



LIVELIHOODS SITUATION ASSESSMENT REPORT

UKRAINE

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ACRONYMS AND ABBREVIATIONS

ARC	Austrian Red Cross
CFW	Cash for Work
CWG	Cash Working Group
DRC	Danish Red Cross
FDI	Foreign Direct Investment
FIES	Food Insecurity Experience Scale
FSL	Food Security and Livelihoods
GDP	Gross Domestic Product
ICRC	International Committee of the Red Cross
IEA	Institute of Educational Analytics
IFRC	International Federation of Red Cross and Red Crescent Societies
OD	Organizational Development
MESU	Ministry of Education and Science of Ukraine
MHPSS	Mental Health and Psychosocial Support
NRC	National Recovery Council
NSD	National Society Development
PNS	Partner National Society
RCRC	Red Cross Red Crescent
SLF	Sustainable Livelihood Framework
SpRC	Spanish Red Cross
TRC	Turkish Red Crescent
URCS	Ukrainian Red Cross Society

1. EXECUTIVE SUMMARY

Alongside the on-going Red Cross Red Crescent (RCRC) Movement emergency response to the escalation of conflict in Ukraine, the Ukrainian Red Cross Society (URCS) has initiated a process of strategic thinking for early recovery of livelihoods and building resilience of individuals and communities in Ukraine directly and indirectly affected by the conflict. To this end, the URCS has commissioned Spanish Red Cross (SpRC) to carry out a national assessment to analyse the impact of the escalation of the conflict on livelihoods and potential recovery options.

The focus of this assessment mission was to assess the specific impact of the escalation of conflict on FSL in Ukraine since February 24th, 2022 and the FSL recovery and provisioning needs to, based on both, propose FSL response options.

The FSL assessment team identified FSL response options that are recommended to URCS, based on the revision of secondary data, needs identified, and recommendations made by key informants. Ideally, the preferred options would be those that better respond to the FSL needs of the affected population in the context (rural, urban, semi-urban) in which URCS wants to work, considering at the same time its implementation capacity (or this capacity could be provided with the support of Movement partners).

Response options proposed require further discussion between the URCS and RCRC Movement partners. The assessment report can serve as a methodological guideline and logical basis to guide these further discussions.

Identified response options for FSL include actions towards the:

- **reinforcement of small-scale production**¹, especially small-scale farming,
- **strengthening professional capacity and skills** and support to (re)establish small businesses, and
- **improvement of market linkages at local level** which allow small-scale producers and businesses to continue selling their stocks independently of the blockades and constraints of transport routes.

Organizational Development (OD) and Capacity Building were also considered in the assessment from the perspective of the FSL response implementation. The impact of the escalation of the conflict on the National Society, including OD and capacity needs for FSL response interventions, were analysed and options were developed accordingly. These were developed with reference to the URCS Strategy 2021-2025², which although does not mention FSL explicitly, it includes ground for developing ad-hoc and integrated FSL interventions which

¹ [Some recovery options under this category also apply to provide support to home / backyard, especially for vulnerable groups such as the elderly.](#)

² The Ukrainian Red Cross Society Strategy. 2021-2025. <https://redcross.org.ua/en/infobase/>

contribute to the achievement of the URCS' strategic aims, particularly those related to Emergency Preparedness and Response, Psychosocial Support, and Social services.

Some of the identified options require having sufficient management capacity at branch and chapter level which is not the case in some branches and chapters. In addition, Livelihoods recovery and provisioning programming will require adequate supervisory capacity at headquarter level which at the moment of conducting this assessment was limited to one person as Livelihoods Coordinator, who also supports the National Society to covering response needs in other sectors, such as shelter, CVA and relief. This, coupled with the current volatility of the security situation throughout Ukraine, which conditions can deteriorate without warning in any region of the country, made not possible to plan or expect delivery of FSL response activities throughout the country.

During the assessment, the coverage of FSL response interventions by districts were discussed with the National Society and refined through a series of discussions. Although URCS has a country wide network of branches, technical and resource capacities are not equal in all regions. FSL interventions and approaches will require to be coordinated, both among RCRC partners and with other humanitarian actors in the country, in order to avoid duplications and increased effectiveness and coverage. Participation in cluster coordination and cluster working groups was recommended by most key informants. All these points should be discussed during detailed FSL response planning, together with the alignment of the intensity of the response intervention to the progressive development of the National Society's capacity. However, this should be realistic in size and scope allowing the National Society to maintain its humanitarian response capacity.

2. INTRODUCTION

In April 2022 the IFRC facilitated an initial scoping of Food Security and Livelihoods (FSL) support within Ukraine and impacted countries to identify potential areas of FSL support IFRC might provide to National Societies in Ukraine and neighbouring countries, including steps to facilitate their delivery. In addition, Danish Red Cross (DRC) conducted a multi-sectorial needs assessment between 7th June and 19th July 2022, which also assessed the needs related to Livelihood. The two documents, together with the findings from this assessment, will inform the FSL response options will be further refined by the National Society with support from IFRC and RCRC Movement partners onto more detailed recovery plans to incorporate in the operational strategy as part of the unified planning process for Ukraine that was initiated in early July.

This assessment was conducted by a SpRC technical focal point in Livelihoods who worked directly with counterparts from the National Society who accompanied and informed the assessment process during all steps over the four-week mission. The SpRC technical focal point

engaged directly with the National Society leadership and Livelihoods Unit and also delegates and staff from PNS, ICRC and IFRC in-country.

In addition to secondary data, the SpRC technical focal point met with external agencies and sector coordination groups involved in the response to collect and cross check information. Field visits were also made to the Podil district branch in Kyiv, meeting National Society staff and volunteer directly involved in the humanitarian response.

The outcome of this information collection was a list of prioritized FSL recovery and provisioning options, based on a series of consultations with the technical counterparts and leadership of the National Society. Recommendations related to organizational development and capacity building required to deliver the recovery options were also presented.

2.1 Assessment purpose

The purpose of the FSL assessment was to assess the FSL needs of people in Ukraine affected by the conflict in order to update the IFRC's operational strategy and inform the immediate and long-term activities that will be included in the URCS country plan. The results of the assessment should include a list of possible feasible response options for FSL recovery and provisioning that are integrated into the country plan and any revisions or updates to the overall operational strategy.

More specifically, the assessment aimed to:

- Understand the main difficulties and barriers that the affected population is facing to protect and recover their livelihoods, differentiated by IDP and non IDP population.
- Assess the feasibility and entry points for possible partnerships with other humanitarian, development and resilience actors to set-up livelihood's interventions.
- Understand the general situation of local markets and accessibility.
- Identify the profile of the most affected population
- Identify the coping strategies used by the affected populations
- Identify the stakeholders, including the Government, and planned or ongoing interventions in place to assist the affected population in the protection and recovery of their livelihoods.
- Formulate recommendations for the development of a short-, mid- to long-term livelihoods strategy.
- Assess the capacity of the URCS to respond to the crisis in terms of FSL programming.

The Sustainable Livelihood Framework (SLF), the Household Economic Security technical guidance and the guidelines on Livelihoods in Migration and Displacement contexts have

served as a reference along the assessment, paying special attention to the livelihood assets of the vulnerable groups affected by the escalation of the conflict since February 24th, 2022.

In light of the assessment mission limitations described in section 2.3 below, it was not feasible a detailed needs analysis, but a macro analysis based on a review of secondary information sources and interviews with key informants (KIIs) that helped fill the gaps not covered by the review of secondary sources. The security situation allowed only a field visit to the Podil district branch in Kyiv, but data gathering of needs of the affected population was not possible.

The duration of the assessment was 27 days from July 12th to August 4th. The mission period included writing this final report with identified options for FSL response interventions and delivery of preliminary findings to URCS)

The approach recommended for the assessment team was:

- Bear in mind along the whole process the Government's plan/strategy for livelihood recovery in the short-, medium- and long-term.
- Align the assessment process and findings with the UCRS National Development Plan
- Coordinate with the IFRC Country (Cluster) Delegation, particularly with the NSD Coordinator, and with those sectors that are focused in supporting needs that are relevant to the livelihoods sector, such as the Winterization WG, Shelter, National Cash WG. Coordinate with the Food Security and Livelihoods Cluster (Livelihood Group)
- Coordinate with the ICRC, particularly for the assessment of conflict areas within the country.
- Geographical scope of primary data collection: target areas to be identified and agreed jointly, based on agreed criteria which might include among others: needs, presence of URCS/RCRCM partner, area is representative of a specific category (urban - rural, high IDPs density, high numbers of returnees, specific livelihoods zones or activities, etc.)

The assessment agenda is outlined in Annex 2.

2.2 Assessment team and methodology

The team consisted of a sector specialist in Livelihoods from SpRC who was supported throughout the four-week assessment mission by the URCS Livelihoods Coordinator. This support was conditioned by the scarce time available of the URCS counterpart, who had to attend other urgent commitments, which constrained a fluid exchange of information and joint teamwork.

The assessment logic and approach were designed to generate FSL response programme options that specifically address needs of communities and the National Society directly caused by the escalation of conflict in Ukraine since February 24th.

