

METHODOLOGY

Working through the Cash and Voucher Working Group (CVWG) and its partners, REACH facilitates the implementation of a partner-driven Joint Market Monitoring Initiative (JMMI) in Afghanistan. It is intended to be conducted on a monthly basis to provide longitudinal market and price data.

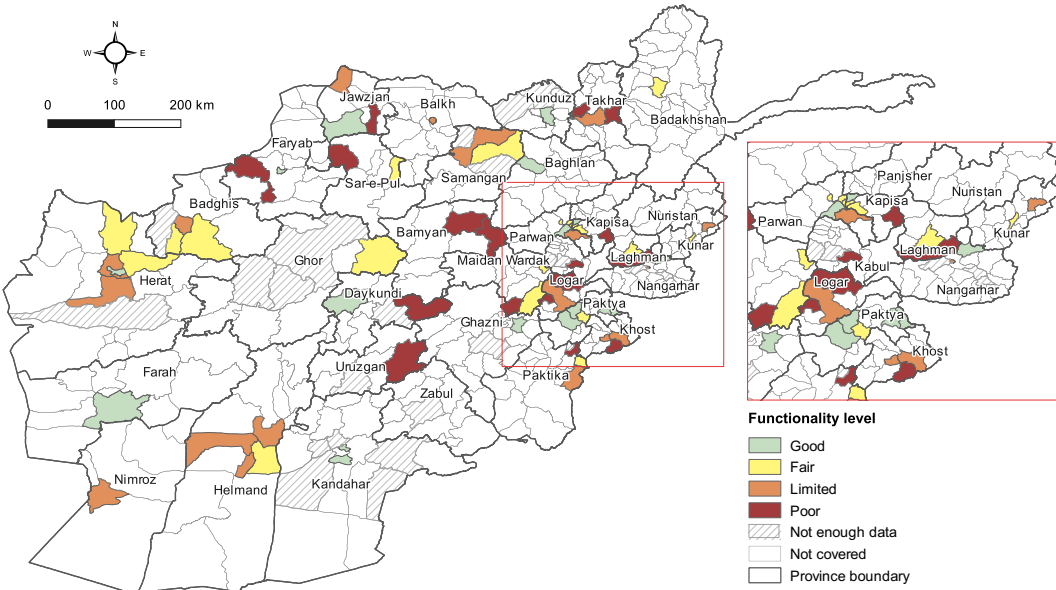
The JMMI assessment employs a quantitative key informant interview (KII) approach. The methodology includes surveys with purposively sampled traders (both retail and wholesale), acting as key informants (KIs) for their respective markets. Participants are selected through partner KI networks in their respective market areas.

Each KI was asked to report on general market functionality indicators, as well as prices for all relevant items that they trade. Depending on access and availability, partners conduct 4 KIIs per item with retail traders, and 2 KIIs per item for wholesale traders (for food and non-food items (NFIs)). KIIs were asked for information encompassing the 30 days prior to data collection. Findings rely on the knowledge of KIIs regarding their respective markets. The findings are, therefore, indicative and may not always fully reflect market activity in the assessed area.

Data from the 26<sup>th</sup> round of the JMMI was collected between July 12<sup>th</sup> and 21<sup>th</sup> 2022.

Median cost of MEB <sup>1</sup>	Median cost of Food Basket
239.28 USD	92.89 USD
21,054 AFN	8,173 AFN
▼ -1% <sup>2</sup> USD	▼ -2% <sup>2</sup> USD
▼ -2% <sup>2</sup> AFN	▼ -3% <sup>2</sup> AFN

MARKET FUNCTIONALITY INDEX (MFI), BY DISTRICT



- 19 participating agencies
- 32 assessed provinces
- 692 key informant interviews (KIIs)
- 30 commodities assessed

The MFI is calculated at district level. The MFI is only calculated for districts where 4 or more retailers were interviewed.

