AFGHANISTAN JOINT MARKET MONITORING INITIATIVE (JMMI)

18 - 29 April 2021

METHODOLOGY

Working through the Cash and Voucher Working Group (CVWG) and its partners, REACH facilitated 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 employed 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). KIs were asked for information encompassing the 30 days prior to data collection. Findings represent KIs' understanding of the situation in their markets and therefore are **indicative only.** Data from the 11th round of the JMMI was collected between April 18th and 29th.

13	participating agencies
23	assessed provinces
508	key informant interviews (KIIs)
22	commodities assessed

Median cost of MEB[1,2]

19,120 AFN

247.22 USD

Median cost of Food Basket[2]

5,734 AFN

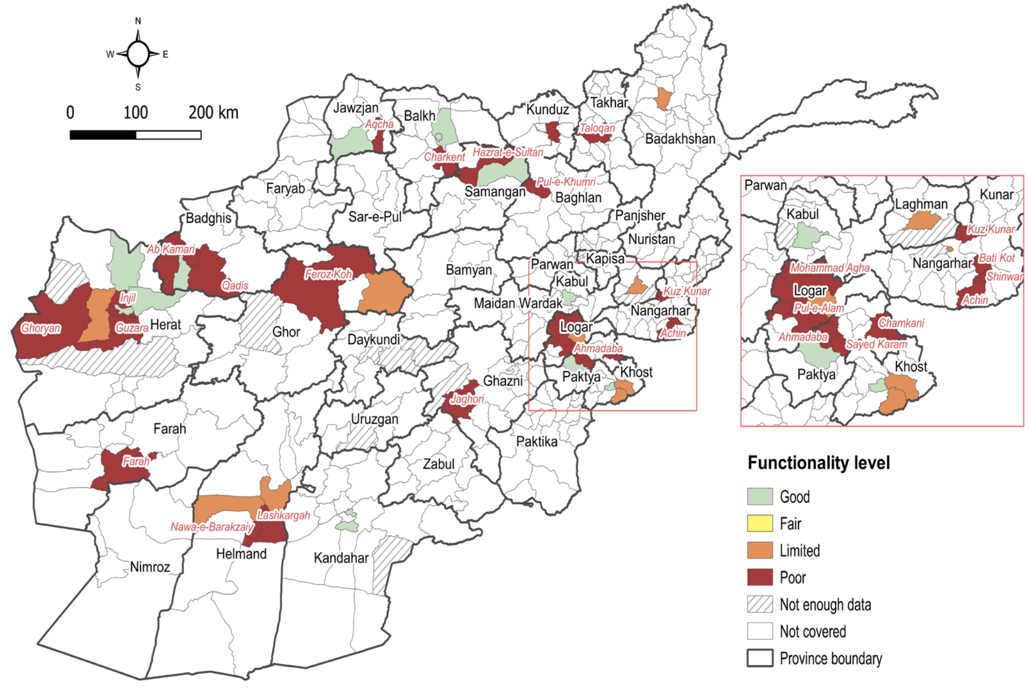
74.14 USD

Reportedly, the commodities more difficult to obtain and restock in markets are vegetable oil (70% of the KIs), sugar (41%), and fresh products (33%).

The most commonly accepted payment modalities in the markets are cash (72%), credit (36%), and barter (8%).

Just 2% of the KIs reported accepting mobile money payments.

MARKET FUNCTIONALITY INDEX (MFI), BY DISTRICT



The MFI calculation relies on a percentile classification. Data is presented at district level if the minimum number of 4 retailers assessed within the district is met.

To further inform the CVWG's JMMI in Afghanistan, REACH developed the JMMI MFI, based on the similar index by the same name designed by the Wold Food Program'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 10 and 11 of the JMMI's MFI, visualizing a scale of most functional assessed markets (dark shades) to the least functional ones (light shades) at the district level across Afghanistan.

For further information kindly consult the WFP technical guidance here.

MINIMUM EXPENDITURE BASKET (MEB) CALCULATIONS

AFGHANISTAN MEB CONTENTS*

Basic Food Basket

Wheat flour (imported)	60 kg	Pulses**	14 kg
Local rice	29 kg	Salt	1 kg
Vegetable oil	6 L	Sugar	6 kg

Non-Food Item (NFI) basket

Toothpaste	2 pc	Sanitary pad	2 box
Toothbrush (adult)	3 pc	Toothbrush (child)***	4 pc

Nutrition component (fixed at 3,000 AFN)

Shelter component (fixed at 5,828 AFN)

Transportation (fixed at 359 AFN)

Communication (fixed at 136 AFN)

Water (20 L water drum) (fixed at 74 AFN)

Education

Monthly stationary costs	multiple items	Snacks and school lunch	24 pc
School transportation	48 tickets	Uniforms (including shoes and sport clothing)	3 pc
Backpack	1 pc	Documentation and school fees	fixed

Dignity-hygiene component

Antiseptic soap (95-110g)	18 pc	Soft cotton cloth ($2m^2$ piece)	2 pc
Women's underwear***	2 pc	Sanitary pad	2 box

Dignity-hygiene component (fixed at 408 AFN)****

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.