The main expected findings from the assessment were the analysis of the impact of the crisis on FSL of the most affected/vulnerable population, both the internal displaced population (IDPs) and those who were not displaced, in Ukraine as well as the situation of markets, identification of facilitating services and initiatives, including the Government economic response plans, and possible short- and medium- term response options for FSL interventions for the affected population. Also, the capacity of the URCS to respond to the identified FSL response needs was assessed and some recommendations provided.

The assessment was able to build on existing in-country knowledge expertise and URCS ownership to generate a set of FSL response options for implementation through a participatory and inclusive process, conditioned by the availability of time and capacity constraints of the National Society counterparts, over the limited period which included:

- URCS counterparts assigned to support the SpRC technical focal point throughout the four-week period. Counterparts guided and informed the process.
- Both URCS governance and the Livelihoods Unit coordinator were available to provide the SpRC focal point with their vision and priorities for recovery, engaging with the technical focal point on a number of occasions including the final feedback presentation.
- Consultations were organized with the URCS and Movement partners during the four-week mission. These discussions provided constant feedback on the assessment process, informing understanding and shaping and guiding the choice of relevant FSL response interventions³.

At the end of the assessment mission a set of prioritized FSL response options were presented to the National Society which included organizational development and capacity building components required for their effective delivery. This allows the National Society to refine the outputs and begin a detailed FSL response planning within the framework of its unified planning process, that was initiated in early July. A series of recommended next steps are presented also in this assessment report.

2.3 Assumptions, limitations

A number of factors related to the preparation of the assessment mission negatively impacted on the possible scope and depth of the exercise.

While initially the requested scope for the assessment was to analyse the impact of the escalation of the conflict on FSL throughout the country, once in the country, the URCS

³ Annex 3 provides a list of people interviewed as key informants.

expressed interest in focusing the assessment on a few representative regions, but this was not possible due to the lack of definition regarding the specific regions to assess, mobility limitations linked to security risks in some regions, and difficulties in finding English-speaking counterparts in branches and chapters. Due to time limitations key secondary data review and some organisational aspects of the assessment could only be done on arrival in country. The needs analysis was undertaken as a desk study of secondary data combined with interviews with key URCS and SpRC technical focal point and selected external stakeholders. The assessment was challenged by a number of limitations. During the assessment mission the SpRC technical focal point could not consult directly with the government representatives nor with local authorities to cross check information regarding the needs of different categories of people and needs of people living in safer and conflict affected regions, and this information was not always provided by the reviewed secondary data. Also, a number of people identified as potential informants could not find time for interviews due to operational responsibilities.

While the assessment was not able to generate a detailed FSL response plan, it was able to:

- present the current status of FSL response thinking;
- provide recommended FSL response options as a starting point for further discussion between URCS and RCRC Movement partners;
- ask the right questions to help drive and inform further discussion;
- give a methodological guideline for further work to be done by the URCS and Movement partners;
- identify key areas that require special attention.

3. KEY FINDINGS

3.1. Baseline and situation before the escalation of the conflict

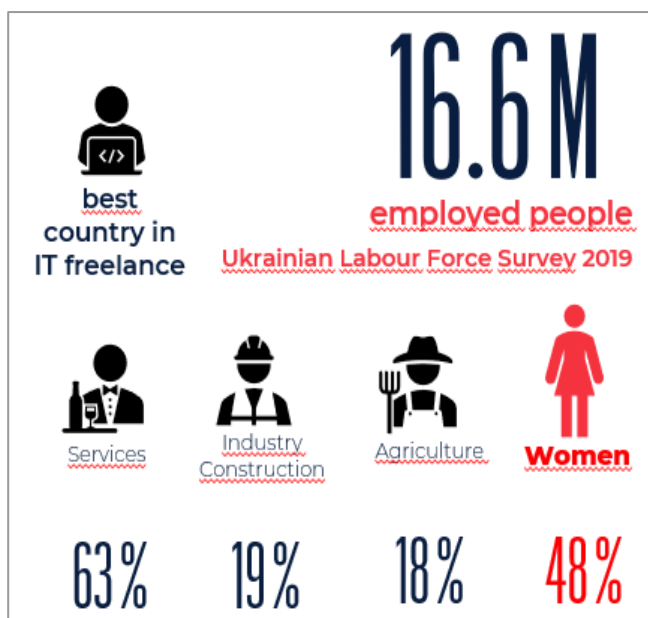
Around 383,000 people were already acutely food insecure as of 2021 in Ukraine's eastern regions of Donetsk and Luhansk oblasts even before the escalation of the conflict in February 2022⁴. According to the Food Insecurity Experience Scale (FIES), between 2019 and 2021, the country had 9.9 million moderately and severely food insecure people⁵.

The unemployment rate was relatively high at 9.8 per cent in 2021, primarily affecting youth. Around 44 per cent of the workforce are economically inactive, which blindsides the potentially higher unemployment rate estimated by NBU to scale up to 28.9 per cent by the end of 2022, to 27 per cent in 2023 and descending to 18.2 per cent in 2024.

⁴ Global Network Against Food Crises (GNAFC) and Food Security Information Network (FSIN). 2022. Global Report on Food Crisis 2022. Rome. <https://www.fao.org/documents/card/es/c/cb9997en/>

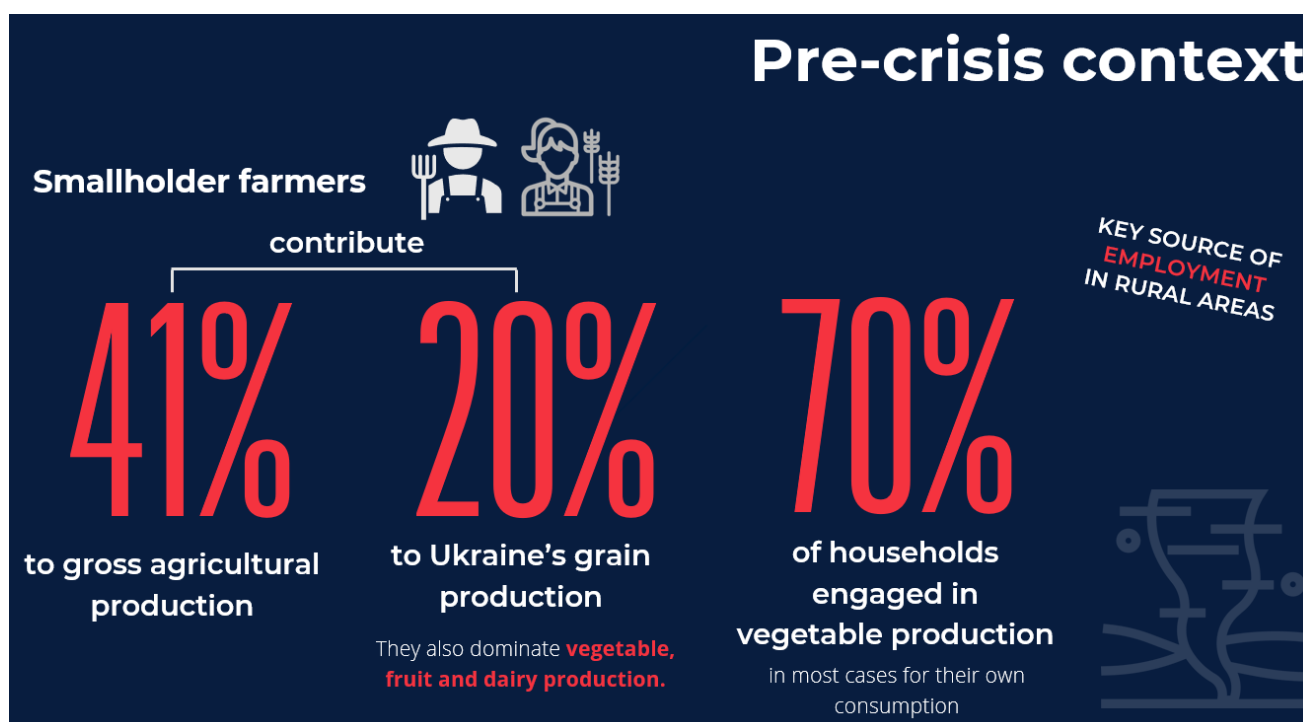
⁵ FAO, International Fund for Agricultural Development, United Nations Children's Fund, World Food Programme (WFP) and World Health Organization. 2022. The State of Food Security and Nutrition in the World 2022: Repurposing food and agricultural policies to make healthy diets more affordable. Rome. <https://www.fao.org/3/cc0639en/cc0639en.pdf>

The Ukrainian Labour Force Survey from 2019 listed only 16.6 million employed out of the 17.4 million people of working age (16-59 years old). Also relevant to highlight is that 25 per cent of the population of the country is aged 60 or above -the pension age in 2021- which results in an old-age (60+) to working-age ratio of over 40 per cent⁶.



Out of those employed, 18 per cent were in the agricultural sector, 19 per cent in the industry (including construction) sector, and 63 per cent in the service sector. Women represented 48 per cent of the total employment. The sub-sector employing more workers was the sale and retail trade activities (23 per cent), followed by the agricultural sector (18 per cent) and the industry sector with 15 per cent employees. Ukraine is the fourth country in the world and first one in Europe in number of people working on digital labour platforms, and the best country in the world in “IT freelance”.

