

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.

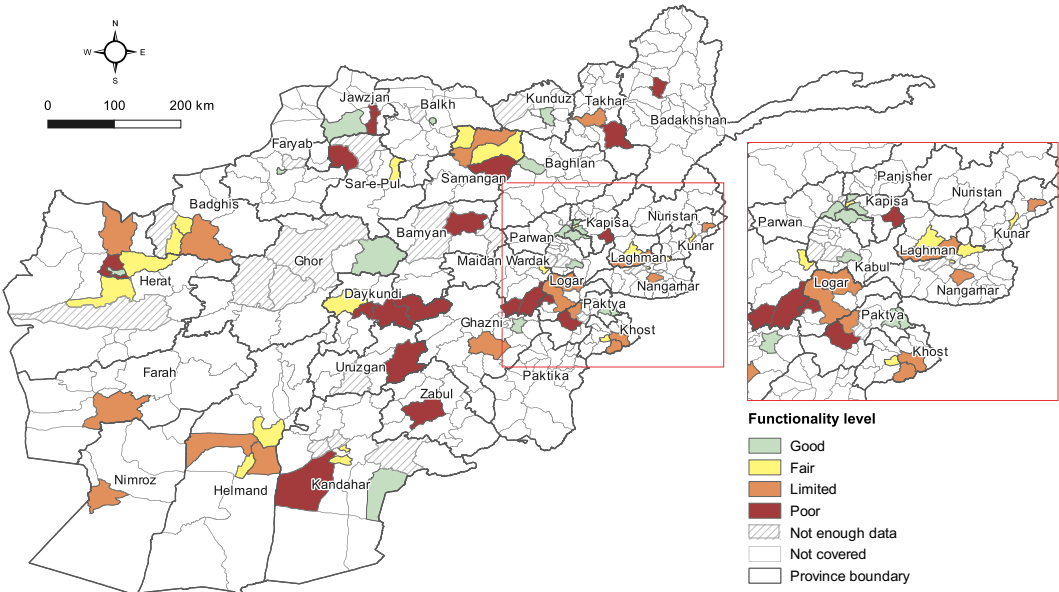
The JMMI assessment employs a quantitative key informant interview (KII) approach. The methodology includes surveys with purposively sampled traders (both retail and wholesale), acting as key informants (KIs) for their respective markets. Participants are selected through partner KI networks in their 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 25th round of the JMMI was collected between June 7th and 16th 2022.

Median cost of MEB ¹	Median cost of Food Basket
241.22 USD	94.66 USD
21,402 AFN	8,398 AFN
▲ 0.41% ² USD	▲ 1.12% ² USD
▲ 2% ² AFN	▲ 3% ² AFN

MARKET FUNCTIONALITY INDEX (MFI), BY DISTRICT



- 20 participating agencies
- 31 assessed provinces
- 641 key informant interviews (KIIs)
- 30 commodities assessed

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

17% of KIIs reported difficulties in restocking and obtaining commodities. The key items reportedly more difficult to obtain and restock are vegetable oil, cereals, fuels, and pulses.

89% of KIIs report an increase in price of food items and the most reported reasons are the increase in cost of supplies (86%), followed by transportation cost (61%) and reduced availability of commodities (24%).

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 24 and 25 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. 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 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 (2m² 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.

