

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 27 round of the JMMI was collected between August 14 and 26 2022.

National median cost of MEB¹

239.37 USD

21,574 AFN

▲ 1%² USD

▲ 1.02%² AFN

National median cost of Food Basket

93.01 USD

8,384 AFN

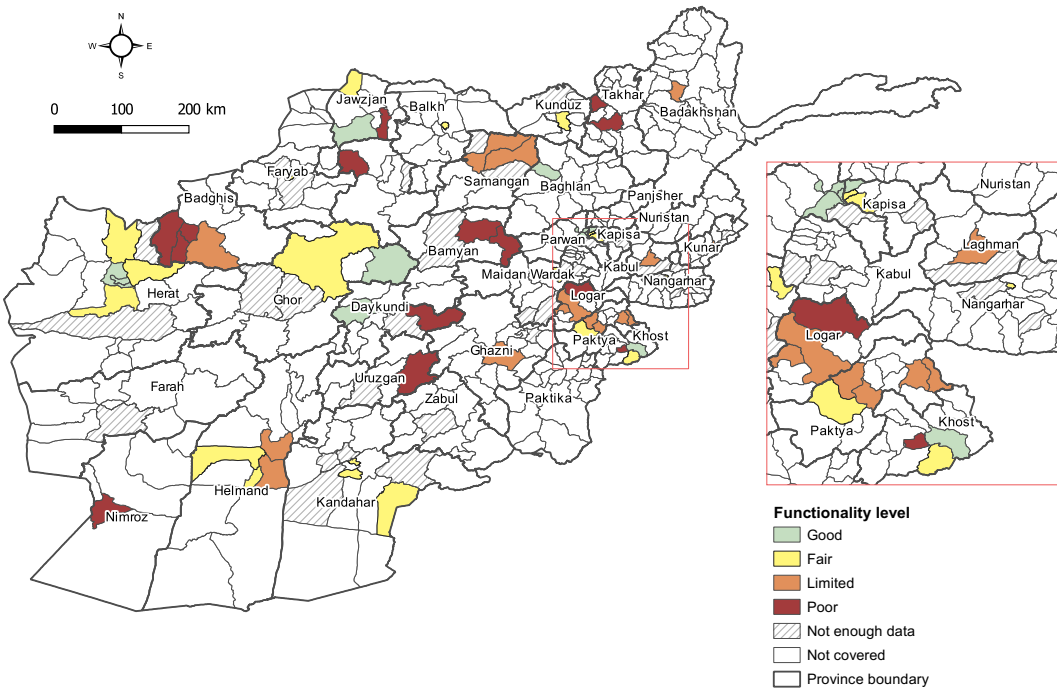
▲ 1%² USD

▲ 1.02%² AFN

Over the last six months the price of coal/charcoal has increased by **67% (78% in USD)** and as of the month of August it was reported as available in the market by **74% of KIs**.

There was **55% increase** in the number of customers purchasing on credit in the marketplace in the 30 days prior to data collection.

MARKET FUNCTIONALITY INDEX (MFI), BY DISTRICT



- 20 Participating agencies
- 31 Assessed provinces
- 89 Assessed districts
- 608 Key Informant Interviews
- 30 Commodities assessed

This map presents findings from rounds 26 and 27 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.