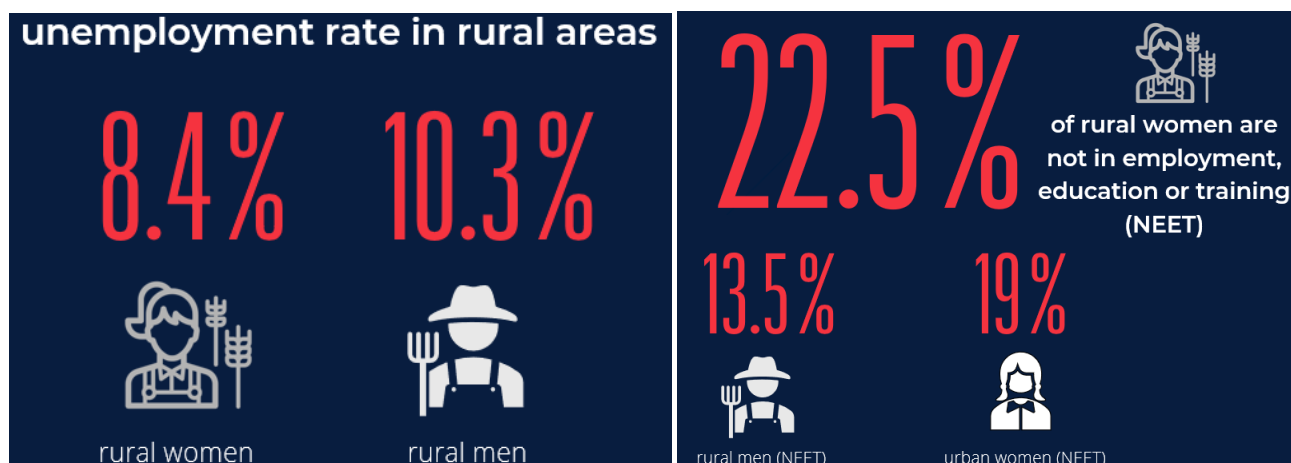
Agriculture is a key contributor to Ukraine’s economy and a driver of employment and rural economic growth. The smallholder farming sector is critical to agricultural production.



⁶ Policy response in Ukraine. Social policies for an inclusive recovery in Ukraine. OECD, 2022. <https://www.oecd-ilibrary.org/docserver/506fcefbc-en.pdf?expires=1662539464&id=id&accname=guest&checksum=73DF631404AE22D658FC9855CCD5AE78>

While Ukraine had a bumper harvest in 2021, grain and oilseed exports have stalled due to the escalation in conflict. The breakdown of supply chains supporting processing and marketing in Ukraine have also impacted food availability, leading to price increases compounded by increased fuel costs.

Ukraine has more than 130 ethnic groups (Census 2001) and many minority language groups. Gender intersects with diversity factors to create distinct groups with specific vulnerabilities.



The figures above indicate that rural women may be undertaking a larger share of unpaid care work⁷. Other vulnerable groups, which also intersect with gender, include the Roma community, older people, people with disabilities, women in rural communities in displacement and conflict zones, and LGBTI communities. The labour market reflects gender inequality. Occupational segregation means that women tend to occupy specific sectors associated with lower pay and are under-represented in upper management positions. Ukraine is one of the poorest countries in Europe and Ukrainian women are more likely to receive social assistance than men.⁸

3.2. Impact on livelihoods, underlying factors and resulting needs

The escalation of conflict in Ukraine since the 24 February 2022 **has severely impacted on food security and livelihoods** not only within Ukraine but also on global markets because of the disruptions in the export of key cereals and oil seed.

Due to high inflation in recent years the Government of Ukraine introduced state price regulations in 2021 for critical food items. In April, the World Bank estimated that Ukraine’s economy might contract 45.1 per cent this year which may increase the poverty rate in the

⁷ Complementary Information Note. The impact of the war in Ukraine on rural labour markets. Key considerations and entry points for the promotion of decent rural employment in the recovery phase. FAO, April 2022.

<https://www.fao.org/resilience/resources/resources-detail/en/c/1504605/>

⁸ CARE. Rapid Gender Analysis in Ukraine. March 2022.

https://www.careinternational.org/files/files/Ukraine_Rapid_Gender_Analysis_Brief_CARE.pdf

country, presenting major risks to the food security of vulnerable households and communities. This estimate exceeds the one released in March by the International Monetary Fund (IMF), which warned that Ukraine's economy could fall by up to 35 per cent in 2022. One month later, the European Bank for Reconstruction and Development (EBRD) published foresaw a 30 per cent drop in Ukraine's GDP in 2022.

The crisis has had a significant impact on the Ukrainian social protection system both in terms of increased expenditure and decreased revenue. In response to these losses, the Government of Ukraine has so far made considerable efforts to keep the national social protection system operational by guaranteeing the payment of benefits, including to internally displaced persons, through the utilization of digital technologies to this effect. The Task Team 5 of the Cash Working Group has prepared a mapping of Government's national cash-based social protection benefits in response to 2022 escalation and regular ones.

Since February 2022, income has declined significantly for displaced households. According to the seventh round of IOM's Ukraine Internal Displacement Report, only 9 per cent of IDPs have not had household income since the start of the war, and for the 35 per cent the monthly income level of their households was below UAH 5,000 (≈USD 137), this is UAH 1,500 less than the minimum wage (as of January 2022). The share of those reporting to have no household income in May has risen 9 per centage points higher than in July, which suggests that some IDPs might have found employment in their place of displacement or resumed employment remotely.

Returnees' socio-economic situation differs across geography. While 69 per cent of returnees in the Center macro-region, 60 per cent among returnees in Kyiv city and 54 per cent among returnees in the North are earning income after their return, only 45 per cent of returnees in the South macro-region do. The highest proportion of returnees relying on pensions or on maternity leave (16 per cent) is found in the East macro-region, while in other macro-regions the value is typically lower. When asked about the realities of the return location, the main issue expressed by respondents in all macro-regions are the **significant struggles to earn a living**⁹.

Main sectors of employment among IDPs who had a job before displacement were **trade, services, education, construction, heavy industry and manufacturing**.

As of July 23rd, only **28 per cent** of the IDPs who were unemployed prior to the war or lost their job due to the war have found a new job in their location of displacement.

According to a nation-wide Needs Assessment Survey (NAS) conducted in May 2022 by MESU, IEA and Ukraine Education Cluster, *hromadas* reported receiving a total of 164,000 IDP learners

⁹ International Organization for Migration (IOM), Ukraine Internal Displacement Report, Round 7, July 2022. https://displacement.iom.int/sites/default/files/public/reports/IOM_GenPopReport_R7_finalENG.pdf.

since 24 February 2022. Out of those 1,039 students were on vocational and technical education¹⁰.

Rural households and smallholder farmers, who contribute to a significant portion of the country's agricultural production and are now key to ensuring Ukraine's food supply, continue suffering the consequences of the war.

People living in regions most heavily impacted by the war, particularly eastern and southern oblasts, such as Luhanska (56 per cent), Kharkivska (50 per cent), Khersonska (46 per cent) and Donetska (45 per cent), as well as northern Chernihivska (45 per cent) and Sumska (41 per cent), are **more likely exposed to highest levels of food insecurity**, especially those living in besieged cities and other areas of active conflict. The consequences of the active fights in these regions pose serious threats to agricultural production and people working in the sector.

The escalation of conflict is having different impacts on men and women, with multiple and intersecting forms of discrimination affecting **women, youth, persons living with disabilities, displaced people, refugees and elderly people**. Since the escalation of conflict in February, women and children in conflict affected area have been forced to relocate and the elderly are taking on more responsibility for providing income and supporting the household livelihoods. The disruption of infrastructure and family structures, and the lack of mobility pose a significant risk to women and girls, reducing their economic opportunities, access to remittances, healthcare and social assistance, while increasing their workloads and risks of violence.

While the number of IDPs has been decreasing since March, an increase of almost 370,000 IDPs (6 per cent) since June 23, has led to around **15 per cent (6.6 million people) of the entire population of Ukraine internally displaced** as a result of the conflict. Regarding the type of settlement of their current location, 34 per cent are living in a small town or village of urban type, 33 per cent in a rural area/village or in a farm, 3 per cent in a large city, and 2 per cent in a suburb of a large city.

67 per cent of all IDPs in Ukraine are displaced from the East region.

On 23 July, the regions hosting a larger number of IDPs were in the East, South and North macro-regions being Kyivska, Vinnitska, Poltavska, and Dnipropetrovska the oblasts hosting a higher proportion of IDPs.

Seventy-one (71) per cent of IDPs interviewed in the 7th Round of the IOM General Population Survey¹¹ dwell in households consisting exclusively of IDPs while 29 per cent of respondents

¹⁰ Ukraine Education Needs Assessment Survey (6 May - 24 June 2022). Final report. Ministry of Education and Science of Ukraine, Institute of Educational Analytics and Ukraine Education Cluster.

<https://mon.gov.ua/storage/app/media/news/2022/07/07/Pids.zvit.Otsin.potreb.Ukr.u.sferi.osvity-FN-6.05-24.06.22.pdf>

¹¹ International Organization for Migration (IOM), Ukraine Internal Displacement Report, Round 7, July 2022.

https://displacement.iom.int/sites/default/files/public/reports/IOM_GenPopReport_R7_finalENG.pdf.

confirm living in mixed households with hosting families. The median size of only-IDPs households was 3 persons, and 4 for the mixed households.

