

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.

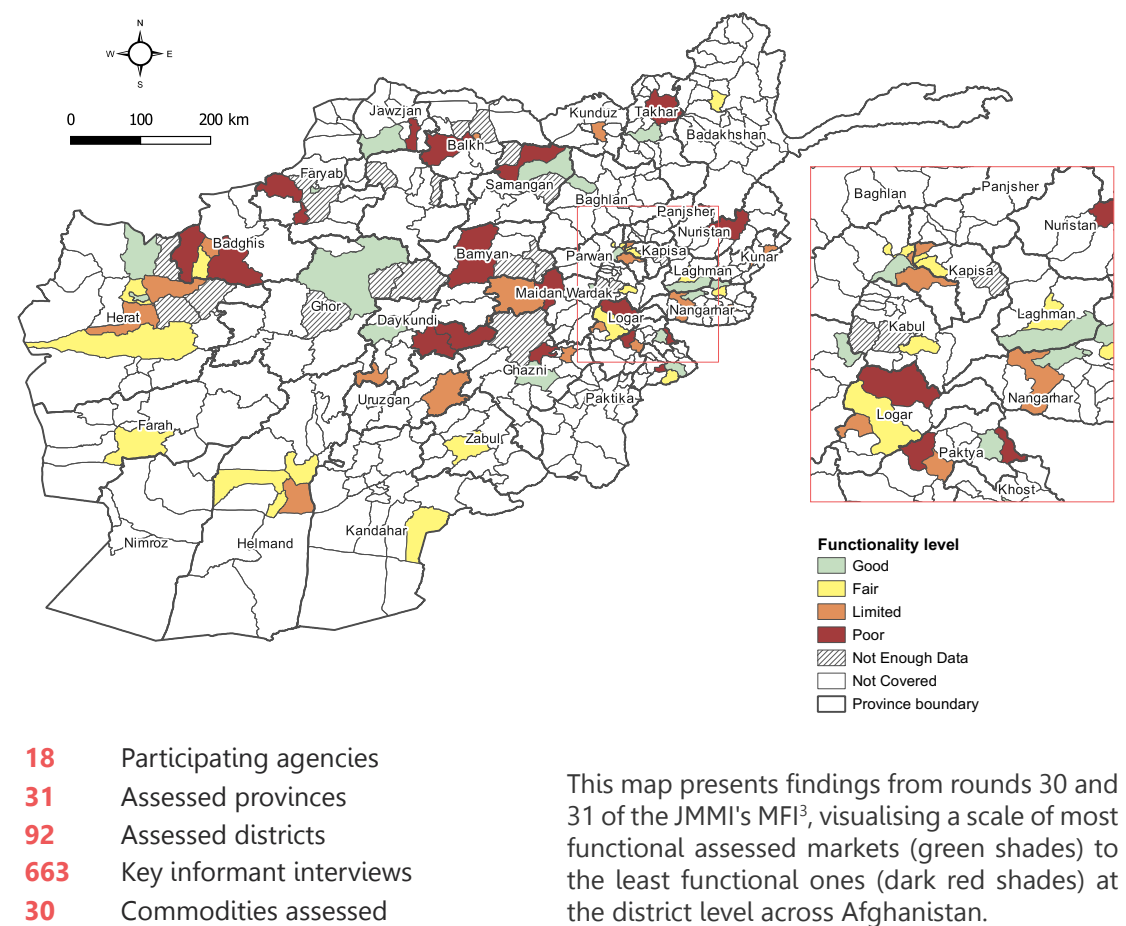
The JMMI assessment employs a quantitative key informant interview (KII) approach. The methodology includes surveys with purposively sampled traders (both retail and wholesale), acting as key informants (KIs) for their respective markets. Participants are selected through partner KI networks in their 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 31th round of the JMMI was collected between December 06 and 15 2022.

