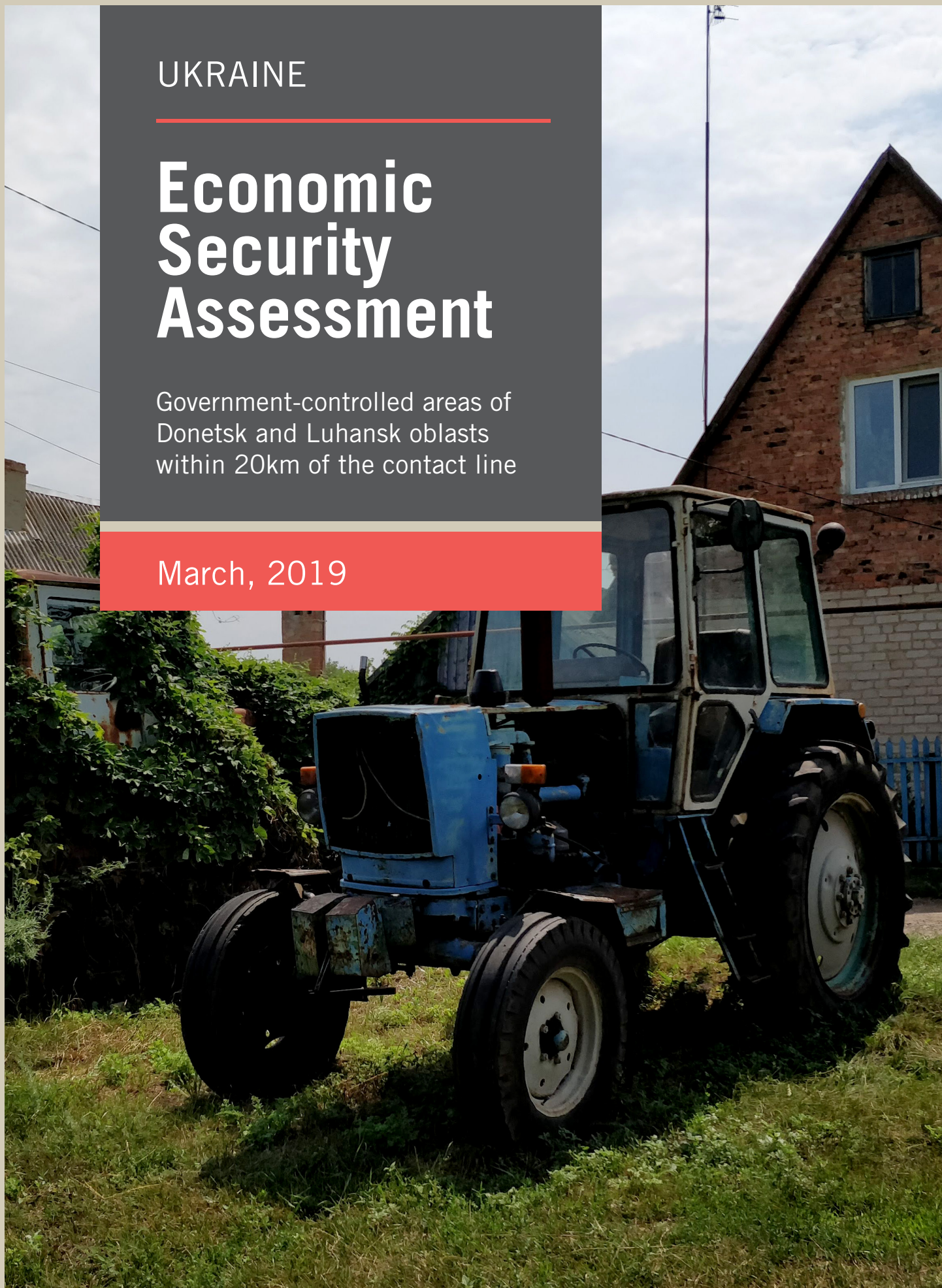UKRAINE

Economic Security Assessment

Government-controlled areas of Donetsk and Luhansk oblasts within 20km of the contact line

March, 2019

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Cover photo: agricultural equipment in the area within 5km of the contact line. REACH 2018.

SUMMARY

Context

Eastern Ukraine has experienced armed conflict since early 2014, when hostilities began between the Ukrainian government and non-state armed actors from the self-proclaimed Donestsk People's Republic (DPR) and Luhansk People's Republic (LPR). Following more than five years of armed conflict, the dynamics of conflict have become more predictable, with the majority of areas in eastern Ukraine clearly separated into government-controlled areas (GCA) and non-government controlled areas (NGCA) as divided by the "contact line" separating Ukrainian government forces from armed actors in NGCA. While hostilities are ongoing, clashes have mostly been confined to areas within 5km of the contact line on either side since 2015. Due to the more consistent nature of conflict, the crisis can be seen to have moved into a protracted phase, though this should not be interpreted to mean reduced humanitarian need. Indeed, the 2019 Humanitarian Needs Overview (HNO) reported 3.5 million people with ongoing humanitarian needs across both the GCA and NGCA and 5.2 million people affected by conflict.[1]

More than five years of armed conflict have also had a significant impact on economic activity in Ukraine. This economic impact is not only visible in NGCA, where sanctions prohibit most international commerce, but also in GCA where smaller cities and rural areas are now effectively cut-off from the urban centres in NGCA that once acted as economic anchors for the region. As a consequence of this economic impact, there has been a significant reduction in industrial production and economic capacity in the area, and corresponding high rates of inflation.

To address both immediate and chronic humanitarian need, seven clusters are operational in Ukraine as of March 2019.[2] An increasing number of actors that make up these clusters are engaging in or exploring the use of multi-purpose cash (MPC) assistance to populations in the areas most affected by disruptions in economic activity.

Assessment

This assessment was commissioned by European Civil Protection and Humanitarian Aid Operations (ECHO) to fill an information gap relating to the effect of protracted and long-term conflict on livelihoods in the areas adjacent to the contact line. The study utilised a mixed-methods approach involving a review of official state statistics, literature from humanitarian actors, a household survey and limited direct observation to compile data to inform livelihoods and cash-based programming in the priority areas of the Humanitarian Response Plan (HRP) areas within 20km of the contact line.[3]

Primary data collection consisted of 820 household surveys in government-controlled areas of Donetsk and Luhansk oblasts. The assessed area was stratefied by distance to the contact line and urban/rural characteristics of settlements, with results generalisable in the area 0-5km from the contact line (urban and rural settlements) and 5-20km from the contact line (urban and rural settlements) with a 95% confidence level and 7% margin of error for each stratum and 95% confidence level, 3% margin of error overall. Data was collected by face-to-face interviews between 13 February and 7 March, 2019.

The study explored the following research questions:

- How have regional and national economic indicators concerning household employment, income and spending evolved since the beginning of the conflict?
- How do economic indicators concerning household employment, income and spending vary between Donetsk and Luhansk GCA, the overall Ukraine situation and other eastern Ukrainian regions?
- How have household income and sources of income evolved for populations living along the contact line since February 2018?
- How have household expenditures evolved for populations living along the contact line since February 2018?

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[1] United Nations Office for the Coordination of Humanitarian Affairs (OCHA), 2019. Humanitarian Needs Overview Ukraine. Available online.

[2] For an up-to-date list of functioning clusters in Ukraine, see the Humanitarian Response website.

[3] United Nations Office for the Coordination of Humanitarian Affairs (OCHA), 2019. Humanitarian Response Plan Ukraine. Available online.

- How has food security evolved for populations living along the contact line since February 2018
- What are the main barriers for people accessing cash and markets along the contact line?

Key Findings

The findings of the assessment were divided into four sections: 1) demographics and household profile; 2) household income; 3) household expenditure and 5) access to markets. Key findings for each section are outlined below:

Demographics and household profile:
A high rate of vulnerability was found in all assessed areas, though particularly near the contact line where populations face additional physical protection concerns. The assessed area contained settlements with varying characteristics, including the large urban centre of Mariupol (the largest city in GCA of Donetsk and Luhansk oblasts) but also some of the most isolated and hard-to-reach settlements in eastern Ukraine. Such variation in settlement characteristics was evident in other findings of the assessment, with rural households often experiencing more severe conditions in settlements adjacent and further away from the contact line.

Household income:
Findings regarding household income indicated geographic variation in employment rates as well as sectors of employment, with households in areas adjacent to the contact line as well as rural areas further from the contact line more likely to have unemployed members. Households in urban centres were more likely to have members employed in the industrial sector, which was nearly non-existent as a sector in rural areas. Rural households in areas further from the contact line were likely to be engaged in agricultural work, while those nearer to areas of active conflict were more likely to work in the service sector. Humanitarian aid appeared to be concentrated in areas near the contact line, with 50% of households having received assistance in the 12 months prior to data collection (as compared to 9% in the 5-20km area). Households most often noted their preference for multi-purpose cash as a preferred modality for assistance.

Household expenditure:
Some variation was found in average household spending patterns between assessed areas, with urban areas spending a slightly larger share of their budgets on food and utilities. In numeric terms, households reported increased gross expenditure from the time of the REACH Winter Assessment in 2018 in most of the assessed spending categories. The section also found that there was a correlation between the principal type of fuel used for heating and perceptions of warmth and quality of fuel available. The section concluded by examining some of the livelihoods-related coping strategies utilised by households, finding a relatively high rate of households reducing essential health expenditure.

Access to markets:
Households living in most assessed areas were likely to live in close proximity to at least one food market, though it was most often a small shop. Winter conditions also reportedly affected households' access to markets, and respondents noted lower quality and reduced variety of produce available in the winter period.

