

Rapid Cash Feasibility Assessment

Nova Kakhovka dam breach affected areas

July 2023

KEY MESSAGES

- **Market activity was particularly low in Darivska, Tiahynska, and Novokakhovska hromada.** Surveyed retailers in Darivska reported **supply issues, restricted access due to the flooding and insecurity.**
- **Market activity was relatively strong in Horokhivska, Khersonska, and Bilozerska.** Retailers indicated most shops as trading and stocked, however, they reported **lack of funds and reduced number of clients.**
- **Availability of key items was limited in Tiahynska and Darivska. Moreover, affordability was a key concern.** Most interviewed **customers (63%)** indicated **not being able to afford items** as a financial constraint. **Price increases for basic items** were also reported.
- **Access to the marketplace continued to be significantly impacted by the conflict** in Khersonska oblast, whereas **Darivska** was the hromada reportedly **most affected by the dam breach.**
- **Older people were reported as the population group feeling less safe to access the marketplace.** Only 37% of customer KIs reported that all population groups felt safe in accessing the marketplace.
- **Cash was the main payment modality.** Functional banks and ATMs were scarce; **Ukrposhta and Novaposhta** were more widely available.
- **Customers reported cash assistance to be their preferred assistance modality, with most opting for cash-in-hand.**

CONTEXT & RATIONALE

This assessment will inform the **Ukraine Cash Working Group** on the functionality and accessibility of marketplaces in areas affected by the Nova Kakhovka dam breach, providing an evidence base for **current and future multi-purpose cash assistance (MPCA)**. The assessment was developed within the scope of the **Cash Working Group Task Team on Cash Feasibility**, through consultations with the **Ukraine Response Consortium**, and coordinated through the **Cash Working Group Dnipro HUB**. On the **6th June 2023**, the Nova Kakhovka Hydroelectric Power Plant was severely damaged by explosions, inundating 51 settlements on both sides of the riverbank.

ASSESSMENT OVERVIEW

The objectives of this assessment are:

1. Understand whether marketplaces can meet current demand;
2. Determine the disaster's and conflict's impact on access to markets;
3. Understand whether the supporting infrastructure can sustain the market.

METHODOLOGY:

Quantitative data was collected via:

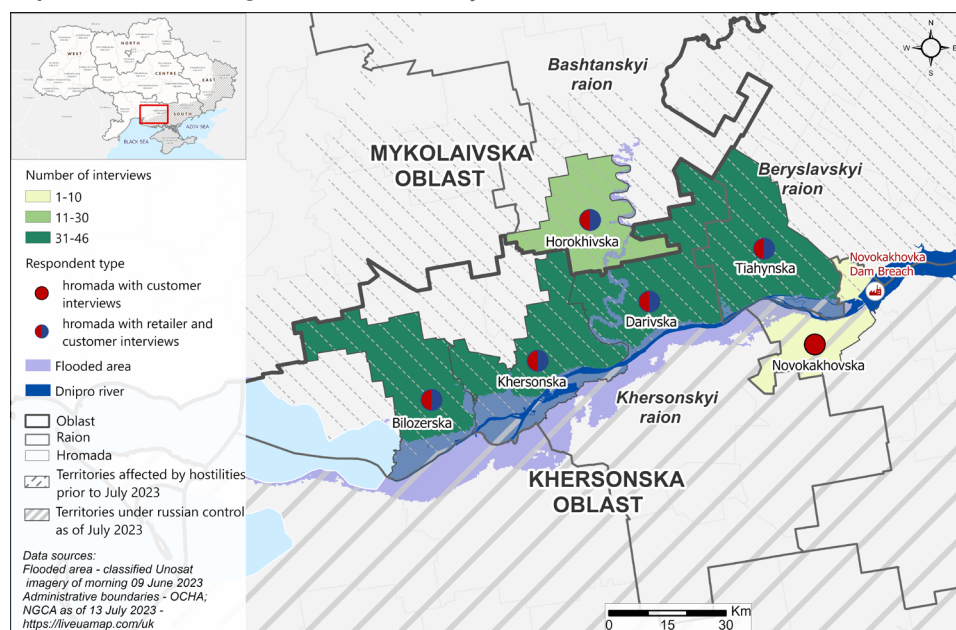
- **132 customer** Individual Interviews (IIs);
- **56 retailer** Key Informant Interviews (KIIs).

