AFGHANISTAN JOINT MARKET MONITORING INITIATIVE (JMMI)

18 - 28 May 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 12th round of the JMMI was collected

17	participating agencies
21	assessed provinces
366	key informant interviews (KIIs)
22	commodities assessed

Median cost of MEB[1]
19,301 AFN

249.37 USD

▲ 1%[2]

Median cost of Food Basket
5,893 AFN

76.15 USD

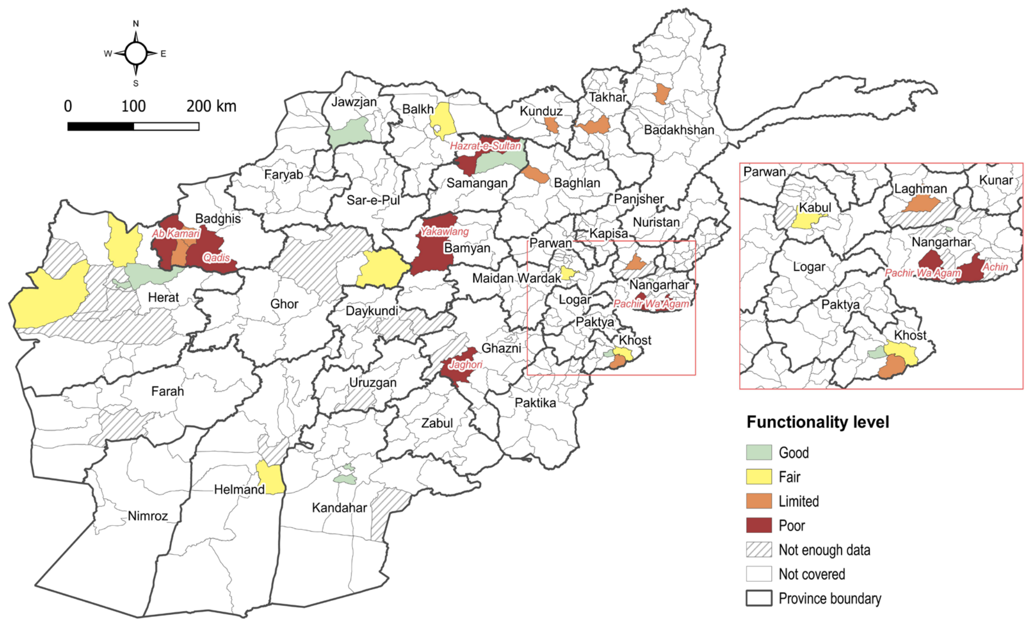
▲ 3%[2]

10% of KIs reported difficulties in restock and obtain commodities. The key items reportedly more difficult to obtain and restock are vegetable oil (89%), cereals (57%), and pulses (46%).

The most commonly accepted payment modalities in the markets are cash (72%), credit (38%), and barter (5%).

Just 3% 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 11 and 12 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.*

