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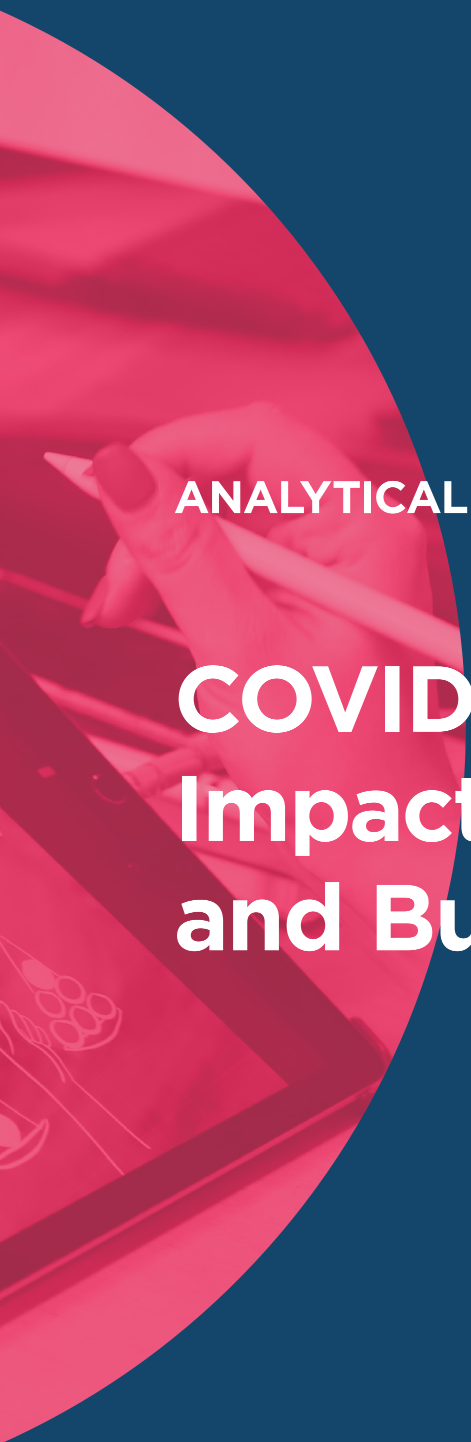

ANALYTICAL REPORT

COVID-19 in Ukraine: Impact on Households and Businesses

October 2020

CONTENTS

List of acronyms

COVID-19	Coronavirus Disease 2019
CO2	Carbon Dioxide
EaP	Eastern Partnership countries
EBRD	European Bank for Reconstruction and Development
EU	European Union
EUR	Euro
FAO	Food and Agriculture Organization
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
IDRPB	Inclusive Development, Recovery and Peace Building team (UNDP)
ILO	International Labour Office
IMF	International Monetary Fund
LEP	Local Employment Initiative (ILO)
MSMEs	Micro, small and medium enterprises
NGCA	Non-Government Controlled Area
OECD	Organization for Economic Cooperation and Development
PPE	Personal Protective Equipment
RPP	Recovery and Peacebuilding Programme (UNDP)
SDGs	Sustainable Development Goals
SEIA	Social and Economic Impact Assessment
SME	Small and medium enterprises
UAH	Ukrainian Hryvnia
UNDP	United Nations Development Programme
UNW	UN Women
USD	United States Dollars
VAT	Value Added Tax

Preface

In response to the COVID-19 pandemic, which swept across the world like a tsunami in early 2020, the United Nations system switched to emergency mode and mobilized its full capacity through 131 country teams serving 162 countries and territories to support national authorities in developing public health preparedness and response plans to the crisis. In Ukraine, the UN system conducted more than 50 surveys and studies to assess the full scope of the pandemic. The UN Development Programme, UN Women and the UN Food and Agriculture Organization led the assessment of the socio-economic impact of COVID-19, focusing on micro, small and medium enterprises (MSMEs) and households.

We are proud to present this report, which covers the findings of two separate surveys that reached 974 owners of MSMEs and 1,022 households in all 24 oblasts and in the city of Kyiv. The surveys, which took place between 20 May and 3 June 2020, looked at the direct and indirect impacts of the pandemic on SMEs, employment, living conditions, livelihoods, autonomy and decision-making for women and men, taking into account the type of settlement (urban, rural), age, gender, across all regions in Ukraine, with a focus on identifying the gender gaps under each topic/sector.

Through this assessment, we found that women were disproportionately affected by the crisis not only because of their high exposure to the virus as health and social workers, but also due to unfair distribution of unpaid domestic and care work. We also saw that the crisis exposed deep divides in income and job security between those employed officially and those working informally for MSMEs locally or as seasonal workers overseas, who were far more vulnerable to the prolonged economic downturn because of the lack of social protection and low savings. Rural households appeared to be more vulnerable in terms of income and employment, yet urban SMEs fared worse than those based in rural areas, which demonstrates the resilience and importance of agriculture during the crisis.

This report with its recommendations is part of a concerted UN effort to inform a coordinated, efficient, and inclusive response to the COVID-19 crisis in Ukraine. We at UNDP, UN Women and FAO are here to support and accompany the Government and people of Ukraine through these challenging times. The actions we are taking now will hopefully soften the blow from the pandemic and directly contribute to rebuilding the country moving forward. By staying bravely prepared for the worst and hoping for the best, Ukraine should be able to emerge better, stronger, and more resilient than ever before.

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Executive summary

In response to the COVID-19 pandemic that swept across the world in early 2020, the United Nations system mobilized its full capacity through 131 country teams serving 162 countries and territories to support national authorities in developing public health preparedness and response plans to the crisis. In Ukraine, the UN system conducted more than 50 surveys and studies to assess the full scope of the pandemic. The UN Development Programme in collaboration with UN Women and UN Food and Agriculture Organization led the socio-economic assessment of the impact on businesses and households in Ukraine. This report presents the findings of two separate surveys which reached 974 owners of MSMEs and 1022 households in all 24 oblasts and in the city of Kyiv.

The surveys, which took place between 20 May and 3 June 2020, involved telephone questionnaires followed by detailed interviews with 20-30 respondents from each group to collect qualitative information. The assessment analyzed the direct and indirect impacts of the pandemic on MSMEs, employment, living conditions, livelihoods, autonomy and decision-making for women and men, taking into account the type of settlement (urban, rural), age, gender, across all regions in Ukraine, with a focus on identifying the gender gaps under each topic/sector. The following are some of the findings:

- The crisis and the imposed quarantine and lockdown caused a reduction in output, household spending and trade. The global value chains were disrupted leading to a steep decline of GDP in Ukraine.
- In general, an over-reliance on social transfers and remittances to drive the economy made the country particularly vulnerable to shocks.
- More than 8 percent of SMEs are on the brink of bankruptcy and may have to close down.
- Unemployment is increasing.
- More than 9 million people may fall back into poverty during the pandemic (increase from 6.3 to 9 million).
- Women and girls are disproportionately affected by the crisis because of their high exposure to the virus. Women account for 82 percent of the total health and social workers (compared to 70 percent average worldwide).
- The crisis and the lockdown have also led to a spike in domestic violence. The reported cases increased by 30 percent.

The present socio-economic impact assessment shows the coronavirus crisis shining a spotlight on pre-existing problems that now need to be addressed. The problems caused by the crisis and quarantine were multiplied by other factors such as changes in national regulations, weather conditions, macroeconomic situation. For example, a deep divide has been revealed in income and job insecurity between those employed officially, especially those working for the state (schools, hospitals, museums) who did not lose their jobs and had access to various state supported "unemployment allowances," while still receiving a salary. However, many unofficial workers lost their jobs, had to resign, or had their workload cut to a very minimum, with limited access to social benefits.

The economic contraction has resulted in decreased employment and a surge in returning migrants, which has reduced incomes and inflows of personal remittances. Almost half of Ukraine's workers turn to micro-enterprises for income and employment, where they operate wholesale and retail businesses in urban areas, or cultivate land in rural areas, and most remain stuck in low-value-added sectors. This is an important consideration in a context where 75 percent of women participating in the labour force are self-employed. Government support for women-owned SMEs and measures for gender responsive social protection that consider diverse household structure and needs may play a critical role, particularly for single-parent families and woman-headed households.

Working remotely raises many challenges for employees - particularly for women. Policy interventions are required to design measures that reduce and redistribute unpaid domestic and care work, through egalitarian work-life balance practices in workplaces. Fiscal stimulus packages that involve measures to enhance gender inclusive growth are important for the generation of employment through prioritizing public investments in the social care services sectors. The representation of women-owned SMEs and women organizations in COVID-19 crisis management and decision making could be ensured by government support and awareness-raising activities.

A) survey of micro, small & medium enterprises

Profile of MSME respondents

Of the 974 MSMEs surveyed, 60 percent were owned by men and 40 percent were owned by women; the majority were between the ages of 25 and 55 with well-established businesses (five to 20 years). The vast majority of MSMEs operate in the domestic market; half had from one to four employees with annual turnover under 1 million Hryvnia; and one-third operated in the wholesale and retail trade sector. Businesses operated by men were more common in rural areas, and a higher percentage of women respondents lived in urban areas. In rural areas, about a quarter of MSMEs were involved in cultivating land.

Impact of the pandemic

Nearly two-thirds of businesses were impacted by the pandemic and lockdown measures, with one-third having to fully suspend activities and over a third partly suspending operations. Challenges included lower market demand, cancellation of orders, and meeting the cost of procurement, utilities, rent and PPE. The vast majority of MSMEs (80 percent) experienced a decrease in monthly turnover, and a quarter had to decrease the number of employees. Businesses were forced to adopt various response measures including purchasing PPE, negotiating with lenders to lower financing costs and extend repayment cycles, reductions in rent, changes in logistics and transportation of goods, reduction in working hours or salaries, and shutting down production lines or outlets.

Problems experienced by MSMEs were more common among those in urban areas, and those operated by women. The majority of business owners decreased the number of women employees, and this occurred more often in MSMEs located in the western, central and eastern regions of Ukraine; and women experienced a decrease in their monthly turnover more so than men. In terms of performance, rural MSMEs appeared to do better than urban ones, which is perhaps a reflection of the importance of the agriculture sector during the crisis, because none of the MSMEs that cultivate land had to fully suspend operations, and only a quarter partly suspended operation. Telecommuting was not considered possible for two-thirds of rural businesses and half of urban businesses.

Future considerations

Most respondents indicated they would continue operating in the domestic market, two-thirds were contemplating diversifying goods and services or distribution channels, or accelerating innovation; and some were considering a new business model or reducing the size of their business. In rural areas, half of businesses were considering crop diversification. If the lockdown continued, many predicted that they would not survive past September, or they would have to scale the number of employees down to a minimum.

Government support

Despite the difficulties, entrepreneurs were sceptical and/or unable to apply for support from the state, or from other businesses, largely because they were operating in the informal sector. Support that would be most helpful included preferential tax policies, financing, and preferential lending, and financial support from international organizations.

B) Survey of households

Profile of household respondents

More than half of the 1,022 respondents were women and most were between the ages of 25 and 65.

Vulnerable households

The household (HH) survey revealed a significant level of vulnerability within households, including those with special needs such as elderly, chronic illness, people with a disability, unemployed, and the need for psychological support. One-third of households did not experience a change in the portion of their income spent on food. HH with more vulnerable segments of the population (elderly, women, etc.) were more worried about food and income uncertainties.

Income and food Insecurity

Concerns about having enough food because of the lack of money increased when households had representatives of vulnerable groups such as orphans, refugees, single mothers and fathers, unemployed, persons on leave who care for infants, persons with chronic diseases, disabilities or informally employed. Urban HHs are more exposed to food insecurity, where a higher share of respondents was worried about not having enough food and food expenses are higher. Women, those living in urban areas, and those in the older age groups were more concerned that there would be a shortage of food in the household because of a lack of money. Rural HHs are more vulnerable, as they have a higher share of unofficially employed, and more chronically ill members. Women living in the eastern region of the country were most worried that their household would not have enough food because of the lack of money, where about half were worried.

Access to medical care

Although medical services were not required by half of households, access to health care has been affected by the pandemic, particularly in rural areas where there were a number of reasons for not accessing health care, including suspended healthcare, obligatory quarantine, lack of medication, and inability to travel. In urban areas, respondents indicated that facilities were "too busy." While few households indicated a need for psychosocial support, the majority of those that did need it were not able to access it. The need for mental health support has increased because of the COVID-19 outbreak, as many were stressed and anxious about the future, and women indicated a greater need for psychosocial support than men. Respondents reported an increase in the number of arguments and conflicts within the household and with the neighbours. In addition, parents were having to spend more time with their children, locked down at home and making sure they did their studies, which put growing pressure on the parents, and increased the stress levels for adults.

Education

The majority of households included someone who had switched to online education, but various problems were reported such as connecting to the online platform, limited monitoring of education, and lower quality interaction with the teacher. These difficulties were more common for boys than girls, and urban areas were more critical of the quality of online education, the ability of teachers, student access to the internet, and proper motivation for children studying online.

Social protection

Fewer than 10 percent of households applied for social benefits, such as housing support, child support, targeted social assistance, and unemployment benefits. Detailed interviews revealed most respondents asking for state support as "too complicated" or "a waste of time." Support benefits and assistance were 25 percent more common in urban households in the east of the country.

Debts, savings and income

Among the top concerns among households are paying back loans, utility bills and increasing food prices. Financial support from the state is not easy to obtain, and people were worried about the cost of rent and bills, as well as fines being levied for not paying bills or missing loan repayments. Many of those who took a loan are now unable to pay it back.

The pandemic significantly reduced the average monthly income for more than half of households; and this affected men more often than women. Rural households had lower overall incomes, and households in the east and centre of the country experienced a greater reduction in monthly income. This was compounded by the lack of bus transportation in rural areas where residents could not travel to work or sell their products.

Household possessions

Half of households had a car or van, most had a TV, three-quarters had access to the internet (mobile or broadband), a mobile phone or landline, a smartphone or tablet, or a computer or laptop. A larger proportion of rural households had a car or van, and a smaller proportion of rural households had broadband internet or a computer.

Most vulnerable

Unfortunately, the survey did not directly address the impact on the most vulnerable segments of Ukrainian society (minorities, Roma, persons with disabilities, and people living in the conflict zones). It is safe to assume that the impact of the pandemic on these groups was compounded by the conflict and other forms of inequality or insecurity. UNDP's IDRPB has conducted a detailed survey on trends and the impact of the pandemic on a number of value chains in eastern Ukraine, which is available in a separate report.

Structure of the report

Analysis of the background situation in Ukraine (Section 2, Economic impact at the global, macro and regional levels) revealed that the prevalence of informal economic activity, as well as limited options for productive and well-paid employment, will likely exacerbate the socio-economic impact of the crisis on its vulnerable workers and complicate efforts to mitigate it, because the country lacks a broad social security system. Studies by OECD and the World Bank examined the impact of the pandemic and the stringent containment measures on trade, output and employment, and on Ukraine's vulnerable workers. The assumption is that the contraction of trade and other economic activity in major European and global markets will negatively affect the post-crisis recovery of smaller economies like Ukraine into 2021, as investors liquidate their positions in local assets and move their funds to safe havens.

The results of the UNDP/UN Women/FAO surveys are presented in Section 3, Impact of the COVID-19 pandemic on MSMEs and Section 4, Impact of the COVID-19 pandemic on households. These findings have been validated by referencing some other COVID-19 assessments undertaken by various UN agencies since the start of the pandemic, which provide a similar micro perspective on the impact of the pandemic (see list at Annex 6).

The current crisis will require the adoption of comprehensive support packages that encompass not only direct support to MSMEs through lines of credit and loan guarantees, but also fiscal and social policy measures. Intensive support will also be needed in the medium to long-term, especially to help MSMEs recover quickly from the crisis by supporting digitalization, more flexible regulation and better access to finance (Section 5, Government response, and Section 6, Pathways to build forward better). The response to the crisis will affect Ukraine's progress towards meeting its SDG targets (Section 7, Implications for the SDGs).

1. Introduction and situation analysis

Introduction and situation analysis

This report presents an assessment of the social and economic impacts of the COVID-19 crisis on Ukraine, with a focus on those groups which are, or have become vulnerable due to the pandemic, as well as the impact on micro, small and medium enterprises (MSMEs). The intention is to engage with stakeholders and help development actors, including the Government of Ukraine, civil society and businesses to formulate an evidence-based crisis response with sustainable recovery measures, identify longer-term policy options.

The assessment is a part of the United Nations' global response framework (see 5 pillars at right) that was designed to put into practice urgent socio-economic support to Ukraine in the face of COVID-19 (#40 on list of COVID-19 assessments at Annex 6). The report follows the format established in UNDP's Guidance Note to Country Offices to ensure that key gender equality considerations are taken into account in the Social and Economic Impact Assessment (SEIA) (see Annex 1).

This report applies to the third pillar of the UN framework and involves undertaking a Social and Economic Impact Assessment of the COVID-19 crisis. The report contains information on and analysis of the direct and indirect impacts of COVID-19 on living conditions, livelihoods, autonomy and decision making, with a focus on identifying the gender gaps under each topic/sector. It is intended to contribute to strengthening contributions made by UNDP, UN Women and FAO to Ukraine's national policy dialogue and enhance the policy impact of their programmes and projects in response to the COVID-19 pandemic.

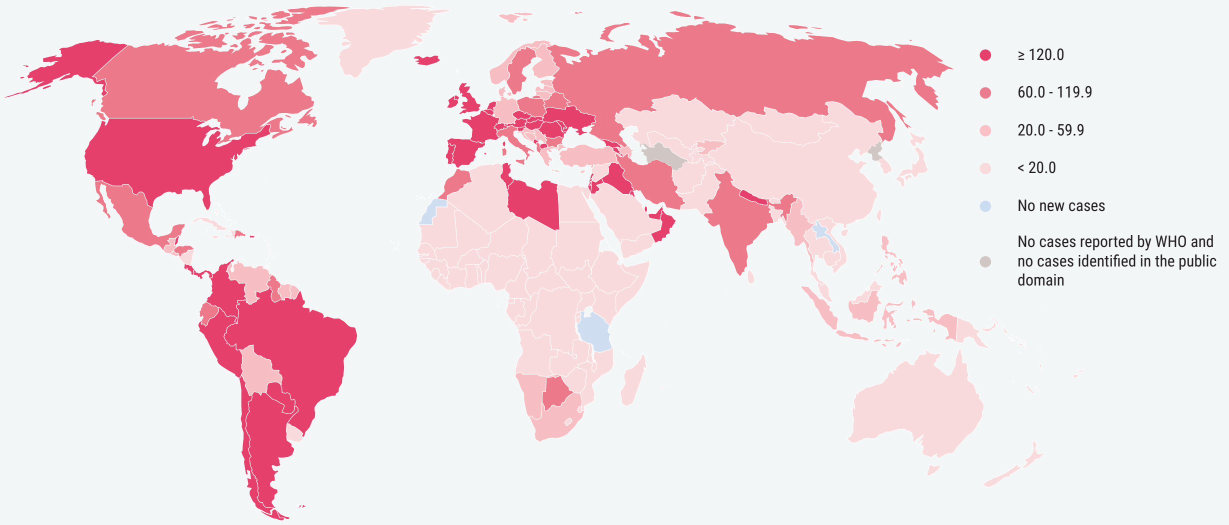
As such, it contains programmatic interventions targeted at key UNDP, UN Women and FAO stakeholders in Ukraine, including those responsible for implementing national and sub-national government strategies to respond to the COVID-19 emergency. It presents opportunities for addressing gender gaps and scaling up women's empowerment in the policies and actions being developed to respond to the crisis, and the post-crisis recovery.

The UN COVID response framework consists of consists of

1. Health First: Protecting Health Services and Systems during the Crisis
2. Protecting People: Social Protection and Basic Services
3. Economic Recovery: Protecting Jobs, Small and Medium-Sized Enterprises, and the Most Vulnerable Productive Actors
4. Macroeconomic Response and Multilateral Collaboration
5. Social Cohesion and Community Resilience

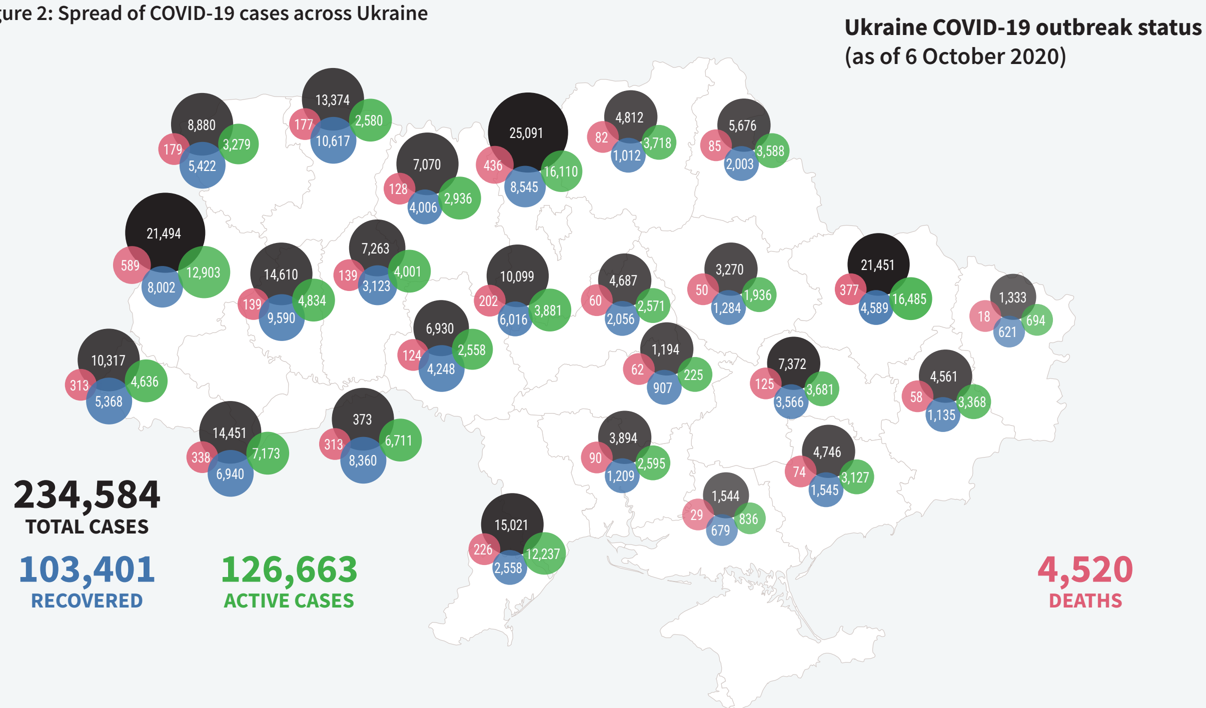
The COVID-19 pandemic is being referred to as "the defining global health crisis of our time."[1] In the early stages of the crisis, the impact of COVID-19 on public health in Ukraine remained low compared with other countries in Western Europe, in terms of the number of recorded cases. Swift containment measures and limited intra-regional mobility helped to limit the spread of the virus. But the epidemiological situation has deteriorated significantly since then, as it has in Europe and North America. As of the end of September 2020, Ukraine had nearly 209,000 confirmed cases, more than 4,100 fatalities and over 92,000 fully recovered.[2] The daily increase of confirmed cases is increasing sharply and exceeds 4,000, which brings Ukraine in the group of countries heavily affected by the pandemic (see Figures 1, 2 and 3 below).

Figure 1: Geographic distribution of 14-day cumulative number of reported COVID-19 cases per 100,000 population, worldwide, as of 30 September 2020



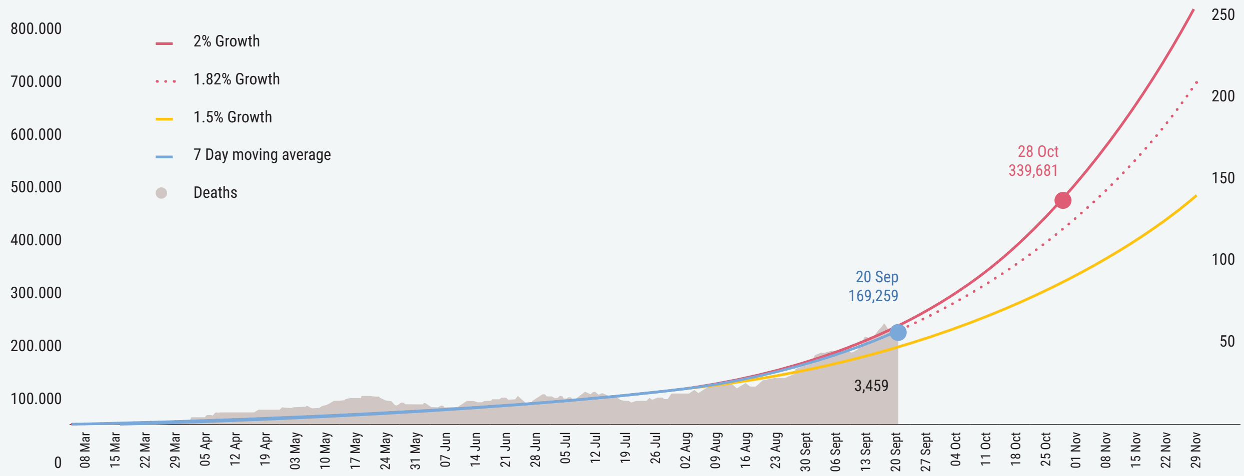
Source: European Centre for Disease Prevention and Control

Figure 2: Spread of COVID-19 cases across Ukraine



Source: MOH of Ukraine

Figure 3: 7-day moving average of COVID-19 confirmed cases and deaths (with 3 scenarios)



Source: USAID / REACH

In response to the pandemic the Government of Ukraine introduced adaptive restrictions, which vary in flexibility from area to area depending on the current situation. The economic impact of the government's adaptive lockdown measures is proving quite severe. The simultaneous shock on supply and demand has resulted in reduced economic activity in Ukraine and its global trading partners. Containment measures and physical distancing practices, vital for slowing the spread of the pandemic, are having a severe impact on MSMEs, as demand for services other than retail food has plummeted. The impact is also being felt at the level of household income, because MSMEs provide employment for more than 60 percent of all workers and generate around 20 percent of Ukraine's GDP. Also, Ukraine's three million migrant workers, whose remittances make up 10 percent of GDP, have been constrained in their usual practice of traveling to Russia and EU countries to take up seasonal work.

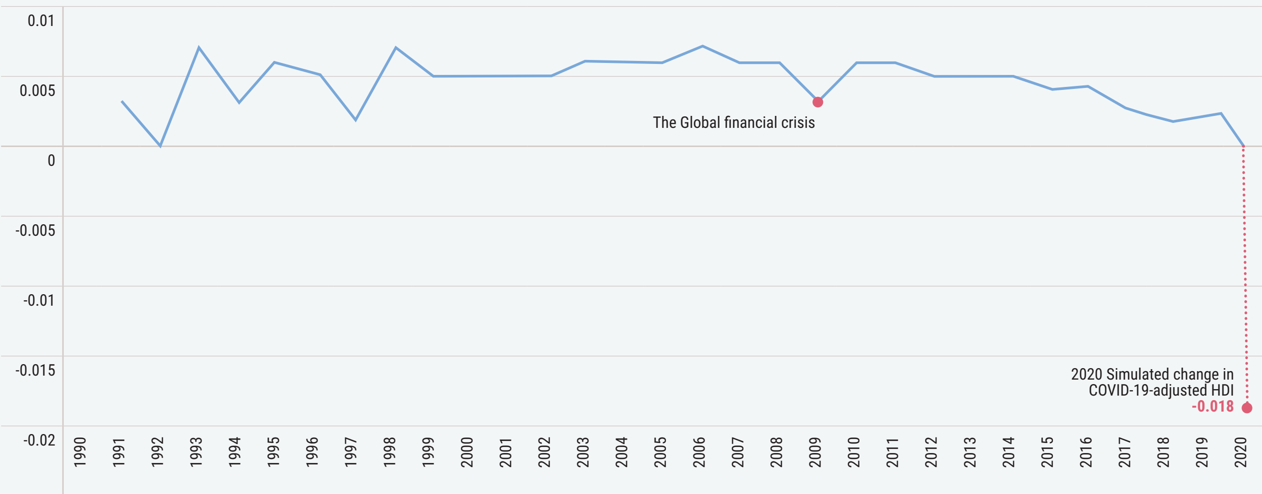
Because Ukraine's economy is highly integrated with EU and OECD countries, the future implications for Ukraine's recovery is heavily reliant on the ability of those countries to mitigate the economic impact of COVID-19. For example, the EU is Ukraine's largest trading partner, accounting for more than 40 percent of its trade in 2019.[3]

While most OECD countries have resorted to the "crude and costly approach of economic lockdowns", a recent report by the Sustainable Development Solutions Network suggests that the strict and prolonged lockdowns on social and economic activities was "most probably the right policy response for countries lacking [personal protective equipment] and with lower testing and hospital intensive care capacities," and likely saved thousands of lives. [4]

2. Economic impact at the global, macro and regional levels

Economic impact at the global, macro and regional levels

Figure 4: Steep drop in the Human Development Index as a result of COVID-19, in relation to other global events (1990-2020)



Source: Beyond Recovery, Towards 2030, UNDP, July 2020

Global and regional impact

The severity of the impact of COVID-19 on global poverty is much more significant than any recent global event including the financial crisis of 2008, which is hardly noticeable in relation to the collapse caused by the 2020 pandemic, as depicted in Figure 4 above. UNDP's report Beyond Recovery, Towards 2030, indicates that the COVID crisis is "the most significant major event since the start of measurement of the Human Development Index in 1990": Human development – the combined measure of the world's education, health, and living standards – is on course to decline in 2020, for the first time since measurement began.

Impact on Ukraine: GDP growth, production, unemployment and inflation

While it is difficult to estimate the magnitude of the effect of the crisis on the economy, it is clear that the pandemic has caused a sharp contraction in output, household spending and international trade. A series of recent studies by the OECD have estimated the impact of the crisis on Ukraine and other 'EU Eastern Partnership' (EaP) economies, where it is thought the prevalence of informal economic activity will likely exacerbate the socio-economic impact of the crisis and complicate efforts to mitigate it. The studies have examined the impact of the stringent containment measures on international trade, output in the sectors likely to be most directly affected (see Figure 5), vulnerable workers in the labour market, and employment in particular sectors (see Figure 9 below).

Like Ukraine, EaP countries have had negative government balances in recent years, in large part due to long-term structural issues and insufficiently developed productive capacities. Some of these countries have been hit hard by the fall in oil prices. This year, because of COVID-19, the situation is expected to remain steeply negative across the region, as investors have been liquidating their positions in local assets and moving their funds to safe haven assets

Figure 5: The potential impact of containment measures on activity in EaP countries (percentage of GDP)

Source: OECD calculations based on data from national statistical offices of the EaP countries[6]

such as US government debt. With the focus on the containment measures, the EaP governments have limited means available to address the situation.[5]

According to a recent OECD report, Ukraine's economic outlook was stable prior to the outbreak of COVID-19, with steady growth, moderate public debt and relative price and currency stability. However, a change of government in early March entailed a degree of political turmoil and reorganization that may have slowed the initial response to the health crisis.[7]

Preliminary estimates of the cost of containment measures in Ukraine and other EaP countries are outlined in Figure 5, showing the negative effect on GDP. The greatest short-term declines in output are anticipated in services that require face-to-face contact, and in sectors such as travel and tourism. Retail trade and catering are also hit hard, although takeaway sales and on-line sales may prevent a full cessation of activity for some businesses. Non-essential construction is also adversely affected by containment policies affecting labour mobility and reductions in investment. Altogether, the most-affected sectors account for 30-40 percent of total output in the EaP economies. The calculations are based on an assumption of an economy-wide shutdown, rather than a shutdown confined to particular regions.