Conclusions

With the conflict in eastern Ukraine continuing into a protracted phase, the populations living in the areas experiencing active conflict have needed to adapt to the new reality of living in a territory divided into government and non-government controlled areas. Regional and national economic indicators show a degree of stabilisation of the situation following a rapid deterioration at the onset of the conflict, though high rates of inflation continue to erode the spending-power of households. On the household-level, findings of this report indicate the need for ongoing attention to issues surrounding livelihoods and economic security, particularly for elderly and vulnerable groups living near the contact line, as well as for rural populations.

CONTENTS

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List of Acronyms

CARI	Consolidated Approach for Reporting Indicators
DPR	Donetsk People's Republic (de-facto)
ECHO	European Civil Protection and Humanitarian Aid Operations
FAO	Food and Agriculture Organization
FGD	Focus Group Discussion
FSA	Food Security Assessment
FSLC	Food Security and Livelihoods Cluster
GCA	Government Controlled Area
HH	Household
HNO	Humanitarian Needs Overview
HoHH	Head of Household
IAVA	Inter-Agency Vulnerability Assessment
IDP	Internally Displaced Person
IOM	International Organization for Migration
LPR	Luhansk People's Republic (de-facto)
ND	Non-Displaced
NFI	Non-Food Items
NGCA	Non-Government Controlled Area
NGO	Non-Governmental Organization
NMS	National Monitoring System
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
OHCHR	Office of the United Nations High Commissioner for Human Rights
UN	United Nations
UXO	Unexploded Ordnance
WFP	World Food Programme

Geographical Classifications

0-5 km area	A region defined for this assessment which refers to an area within 5km of the contact line
5-20km area	A region defined for this assessment which refers to an area more than 5km and less than 20km from the contact line
Contact line	The area separating the Government Controlled Area (GCA) of Ukraine and the Non-Government Controlled Area (NGCA) of the self-proclaimed Donetsk People's Republic (DPR) and the Luhansk People's Republic (LPR)
Donbas	An area encompassing the Donetsk and Luhansk Oblasts
Oblast	An oblast is a type of administrative division Ukraine. It is the first level sub regional administrative region. The term is analogous to "state" or "province"
Raion	A raion is a type of administrative division of Ukraine. It is the second level sub regional administrative region. The term is analogous to "district" or "commune"

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List of Figures, Tables and Maps

Figures

Tables

Maps

INTRODUCTION

The eastern region of Ukraine will move into its sixth year of armed conflict in 2019. The hostilities began in 2014 and are concentrated around the contact line separating the government controlled areas (GCA) and non-government controlled areas (NGCA) of Donetsk and Luhansk oblasts (see Geographical Classifications, p.4). Despite two ceasefire agreements (Minsk I and II) signed in 2014 and 2015, ongoing instability continues to affect the surrounding population, sustaining humanitarian needs according to the 2019 Humanitarian Needs Overview (HNO).[4] The HNO highlighted that since the beginning of the conflict, 5.2 million people have been affected by the crisis and 3.5 million people are in need of humanitarian assistance.[5] The Office of the United Nations High Commissioner of Human Rights (OHCHR) reported that between April 2014 and May 2018 there were 2,725 civilian deaths due to the conflict and estimated that the number of civilians who have been injured by the conflict was likely between 7,000 and 9,000.[6]

As the conflict has become protracted, affected populations remain vulnerable to the long term consequences of the crisis. Active conflict is most highly concentrated along the contact line, which has isolated much of the population from highly populated urban centres in NGCA cutting off GCA populations from basic services, livelihoods opportunities and family and friend networks,[7] further contributing to increasing humanitarian needs in areas closest to the LoC.

The secondary effects of the conflict are related to the socio-economic disintegration of the the region due to the contact line which separates the urban centres of NGCA to the peripheries in GCA. As a result of restrictions on the movement of goods and services in Donbas, the overall economy of Donetsk and Luhansk has experienced a severe downturn. The gross regional product (GRP) of Donetsk and Luhansk has still not recovered to its pre-conflict levels[8] and the economic prospects of the region remain low due to ongoing clashes and other conflict related disruption, notably the maritime restrictions on the Kerch strait.[9]

As the dynamics of the crisis change in its current protracted state, there remains an information gap surrounding what effect protracted conflict has had on livelihoods year-to-year. This assessment will fill this gap by continuing to monitor the conflict's impact on household's economic security, this assessment measures some of the key socio-economic indicators at the household level to inform livelihoods and cash based programming in the priority areas of the Humanitarian Response Plan (HRP) areas within 20km of the contact line.

Structure of the report

The report provides a detailed description of the methodology including geographical scope, sampling methodology, data collection methods, followed by the key findings of the assessment organised into the following sections:

- **Demographics and household profile**: examines the population structure of the assessed area on a macro and household level.
- **Household income**: examines the sources of income including employment, pensions, benefits and humanitarian assistance.
- **Household expenditure**: examines household-level spending patterns as well as data on prices in the assessed area and throughout Ukraine.
- **Access to markets**: examines barriers to accessing markets as well as the effect of winter on market access.

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[4] United Nations Office for the Coordination of Humanitarian Affairs (OCHA), 2019. Humanitarian Needs Overview Ukraine. Available online.

[5] *Ibid.*

[6] Office of the United Nations High Commissioner of Human Rights (OHCHR), 2018, Report on Human Rights in Ukraine. Available online.

[7] REACH, 2017. Area Based Assessment. Available online.

[8] WFP, 2018. Socio-economic and market analysis overview presentation. Available online.

[9] German Advisory Group Ukraine. The impact of the new Kerch strait bridge on Ukraine's trade. Presentation online.

Map 1. Overview of assessed area and samples collected

Kharkiv oblast

Luhansk oblast GCA

Donetsk oblast GCA

Shchastia

Borivske

Petropavlivka

Lysychansk

Hirske

Novotoshkivske

Popasna

Stanytsia Luhanska

Bakhmut

Pivnichne

Myronivskyi

Toretsk

Luhanske

Nelipivka

Zalizne

Svitlodarsk

Novhorodske

Ocheretyne

Verkhnotoretske

Luhansk oblast NGCA

Ukrainsk

Tsukuryne

Avdiivka

Kurakhivka

Hirnyk

Kurakhove

Krasnohorivka

Marinka

Donetsk oblast NGCA

Volodymyrivka

Novotroitske

Blahodatne

RUSSIAN
FEDERATION

Volnovakha

Donske

Myrne

Zaporizhzhia
oblast

Talakivka

Sartana

Mariupol

Number of interviews in assessed settlement:

	1 - 4	5 - 10	11 - 134
Urban			
Rural			

Distance from contact line:

<5km   5-20km

Contact line (OCHA, as of July 2018)

Non-government controlled areas

National border

Sea of Azov

0 5 10   20
Km

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METHODOLOGY

Methodology overview

The assessment adopted a mixed methods approach incorporating a comprehensive secondary data review and a household survey of urban and rural populations living along the contact line. The household survey targeted all households living within 20km of the contact line disaggrating them by urban and rural settlement typologies based on official Ukrainian classification, and by proximity to the contact line, seperating cities and villages within 5km of the contact line (0-5km area) and those between 5km and 20km (5-20km area). The secondary data review focused on comparing a set of key macro-economic indicators relating to household income, spending and access to markets since 2013 in Donetsk and Luhansk against Ukraine and other regions. The household component tracked changed in household expenditure patterns, changes in food security indicators and employment through primary household data collection and a review of official statistics from the State Statistics Service of Ukraine.[10]

Figure 1. Population of Interest
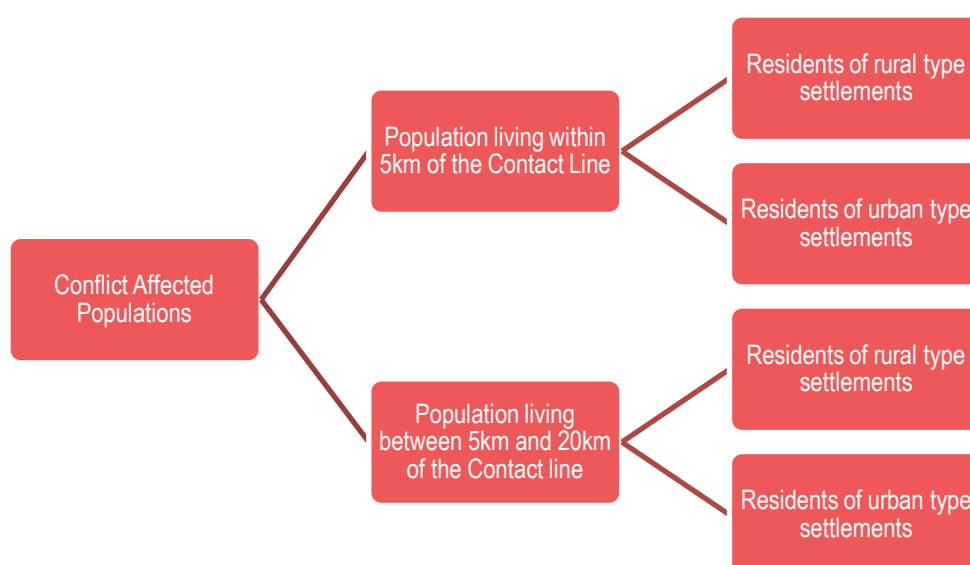
Research questions

The study explored the following research questions:

- How have regional and national economic indicators concerning household employment, income and spending evolved since the beginning of the conflict?
- How do economic indicators concerning household employment, income and spending vary between Donetsk and Luhansk GCA, the overall Ukraine situation and other eastern Ukrainian regions?
- How have household income and sources of income evolved for populations living along the contact line since February 2018?
- How have household expenditures evolved for populations living along the contact line since February 2018?
- How has food security evolved for populations living along the contact line since February 2018
- What are the main barriers for people accessing cash and markets along the contact line?

