



QUANTIFYING COST OF LIVING FOR CASH-BASED INTERVENTIONS

Minimum Expenditure Basket and Setting the Transfer Value

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INTRODUCTION

1.1 Purpose

This document provides high level guidance on quantifying the cost of living with the view of defining the transfer value of a multi-purpose cash grant. It provides non-exhaustive guidance on establishing a Minimum Expenditure Basket (MEB) and setting a transfer value. It also clarifies that the two concepts are not equivalent and should not be confused. It draws from main learning over the past years and builds on existing internal and external guidance and tools that are listed under **Annex 3: References**. The document is not prescriptive, and the approaches mentioned should be adapted to different contexts and operational needs.

This internal document is directed to all country operations delivering cash-based interventions (CBI). It applies in all phases of displacement from emergency preparedness to emergency response, stable and protracted situations, and in the pursuit of durable solutions.

1.2 Structure

The document is structured in two parts. Section one focuses on how to estimate and quantify the cost of living either through national poverty-related thresholds, such as poverty line, or through tools such as the MEB. Section two gives guidance on the determination of CBI transfer value for basic needs, its frequency, timing and duration.

1.3 Guiding principles

Following principles should be followed when using the guidance:

- **Refugees and Internally Displaced Persons are at the center:** Ensure full participation of, and regular consultation with women, girls, men and boys, to optimize gender equality and mitigate the specific protection risks in accordance with UNHCR's policy commitments, including to the principles of accountability to affected populations.¹ People themselves know what needs they can meet, and know what the likely gaps will be. By placing them at the heart of the process, and ensuring that their needs, priorities, and preferences are incorporated in the calculation of the MEB and transfer value, the probability of reaching the intended objective/s will increase.
- **Coordinate with all stakeholders:** Implement a multi-functional team (MFT) approach throughout the process. Collaborate across sectors, agencies and stakeholders for MEB construction and transfer value setting in line with the UN Principals Common Cash Statement.
- **Where possible, align with national poverty-related thresholds and safety nets:** Understanding and knowledge of the national poverty thresholds and safety nets are important to design the MEB and transfer value.
- **Keep it simple and grounded in reality:** Use recent, already available data whenever possible. Do not overcomplicate it, consider the time and resource requirements, and remain pragmatic and operational.

1. Refer to the [Operational Guidance on Accountability to Affected People](#) and the [2018 Policy on Age, Gender and Diversity](#).

Section one:

UNDERSTANDING THE COST OF LIVING

There are several approaches to quantify needs and their costs, including national poverty-related thresholds and Minimum Expenditure Basket (MEB).



2.1 Existing national poverty-related thresholds

Some of the most common national poverty-related thresholds are poverty lines, minimum wage, and consumer price index. These can inform UNHCR's programming depending on the availability, comparability, relevance, programmatic context and objectives. Refer to **Box 1** for more details.

National Poverty Line

National Poverty line (NPL) is a monetary threshold under which an individual or a family is considered to be living in poverty according to governmental standards. The poverty line is an essential component of any poverty analysis and poverty alleviation efforts that can help in understanding some of the underlying causes and dimensions of poverty. In some countries, the poverty line has come to serve as a reference to distinguish the poor from the non-poor. Hence, it is often used as a threshold for entitlements. Those who fall below the poverty line are entitled to benefits or inclusion in national social safety net; this potentially can influence how it was established. There are different methodologies used by governments to establish the NPL (absolute vs. relative, income poverty vs. relative deprivation, consumption vs. capabilities). The World Bank uses the national poverty lines of a group of the poorest countries to define the international extreme poverty line which is currently set at USD 1.90 per person per day.²

- ↳ All poverty lines will have an element of arbitrariness. In some cases, countries might only rely on the food component to establish the poverty line disregarding other basic needs.
- ↳ Most national poverty lines use median income to set the threshold.
- ↳ Countries can have different poverty lines for different purposes and regions.

Minimum Wage

Minimum wage is the minimum amount of remuneration that an employer is required to pay wage earners for the work performed during a given period, which cannot be reduced by collective agreement or an individual contract.³ Minimum wages do not always accurately represent the true cost of living because they are set by law and not determined by costs. On the other hand, some minimum wages can increase or be indexed to the Consumer Price Index (CPI) to keep up with the true cost of living. It is therefore important to know how the minimum wage was constructed.

- ↳ Minimum wage rate is more commonly used as a proxy to set the transfer value for Cash-for-work interventions (CFW).⁴
- ↳ If using the minimum wage as a proxy to validate the living costs or to set the transfer value for multi-purpose cash grant, remember that the minimum wage captures the individual-level income and not the household-level income. So, an assessment of how many minimum wages is needed per household depending on the household size is required.

2. **World bank**, What are poverty lines?

3. **ILO**, What is Minimum Wage?

4. CFW is when vulnerable person of concerns receive cash assistance in exchange of temporary, unskilled labor, such as work in communal projects to improve, preserve or rehabilitate community services and environment. Transfer amounts are generally calculated according to time worked (e.g. number of days, daily rate) but may also be quantified in terms of outputs (e.g. number of items produced, cubic meters dug).

Consumer Price Index

The consumer price index (CPI) measures the change over time of a country's general level of prices based on the cost of an average consumer basket of goods and services.⁵ In countries where CPI is up to date and reflects the overall cost of living, it may be a useful source of information to consider.

- Consumer basket is calculated based on the country's overall national average household and may hence not adequately reflect the cost of living of the affected population. In some countries, affected population might have e.g. different health expenditures than the nationals due to their restricted access to public health facilities.
- CPI can also be a useful tool when updating the MEB costs or transfer value amount. Refer to **updating vs revising an MEB** or **updating transfer value** for more details

BOX 1: Availability, comparability, and relevance of existing national poverty related thresholds

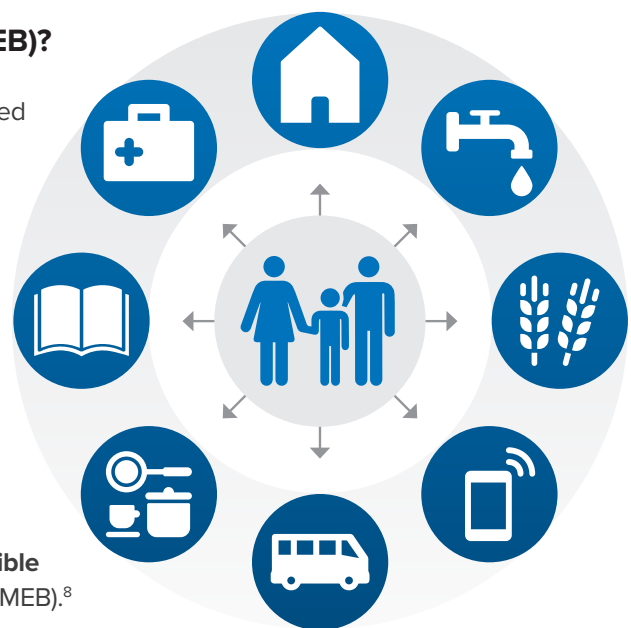
Before using any national poverty-related threshold/s as a benchmark to set the transfer value, it is crucial to understand how, why and when it was constructed. Will it be comparable to the needs, the expenditure level and the consumption patterns, the access to goods and services, the target groups, as well as the access and rights between the overall country population vs the forcibly displaced population? Will the composition of the basket be relevant to the needs that have arisen e.g. as a result of an emergency or relevant to the programme objective? What type of alignments with national systems and government practices can be done and what elements of the methodology can be replicated or can be useful? What considerations to keep in mind and what solutions can be considered to overcome these considerations (e.g. top ups)?

2.2 Minimum Expenditure Basket

What is a Minimum Expenditure Basket (MEB)?

If national poverty related thresholds cannot not be used to quantify the cost of living of the affected population, the operation may establish an MEB.⁶ There is currently no globally agreed upon standardized definition of an MEB. However, in humanitarian settings, it is usually defined as an operational tool to measure **how much the average household requires in monetary terms to meet their basic needs on a regular basis in a given context at a specific period.**⁷ There are different views on what constitutes an MEB, but it commonly includes items and services, e.g. food, water, housing and utilities, hygiene items, clothes, communication and transport, education etc., that can be **monetized and are accessible through local markets and services** (check Graphic 1: MEB).⁸ It may vary in time, as markets and needs evolve.

Graphic 1: MEB



5. Adapted from the International Monetary Fund definition for CPI, Info on every CPI by country can be found [here](#).

6. There might be an existing MEB established for example for a different population group or geographical area. Before considering using it, check its relevance and comparability. check **Box 1** for more details.