The lockdown measures imposed during COVID-19 have significantly slowed economic activity in Ukraine. In March, turnover in passenger transport dropped by 16.3 percent compared to the previous year, while industrial production shrank by 8.6 percent and manufacturing by 9.9 percent. The effect of containment measures is most visible in the production of consumer durables, which dropped by 13.1 percent in March 2020 compared to February 2020.[8] The effect of containment measures on industrial production reflect a significant slowdown in the notable decreases in electricity generation and demand. In April, the level of electricity generation was more than 10 percent lower than in April of any of the preceding three years. Furthermore, surveys of business managers by the Central Bank reflect a pessimistic mood across all sectors of the economy. Over half of the surveyed managers in the second half of April expected a decrease in turnover in the following four weeks, while 35 percent expected their revenues to stay on the same level.

In early May, Ukraine recorded a rise in unemployment as 156,000 new people were listed unemployed, a rise of 48 percent compared to the previous year. At the same time, the number of new vacancies decreased by 60 percent.

Figure 6 shows that between March and April 2020 two highly urbanized regions (Kyiv city and Donetsk) experienced more than a 50 percent increase in the number of registered unemployed (31 percent nationwide). These are significant short-term, regional increases when compared to the pre-crisis national annual unemployment of 9 percent. This suggests that COVID-19 is affecting urban labour markets, which will increase relative poverty in Ukraine if the newly unemployed are not supported.

Financial markets

Financial markets offer a good projection of investor sentiment in the short term, as investors react to the economic uncertainties in Ukraine. Early on, the economic slowdown caused a rapid depreciation of the Hryvnia (UAH) in relation to the US dollar (USD) and Euro and put pressure on Ukraine's public finances. Since the start of the crisis, the yield on Ukraine's long (2028) Eurobond jumped by 150 basis points, and by mid-September the UAH had fallen by nearly 16 percent against the dollar, notably due to soaring demand for foreign currencies. These trends in government bond yields and currency exchange rates signal a heightened concern about the health of public finances and falling investor confidence, which could effectively lock Ukraine out of international debt markets.

Figure 6: Increase in number of registered unemployed by Ukrainian oblasts (March to April 2020)

Source: State Statistics Services of Ukraine, graph provided by REACH

Figure 7: U.S. Dollar (USD) to Ukrainian hryvnia (UAH) Exchange Rate, 1 year to 11 October 2020

Ukraine was already facing large foreign debt repayments in 2020, and negotiations with the IMF had stalled over issues including banking and land reform. Without an IMF deal, the risk of a sovereign default would increase. Fortunately, on 21 May, the IMF and Ukrainian officials reached an 18-month Stand-By Arrangement (SBA) to help Ukraine address the economic fallout of COVID-19 by providing balance of payments and budget support worth USD 5 billion. [9]

Weaknesses in the economy

When the crisis erupted there were already some weak spots in the economy: the unemployment rate was above 9 percent (2019), the share of informal workers in the economy was high (estimates range from 30 percent to 50 percent), and the social safety net was weak.[10]

The Government of Ukraine's net borrowing in relation to GDP is quite high, at 60.9 percent (2018). Although this represents an improvement from 2015 (79.4 percent) and 2016 (81 percent), long-running current account deficits exacerbate pressure on public finances as they drain reserves and foreign currency assets. The economic impact of this debt was already reflected in March when Ukraine's reserve assets declined by 7.8 percent.[11]

Limited availability of social security benefits, low domestic savings and limited fiscal space constrain the ability of households and public authorities to absorb exogenous shocks. Over the short-term the government anticipates a 4 to 8 percent drop in GDP in 2020 due to the pandemic. According to the 10 July 2020 Economic Activity Report released by the Ministry for Development of Economy, Trade and Agriculture, GDP fell 5.9 percent year-on-year for the January to May period. Similarly, the National Bank of Ukraine forecasts a contraction between 6 and 7 percent.

Table 1 and Figure 8 show the projected downward trend of Ukraine's key economic indicators (as of September 2020) due to the COVID-19 crisis: Inflation is projected to increase to 8.7 percent, GDP to decrease by 8 percent, unemployment to reach 9.5 percent, and the average monthly salary is projected to decrease by 14.4 percent from 12.5 to 10.7 thousand. Note: as shown above, unemployment levels vary considerably from region to region and the true picture is obscured by the high level of informal employment.

Impact on trade and investments

The OECD forecasts the impact of the pandemic on international trade will be severe, given the partial or complete border closures, restrictions on the movement of goods, labour and capital, a drop in global demand and disrupted value chains. The contraction of trade and other economic activity in major markets will directly affect smaller economies like Ukraine, which are exposed to macroeconomic trends in the EU, OECD countries and Russia. Because of these global linkages, a recession in the EU can result in an even sharper contraction in the EaP region, which was the experience after the 2009 economic crisis. Moreover, foreign investment, which has been an important source of economic growth and production capacity building in the EaP in the last decade, is expected to decline by 30-40 percent in 2020-21, constraining the region's post-crisis recovery.[13]

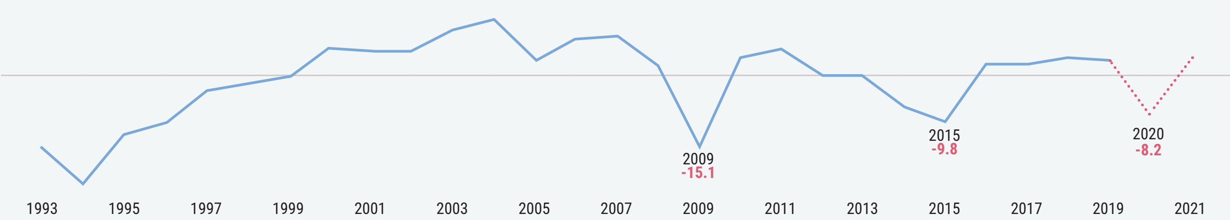
Domestic demand and investment in Ukraine are significantly supported by personal remittances from abroad, equivalent to more than 10 percent of GDP. The anticipated economic contraction in the EU, Russia and OECD countries has resulted in decreased employment, and a surge in returning migrants, which has reduced inflows of personal remittances. The decrease in remittances and personal incomes will result in decreased consumer spending, which in turn will result in reduced collection

Table 1: Key economic projections for Ukraine in 2020 (pre and post COVID-19)

Key Economic Indicators	Pre-COVID-19 projections	Post-COVID-19 projections
Economic outlook 2020 Inflation (y/y)	5.5%	8.7%
UAH/USD exchange rate	27	29.5
GDP (%)	3.7%	- 8%
Unemployment	8.1%	9.5%
Monthly average salary (UAH)	12,500,000	10,700,000
Balance on Current Account (Percent of GDP)	N.A.	−2.0%
General government Net Lending/ Borrowing (Percent of GDP)	N.A.	−8.2%
Forex reserves (USD)	29.3bn	

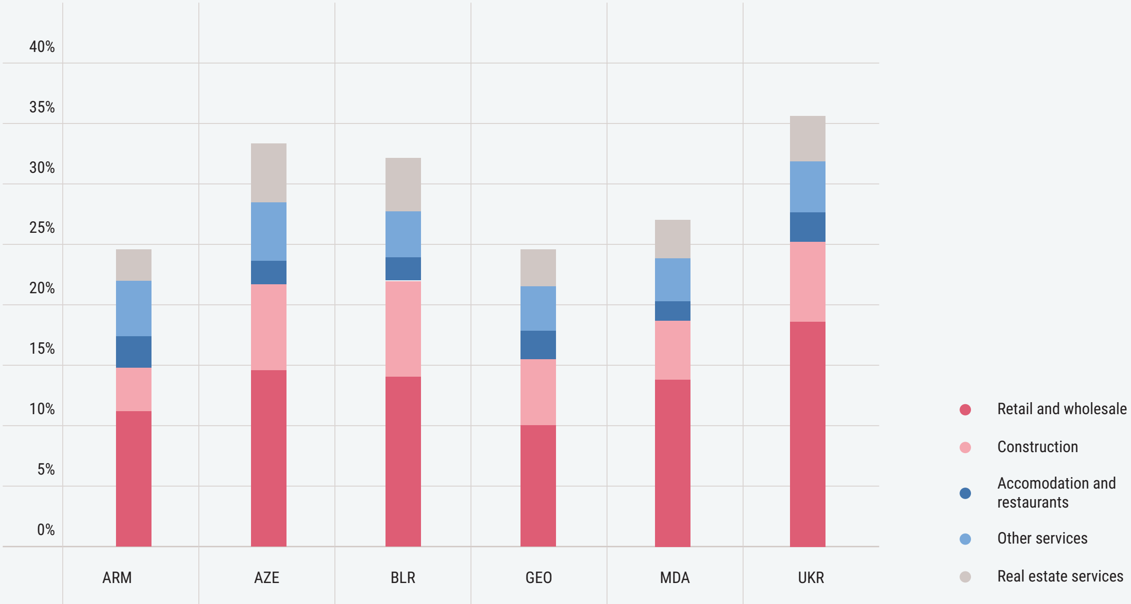
Source: OECD Report quoting Cabinet of Ministers [12]

Figure 8: GDP annual growth rate for Ukraine (1993-2021)



Source: USAID /REACH

Figure 9. Employment in sectors most affected by containment measures (% of total employment)



Source: OECD calculations based on data from ILO's LFS Household & Labour Survey (2018)[16]

of VAT. This will have a negative impact on government resources because VAT accounts for 41 percent of all tax revenues in Ukraine.

In addition, the COVID-19 crisis has affected energy markets, contributing to a sharp decrease in oil and gas prices and causing implications for the extractives sector. This is due to an unprecedented drop in global demand and surging supply, mainly due to the price war between Russia and Saudi Arabia early in the year.

Impact on vulnerable workers

There are weaknesses in Ukraine's labour market that create significant vulnerability for large segments of society to a prolonged economic downturn: these include a high rate of unemployment (9 percent), high level of informal employment (between 30 percent and 50 percent), low savings rates, and reliance on remittances from migrant workers (10 percent of GDP). A 2018 ILO study estimates that as much as half the workforce in Ukraine is made up of informal workers, self-employed individuals and seasonal workers who have only limited access to benefits or traditional forms of income support[14]. Among self-employed women, 74.5 percent are informally employed, and these have been one of the most common groups affected by the COVID-19 crisis.

Figure 9 shows that more than a third of workers in Ukraine work in the sectors most affected by lockdown measures. Hence, it is evident that the lockdowns and border closures are affecting many sectors where informality is prevalent and teleworking is not an option: proximity services, cross-border trade and transport, and particularly seasonal workers who travel abroad in the spring to pursue employment in agriculture and tourism in the destination countries. For example, in March an estimated two million seasonal workers were forced to return to Ukraine, who were effectively stranded at home, cut off from their source of income as authorities enforced strict new rules about who is allowed out of the country. [15]

The effect on employment in retail is to a certain extent mitigated by the decision to allow grocery stores and pharmacies to remain open. However, overall, low-skilled workers are the most affected by containment measures because working remotely is rarely an option, and Ukraine has the largest share of low-skilled workers to total employment (19.1 percent) compared with other countries in the EaP region. This means that the confinement measures may have a regressive impact on income distribution. As well, since informal workers tend to be poorly paid and typically have very low savings, they are less able to cushion the income losses imposed by confinement policies. In many cases, their living conditions (especially those of migrant workers) may make meaningful physical distancing difficult, raising the risk of infection. At the same time, informal labour often plays a large role in some essential sectors, like waste disposal, agriculture and freight. Paradoxically, this means that some informal workers may be exempt from confinement measures, which enables them to generate income but also increases their risk of infection. This makes challenges among vulnerable workers particularly important.

For the government, the high unemployment rate puts pressure on the national social security system. Moreover, while the government is trying to develop a broad policy to stop the drain of Ukrainian labour and talent abroad, structural weaknesses in the economy will complicate these efforts, particularly the prevalence of informal economic activity, as well as limited options for productive and well-paid employment. This, along with the threat of a global economic slowdown will likely exacerbate the socio-economic impact of the crisis on Ukraine's vulnerable workers.[17]

According to the latest published data (2016), there are approximately 4 million informally employed workers in Ukraine, over half of which are 'payroll employees' who make up a quarter of the total employed population. The other half of informal workers are employed in the informal sector (MSMEs), or participate as short-term migrant or seasonal workers (estimated at about 3.2 million workers).[18]

In 2019, less than half of working age people worked officially, with protection guarantees of their labour rights (45 percent, 12.8 million of 28.5 million). A recent ILO publication indicates that informal employment is an acute problem that is emerging in particular sectors, regions and segments of the population, where large sectors of parallel and unregulated markets have become commonplace.[19]

Table 2 shows the most critical regions where both the scope of informal employment in the formal sector and employment in the informal sector are present. In some oblasts the scale of informal economic activities is approaching critical levels, for example the agriculture sector, where the rate of undeclared work in eight oblasts exceeds 80 percent, and construction where it exceeds 70 percent in Vinnytsia, Volyn, Ivano-Frankivsk, Rivne, Kherson and Chernivtsi.

International support to economic stabilization and recovery

In mid-April 2020, the European Commission submitted to the European Parliament and Council a proposal to allocate EUR 3 billion in macro financial assistance (MFA), in the form of medium-term loans, to support ten neighbouring partners in the context of the COVID-19 crisis, including EUR 1.2 billion for Ukraine. The package was approved by the EU Council on 20 May.

Ukraine and Germany have agreed on a EUR 150 million loan from Germany to support healthcare and social payments.

On April 17, the United States Agency for International Development (USAID) increased humanitarian assistance to Ukraine from USD 1.2 million to USD 9.1 million to combat the spread of coronavirus.

On 9 June 2020, the IMF Executive Board approved an 18-month USD 5 billion Stand-By Arrangement for Ukraine to tackle the negative outcomes of the pandemic.[20] Additional financing is also available from the World Bank and the EBRD, which is tied to Ukraine's performance under the IMF deal.

Growth projections

The OECD and IMF studies suggest that the impact on annual GDP growth will ultimately depend on how long these measures remain in place as well as other factors, such as the speed or magnitude of policy responses, activity in other sectors of the economy, changes in the terms of trade, and any indirect/second-round effects of the drop in sectoral output.[21]

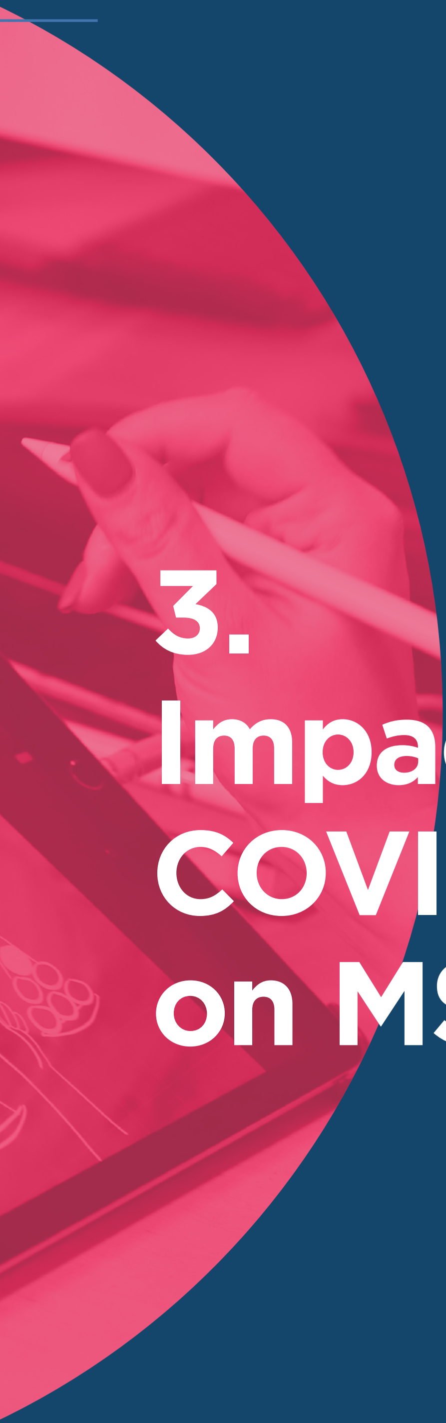
Table 2: Table showing types of informal employment by sector and region

Sectors, regions and segments		Informal employment in formal sector (special note)	Employment in informal sector
Sector:	Agriculture	57.6% (up to 80%)	
	Construction	25.2% (up to 70%)	
	Temporary accommodation and catering	29.4%	
	Wholesale and retail	24.7%	
Region:	Ivano-Frankivsk	26.3% (const. 70%)	26.9%
	Kherson	14.9% (const. 70%)	27.2%
	Lviv	16.7%	
	Chernivtsi	(const. 70%)	40.0%
	Rivne	(const. 70%)	38.5%
	Vinnytsia	(const. 70%)	
	Volyn	(const. 70%)	
	Trans-Carpathian	3.3%	32.6%
	Ternopil	5.7%	
	Khmelnytsky	5.8%	
Segments:	Men	57.9%	
	Youth aged 15-24	35.6%	
	Retired aged 60-70	36.0%	
Area:	Rural		52.2%
	Urban		47.8%
	Total (% of employed)	**2.1 mil (24.3%)**	**N.A.**

Source: Author's calculations based on information in ILO report. [24]

Taking into account the strong containment measures, together with the disruption in global value chains and the structural characteristics of the economy, the IMF forecasts that all EaP economies will contract in 2020. Ukraine is expected to experience the steepest decline (7.7% of GDP). Both the IMF and EBRD originally predicted a V-shaped recovery for the region, with all EaP countries expected to recover strongly in 2021. However, with the deterioration of the epidemiological situation in Europe and North America, economists are now talking about different scenarios, such as W, L and even a a K-shaped recovery, which is an indication that the hardship may not be equally shared, as those with steady jobs and stable incomes will fare better than those left jobless or vulnerable workers. [22]

With limited fiscal space and urgent need for IMF support, Ukrainian authorities will be under greater pressure than ever to meet the Fund's conditions. In late 2019, the government's real GDP growth projection for 2020 was in the 3.7 to 4.8 percent range, depending on the scenario; however, the new government forecast points to a contraction of 4 to 8 percent this year. Similarly, the National Bank of Ukraine forecasts a contraction from 6 to 7 percent.[23]



3. Impact of the COVID-19 pandemic on MSMEs

Impact of the COVID-19 pandemic on MSMEs

Background and context

To limit the spread of COVID-19, the Government of Ukraine instituted a series of lockdowns which had an immediate economic impact on MSMEs and households. Because the protracted nature of the lockdown risks exacerbating existing inequalities in the Ukraine economy, UNDP/UN Women/FAO felt the need to analyse the direct and indirect impacts of the pandemic on micro, small and medium enterprises (MSMEs), employment, living conditions, livelihoods, autonomy and decision making for women and men and girls and boys, with a focus on identifying the gender gaps under each topic/sector.

MSMEs are an important element of Ukraine's economy as they account for 63 percent of employment, generate 49 percent of value added and 20 percent of GDP.[25] In 2018, the State Statistics Service of Ukraine listed 446 large enterprises and 1,839,147 SMEs, which constituted more than 99 percent of all operating enterprises, the vast majority of which are micro-enterprises (96 percent) that operate in the wholesale and retail trade (51 percent) and thus remain concentrated in low-value-added sectors. The majority of micro-enterprises operate as self-employed individuals who experience similar working conditions to those described above under vulnerable workers, which is an important consideration in a context where 75 percent of women participating in the labour force are self-employed.[26]

Major findings from surveys

To determine the impact of the COVID-19 crisis and the lockdown measures on MSMEs and vulnerable groups, the UNDP office in Ukraine, along with UN Women and FAO, developed a number of surveys and analytical assessments. The primary source of data for the analysis below is based on information collected from two separate surveys undertaken jointly by UNDP, UN Women and FAO conducted across Ukraine from May 20 to June 3, 2020. The surveys consisted of questionnaires that gathered information from owners/operators of MSMEs and members of households, which provided data for analysis and informed the conclusions for the assessment. The sample of informants that responded to the surveys included 974 owners/operators of MSMEs and 1,022 households, conducted in the form of telephone interviews covering 24 oblasts and the city of Kyiv. The analysis from these surveys takes into account the type of settlement (urban, rural), age, gender, and regions. Results of these surveys are presented in Tables A2 and A3 (in Annex 2 and Annex 3), which show the country as a whole (Total column) and the results for urban/rural locations, and the identification of important gaps affecting vulnerable groups.

Following this large-scale country-wide survey, UNDP conducted a series of semi-structured phone interviews with a smaller group of 20-30 respondents comprised of both MSME owners and representatives of households. The semi-structured interviews were designed to collect qualitative data by delving more deeply into personal and sensitive issues, and exploring participants' thoughts, feelings and beliefs about a particular topic. In addition, results from other surveys have been used to elaborate on the findings (see the summary of results at Annex 4).

The results of the survey of MSME owners/operators are described below under the following headings: impact on business, variances by gender and rural/urban areas, employment, etc. The overall patterns that are common for both the MSME survey and the detailed interviews are noted in the text below. The results of the Household survey are presented in Section 4.

Profile of MSME owners surveyed

Within the sample of 974 respondents surveyed, the majority were men (60 percent men, 40 percent women), and men respondents were more common in rural areas (69.8 percent vs 58.6 percent urban); a higher percentage of women respondents lived in urban areas (41.4 percent vs. 30.2 percent rural). A large majority of respondents were between the ages of 25 and 55 (87.1 percent). Overall, 77 percent identified as an entrepreneur and 19.6 percent of respondents identified as a business owner; and while entrepreneurs were more common in urban areas, in rural areas a third of respondents identified as business owners.

Figure 10: What is your business sector?

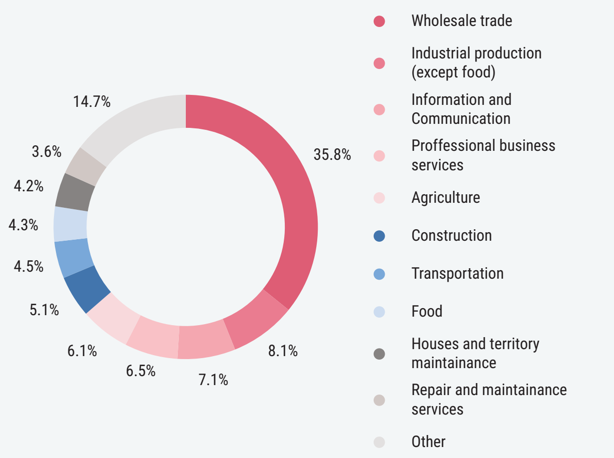
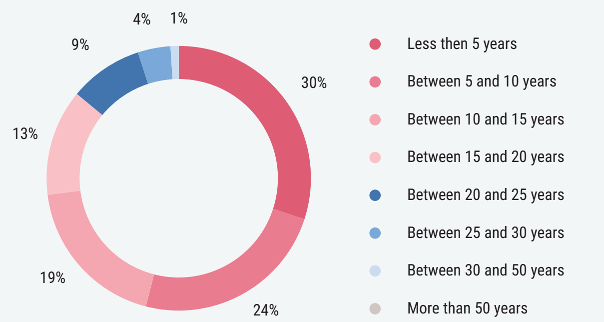


Figure 11: How old is your business?



The majority of businesses are well-established, with about one-third initiated 10 to 19 years ago (32.1 percent), 23.6 percent had been founded 5 to 9 years ago, 22.7 percent two to four years ago, and 14.6 percent 20 or more years ago, while a minority of business were initiated quite recently (7 percent within 0 to 1 years). Prior to the pandemic, approximately half of all businesses had one to four employees, and approximately half of all businesses had from one to four women employees.

The vast majority of businesses are operating in the domestic market (91.5 percent). Approximately half of all respondents indicated that their annual turnover was under 1 million Hryvnia (USD 37,024).

In rural areas, many MSME owners indicated that their primary function was to cultivate land, which is a good indication that they are self-employed independent farmers.

Figure 12: What range was your 2019 annual turnover (in UAH)?

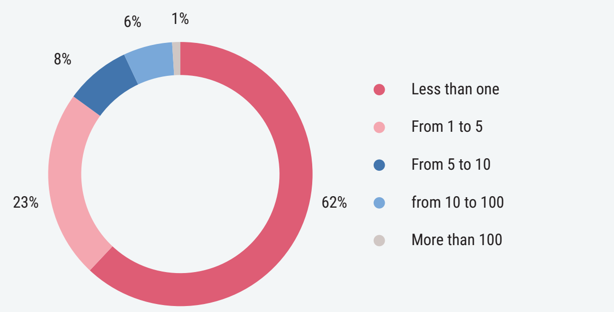


Figure 13: Is your major market domestic or export?

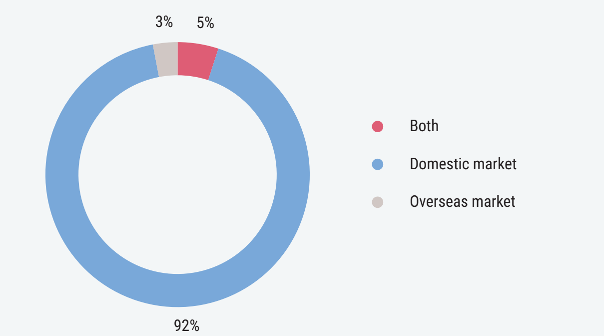


Figure 14: How many employees did you have before the pandemic?

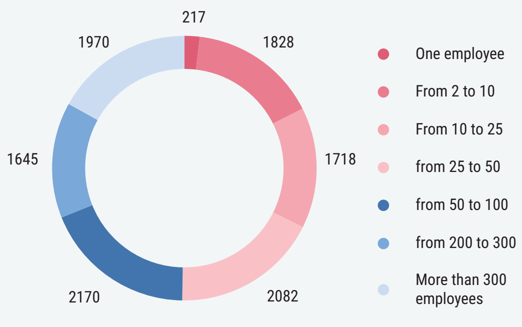
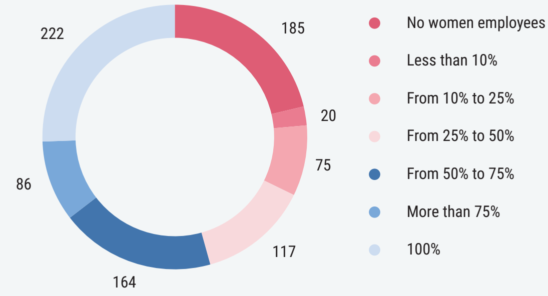


Figure 15: How many of your employees were women before the pandemic?



Impact and challenges faced by MSMEs due to the pandemic

Almost two-thirds of respondents in the survey of MSME owners indicated that the pandemic 'significantly' impacted their way of doing business (57.4 percent), over a third of businesses had to 'partly' suspend their operations (39.6 percent), and less than a third (29.7 percent) had to 'fully' suspend business activities. The largest share of 'significant' transformations in doing business under the impact of the pandemic took place in small enterprises with under 50 employees (60.9 percent).

Businesses reported facing a range of challenges caused by the pandemic, the most common of which were lower market demand (83.9 percent of urban and 74.2 percent of rural businesses), cancellation of orders by customers (71.2 percent urban, 51.6 percent rural), and difficulties due to costs during the pandemic (procurement, taxes,

Figure 16: Have you had to suspend operations?

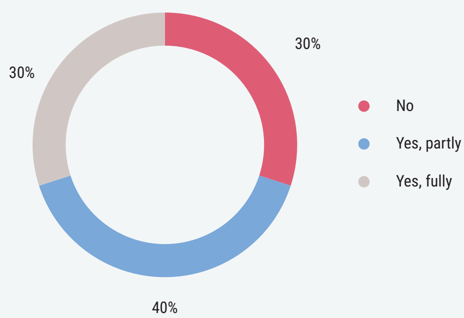


Figure 17: How has the market environment changed for you?

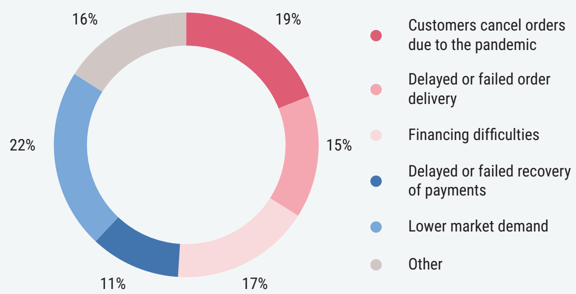


Figure 18: Have you changed the number of employees as a result of the pandemic?

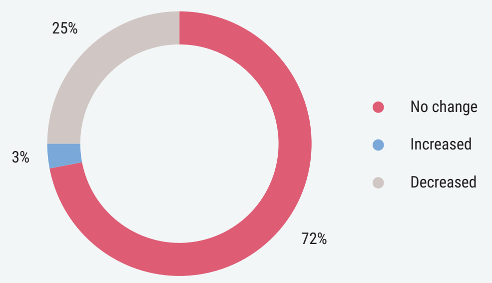
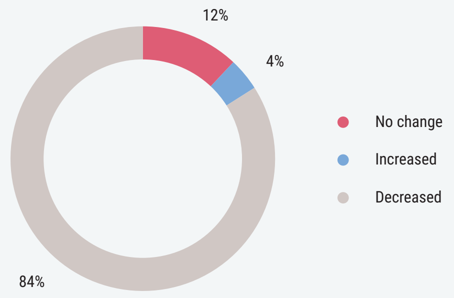


Figure 19: How has your monthly turnover changed during the pandemic?



utilities, PPE). The most prominent problems experienced by businesses/entrepreneurs were procurement costs (55.2 percent), cost of utilities, rent and utilities (50.5 percent), and cost of PPE (50 percent). Calculations by UN Women indicate that women entrepreneurs had slightly greater difficulties with the costs associated with purchasing goods and services and paying penalties or fines than men; but they had fewer difficulties with the costs of servicing loans and other financial services than men.

A quarter of the businesses had a decrease in their number of employees (24.7 percent). And most businesses that had a decrease in their number of employees lost between 1 and 4 employees.

Rural MSMEs were not as seriously impacted as urban ones, where 73 percent of MSMEs from urban areas had to partially or fully suspended their operations vs. 56 percent of MSMEs in rural areas. The vast majority of respondents (80.3 percent) indicated that their monthly turnover had decreased due to the pandemic. In addition, the detailed interviews with MSME owners revealed that the shut down in public transportation created difficulties for workers who had to travel to get work.

Measures adopted by MSMEs

Businesses made many different types of changes in response to the pandemic. The majority of businesses (89.5 percent) purchased protective supplies. Many (64.6 percent) negotiated with lenders to lower financing costs and extend the repayment cycle. Other common changes included reductions in rent, changes in logistics and transportation of goods, reduction in working hours or salaries, and shutting down production lines or outlets. Telecommuting was not considered possible for 67.9 percent of businesses in rural areas and 52.5 percent of businesses in urban areas.

Respondents indicated they were considering a range of options for the future development of their business: two-thirds (66.8 percent) would expand their presence in domestic markets, two-thirds (66 percent) said they would diversify goods and services, 63.9 percent reported diversifying distribution channels, and 61.1 percent planned to accelerate innovation. About half of entrepreneurs (46 percent) were interested in trying a new business model, but few were interested in expanding their presence in foreign markets (18.9 percent) or reducing the size of their operation (12.1 percent) or withdrawing from the market altogether (3.4 percent). A larger proportion of respondents in rural areas indicated they would diversity their customer base (17 percent vs 1.4 percent urban). And approximately half (46 percent) of agriculture MSMEs surveyed in rural areas indicated an intention to pursue crop diversification.[27]

Figure 20: What measures have you taken?

