

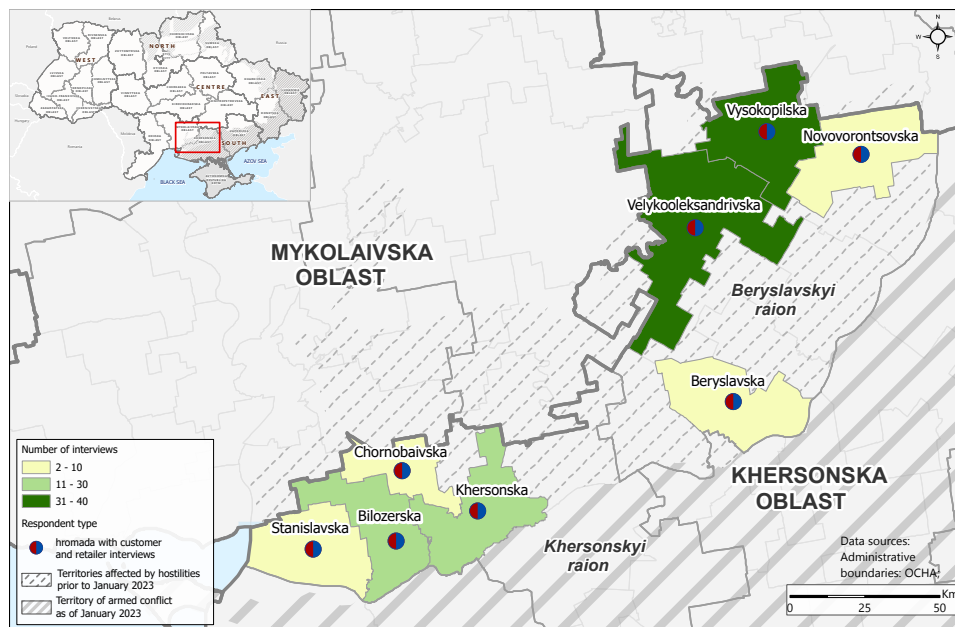
# Rapid Cash Feasibility Study in Newly Accessible Areas in Ukraine

February, 2023  
Kherson, Ukraine

## KEY MESSAGES

- **Availability of key items was fairly widespread, however, affordability was a key concern.** 80% of customer KIs reported being able to find essential food and hygiene items, with products for infants being in lower availability. **Most customer KIs (73%) reported price increases**, and **40%** indicated **not being able to afford items** as their main financial constraint.
- **Market activity was low. Several shops remained closed** at the time of the assessment. **74%** of customer KIs estimated that **up to a quarter or even up to half** of the shops in their marketplace remained closed. Retailer KIs mentioned **lack of funds, reduced number of clients and infrastructural damage** as reasons hindering re-opening.
- **Access to the marketplace has been significantly impacted by conflict**, both in terms of **functionality** and **safety**, especially in Khersonskiy raion. Only 1 out of 3 customer KIs (33%) reported that the conflict has not impacted their personal physical access to it.
- **Older people were reported as the population group feeling less safe to access the marketplace.** Only 44% of customer KIs reported that all population groups felt safe in accessing the marketplace.
- **Cash was the main paying modality**, whereas retailer KIs also accepted cash transfers through mobile apps. Financial services such as bank branches and ATMs were partially functioning, on the other hand, **Ukrposhta** was more widely available.

Map 1: Hromadas Coverage in Khersonskiy and Beryslavskiy raion, Khersonska Oblast.



## CONTEXT & RATIONALE

This pilot will inform the **Ukraine Cash Working Group** on the functionality and accessibility of marketplaces in Kherson, providing an evidence base for the **organisation of future multi-purpose cash assistance (MPCA)**. The assessment was developed within the scope of work of the **Cash Working Group Task Team on Cash Feasibility**, and through consultations with the **Ukraine Response Consortium**. Kherson, which was occupied by Russian forces in March 2022 and which the Government of Ukraine regained control over in November 2022, has been chosen as the pilot area.

