

# Rapid Cash Feasibility Assessment

## Kostiantynivska Hromada, Donetsk Oblast

March 2024  
Ukraine

### KEY MESSAGES



**Item availability** in the hromada is found to be very **limited** outside the city of Kostiantynivka, with mainly **only the most basic food and hygiene** items available in small shops. However, all interviewed households reportedly had received food kits.

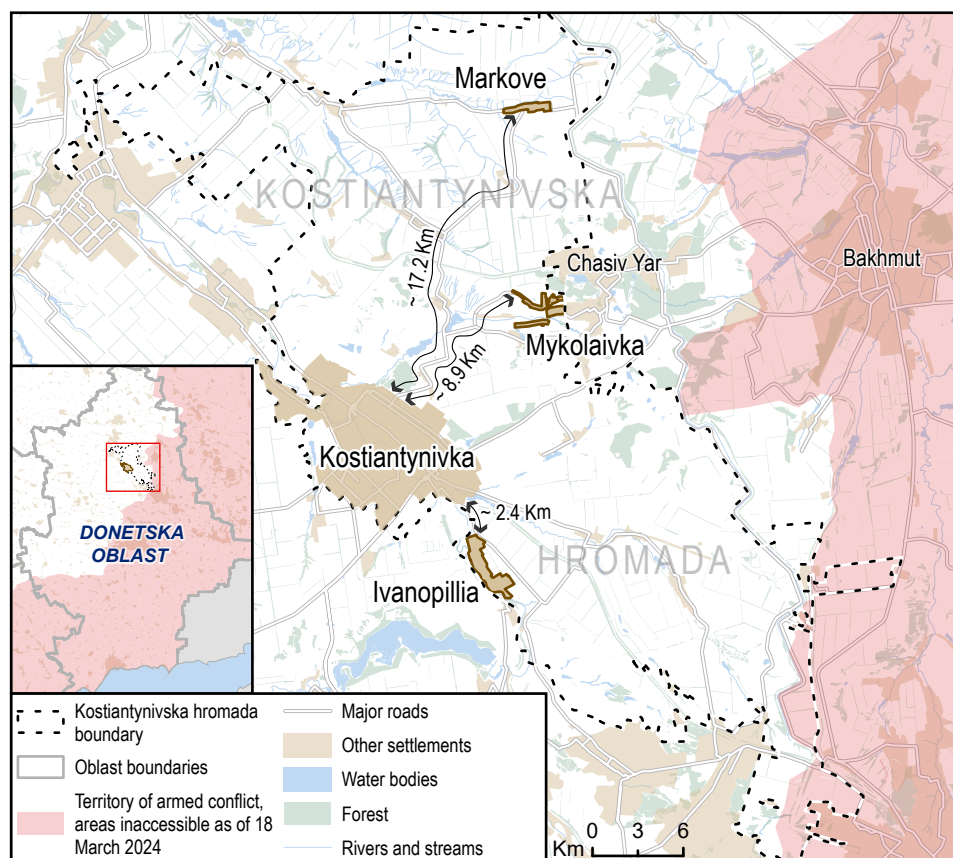


Due to the limited electricity and internet connection, retailers in these settlements reported to **mainly accept only cash**.



There are **no functioning banks or ATMs** reported in **Markove** or **Mykolaivka**. Residents reportedly go to Kostiantynivka city or Kramatorsk city to access these services, but **damaged roads** and **frequent shelling** make this dangerous.

**Map 1:** Assessed settlements within Kostiantynivska hromada and their distances to Kostiantynivka city, where many respondents reportedly access both cash and markets.



### CONTEXT & RATIONALE

**Kostiantynivska hromada borders the frontline** in Donetsk oblast, with a small part of its southeastern territory under Russian control. The hromada has been on the frontlines for the past 10 years and was completely under Russian control during the spring and summer of 2014. Active military fighting is currently taking place in neighboring Chasiv Yar, which borders the assessed settlement of Mykolaivka (see Map 1).

As of April 2024, hromada authorities report a population of around **28,500** people, consisting of **26,500** inhabitants in Kostiantynivka city and **2,000** in remote villages. This means that the total population decreased by more than half from 70,000 before the full-scale invasion on February 24, 2022.<sup>1</sup> The hromada authorities reported some internally displaced persons (IDPs) returning to their settlements due to the government's decision to reduce IDP payments in February this year.<sup>2</sup>

This assessment focused on 3 smaller settlements outside the hromada center: **Ivanopillia, Markove, and Mykolaivka**. Due to their proximity to the frontline, these settlements are subject to regular artillery shelling and drone attacks which interrupt daily life. Most rural villages throughout the hromada reportedly have no electricity or gas supply.<sup>3</sup>

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 Kostiantynivska hromada outside Kostiantynivka city.

### METHODOLOGY:

Task Team member ACTED interviewed 3 retailers and 21 consumers throughout the 3 smaller settlements in Kostiantynivka hromada. 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.

