

Response to the Ukraine Crisis: Social Protection for Food Security and Nutrition

Setting the scene

The Ukraine crisis that began on 24 February has not only created an unprecedented humanitarian crisis but a looming increase in food insecurity, in countries both close and far from the theater of war. This comes on the rise in hunger and food insecurity and worsening nutrition situation stemming from the COVID-19 pandemic. Moreover, many food-importing countries are likely to be seriously affected by the disruption in the export of cereals and the expected rise in the price of their food imports from Ukraine and Russia.

Humanitarian and social protection responses will be needed to cushion the negative impact of these developments on the food security and nutritional status of Ukrainians affected by the war as well as of nutritionally vulnerable groups in food-importing countries, particularly in North, East and West Africa as well as in West and Central Asia.

The Ukraine crisis and its repercussions

Apart from the millions of Ukrainians who have become internally displaced since the outbreak of hostilities, UN sources estimate that about four million have left the country over the past month – mostly women and children. According to the <u>Ukraine Flash Appeal</u> of March 1st, 2022, 18 million people are projected to become affected by the conflict, including up to 6.7 million newly internally displaced. Many people are seeking shelter in <u>Ukraine's countryside</u>; among those internally displaced, disabled persons are particularly vulnerable,¹ as are elderly women.² Additionally, 265,000 women in Ukraine are estimated to be pregnant, of whom about 80,000 will give birth during the first three months of the crisis.³

The conflict is not only upending the lives of people inside the country, but also straining the capacity of Ukraine's neighboring countries to absorb and provide protection to those fleeing the war. As the crisis lasts and results in their protracted displacement, it is likely to severely affect the agricultural sector, both in Ukraine and in countries hosting large numbers of refugees.⁴ The war is already affecting rural labour markets, employment and working conditions in Ukraine, as well as basic infrastructure and the provision of public services. Ukrainian farms are reporting labour shortages, problems in accessing key agricultural inputs such as fuel, chemicals and fertilizers, and problems in selling and mobilizing produce. Food shortages and lack of access to water are becoming acute, particularly for older adults.⁵ Roughly 40% of people are currently facing food shortages or

¹ More than 20% of displaced households include at least one person living with a disability according to OCHA. See OCHA 2022. Ukraine: Humanitarian Impact Situation Report. Available <u>here</u>.

² UN Women and CARE. 2022. Rapid Gender Analysis of Ukraine.

³ UNFPA. 2022. Ukraine: Conflict compounds the vulnerabilities of women and girls as humanitarian needs spiral. Available here.

⁴ Almost one-third of Ukraine's population is rural. Family farms make up 90% of the farming units and 38% of total agricultural land, with an average land holding of less than 3 ha. They contribute 41% to gross agricultural production and dominate production in subsectors essential for a diverse and nutritious diet, including honey (99%), vegetables (85%), fruits and berries (83%), milk (70%) and eggs (45%), and are responsible for about one third of national meat production. FAO, Ukraine Humanitarian response update, 18 March 2022. https://www.fao.org/3/cb9088en/cb9088en.pdf

⁵ Older people on the edge of survival in eastern Ukraine | News and blogs | HelpAge International

expected to do so in the coming three months (Figure 1).⁶ Disruptions to food value chains (Figure 2) will further worsen food insecurity, which was already on the rise after COVID-19, especially for women.⁷

The war has already disrupted Ukraine's agricultural growing season, and questions abound as to whether farmers will be able to harvest existing crops, plant new ones or sustain livestock production as the conflict evolves.⁸ Labour shortages, coupled with physical access constraints and damage to productive assets, agricultural land and civilian infrastructure as well as shortages of other key agricultural inputs (fuel, fertilizers, agrochemicals, seeds, fodder and medication) will affect the production and performance of farms.⁹ This will in turn affect their revenues and may limit rural on- and off-farm employment opportunities for remaining workers, which could trigger negative spillover effects on rural and agricultural labour markets in Ukraine. Conflict can also push children into child labour: in 2015, 25% of children aged 5-17 in rural areas were engaged in child labour.¹⁰ Labour shortages on farms, especially in small scale production, may also lead farmers to resort to child labour.

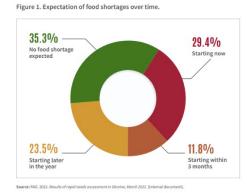


Figure 2. Percentage of traders/shopkeepers reporting problems maintaining supplies and providing access to key food items to the population.



