

# Minimum Expenditure Baskets for Cash-Based Programming in Uganda Updated Guidance for Uganda Cash Working Group in 2020

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## About the MEB

A **Minimum Expenditure Basket (MEB)** is an operational tool to:

- identify and quantify the average minimum cost of the regular or seasonal basic/essential needs of a median household that can be covered through the local market
- inform the design of humanitarian cash and voucher assistance (CVA)

A collaborative and interagency reference MEB – as in Uganda – can allow agencies to:

- inform assessment, programme design and monitoring
- calculate cash grant transfer values
- improve vulnerability analysis, monitoring and coordination

As such, the MEB represents a key point of reference to inform cash-based programming by agencies working in Uganda.

It remains important to bear in mind that:

- The **calculation of an MEB is not an exact science**. Decisions on what to include or leave out may involve compromise, and subjective judgements.
- The MEB is simply a threshold calculation. This can serve as the foundation for a quality response, but the MEB should not be critiqued for what needs to be built on top of and around it. There are many compromises to be made when defining what ‘the minimum’ is in and across sectors, but these trade-offs do not have to be on quality.
- The MEB does not account for the additional requirements of distinct groups such as pregnant and lactating women, infants, young children, adolescents, the elderly, people living with disabilities, and people with chronic diseases.
- The design elements that **accompany** a multipurpose/unrestricted cash grant (also referred to as complementary activities, sector-specific interventions and ‘cash plus’) are critical components of well-designed and holistic programming, and should continue to be prioritised as such.



## Reference MEB for refugee settlements – 2019

In March 2019, a **reference MEB** (see table on p.2) was finalised, along with an accompanying [MEB Harmonisation Guidance](#) document. This reference MEB:

- was developed on behalf of the Uganda Cash Working Group, using both a rights-based and an expenditure approach, and via strong sectoral engagement from other working groups and technical specialists

- represents a national average, composed of settlement-level data which was collected and aggregated across all 13 refugee settlements<sup>1</sup>
- is composed of 11 components: food; water; energy and environment; education; communication; transport; hygiene; clothing; health; household items and personal expenditures; and livelihood<sup>2</sup>
- combines recurrent/monthly with seasonal and one-off expenses; one-off and seasonal expenses were estimated and then divided by 12 to produce a monthly figure
- is based on an average household size of 5<sup>3</sup>
- equated in its prices across components to a split of 60% for food and 40% for non-food items



## Reference MEB for refugee settlements – 2020

Since the establishing of the 2019 reference MEB, prices have been monitored across all 13 refugee settlements on a regular basis, including via an inter-agency MEB Joint Price Monitoring initiative<sup>4</sup>; analytical bulletins were produced for [June to September](#), [October](#), and November 2019.

After an issue with data collection methodology<sup>5</sup> was identified, from October 2019 a new system of actual purchase and weighing of sold loose items replaced the former estimation system ([see Annex A](#) for more detail on the methodology for MEB price data collection). Results from this improved system of price monitoring have since generated a more accurate MEB, but are not directly comparable to MEB prices collected before October 2019, including the March 2019 reference MEB. Specifically, the real monthly cost of the food basket is significantly greater than that in the 2019 reference MEB, while firewood prices increased, driving an increase in the energy and environment MEB component. Meanwhile, over the previous 12 months other non-food MEB items had either exhibited price stability, or slightly decreased.

In light of the above, at the time of writing agencies are encouraged to make reference to **the most recent MEB price monitoring data for March 2020**, which is calculated **per average refugee household** as follows:

MEB component	MEB per month per refugee HH in settlement in March 2020 (UGX)	MEB per month per refugee HH in settlement in March 2019 (reference) (UGX)
Food	333,619	216,826
Hygiene	15,147	15,749
Water	3,750	3,750
Education	28,667	28,667
Energy (cooking + lighting)	56,010	28,595
Transport	11,001	11,001
Communication	4,256	4,256
Clothing	3,806	4,044
Health	2,669	2,669
HH items & personal expenditures	6,080	5,990
Livelihood	37,705	40,060
<b>Total</b>	<b>502,711</b>	<b>361,607</b>

<sup>1</sup> Adjumani, Bidibidi, Imvepi, Kiryandongo, Koboko/Lobule, Kyaka II, Kyangwali, Oruchinga, Palabek, Palorinya, Nakivale, Rhino Camp and Rwamwanja

<sup>2</sup> The cost of food, hygiene, energy (firewood), livelihood and household items were itemised based on a determination of essential needs; the cost of other components, including water, education, transport, communication, clothing, and health, were based on refugee expenditure patterns and expert agreement.

