



# Minimum Expenditure Basket (MEB) Overview



# Minimum Expenditure Basket (MEB)



*“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.”*

## What is it?

- The MEB is an operational tool for calculating the cost of basic needs for socioeconomically vulnerable households.
- It focuses on local market goods and services vital for a decent standard of living.
- in humanitarian action, the MEB aids in understanding and meeting basic needs through cash and voucher assistance.
- Ensures households meet basic needs with dignity, avoiding harmful coping strategies and health or asset compromise

## Why Needed?

- Calculates transfer values for sector-based or multi-purpose cash grants.
- Establishes baselines and monitors markets.  
Contributes to vulnerability analysis and household profiling.
- Enhances collaboration and coordination among agencies.
- Advocates for government acceptance and aligns with social protection programs.
- Informs market assessments and price monitoring.
- Aids in analyzing expenditure trends and understanding economic capacity.
- Quantifies needs for effective gap analysis for basic needs and/or single-sector programmes

## When?

### In Preparedness

- **Purpose:** To inform average transfer amounts for multisector or multipurpose Cash and Voucher Assistance (CVA) in emergencies.

- **Benefits:**

- \* Helps understand potential needs in crisis scenarios.
- \* Initiates collective definition of humanitarian assistance coverage.
- \* Prompts stakeholders to set up systems for monitoring essential needs.

### In the Early Days of a Sudden Onset Emergency Response

- **Purpose:** To quickly determine appropriate transfer amounts for multisector/multipurpose CVA.

- **Benefits:**

- \* Aids in defining coverage through CVA.
- \* Supports discussions on the suitability of multipurpose cash.
- \* Clarifies needs outside CVA scope, guiding in-kind or service complementation.
- \* Lays the foundation for effective interagency collaboration.

### At Any Stage of a Protracted Crisis

- **Purpose:** To continuously update the MEB for relevant transfer amounts in multisector/multipurpose CVA.

- **Benefits:**

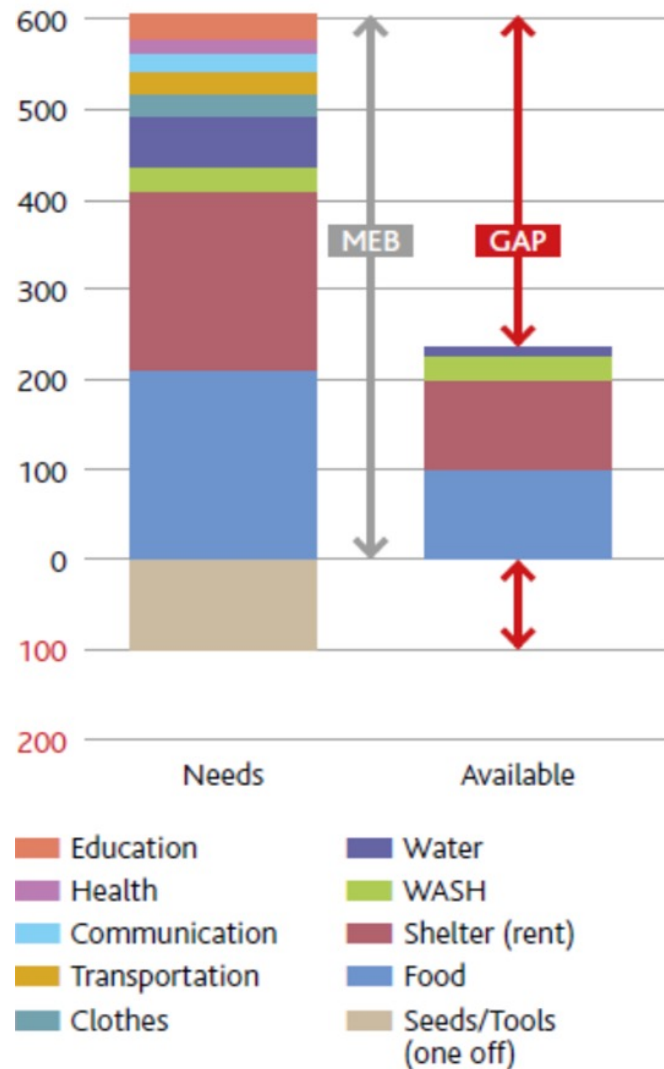
- \* Contributes to ongoing vulnerability analysis, reflecting current needs and coping abilities.
- \* Establishes a collective understanding of basic/essential needs for targeted groups.
- \* Offers a framework for discussing appropriate modalities as situations evolve.
- \* Strengthens coordination mechanisms through interagency MEB.