Secondary data review

The secondary data review included a comprehensive analysis of the available data from humanitarian actors and State Statisitics Service of Ukraine and regional administration.

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[10] State Statistics Service of Ukraine. Demographic and social statistics platform. Available online.

Table 1. List of secondary data sources utilised

Organisation	Title
ACTED	Market Monitoring Data, 2017-2019[11]
Food Security Cluster	Food Security & Socio-Economic Situation, 2018.
FAO	Socioeconomic Impact and Needs Assessment, 2018
World Bank	Socio-Economic Impacts of Internal Displacement and Veteran Return, 2017
IOM	National Monitoring System Report on the Situation of Internally Displaced Persons, 2018
Ukraine State Statistics Services	Labour market, employment and income statistics
Regional State Statistics Services	Labour market, employment and income statistics (Donetsk, Luhansk)
German Advisory Group	The effect of company seizures and trade suspension in Donbas, 2017
World Bank	Ukraine Economic Update, 2018
REACH	Winter Assessment, 2018
REACH	Thematic Assessment on Labour Markets and Enterprises, 2017

Primary Data Collection

Household Survey

Primary data was collected through a household survey of 820 households in government controlled areas of Donetsk and Luhansk oblasts. Within the region, households were selected through a stratified sample (95% confidence level, 7% margin of error for each stratum and 95% confidence level, 3% margin of error overall) with the following strata:

Table 2. Samples collected in each of the assessed strata

0-5 km area	Rural	206
	Urban	206
5-20 km area	Rural	202
	Urban	206
TOTAL		**820**

More specifically, population data was taken from the official population data provided by the State Statistics Service of Ukraine updated on a yearly basis using birth, death and migration data. This data was used to weight a computerized random point selection within each region using QGIS, meaning that within each stratum, areas with higher density were proportionally more likely to be selected for interview, thereby reducing the likelihood of a computer-selected point being in an uninhabited area. Enumerators on the ground identified the household at each selected point or locate the nearest household to the point to conduct data collection in the case that the randomly selected location was uninhabited. Data was collected by face-to-face interviews between 13 February and 7 March, 2019.

The questionnaire for the household survey was developed in cooperation between REACH, the Food Security and Livelihoods cluster in Ukraine, and the Food and Agriculture Organization (FAO). The selected indicators focused on indicators relating to household income, household expenditure, employment and livelihoods-related coping strategies employed by households in the target area. Additionally, household demographics and vulnerability profiles of household members were included in the questionnaire.

Data was collected using the KoBo Toolbox, and enumerators were trained prior to data collection in the use of KoBo as well as interviewing techniques and issues of protection of vulnerable populations.

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[11] Data not published publicly, presentation of findings for 2019 available online.

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Direct observation

Based on REACH best practice, the assessment made use of direct observation by enumerators to qualify some of the findings and to capture information which might not have been integrated in the questionnaire. Observational data was consolidated at the REACH bases after each day of data collection. The team leaders facilitated sessions with enumerators utilising a set of pre-defined and open ended questions to capture the perspectives of enumerators within the assessment. One separate session was conducted about each assessed settlement for a total of 155 sessions.

Data Processing & Analysis

Secondary data was analysed by REACH staff prior to conducting primary data collection to identify gaps and shape the direction for the primary assessment. This gap analysis included analysis of the comparability of data collected by the various humanitarian actors, including REACH data. Data from the State Statistics Service of Ukraine were accessed from their public-facing data portal and REACH staff conducted additional analysis of this data to identify trends relating to the assessed area.

Primary data was entered into the dataset instantaneously by enumerators from KoBo Toolbox. During primary data collection, the REACH Assessment Officer reviewed the preliminary data daily to ensure collection methodology was followed by enumerators and to investigate any extreme outliers or other problematic data, including ensuring the sampling methodology was carried out in accordance with the sampling plan.

Following data collection, REACH cleaned the dataset and kept a log of any changes to the raw dataset, including cleaning of data. In cases of uncertainty regarding data, REACH conducted follow-up telephone inquiries to respondents to clarify any concerns.

Demographics and household profile

This section will examine the demographic characteristics of the area within 20km of the contact line at the settlement level and at the household level. The section begins by examining the characteristics of settlements in the assessed area, moves on to identify vulnerabilities amongst heads of household (HoHH) and household members and concludes by examining issues relating to conflict-related displacement.

Settlement characteristics

Donbas is historically and currently a highly urbanised area. The area within 20km of the contact line (as assessed in this report) contains an estimated 1,093,941[12] inhabitants residing in 323 settlements, and similar to the rest of Donbas contains a majority-urban population with 84% of residents living in urban areas. Although the area contains 323 settlements, nearly three-quarters of the population (71%) reside in the ten largest settlements (Table 3), including the city of Mariupol which is the largest in the GCA.

Table 3. Estimated population of the 10 largest settlements within 20km of the contact line[13]

Settlement	Est. Population	Distance to CL
1. Mariupol	444,493	5-20km
2. Lysychansk	98,226	5-20km
3. Bakhmut	75,500	5-20km
4. Toretsk	33,455	0-5km
5. Avdiivka	33,311	0-5km
6. Volnovakha	22,149	5-20km
7. Kurakhove	20,793	5-20km
8. Popasna	20,293	0-5km
9. Novhorodske	12,616	0-5km
10. Svitlodarsk	12,100	0-5km

Although the area within 5km of the contact line contains only 24% of the population of the assessed area, it is generally more urbanised than the 5-20km area, with the notable exception of the large urban centre of Mariupol. Indeed, five of the ten largest cities in the assessed area located within 5km of the contact line. Overall, 90% of the population of the 5-20km area live in urban settlements, compared to 84% of residents of the 5km area. However, due to its disproportionate size compared to other urban settlements, the city of Mariupol skews the proportion of urbanised population, and indeed without Mariupol the proportion of residents living in urban settlements in the 5-20km area reduces to 78%.

Figure 2. Estimated population of the assessed area by settlement type and distance from the contact line

5km urban, 224,966

20km rural, 84,493

5km rural, 42,314

20km urban, 742,168

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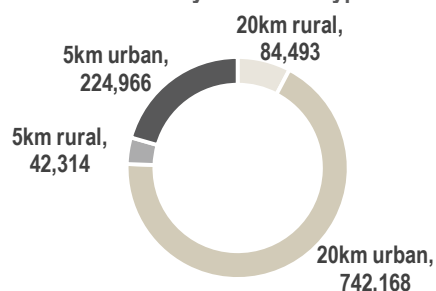
[12] Population figures according to REACH estimates from open data sources and Key Informant Interviews with local administrations.
[13] *Ibid.*

Head of household profile

Within the area 0-20km from the contact line, household findings indicate high rates of vulnerability amongst heads of household. Across all of the assessed areas, more than half of heads of household reported being older than 60 years of age (Figure 3) both in areas within 5km of the contact line and in the area between 5-20km from the contact line (55% of heads of household in both geographic regions were greater than 60 years old). Urban households were slightly more likely to be older than 60 (56%) than were rural households (47%), and urban households were correspondingly slightly less likely (16%) than rural households (24%) to be headed by a pre-pension age adult between 50-60 years of age.

Figure 3. Head of household age distribution
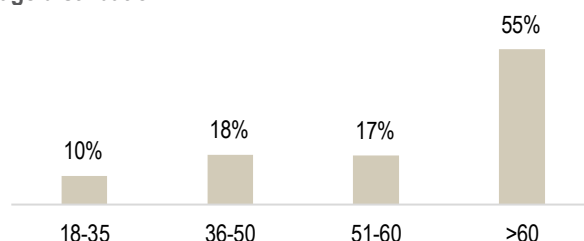
The majority of heads of household reported having at least one category of vulnerability (74%, see Table 4), with heads of household in the 5km area slightly more likely (76%) than those in the 5-20km area (73%). Heads of household living in urban areas within the 5km area were the most likely to have at least one vulnerability (78%), while those in rural areas between 5-20km were the least likely to have a vulnerability (67%).

The most frequently reported type of vulnerability reported by heads of household was having pensioner status (64%, see Figure 4), followed by having a chronic illness (19%), disability (12% including those with and without official status), and single parents (4% including those with and without official status).

Table 4. Proportion of HoHH with at least one vulnerability[14]

	Urban	Rural	Overall
0-5km	78%	70%	76%
5-20km	73%	67%	73%
Overall	74%	68%	74%

Figure 4. Most frequently reported types of HoHH vulnerability[15]

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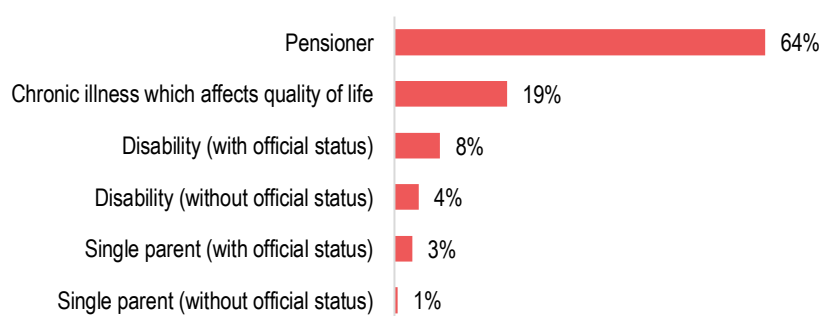
[14] Note: respondents could select multiple responses.

[15] *Ibid.*

Heads of household that had a disability (either with or without official status) were most likely to report a physical disability, followed by visual impairment, intellectual disability and auditory impariment, though due to the small sample size of heads of household with disabilities, results should be considered indicative.

Population profile

The population of the assessed area has a generally high proportion of elderly residents and a low proportion of minors (less than 18 years old). Figure 5 demonstrates that households in rural areas are slightly more likely to contain pre-pension age aduls between 50-60 years old and households in urban areas are slightly more likely to contain children.

