

Rapid Cash Feasibility Assessment Derhachivska Hromada, Kharkivska Oblast

January 2024
Ukraine

KEY MESSAGES



Most consumers (44 of 57) **usually access markets in their own or a neighboring settlement**, although to withdraw cash, they travel to Derhachi or rely on relatives or friends.



Out of 57 consumers, the biggest physical barriers to market access are the **threat of shelling** (47) and destroyed markets (28), while the top financial barriers include **high item prices** (30), and **a lack of cash** (28).



Many consumers reported that **not all items they needed were available** on the markets, though both small shops surveyed reported **a lack of demand for goods** and low purchasing power among the population.

CONTEXT & RATIONALE

Derhachivska hromada, located in the northern part of Kharkiv oblast and bordering the Russian Federation, was partially under the control of the Russian government from March 2022 until September 2022, when it was regained by Ukraine.

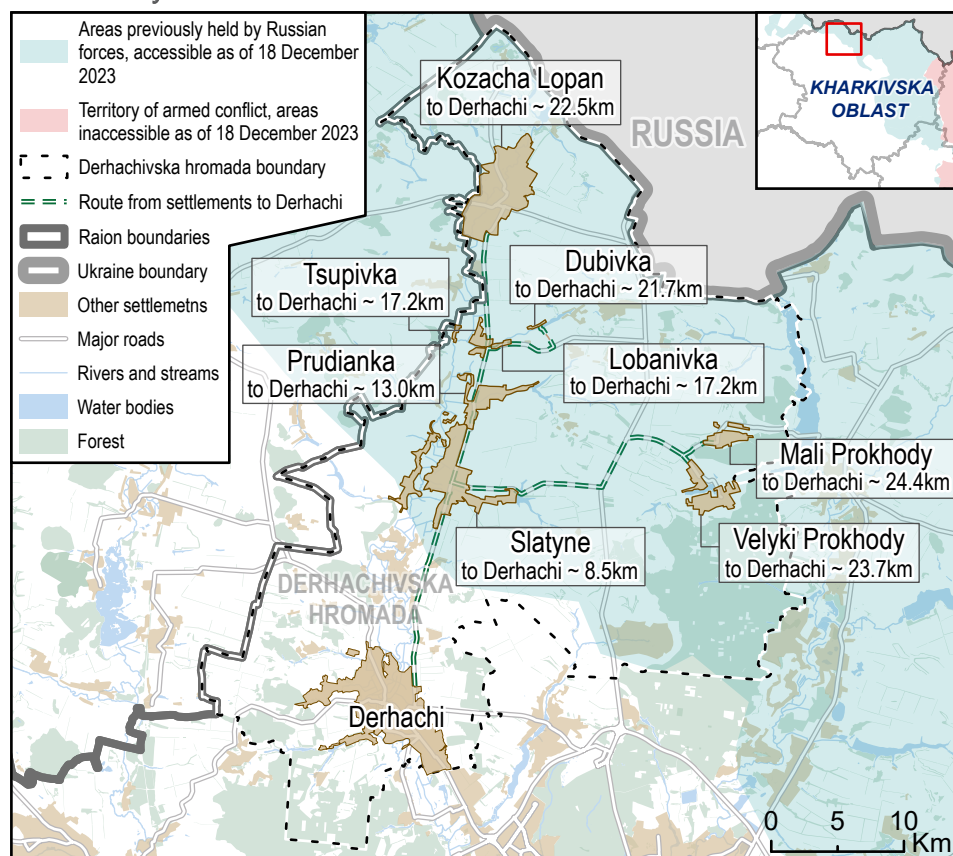
The authorities of Derhachivska hromada report that as of August 2023, the population was around 30,000 people with the majority living in the hromada center, Derhachi. This assessment focused on 8 smaller settlements outside the hromada center: **Kozacha Lopan, Slatyne, Prudyanka, Tsupivka, Dubivka, Lobanivka, Mali Prokhody, and Velyki Prokhody** with a combined population of around 4,500. Due to proximity to the Russian border, these settlements are subject to regular artillery shelling and drone attacks which interrupt daily life. In addition, according to local residents, missiles and/or drones often fly over their homes towards Kharkiv.

This assessment was initiated by the Cash Working Group's Task Team on Cash and Voucher Assistance (CVA) Feasibility in order to assess whether cash assistance would be feasible in the smaller settlements of Derhachivska hromada that are closest to Russian border.

METHODOLOGY:

Task Team partners Caritas Ukraine and Martin Club interviewed 2 retailers and 57 consumers throughout 8 smaller settlements in Derhachivska hromada. Due to the security situation in the studied settlements, interviews were conducted over the phone. Data collection took place from 18 December 2023 to 05 January 2024. **Findings presented in this factsheet should be considered indicative of the overall situation.**

Map 1: Assessed settlements in Derhachivska hromada and their distances to Derhachi city.