7. Households can be defined as the unit of two or more persons living together who make common provision for food or other essentials for living.

8. Graphic credit to [CALP](#).

An MEB has a range of applications, however, it is mostly used in the humanitarian field to inform the transfer value of cash assistance and/or to contribute to better vulnerability analysis of the affected population.⁹ Since the MEB sets a monetary threshold for what is required to cover basic needs, then the households whose expenditures fall below the MEB are defined as being unable to meet their basic needs. UNHCR uses MEB in line with its basic needs approach.¹⁰

The MEB may be established and measured by a single agency or through an interagency process. Doing an “interagency” MEB can build effective collaboration between stakeholders, e.g. between government counterparts and agencies, among technical sectors and between cash and sector experts. It can potentially identify duplication and gaps across sectors. However, interagency MEB is typically complex, long (requiring on average four months to construct) and resource intensive.

When time is of the essence especially during emergency, a **light MEB** can be set. This MEB **can be based on estimates of three to four most important expenditures (commonly food, basic household items, shelter/rent, and communication)** which is enough to start a programme. Better estimates can be determined over time with increased knowledge of the context and the needs of the forcibly displaced population. Light MEB is also recommended for small-scale CBIs and/or for smaller operations.

An MEB is inherently multisectoral. A consensus around what constitutes the MEB can however be a foundation for sector-specific interventions, which may use cash and in-kind goods and services to achieve sector-specific objectives. However, the **MEB does not capture all the basic and essential needs of a household.** It only captures the needs that can be monetized, and that the household can access or cover entirely or partly through the market. For example, if the affected population can access primary and secondary education free of charge then school fees are not included in the calculation of the MEB. Similarly, the MEB does not cover all the one-off and ad-hoc costs such as high medical costs. **Most costs captured in the MEB are related to recurrent needs.** This creates a level of challenge in the onset of an emergency where the needs are usually more dynamic and ad-hoc e.g. shelter construction or repair. **An MEB cannot solve problems of items availability (supply) on the market.** For example, if specific food staple is not available, including this in the MEB is not going to change that; other solutions can be sought to address these problems such as working with markets and suppliers.

An MEB commonly captures minimum expenditures for an “average household” but **it does not account for the additional expenditures of persons with specific needs** such as infants, young children, adolescents, elderly, people living with disabilities, and people with chronic diseases. In some cases, the specific needs of displaced population may not be captured in a standard national MEB. Such needs have to be catered for separately when designing the provided assistance and intervention, or the standard MEB adapted to cater for the specific “standard” of affected population.

Hence, the **construction of an MEB is always somewhat arbitrary** and choices need to be made along the way such as affected household, MEB component, what constitutes a minimum acceptable level of need or cost, etc.

An MEB should not be confused with a “transfer value”.¹¹ In most cases they are not equivalent. MEB estimates the cost of living, based on which the transfer value is set taking into account other factors such as ability of households to meet the needs through their own means (other sources of income), assistance, availability of good and services, objectives of the intervention, and budget.

9. In some situations, for political constraints and/or operational and technical reasons, humanitarian actors have needed to define a level of vulnerability below the MEB. Thus, a **Survival Minimum Expenditure Basket (SMEB)** is constructed. A SMEB is a subset of the MEB that focuses on the concept of survival and the absolute minimum amount to meet lifesaving needs, which could involve deprivation of certain human rights. Check **Annex 1** for further details.

10. **Basic Needs Approach in the Refugee Response.**

11. CBI transfer value is the monetary amount that is provided to the affected population for a given period of time, to help in meeting their needs and achieving the programme objectives. Check section two on **Transfer value** for more details.

BOX 2: MEB constructed per household or per capita

In most contexts, an average household size is used as a basis for the calculation of an MEB. A “household” can be defined as the unit of two or more persons living together who make common provision for food and other basic needs for living. However, during the itemization of the different components of the MEB, some items can be quantified per person and some per household. This approach hence caters for both individual and household’s needs. Extra care needs to be taken into consideration when accounting for household size and economies of scale, for example when it comes to cost of housing such as rent. Refer to Household or per capita transfer value under Section two. In some rare cases, MEB can be based on individual needs or it can be calculated for a range of households of different sizes.¹²

MEB Approaches: Expenditure-based, Rights-based, and Hybrid MEBs

There are **two main approaches or methodologies to calculate an MEB: an expenditure-based approach and a rights-based approach**. However, **combining elements of these approaches** can be used to define the composition of the MEB; this **is referred to as the hybrid approach**. The different types of approaches are summarized in the **Graphic 2**.¹³ Regardless the methodology used, UNHCR uses MEB in line with its basic needs approach.¹⁴

i. Expenditure-based MEB

An expenditure-based MEB focuses on **actual demand to define the composition** of the basket and examines **the expenditure level and consumption behavior** of households who are just able to meet their basic needs **to calculate its cost**. The data can be collected through household data survey, and/or focus group discussion. It is an approach that builds on the theory behind poverty measurement and poverty line construction that is based on defining needs according to monthly household expenditures of the poor, which are considered a better metric than income. Therefore, expenditures level of a household is considered the more reliable and better proxy to measure to household consumption than income.¹⁵

Although the expenditure-based MEB has its advantages in terms of being straightforward to carry out and reflecting actual spending patterns of affected population, it has its disadvantages. As the MEB is constructed purely on expenditure and consumption patterns, it might not capture the essential and basic needs from a rights-based perspective. In addition, identifying the reference cohort of households who are just able to meet their basic needs is extremely delicate and would require multiple good proxies to ensure that proper criteria are set in place. This is more complicated when the sample is small or if most of the affected population is considered poor. Furthermore, access and feasibility of collecting household data survey, for example, in early stages of emergencies, might complicate the approach.

12. For example, the MEB in Jordan was calculated for a set range of households of different sizes, **Jordan MEB, 2019**.

13. For further details on how to calculate expenditure-based MEB and rights-based MEB, see CALP, **Minimum Expenditure Basket (MEB) Decision Making Tools** and **WFP Minimum Expenditure Baskets Guidance Note | December 2020**.

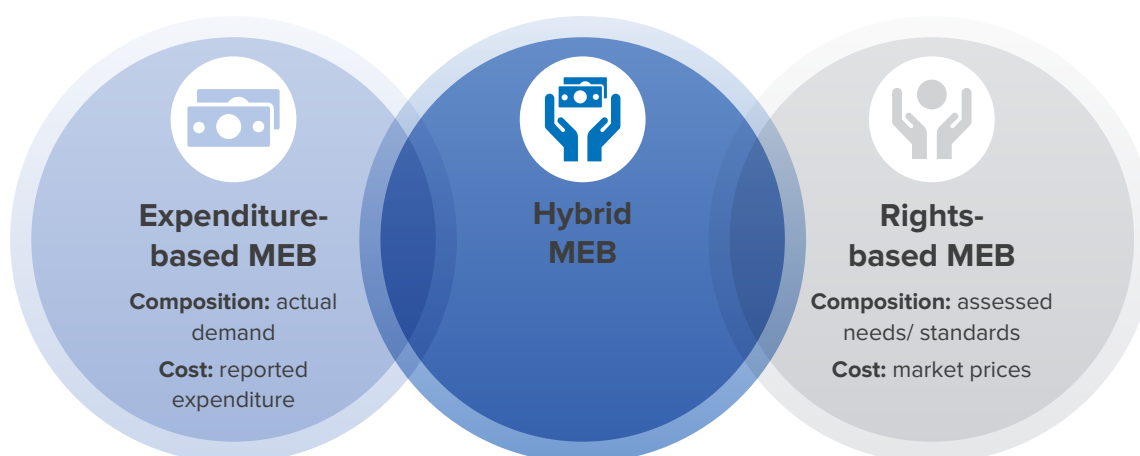
14. **Basic Needs Approach in the Refugee Response**.

15. Further info under slides Income vs. consumption: which one to choose, **Measuring Consumption, World Bank Group**.

ii. Rights-based MEB

A rights-based MEB relies on **quantifying needs from a rights-based perspective to define the composition** of the basket and uses **current market prices to calculate its cost**. Each sector defines a detailed list of needs in their respective sectors from a rights-based perspective. These basic needs are often aligned with the national and international standards such as the international humanitarian and Human Rights laws and the Humanitarian Sphere Standards.¹⁶ The rights-based MEB can be constructed without the need for detailed household survey which makes this approach easier and quicker to implement. However, the real demands and household expenditure level and consumption pattern might be very different from the rights-based basket, leading to some disadvantages in its use. These include under or over-estimating the proportion of vulnerable households or inflating sectoral needs if MEB is used for general fundraising including by the different sectors.

