

Part 1.2 The Minimum Expenditure Basket

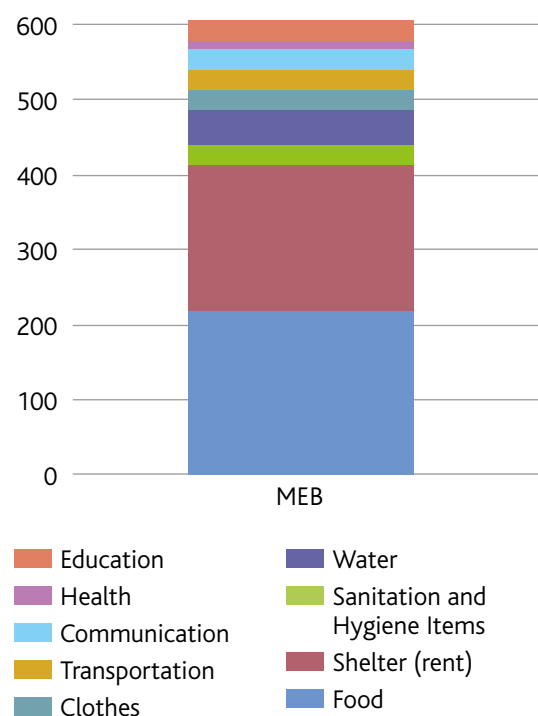
Quantifying recurrent needs for goods and services in a Minimum Expenditure Basket.

What It Is

The Minimum Expenditure Basket (MEB) is defined as what a household requires in order to meet basic needs – on a regular or seasonal basis – and its average cost. Determining the MEB serves three functions: a) it is a holistic reflection of need as perceived by crisis-affected populations, including those needs that fall outside of traditional sectors, e.g. communication, transport, etc), b) by determining what should be in it, we know which markets for goods and services should be included in [Part 1.3 Multi-Sector Market Assessment](#) (households need X, Y and Z, but can they find it locally?) and c) by influencing the design of the [MPG transfer value](#), as it relates to the objectives of the programme and reflects the vulnerability of the target group and Gap Analysis (Part 2).

There are different views on what constitutes an MEB. In non-crisis settings, a country's poverty line represents its minimum consumption standards of essential goods and services. In a humanitarian crisis, affected populations are the best source of information on what are their minimum expenditures requirements. These should be compared to minimum consumption requirements as defined by international standards such as International Humanitarian and Human Rights Law which protect crisis-affected persons' right to food, drinking water, soap, clothing, shelter and life-saving medical care.¹⁸ Humanitarian [Sphere Standards](#) define basic needs as the above plus basic water and sanitation, non-food items, contagious disease prevention and education. Figure 2 provides an example of the MEB for Syrian refugees in Lebanon.

FIGURE 2. Minimum Expenditure Basket from Syria Crisis: Lebanon



A consensus around what constitutes the MEB can be a foundation for sector-specific interventions, which may use cash and in-kind goods and services to achieve sector-specific objectives (Figure 3). The provision of an MPG that covers all or part of the MEB will enable crisis-affected populations to use in-kind assistance and access services as they were intended.

¹⁸ Article 55 of the Geneva Conventions (food and medical supplies) and Article 69(1) also ensure the provision of clothing, bedding, means of shelter, and other supplies essential to survival (<https://www.icrc.org/ihl>).

FIGURE 3. MEB and MPG as foundation for sector-specific interventions



The MEB should not be confused with the MPG transfer value. The MEB is fixed for a given emergency unless there are significant changes in prices or needs. In contrast, the *MPG transfer value* may change based on the availability (value and coverage) of other humanitarian assistance, such as government interventions, the targeting strategy and criteria (e.g. wider coverage with a reduced grant versus targeted coverage with a bigger grant), or the programme objective (e.g. livelihoods recovery) and any additional cash requirements households may have. See [MPG Transfer Design](#) for more detail.

Essential Checklist

Consult and involve stakeholders. The first stakeholders are affected populations themselves (Box 4). Other stakeholders include humanitarian actors such as clusters/sectors who will contribute to determining what is needed and what can be purchased by crisis-affected persons. The government is also important, not least because it may have its own CBIs in line with minimum consumption standards or poverty thresholds, or have concerns about and insights into the needs of disaster-affected persons and/or the host community in displacement contexts. Other agencies implementing CBIs are also key – to promote a common understanding of the MEB, and to discuss rationale when agencies use different transfer values, which may be justified by differences in programme design, e.g. objective, target group, etc.

It is important to involve government in calculating the MEB, particularly if the MEB goes over the local minimum wage and government is concerned about how the local population unaffected by crisis will perceive this.

Determine the objectives of the MEB exercise. Multiple objectives are possible. If determining an MEB to inform the eventual MPG transfer value, then specify for whom, location and duration. Here are some examples:

- A To inform the choice of goods and service markets to be assessed in a Multi-Sector Market Assessment.
- B To determine the local monthly survival MEB for an average family of five.
- C To establish a baseline against which to monitor market prices and cost of living.

Itemise the goods and services to be included in the MEB based on the Needs Assessment. For example, in Lebanon (Figure 2):

- Common items in the basic MEB included: food (staples, vegetables, meat/milk, condiments), water, sanitation supplies (hygiene items, personal and household cleaning supplies), healthcare costs not covered through free services (e.g. minimum over-the-counter medical supplies such as

paracetamol), rent, cooking fuel, utilities including energy (electricity/gas), transportation including school transportation, and communications.

- The non-food items were further disaggregated into **recurrent costs**, e.g. water, soap, etc. and **one-off costs**, e.g. winter clothes, education supplies.
- The one-off cost of obtaining legal documents and one “critical medical event” (based on the statistic that five percent of the population will have at least one such event in a year) was also included in the *basic* MEB.

