AFGHANISTAN JOINT MARKET MONITORING INITIATIVE (JMMI)

11 - 29 July 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 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 14th round of the JMMI was collected between July 11th and 29th.

15	participating agencies
26	assessed provinces
374	key informant interviews (KIIs)
22	commodities assessed

Median cost of MEB[1]
19,029 AFN

240.42 USD

▼ 0.1%[2]

Median cost of Food Basket
5,667 AFN

71.59 USD

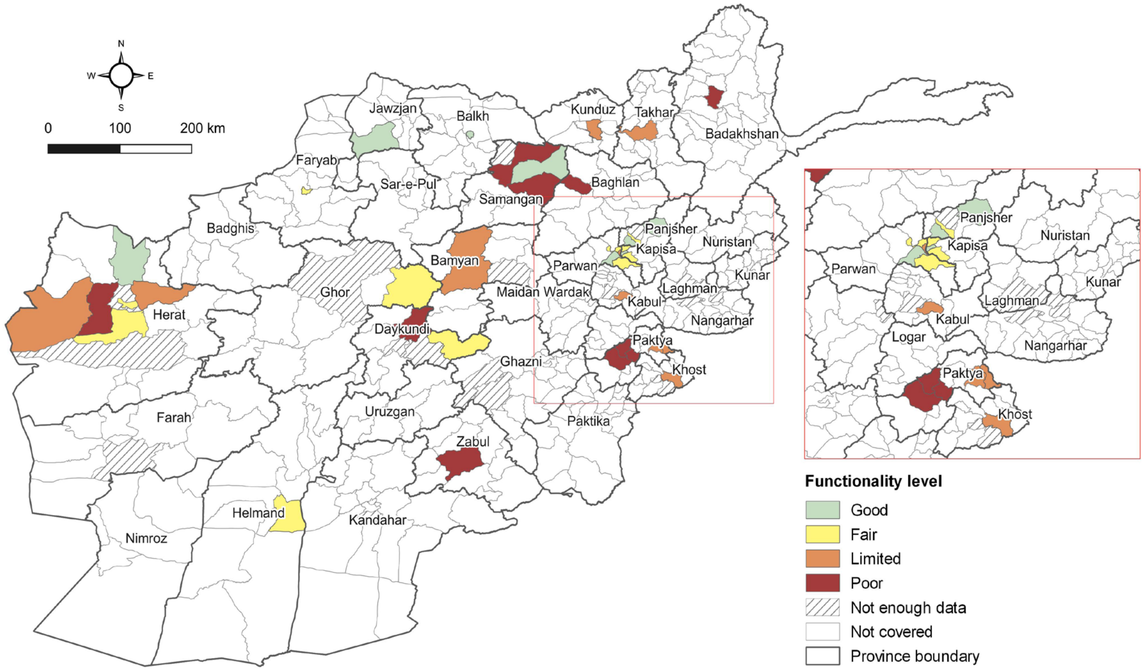
▼ 0.2%[2]

25% of KIs reported difficulties in restocking and obtaining commodities. The key items reportedly more difficult to obtain and restock are cereals (87%), vegetable oil (86%) and pulses (50%).

The most commonly accepted payment modalities in the markets are cash (76%) and credit (48%).

Just (5%) of the KIs reported barter as a payment modality and only (3%) accepted mobily phone.

MARKET FUNCTIONALITY INDEX (MFI), BY DISTRICT



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.

To further inform the CVWG's JMMI in Afghanistan, REACH developed the JMMI Market Functionality Index (MFI), based on the similar index by the same name designed by the World 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 13th and 14th 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

Healthcare (fixed at 3,000 AFN)

Shelter (fixed at 5,828 AFN)

Transportation (fixed at 359 AFN)

Communication (fixed at 136 AFN)

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

Fuel and Electricity (fixed at 716 AFN)

Dignity-hygiene

Antiseptic soap (95-110g)	2 pc	Soft cotton cloth ($2m^2$ piece)	2 pc
Underwear	2 pc (fixed at 80 AFN)		

Education (fixed at 1,200 AFN)

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

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.