Moreover, the massive influx of refugees to neighboring countries is placing a great burden on their capacity to meet the burgeoning needs of people fleeing the war. According to <u>UNHCR</u>, as of 29 March 2022, the majority of refugees have fled to Poland (about 2.3 M), followed by Romania (609,000), Moldova (387,000), Hungary

⁶ FAO 2022. "Ukraine: Note on the impact of the war on food security in Ukraine." Available <u>here</u>.

⁷ A 2021 food security and livelihoods assessment in Ukraine's eastern regions revealed that 28.3 percent of households experienced food insecurity at moderate or severe levels, with female-headed households significantly more food insecure than male-headed households. FAO. 2021. *Food Security and Livelihoods Assessment in Eastern Ukraine*. Rome, FAO. Available <u>here</u>.

⁸ Current indications are that, as a result of the conflict, between 20 and 30 percent of areas sown to winter crops in Ukraine will remain unharvested during the 2022/23 season, while considerable uncertainties surround Ukrainian farmers' capacity to plant crops during the fast approaching spring crop cycle. See <u>FAO 2022</u> and also <u>here</u>, <u>here</u> and <u>here</u>.

⁹ FAO 2022. Information Note: The importance of Ukraine and the Russian Federation for global agricultural markets and the risks associated with the current conflict, p. 14. Available <u>here</u>.

¹⁰ Ukrainian Centre for Social Reforms and State Statistics Services of Ukraine. "Ukraine National Child Labour Survey." Extracted from ILOSTAT (https://ilostat.ilo.org/), 2015. Accessed on March 30, 2022.

(365,000), Russian Federation (351,000), Slovakia (281,000) and Belarus (11,000). Approximately 90% are women and children. While most countries bordering Ukraine have relatively well-developed social protection systems, these have been set up to tackle idiosyncratic shocks and lifecycle vulnerabilities such as income security in the face of unemployment, the loss of a breadwinner or old age. Provision of social benefits in these countries was never intended to address large covariate shocks of the kind currently facing those leaving Ukraine, and the sudden surge in caseloads will pose a great challenge to the capacity of national social protection systems to provide an adequate and timely response to those made newly vulnerable by the conflict. This is particularly true for non-EU member countries such as Moldova.

The longer the displacement and the greater the pressure that a large refugee population places on the limited public resources of Ukraine's neighbors, the higher the risk that tensions might arise with host communities— unless actions are purposefully taken to anticipate and address such potential tensions. Seasonal migration to neighboring countries where Ukrainians comprise a large portion of seasonal agricultural workers might also get disrupted by the conflict, partly though not solely due to the ban on men aged 18-60 years from leaving Ukraine while martial law lasts. Should large numbers of refugees choose or be forced to stay in the host countries for a protracted period, this could affect the latter's agricultural labour markets and incomes.

Aside from the direct impact of the conflict in Ukraine and its neighbors, its repercussions will be felt in countries far removed from the theater of war. The Russian Federation and Ukraine are among the most important producers of cereal grains, oil seeds and fertilizers in the world.¹¹ Both countries are net exporters of agricultural products, and they both play leading supply roles in global markets of cereal grains, cooking oils, fuel and fertilizers, where exportable supplies are often concentrated in a handful of countries. This concentration could further expose these markets to increased vulnerability to shocks and volatility. Many countries, including several that are among the Least Developed Country (LDC) and Low-Income Food-Deficit Country (LIFDC) groups, are highly dependent on Ukrainian and Russian staple food supplies to meet their consumption needs, and many had been grappling with the negative effects of high international staple food and fertilizer prices prior to the Ukraine conflict. According to FAO, if the conflict results in a sudden and prolonged reduction in food exports by Ukraine and the Russian Federation, it will exert additional upward pressure on international food commodity prices to the detriment of economically vulnerable countries. Under such a scenario, the global number of undernourished people could increase by 8 to 13 million people in 2022/23, with the most pronounced increases taking place in Asia-Pacific, followed by sub-Saharan Africa, and the Near East and North Africa. Impacts will go well beyond 2022/23 if the war lasts longer.¹² This may have long lasting impacts on nutrition and health related outcomes. When faced with increased food prices households tend to protect essential staple foods that mitigate hunger, and decrease the purchase of nutrient rich foods. This together with clean water issues could have devastating effects on the nutritional status, particularly of those already vulnerable to malnutrition, including women and young children. Finally, the World Bank has estimated that in Central Asian countries which are highly dependent on remittances from workers in Russia (such as 31% of GDP in Kyrgyz Republic and 27% of GDP in Tajikistan), remittances could decline 25% on average.¹³