Data collection took place between **4th and 14th July 2023**, and was carried out by ACTED, ADRA, CORE, Dobra Fabryka and Mercy Corps, as follows:

Hromada	Customers	Retailers
Novokakhovska	5	-
Tiahynska	30	1
Darivska	24	18
Horokhivska	13	8
Khersonska	30	16
Bilozerska	30	13

Due to different sub-samples, disaggregation per hromada are reported in absolute numbers as well.

Map 1: Hromadas Coverage in Khersonska and Mykolaivska Oblast.



Demographics

Customers

The demographic profile of interviewed customers highlights a **prevalence of women**, who represent the 74% of the sample (Figure 1). Age of interviewees ranged between 27 and 87 years old, with most of the sample reporting to be in the **46 to 55 years old range** (Figure 2).

Figure 1: Customers' gender

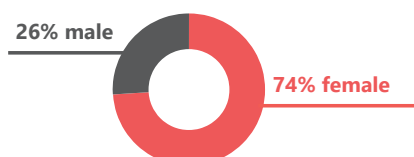


Figure 2: Customers' age

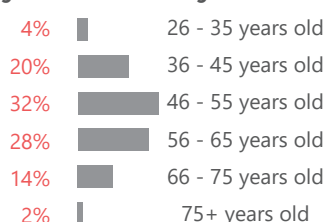


Figure 3: Retailers' gender

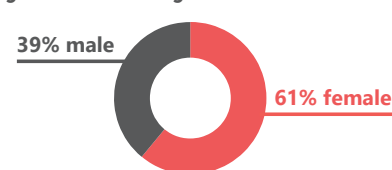


Figure 4: Retailers' type

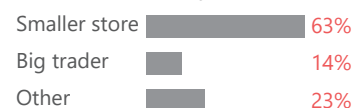


Figure 5: Vendors' type



Retailers

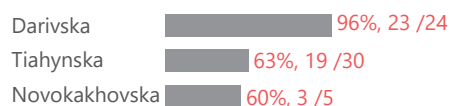
For what concerns interviewed retailers, the sample displays a **higher number of female respondents**, as well (Figure 3). Moreover, the majority of the sampled retailers was operating a **smaller, independent store** (Figure 4); 46% of retailers reported selling food items, whereas 20% reported selling only non-food items (NFIs; here basic hygiene products) (Figure 5).

Rates of market activity & supply

Darivska, Tiahynska, Novokakhovska

The rate of market activity was particularly low in three hromadas: Darivska, Tiahynska, Novokakhovska. Here, **the majority of customers reported that less than a quarter of the shops were trading** at the time of the interview (Figure 6).

Figure 6: % of consumers reporting less than a quarter of shops are open and trading in their habitual marketplace.*



Retailers in Darivska - the only of these hromadas for which we have retailer interviews - indicated that **limited access due to the flooding** (indicated by 67%, 12 out of 18) and issues with the **insecurity and instability in the area** (indicated by 44%, 8 out of 18) **were the main challenges** in keeping the stores open. Indeed, **72%** (13 out of 18) reported that their **shops were closed after the 6th of June, and reopened after more than 2 weeks**. Half of the retailers expect that only a few other vendors will reopen their shops.

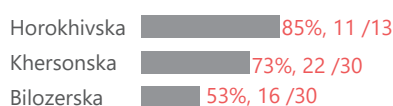
Moreover, issues in meeting customers' demand and in keeping stores stocked were reported in Darivska. Here, **17%** (5 out of 18) **of retailers mentioned that the market cannot** (at all or partially) **meet the demand**: they reported insufficient quantities of eggs, meat and vegetables.

Specifically, **23%** (3 out of 13) and **25%** (2 out of 8) of retailers **could not maintain a 7-day supply of food and NFIs, respectively**. Concerning food items, the main issues were that the **supplier stopped keeping a specific item, or that they were no longer in business**. For NFIs, reasons for not being able to keep a 7-day supply were **high wholesale prices and unavailability of specific items**.