BOX 4. DETERMINING THE MEB FOR SYRIAN REFUGEES IN EGYPT

UNHCR, WFP and Save the Children worked together to implement combined cash and food voucher assistance to Syrian refugees in Cairo. The objective was to determine the minimum quantities needed of essential and basic food and non-food items for one month for a Syrian household of five members, and the overall related cost.

The process included a first stage: focus group discussions in community centres to determine essential non-food items, common brands used and minimum quantities necessary for an average family. Participants also discussed average rent, and type and cost of utilities.

In a second stage, market assessments were undertaken in shops normally frequented by Syrians to determine average costs per unit. Shelter and utility costs were assessed through a survey with a sample of refugees and triangulation with private and public sector key informants. WFP carried out a parallel exercise to determine minimum food needs and the value of a food voucher, and to identify shops for potential inclusion in a voucher programme.

Distinguish between recurrent costs, e.g. food and rent, and one-off but *predictable* costs, e.g. school supplies, seeds and tools. Households will often use whatever resources they have to meet priority needs, even if it means converting one form of aid to another, e.g. selling food assistance to pay

for medicine. Consider top-up grants in the [MPG transfer design](#).

Take note of what may change by season or stage in the emergency response (needs, availability of goods and services, AND prices). Use a crisis calendar (see detailed [Multi-Sector Market Assessment](#)).

Do the [Multi-Sector Market Assessment](#) to determine the cost of the MEB. Plan to do it again if a significant change is anticipated in terms of needs, availability of goods and services, or prices. Decide whether the average cost or the minimum cost will be used in calculations.¹⁹

Assess the necessity of different MEB values. National MEB calculations are usually sufficient in an emergency. However, in some contexts there may be big price differences between geographic areas or different livelihood groups, e.g. pastoralists versus agricultural households, etc.

Ensure that sector-specific recommendations are consistent with the MEB. Coordination is necessary to ensure that other CBIs, if not included in the MPG, are at least in harmony with the MEB.

Once determined, communicate the MEB to stakeholders. Describe how it was determined, and the strategy for monitoring its accuracy and subsequent revision if necessary. It is also important to indicate a contact group if agencies have questions, e.g. Cash Working Group or Inter-Cluster/Sector Coordination Group.

✚ Often the cost of the MEB for persons affected by disaster is higher than the poverty line or minimum wage of a host population or unaffected population. This presents a potential conflict with the host government or unaffected population. This can be managed through effective communication, variations in the transfer value, use of in-kind and other assistance, etc. However, it should also be recognised that if the transfer value is too low relative to the MEB, this will have an impact on its effectiveness.

Have a clear justification of MEB/MPG values even if very little data exists (Box 5). It is important to cite the data source for calculations (e.g. a country's

¹⁹ In Lebanon, the MEB used the **average** cost of goods and services, while the survival MEB (SMEB) was based on the minimum cost.

own minimum consumption and expenditure surveys, food prices from WFP, primary data on non-food item prices from the Cash Working Group, etc.), so others can clearly reconstruct the MEB, follow the logic behind the MPG transfer value, and update both values when needed.

It is okay to start with a “good enough” MEB – in many cases timeliness is more important than accuracy. An MEB based on estimates of the two to three most important expenditures (commonly food, non-food items and shelter) is enough to start a programme. Better estimates can be determined over time with better knowledge of the context and target population.

NO TIME!

- ! Use focus group discussions and individual interviews to understand what are the essential expenditures in a given emergencies and what is their minimum cost.
- ! Based on identified priorities, quickly survey what price information is already available and can inform the MEB or act as a “proxy” for other unknown costs (see Box 5).
- ! Use a country’s existing poverty line or minimum wage.

RESOURCES

Country examples in Ukraine, Lebanon, Jordan, Egypt and Syria. See detailed examples in [Annex 3 Standard Operating Procedures: Appendix 1](#) or [Contact UNHCR Cash Section](#).

[WFP Cash and Voucher Guidelines](#): Transfer Value Calculation, p.43, for determining the food component of the MEB.

BOX 5. NO TIME TO CALCULATE A PROPER MEB

The NGO Consortium in Ukraine designed an inter-agency MPG as part of a more comprehensive protection intervention. It needed to estimate the MEB to determine and justify the MPG transfer value. There was no time for primary data collection of prices, so agencies did a rough estimation of the MEB using the following:

What are the target groups’ prioritised needs?

In Needs Assessments, IDPs in Ukraine mentioned food, rent and health-related costs, e.g. medication.

What secondary price information is available?

The Consortium used the WFP food basket to estimate food prices and the Shelter Cluster’s shelter cost survey which included rental prices.

What secondary price data can “stand in” for other costs in the MEB?

There was no information on health-related costs. A non-food items price survey conducted by Save the Children became the “proxy cost” for other essential household expenses.

What can people pay themselves?

There was no information for the average income or expenditure of vulnerable IDP families. Therefore the national minimum wage stood in for income, though it was considered higher than what IDPs could earn.

Setting the transfer value. Budget constraints and inter-agency agreements meant the agreed transfer value was set at less than 20% of the estimated MEB (even when factoring in WFP food assistance) – an insufficient amount to meet programme objectives. As a result, the Consortium successfully lobbied donors to re-evaluate the transfer value, tasking the Shelter Cluster and Cash Working Group with the work. It is important to emphasise that the NGO Consortium’s MEB was not comprehensive or exhaustive, but rather a starting point for more rigorous inter-agency discussions on the MEB and transfer values, when time eventually permitted.