15% of KIIs reported difficulties in restocking and obtaining commodities. The key items reportedly more difficult to obtain and restock are cereal, vegetable oil, fuels, and pulses.

69% of KIIs reported perceiving an increase in the price of food items. The most reported reasons were increased supply and transportation costs, and reduced availability of commodities.

To further inform the CVWG's JMMI in Afghanistan, REACH developed the JMMI Market Functionality Index (MFI), based on the similar index with the same name designed by the World Food Programme's (WFP's) Research, Assessment & Monitoring, and Supply Chain divisions. The aim of the MFI is to assess markets' health at the district level, in order to inform the humanitarian community on whether cash and voucher assistance (CVA) may or may not be the most appropriate response to meet the beneficiaries' needs. The MFI is based on the assumption that, should the markets not be functional, beneficiaries who received the CVA may be unable to access basic commodities.

This map presents findings from rounds 25 and 26 of the JMMI's MFI<sup>3</sup>, visualising a scale of most functional assessed markets (green shades) to the least functional ones (dark red shades) at the district level across Afghanistan.

For further information kindly consult the WFP technical guidance.<sup>4</sup>

# MINIMUM EXPENDITURE BASKET (MEB) CALCULATIONS

## AFGHANISTAN MEB CONTENTS\*

### Food Basket

Wheat Flour	89 Kg
Local Rice	21 Kg
Vegetable oil	7 Kg
Pulses**	9 Kg
Salt	1 Kg

Healthcare (fixed at 47 USD)

Shelter (rent fixed at 30 USD)

Transportation (fixed at 7.11 USD)

Communication (fixed at 3.51 USD)

Fuel and Electricity (fixed at 9 USD)

### Water Sanitation and Hygiene

(fixed at 18.95 USD)

### Soap for handwashing and bathing

Soft cotton cloth (2m<sup>2</sup> piece)

Water (liters 105)

Sanitary pad (box of 10/12)

### Underwear for women

### Toothpaste

Education (stationary and snack) (fixed at 11 USD)

Unmet needs (10% of sum of above)\*\*\*

The Minimum Expenditure Basket (MEB) represents the minimum culturally adjusted group of items required to support an average seven-person Afghan household for one month. The cost of the MEB can be used as a proxy for the financial burdens facing households in different locations. The MEB's content was defined by the CVWG in consultation with relevant sector leads.

\* The MEB cost was calculated using the relevant food and non-food item prices monitored. For items for which prices were not collected, calculations included the existing price used by the CVWG as a baseline. For the healthcare, shelter, transportation, communication, energy, education and water & hygiene components, the listed fixed amounts were used in the calculation.

