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.
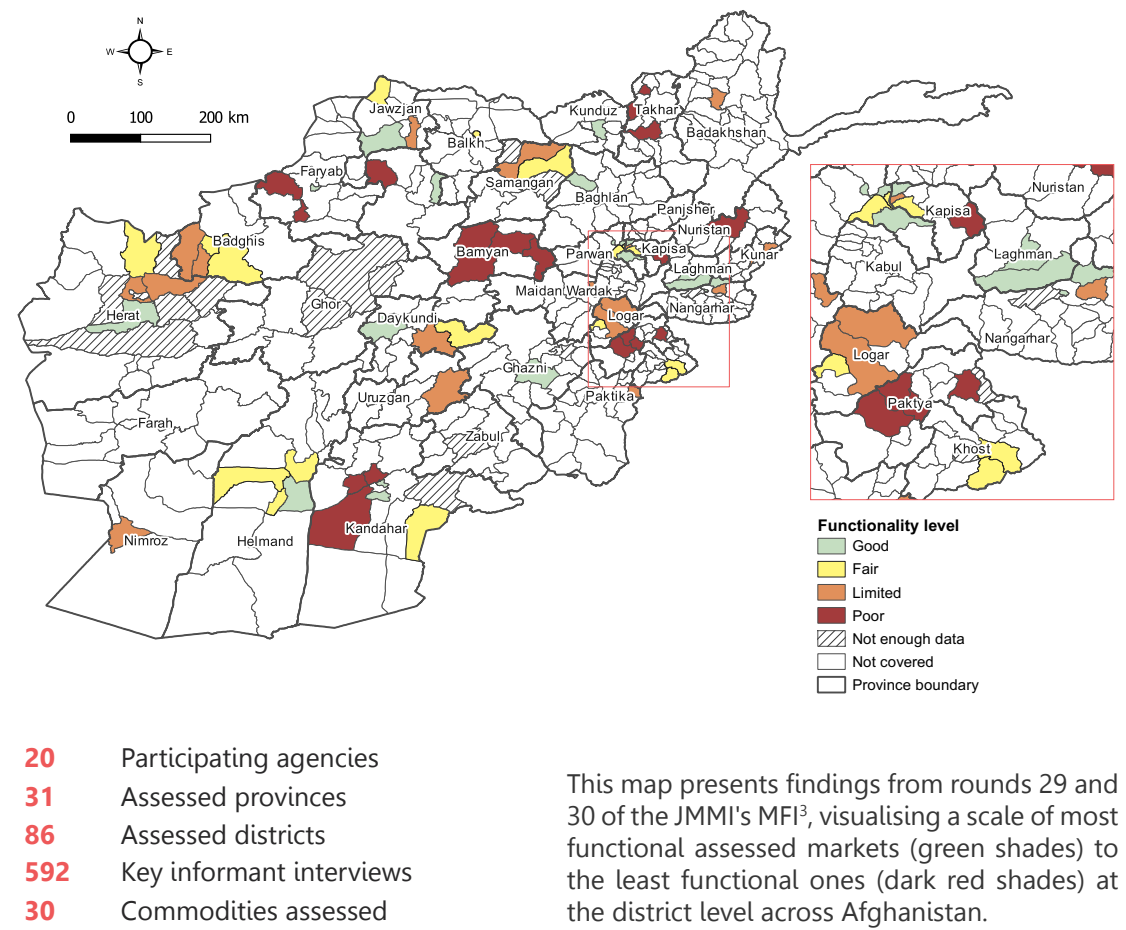
The JMMI assessment employs a quantitative key informant interview (KII) approach. The methodology includes surveys with purposively sampled traders (both retail and wholesale), acting as key informants (KIs) for their respective markets. Participants are selected through partner KI networks in their 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 30th round of the JMMI was collected between November 07 and 17 2022.

National median cost of MEB[1]

238.89 USD

21,097 AFN

▼ 1.69%[2] USD

▼ 1.54%[2] AFN

National median cost of Food Basket

84.54 USD

7,466 AFN

▼ 3.62%[2] USD

▼ 3.47%[2] AFN

57% 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).

39% of KIs reported an increase in prices of food items and the most reported reasons were the increase in cost of supplies (**71%**), followed by transportation cost (**59%**) and the increase in demand (**17%**).

