additionally, the government was expected to increase pensions and other social benefits to alleviate the livelihoods crisis.

Participants emphasised as well the need of securing financing and humanitarian aid for the local population from international organisations to the extent possible.

Figure 3: Scenario 3 - Response plan

		Government	Local authorities	IOs	NGOs
 IDPs	Provision of free medical treatment, examinations and medicines	●			
	Provision of subsidised housing		●	●	
	Increasing the capacity of educational institutions		●	●	
	Free legal assistance		●	●	
 Veterans	Establishment of a Veteran Centre (incl. support in employment and MHPSS)	●	●	●	●
 Households with children	Provision of subsidised housing	●	●		
	Compensation for destroyed housing	●	●		
 People with disabilities	Enhanced accessibility of employment	●			
	Increase in social benefits and pensions	●	●		
	Provision of free medical treatment, examinations and medicines	●			
 Elderly	Accumulated pension system	●			

Scenario 4: War, shortages, and social challenges

As the war intensifies, Ukraine faces mounting challenges. Security weakens in areas previously spared, while intensified attacks disrupt the national energy grid, leading to widespread blackouts and heating shortages. The economy begins to contract under the pressure, leading to rising prices and diminishing resources. Families, struggling to cope with these hardships, are rapidly depleting their savings just to stay warm and safe. Simultaneously, the dire situation is taking a profound toll on the physical and mental health.

In the meantime, taxes have been raised to keep the country's defence efforts. As many businesses struggle to cope with economic and energy challenges, essential goods are now more expensive and less available, while employment opportunities become increasingly scarce. The already stretched regional budgets struggle to keep up with the population's needs, leaving vulnerable groups reliant on humanitarian aid. As international attention begins to wane, resources become more limited, with aid increasingly directed toward the East and the most vulnerable groups.

Western oblasts, which once welcomed displaced people, now experience a mixed pattern of movement. While some newcomers continue to arrive, others, including skilled workers, seek safer places and better economic opportunities abroad. Some risk a return to less secure regions in hope of receiving humanitarian aid. Meanwhile, amid shrinking resources, tensions between local population and displaced people grow as resources shrink and rental prices rise. Social cohesion, including in the West, is threatened, underscoring the complexities of a society caught in the grip of war and displacement.

Amid a combined challenge of an economic crisis with a worsening security situation, this response plan (Fig. 4) focused on social programming, aiming to address increasing vulnerabilities. The main identified vulnerable groups included IDPs, low-income households, large families, veterans, the elderly and people with disability or chronic illnesses.

To help local population meet their basic needs, participants suggested creating state-led free or subsidised healthcare programmes, and ensuring affordable housing, with proposed measures including rent price regulation³, support for real estate purchases, and the provision of subsidized housing.







Participants recommended extending social programmes and improving both the financial and physical accessibility of essential services. At the same time, they emphasised efforts to boost local employability, including training programmes, preparation for self-employment, the implementation of new

technologies for online work, and the promotion of inclusive workplaces.

With the central government facing the challenges of war, economic and energy crises, participants emphasised the importance of fostering closer collaboration between the public, private, and non-governmental sectors. They anticipated increased financial support from international organisations but stressed the need for strict oversight of fund allocation and spending.

Participants highlighted the crucial role of volunteers in addressing the needs of the most vulnerable groups but emphasised that they would require additional training, particularly to work effectively with groups such as veterans, people with disabilities, and those with chronic illnesses. They also suggested providing benefits for volunteers, including tax relief, subsidies for energy and essential goods, and rent support.

Figure 4: Scenario 4 - Response plan

		Government	Local authorities	IOs	NGOs	Private sector
 IDPs	Humanitarian aid			●		
 Veterans	Provision of subsidised housing	●				
	Affordable treatment and medicines programme	●				
	Free specialised medical facilities	●				
	Efforts to reintegrate veterans into civilian workforce					●
 Households with children	Provision of subsidised housing	●				
	Social programmes	●	●			
	Psychosocial assistance for children		●	●		
 People with disabilities	Improved quality of public healthcare	●				
	Enhanced accessibility of services	●	●			
	Creation of alternative income opportunities		●			
 Elderly	Adequate financial support	●				
	Creation of alternative income opportunities		●			
 Volunteers	Additional trainings/workshops			●	●	
	Legal support		●			
	Financial support			●	●	