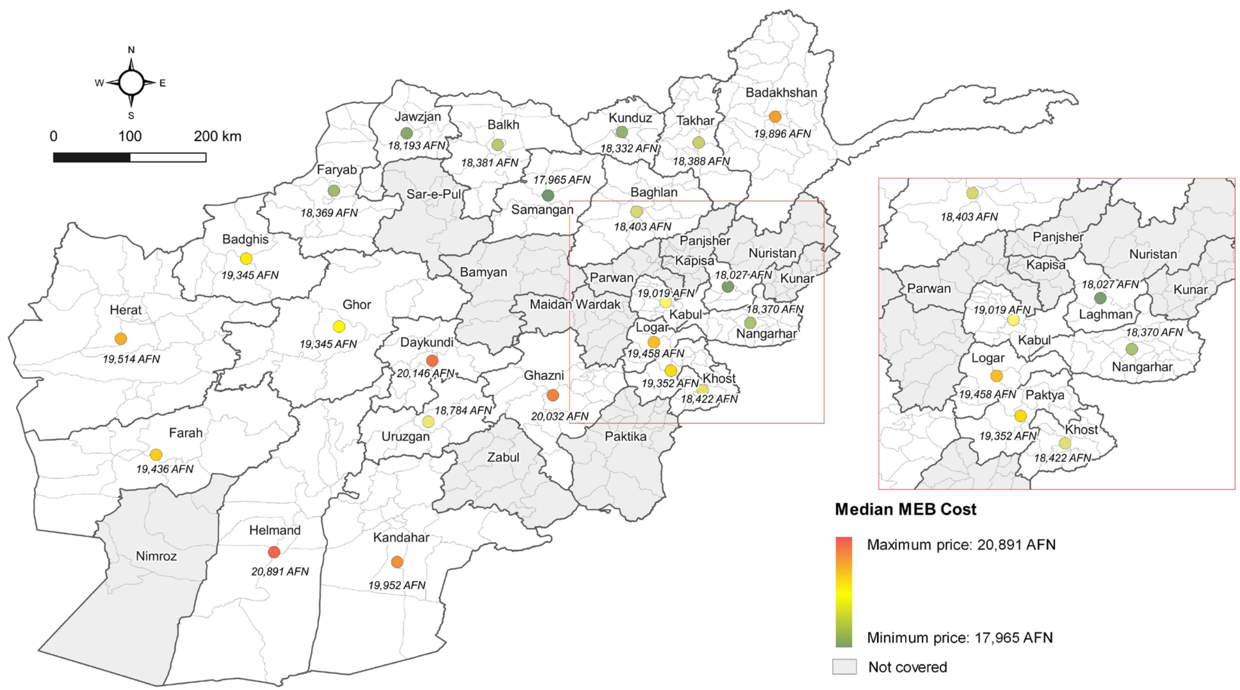
** The MEB cost was calculated in this factsheet using the relevant food and non-food item prices monitored. For items whose prices were not collected, calculations included the existing price used by the CVWG as a baseline. For the healthcare and shelter components, the listed fixed amount was used in the calculation. The AFN to USD conversion uses a fixed exchange rate of 78.5 AFN to 1 USD.*

*** Pulses in this factsheet are calculated as the average price of all three types of pulses monitored: lentils, beans, and split-peas.*

**** The standard fixed CVWG price for toothbrush (child) and women's underwear was used in the calculation of the MEB, as these items are not monitored as part of the JMMI.*

***** The dignity-higiene component is valid for two women in the household.*

MEDIAN MEB COST, BY PROVINCE
IN AFN



MEDIAN MEB PRICE AT REGIONAL AND PROVINCIAL LEVEL[3]