Seventy (70) per cent of IDPs remain in the first place of displacement, 21 per cent moved to a second location, and 9 per cent experienced three or more locations. The main factor that made necessary for IDPs to leave their original displacement location was the **inability to earn income** (60 per cent). The security situation was the selected factor for a 40 per cent of respondents.

When asked about the **groups most affected by the impact of the war on livelihoods**, all people interviewed recommended to conduct FSL needs assessment focused in potential geographic focus areas to understand better which groups are most vulnerable. The vulnerable groups mentioned by informants are the same as those mentioned by the DRC multi-sectorial needs assessment, **women, youth, persons living with disabilities -including people wounded by the conflict-, and elderly people**, independently of their situation in the displacement cycle, i.e. people who is displaced in a new location, in transit or who have returned to their place of origin. **Rural households and smallholder farmers** were mentioned by the majority of informants, not only because of the relevance of the agriculture sector for the country's economy and employment in rural areas, but also because many of them rely on their own vegetable and fruit production for their own consumption. One informant brought as an issue to be further assessed whether Russian-speaking people from the conflict areas and not able to speak Ukrainian fluently were finding more barriers than Ukrainian-speakers to cover their livelihoods needs.

In line with the DRC multi-sectorial needs assessment, circumstances that make groups mentioned above more vulnerable include being displaced from, or returnees to, areas most severely affected by the conflict in terms of damaged infrastructures, houses and businesses, living in collective centers, pregnant or lactating women alone, women with children, and families with multiple children, especially those with the elderly as breadwinner.

Recent situational reports and some of the people interviewed during the assessment highlight that FSL needs are enormous all over the country and that FSL recovery and provisioning response activities are needed to help affected households face the high impact of the escalation of the conflict on their livelihoods. Some secondary resources and informants consulted, including URCS, indicates that financial assistance is the main prioritized need expressed by the affected population. But, regular assessment tools are not capturing in detail their specific livelihoods need, and these are not always are to financial assistance. Some tools that are being used to collect information on the needs of the affected population receiving support do not allow interviewees to detail their exact needs. When asking about their main needs and priorities, answer options should also include 'job search support' or 'help with (re)starting a small business' as possible needs or priorities for them. Some tools only allow them to express these needs under the "financial support" option, which for some interviewees may not be mirroring the exact support they may be demanding.

For instance, among the circumstances and motivations expressed by returnees as causing their movements back to their home settlements, the Protection Monitoring on Returns, conducted by the Protection Cluster from May 31st to June 20th in Kyiv, Kharkiv, Sumy, Odessa and Zhytomyr, found the lack of access to livelihoods and employment prospects in displacement areas or not finding stable jobs in the European country of destination and not wanting to live forever on assistance. Returnees' responses in relation to main concerns or needs that they face upon returning to their home areas included, amongst others, the loss of livelihoods and jobs and the lack of information on access to employment and social protection in the return location.

The **resulting needs** related to food security and livelihoods highlighted by interviewed informants and the reviewed secondary data are categorized within the **following 3 main groups of needs**:

1

Re-established / Strengthened small-scale production, especially small-scale farming.

The forms of small-scale farming in Ukraine are represented by various groups of agricultural producers: family farms, private peasant farms, and owners of private plots and gardens. These groups vary in terms of land size, signs of sustainability, level of merchantability, and demographics. Farms can be registered by an enterprise or individual entrepreneur for profit generation purposes and have a maximum land area of 100 ha per farm. A family farm is registered by an individual entrepreneur for profit generation and/or revenue increases with the same maximum limit to land area as farms (100 ha per family farm). Finally, personal households are not formally registered, their purpose is self-support and revenue increasing and their maximum land area is 2 ha per household member¹².

Initial estimates from June indicate the preliminary damage to the agriculture sector is between USD 4.3-6.4 billion due to the conflict. Availability and access to agricultural inputs including seeds, fertilizer, fuel and plant protection products will continue to have negative consequences for the next sowing and growing seasons, and will ultimately impact food prices. The reduced availability and access are mostly driven by a combination of limited availability from disrupted logistics services and financial issues faced by agricultural producers. Many farmers who took out commercial credit before the start of the war are now unable to repay their debts and keep their credit worthiness. On the other side, the sudden halt of maritime exports in February 2022, and the slow pace of exports using land and river routes, have shortened the availability of storage space to store winter and spring crops harvested in 2022. Agriculture activities have resumed in

¹² *Challenges of small-scale farming in Ukraine*. Roman BEZUS, Olena SAMOFAL. *AgroLife Scientific Journal*, Volume 8, Number 1. <https://agrolifejournal.usamv.ro/index.php/scientific-papers/412-challenges-of-small-scale-farming-in-ukraine-412>

some areas following the retreat of the fighting to the eastern regions in early April 2022, which has enabled farmers to sow spring crops and apply fertilizer to winter crops face the need to remove unexploded ordnances to safely do these works.

Between 20-30 per cent of the area where winter crops were sown is likely to remain unharvested due to the unavailability of fuel. If the estimates, based on the area planted and expected decline in yields, are confirmed the current forecast for the 2022 cereal harvest indicates a production of about 60 per cent of the exceptional harvest from 2021.

Livestock producers lack physical and economic access to animal health supplies, commercial veterinary drugs, animal feed and feed additives. A 25 per cent reduction of the livestock population was observed nationally among smallholders, mainly through forced slaughtering to reduce costs. Agricultural labour availability, is constrained by displacement and mobilization of agriculturalists into the Armed Forces of Ukraine and other military formations.

2 Strengthened professional capacity and re-established small businesses

ILO estimates that 4.8 million jobs have been lost with respect to the pre-conflict situation, equal to 30 per cent of pre-conflict employment in Ukraine. The disruption of employment and small businesses due to the conflict and the resulting displacement has badly damaged peoples' livelihoods. In the conflict affected areas, larger employers have closed operations due to disruptions in material inputs and loss of labour moving to safer locations. Some tentative initial estimates suggested that 50 per cent of businesses are closed, in some cases permanently due to conflict damage. From the national level, more than a third of Ukraine's businesses have suspended operations due to the escalation of conflicts.

ILO estimates that **4.8 million jobs** have been lost with respect to the pre-conflict situation, equal to 30 per cent of pre-conflict employment in Ukraine.

According to IOM Ukraine Internal Displacement Report Round 7, as of July 23, 60 per cent of interviewed IDPs lost their jobs due to the war. Amongst those who did not lose jobs, 32 per cent continue work remotely, and 23 per cent are temporarily unemployed but plan to resume working upon returning home.

According to Ukraine's Ministry of Economy, as of mid-May 2022, the Government had processed more than 1,500 applications for the relocation of enterprises from areas of active hostilities to safer areas in the West of Ukraine within the framework of a relocation programme, which also includes alternative logistic options for exports. Thanks to the relocation programme, almost 700 Ukrainian enterprises have moved their facilities to safer oblasts and have resumed operations at the beginning of August 2022.

3

Improved market linkages

The war in Ukraine creates a number of risks for the global agricultural markets. The country is among the most important producers and exporters of agricultural products and fertilizers worldwide. A large number of food and fertilizer importing countries depend on Ukrainian food supplies to cover their consumption needs.

Shortfalls in Ukraine's production and exports are negatively affecting the recovery of the economy, already suffering the impact of the COVID-19 pandemic, increasing prices of food and other commodities, such as fuel and energy, and high inflation. Costs of food imports have also increased as a consequence of the high costs of maritime transportation due to the damages caused by the conflict to inland transport infrastructure and seaports, as well as storage and processing infrastructure¹³. High energy prices and high inflation in partner countries have also increased price pressures in Ukraine. As a result, inflation has been growing rapidly over the last months, reaching 21.5 per cent yoy in June. The NBU estimates that Inflation will keep accelerating and will slightly exceed 30 per cent at the end of 2022, will drop to 20.7 per cent in 2023, and 9.4 per cent in 2024, and return to the 5 per cent target in 2025¹⁴.

Since the escalation of the conflict, URCS has had a strong focus on emergency assistance and relief. The National Society has built capacity and experience in protecting and strengthening livelihoods in areas close to the line of control, with support from ICRC, IFRC and the Austrian RC. This experience and capacity should be further strengthened, allowing Red Cross partners to lead efforts and IFRC play a facilitating and supporting role. For the URCS to retake FSL interventions it will be necessary to build its capacity, including at branch level. This can be progressively done by strengthening integrated livelihoods support linked to the services delivered by the National Society. For example, expanding resourcing and employment in social care or allowing Livelihoods to support through labour guidance and life skills training for people receiving MHPSS who have reached certain level of healing and recovery from the stress caused by the war and want to start working on their professional future again. Livelihoods intervention can also support rental assistance for shelter provided to vulnerable households where the working-age members need to recover their livelihoods but would need help to reach that goal.