## MEB Approaches

Approach	Data requirements	Pros and cons	When to use
Expenditure-based MEB	CFSVA, EFSA, household pre-assistance baseline data or PDM, survey data from partners	<ul style="list-style-type: none"> <li>+ straightforward to carry out</li> <li>- problematic when everybody is poor</li> <li>- might not reflect essential needs from a rights-based perspective</li> </ul>	<ul style="list-style-type: none"> <li>- when WFP is the only actor</li> <li>- when WFP wants to monitor expenditure patterns in relation to the MEB</li> </ul>
Rights-based MEB	Detailed prices/cost for food and non-food expenditures	<ul style="list-style-type: none"> <li>+ survey data is not needed</li> <li>- effective demand can be different from assessed needs &gt; comparison with monitoring data is hard</li> <li>- big incentives for partners to inflate sector-specific needs</li> </ul>	<ul style="list-style-type: none"> <li>- if a multi-stakeholder response envisaged</li> <li>- when "everybody is poor" and survey data are not available</li> </ul>
Hybrid approach	Detailed prices/cost for food and non-food expenditures, CFSVA, EFSA, household pre-assistance baseline data or PDM, survey data from partners	<ul style="list-style-type: none"> <li>+ combining the rights-based lens with an approach consistent with demand patterns</li> <li>- data intense</li> </ul>	<ul style="list-style-type: none"> <li>- if a multi-stakeholder response envisaged and survey data are available</li> <li>- when "everybody is poor" and survey data are available</li> </ul>

*Approaches to establishing MEBs, data requirements, pros and cons, and when to use which approach adapted from WFP Guidance on MEBs*

# What MEB looks like?



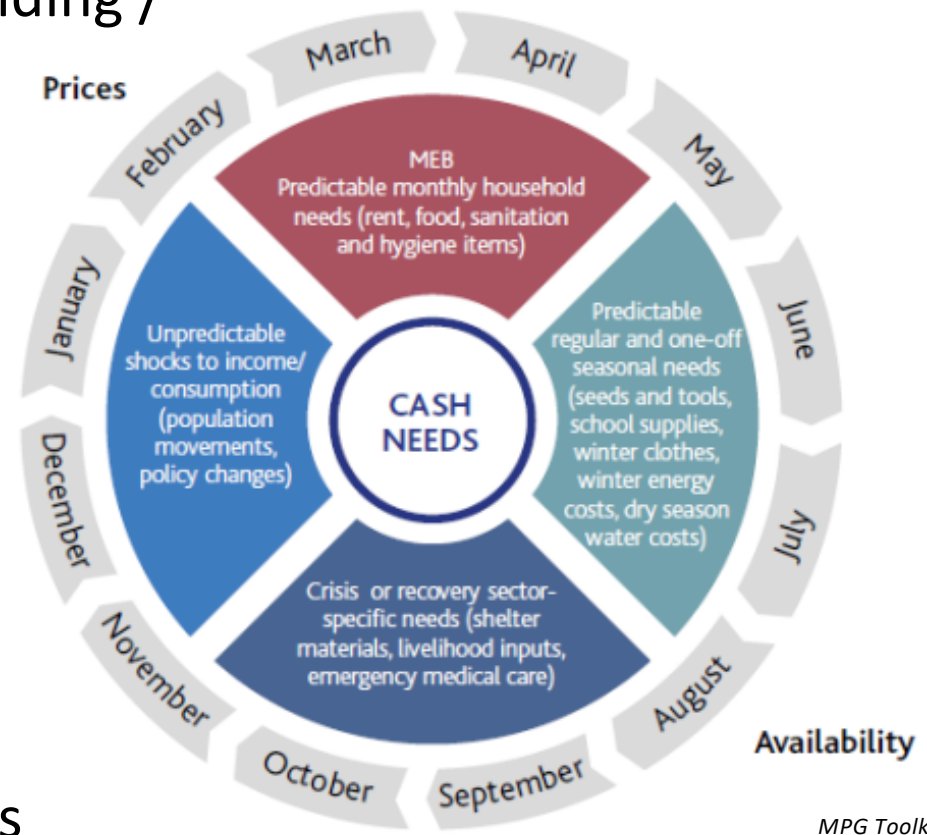
Gap analysis is the process of calculating the gap (i.e., unmet needs) in household and/or individual needs relative to total needs (e.g., the value of a Minimum Expenditure Basket). The gap in needs is usually calculated as:  $Total\ needs - (Needs\ met\ by\ affected\ population + Needs\ met\ by\ other\ actors) = Gap$ . Gap analysis is used to inform transfer value(s), ideally with the transfer value being equal to the gap to enable all relevant needs to be met. - CALP Glossary, 2022