Horokhivska, Khersonska, Bilozerska

On the other hand, market activity was reportedly relatively strong in Horokhivska, Khersonska, and Bilozerska. Here, **most customers reported that more than half of the shops in their habitual marketplace were open and trading** (Figure 7).

Figure 7: % of consumers reporting that more than half of the shops in their habitual marketplace are open and trading.*



Almost all retailers (8 out of 8 in Horokhivska, 13 out of 13 in Bilozerska, and 14 out of 16 in Khersonska) **indicated that their premises were not closed due to the dam breach**. In Khersonska, most retailers believe that more vendors will reopen in the near future.

At the same time, retailers here report that the **lack of funds** (indicated by between 63% in Horokhivska and 100% in Khersonska) and the **reduced number of clients** (between 55% in Bilozerska

and 94% in Khersonska) are the **main challenges in keeping their stores open**.

Concerning demand issues, between 62% of retailers in Horokhivska (5 out of 8) and 100% in Bilozerska (13 out of 13) reported that the **market was able to fully meet the demand in volume**. The majority of retailers in these three hromadas also reported being **able to maintain a 7-day supply of food items, NFIs, or both**.

Thus, in these three hromadas, market activity levels seem satisfactory, and retailers are able to keep their stores stocked. Indeed, **the issues appear to come from the demand side**, as the reduced number of clients and the lack of funds are reported to be the main challenges for retailers. At the same time, we have collected **several comments from retailers and customers, which seem to point at the fact that in some of these areas the provision of in-kind aid might be interfering with the market**. In particular, in Horokhivska, respondents from the settlements of Oleksandrivka, Mykhailivka, and Novotymofiivka reported that **while the markets are open and trading, aid makes it unnecessary to buy items**. Similarly, in Bilozerska hromada, retailers from Kizomis reported that people receive in-kind aid, so notwithstanding shops being open and stocked, many customers only buy cigarettes and bread. While these comments are highly indicative, they were given spontaneously by respondents at the end of their interviews. As such, this issue might call for a more in-depth investigation.

*Data from different hromadas, please mind the different sub-sample number.

Item Availability

The availability of items varied considerably among different hromadas.

First, **between 70% and 80% of customers reported that all listed items were available in Khersonska, Bilozerska, Horokhivska, and Novokakhovska.**

However, items in lower availability were: drinking water, starches, oil, eggs, milk, vegetable, toothpaste and soap.

Second, in **Tiahynska** reported availability was lower, as **only 50%** (15 out of 30) of surveyed customers reported all items available. Here, the items on lower availability were NFIs, starches, vegetables, and canned food.

Third, in **Darivska**, availability is considerably lower than in the other hromadas: **none** (0 out of 24) of interviewed customers reported finding all the listed items in their habitual marketplace.

Prices and affordability

Affordability of items remains a key issue.

As seen in **Figure 8**, most customers in Khersonska, Darivska, Novokakhovska reported **price increases**. The items which are more frequently mentioned as increased in price are vegetables, eggs and drinking water.

Moreover, the majority of customers (63% overall) reports not being able to afford items as their main financial barrier to market access. In particular, this issue is most pronounced in Bilozerska and Khersonska (**Figure 9**).

Notably, **older people are more likely to report not being able to afford items**, indeed, while only 40% respondents in the age bracket 26 to 35 year old report this issue, the percentage among 56 to 65 year old years old is 72%, and that for people between 66 to 75 years old is 83%.

Figure 8: % of customers reporting price increases in the 2 to 4 weeks prior to the interview.*

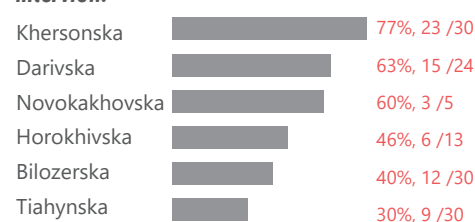


Figure 9: % customers reporting not being able to afford items as a main financial barrier to market access.*



Access: individual and group factors

Only 66% of customers reported visiting the same market they used before the dam breach, as such it seems that several customers traveled longer than usual in order to reach a functional marketplace.

