

Rapid Cash Feasibility Assessment

Kramatorska Hromada, Donetsk Oblast

March 2024
Ukraine

KEY MESSAGES



The **majority** of surveyed consumers **indicated Kramatorsk city as their usual marketplace** to purchase basic food and hygiene items (35 of 42) and **withdraw cash** (41 of 42).

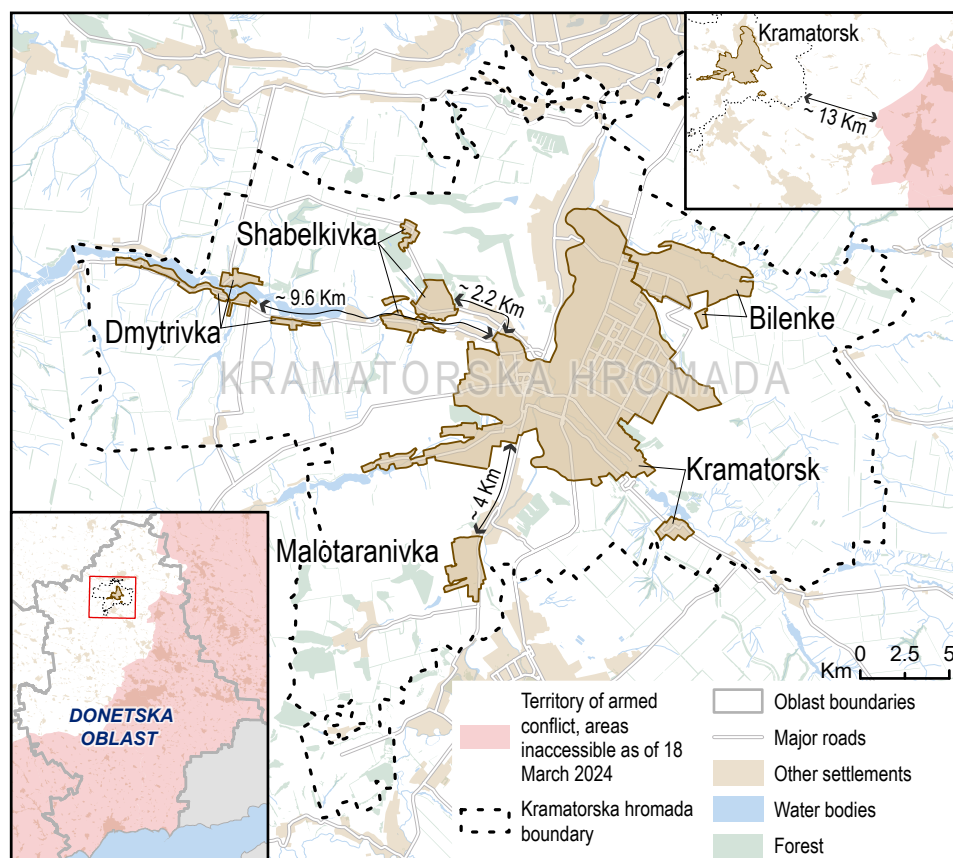


Consumers surveyed reported **access to all basic food and hygiene products** (except for baby products) in all assessed settlements. At the same time, it was reported that shelter repair materials are available only in Kramatorsk city.



The majority of consumers (29 of 42) reported no problems with physical access to the market. The main security barrier was found to be the **fear of shelling** (33 of 42 consumers) and **active fighting** (7 of 7 retailers).

Map 1: Assessed settlements in Kramatorska hromada and their distances to Kramatorsk city where most respondents access both cash and markets.



CONTEXT & RATIONALE

Kramatorska hromada lies within **13 km of the frontline** in Donetsk oblast. The hromada has been on the frontlines for years: the city of Kramatorsk was about 50 km from the frontlines from the summer of 2014 to February 24, 2022. Hromada authorities report a population of around **95,000** people throughout the hromada, consisting of **82,500** non-displaced persons and **12,500** internally displaced persons (IDPs). This is a decrease from a total population of around 233,000 before the Russian full-scale invasion on February 24, 2022.¹

This assessment focused on 5 settlements: **Kramatorsk city** as a hromada center, **Bilenke** and **Shabelkivka** as smaller settlements in the suburbs of Kramatorsk city, and smaller independent settlements **Malotaranivka** and **Dmytrivka** (see Map 1). Due to their proximity to the frontline, these settlements are subject to regular artillery shelling and drone attacks which interrupt daily life.

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 Kramatorska hromada and in the hromada center itself. Given the security context, providing multi-purpose cash assistance (MPCA) is a potential way to ensure local communities can meet their basic needs while reducing risk for humanitarian partners.

METHODOLOGY:

Task Team members Caritas Ukraine and Polish Humanitarian Action interviewed 7 retailers and 42 consumers throughout the 5 settlements in Kramatorska hromada. The partners were not able to interview retailers in the city of Kramatorsk. Due to the security situation in the studied settlements, interviews were conducted over the phone. Data collection took place from 18 to 22 March 2024.