National median cost of MEB ¹	National median cost of Food Basket
231.07 USD	77.06 USD
20,214 AFN	6742 AFN
▼ 3.27% ² USD	▼ 8.84% ² USD
▼ 4.18% ² AFN	▼ 9.69% ² AFN

MARKET FUNCTIONALITY INDEX (MFI), BY DISTRICT



47% of KIs reported that consumers faced barriers in accessing markets. Among these KIs, the most reported barrier faced was items being too expensive (35% of KIs).

36% of KIs reported an increase in prices of food items and the most reported reasons were the increase in cost of supplies (76%), followed by transportation cost (64%) and the increase in demand (48%).

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		Water Sanitation and Hygiene
Wheat flour	89 Kg	Soap for handwashing and bathing
Local rice	21 Kg	Soft cotton cloth (2m ² piece)
Vegetable oil	7 Kg	Water (liters 105)
Pulses**	9 Kg	Sanitary pad (box of 10/12)
Salt	1 Kg	Underwear for women
Healthcare (fixed at 49.39 USD)		Toothpaste
Shelter (rent fixed at 36 USD)		Education (stationary and snack) (fixed at 11 USD)
Transportation (fixed at 8.53 USD)		Unmet needs (10% of sum of above)***
Communication (fixed at 3.51 USD)		
Fuel and electricity (fixed at 9 USD)		

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.

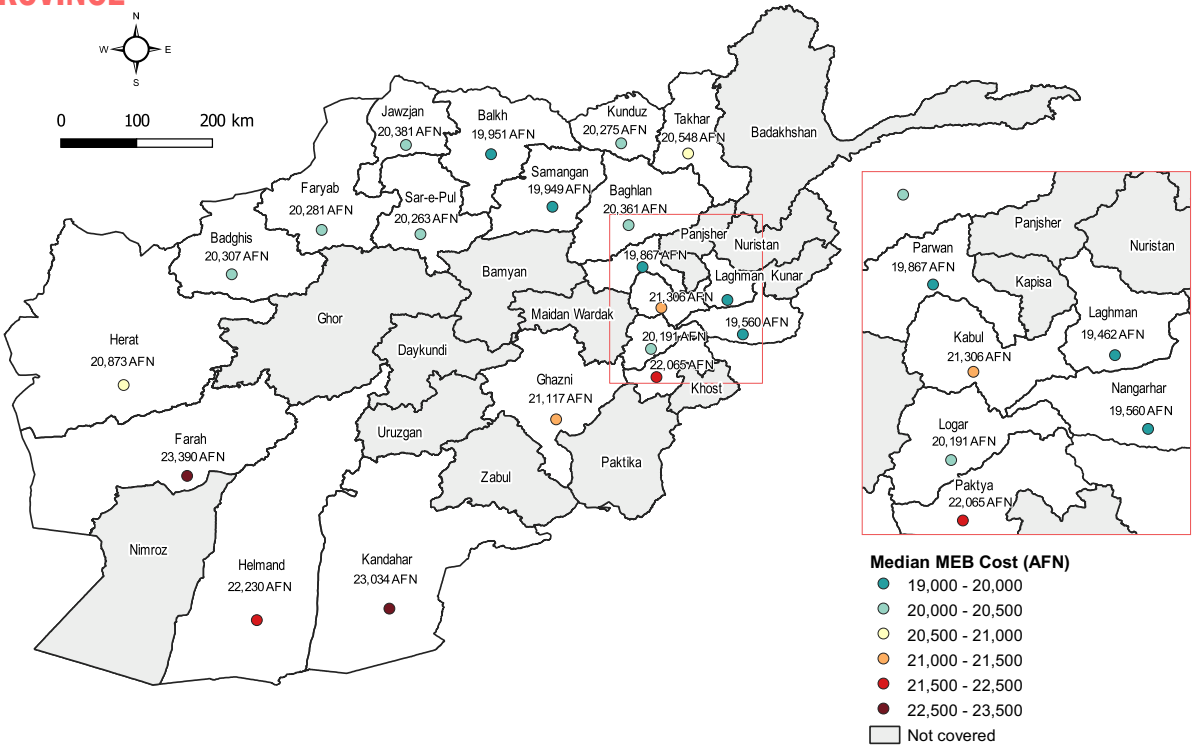
** The price of pulses was calculated as the average price of all three types of pulses monitored: lentils, beans, and split-peas.