¹¹ Russia and Ukraine rank among the top three global exporters of wheat, maize, rapeseed, sunflower seeds and sunflower oil, while the Russian Federation also stands as the world's top exporter of nitrogen fertilizers and the second leading supplier of both potassic and phosphorous fertilizers. See <u>FAO 2022</u>, Figure 15, 16 on pages 10,11. ¹² Ibid. See also here.

¹³ Ratha, Dilip and Eung Ju Kim (4 March 2022), "Russia-Ukraine Conflict: Implications for Remittance flows to Ukraine and Central Asia," World Bank Blog: <u>here</u>

Experience from previous humanitarian crises and shocks shows that social protection can play a key role in protecting rural livelihoods, supporting food security and nutrition, and enabling households to cope, absorb and bounce back from shocks. Social protection can also help rebuild agriculture-based livelihoods affected by the Ukraine conflict and promote decent work for both host communities and refugees.

Lessons from the 2008-2009 crisis indicate that the timely provision of income support through targeted transfers to those most in need constitutes the most cost-effective response to forestall increases in poverty and inequality due to higher food prices, enabling households to maintain access to food and essential services. Nutrition programmes may be needed alongside transfer programmes, with growth monitoring to detect hotspots, nutrition education to help households make best use of scarce resources, and micro-nutrient supplementation to help compensate for lower dietary diversity due to changes in food consumption patterns in response to the food price increases.¹⁴ Depending on context, some of these nutrition-specific actions could be delivered directly alongside cash transfer programmes. Similarly, the response to COVID-19 showed that unconditional cash transfers were the most effective, efficient and timely social protection instrument to help maintain basic consumption, and that increasing the value of transfers provided through existing social protection programmes provides the timeliest response.¹⁵

At the same time, existing programmes may need to be expanded and new ones created to reach population groups who are not currently accessing social protection. The Turkish response to the Syrian refugee crisis in 2016 offers an example of how a host country's social protection system can be enabled to absorb spikes in caseloads of refugees. To manage the influx of Syrian refugees, the Government of Turkey, with financial support from the European Union, developed a dedicated social safety net for refugees and asylum seekers. The Emergency Social Safety Net (ESSN) was integrated within the national social protection system managed by Ministry of Family and Social Policy. Thanks to this integration, programme participants were able to access different types of benefits through one single registration process and one single payment system via a bank card (the 'Kizilaykart').

Responding to the Ukraine crisis

Given the multiple ramifications of the Ukraine conflict, which is bound to not only affect people inside Ukraine or fleeing to neighboring countries but also countries dependent on staple food, fuel and fertilizer imports from global markets, FAO has identified three main ways in which social protection can help address the current crisis and its aftermath. All of these interventions should be gender responsive, and should ensure older people and people living with disabilities have access to appropriate assistance:

1. Enhancing the capacity of Ukraine's social protection system to respond to the crisis and help rebuild rural/agricultural livelihoods after the war

FAO's <u>Rapid Response Plan</u> (RRP) for Ukraine seeks to assist the most vulnerable smallholder households through the provision of unconditional, multipurpose cash transfers, along with key emergency agricultural interventions

¹⁴ Grosh, M., Andrews, C., Quintana, R., Rodriguez-Alas., C. 2011. *Assessing safety net readiness in response to food price volatility*. World Bank, Washington, DC. Available <u>here</u>.

¹⁵ Gentilini, U. et al. 2022. Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures. World Bank, Washington, DC. Available <u>here</u>.

(highly nutritious short-cycle vegetable and potato seeds, and animal fodder to increase food production) to help sustain agricultural livelihoods and avoid harmful coping strategies amidst the escalating crisis. FAO can help strengthen the humanitarian response by supporting the continuity of the existing social protection system in Ukraine and aligning humanitarian responses with these systems to reach those most in need as soon as possible.