Figure 5. Population pyramids of urban and rural households in the assessed area
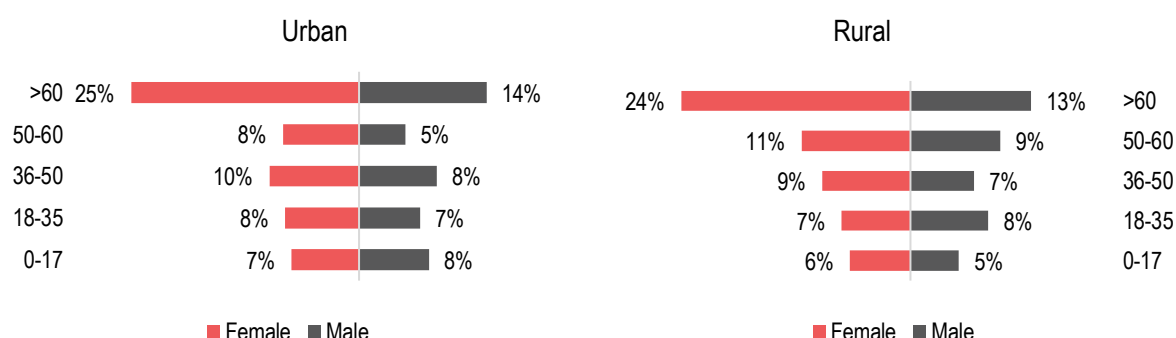
Though not as prevalent as when examining heads of household alone, the majority (55%) of household members in the assessed area (including HoHH and all other members) reported having at least one vulnerability (either with official status or without). Near the contact line (0-5km), a higher proportion of household members were reported to have vulnerabilities in urban areas (61%) than in rural areas (55%), whilst further from the contact line in the 5-20km area the trend was reversed, with a greater proportion members of rural households reporting at least one vulnerability (63%) than of urban households (57%).

The most commonly reported vulnerability amongst household members was pensioner status (45% of household members), followed by chronic illness affecting quality of life (14%), disability with official status (8%) and disability without official status (3%).

Amongst household members that reported having a disability (either with or without official status) the most common type of disability reported was physical impairment (57% of people a with disability) followed by visual impariment (10%).

Figure 6. Most reported vulnerabilities amongst all household members[16]

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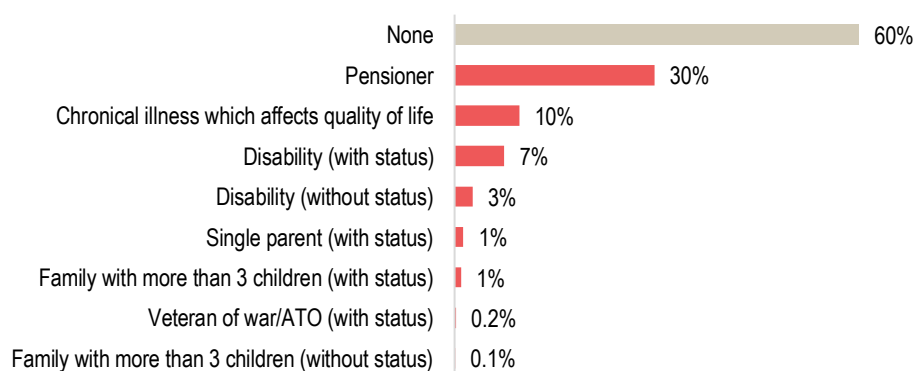
[16] Note: respondents could select multiple responses.

The household survey found relatively a low proportion of households with internally displaced people (IDPs), with 4% of households overall reporting being displaced or returnees, either with or without official status (Table 5). Rural areas within 5km of the contact line were most likely to be displaced, with 9% of the households reporting being IDPs or returnees. Households in urban areas between 5-20km of the contact line were least likely to be displaced, with 3% reporting being IDPs or returnees.

Table 5. Proportion of households reporting IDP status by settlement type and distance to the contact line

	0-5km Rural	0-5km Urban	5-20km Rural	5-20km Urban	Overall
Displaced and IDP status	6%	3%	5%	0%	2%
Displaced but does not have IDP status	1%	1%	0%	1%	1%
Partially displaced (with status)	0%	1%	1%	1%	1%
Not displaced but has a status of IDP	1%	0%	0%	0%	0%

Household income

This section will explore the ways in which households earn income from employment, pensions, benefits and humanitarian assistance. The section will examine employment and unemployment trends, sectors of employment and issues relating to government social payments. Particular attention will be paid to humanitarian aid, specifically preferred modalities for assistance and ongoing self-reported needs.

Employment

Of household members of all ages in all assessed areas, the most frequent way that members described their employment situation was "retired or pensioner" (46%, Figure 7) followed by "in paid work" (35%) and "unemployed" (8%). Smaller proportions of household members reported that their primary activity was education (4%), caregiving (3%), permanently sick or disabled and unable to work (3%) or doing housework (1%).

Figure 7. Principal activity of household members of all ages in all assessed areas

- Retired or pensioner
- In paid work
- Unemployed (seeking employment)
- In education
- Cargiver for children or other persons
- Permanently sick or disabled
- Doing housework
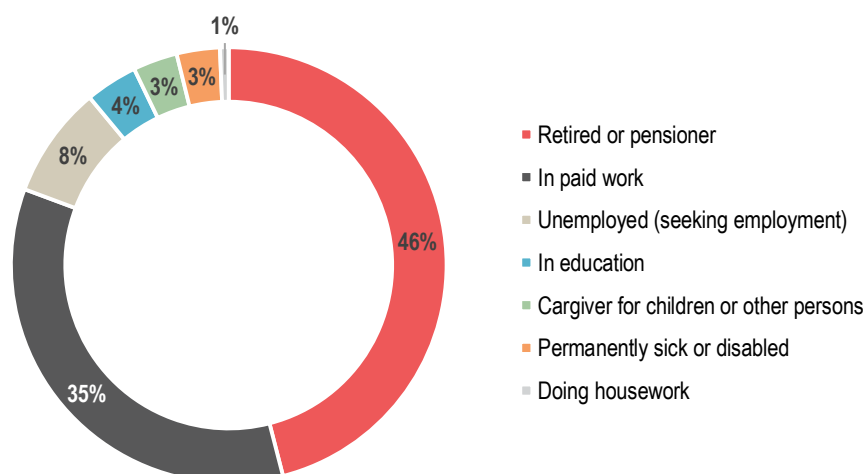
Seventy-one percent (71%) of household members were found to be of working age (between 15 and 70),[17] and when examining only household members of working age 41% reported some kind of part-time or full-time paid

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[17] The age range for "working age" individuals is defined by the Ukrainian State Statistics Service as between 15-70. More information available online.

work. Higher proportions of household members reported being employed in urban areas (42%) than in rural areas (33%), and households in the 5-20km area were more likely (43%) than households in the 0-5km area (35%) to report being engaged in paid work.

Of household members that engaged in paid work, there was significant variation in the sectors of employmet by geographic area assessed (Table 6). Across the assesed region, household members were most likely to work in the industrial sector, however this high rate appears to have been influenced by industrial areas further from the contact line, as one-quarter (25%) of employed household members reported working in industry in urban areas 5-20km from the contact line (an area including the industrial city of Mariupol). In other geographic areas, working household members were concentrated in other sectors. In rural areas near the contact line (0-5km area), employed household members were most likely to report working in the service sector (28%), followed by trade (13%), while in rural areas in the 5-20km area household members were most likely to report employment in agriculture (32%) followed by the service sector (19%) and trade (14%). Household members in urban areas within 0-5km of the contact line were most likely to report employment in the trade sector (25%) followed by the service sector (23%) and industry (15%).

Table 6. Main sectors of employment of all household members by geographic area

	0-5km Rural	0-5km Urban	5-20km Rural	5-20km Urban	Overall
Industry[18]	7%	15%	12%	25%	22%
Service[19]	28%	23%	19%	18%	19%
Trade	13%	25%	14%	17%	18%
State service	7%	3%	2%	9%	7%
Education	1%	6%	7%	7%	6%
Construction	6%	8%	0%	7%	6%
Health care	5%	5%	3%	5%	5%
Agriculture[20]	19%	4%	32%	1%	4%
Transportation	6%	3%	7%	3%	3%
Social service	2%	2%	1%	3%	3%
Mines	2%	7%	3%	1%	2%
IT	0%	0%	0%	1%	1%
Other[21]	6%	1%	1%	3%	3%

In addition to geographic variation amongst working age household members with regards to sector of employment, there was also a significant difference in the proportion of rural household members of working age that report being unemployed (Table 7). Across the assessed region, 10% of household members between 15-70 reported being unemployed and actively seeking work. In rural areas overall, household members of working age were more likely to report being unemployed (15%) than in urban areas overall (9%). Of all assessed regions, household members in rural areas in the 5-20km area were the most likely to report being unemployed (15%), and household members in urban areas in the 5-20km area were the least likely to report the same (9%).

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[18] *Industry*: including work relating to the processing of raw materials or the manufacturing of goods.

[19] *Service*: including work relating to the production of intangible goods, accommodation and food services, financial and insurance activities, real estate activities, arts and entertainment.

[20] *Agriculture*: exploitation of vegetal and animal natural resources, comprising the activities of growing of crops, raising and breeding of animals, harvesting of timber and other plants, animals or animal products from a farm or their natural habitats. See the United Nations International Standard Industrial Classification of All Economic Activities (ISIC) for more details on sectors. Available online.

[21] Including security, work with a civil organization, utility work among other specific responses.

