

PERCEIVED IMPACT OF COVID-19 ON MARKETS

INTRODUCTION

The Afghanistan Joint Market Monitoring Initiative (JMIMI) 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 and Voucher Assistance (CVA). Data from the pilot round of the JMIMI was collected between 8 and 21 June, in 29 provinces of Afghanistan.

- 17 participating agencies
- 29 assessed provinces
- 275 assessed marketplaces
- 871 key informants interviews (KIs)
- 26 commodities assessed

JMIMI PARTNERS

AADA
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 AND CHANGE SINCE JMIMI 1ST ROUND¹

Item	Unit	Price in AFN	Change since 1st round
Food Items			
Wheat flour (local)	1 kg	33	▼ 6%
Wheat flour (imported)	1 kg	37	▼ 3%
Local Rice	1 kg	50	no change
Vegetable Oil	1 L	100	no change
Pulses ²	1 kg	60	▼ 2%
Salt	1 kg	20	no change
Sugar	1 kg	50	no change
Tomatoes	1 kg	20	▼ 60%
Potatoes	1 kg	25	▼ 27%
Onions	1 kg	15	▼ 57%
Eggs	1 pc	7	▼ 16%
Non-Food Items (NFIs)			
Soft cotton cloth (2m ² piece) ²	1 pc	85	▼ 15%
Antiseptic soap (95-110g)	1 pc	30	no change
Toothpaste	1 pc	40	▼ 20%
Toothbrush (adult)	1 pc	25	no change
Sanitary pad	1 box	50	N/A
Washing detergent	1 pc	50	▲ 11%
Bleach	1 L	60	▲ 9%
Other NFIs			
Safe (drinking) water	1 L	13	▼ 17%
Firewood	1 kg	12	▲ 9%
Kindling ²	1 kg	13	▲ 30%
Fuel gel	1 L	60	▲ 9%
Cooking fuel	1 kg	45	▲ 15%
Jerry can	1 pc	85	N/A

CHANGE IN DEMAND FOR ITEMS SINCE JMIMI 1ST ROUND¹

Increase in demand (% KIs)	Same demand (% KIs)	Decrease in demand (% KIs)
Food Items		
37%	31%	29%
37%	30%	30%
33%	41%	22%
42%	38%	18%
38%	29%	31%
13%	82%	3%
34%	52%	13%
51%	34%	11%
43%	41%	13%
37%	50%	9%
34%	41%	23%
Non-Food Items (NFIs)		
12%	56%	26%
54%	39%	6%
18%	70%	10%
17%	71%	9%
11%	73%	9%
33%	56%	9%
39%	45%	12%
Other NFIs		
42%	50%	6%
3%	45%	40%
3%	54%	36%
2%	58%	33%
35%	41%	21%
10%	68%	13%

PROPORTION OF KIs REPORTING A CHANGE IN PRICES DUE TO COVID-19³

- Of the 60% of KIs reporting that prices for NFI items had decreased in the past 30 days, **90%** reported the increase to be due to COVID-19.

PROPORTION OF KIs REPORTING A CHANGE IN DEMAND DUE TO COVID-19⁴

- Of the 61% of KIs reporting an increase in demand for at least one food item in the past 30 days, **72%** reported the increase to be due to COVID-19.

- Of the 47% of KIs reporting an increase in demand for at least one NFI item in the past 30 days, **71%** reported the increase to be due to COVID-19.

Cost of MEB⁵
14,225 AFN
181.21 USD*

▼ 646 AFN -4%**

* 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 of the second round of the JMIMI (8 June) was 77.2607 AFN to 1 USD (cash sell rate) and 77.06 (cash buy 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 in [April-May 2020](#) is reflected here.

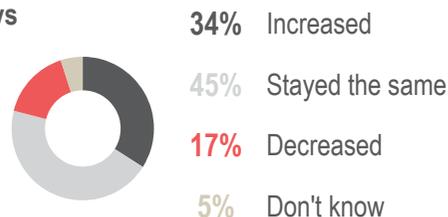
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TRADERS & BUSINESS

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

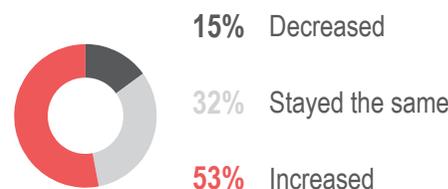


Proportion of KIs reporting the number of traders open to have changed in the last 30 days



Of the 17% of KIs reporting a decrease in the number of traders open, **84%** explicitly reported this to be due to COVID-19.