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

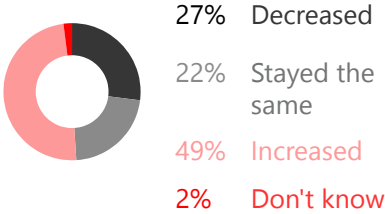
Item	Unit	Price		Price change in one month		Price change in six months	
		AFN	USD	AFN(%)	USD(%)	AFN (%)	USD (%)
Food Items							
Wheat flour (local)	1	50	0.55	0%	-2%	+14%	+16%
Wheat flour (imported)	1	53	0.59	+2%	0%	+18%	+21%
Local rice	1	75	0.83	+7%	+5%	+15%	+18%
Vegetable oil	1 L	190	2.11	+1%	-1%	+20%	+23%
Pulses ⁶	1	81	0.90	-3%	-5%	+1%	+3%
Salt	1	15	0.17	+16%	+13%	+25%	+28%
Sugar	1	70	0.78	-2%	-4%	+9%	+11%
Tomatoes	1	31	0.35	+57%	+53%	-36%	-35%
NFIs							
Pen and pencil	1 Pc	10	0.11	0%	-2%	0%	+2%
Notebook	1 Pc	20	0.22	0%	-2%	0%	+2%
Rubber	1 Pc	5	0.06	0%	-2%	0%	+2%
Cotton cloth (2m ²)	1 Pc	100	1.11	0%	-2%	0%	+2%
Toothbrush (adults)	1Pc	30	0.33	0%	-2%	0%	+2%
Toothpaste	1 Pc	50	0.55	0%	-2%	0%	+2%
Sanitary pads	1 Box	60	0.67	+9%	+7%	+9%	+11%
Antiseptic soap bar	1 Pc	31	0.34	+3%	0%	-12%	-10%
Other NFIs							
Safe (drinking) water without jerry can	20 L	45	0.50	0%	-2%	-10%	-8%
Coal or charcoal	1 Kg	20	0.22	0%	-2%	+67%	+74%
Liquefied petroleum gas	1 L	88	0.97	+9%	+7%	+3%	+5%
Firewood	1 Kg	14	0.16	+8%	+5%	+17%	+19%
Cooking fuel	1 Kg	85	0.94	+2%	-1%	0%	+2%
Diesel	1 L	100	1.11	-17%	-19%	+37%	+40%
Petrol	1 L	93	1.03	-2%	-4%	+26%	+28%
Jacket	1Pc	600	6.66	0%	-2%	-20%	-18%
Water container	1Pc	280	3.11	0%	-2%	0%	+2%
Cooking pot	1Pc	1050	11.65	-5%	-7%	+5%	+7%
Blanket	1Pc	1168	12.95	+2%	-1%	-3%	-1%

CURRENT NATIONWIDE AVAILABILITY OF ITEMS FROM SUPPLIERS

Item	Available (% KIs)	Unavailable (% KIs)
Food Items		
Wheat flour (local)	95%	5%
Wheat flour (imported)	98%	2%
Local rice	98%	2%
Vegetable oil	99%	1%
Pulses ⁶	97%	3%
Salt	99%	1%
Sugar	99%	1%
Tomatoes	93%	7%
NFIs		
Pen and pencil	98%	2%
Notebook	98%	2%
Rubber	97%	3%
Cotton cloth (2m²)	94%	6%
Toothbrush (adults)	99%	1%
Toothpaste	99%	1%
Sanitary pads	95%	5%
Antiseptic soap bar	99%	1%
Other NFIs		
Safe (drinking) water without jerry can	92%	8%
Coal or charcoal	78%	22%
Liquefied petroleum gas	91%	9%
Firewood	93%	7%
Cooking fuel	96%	4%
Diesel	96%	4%
Petrol	96%	4%
Jacket	92%	8%
Water Continer	94%	6%
Cooking Pot	94%	6%
Blanket	91%	9%

REPORTED CHANGE IN PRICE OF FOOD ITEMS IN 30 DAYS PRIOR TO DATA COLLECTION, AND REPORTED REASONS FOR INCREASE IN PRICE⁷

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



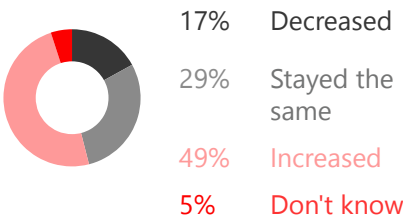
Out of those KIs reporting an increase in food items prices, the most frequently cited reasons were:

- 1 87% Increased cost of supplies
- 2 72% Increased transportation costs
- 3 22% Reduced availability of commodities

100% of KIs in Farah, Ghazni, Kunar, and Zabul reported an increase in the food prices in the last 30 days prior to data collection, compared to the national average of 49%.

REPORTED CHANGE IN PRICE OF NFIs IN THE 30 DAYS PRIOR TO DATA COLLECTION, AND REPORTED REASONS FOR INCREASE IN PRICE⁷

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



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

- 1 84% Increased cost of supplies
- 2 73% Increased transportation costs
- 3 22% Reduced availability of commodities

100% of KIs in Farah, Ghazni, and Zabul reported an increase in the cost of NFIs in the last 30 days prior to data collection, compared to the national average of 49%.

