

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 conducted 4 KIIs per item with retail traders, and 2 KIIs per item for wholesale traders (for food and non-food items (NFIs)). KIs were asked for information encompassing the 30 days prior to data collection. Findings rely on the knowledge of KIs regarding their respective markets. The findings are, therefore, indicative and may not always fully reflect market activity in the assessed area.

Data from the 29th round of the JMMI was collected between October 11 and 20 2022.

National median cost of MEB¹

243.00 USD

21,428 AFN

▲ 1.89%² USD

▲ 1.94%² AFN

National median cost of Food Basket

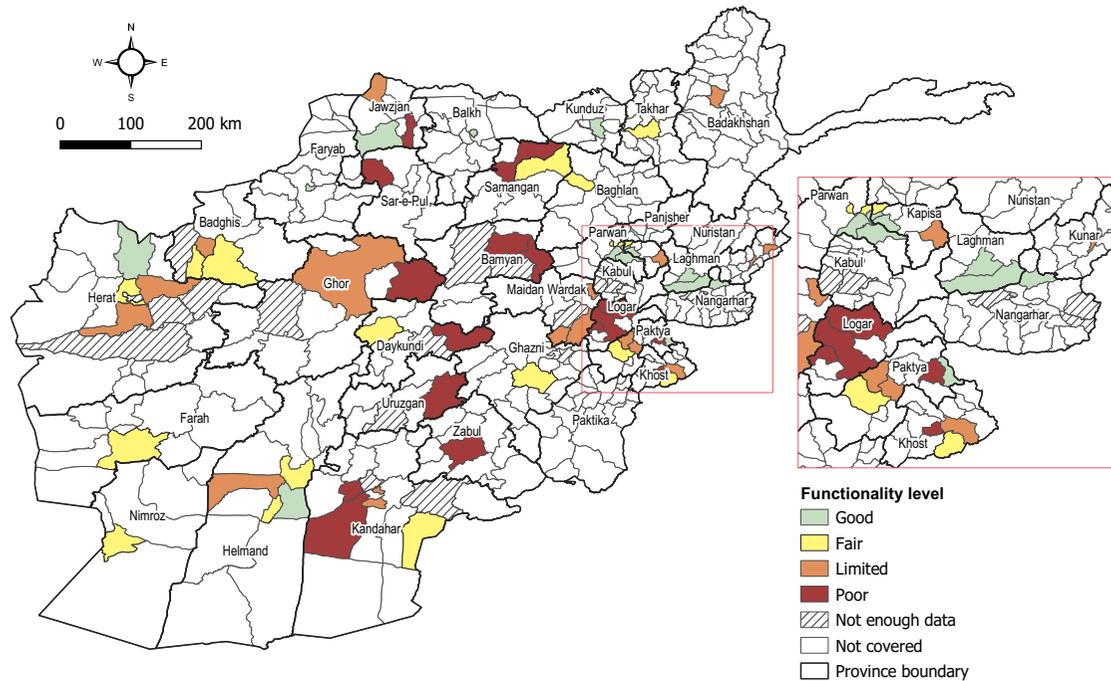
87.72 USD

7,735 AFN

▼ 4.73%² USD

▼ 4.67%² AFN

MARKET FUNCTIONALITY INDEX (MFI), BY DISTRICT



- 17** Participating agencies
- 31** Assessed provinces
- 85** Assessed districts
- 550** Key informant interviews
- 30** Commodities assessed

This map presents findings from rounds 28 and 29 of the JMMI's MFI³, visualising a scale of most functional assessed markets (green shades) to the least functional ones (dark red shades) at the district level across Afghanistan.

51% of KIs reported that consumers faced barriers in accessing markets. Among these KIs, the most reported barrier faced was items being too expensive (39% of KIs).

30% of KIs reported an increase in prices of food items and the most reported reasons are the increase in cost of supplies (86%), followed by transportation cost (65%) and the increase in demand (20%).

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) 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.

The MFI is based on a percentage calculated at the district level. If 4 or more retailers in the district were interviewed, then the MFI is calculated. If less than 4 were interviewed, then there is insufficient data and the MFI is not calculated in that district.