In particular, in Khersonska, 50% (15 people out of 30) of customers reported visiting a different marketplace within the city, whereas in Darivska and Novokakhovska, one customer out of five was visiting a marketplace outside the hromada at the time of interview.

Overall, the **majority of customers reported a travel time up to one hour**, and most people reached the marketplace by foot.

The consequences of the flooding after the 6th June and of continued shelling negatively affected customers and retailers, albeit in different percentages across the surveyed hromadas.

Firstly, **flood-wise, overall 53% of consumers reported that its consequences restricted their access to the marketplace**; detailed factors are reported in **Figure 10**.

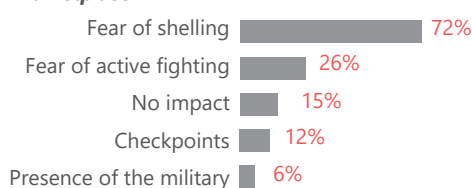
The most impacted hromada was reported to be Darivska, where 96% (23 out of 24) of customers indicated that flooding-related damage was restricting their access to the marketplace at the time of the interview. In **Khersonska**, 40% (12 out of 30) of customers reported being affected prior to the interview, whereas in **Tiahynska** 23% (7 out of 30) reported being affected prior to the interview and 23% indicated that their marketplace access was still restricted.

Out of the 54 customers who reported that their marketplace access was affected by the flooding, 18 reported not having been to a market since the dam breach, and 17 going less than before.

Figure 10: % customers reporting on dam breach related factors limiting their physical access to the marketplace.**

No impact on physical access	57%
Market not functional due to flood-related damage, buildings are unsafe	22%
Roads leading to the marketplace are damaged	12%
Disrupted communication channels	8%
Damaged infrastructure	8%

Figure 11: % of customers reporting on the top 5 security factors affecting their access to the marketplace.**



The percentage of male respondents reporting that security or flood-related factors had a negative impact on their market access is consistently and noticeably lower than that of female respondents, be it customers or retailers.

*Data from different hromadas, please mind the different sub-sample number.

**Multiple answers possible.

On the other hand, **93%** (28 out of 30) of customers in Bilozerska and 92% (12 out of 13) in Horokhivska reported that the dam breach had no impact on their physical access to the marketplace.

Secondly, **security factors also negatively influenced customers access to markets: 72% reported fearing shelling (Figure 11)** - mostly in the hromadas under Khersonska oblast.

In Darivska and Novokakhovska, above average percentages reported the fear of active fighting as a security factor negatively affecting their access. **Retailers also reported that security factors such as shelling (indicated by 77%) and active fighting (52%) negatively impacted their business.** Notably, both the **fear of looting and the fear of robbery** were reported by 9% of retailers, whereas **fear of kidnapping** was reported by 7% of retailers. These factors were reported mostly by retailers in **Darivska**.

Regarding the perception of **safety** - and the easiness of access to the marketplace - **by population group, only 37% of customers reported that all population groups felt equally safe when accessing the marketplace.** Instead, 34% of customers mentioned **older women**, and 33% mentioned **older men**, as the groups not feeling safe going to the marketplace; and 25% indicated **people with disabilities**.

In Darivska, percentages for older women and older men amounted to 50% each, instead 58% of customers indicated people with disabilities, and 54% female headed household (that, is single women with children who might have limited childcare options).

Access: financial factors

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

A considerable portions of the surveyed customers (63%) struggled to afford essential items, as shown in *Figure 12*. This figure reached **90%** (27 out of 30) in **Bilozerska** and **87%** (26 out of 30) in **Khersonska**.

This might be due to the fact that items have risen in prices due to nationwide inflation, and localised disruption of supply chain, as also registered by the JMMI¹. In addition, customers also reported issues with public transport and fuel prices.

Moreover, while **cash was reported to be the main payment modality**, **7% of customers reported not having enough at hand**. Indeed, customers indicated a

wide range of issues in accessing cash (*Figure 13*).

The primary reported barrier to accessing cash was that **ATMs or bank branches in the area were not functional** (reported by 37%). Moreover, not having money in the account, unsafe or expensive transportation were also indicated.

