



**MINIMUM EXPENDITURE BASKET (MEB)**  
**A GUIDE TO CALCULATE THE**  
**TRANSFER VALUE**

**JUNE, 2022**



## Minimum Expenditure Basket (MEB) 2022

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### INTRODUCTION

The Minimum Expenditure Basket (MEB) for the Philippines outlines the minimum culturally-adjusted items for survival of a household of five<sup>1</sup> for one month, post Typhoon.<sup>2</sup> The basket comprises the basic energy requirements of 2,100 kilocalories per day, shelter needs for disaster-affected households, non-food items, WASH, health, clothing and education items as well as necessary services, basic livelihood restoration items and minimal debt relief.

The MEB is developed for use by humanitarian organizations designing and/or implementing cash assistance programs in the Philippines. This document presents the standard MEB value based on consensus among the Cash Working Group (CWG) members and the Inter-Cluster Coordination Group (ICCG) and outlines a Transfer Value (TV) for humanitarian cash transfers based on a percentage coverage of the MEB.

This document underlines the way in which the MEB and the TV were designed. The objective of this document is to harmonize the delivery of humanitarian cash assistance across the Philippines among all cash transfer practitioners.

### BACKGROUND AND RATIONALE

On the 16th of December Typhoon Rai made its landfall in the Philippines ultimately affecting 12 million people across 11 regions. A total of 2.1 million houses have been damaged out of which 406,000 destroyed. As many as 12,000 people were displaced as a result of the disaster.

Considering the multifaceted needs of the affected population, a significant amount of humanitarian assistance in response to Typhoon Rai was programmed as multi-purpose or sectoral cash. However, due to the lack of agreed Cash and Voucher Assistance (CVA) standards numerous distinct cash amounts were distributed across the Philippines. In order to improve the measurability of CVA on beneficiaries as well as the accountability and effectiveness of humanitarian cash transfers, the CWG decided to harmonize the way in which this assistance is delivered by setting up a MEB. A corresponding Transfer Value was also agreed for all practitioners to use in response to the next disaster.

The CWG has held several meetings with the Disaster Response Management Bureau (DRMB) of DSWD in order to ensure transparency of the MEB creation process<sup>3</sup>. The DSWD has recently released an Emergency Cash Transfer Operations Manual (March, 2022) that outlines the way the Philippines Government envisages the delivery of de facto multi-purpose cash. The model is based on regional minimum wages and a vast range of days is used as a multiplier. Consequently, various transfer values may be computed, which works against the harmonization effort. Nonetheless, the MEB computation and the corresponding Transfer Value outlined in this document falls within the range of transfers that may be derived using the formula presented in the ECT Operations Manual.

### MEB DEVELOPMENT PROCESS

The Philippines basket was composed from the inputs of cluster leads, with services and debt added by the CWG to reflect the transport, communication and debt repayment needs.

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<sup>1</sup> Average household size in the Philippines;

<sup>2</sup> The MEB was designed based on the needs of the households affected by Typhoon Rai (Odette), but may be adequate for other natural disasters occurring in the Philippines (e.g. earthquakes);

<sup>3</sup> Minutes of meeting: DSWD-CWG, June 2<sup>nd</sup> 2022;

The basket is composed using a “rights-based approach”. Prices of items have been verified at field level. However, some prices were derived from different regions (i.e. Caraga, Southern Layte or Bohol), only the food basket reflects a comprehensive average between the three.

**Food (based on 2,100 kilocalories per person):**

	Items	PhP	USD	Recurring	One off	Data Type	Date Updated
		Family of five		monthly vs single transfer		sources and date	
Food (average for three provinces)	Rice	2971	54,1	Y	N	Calculated by WFP	May 2022
	Fish dried	490	8,9				
	Oil, vegetable	794	14,5				
	Brown sugar	54	1,0				
	Mung beans (green)	300	5,5				
	Pasta	216	3,9				
	Peanut butter	109	2,0				
	Potato (irish)	120	2,2				
	Salt, iodized	31	0,6				
	Tiger energy biscuit	113	2,1				
	Eggs fresh	563	10,3				
	Whole chicken fresh	232	4,2				
	Tuna, canned in oil	334	6,1				
	Sardines, canned in tomato	275	5,0				
	Corned beef, canned	440	8,0				
	Cabbage, raw	170	3,1				
	Squash	81	1,5				
	Bananas	140	2,6				
Sweet potato	149	2,7					
<b>TOTAL</b>		<b>7582</b>	<b>138,2</b>				