*** 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 PRICE⁵

Province	MEB (AFN)	MEB (USD)
Capital	19885	227.31
Kabul	21306	243.55
Logar	20191	230.81
Parwan	19867	227.11
Eastern	19545	223.42
Laghman	19462	222.47
Nangarhar	19560	223.59
North Eastern	20390	233.08
Baghlan	20361	232.75
Takhar	20548	234.88
Kunduz	20275	231.76
Northern	20047	229.17
Balkh	19951	228.07
Faryab	20281	231.84
Jawzjan	20381	232.98
Samangan	19949	228.04
Sar-e-Pul	20263	231.63
South Eastern	21734	248.45
Ghazni	21117	241.39
Paktya	22065	252.23
Southern	22471	256.87
Helmand	22230	254.11
Kandahar	23034	263.30
Western	20905	238.96
Badghis	20307	232.13
Farah	23390	267.38
Herat	20873	238.60

MEDIAN MEB COST, BY PROVINCE IN AFN



ITEM PRICE MONITORING

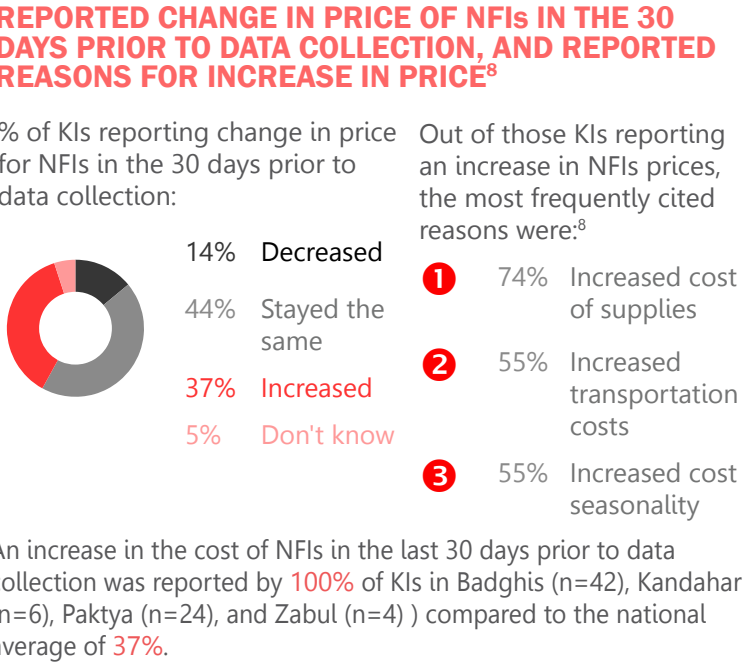
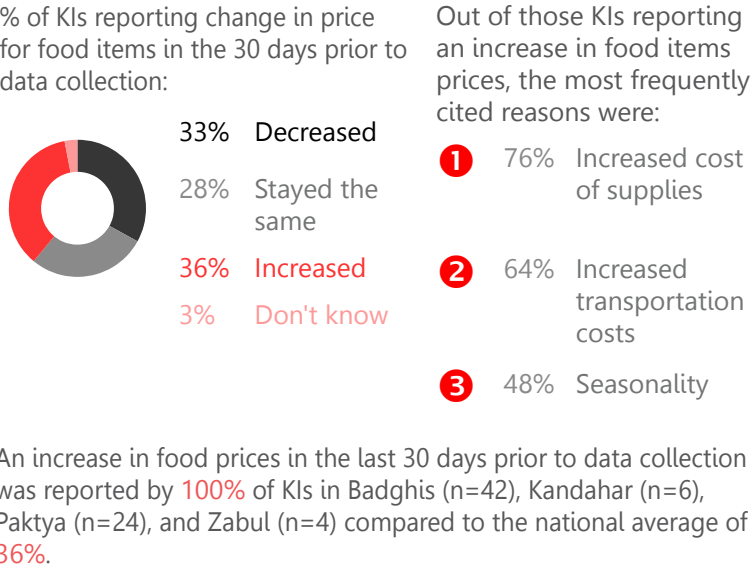
NATIONWIDE MEDIAN ITEM PRICE AT THE TIME OF INTERVIEW, AND RECORDED CHANGE (%) SINCE THE PREVIOUS ROUND OF DATA COLLECTION