Access to Cash and Markets

Out of 57 consumers surveyed, **44 (77%)** said they usually shopped in their own settlements,¹ including the majority of interviewed consumers in **Kozacha Lopan, Slatyne** and **Dubivka** who walked to local markets. Fewer respondents chose Derhachi (13 of 57) as their usual market location, reporting that they accessed Derhachi by car (4 of 13) or public transport (4 of 13), with the last 5 saying that items were brought to them from the markets in Derhachi by friends or relatives. All interviewed residents of **Prudyanka** (n=6), where there are reportedly no functioning markets, and the majority of interviewed residents of **Velyki Prokhody** (3 of 5) shop in Derhachi. One woman from Prudyanka said that if weather conditions permit, she walks to Slatyne (a distance of at least 2km) as it is closer than Derhachi.

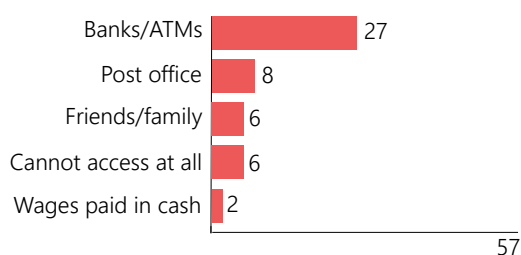
In **Kozacha Lopan**, the assessed settlement furthest from Derhachi, 25 of 26 consumers said they usually shop in their own settlement due to the remoteness of the settlement and lack of transportation. However, 23 of the consumers also said that due to conflict-related damage, buildings in the marketplace had become unsafe and the market was not functioning, suggesting that market options are limited within the settlement. **Proliska** reportedly provides free buses to Derhachi (twice per week) and Kharkiv (once per week) where residents of Kozacha Lopan can receive their pensions, pay their utility bills, visit the doctor, and access a pharmacy. There is no other regular public transportation from Kozacha Lopan.

"No goods are available in Prudyanka. Shops and markets are destroyed; nothing works. There is no access to cash. Houses are destroyed."

- Consumer in Prudyanka

Consumers felt the main security barrier to market access was the threat of shelling, as mentioned by 47 of 57 (and 9 preferred not to answer). Of the 57 consumers, the main physical barriers to accessing markets included non-functioning marketplaces (28), lack of transportation (18), feeling unsafe (18), and product unavailability (9).

Graph 1: Primary methods to access cash*



*More than one option could be selected, and 12 consumers choose not to answer.

The majority of consumers (42 of 57) primarily purchase items with cash. They mainly accessed cash through banks or ATMs, though 6 (mainly from Kozacha Lopan) could not access cash at all at the time of the interview (see Graph 1). Out of 57 consumers, 22 said that ATMs/banks were not working in their area, and 14 said that traveling to ATMs/banks/post offices was dangerous. All interviewed consumers from **Dubivka, Lobanivka, Mali Prokhody, Prudyanka, Tsupivka**, and **Velyki Prokhody** indicated that there are no operating ATMs/banks in their settlements and they go to Derhachi to access these services. Fourteen respondents felt that traveling to banks/ATMs was dangerous. Only one consumer, who travels from Slatyne to Derhachi by car, reported having no problems accessing cash.

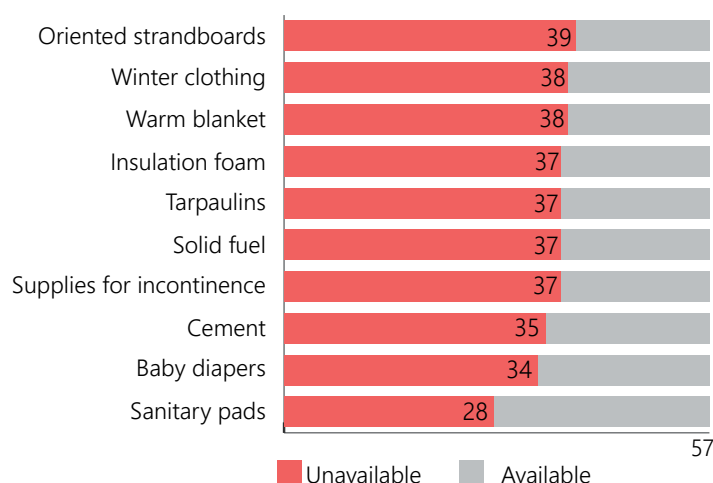
Item Availability and Affordability

Across the hromada, only 18 of 57 respondents said that all goods are available at their primary market location (11 of whom primarily shop in Derhachi). The least available goods throughout the hromada, according to consumers, were shelter repair materials, warm clothing, solid fuel, and some hygiene items (see Graph 2).