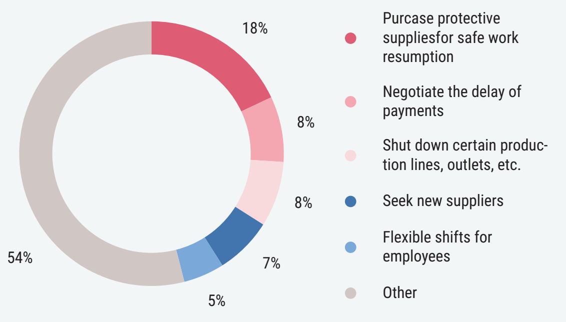
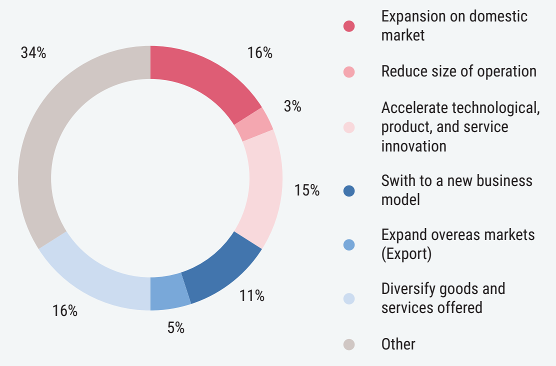


Figure 21: Social and economic impact on SME's strategies



The detailed interviews revealed that the problems caused by the quarantine were multiplied by other factors such as changes in national regulations, weather conditions, macroeconomic situation, etc.

Regional, urban-rural variance

There was a significant variance in the impact on businesses depending on whether they were located in urban or rural areas. More businesses in urban areas indicated the pandemic 'significantly' impacted their way of doing business compared to rural areas (60.6 percent vs 42.8 percent), and more urban businesses had to fully suspend operations than rural businesses (32.8 percent vs 17.6 percent).

A larger proportion of businesses in urban areas were affected by a range of challenges compared to those in rural areas: lower market demand affected urban businesses more than rural ones (83.9 percent vs 74.2 percent), more urban businesses had customers cancel orders than rural (71.2 percent vs 51.6 percent), and owners of enterprises in urban areas complained about delays in or inability to deliver orders, difficulties in attracting additional funding for business, and blocked channels for distribution of their goods and services more often than owners of enterprises in rural areas.

Businesses in urban areas indicated they experienced greater difficulties due to costs than rural businesses. Approximately half of businesses in urban areas faced difficulties due to costs associated with taxes, procurement, pandemic prevention/control, labour, and rent and utilities. Businesses in rural areas faced similar difficulties related to costs, but were relatively less affected by taxes and rent and utilities.

In terms of business strategies, men entrepreneurs in rural and urban areas indicated different options for the future development of their businesses. In rural areas 80.9 percent of men entrepreneurs engaged in agricultural businesses related with cultivation of land indicated a preference for diversifying crops. In addition, rural SMEs were more in favour of expanding distribution channels (75.6 percent vs. 66.2 percent) and expanding the client base (18.5 percent vs. 1.1 percent) more often compared to men entrepreneurs in urban areas (see Figure 22).

Women entrepreneurs doing business in rural areas mentioned the expansion the range of goods and services more often (76.5 percent) compared to women entrepreneurs in urban areas (59.6 percent). Women entrepreneurs who had registered businesses in urban areas mentioned the possibility of a decrease in business activity (12.9 per-

Figure 22: Distribution of men entrepreneurs' answers to the question "What solutions for development are considered in your enterprise/business?" depending on the settlement type, percentage

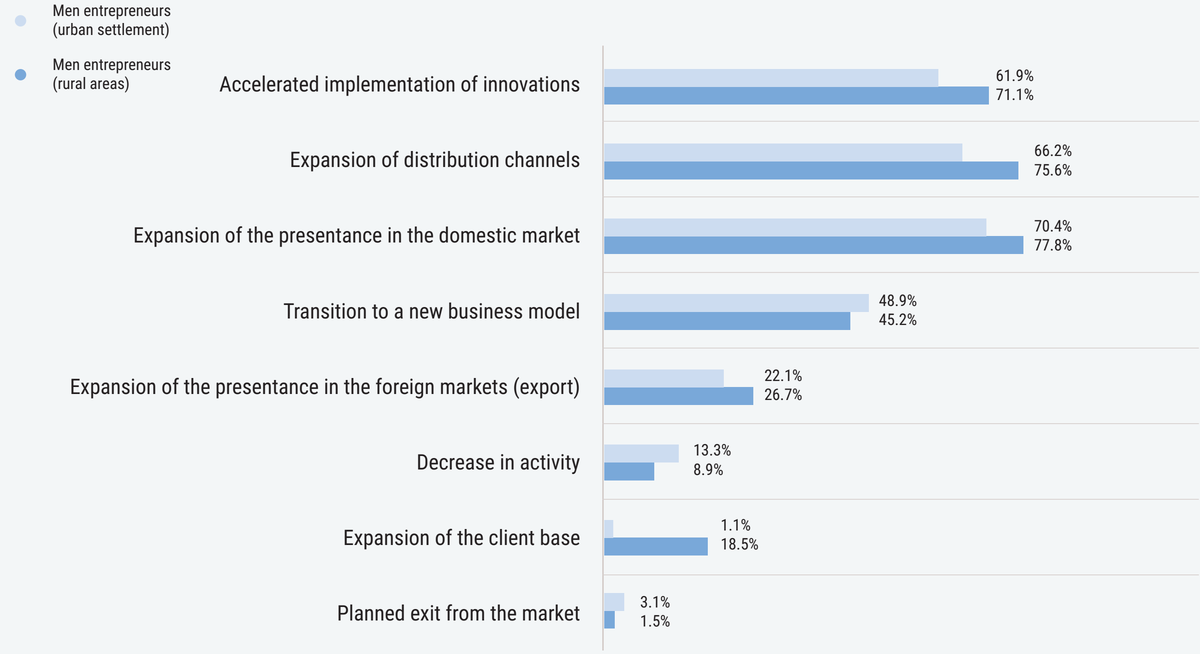


Figure 23: Distribution of women entrepreneurs' answers to question "What solutions for development are considered in your enterprise/business?" depending on the settlement type, percentage

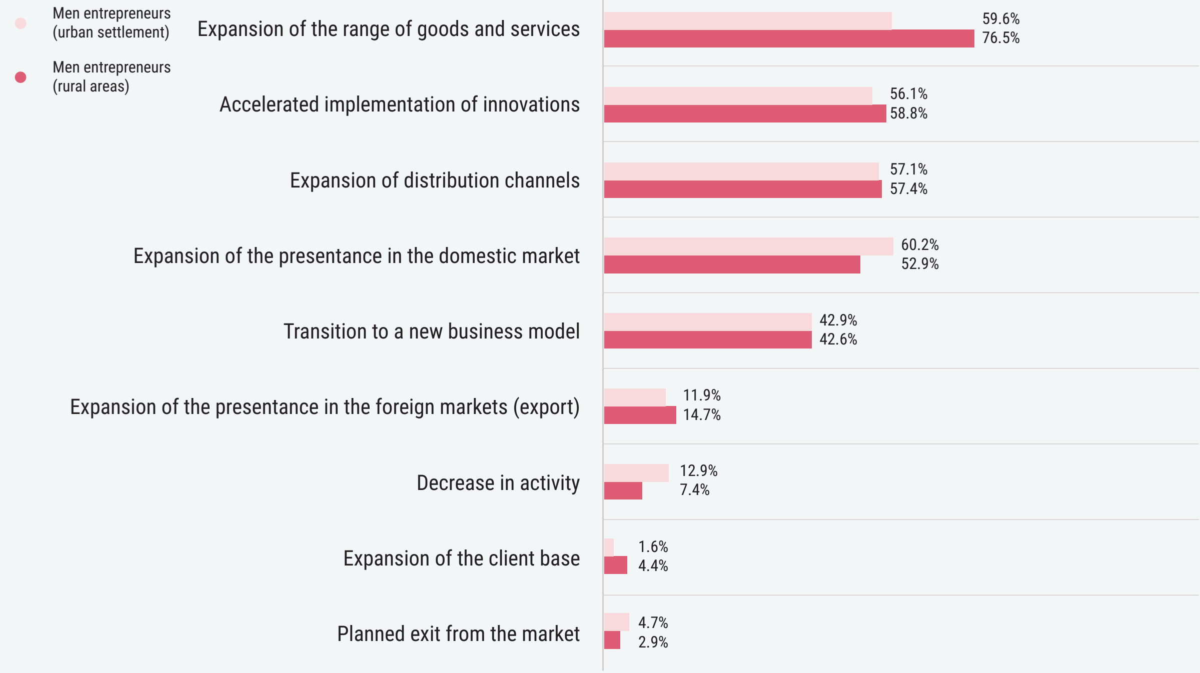


Table 3: Challenges in business during the pandemic (% by region)

	West	Centre	North	East	South
Decrease in demand	49.1	58.8	68.4	64.9	64.1
Canceled orders by customers	50.4	58.1	50.8	57.6	57.3
Difficulties in attracting funding	57.5	55.4	58.8	64.2	63.2
Delays or inability of order delivery	64.6	69.6	65.0	66.9	62.4
Blocked distribution channels	22.1	27.7	28.2	28.5	22.2
Penalties for non-fulfilled obligations	50.4	48.0	60.5	58.9	50.4
Delays of payments or inability to make them	30.5	25.7	32.8	37.7	41.0

cent vs. 7.4 percent) and, conversely, their desire to expand the presence of their business in the domestic market (60.2 percent vs. 52.9 percent) more often than women entrepreneurs in rural areas, and women entrepreneurs in rural areas mentioned expansion of their range of goods and services more often compared to their urban counterparts (76.5 percent vs. 59.6 percent, see Figure 23).

The most critical issue for enterprises in the north and south of the country during the pandemic was the problem of decreased demand; while in the western, central and eastern regions, delays or inability of order delivery were more important problems (see Table 3).

Overall, in terms of performance, rural MSMEs appeared to do better than those in urban areas, where 73 percent of MSMEs had to partially or fully suspend their operations vs. 56 percent of MSMEs in rural areas. This is a reflection of the importance of the agriculture sector during the crisis, because none of the agriculture MSMEs that cultivate land had to fully suspend operations, and only 22 percent partly suspended operations.

This resilience within the rural sector, and particularly the agriculture MSMEs cultivating land, is supported by FAO's July 27 Policy Bulletin in response to the COVID-19 pandemic, which reported that the forecast for production of wheat and maize in Ukraine were not affected by the health crisis.[28] Although wheat production was estimated to decline by 11.7 percent from 2019, this was largely due to scarce precipitation in March and April. And export prices of wheat and maize were stable during the first six months of 2020, despite export restrictions in response to COVID-19.[29]

Some impacts of COVID-19 on regional agrifood supply chains were recorded in transport (particularly in livestock), storing capacity, sales of output and input, financial situation of the operators, input access, labour availability, coping strategies and received subsidies.

All entities along the agrifood supply chains highlighted the difficulties in accessing affordable credit, which has emerged as a major problem in solving cash shortages caused by the COVID-19 pandemic. The results of FAO's survey show a significant impact from COVID-19 on access to financing across all operators and countries in the region: In Ukraine, 87.5 percent of traders/processors reported financial problems due to COVID-19, which represents a higher percentage than crop farmers (71.4 percent) and livestock farmers (63.6 percent).[30]

A major concern of operators along food supply chains has been the slowing down of sales at both ends of the chains. Retailers have seen a rapid decrease in food purchases from consumers, particularly in countries that are strongly dependent on the tourism sector, which has suffered from restrictions on the movement of people due to the COVID-19 pandemic. The sale of agrifood products also has been impacted by reduced agrifood exports due to the lockdown of loads, tightening controls on food safety, and extended customer procedures. By food commodity group, the most-affected sectors in June were fruits and vegetables, potatoes and animal products. Smallholder farmers have had difficulty in accessing markets (especially city markets) due to low volumes of produced products, restrictions on small cars used by small-scale farmers, and the closures of roads leading to the cities. Also because of a lack of storage facilities, farmers have reported being forced to sell wheat at lower prices at the markets.[31]

In terms of labour availability and the cost of hiring labourers, more than 90 percent of FAO's respondents reported no problems regarding labour availability, and all participants reported that wage rates were in the normal range.[32]

In order to ensure enough food was available for domestic markets, Ukraine implemented export restrictions for staple food products, as did the other two large exporters of agricultural commodities in the region (Kazakhstan and the Russian Federation). The ban was lifted by Ukraine on 1 July 2020.[33]

Impact on women entrepreneurs and employees

UN Women analysed the data from the MSME survey with a gender-sensitive lens and found asymmetric gender impacts of the pandemic. Women respondents who are the owners of a business were more likely to indicate they had experienced significant challenges in their business under the impact of the pandemic more often than men owners (63.6 percent vs 53.3 percent, see Figure 24).

The majority of business owners among those who had to reduce the number of employees (59.8 percent) mentioned the impact of the pandemic had forced them to decrease the number of their women employees.

Figure 24. Changes in doing business during the pandemic (percentage, sex of business owner)

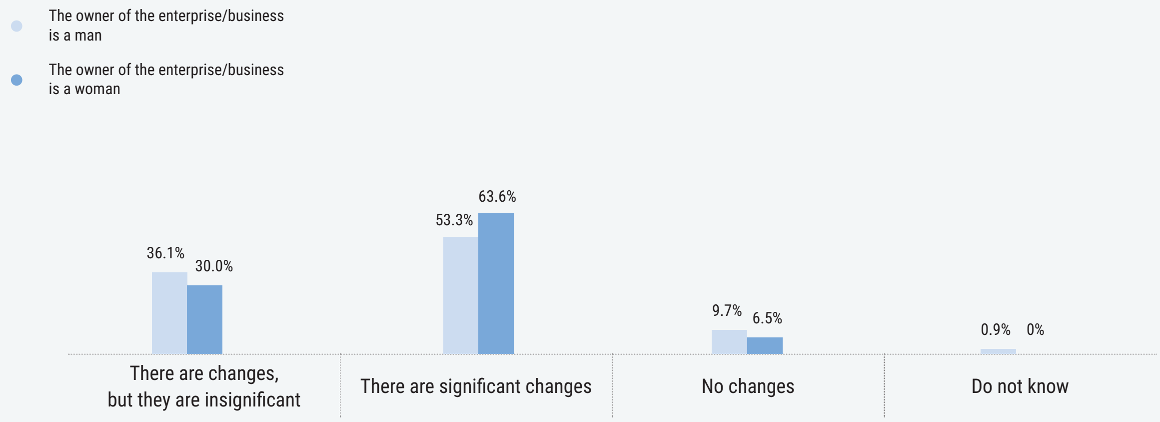
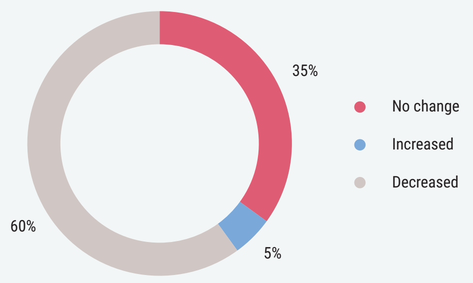


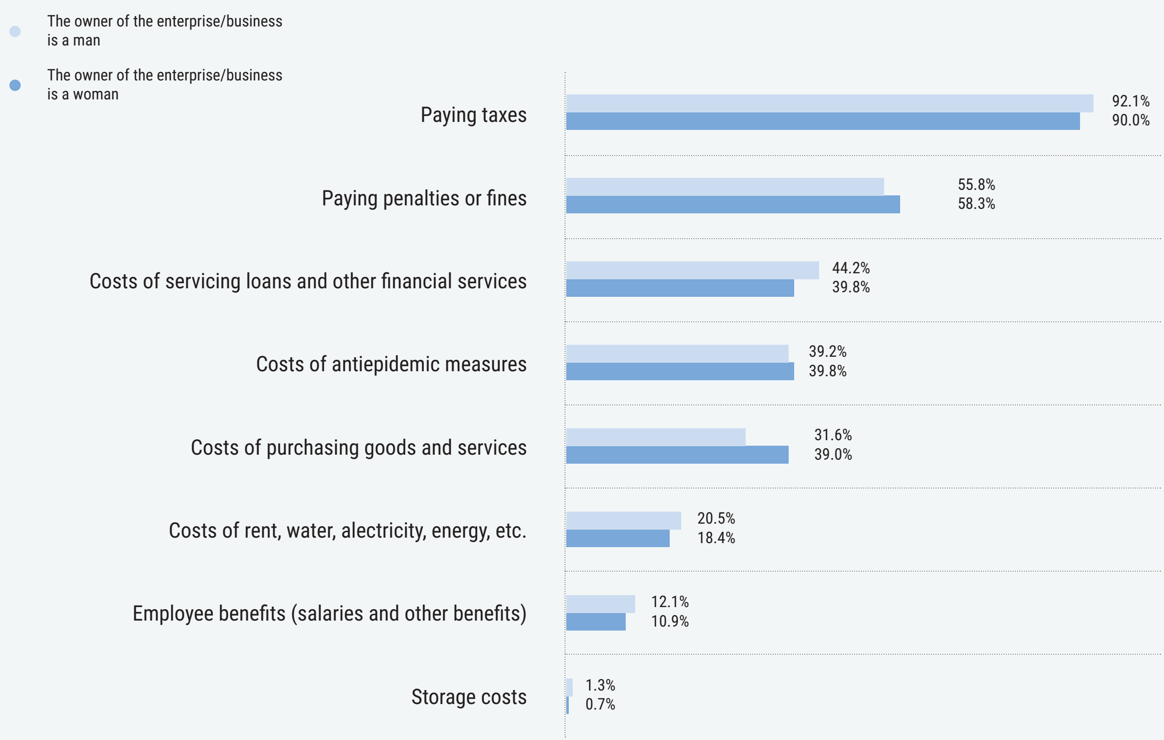
Figure 25: Has the pandemic affected the number of women employees ?



Women entrepreneurs doing business in urban areas had significantly more difficulties with paying certain costs than men entrepreneurs in this group (rent and utilities 63.3 percent vs. 46.9 percent men) and taxes (53.3 percent vs 42.9 percent men). Some of these costs were exacerbated in rural areas, where rural women entrepreneurs had difficulties with the cost of anti-epidemic measures compared to rural men entrepreneurs (57.4 percent vs. 40.0 percent men) and taxes (47.1 percent vs. 35.6 percent men, see Figure 26).

The largest decrease in the number of women employees in enterprises occurred in particular regions of the country such as the western (66.2 percent), central (62.2 percent), and eastern (62.5 percent); see Table 4.

Figure 26: Distribution of the respondents' answers to the question "What difficulties has your enterprise/business faced regarding the costs during the pandemic?" depending on the sex of the owner of the enterprise/business, percentage



Men and women entrepreneurs indicated different preferences for developing their businesses in the future. Women enterprises indicated they were more likely to expand their presence in the domestic market more often than men (75.9 percent vs. 65.3 percent), expand distribution channels for their products and services (72 percent vs. 63.3 percent) and expand their presence in foreign markets (24.4 percent vs. 13.8 percent, see Figure 27).

Women-owned enterprises had a lower annual financial turnover compared to ones owned by men (2019 figures): 66.2 percent of enterprises owned by women had an annual turnover of less than UAH 1 million compared to 47.7 percent of men owners. And during the pandemic, women owners indicated a decrease in the monthly turnover of their enterprise more often than men owners (84 percent vs 77.9 percent men, see Figure 28).

Table 4: Impact of pandemic on change in number of women employees (% by region)

	West	Centre	North	East	South
Has increased	1.5	6.7	8.8	7.1	
Has not changed	32.3	31.1	42.1	30.4	37.2
Has decreased	66.2	62.2	49.1	62.5	58.1
Do not know					4.7

Similar trends were recorded in a rapid gender assessment of the situation and needs of women in the context of COVID-19 in Ukraine (see summary on page 27). Similarly, a recent OECD paper found that women in

Figure 27: Distribution of respondents' answers to the question "What solutions for the development are considered in your enterprise/business?" depending on the sex of the owners of the enterprise/business (percentage)

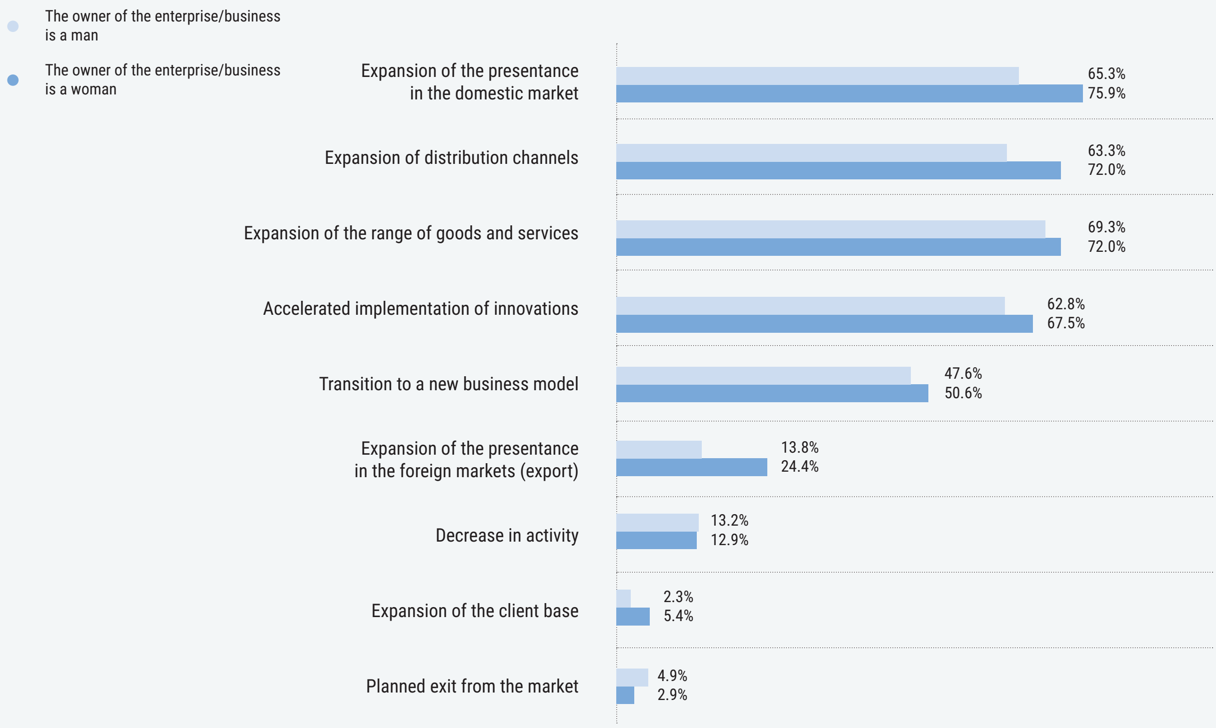
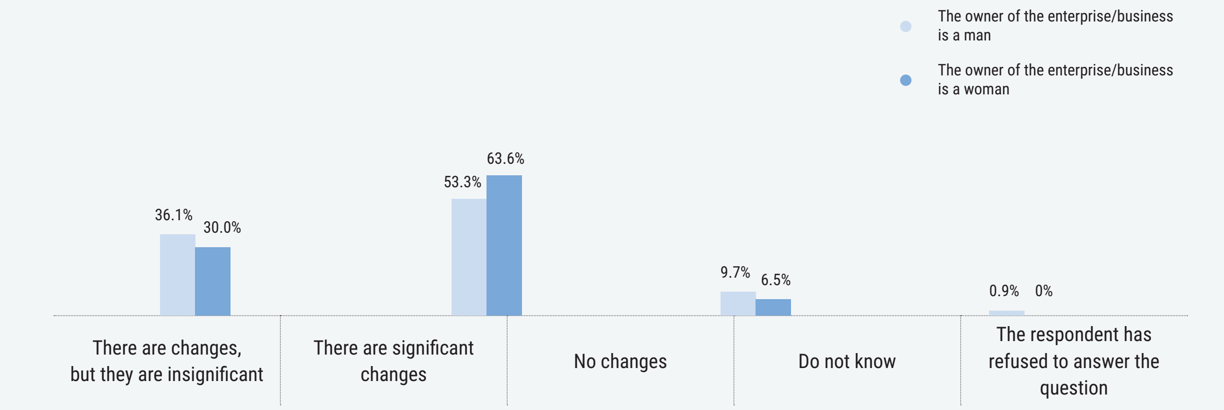


Figure 28: How has your monthly turnover changed during the pandemic compared to the planned one for the same period?



Ukraine are bearing a disproportionate share of the impact of COVID-19, where the employment drop related to social distancing measures had a disproportionately large impact on sectors with higher women's employment. Also, women are more vulnerable to health risks due to greater exposure to the virus, and women account for 82 percent of total health and social workers (compared to 70 percent average worldwide).[34]

Sectors most affected

Respondents were operating businesses in a large range of sectors, of which wholesale and retail trade was the most common (35.8 percent). Among rural businesses, the Agriculture, Forestry and Fishing sector was very common (25.2 percent) but uncommon in urban areas (1.2 percent). The majority of businesses operated in the domestic market (91.5 percent).

The largest decrease in the number of women employees occurred in enterprises operating in the field of wholesale and retail trade (71.6 percent).[35] Based on information from a variety of sources, the industries, sectors and occupations hardest hit by the COVID-19 crisis and the quarantine include the following:

Industries and sectors	Hospitality and tourism
	Entertainment and culture
	Retail
	Service sector (retail, restaurants, etc.)
	Transportation (freight services, airlines, airports)
	Private educational institutions
Professions and occupations	Low-wage workers
	Service workers
	Manual labourers
	Hairdressers and beauticians
	Seasonal workers
	Self-employed, gig workers, and zero contract workers
	Creative and entertainment professionals
	Already unemployed

Expectations for recovery (timeframe, business confidence, adapt business to new environment)

Overall, respondents indicated it was important (38.8 percent), very important (29.4 percent) or critical (13.2 percent) that restrictions be lifted in June 2020. Larger proportions of businesses in urban areas indicated that this was critical or very important.

UNDP's detailed interviews revealed that MSMEs were discouraged by a lack of clarity and guidance from the state, and many experienced "fluctuating anxiety." Many predicted that they would not be able to survive past September with the same number of employees if the pace of the lockdown continued. They indicated that they would have to scale down to a minimum or shut down completely. Many respondents showed little confidence in the future, adding "for now" when talking about their business operations: "we are working, for now."

The detailed interviews revealed that many entrepreneurs remain skeptical about the country's leadership and the ability to manage the crisis. There is also a stronger wish to emigrate among entrepreneurs (mentioned by a few respondents).

Support MSMEs want from government

The detailed interviews revealed that state support was not being received by any of the MSMEs respondents as they deemed it to be 'too complicated', 'a waste of time', and/or asking for government support is often perceived as 'begging' and is not well promoted. The majority of entrepreneurs were skeptical and/or unable to apply because their business was operating in the informal sector with payments made partly or fully under the table.

The survey of MSMEs confirmed this hesitancy among entrepreneurs to apply for support from the state, or from other businesses, revealing that few businesses had applied for or received assistance from a list of five sources including government (4.6 percent) and business (4.2 percent). More businesses in rural areas had received support from international organizations versus those in urban areas (3.8 percent vs 1.7 percent). Among those few businesses, which received support from any of the listed sources, 37 percent received it from Government and 34 percent from other businesses.

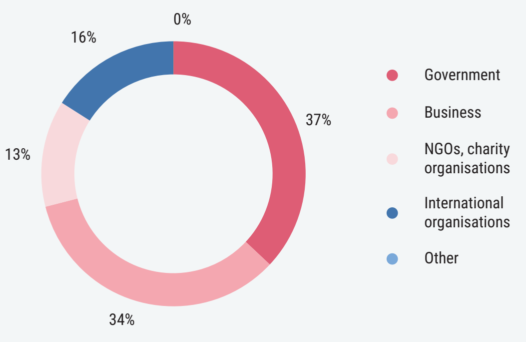
Government supports that respondents indicated would be most helpful included preferential tax policies (67 percent), financing (60.6 percent), and preferential lending (43.7 percent). The support from international organizations that respondents indicated would be most helpful was financial support (75.3 percent).

Summary of findings from other surveys

A rapid assessment undertaken by UNDP focusing on Ukrainian MSMEs captured the following information (including sources and dates):

- From 500,000 to 700,000 people in Ukraine lost their jobs since the quarantine began (27 March, Ukraine's Chamber of Commerce and Industry).
- Quarantine restrictions impacted an estimated 700,000 entrepreneurs and small businesses in the service sector, and educational institutions that employ up to 4 million people and had to stop their activities (20 March, Ukraine's Chamber of Commerce).
- 20 percent of the construction industry's Ukrainian workers were repatriated to Ukraine (26 March, Bloomberg, Polish Association of Construction Employers)
- Majority of Ukrainians (57 percent) will not be able to survive unpaid quarantine for more than 4 weeks. Nearly 7 percent have money to survive for just a few days, 12.1 percent for one week, 16.8 percent for two weeks, 5.7 percent for three weeks, 15.5 percent for four weeks. Only 4.3 percent have funds to survive for

Figure 29: If your business received assistance, please specific the source



more than half a year (22 March, Survey Conducted by Gradus)

- Almost half of the companies (48 percent) have incurred between 20 and 50 percent of revenue losses; another 16 percent had to change staff salaries, and 14 percent had to cut staff (25 March, survey by the European Business Association in Ukraine). Based on the survey results, the business response to the 30-day quarantine, was estimated to be as follows:
  - 23 percent plan to reduce staff salaries
  - 17 percent plan to reduce staff, another 6 percent plan to partially close the business,
  - 23 percent do not plan any reduction or downsizing, and
  - 31 percent will search for new niches to develop their business
- It was estimated that the volume of remittances to Ukraine could decrease by USD 0.5-1 billion from USD 12 billion by the end of 2020 due to the spread of coronavirus in the world (16 March, The National Bank of Ukraine).

Impact on conflicted areas of Ukraine

A rapid survey performed by UNDP in the conflict affected areas of eastern Ukraine (Donetsk and Luhansk) offers some insight to the compounded impact of the ongoing conflict and the pandemic on MSMEs and vulnerable groups (See #31 in Annex 6). Between December 2019 and March 2020, the Recovery and Peacebuilding Programme (RPP) conducted a phone survey of 277 recipients of business grants. Examples of findings include:

- More than half the recipients are continuing commercial activities (158 or 57 percent)
- 41 percent of recipients (114) suspended commercial activities for the quarantine period
- 1 (0.5 percent) recipient stopped commercial activity (closed PE)
- Businesses from urban areas (with a population over 50k residents) and Azov region (south Donetsk and Zaporizhzhia) were affected more significantly than businesses from rural communities and other regions (81-83 percent vs 67-70 percent respectively).
- Women and less experienced entrepreneurs (those younger than 40 years), were severely impacted by the pandemic: 78.7 percent of women entrepreneurs reported negative effects of the crisis vs 68.5 percent of men, and 80 percent of young entrepreneurs vs 68 percent of those, who are more experienced.
- Across different sectors, hospitality sector and services (including beauty services) suffered the most; grantees who are engaged in agricultural activities (vegetables, dairy and beef, poultry and eggs) are doing relatively well.
- Businesses engaged in road repair works are outliers, managing to generate profits. Part-time employment and livelihoods programmes in this sector would benefit people most affected by COVID-19.

Company pivots from making 3D printers to lifesaving personal protective equipment

When entrepreneur Serhiy Hakov, the co-founder of the 3D Farm Company in Kramatorsk, Donetsk Oblast, set up his company in 2016 with the help of a grant from the government of Japan and support from UNDP in Ukraine, he could not have guessed that he would have to completely revamp his product line after just four years.

The 3DFarm company had specialized in 3D printing technologies, producing 3D printers as well as educational and other products. Things were going well: 3DFarm was receiving orders for its products not only from Ukraine, but also from abroad.

Then came the COVID-19 pandemic, and with it some huge challenges.