Province	MEB in AFN	MEB in USD
North	**18,123**	**234.33**
Balkh	18,381	237.66
Faryab	18,369	237.51
Jawzjan	18,193	235.24
Samangan	17,965	232.29
North-East	**18,421**	**238.19**
Badakhshan	19,896	257.25
Baghlan	18,403	237.95
Kunduz	18,332	237.03
Takhar	18,388	237.75
East	**18,260**	**236.10**
Laghman	18,035	233.19
Nangarhar	18,370	237.52
South-East	**19,256**	**248.98**
Ghazni	20,032	259.01
Khost	18,422	238.20
Paktya	19,352	250.22
South	**20,316**	**262.68**
Helmand	20,891	270.11
Kandahar	19,952	257.98
Uruzgan	18,784	242.87
West	**19,380**	**250.58**
Badghis	19,345	250.13
Farah	19,436	251.30
Ghor	19,345	250.13
Herat	19,514	252.31
Central	**20,146**	**260.49**
Daykundi	20,146	260.49
Kabul	19,019	245.91
Logar	19,458	251.59

Due to the changes in the MEB calculations and composition, validated by the CVWG and Clusters on March 2021, for the 11th round it is impossible to calculate the % of change of the MEB cost at national, regional, or provincial level.

NATIONWIDE MEDIAN ITEM PRICE AT TIME OF INTERVIEW, AND RECORDED CHANGE (%) SINCE THE 10TH ROUND OF DATA COLLECTION

Item	Unit	Price in AFN	Price in USD	Change (%)
Food Items				
Wheat flour (local)	1 kg	32	0.41	▼ 6%
Wheat flour (imported)	1 kg	34	0.44	▼ 6%
Local rice	1 kg	66	0.85	▲ 24%
Vegetable oil	1 L	105	1.36	▲ 3%
Pulses*	1 kg	60	0.78	*no change*
Salt	1 kg	10	0.13	▼ 10%
Sugar	1 kg	50	0.65	*no change*
Tomatoes	1 kg	30	0.39	*no change*
NFIs				
Pen and pencil	1 pc	7	0.09	*NA*
Notebook	1 pc	20	0.26	*NA*
Rubber	1 pc	5	0.06	*NA*
Cotton cloth (2m2)	1 pc	98	1.26	▲ 12%
Toothbrush (adults)	1pc	28	0.36	▲ 11%
Toothpaste	1 pc	50	0.65	▲ 10%
Sanitary pads	1 box	50	0.65	*no change*
Antiseptic soap bar	1 pc	30	0.39	*no change*
Other NFIs				
Safe (drinking) water without jerry can	20 L	60	0.78	▲ 16%
Coal or charcoal	1 kg	12	0.16	*NA*
LPG	1 L	55	0.71	*NA*
Firewood	1 kg	13	0.15	*no change*
Cooking fuel	1 kg	60	0.78	*no change*
Jerry can (calculated)*	1 pc	120	1.55	*no change*

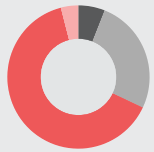
CURRENT AVAILABILITY OF ITEMS FROM SUPPLIERS

Item	Available (% KIs)	Limited (% KIs)	None (% KIs)
Food Items			
Wheat flour (local)	96%	4%	0%
Wheat flour (imported)	97%	2%	1%
Local rice	98%	1%	0%
Vegetable oil	99%	1%	0%
Pulses*	98%	1%	1%
Salt	99%	1%	0%
Sugar	100%	0%	0%
Tomatoes	96%	4%	0%
NFIs			
Pen and pencil	98%	1%	1%
Notebook	98%	1%	1%
Rubber	97%	1%	2%
Cotton cloth (2m2)	99%	1%	0%
Toothbrush (adults)	99%	1%	0%
Toothpaste	100%	0%	0%
Sanitary pads	97%	3%	0%
Antiseptic soap bar	99%	1%	0%
Other NFIs			
Safe (drinking) water without jerry can	80%	4%	16%
Coal or charcoal	90%	4%	6%
LPG	97%	2%	1%
Firewood	99%	1%	0%
Cooking fuel	98%	2%	0%

** Pulses in this factsheet are calculated as the average price of all three types of pulses monitored: lentils, beans, and split-peas.*

REPORTED CHANGE IN PRICE OF FOOD ITEMS IN 30 DAYS PRIOR TO DATA COLLECTION, AND REPORTED REASONS FOR INCREASE IN PRICE[4]

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



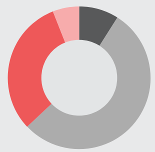
6% Decreased
26% Stayed the same
64% Increased
4% Didn't know

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

1. 64% Increased cost of supplies
2. 37% Increased transportation costs
3. 23% Seasonality

REPORTED CHANGE IN PRICE OF NFIs IN THE IN 30 DAYS PRIOR TO DATA COLLECTION, AND REPORTED REASONS FOR INCREASE IN PRICE[4]

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



9% Decreased
54% Stayed the same
31% Increased
6% Didn't know

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

1. 71% Increased cost of supplies
2. 56% Increased transportation costs
3. 21% Seasonality