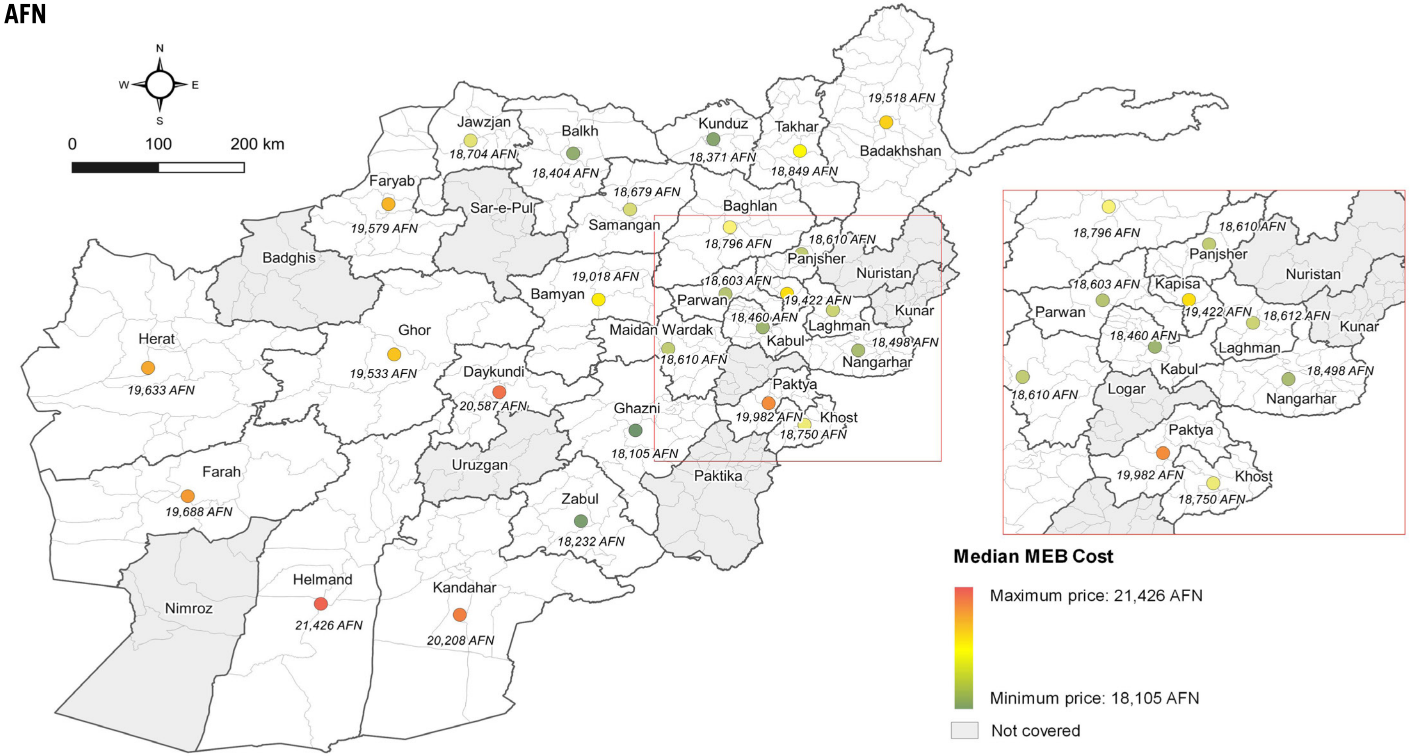
** The MEB cost was calculated in this factsheet using the relevant food and non-food item prices monitored. For items whose prices were not collected, calculations included the existing price used by the CVWG as a baseline. For the healthcare and shelter components, the listed fixed amount was used 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.*

