

## PERCEIVED IMPACT OF COVID-19 ON MARKETS

### INTRODUCTION

The Afghanistan Joint Market Monitoring Initiative (JMMI) was launched by the **Afghanistan Cash and Voucher Working Group (CVWG)** and **partners**, in collaboration with REACH Initiative (REACH), and funded by the European Civil Protection and Humanitarian Aid Operations (ECHO). The objective is to provide regular updates on prices of key items and market functionality to inform cash programming. Data from the pilot round of the JMMI was collected between 23 April and 8 May, in 27 provinces of Afghanistan.

- 17 participating agencies
- 27 assessed provinces
- 210 assessed marketplaces
- 697 key informants interviews (KIs)
- 27 commodities assessed

### JMMI PARTNERS

**AAAA**  
**AAH**  
**ACTD**  
**ACTED**  
**Caritas Germany (with RCDC and VOPOFA)**  
**DRC**  
**IOM**  
**IRC**  
**JACK**  
**JIA**  
**OHW**  
**Oxfam**  
**Save the Children International**  
**WHH**  
**World Vision**

### NATIONWIDE MEDIAN ITEM PRICE AT TIME OF INTERVIEW AND REPORTED CHANGE IN DEMAND FOR ITEMS IN THE PAST 30 DAYS<sup>1</sup>

Item	Unit	Price in AFN	Change since 30 days	Increase in demand (% KIs)	Same demand (% KIs)	Decrease in demand (% KIs)
<b>Food Items</b>						
Wheat flour (local)	1 kg	35	▲ 17%	64%	13%	21%
Wheat flour (imported)	1 kg	38	▲ 15%	62%	13%	23%
Local Rice	1 kg	50	▲ 11%	53%	21%	22%
Vegetable Oil	1 L	100	▲ 22%	54%	22%	22%
Pulses <sup>2</sup>	1 kg	88	▲ 26%	46%	29%	22%
Salt	1 kg	20	▲ 14%	16%	77%	4%
Sugar	1 kg	50	▲ 19%	52%	31%	15%
Tomatoes	1 kg	50	no change	47%	28%	22%
Potatoes	1 kg	34	▲ 20%	49%	24%	23%
Onions	1 kg	35	▼ 13%	46%	29%	23%
Eggs	1 pc	8	▲ 39%	39%	27%	31%
<b>Non-Food Items (NFIs)</b>						
Soft cotton cloth (2m <sup>2</sup> piece)	1 pc	100	▲ 19%	25%	49%	21%
Antiseptic soap (95-110g)	1 pc	30	▲ 20%	63%	31%	3%
Toothpaste	1 pc	50	▲ 25%	16%	74%	6%
Toothbrush adult	1 pc	25	▼ 17%	14%	75%	7%
Toothbrush child	1 pc	20	no change	16%	74%	7%
Washing detergent	1 pc	45	▲ 13%	39%	53%	5%
Bleach	1 L	55	▲ 10%	56%	36%	5%
<b>Other NFIs</b>						
Safe water	1 L	16	▼ 20%	19%	66%	10%
Firewood	1 kg	11	▼ 14%	12%	51%	37%
Kindling	1 kg	10	▼ 17%	20%	42%	31%
Fuel gel	1 L	55	▲ 8%	11%	53%	28%
Cooking fuel	1 kg	39	▼ 22%	41%	30%	22%

### PROPORTION OF KIs REPORTING A CHANGE IN PRICES DUE TO COVID-19<sup>4</sup>

- Of the 85% of KIs reporting an increase in price for at least one food item, **59%** explicitly reported the increase to be due to COVID-19.

- Of the 52% of KIs reporting an increase in price for at least one NFI, **21%** explicitly reported the increase to be due to COVID-19.

### PROPORTION OF KIs REPORTING A CHANGE IN DEMAND DUE TO COVID-19<sup>4</sup>

- Of the 72% of KIs reporting an increase in demand for food items, **40%** explicitly reported the increase to be due to COVID-19.

- Of the 52% of KIs reporting an increase in demand for NFIs, **34%** explicitly reported the increase to be due to COVID-19.

**Cost of MEB<sup>3</sup>**  
**14,871 AFN**  
**189.43 USD\***

▲ 1,097 AFN +8%\*\*

<sup>3</sup> All AFN to USD conversions in this factsheet use a fixed exchange rate of 78.5 AFN to 1 USD, unless otherwise stated. This is taken from the standard exchange rate used by the Afghanistan CVWG in MEB calculations. The official exchange rate on the first day of data collection (23 April) was 76.0250 AFN to 1 USD (cash sell rate) as reported by the Afghanistan Bank.

\*\* The % of change between the price of the MEB during data collection, and the price of the MEB 30 days prior to data collection is reflected here.