"The COVID-19 outbreak in Ukraine prompted our company to open several new production lines, as there was a need for equipment that can be produced by 3D printers, including parts for artificial lung ventilation devices, as well as protective shields and respirators," says Hakov.

With Ukraine's borders closed, and transport even within the country restricted, Hakov's company was cut off from its customers. Sales were down 99 percent. Contracts had to be terminated. Loans the company had taken out had to be rescheduled. With the imposition of quarantine, remote working had to be arranged where possible. Hakov scrambled to keep his business afloat.

With the business now on life-support, Hakov had a brainwave: Why not put his 3D printers to work making new products – ones that were suddenly in demand and vitally required because of the outbreak of the COVID-19 disease?

While he cannot sell his products abroad, even though he was getting orders, and in Ukraine the products were bought only by private entrepreneurs and charitable foundations, Hakov's company, despite suffering losses, is still alive, and Hakov is confident that recovery is on the way.

Launching antiseptic production a 'socially responsible step' for Luhansk Oblast firm

Mikhailo Ivonin, the co-founder and head of the Institute of Water Treatment Technologies in Severodonetsk in Luhansk Oblast, knows all about change.

When the Institute of Water Treatment Technologies was founded in 1999, it was a water treatment company with a dozen employees focused on industrial companies. Over time, the company evolved into a research and design institute, inventing a technology to reduce lime scale deposits, which it started to sell on the retail market. This ground-breaking technology is unlike any other available world-wide.

Later, the institute used its know-how to produce other consumer goods, such as filters for drinking water, reagents for washing various types of equipment, and also a line of eco-friendly household chemicals based on coconut oil and sugar.

"With the beginning of quarantine, demand for our products fell sharply," says Ivonin. "So a decision had to be made quickly: either put people on unpaid leave, or launch the production of something that's in demand. We came up with the idea of making antiseptic."

So when the COVID-19 pandemic hit Ukraine this March, Ivonin knew change was on the way again – and quickly.

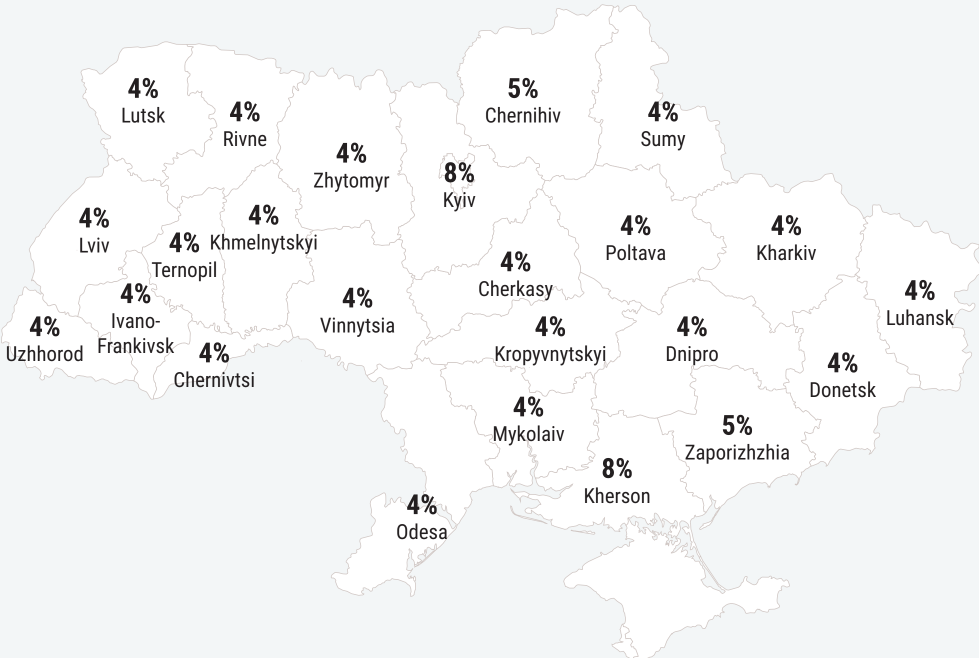
The Institute's laboratory soon developed an antiseptic formula, but sourcing raw materials was a problem. They had been supplied from China, but China was now under lockdown. Meanwhile, high demand was pushing the prices of supplies up. Still, Ivonin sold the antiseptic at as low a price as possible.

The launch of antiseptic production was a step any socially responsible company would have taken, Ivonin says. The institute also supplies for free a significant amount of its antiseptic to families with many children in Luhansk Oblast. And while raw materials supplies are returning to the market, and prices are falling, and Ivonin is still not planning to raise his own prices.

4. Impact of the COVID-19 pandemic on households

Impact of the COVID-19 pandemic on households

Figure 30: Social and economic impact on households – size



The compilation of responses for the household survey are presented in Table A3 in Annex 3, showing results for the country as a whole ("Total" column) and divided by rural and urban location. Overall, 54.2 percent of respondents were women, and most were between the ages of 25 and 65. According to the State Statistics Service of Ukraine, the average size of a household in Ukraine is 2.58 persons.

Vulnerable households

While 85.9 percent of households did not have a member permanently lose a job, the HH survey revealed a significant level of vulnerability within household members, including those with special needs such as elderly, unemployed, and the need for psychological support. A higher proportion of rural households included an unemployed member than urban households (33.4 percent vs 26.1 per-

Figure 31: What age range are you in?

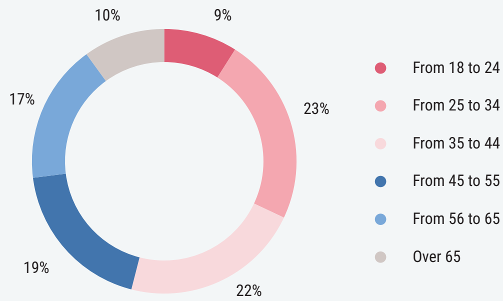


Figure 32: Do you have any vulnerable household members in the following categories

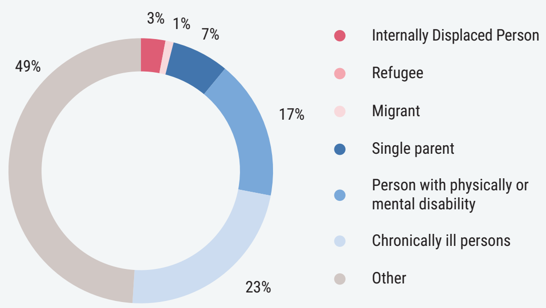
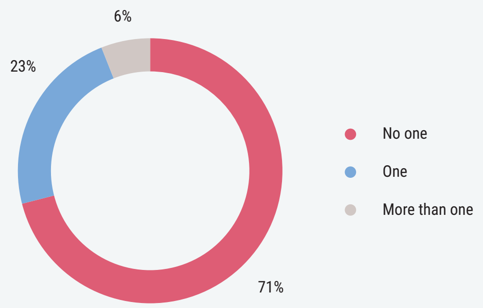


Figure 33: How many members of your household temporarily/partly lost their jobs?



cent). Nearly half of all households included a pensioner, 25.6 percent included a person with a chronic illness, 18.7 percent included a person with a disability, 17.3 percent included a member who was unofficially employed, 8.6 percent included a single parent, 6.6 percent included an ex-combatant, and 3.5 percent included an internally displaced person. A larger proportion of households in rural areas had no members temporarily lose their job (74.3 percent vs 68.5 percent), while 10.7 percent of households had one woman lose a job, 12.5 percent had man lose a job, 2.6 percent had more than woman lose a job, and 3.8 percent had more than man lose a job.

Analysis of the data for urban vs rural households indicates that rural HHs are more vulnerable, having a higher share of unofficially employed members, more chronically ill members, etc. On the other hand, urban HHs are more likely to host IDPs.

Food security and basic needs

Overall, 35.6 percent of households did not experience a change in the portion of their income spent on food. Households with a change in the portion of their income spent on food varied in terms of whether the change was an increase or a decrease. Overall, 11.3 percent of house-

Figure 34: How has the percentage of household income spent on food changed?

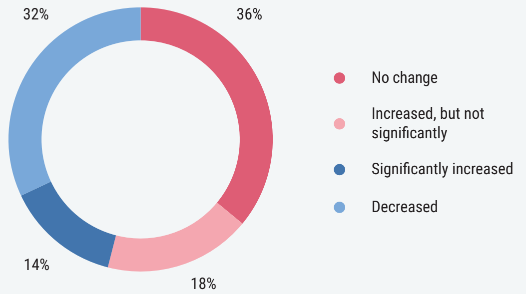


Figure 35: Are you worried about not having enough food because of lack of money?

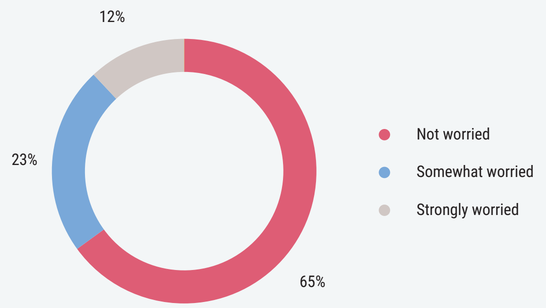
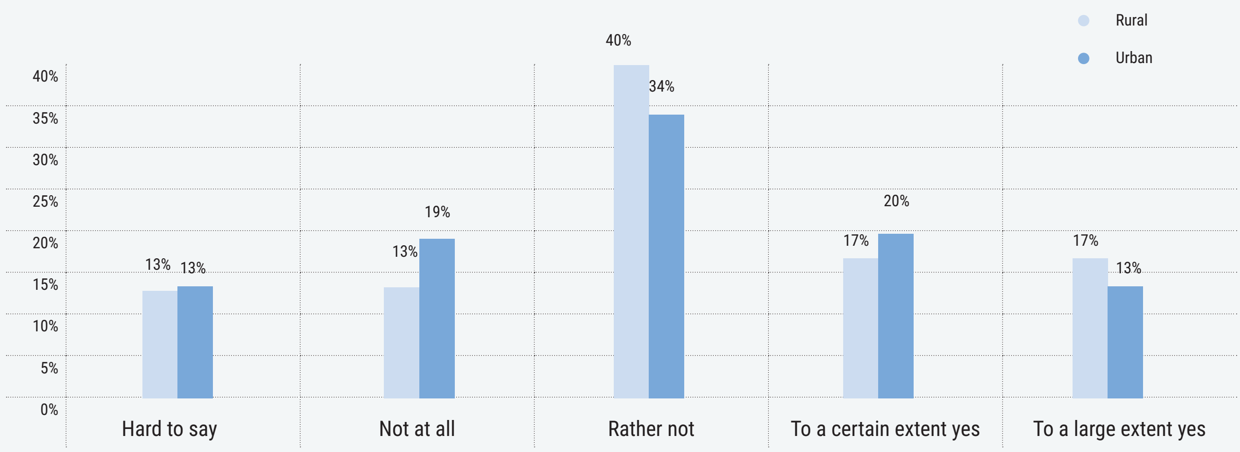


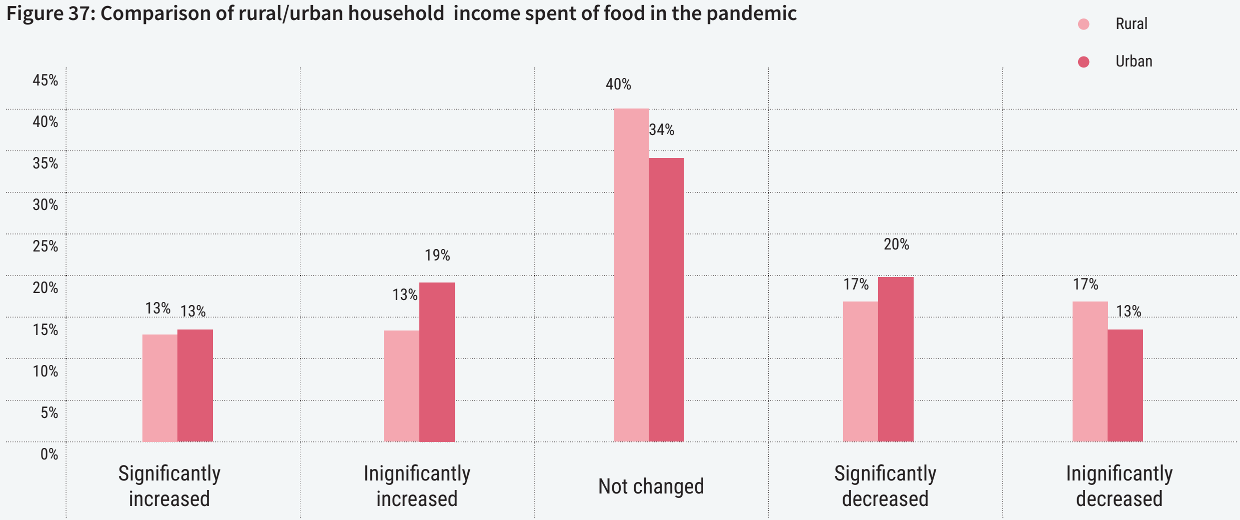
Figure 36: Comparison of rural/urban household worried about not having enough food



holds were worried 'to a large extent' about having enough to eat and 21.8 percent were worried 'to a certain extent' about having enough to eat, and this was slightly more common in urban households. Only 24.9 percent of urban households indicated that they could potentially produce their own food, whereas 67 percent of households in rural areas indicated that this was possible.

Analysis of urban vs rural HHs indicates that urban HHs are slightly more exposed to food insecurity, because a higher share of urban HHs are worried about not having enough food and food expenses are higher for urban HHs than for rural. This is supported by FAO's July 2020 Policy Bulletin, which found that in Ukraine and other countries in the region "more than 40 percent of household budgets are spent on food." The FAO report found that vulnerable groups of the population spend even more on food, "for example, pensioners spent 62 percent of their budgets on food in 2019." This indicates that the "sharp increases in staple food prices as a result of COVID-19 have lowered the affordability of normal diets, resulting in significant negative impacts on food security and nutrition."[36] Demonstrative graphs from the HH survey are provided in Figures 36 and 37.

Figure 37: Comparison of rural/urban household income spent of food in the pandemic



UN Women analysed the survey data and found that women respondents were more concerned than men respondents that there would be a shortage of food in the household because of a lack of money (39.4 percent vs 25.5 percent). Also, a greater proportion of men respondents (68.9 percent) were "not worried" compared to women respondents (54.4 percent, see Figure 38). It is interesting to note that the women respondents' concern did not depend on the average monthly income per capita in the household and assessments of the impact of the pandemic on the household's income (see Figures 38 and 39).

Respondents in the older age groups and those living in urban areas were more concerned about possible food shortages in the household. Those most worried were women aged 56-65 (48.5 percent), women over 65 (41.5 percent) followed by women 45-55 (40.9 percent). The groups of men that were most worried were those aged 34-44 (31 percent) and 25-34 (27.4 percent).

There is a significant gender gap regarding the concerns of women and men who are worried that they will not have enough food because of the lack of money in all macro regions of the country except the South. The largest gender gap regarding this concern is in the eastern region of the country, where 48.2 percent of women were worried that their household will not have enough food because of the lack of money compared to 17.6 percent of men surveyed in this region of the country (see Figure 41).

Concerns of households that they will not have enough food because of the lack of money tend to increase when there are representatives of vulnerable groups in the household, such as orphans (60 percent), refugees (60 percent), single mothers and fathers (53.4 percent), unemployed persons (47 percent), persons on leave who care for a child under 3 years (41.8

Figure 38: Distribution of the respondents' answers to question "Are you or others in your household worried about not having enough food to eat because of the lack of money?" depending on the sex of the respondents, percentage

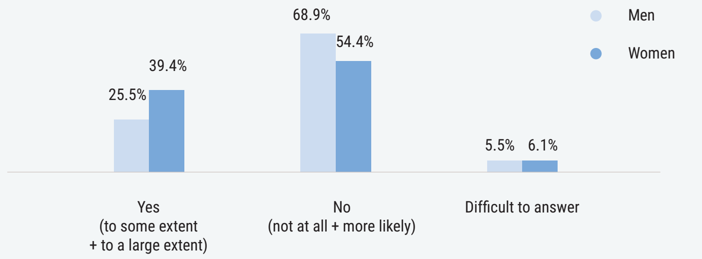


Figure 39: Distribution of the respondents' answers to the question "Are you or others in your household worried about not having enough food to eat because of the lack of money?" depending on the average monthly income per capita in the household and sex of the respondents, percentage (answers "to some extent" and "to a large extent")

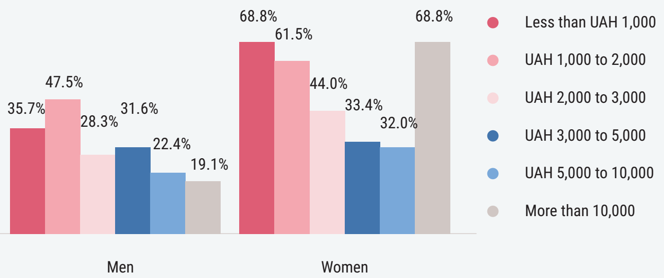
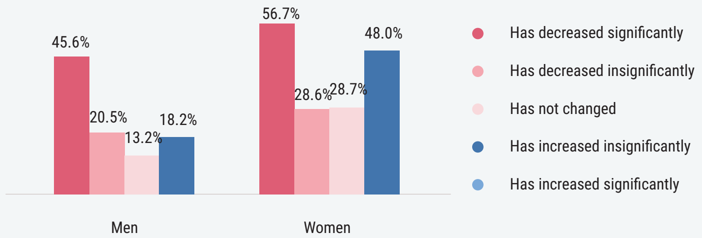


Figure 40: Distribution of the respondents' answers to the question "Are you or others in your household worried about not having enough food to eat because of the lack of money?" depending on the assessment of the impact of the pandemic on the average monthly income of the household and sex of the respondents, percentage (answers "to some extent" and "to a large extent")



percent), persons with chronic diseases (40.8 percent), persons with disabilities (38.1 percent), informally employed persons (38 percent, see Figure 42). This indicates that Households with more vulnerable segments of the population (elderly, women, etc.) were more worried about food and income uncertainties.

Access to health care

Overall, 54.3 percent of households did not require medical services or treatment, 13.9 percent of households were not able to or did not know whether they were able to access medical services and treatment, and 12.3 percent and 19.5 percent of households were partly or fully able to access medical services and treatment, respectively. Among the reasons why household members were unable to access medical services and treatment,

Figure 41: Distribution of the respondents' answers to the question "Are you or others in your household worried about not having enough food to eat because of the lack of money?" depending on the macro region of residence and sex of the respondents, percentage (answers "to some extent" and "to a large extent")

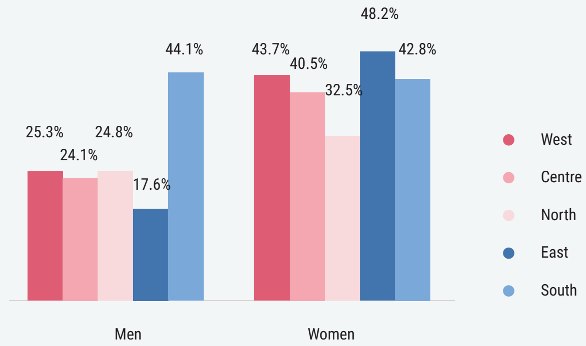


Figure 42: Distribution of the respondents' answers to the question "Are you or others in your household worried about not having enough food to eat because of the lack of money?" depending on the presence of vulnerable groups in the household (percentage of concerned respondents)

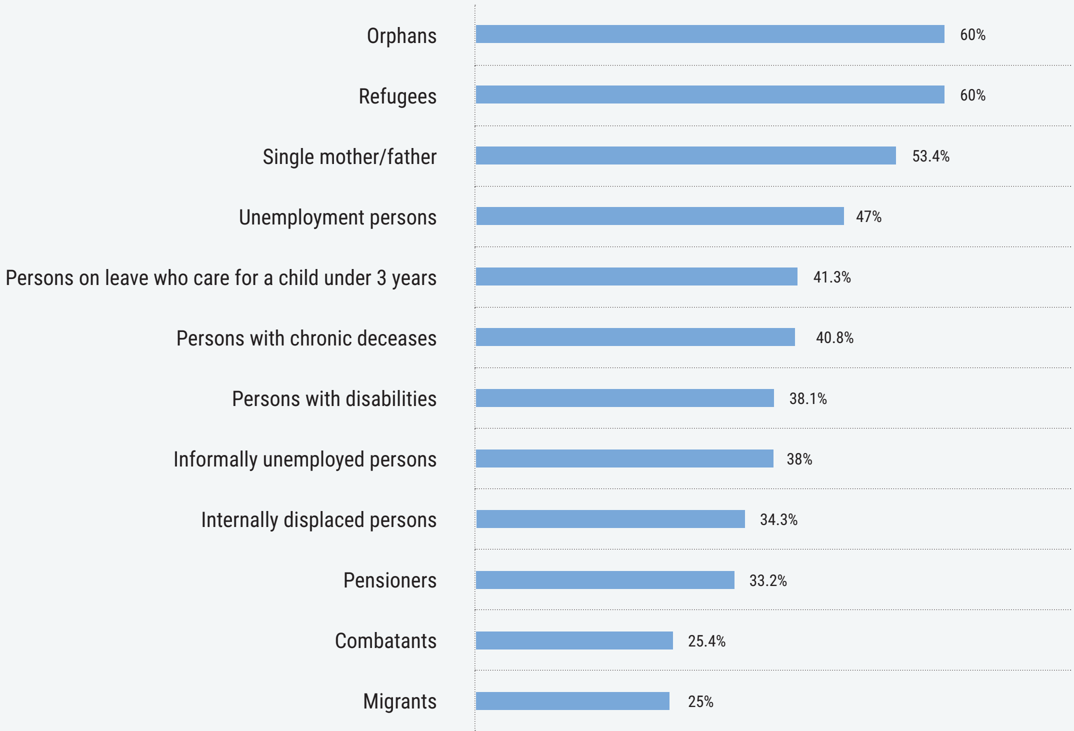


Figure 43: Do you access medical services regularly?

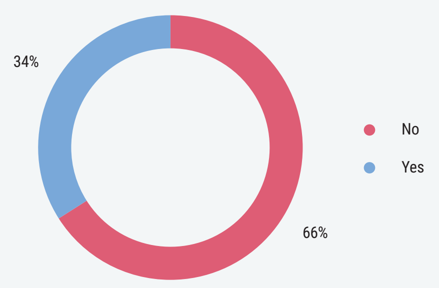
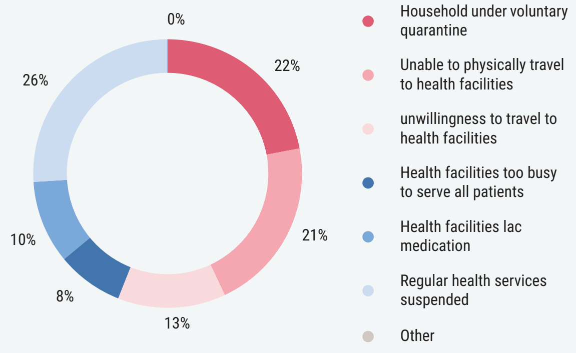


Figure 44: If unable to access medical services or medication, was for what reason?



the most common was obligatory quarantine, and this affected urban households more than rural households (84.3 percent vs 63.6 percent). Inability to travel affected rural households more than urban households (66.7 percent vs 37.4 percent). The inability to access medical services and treatment due to facilities being too busy was more common in urban areas compared to rural areas (23.2 percent vs 11.6 percent); lack of medication was more common in rural areas (36.2 percent vs. 21.4 percent), and suspended healthcare was more common in urban areas (64.7 percent vs 54.2 percent).

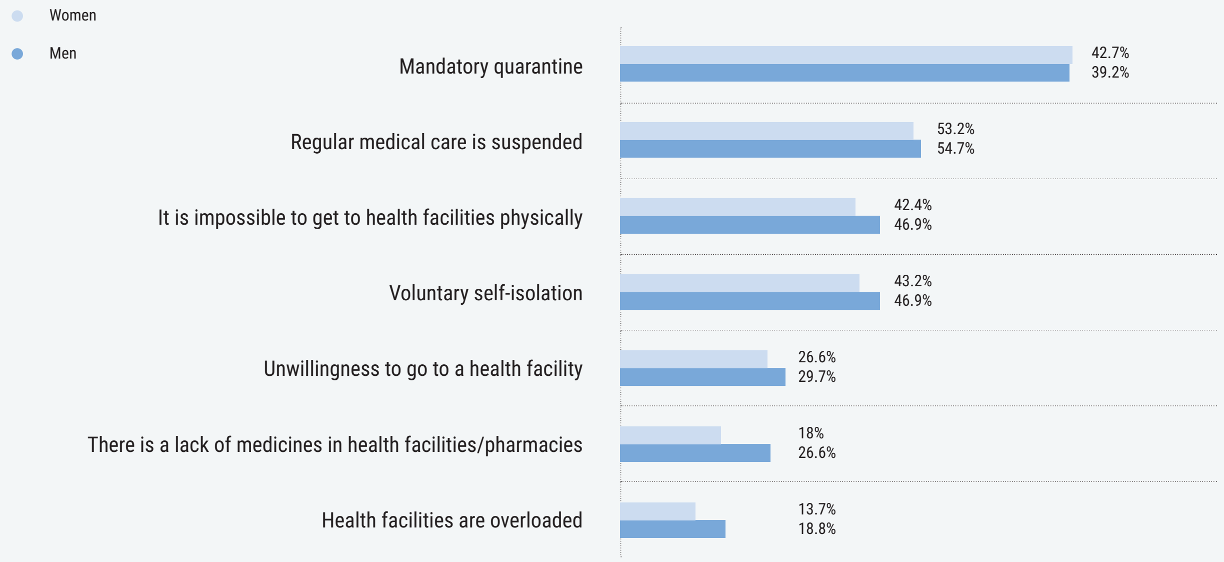
No significant gender gaps have been found in the reasons for failing to receive medical services, although men mention that health facilities are overloaded and that there is a lack of medicines in health facilities/pharmacies slightly more often than women (see Figure 45). Residents in urban areas mention unwillingness to travel (32.1 vs 24.5 percent rural), that facilities are too busy (23.2 percent vs 11.6 percent rural) and suspended healthcare (64.7 percent vs 54.2 percent rural) as reasons for failing to receive medical services more often than rural ones; while rural residents mention inability to travel to a health facility (66.7 percent vs 37.4 percent urban) and no medication (36.2 percent vs 21.4 percent urban).

According to the survey, 5.7 percent of households had at least one member requiring psychological support, and women indicated a greater need for psychosocial support because of the COVID-19 outbreak significantly more often than men: 45.8 percent of respondents who mentioned that there were persons in their households who needed such support said that they were mostly women, 13.6 percent mentioned that they were mostly men, 40.7 percent mentioned that they were persons of both sexes (see Figures 46 and 47). Men requiring psychological support were more common in urban areas compared to rural areas (17.1 percent vs 6.7 percent). Psychological support was not received by 83.1 percent of households that indicated they needed such support. This shortcoming was confirmed by the detailed interviews, which revealed that mental health support is a major issue, as almost all respondents mentioned how stressed and anxious they feel about the future. They reported an increase in the number of arguments and conflicts within the household and with the neighbours. In addition, parents were having to spend more time with their children, locked down at home and making sure they did their studies, which put growing pressure on the parents, and increased the stress levels for adults.

Education

Overall, two thirds of households included someone who had switched to online education. Gender gaps were found in the challenges of transitioning to online education for households with children under the age of 17: technical

Figure 45: Distribution of the respondents' answers to the question "Have members of your household who are in need of regular medical treatment been able to access medical services and medication since the outbreak of the pandemic? If not or partly, has it been for the following reasons?" depending on the sex, percentage



problems with connecting to the online platform were reported by 44.1 percent of respondents from households raising boys and 31 percent of respondents from households raising girls; difficulties in organizing additional monitoring of education were reported by 56.2 percent and 41.3 percent respectively; lower quality interaction with the teacher was reported by 45.6 percent and 37.9 percent respectively; and lower organization during education was reported by 52.6 percent and 40.6 percent respectively. At the same time, 42.9 percent of respondents from households raising girls and only 14.1 percent of respondents from households raising boys reported lower quality interaction with other pupils (see Figure 48). Respondents living in urban areas were significantly more critical of the quality of online education in the circumstances surrounding the COVID-19 pandemic than respondents from rural households (see Figure 49). It

Figure 46: Have any household members required professional psychological support?

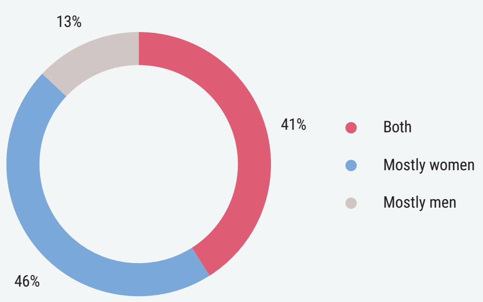


Figure 47: Have they received such professional psychological support?

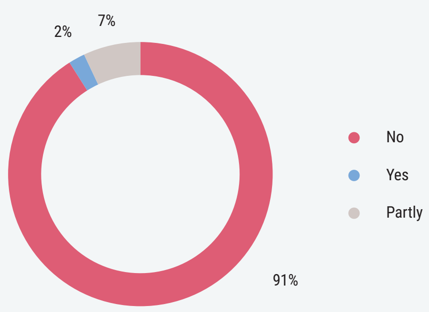
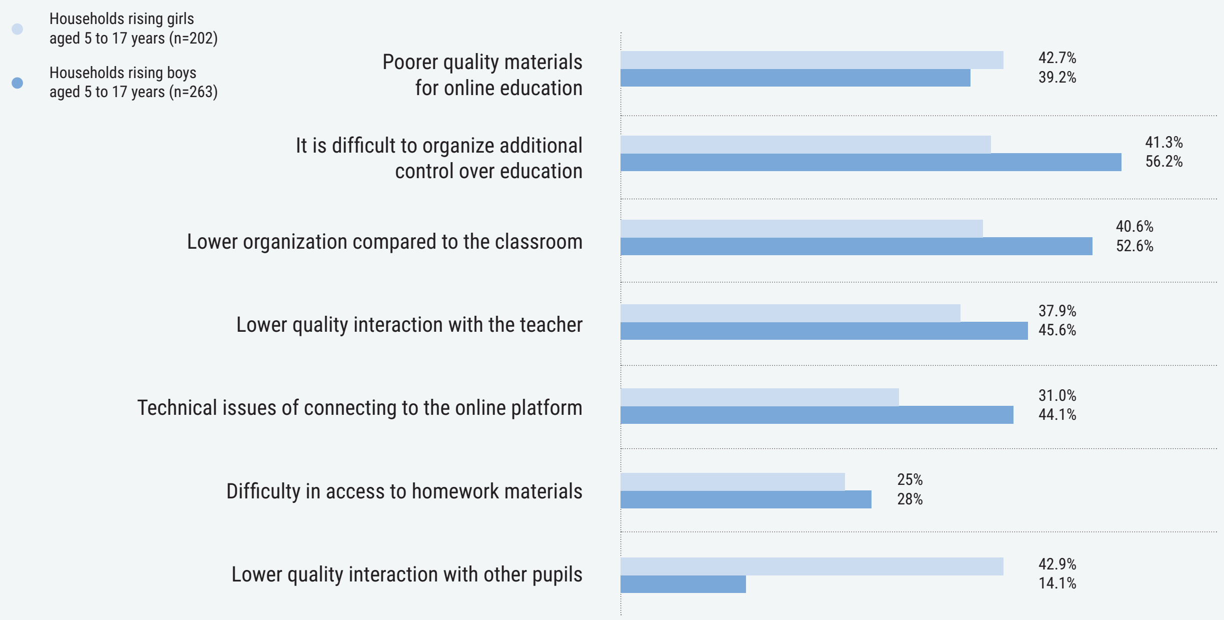


Figure 48: Issues related to the transition to online education in different types of households with children, percentage (households raising boys aged 5 to 17 years (n=263) and girls aged 5 to 17 years (n=202)



is not known whether this is because of an urban/rural "digital gap" (reflecting unequal access to the internet in rural and urban areas) or whether families possess a computer (socio-economic level).