MARKET FUNCTIONALITY INDEX (MFI), BY DISTRICT

Functionality level
- Good
- Fair
- Limited
- Poor
- Not enough data
- Not covered
- Province boundary

20	Participating agencies
31	Assessed provinces
86	Assessed districts
592	Key informant interviews
30	Commodities assessed

This map presents findings from rounds 29 and 30 of the JMMI's MFI[3], 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]

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 49.39 USD)

Shelter (rent fixed at 36 USD)

Transportation (fixed at 8.53 USD)

Communication (fixed at 3.51 USD)

Fuel and electricity (fixed at 9 USD)

Water Sanitation and Hygiene

Soap for handwashing and bathing

Soft cotton cloth (2m^2 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 NFI 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, and education components, the listed fixed amounts were used in the calculation.
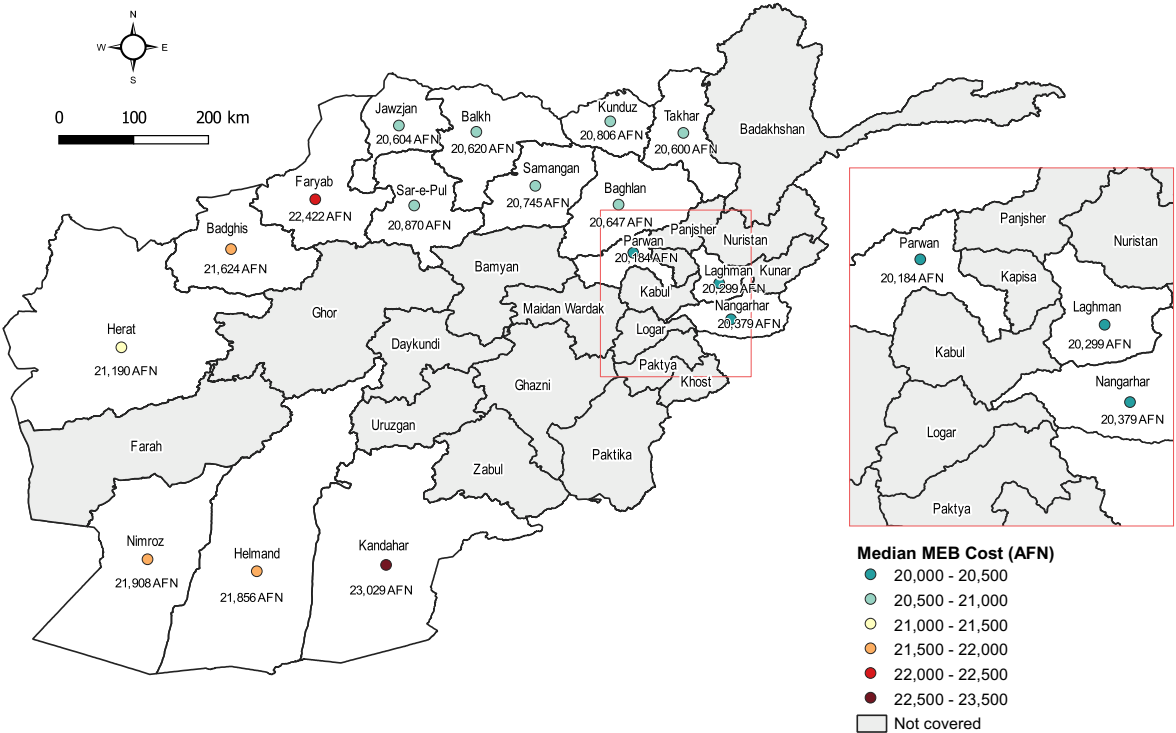
** The price of pulses was calculated as the average price of all three types of pulses monitored: lentils, beans, and split-peas.

*** 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 includes a 10% buffer to account for needs not captured by this methodolog.

MEDIAN MEB PRICE[5]

Province	MEB (AFN)	MEB (USD)
Capital	20403	231.04
Parwan	20184	228.55
Eastern	20328	230.18
Laghman	20299	229.85
Nangarhar	20379	230.76
North Eastern	20693	234.32
Baghlan	20647	233.79
Kunduz	20806	235.60
Takhar	20600	233.26
Northern	20819	235.75
Balkh	20620	233.49
Faryab	22422	253.89
Jawzjan	20604	233.31
Samangan	20745	234.90
Sar-e-Pul	20870	236.32
Southern	22514	254.94
Helmand	21856	247.48
Kandahar	23029	260.77
Nimroz	21908	248.08
Western	21437	242.74
Badghis	21624	244.86
Herat	21190	239.95