Graphic 2: MEB approaches



iii. Hybrid MEB

To overcome some of the challenges of using strict expenditure-based or rights-based approaches, MEB can be defined using a **hybrid approach**. It **combines and mixes the best elements from the two approaches to come up with a MEB that uses the rights-based lens and is consistent with the actual demand**. For example, a hybrid MEB can use the detailed list of needs from a rights-based perspective which are cross checked with the expenditure level, consumption patterns of households and/or market prices to define the composition and calculate the cost of the MEB.

The key to its success lies in **asking the right questions and deciding the right elements to consider**. The MEB needs to take into consideration the affected population's willingness to pay (WTP) and preferences (e.g. is this item a priority for them? Would they spend their own money on it?); refer to **Box 3** for more details. On the other hand, if some expenditure data is considered too low from a rights-based perspective, consider if they should be supplemented with rights-based items and their relevant market prices. For example, if the expenditure data shows low expenditure for rent prices for large families, this might entail overcrowding or extreme poor housing conditions, and accordingly, a decision can be taken to consider market prices (rather than household expenditure) for house that meets the definition of adequate housing.¹⁷

16. In the Geneva Conventions, article 55 refers to food and medical supplies) and article 69(1) also ensure the provision of clothing, bedding, means of shelter, and other supplies essential to survival. While **the Humanitarian Sphere Standards** define basic needs as the above plus water and sanitation, non-food items, contagious disease prevention and education.

17. Check for more details **The right to Adequate Housing, UNHABITAT**.

In addition, some expenditure data might not be comparable to a specific standard or a minimum acceptable level. For example, there is no Sphere Standard for transport and communication. Documenting these actions can help in advocacy and sensitizing the affected population on certain issues.

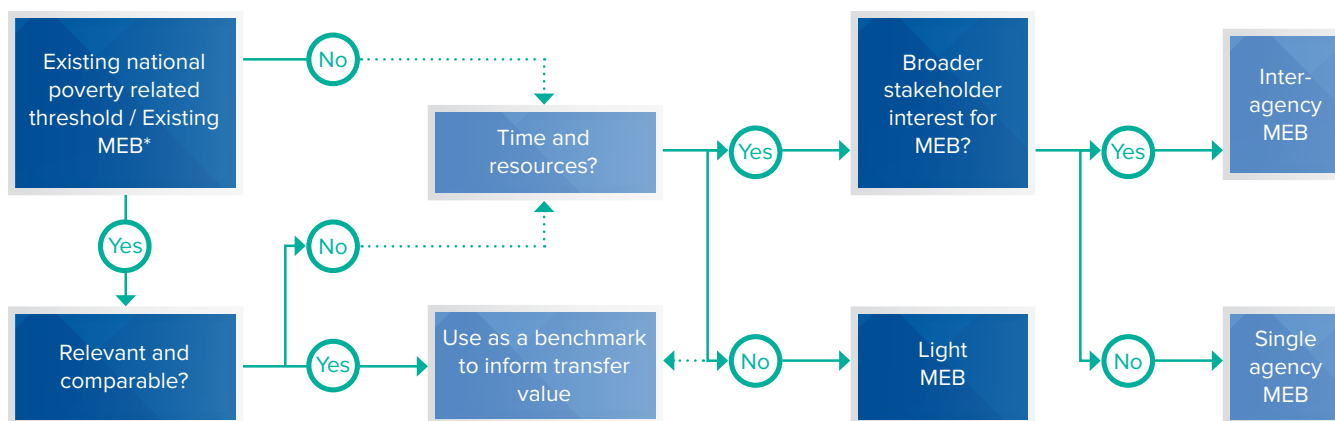
UNHCR recommends the use of the hybrid approach wherever feasible. Nevertheless, the context and operational realities will decide which approach to be used and it is important to triangulate data and ensure that the preference of persons of concern is taken into consideration in the design of the MEB.

BOX 3: Willingness to pay

Willingness to Pay (WTP) is an estimate of future expenditure requirements made up of historic costs, and what people would be willing to buy with given a set amount of “cash” at their disposal. People may not prioritize some items for socioeconomic, cultural or traditional reasons. When designing an intervention, it is important to address potential challenges by increasing awareness or targeted communication and encouraging positive consumption behaviors amongst the population.

The Graphic 3 below shows the different methods to quantify needs and their costs and outlines how an operation can determine the method or option that is most suitable for their context.

Graphic 3: Methods to identify needs and costs



* There might be an existing MEB that was established for a different population group or geographical area. Before considering using it or any existing national poverty related threshold, due diligence needs to be performed. Refer to **Box 1** for more details.

Steps to calculate and construct an MEB

The below steps focus on defining the MEB using a hybrid approach, noting that they are also relevant for other approaches.

Steps	Sub steps
I. Consult and involve stakeholders	<ul style="list-style-type: none"> Identify and consult potential stakeholders. Define who participates in the construction of the MEB.
II. Determine the scope and coverage of the MEB	<ul style="list-style-type: none"> Define what the MEB will be used for and its coverage. Define the methodology.
III. Define the goods and services to be included in the MEB	<ul style="list-style-type: none"> Analyze already available data and/or collect required data. Work out the specific contents and items included in the MEB.
IV. Validate and communicate the MEB to stakeholders	<ul style="list-style-type: none"> Conduct a reality check in terms of population preference, WTP and crosscheck with national poverty related thresholds. Communicate and document the MEB.

I. Consult and involve stakeholders

Identify and consult with stakeholders

Remember the first stakeholders are the **affected population**. Other stakeholders such as **government, humanitarian and development actors** (e.g. sector working groups), **other agencies implementing CBIs and donors** 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. The government may have their own MEB and cash/social assistance in line with minimum consumption standards and/or have insights into the needs of disaster-affected persons. Internally, the **MFT** within the operation plays a key role in defining the MEB.

↳ Generating consensus is a key aspect of a successful MEB process that involves different stakeholders.

Define who participates in the construction of the MEB

MEBs can be defined by single agencies or it can be an interagency effort. Interagency MEB generally strengthens collaboration and generates a commonly agreed threshold for vulnerability and paves way for harmonizing transfer value/s. However, interagency MEBs may be more resource intense and time consuming than single agency MEBs.



Time: Experience so far shows that it takes on average four months to complete an interagency MEB.



Financial resources are required for data collection, meetings and consultations, and human resources.



Human resources and efforts: A designated qualified person is needed to lead the interagency process in a participatory way.



Political capital from stakeholders is needed to ensure buy-in and willingness to proactively participate throughout the process.

If the above needs cannot be met by stakeholders or if there is limited interest in an interagency MEB, then UNHCR may contract its own MEB (a single agency MEB).

II. Define the scope and coverage of MEB

Define where and what the MEB will be used for

Be clear about its objective, scope and coverage (population groups and geographical areas). An MEB can, for example, be used to:

- Inform the transfer value of a multi-purpose cash grant for an average refugee family of five residing in Camp A or in town/region B or in urban areas or can have a countrywide coverage.
- contribute to vulnerability analysis – those not earning a minimum amount equivalent to the MEB are considered vulnerable.
- understand the cost of living in an urban area and establish a baseline against which to monitor its evolution.
- Inform the choice of goods and services to be assessed in a **Multi-Sector Market Assessment (MSMA)**.

➤ One MEB is usually defined if the affected population has relatively homogenous needs, consumption patterns and expenditure level. If not, then consider either constructing different MEBs or varying certain components of the MEB for different groups or regions. In general, however, one MEB is sufficient. Refer to **Box 4** for more details.

➤ Consider composition and specific needs of the “average household” for the MEB. For example, in a family of five consisting of parents with three children, two children may be at school and one a baby. There may also be two females of reproductive age (mother and daughter), entailing additional recurrent costs.

Define the approach and division of labor

Decide which approach will be used (expenditure-based, rights-based, or hybrid MEB). Identify the risks and shortcomings that the chosen approach may have and define mitigating measures. Assign who will be in charge of different aspects of defining the MEB.

BOX 4: Variations in MEB

While the MEB is usually constructed for a relatively homogenous population with a country-wide coverage, there are instances that require either constructing different baskets or considering additional costs in the MEB. The needs of the affected population can vary substantially due to different displacement stages or an additional shock for a subset of the population e.g., new influx, new changes in accessing basic needs, etc. In addition, needs and costs can vary between geographical locations, e.g. rural vs urban, mountains vs valleys. Also, needs and their cost may change due to seasonal changes, e.g. dry vs rainy seasons or winter vs summer.