The detailed interviews confirmed these results, indicating that respondents did not think distance education was running smoothly, or that many teachers did not know how to use internet tools. In addition, it was reported that many children do not have access to the internet, and for those that do, self-control is a major challenge when studying online.

Access to social protection

Overall, 10.8 percent of households applied for housing support, 6.7 percent for child support, 6.5 percent for targeted assistance, and 4.9 percent had a member who had applied for unemployment benefits. A larger proportion of urban households applied for each of these supports compared to rural households: The housing subsidy was 12.6 percent urban vs 9.6 percent rural); child support had the largest difference between urban and rural households (8.3 percent vs 4.8 percent).

By region, urban households in the east of the country are recipients of benefits and assistance more often compared to other regions: housing subsidy (25.3 percent), social assistance for children (22.1 percent), unemployment benefits (15.6 percent), targeted social assistance (15.6 percent). The most common sources of supports received during the pandemic included government (26.2 percent), where rural households requested assistance from government agencies slightly more often than urban households (28.3 percent vs 25.9 percent urban). Second was family and friends in Ukraine (15.5 percent). Urban households in settlements request assistance from local government twice as often as rural households, but the number requesting is quite low (5.1 percent vs 2.2 percent).

Preferred types of assistance included social benefits (53.8 percent), business grants (35.7 percent), in-kind support (35.4 percent), assistance getting a job (20.4 percent), learning opportunities (24.8 percent) and psychological support (5.6 percent). A larger proportion of households in urban areas preferred learning opportunities (26.8 percent vs 20.3 percent rural) and psychological support (7.5 per-

Figure 49: Issues related to the transition to online education in different types of households with children depending on the type of settlement where the respondent resides, percentage

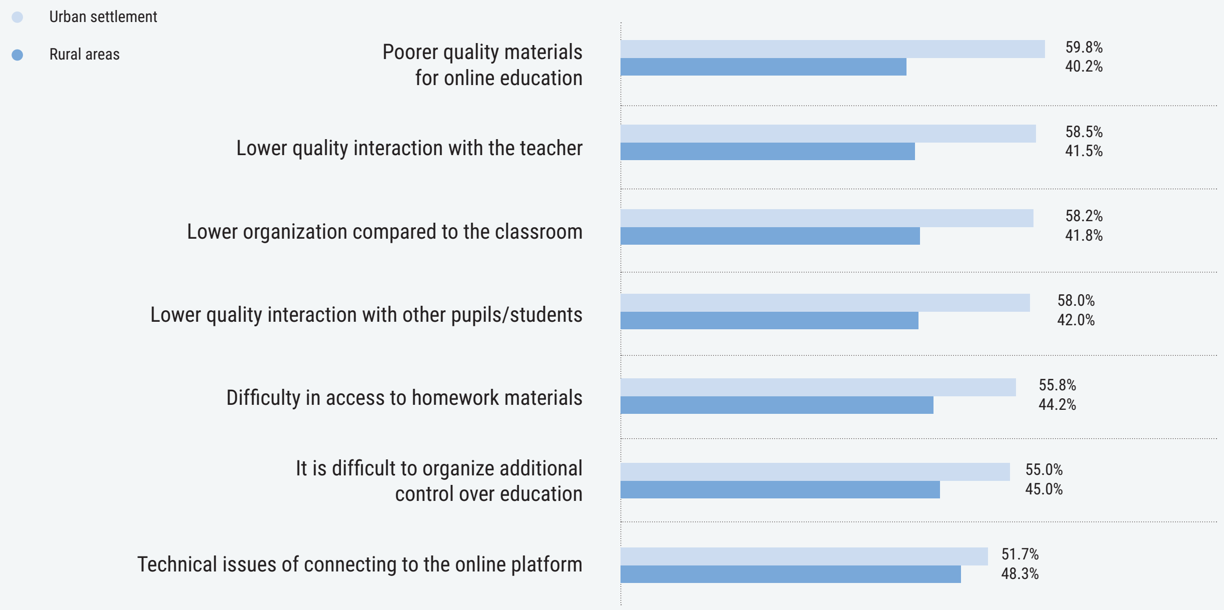
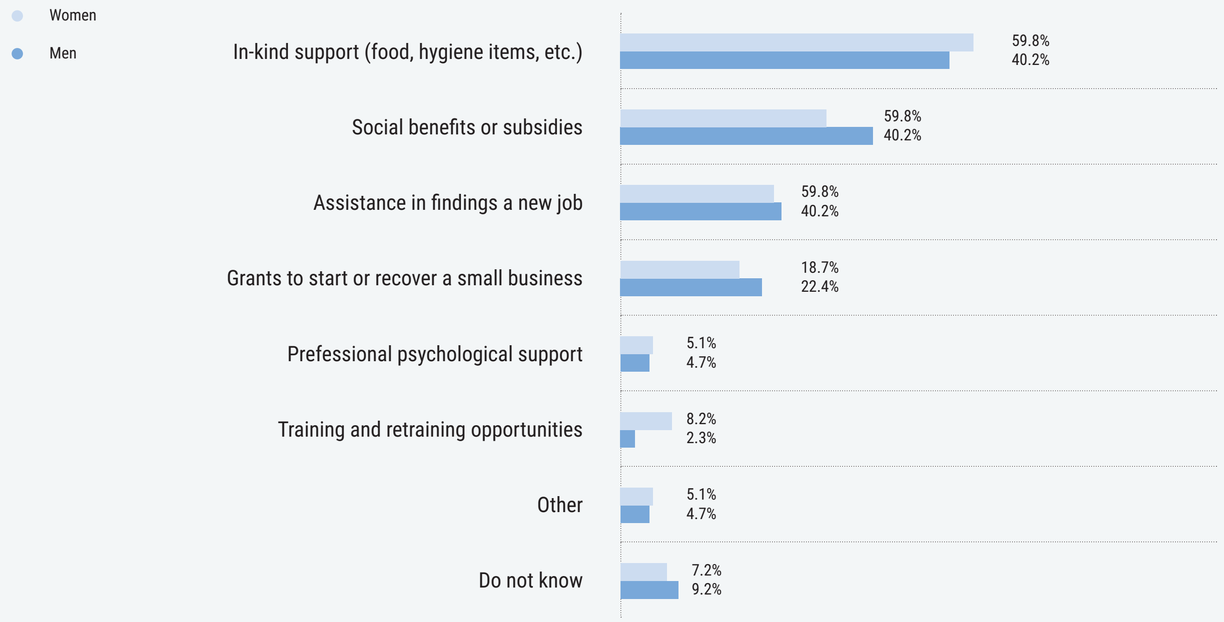


Figure 50: Distribution of the respondents' answers to the question "What kind of assistance would you and your household members prefer?" depending on the sex, percentage



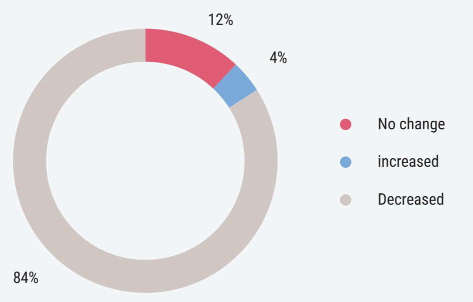
cent vs 2.5 percent rural). No significant gender differences have been found in the types of desired assistance. However, women mention training and retraining opportunities more often; and men mention grants to start or recover a small business more often (see Figure 50).

Household income

Overall, rural households had lower incomes than urban households, with nearly half earning between 0 and 3000 Hryvnia per capita monthly. About half of respondents reported the pandemic reduced their average monthly household income 'significantly' (53.7 percent urban and 50 percent rural) and another 41.8 percent indicated it had decreased their household income 'insignificantly' (40.8 percent urban and 43.4 percent rural). Men respondents reported the pandemic reduced their average monthly household income more often than women did (61.8 percent vs 54.5 percent). Women indicated their household income had not changed under the impact of the COVID-19 pandemic more often than men (see Figure 52).

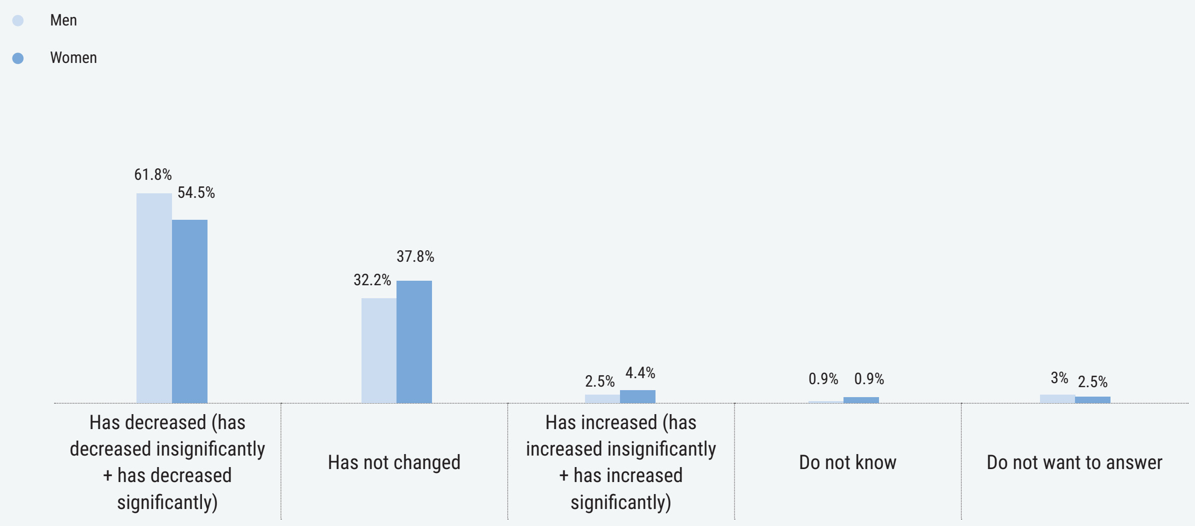
The difference in estimates of the impact of the pandemic on the household's average monthly income between urban and rural households is most notable in the east and centre of the country (see Figure 53).

Figure 51: How has your monthly turnover changed during the pandemic?



In terms of household possessions, half of households had a car or van, most (88.6 percent) had a TV, three-quarters had mobile internet, and between 70 percent and 72 percent had broadband internet, a mobile phone or landline, a smartphone or table, or a computer or laptop. A larger proportion of rural households had a car or van (57.3 percent vs 47.3 percent) and a smaller

Figure 52: The respondents' answers to the question "What is the estimated impact of the pandemic on your household's average monthly income (from all sources)?" depending on the sex of the respondents, percentage



proportion of rural households had broadband internet (58.2 percent vs 77.5 percent) or a computer or laptop (65.2 percent vs 74.9 percent).

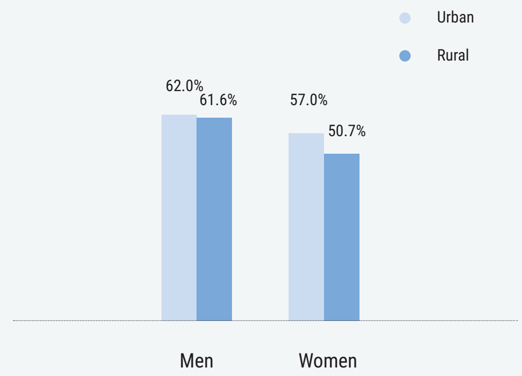
The in-depth interviews revealed that among the top concerns of households were paying back loans, utility bills and increasing food prices. Financial support from the state is not easy to come by, and people complained about there being no decrease in the cost of rent and bills. Many also reported delays in loan repayments. News stories about fines being levied for not paying the bills tended to add to the respondent's level of stress. Many of those who took a loan are in a very difficult position.

Gender impact

The household survey results confirm the evidence obtained by the rapid gender assessment of the situation and needs of women in the context of COVID-19 in Ukraine conducted by UN Women between 23 March – 15 April 2020) (Annex 6 #30). The rapid gender assessment revealed the following economic and social challenges faced by women and vulnerable groups:

- Women make up 70 percent of the beneficiaries of in-kind and cash assistance.
- Levels of salaries and incomes of women are lower than those of men, which limits their ability to save.
- Women tend to suffer more in the context of economic crisis.
- Older women are more marginalized and economically vulnerable than older men.
- The gender wage gap leads to a pension gap between men and women.
- Because the share of women at retirement age is higher than that of men, women are more dependent on the state pension and social policy.
- Women entrepreneurs in Ukraine are concentrated mainly in the micro and small businesses, which puts them at greater risk of income loss due to reduced consumption of goods and services resulting from measures taken to restrict movement.
- Women are more often engaged in the informal economy (without any social safeguards), which makes them more vulnerable in a situation of sudden loss of income.
- The pandemic affected self-employed women and women-entrepreneurs differently because of gender based sectoral and occupational segregation in the labour market. Women and young people are the majority of those who worked in the sectors most likely to suffer from closure during quarantine measures and the restrictions in terms of physical contact and gathering (catering, leisure, tourism and retail sectors).

Figure 53: Distribution of the respondents' answers to the question "What is the estimated impact of the pandemic on your household's average monthly income (from all sources)?" depending on the sex and type of the respondents' settlement, percentage (answers "has decreased significantly" and "has decreased insignificantly")



In addition, closures of schools and day-care centres have significantly increased childcare needs, which has a particularly large impact on working mothers. The effects of the crisis on women, particularly working mothers, are likely to be persistent: given high returns to experience in the labour market, women absent from the labour market for any extended period are likely to suffer a lasting disadvantage in terms of earnings and potential advancement.

According to UN Women, there was, on average, a 30 percent rise in calls to the domestic violence helpline in Ukraine during the nationwide quarantine. To help combat domestic violence, the National Police of Ukraine released "guidelines for its victims during quarantine." The police also launched a chat bot in the popular Telegram messenger app that sends automated messages with information about domestic violence and the contact information of support services.[37]

While women have been disproportionately affected by the pandemic and they make up the majority of the frontline workers, they are not effectively represented within the COVID-19 coordinating and decision-making bodies.

Social cohesion

Experiences of prejudice were reported by 6.5 percent of respondents. Unfortunately, the surveys did not directly address the impact on employment and social security, or businesses run by vulnerable groups, including minorities, particularly Roma, and persons with disabilities. Nor did the surveys sufficiently address the impact on people living in Ukraine's conflict afflicted regions. As a result, the impact on these groups remains invisible.

Coping mechanisms adopted by households

The in-depth interviews revealed that respondents working for the state (schools, hospitals, museums) did not lose their jobs and did not have major complaints about the impact. However, many unofficial workers did lose their jobs, were asked to resign by their management, or their workload was cut to a very minimum. This reveals the existence of an even deeper divide in income between those employed officially and unofficially, where those employed officially have access to various state supported "unemployment allowances", while still receiving a salary (in cash). This divide is an indication that the recovery will likely be K-shaped, where those with steady incomes and stable jobs will fare better than the retired, the jobless and vulnerable workers.

As found in the MSME survey, the major barrier for economic activities was the cancellation of bus transportation, particularly in rural areas where residents could not travel to their place of work or sell their products. The surveys revealed another issue that is affecting rural areas, as some transport companies cannot find enough bus drivers because many of the former drivers left the profession or found other jobs. Those who had cars did not experience the same level of restrictions with respect to transportation. Those who do not have cars, had to walk many kilometres to reach the city. Thus, the impact on rural residents is quite serious in this regard. Although not presented in the survey results, in rural areas, fewer women than men are car owners or drivers. This constitutes one of the main challenges to rural women's mobility and access to work, to markets or services like shops and pharmacies.

Migrant workers and remittances

As indicated above, migrant workers are particularly vulnerable within the confines of the pandemic, as they have experienced restrictions in travel to Russia, Poland, Italy, the Czech Republic and other EU countries where they work seasonally. This is a significant blow to household incomes as Ukraine's 3.4 million migrant workers contribute at least 10 percent to GDP by sending remittances from seasonal jobs in other countries. The Russian Federation is the most popular destination, attracting 43.3 percent of Ukraine's migrant workers, followed by Poland, Italy and Czech, each of which attract around 13–14 percent of the total population of migrant workers from Ukraine. Notably, women are more often than men work in Poland (42.6% vs 37.3%) and in Italy (27.0% vs 4.7%) while men are more often employed in Russia (31.0% vs 15.1%)[38]. Ukrainians make up the largest group of labour migrants in the EU. They also send the most money home. According to the World Bank, Ukraine was the largest recipient of remittances in the region, receiving a record high of nearly $16 billion in 2019. [39]

Impact on conflict afflicted regions

Unfortunately, the HH surveys did not gather specific information to estimate the combined impact of the conflict and COVID-19 on people living in the conflict affected regions (Donetsk, Luhansk). A rapid survey of MSME recipients of business grants conducted by UNDP's RPP in the conflict affected areas of eastern Ukraine offers insights into the compounding effect of the ongoing military conflict amidst the COVID-19 pandemic (see summary on page 21). Since then, the closure of the "contact line" in the east has an impact on the overall situation for the most vulnerable households in the eastern regions of the country. The most recent ceasefire has been in place since July 27 (however, it has already been violated several times), hence the active phase of hostilities and, more importantly, the full lockdown at contact line checkpoints has further affected most vulnerable households in the conflict-affected eastern regions of the country. Within the ongoing conflict, Ukrainian households are under amplified stress, compared to other EaP countries.

UNDP's IDRPB team is in the process of finalizing a detailed survey on trends and the impact of the pandemic on a number of value chains in eastern Ukraine. This new data and analysis are available in a separate report.

Pandemic prompts development of online education for language school

Anna Zaryshnia had always dreamed of having her own language school. And after she participated in a business school organized by UNDP Ukraine, developed a business plan, and received a grant from the Austrian Development Agency, she was able to bring the idea to life.

“When I launched the school there was one classroom and 20 students, and now there are two classrooms and 170 students, even children from neighbouring villages attended classes,” Zaryshniak says.

Her school, called Study Time, opened in the town of Berehomet in Chernivtsi Oblast three years ago, and from the start it was open to growth and innovation: Zaryshniak developed her own study programme and teaches according to it, using a variety of modern equipment (interactive whiteboards, tablets, and so on).

The COVID-19 outbreak stopped the school’s progress in its tracks – but only for a short while.

With the school physically unable to operate, Zaryshnia and her fellow teacher began to actively explore the possibilities of online education, reading articles, watching webinars, and undergoing online training themselves. Two weeks after the beginning of quarantine, they started to conduct online lessons with their students. However, for various reasons, only 70 students agreed to take online classes.

"Parents were sceptical of this learning method, or simply did not want their children to spend a lot of time at the computer,” Zaryshniak says.

“And people found it hard to pay for classes during quarantine. Poor network coverage, and as a result, an unstable internet connection, was also a problem.”

Despite all the challenges caused by the pandemic, Zaryshniak says there are some positives. She is looking forward to return to her school, but has already noticed that some students work even better online, and now she is considering combining classroom and online learning in future.

From coal mines to milk production

The beginning of the armed conflict in Ukraine forced Ivan Polushko to leave the coal mines. He was forced to move to an IDP site with his wife and three children, to save their lives. It was difficult to find a job and even when he would find one, the salary was very low.

In its sixth year, the situation in the conflict-affected Donetsk and Luhansk oblasts in eastern Ukraine continues to take a significant toll on the lives of more than five million people. Vulnerable population is increasingly forced to buy food on credit, cut health expenditures, or resort to begging. Horticulture and small farming sometimes are the only source of income for people living close to the "contact line". Many farmers are now ready to resume their activities but need immediate assistance, as their crops were abandoned, machinery was burned, livestock - stolen or killed.

Until 2015, Ivan was not engaged in agriculture. But since he could not find a job, he decided to risk last USD 100 and buy a cow. Step by step, he began to develop his own business and after a while he managed to have enough money to rent a small farm. Over time, he bought more animals and even swapped a laptop by a cow, increasing the small family farm.

With FAO and EU support, Ivan received a USD 5 000 agricultural grant. This enabled him to increase the family resilience, he bought 10 hectares of land, to plant grain and alfalfa for cattle fodder, and another three cows.

Due to the COVID-19 pandemic, Ivan failed to register the land, but the man assures that in general quarantine allowed his business to reach a new level. He stopped transporting milk for processing and now works directly with customers and deliver dairy products to each part of the city.

"People are happy to buy our milk. I know how to feed cows properly to make the milk delicious. This is my secret", said Ivan Polushko, local farmer.

Currently, the farmer produces 60-70 litres of milk per day and sells milk, sour cream, butter and cheese to the local population.

"Now I want to go to a new level and open a small craft factory. I want to start cheese production and launch a milk processing line for schools and kindergartens", added Ivan.

The support provided by international organizations to farmers in eastern Ukraine is part of a broader effort to combat hunger and ensure food security and employment in agriculture in the region. It is important step in building world without hunger.

5. Government response

Government response

A) Policies and measures to stabilize and revive the economy

Fiscal and monetary measures

Legislation was passed on 17 March 2020 enabling businesses to adopt more flexible working hours. No penalties will be applied to tax law violations that are committed between 1 March and 31 May 2020, although this exemption will not apply to VAT or excise tax and rent. The deadline for filing annual income declarations has been extended for two months until 1 July 2020, with tax payable by 1 October 2020.

In addition, Parliament suspended the requirement to pay tax on commercial real estate and land; defined the COVID-19 quarantine as a *force-majeure* for legal contracts; postponed the requirement to use registrars for settlement transactions; suspended tax inspections of companies; and expanded the government programme of affordable bank loans at discounted interest rates for businesses. Entrepreneurs who work independently have been offered a temporary exemption from social security contributions in March and April, while fines for incomplete contributions and reporting have been suspended. Moreover, the National Bank of Ukraine has continued to intervene in the foreign exchange market by supporting the local currency and stem its depreciation, while reducing interest rates to 8 percent.

Infrastructure works

To promote job creation, Parliament approved redirection of unused money from the Stabilization Fund to road construction works, which is estimated to create 12,600 jobs in the road construction industry and more than 50,400 in adjacent industries. The national “Great Construction” project aims to build 100 schools, 100 kindergartens, 100 stadiums, 200 new hospital admissions units, and 4000 km of roads. The project may generate 150,000 new jobs. The project is funded by the state budget, funds from the Regional Development Fund, as well as from local budgets.

B) Policies and measures for MSMEs

In recent years, the government of Ukraine has increased efforts to support MSMEs through reforms in deregulation, public procurement, harmonization with the EU acquis and bankruptcy procedures. Furthermore, improved and streamlined its institutional and regulatory framework for SME policy and included entrepreneurship as a key competence in the new and ambitious New Ukrainian School reform. In 2018, the 2020 SME Development Strategy was adopted, and the SME Development Office established to support the Ministry for Development of Economy, Trade and Agriculture in implementing the strategy and expanding the infrastructure for SME support.

However, according to the OECD SME Policy Index (2020), Ukraine lags behind other Eastern Partnership countries in the vast majority of MSMEs indicators, including in innovation policy, institutional frameworks, operational environment, bankruptcy, green economy, business development services, internationalization, access to finance, public procurement and SME skills.

During the quarantine, the government introduced special policies and measures to provide targeted support for SMEs including those operating in the agriculture sector. State-owned PrivatBank (the country’s largest lender) announced a “credit holiday” for medium-sized businesses (until the end of May). Credit institutions are also prohibited from raising interest rates on loans that have already been issued. Other measures introduced by the government include the following:

Loans, credit guarantees and wage support

The government has reformatted existing initiatives and established loan guarantees for MSMEs to help refinance existing loans and assist businesses to retain their employees by providing increased support to pay wages.

US$ 1.3 billion will be available for micro, small and medium-sized businesses through the government's '5-7-9 percent' initiative allowing businesses to borrow up to US$ 110,000 at zero or reduced interest rates backed by state guarantees of 80 percent of loans to the bank until 31 March 2021. The government has also signaled that a new programme will be launched to provide small and micro enterprises (with an annual turnover of under US$10.8 million) with loans at 3 percent interest per annum for up to two years. Other support measures include the EU's Entrepreneurship Development Fund, which will be expanded to facilitate lending for SMEs with affordable loans at a discounted interest rate.

Support for creative industries and tourism

Business entities engaged in culture, creative industries, and tourism will benefit from Bill No. 3377 which amends certain legislative acts and provides for subsidies and tax exemptions.

Unemployment allowance

SMEs that have been forced to suspend their activities during the quarantine can apply for a partial unemployment allowance programme, under which for each hour of lost work time, the company receives two-thirds of the salary rate (the aid must not exceed the minimum wage). However, this initiative is limited by minimum wage and capacity of the State social insurance fund. Also only officially employed staff can be covered by the measure, which means that people working in the informal sector are not entitled to this support. This, among others, includes Roma and homeless people as they lack the identification documents required by official employment.

Child assistance for SME owners

Child assistance for SME owners is available to individual entrepreneurs through cash transfers. The amount is calculated based on the minimum subsistence level for each child. It applies only to officially registered private persons-entrepreneurs and is not applicable to employees of companies or self-employed people, however the evidentiary base for making this decision remains unclear.

Changes to the Labour Code

Quarantine related changes were introduced to the Labour Code to regulate the new reality of remote work, flexible schedule and salaries. Occupational health and safety measures include the possibility to reconcile work and family responsibilities. The safety measures also include provisions to prevent sexual and other forms of harassment in the workplace.

Response in agriculture

Support to the agriculture sector is aimed at ensuring sufficient domestic supplies and avoiding price increases of staple foods. The government sold 160,000 tonnes of milling wheat in the local market and introduced State regulations on prices for a range of food items, including wheat flour, buckwheat, pasta, bread, milk and sugar. Other policy measures included providing agricultural loans and finance. Agricultural producers were exempted from land tax and payment of rent of state-owned agricultural land for two months. Export limits of wheat for the 2019/20 season were set at 20.2 million tonnes, which is not expected to affect the market because it is in line with market expectations and national balances existing before the COVID-19 outbreak. Buckwheat and buckwheat grain (without shell) export was prohibited until 1 July. The foreign trade balance of agri-food products amounted to $5.3 billion, indicating that Ukraine remains a net exporter of agri-food products.

C) Policies and measures for households

Along with support to businesses, the government has introduced social support measures designed to support vulnerable groups (including the elderly and underprivileged) including subsidizing utility bill payments for vulnerable groups, increasing pensions, introducing legal grounds to claim unemployment benefits, and offering mortgages at more affordable rates. Also, the government has suspended interest payments for taxpayers and social security contributors, and tenants have been temporarily relieved from paying rent on property that is not used during the quarantine.

D) Digitalization of government services

The Government of Ukraine launched an e-Governance action plan for 2018-2020 and established the Ministry for Digital Transformation in charge of designing and implementing the state policy on digitalization. The government is regulating and monitoring emergency procurement via open contracting on ProZorro, the public e-procurement system. Since March 2020, entrepreneurs can learn at online-events of the Business Information Support Centres (BISCs) and Merezha online platform. Plus, the State Employment Service moved most of its services to online platforms and simplified administrative procedures by introducing deferred formal registration and online enrolment in unemployment and part-time employment benefit programmes. Furthermore, Ukraine plans to stop submitting paper documents to government agencies from September 2021 and its "Diia" mobile application will serve as the main channel of digital communication between the government and the country's citizens.

E) Gaps and perception of effectiveness

A recent OECD report suggests that providing state support to households and MSMEs that operate in the informal economy can be particularly difficult: "While direct cash transfers to the entire workforce may help mitigate the social impact, they would constitute an unrealistically expensive measure for the Ukraine government." However, extending some income support where possible should be a priority. For example, there are some forms of tax relief that could help the informal sector: while informal workers and firms may not pay direct taxes or social charges, they often do pay utility fees, market taxes and fees, and taxes affecting the movement of remittances. This is something the government may want to bear in mind when considering the design of tax measures to support MSMEs.[40]

MSMEs and the informal economy

The measures adopted need to mitigate the impact of the pandemic on MSMEs, which represent the most common type of firm and the largest source of employment in the Ukraine. However, given the high degree of informal work in the Ukrainian economy, it will be difficult to provide support to MSMEs through formal government programmes.[41]

The Ukrainian government has recognized the vulnerabilities associated with informal work and important legislation is being passed: the National Action Plan to Fight Undeclared Work in Ukraine specifies in detail what will be done in the future to further reduce informality.[42]

With respect to migrant workers, the Government of Ukraine has introduced schemes to entice workers to return home and stay home, such as assistance for MSMEs and a large-scale construction programme to create jobs. These efforts may take time to show results because Ukrainian salaries remain among the lowest in Europe, corruption is endemic, and the local job market is precarious, all of which are being aggravated by the economic fallout of the coronavirus pandemic. In the midst of the pandemic, the lure of better-paying work is clearly still high. Recruitment companies that organize work for Ukrainians in Poland and the EU are still getting thousands of calls a month since the start of the pandemic. The majority of Ukrainians (67 percent) who left Poland because of the quarantine measures now want to go back. [43]

The prevalence of informal workers and MSMEs in Ukraine reflects the less stringent regulation of labour relations.

However, this lack of enforcement harbours vulnerabilities in labour markets – vulnerabilities that are being exacerbated in the current crisis. Over the longer term Ukraine workers will benefit from updated employment policies focused on decent work and safe working environments.

With respect to MSMEs, the authors of the SME Policy Index make the following suggestions: Ukraine should ensure the sustainability of its institutional and regulatory framework for SME policy, step up deregulation efforts and ensure the creation of level-playing-field conditions for SMEs through consistent enforcement of the corruption and competition legislation, as well as by granting broader budgetary autonomy to its competition authority. In addition, streamlining support for SME greening and internationalization, and providing a range of business development services will help to improve the competitiveness of Ukrainian economy.[44]

These and other issues are addressed in the next section.

6. Pathways to build forward better

Pathways to build forward better

This section presents some strategies on how Ukraine can Build Forward Better after the pandemic. To ease the magnitude of the economic shock of the pandemic, much depends on the government's policy response, combined with support from the international community. There are clear signs that stopping the spread of the coronavirus offers economic advantages in the short term. For example, countries like South Korea that acted quickly did not have to lock down as hard and were able to open their economies sooner. However, change in an economic crisis is inevitable.

MSMEs can lead the change in industries and employment

Research has shown that just as industries renew themselves through the process of "forced change" during economic downturns, something similar happens in the employment sector.[45] While employment will bounce back after a sharp decline, experience from previous crises suggest that the jobs that return will not be the same ones. In the current crisis, it is evident that jobs in many sectors have evaporated because of the global decline in trade, travel, entertainment and some parts of retail. The longer the health crisis continues, the more likely it is that many jobs will not return. Research from a decade ago in the midst of the previous recession demonstrated that while economies create new jobs to replace the ones that go, they are not the same jobs. Jobs in the private sector that disappear are for the most part replaced by new jobs in entirely new industries, many of them created by new young companies. Research undertaken in 2010 shows the vast majority of jobs are created by startups during their dynamic phase, while established firms tend to shed jobs in an attempt to remain competitive.[46]

These trends were behind the large dominant companies such as General Motors and IBM being superseded by innovative individual start-ups like Tesla, Amazon, Shopify, Apple, Microsoft and Google. While an economic shock such as the COVID-19 pandemic leads older firms and industries to look for efficiencies by paring back on staff, the innovative startups are able to recruit qualified staff for their new ventures. The new ventures tend to thrive in a crisis because they are actually accelerating trends that were already starting to happen. The trends that the COVID-19 pandemic is accelerating include online shopping, food delivery, and new green energy companies. New sectors are already emerging in health care and industry, where businesses ranging from patient tracking to the meat-packing industry look for ways to prevent the spread of the disease. The growth and hiring in these new businesses are increasing exponentially.