**Water Sanitation and Hygiene:**

	Items	PhP	USD	Recurring	One off	Data Type	Date Updated		
		Family of five		monthly vs single transfer		sources and date			
WASH	Bath soap	233	4,5	Y	N	Calculated by UNICEF	May 2022		
	Louandy soap	43	0,8						
	Toothbrush (adult)	29	0,5						
	Toothbrush (kids)	19	0,4						
	Toothpaste	43	0,8						
	Sanitary napkins	59	1,1						
	Shampoo	98	1,9						
	Jerry can (20L)	250	4,8						
	Water purif. (NaDCC) Aquatabs	250	4,8					N	Y
	<b>TOTAL</b>		<b>1023</b>					<b>19,6</b>	

**Shelter:**

	Items	PhP	USD	Recurring	One off	Data Type	Date Updated
		Family of five		monthly vs single transfer		sources and date	
Shelter	Rope 3mm (polypropylene)	300	5,7	N	Y	Calculated by IFRC	May 2022
	Rope 12mm (polypropylene)	300	5,7				
	Handsaw for timber 400mm	350	6,7				
	Nails, Roofing 75mm (3")	90	1,7				
	Nails, Wood 40mm (1.1/2")	100	1,9				
	Nails, Wood 7.5cm (3")	70	1,3				
	Shovel, round point 1m long	380	7,3				
	Hoe, long handle	350	6,7				
	Mutt Hoe 250x70mm, 0.7kg	300	5,7				
	Machette 500mm, wooden handle	200	3,8				
	Shears, for metal sheet 1mm, 255mm	250	4,8				
	Tie Wire diam 1.5mm, roll	200	3,8				
	Claw Hammer 750g, wooden handle	350	6,7				
	Measuring tape, PVC 20mm x 3m	100	1,9				
	<b>TOTAL</b>		<b>3340</b>				

**Non-food items (NFIs):**

	Items	PhP	USD	Recurring	One off	Data Type	Date Updated
		Family of five		monthly vs single transfer		sources and date	
NFIs	Cooking pot, Stainless steel 7L 25cm with handles	1526	27,8	N	Y	Based on IFRC Kitchen Kit + Mattress	May 2022
	Cooking pot, Stainless steel 5L 20cm handle & lid						
	Frying pan Alumm. 2.5L						
	Bowl for food, Stainless steel 1L						
	Table spoon, Stainless steel						
	Table fork, Stainless steel						
	Table knife, Stainless steel						
	Kitchen knife, 15cm blade						
	Wooden spoon, stirring 30cm						
	Serving spoon, stainless steel 35cm						
	Ladle, 100ml, stainless steel						
	Plate, deep, stainless steel, diam 22cm - cap.0.75L						
	Cup, stainless steel, 300ml						
	Soucing pad						
	Mattress						
<b>TOTAL</b>	<b>1526</b>	<b>27,8</b>					

### Health:

	Items	PhP	USD	Recurring	One off	Data Type	Date Updated
		Family of five		monthly vs single transfer		sources and date	
Health	First aid kit (Povidone Iodine 10% wound solution, 25ml; Cotton roll 20g; Sterilized gauze pad 2x2 4pcs; Standard plastic strips, band-aid 12pcs; micropore tape 1")	176	3,4	N	Y	Based on WHO	May 2022
	<b>TOTAL</b>	<b>176</b>	<b>3,4</b>				

### Services:

	Items	PhP	USD	Recurring	One off	Data Type	Date Updated
		Family of five		monthly vs single transfer		sources and date	
Services	Transport	200	3,8	Y	N	Based on common practice during TY Rai	May 2022
	Communication	350	6,7				
		<b>TOTAL</b>	<b>550</b>	<b>10,5</b>			

### Education:

	Items	PhP	USD	Recurring	One off	Data Type	Date Updated
		Family of five		monthly vs single transfer		sources and date	
Education	pencils	9,9	0,19	N	Y	Based on UNICEF	May 2022
	ballpens	4,6	0,09				
	notebooks	20	0,37				
	crayons	13	0,26				
	face masks (child's)	60	1,15				
	expandable plastic envelope	50	0,96				
	internet wi-fi	300	5,74	Y	N		
	<b>TOTAL</b>	<b>458</b>	<b>8,7</b>				

### Protection:

	Items	PhP	USD	Recurring	One off	Data Type	Date Updated
		Family of five		monthly vs single transfer		sources and date	
Protection	Legal/Civil documents	775	14,8	N	Y	Based on UNHCR & UNFPA	May 2022
	Bath towel	156	3,0				
	Underwear	242	4,6				
	Bra	193	3,7				
	Malong	650	12,4				
	Slippers	100	1,9				
	<b>TOTAL</b>	<b>2116</b>	<b>40,5</b>				

### Livelihoods:

	Items	PhP	USD	Recurring	One off	Data Type	Date Updated
		Family of five		monthly vs single transfer		sources and date	
Livelihoods	Fertilizer (organic)	1058	20,2	Y	N	Based on FAO	May 2022
	Agri-feeds (for pigs)	524	10,0				
	Fishery feeds	312	6,0				
	Poultry Pallets	440	8,4				
	<b>TOTAL</b>	<b>2333</b>	<b>44,6</b>				