## ASSESSMENT OVERVIEW

The objectives of this assessment are:

1. Understand whether marketplaces can meet current demand;
2. Determine the conflict's impact on access to markets, both financial and security-wise;
3. Understand whether the currently functioning infrastructure can support the market environment.

## METHODOLOGY:

Quantitative data was collected through:

- **25\* retailer** Key Informant Interviews (KIIs) - of which 7 in Khersonskiy and 18 in Beryslavskiy;
- **99 customer** Individual Interviews (IIs) - 41 in Khersonskiy and 58 in Beryslavskiy.

Data collection took place between **2<sup>nd</sup> and 21<sup>st</sup> February 2023**, in Khersonskiy and Beryslavskiy raions, and was carried out by ACTED, ZOA, and CORE.

**\*Due to the small number of retailer interviews, results will be reported in absolute figures, as well. Direct comparison among retailers and customers might be inaccurate.**

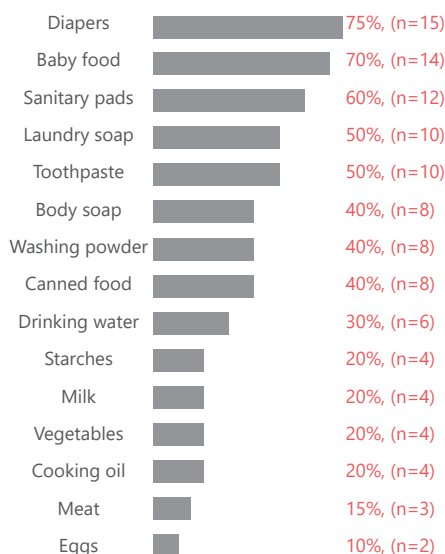
## Item Availability

Interviewed retailers comprised both food and NFI (non-food items) sellers, the great majority of which consisted of small shops. As such available items in their own shops depended on the types usually sold.

On the other hand, customer KIs reported on the availability of essential items within the entire marketplace: **80% of customers reported the availability of all listed items.**

**Out of the remaining** customer KIs, a majority reported that **products for infants were the most often unavailable products** in the marketplace, or were the least sold by retailers, as seen in *Figure 1*. In addition, customer KIs reported **hygiene products as less available** than food items. In **Khersonskiyi** raion, on average customers and retailers KIs reported the listed items as **slightly less available** than in Beryslavskiyi.

**Figure 1: Unavailable items in the marketplace\* as reported by % of customers (n=20)**



## Rates of market activity

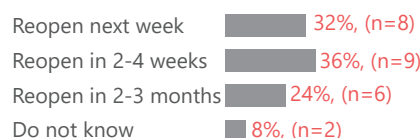
The rate of market activity was low. A **considerable number of shops were reported closed** at the time of interview, estimated by customer and retailer KIs at between **one-quarter and one-half** of the shops in their usual marketplaces.

**The majority of retailers (n=9) expected then-closed shops to reopen in the following 2 to 4 weeks** (*Figure 3*).

However, in Khersonskiyi raion, five out of the seven retailers interviewed expected that shops would reopen in a longer time frame, that is, 2 to 3 months time.

Overall, the **lack of funds** was considered the main reason hindering the reopening according to 19 retailers, followed by a **reduced number of clients** (17) and by **infrastructural damage** (13). On the other hand, retailers in Khersonskiyi reported the **reduced number of clients and infrastructural damage** as the main challenges hindering reopening.

**Figure 3: % of retailers reporting on the reopening plans of closed vendors.**



### Top 3 challenges to reopening\*:

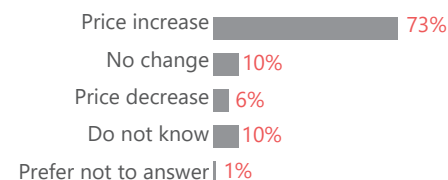
Lack of funds	76%, (n=19)
Reduced number of clients	68%, (n=17)
Infrastructural damage	52%, (n=13)

## Prices and affordability

Affordability of items remains a key issue. Indeed, as it can be seen in *Figure 2*, the great **majority of customer KIs (73%) reported price increases** in the 2 to 4 weeks prior to the interview.