¹³ FAO. 2022. *Ukraine: Note on the impact of the war on food security in Ukraine, 20 July 2022*. Rome. <https://doi.org/10.4060/cc1025en>

¹⁴ Inflation Report July 2022. National Bank of Ukraine. <https://bank.gov.ua/en/news/all/inflyatsiyniy-zvit-lipen-2022-roku>

3.3 Analysis of selected FSL response programming options

The identified FSL response programming options described in this section, are based on the findings of the review of secondary information and the responses of the interviewed key informants. The limitations of the assessment constrained the analysis and definition of FSL programming options that respond to the specific context of each oblast nor even of each of the five macro-regions because the data available in secondary information sources at the moment when the assessment was conducted was limited. For this reason, the identified FSL response options will require a different implementation approach depending on the location of the intervention: areas closer to the line of conflict (LoC) where damages and disruptions are huge, areas surrounding those that are closer to the LoC, and areas where fighting is not active. At a second level, some of these three areas are split into those where people have returned after the de-escalation of active fighting and those where returning is not possible yet and, in addition, where people who could not move to other locations daily live under extreme risk for livelihoods, and even for their lives.

The identified FSL response options aim at improving the food and livelihoods security of the most vulnerable population in the focus areas in the short- and medium-term. The short-term recommendations focus on lifesaving needs, while the medium-term recommendations look at sustainable assistance to restore and protect livelihoods, resilience building, and help the affected population transition from humanitarian assistance to food security and self-reliance.

The identified options will also consider the skills and capacities of each program's target group, since certain skills and knowledge may be necessary for them to take as much advantage as desirable from the program. For instance, a minimum level of basic literacy skill and self-motivation is key for micro-entrepreneurships.

On the other hand, most informants interviewed highlight as a critical information for FSL programming to have at least an estimation about the intention of people to be displaced again or to remain in their place of displacement or return. According to the IOM Survey Round 7, out of the estimated 5.5M returnees, approximately 665,000 are considering to leave their homes again (12 per cent). The highest percentage is in the East macro-region (22 per cent), while in the South macro-region, 83 per cent of returnees have indicated an intention to stay.

Local needs assessment that focus on the potential geographic focus areas are recommended in order to understand the distinct needs and capacities of the most vulnerable groups in the specific location. The outcomes will inform the design of specific Livelihood response options targeting vulnerable groups, such as single female-headed households, the elderly and youth, both among the displaced population internally, such as in host communities and returnees in such locations. Also, it will allow to map out existing local services and institutions, including governmental entities, trade unions, financial services, microfinance enterprises, chambers of commerce, training centers, etc., as well as other humanitarian and civil society actors, to support the access of vulnerable groups to local existing resources. Considering that some

livelihoods interventions may require large budget for implementation, especially in a European context, network and collaboration with these local actors and previous feasibility analysis that inform decisions on which livelihoods to recover and provide for is necessary for some of the identified FSL response options.

	Danish Refugee Council	Estonian Refugee Council	Food and Agriculture Organization	Help - Hilfe zur Selbsthilfe e.V	Hungarian Interchurch Aid	OM International	SURGe	UNDP	USAID (AGRO)
Agricultural inputs (seeds and basic tools) and grants			◆			◆	◆		◆
Business Grants	◆	◆							
Cooperative support in conflict-affected communities					◆				
Income generation activities (at community level, agricultural and non-agricultural)									◆
Job creation grants (enterprise level) or access to employment	◆							◆	
Livestock and poultry (distribution + treatment + feeding)				◆					
Provision of livelihood agricultural and non-agricultural grants and assets	◆						◆		
Technical Vocational Education Training (TVET)	◆							◆	
Trainings (agricultural and non-agricultural) + extension services + capacity-building events		◆					◆	◆	

Food Security & Livelihoods Cluster. Partners response on Livelihoods assistance¹⁵

In addition, local labor market assessments and local market assessments will provide information on what markets still exist for businesses in the specific location, the feasibility of businesses supported to find customers, the number of jobs available and in what sectors are there employment opportunities and what vocational training can help people acquire the skills to gain employment in the sectors that are currently in demand (e.g. agriculture, construction).

Since basic needs are mainly covered through Multi-Purpose Cash (MPC)¹⁶, other options with a stronger focus on the recovery and provision of livelihoods are recommended.

The following recommendation provided by the initial scoping of FSL support within Ukraine and impacted countries conducted by the IFRC in April 2022 was cross-checked during the assessment, which found that it remains necessary.

¹⁵ FSL Cluster Interactive Dashboard. <https://fscluster.org/ukraine/document/fsl-cluster-interactive-dashboard>

¹⁶ In February 2022, the Cash Working Group revised the Multi-Purpose Cash (MPC) transfer value and expanded from 70 per cent to 100 per cent of the estimated income gap, which amounts to UAH 2,220 (\$74) per person per month.

Support to restart small business and help re-employment will be the backbone of re-establishing livelihoods. Medium to large enterprise employment and wage labour is key to the income and livelihoods in Ukraine. Small holder agriculture and small business can struggle to be profitable, although important to supplement household income and improve food security. Home backyard gardening is popular and common in rural and urban areas and is shown to make a major contribution to household food security. It also provides significant physical and mental health benefits particularly relevant in the current situation.

Due to the variable and unstable situation of some regions, but in view of the prevailing needs of certain vulnerable groups, for the short-term it is recommendable in those regions where context allows it, to implement small actions aimed at reducing the impact that loss of their livelihoods is having on the economies of the most vulnerable households in rural and urban areas. These solutions will be planned and proposed considering the special needs and capacities of men and women and, if feasible, including additional vulnerability criteria such as people living with third type disability, undocumented single mothers and patients suffering from serious illness.

Based upon the recovery needs presented in chapter 3.2 above, the revision of secondary data, and the recommendations made by key informants, the assessment team developed a list of recovery options to be considered for implementation. These options were prioritized according to the three criteria urgency, risk, and implementation capacity. Ideally, the preferred options would be those that better respond to the FSL needs of the affected population in the context (rural, urban, semi-urban) in which URCS wants to work, considering at the same time its implementation capacity (or this capacity could be provided with the support of Movement partners).

The following table provides an overview of the identified recovery options for Food Security/Livelihoods. The position of the response options in the table does not mean any preference of the assessment team of some options over others. The preferred options are to be discussed with URCS and Movement partners at the Livelihoods technical working group within the framework of the unified planning process.

Recovery options Food Security / Livelihoods

1

Re-establishing / Strengthening small-scale farming¹⁷

- **Provision of unconditional cash grants for food and basic needs**

Today, basic needs are covered by other humanitarian actors, including IFRC and URCS, but when livelihood projects are to be implemented, they will have to ensure that the basic needs are covered until the livelihood start generating income. Consider possible linkages between unconditional cash grants for food and basic needs and existing social protection systems.

- **Provision of conditional cash grants to maintain income generation activities** (increased price of fuel and other seeds, fertilizer, fuel and plant protection products).

- **Provision of cash for work (CFW)**

To be considered as an option related to debris projects in coordination with Shelter and in accordance with government regulations on this matter. The recently created Task Team on Cash for Work (CFW) under CWG is assessing Ukraine's legislation to analyse the feasibility of CFW in the context of Ukraine.

- **Provision of seeds and agricultural tools in-kind/cash at household level.**

URCS has experience of supporting household food production and back-yard gardens. With support from ARC, the National Society provided support to small business and small holder food production in Eastern Ukraine, linking these activities to the provision of mobile health services.

Focused market assessments will be necessary to know whether these items are available locally or not.

- **Training of farmers on improved food production techniques.**

This option should be supported/coordinated by agriculture extensionist.

- **Support displaced people or other groups such as women to gain agricultural work / develop the skills** that are necessary to be employed in agriculture, either in the long term or as daily labourers whilst they are displaced.

A gender analysis is necessary at the local level prior to the design of this intervention, to know the cultural and social barriers that limit women's access, not only to employment in the agricultural sector, but also to land, markets, credit and production inputs, as well as the restrictions they face to participate in decision-making forums, such as producer cooperatives or worker groups.

¹⁷ Some recovery options under this category also apply to provide support to home / backyard, especially for vulnerable groups such as the elderly.

-
- **Access to storage space to store winter and spring crops harvested in 2022.**

For small holder food production.

- **Access to shelter and fodder for livestock, especially in winter.**

For small holder livestock production

- **Physical and economic access to animal health and protection supplies,** including commercial veterinary drugs, animal feed, feed additives and stables.

Should be supported/coordinated by agriculture extensionist.

2

Strengthening professional capacity and skills for income generation

- **Provision of conditional cash grants to re-start/strengthening income generation activities,** including, if necessary, conditional cash grant during the employment pathway to cover transportation costs, child-care, etc.
-

- **Training in small business management and/or vocational training to facilitate adaptation to current labour and market needs.**

As part of its Covid-19 response, IFRC supported URCS to provide vulnerable, low-income groups with training to strengthen and diversify livelihoods, helping them to access employment in the formal economy or start a small business, (activities due to start in early 2022 were postponed due to the conflict).

- **Promote and facilitate access to formal financial services.**
-

- **Support cooperatives to foster collective micro-entrepreneurship.**
-

- **Assistance with job searching and provision of basic life skills and employment skills training, and vocational education and training to help job seekers to acquire the skills necessary to gain employment in sectors that are currently in demand.**

Including digital literacy, if necessary.