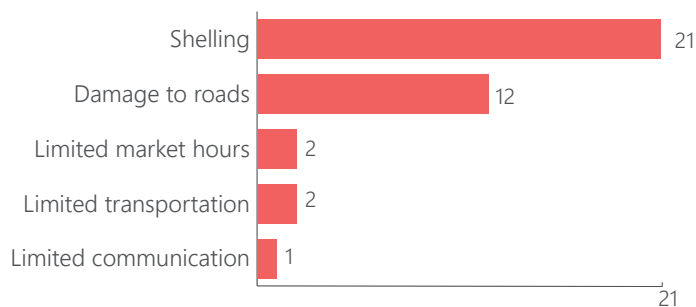
**Findings presented in this factsheet should be considered indicative of the overall situation.**

## Access to Cash and Markets

Of the 21 consumers surveyed, 20 said that they usually **shop in the settlements where they live**, though there are reportedly only 1-2 small shops in each settlement and occasional informal markets.<sup>4</sup> It takes less than 20 minutes for 19 of those 20 consumers to get to their local markets (16 walk, 3 go by car), while 2 residents of Ivanopillia reportedly spend between 20 minutes and 1 hour on public transportation to get to the markets where they buy most of their basic items.

Consumers felt the **main security barrier** to access markets was the **threat of shelling**, as mentioned by all 21 consumers and 3 retailers. The **main physical barrier** to accessing markets was **damage to roads** leading to the marketplace, while a few consumers also mentioned limited market hours, lack of transportation, and limited communication during travel in case of emergency (see Graph 1).

**Graph 1:** Consumer's barriers to access the market



The significance of the security situation is again highlighted by **19 of 21 consumers who reported feeling unsafe when traveling to ATMs/banks/post offices to withdraw cash**. Consumers also reported barriers to accessing cash including high cost of transportation (6) and lack of cash in ATMs (2). Only 2 residents of Ivanopillia, the assessed settlement closest to the city of Kostiantynivka, did not report any access barriers.

**According to retailers**, there are neither bank branches nor ATMs in the assessed settlements. However, retailers reported that there is a functioning **Ukrposhta office in Ivanopillia**, which provides all the usual financial

services, and a **mobile Ukrposhta** branch comes to **Markove** and **Mykolaivka**. At the same time, **17 of 21 consumers** of the assessed settlements said they **travel to Kostiantynivka city** to withdraw cash, while 3 of 7 residents of Ivanopillia reported having access to cash in their settlement. Furthermore, 1 resident of Markove reported a preference to access financial services in Kramatorsk as road conditions along this route are reportedly better. Of the interviewed consumers, many preferred to access cash through ATMs/banks (12) and/or through Ukrposhta offices or mobile branches (10). According to [REACH's Joint Market Monitoring Initiative \(JMMI\)](#) in March 2024, in the city of Kostiantynivka bank branches were functional but facing temporary interruptions due to air alerts. ATMs were reportedly functional and Ukrposhta offices worked daily, delivering payments regularly.

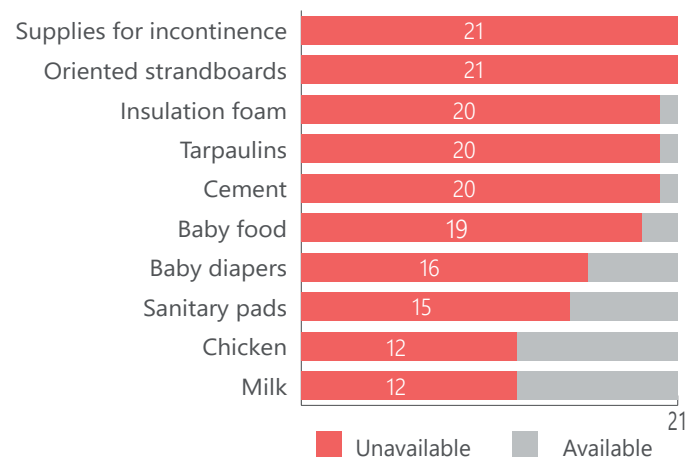
The majority of respondents (17 of 21) **primarily make purchases with cash**, while only 4 primarily use a card. The need for physical cash in these areas is highlighted as only the retailer from Markove reported being able to accept payments with a POS terminal. The other two stores reportedly accept cash payments only due to the lack of internet connection.