Notably, **40% of customer KIs reported not being able to afford the items** (52% in Beryslavskiyi) as their main financial constraint.

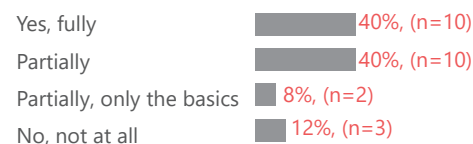
**Figure 2: % customers reporting on price changes in the 2-4 weeks prior to data collection**



**Fifteen retailers** mentioned that the market could not **fully or even partially meet the current and expected customers' demand** for essential items (*Figure 4*).

Out of those reporting **difficulties in meeting the demand**, seven believed that the market would be able to meet the demand in the long term, and only one expected it to be met in the short term.

**Figure 4: % retailers reporting on whether the market meets customer's demand**



## Supply

### Food Items

**5** retailers reported not being able to keep a 7-day supply of essential food items.

**Figure 5: % retailers expecting to have a 7-day food supply within the following time frame (n=10)\*\***

Next week	70%, (n=7)
2 to 4 weeks	10%, (n=1)
No answer	10%, (n=1)
Do not know	10%, (n=1)

**Five retailers** reported not being able to maintain a **7-day supply of food and hygiene items.**

Regarding **food items**, the primary explanation given by retailers was that **their supplier was not active anymore**, followed by the **poor quality** of products. Seven out of the ten retailers that were willing to answer the question expected to have sufficient supply in the following week (*Figure 5*).

For what concerns **hygiene items**, the main reported reason for not being able to maintain a 7-day supply was a reportedly **high wholesale price**. The expected timeline, reported by retailer KIs, to have sufficient supply was similar to that for food items (*Figure 6*).

### Hygiene Items

**4** retailers reported not being able to keep a 7-day supply of hygiene items.

**Figure 6: % retailers expecting to have a 7-day hygiene supply within the following time frame (n=12)\*\***

Next week	46%, (n=6)
Do not know / other	30%, (n=3)
2 to 4 weeks	8%, (n=1)
2 to 3 months	8%, (n=1)
More than 3 months	8%, (n=1)

**\*\*Includes all retailers willing to answer, regardless of their ability to maintain a 7-day supply of items at the time of interview.**

**\*Multiple answers possible.**

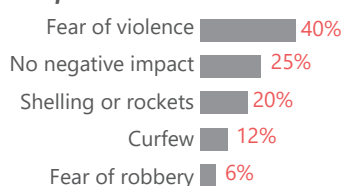
## Access: individual and group factors

The majority of customer KIs appeared to be living fairly close to a marketplace: **73% indicated that they traveled to the marketplace by foot; 57% reported their travel time to be under 20 minutes**, and 38% to be between 20 minutes and 1 hour. Retailer KIs confirm these findings, as most of them reported that the majority of their clients were from the same village. However, **physical access to the marketplace has been hindered by the conflict, more so in Khersonskiyi**. Only **one out of three customers** reported that conflict caused **no negative impact**, as can be seen in Figure 7. Others reported that the marketplace was not functional due to conflict-related damage (26%), and that the market was not safe (19%). In **Khersonskiyi** the main factor limiting physical access to the marketplace was that the **market was not safe (33%)**.

**Figure 7\*: % customers reporting on the top 5 factors limiting physical access to the marketplace**

No limit to access	33%
Market not functional due to conflict-related damage, damaged buildings, etc	26%
Market not safe, fear of being targeted	19%
Reduced hours, cannot visit	19%
Damaged roads	17%

**Figure 8\*: % of customers reporting on the top 5 security factors affecting access to the marketplace**



When asked about security factors affecting their access (Figure 8), overall **40% of customer KIs reported fearing violence**, whereas **44%** of customers in **Khersonskiyi** indicated the **fear of shelling** as the main hindrance. In line with this finding, **15 retailers** reported that **security factors negatively affected their business (7 out of 17 in Beryslavskiyi, and 7 out of 7 in Khersonskiyi)**. In particular, **six** retailers out of seven in Khersonskiyi reported that **fear of violence and active fighting** had a negative impact on their businesses.