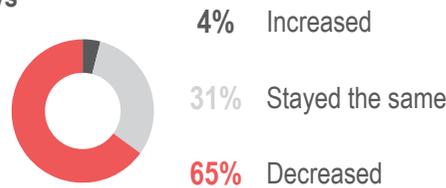
## PERCEIVED IMPACT OF COVID-19 ON MARKETS

### TRADERS & BUSINESS

Proportion of KIs reporting traders usually present in the marketplace to be open

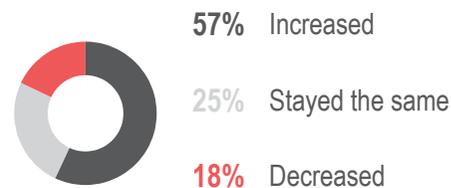


Proportion of KIs reporting the number of traders open to have changed in the last 30 days



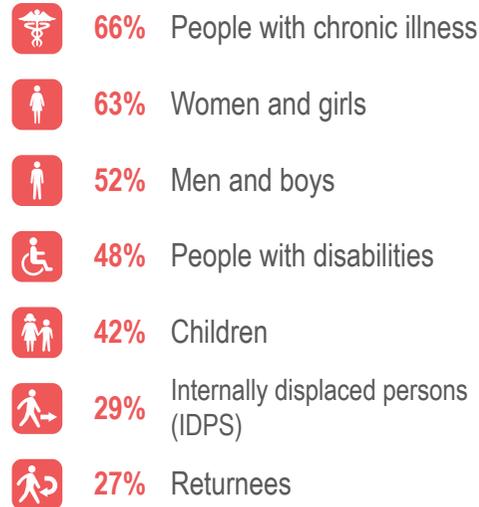
Of the 65% of KIs reporting a decrease in the number of traders open, **63%** explicitly reported this to be due to COVID-19.

Proportion of KIs that change their reliance on purchasing commodities on credit due to COVID-19



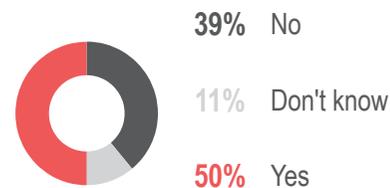
### MARKET ACCESS & SAFETY

Proportion of KIs reporting COVID-19 to have impacted access to markets for certain population groups<sup>5</sup>



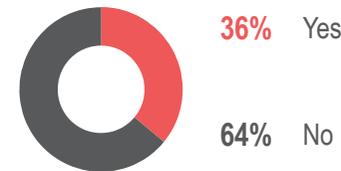
Overall, **86%** of KIs reported at least one population group whose ability to access markets had been impacted by COVID-19.

Proportion of KIs reporting there to be new safety and security concerns for consumers around visiting markets due to COVID-19



### SUPPLY CHALLENGES

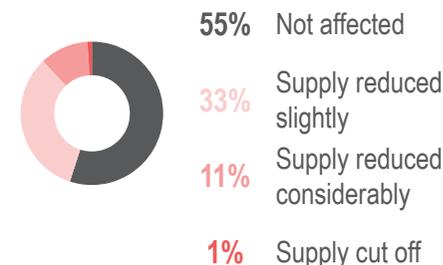
Proportion of KIs reporting that they faced difficulties obtaining enough commodities to meet demand in the past 30 days



Of the 36% of KIs reporting difficulties in obtaining enough commodities to meet supply in the last 30 days, **79%** explicitly reported this to be caused by reduced movement due to fear of exposure to COVID-19.

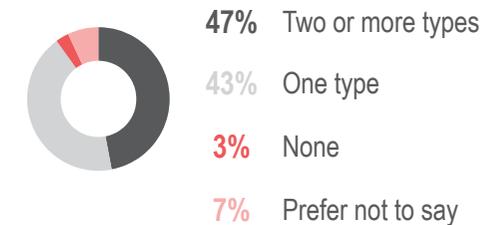
Overall, 97% of KIs reported their main means of transport of food items was by road, and 96% for NFIs. However, **39%** of KIs reported that they had faced difficulties in road-based transportation of goods between suppliers and their business that were new in the past 30 days.

Proportion of KIs reporting there to be new safety and security concerns to be affecting supply to markets due to COVID-19



### PRESENCE OF FINANCIAL SERVICES

Proportion of KIs reporting there to be any functional money transfer services in or near their market area



In light of the current COVID-19 crisis in Afghanistan, many humanitarian actors are increasing the use of cash and voucher assistance (CVA) in their response; the presence of money transfer services can be key to this. Overall **39%** of KIs reported that over the past 30 days, there were fewer services available.