<sup>3</sup> NB that the ECHO-funded Cash Consortium for the South-West is now using a median household size of **four** members for its cash assistance in Kyaka, Kyangwali and Nakivale settlements, based on PDM findings in these areas of operation.

<sup>4</sup> Led by WFP, in collaboration with the DRC-led Cash Consortium for the South-West, and UNHCR

<sup>5</sup> Predominantly for three food items: cassava; leafy vegetables; and smoked tilapia; plus firewood

Agencies are also encouraged to continue to conduct analysis and where relevant explore collaboratively developing local-level MEBs in support of programming, based on the location of interventions and available price and household expenditure data. Where this relates to specific refugee settlements, the Vulnerability and Essential Needs Assessment (VENA) Market Component’s [Refugee Settlement Market Factsheets](#) represent a good baseline for reference.

### Urban-oriented MEB – for COVID-19 cash-based response

In April-May 2020, an **urban-oriented MEB** has been developed by WFP, with support from UNHCR, and inputs from the leads of the Cash Working Group’s Market Analysis task force. The impetus to do so was in the context of supporting design of a UNHCR-WFP multisectoral cash-based COVID-19 urban refugee response in Kampala; and in parallel to provide a needed point of reference for other agencies and partners designing or adapting existing cash-based interventions in urban areas of Uganda.

The urban-oriented MEB comprises the same core components as contained in the existing [refugee settlement MEB](#), and includes an additional component for shelter (i.e. rent). Differences in prices and/or essential expenditures for meeting minimum basic needs via urban markets are accounted for and factored into the calculation; please refer to [Annex B](#) for further details of the process followed to develop this.

It should be noted that the urban-oriented MEB reflects a needed trade-off, under the onset of COVID-19, between data-based analytical rigour and being both good and timely enough to inform transfer value calculations within emergency cash-based programme design. Its recommended contents in terms of components and reference prices, and the process followed to produce these, have been collaboratively reviewed and agreed on behalf of the Cash Working Group. At the time of writing, this is done with the parallel recognition that in the months to come a more rigorously expenditure-based – and necessarily resource-intensive and time-consuming – inter-agency process will be prioritised, also informed by the Vulnerability and Essential Needs Assessment (VENA) household component, in order to sense check both this urban-oriented MEB, and the latest version of the existing refugee settlement-based MEB as above.

**Urban-oriented MEB**

<b>MEB component</b>	<b>MEB per month per capita for refugee in Kampala in April 2020 (UGX)</b>	<i>MEB per month per capita for refugee in settlement in March 2020 (UGX)</i>
Food	84,923	66,724
Education	5,314	5,733
Shelter: Rent	50,000 <sup>6</sup>	
Hygiene	732	3,029
Water	5,595	750
Energy (cooking and lighting)	10,932	11,202
Transport	2,024	2,200
Communication	616	851
Clothing	909	761
Health	501	534
HH items & personal expenditures	1,177	1,216
Livelihood	7,541	7,541
<b>Total MEB per person / month</b>	<b>170,264</b>	<b>100,542</b>

NB that the urban-oriented MEB is calculated on a **per capita basis**, including to account for variance in rent components to cash transfers based on household size; this differs from the refugee settlement MEB, which is calculated for an **average household size of 5**.