- **Provision of information on access to compensation, employment and social protection.**
-

3

Improved market linkages

- **Promote local markets and solutions that support local transformation**, also helping to fill the gaps in the value chain and facilitating the transformation with equipment and technical knowledge.
High costs of transport due to the rise in the price of fuel make it necessary to support the local market as an alternative.
 - **Facilitate linkages between the target group and existing services and institutions to support access to local existing resources and markets.**
Including governmental entities, trade unions, financial services, microfinance enterprises, chambers of commerce, training centers, etc., as well as other humanitarian and civil society actors.
 - **Organize events, professional or job fairs with relevant stakeholders and successful entrepreneurs.**
-

Although the review of secondary information and people interviewed recommend support to small-scale farming, at the time the report was finalized the National Society did not see the added value of investing many efforts on this sector because it is already covered by other actors. Since URCS' preferred modality of delivery for FSL response activities is cash, if any action is implemented to support small-scale farming it will be done through such modality.

Additional general recommendations when planning FSL response actions are:

- Ensure that all humanitarian programming interventions are suitable and accessible for single parent households, particularly female-headed households, including such considerations as the provision of childcare¹⁸.
- While the recovery phase with the potential of considerable investment by the RCRC Movement partners represents an opportunity for nationwide service delivery by the National Society, some of the identified response options require strong implementation structures, such as a trained volunteer base, functioning monitoring systems and strong financial management at branch level. A full-scale implementation of all recovery program options nationwide would likely overstretch the implementation capacities of the National Society. The assessment team recommends to URCS leadership an approach by which the stronger, more experienced chapters implement the full scope of recovery options, while other chapters could implement recovery and provision activities which do not require a large volunteer base, advanced programming and reporting skills or assets and infrastructure. URCS leadership's consideration on this issue at the time of the assessment

¹⁸ CARE. Rapid Gender Analysis of Ukraine. 4 May 2022. <https://reliefweb.int/report/ukraine/rapid-gender-analysis-ukraine-4-may-2022>

in July 2022 is reflected in the Table of Response Options. Discussions on detailed recovery and provision planning in the Livelihood Technical Working Group to be held the weeks following the assessment will refine the identified FSL response options and geographical coverage further.

Beyond the selection of branches, a recovery implementation plan will need to specify the communities within the catchment areas of these branches. Due to time constraints, the assessment team could not go into this level of detailed recommendation but suggests the following guidelines for selection of branches:

- Branch leadership and decision makers support to endorse the implementation of some of the identified FSL response options, planning of livelihoods preparedness process and that adequate human and financial resources are allocated to achieve this.
- The livelihoods in emergencies approach is incorporated into the branch's strategic plans, and disaster management plans (preparedness, contingency and response).
- Existing emergency tools used by the organization already include livelihoods and cash transfer consideration.

The branch has certain level of coordination with local government and humanitarian actors participating in the response, including the related clusters (e.g. FSLC, Cash Working Group, etc.); also with community leaders and representatives of various sectors of the affected population as community committees, representative of vulnerable groups, women, youth, etc.; as well as with organizations and livelihood networks that exist in the country, as well as the private sector (i.e. chamber of commerce, associations and agricultural cooperatives, associations of small and medium-sized enterprises and businesses, etc.).

4. NEXT STEPS

The National Society with support from IFRC and PNSs will take FSL response planning further, building on the recommendations of this report, the IFRC scoping conducted in April 2022 and the findings of the DRC multi-sectorial needs assessment, and linking FSL response planning to the URCS strategic road map. To complete the next steps in FSL response planning and accessing potential internal and external donors, the following tasks are suggested to take place in next stages by URCS:

- **Continue the review of the response options** presented and lead the decision-making process in the Livelihood technical working group on what will be implemented where using which implementation model. Take a decision on immediate priority actions versus actions to be sequenced thereafter, linking these to longer term regular programmes of the National Society.
- **Develop a detailed FSL response plan** within the framework of the unified planning process for Ukraine, and drive discussion with IFRC and ICRC, and with interested PNSs

on who is willing to support the implementation of the plan, where and how.

- **Develop a marketing package for perspective donors.** This could include the FSL response plan linked to the National Society development strategy with evidence of positive impact of previous URCS programme interventions.
- **Approach RCRC Movement partners and external donors/partners to fund proposed FSL plan interventions.**

Next steps



5. ANNEXES

- Annex 1. Terms of Reference of the Assessment
- Annex 2. Agenda of the Assessment
- Annex 3. Livelihoods and the Ukraine's National Recovery Plan
- Annex 4. List of informants interviewed

Annex 1. Terms of Reference of the assessment

Context

The escalation of conflict in Ukraine since the 24 February 2022 has severely disrupted food security and livelihoods within Ukraine and the export of key cereals and oil seed on which global markets rely.

The conflict has exacerbated the already steadily rising food and energy prices worldwide, which are already affecting economic stability across all regions. Markets are constantly analysing the impact of the conflict on global exports from both Ukraine and Russia for various commodities, including fuel and minerals alongside agricultural exports.

Agriculture is a key contributor to Ukraine's economy and a driver of employment and rural economic growth. The smallholder farming sector is critical to agricultural production contributes 41 percent to the gross agricultural production and a key source of employment. Smallholders are also estimated to contribute 20 per cent of Ukraine's grain production and dominates vegetable, fruit and dairy production.

While Ukraine had a bumper harvest in 2021, grain and oilseed exports have stalled due to the escalation in conflict. The breakdown of supply chains supporting processing and marketing in Ukraine have also impacted food availability, leading to price increases compounded by increased fuel costs.

The UN estimates that over 20 percent of cereal harvests this summer will not take place due to the conflict and insecurity, loss of equipment and lack of labour. Available storage is also reduced due to grain remaining from last year. It is also predicted that next spring planting will be a third less than normal due to insecurity and conflict, with further risks of more damage to agricultural infrastructure.

The disruption of employment and small businesses due to the conflict and the resulting displacement has badly damaged peoples' livelihoods. Larger employers have closed operations due to disruptions in material inputs and loss of labour moving to safer locations. Small business has closed, in some cases permanently due to conflict damage.

A 2021 survey by FAO in the Eastern Ukraine also highlighted the high dependence on pensions and social assistance, (39 and 24 per cent of survey households respectively). Employment in agriculture and non-agriculture was 5 and 3 per cent respectively which reflects the relatively lower importance of self-employment in eastern Ukraine before the escalation of the conflict. Over 70 per cent of households engaged in vegetable production, in most cases for their own consumption.

Inflation rose to 18 per cent in May 2022, up from 16,4 per cent a month before and 10 per cent in February 2022. High inflation in recent years has led the Ukraine government to introduce state price regulations in 2021 restricting price increases of socially critical food items. Annual price change in government-controlled areas was 34.3 per cent for food and 30.5 per cent for agricultural inputs in 2021 compared to the corresponding period of 2020. The overall increase

of subsistence level since April 2020 to August 2021 is 13 per cent. Considering this strong and continued upward trajectory in the actual subsistence line observed for the past years, it is projected that the actual subsistence level may reach UAH 4,621 by April 2022, increasing by 20.1 per cent since April 2020 when the previous income gap analysis was conducted to inform the revision of MPC Transfer Value. Should the security situation deteriorate, and the conflict escalate, the cost of living might experience a higher increase.

All basic food prices had increased substantially over the last 12 months and have rose further due to the escalation of the conflict, driven by increased fuel costs and the collapse of markets and supply chains. As a result, food insecurity is expected to further increase in the short to mid-term while unemployment has substantially increased and income streams, particularly for the most vulnerable, have decreased. Re-establishing agri and commercial business that are major employers will take time once security returns and investment is secured. Although, local businesses are disrupted, there are still warehouses in Ukraine and their production of goods continues. Thus, to ensure sustainability of the local economy, it is preferable to support local and state-level economy.

Movement response to the 2014 occupation of Russia of the Donbas oblast

Even before the current escalation. 1.1 million people needed of food and livelihood assistance in Eastern Ukraine alone.

The IFRC has been supporting the Ukrainian Red Cross through its Country Delegation based in Kyiv as well as from its Regional Office for Europe, providing technical support to programmes and operations, including COVID-19 response, climate change, health and care, livelihoods and education. On 5 February, the IFRC released 218,638 Swiss francs from its Disaster Relief Emergency Fund (DREF) to support the Ukrainian Red Cross in their preparedness to response to (potential) conflict escalation. IFRC, Danish RC, German RC are present within Ukraine whilst Austrian RC, Italian RC, Luxembourg RC and Swiss RC have been supporting URCS programmes and some are opening delegations (Austrian RC, British RC, etc.).

The ICRC has been working in Ukraine since 2014. Its operations in the country are among the ten largest ICRC operations worldwide with a team of over 600 staff members. ICRC support to people includes emergency assistance such as food, water, and other essential items. ICRC also support hospitals and primary health centres.

Response from the Government and its technical and financial partners (TFP)

Since the start of the conflict escalation, the Government of Ukraine has introduced several support programmes for people affected, including those from affected regions who lost jobs and have no access to employment; support to employers that take in IDPs from affected regions; to displaced adults and children, as well as to those who host IPDs to cover the extra cost of utilities. The Government tries to keep the social protection via shock responsive safety nets to continue supporting Ukrainian population as much as possible; using new ad-hoc measures or by reforming existing social protection tools; supporting also, jointly with international agencies, the national production, particularly in the agricultural sector. For example, there are cash programs targeting farmers, military personnel, and families whose breadwinner is missing; from March to May, FAO provided agricultural assistance alongside cash transfers for vulnerable smallholder farmer households, about 240,000 people.