Until the start of the conflict, Ukraine's social protection system was reaching 30% of its population, including 77% of those in the poorest quintile.¹⁶ The government has stated that despite the disruptions caused by the ongoing hostilities, it will continue to provide social protection support (cash benefits and subsidies) to its population, in accordance with information contained in the Unified Social Information System. Payments will be made electronically to beneficiaries' bank accounts.¹⁷ Nevertheless, some problems in delivering benefits are being reported, particularly in areas being held by the Russian forces. Depending on how the conflict evolves, it is expected that the social protection needs of those relocating within or returning to Ukraine after the war, combined with the disruptions caused to the agricultural sector inside the country, will require a considerable strengthening of Ukraine's national social protection system. Coordination with the agricultural sector will also be needed to design and implement measures geared towards restoring rural livelihoods and ensuring access to nutritious, safe food in areas affected by the war.

Possible responses in the context of and in addition to the RRP include:

- Supporting the immediate rollout of social protection responses by providing technical assistance to assess delivery options for delivering multipurpose cash to households affected by the conflict and helping to ensure that people without bank accounts can access cash payments
- Using the information contained in the Unified Social Information System to channel humanitarian assistance towards population groups that were already vulnerable prior to the outbreak of war, while incorporating protection risk analysis among the affected and most vulnerable women and men of different socio-economic, ethnic and age groups.
- Expanding the reach of the social protection system by registering additional population groups within the Unified Social Information System to effectively reach the populations not previously reached by social protection
- As needed, utilizing the registration systems to identify those who may be at additional nutritional risk (e.g., pregnant and lactating women, young children, older adults) and share information through the registration process as to where additional services needed may be accessed
- Embedding simple, practical nutrition education materials in all cash transfer/ social protection schemes, informed by local food availability data to encourage dietary change away from staple foods affected by price increases and towards local, nutritious food substitutes
- Designing new schemes for men and women involved in the agrifood system and/or improving the coverage and adequacy of existing schemes by promoting the adoption of integrated approaches between agricultural, nutrition and social protection schemes, and increasing the interoperability

¹⁶ ASPIRE: The Atlas of Social Protection Indicators of Resilience an Equity. The World Bank. Accessed on 9 March 2022. Available at <u>https://www.worldbank.org/en/data/datatopics/aspire</u>.

¹⁷ <u>https://www.msp.gov.ua/news/21511.html</u>

between farmer and social registries, with a focus on supporting small-scale food producers. Such schemes should ensure equitable access to productive resources, agricultural inputs and services required and will imply equipping farmers, including elderly and people with disabilities, with the knowledge and resources required to produce and consume nutritious foods during the next three months to prevent negative coping strategies.¹⁸

- Identifying priority actions and labor market interventions needed to promote decent jobs in the agricultural sector where informality and unregistered workers prevail, while providing equitable technical assistance for supporting the implementation of these actions.
- Where food distribution systems are functioning, advocating with business and local authorities to mitigate the potential influx of highly processed non-nutritious packaged foods in favour easily transported and stored nutritious foods (e.g., legumes, nuts and seeds, nutritious cereal grains not affected by current situation, canned products including fish and vegetables)
- Building close linkages between the local agricultural sector in the region receiving internally displaced people to 1) enable procurement of nutritious foods locally for provision of foods to children as part of day care or school feeding programs and 2) utilization of local agricultural products as part of <u>existing</u> <u>food bank efforts</u> focusing on internally displaced people.

2. Strengthening social protection systems to support the socio-economic integration of refugees and vulnerable host communities in host countries, in coordination with agricultural sector actors

As the crisis persists and refugees and asylum seekers are unable to return to Ukraine, support can be provided to facilitate their socioeconomic integration within hosting communities. Moldova, for instance, is feeling the brunt of hosting more than 100,000 refugees from Ukraine. While twice as many have used the country as a transit point before moving elsewhere, those who have stayed are rapidly overwhelming their host communities. At the same time, Moldova's social protection system is less well-developed than those of Ukraine's other neighbors. International agencies (UNHCR, WFP) are responding by providing multipurpose cash assistance to both people fleeing Ukraine (whether Ukrainian nationals or citizens of other countries who were residing in Ukraine) and to Moldovan families hosting refugees.¹⁹

Specifically, responses in neighboring host countries, with a particular focus on Moldova, could include:

• Assessing the impact of the large influx of refugees on the agricultural labour market, working conditions and wages, and access to social security benefits in host countries and assisting these

¹⁸ While production and commercialization of cereal grains and oilseeds is dominated by big commercial farms in Ukraine, smallholders and subsistence farmers still play a substantial role in a number of sub-sectors that are important for local food security, nutrition, job creation, incomes and livelihoods. Small farms and family farms dominate production in subsectors like honey (99%), legumes, vegetables (85%), fruits and berries (83%), milk (70%) and eggs (45%), and are responsible for about one third of national meat production. Estimates are that between the registered and unregistered, there are about four million households that have on average <3 ha of land.