MARKET SUPPLY

LOCATION OF MAIN SUPPLIERS FOR FOOD ITEMS AND NFIs⁸

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



47% Imported from abroad

11% Different province

42% Same province

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



16% Imported from abroad

57% Different province

27% Same province

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



47% Imported from abroad

8% Different province

45% Same province

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



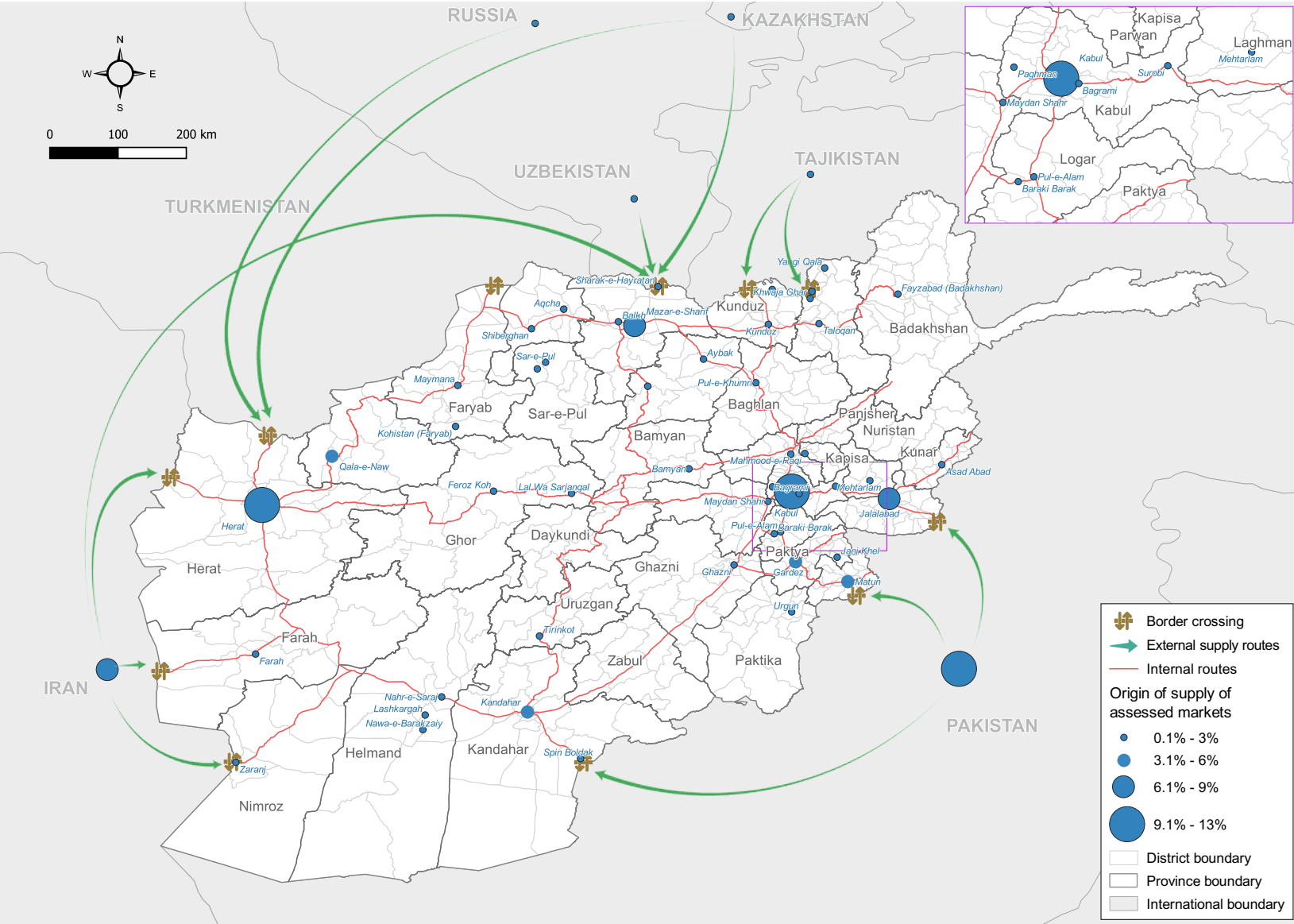
14% Imported from abroad

30% Different province

56% Same province

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

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:⁸

- 1 91% Financial constraints and inability to purchase supplies
- 2 28% Producers not producing enough
- 3 26% Supplier not providing enough commodities