The Government of Ukraine with support to humanitarian actors, is making payments to IDPs (2,220 UAH per person per month,) from the affected areas who lost their jobs and have no access to employment. These payments have been facilitated using Diia, a mobile app and/or the e-help registration web portal run by the government that allows use of digital identification and access to government services. URCS have MOUs with several ministries to deliver an Emergency Social Safety Net (ESSN) style multipurpose cash assistance (MPCA) programme to affected households as a type of shock responsive social protection.

Objectives of the assessment

The findings of this assessment will inform the development of a Livelihoods Situation Report (LSR) that will be the basis for developing recommendations for potential interventions for the short-, medium- and long-term actions to inform in the URCS Livelihoods Plan of Action for the next [months/year]. This plan will be aligned to the Ukrainian Government's strategic recovery plans and, be supported and implemented by different Movement partners with capacity to do so. The LSR will differentiate the possible response actions by regions, target groups (IDPs, non-IDPs, rural and urban, etc.) and phases in the crisis response.

The main expected findings from the assessment are the analysis of the impact of the crisis on food security and livelihoods (FSL); on the most affected/vulnerable population in the areas of focus as well as the situation of markets, identification of facilitating services and initiatives, including the Government economic response plans, and possible short- and long- term response options for FSL interventions for the affected population. Also, the capacity of the URCS to respond to the crisis in terms of food security and livelihoods programming will be assessed and some recommendations provided.

Overall objective of the Assessment

The overall objective of the assessment is to analyse the impact that the current unstable situation in Ukraine in the livelihoods of both the internal displaced population (IDPs) and those who are not displaced in Ukraine and gather information and evidence about their food security and livelihoods needs.

Specific objectives

- Assess the main difficulties and barriers that the affected population is facing to protect and recover their livelihoods, differentiated by IDP and non IDP population.
- Assess the feasibility and entry points for possible partnerships with other humanitarian, development and resilience actors to set-up livelihood's interventions.
- Assess the general situation of local markets and accessibility.
- Identify the profile of the most affected population
- Identify the coping strategies used by the affected populations
- Identify the stakeholders, including the Government, and planned or ongoing interventions in place to assist the affected population in the protection and recovery of their livelihoods.
- Formulate recommendations for the development of a short-, mid- to long-term livelihoods strategy.
- Assess the capacity of the URCS to respond to the crisis in terms of FSL programming.

The expected results

- The impact of the unstable situation in Ukraine on food and livelihoods of both internal displaced and non-displaced population is known and the most vulnerable socio-economic groups are identified
- The level of accessibility, availability of products in the markets, finance services and others facilitating services and initiatives is identified
- Interventions of other partners, humanitarian actors, including Governmental recovery plans, and gaps are identified
- Priority areas to meet the immediate needs of the most vulnerable populations are proposed
- Specific recommendations for developing a short, medium to long-term resilience and livelihoods strategy are provided.
- Assess the capacity of the URCS to respond to the crisis in terms of FSL programming
- Develop LLHs assessment approach/guidance and tools and improve them based on the experience; so that the URCS can replicate similar assessment in the future when/as needed or when there are significant changes to the context (i.e. access to newly opened areas, returns possible, etc.)

Assessment Methodology

In coordination with URCS and Movement partners in the field, the Spanish Red Cross will lead the preparation of the assessment process and tools, based on the RCRCM HES (Household Economic Security) methodology, as well as the development of the final report with the support of the LRC.

In light of the assessment mission limitations in terms of time and accessibility to some regions, it is not realistic to expect a detailed needs analysis, but a macro analysis based on a review of secondary information sources and interviews and meetings with key informants that help fill the gaps not covered by the review of secondary sources. Only if the situation allows, field data collection will be conducted and focus group discussions organized in collaboration with URCS National level and branches.

The duration of the assessment is estimated at 27 days (including writing the final report with recommendations for potential interventions) from July 11th to August 6th, 2022.

Expected tasks

Task 1	<ul style="list-style-type: none">– Desk review of available secondary data, and its analysis.– Work Plan for primary data collection
Task 2	<ul style="list-style-type: none">– Interview with key informants from the RCRC Movement, and other humanitarian and development actors, national and local institutions, private sector, etc.
Task 3	<ul style="list-style-type: none">– Preparation of the draft Livelihoods Situation Report (LSR) that will include recommendations for potential Livelihoods interventions in response to the identified needs.
Task 4	<ul style="list-style-type: none">– Presentation of the draft LSR to URCS, IFRC, and relevant Movement partners.
Task 5	<ul style="list-style-type: none">– Integrate feedback from URCS, IFRC and other Movement partners in the final version of the LSR

The approach recommended for the assessment team is:

- Bear in mind along the whole process the Government's plan/strategy for livelihood recovery in the short-, medium- and long-term.
- Align the assessment process and findings with the UCRS National Development Plan
- Coordinate with the IFRC Country (Cluster) Delegation, particularly with the NSD Coordinator, and with those sectors that are focused in supporting needs that are relevant to the livelihoods sector, such as the Winterization WG, Shelter, National Cash WG. Coordinate with the Food Security and Livelihoods Cluster (Livelihood Group)
- Coordinate with the ICRC, particularly for the assessment of conflict areas within the country.
- Geographical scope of primary data collection: target areas to be identified and agreed jointly, based on agreed criteria which might include among others: needs, presence of URCS/RCRCM partner, area is representative of a specific category (urban - rural, high IDPs density, high numbers of returnees, specific livelihoods zones or activities, etc.)

Annex 2. Agenda of the assessment

Day	Activity
13 July	Arrival to Kyiv. Initial meeting with IFRC and URCS leadership
14 -17 July	Secondary data review; finalization of the list of key informants list
18 July	Meeting with URCS counterpart (Livelihoods Coord.) and key informant interviews.
19 -22 July	Secondary data review and key informant interviews
23-24 July	Secondary data review
25 July	Secondary data review and key informant interviews
26 July	Visit to Podil district branch and secondary data review; meeting with URCS counterpart (Livelihoods Coord.)
27-29 July	Secondary data review and key informant interviews
30-31 July	Secondary data review
1 August	Secondary data review; key informant interviews; analyse findings; draft report
2 August	Analyse findings; refine identified FSL response options; draft report
3 August	Analyse findings; refine identified FSL response options; draft report
4 August	Departure from Kyiv
12 August	Draft report sent to URCS leadership.
12-17 August	Reception of URCS comments.
18-19 August	Integration of comments and final assessment report sent to URCS

Annex 3. Ukraine's National Recovery Plan

Recovery Strategies

At the Ukraine Recovery Conference¹⁹ held in Lugano on 4th and 5th July, 2022, Ukraine's prime minister estimated the country's recovery needs in USD 750 billion for a three-stage recovery plan responding three main goals:

- Strengthening resilience during war's time
- Preparing for a rapid recovery immediately after the war
- Setting the foundation for long-term modernization and growth

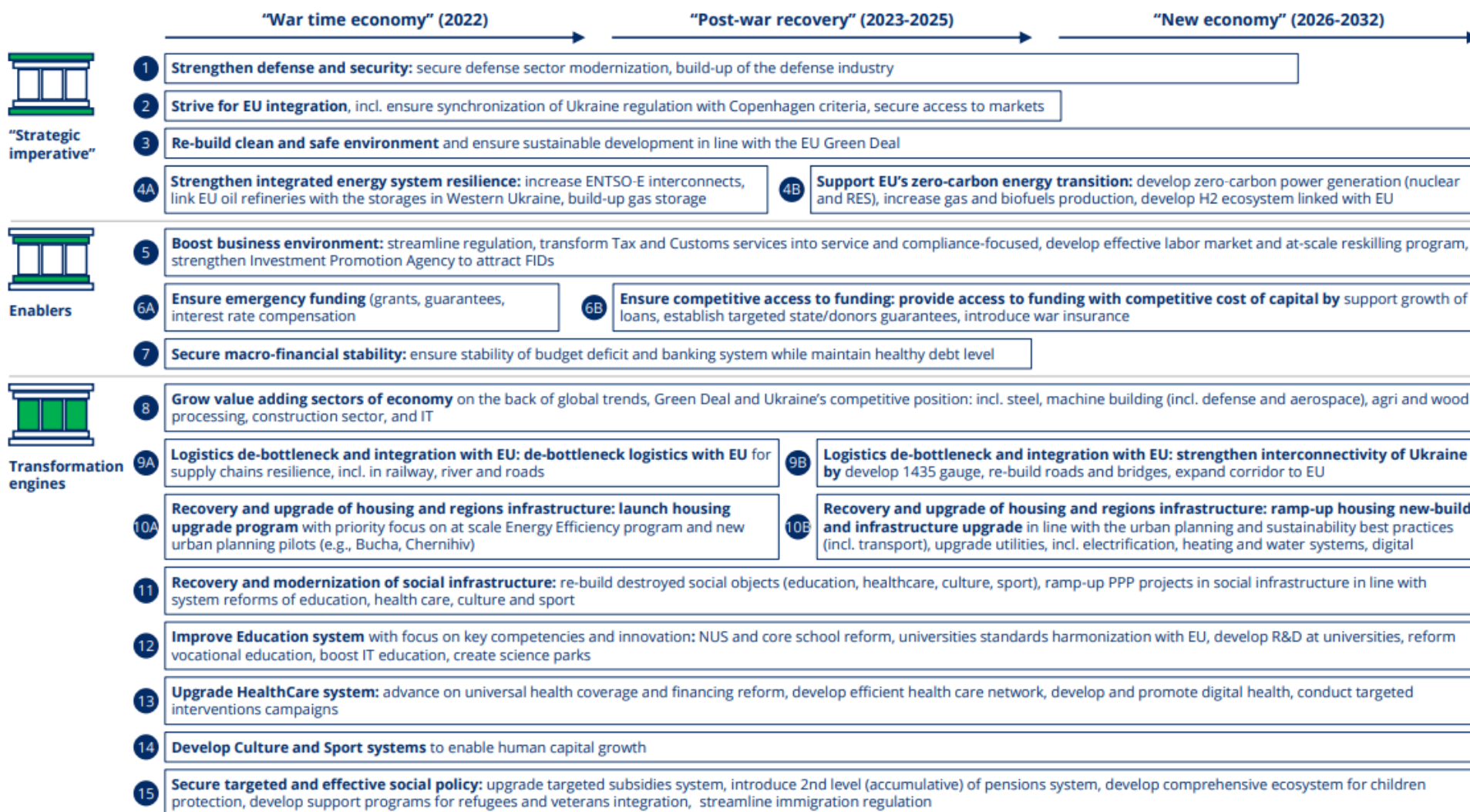
With the aim to achieve a common vision of the recovery process and systematise the wide range of plans and concepts of recovery that were developed after the start of the war, a National Recovery Council (NRC) was set up by the President of Ukraine, consisting of 24 working groups divided by areas of Recovery, where each group includes both officials and expert community representatives. NRC has developed a draft recovery plan with concrete initiatives and ideas to be discussed and elaborated. The plan identifies 15 "National Programs" to boost Ukraine's Recovery and achieve growth targets in the short-, medium- and long-term.