Regarding **safety by population group**, 24% and 22% of customer KIs indicated that, respectively, **older women and older men felt unsafe accessing the marketplace**, which represented the largest percentage for any group. This was followed by **13% of customers indicating people with disabilities**. In **Khersonskiyi**, percentages for older women and older men amounted to 34% each. Only 44% of customers reported that all population groups felt safe when accessing the marketplace.

## Access: financial factors

Barriers to market access were financial in nature, as well.

**Cash was reported to be the main payment modality used by 88% of customer KIs**, followed by payment by card or POS (36%). However, when asked about their main financial constraints (Figure 9) **most customer KIs (55%) indicated the lack of physical currency**, with an even higher percentage (63%) registered in Khersonskiyi. Notably, **40% of customer KIs reported not being able to afford the items** (52% in Beryslavskiyi).

The primary reported barrier to accessing cash was that **ATMs or bank branches in the local area were not functional (53%)**, as seen in Figure 10.

In **Khersonskiyi**, a larger proportion of customer KIs, compared to the sample overall, reported having no money in their bank accounts (44%) and considering the transportation options unsafe (37%).

As such, while there are some issues in accessing **cash** in the area, it remains the **prevalent modality of purchasing goods**. Crucially, **considerable portions of the surveyed customers population struggle to afford essential items**.

**Figure 9\*: % of customers reporting on the top 5 financial constraints influencing access to market**

Not enough cash	55%
Cannot afford items	40%
No influence	13%
Fuel too expensive	10%
Public transportation too expensive	6%

**Figure 10\*: % of customers reporting on the top 5 challenges in accessing cash**

ATMs/banks not functional	53%
Expensive transport	26%
ATMs/banks have issues	25%
No money in the account	24%
Unsafe transport	23%

## Infrastructure and services

Thirteen **of the interviewed retailers reported having access to the Internet** in their shop.

**Seventeen of the interviewed retailers reported that their business had been moderately or significantly negatively impacted by power cuts**. **Eight retailer KIs** reported using a generator.

Regarding available payment options, **21 retailers accepted money transfers between accounts via mobile apps** (18 in Beryslavskiyi and 3 in Khersonskiyi), and **5 accepted payment with POS**. **Only two of the surveyed retailers allowed customers to purchase on credit**.

Nevertheless, **financial services availability** and functioning remained disrupted according to surveyed retailers. Only 6 retailers reported that bank branches in the community offered the entirety of their services, and **11 indicated that their local bank branches were either entirely unavailable or non-functional**.

With regards to ATMs, five retailers reported their full functioning (two in Khersonskiyi), whereas **eight reported no functioning ATMs or no cash withdrawals available in their community**.

On the other hand, **Ukrposhta was the most widely available financial service**, with **16 retailers reporting its full functioning** in the community.

As such, while financial services availability was low in the surveyed areas (with the notable exception of Ukrposhta), **retailers offer different payment options** in order to carry out their activities. Notably, money transfers between accounts are a widely accepted payment modality.

\*Multiple answers possible.



## METHODOLOGY OVERVIEW

The assessment was designed to provide data on market **functionality and accessibility in newly accessible areas** (that is, areas that have been occupied by the Russian army since February 2022 and have consequently been liberated, as monitored by LiveUA). In order to do so, the **Rapid Cash Feasibility Study tool** was deployed. The tool, which has been designed to pilot and inform the emergency response in Kherson area and surroundings, can be adapted to other areas as well through the same **localised approach**. The activity has been conducted in partnership with the **Ukraine Cash Working Group** and coordinated through the **Task Team on Cash Feasibility**.

Data collection has been a joint, partner-led exercise carried out by participating CWG members, namely, **ACTED, ZOA, and CORE**, who used the harmonized questionnaire.

The methodology entailed **quantitative**, structured key informant (KIs) and individual interviews (IIs) with purposively sampled retailers and customers in affected areas. Within Khersonska oblast, partners collected data in two raions: Khersonskiyi and Beryslavskiyi, with 4 hromadas per each.