¹⁹ WFP is providing a one-off payment of USD 190 per household to around 30,000 Moldovan families hosting refugees. In turn, UNHCR will give 2,200 MDL/month to each eligible refugee, with a scale-up target of reaching 150,000 people. Households eligible for the grant include those with one or more dependents, an unaccompanied or separated child, or with one or more persons with specific needs (disability, pregnant women, serious medical condition, etc.), as well as households headed by a child, a single parent, or an older person. See <u>here, here</u> and <u>here</u>.

countries in implementing measures that protect the working conditions of refugees and secure their access to social security benefits

- Identifying and promoting job opportunities, especially for refugee women, together with national employment agencies, incentives to existing businesses and developing and supporting the implementation of vocational training programmes, support for micro-business start-ups, and the establishment of enabling infrastructure such as day care facilities for infants and young children and provisional schools/day programmes for older children, ensuring the provision of at least one nutritious meal daily at the day care/school, to facilitate women's participation in job opportunities in the agrifood sector. Promoting temporary rural employment can minimize the risk and avoid exposing beneficiaries and populations to further insecurity in the reconstruction phase, particularly in a context like Moldova.
- Building close linkages between the local agricultural sector in the region receiving refugees to 1) enable procurement of nutritious foods locally for provision of foods to children and 2) utilization of local agricultural products as part of <u>existing food bank efforts</u> focusing on refugees
- Creating short-term jobs and skills development through national social protection schemes (e.g., community-based cash for work programmes) that provide services and/or create assets that are useful to the communities in which refugees settle.

3. Responding to increases in food and fertilizer prices in net food-importing countries and reduction of remittances in Central Asia

In countries dependent on global markets for procuring staple cereals, cooking oils and fertilizers, the price shocks arising from the continuation of the Ukraine crisis will potentially have serious effects on food security and nutrition. Poor and vulnerable populations who rely on agriculture as a source of livelihood will be particularly affected by the increase in the cost of consumption and production. Families dependent upon remittances from Russia in Caucasus and Central Asia may also face serious shortfalls. Social protection systems have an important role to play in enabling these population groups to withstand price shocks without compromising nutritional status or engaging in coping activities that undermine the longer-term sustainability of their livelihoods.

Possible responses include:

- Supporting real-time monitoring of impacts to inform contingency plans, including sex, age and disability-disaggregated data
- Increasing the monetary value of transfers provided through already existing cash transfer programmes and/or adjust the frequency of payments²⁰
- Expanding the coverage of existing social protection programmes or introducing new programmes to reach poor and vulnerable populations currently not accessing social protection

²⁰ To be effective, the increase should be commensurate with the increases in consumption and production costs. Similarly, the value of food and agricultural input subsidies can be increased to offset increased costs.

- Complement social protection programmes with agriculture production support, e.g. using social registries to direct production support to households in need (productive assets, inputs that favor nutritious food commodities, technical training, extension services)
- Embed simple, practical nutrition education materials in all cash transfer/ social protection schemes, informed by local food availability data to encourage dietary change away from staple foods affected by price increases and loss of purchasing power towards local, nutritious food substitutes
- For those importing countries with price subsidies on these staple foods, consider transition towards alternative programs of income support, including cash transfer/social protection schemes that embed the various components that favor nutritious food access as mentioned throughout this note
- Where emergency responses will be implemented, it is important to do so to the extent possible through national social protection systems by i) using social registries of national social protection systems to identify populations to target emergency responses ii) using payment mechanisms of national social protection systems to deliver transfers iii) using emergency responses to expand social registries and strengthen payment mechanisms of national social protection systems. With all seeking opportunities to link to emergency response by others that will protect nutritional status of vulnerable groups (e.g., pregnant and lactating women, young children, older adults), and embed components that favor nutritious food access as mentioned throughout this note.