Table 7. Proportion of working age (15-70) household members reporting being unemployed by assessed area

	Rural	Urban	Overall
0-5km	14%	10%	10%
5-20km	16%	9%	10%
Overall	15%	9%	10%

Household members that reported being unemployed most often reported that the reason for their unemployment was a lack of relevant vacancies in their settlement (60%, Table 8). In rural areas, this proportion was significantly higher (79%) than in urban areas (55%). Likewise, unemployed household members in the 0-5km area were significantly more likely to report lack of vacancies (70%) than were household members living further from the contact line (56%). Relatively large proportions of household members that reported being unemployed also noted that the closure of enterprises had affected their employment status (17%) or cost-cutting within firms that remain operational (15%). Unemployed household members also reported a number of reasons for unemployment that were less indicative of systematic labour issues including health reasons (23%), personal/family reasons (7%) and the need to be a caregiver (4%).

Table 8. Reported reasons for unemployment of unemployed household members in all assessed areas

Lack of relevant vacancies	60%
Health reasons	23%
Closing of the enterprise	17%
Cost-cutting	15%
Other (specify)	12%
Personal/family reasons	7%
Caregiving family members	4%
Contract not renewed	3%

Seasonality and winter conditions reportedly caused a gap in employment for a small proportion of households (2%), with rural households within the 5-20km area most likely to report at least one employed household member experiencing a gap in employment due to winter conditions (6%). In the 0-5km area 5% of households reported a gap in employment during winter in both urban and rural areas. The primary reported reason for experiencing an employment gap was damage to roads due to weather conditions, though due to the small number of responses this should be considered as indicitave.

Overall, 11% of households reported the need for employment assistance of some kind. Potentially due to a correlation with unemployment rates, rural households in both the 0-5km (18%) and 5-20km (17%) area were more likely to report needing employment assistance than urban households (10% in both areas). Of those that reported needing employment assistance, the majority of households (97%) reported that they needed job-finding services, although in rural areas a sizable proportion of households that needed employment assistance reported needing agricultural livelihoods assistance (15% compared to 2% in urban areas).[22] Urban households, on the other hand, were more likely to report needing access to small business loans (7% compared to 3% of rural households).

Pensions

As was noted in the section on household profiling, a large proportion of residents of the assessed area were found to be pensioners. Government pensions, therefore, constitute an important source of income for households that are contained pensioners. The Ukrainian government in 2017 instituted a pension reform that incresed payments for the majority of pensioners in the country. However, part of that reform included fixing the growth rate of pension

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[22] Note: respondents could select multiple responses.

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payments to a rate less than the inflation rate in the country.[23] Correspondingly, following the pension reform many households that were headed by elderly residents saw a marked improvement in their standard of living, though this impact can reasonably be believed to have reduced due to inflation in the subsequent two years between the pension reform and the time of this assessment. Indeed, of the 30% of household members that reported being pensioners, the large majority (96%) reported that the pension increase that they received has not kept pace with rising prices.

Pensioners were generally found to receive their pensions without delay, with only 1% of pensioner household members reporting having received pension payments more than 1 month late. However, there was significant variation in the modality by which pensioners received their payments in the different geographic areas assessed (Table 9) with urban pensioners generally more likely to receive pensions through the bank or ATM (63%), while rural households were less likely (35%). Rural households, on the other hand, were more likely to receive payments by means of postal service to their homes (31%) or at the post office (28%) than were urban households (19% by postal service and 15% at the post office).

Table 9. Modality of payment for pensions in urban and rural areas

	Rural	Urban	Overall
Bank or ATM	35%	63%	60%
Postal service	31%	19%	20%
Post office	28%	15%	16%
Family collects	4%	3%	3%
Other	2%	0%	1%
Delivered by social worker	1%	0%	0%

Benefits

In addition to pension payments, approximately one-fifth of household members (21%) reported receiving payments from social benefits in the assessed area. Household members living in rural areas were slightly more likely than in urban areas to be eligible for benefit payments (23% compared to 21% in urban areas). Five percent (5%) of household members that were eligible for benefit payments reported delays in benefits payments of more than a week, though 60% of these reported that payments were made no more than 2 weeks late.

Modalities for benefit payments were similiarly distributed to modalities for pension payments, though an even higher proportion of households reported receiving payments at a bank or ATM (80% compared to 60% of pension payments), and rural households were less likely to use banks and more likely to use the postal service or other methods to receive payments.

Humanitarian assistance

Across the assessed area, nearly one out of five households (19%) reported having received humanitarian aid in the 12 months prior to data collection, though households in the 0-5km area were significantly more likely to have received assistance, with half (50%) of households reporting that they received aid in the 12 months prior to data collection (Figure 8).

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[23] FSLC, 2018. Food Security & Socio-Economic Trend Analysis - Eastern Ukraine. Available online.

Figure 8. Proportion of households that received humanitarian aid in the 12 months prior to data collection
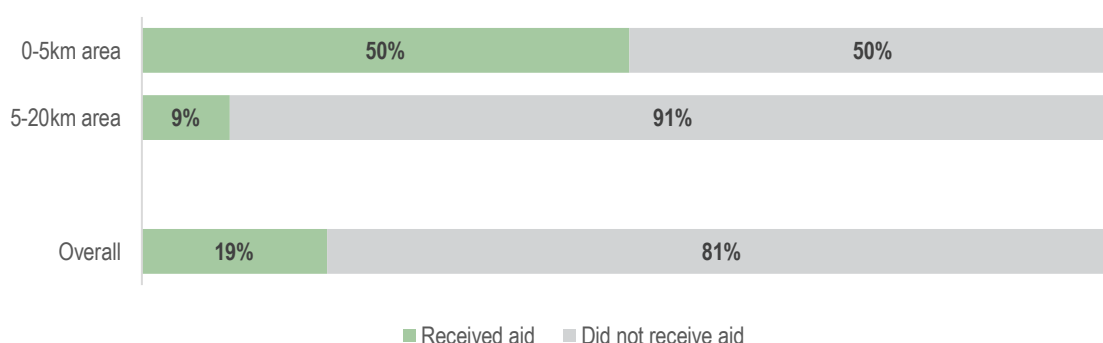
Of the 19% of households that reported having received assistance, the most frequent type of aid received was food assistance (71%), followed by hygiene NFIs (23%), medical help (10%), fuel assistance (7%) and multi-purpose cash assistance (MPC) (7%). In both the 0-5km area and 5-20km area urban households were more likely to have received food assistance than were rural households (Table 11). Rural households, conversely, were more likely than urban households to have received MPC and fuel assistance.

Table 10. Types of humanitarian aid received in the 12 months prior to data collection by geographic region (of households that received aid)

	0-5km Rural	0-5km Urban	5-20km Rural	5-20km Urban	Overall
Food	77%	90%	56%	67%	71%
Hygiene needs	22%	13%	25%	27%	23%
Medical help	5%	0%	11%	13%	10%
Cash	14%	9%	9%	7%	7%
Fuel	18%	2%	14%	7%	7%
Other (specify)[24]	5%	2%	4%	7%	5%
Agriculture	16%	1%	4%	0%	1%
Needs relating to livelihoods	0%	0%	2%	0%	0%
Health/nutrition	1%	0%	0%	0%	0%

Although a relatively large proportion of households reported having received aid in the 12 months prior to data collection, 42% of households that received aid reported not having received any aid in the previous 2 months.

Concerning ongoing humanitarian needs, households that received humanitarian aid reported remaining gaps and requiring additional support; indeed 82% of aid recipients reported at least one area of additional need for their households. Most frequently, households reported remaining need for MPC (40%, Figure 9), followed by health/nutrition assistance (38%), additional food assistance (29%) and fuel assistance (22%).[25] Multi-purpose cash was reported as a remaining need more frequently among rural households (52%) than urban households (38%) that had received assistance in the 12 months prior to assessment.

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[24] Includes clothes, blankets and water among other specific responses.
[25] Note: respondents could select multiple responses.

Figure 9. Most reported remaining humanitarian support requested by households that received aid in the 12 months prior to data collection[26]
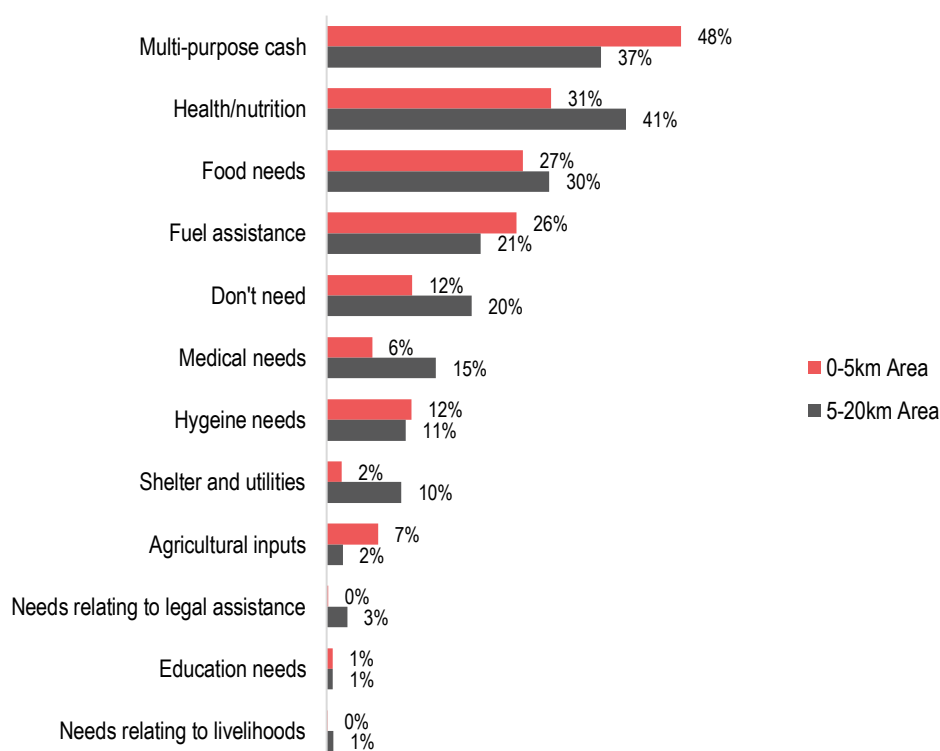
Across all areas, households reported preference for receiving humanitarian assistance in cash form over in-kind or vouchers. Rural households and households nearer to the contact line were slightly less likely to report preference for cash assistance, though in each of the assessed areas cash assistance was the most frequently reported preferred modality for assistance (Table 12).