While some of the newly jobless will be able to move and adapt their skills to new growth sectors such as e-commerce, green energy, not all will. The extent of job losses will depend on the demographics and skills of particular workers. Transforming the workforce is not always about transforming the workers. Older workers with outdated skills may be pushed into retirement. And skilled people with good jobs in shrinking sectors often end up in positions where they have to accept less pay (e.g., taxi or Uber drivers).

Instead, most workforce transition occurs when young companies hire new workers with new sets of skills. These new workers spend money that generates jobs in retail and housing. The role of the government is to nurture the business environment to support the new sectors, which was evident when new clusters of economic activity were created, like those in Silicon Valley, California wineries or Italian garment industries.[47]

Note that women-entrepreneurs play an important role in creating jobs for vulnerable groups and in making significant contributions to eliminating poverty and enhancing social cohesion. As women are usually considered to be responsible for food security and care work within their households, women's income is extremely important for basic nutritional and educational needs and the well-being of children and other family members. Thus, any incentive and support packages should take this into consideration. For example, businesses that provide parental care leave, flexible working arrangements and that support employees' work-life balance could be prioritized. Businesses that already had strategies and policies in place to promote the principles of gender equality before the pandemic were found to be more successful in taking equality enhancing measures during the pandemic.

Government strategies to support sustainability of MSMEs

With attention now turning to a pandemic exit strategy, the Government of Ukraine will face competing demands for support and stimulus from different sectors of the economy. It will be important for the government to start winding down the emergency measures and to focus on supporting the long-term sustainability of MSMEs. Research by the World Bank suggests that rather than providing support to all companies across the board, support to SMEs should be targeted. This involves identifying and supporting "competitive SMEs" such as those operating in new economic sectors and which are creating new jobs.[48] In the context of gender inclusive growth, this could involve selecting and supporting women-owned MSMEs, which are more likely to be faced with financial difficulties, and hence need to be targeted with specific measures by the government.

The formulation of systemic and forward-looking, home-grown Ukrainian strategies will require careful consideration and consultations with relevant stakeholders. The government could benefit from creating a working group or task force comprised of representatives from government, academia, civil society, business and associations of businesses, developmental actors and relevant thematic experts who can provide direction for a resilient recovery, and propose competitive strategies and new sectors to build a forward-looking economy, such as by reducing Ukraine's carbon footprint and preparing it for a green economy. Cross-sectoral collaboration will be needed to help decision-makers tackle challenges beyond the recovery in four integrated areas of governance, social protection, green economy, and digital disruption.

Macroeconomic policies that foster gender inclusive growth by prioritizing public investments in essential sectors such as health and education are now more relevant than ever. In that context, government incentives that reflect gender-based principles will be more effective in supporting the economy than those that do not. In its COVID-19 responses, the Government should include Women's Empowerment Principles (WEPs)[49] as a part of any gender equality commitments. The WEPs include the following:

1. Establish high-level corporate leadership for gender equality.
2. Treat all women and men fairly at work – respect and support human rights and nondiscrimination.
3. Ensure the health, safety and well-being of all women and men workers.
4. Promote education, training, and professional development for women.
5. Implement enterprise development, supply chain and marketing practices that empower women.
6. Promote equality through community initiatives and advocacy.
7. Measure and publicly report on progress to achieve gender equality.

The stimulus packages prepared for companies may include specific measures for enterprises that adopt WEPs; promote women's employment; provide employees with care leave, flexible work arrangements and access to essential services.

Strategies for employment retention

UNDP, UN Women and FAO are recommending implementation of a multi-pronged strategy that includes short-term employment retention schemes, along with Operational Health and Safety (OHS) measures to ensure work safety. For the medium term, multiple job creation support packages will be needed to support MSMEs in the creation of jobs in new and competitive sectors such as the green economy. Furthermore, in the long-term, gender-responsive infrastructure investments need to be made for the economy to benefit from the advantages of digitalization and structural changes in many sectors.

Research shows that working remotely raises many challenges for employees -particularly for women. Policy interventions are required to design measures that reduce and redistribute unpaid domestic and care work, through egalitarian work-life balance practices in workplaces. Fiscal stimulus packages that involve measures to enhance gender inclusive growth are important for the generation of employment through prioritizing public investments in the social care services sectors. The representation of women owned SMEs and women organizations in COVID-19 crisis management and decision making could be ensured by government support and awareness raising activities.

The International Labour Organization Convention No. 156 Workers with Family Responsibilities ratified also by Ukraine, requires governments to align national laws and regulations with the goal of harmonizing work and family life in line with SDGs.

In general, within the unemployment benefits, furloughs within the recovery packages are designed to take into account the registered regular employees in the market. However, gender-equal recovery policies require specific measures for those who are informally employed and/or self-employed. Income support for those at retirement age who do not have pension benefits is important not only for gender equality but also for improving the resilience of household coping mechanisms under external shocks.

A comprehensive strategy envisaging gender-responsive activities at the macro (policy), meso (business support institutions) and micro (businesses) is needed to ensure a systemic and overarching recovery pathway.

A) Support at the macro level

1) Employment policies

To a large extent, the large number of MSMEs and the prevalence of informality in the workplace in Ukraine reflect the existence of less stringent regulation of labour relations. This lack of enforcement harbours vulnerabilities in the labour market, vulnerabilities that are being exacerbated in the current crisis. Over the longer term, workers would benefit from the following employment policies:

- Development of a comprehensive employment policy, linking policy decisions to support trade, FDI, industrial policy, infrastructure development, and skills development to improvements in the quantity and quality of jobs. This would entail creation of modernized and strengthened institutions that bear direct responsibility for the efficient governance of the labour market in the crisis response such as the Labour Inspectorate and trade unions. It would also entail a decentralized implementation of the employment policy through local employment initiatives (LEP approach). ILO's LEP approach could be institutionalized and extended to a large number of local communities supported in identifying their challenges as well as the solutions required to facilitate job creation and transition to formality.
- Development of employment retention schemes aimed at preserving employment while enterprises wade through the crisis. This approach could include job-sharing and voluntary reductions in working hours. Temporary income support schemes have also been used for workers who are not generally eligible for employment retention measures (self-employed and seasonal workers, workers in atypical forms of work, informal workers).
- Protection of migrant workers by implementing the Strategy of the State Migration Policy of Ukraine and by strengthening the legal and institutional framework for facilitating circular migration management in Ukraine and improving bilateral and multilateral cooperation with countries of destination. This would safeguard the attributes of "decent work", maximize benefits of well-organized seasonal migration and protect Ukrainian women and men migrants in foreign labour markets. This would entail creating conditions for sustainable reintegration of returnees by enabling them to reach economic self-sufficiency, social stability within their communities, and psychosocial well-being that allows them to cope with (re)migration. To this end, Ukraine's Ministry for Development of Economy, Trade and Agriculture in coordination with other relevant state agencies is encouraged to reinforce efforts to create a stable, transparent, predictable, and well-governed economic and political "return environment."
- Development of a framework that enables investments and incentivizes temporary return of qualified nationals to further stimulate economic growth and development in Ukraine. This should include, among other measures, programmes to harness the potential of returnees (development of business skills/business counselling, tax benefits, matching grants or affordable loans) and providing incentives for returning migrants to invest their financial resources as well as skills and

knowledge in business start-ups in Ukraine.

- Remittances: The government and the National Bank of Ukraine are encouraged to, among other things, declare remittance transfer services an essential service, establish economic support measures that benefit migrants and remittance service providers, support greater access to and use of digital technologies, facilitate implementation of financial regulation linked to remittances. Remittance service providers are called upon to provide relief to migrants by reducing transaction costs, investing in financial education and literacy and enabling easy access to remittance transfer channels.
- Safe work environments: Together with social partners, ensure implementation of OSH measures at the workplace to ensure workers' safe and prompt return to economic activity. This could include energy efficient ventilation in order to mitigate high propensity for infectious and viral diseases caused by lack of awareness and insufficient funding of Ukrainian public schools and medical facilities.
- Social infrastructure to support working parents. Develop long-term projects on social infrastructure development, which aim to create favourable conditions for balancing work and family responsibilities, to provide support to working women with children and other groups of workers that have family responsibilities (for example, those who give care to elderly family members or persons with disabilities.)

2) Policy, legislative and institutional frameworks in support of green recovery

One target for infrastructure work could involve retrofitting buildings to improve the environmental footprint, since energy used to heat, cool and light residential and commercial buildings accounts for 28 percent of global CO_2 emissions. [50] This could also include an update to the construction code to improve climate adaptation considerations. Decarbonizing the sector through deployment of low-carbon and energy-efficient technologies, improved approaches and solutions for building design would ensure economic, social, health and environmental returns on investment. efficiency retrofits in particular generate work quickly, because most of the technology is readily available (for more details see section below on Policy, legislative and institutional frameworks in support of green recovery). Such activities could be an excellent vehicle for employment generation.

Supporting energy- and resource-intensive productions in rebuilding their supply chains in sustainable, climate resilient and environmental friendly ways, especially in the regions with high industrial density would allow enterprises to retain economic activity, save jobs and prevent citizens from being exposed to health diseases caused by air and water pollution.

Phasing out tax exemptions and cross-subsidies from fossil fuels production would support a transition to cleaner alternatives and while creating funds to support an economic transition in those regions dependent on coal. A fiscal environmental tax reform might be applied to divest from high-carbon projects with a parallel reform of the State Environmental Fund in order to support climate resilient activities. Including sustainability criteria to public contracting, including the COVID-19 Fund expenditures, to ensure the balance between the funded activities and environmental impact, and promote sustainable, socially-responsive and green approach for pandemic recovery.

Investing in local eco-tourism, and encouraging investments in local farming and local supply chains would employ more people to the local tourist sector while protecting local natural and cultural heritage.

Other suggestions for a transition to "green" energy and support for the environment sectors include:

- Provide incentives for business to re-orienting towards circular, low-footprint, collaborative, low-touch, platform economies, and to include more inclusive and sustainable operations.
- Provide incentives to businesses that are sustainable, and which have a clear added value in terms of job generation.
- Create investment opportunities targeting the informal sector.
- Focus on energy efficiency in buildings as a rapidly implementable measure with high employment impact;
- Take into consideration matters related to climate change adaptation;
- Strengthen mechanisms to improve safety of the working environment through the installation of energy-efficient ventilation systems to avoid further spread of the

virus in public facilities (including hospitals);
- Introduce energy management systems (i.e. EMIS) in all municipalities.
- Provide legislative support to the promotion of a green economy;
- Provide support to green MSMEs in accessing post-pandemic markets.

3) Policy, legislative and institutional frameworks in support of digital services and digital infrastructure

Digitalization of government services offers a way to mitigate the effects of the crisis. Effective e-government tools offers opportunities for Ukraine to improve public service delivery, increase access to online schooling and telemedicine, and provide MSMEs with new ways to reach customers. Digitization can also play a vital role in allowing firms to identify and access relevant support quickly.

- Digitalization: Promote affordable, inclusive, and safe access to digital infrastructure and technologies: Well-developed digital infrastructure is necessary to minimize the costs of the pandemic and to take advantage of the opportunities offered by digitalization. The Government should further explore ways to support the development of digital infrastructure in rural areas and strive to increase their affordability and security. One area to improve is the remote management of energy consumption and the remote training of managers within municipalities.
- e-Government: Reduce administrative barriers by accelerating the implementation of e-government initiatives: The range and efficiency of e-government services could be expanded to meet the needs of people and businesses in the short term and, in the long term, to enhance the transparency and efficiency of public administration.

Starting from ensuring the coherence of a digital strategy, support for digitalization should extend to all levels of government, including sub-national administrations in remote, rural and conflict-affected areas. Databases run by public institutions should be integrated to ensure access to a comprehensive range of e-government services and ensure protection of personal data. In general, digitalization and e-governance tools and initiatives need to be implemented and designed following the HRBA, while taking gender into account.

B) Support at the meso level

A focus on the business support institutions, such as chambers of commerce and industry (CCI), business associations, and business membership organizations (BMOs), allows to simultaneously provide aid to individual MSMEs and to the business ecosystems. Additional measures could be focused on:

- Supporting business support institutions to create new business development services for MSMEs, including measures to overcome the immediate impacts of the crisis and to prepare businesses for post-pandemic markets. These may include support with re-orienting business towards circular, low-footprint, collaborative, low-touch or platform economies; developing teleworking skills, and introducing contact-less services, among other things. Ensure support of women-owned businesses and enterprises with high ratio of women employees.
- Cooperating with business associations to disseminate information and provide advisory services to MSMEs. This support could focus on safety and sanitary requirements, available government and donor support, re-orienting business towards more sustainable operation and/or emerging market demands and trends, digitalization of operation, contactless services, green recovery, trade restrictions and logistic opportunities, opportunities from technological/economic/social/nature innovation, etc.

C) Support at the micro level

1) Measures to support MSMEs in the short, medium and long term

Short-term support measures
The most pressing concern is to avoid the failure of viable businesses. This entails ensuring liquidity to viable firms, particularly in sectors that are most acutely affected by the COVID-19 restrictions.

The Government has already adopted many of the most important measures: financing through direct grants and loan guarantees to cover a portion of MSME payrolls for a limited period to support the sector and mitigate the potential for broader lay-offs. The Government also has provided loan repayment deferrals and commitments and has delayed or eliminated social security or tax contribution requirements during the crisis.

Medium- to long-term support measures
Success in the medium- to long-term will involve support measures to strengthen MSME resilience and recovery from the crisis. This will entail some strategic targeting of viable and priority sectors, such as enterprises focused on cultivating land for domestic consumption, or those able to innovate and ramp up employment in the green economy.

Sustainable recovery: provide strategic support for MSMEs in viable & competitive sectors
The eventual recovery is likely to be gradual and uneven. With threats from climate change and environmental degradation looming, the government needs to design policy responses to strengthen the long-term resilience to future shocks. The government could consider fiscal policy tools to increase competitiveness and long-term demand, while ensuring that stimulus measures are aligned with environmental priorities and social equity goals.

Strengthening MSMEs to become more resilient will involve providing targeted support to enterprises operating in viable and priority sectors, such as those able to increase value-added production and/or speed up the transition to a low-carbon economy. SMEs have the potential to be key drivers in the shift to a greener economy, and to be engines of competitiveness and innovation in the process. The Ukrainian government can provide MSMEs with the information they need to adopt green practices, develop new markets through green public procurement, and take measures to improve the business case for MSME greening. Policies to support MSME greening can improve the efficiency of resource use, enable participation in green supply chains, and contribute to a cleaner environment and improved public health. These include:

- Financial support measures such as loans, loan guarantees and tax abatements for SMEs can be made conditional on environmental improvements.
- Introduce regulatory systems that provide incentives for better environmental performance, for example by encouraging firms to exceed environmental standards or to self-report issues.

SME digitalization

- Support the retraining of employees, encourage increased uptake of teleworking, foster the development of e-commerce and digital platforms to promote trade, and encourage the development of new and innovative business models that leverage digital technologies.
- Help MSMEs to adopt new working processes and to speed up digitalization by ensuring they are equipped with adequate IT connections, equipment and ICT skills. Consider providing financial support to public services and small- and medium-size enterprises to develop teleworking capacities.
- Improve the access to internet services especially in rural areas to support entrepreneurs and more specifically women entrepreneurs in order to help them develop new sales channels.

2) Measures to support food and agriculture

A 2015 World Bank report said Ukraine should concentrate its agricultural activities on primary commodities rather than focusing on increasing exports of higher value-added products. To quote the report:

"Ukraine has a strategic geographic location at the crossroads of Europe and Asia, the largest endowment of fertile agricultural land in Europe, a large population of educated workers, and an Association Agreement with the European Union since 2015, which includes a Deep and Comprehensive Free Trade Area (DCFTA). These endowments offer a tremendous opportunity for Ukraine to boost exports of higher value-added and diversified products." [51]

To take full advantage of this opportunity, however, Ukraine needs to undertake reforms to attract Foreign Direct Investment (FDI). It also needs to encourage integration of Ukrainian products into Global Value Chains. One potential area for expansion could be organic farming, which currently accounts for a low percentage of Ukraine's agricultural exports. Research suggests that organic farming enterprises in Ukraine produce higher output per hectare, relative to those engaged in conventional farming. However, labour profitability remains low in labour-intensive organic farming, especially in larger companies.[52]

The government's long-term strategy lists the following activities as priority areas in supporting agricultural producers through COVID-19 and for keeping agri-food value chains functional:

- Develop a crop insurance system with state support. An effective insurance system will help minimize the effects of climate change, negative events and natural disasters and, as appropriate, facilitate monitoring by government.
- Develop legislation and infrastructure along food value chains with an emphasis on storage and processing.
- Support the development of storage and processing facilities by value chain operators to create opportunities for employment, value addition, diversification and lower food loss and waste.
- Stimulate the development of entrepreneurship: A conducive environment for testing and implementing entrepreneurial ideas in food and agriculture sectors (particularly startups for women and youth), with a focus on returning migrants that have acquired know-how abroad.
- Support digital connectivity in agriculture: In conditions of limited access to outlets, it is important to enhance connectivity, such as tools for online sales for agricultural inputs and outputs, supply chain logistics and traceability. Connectivity will positively affect market information products, including prices, quantities and quality standards. Traceability will be a particularly relevant component, so that products can be traced through their life cycle (from farm to fork). Digitalization in production, transporting, storing and selling products will also minimize food loss and waste.
- Facilitation of foreign trade and investment: Facilitating the movement of capital and labour across the border by cutting red tape (trade and investment facilitation) will optimize the use of productive resources and a more competitive food market for the benefit of consumers, both at home and abroad.

3) Strategies to address informal employment

The high level of informality is one of the major issues affecting the vulnerability of approximately half the work force in Ukraine. A dedicated strategy is needed to comprehensively address the issues associated with informal employment. Essentially, this will involve making formal employment more attractive. In this regard, the new Global Framework for Action between the ILO and UNDP provides some guidance on a course of action for the government. The COVID-19 pandemic is creating record-level unemployment and loss of livelihoods globally, which is pushing more people into poverty. People particularly affected are "those without social protection, women, youth, and the most vulnerable groups in the informal economy."

ILO and UNDP are positioning their organizations to take unprecedented action to accelerate concrete solutions to address the underlying structural employment issues in Ukraine. The new ILO-UNDP Global Framework identifies seven priority areas, many of which apply to the situation in Ukraine:

- Joint communication, advocacy, and coordination
- Employment, informal sector work, and Micro, Small and Medium Enterprises (MSMEs)
- Social protection
- Social cohesion and social dialogue
- Gender equality and non-discrimination at work
- Decent jobs for youth
- The Humanitarian-Development-Peace Nexus[53]

4) Strategies to attract foreign investment

Foreign investment has been an important source of economic growth and production capacity building in Ukraine in the last decade. FDI can lead to the creation of productive employment in promising and innovative sectors, and boost exports of domestic production/services. However, with the uncertainties surrounding the pandemic as well as the effects of the conflict in eastern Ukraine, FDI is expected to decline by 30-40 percent in 2020-21, constraining the post-crisis recovery.[54] Also, because of limited domestic investment, and an expected decline in domestic consumption capacity (because of reduced incomes), it will be difficult to "build forward better" without clear strategies to attract FDI and to support export-orientated enterprises.

The Government is aware of these issues. In its Strategic review of response to the crisis and post-crisis recovery in Ukraine in the context of COVID-19 pandemic, the Government is seeking to address these issues by actively attracting foreign investment, formulating an effective industrial policy, making improvements in the employment sector, improving productivity and competitiveness among SMEs and facilitating the creation of a competitive environment for local self-governing bodies to ensure better conditions for business, investments, innovations and skilled workforce.

Within an overarching framework of creating a broad export-oriented, industrial strategy and restructuring the national economy towards greener, innovative, resilient and sustainable sectors with highly productive jobs, the following elements have been identified by the government in order to make improvements in a number of sectors:

- Remove administrative barriers and make improvements to the business environment (license and authorization system simplification, fight against corruption, reform of judiciary).
- Formulate an effective industrial policy under a single executive authority
- Remove ineffective market mechanisms (problems of coordination, existence of information asymmetry, lack of respective infrastructure and sufficient numbers of qualified staff, access to finance).
- Provide state support to export-oriented companies manufacturing products with high added value, which are competitive in external markets.
- Provide short-term access to finance for SMEs by granting loans and subsidies.
- Over the long-term, stimulate new target markets for SMEs by encouraging large companies to engage SMEs in supply chains, exploring new business practices (zero-contact retail sale and delivery, standard packaging of fresh foods, online training, online office), and new and innovative sectors (greenspace expansion, manufacturing goods and services related to COVID-19 treatment, testing, monitoring) and by providing assistance in training for staff.

Financing for development

While it is safe to assume that inequalities have increased as a result of the ongoing COVID-19 pandemic, the extent to which the vulnerable groups have been affected remains to be seen. The next steps in the process involve strategizing on the recovery efforts and identifying the policy recommendations and programmatic responses that will increase efforts at reducing these inequalities. This will involve identifying strategies and mechanisms the government should employ, and estimating the financial costs and intellectual resources needed for the measures proposed.

A variety of mechanisms will be needed to finance the government's new development strategy and industrial policy in response to the pandemic. This will require both external and internal sources to avoid public debt reaching unsustainable levels.

The Government is in the process of improving capacities at decentralized levels to facilitate financing and development. The long-term goal of the Government's State Regional Policy is to identify and fulfil each region's "hidden or underestimated potential for development." The strategies and instruments proposed involve designing development projects in an Integrated fashion both 'top down' and 'bottom up' and involving key stakeholders and assets from the regions and various levels of government. This is part of Ukraine's decentralization reform, within which a key objective is to create conditions for resilience at the local level, where local self-governing bodies will have the "financial and institutional capacity to create a favourable business environment, develop strategic development programs and investment proposals and projects, efficiently use their own resources (property, land, natural and labour resources etc.), actively cooperate with businesses and provide them with necessary support, encourage sustainable business and creation of new jobs." [55]

5) Strategies to promote the development of gender-responsive MSMEs:

Widespread adoption and implementation of best practices to ensure equality in businesses could be supported by the government through incentive measures as well as awareness raising activities. Strategies to promote gender equality in working environments include good practices such as:

- Collection of sex-disaggregated data on the impact of the pandemic at workplaces;
- Promoting flexible working arrangements for employees with parental responsibilities or who are care givers to other members of their households.
- Collaboration with other businesses and civil society organizations to act together and offer 24/7 psychological support, 24/7 online health services by phone in order to alleviate the stress and psychological burden caused by the COVID-19 pandemic,
- Providing information to employees with available measures on protection from gender-based violence and sexual harassment at the workplaces.

7. Implications for the SDGs

Implications for the Sustainable Development Goals

Challenges and opportunities

Ukraine's COVID-19 response and recovery should take into account ongoing national efforts to achieve SDG 8 (decent work and economic growth), as well as other relevant SDGs, such as SDG 1 (no poverty), SDG 9 (resilient infrastructure, sustainable industrialization and innovation), SDG 10 (reduced inequalities) and SDG 12 (responsible consumption and production). As noted in the Ukraine 2020 Voluntary National Review (VNR), this will necessitate a strengthened push for expediting implementation of reforms linked to deregulation, decentralization and taxation. It also will require strengthening protection of labour rights, including ensuring safe and secure working environments, and additional support to those who have lost gainful employment, including those in the informal sector and migrant workers.

In terms of how well Ukraine is progressing overall toward the SDGs, the SDG report provides an annual ranking of all UN member states, where Ukraine is ranked 47th out of 193 (see Figures 54 and 55). Regarding SDG #8 the report noted that "significant challenges remain" and although the score for Ukraine is "moderately improving" it was deemed "insufficient to attain goal." [56]

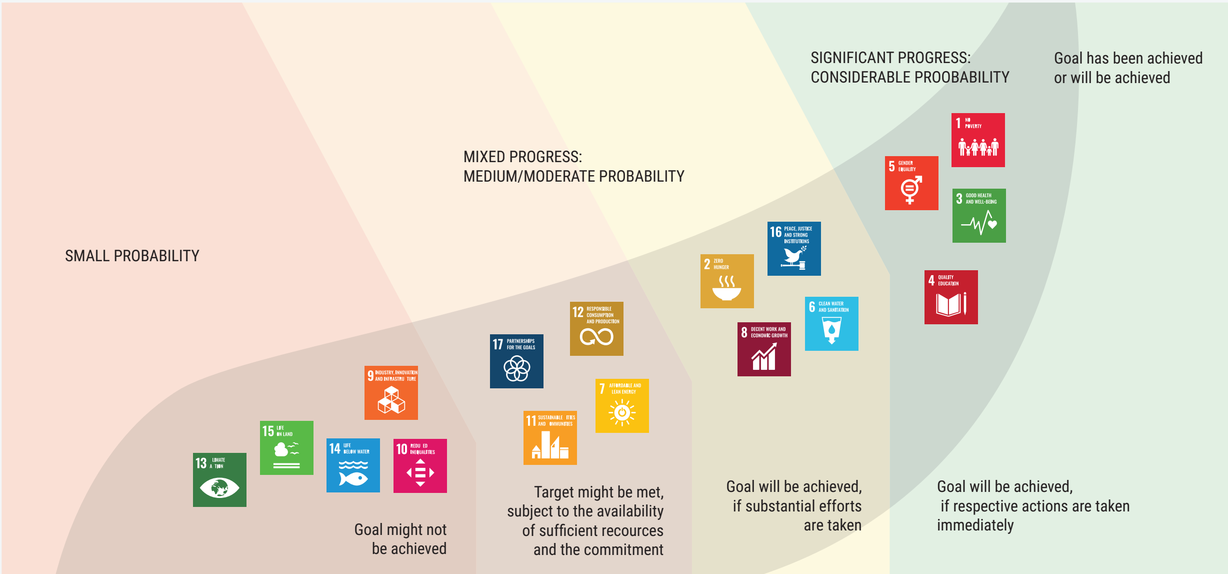
Additionally, the SDG report found that high-income countries are severely undermining the ability of other countries to achieve the SDGs because of their nationalistic trade and consumption practices heightened by COVID-19.

The Sustainable Development Report 2020 predicts that COVID-19 will have "severe" short-term negative impacts

Figure 54: SDG Dashboard showing Ukraine's progress with all 17 SDGs

Source: SDG Dashboard Website: https://dashboards.sdgindex.org/profiles/UKR

Figure 55: Chart showing Ukraine's progress with SDGs



Source: VNR 2020

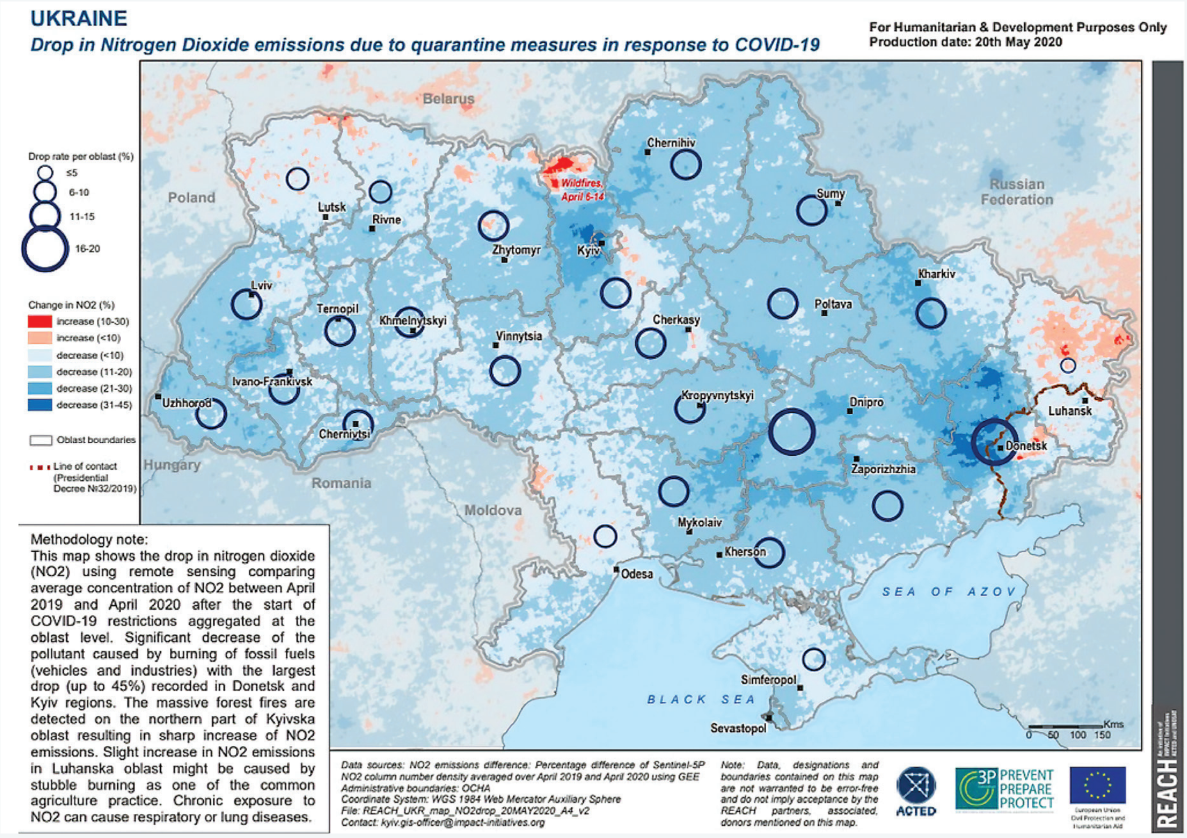
on most of the SDGs, globally, especially progress toward no poverty (SDG 1), no hunger (SDG 2), gender equality (SDG 5), good health and well-being (SDG 3), decent work and economic growth (SDG 8) and reduced inequalities (SDG 10).

Although the impact of COVID-19 is still unclear, the only silver lining is that the economic lockdown seems to have been a reprieve on the environment, in terms of a drop in Nitrogen Dioxide emissions in Ukraine (see Figure 56). As economic activity resumes, it will be important that we don't revert to our "old patterns of environmental degradation," the report's authors wrote.

The SDG index does not account for the impact of COVID-19 because of the delay in data collection and analysis. According to the Sustainable Development Goals Report, the pandemic is reversing decades of progress: An estimated 71 million people are expected to be pushed back into extreme poverty this year – the first increase in global poverty since 1998.[57] As families fall below the extreme poverty line, their vulnerability to exploitation will rise. The pandemic is exacerbating gender inequality and disproportionally affecting women and girls facing multiple forms of discrimination because of pre-existing disparities in living, working, health and social conditions.

However, these reports note the SDGs offer a framework for recovering from the pandemic in a way that 'builds forward better'. Specifically, if countries cooperate more with each other in several key sectors to transform their economies toward greener and more viable industries, while investing strategically in their people they should be able to achieve all 17 SDGs. Achieving the SDGs will, in turn, prepare the world to better respond to future crises, including other pandemics.[58]

Figure 56: SDG Dashboard showing Ukraine's progress with all 17 SDGs



Source: provided by REACH

Annexes

Annex 1: Guide to conducting SEIA surveys

UNDP COVID-19 RESPONSE

Verification List: Gender-Responsive Socio-Economic Assessment of COVID-19 Impacts

Purpose of checklist:

To support UNDP Country Offices (COs) to ensure that key gender equality considerations are taken into account when supporting countries to carry out a ***Social and Economic Impact Assessment and Response*** *(This is UNDP's Offer Three to countries in the COVID-19 context). This checklist can be applied to both the on-going emergency and post-emergency COVID-19 scenarios.*

A) Framing UNDP support for gender responsive COVID-19 impact assessment

1. **ToRs of external impact assessment teams should include the following:**
   - Compliance with this verification list as a core responsibility of the impact assessment team.
   - Gender balance and a gender and socio-economic impact assessment expert.
   - A team leader at least familiar with gender equality in impact assessment.