<sup>6</sup> Up to a maximum of UGX 250,000, regardless of household size

## Transfer values

**The MEB is distinct from and not the same as the calculation of a transfer value.** Calculation of transfer values – whether multipurpose/unrestricted to meet a range of basic/essential needs, or sector-specific, complementary, ‘cash plus’ or otherwise – should be informed by the MEB, along with consideration of a range of factors as relevant, including:

- Combining the MEB with income-expenditure, vulnerability and gaps analysis – in particular via the Vulnerability and Essential Needs Assessment (VENA) analytical framework being finalised for Uganda
- The percentage of the MEB that the cash grant will cover, given the above analysis
- Availability (value and coverage) of other assistance, whether provided by other humanitarian agencies, or through government interventions
- Programme objective and specific sectoral expertise (e.g. for food, based on food security and nutritional analysis; to meet other basic needs where food needs may be partially or fully covered; for education; for livelihoods recovery; to deliver protection outcomes; etc.)
- Additional requirements for households or individuals to be met over and above the MEB
- Targeting strategy and criteria
- Calculating transfer values in relation to minimum national and/or local wage rates (e.g. for Cash for Work)

While the MEB remains constant regardless of assistance and funding constraints, transfer values may vary, and are likely to be less than the MEB value, in light of the above-mentioned considerations.

A range of transfer values for cash-based assistance have been developed and used by agencies in Uganda. For further information, orientation or guidance in developing and harmonising transfer values, please refer to the [Uganda Cash Working Group co-leads](#).

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## Annex A: Methodology for MEB price monitoring

- Data is collected by enumerators using ODK, from refugee settlement level markets most accessed by refugees.
- For items that are sold loose in the market, enumerators purchase the items and weigh them to determine the actual price per kg of the item.
- The purchase and weighing of the sold loose items is done every last week of the month (monthly or quarterly).
- At least three responses per item per settlement are collected to ensure representativeness of item prices at settlement level.
- Average market prices of food commodities used for analysis; median prices for non-food items.
- The costs of clothing and livelihood component is updated using a Consumer Price Index (CPI) calculated based on monitored non-food items, in line with WFP best practice.

## Annex B: Process to develop the urban-oriented MEB

For reference, the **process followed to develop the urban-oriented MEB** was as follows:

- Decision taken to conduct specific analysis for Kampala, given that the existing MEB for cash-based programming is (i) based on refugee settlement data and therefore potentially exhibiting notable differences compared to urban environments, and (ii) does not include a shelter/rent component.<sup>7</sup>
- Cross-check cost of items in the MEB **food basket component**:
  - The MEB food basket component<sup>8</sup> is calculated based on the food items included in the basket, multiplied by the actual food prices. The food basket itself is set based on food consumption patterns according to the requirements for a healthy diet and energy intake – i.e. a nutritious basket of food items based on [NutVal 4.1](#), as originally established in the [2019 reference MEB](#).<sup>9</sup>

Item	Monthly requirement (kg) per person
Maize flour	8.7
Beans	5.4
Sorghum grain	1.5
Oil (cooking, refined)	0.75
Cassava (fresh)	0.6
Salt (cooking)	0.15
Leafy vegetables	3
Fish dried (Tilapia)	0.6
Milk (fresh)	0.3

- WFP monitors food item prices on a regular basis, and already has an appropriately high degree of confidence in the accuracy of the prices in the existing (refugee settlement) MEB as of March 2020, since the reference price per food item is averaged across all 13 refugee settlement market places, including ‘outlier’ markets where food items are both more expensive (e.g. Adjumani) and less so (as in the South West).
  - In developing the food basket component for the urban-oriented MEB, for now it is assumed that there are no significant differences in food consumption patterns between refugees based in settlements and those residing in Kampala; as such the reference (refugee settlement averaged) MEB food basket (i.e. the same composition of items) was used, with prices collected in Kampala in the last week of April 2020, in order to construct the proposed urban-oriented MEB food basket component.
- **Non-food items:** an adaptation to account for the Kampala urban setting was made using the Consumer Price Index (CPI) of March 2020 produced by the Uganda Bureau of Statistics (UBOS).<sup>10</sup>

<sup>7</sup> This was not found to be a relevant or significant typical expenditure/essential need at the time of the construction of the reference MEB in early 2019; additionally there was little information on expenditure of shelter items available. However, housing and/or rent in urban settings was identified as one of the most important expenses after food.