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	44	0.50	-5%	-3%	-17%	-14%
Wheat flour	1 Kg	46	0.53	-6%	-4%	-16%	-15%
Local rice	1 Kg	63	0.72	-5%	-4%	-12%	-11%
Vegetable oil	1 L	110	1.26	-14%	-13%	-39%	-38%
Pulses ⁷	1 Kg	60	0.69	-33%	-13%	-25%	-24%
Salt	1 Kg	15	0.17	+13%	+14%	0%	+1%
Sugar	1 Kg	65	0.74	0%	0%	0%	+2%
Tomatoes	1 Kg	50	0.57	-17%	-16%	+100%	+104%
NFIs							
Pen and pencil	1 Pc	10	0.11	0%	+4%	0%	+4%
Notebook	1 Pc	20	0.23	0%	-1%	0%	-1%
Rubber	1 Pc	5	0.06	0%	-5%	0%	-5%
Cotton cloth (2m²)	1 Pc	120	1.37	+20%	+21%	+20%	+21%
Toothbrush (adults)	1Pc	30	0.34	0%	+1%	0%	+1%
Toothpaste	1 Pc	50	0.57	0%	0%	0%	+2%
Sanitary pads	1 Box	50	0.57	-17%	-16%	-17%	-16%
Antiseptic soap bar	1 Pc	30	0.34	-6%	-5%	0%	+1%
Other NFIs							
Safe (drinking) water	20 L	50	0.57	+11%	+12%	+11%	+12%
Coal or charcoal	1 Kg	19	0.21	+8%	+12%	+24%	+25%
Liquefied petroleum	1 L	70	0.80	0%	+1%	-18%	-17%
Firewood	1 Kg	14	0.16	0%	0%	+17%	+14%
Diesel	1 L	92	1.05	-4%	-3%	-8%	-7%
Petrol	1 L	75	0.86	-17%	-16%	-12%	-11%
Jacket	1Pc	700	8.00	+17%	+18%	-7%	-6%
Water container	1Pc	180	2.06	-33%	-33%	-36%	-35%
Cooking pot	1Pc	700	8.00	33%	33%	-33%	-32%
Blanket	1Pc	1400	16.00	+12%	+13%	+8%	+9%

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)	69%	14%	6%
Wheat flour	77%	11%	2%
Local rice	77%	9%	4%
Vegetable oil	80%	8%	1%
Pulses ⁷	72%	14%	2%
Salt	82%	7%	1%
Sugar	81%	8%	1%
Tomatoes	62%	20%	7%
NFIs			
Pen and pencil	72%	14%	3%
Notebook	73%	14%	2%
Rubber	72%	14%	3%
Cotton cloth (2m²)	61%	20%	6%
Toothbrush (adults)	74%	14%	1%
Toothpaste	74%	14%	1%
Sanitary pads	57%	24%	6%
Antiseptic soap bar	76%	12%	1%
Other NFIs			
Safe (drinking) water	55%	16%	16%
Coal or charcoal	39%	25%	22%
Liquefied petroleum	64%	20%	3%
Firewood	64%	18%	5%
Diesel	64%	19%	3%
Petrol	66%	17%	3%
Jacket	59%	22%	5%
Water Continer	59%	21%	7%
Cooking Pot	61%	20%	6%
Blanket	58%	21%	8%