2. **The scope of COVID-19 impact assessments should consider:**
   - The direct and indirect impacts of COVID-19 on living conditions, livelihoods, autonomy and decision making for women and girls, men and boys, with a focus on the gender gaps under each topic/sector.
   - National and sub-national government strategies to respond to the COVID-19 emergency.
   - Opportunities for addressing gender gaps and scaling up women's empowerment in the policies and actions being developed to respond to the crisis, and the post-crisis recovery.

3. **Impact assessment methodologies should:**
   - Use quantitative and qualitative methods for data collection and analysis. Include key gender-specific indicators by area of assessment (a key set of indicators is included in the annex to these guidelines).
   - Disaggregate all quantitative indicators by sex, age and race/indigenous groups. Explore further disaggregation by geographical location, rural/urban, disability, gender identity, sexual orientation, religion, migrant status, nationality, level of education, household type, and other relevant categories.
   - If possible, use geo-referencing methods in the deployment of the assessment.
   - Disaggregate information by household composition (numbers of adults, children) with specific attention to households with children maintained by a single adult or child-headed households.
   - Consider using rapid case study analysis when obtaining intra-household sex-disaggregated data is either difficult or impossible.
   - Look at intra-household dynamics and the impacts on women, men, girls and boys, including distribution of consumption, control of income, shifts in power/decision-making, and gender-based violence.

- Ensure the methodology engages with gender equality mechanisms and civil society organizations, such as women's rights and feminist groups, community groups, especially women's groups impacted most by the crisis (e.g. women working in the healthcare sector, domestic workers, migrant workers etc).
- Use gender-responsive budgeting to analyze financial resource allocations to the COVID-19 response.
- Ensure the methodology complies with health policy responses, such as social distancing measures.

B) Key questions to answer in the socio-economic assessments

1. Economic assessment

1.1 Employment, labor and income

- Which sectors and jobs do women and men work in? (Based on the most recent labor force data, including sectors such as health, travel, tourism, transport, entertainment, cleaning, remunerated domestic and care services, food service industries, agriculture and food processing, clothing, etc; and types of jobs (e.g. wage work, self-employment, unpaid contributing family workers). How has COVID-19 impacted on these sectors?
- Using the methodologies described above, what is the impact on the labor market at national and sub-national level, disaggregated by sex? This should consider labor force participation, employment/unemployment/underemployment, formal/informal, part-time/full-time, seasonality, income (and control of it) and social protection (healthcare and pensions)? How have the restrictions on mobility due to quarantine and other social distancing measures affected both women and men's jobs and income?
- What has been the effect on the unpaid caregiving burden in households? How is unpaid household labor distributed among family members? How is any change in the unpaid care burden affecting women and men's ability to generate income through paid employment?
- What is the impact on the care sector and workers (healthcare, social services, childcare, domestic workers)? Is any increase in demand being met? Are there measures for the care system (where social distancing is incompatible with the provision of certain services) putting care providers and recipients at greater risk?
- Are social norms and stereotypes having any impact on women´s and men´s access to employment, livelihood opportunities, and other resources (e.g. technology) in the context of this crisis?
- What are the impacts of COVID-19 on the safety (including exposure to violence and exploitation) of those workers with increased risks? (e.g. migrants, stay-in workers, sex-workers, homeless workers, street vendors, front line workers -health, logistics, care, cleaning-, etc.).
- Has the government or the private sector taken action to promote workers' wellbeing during confinement? Do these strategies address gender-based violence, support for work-life balance and family care of dependents?
- What are the government social protection measures (e.g. health care, income support and job access) in response to the COVID-19 emergency? Are they equally accessible by men and women (e.g. do women have independent access to income support measures)? Do they consider the

specific constraints women face to maintain their jobs and income in the context of the crisis?

- Have the employment support policies promoted for the private sector been extended to informal workers, migrant workers and paid domestic workers?
- Do the employment and income support policies in response to COVID-19 address the gender gaps in the use of ICTs? Or gender gaps in earnings and access to finance and financial services?

1.2 Enterprises and value chains

- What is the distribution of Micro, Small and Medium Enterprises (MSMEs) and women-owned businesses by sector and how have those sectors been affected by COVID-19?
- What has been the impact in terms of turnover, revenue and survival of formal and informal MSMEs due to the COVID-19 emergency? What are the differential impacts for women-owned businesses?
- What changes have the enterprises put in place in response to the COVID-19 emergency? For businesses that have been forced to close (during social distancing or quarantine), what measures have the owners taken?
- Have women-owned enterprises, particularly micro and small enterprises, been able to access COVID-19 programs for the private sector (e.g. advice, finance, guarantees, etc.)? Do government programs address the specific challenges of women entrepreneurs and self-employed women? What obstacles do they face?
- Have government support programs been formulated with the participation of women entrepreneurs and women's business associations or related organizations?
- Are pre-existing gender inequalities in access to resources and markets (eg assets, financial services, credit, social capital, information networks, mobility, decision making, bargaining power with providers and clients, etc.). being worsened by COVID-19? What are the different impacts on women and men owned MSMEs?
- Is the government deliberately addressing gender gaps and promoting women's empowerment in policies and initiatives supporting businesses (e.g. financial stimulus and relief measures, fiscal relief measures, etc.)?

C) Social assessment

2.1 Direct social impacts

- Have the immediate needs of women working in care sectors been met – including healthcare sector, nursing homes/elder care facilities, domestic workers, and providers of care to the disabled? Have they had access to reliable and timely information, personal protective equipment and menstrual hygiene and reproductive health products?
- How are COVID-19 cases distributed among women and girls, and men and boys (by age groups, with disabilities), and race/ethnic groups? Among workers in care sectors (nurses, doctors, cleaners, janitors, hospital staff, elderly care at home and elderly care homes, domestic workers etc.)?

- How has income been affected for low and medium-income households because of the COVID-19 crisis (by household type)? Has this effect been different for women and men within the household?
- How has the restriction of movement prevented women and men from carrying out subsistence activities (e.g. agriculture and livestock) and obtaining essential resources for their families (e.g. water, firewood, natural food resources, etc.)? Is there any difference between women and men in their mobility patterns?
- Has the provision of services such as water, electricity and gas to families, particularly for low-income families, been affected by the emergency? Has the provision of other services to guarantee digital and internet connectivity and/or teleworking been affected? Has the reduced income prevented low-income families from being able to pay the bills for essential services?
- How are the living conditions (overcrowding, restricted access to open spaces, lack of sufficient natural light, scarcity of hygiene facilities etc.) affecting households' ability to prevent COVID-19 infections and comply with the quarantine and other social distancing measures? (disaggregated by single or double-headed households, number of household members and region rural/urban).
- Has gender-based violence (GBV) against women and girls increased during the COVID-19 crisis (femicide index, GBV reports, reports attended by the support systems, calls to GBV hot lines, GBV victims attended at emergencies, police interventions etc.)? Has feminine genital mutilation, and sexual violence and abuse against women, girls and boys increased during the COVID-19 outbreak?
- Have there been changes in household composition in response to the crisis: increases in separation, divorces or parental abandonment (by mothers/fathers)? How have such situations affected the welfare of households?
- Has there been an increase in adolescent pregnancy or early marriage during the confinement? What are the reasons for this (e.g. the redirection of health resources to COVID-19, less access to contraceptives due to confinement, increased intra-family sexual abuse)?
- Has access to reproductive health services or perinatal maternal mortality been impacted by COVID-19 (healthcare resources reallocation, mobility limitations for pregnant women, etc.)?
- What has been the impact on girls, boys and adolescent's education regarding absenteeism, drop-outs, and performance after the COVID-19 crisis? How has the closure of schools affected girls' and boys' nutrition during and after the confinement?
- Are there any accountability mechanisms of the security/police/military when implementing emergency measures? Do they take into consideration the different impacts on women and men?
- Are women and girls being included in community-level decision-making processes and governance structures that shape COVID-19 response strategies? What is the sex distribution among COVID-19 decision-making bodies at the different levels? Are gender experts involved in the decision making of COVID-19 emergency and post emergency strategies? Have the emergency and post emergency strategies considered the key gender issues in each sector of intervention?

2.2 Intra-household dynamics

- Have the power dynamics changed in the household, - particularly women's bargaining capacity, role in decision-making, and control over resources?
- How have the confinement measures affected households' ability to meet their basic needs

(access to food, water, hygiene)? What specific measures have households taken to meet their basic needs, according to their socio-economic level? Have the basic consumption practices of households changed during and post confinement (including distribution of consumption among household members)? What is the specific impact on girls and boys, women and the elderly?

- Have workloads increased in obtaining or producing food and securing essential needs such as water? How are these responsibilities distributed among family members? How does it affect women and girls?
- Is information about government response measures accessible and available to all household members?
- Have the responsible institutions strengthened the provision of GBV/sexual violence survivor-centered referral systems and services during and post confinement? Have these systems provided timely and adequate support to victims? To what extent could cases of GBV go unreported due to lack of referral mechanisms, limited economic capacities of the victim to escape, or increased control of the victim by the perpetrator because of quarantine measures, among others?

D) Additional questions for addressing the situation of the most vulnerable

Focus groups and case studies can be effective tools to assess the impact on these groups. In performing an assessment, these questions should be asked in addition to the ones already described. Please comply with social distancing measures and other restrictions associated to healthcare measures.

- **Indigenous and rural populations:** Are indigenous and rural livelihoods being affected by the COVID-19 emergency? How is social distancing impacting traditional practices and community structures? Are the crisis and post-crisis policies and programmes affecting the use of the land and access to productive means and resources for women and men? Do indigenous and rural communities have access to adequate health services (e.g. COVID-19 testing, health attention, tele-medicine, etc.)? Has the government put in place specific measures to address COVID-19 impacts in indigenous communities?
- **LGBTI persons:** Are LGBTI persons being prevented from accessing healthcare and social support due to discrimination?
- **Domestic workers:** How has the demand for domestic workers been affected? Has their freedom of movement, labour and living conditions, workload and labour safety been undermined? Do they have adequate protection against COVID-19 in their workplaces? Has their income security been affected from employers delaying, reducing or denying their salaries? Has their vulnerability increased due to sexual harassment and GBV? Has the government response adequately incorporated these concerns?
- **Migrant women workers:** How have travel bans and quarantine measures affected women and men migrant workers and their ability to sustain their jobs and incomes? Has their autonomy been affected, or their dependence on their employers increased (e.g. for those that have to live on their employer's premises)? Does their housing situation afford reasonable protection against COVID? Are they being threatened by increased racism, xenophobia and/or other discrimination linked to the crisis?
- **Refugees and internally displaced persons (IDPs):** What is the impact of precarious living

conditions and overcrowding on their vulnerability to the infection and their ability to access adequate health care? Have women refugees and IDPs in shelters been exposed to sexual violence and other GBV related situations? Has the government put in place specific measures to address these impacts?

- **Persons with disabilities:** Do persons with disabilities have equal access to social services and health care given the reallocation of health resources to COVID-19? Are there differences between disabled women and men with regard to the crisis? Has their vulnerability to gender-based violence increased due to social isolation measures? Have emergency policies and plans considered the specific needs of people with disabilities, particularly women and girls? Has the government put in place measures to address these impacts?
- **Sex workers:** Are sex workers prevented from accessing health care and social support due to discrimination? Has their vulnerability increased in terms of labour and sexual exploitation due to the confinement? Has the government put in place specific measures to address these impacts?
- **Persons living with HIV:** Do persons living with HIV have access to health care and anti-retrovirals during the crisis?
- **Prison population:** Are COVID cases being tracked and treated among this population? Have steps been taken to minimize contagion and protect the health of incarcerated individuals?
- **Persons deprived of liberty (including women and men in detention centers):** Are there measures in place to ensure the well-being and safety of persons deprived of liberty? How has the safety and well-being of children of persons deprived of liberty been ensured? Has the government put in place specific measures to address COVID-19 among this group and incorporated gender considerations into the policy response?

Annex 2: Results of MSME survey

The analysis from this survey takes into account the type of settlement (urban, rural), age, gender, and regions. Results of the MSME survey are presented in Table A2, which shows the country as a whole (Total column) and the results for urban/rural locations, and the identification of important gaps affecting vulnerable groups.

Table A2: MSME survey results by rural vs. urban place of residence

Variable		Rural 159 (17.1%)	Urban 771 (82.9%)	Total 974 (100%)*
Women respondent		48 (30.2)	319 (41.4)	387 (39.7)
Men respondent		111 (69.8)	452 (58.6)	587 (60.3)
Age of respondent: 18-24		1 (0.6)	17 (2.2)	18 (1.9)
	25-34	30 (18.9)	147 (19.2)	186 (19.2)
	35-44	57 (35.8)	331 (43.2)	413 (42.6)
	45-55	52 (32.7)	184 (24)	245 (25.3)
	56-65	16 (10.1)	77 (10.1)	94 (9.7)
	>65	3 (1.9)	10 (1.3)	13 (1.3)
Type:	Business owner	50 (31.4)	133 (17.3)	191 (19.6)
	Entrepreneur	104 (65.4)	611 (79.2)	750 (77)
	No	5 (3.1)	27 (3.5)	33 (3.4)
Business sector				
Accommodation activities		4 (2.5)	4 (0.5)	8 (0.8)
Administration and support service activities		2 (1.3)	32 (4.2)	37 (3.8)
Agriculture, forestry and fishing		40 (25.2)	9 (1.2)	50 (5.1)
Arts entertainment and recreation		2 (1.3)	8 (1)	10 (1.0)
Construction		6 (3.8)	38 (4.9)	44 (4.5)
Education		3 (1.9)	13 (1.7)	16 (1.6)
Financial and insurance activities		0 (0)	12 (1.6)	13 (1.3)
Food service activities		3 (1.9)	35 (4.5)	41 (4.2)
Human health and social work activities		3 (1.9)	11 (1.4)	16 (1.6)
Industry		22 (13.8)	55 (7.1)	79 (8.1)
Information and communication		3 (1.9)	53 (6.9)	63 (6.5)
Other services		5 (3.1)	59 (7.7)	69 (7.1)
Postal and courier activities		0 (0)	5 (0.6)	5 (0.5)
Professional, scientific and technical activities		2 (1.3)	56 (7.3)	59 (6.1)

Variable	Rural 159 (17.1%)	Urban 771 (82.9%)	Total 974 (100%)*
Real estate activities	0 (0)	33 (4.3)	35 (3.6)
Repair of motor vehicles and motorcycles	6 (3.8)	29 (3.8)	38 (3.9)
Transportation and storage	1 (0.6)	40 (5.2)	42 (4.3)
Wholesale and retail trade	57 (35.8)	279 (36.2)	349 (35.8)
Agricultural businesses that cultivate land	33 (82.5)	3 (33.3)	37 (74.0)
Age of business: 0 to 1	9 (5.7)	57 (7.4)	68 (7.0)
2 To 4	34 (21.4)	176 (22.8)	221 (22.7)
5 To 9	37 (23.3)	177 (23)	230 (23.6)
10 To 19	49 (30.8)	250 (32.4)	313 (32.1)
20+	30 (18.9)	111 (14.4)	142 (14.6)
Major market – domestic	144 (90.6)	708 (91.8)	891 (91.5)
Overseas market	8 (5)	22 (2.9)	30 (3.1)
Both	7 (4.4)	41 (5.3)	53 (5.4)
No. of Employees pre-pandemic – 0	10 (6.3)	93 (12.1)	105 (10.8)
1 to 4	83 (52.2)	374 (48.5)	476 (48.9)
5 to 9	27 (17)	130 (16.9)	167 (17.1)
10 to 19	15 (9.4)	79 (10.2)	98 (10.1)
20 to 49	14 (8.8)	66 (8.6)	84 (8.6)
50+	10 (6.3)	29 (3.8)	44 (4.5)
No. of Women employees pre-pandemic – 0	37 (23.3)	247 (32)	290 (29.8)
1 to 4	83 (52.2)	354 (45.9)	461 (47.3)
5 to 9	21 (13.2)	89 (11.5)	118 (12.1)
10 to 19	6 (3.8)	47 (6.1)	56 (5.7)
20 to 49	11 (6.9)	25 (3.2)	38 (3.9)
50+	1 (0.6)	9 (1.1)	11 (1.1)
Does the nature of your business allow you to telecommute? – No	108 (67.9)	405 (52.5)	528 (54.2)
Yes, partly	47 (29.6)	270 (35)	327 (33.6)
Yes, fully	4 (2.5)	96 (12.5)	119 (12.2)
Pandemic significantly impacted way of doing business	68 (42.8)	467 (60.6)	559 (57.4)
Pandemic suspended operations (Fully)	28 (17.6)	253 (32.8)	289 (29.7)
Pandemic suspended operations (Partly)	61 (38.4)	308 (39.9)	386 (39.6)

Variable	Rural 159 (17.1%)	Urban 771 (82.9%)	Total 974 (100%)*
Importance of lifting restrictions by June 2020			
Critical	11 (6.9)	112 (14.5)	129 (13.2)
Very important	41 (25.8)	234 (30.4)	286 (29.4)
Important	72 (45.3)	290 (37.6)	378 (38.8)
Not important	35 (22)	135 (17.5)	181 (18.6)
Change in number of employees – decreased	32 (20.1)	195 (25.3)	241 (24.7)
Increased	7 (4.4)	16 (2.1)	25 (2.6)
No change	120 (75.5)	551 (71.5)	699 (71.8)
Number of employees increased by – 1 to 4	5 (71.4)	12 (75)	19 (76.0)
5 To 9	0 (0)	3 (18.8)	3 (12.0)
10 To 19	2 (28.6)	0 (0)	2 (8.0)
20 To 49	0 (0)	1 (6.3)	1 (4.0)
50+	0 (0)	0 (0)	0 (0.0)
Number of employees decreased by – 1 to 4	21 (67.7)	123 (66.1)	151 (65.4)
5 To 9	7 (22.6)	29 (15.6)	41 (17.7)
10 To 19	1 (3.2)	12 (6.5)	13 (5.6)
20 To 49	1 (3.2)	12 (6.5)	15 (6.5)
50+	1 (3.2)	10 (5.4)	11 (4.7)
Change in no. of women employees – decreased	22 (56.4)	130 (61.6)	159 (59.8)
Increased	1 (2.6)	10 (4.7)	13 (4.9)
No change	16 (41)	69 (32.7)	92 (34.6)
No. of women employees increased by – 1 to 4	1 (100)	8 (88.9)	11 (91.7)
5 to 9	0 (0)	0 (0)	0 (0.0)
10 to 19	0 (0)	0 (0)	0 (0.0)
20+	0 (0)	1 (11.1)	1 (8.3)
No. of women employees decreased by – 1 to 4	13 (76.5)	93 (78.8)	113 (78.5)
5 to 9	2 (11.8)	12 (10.2)	15 (10.4)
10 to 19	1 (5.9)	8 (6.8)	9 (6.3)
20+	1 (5.9)	5 (4.1)	7 (4.9)
Has your company faced the following challenges caused by the pandemic?			
Customers cancel orders due to the pandemic	82 (51.6)	549 (71.2)	660 (67.8)

Variable	Rural 159 (17.1%)	Urban 771 (82.9%)	Total 974 (100%)*
Delayed or failed order delivery	86 (54.1)	448 (58.1)	550 (56.5)
Financing difficulties	90 (56.6)	469 (60.8)	587 (60.3)
Delayed or failed recovery of payments	53 (33.3)	317 (41.1)	392 (40.2)
Being punished for the failed performance of contracts	7 (4.4)	63 (8.2)	76 (7.8)
Lower market demand	118 (74.2)	647 (83.9)	798 (81.9)
Blocked distribution channels	76 (47.8)	407 (52.8)	499 (51.2)
Have the following costs caused difficulties for your company in relation with the pandemic?			
Tax costs	61 (38.4)	364 (47.2)	444 (45.6)
Procurement costs	84 (52.8)	430 (55.8)	538 (55.2)
Costs of pandemic prevention and control	76 (47.8)	394 (51.1)	487 (50.0)
Financing costs	45 (28.3)	207 (26.8)	270 (27.7)
Labour costs	64 (40.3)	353 (45.8)	440 (45.2)
Costs of rent, water, electricity, energy, etc.	56 (35.2)	410 (53.2)	492 (50.5)
Inventory costs	24 (15.1)	176 (22.8)	210 (21.6)
Penalty costs	12 (7.5)	57 (7.4)	74 (7.6)
What measures from the list below you have taken under the impact of the pandemic?			
Purchase protective supplies	142 (89.3)	695 (90.1)	872 (89.5)
Reduction of purchases	26 (16.4)	151 (19.6)	185 (19.0)
Decrease of planted/harvested area	3 (1.9)	6 (0.8)	9 (0.9)
Reduction or exemption of rent, equipment rental fees	68 (42.8)	450 (58.4)	550 (56.5)
Changes in logistics and transportation of goods	70 (44.0)	297 (38.5)	386 (39.6)
Negotiate with lenders for lowering the financing cost and extending the repayment cycle	101 (63.5)	501 (65.0)	629 (64.6)
Reduction of working hours, salary reductions	75 (47.2)	451 (58.5)	550 (56.5)
Layoffs	22 (13.8)	181 (23.5)	218 (22.4)
Flexible shifts for employees, working from home, and so on	26 (16.4)	197 (25.6)	246 (25.3)
Seek new suppliers	56 (35.2)	267 (34.6)	346 (35.5)
Delay of payments	57 (35.8)	300 (38.9)	380 (39.0)
Shut down certain production lines, outlets	53 (33.3)	331 (42.9)	399 (41.0)
Apply for support from government	13 (8.2)	94 (12.2)	109 (11.2)

Variable	Rural 159 (17.1%)	Urban 771 (82.9%)	Total 974 (100%)*
Has your business received assistance in relation with the pandemic from the following sources?			
Government	9 (5.7)	36 (4.7)	45 (4.6)
Business	8 (5)	32 (4.2)	41 (4.2)
Business associations or business membership organizations	3 (1.9)	13 (1.7)	20 (2.1)
NGOs, charity organizations	3 (1.9)	10 (1.3)	16 (1.6)
International organizations	6 (3.8)	13 (1.7)	20 (2.1)
Do you consider the following options for the future development of your business?			
Expansion of domestic markets	112 (70.4)	506 (65.6)	651 (66.8)
Reduce size of operations	13 (8.2)	101 (13.1)	118 (12.1)
Accelerate innovation	104 (65.4)	456 (59.1)	595 (61.1)
New business model	68 (42.8)	351 (45.5)	448 (46.0)
Diversify cultivated crops	122 (76.7)	510 (66.1)	665 (68.3)
Expand overseas markets (export)	31 (19.5)	139 (18)	184 (18.9)
Diversify goods and services offered	117 (73.6)	498 (64.6)	643 (66.0)
Diversify distribution channels	111 (69.8)	476 (61.7)	622 (63.9)
Diversify customer base	27 (17.0)	11 (1.4)	38 (3.9)
Plan to withdraw from the market	2 (1.3)	30 (3.9)	33 (3.4)
What support to your business from the government would be most helpful?			
Financing (grants, subsidies)	96 (60.4)	466 (60.4)	590 (60.6)
Preferential Lending	84 (52.8)	319 (41.4)	426 (43.7)
Preferential tax policies	101 (63.5)	526 (68.2)	653 (67.0)
Social security for employees	44 (27.7)	216 (28)	273 (28.0)
Policies for supporting foreign trade	13 (8.2)	52 (6.7)	70 (7.2)
What support to your business from international organizations would be most helpful?			
Support in targeting international markets	30 (18.9)	141 (18.3)	188 (19.3)
Support to business transformation	39 (24.5)	175 (22.7)	229 (23.5)
Consulting services to support digitalization	43 (27)	216 (28)	268 (27.5)
Re-skilling programmes for employees	62 (39)	233 (30.2)	313 (32.1)
Access to advanced international experience to tackle crises	27 (17)	142 (18.4)	176 (18.1)
Provide financial support	134 (84.3)	565 (73.3)	733 (75.3)

Variable	Rural 159 (17.1%)	Urban 771 (82.9%)	Total 974 (100%)*
Annual turnover (mln hryvnia) – No answer	14 (8.8)	89 (11.5)	107 (11.0)
<1 mln hryvnia	85 (53.5)	422 (54.7)	522 (53.6)
1 to 5	26 (16.4)	151 (19.6)	191 (19.6)
5 to 10	13 (8.2)	51 (6.6)	68 (7.0)
10 to 100	16 (10.1)	32 (4.2)	53 (5.4)
>100	2 (1.3)	6 (0.8)	8 (0.8)
Change in monthly turnover – No change	32 (20.1)	72 (9.3)	113 (11.6)
Decreased	115 (72.3)	638 (82.7)	782 (80.3)
Increased	5 (3.1)	24 (3.1)	33 (3.4)

Annex 3: Results of household survey

The analysis from this survey takes into account the type of settlement (urban, rural), age, gender, and regions. Results of the Household survey are presented in Table A3, which shows the country as a whole (Total column) and the results for urban/rural locations, and the identification of important gaps affecting vulnerable groups.

Table A3: Household Survey Results by Rural vs. Urban Place of Residence

Variable		Rural 316 (33.4%)	Urban 630 (66.6%)	Total 1,042 (100%)*
Women respondents		167 (52.8)	346 (54.9)	573 (55)
Men respondents		149 (47.2)	284 (45.1)	469 (45)
Age respondents:	18-24	36 (11.39)	58 (9.22)	97 (9.3)
	25-34	79 (25)	142 (22.58)	243 (23.4)
	35-44	62 (19.62)	127 (20.19)	226 (21.8)
	45-55	52 (16.46)	131 (20.83)	196 (18.9)
	56-65	57 (18.04)	108 (17.17)	174 (16.7)
	>65	30 (9.49)	63 (10.02)	103 (9.9)
Household Member Is/Has:				
Pensioner		155 (49.1)	304 (48.3)	497 (47.8)
Unemployed		105 (33.4)	164 (26.1)	289 (27.9)
Unofficially employed		58 (18.5)	105 (16.7)	179 (17.3)
Ex-combatant		21 (6.7)	39 (6.4)	67 (6.6)
Internally displaced person		7 (2.2)	26 (4.3)	35 (3.5)
Refugee		1 (0.3)	4 (0.7)	5 (0.5)
Migrant		0 (0)	8 (1.3)	8 (0.8)
Single parent		29 (9.2)	53 (8.6)	88 (8.6)
Orphan		1 (0.3)	9 (1.5)	10 (1)
Disability		56 (17.7)	125 (19.9)	194 (18.7)
Chronic illness		74 (23.6)	165 (26.4)	265 (25.6)
On maternity/paternity leave		31 (9.9)	55 (9)	92 (9)
Household member temporarily lost job				
No one		234 (74.3)	429 (68.5)	729 (70.4)
One woman		34 (10.8)	64 (10.2)	111 (10.7)
One man		31 (9.8)	83 (13.3)	129 (12.5)
More than one woman		6 (1.9)	21 (3.4)	27 (2.6)
More than one man		10 (3.2)	29 (4.6)	39 (3.8)

Variable	Rural 316 (33.4%)	Urban 630 (66.6%)	Total 1,042 (100%)*
Household member permanently lost job			
No one	275 (87.6)	531 (85.1)	887 (85.9)
One woman	16 (5.1)	27 (4.3)	52 (5)
One man	13 (4.1)	33 (5.3)	50 (4.8)
More than one woman	4 (1.3)	7 (1.1)	11 (1.1)
More than one man	6 (1.9)	26 (4.2)	32 (3.1)
Change in % income spent on food			
Not changed	127 (40.2)	213 (34.1)	371 (35.9)
Insignificantly decreased	54 (17.1)	84 (13.5)	149 (14.4)
Significantly decreased	54 (17.1)	124 (19.9)	188 (18.2)
Insignificantly increased	41 (13)	120 (19.2)	185 (17.9)
Significantly increased	40 (12.7)	83 (13.3)	141 (13.6)
Worried about having enough to eat			
To a large extent yes	30 (9.5)	77 (12.2)	118 (11.3)
To a certain extent yes	65 (20.6)	139 (22.1)	227 (21.8)
Hard to say	13 (4.1)	46 (7.3)	61 (5.9)
Not at all	93 (29.4)	161 (25.6)	276 (26.5)
Rather not say	115 (36.4)	207 (32.9)	358 (34.4)
Produce own food possible	63 (67.0)	52 (24.9)	126 (37.4)
Household member(s) requiring psychological support	15 (4.7)	41 (6.5)	59 (5.7)
Gender of person(s) requiring psychological support			
Mostly women	7 (46.7)	18 (43.9)	27 (45.8)
Mostly men	1 (6.7)	7 (17.1)	8 (13.6)
Both	7 (46.7)	16 (39)	24 (40.7)
Psychological support not received	12 (80)	34 (82.9)	49 (83.1)
Able to access medical services & treatment			
Not applicable	182 (57.6)	326 (51.7)	565 (54.3)
No/don’t know	39 (12.4)	102 (16.2)	144 (13.9)
Yes, partly	33 (10.4)	86 (13.7)	128 (12.3)
Yes, fully	62 (19.6)	116 (18.4)	203 (19.5)

Variable	Rural 316 (33.4%)	Urban 630 (66.6%)	Total 1,042 (100%)*
Reasons for inability to access medical services & treatment			
Obligatory quarantine	35 (63.6)	118 (84.3)	165 (79.7)
Self-isolating	22 (40.7)	63 (45)	90 (43.7)
Unable to travel	36 (66.7)	49 (37.4)	89 (45.2)
Unwilling to travel	13 (24.5)	42 (32.1)	56 (28.6)
Facilities too busy	5 (11.6)	26 (23.2)	31 (18.8)
No medication	17 (36.2)	24 (21.4)	42 (24.6)
Suspended healthcare	26 (54.2)	77 (64.7)	109 (61.2)
Household member switched to online education	140 (65.1)	257 (66.4)	450 (66.4)
Household member experienced prejudice	19 (6.1)	41 (6.9)	65 (6.5)
Types of support applied for since start of pandemic			
Unemployment benefit	8 (2.5)	38 (6.1)	51 (4.9)
Housing support	30 (9.6)	79 (12.6)	112 (10.8)
Child support benefit	15 (4.8)	52 (8.3)	69 (6.7)
Targeted assistance	15 (4.8)	47 (7.6)	67 (6.5)
Sources of support received since start of pandemic			
Government	89 (28.3)	162 (25.9)	271 (26.2)
Local government	7 (2.2)	32 (5.1)	40 (3.9)
Business	6 (1.9)	10 (1.6)	20 (1.9)
NGO	4 (1.3)	13 (2.1)	18 (1.7)
Family/friends in ukraine	49 (15.5)	93 (15.2)	158 (15.5)
Family/friends abroad	19 (6)	22 (3.6)	42 (4.1)
Mp/deputy	7 (2.2)	12 (2)	20 (2)
Preferred assistance			
In-kind support	122 (38.6)	220 (34.9)	368 (35.4)
Social benefits	175 (55.4)	340 (54)	560 (53.8)
Business grant	107 (33.9)	239 (37.9)	371 (35.7)
Assistance getting a job	57 (18)	136 (21.6)	212 (20.4)
Learning opportunities	64 (20.3)	169 (26.8)	258 (24.8)
Psychological	8 (2.5)	47 (7.5)	58 (5.6)

Variable	Rural 316 (33.4%)	Urban 630 (66.6%)	Total 1,042 (100%)*
Household possessions			
Car/van	181 (57.3)	298 (47.3)	529 (50.9)
TV	286 (90.5)	552 (87.6)	912 (87.7)
Has broadband internet	184 (58.2)	488 (77.5)	741 (71.3)
Has mobile internet	239 (75.6)	480 (76.2)	794 (76.3)
Has mobile phone/landline	234 (74.1)	430 (68.3)	733 (70.5)
Has smartphone/tablet	219 (69.3)	461 (73.2)	758 (72.9)
Has computer/laptop	206 (65.2)	472 (74.9)	749 (72)
Per capita monthly income			
0-999	11 (4)	13 (2.6)	24 (2.8)
1000-2000	42 (15.4)	59 (11.8)	110 (12.9)
2000-3000	69 (25.3)	83 (16.6)	169 (19.8)
3000-5000	80 (29.3)	135 (27.1)	232 (27.2)
5000-10000	51 (18.7)	149 (29.9)	216 (25.4)
>10000	20 (7.3)	60 (12)	101 (11.9)
Impact on household income			
Significantly Decreased	91 (50)	212 (53.7)	334 (52.4)
Insignificantly Decreased	79 (43.4)	161 (40.8)	267 (41.8)
Increased	12 (6.6)	22 (5.6)	37 (5.8)

* Rural/urban categories were not available for 96 respondents. However, data from all respondents were used for the calculations presented in the total column.