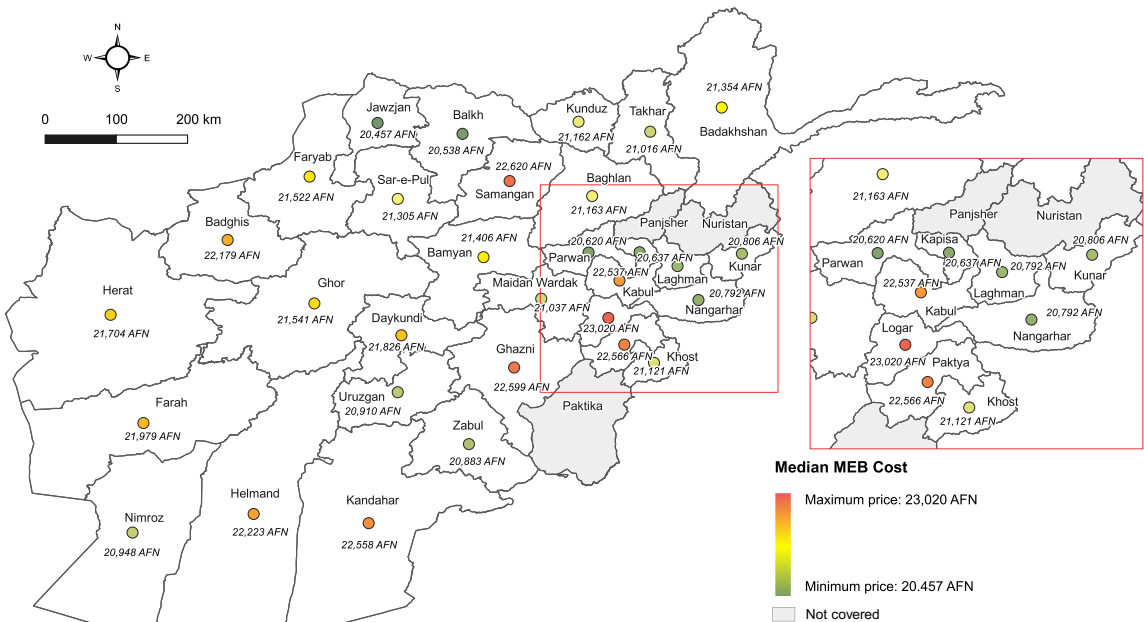
** The price of pulses was calculated as the average price of all three types of pulses monitored: lentils, beans, and split-peas.

*** 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 LEVEL⁵

Province	MEB in AFN	MEB in USD
Capital	20808	234.54
Kabul	22537	254.03
Kapisa	20637	232.61
Logar	23020	259.47
Maidan Wardak	21037	237.11
Parwan	20620	232.42
Central Highland	21768	245.36
Bamyan	21406	241.27
Daykundi	21826	246.01
Eastern	20763	234.03
Kunar	20806	234.51
Laghman	20792	234.36
Nangarhar	20792	234.35
North Eastern	21075	237.55
Badakhshan	21354	240.69
Baghlan	21163	238.54
Kunduz	21162	238.53
Takhar	21016	236.88
Northern	20970	236.36
Balkh	20538	231.49
Faryab	21522	242.59
Jawzjan	20457	230.58
Samangan	22620	254.96
Sar-e-Pul	21305	240.13
South Eastern	22566	254.35
Ghazni	22599	254.72
Khost	21121	238.06
Paktya	22566	254.35
Southern	22367	252.10
Helmand	22223	250.48
Kandahar	22558	254.26
Nimroz	20948	236.11
Uruzgan	20910	235.69
Zabul	20883	235.38
Western	21799	245.71
Badghis	22179	249.99
Farah	21979	247.74
Ghazni	22599	254.72
Ghor	21541	242.80