For further information kindly consult the WFP technical guidance.⁴

ITEM PRICE MONITORING

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

Item	Unit	Price		Price change in one month		Price change in six months	
		AFN	USD	AFN(%)	USD(%)	AFN	USD
		Food Items					
Wheat flour (local)	1 Kg	47	0.53	-2%	-2%	+2%	+2%
Wheat flour (imported)	1 Kg	50	0.57	-2%	-2%	+2%	+2%
Local rice	1 Kg	65	0.74	-13%	-13%	+8%	+8%
Vegetable oil	1 L	150	1.70	-9%	-9%	-11%	-11%
Pulses ⁷	1 Kg	95	1.08	+2%	+2%	+22%	+22%
Salt	1 Kg	15	0.17	0%	0%	+13%	+13%
Sugar	1 Kg	67	0.76	-5%	-5%	+9%	+9%
Tomatoes	1 Kg	50	0.57	+25%	+25%	-29%	-29%
NFIs							
Pen and pencil	1 Pc	10	0.11	0%	0%	0%	0%
Notebook	1 Pc	20	0.23	0%	0%	0%	0%
Rubber	1 Pc	5	0.06	0%	0%	0%	0%
Cotton cloth (2m ²)	1 Pc	100	1.13	0%	0%	0%	0%
Toothbrush (adults)	1Pc	30	0.34	0%	0%	0%	0%
Toothpaste	1 Pc	50	0.57	0%	0%	0%	0%
Sanitary pads	1 Box	60	0.68	0%	0%	+20%	+20%
Antiseptic soap bar	1 Pc	33	0.38	+11%	+11%	+11%	+11%
Other NFIs							
Safe (drinking) water without jerrycan	20 L	50	0.57	+11%	+11%	+11%	+11%
Coal or charcoal	1 Kg	20	0.23	+8%	+8%	+67%	+67%
Liquefied petroleum gas	1 L	76	0.86	-5%	-5%	+9%	+9%
Firewood	1 Kg	14	0.16	+7%	+7%	+24%	+24%
Diesel	1 L	97	1.10	-3%	-3%	+37%	+37%
Petrol	1 L	90	1.02	-3%	-3%	+32%	+32%
Jacket	1Pc	700	7.94	+11%	+11%	0%	0%
Water container	1Pc	280	3.18	-3%	-4%	-2%	-2%
Cooking pot	1Pc	1100	12.47	0%	0%	0%	0%
Blanket	1Pc	1250	14.18	+4%	+4%	+14%	+14%

CURRENT NATIONWIDE AVAILABILITY OF ITEMS FROM SUPPLIERS

Item	Widely available (% KIs) ⁶	Limitedly available (%KIs) ⁶	Completely unavailable (% KIs) ⁶
Food Items			
Wheat flour (local)	73%	20%	4%
Wheat flour (imported)	82%	15%	1%
Local rice	76%	18%	3%
Vegetable oil	86%	11%	1%
Pulses ⁷	91%	17%	5%
Salt	90%	7%	1%
Sugar	88%	10%	1%
Tomatoes	73%	21%	3%
NFIs			
Pen and pencil	82%	14%	2%
Notebook	82%	14%	2%
Rubber	82%	14%	2%
Cotton cloth (2m ²)	70%	23%	3%
Toothbrush (adults)	85%	12%	1%
Toothpaste	85%	12%	1%
Sanitary pads	65%	22%	10%
Antiseptic soap bar	86%	11%	1%
Other NFIs			
Safe (drinking) water without jerrycan	60%	19%	18%
Coal or charcoal	35%	30%	32%
Liquefied petroleum gas	76%	16%	5%
Firewood	69%	22%	6%
Diesel	80%	15%	3%
Petrol	81%	14%	3%
Jacket	64%	25%	8%
Water Container	69%	22%	6%
Cooking Pot	70%	24%	3%
Blanket	61%	26%	10%

REPORTED CHANGE IN PRICE OF FOOD ITEMS IN THE 30 DAYS PRIOR TO DATA COLLECTION, AND REPORTED REASONS FOR INCREASE IN PRICE⁸

% of KIs reporting change in price for food items in the 30 days prior to data collection:



46% Decreased
23% Stayed the same
30% Increased
1% Don't know

Out of those KIs reporting an increase in food items prices, the most frequently cited reasons were:

- 88% Increased cost of supplies
- 65% Increased transportation costs
- 20% Demand increased

An increase in food prices in the last 30 days prior to data collection was reported by 100% of KIs in Ghazni (n=12), Kunduz (n=3), and Paktya (n=30) compared to the national average of 30%.

REPORTED CHANGE IN PRICE OF NFIs IN THE 30 DAYS PRIOR TO DATA COLLECTION, AND REPORTED REASONS FOR INCREASE IN PRICE⁸

% of KIs reporting change in price for NFIs in the 30 days prior to data collection:



24% Decreased
40% Stayed the same
33% Increased
3% Don't know

Out of those KIs reporting an increase in NFIs prices, the most frequently cited reasons were:⁸

- 87% Increased cost of supplies
- 66% Increased transportation costs
- 27% Increased cost seasonality

An increase in the cost of NFIs in the last 30 days prior to data collection was reported by 100% of KIs in Paktya (n=30) and 94% of KIs in Badghis (n=31) compared to the national average of 33%.