Annex 4: Results from semi-structured interviews

Following the large-scale country-wide surveys, UNDP conducted a series of semi-structured phone interviews with a smaller group of 20-30 respondents comprised of MSME owners and representatives of households. The semi-structured interviews were designed to collect qualitative information by delving more deeply into personal and sensitive issues, and exploring participants' thoughts, feelings and beliefs about a particular topic.

Overall, the impact of the pandemic on society revealed some pre-existing conditions within a weak system, which appeared to affect the most vulnerable the hardest.

Overall patterns that are common for the HH and SME interviews:

- **Alarming situation:** was created when pre-existing problems combined with the effects of COVID-19. Where the issues related to the pandemic meet the existing problems, people felt hopeless and devastated (example from SME: recent sudden change in green tariff policy hindered many in the renewables sector, plus the new crisis give them no chances to survive. Example from HH: residents of Zhytomyr are not allowed to install more economical individual heating, plus recent loss of jobs makes many residents unable to pay the central heating bills in the upcoming season).

- **State support:** is often impossible to apply for: (HH: many were not officially employed thereby had no evidence to prove they lost their job. SME: support is unlikely to obtain; it is hard to get; entrepreneurs do not know about it; they can't apply because of the nature of business as usual in Ukraine where at least part of the economics activities remain in the shade; it is perceived as begging or a waste of time)

- **Anxiety:** Respondents in both groups complained about lack of clarity and guidance from the state. They are not sure whether or when their previous income can return. Mass anxiety has a negative chain effect in the society, whether it is paying the bills, trusting your business partners or following the quarantine measures. Businesses are unsure about future consumption. Parents are under additional pressure from distance education.

Annex 5: Scope, objectives and methodology for the SEI assessment

The assessment provides baselines for programmatic responses to mitigate the immediate impact of COVID-19, advance Ukraine's social and economic recovery, and safeguard progress towards the SDGs. The assessment adopts a rights-based and 'leave no-one behind' approach, focusing both on vulnerable groups, as well as groups traditionally vulnerable to social discrimination, stigma and exclusion.

Specific objectives

- Assess the immediate and medium-term effects on economic growth and strategic sectors, including loss in productivity and jobs, or disruptions of rural and urban livelihoods, as well as gender dimensions.
- Identify the economic and social issues that make the response and recovery challenging and difficult to manage, including the characteristics of the micro, small and medium sized enterprises (MSME) sector in Ukraine, as well as other policy and institutional factors that affect the response and coping mechanisms.
- Identify key priorities for the recovery, programmatic interventions and policy recommendations to address the identified gaps, while also addressing underlying drivers of inequalities, which have a multiplier effect on the impacts of the pandemic and/or which might have been further exacerbated by the pandemic.

Assessment targets

- MSMEs: Particular attention is paid to MSMEs in industries and sectors that have been severely impacted by the pandemic[59]
- Households: The assessment also closely examines the impact of the pandemic on the Ukrainian population, paying special attention to various types of vulnerabilities to which specific groups of population are exposed in the context of the pandemic. For the purpose of this assessment, vulnerable groups include people in the informal and gig economy, women, people over the age of 60, people living with disabilities, migrants, IDPs and mobile populations, and undocumented workers.
- Vulnerable groups missed: Unfortunately, the assessment did not directly address the impact on businesses of households containing minorities, particularly Roma, and persons with disabilities. Nor did the assessment sufficiently address the impact on people living in Ukraine's conflict afflicted regions.

Assessment methods

The assessment includes three levels of analysis: macro, meso and micro. This approach enables a comprehensive set of programme and policy interventions to address the developmental impacts of COVID-19. Assessment of secondary data sources included review of reports, studies, and other publications (government, UN agencies, think-tanks, NGOs, professional associations). The data collection was informed by mixed methodologies and involved multiple forms of data analysis. A human rights and gender sensitive lens were applied throughout the research process.

Macro level

The macro-level assessment examines the impact of COVID-19 on key macroeconomic indicators such as GDP, national output, unemployment, consumer confidence, inflation, expenditure, balance of payment, and interest rate. Macroeconomic data set from the State Statistics Service of Ukraine and relevant State agencies was used for the assessment.

Meso level

Meso-level assessment involves examining patterns that apply to the various stakeholder groups being analysed, MSMEs, Households, Gender, Vulnerable groups. This involves:

- Tracking and analysing weak signals in the change of power dynamic between institutions, genders and vulnerable/social groups (staff and partners will be engaged to add observations and thoughts in the collective intelligence tool: mural.co)
- Tuning in with social media to follow business leaders and influencers – which are interviewing key stakeholders via Zoom or Skype, revealing insights before they reach news
- Monitoring of trending topics on informal Facebook groups of local communities ('how often does the

issue appear in the public discussion? how many shares does it attract?'), tracking the focus of the influencers (Instagram, Facebook, Youtube and Telegram channels).
- Big Data analysis
- Digital platforms which are sharing reports on trends among their users. Opendatabot, for instance, publicly demonstrates trends among 1 million MSMEs.
- Satellite and mobile data to monitor the trends in social activities
- A variety of key data visualisations for the report were provided by REACH:
- COVID New Cases Heatmap: Showing confirmed cases of COVID-19 over time
- Some COVID maps at the raion level: Showing various indicators (Russian) at the raion level (admin level 3).
- Drop in NO2 emissions map: Showing the significant decrease in emissions due to COVID-19 restrictions.
- Change in unemployment at oblast level: Showing the change in registered unemployed by region

Micro level
Surveys and interviews:
Two country-wide surveys of 1,000 MSMEs and 1,000 Households were undertaken jointly by UNDP, UN Women and FAO in May-June 2020.
- The surveys were conducted on the impact of COVID-19 via phone using Kobo, comprising: a) 1000 owners/operators of MSMEs and b) representatives of 1,000 households
- Semi-structured interviews with a sample of 20-30 respondents were used to supplement the quantitative information gathered from the surveys of MSME owners/operators and households to record in depth (qualitative) narratives of the impact on businesses and vulnerable groups
- In addition to the surveys, REACH provided some data for a range of 100 Indicators selected by UNDP

Data collection
To ensure quick and quality data collection UNDP established 3 internal teams (all populated by UNDP staff): the biggest team consisted of 75 enumerators divided into 25 smaller sub-groups with one responsible coordinator in each. Each sub-group covered a specific region: one of the 24 oblasts and the city of Kyiv. The team of enumerators was responsible for data collection.

The data collection method used envisaged conducting interviews by phone and submitting the data through online forms using the Kobo Toolbox. Before starting the data collection, the enumerators received all necessary support, which included: a two-day training session (via Zoom in Ukrainian) on forming the samples, contact lists, selecting respondents, contacting respondents, conducting interviews and properly submitting the data. The enumerators were also provided clear written guidelines and the opportunity to get quick support and answers to their questions, when needed. In particular, the enumerators were advised how to form balanced samples of respondents to ensure proper representation of various groups of population and businesses. For that a support team was established, which included UNDP staff members with relevant background and experience, who provided such support. At the same time, a dashboard was created at which UNDP monitored in real time the incoming data (see below) and so the support team was able to provide quick guidance and advice to the teams of enumerators, for example, if enumerators were seen to be deviating from recommended quotas, etc. Finally, a team of 4 independent checkers was established and instructed how to check the quality of data – spot checks were conducted to verify the quality of work and reliability of the data submitted (details of the quality assurance method are provided below).

Level of reliability and sample size
The target sample size for the two surveys was up to 1000 owners/operators of MSMEs and 1000 Households. The informants that responded to the surveys included 999 (974 after quality control) owners/operators of MSMEs and 1,083 (1,040) households, which provided data for analysis and informed the conclusions for the assessment.

Sampling methodology
Each team of enumerators (of 3) received quotas per region based on variables (regional representation was not followed as the work had to be equally distributed between 24 teams, therefore, each region received a quota

of 40 surveys per region). Phone numbers for Households were obtained through community leaders and partner organizations. Phone numbers for MSME owners were obtained through partner organizations (Chambers of Commerce) and partner businesses, as well as using the snowballing method (asking an interviewee for a reference upon the completion of the survey).

Sampling for HH
- Coverage/Representatives: national coverage
- Exclusions: Crimea Peninsula and NGCA
- Data Source: Census of Population, HH and Dwellings 2001, updates 2018 using estimates (State Statistical Services)
- Variables: Region (24 regions), type of settlement (urban, peri-urban, rural), age (4 categories: 18-30, 31-45, 46-60, 60+) and gender (man, woman)
- Type of sample: one stage random representative stratified sample
- Type of units: Households (14,934,900)
- Respondent selection method: snowballing with soft quotas

Sampling for MSMEs
- Coverage: national coverage
- Data Source for Sample Design: State Statistical Services of Ukraine, Unified Register of all enterprises and organizations
- Variables: Type of business (18 categories: Agriculture, Forestry and Fishing, Industry, Construction, Wholesale and Retail Trade, Repair of motor Vehicles and Motorcycles, Transportation and Storage, Postal and Courier Activities, Accommodation Activities, Food Service Activities Information and Communication, Financial and Insurance Activities, Real Estate Activities, Professional, scientific and technical activities, Administration and Support Service Activities, Education, Human Health and Social Work Activities, Arts Entertainment and Recreation, Other Services), Gender (2 categories: men, women), Type of registration (2 categories: Legal Entity, Privately Owned Enterprise)
- Respondent Selection Method: Snowballing with soft quotas

Dashboard
A Dashboard was created that allowed for the real-time review of incoming data in general but specifically allowed for statistics on the following:
- Total number of filled surveys for MSMEs by the type of business and ownership
- Share of women-owned enterprises surveys (should be at 30 percent)
- Number of surveys for MSMEs by regions (for teams to keep track of how they are fulfilling individual quotas)
- Total number of HH surveys by sex, age and location type
- Number of HH surveys by regions (special arrangements were made for Kyiv City, Kyivska and Luhanska oblasts)

Quality Assurance Methodology
Respondents selected for the survey were chosen randomly for quality control adhering to two criteria:
- at least 4 respondents per oblast,
- at least 1 respondent per interviewer

The questionnaire contained simple questions within three categories:
- Demographic (“What is your gender?”, “What is your age?”, “What is the type of your settlement (urban or rural)?”). The questions in this category helped to check, if the right person was surveyed based on the recommended quotas for the sample.
- Procedure (“How you were surveyed?”, “What was the approximate duration of the interview?”). These questions helped to check if the enumerators adhered to the prescribed survey methodology.
- Content (“What was the survey about?” “Let’s check one question from the survey for comparison.”). These questions helped to verify if the respondent participated in the interview and provided answers to all questions.

Quality control was conducted during the period of May 29 to June 2 by a team of 4 checkers. During the control process the team made calls to 14 percent of respondents and actually spoke with 9 percent. Results are the following:

	HH	SMEs	Total
All KOBO interviews (including refusal to participate)	1111	1051	2162
All conducted interviews	1054	989	2043
Total number of verification calls from the checking team	134	152	286
Verified interviews	67	77	144
Interviews for deletion	43	25	68
Respondents unable to contact (invalid phone number, no response, respondents had no time to speak, etc)	24	50	74

As the team did not reach the 1000 interview target in the MSMEs survey, even without quality control results, and the fact that 51 out of 81 surveys were suggested for deletion in one specific oblast, the interviews in that oblast were re-taken. The final number of interviews stored in the database are as follows:

Survey (after quality control)	All conducted interviews	All conducted interviews
HH	1083	1040
MSMEs	999	974

Limitations

The surveys were not precise representative surveys, however, they did follow soft quotas proportional to census and the Register of enterprises and organizations. Marginal errors and response rates have been incorporated into the data analysis and findings, as well as the final distribution of surveys between the variables.

Of the 2 types of surveys recorded on Excel spreadsheets, CATI (computer aided telephone interview) and CAPI (computer aided in-person interview), our research could be qualified as CATI, although it is missing an important piece – computer generated respondents (including the pre-existing phone book and automated sampling). This is especially critical for HH survey, since it required a more precise sampling and randomization (which could not be done within the limited resources).

However, the MSMEs survey is more 'precise' from the research perspective, as the sampling rules for this stratified research are less rigid and the way of generating phone numbers would comply with the standards. In addition, there is no available distribution of types of business by region, therefore, the problem with not following sampling by region is not applied for the MSME survey.

The original raw datasets (Excel spreadsheets) were cleaner/processed for errors and loaded into a statistical software package (Stata) in order to undertake a robust statistical analysis.

Unfortunately, the surveys undertaken by UNDP/UN Women/FAO did not directly address the impact on employment and social security or businesses run by vulnerable groups, including minorities, particularly Roma, and persons with disabilities. Nor did the surveys sufficiently address the impact on people living in Ukraine's conflict afflicted regions. As a result, the impact on these groups remains invisible.

Future surveys should be designed to collect data on the impact of COVID-19 on groups in vulnerable situations. Regarding the conflict zones, UNDP's IDRPB team (Inclusive Development, Recovery and Peace Building) is in the process of finalizing a detailed survey on trends and the impact of the pandemic on a number of value chains in Eastern Ukraine. This new data and analysis will be available by end-September.

Annex 6: List of UN COVID-19 assessments in Ukraine

UNITED NATIONS
UKRAINE

COVID-19
RESPONSE

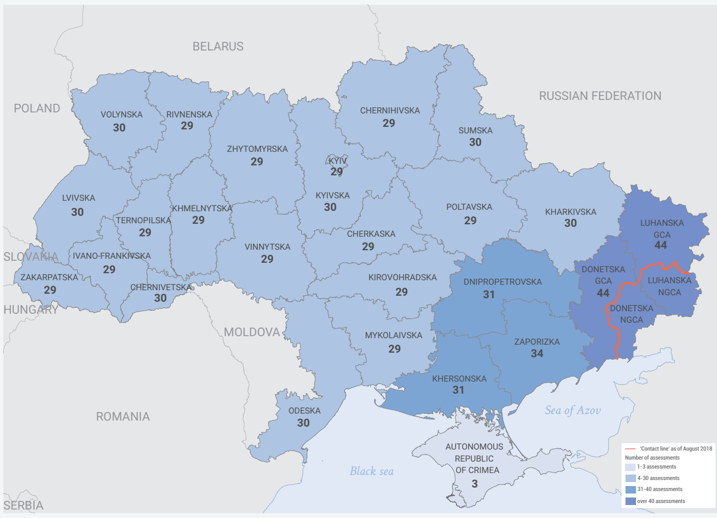
COVID-19 Assessments in Ukraine

Total number of reported assessments :

57

Total number of reported agencies :

12



LIST OF COVID-19 ASSESSMENTS

#	Agency	Title	Status	Geographic coverage	Duration
1	DRC	COVID-19 impact on businesses and self-employment activities	completed	Donetsk and Luhansk GCA, Dnipropetrovsk and Zaporizhia oblasts	30 March 2020 – 17 April 2020
2	FAO	Rapid Survey of Food Supply Chains in Europe and Central Asia	ongoing	Ukraine, country-wide	2 months (TBD) starting 7 April
3	FAO	Rapid Survey of Food Supply Chains during the COVID-19 Pandemic	ongoing	Ukraine	Continuous From 7 April
4	FAO	Bioprotection standards for agricultural enterprises and farmers during COVID-19 quarantine	ongoing	Ukraine, country-wide	Continuous
5	FAO	Emergency Response Plan for the Covid-19 Pandemic	TBC	Ukraine	tbc
6	FAO	COVID-19 Digital awareness directed to farmers and producers	ongoing	Ukraine	Continuous
7	FAO	Conferences led by FAO Technical Experts on anti-crises response for agricultural producers	ongoing	Ukraine	Continuous
8	ILO	Country-Level Impact of Covid-19 virus on the Economy and Labour Market	ongoing	Ukraine	By 15 May
9	IOM	Impact of COVID-19-related mobility restrictions on economics of labour migration in Ukraine (remittances, seasonal work, and other aspects)	TBC		
10	IOM	Influence of COVID-19 pandemic and quarantine on the needs of victims of trafficking (VoTs)	completed	All regions of Ukraine, except Kyiv and AR Crimea	20-25 March 2020
11	IOM	Livelihoods (SMEs) Express Survey	completed	Donetsk, Luhansk (GCA), Kherson, Kyiv, Lviv, Odesa, Kharkiv, Dnipropetrovsk and Zaporizhia regions	26-31 March 2020
12	IOM	Contact Line Express Survey	completed	GCA 0–5km area, Donetsk and Luhansk regions	2 April 2020
13	IOM	Returnee Express Survey	completed	NGCA, Donetsk and Luhansk regions	3 April 2020
14	OHCHR/ HRMMU	COVID-19 related legislation	ongoing	Ukraine (Government-controlled territory)	Continuous
15	OHCHR/ HRMMU	COVID and the penitentiary	ongoing	Ukraine (Government-controlled, territory controlled by the self-proclaimed 'republics', and Crimea temporarily occupied by the Russian Federation)	Continuous

COVID-19 Assessments in Ukraine

#	Agency	Title	Status	Geographic coverage	Duration
16	OHCHR/ HRMMU	COVID and freedom of movement in the conflict zone and across ABL (including impact on socio-economic rights)	ongoing	Conflict zone (both GCA and NGCA), and ABL with Crimea	Continuous
17	OHCHR/ HRMMU	COVID and hostilities	ongoing	Conflict zone (both GCA and NGCA)	Continuous
18	OHCHR/ HRMMU	Impact of COVID-19 measures on the enjoyment of human rights in Crimea	ongoing	Crimea	Continuous
19	OHCHR/ HRMMU	C19 and Roma	ongoing	Ukraine (except Crimea)	Continuous
20	OHCHR/ HRMMU	C19 and homeless persons	ongoing	Ukraine (except Crimea)	Continuous
21	OHCHR/ HRMMU	C19 and older persons in institutions	ongoing	Ukraine (except Crimea)	Continuous
22	OHCHR/ HRMMU	C19 and persons with disabilities	ongoing	Ukraine (except Crimea)	Continuous
23	OHCHR/ HRMMU	C19 and human rights in the administration of justice	ongoing	Ukraine GCT	Continuous
24	OHCHR/ HRMMU	C19 and human rights in civic space (freedoms and minorities)	ongoing	Ukraine GCT (except Crimea)	Continuous
25	REACH	Rapid Health Facility Assessment (RaHFA) on health and WASH readiness	completed	Donetsk and Luhansk GCA	3 days (com-pleted) – Start date 27/03
26	REACH	Knowledge, Attitude and Practice (KAP) Survey	TBC	TBD	TBD
27	REACH	Access to Cash and Markets Study	TBC	TBD	TBD
28	REACH	Health Assessment	TBC	TBD	TBD
29	REACH	Economic Security Study	TBC	TBD	TBD
30	UN Wom-en	Rapid Gender Assessment of COVID 19 implications in Ukraine	completed	Different regions in Ukraine with the focus on 7 oblasts (Volyn, Donetsk, Zaporizhzhia, Luhansk, Sumy, Kherson and Chernivtsi).	23 March – 15 April 2020
31	UNDP	Micro, small and medium-sized enterprises (MSMEs) Express Survey	completed	GCA of Donetsk, Luhansk oblasts and South of Zapor-izhzhia Oblast	by 17 April 2020
32	UNDP	Assessment of business environment and market conditions resulted from COVID-19 pandemic in Donetsk, Luhansk and Zaporizhzhia oblasts	planned	GCA of Donetsk, Luhansk oblasts and South of Zapor-izhzhia Oblast	June – August 2020
33	UNDP	Assessment of 36 target communities` respond on the COVID-19, and their opportunities for online working and training modalities	completed	GCA of Donetsk and Luhansk oblasts	3 – 10 April 2020
34	UNDP	Data collection of the needs of the healthcare institutions in Donetsk and Luhansk oblasts to provide efficient response to COVID-19 challenges	completed	GCA of Donetsk and Luhansk oblasts	March – April 2020
35	UNDP	Data collection on the free of charge legal aid, psychological rehabilitation and other needs to respond to COVID-19 via online platform http://stopcovid-19.com.ua	ongoing	GCA of Donetsk and Luhansk oblasts	Constantly
36	UNDP	Capacity and Vulnerability Assessments of UN Recovery and Peacebuilding Programme Areas (AGORA Assessment), including assessment of capacities of healthcare, administrative, social, education, justice and financial facilities to respond to COVID-19 challenges	TBC	GCA of Donetsk and Luhansk oblasts	TBD
37	UNDP	Protective measures against COVID-19, and how they reply to the requests for information Results can be found here	completed	All Ukraine (oblast level authorities)	24-30 March, 2020
38	UNDP	Monitoring of social and economic rights (step by step monitoring on different rights and social service`s) first step: identification of practices of illegal cancelation of travel privileges in public transport	ongoing	All Ukraine (oblast level authorities)	13 April – 13 May
39	UNDP	Sociologic survey on human rights violations and challenges caused by COVID-19	completed	All-Ukraine	13-24 April
40	UNDP	Socio-economic impact assessment of COVID-19 on MSMEs to identify information on needs to and inform program development	TBC	All Ukraine	TBC
41	UNDP	COVID-19 related needs and problems faced by local communities – a survey among UNDP's partners and beneficiaries conducted by Oblast SDGs Coordinators in 24 oblasts of Ukraine	ongoing	24 Oblasts of Ukraine	April-May 2020
42	UNDP	Assessment of best practices and social solidarity initiatives of Homeowners Associations	ongoing	24 Oblasts of Ukraine	April-May 2020
43	UNHCR	Impact of Covid-19 on the general situation of refugees and asylum-seekers (access to information, to health, to livelihoods, education, impact on legal status…)	ongoing	All Ukraine (focus on Kyiv, Kharkiv, Odesa, Lviv, Zakarpat-ska oblast)	On-going

COVID-19 Assessments in Ukraine

#	Agency	Title	Status	Geographic coverage	Duration
44	UNHCR	Impact of Covid-19 on the general situation of persons under UNHCR statelessness mandate (access to information, to health, to livelihoods, education, impact on legal status…)	ongoing	All Ukraine (focus on Kyiv, Kharkiv, Odesa, Zakarpatska, Donetska and Luhanska oblasts)	On-going
45	UNHCR	Impact of Covid-19 on isolated and conflict affected settlements along the contact line	ongoing	119 isolated and conflict affected settlements situated within five kilometers of the contact line in government-controlled areas of eastern Ukraine	On regular basis (last report completed on 10 April 2020)
46	UNHCR	Impact of Covid-19 on the situation of IDP communities, as well as involvement in C19 response	ongoing	Western and Central Ukraine	On-going
47	UNICEF	Policy Note and its summarized 5 pager on short, mid and long-term Social Protection measures to be taken to address the C19 consequences on families and children (done)	TBC		
48	UNICEF	Technical support to the Government to develop a rapid economic forecast. This document informed the official Government forecast that was released last week (done)	TBC		
49	UNICEF	Sociological survey on the impact to wellbeing & risks from COVID among Ukrainians (done)	TBC		
50	UNICEF	Ongoing: Distributional analysis of C19 impact on poverty level of various categories of children and families. Initial results are expected next week. Technical support to the Government to conduct the adjusted Macro-economic consensus- forecast. Questionnaire was adjusted and results are expected within coming weeks. Data collection and analysis of local-government actions in response to C19 with focus on 22 Child and Youth Friendly Municipalities; Strengthening the data and analytics of Public Health Centre. This is an ongoing activity – some of our colleagues were deployed to PHC.	TBC		
51	UNICEF	Ideally with partners, we are considering to conduct PSIA (Poverty and Social Impact Analysis). This document will take more time to develop but it will be a fundamental piece. Various public finance for children assessments to understand how the public finance systems reacted to C19 and inform central and sub-national governments	TBC		
52	WHO	Analysis of variation of regional government responses to COVID-19 and implications for policies on decentralization and public health	ongoing	Selected regions	April – June 2020
53	WHO	Budgetary space for health: medium-term outlook. Policy brief to feed into MTEF	ongoing	National	April – June 2020
54	WHO	Can people afford to pay for health care? New evidence on financial protection in Ukraine (using 2019 data and later 2020). This will be a repeat of an earlier study.	ongoing	National	May – December 2020 (for report based on 2019 data), follow-up TBD
55	WHO	Joint WB – WHO Public Expenditure Review in Health	ongoing	National	April – December 2020
56	UNAIDS	Monitoring of availability of life-saving ARV treatment medication for all those estimated to be in need	ongoing	National	April – onwards on a monthly basis
57	UNAIDS	Tracking of issues related to HIV prevention, care and treatment service provision to vulnerable groups	ongoing	National	April – onwards on a monthly basis

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16 COVID-19 crisis response in Eastern Partner countries, OECD, 12 May 2020, http://www.oecd.org/coronavirus/policy-responses/covid-19-crisis-response-in-eu-eastern-partner-countries-7759afa3/

17 COVID-19 crisis response in Eastern Partner countries, OECD, May 2020: https://www.oecd.org/coronavirus/policy-responses/covid-19-crisis-response-in-eu-eastern-partner-countries-7759afa3/

18 Percentages may include double counting between informally employed and migrant worker categories: 3,961,200 people (52 percent, 2,069,200), 24.3 percent. The total labour force in Ukraine was reported at 20,206,988 in 2019, according to the World Bank collection of development indicators from recognized sources.

19 Undeclared work in Ukraine: nature, scope and measures to tackle it, Olexandr Tsymbal, ILO, April 2018

20 https://www.imf.org/en/News/Articles/2020/06/09/pr20239-ukraine-imf-executive-board-approves-18-month-us-5-billion-stand-by-arrangement

21 The Covid-19 Crisis in Ukraine, by Ms Gabriela Miranda and Mr Geoffrey Upton, OECD: http://www.oecd.org/coronavirus/policy-responses/covid-19-crisis-response-in-eu-eastern-partner-countries-7759afa3/

22 A W-shaped recovery indicates a double dip following a second wave; the L-shape indicates a steep dive and a long recovery; while a K-shape indicates that the hardship may not be equally shared, as those with steady jobs and stable incomes will fare better than those left jobless or vulnerable workers

23 The Covid-19 Crisis in Ukraine, by Ms Gabriela Miranda and Mr Geoffrey Upton, OECD: http://www.oecd.org/coronavirus/policy-responses/covid-19-crisis-response-in-eu-eastern-partner-countries-7759afa3/

24 Undeclared work in Ukraine: nature, scope and measures to tackle it, Olexandr Tsymbal, ILO, April 2018, at: https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---lab_admin/documents/projectdocumentation/wcms_630068.pdf

25 SME Policy Index 2020, p 482: Employment: 34.6 percent from micro, 14.7 percent from small, 13.5 percent from medium, and 37.1 percent from large; value added: 17.3 percent from micro, 14 percent from small, 17.9 percent from medium, and 50.8 percent from large

26 Although Ukraine's regulations for self-employed individuals may enable people to have formal registration and to pay taxes, many do not enjoy the benefits of social protection associated with modern employment standards.

27 FAO analysis of survey data

28 FAO, Europe and Central Asia: Policy Bulletin in response to the COVID-19 pandemic, Issue 2, July

29 FAO Policy Bulletin, pages 4-5

30 FAO Policy Bulletin, page 10

31 FAO Policy Bulletin, page 10

32 FAO Policy Bulletin, page 11

33 FAO Policy Bulletin, page 13

34 The COVID-19 Crisis In Ukraine, 7 September 2020, Page 8, https://www.oecd.org/eurasia/competitiveness-programme/eastern-partners/COVID-19-CRISIS-IN-UKRAINE.pdf

35 This is a correlation matrix of questions 20 and 7

36 FAO Policy Bulletin, July 2020, p. 6

37 See: http://www.oecd.org/coronavirus/policy-responses/covid-19-crisis-response-in-eu-eastern-partner-countries-7759afa3/

38 State Statistics Service of Ukraine. Women and men. Statistical Bulletin, Kyiv, 2019. See: http://ukrstat.gov.ua/druk/publicat/kat_u/publzahist_u.htm

39 See: https://www.worldbank.org/en/news/press-release/2020/04/22/world-bank-predicts-sharpest-decline-of-remittances-in-recent-history

40 COVID-19 crisis response in Eastern Partner countries, OECD, May 2020: at: https://www.oecd.org/coronavirus/policy-responses/covid-19-crisis-response-in-eu-eastern-partner-countries-7759afa3/

41 See: https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---lab_admin/documents/projectdocumentation/wcms_630068.pdf page 74

42 See: https://www.ilo.org/budapest/whats-new/WCMS_672587/lang--en/index.htm

43 Politico Magazine article “Ukraine’s trapped migrant workers look for roads back to Europe”, by Lily Hyde, 2 June 2020, with quotes form Ukraine migrant worker, Vyacheslav: https://www.politico.eu/article/coronavirus-ukraine-migrant-workers-trapped/

44 SME Policy Index, page 477

45 The original term ‘creative destruction’ was coined by Austrian economist Joseph Schumpeter in 1942

46 The Importance of Startups in Job Creation and Job Destruction, July 2010, https://www.kauffman.org/wp-content/uploads/2019/12/firm_formation_importance_of_startups.pdf

47 Writing in the 1990s, Michael Porter coined concepts associated with competitive clusters acting together in geographic concentrations of interconnected companies and institutions in a particular field

48 Competitive Small and Medium Enterprises: A Diagnostic to Help Design Smart SME Policy, World Bank, Parth S. Tewari, et al., May 2013 https://openknowledge.worldbank.org/bitstream/handle/10986/16636/825160WP0P148100Box379861B00PUBLIC0.pdf?sequence=1&isAllowed=y

49 Women’s Empowerment Principles. See: https://www.weps.org/

50 According to the 2017 Global Status Report, available at: https://www.worldgbc.org/news-media/global-status-report-2017

51 Shifting into Higher Gear: Recommendations for Improved Grain Logistics in Ukraine, World Bank, August 2015

52 Analysis of Production and Sales of Organic Products in Ukrainian Agricultural Enterprises, MDPI, Sustainability, April 2020

53 Joint ILO/UNDP letter from Adam Steiner dated 16 September 2020

54 OECD, COVID-19 crisis response in Eastern Partner countries, May 2020: https://www.oecd.org/coronavirus/policy-responses/covid-19-crisis-response-in-eu-eastern-partner-countries-7759afa3/

55 Strategic Review and Response to the crisis and post-crisis recovery in Ukraine in the context of the COVID-19 pandemic, UNDP, July 2020

56 See: https://dashboards.sdgindex.org/profiles/UKR

57 See: https://unstats.un.org/sdgs/report/2020/#sdg-goals

58 Sustainable Development Report 2020: Covid-19 and the Sustainable Development Goals, Sustainable Development Solutions Network, July 2020 https://www.undispatch.com/how-countries-responded-to-covid-19/

59 It is important to distinguish between legal definitions of MSMEs and definitions for statistical purposes. For the purpose of this assessment, we have adopted the OECD’s statistical definition of MSMEs. micro enterprises employ 1 to 9 persons, including individual enterprises, small enterprises employ 10 to 49 persons, medium enterprises employ 50 to 249 persons, and large enterprises employs 250 and more persons


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