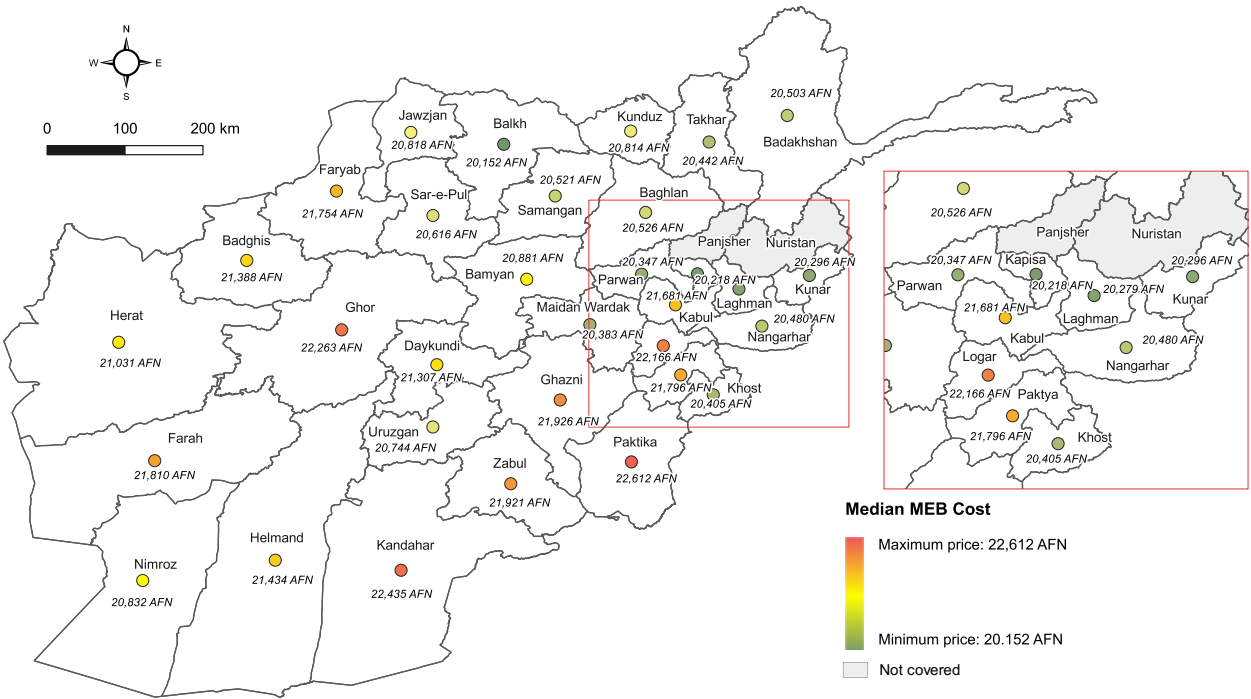
\*\* The price of pulses was calculated as the average price of all three types of pulses monitored: lentils, beans, and split-peas.

\*\*\* An additional percentage has been included to take into account unmet needs that are not mentioned above (this can also include leisure and free time). The Afghanistan MEB unmet needs is defined as 10% of the total sum of the MEB.

## MEDIAN MEB PRICE AT REGIONAL AND PROVINCIAL LEVEL<sup>5</sup>

Province	MEB in AFN	MEB in USD
Capital	20448	232.38
Kabul	21681	246.41
Kapisa	20218	229.78
Logar	22166	251.91
Maidan Wardak	20383	231.65
Parwan	20347	231.25
Central Highland	21082	239.60
Bamyan	20881	237.31
Daykundi	21307	242.15
Eastern	20436	232.25
Kunar	20296	230.66
Laghman	20279	230.47
Nangarhar	20480	232.76
North Eastern	20547	233.51
Badakhshan	20503	233.02
Baghlan	20526	233.27
Kunduz	20814	236.55
Takhar	20442	232.32
Northern	20523	233.24
Balkh	20152	229.03
Faryab	21754	247.24
Jawzjan	20818	236.59
Samangan	20521	233.22
Sar-e-Pul	20616	234.30
South Eastern	21802	247.77
Ghazni	21926	249.18
Khost	20405	231.90
Paktika	22612	256.99
Paktya	21796	247.71
Southern	22138	251.60
Helmand	21434	243.60
Kandahar	22435	254.97
Nimroz	20832	236.76
Uruzgan	20744	235.76
Zabul	21921	249.13
Western	21337	242.50
Badghis	21388	243.07
Farah	21810	247.87
Herat	21031	239.02
Ghor	22263	253.01