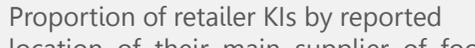
MARKET SUPPLY

LOCATION OF MAIN SUPPLIERS FOR FOOD ITEMS AND NFIs

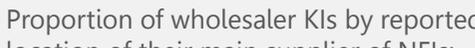
Proportion of wholesaler KIs by reported location of their main supplier of food items:



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:

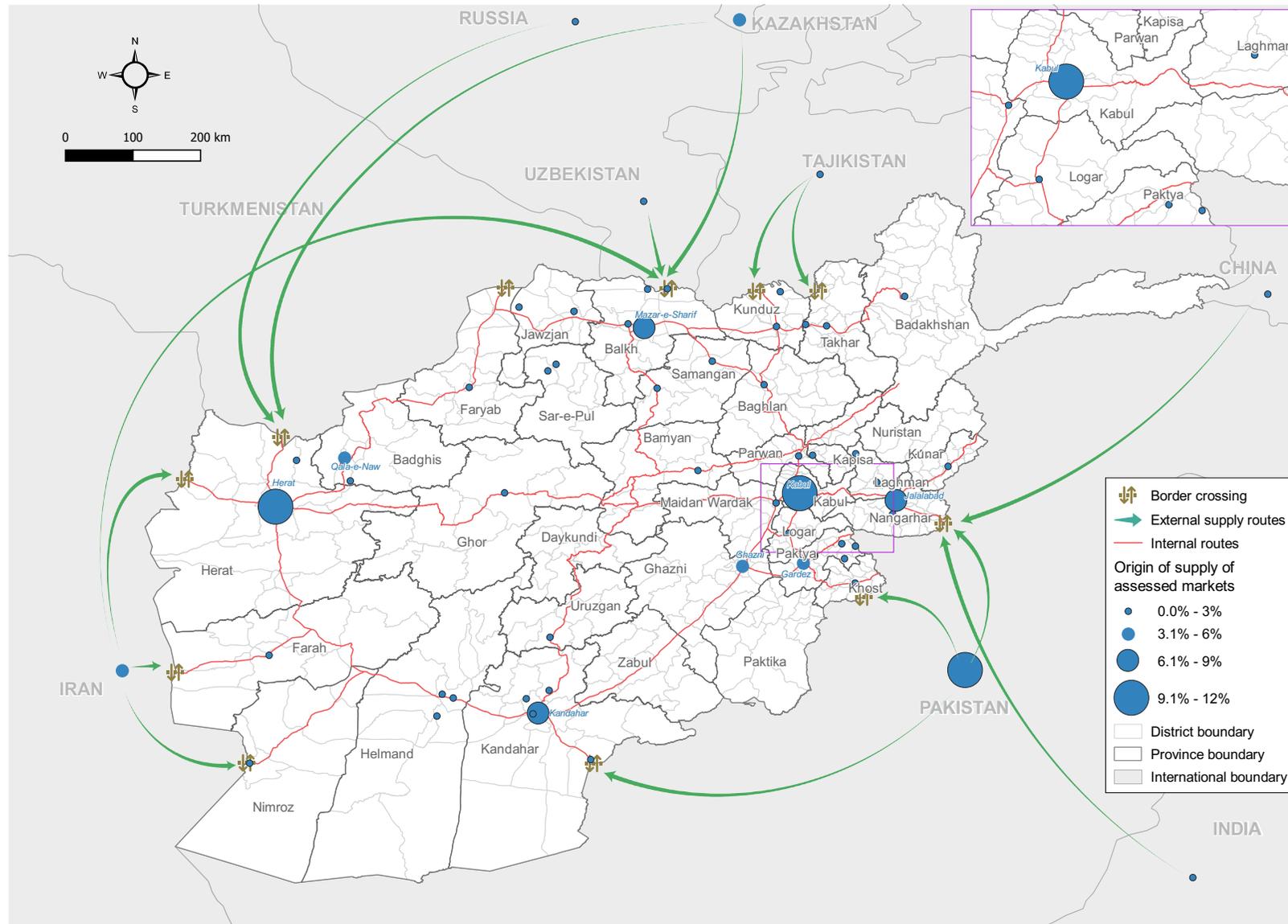


Proportion of retailer KIs by reported location of their main supplier of NFIs:



SUPPLY ROUTE MAP

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



ACCESS CHALLENGES, TRADERS & MARKET FUNCTIONALITY

DIFFICULTIES TO MEET DEMAND AND TO TRANSPORT OR PROCURE SUPPLIES

8% 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:⁹

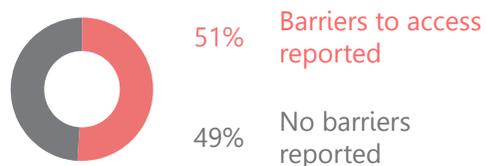
- 1 91% Financial constraints and inability to purchase supplies
- 2 38% Producers not producing enough
- 3 27% Supplier not providing enough commodities