Findings presented in this factsheet should be considered indicative of the overall situation.

Access to Cash and Markets

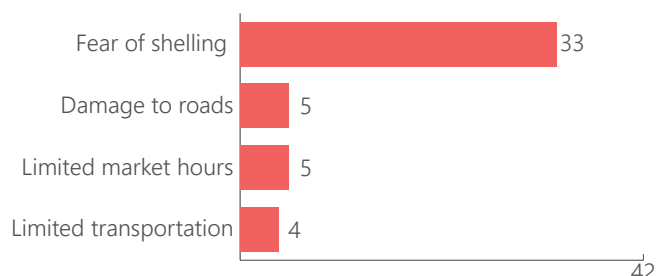
Out of 42 surveyed consumers in Kramatorska hromada, **35 reported that Kramatorsk city is their primary place of shopping**. Out of 22 interviewed residents of Kramatorsk city, 11 reportedly access the markets on foot and 9 by public transport. Ten of 13 interviewed residents of smaller settlements get to Kramatorsk city by public transport. The remaining 6 respondents walked to local markets in the settlements where they live, and 1 consumer accessed markets in another nearby settlement when driven by a neighbor. Of the 42 consumers surveyed, 23 reportedly spend between 20 minutes and 1 hour to get to the market, and 17 less than 20 minutes.

Fear of shelling was named by **33 of 42** consumers as the **main security barrier to accessing markets** (see Graph 1). Eight consumers, however, reported that security factors did not affect them. All 7 interviewed retailers reported fear of active fighting and shelling, and 1 retailer also reported fear of kidnapping and robbery as their primary security concerns.

Of the 42 respondents, **29 reported no physical barriers** to accessing the market. Physical barriers mentioned by the others included damaged roads leading to the market (5), reduced market hours (5), and lack of transportation (4).

Kramatorsk city is the place where **41 of 42** respondents reportedly **access cash** (1 person does not withdraw cash at all). For cash withdrawals, 37 respondents use a bank/ATM, while others use Ukrposhta (1), a store cash desk (1), or home delivery of pensions (1). While 19 of 42 consumers said they had no difficulty withdrawing cash, other consumers cited the **lack of cash in ATMs** (13) in Kramatorsk city or the **lack of functioning ATMs** (5). The importance of access to cash is evidenced by the fact that half of the surveyed consumers (21) reported to primarily make purchases with cash, while 14 respondents use both cash and card, and only 6 primarily make purchases with a card via a POS terminal. Of the 7 retailers surveyed, 6 (except for Dmytrivka) reported having internet connection, 5 had a functioning POS terminal, and 6 stores had the possibility of direct bank transfers. Power outages reportedly have little or no negative impact on all surveyed retailers.²

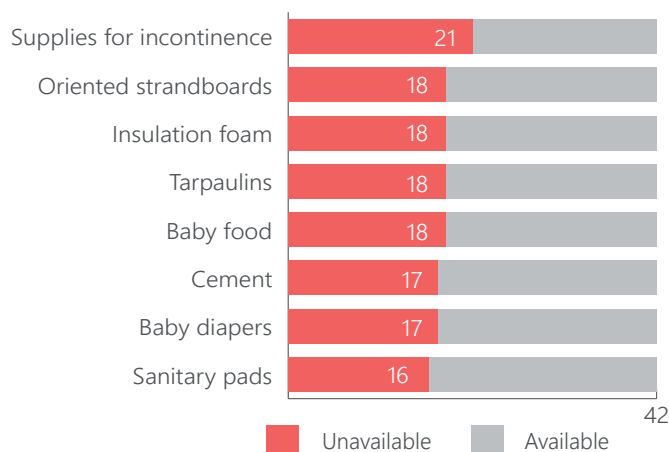
Graph 1: Consumer's barriers to access the market



Item Availability and Affordability

According to the information provided by consumers, **all assessed settlements reportedly have basic food and hygiene products available**, though baby food, diapers, urinary incontinence products and housing repair materials were reportedly only available in Kramatorsk city (see Graph 2).

Graph 2: Least available items as reported by consumers

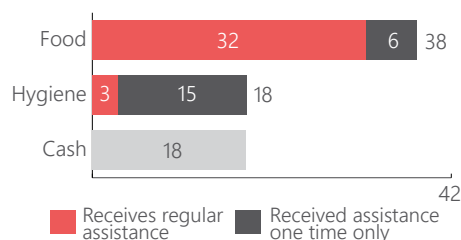


This information generally triangulates with the reports of retailers, who reportedly provided basic food items and hygiene products, and confirmed the lack of repair materials in the smaller assessed settlements.