MEDIAN MEB COST, BY PROVINCE IN AFN

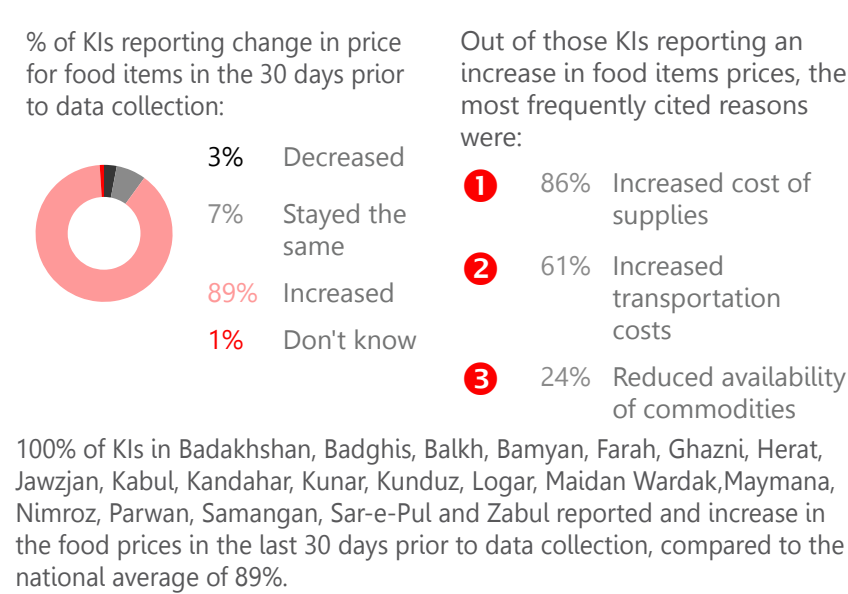


ITEM PRICE MONITORING

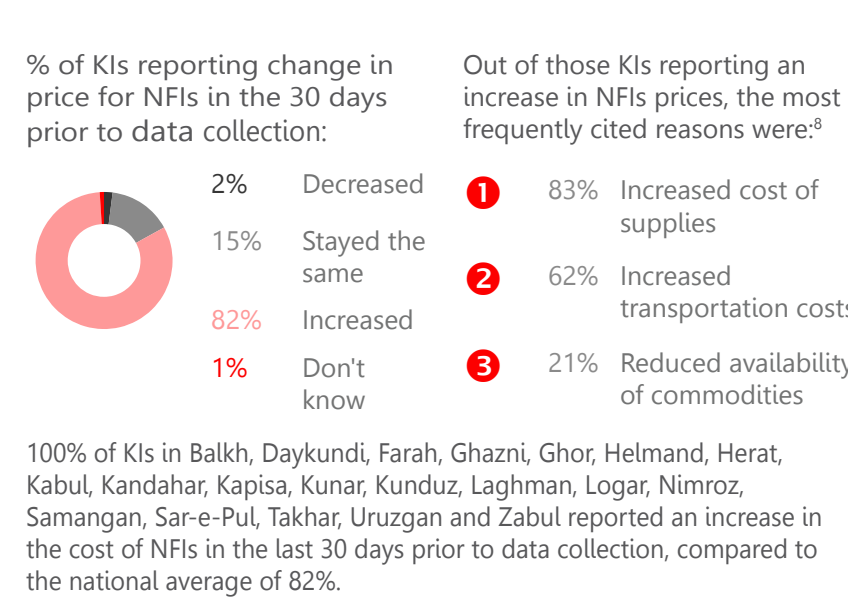
NATIONWIDE MEDIAN ITEM PRICE AT TIME OF CURRENT AVAILABILITY OF ITEMS FROM INTERVIEW, AND RECORDED CHANGE (%) SINCE THE SUPPLIERS PREVIOUS ROUND OF DATA COLLECTION

Item	Unit	Price in AFN	Price in USD	Change in AFN (%)	Change in USD (%)
Food Items					
Wheat flour (local)	1 Kg	53	0.59	+5%	+4%
Wheat flour (imported)	1 Kg	55	0.62	+6%	+3%
Local rice	1 Kg	71	0.81	+2%	+1%
Vegetable oil	1 L	181	2.04	+1%	-1%
Pulses ⁶	1 Kg	80	0.90	-10%	-12%
Salt	1 Kg	15	0.17	+13%	+13%
Sugar	1 Kg	65	0.73	+3%	+2%
Tomatoes	1 Kg	25	0.28	-51%	-51%
NFIs					
Pen and pencil	1 Pc	10	0.11	No change	+2%
Notebook	1 Pc	20	0.23	No change	-2%
Rubber	1 Pc	5	0.06	No change	-6%
Cotton cloth (2m²)	1 Pc	100	1.13	No change	-2%
Toothbrush (adults)	1Pc	30	0.34	No change	-1%
Toothpaste	1 Pc	50	0.56	No change	-1%
Sanitary pads	1 Box	60	0.68	No change	-2%
Antiseptic soap bar	1 Pc	30	0.34	-6%	-9%
Other NFIs					
Safe (drinking) water without jerry can	20 L	45	0.51	No change	-2%
Coal or charcoal	1 Kg	15	0.17	+7%	+6%
Liquefied petroleum gas	1 L	85	0.96	+12%	+10%
Firewood	1 Kg	12	0.14	+5%	+4%
Cooking fuel	1 Kg	85	0.96	+6%	+4%
Diesel	1 L	100	1.13	+25%	+23%
Petrol	1 L	85	0.96	+9%	+8%
Jacket	1Pc	750	8.45	+7%	+5%
Water container	1Pc	280	3.16	-3%	-5%
Cooking pot	1Pc	1040	11.72	-10%	-11%
Blanket	1Pc	1300	14.65	+12%	+10%