III. Define the goods and services to be included in the MEB

Define what should be included in the MEB

In many cases, there is sufficient secondary data available to establish the high-level contents of the MEB. Key data sources include needs assessment, household surveys, market price data, national poverty related thresholds (national poverty line, consumer price index, and minimum wage), and previous or existing MEBs.

The MEB approach will influence the composition of the MEB. For example, for the rights-based MEB, the items will be aligned with the international standards such as the international humanitarian and Human Rights laws and the **Sphere Standards Handbook** through consultations with sectoral technical experts and using the market prices (potentially using MSMA results). For expenditure-based MEB, the composition will be

based on the expenditure level and consumption behavior of households documented through e.g. needs assessments, specific household survey, post distribution monitoring (PDM), and/or focus group discussions (using secondary or primary information). With the hybrid approach, the process of defining the composition will keep the rights-based perspective with an emphasis on understanding people's expenditure priorities and incorporating them in the design using a mix of the above listed data sources. The composition of the MEB will vary also depending on the type of the MEB. A light MEB or SMEB will be less extensive than a full MEB.

- Triangulation of data and ground-truthing it through key informant interviews and focus group discussions with the affected population is always required. Understanding people's expenditure priorities and WTP should influence the design of the MEB basket.
- Consult with the sector experts in the operation, the regional bureau, or headquarters for information and guidance pertaining to their area of expertise.
- Pay attention to items or services that cannot be monetized e.g. mosquito nets and to items or services that are already accessible and available for affected population free of charge e.g. education fees.¹⁸ Such items shall not be included in the MEB. One-off costs are usually not captured in the MEB e.g. shelter repair, business start-up capital, agricultural costs. Remember that needs, that are not included in the MEB, still need to be met.
- If some expenditure data is considered too low from a rights-based perspective, consider increasing the amount through a rights-based approach.

Itemize and estimate costs. Once the high-level contents of the MEB are defined and validated, **itemize** the goods and services to be included in the MEB (including the specification of the items and services). This includes for example defining the type of communication services and costs will be included in the MEB. Define which items or services entail **recurrent costs** (expenses that are repeated over time as the commodity or service is consumed and repurchased on a regular basis), e.g. food, rent, soap, utilities, etc. and which items and services entail **one-off but predictable yearly costs**, e.g. clothes, school supplies, seeds and tools. **Specify the unit, frequency and quantity per person or per household for each item or service**, thus creating the "reference basket" for the MEB. Refer to **Annex 2** for examples of common MEB items and services and some considerations for defining the composition of the basket.

Verify if costs need to accommodate for seasonal and regional price differences, e.g. the cost of rent may be much higher in urban areas than in rural areas. In remote locations, prices may be inflated due to high transport costs. These variations and seasonal fluctuations should be factored into the calculations, by e.g. using average prices over the year, or defining different MEBs where costs and need vary substantially, refer to **Box 4** for further info.

BOX 5: Constructing a light MEB

Light MEB can be based on the three to four most important needs. Use focus group discussions and individual interviews to understand what these basic needs are, and what is their minimum cost. Seek available price information, including websites, other agencies, etc., to inform the prices in the MEB or act as "proxies" for unknown costs, especially if market prices cannot be collected.

IV. Validate and communicate the MEB to stakeholders

Validate the MEB with the affected populations and other stakeholders. Once the MEB is constructed, **conduct a reality check** by:

- Understanding whether the MEB **matches the real circumstances** of the affected population, their preferences and willingness to pay.

¹⁸ Depending on the specifications of mosquito nets and quality available in the market.

- **Crosscheck how the MEB compares to the national thresholds**, keeping in mind the different circumstances forcibly displaced population may have.
- **Consult with key stakeholders**, to triangulate the MEB and to ensure it is in line with their understanding of cost of living in the area.

BOX 6: Review of the basic cost basket in Ecuador

To inform the MEB and the subsequent transfer value of the multi-purpose cash grant in Ecuador, a thematic group led by UNHCR reviewed the basic expenditure basket (la canasta básica) that the Government of Ecuador publishes monthly. The group then carried out a participatory process through focus groups discussions and key informant interviews with the affected population, to define the content of the MEB based on needs, priorities, and preferences of the refugee population.¹⁹

Present the MEB and document the process. It is important to document clearly the MEB stating the items and services, quantities and costs, as well as the period and the household size it covers. In addition, the methodology and the process of how the MEB was constructed should be included as well as a strategy for subsequent updates or revision.

Updating vs revising an MEB

MEB should be updated or revised based on contextual factors. Already when establishing the MEB, decide what triggers an MEB update or revision and plan for it in advance. A threshold can be set e.g. at around 10% price change, to trigger an update or a revision. It is hence important that prices of the items and services in the MEB are monitored regularly, as e.g. high inflation will trigger an update of the MEB.²⁰ The following table provides details on when to update or revise the MEB.

Table 1: Update and revision of the MEB

		Action	
		Update	Revision
Impact on MEB	Composition	Remains the same.	Changes in the goods and services that are included in the basket.
	Cost	Is updated to reflect changes in prices.	Is updated to reflect the new MEB composition and price evolution.
When? And what triggers the action?		MEB should be updated over time. The frequency will depend on context, noting that in high-inflation context updates are needed more frequently than in context with stable prices.	MEB should be revised when it no longer represents the affected population’s actual needs or consumption pattern e.g. due to shock or recovery, new displacement, significant changes in access, supply and demand of goods and services.
How?		MEB is updated by recalculating its cost using up-to-date market prices or by factoring in the inflation rate or the changes to CPI in the MEB. (refer to updating transfer value)	MEB is revised following the same steps as when constructing it, although the process can be much lighter.

19. For further info on the process and lesson learned from the exercise, check [Informe: “Comprensión de la Canasta Básica en Ecuador” Con Enfoque Ennecesidades Básicas, Enero, 2020.](#)

20. Price monitoring frequency will depend on the context and some countries can rely on secondary data available.

Section two:

TRANSFER VALUE

This section will focus on defining the transfer value of a multi-purpose cash grant. Some considerations and steps are also relevant for sectoral cash transfer values.



3.1 What is a transfer value?

The CBI transfer value is the monetary amount that is provided to the affected population for a given period of time, to help meet their needs and to achieve the programme objectives.

Establishing the transfer value amount is directly tied to needs, the programme objectives and available budget. In addition, political acceptability, coordination and alignment with social protection schemes among other may also influence the final value. Transparent communication with the affected population regarding the transfer value amount, duration, and frequency is paramount.²¹ In addition, communicating any planned changes to the transfer value well in advance will help cash recipients to plan ahead of time.

3.2 Setting a transfer value

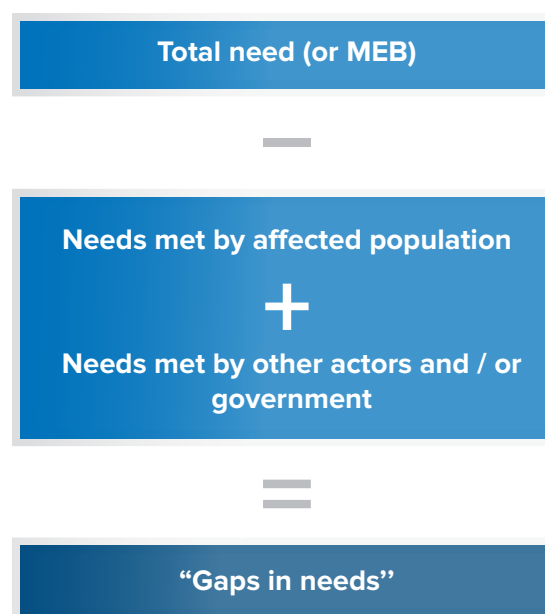
Establish the transfer value amount

Understanding unmet needs - gap analysis.

The transfer value will be informed by the unmet needs, which can be quantified through a “gap analysis” (Check **Graphic 4** and **5**):

- When looking at basic needs, the total needs that can be met through local markets are defined and quantified through e.g. an MEB (refer to **Section one** for further details).
- From the total needs, reduce i) the needs that people can meet through their own means (e.g. through work, agriculture, etc.) and ii) the needs that are covered by other assistance and service provision (e.g. in-kind or other cash assistance by government or other humanitarian or development actors).²²
- What is left is the theoretical transfer value for a basic needs cash grant, if the cash grant aims to cover the gap fully. The grant may, however, only cover the gap partially.