Table 11. Proportion of households reporting preference for cash as modality for future assistance, of households with remaining humanitarian needs[27]

	Rural	**Urban**	**Overall**
0-5km	74%	73%	73%
5-20km	79%	100%	94%
Overall	76%	83%	81%

Among households that reported having received humanitarian assistance in the 12 months prior to data collection, nearly half (45%) reported that they were aware of a complaints mechanism to provide feedback to aid providers. This proportion was significantly higher than the 37% that reported availability in August of 2018 in the REACH Trend Analysis.[28]

Household income from all sources

Across assessed areas, median income per household member was UAH 2,500 per month, or approximately USD 90.[29] Household income per member varied significantly by household geographic area and household type. Rural households in both the 0-5km area and the 5-20km area had lower incomes than urban households in their same

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[26] Of the 19% of households that received aid in the 12 months prior to assessment

[27] *Ibid.*

[28] REACH, 2018. Analysis of Humanitarian Trends. Available online.

[29] Rate as of 01.02.2019 from the National Bank of Ukraine, 1 USD = 27.24 UAH

geographic area (Table 13). Likewise households in the 5-20km area had overall higher incomes than households in the 0-5km area.

Household income per capita also correlated with head of household gender (Table 14) and age (Table 15), with female-headed households making an average of 23% less income per person than male-headed households. Similarly, households headed by younger people consistently made more income than households headed by older people.

Table 12. Median household income per household member by settlement location and type

	UAH	USD (approx.)
0-5km Rural	1,886	68
0-5km Urban	2,333	84
5-20km Rural	2,041	74
5-20km Urban	2,650	96
Overall	2,500	90

Table 13. Median household income per household member by gender of head of household

	UAH	USD (approx.)
Female HoHH	2,323	84
Male HoHH	3,000	108
Overall	2,500	90

Table 14. Median household income per household member by age of head of household

	UAH	USD (approx.)
18-35	3,300	119
36-50	3,000	108
51-60	2,900	105
>60	2,250	81
Overall	2,500	90

According to the 2018 Food Security and Livelihoods trend analysis, between 2013 and 2015, the percentage of the population living with income below the actual minimum subsistence level increased from 20% in 2013 to 74% in 2015 in Luhansk oblast and from 22% to 66% in Donetsk oblast, while the average for Ukraine increased from 22% up to 58%. In 2016, the trend stabilized with a slight improvement in Donetsk oblast, where the percentage of the population living below the actual minimum subsistence level decreased from 66% to 59% and in Luhanska, from 74% to 71%.[30] As of December 2018 the actual subsistence rate was UAH 3,385[31] (approximately USD 124 per person)

The World Food Programme (WFP) additionally concluded in its Market Monitor Review for January-June 2018 that income levels had increased significantly for the majority of the population, which increased demand on the food market. Conversely, 2017 recorded lower supply for some seasonal commodities potentially contributing to the increasing prices for households.[32]

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[30] Food Security and Livelihoods Cluster (FSLC), 2018. Food Security & Socio-Economic Trend Analysis - Eastern Ukraine. Available online.
[31] WFP, 2019. UKRAINE Socio-Economic and Market Review 2018. Available online.
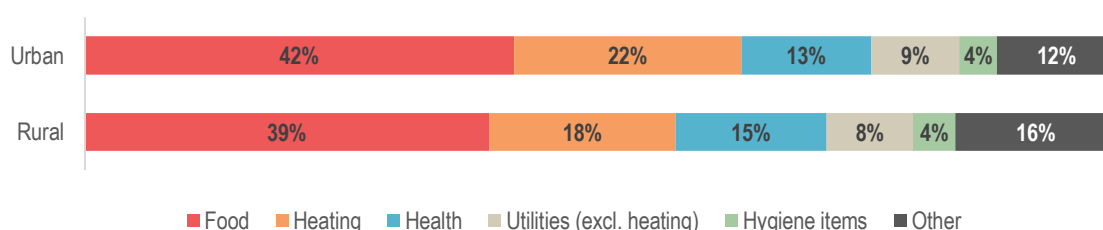[32] WFP, 2018. Ukraine Market Monitor Review January-June 2018. Available online.

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Household expenditure

This section examines household expenditure by category and compares the amount spent per household member by different types of households. The section begins by comparing the proportion of total household spending by category, continuing on to compate gross amounts spent by households and then incorporating market monitoring data from the ACCESS consortium to illustrate variation in prices between food products and between geographic areas.

There was only slight variation between urban and rural households concerning average spending categories (Figure 10), with urban households spending a slightly larger share of their total expenses on food and heating, and rural households spending a slightly larger share of their expenses on health and other items (including transport, NFIs and education).

Figure 10. Average proportion of total household expenditure by spending category (0-20km area)

	Food	Heating	Health	Utilities (excl. heating)	Hygiene items	Other
Urban	42%	22%	13%	9%	4%	12%
Rural	39%	18%	15%	8%	4%	16%

Regarding the gross expenditure per household member, table 16 outlines the average spending per household member by category and the change in expenditure levels since February 2018. Nearly all households reported spending money on utilities and food (94% and 93% respectively[33]), and these categories remained either stable or decreased in spending over the year prior to assessment. A majority of households also reported expenditures on health (84%), hygiene items (78%) and heating (71%), and the amount spent in each of these categories increased by at least 25% over the course of the year prior to assessment. Gross expenditure on transport and clothes were lower in 2019 than 2018, though these categories had a lower proportion of households reporting spending in the categories and generally lower gross amounts spent.

Table 15. Change in average monthly household spending per member by spending category (0-5km area)

Proportion of HH with any spending in the category	Spending category	Median spending per HH member		Change since Feb. 2018
		UAH	**USD (approx.)[34]**	
94%	Utilities (excl. heating)	132	5	-12%
93%	Food	1,000	36	0%
84%	Health (pharmaceuticals, medical treatment)	250	9	25%
78%	Hygiene items	100	4	33%
71%	Heating	420	15	26%
53%	Travel and transport	61	2	-39%
33%	Alcohol and tobacco	245	9	23%
19%	Household items	125	5	108%
17%	Clothes and shoes	200	7	-33%
10%	Education	81	3	93%
2%	Rent	632	23	133%

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[33] The remaining households reported no spending or refused to answer.
[34] Rate as of 01.02.2019 from the National Bank of Ukraine, 1 USD = 27.24 UAH

Market monitoring

Market monitoring data was collected in February-March 2019 by the ACCESS consortium (of which REACH is a member) as part of the winter 2019 round of the joint monitoring project with the Norwegian Refugee Council and Save the Children. Although market monitoring was conducted in a wider area of Donetsk and Luhansk oblasts, including price data from 76 food shops/markets in 34 settlements. Boxplots show the average price and variation in price of food products that were purposively selected to cover staple commodities in Ukraine across the assessed area. Map 2 uses this price data to visualise geographic variation in prices of this basket of goods.

How to read a boxplot

- Possible outward outlier*
- Higher non-outlier observation (UAH)
- Upper quartile: 25% of the data is above this point
- Median price in data set (UAH)
- Lower quartile: 25% of the data is below this point
- Lower non-outlier observation (UAH)
- Possible inward outlier*

*Outliers - data points more than 1.5 interquartile ranges below the first quartile or above the third quartile

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Map 2. Relative cost of a sample of essential food products

Total price of a sample of essential food products (UAH):

229 - 250   251 - 300   301 - 344

Items included in the sample of essential food products:

Buckwheat (1 kg)	Bread (1 kg)	Chicken leg (1 kg)
Potatoes (1 kg)	Onions (1 kg)	Packet of milk (1 liter)
Cabbage (1 kg)	Sugar (1 kg)	Oil (1 liter)
Carrot (1 kg)	Flour (1 kg)	Eggs (box of 10)

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Household spending patterns are also influenced by the inflation rate, which since the beginning of the conflict has consistently exceeded 10%.[35] Table 17 demonstrates the consumer price index (CPI) which tracks the price of a basket of consumer products to track the growth or decrease in prices over time as a percent of the previous year. The CPI reached a peak in 2015, when the price level increased by nearly 50% from 2014. Following the spike in prices, inflation rates decreased somewhat, with the CPI not increasing by more than 14% year on year. The annual rate of inflation in 2018 went down to 10.9%, which was the lowest level since 2013. According to National Bank of Ukraine, this decrease in inflation was primarily due to a slowdown in the growth of raw material prices and the strengthening of the Ukrainian hryvnia.[36]

Prices in Donetsk and Luhansk oblasts followed the same general trend as the rest of Ukraine, with Donetsk oblast experiencing very slightly higher inflation rates than Luhansk oblast (Table 17).