## MEDIAN MEB COST, BY PROVINCE IN AFN



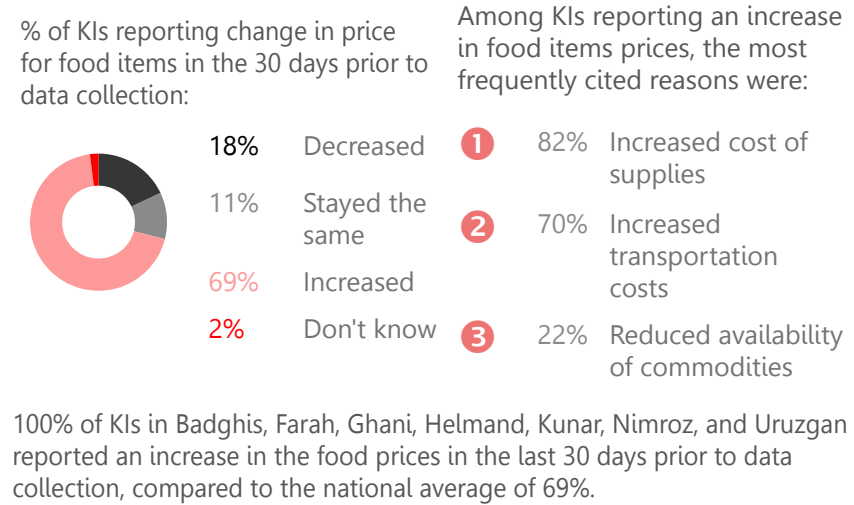
# ITEM PRICE MONITORING

NATIONWIDE MEDIAN ITEM PRICE AT TIME OF CURRENT AVAILABILITY OF ITEMS FROM INTERVIEW, AND RECORDED CHANGE (%) SINCE THE SUPPLIERS PREVIOUS ROUND OF DATA COLLECTION

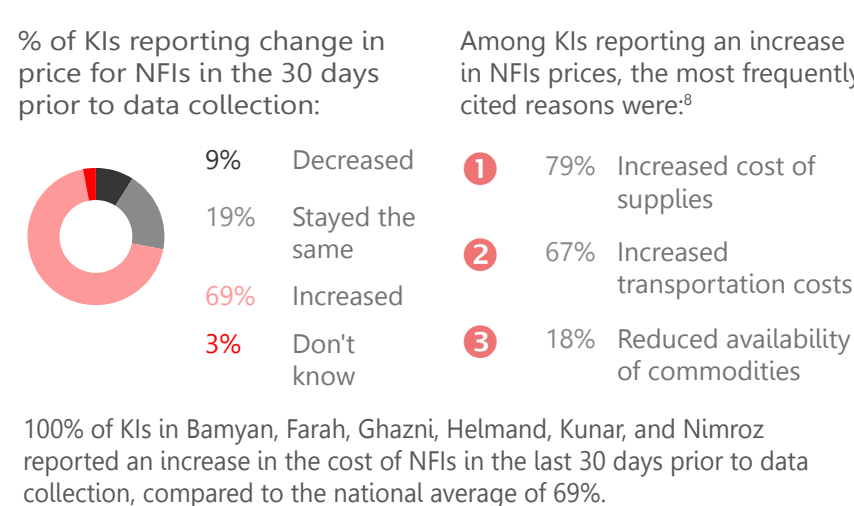
Item	Unit	Price in AFN	Price in USD	Change in AFN (%)	Change in USD (%)
Food Items					
Wheat flour (local)	1 Kg	50	0.57	-5%	-4%
Wheat flour (imported)	1 Kg	52	0.59	-5%	-5%
Local rice	1 Kg	70	0.80	-2%	-2%
Vegetable oil	1 L	188	2.13	+3%	+4%
Pulses <sup>6</sup>	1 Kg	83	0.95	+4%	+5%
Salt	1 Kg	13	0.15	-14%	-14%
Sugar	1 Kg	71	0.81	+10%	+11%
Tomatoes	1 Kg	20	0.23	-20%	-19%
NFIs					
Pen and pencil	1 Pc	10	0.11	No change	+3%
Notebook	1 Pc	20	0.23	No change	-1%
Rubber	1 Pc	5	0.06	No change	-5%
Cotton cloth (2m²)	1 Pc	100	1.14	No change	+1%
Toothbrush (adults)	1Pc	30	0.34	No change	No change
Toothpaste	1 Pc	50	0.57	No change	+1%
Sanitary pads	1 Box	55	0.63	-8%	-8%
Antiseptic soap bar	1 Pc	30	0.34	No change	No change
Other NFIs					
Safe (drinking) water without jerry can	20 L	45	0.51	No change	No change
Coal or charcoal	1 Kg	20	0.23	+33%	+34%
Liquefied petroleum gas	1 L	80	0.91	-6%	-5%
Firewood	1 Kg	13	0.15	+8%	+5%
Cooking fuel	1 Kg	84	0.95	-2%	-1%
Diesel	1 L	120	1.36	+20%	+21%
Petrol	1 L	94	1.07	+11%	+12%
Jacket	1Pc	600	6.82	-20%	-19%
Water container	1Pc	280	3.18	No change	+1%
Cooking pot	1Pc	1100	12.50	+6%	+7%
Blanket	1Pc	1150	13.07	-12%	-11%