Customers reported accessing cash through different channels based on their hromada of residence: while most residents of Bilozerska, Tiahynska and Novokakhovska reported withdrawing it from banks or ATMs, in Darivska most customers used the post office, in Horokhivska their salary - paid in cash - and in Khersonska cash was accessed with the help of friends or family members.

Figure 12: % of customers reporting on their top 5 financial constraints influencing access to market**

I cannot afford items	63%
No influence	26%
Only cash is accepted and I do not have enough	7%
Public transport is too expensive	6%
Fuel is too expensive	2%

Figure 13: % of customers reporting on the top 5 challenges in accessing cash**

ATMs/banks not functional	37%
No money in the account	29%
Unsafe transportation	25%
Expensive transportation	16%
ATMs/banks rarely function	15%

Payment options and financial services

Across the surveyed hromadas, power cuts and lack of internet connection negatively affected retailers, notably by restricting payment options, especially in Darivska. **About half of the interviewed retailers (54%) reported having access to the Internet** in their shop; however, in Darivska, only 1 out of 18 reported it.

Almost the totality (95%) of retailers indicated experiencing power cuts, and 43% used a generator in their shop. Nine out of 18 retailers in **Darivska** and 12 out of 16 in **Khersonska** reported having no power at all.

Regarding available payment options, **half of the retailers accepted POS payment**, whereas in **Darivska** only 22% (4 out of 18)

did so.

In addition, **46% of retailers accepted payment by card or money transfers between cards via mobile apps**. Again, the percentage in Darivska was lower: only 1 retailer out of 18 reported accepting this type of payment. Finally, **34% of retailers indicated accepting purchases on credit**, with the percentage being particularly high in **Bilozerska**, where 77% (10 out of 13) of the surveyed retailers indicated allowing this type of payment.

On the other hand, **financial services availability remained scarce** according to surveyed retailers.

Only 27% of retailers reported the full

functioning and sufficient availability if **ATMs**. At the same time, only 39% of retailers reported that **bank branches** in the community offered the entirety of their services.

On the other hand, **Ukrposhta was the most widely available financial service**, with **50% retailers reporting its branches or mobile offices as fully functioning** in the community. For **Novoposhta**, the percentage was 43%.

As such, financial services availability was low in the surveyed areas (with the notable exception of Ukrposhta), and the possibility for **retailers to offer POS or money transfer as payment options was curbed by the consequences of the dam breach**.

Assistance and preferred modality

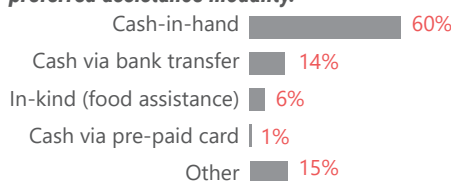
Given the prompt response of the humanitarian community to the dam breach, with aid often distributed as MPCA, this assessment will present some figures on assistance and preferred modality, as an addition to the previous iteration. While this data might be influenced by the fact that the sample of interviewed customers in some cases overlaps with organization's beneficiaries, it also provides important information on a population which is very difficult to reach.

As cash was reported to be the main payments modality, while financial service providers availability and functioning remained low and payment options limited by the ongoing conflict and the dam breach after the 6th of June, **most customers indicated that cash was their preferred assistance modality**. To begin with, humanitarian cash assistance was received by 83% of the interviewed customers. Out of these 109

customers, **72% reported receiving assistance in time, despite the dam breach**.

However, in **Tiahynska**, the percentage is lower: 36% (8 out of 22) reported not having received it, and 28% (5 out of 22) to have received it at a later date.

Figure 14: % of customers reporting on their preferred assistance modality.



As mentioned, **most customers (60%) reported preferring cash-in-hand** (*Figure 14*). Less customers reported preferring other types of cash or in-kind assistance. Moreover, within the "other" options, quite a few respondents mentioned the need

for **medicines and health services**, and others indicated needing help in physically carrying out repairs to their houses, as the damages caused by the flooding or by shelling tend to be quite significant in certain areas.

Furthermore, some differences were observed both geographically and based on different demographic profiles. For instance, the **preference for in-kind food assistance was the highest in Bilozerska (11%, 3 out of 30)**.