*** An additional percentage has been included to take into account unmet needs which 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 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
Central	18,604	235.05	▲ 1%
Kabul	18,460	233.23	▼ 5%
Kapisa	19,422	245.38	▲ 6%
Wardak	18,610	235.12	▲ 1%
Panjsher	18,610	235.12	NA
Parwan	18,603	235.04	NA
Central Highland	19,633	248.05	▼ 1%
Bamyan	19,018	240.28	▲ 2%
Daykundi	20,587	260.10	▲ 2%
East	18,525	234.05	▲ 1%
Laghman	18,612	235.14	▲ 1%
Nangarhar	18,498	233.70	▲ 1%
North-East	18,726	236.59	▲ 1%
Badakhshan	19,518	246.60	▲ 2%
Baghlan	18,796	237.47	▲ 2%
Kunduz	18,371	232.10	▲ 2%
Takhar	18,849	238.14	NA
North	18,668	235.86	▲ 3%
Balkh	18,404	232.51	▲ 0%[3]
Faryab	19,579	247.36	NA
Jawzjan	18,704	236.32	▼ 1%
Samangan	18,679	235.99	NA
South-East	19,897	251.38	▲ 1%
Ghazni	18,105	228.74	▼ 7%
Khost	18,750	236.90	▲ 1%
Paktya	19,982	252.46	▲ 0%[3]
South	20,188	255.06	▼ 1%
Helmand	21,426	270.71	▲ 5%
Kandahar	20,208	255.32	▲ 1%
Zabul	18,232	230.35	NA
West	19,643	248.17	▲ 1%
Farah	19,688	248.75	▲ 3%
Ghor	19,533	246.78	▼ 5%
Herat	19,633	248.05	▲ 2%

NATIONWIDE MEDIAN ITEM PRICE AT TIME OF INTERVIEW, AND RECORDED CHANGE (%) SINCE THE 13TH ROUND OF DATA COLLECTION

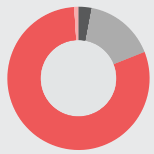
Item	Unit	Price in AFN	Price in USD	Change (%)
Food Items				
Wheat flour (local)	1 kg	34	0.43	▲ 9%
Wheat flour (imported)	1 kg	35	0.44	▲ 6%
Local rice	1 kg	56	0.71	▼ 11%
Vegetable oil	1 L	120	1.52	*No change*
Pulses[7]	1 kg	65	0.82	▲ 8%
Salt	1 kg	13	0.16	▲ 13%
Sugar	1 kg	50	0.63	*No change*
Tomatoes	1 kg	25	0.32	▲ 25%
NFIs				
Pen and pencil	1 pc	10	0.13	▲ 100%
Notebook	1 pc	20	0.25	*No change*
Rubber	1 pc	5	0.06	*No change*
Cotton cloth (2m²)	1 pc	90	1.14	*No change*
Toothbrush (adults)	1pc	29	0.37	▼ 3%
Toothpaste	1 pc	43	0.54	▲ 6%
Sanitary pads	1 box	50	0.63	*No change*
Antiseptic soap bar	1 pc	30	0.38	*No change*
Other NFIs				
Safe (drinking) water without jerry can	20 L	60	0.76	▼ 14%
Coal or charcoal	1 kg	13	0.16	▲ 30%
LPG	1 L	65	0.82	▲ 18%
Firewood	1 kg	13	0.16	▲ 19%
Cooking fuel	1 kg	67	0.85	▲ 16%

CURRENT AVAILABILITY OF ITEMS FROM SUPPLIERS

Item	Available (% KIs)	Limited (% KIs)	None (% KIs)
Food Items			
Wheat flour (local)	91%	7%	2%
Wheat flour (imported)	99%	1%	0%
Local rice	97%	2%	1%
Vegetable oil	99%	1%	0%
Pulses[7]	98%	1%	1%
Salt	98%	2%	0%
Sugar	99%	1%	0%
Tomatoes	95%	1%	4%
NFIs			
Pen and pencil	96%	3%	1%
Notebook	97%	2%	1%
Rubber	97%	2%	1%
Cotton cloth (2m²)	94%	1%	4%
Toothbrush (adults)	100%	0%	0%
Toothpaste	99%	1%	0%
Sanitary pads	95%	1%	3%
Antiseptic soap bar	98%	2%	0%
Other NFIs			
Safe (drinking) water without jerry can	90%	2%	8%
Coal or charcoal	93%	1%	6%
LPG	97%	0%	3%
Firewood	94%	0%	6%
Cooking fuel	96%	2%	2%