MEDIAN MEB COST, BY PROVINCE
IN AFN

Median MEB Cost (AFN)
- 20,000 - 20,500
- 20,500 - 21,000
- 21,000 - 21,500
- 21,500 - 22,000
- 22,000 - 22,500
- 22,500 - 23,500
- Not covered

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	46	0.52	-2%	-2%	-8%	-8%
Wheat flour	1 Kg	49	0.55	-2%	-2%	-6%	-6%
Local rice	1 Kg	66	0.75	+2%	+1%	-6%	-6%
Vegetable oil	1 L	128	1.45	-15%	-15%	-29%	-29%
Pulses[6]	1 Kg	90	1.02	-5%	-5%	+1%	+1%
Salt	1 Kg	13	0.15	-11%	-11%	0%	0%
Sugar	1 Kg	65	0.74	-3%	-3%	-3%	-3%
Tomatoes	1 Kg	60	0.68	+20%	+20%	+18%	+18%
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 (2m²)	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%	0%	0%
Antiseptic soap bar	1 Pc	32	0.36	-4%	-4%	0%	0%
Other NFIs							
Safe (drinking) water	20 L	45	0.51	-10%	-10%	0%	0%
Coal or charcoal	1 Kg	17	0.19	-14%	-14%	+22%	+22%
Liquefied petroleum	1 L	70	0.79	-8%	-8%	-8%	-8%
Firewood	1 Kg	14	0.16	-2%	-2%	+23%	+23%
Diesel	1 L	96	1.08	-2%	-2%	+19%	+19%
Petrol	1 L	90	1.02	0%	0%	+15%	+15%
Jacket	1Pc	600	6.79	-14%	-14%	-14%	-14%
Water container	1Pc	270	3.06	-4%	-4%	-7%	-7%
Cooking pot	1Pc	1050	11.89	-5%	-5%	-9%	-9%
Blanket	1Pc	1250	14.15	0%	0%	+8%	+8%

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)	71%	17%	9%
Wheat flour	78%	14%	5%
Local rice	79%	12%	6%
Vegetable oil	84%	11%	2%
Pulses[7]	75%	16%	6%
Salt	90%	6%	2%
Sugar	89%	6%	2%
Tomatoes	63%	26%	7%
NFIs			
Pen and pencil	76%	14%	7%
Notebook	76%	14%	6%
Rubber	75%	13%	7%
Cotton cloth (2m²)	65%	23%	7%
Toothbrush (adults)	80%	13%	4%
Toothpaste	80%	13%	4%
Sanitary pads	62%	21%	12%
Antiseptic soap bar	81%	14%	3%
Other NFIs			
Safe (drinking) water	60%	18%	19%
Coal or charcoal	32%	29%	31%
Liquefied petroleum	69%	16%	10%
Firewood	66%	19%	9%
Diesel	72%	15%	9%
Petrol	73%	14%	9%
Jacket	63%	24%	10%
Water Continer	60%	20%	15%
Cooking Pot	65%	22%	10%
Blanket	59%	25%	11%

REPORTED CHANGE IN PRICE OF FOOD ITEMS IN THE 30 DAYS PRIOR TO DATA COLLECTION, AND REPORTED REASONS FOR INCREASE IN PRICE[8]

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

- 29% Decreased
- 30% Stayed the same
- 39% Increased
- 2% Don't know
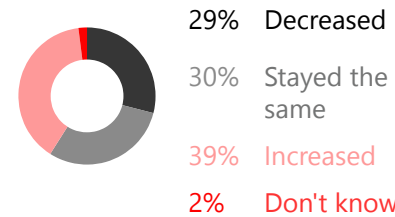
Out of those KIs reporting an increase in food items prices, the most frequently cited reasons were:

1. 71% Increased cost of supplies
2. 59% Increased transportation costs
3. 17% 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=10), Zabul (n=4), and 97% of ok KIs in Badghis (n=31) compared to the national average of 39%.

REPORTED CHANGE IN PRICE OF NFIs IN THE 30 DAYS PRIOR TO DATA COLLECTION, AND REPORTED REASONS FOR INCREASE IN PRICE[8]

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

- 17% Decreased
- 36% Stayed the same
- 43% Increased
- 4% Don't know
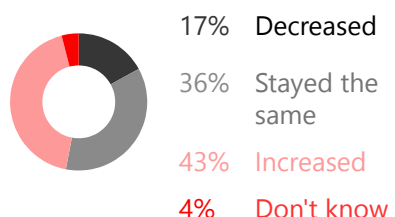
Out of those KIs reporting an increase in NFIs prices, the most frequently cited reasons were:[8]

1. 69% Increased cost of supplies
2. 55% Increased transportation costs
3. 21% 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 Badghis (n=31), Paktika (n=6), Zabul (n=4), and 90% of KIs in Ghazni (n=9) compared to the national average of 43%.