In particular, **25 retailer KI interviews**, of which 7 in Khersonskiyi and 18 in Beryslavskiyi were carried out; and **99 customer II interviews**, 41 in Khersonskiyi and 58 in Beryslavskiyi were collected.

Data collection took place between **2<sup>nd</sup> and 21<sup>st</sup> February 2023**.

**58% of the interviews were collected in person**, whereas the remaining ones were collected through remote data collection methods.

## Challenges and Limitations

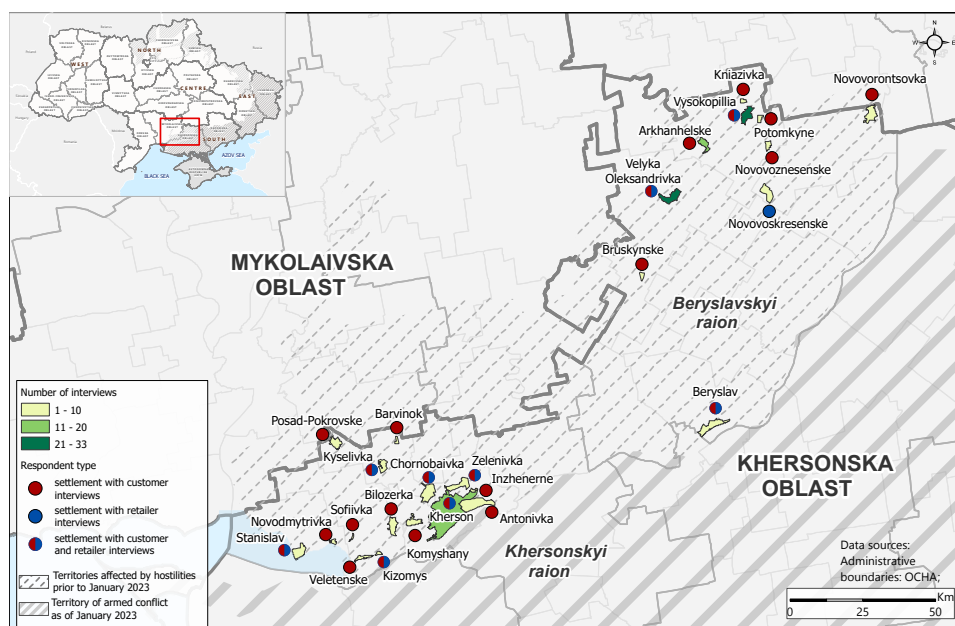
First, it was not possible to reach the target amount of retailer interviews due to the difficulty in recruiting enough willing retailers, and the time constraint to conclude data collection in time to conduct a rapid assessment. As such results referring to retailers remain indicative.

Moreover, different samples across the two raions make it **difficult to further disaggregate** the results geographically in a significant manner, be it by raion, hromada or settlement. Thus, such comparisons are indicative, and raion-level data has been reported in the text only when the numbers presented noticeable

differences. These differences signal potential geographical variation that, nonetheless, needs further exploration in future assessments.

Second, while a larger number of customers interviews was collected, target amounts by hromada and settlement (3 customers per settlement, minimum 3 settlements per hromada) were not achieved, as such only raion-level disaggregations have been presented, with the understanding that they remain indicative.

Map 2: Settlement Coverage in Khersonskiyi and Beryslavskiyi raion, Khersonska Oblast.



## ABOUT IMPACT

IMPACT Initiatives is a Geneva based think-and-do-tank, created in 2010. IMPACT is a member of the ACTED Group.

IMPACT's teams implement assessment, monitoring & evaluation and organisational capacity-building programmes in direct partnership with aid actors or through its inter-agency initiatives, REACH and Agora. Headquartered in Geneva, IMPACT has an established field presence in over 15 countries. IMPACT's team is composed of over 300 staff, including 60 full-time international experts, as well as a roster of consultants, who are currently implementing over 50 programmes across Africa, Middle East and North Africa, Central and South-East Asia, and Eastern Europe.