Of the 7 retailers, 6 believe that the market can meet current consumer demand in terms of volume and basic product range. Four of 7 retailers reported that they could maintain a 7-day supply of basic food and hygiene products. Though 2 did not answer this question, and 1 retailer from Shabelkivka was not able to maintain a 7-day stock of basic items due to the danger of having goods delivered in large quantities, as large trucks can be targeted by shelling. Some retailers reported no shortages of goods (4) and no interruptions in supply (4), but two retailers from Shabelkivka reported high supplier prices for goods and, accordingly, difficulties in procuring them.³

Almost all consumers (**41 of 42**) said that **prices had increased over the past 2-4 weeks**. High prices prevented 37 of 42 respondents from buying all the items they needed. Four of the 7 retailers offer the possibility to buy goods on credit, and some consumers use it.

Graph 3: Assistance received by consumers



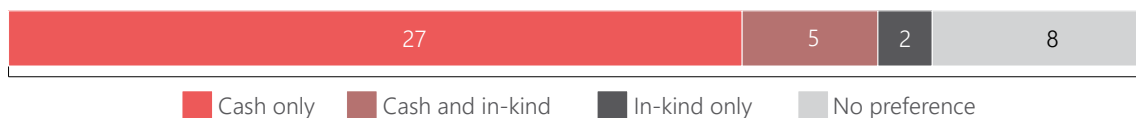
"Many stores are on the verge of closing due to the low purchasing power of the population. Ordering goods from suppliers is often unprofitable because they deliver them at inflated prices. It is more profitable for entrepreneurs to travel to the nearest city (e.g. Dnipro) to buy goods and transport them themselves."

- Retailer in Shabelkivka

Of the 42 consumers, 38 had reportedly received humanitarian aid via food kits at least once (32 on a regular basis), 18 had received hygiene kits at least once (3 on a regular basis), and 18 had received cash assistance at least once (Graph 3).

When asked about preferred modalities for assistance, **27 of 42** respondents answered that they **preferred cash assistance**, primarily because it provides the ability to choose the products they need. However, 8 consumers expressed no preferences and 5 preferred a combination of cash and in-kind assistance. Only 2 consumers preferred in-kind assistance only, explaining that the local stores do not always have the necessary goods, and traveling to Kramatorsk city to the market takes time and money (see Graph 4). It is very important to note, however, that consumers are not necessarily implying that they would no longer like to receive the in-kind assistance they are already receiving (see Graph 3), but rather that they would prefer additional assistance to be in the form of cash.

Graph 4: Consumer preferences for modality of humanitarian assistance



Respondents said they would use cash assistance to **buy medicines (26), pay for utilities (8), and/or buy food (8), hygiene items (7), and clothing (6)**. They also mentioned needing cash to pay for firewood, dental services, medical supplies (wheelchairs, hearing aids), payment of debts, and fuel for cars.

Conclusion

The assessment in Kramatorska hromada showed that the market is generally functioning and can provide the local population with basic food and hygiene products. Six out of 7 retailers in the smaller assessed settlements believe that the market can currently meet consumer demand in terms of volume and basic product range. The city of Kramatorsk, as the administrative center of the hromada and the largest settlement, provides access to goods that are limited in smaller settlements, and to financial services including banks, ATMs, and post offices. Kramatorsk city is connected to smaller settlements by public transport, and it is there that 41 of 42 consumers reported having access to cash, which is the primary method used by half of respondents to pay for goods.

Security factors are the biggest barrier for all retailers surveyed, who fear shelling and possible active hostilities. Consumers surveyed fear both the shelling itself and frequent air alerts warning of possible shelling. The financial factor is also very important in accessing markets. The vast majority of respondents (41 of 42) indicated that prices have risen over the past 2 to 4 weeks, which is an obstacle for most consumers to secure the goods they need.

When implementing humanitarian aid, it is important to take into account the opinions of the affected population. The majority of surveyed consumers reportedly receive food kits on a regular basis (32 of 42), while only 3 of 42 respondents reportedly receive hygiene products on a regular basis. However, the survey showed that two-thirds of local consumers prefer cash assistance (27) to purchase medicines, to pay utility bills, and to buy food, hygiene items, and clothing.

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 30 km 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 Polish Humanitarian Action. Structured key informant interviews took place over the phone between 18 and 22 March 2024. Interviews were conducted as follows: 2 retailers in Bilenke, 2 retailers and 7 consumers in Shabelkivka, 2 retailers and 6 consumers in Malotaranyvka, 1 retailer and 7 consumers in Dmytrivka, and 22 consumers in Kramatorsk city. All retailers in Kramatorsk city refused to be interviewed. However,

Bilenke and Shabelkivka are suburbs of Kramatorsk city, where public transport is available, so the answers of retailers from these settlements may be relevant to Kramatorsk.

Findings presented in this factsheet are illustrative of inhabitants' accessibility to cash and markets in these specific locations and therefore should be considered as indicative only of the overall situation across the hromada. Findings should be considered indicative of the situation.



ENDNOTES

¹ Figures and humanitarian situation reported by hromada authorities and shared bilaterally by OCHA in February 2024.

² Data does not include retailers from the city of Kramatorsk.

³ Ibid.