Graphic 4: Gap analysis



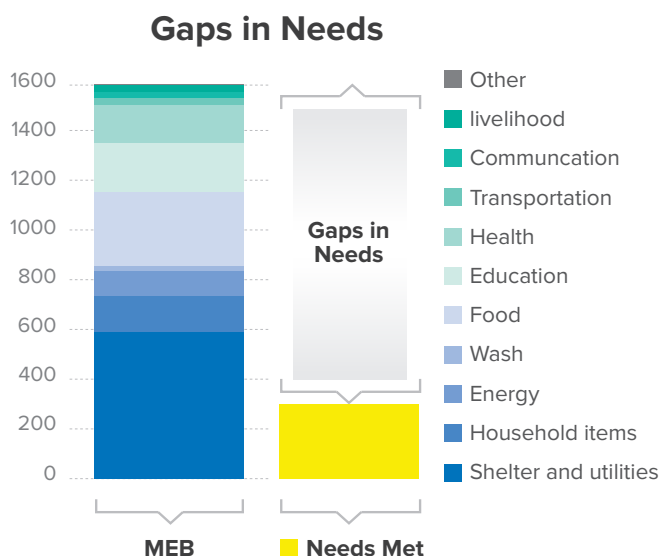
The transfer value for basic needs is calculated on “average needs” and may not cover all needs. Top-ups may be considered for addressing e.g. specific protection needs or seasonal needs (e.g. grants for specific needs, winterization grants). It should be recognized that if the transfer value is too low in relation to the MEB and the quantified needs, this will have an impact on the effectiveness of the CBI.

21. For example, transparency on the transfer duration is important; if people know for how long they will receive a regular grant they are better able to plan and budget how to use it.

22. Understand the extent of the assistance provided in terms of its objectives, value, scale, coverage and duration.

Capacity to cope and recover during a crisis differs between affected population groups and regions as well as at different phases of displacement. Ability to generate income is affected e.g. by legislation, access and opportunities such as access to land and employment. Keep in mind that income sources may change due to a new crisis, change in policies, new displacement or seasonal fluctuations (e.g. floods or agriculture seasons). Take these factors into account when setting the transfer value.

Graphic 5: MEB vs “Gaps in needs”



BOX 7: Establishing sectoral transfer values

Sectoral transfer values, such as education grants, business start-up grants, or shelter construction grants, are often defined by programme objectives (defined through needs analysis focusing on the given sector) and the cost of the items and services in the local market that the grant covers e.g. construction materials or school uniforms and stationary items.²³

BOX 8: Cash for winterization

Most of the countries do not factor in the MEB calculation and in their multi-purpose cash transfer value the needs that arise during the harsh winter months. A separate winterization cash assistance is provided to cover for needs and to compensate for lower incomes from seasonal jobs in the winter season.²⁴

Per household or per capita transfer value

Understanding how the needs differ by household size helps in adapting the transfer value, noting that some needs are calculated at individual level (e.g. food), while certain needs and their costs occur at household level (e.g. rent, utilities). Commonly, household needs grow proportionally to its size; for example, if the cost of needs per person is calculated at USD 20 then a household of five will need USD 100 to cover its need. However, some economies of scale arise when households with multiple members share costs of a need, for example, rent costs for a household of two members can be the same or very similar to the household of three or more members. Hence, in this case the per capita cost of need will be higher in a smaller household size.

There are broadly speaking four ways to define the transfer value for a household:²⁵

- **Flat transfer:** All households receive the same transfer value regardless of size. The transfer value is set based on the “gaps in needs” of an average household size. Usually, flat transfers are used when limited data is available and the transfer value needs to be determined rapidly.

23. Annex 2 provides further sectoral guidance and country examples on setting MEB components
 24. Check examples from MENA, UNHCR Regional Winterization Assistance Plan 2021-2022 – Syria and Iraq situations.
 25. Text adapted from Setting the Transfer Value for CBT Interventions: Transfer Value Interim Guidance, WFP July 2020.

- **Per capita transfer:** The transfer value is defined per person (e.g. USD 80/person) and the total transfer value for a household is based on the number of household members (e.g. USD 80 * 4 = USD 320 for a household of four). This is used mainly when there are no significant economies of scale in household consumption.
- **Combination transfer:** Households receive a flat transfer (per household regardless of size) along with a transfer scaled to household size (e.g. USD 30 per household along with USD 10 for each person in the household). It is used when there are significant economies of scale in household consumption.
- **Grouped transfer (based on household size):** Transfer values are calculated for different groups, based on household size (e.g. household sizes 1-2 get USD 100, household 3-5 get USD 160, etc.). This approach also allows taking some economies of scale into account.

Grouped and combination transfers often have a cap that sets the maximum transfer values irrespective of households' size (e.g. family of 7 and above). If a cap is used, care should be taken that e.g. this does not lead to households splitting up to receive multiple transfers.

The first two ways (flat and per capita transfers) can be simple to calculate and to communicate to affected population. On the other hand, they may overestimate or underestimate the needs of smaller or bigger households. While the last two ways can yield more fairness and more accurate calculation of needs per household size, they can be administratively heavy and difficult to communicate to affected population.²⁶ Final decision will depend on the operational context.

The age and gender composition of a household can also influence the needs and, in such cases, complementary programmes or top ups can be put in place.²⁷

BOX 9: Flat transfer in response to the COVID19 pandemic in Pakistan

UNHCR and Government partners, including the Ministry of States and Frontier Regions/Chief Commissionerate for Afghan Refugees, joined together to provide emergency cash assistance to refugees and asylum-seekers affected by the COVID19 pandemic. Identified households were eligible to receive a one-time emergency cash assistance of 12,000 Pakistani Rupees (approximately USD 77 regardless of the household size). The transfer value was identical to the transfer value that the Government provided for vulnerable Pakistani nationals.²⁸

Transfer frequency, timing, and duration

The transfer frequency, timing, and duration as well as the amount provided per transfer will depend on the type of needs, programme objectives/design, cash recipient preferences and the operational context.²⁹ Unrestricted cash grants to meet basic needs tend to be recurrent, often monthly transfers, while those geared towards sectoral interventions, such as education, shelter (excluding recurrent/monthly rent) or livelihoods, will be less frequent or one-off. The timing of grants is strongly linked with the objective of the cash assistance, and e.g. education grants should be provided at strategic times of the school year such as at the start of the semester or school year, agricultural grants should be provided respecting the agricultural calendar and winterization support ahead of the cold season. Defining the transfer frequency,

26. CashAssist, UNHCR's cash assistance management system, can help in addressing the administrative aspect of calculating entitlements formula. Check more details on [CashAssist](#).

27. Complementary programming: In many contexts, CBIs need to be accompanied with complementary programming e.g. case management, advocacy, behavior change communication, vocational training, etc. More examples are mentioned in pages 6 and 16-21 in the [Multi-Purpose Cash and Sectoral Outcomes: A Review of Evidence and Learning](#).

28. [UNHCR Pakistan COVID19 emergency cash assistance update \(August\)](#).

29. The frequency relates to the transfer occurrence, e.g. is it provided in a single transfer or periodic transfers (e.g. monthly, quarterly, one-off). Timing of the transfer refers to when it is disbursed (e.g. beginning of each month). Transfer duration is the period that the cash assistance will cover (e.g. one month of needs).

timing and duration is hence both a programmatic and a practical decision and should also be informed by the preferences of the affected populations.

Other factors that can influence the frequency, timing and duration include:

- **Security risks**, associated with accessing and/or keeping money safely, may influence the frequency and the timing, and it is vital to analyze the context from a protection perspective and promote safe accessibility to CBI for all (women, men, persons with disabilities).³⁰ Security concerns may require bulking or grouping the payments, e.g. providing two or more monthly payments in advance in one go. It is also important that proper mitigation procedures are set in place relating to risks that could derive from the imbalance of power between financial service providers and cash recipients.³¹
- **Transfer mechanisms**, such as recipient own-bank account or mobile wallet, that allow for partial withdrawal and savings reduce security risks of carrying large amounts of cash and allow for more flexibility when defining the transfer frequency.
- **Regulations** also influence transfer amounts and frequencies. In some contexts, more stringent Know Your Customer (KYC) or Customer Due Diligence (CDD) regulations apply to large transfer amounts (above a given threshold) and the operation may choose to deliver multiple, smaller transfers below these limits. In addition, liquidity at withdrawal points or agents may be regulated by the government or otherwise limited, entailing transferring smaller amounts.
- **Associated cost and resource considerations** with the cash transfer, e.g. withdrawal fees, transportation fees, queueing and waiting times, as well as human resource requirements, also influence decisions on transfer frequency, timing and duration.
 - Choose the transfer mechanism that reaches the affected population quickly, safely, and economically. Decisions relating to the most appropriate modality will be informed during the feasibility stage. Preference should systematically be given to delivery mechanisms that promote financial inclusion of the affected population such as personal bank accounts or mobile money accounts.
 - When setting the transfer amount and its frequency, take into account any costs that recipients will incur to access the transfer (e.g. withdrawal fees, transportation costs, local taxes).