Source: [Minimum Expenditure Basket Harmonisation Guidance](#), Uganda Cash Working Group, March 2019, pp.69-70

<sup>8</sup> The food basket component of the MEB currently comprises: maize flour; beans; sorghum grain; refined (cooking) oil; fresh cassava; cooking salt; leafy vegetables; dried fish/smoked tilapia; and fresh milk

<sup>9</sup> **Developing the food component in the 2019 Reference MEB**

Source: [Minimum Expenditure Basket Harmonisation Guidance, March 2019](#)

WFP’s Analysis, Monitoring, Evaluation and Learning (AMEL) Unit supported the MEB task force with the following analytical steps to estimate the food MEB:

1. Review local food preferences: A rapid descriptive screening exercise of food consumption of refugees and host community members, by sex of the household, by livelihood, and finally by cash-based recipients with acceptable food consumption.
2. Establish a nutritious basket of foods (normative food basket/food MEB) based on NutVal 4.1, incorporating a greater number of purchased items: <http://www.nutval.net/>
3. Cost the nutritious basket of food items at settlement level, and then aggregate and average these prices to produce a food MEB

<sup>10</sup> Source: Uganda Consumer Price Index, March 2020

To do so: (i) the monthly CPI baskets for urban households in Mbarara and Arua were combined to produce an average CPI between the two; (ii) the difference between the Kampala Low Income CPI basket for urban households and the Mbarara-Arua average CPI was then calculated and expressed as a percentage; (iii) this percentage was then applied to the existing reference (refugee settlement) non-food item category, and the price increased or decreased accordingly; (iv) in this way to produce a Kampala-adjusted comparative price, reflecting the dynamics in terms of likely price changes as indicated by the March 2020 CPI. NB that the outcome of this process was an urban-oriented set of non-food item components (excluding rent/shelter) that only differentiates by an increase of UGX 1,523<sup>11</sup> on the existing reference refugee settlement MEB non-food item components.

- Additional **component for rent**: a proposed per person metric for rent was developed based on analysis of reported urban rent expenditures in existing assessment datasets previously compiled by WFP, REACH and NRC.<sup>12</sup> Comparing median reported rent expenditures across different household sizes, a per capita value of UGX 50,000 was proposed, up to a cap of UGX 250,000. The cap is based both on the median refugee household size being set at 5, but also because households up to 8 in size on average reportedly spend around/no more than UGX 250,000, as set out in the summary table below.

**Median rent per household size**

Household size	Rent median (UGX)
1	180,000
2	250,000
3	250,000
4	250,000
5	250,000
6	250,000
7	250,000
8	250,000
9	350,000
10	600,000

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[www.ubos.org/wp-content/uploads/publications/03\\_2020CPI\\_MARCH\\_2020.pdf](http://www.ubos.org/wp-content/uploads/publications/03_2020CPI_MARCH_2020.pdf)

The Consumer Price Index (CPI) is a general indicator of price levels paid by households for consumer goods and services. UBOS produces a monthly composite Consumer Price Index for Uganda, comprising ten baskets for Kampala High Income, Kampala Middle Income, Kampala Low Income, Jinja, Mbale, Masaka, Mbarara, Fort Portal, Gulu and Arua, all of which are for urban households.

<sup>11</sup> UGX 35,341 vs. UGX 33,818

<sup>12</sup> Specifically:

WFP Uganda, Food Security and Essential Needs Assessment of Kampala-based Refugees, January and April/May 2020  
NRC and REACH, '[Owned Spaces and Shared Places: Refugee Access to Livelihoods, Land, and Property in Uganda](#)', September 2019

AGORA, '[Understanding the Needs of Urban Refugees and Host Communities Residing in Vulnerable Neighbourhoods of Kampala: A multisector analysis of the dynamics of supply and access to basic services in nine vulnerable urban settlements](#)', July 2018 – and its accompanying [dataset](#)