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



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



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:



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:

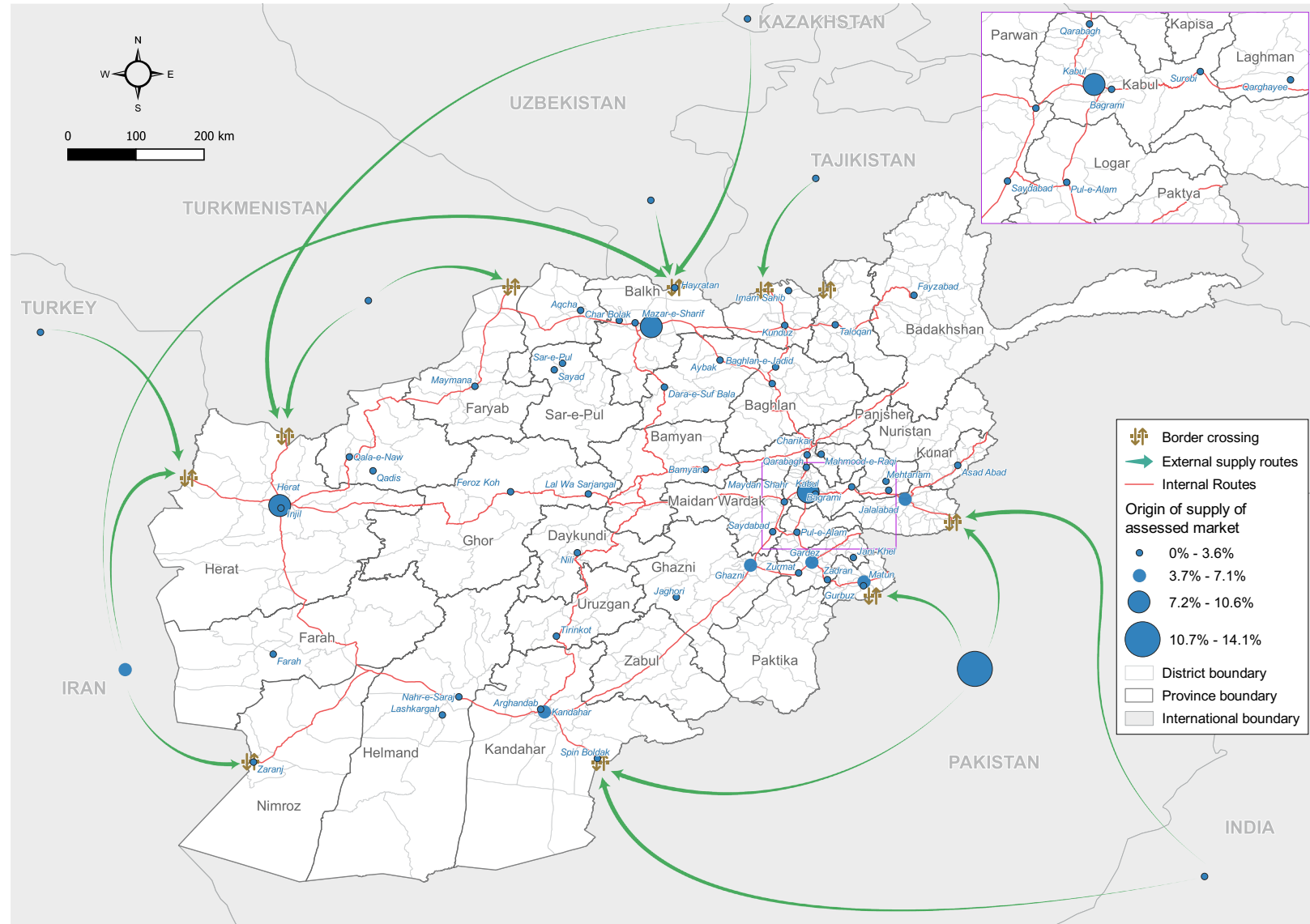


Proportion of retailer KIs by reported location of their main supplier of NFIs:



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

17% 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

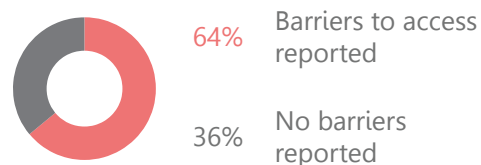
- 1 94% Financial constraints and inability to purchase supplies
- 2 39% Supplier not providing enough commodities
- 3 38% Producers not producing enough

32% 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 10% Restriction from the authorities
- 2 9% Seasonality
- 3 8% Natural disaster

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 12% No access for unaccompanied women due to safety issues
- 3 6% Distance to market

All KIs in Badakhshan, Badghis, Balkh, Bamiyan, Daykundi, Faryab, Ghazni, Ghor, Helmand, Herat, Jawzjan, Kabul, Kandahar, Kapisa, Khost, Kunduz, Laghman, Logar, Maidan Wardak, Nangarhar, Paktya, Parwan, Samangan, Takhar, Uruzgan, and Zabul reported **no barriers** for consumers to access markets, whilst 100% of KIs in Baghlan, Farah, Kunar, Nimroz, Parwan, 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:



- 38% Borrow and rely on credit
- 23% Limit expenses
- 13% Spend savings
- 12% Restrict stocks
- 4% Increase working hours
- 10% Others

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 62% Supplier (buy on credit)
- 2 30% Family and friends
- 3 8% Informal services

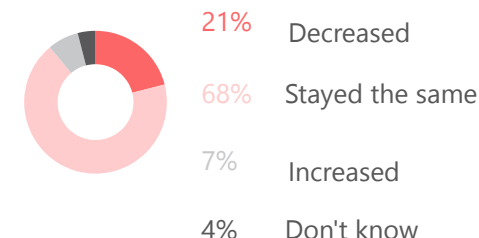
PRESENCE OF FINANCIAL SERVICES

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 21% Formal transfer services

TRADER PRESENCE IN THE MARKET

33% 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:

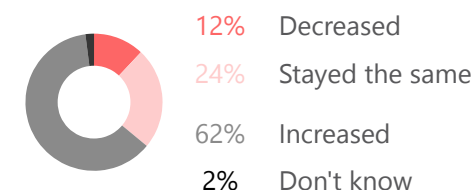


Among those KIs who reported having perceived a decrease in the number of shops open in the marketplace, the most cited reasons for this decrease were:⁷

- 1 85% Financial constraints
- 2 36% Lack of commodities
- 3 24% Government restrictions

CONSUMERS, PAYMENT, & CREDIT

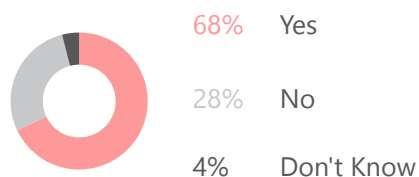
Proportion of KIs reporting having perceived a change in the number of customers purchasing on credit in the marketplace in the 30 days prior to data collection:



CASH AVAILABILITY, ENDNOTES, CVWG & PARTNERS

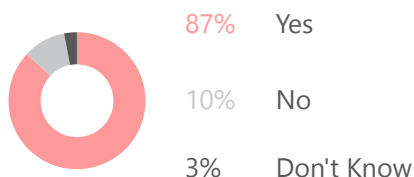
USD TO AFN EXCHANGE

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:

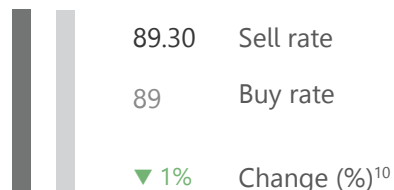


ENDNOTES

- 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 JMIMI.
- 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 JMIMI 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".
- 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.

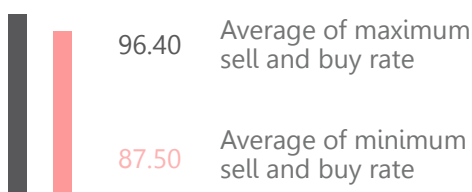
USD TO AFN EXCHANGE RATE

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:



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. You can contact us directly at: geneva@reach-initiative.org and follow us on Twitter [@REACH_info](https://twitter.com/REACH_info).