Item	Available (% KIs)	Unavailable (% KIs)
Food Items		
Wheat flour (local)	92%	8%
Wheat flour (imported)	94%	6%
Local rice	95%	5%
Vegetable oil	96%	4%
Pulses <sup>6</sup>	93%	7%
Salt	96%	4%
Sugar	96%	4%
Tomatoes	91%	9%
NFIs		
Pen and pencil	94%	6%
Notebook	94%	6%
Rubber	93%	7%
Cotton cloth (2m²)	94%	6%
Toothbrush (adults)	94%	6%
Toothpaste	95%	5%
Sanitary pads	93%	7%
Antiseptic soap bar	95%	5%
Other NFIs		
Safe (drinking) water without jerry can	83%	17%
Coal or charcoal	88%	12%
Liquefied petroleum gas	91%	9%
Firewood	94%	6%
Cooking fuel	93%	7%
Diesel	96%	4%
Petrol	97%	3%
Jacket	90%	10%
Water Container	93%	7%
Cooking Pot	93%	7%
Blanket	91%	9%

REPORTED CHANGE IN PRICE OF FOOD ITEMS IN 30 DAYS PRIOR TO DATA COLLECTION, AND REPORTED REASONS FOR INCREASE IN PRICE<sup>7</sup>



REPORTED CHANGE IN PRICE OF NFIs IN THE IN 30 DAYS PRIOR TO DATA COLLECTION, AND REPORTED REASONS FOR INCREASE IN PRICE<sup>7</sup>



MARKET SUPPLY

LOCATION OF MAIN SUPPLIERS FOR FOOD ITEMS AND NFIs<sup>8</sup>

Proportion of wholesaler KIs by reported location of their main supplier of food items:



Proportion of retailer KIs by reported location of their main supplier of food items:



Proportion of wholesaler KIs by reported location of their main supplier of NFIs:

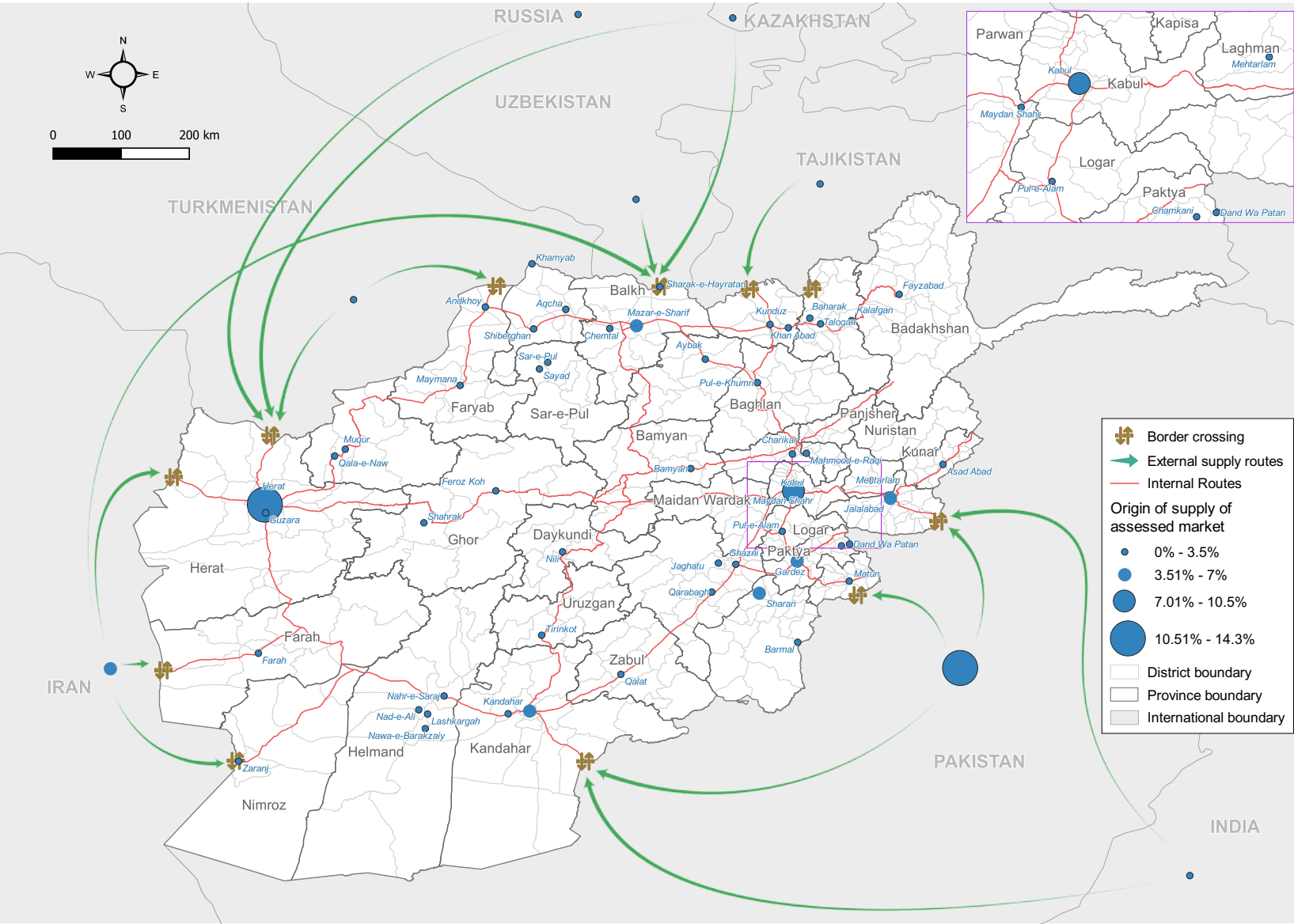


Proportion of retailer KIs by reported location of their main supplier of NFIs:



SUPPLY ROUTE MAP

The supply route map represents the location of main food and NFI suppliers and the main supply routes.





## DIFFICULTIES TO MEET DEMAND AND TO TRANSPORT OR PROCURE SUPPLIES

15% of KIs reported having faced difficulties obtaining enough commodities to meet demand in the 30 days prior to data collection. The three most frequently cited reasons were:<sup>8</sup>

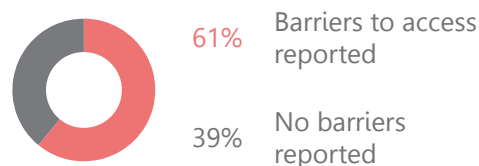
- 1 76% Financial constraints and inability to purchase supplies
- 2 34% Supplier not providing enough commodities
- 3 37% Producers not producing enough

40% of KIs reported being aware of current difficulties in road-based transportation of goods between suppliers and their business. The three most frequently cited difficulties were:

- 1 17% Natural disaster
- 2 13% Seasonality
- 3 9% Restriction from the authorities

## BARRIERS TO MARKET ACCESS FOR CONSUMERS

Proportion of KIs reporting consumers faced at least one of the mentioned barriers to accessing the market in the 30 days prior to data collection:



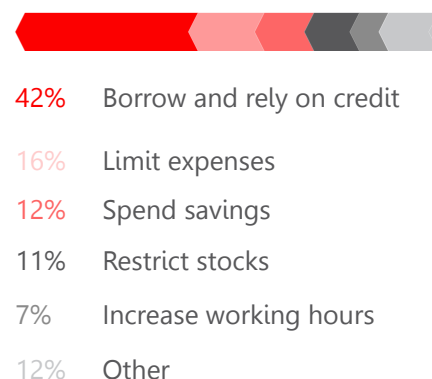
Among those KIs reporting that people face barriers to accessing markets, the most frequently cited reasons were:

- 1 46% Items being too expensive
- 2 11% No access for unaccompanied women due to safety issues
- 3 7% Distance to market

All KIs in Badakhshan, Badghis, Baghlan, Balkh, Bamyan, Daykundi, Farah, Faryab, Ghazni, Ghor, Helmand, Herat, Jawzjan, Kabul, Kandahar, Kapisa, Khost, Kunar, Kunduz, Laghman, Logar, Maidan Wardak, Nimroz, Paktika, Paktya, Parwan, Sar-e-Pul, Takhar, Uruzgan and Zabul reported **no barriers** for consumers to access markets, while 100% of KIs in Nimroz reported items being too expensive was a barrier for consumers to access markets

## TRADERS' COPING MECHANISMS AND RELIANCE ON CREDIT

Proportion of KIs reporting on the use of main coping mechanisms to address reduced or limited income:



Among KIs who reported having borrowed money or purchased on credit in the 30 days prior to data collection, main reported sources from which they borrowed or purchased credit:

- 1 55% Supplier (buy on credit)
- 2 34% Family and friends
- 3 10% Informal services

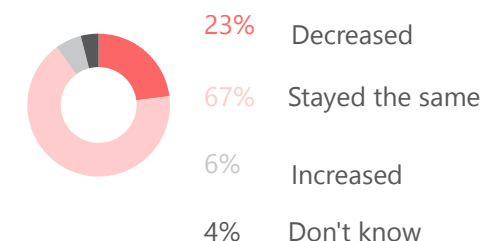
## PRESENCE OF FINANCIAL SERVICES

Proportion of KIs reporting on the presence of functional money transfer services in or near their market area, by type:<sup>8</sup>

- 1 86% Hawala<sup>9</sup>
- 2 40% Banks
- 3 18% Mobile money agents

## TRADER PRESENCE IN THE MARKET

KIs perceived the following changes in the number of shops that have been open in the 30 days prior to data collection:



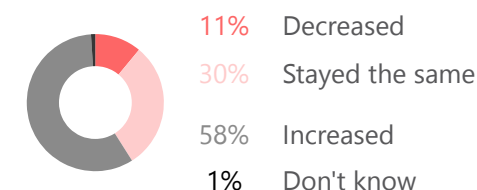
16% of KIs reported that (almost) all shops in the marketplace are open.

Among those KIs who reported having perceived a decrease in the number of shops open in the marketplace, the most cited reasons for this decrease were:<sup>7</sup>

- 1 73% Financial constraints
- 2 41% Lack of commodities
- 3 26% Government restrictions

## CONSUMERS, PAYMENT, & CREDIT

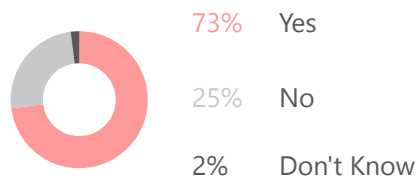
Proportion of KIs reporting having perceived a change in the number of customers purchasing on credit in the marketplace in the 30 days prior to data collection:



# CASH AVAILABILITY, ENDNOTES, CVWG & PARTNERS

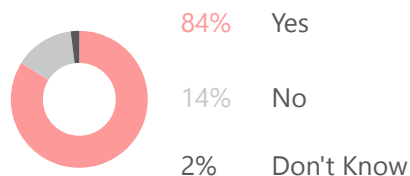
## USD TO AFN EXCHANGE

Proportion of KIs reporting exchanging USD to AFN is possible in their marketplace:



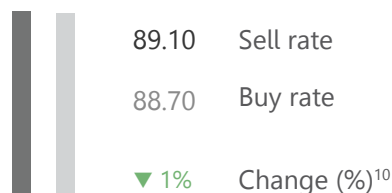
## CASH ACCESS

Proportion of KIs reporting on being able to access cash:



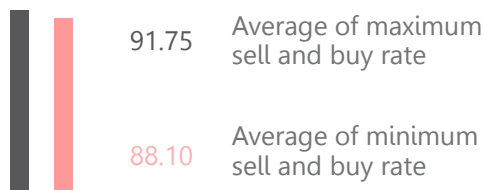
## USD TO AFN EXCHANGE RATE

Exchange rate of 1 USD to AFN and change (%) since the previous round of data collection:



## MIN AND MAX EXCHANGE RATE

Minimum and maximum exchange rate of 1 USD to AFN:



## ENDNOTES

- The Minimum Expenditure Basket (MEB) represents the minimum culturally adjusted group of items required to support a seven-person Afghan household for one month.
- The % of change between the price (in USD) of the MEB and the Food Basket during data collection refers to the changes recorded since the previous round of the JMMI.
- Data from the previous round is used to compute food basket and supply chain changes across time.
- The WFP's MFI is a composite indicator to measure the functionality of a market across time and locations. The MFI evaluates market functionality according to the following 9 dimensions: 1) Assortment of essential goods, 2) Availability, 3) Price, 4) Resilience of supply chains, 5) Competition, 6) Infrastructure, 7) Service, 8) Food quality, and 9) Access & Protection. For more information, please consult the WFP technical guidance [here](#).
- Where JMMI data recorded a MEB price variation of less than 100 AFN, the variation is presented as 0% because the amount is too small to be approximated as 1%, but too significant to be categorised as "no change".
- Pulses in this table are calculated as the median (normalised) price of all three types of pulses monitored: lentils, beans, and split-peas.
- All KIs were asked about changes in prices of food items and NFIs in general. KIs that reported an increase or decrease were asked to report on the main reason for this.
- Respondents could report multiple options. Findings may therefore exceed 100%.
- The hawala system is an informal method of transferring money, including across borders, through a network of money brokers. Hawala is used today as an alternative remittance channel that exists outside of traditional banking systems.
- Percentage change of the sell rate compared to the previous round.

## About the Afghanistan Cash and Voucher Working Group and REACH Initiative

The Afghanistan Cash and Voucher Working Group (CVWG) is an inter-cluster technical working group set up to ensure cash and voucher assistance (CVA) in Afghanistan is coordinated, follows a common rationale, is context specific and is undertaken in a manner that does not inflict harm or exacerbate vulnerabilities of the affected population. The working group was initially established in 2012 under the Food Security and Agriculture Cluster (FSAC), but since 2014 it has become an inter-cluster working group, which is overseen by the Inter-Cluster Coordination Team (ICCT). The working group is currently co-chaired by Catholic Relief Services (CRS) and the World Food Programme (WFP). For more information, please visit <https://www.humanitarianresponse.info/en/operations/afghanistan/cash-voucher>.

REACH Initiative facilitates the development of information tools and products that enhance the capacity of aid actors to make evidence-based decisions in emergency, recovery and development contexts. The methodologies used by REACH include primary data collection, in-depth analysis and all activities are conducted through inter-agency aid coordination mechanisms. REACH is a joint initiative of IMPACT Initiatives, ACTED and the United Nations Institute for Training and Research - Operational Satellite Applications Programme (UNITAR-UNOSAT). For more information please visit our website: [www.reach-initiative.org](http://www.reach-initiative.org). You can contact us directly at: [geneva@reach-initiative.org](mailto:geneva@reach-initiative.org) and follow us on Twitter @REACH\_info.