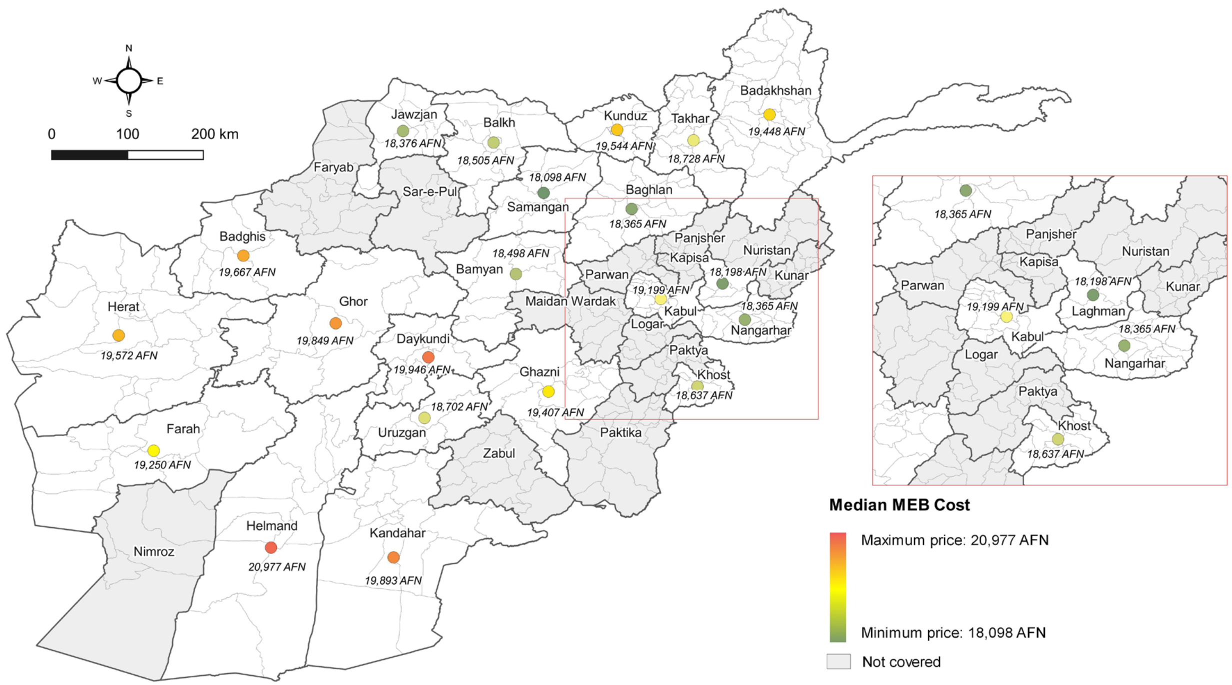
*** Pulses in this factsheet are calculated as the average price of all three types of pulses monitored: lentils, beans, and split-peas.*

**** 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-hygiene 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	Change since last round
North	18,186	234.97	▲ 1%
Balkh	18,505	239.08	▲ 1%
Jawzjan	18,376	237.41	▲ 1%
Samangan	18,098	233.82	▲ 2%
North-East	18,801	242.91	▲ 2%
Badakhshan	19,448	251.27	▼ 2%
Baghlan	18,365	237.27	▼ 1%
Kunduz	19,544	252.51	▲ 6%
Takhar	18,728	241.96	▲ 3%
East	18,327	236.78	▲ 1%
Laghman	18,198	235.11	▲ 1%
Nangarhar	18,365	237.28	▼ 0%[4]
South-East	18,394	237.64	▼ 5%
Ghazni	19,407	250.74	▼ 3%
Khost	18,637	240.79	▲ 1%
South	19,938	257.59	▼ 2%
Helmand	20,977	271.02	▲ 1%
Kandahar	19,893	257.01	▼ 1%
Uruzgan	18,702	241.63	▼ 1%
West	19,609	253.34	▲ 2%
Badghis	19,667	254.09	▲ 2%
Farah	19,250	248.70	▼ 2%
Ghor	19,849	256.45	▲ 3%
Herat	19,572	252.87	▲ 1%
Central	19,890	256.97	▼ 2%
Bamyan	18,498	238.99	NA
Daykundi	19,946	257.70	▼ 1%
Kabul	19,199	248.05	▲ 1%

NATIONWIDE MEDIAN ITEM PRICE AT TIME OF INTERVIEW, AND RECORDED CHANGE (%) SINCE THE 11TH ROUND OF DATA COLLECTION

Item	Unit	Price in AFN	Price in USD	Change (%)
Food Items				
Wheat flour (local)	1 kg	33	0.41	▲ 3%
Wheat flour (imported)	1 kg	34	0.44	*No change*
Local rice	1 kg	66	0.85	*No change*
Vegetable oil	1 L	117	1.36	▲ 10%
Pulses*	1 kg	65	0.78	▲ 8%
Salt	1 kg	10	0.13	*No change*
Sugar	1 kg	50	0.65	*No change*
Tomatoes	1 kg	35	0.39	▲ 14%
NFIs				
Pen and pencil	1 pc	6	0.09	▼ 14%
Notebook	1 pc	20	0.26	*No change*
Rubber	1 pc	5	0.06	*No change*
Cotton cloth (2m^2)	1 pc	100	1.26	▲ 2%
Toothbrush (adults)	1pc	30	0.36	▲ 7%
Toothpaste	1 pc	40	0.65	▼ 20%
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	50	0.78	▼ 20%
Coal or charcoal	1 kg	15	0.16	▲ 20%
LPG	1 L	55	0.71	*No change*
Firewood	1 kg	13	0.15	▲ 30%
Cooking fuel	1 kg	56	0.78	▼ 7%