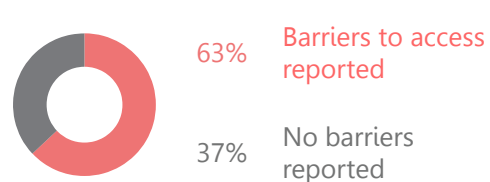
36% of KIs reported being aware of current difficulties in road-based transportation of goods between suppliers and their business. The three most frequently cited difficulties were:

- 1 27% Natural disaster
- 2 23% 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 39% Items being too expensive
- 2 14% No access for unaccompanied women due to safety issues
- 3 9% Distance to market

All KIs in Baghlan, and Parwan reported **no barriers** for consumers to access markets, whilst 100% of KIs in Farah, Helmand, Laghman, Nimroz, and Sar-e-Pul 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:



33% Borrow and rely on credit

21% Limit expenses

16% Restrict stocks

14% Spend savings

6% Increase working hours

10% Others

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 50% Supplier (buy on credit)
- 2 43% Family and friends
- 3 7% Informal services

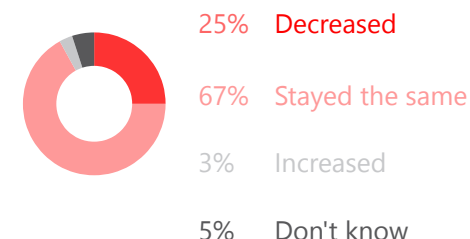
PRESENCE OF FINANCIAL SERVICES

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

- 1 85% Hawala⁹
- 2 40% Banks
- 3 12% Formal transfer services

TRADER PRESENCE IN THE MARKET

20% of KIs reported that (almost) all shops in the marketplace are open. KIs perceived the following changes in the number of shops that have been open in the 30 days prior to data collection:

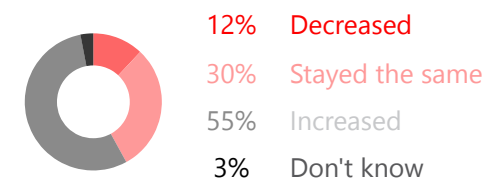


Among those KIs who reported having perceived a decrease in the number of shops open in the marketplace, the most cited reasons for this decrease were:⁷

- 1 88% Financial constraints
- 2 53% Lack of commodities
- 3 23% Government restrictions

CONSUMERS, PAYMENT, & CREDIT

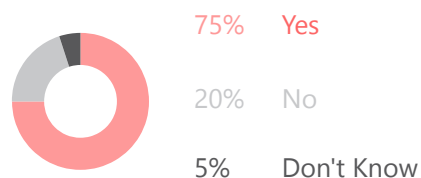
Proportion of KIs reporting having perceived a change in the number of customers purchasing on credit in the marketplace in the 30 days prior to data collection:



CASH AVAILABILITY, ENDNOTES, CVWG & PARTNERS

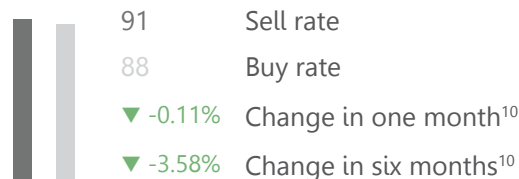
USD TO AFN EXCHANGE

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



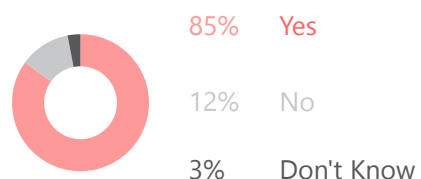
USD TO AFN EXCHANGE RATE

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



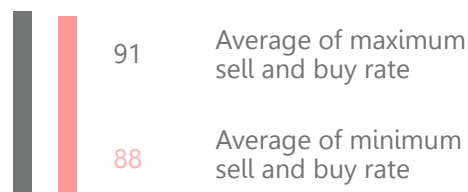
CASH ACCESS

Proportion of KIs reporting on being able to access cash:



MIN AND MAX EXCHANGE RATE

Minimum and maximum exchange rate of 1 USD to AFN:



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 is too small to be approximated as 1%, but too significant to be categorised as "no change".
6. Pulses in this table are calculated as the median (normalised) price of all three types of pulses monitored: lentils, beans, and split-peas.
7. 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.
8. Respondents could report multiple options. Findings may therefore exceed 100%.
9. 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.
10. Percentage change of the sell rate compared to the previous round conducted six months ago.

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).