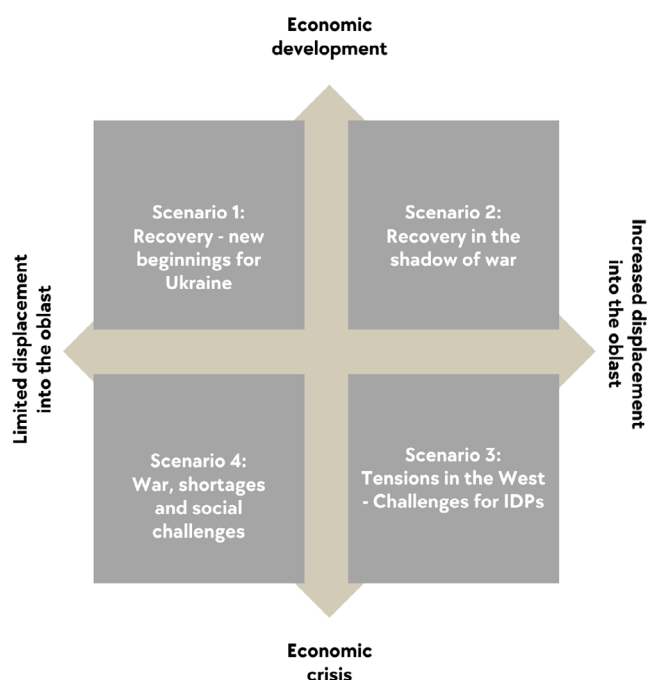
Scenario planning method

Scenario-based methods help stakeholders to prepare for various future challenges, including less anticipated events, by informing planning and readiness measures in advance of potential developments. The process begins by identifying key variables likely to trigger a chain of events resulting in certain impacts⁴, here - social and humanitarian impacts. The scenarios were designed to present potential developments over the upcoming 2 years - likelihood of the described events is undefined.

To support this approach, REACH conducted an internal scenario-building workshop to identify the main developments that could impact both, population's needs and coping capability, as well as local actors' capacity to respond. Key variables identified during this exercise included the security situation (ranging from deterioration to improvement), economic conditions (from growth to crisis), and displacement patterns (from limited to increased) (Fig. 5). These variables were recognised as interconnected, influencing one another and other conditions within the local environment.

During the external workshop with local stakeholders in Yaremche, the participants relied on these scenarios to follow with scenario-planning. Participants were divided into four groups with one scenario in each, worked on identifying most vulnerable population groups under their respective scenario. They were then asked to come up with response plans and adaptation measures, based on the existing and anticipated future capacity to respond to the identified needs under each their scenario.

Figure 5: Scenario matrix



Limitations

- It is important to note that the scenarios illustrate a range of potential developments that could impact social protection-related issues, rather than predicting the most likely outcomes. REACH does not identify any scenario as the most probable. Given the undefined likelihood of the described events, the workshop results should be considered as a basis for reflection rather than definitive recommendations.
- The scenarios were developed during an internal REACH workshop without the participation of the social protection sector's stakeholders. As a result, certain developments that could influence social protection-related issues may have been overlooked.
- Findings from the workshop represent the perspectives of its participants. Since the workshop included only local stakeholders, their suggestions for actions by international organisations or the central government were not assessed for feasibility. The suggested response plans (Figures 1–4) are not exhaustive and may not encompass all services potentially needed under a given scenario.

Endnotes

1. [Barrier-free environment](#) is an initiative, first presented by Ukraine's First Lady, that aims at creating an accessible and comfortable environment for all citizens, including children, people with disabilities, pregnant women, the elderly, etc.
2. Livelihood Coping Strategies refer to the mechanisms that households adopt to cope with challenges related to livelihood constraints and food insecurity.
3. Ivano-Frankivska oblast has seen an increase in rent prices of 47% from March 2023 to March 2024. REACH, [Joint Market Monitoring Initiative \(JMMI\)](#), March 2024
4. [Scenario-building methodology](#), ACAPS, February 2022

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).