18% 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 19% Seasonality
- 2 18% Natural disaster
- 3 10% Restriction from the authorities

BARRIERS TO MARKET ACCESS FOR CONSUMERS

Proportion of KIs reporting that 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 39% Items being too expensive
- 2 13% No access for unaccompanied women due to safety issues
- 3 7% Distance to market

All KIs in Baghlan, Kapisa, Parwan and Zabul reported **no barriers** for consumers to access markets, whilst 100% of KIs in Kabul (n=4), Logar (n=33) and Sar-e Pul (n=6), reported barriers 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:



- 43% Borrow and rely on credit
- 24% Limit expenses
- 16% Spend savings
- 8% Restrict stocks
- 5% Increase working hours
- 4% Other

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

- 1 51% Supplier (buy on credit)
- 2 36% Family and friends
- 3 11% Informal services

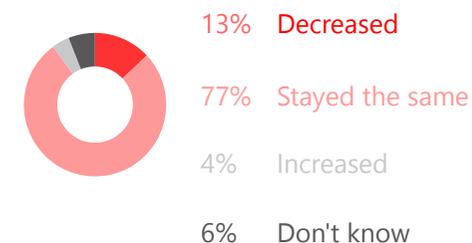
PRESENCE OF FINANCIAL SERVICES

Proportion of KIs reporting on the presence of functional money transfer services in or near their market area, by type:⁹

- 1 91% Hawala¹⁰
- 2 41% Banks
- 3 13% Formal transfer services

TRADER PRESENCE IN THE MARKET

29% of KIs reported that (almost) all shops in the marketplace were open. KIs perceived the following changes in the number of shops that have been open in the 30 days prior to data collection:



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:⁹

- 1 61% Financial constraints
- 2 44% Lack of commodities
- 3 15% Government restrictions

CONSUMERS, PAYMENT, & CREDIT

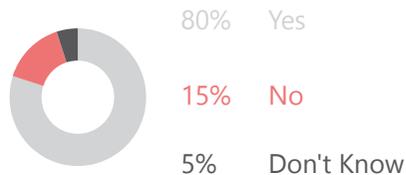
Proportion of KIs reporting having perceived a change in the number of customers purchasing on credit in the marketplace in the 30 days prior to data collection:



CASH AVAILABILITY, ENDNOTES, CVWG & PARTNERS

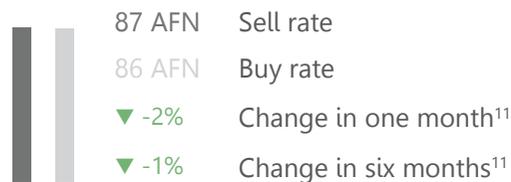
USD TO AFN EXCHANGE

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



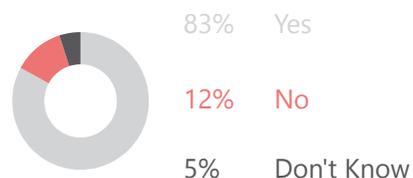
USD TO AFN EXCHANGE RATE

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



ACCESS TO CASH

Proportion of KIs reporting being able to access cash:



MIN AND MAX EXCHANGE RATE

Minimum and maximum exchange rate of 1 USD to AFN:



About the Afghanistan Cash and Voucher Working Group and REACH Initiative

The Afghanistan CVWG is an inter-cluster technical working group set up to ensure (CVA) in Afghanistan. The CVWG is coordinated based on a common rationale that is context specific and 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 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. You can contact us directly at: geneva@reach-initiative.org and follow us on Twitter [@REACH_info](https://twitter.com/REACH_info).

ENDNOTES

1. The Minimum Expenditure Basket (MEB) represents the minimum culturally adjusted group of items required to support a seven-person Afghan household for one month.
2. 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.
3. Data from the previous round is used to compute food basket and supply chain changes across time.
4. 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](#).
5. Where JMMI data recorded a MEB price variation of less than 100 AFN, it was chosen to present the variation as 0% because the amount was too small to be approximated as 1%, but too significant to be categorised as "no change".
6. The values may not add up to 100% because the options "Don't know" and "Prefer not to answer" are not listed in the table.
7. Pulses in this table are calculated as the median (normalised) price of all three types of pulses monitored: lentils, beans, and split-peas.
8. 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.
9. Respondents could report multiple options. Findings may therefore exceed 100%.
10. 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.
11. Percentage change of the sell rate compared to the previous round conducted six months ago.