Both small shops surveyed in Slatyne reported a lack of demand for goods and low purchasing power among the population. One retailer said that demand for hygiene items is low as there are few people left living in the area (now about 1,000, compared to 6,000 before the full-scale invasion). The other retailer felt that consumers now buy lower quantities of goods than before the full-scale invasion. For example, a person might now buy 2kg of potatoes when they would have bought a 20kg bag before. Retailers also reported it was expensive for them to get goods delivered from suppliers because of the risks involved with the constant shelling in the area.

The majority of consumers (47 of 57) said that prices had increased over the past 2-4 weeks. High prices prevented 30 of 57 respondents from buying all the items they needed. A price comparison with the [JMMI](#) suggests that items prices in smaller shops in Slatyne may be comparable to the average prices in the Kharkivska oblast, but more data.

Graph 2: Least available items as reported by consumers



Unavailable Available

1. A "usual" or "primary" market location is the settlement where a consumer typically purchases the majority of their basic items.

Of the 57 consumers surveyed, 46 had received humanitarian aid via food kits² at least once (30 reportedly receive food kits on a regular basis), 31 had received hygiene kits at least once (15 receive them on a regular basis), and 19 had received cash assistance at least once. Only 2 of 26 consumers from **Kozacha Lopan** reported receiving food kits on a regular basis.

When asked about preferred modalities for assistance, 38 out of 57 respondents answered that they preferred a combination of cash and in-kind assistance, while 16 said they preferred cash only. An older woman from Velyki Prokhody said she would rather receive cash assistance to buy firewood and pay for utilities, and one man felt that it is better to provide aid in cash, because not everyone can use everything in the food kits, especially the grains and pasta.

Graph 4: Consumer preferences for modality of humanitarian assistance



2. A standard 30-day food parcel includes wheat flour, pasta, oil, canned meat, canned beans, oats, sugar, and salt.

Conclusion

Despite the relative proximity of many of the assessed settlements to Derhachi, this assessment found that a majority of interviewed consumers primarily shop in local markets in their own settlements. However, over half of those (26 of 44) still travel to Derhachi to withdraw cash. It is important to consider the personal safety risk that these consumers take to travel throughout the hromada where the threat of shelling is the biggest barrier for the majority of respondents. In most locations, cash assistance may be a useful short-term solution to a lack of product availability in these smaller settlements as it enables some consumers to afford travel to other market locations in Derhachi or Kharkiv. Provision of in-kind assistance would still be beneficial in some settlements, especially in Kozacha Lopan where most markets have reportedly been destroyed but where there is also a lack of transportation available to allow residents access to other market locations.

It is advisable for actors to consider [market-based programming](#), focusing on supply and availability in existing market structures when determining which items should be provided in-kind. About one-third of respondents reported the availability of all goods at their usual market, while about two-thirds of consumers reported a lack of some items, especially shelter repair materials, warm clothes, and solid fuel. Further, many consumers were unable to purchase all the items they needed due to the reportedly high cost of items. The majority of consumers said they would like to receive assistance both in cash and in-kind. Residents explained that they would use cash for medicines and to rebuild their homes, though their access to these items is unclear and may be challenging.

Residents of all the surveyed settlements reported that it was dangerous to move around because of the shelling. When providing in-kind assistance, distribution may also pose a risk to beneficiaries or local partners involved in last-mile delivery, including door-to-door delivery. It is important for humanitarian actors to carefully consider the different security factors and risk involved with different modalities of assistance provision.

METHODOLOGY OVERVIEW

This assessment was initiated by the Cash Working Group's Task Team on Cash and Voucher Assistance (CVA) Feasibility in order to assess market functionality and accessibility in hard-to-reach areas, including those within 30km of the frontline, newly accessible areas, and areas experiencing acute emergency situations where regular programming may be difficult. Data was collected by two members of the Task Team: Caritas Ukraine and Martin Club (through Dobra Fabrika). Structured key informant interviews took place over the phone between 18 December 2023 and 05 January 2024. **Findings should be considered indicative of the situation.**



Challenges and Limitations

Due to security concerns, the survey was conducted mainly by phone. The planned number of interviews with retailers and consumers could not be achieved due to difficulties in recruiting a sufficient number of participants, as well as power cuts affecting cell service. Further, the data collection took place during the holidays and in the midst of two massive rocket attacks. Beneficiaries of the partners collecting data were the main consumer respondents, so there may be some bias in the findings presented here as those qualifying for aid are usually from vulnerable categories of the population. For example, among the surveyed respondents, 29 out of 57 were over 60 years old.