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:



3% Decreased

16% Stayed the same

80% Increased

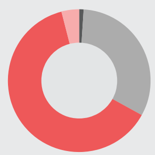
1% Didn't know

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

1. 73% Increased cost of supplies
2. 58% Increased transportation costs
3. 10% 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:



1% Decreased

32% Stayed the same

63% Increased

4% Didn't know

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

1. 72% Increased cost of supplies
2. 56% Increased transportation costs
3. 9% Seasonality

LOCATION OF MAIN WHOLESALER AND RETAILER SUPPLIERS FOR FOOD ITEMS[5]

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

- 4% Imported from abroad
- 41% Different province
- 41% Province capital city
- 2% Same province
- 3% Same district
- 9% Other

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

- 0% Imported from abroad
- 42% Different province
- 36% Province capital city
- 3% Same province
- 13% Same district
- 6% Other

LOCATION OF MAIN WHOLESALER AND RETAILER SUPPLIERS FOR NFIs[5]

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

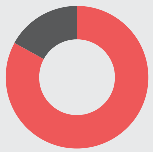
- 4% Imported from abroad
- 37% Different province
- 43% Province capital city
- 4% Same province
- 2% Same district
- 10% Other

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

- 0% Imported from abroad
- 39% Different province
- 37% Province capital city
- 8% Same province
- 12% Same district
- 4% Other

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:



- 83% Barriers to access reported
- 17% No barriers reported

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

1. 46% Fear of exposure to COVID-19, and public health restrictions
2. 41% Insecurity travelling to the market
3. 37% Financial barriers

In the South and West, 100% 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 83%.

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

25% 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:

1. 70% Financial constraints and inability to purchase supplies
2. 38% Difficulties in transporting commodities
3. 28% Limited availability of imported items and commodities

66% 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. 60% Conflict
2. 49% Roadblocks
3. 13% Restrictions from the authorities

TRADERS' COPING MECHANISMS AND RELIANCE ON CREDIT

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

26%	Borrow and rely on credit
19%	Restrict stocks
24%	Limit expenses
10%	Spend savings
7%	Increase working hours
14%	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. 57% Supplier (buy on credit)
2. 36% Family and friends
3. 4% Informal services

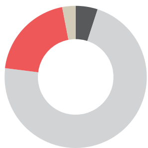
PRESENCE OF FINANCIAL SERVICES

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

1. 84% Hawala
2. 44% Banks
3. 23% Formal transfer services

TRADER PRESENCE IN THE MARKET

32% 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]



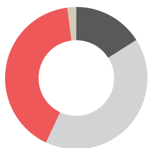
5%	Increased
72%	Stayed the same
20%	Decreased
3%	Don't know

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

1. 56% Financial constraints
2. 38% COVID-19
3. 27% Restrictions from the authorities

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:



16%	Decreased
41%	Stayed the same
41%	Increased
2%	Don't know

ENDNOTES

1. *The Minimum Expenditure Basket (MEB) represents the minimum culturally adjusted group of items required to support a six-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 (13th) 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 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.*
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. *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%.*
7. *Pulses in this table are calculated as the median (normalized) price of all three types of pulses monitored: lentils, beans, and split-peas.*

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, 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.

ACTION AGAINST HUNGER · ACTED · caritas · Cordaid · DANISH REFUGEE COUNCIL · HADAAF For Afghanistan · INTERNATIONAL RESCUE COMMITTEE · THE JOHANNITER International Assistance · OHW Organization of Human Welfare · ORD · AFGHAN PEACE BUILDERS LET PEACE PREVAIL · 2001 RCDC 1380 · Save the Children · Village of Peace · PEOPLE IN NEED · welt hunger hilfe