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



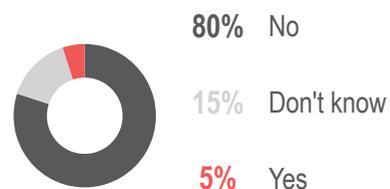
MARKET ACCESS & SAFETY

Proportion of KIs reporting COVID-19 to have impacted access to markets for certain population groups⁶



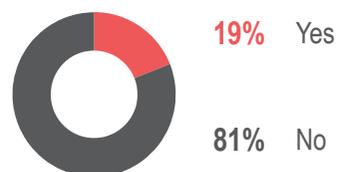
Overall, **89%** of KIs reported at least one population group whose ability to access markets had been impacted by COVID-19.

Proportion of KIs reporting customers faced major security constraints when traveling to the market in the past 30 days



SUPPLY CHALLENGES

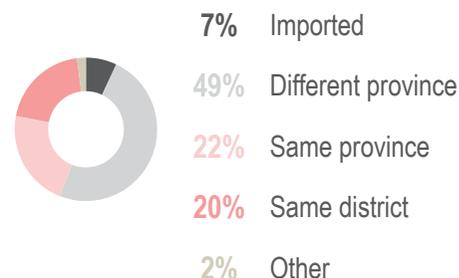
Proportion of KIs reporting that they faced difficulties obtaining enough commodities to meet demand in the past 30 days



Of the 19% of KIs reporting difficulties in obtaining enough commodities to meet demand in the last 30 days, **73%** explicitly reported this to be caused by reduced movement due to fear of exposure to COVID-19.

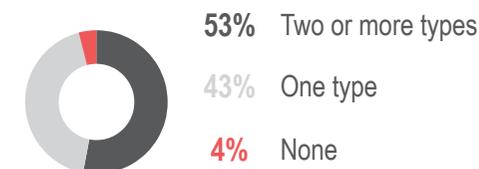
Overall, 99% of KIs reported their main means of transport of food items was by road, and 99% for NFIs. However, **21%** of KIs reported that they had faced difficulties that were not present before in the road-based transportation of goods between suppliers and their business in the past 30 days.

Proportion of KIs by source of their main reported supplier of food and NFI items



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 **22%** 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 for further information.

METHODOLOGY

Working through the Cash and Voucher Working Group (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. The World Food Programme (WFP) provided support in the tool review and development.

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**.

Data collection took place between 8 and 21 June 2020, and a total of 871 KIIs were conducted. This round covered 275 markets, which were sampled by partners nationwide based on their access and existing areas of intervention. This includes markets in 29 out of 34 provinces in Afghanistan. For more information on the methodology, please see the [general JMMI output](#).

ENDNOTES

1. The data collection of the first round of the JMMI took place between 23 April and 8 May 2020.

2. Pulses in this table are calculated as the median (normalized) price of all three types of pulses monitored: lentils, beans, and split-peas. Due to limited data points and strong regional variation, the national median price for the item 'soft cotton cloth' was used to calculate the MEB. The item 'kindling' is a highly seasonal winter item and therefore not frequently sold during the period of round 2 data collection. Hence, the price of this item is indicative.
3. All KIIs were asked in general about changes in prices of food and NFI items, and for those that reported an increase or decrease were asked to report on the main reason for this. Multiple options could be selected and findings may therefore exceed 100%.
4. Any KI that reported an increase or decrease in demand of any food item or NFI was asked to report the main reason for this, for food items and NFIs respectively. Multiple options could be selected and findings may therefore exceed 100%.
5. 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 fixed price set by the CVWG. For more information, please see [JMMI April - May 2020](#).
6. KIIs could only report 'No, none', or select multiple options. 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](https://twitter.com/REACH_info).

Challenges & Limitations

- Due to COVID-19 and related government restrictions data collection continued to be difficult, as enumerators had difficulties finding KIIs to interview at the markets.
- Despite having the tool shortened following the pilot round, the length of the questionnaire remained challenging as KIIs were unable to participate for too long whilst working. Therefore, the tool will be further shortened in light of the third round.
- A total of 29 provinces were covered in the second round of the JMMI. Zabul province coverage was lost, but Kandahar, Nimroz and Maidan Wardak provinces coverage was gained in comparison to the pilot round.
- Due to the aforementioned difficulties in data collection (government restrictions due to COVID-19), this round of JMMI was representative at the province-level. In the next rounds of JMMI, the aim of the JMMI is to have data representative at the district-level.
- Due to limited data points and strong regional variation, the national median price for the item 'soft cotton cloth' was used to calculate the MEB.

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**