BOX 10: Transfer frequency and timing of the transfer value in Rwanda

UNHCR Rwanda provides all refugees residing in camps with cash assistance to cover part of their basic needs. The transfer value amount is calculated according to the number of members in the household. The cash assistance is transferred on quarterly basis to inject higher amount of cash allowing refugees to increase their power of purchase. This also reduces the administration and the financial service provider charges' fees. The assistance is transferred to refugees' own bank account; they can withdraw it through agents or use it at point-of-sale machines. As liquidity thresholds at agents are regulated by the government and to prevent long queueing, there is continuous coordination between UNHCR, government, other CBI providers, and the financial service provider on the timing of the cash assistance.

30. [Cash Assistance and Protection: Why, What and How?](#) and [CBI SOP Annex 1 CBI Protection Risk Analysis Mitigation Strategy](#).

31. [UNHCR-WFP Mitigating Risks of Abuse of Power in Cash Assistance](#) and its toolkit.

BOX 11: Multi-purpose cash and sectoral outcomes

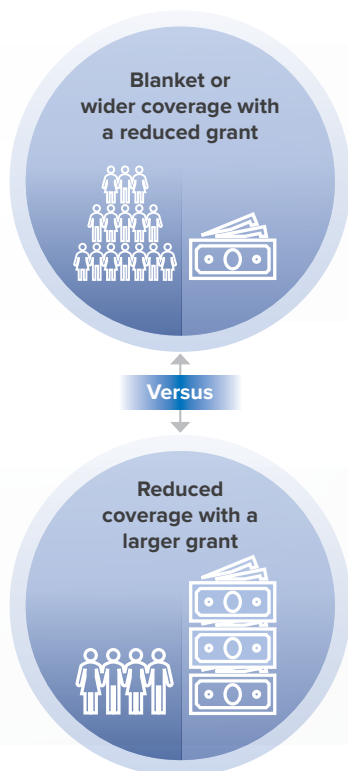
Evidence from Afghanistan and Greece shows that multipurpose cash grants have positive sectoral outcomes especially in nutrition, food security and livelihoods. The study also highlights that unrestricted cash grants are usually spent according to a hierarchy of needs – most immediate needs first (food, basic shelter, primary or emergency health care) and other needs later (investments in livelihoods, secondary and tertiary health care, less essential goods). The provision of one grant that covers multiple sectors rather than several sector-specific grants can hence be more efficient and effective in meeting a wide range of needs. It also fosters greater flexibility and choice in ways that enable people to decide what to prioritize.³² Learning also shows that frequency, duration, and seasonality (such as cash at the beginning of the school year, or for winterization) matter for outcomes. Further (and unsurprisingly), the bigger the transfer the more impacts it has across sectors. More evidence is however needed on the right balance of small regular grants and larger one-off payments.³³

Other factors affecting transfer value

Resource and budget constraints

Unfortunately, budgetary constraints often influence transfer values, and operations need to decide between *providing more money to fewer people, or less money to more people*. Any approach will impact the affected population. Consequently, it will have a major repercussion on the programme outcomes as well as on targeting and prioritization.

Graphic 6: Target approach vs transfer value



Covering more people with smaller grant size is more common during emergency where it is assumed that all or majority of affected population need immediate assistance. Targeting is not always practical; particularly in context where there is a lack of available data due to access restrictions or due to capacity or time limitations or where needs are homogenous.

Larger grants covering less people is more common in protracted displacement or longer-term programming where the needs of the people are not homogenous and where more sophisticated targeting is possible.

32. **Multi-Purpose Cash and Sectoral Outcomes: A Review of Evidence and Learning.**

33. GiveDirectly has piloted large unrestricted and unconditional cash transfers to some refugees in Uganda in the hope of offering the possibility of transitioning refugee assistance towards creation of sustainable livelihoods. Further info on **Large, unconditional cash to refugees: phase 1, complete!**

- To mitigate some of the consequences of the selected approach, consider top-ups to meet the needs of specific vulnerable groups, advocate with donors and seek complementarity with other actors. It is critical to document these decisions and adjust when required.
- Remember that targeting is not appropriate in all contexts. In certain settings, the costs of needs-based targeting may be higher than blanket assistance.³⁴

Alignment with national social safety nets

Aligning the cash transfer value to national, governmental social safety net or social assistance should be considered based on the context and is sometimes requested by the host government. Alignment between humanitarian cash assistance and national social assistance promotes complementarity, minimizes disparity and potentially, on the long term, may enhance opportunities for future inclusion of forcibly displaced people into national social protection schemes. In many cases, however, the social assistance transfer values are small because they are defined as a complement to other sources of income, assets or rights that refugees do not enjoy. As such, the amounts may be very small compared to the needs of the displaced people.

When considering alignment in refugee settings, the first step is to map the different social safety net schemes and the access of non-nationals to basic rights, including documentation, access to land and employment, freedom of movement, access to education, health and financial and other services and the right to work.³⁵ Always consider advocating for the inclusion of refugees into national schemes when aligning with social assistance.

BOX 12: Alignment with social safety grants in Peru

As part of its emergency response to the COVID19 pandemic, UNHCR aligned its transfer value amount with the Government's social grants provided for vulnerable Peruvian families. They also increased the use of mobile money (rather than pre-paid cards) to reduce COVID19 transmission risks and to enable refugees to receive assistance despite significant movement restrictions.

Coordination with other actors

Coordinating the transfer value with other cash stakeholders can help reduce discrepancies between actors, which may lead to perceptions of unfairness, tensions and unintended push-pull effects if the affected population are able to move and receive a higher cash transfer value from other actors. In addition, it contributes to harmonization, complementarity, and deduplication of assistance. Coordination with the government and possibly endorsement of the transfer value is recommended. Further, in line with UN Common Cash Statement, UNHCR aims to harmonize its approach with partners.³⁶

There are multiple ways to provide coordinated cash assistance. For example, all actors can provide the same transfer value contributing towards the same overall programme objective but cover different geographical areas or population groups. Or different actors may provide different transfer values but cover different programmatic objectives e.g. basic needs vs sectoral grants. In both cases, coordination is crucial to ensure efficient programming. Increasingly, sectorial working groups may have dedicated guidelines on the corresponding sectoral cash assistance.

34. For further information on targeting, check [UNHCR WFP Joint Guidance for Targeting of Assistance to Meet Basic Needs](#).

35. Alignment with social safety nets also comprises aspects of targeting approach, transfer mechanisms, frequency etc. For more detail, check [UNHCR Mapping of Social Safety Nets for Refugees Opportunities and Challenges](#).

36. [UN Common Cash Statement Questions & Answers](#).

- ↳ **Do no harm** and advocate always in the interest of the affected population e.g. state potential consequences of inadequate transfer rates or consider top-ups. Draw attention and advocate with the other actors to meet the “gaps in needs”.
- ↳ **Harmonize assistance** between different population groups where feasible.
- ↳ **Involve the affected population and collaborate with local governments** on the transfer value. It can reduce friction with host communities and positively influence political acceptance of CBI.

BOX 13: Harmonization of transfer value in Somalia

Somalia Cash Working Group (CWG) provides quarterly transfer value recommendations to humanitarian organizations implementing CBIs in Somalia, based on Somalia’s standard MEB. This process was driven by the need for harmonization and to prevent reoccurrence of previous scenarios where significant variations in transfer values were implemented by different organizations, occasionally leading to different transfer values in the same locations. UNHCR and its partners are using the recommended transfer values for the multi-purpose cash for their programmes.³⁷

3.3 Updating a transfer value

As with the MEB, the transfer value should be revised when **the needs change** (e.g. due to a new shock, change in policy, or access to goods and services) or when there are **price fluctuations, inflation or other changes in markets and supply**. If the transfer value was set low due to budget limitations, it can be adjusted if additional funding is secured. It is recommended to decide what triggers the review and possible adjustment of the transfer value already at the design stage. While adjusting the transfer value upwards is usually well accepted by the affected population, a downward adjustment can be trickier to implement and can cause friction. Recurrent changes in the transfer value due to changes in available budget and poor planning should be avoided.