LOCATION OF MAIN SUPPLIERS FOR FOOD ITEMS AND NFIs[5]

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

- 9% Imported from abroad
- 35% Different province
- 44% Province capital city
- 6% Same province
- 5% Same district
- 1% Other

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

- 7% Imported from abroad
- 36% Different province
- 44% Province capital city
- 6% Same province
- 5% Same district
- 2% Other

DIFFICULTIES TO MEET DEMAND AND TO TRANSPORT OR PROCURE SUPPLIES[5]

5% 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 by these KIs were:

1. 40% Limited production
2. 27% Limited availability of imported items from the suppliers
3. 26% Financial constraints and inability to purchase supplies

50% of KIs reported having faced difficulties in road-based transportation of goods in the 30 days prior to data collection* The three most frequently cited difficulties were:

1. 36% Conflict
2. 31% Roadblocks
3. 8% Government restrictions

**This finding is driven by a considerably high regional reporting of road-based difficulties in the North-East region where 86% of KIs reported having experienced challenges in restocking their supplies due to road-based transportation difficulties. Round 11 data does not allow for an analysis of the causes of this sudden increase - additional assessments could be considered to further explore this dynamic.*

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:

- 71% Barriers to access reported
- 29% No barriers reported

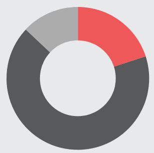
Among those KIs reporting that people face barriers to accessing markets, the most frequently cited reasons were:

1. 27% Financial barriers
2. 23% Insecurity travelling to the market
3. 22% Fear of exposure to COVID-19, and public health restrictions

In the North-East, 95% of KIs reported consumers faced at least one barrier to accessing markets in the 30 days prior to data collection, which is a relatively high percentage compared to the national average of 71%.

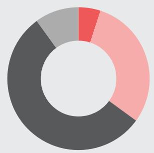
SECURITY AND GENDER DIMENSIONS OF ACCESSING MARKETPLACES

Proportion of KIs reporting consumers faced security constraints to accessing the market in the 30 days prior to data collection:



- 20% Security context may prevent access to the marketplace
- 67% No security related barriers
- 13% Don't know, prefer not to answer

Proportion of KIs reporting the ability of women, in general, to safely access the market:



- 5% No access at all
- 30% Accompanied access
- 55% Unaccompanied access
- 10% Don't know

TRADERS' COPING MECHANISMS AND RELIANCE ON CREDIT

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

37% Borrow and rely on credit
17% Restrict stocks
12% Limit expenses
10% Spend savings
3% Increase working hours
20% Other, or prefer not to answer

Main reported sources from which KIs borrowed money or purchased on credit to support their business in the 30 days prior to data collection:

1. 66% Supplier (buy on credit)
2. 26% Family and friends
3. 6% Informal services

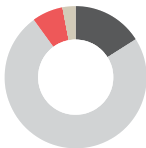
PRESENCE OF FINANCIAL SERVICES

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

1. 78% Hawala
2. 49% Banks
3. 23% Formal transfer services

TRADER PRESENCE IN THE MARKET

57% of KIs reported that (almost) all shops in the marketplace are open.
Furthermore, KIs reported on the perceived change in the number of shops that have been open in the 30 days prior to data collection:[6]



16% Increased
74% Stayed the same
7% Decreased
3% Don't know

Three most frequently cited **reasons for a reported decrease** in number of traders present and open in the marketplace:

1. 47% Financial constraints
2. 30% COVID-19
3. 19% Lack of commodities provided by the suppliers

CONSUMERS, PAYMENT, & CREDIT

Proportion of KIs reporting on the number of customers purchasing on credit to have changed in the 30 days prior to data collection:

12% Decreased
49% Stayed the same
35% Increased
4% Don't know

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. *Due to the changes in the MEB and Median Food Basket calculations and composition, validated by the CVWG and Clusters on March 2021, for the 11th round it is impossible to calculate the % of change of the MEB and Median Food Basket cost at national, regional, or provincial level.*
3. *Due to the changes in the MEB calculations and composition, validated by the CVWG and Clusters on March 2021, for the 11th round it is impossible to calculate the % of change of the MEB cost at national, regional, or provincial level.*
4. *All KIs were asked in general about changes in prices of food items and NFIs. KIs that reported an increase or decrease were asked to report on the main reason for this.*
5. *Any KI that reported selling any food item or NFI was asked to report the location of their main supplier, whether the number of suppliers had changed in the last 30 days, and the main means of transportation of goods.*
6. *Of the KIs that reported the number of shops open in the market to have decreased in the past 30 days. Multiple options could be selected and findings may therefore exceed 100%.*

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 the Danish Refugee Council (DRC) 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 and 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.