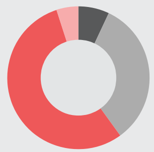
CURRENT AVAILABILITY OF ITEMS FROM SUPPLIERS

Item	Available (% KIs)	Limited (% KIs)	None (% KIs)
Food Items			
Wheat flour (local)	94%	6%	0%
Wheat flour (imported)	97%	3%	0%
Local rice	98%	2%	0%
Vegetable oil	98%	2%	0%
Pulses*	96%	2%	2%
Salt	100%	0%	0%
Sugar	100%	0%	0%
Tomatoes	96%	3%	1%
NFIs			
Pen and pencil	98%	1%	1%
Notebook	99%	1%	0%
Rubber	97%	2%	1%
Cotton cloth (2m^2)	95%	4%	1%
Toothbrush (adults)	98%	2%	0%
Toothpaste	96%	3%	1%
Sanitary pads	96%	2%	2%
Antiseptic soap bar	100%	0%	0%
Other NFIs			
Safe (drinking) water without jerry can	88%	0%	12%
Coal or charcoal	92%	4%	4%
LPG	98%	1%	1%
Firewood	93%	5%	2%
Cooking fuel	95%	2%	3%

** 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:



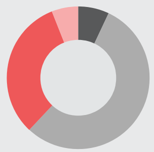
7% Decreased
33% Stayed the same
55% Increased
5% Didn't know

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

1. **62%** Increased cost of supplies
2. **40%** Increased transportation costs
3. **26%** 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:



7% Decreased
55% Stayed the same
32% 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. **45%** 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:

- 5% Imported from abroad
- 31% Different province
- 52% Province capital city
- 4% Same province
- 2% Same district
- 6% Other

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

- 5% Imported from abroad
- 32% Different province
- 50% Province capital city
- 3% Same province
- 4% Same district
- 6% Other

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

10% 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. **74%** Financial constraints and inability to purchase supplies
2. **37%** Difficulties in transporting commodities
3. **29%** Limited availability of imported items and commodities

51% 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. **40%** Conflict
2. **36%** Roadblocks
3. **13%** Government restrictions

**This finding is driven by considerably high reporting of road-based difficulties in the Central Highlands region. In this region, 100% of KIs reported having experienced challenges in restocking their supplies due to road-based transportation difficulties. Round 12 data cannot analyse the causes of this sudden increase; however, 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:

- 70% Barriers to access reported
- 30% No barriers reported

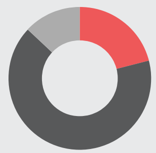
Among those KIs reporting that people face barriers to accessing markets, the most frequently cited reasons were:

1. **37%** Financial barriers
2. **29%** Fear of exposure to COVID-19, and public health restrictions
3. **25%** Insecurity travelling to the market

In the North-East, 88% 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 70%.

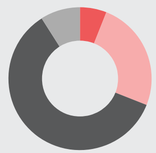
SECURITY AND GENDER DIMENSIONS OF ACCESSING MARKETPLACES

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



- 21% Security context may prevent access to the marketplace
- 66% 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:



- 6% No access at all
- 25% Accompanied access
- 60% Unaccompanied access
- 9% 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:

43% Borrow and rely on credit
20% Restrict stocks
12% Limit expenses
7% Spend savings
6% Increase working hours
12% 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. 60% Supplier (buy on credit)
2. 35% Family and friends
3. 3% Informal services

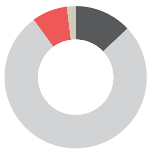
PRESENCE OF FINANCIAL SERVICES

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

1. 75% Hawala
2. 49% Banks
3. 26% Formal transfer services

TRADER PRESENCE IN THE MARKET

59% 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]



13% Increased
77% Stayed the same
8% Decreased
2% Don't know

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

1. 48% Financial constraints
2. 39% COVID-19
3. 20% Government restrictions

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:

8% Decreased
52% Stayed the same
36% 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. *The % of change between the price of the MEB and the Food Basket during data collection refers to the changes recorded since the previous (11th) round of the JMMI.*
3. *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 categorized as "no change".*
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.