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:

15% Imported from abroad

48% Different province

37% Same province

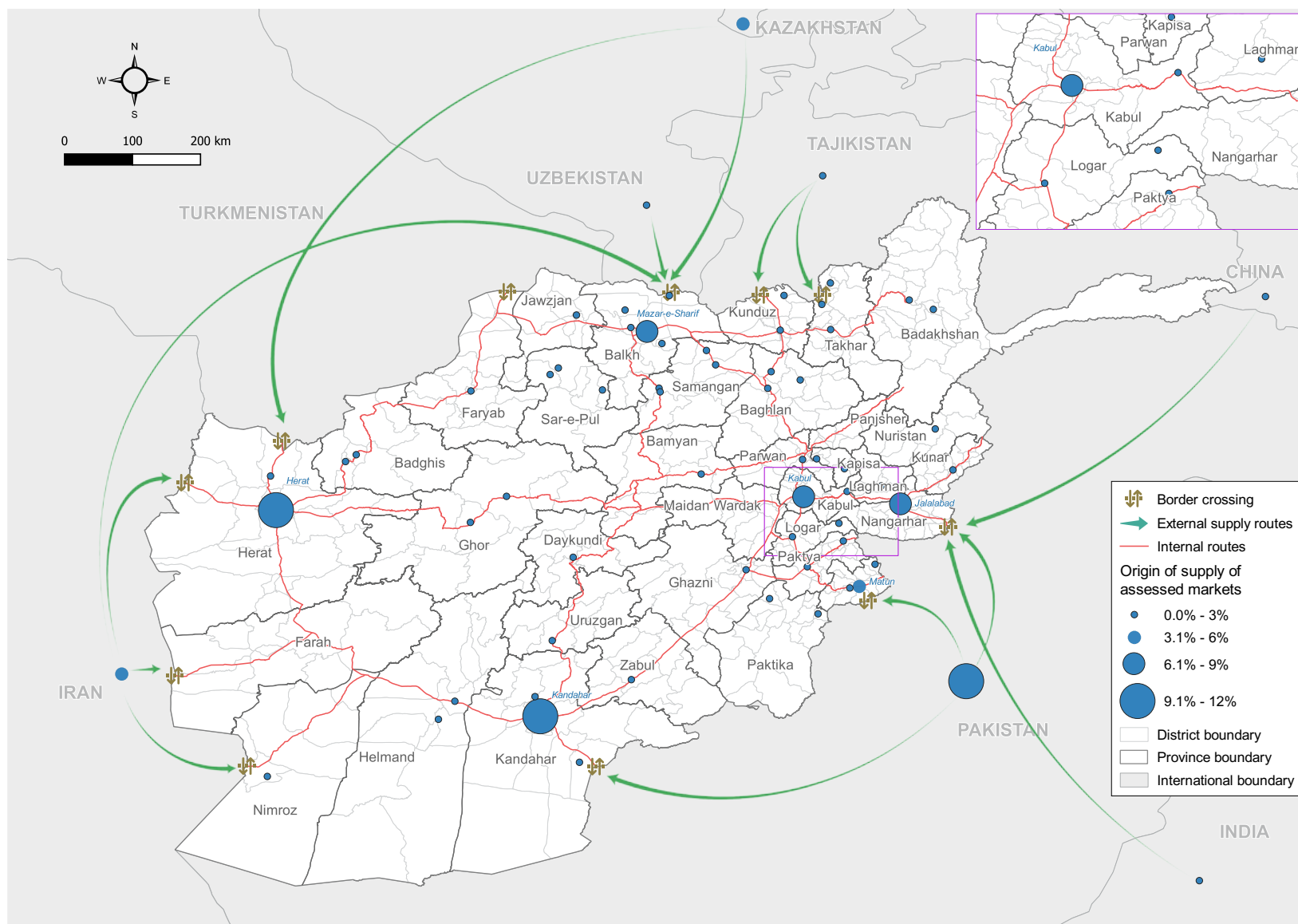Proportion of retailer KIs by reported location of their main supplier of food items:

10% Imported from abroad

64% Different province

26% Same province

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

9% Imported from abroad

49% Different province

42% Same province

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

7% Imported from abroad

58% Different province

35% Same province

SUPPLY ROUTE MAP

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

Legend:
- Border crossing
- External supply routes
- Internal routes

Origin of supply of assessed markets:
- 0.0% - 3%
- 3.1% - 6%
- 6.1% - 9%
- 9.1% - 12%

- District boundary
- Province boundary
- International boundary

DIFFICULTIES TO MEET DEMAND AND TO TRANSPORT OR PROCURE SUPPLIES

9% 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. 83% Financial constraints and inability to purchase supplies
2. 15% Supplier not providing enough commodities
3. 12% Producers not producing enough

17% 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. 14% Natural disaster
2. 12% Seasonality
3. 6% 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:

57% Barriers to access reported
43% No barriers reported
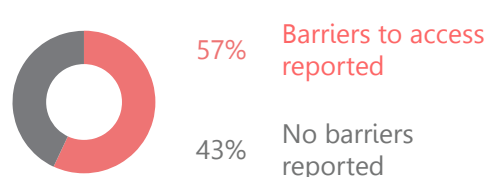
Among those KIs reporting that people face barriers to accessing markets, the most frequently cited reasons were:

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 (n=7), Laghman (n=10), Nuristan (n=6), Paktika (n=6), and Zabul (n=4) reported **no barriers** for consumers to access markets, whilst all of KIs in Maidan Wardak (n=6), Bamyan (n=16) and Kunar (n=12), and Nimroz (n=8) 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:

29% Borrow and rely on credit
26% Limit expenses
13% Spend savings
13% Restrict stocks
5% Increase working hours
14% 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. 52% Supplier (buy on credit)
2. 40% Family and friends
3. 5% 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. 89% Hawala[10]
2. 33% Banks
3. 12% Mobile money agent service

TRADER PRESENCE IN THE MARKET

28% 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:

11% Decreased
76% Stayed the same
5% Increased
8% Don't know
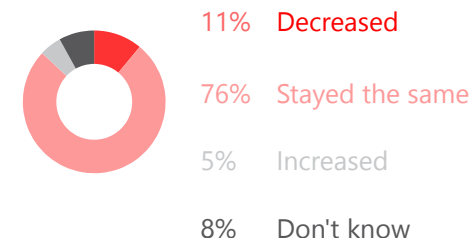
Among those KIs who reported having perceived a decrease in the number of shops open in the marketplace, the most cited reasons for this decrease were:[9]

1. 54% Financial constraints
2. 20% Lack of commodities
3. 17% 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:

12% Decreased
37% Stayed the same
46% Increased
5% Don't know
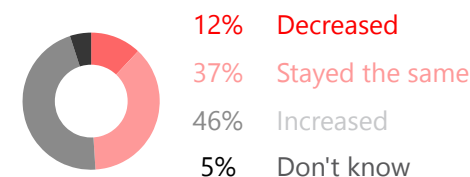
USD TO AFN EXCHANGE

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

- 77% Yes
- 18% No
- 5% Don't Know
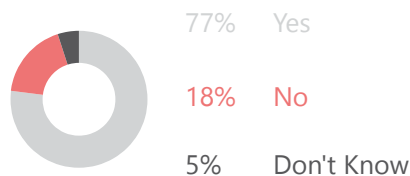
ACCESS TO CASH

Proportion of KIs reporting being able to access cash:

- 84% Yes
- 12% No
- 4% Don't Know
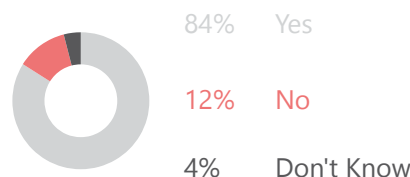
USD TO AFN EXCHANGE RATE

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

- 89.5 AFN Sell rate
- 87 AFN Buy rate
- ▲ 2% Change in one month[11]
- 0% Change in six months[11]
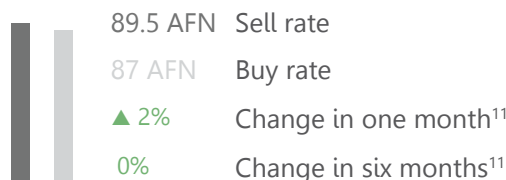
MIN AND MAX EXCHANGE RATE

Minimum and maximum exchange rate of 1 USD to AFN:

- 89 AFN Average of maximum sell and
- 87 AFN Average of minimum sell and buy rate

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.

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.