Table 16. Evolution of Consumer Price Index in Donetsk and Luhansk oblasts 2012-2018, percent year-on-year[37]

	Donetsk	Luhansk	Overall Ukraine
2012	101.3	100.3	100.6
2013	101.3	101.3	99.7
2014	122	125.2	112.1
2015	146.9	138.8	148.7
2016	111.6	110.7	113.9
2017	115.9	114.9	114.4
2018	112.3	109.3	110.9

On the regional level, WFP reported that the highest prices are found in Kyiv city and Kyivska oblast. WFP's food basket costs in Kyiv city in June 2018 was UAH 1,165 which is 17 percent higher than the national average. Higher demand is potentially a driver for higher prices in Kyiv city as the region with the highest income levels in the country. Average salaries in Kyiv, for example, were 52% higher than the national average. Food basket costs were found higher than national average in Cherkassy, Odesa and Zakarpatia oblasts and also eastern Donetsk and Luhansk oblasts.[38]

Increasing prices for consumer products can also be approximated through changes in the exchange rate between the Ukrainian hryvnia and the US dollar (Figure 11). Indeed, in the period between 2010 and 2019, the cost of USD100 increased from UAH 793 to UAH 2,716 losing more than two-thirds of its value on the international market and thereby increasing the relative price of imported products for households.

Figure 11. Exchange rate in UAH for USD 100 from 2012 to 2019

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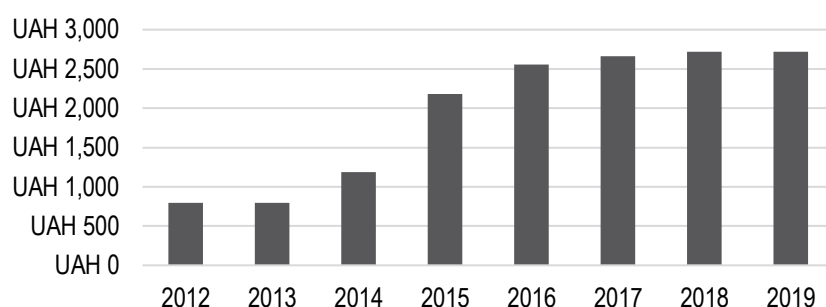
[35] State Statistics Service of Ukraine. Data platform available online.
[36] National Bank of Ukraine, 2018. Inflation Report. Available online.
[37] Based on Bulletins on Socio-Economic Development. State Service of Statistics of Ukraine. Data platform available online.
[38] WFP, 2018. Ukraine Market Monitor Review January-June 2018. Available online.

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Heating and utilities

As the second largest category for average household expenditure, changes in the cost of heating and utilities potentially have a large impact on household budgets, particularly as nearly all households reported expenditure on utilities (97%) and most on heating (71%). This subsection examines issues relating to availability and adequacy of heating and utilities in the assessed area, finding significant variation in the use of heating fuels between urban and rural areas, as well as variation in the sufficiency and quality of fuel sources.

Overall in the assessed area, mains heating was the most reported heat source (34%), though its use was nearly entirely concentrated in urban areas, where 38% of households relied primarily on mains heating compared to 1% of rural households (Figure 12). Urban households were also relatively likely to heat with gas (32%), coal (16%) and slightly less frequently with wood (12%). Rural households, conversely, were most likely to heat with wood (36%), followed by gas (32%) and coal (29%).

Figure 12. Primary types of heating for households in rural and urban areas
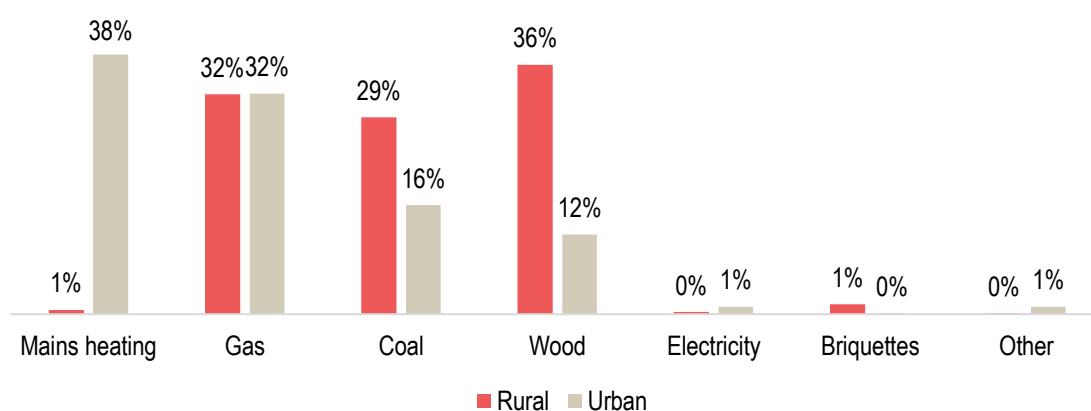
Most households (70%) reported that their household was adequately warm in the winter period, with slight variation between geographic areas. Significant variation, however, was found between the type of primary heating and the proportion of households reporting insufficient warmth in their homes, with households utilising mains heating least likely to report insufficient warmth (13%, Figure 13), and households utilising gas heating most likely to report insufficient warmth (43%).

Figure 13. Proportion of households reporting that their home is insufficiently warm by primary type of heating
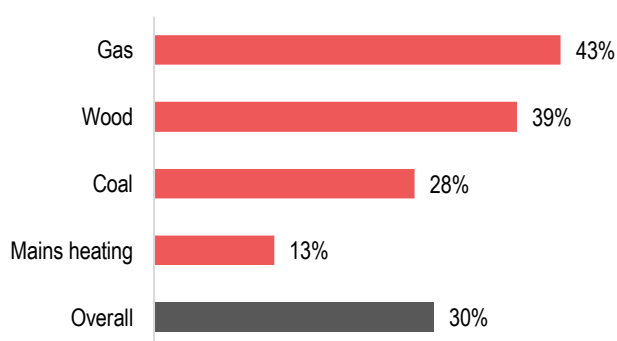
Seventy-eight percent (78%) of households in assessed areas reported that they experience problems with access and availability of fuel, with the most frequent problem reported being lack of money to buy sufficient fuel (68% of all households), followed by unavailability of sufficient quantity of fuel on the market (9%).

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Regarding fuel availability, 39% of households reported a lack of adequate quality fuel on the market, which likewise correlated to the type of fuel used. Households heating with gas were the most dissatisfied with the quality of fuel on the market (88%, Figure 14), followed by households heating with coal (39%) and wood (37%).

Figure 14. Proportion of households reporting being dissatisfied with the quality of fuel available on the market by primary source of fuel

Fuel	Percentage
Gas	88%
Coal	39%
Wood	37%
Overall	39%
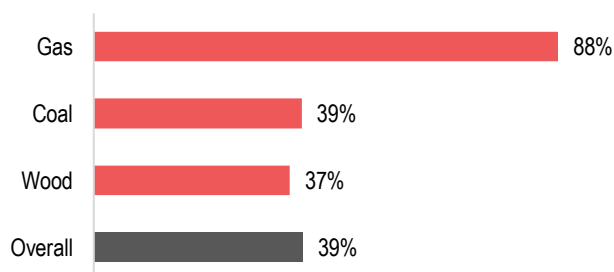
Lack of access to quality fuel sources, due to both prohibitive cost or lack of availability can lead households to experience heating shortages, and indeed 14% of households in all assessed areas reported experiencing heating shortages in the three months prior to data collection. Households in rural areas were more likely to experience heating shortages (24%) than were urban households (13%). At the time of data collection in February/March, several months remained of winter weather conditions in the assessed area, with the majority of households (86%) reporting that April is the last month of the heating season. To cover the remaining months of winter weather conditions, 58% of households that use fuel for heating reported that they project not having sufficient fuel to last through the winter.

In order to cope with a lack of fuel or an inability to purchase fuel in sufficient quantity, households reported engaging in coping strategies to minimise the amount of expenditure on fuel. The most frequently reported coping strategy by households experiencing heating shortages was to reduce the overall temperature of accommodation (66%), followed by using fuel sparingly (61%), reducing the number of hours that the accommodation is heated (53%) and using alternative secondary fuel supplies such as wood (19%), gas (18%) or coal (6%).

Sewage and solid waste management are additional concerns relating to household utilities. Across the assesseed area, approximately half of households (51%) reported access to a central sewage system in their accommodation, though such access was heavily concentrated in urban areas, particularly those furher from the contact line (Table 17).

Table 17. Proportion of households reporting access to centralised sewage system by assessed area

	Rural	Urban	Overall
5-20km	6%	60%	54%
0-5km	17%	44%	39%
Overall	9%	56%	51%

Treateament methods of solid waste also varied siginficantly between different settlement types, with urban households significantly more likely to utilise municipal waste removal, particularly further from the contact line (95% in 5-20km area and 81% in 0-5km area). Rural households were in turn more likely to burn waste.

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Table 18. Most reported means of solid waste management by assessed area

	0-5km Rural	0-5km Urban	5-20km Rural	5-20km Urban	Overall
Municipal waste removal	44%	81%	17%	95%	84%
Burning	53%	19%	61%	6%	15%
Self-removal to facility	23%	9%	45%	2%	8%
Composting	17%	7%	19%	5%	7%
Burial	15%	4%	21%	2%	5%
Other	0%	1%	1%	0%	0%

Livelihoods related coping strategies

This subsection examines household use of livelihoods-related coping strategies that are used to assess household economic stress and asset depletion in response to crisis. The specific coping strategies were selected based on recommended indicators from the World Food Programme's (WFP) Consolidated Approach to Reporting Indicators (CARI)[39] methodology which utilises household coping capacity as a constituent part of assessing food security (see Table 21 on p. 29).

Across geographic areas, 43% of households had utilised at least one of the assessed coping strategies in the 30 days prior to assessment (Table 20 on pg. 28). Rural households were significantly more likely to have utilised at least one coping strategy (62%) than were urban households (40%). Likewise, households within 0-5km of the contact line were more likely (58%) than were households between 5-20km of the contact line (38%). Rural areas within 0-5km of the contact line were particularly likely to have used livelihoods coping strategies, with 63% of households reporting having used at least one in the 30 days prior to assessment.