Inflation and transfer value

In some contexts, high inflation rates mean that the cash grant may not hold its value for long.³⁸ In such cases, continuous price monitoring is crucial and a mechanism can be introduced whereby once inflation rates reach a certain level, a review of the MEB and consequently the transfer value is triggered. For example, an increase in prices of $\pm 10\%$ triggers a review if there has been sustained price increase levels in the last 2-3 months. This can be helpful in avoiding changing the transfer value based on one-off spike in prices.

There are different ways to update the transfer value, if it is based on MEB (Refer to **Updating vs revising an MEB**), for example:

- use the updated prices to update the MEB, recalculate the gaps in need then adjust the transfer value, or
- use the inflation rate by adding it directly to the MEB or to the gaps in need and recalculate the transfer value accordingly, or
- factor in the inflation rate to the transfer value. However, this will not help to understand the actual gaps in need (especially if the transfer value was partially covering the gaps in need).³⁹

37. **Somalia Cash and Markets Quarterly Dashboard, April to June 2021.**

38. **Good Practice Review on Cash Assistance in Contexts of High Inflation and Depreciation**, Oct 2021 By CALP Network, Space.

39. The Inflation rate formula can be calculated using CPI: Subtract the past date CPI from the current date CPI and divide the answer by the past date CPI. Multiply the results by 100 to get the inflation rate as a percentage.

BOX 14: Transfer value revision triggers in Yemen

The Cash and Market Working group (CMWG) in Yemen agreed on the following process and triggers for the revision of the SMEB and transfer values. The costs of the SMEB commodities are monitored regularly. If the cost of the commodities breaches a threshold, which is 95% of the current proposed transfer values for three consecutive months, an ad hoc meeting will be called by the technical working group. If the situation worsens further, then the revision of transfer values will be initiated. All decisions are taken based on evidence and consultations with respective clusters.⁴⁰

40. CMWG Yemen Decision Memo (**Guidance Note**) SMEB Transfer Values Q2-Q3 2021 03Aug2021.

Annex 1: Survival Minimum Expenditure Basket (SMEB)

In some situations, for political constraints and/or operational and technical reasons, humanitarian actors need to define a level of vulnerability below the MEB. Thus, a **Survival Minimum Expenditure Basket (SMEB)** is constructed. A SMEB is a subset of the MEB that focuses on the concept of survival and the absolute minimum amount to meet lifesaving needs, which could involve deprivation of certain human rights. The rationale, definition, threshold and content of the SMEB varies per context. The concept is somehow similar to poverty line calculations (upper vs lower poverty line, poor vs extremely poor). These thresholds can then be used for targeting and prioritizing beneficiaries and/or inform programmatic decisions such as transfer values in situations where immediate lifesaving assistance is required. In Lebanon, MEB and SMEB are created paving the way for the operationalization of a targeting approach that distributes the refugee population along different vulnerability thresholds and allow for the identification of the most in need.⁴¹ While in Iraq, the SMEB is used as a benchmark to calculate the multi-purpose cash grant.⁴²

Annex 2: MEB composition and sectors

The annex provides some **examples** of commonly included items and services in the MEB along with some tips or considerations when defining the composition of the basket. UNHCR uses MEB in line with its basic needs approach.⁴³ Note that the division of items and services into sub-categories vary from country to country and e.g. sanitary napkins or buckets can be recorded either under household items or WASH or protection. Consider if the cost of the item is recurrent, renewable (e.g. once a year) or one-off, and reflect the cost accordingly in the MEB.⁴⁴ Protection should be mainstreamed throughout MEB and transfer value calculations, including protection principles as well as gender considerations.⁴⁵

Shelter/housing and utilities

Shelter covers the cost of accommodation and utilities that meet basic shelter needs and rights. It is highly context driven by what is accessible to the affected population, weather conditions, security, etc. Shelter can form quite a significant part of the MEB especially for urban population, on the other hand, it can be insignificant for refugees residing in camps.

Commonly included items and services:

Rent and utilities (e.g. electricity, water), house repair and construction.

41. [Review of the SMEB & MEB in Lebanon Background Note and Proposed Revision, September 2020.](#)

42. Technical guidance notes on the [SMEB and MPCA Transfer Value for Iraq 2022.](#)

43. [Basic Needs Approach in the Refugee Response.](#)

44. Check [template](#) of IFRC "The Cash in Emergencies Toolkit".

45. Check [Cash Assistance and Protection: Why, What and How?](#)

Considerations and tips:

- Analyze if the expenses reported by the affected population are too low due to overcrowding, dwelling types and conditions, etc. Ensure that rent prices are not deflated by considering the minimum standard (e.g. Sphere Standard of 3.5 m² per person) and the family size.⁴⁶ Check example from **Jordan MEB, 2019** on how the data was cleaned to ensure that proper shelter standards are incorporated in the MEB costs.

Energy

Energy commonly includes items and services that relate to cooking, lighting, charging and heating. Electricity bills are often covered under shelter/housing and utilities.

Commonly included items and services:

Cooking stove, solar lamps, solar panels charger, fuel for cooking and heating such as gas, charcoal, etc.

Considerations and tips:

- For energy related needs, ensure that a clean fuel option is selected to meet national government requirements, to mitigate health and environmental impact and reduce risks of gender-based violence incidents and conflicts with the host community related to firewood collection and use of natural resources.⁴⁷ It is essential to discuss with the affected population to understand their WTP for a cleaner energy option and energy efficient appliances as well as to address potential blockages (WTP, preference and exposure).⁴⁸
- For example in Uganda, refugees rely on the “cost free” firewood collection to cover their needs. The Energy and Environment working group highlighted during the MEB calculation that estimating the minimum expenditure on energy, streamlining environmentally sustainable practices, is complex. The WTP for a “free source” commodity is low with a key analytical question is how much people would spend, with an increased purchasing power, in improved technologies available. Overlooking this component in the MEB would not be the solution. So, the amount allocated in the MEB to cover energy is estimated based on expenditure behavior if sourced in the market (not through firewood collection) with an average consumption of firewood assuming the use of improved technologies. Further details are in **Uganda reference MEB, March 2019**.

Household items and clothing

The context plays a key role in terms of determining the items that need to be included in the basket. In emergencies, initial household items are often provided as a one time off additional grant.

Commonly included items and services:

Blankets, mattresses, sheets, sleeping mats, kitchen sets, furniture, clothes and shoes, hygiene items including soap, sanitary materials, diapers, toothbrush, toothpaste, etc.

46. Check Global Shelter Cash [webpage](#) for global guidance and country specific examples.

47. **Compendium - Protection-sensitive access to clean cooking October 2021**.

48. A local market assessment can be conducted to verify the availability of clean fuels and technology and to ensure no disruptions in the supply (e.g. in case of gas or liquid fuels) and spare parts are available. Further guidance can be found under **Review of environmental impact of Cash Based Interventions and in-kind assistance** and **Environmental Checklist**.

Considerations and tips:

- Consider the life span of the items when constructing the MEB.
- In Central African Republic, the MEB for Bangui contained detailed item list of the kitchen sets MEB for Bangui, October 2019 by Cash Working Group.
- In some contexts, the hygiene items are calculated as an average cost to cover a one-off hygiene kit or a dignity kit.⁴⁹
- Consider the affected population preference and WTP e.g. if majority of women prefers to use reusable sanitary pads, then the MEB should cover its costs rather than the cost of disposable ones provided conditions are safe for their use. In South Sudan, reusable sanitary napkins, underwear and Kanga (cotton cloth to make clothing) were included in the MEB as part of the protection component of the basket (Recommendation from the GBV sub-cluster). Further info available on [Multisector South Sudan Guidance Note - July 2021](#).

WASH

WASH commonly includes items related to potable water, personal hygiene, cleaning and sanitation. Most hygiene items and services maybe covered under e.g. household items or protection, and water bills under shelter/housing and utilities.⁵⁰

Commonly included items and services:

Jerry cans, bucket with lid, sanitation construction / repair, potable water, hygiene materials including soap etc.

Food

The basket should include the main food items consumed by the beneficiary population and should represent a balanced diet covering the minimum kcal/day (2,100 kcal/day/person).⁵¹ Also, it should be and adapted to local diets and preferences.⁵²

Commonly included items and services:

Staple foods (e.g. maize, rice), vegetables and fruit, meat and fish, milk, condiments, oil, sugar, salt, etc.