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



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:



7% Imported from abroad

58% Different province

35% Same province

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



8% Imported from abroad

62% Different province

30% Same province

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



5% Imported from abroad

58% Different province

37% Same province

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



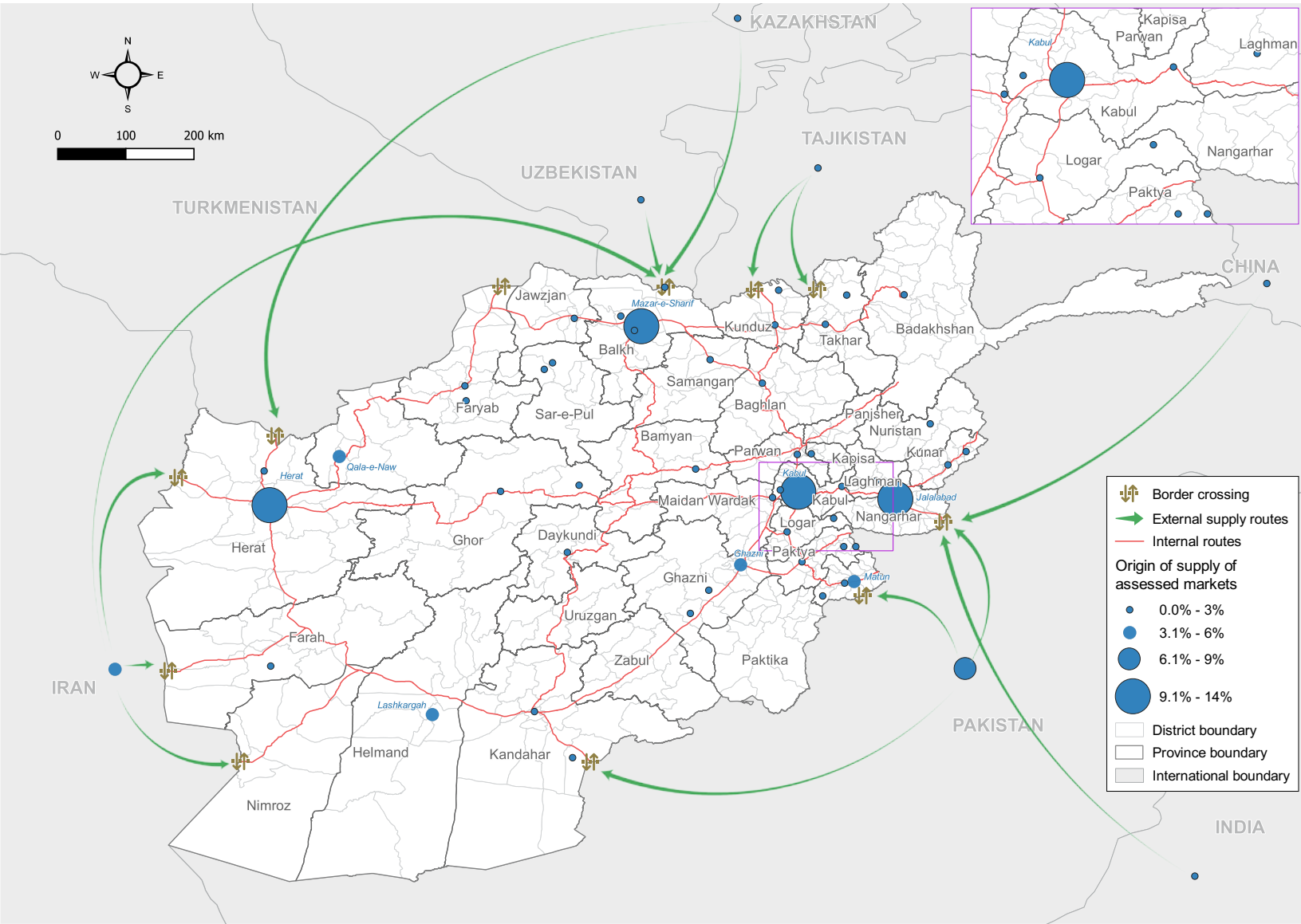
6% Imported from abroad

58% Different province

36% 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

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 were:⁹

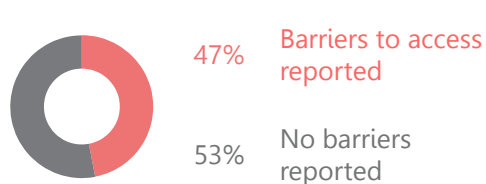
- 1 97% Financial constraints and inability to purchase supplies
- 2 11% Supplier not providing enough commodities
- 3 8% Not importing

22% 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 18% Seasonality
- 2 10% Natural disaster
- 3 4% 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 35% Items being too expensive
- 2 7% No access for unaccompanied women due to safety issues
- 3 5% Distance to market

All KIs in Baghlan (n=6), Nuristan (n=12) and Zabul (n=4) reported **no barriers** for consumers to access markets, whilst all of KIs in Bamyán (n=9), Kandahar (n=6), and Kunduz (n=4) 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% Limited expenses