Table 19. Proportion of households reporting having engaged in at least one livelihoods coping strategy in the 30 days prior to assessment

	Rural	Urban	Overall
5-20km	62%	35%	38%
0-5km	63%	57%	58%
Overall	62%	40%	43%

The CARI methodology groups livelihoods coping strategies into three categories: stress, crisis and emergency strategies. Across all geographic areas, the most frequently reported coping strategy was reducing essential health expenditure at 32% of households, classified as a crisis strategy. Households in urban areas within 0-5km of the contact line were most likely to have reduced their essential health care expenditures, with nearly half (48%) of households employing this coping strategy.

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[39] Complete information on the CARI methodology is available at the WFP VAM Resource Centre

Table 20. Household use of livelihoods coping strategies by geographic area and settlement type

		0-5km Rural	0-5km Urban	5-20km Rural	5-20km Urban	Overall
Spent savings	Stress	21%	12%	18%	15%	15%
Purchased food on credit or borrowed food	Stress	21%	10%	23%	4%	8%
Sold household assets/goods	Stress	4%	2%	2%	5%	4%
Sent household members to eat/live with another family or friends	Stress	0%	0.5%	2%	0.5%	1%
Reduced essential health care spending (including medication)	Crisis	40%	48%	40%	26%	32%
Reduced essential education spending	Crisis	0%	1%	1%	1%	1%
Sold productive assets	Crisis	1%	0%	1%	0.5%	0.5%
Household member(s) moved elsewhere in search of work	Emergency	1%	1%	0.5%	1%	1%
Entire household migrated/displaced	Emergency	0.5%	0%	0%	0.5%	0.3%
Sold house or land	Emergency	0%	0%	0.5%	0%	0%

Higher rates of households reporting reducing essential health expenditures is potentially related to the higher rate of pensioner-headed households in urban areas, and indeed households headed by people over the age of 60 were the most likely to report having reduced their essential healthcare expenditure (Figure 15).

Figure 15. Proportion of households that reduced essential health care expenditures in the 30 days prior to assessment by head of household age
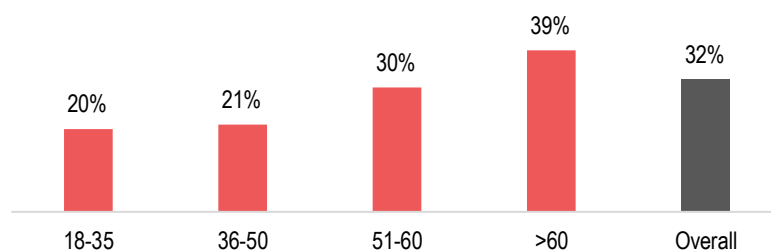
The second most frequently reported livelihoods coping strategy employed by households was having spent savings (15%) followed by having borrowed food (8%), both of which are classified as *stress* coping strategies. Rural households in both the 0-5km area and the 5-20km area were more likely to report having borrowed food (21% and 23% respectively). Across all geographic areas relatively few households reported having employed *emergency* strategies (1%), including having moved for work, having had the entire household displaced, or selling the household's accommodation.

Access to markets

This section examines access to markets by households in the assessed area, with particular attention to barriers reported by households in accessing markets and the effect of winter conditions on market access.

Barriers to accessing markets

Previous REACH assessments including the 2017 Area Based Assessments and the 2018-2019 Capacity and Vulnerability Assessments[40] have found significant disruptions to markets, particularly amongst populations living

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[40] REACH Area Based Assessment and Capacity and Vulnerability Assessments are available on the REACH Resource Centre.

in GCA on the periphery of urban centres currently located in NGCA. This section outlines the findings relating to access to markets from a household perspective, particularly relating to challenges faced by households with relation to winter conditions as well as conflict-related disruptions in markets and food production.

Across the assessed area, the large majority of households reported living within 3km of the nearest food market or shop (94%). Households living in rural areas were less likely to live near a food market (88%). Particularly, households located in rural areas of the 5-20km area were the least likely to live near a food market (85%) of any of the assessed geographic areas with 6% of households having reported living more than 6km from the nearest food market. Households in rural and urban areas reported similar travel times to the nearest food market with 74% of rural households and 75% of urban households reporting needing to travel less than 15 minutes to access the food market.

In addition to rural households having greater likelihood of living further from the nearest food market, there was also significant variation in the type of food market located nearby, with rural households being more likely have a small shop as the nearest food market (91%, Figure 16) than urban households (46%), and correspondingly rural households were less likely to have a marketplace (8%) or supermarket (1%) than were urban households (29% and 26% respectively).

Figure 16. Nearest food market for households in urban and rural settlements
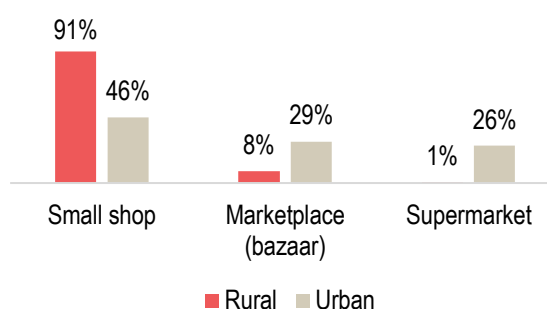
Regarding problems accessing food markets, 7% of households across assessed areas reported problems accessing food markets, and rural households were three times more likely than urban households to experience problems (6% of urban households and 18% of rural households. Notably, more than one-fifth (21%) of rural households in the 5-20km area reported problems accessing food markets.

Of households that reported problems accessing food markets, the most commonly reported issue was the cost of food products, followed by distance and lack of transportation, though due to the small subset (7%) these results should be considered indicative.

Effect of winter

This subsection identifies some of the specific issues faced by households due to the winter weather conditions and changes in household behaviour in relation to reduced availability and quality of food products during the winter.

Across assessed areas, 15% of households reported experiencing more problems accessing food markets in the summer than in the winter, with rural households significantly more likely to indicate additional problems in the winter (26% of rural households compared to 14% of urban households). The majority of respondents that reported facing additional problems accessing markets in the winter indicated the barrier to be higher prices in the market (63%) followed by weather conditions affecting travel to markets (43%).

Additionally, the majority of households reported a reduced variety of vegetables and fruits available on the market in the winter (68%), and of the produce that was available, most households reported them to be of reduced quality (67%). This trend was visible in both urban and rural areas in the 0-5km area and 5-20km area.

Figure 17. Proportion of all households in the assessed area reporting preserving food by food category
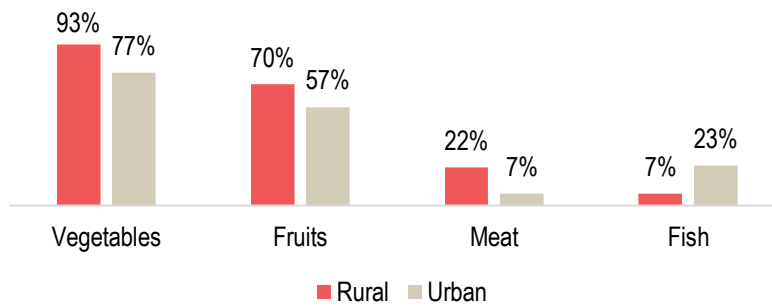
As a means of coping with reduced access to markets and reduced quality or quantity of food products in the winter many households resorted to preserving and storing food for the winter (Figure 17). Across assessed areas 79% of households reported preserving food for the winter, with even greater proportions of rural households preserving food (93% of rural households compared to 77% of urban households).

CONCLUSION

This assessment aimed to address an information gap regarding economic security in the area near the contact line from the household perspective, incorporating national and regional level data from state statistics where appropriate. The report was organised into sections on demographics, household income, household expenditure, and access to markets.

Findings from the demographics section indicate a high rate of vulnerability of the population in all assessed areas, but particularly in the area adjacent to the contact line where physical protection concerns remain the highest. The assessed area contains Mariupol, a large urban centre, but also contains some of the most isolated and hard-to-reach settlements in the assessed area. The variation in types of settlements was visible throughout the rest of the findings of the assessment, with rural households often experiencing more severe conditions both near and far from the contact line.

Regarding income, findings indicate that significant variation in both the proportion of household members that are unemployed as well as the sectors of employment of employed household members. Areas closer to the contact line and rural areas had significantly higher rates of unemployment than areas further from the contact line and urban areas. Households in urban centres were more likely have members employed in industry, which was nearly non-existent as a sector in rural areas. Conversely rural households far from the contact line were likely to be engaged in agricultural work, while those nearer to areas of active conflict were more likely to work in the service sector. Households near the line of contact were much more likely to receive humanitarian aid, with 50% of households having received assistance in the 12 months prior to data collection (as compared to 9% in the 5-20km area). Households further noted their preference for multi-purpose cash assistance for future humanitarian needs.

Findings on household expenditure showed slight variation in average spending patterns between assessed areas, with urban areas spending a slightly larger share of their budgets on food and utilities. In terms of gross spending, most of the categories of expenditure increased in price from the time of the REACH Winter Assessment in 2018. The section also investigated some of the dynamics surrounding heating and utility use in the assessed area, finding correlation between the principal type of fuel used for heating and perceptions of warmth and quality of fuel available. The section concluded by examining some of the livelihoods-related coping strategies utilised by households, finding a relatively high rate of households reducing essential health expenditure.

The section concerning access to markets found that households living in most assessed areas are likely to live in close proximity to at least one food market, though most often a small shop. Winter conditions also reportedly affect households' access to markets, and respondents note lower quality and reduced variety of produce available in the winter period.

With few signs that the protracted conflict in Ukraine will end in the short-term, particular attention should be paid to the long-term economic needs of populations living in and adjacent to areas of active conflict, particulary due to the reduction in industrial production and opportunities of the population living in the region.

ANNEXES

Annex 1: Research Terms of Reference (Online)

REACH Informing
more effective
humanitarian action