Considerations and tips:

- The ration calculator in [NutVal 4.1](#) can help to select commodities and products and to calculate the nutrient content of food assistance rations. The construction of an MEB for the Somali region in Ethiopia used a hybrid approach. For the food component, the quantities consumed per person per month were calculated based on the average per capita expenditure from the household survey. Then, rations were adjusted by scaling the caloric values proportionally to ensure the sum of all food items reached the standard daily average caloric requirements of 2100 kcal using the Nutval 4.1. For further details, check [Minimum Expenditure Basket For Somali Region Guidance Note, June 2020](#).

49. Dignity kit provides the necessities that displaced women and girls require to maintain feminine hygiene, dignity and respect in their daily lives. It typically contains sanitary napkins, hand soap, toothbrushes, toothpaste, and underwear. The kit may include items that are tailored to the culture e.g headscarf or items that can help in mitigating GBV risks such as radios to access information, flashlights, and whistles. Adapted from the [UNFPA 2020 Guideline: Adaptation of dignity kits & revision of distribution standards for risk mitigation during COVID-19 pandemic](#).

50. Further guidance can be found under [Cash Based Interventions for WASH Programmes in Refugee Settings](#).

51. See the [Sphere Standards Handbook](#), it offers a useful starting point, recommending a diet of 2,100 kcal per person per day, with 10–12 percent of daily energy intake from protein and 17 percent from fats.

52. Further guidance can be found [Minimum Expenditure Baskets: Guidance Note, WFP December 2020](#).

Education

Education costs usually cover school fees, scholastic materials and uniforms, depending on what households have to pay themselves and what is publicly available.⁵³

Commonly included items and services:

School uniform, school kits (supplies and books), school fees and transportation.

Considerations and tips:

- Even if education is provided for free or subsidized, check with the affected population if there are other costs that are still occurring. For example, in Uganda, despite education being officially free, hidden costs and financial barriers to education do exist; students' families are being asked to pay for contributions in order for the schools to function such as to pay the teachers, to pay for supplies for exams and to pay for school meals when they are provided. Further details are provided in [Uganda reference MEB, March 2019](#).

Health

Health needs can be challenging and are often irregular, large and unpredictable in nature. For example, some needs are related to an individual's condition and are therefore not average. Some people may need to pay periodically for expensive treatment for chronic illnesses, while others might need to pay a one-off large sum of money for other serious health events.⁵⁴ However, in general only basic (primary) healthcare costs not covered through free services are covered in the MEB such as e.g. minimum over-the-counter medical supplies (e.g. Paracetamol), consultations/diagnostic fees and/or two visits per year to the doctor (covered under transportation).⁵⁵

Commonly included items and services:

Premium, baby kit, over the counter medical supplies, primary and secondary health care consultations, direct costs for primary care at public health facilities (if not offered for free).

Considerations and tips:

- When a humanitarian agency or partner pays the premium for households in a target population directly to the insurance fund, then the premium no longer needs to be included in the MEB.
- In some contexts, and due to the difficulty of determining the list of items to include in the MEB, the cost can be factored in as a lumpsum. For north east Nigeria, the amount for the Health expenses was determined using information from the Health Sector, WHO, the government National Health Account and calculated per capita through a "good enough" approach; considering out of pocket expenses. Check the [MEB for North East Nigeria, CWG 2018](#).

53. Check for further guidance [Cash for Education: Direction and Key Considerations](#) and [Cash and Voucher Assistance for Education in Emergencies: Synthesis Report and Guidelines](#).

54. Secondary/ tertiary health care costs and care for chronic diseases are excluded from the MEB.

55. Further info can be found in [The Role of Cash Assistance in Financing Access to Health Care in Refugee Settings and other Persons of Concern to UNHCR](#) and the [Technical Note](#) on the Inclusion of Health Expenditures in the MEB and Subsequent Multi-Purpose Cash Transfer, WHO and [Global Health Cluster](#) September 2020.

Transportation, communication and other services

Experience from different contexts has shown that it is important to factor in transport costs; in particular those related to education (e.g. going to school), health (e.g. doctor/health center visits) and access to markets (depending on context) as well as communication costs e.g. telephone costs. As there are no international or national standard of the type of items, services and quantities needed to cover transport and communication, it is important to understand the average costs in the local context.

Commonly included items and services:

phone, sim card, transport fees, mobile data/airtime fees, potential financial service providers' (FSPs) fees.

Considerations and tips:

- Select the most popular and least expensive option. In the case of transportation, there may be an option to take a taxi or a bus, in which case the least expensive option should be selected, as long as it does not pose a protection issue. Similarly, for communication, factor in for example one card for data/phone per household and the cost of a cheap phone. In Lebanon, a large portion of messaging to refugees is done through channels that require an internet connection (WhatsApp, Facebook, websites, etc.). Additionally, having an internet connection provides additional streams of communication within communities. For this reason, the MEB component for communication costs was revised from the SMEB cost to include the cost of a data bundle on an existing phone line. This was done by taking the average cost of the smallest data bundle per month as advertised by the two telecommunications companies in the country. Check the **SMEB & MEB in Lebanon Background Note and Proposed Revision, September 2020**.
- FSPs related fees e.g. withdrawal fees or transfer fees are recommended to be included particularly if such fees occur from the use of a humanitarian cash grant and will not be covered by the agency.

Livelihood

Livelihoods are sometimes included in the MEB and generally cover some degree of productive assets for agricultural activities, if these are generic across the population. Inclusion of livelihoods into the MEB is hence highly dependent on the context and should only be done if e.g. almost all target population are farmers, have access to access to land and hence needs seeds.

Commonly included items and services (if livelihoods are included):

Seeds, fertilizers, tools, livestock feed, etc.

Considerations and tips:

- Many MEBs do not cover the livelihood components at all. In some countries, small costs related to livelihood activities can be incorporated to the MEB to enable households to maintain their productive assets.
- The livelihood costs in the Chad MEB were calculated based on the average costs of different kits (agriculture, fishing, breeding kits). Check **CWG - Panier Minimum de Dépenses 2020** for further info.

Other

There are different context-specific items and needs that can be included in the MEB. Some are related to protection such as one-off cost of obtaining legal documents. In some operation, a percentage is added to the MEB to cover “unmet needs” that were not covered by the other components of the MEB.

Commonly included items and services:

Legal documents and permits renewal (visa or residency and work permits).

Considerations and tips:

- Household expenditures on savings and taxes are not usually included in the MEB. Similarly, tobacco and alcohol might be reported by households as expenses. These are non-essential items and are not recommended for inclusion in the MEB.
- In Lebanon, the accrual of debt and the associated struggle to pay-off the debt poses a substantial protection risk to indebted households. As such, the monthly cost of debt was calculated by dividing the average of the yearly household debt reported in the 2019 Vulnerability assessment of Syrian refugees in Lebanon and dividing it by 12 months. For further info, check the **Review of SMEB & MEB in Lebanon Background Note and Proposed Revision, September 2020**.
- In Afghanistan, the cash and voucher working group has agreed to add “Unmet needs” component to the MEB which is calculated at 10% of the total sum of the MEB. This additional percentage has been included to take into account other needs (such as leisure and free time).⁵⁶ Check for further details, Afghanistan CWG’s MEB Guidance Document, March 2021.

Annex 3: References

- Operational Guidance and Toolkit for Multipurpose Cash Grants, December 2015
- The Use and Calculation of Cash Grants in Voluntary Repatriation, UNHCR July 2019
- The Cash in Emergencies Toolkit, Module 3 response analysis_ Transfer value, IFRC
- MEB Decision Making Tools, CALP February 2020
- Minimum Expenditure Baskets: Guidance Note, WFP December 2020
- Setting the Transfer Value for CBT Interventions: Transfer Value Interim Guidance, WFP July 2020
- Cash Transfer Implementation Guide, Mercy Corps 2017
- CASH Transfer Programming toolkit, Mercy Corps 2017

56. REACH_AFG_CVWG_JMMI_August2021.pdf

Annex 4: List of acronyms

CBI:	Cash-based intervention
CDD:	Customer Due Diligence
CFW:	Cash-for-work
CPI:	Consumer price index
CWG:	Cash working group
KYC:	Know Your Customer
MEB:	Minimum expenditure basket
MFT:	Multi-functional team
MSMA:	Multi-sector market assessment
NPL:	National poverty line
PDM:	Post distribution monitoring
SMEB:	Survival minimum expenditure basket
WTP:	Willingness to pay



UNHCR
The UN Refugee Agency