MEB is **NOT** the transfer Value

MEB identifies and prices the basic needs, while the Transfer Value is the amount of aid given to meet those needs.

# Transfer Value – Factors to Consider

- ✓ Objective
- ✓ Household capacities
- ✓ What are other agencies providing / CWG transfer value
- ✓ Household capacities
- ✓ Market trends
- ✓ Seasonality
- ✓ Time frame
- ✓ Labour laws
- ✓ Political feasibility
- ✓ Commodity or service prices
- ✓ Transaction or transport prices
- ✓ Organization's financial capacity





# Sample MEB Afghanistan

## Gap Analysis

The following is the calculation used to estimate the value of support required for humanitarian activities.

### TOTAL MEB – 100%

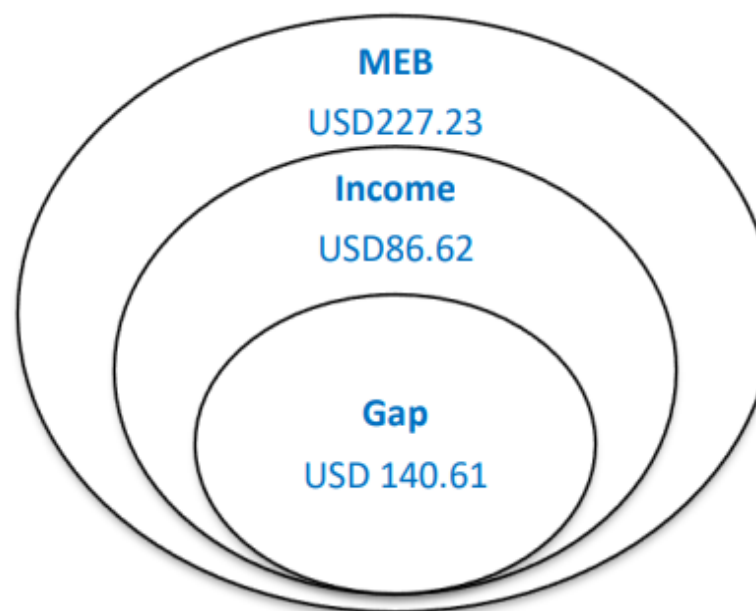
What a household requires in order to meet basic needs – on a regular basis – and its average expenses over time.

### INCOME – 38 % - CURRENT

The extent to which a household can meet their basic needs through existing levels of income, savings and other support.

### GAP – 62 %- CURRENT

The unmet regular needs of a household – often compensated for through negative coping mechanisms.



# Sample MEB Afghanistan

Table 6: The Afghanistan Minimum Expenditure Basket

MEB Component	March 21 MEB (USD)	January 2022 MEB (USD)	Difference/ Variance (USD)	Percentage of current MEB total
Food Security	89	80	-9	35%
Healthcare	39	47	8	21%
Women dignity/hygiene	\$5	Included in WASH	-5	-
Emergency Shelter and NFIs	75	30	-45	13%
Energy: - Fuel & Electricity	9	9	0	4%
Education	16	11	-5	5%
Water	1	Included in WASH	-1	-
Water Sanitation and Hygiene	Was not included	18.95	18.95	8%
Communication	2	3.51	1.51	1.5%
Transportation	5	7.11	2.11	3%
<b>Total above</b>	<b>241</b>	<b>206.57</b>	<b>-</b>	<b>-</b>
Unmet needs (10% of MEB value)	24	20.66	-	-
<b>Total MEB value</b>	<b>264.10</b>	<b>227.23</b>	<b>- 57.53</b>	<b>100%</b>
Income	85	86.62	1.62	38%
<b>Gap (consider for humanitarian transfer value calculations)</b>	<b>\$179.10</b>	<b>\$140.61</b>	<b>- \$38.49</b>	<b>62%</b>



Thank you!