On average, **men** preferred physical cash, whereas **women** cash via bank transfers. Respondents under 35 years old reported a strong preference for cash assistance, whereas interviewed customers between **56 to 75 years old indicated more often their preference for in-kind food assistance**.

****Multiple answers possible.**

METHODOLOGY OVERVIEW

The assessment was designed to provide data on market **functionality and accessibility in areas affected by a disaster** - the Nova Kakhovka dam breach - **and by the ongoing conflict**.

In order to do so, the **Rapid Cash Feasibility Study tool** was deployed. The tool, piloted in Kherson in February, was adapted to cover the six hromadas most heavily affected by the disaster according to satellite data.

The activity has been conducted in partnership with the **Ukraine Cash Working Group**, and coordinated through the **Cash Working Group Dnipro Hub** and the **Task Team on Cash Feasibility**.

Data collection has been a joint, partner-led exercise carried out by participating CWG members, namely, **ACTED, ADRA, CORE, Dobra Fabryka and Mercy Corps** 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 and Mykolaivska oblasts**, partners collected data in **six hromadas**. Data collection took place between **4th and 14th July 2023**. Most interviews were collected **by phone**.

Challenges and Limitations

First, it was not possible to reach the minimum target amount of interviews across the six hromadas, which was set at 12 retailer and 15 customer interviews per hromada. In particular, **minimum requirements were not met for Novokakhovska, Horokivska, and Tiahynska (retailers)**. Indeed, data collection efforts encountered several difficulties, most notably very **frequent shelling** of the covered areas, which resulted in connectivity issues and reduced availability of respondents. As such, the results presented throughout the assessment

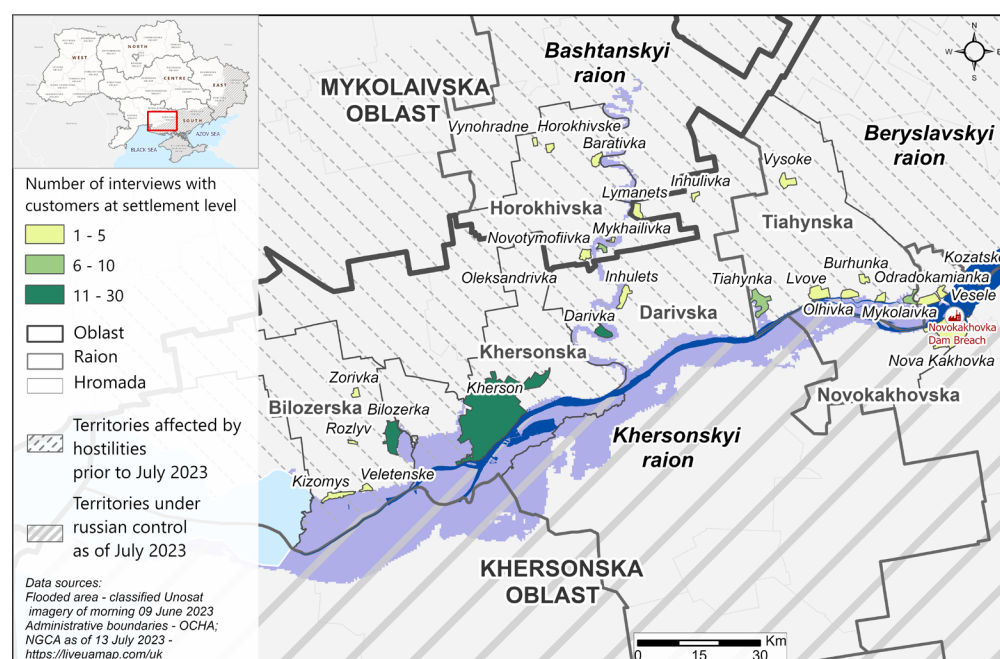
have more limited applicability to the above-mentioned hromadas.

Second, different samples across the hromadas make it **difficult to geographically disaggregate** the results in an accurate manner. Thus, data referring to specific hromadas has been reported in the text both by its percentage and in absolute numbers, in order to remind the reader of the different sub sample size.

Endnotes

1 REACH, Joint Market Monitoring Initiative (JMMI), June 2023. Accessed 04/08/2023, available [here](#).

Map 2: Settlement Coverage, Customers



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.