### Debt:

	Items	PhP	USD	Recurring	One off	Data Type	Date Updated
		Family of five		monthly vs single transfer		sources and date	
Other	Debt	400	7,3	Y	N	CWG	May 2022
	<b>TOTAL</b>	<b>400</b>	<b>7,3</b>				

Minimum Expenditure Basket (Philippines, 2022)			
Items	PhP	USD	%
Food	7582	138	40%
WASH	1023	19	5%
Shelter	3340	61	17%
NFIs	1526	28	6%
Debt	400	7	2%
Services	550	10	3%
Education	458	8	2%
Health	176	3	1%
Protection	2116	39	11%
Livelihoods	2333	42	12%
<b>TOTAL</b>	<b>19504</b>	<b>355</b>	<b>100%</b>

Recurring MEB Items	
Items	PhP
Food	7582
WASH (w/o jerry can)	773
Debt	400
Services	550
Educ. wifi	300
Livelihoods	2333
<b>TOTAL</b>	<b>11938</b>
<b>%</b>	<b>61%</b>

One-off MEB Items	
Items	PhP
Shelter	3340
NFIs	1526
Jerry Can	250
Education	158
Protection	2116
Health	176
<b>TOTAL</b>	<b>7566</b>
<b>%</b>	<b>39%</b>

As is the case with every MEB, food represents by far the largest proportion of the basket, followed by shelter, livelihoods and protection. Shelter is of the essence post-Typhoon as houses are inadvertently affected. Similarly, agricultural land is damaged and fishing capacity reduced, so

the MEB focuses on the restoration of livelihood potential. As properties are destroyed some costs are associated with recreating ownership documents and personal IDs.

Importantly, parts of the MEB should be considered as one-off items only. Durable elements, such as materials, equipment, NFIs and clothes are to be purchased once, while consumable goods are required monthly. Therefore, the first cash instalment should take into consideration the entire MEB, while subsequent instalments should take into account 61% of the MEB.

## TRANSFER VALUES

The value of the transfer – specific to the multi-purpose cash instalment – has been calculated taking into consideration households' access to income and other forms of assistance (i.e. government support post-Typhoon

and 4Ps social protection system) as well as government’s rationale for Emergency Cash Transfers and the national poverty line.

#### Key statistics, Philippines 2022

Poverty Line <sup>4</sup>	Unemployment rate <sup>5</sup>
PhP 12,030	6-8%

The poverty line in the Philippines = PhP 12,030 (2021) [100%]  
 CWG MEB = PhP 19,504 (2022) [162%]

DSWD ECT coverage (75%) = 75% x 12,030 = PhP 9,022<sup>6</sup>  
 CWG MEB coverage (50%) = 50% x 19,504 = PhP 9,752

Considering that the MEB is 62% higher, in nominal terms, than the Philippines poverty line, the CWG decided to cover 50% of the MEB, rather than use the government’s 75% coverage. This arrangement better aligns the presumptive transfer values.

#### Recommended Transfer Values (rounded)

<b>MEB-based MPC Transfer Value = PhP 9,750 (first instalment)</b>
<b>MEB-based MPC Transfer Value = PhP 5,950 (subsequent instalments)</b>

### PRICE MONITORING AND ADJUSTMENTS

Inflation, national and global events (such as the recent war in Ukraine) may affect prices of items listed in the MEB. Therefore, it is important to monitor prices regularly. The food component of the basket is monitored on monthly basis by WFP. This valuable data, collected systematically, may be used as a valuable proxy for MEB price fluctuation.

In order to adjust the MEB when prices rise or fall, the trigger for re-evaluation of the MEB and corresponding TVs is set at 20%. In other words, if prices of food change by more than 20% the CWG will convene a meeting to evaluate possible corrections to the MEB.

The CWG should aim to monitor prices of the remaining items at least on quarterly basis.

**If prices of food change by more than 20% the MEB should be re-evaluated and re-adjusted taking into consideration all MEB items**

### RECOMMENDATIONS

The CWG recommends that all MPC practitioners use the transfer values proposed in this document in order to safeguard the Do No Harm principle, ensure all agencies are seen as equal and harmonize cash transfers for the sake of overall coordination. The MEB should be reviewed on quarterly basis.

The CWG would like to thank its members and the ICCG for valuable inputs and the hard work that has been dedicated to this exercise.

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<sup>4</sup><https://psa.gov.ph/poverty-press-releases/nid/167972>

<sup>5</sup><https://psa.gov.ph/content/employment-rate-may-2022-estimated-940-percent#:~:text=The%20country's%20unemployment%20rate%20dropped,7.7%20percent%20in%20May%202021.>

<sup>6</sup> Assuming that the minimum wage rate, which the ECT utilises as a basis for its formula, is reflective of the poverty line threshold.



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