32% Borrow and rely on credit

9% Restrict stock

8% Spend saving

5% Increase working hours

13% 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 58% Supplier (buy on credit)
- 2 36% Family and friends
- 3 5% Informal services

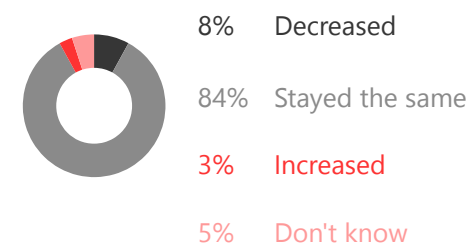
PRESENCE OF FINANCIAL SERVICES

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

- 1 88% Hawala¹⁰
- 2 35% Banks
- 3 10% Formal transfer services

TRADER PRESENCE IN THE MARKET

22% 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:

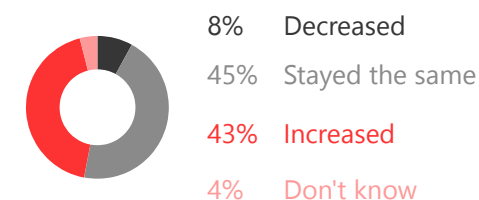


Among those KIs who reported having perceived a decrease in the number of shops open in the marketplace, the most cited reasons for this decrease were:⁹

- 1 68% Financial constraints
- 2 28% Lack of commodities
- 3 13% Government restrictions

CONSUMERS, PAYMENT, & CREDIT

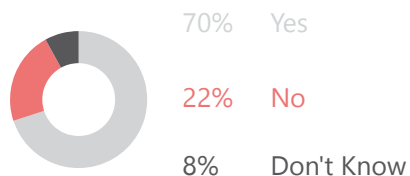
Proportion of KIs reporting having perceived a change in the number of customers purchasing on credit in the marketplace in the 30 days prior to data collection:



CASH AVAILABILITY, ENDNOTES, CVWG & PARTNERS

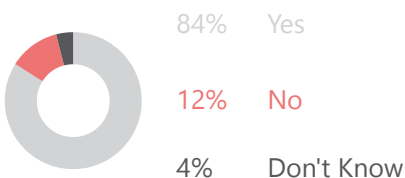
USD TO AFN EXCHANGE

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



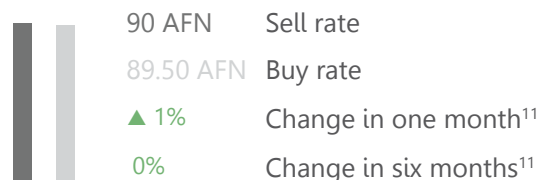
ACCESS TO CASH

Proportion of KIs reporting being able to access cash:



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 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.