## Item Availability and Affordability

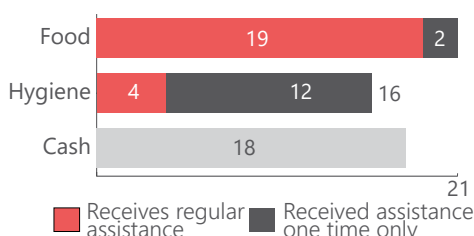
While all 21 consumers reported that most basic of food items (such as bread, sunflower oil, and drinking water) were available in their settlements, all other items were reportedly less available. According to consumers, the **least available** basic items are **baby food and diapers, milk, chicken, sanitary pads, and shelter repair materials**. **Urinary incontinence** products were reported to be **completely unavailable** (see Graph 2). In Kostiantynivka city, according to [REACH's Joint Market Monitoring Initiative \(JMMI\)](#), in March 2024 essential items such as food, hygiene items, medications, and warm clothes were available.

All 3 surveyed retailers reported that they were able to keep a 7-day stock of items, though they only sell very basic food items like bread and oil. However, all 3 retailers felt that the markets were unable to meet consumer demand in terms of volume and basic product range. A retailer from Markove said that people are leaving the village, so it is not profitable to import a lot of goods.

**Graph 2:** Least available items as reported by consumers



**Graph 3:** Assistance received by consumers



**The majority of consumers (19 of 21)** surveyed reported that **prices had increased** over the 2 to 4 weeks prior to data collection. High item prices reportedly prevented 9 of 21 respondents from buying all the items they needed. At the same time, 10 consumers said that financial factors were not a barrier for them.

All 21 consumers reported to have received humanitarian aid via food kits (19 reportedly receive food kits on a regular, predictable basis), 16 had received hygiene kits at least once (4 receive them on a regular basis), and 18 had received some form of cash assistance (see Graph 3).

The majority of the surveyed consumers (16 of 21) expressed a **preference to receive humanitarian aid only in cash**, while 3 were in favor of a combination of cash and in-kind assistance, and 2 preferred only in-kind assistance (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 who preferred cash assistance indicated that cash is convenient and easy to use (9), reliable (4), and provides an opportunity to choose what they need most (2). Those in favor of in-kind assistance mentioned barriers due to limited mobility and difficulty withdrawing cash. One woman from Mykolaivka preferred in-kind assistance as she then would not need to risk going to the store. Another woman from Mykolaivka said that in order to withdraw money, she had to go to another city where ATMs did not always have cash. When asked how **financial assistance would be spent**, 10 of 21 consumers would primarily use the money **to buy food**, 6 for **medical treatment**, and 3 to **pay for utilities**. Also mentioned were **paying off debts**, **purchasing hygiene items**, and **savings**. It should be noted, however, that cash must be accessed in Kostiantynivka or other cities as no ATMs/banks were reported to be functioning in Markove or Mykolaivka.

## Conclusion

This assessment of Kostiantynivska hromada showed that residents of Markove, Mykolaivka, and Ivanopillia mostly visit small local shops in their own settlements to purchase the basic items they do not receive as in-kind humanitarian assistance. These local shops offer only the most basic of goods such as bread and drinking water. Although all 3 surveyed retailers felt they could maintain a 7-day stock of basic goods in their stores, they reportedly did not feel able to fully meet consumer demand. Due to a lack of electricity and internet connection, stores mostly accept only cash payments, so consumers travel to Kostiantynivka city to withdraw cash from functioning banks/ATMs and Ukrposhta.

Taking into account the proximity of the assessed settlements to Chasiv Yar, where active hostilities are currently taking place, security is found to be the biggest factor affecting consumers' access to goods, as indicated by all 21 consumers surveyed. Nineteen respondents reportedly felt unsafe traveling to access cash and said damaged roads were the main physical barrier to accessing other settlements. As security factors make it difficult for humanitarian workers to physically access the population to distribute in-kind assistance, beneficiaries themselves are forced to travel to banks/ATMs/Ukrposhta to receive cash, thus putting their lives in danger.

When planning a humanitarian intervention, it is important to take into account the wishes of the population. This research has shown that the vast majority of consumers (19 of 21) are recipients of regular food assistance, the majority (18) received some form of cash assistance, and the majority (16 of 21) received hygiene products from time to time. When asked about the preferred form of assistance, 16 people preferred cash only, because they feel it is convenient, reliable and allows consumers to choose what they need.<sup>5</sup> The respondents would mostly spend the money on food, medicines, and utility bills, and also mentioned paying off debts, hygiene items, and savings. However, respondents would not be able to access most of the food or hygiene items in their own settlements and would need to travel to Kostiantynivka or Kramatorsk cities to withdraw cash.

## 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 member of the Task Team: ACTED. Structured key informant interviews took place over the phone between 18 and 22 March

2024. Interviews were conducted as follows: 1 retailer and 6 consumers in Mykolaivka, 1 retailer and 8 consumers in Markove, and 1 retailer and 7 consumers in Ivanopillia.

**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.**



## ENDNOTES

<sup>1</sup> Figures and humanitarian situation reported by hromada authorities and shared bilaterally by OCHA in April 2024.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> Informal markets reported by participants mainly consisted of independent entrepreneurs who bring a few items to sell in their cars. Items were reportedly very basic, like bread, oil and soap.