### REACH & COVID-19

As an initiative deployed in many vulnerable and crisis-affected countries, REACH is deeply concerned by the devastating impact the COVID-19 pandemic may have on the millions of affected people we seek to serve. REACH is currently working with Cash Working Groups and partners to scale up its programming in response to this pandemic, with the goal of identifying practical ways to inform humanitarian responses in the countries where we operate. COVID-19-relevant market monitoring and market assessments are a key area where REACH aims to leverage its existing expertise to help humanitarian actors understand the impact of changing restrictions on markets and trade. Updates regarding REACH's response to COVID-19 can be found in a [devoted thread](#) on the REACH website. Contact [geneva@impact-initiatives.org](mailto:geneva@impact-initiatives.org) for further information.

<sup>1</sup> For each item, KIs were asked to report if demand for the item had changed in the past 30 days (increased, stayed the same, decreased).

<sup>2</sup> Pulses in this table are calculated as the average price of all three types of pulses monitored: lentils, beans, and split-peas.

<sup>3</sup> The Minimum Expenditure Basket (MEB) was calculated using the prices of the relevant food and non-food item prices monitored. For items where prices were not monitored, or for fixed amounts for the health and shelter components, calculations used the amounts set by the CVWG. For more information on the MEB, please see the [JMMI April 2020](#).

<sup>4</sup> Any KI that reported an increase or decrease in price and demand of any food item or NFI was asked to report the main reason for this, for food items and NFIs respectively. Reasons given were entered as open text responses, meaning that answers may be open to interpretation of the enumerator. All responses were later categorized during data cleaning and processing.

Therefore, findings may be over or under represented and should be considered indicative only. <sup>5</sup> KIs could only report 'No, none', or select multiple options. Findings may therefore exceed 100%.

## METHODOLOGY

Working through the CVWG and its partners, and funded by the European Civil Protection and Humanitarian Aid Operations (ECHO), 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 is led by the CVWG and coordinated through a JMMI Task Force (JMMI-TF) established for this purpose. REACH operates as the technical lead, by providing input on the research and tool design, providing training to partners, compiling and cleaning all data collected, and conducting analysis. The World Food Programme (WFP) provided support in the tool review and development.

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 which 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 NFIs). KIIs were asked for information encompassing the 30 days prior to data collection. Findings represent KIIs' understanding of the situation in their markets and therefore are **indicative only**.

The first (pilot) round of data collection took place between 23 April and 8 May 2020, and a total of 697 KIIs were conducted. This round covered 210 markets, which were sampled by partners nationwide based on their access and existing areas of intervention. This includes markets in 27 out of 34 provinces in Afghanistan.

*In the questions regarding change in demand/prices of food and NFIs, the answer option 'Due to COVID-19' encompasses multiple factors where participants explicitly mentioned COVID-19 to be a factor, including closure of borders due to COVID-19, reduced movement due to public health restrictions and/or government lockdown measures, etc.*

## 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](http://www.reach-initiative.org). You can contact us directly at: [geneva@reach-initiative.org](mailto:geneva@reach-initiative.org) and follow us on Twitter [@REACH\\_info](https://twitter.com/REACH_info).

## Challenges & Limitations

- While KIIs are ideally conducted in person, due to COVID-19 related access restrictions, a number of interviews were conducted remotely via phone, in line with REACH guidelines and best practices on remote data collection.
- The length of the questionnaire posed challenges as KIIs were sometimes unwilling or unable to participate for too long whilst working. This was especially challenging for interviews conducted remotely. Following partner feedback, the tool has been shortened.
- Data was collected under limiting circumstances in that many areas were under government-sanctioned lockdown in response to COVID-19. Furthermore, the pilot data collection period fell during the month of Ramadan, where many traders are closed or operating on shorter hours. These two factors likely affected findings.
- Determining the price per unit proved difficult, as unit measurements can vary across Afghanistan. To solve this issue, the units in which the items were sold have been normalized in this dataset (i.e. converted to the same standard unit of measurement, and prices adjusted accordingly).

## JMMI Partners

- **AADA** - Agency for Assistance and Development of Afghanistan
- **AAH** - Action Against Hunger
- **ACTD** - Afghanistan Center for Training and Development
- **ACTED** - Agency for Technical Cooperation and Development
- **Caritas Germany (with RCDC and VOPOFA)**
- **RCDC** - Rural Capacities Development Committee
- **VOPOFA** - Village of Peace Organization for Afghans
- **DRC** - Danish Refugee Council
- **IOM** - International Organization for Migration
- **IRC** - International Rescue Committee
- **JACK** - Just for Afghan Capacity and Knowledge
- **JIA** - The Johanniter International
- **OHW** - Organization of Human Welfare
- **Oxfam**
- **Save the Children**
- **WHH** - Welthungerhilfe
- **World Vision**