The following image summarizes the Ukraine's National Programs²⁰.

¹⁹ <https://www.urc2022.com/>

²⁰ Image extracted from the 'Ukraine's Recovery Plan Blueprint' presentation. Full presentation is available at <https://www.urc2022.com/urc2022-recovery-plan>

Ukraine's National programs (see program details and priority projects in the Annex)



War-time economy actions

Amongst the immediate priorities of the Recovery Plan, the Ukraine's Recovery Plan highlights the macro-financial stability, energy sector and logistic resilience, and social support to IDPs and war affected population.

The National Recovery Plan proposes to learn from the experience of other countries which have undergone post-conflict recovery process to design recovery support packages aimed at the post-conflict recovery of Ukraine's economy, including a range of internal support programs and outside financial and advisory support from other countries and international financial organizations. National Plans most relevant for Livelihoods in war-time economy include, amongst others:

- Boosting business environment through streamline regulation, transformation of Tax and Customs services into service and compliance-focused, development of effective labor market and at-scale reskilling program, and strengthening Investment Promotion Agency to attract FIDs.
- Ensuring emergency funding (grants, guarantees, interest rate compensation)
- Logistics de-bottleneck and integration with EU: de-bottleneck logistics with EU for supply chains resilience, incl. in railway, river and roads.
- Improvement of Education system with focus on key competencies and innovation, including universities standards harmonization with EU, development of R&D at universities, reform of vocational education, boosting IT education, and creation of science parks.
- Securing targeted and effective social policy: upgrade targeted subsidies system, introduce 2nd level (accumulative) of pensions system, develop comprehensive ecosystem for children protection, develop support programs for refugees and integration of veterans, and streamline immigration regulation.

More specifically, the recovery plan foresees the following actions for the development of effective labour market and at-scale reskilling program:

- Establish a program aimed at incentivizing new business creation
- Increase labor mobility through:
 - a) funding the transfer to other regions for job purposes,
 - b) simplifying regulations for foreigners' employment in Ukraine and Ukrainians' employment abroad.
- Launch PPP re-employment program with reskilling part (physical and financial infrastructure, employers funding matching), up to 1 M people coverage.
- Transform Employment agency to reemployment focused organization, matching supply

and demand (e.g., provide career advisory services, advanced demand planning model for skills)

Actions in 'Post-war recovery' and 'New economy'

The long-term sustainable development of the country is expected to be achieved through the enhancement of infrastructure, economy and human capital.

Ukraine's efforts will focus on ensuring economic freedom, access to markets, capital and know-how, as well as sound sectoral policies. Reasonable regulation, antitrust policy, the rule of law, reducing the role of the state in the economy and attracting global business and investors will help create the favorable conditions for doing business, ensuring that Ukraine's business have access to finance to accelerate recovery and further development.

Locating production in the country, concluding new mutually beneficial trade agreements and promoting Ukraine's products on international markets will be the focus of the Government's effort towards integration into value chains. Catalytic projects will be launched in various sectors of the economy for diversification and participating in global value chains.

National Plans most relevant for Livelihoods in the medium to long-term include, amongst others:

- Ensuring competitive access to funding: provide access to funding with competitive cost of capital by support growth of loans, establish targeted state/donors guarantees, introduce war insurance.
- Grow value adding sectors of economy on the back of global trends, Green Deal and Ukraine's competitive position, including steel, machine building (also for defense and aerospace sectors), agriculture and wood processing, construction sector, and IT.
- Logistics de-bottleneck and integration with EU: strengthen interconnectivity of Ukraine by developing 1435 gauge, re-build roads and bridges, expand corridor to EU
- Improvement of Education system with focus on key competencies and innovation, including universities standards harmonization with EU, development of R&D at universities, reform of vocational education, boosting IT education, and creation of science parks.
- Securing targeted and effective social policy: upgrade targeted subsidies system, introduce 2nd level (accumulative) of pensions system, develop comprehensive ecosystem for children protection, develop support programs for refugees and integration of veterans, and streamline immigration regulation.

From 2023 to 2032, the following projects are proposed to grow value adding of the agricultural sector:

- Develop agriculture processing in alignment with EU Green Deal principles.
- Build 1 mha irrigation system in compliance with EU directives
- Develop high-value-add agriculture production of vegetables, fruits, berries, seeds
- Re-cultivation of damaged land
- Increase meat and milk production and processing
- Promoting the transition of the agri-food sector to “green” growth (by enabling precision farming)
- Fast restoration after the war of 10.5K agricultural enterprises.

Strengthen the human capital of people of Ukraine is also a pillar to achieve the long-term sustainable development of the country. To support the personal development and ensure a high standard of living, Ukraine will provide inclusive access to education and skills development, promote cultural development, preserve cultural heritage and counter misinformation. In addition, sports infrastructure will be restored and incentives for the return of young people will be offered. The development of a network of institutions based on the needs of different social groups and support to all victims of war and especially the socially vulnerable, through digitally targeted tools are also among the actions to be implemented to strengthen the human capital.

The above strategies are expected to be implemented *in partnership with various stakeholders, including the United Nations agencies, donor community, other development partners, international and national non-Governmental Organizations, civil society organizations and other specialist groups.*

Annex 4. List of informants interviewed

Organization	Name	Role	E-mail
Ukrainian Red Cross Society	Illya Kletskovskyy	Deputy Director General (Programmes)	i.kletskovskyy@redcross.org.ua
Ukrainian Red Cross Society	Olga Kozyrenko	Livelihoods Unit, Coordinator	o.kozyrenko@redcross.org.ua
Ukrainian Red Cross Society	Alyona Hrebenchukova	Head Podil district Branch (Kyiv)	podil.kyiv@redcross.org.ua
IFRC	Violaine Des Rosiers	Operations Manager Ukraine	Violaine.DESROSIERS@ifrc.org
IFRC	Dorothy Francis	Interim Membership Coordinator	dofra@rodekors.dk
IFRC/British Red Cross	Marga Ledo	IFRC CVA delegate	marga.ledo@nrc.no
ICRC	Roger Tahn Shelton	EcoSec Coordinator	rshelton@icrc.org
ICRC	Elmira Ablekeeva	Deputy Operation Manager	eablekeeva@icrc.org
Austrian Red Cross	Juergen Hoegl	First Aid Delegate	Juergen.Hoegl@roteskreuz.at
Canadian Red Cross	Askar Umarbekov	Ukraine Humanitarian crisis response	Askar.Umarbekov@redcross.ca
Canadian Red Cross	Jaime Wah	Health Coordinator	jaime.Wah@redcross.ca
Danish Red Cross	Jakob Harbo	Country Manager	
Danish Red Cross	Kavita Shukla	Programmes Coordinator	kashu@rodekors.dk
Danish Red Cross	Niels Baarvig	Coordinator, NSD	nibaa@rodekors.dk
Danish Red Cross	Susanna Harutyunyan	NSD delegate	susha@rodekors.dk
Danish Red Cross	Bethan Macevoy	MHPSS Coordinator	bemce@rodekors.dk
Danish Red Cross	Aleksandre Mikadze	CVA delegate	almik@rodekors.dk
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Turkish Red Crescent	Mustafa Şahin Firat		sahin.firat@kizilay.org.tr
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