

## Uganda Cash Working Group:

### Updated 2023 Minimum Expenditure Basket

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#### Background

In August 2023, Uganda Cash Working Group (CWG) members and its coordination (WFP, UNHCR) established the need to update the Minimum Expenditure Basket (MEB) for refugees living in Uganda. Since the MEB was last revised in 2021, geopolitical and economic developments have resulted in an inflationary environment, affecting consumer prices in Uganda for host communities and refugee households alike. This has resulted in limited use of the 2021 MEB as a means of advocacy or to inform MPCA transfer values towards cash programming within the Uganda refugee response.

Using existing data sources (notably FSNA 2023) and with the intention of keeping to validated or common methods of establishing MEBs, CWG coordination (supported by IMPACT-REACH, in turn supported by DG ECHO) to establish a proposed update of the 2021 MEB based on existing data sources, befitting of the 2023 context.

The Uganda CWG MEB consists of 11 components: Food, Hygiene, Water, Education, Energy & Environment, Transport, Communication, Clothing, Health, Other household items and personal expenditures, and Livelihoods. Values aim to represent the average value to procure essential needs for a refugee household of 5 persons for a period of one month.

#### 2021 MEB

The original 2019 MEB (guidance note accessible [here](#)) and 2020 & 2021 partial revision/updates (see [Annex 1](#) as well as the 2021 Uganda MEB Guidance Note), combined various standard methods to establish realistic and evidence-based values for these components. Key methods which are generally used and applied in the Uganda MEB include:

- **Itemization:** establishing a selection of items (and quantities per item), and then ascertaining price points for these items (to be monitored and updated as necessary). A selection of components' prices in Uganda are monitored and accessible on the [CWG Refugee Market Monitor](#) (led by WFP).
- **Expenditure data:** expenditure data from data sources on specific components with a specific recall period and metadata to understand average household size (or other profile-related specificities) allows the CWG to establish components' values from datasets such as the Food Security Needs Assessment (FSNA – WFP/UNICEF), Individual Profiling Exercise (IPE – UNHCR), and RIMA (Resilience Index Measurement & Analysis – FAO).
- **Dynamic proportions:** it is common practice to establish how much a component should constitute as a proportion of the overall MEB. For instance, according to [WHO/Global Health Cluster guidance](#) on establishing the Health component, the health component should not exceed 10%. This allows a CWG to consider contextual factors, analyze expenditure data, hold focus groups discussions, and establish a dynamic proportion fit for a country's MEB's Health component.

## 2023 Proposed MEB

The updates in the proposed 2023 MEB consists of a mixture of available tools and datasets, all of which have been reviewed by CWG coordination and/or WFP VAM colleagues to confirm validity of findings, and 2023 FSNA weighted household expenditure averages for various components were supplied by WFP VAM colleagues. Itemized products that are sub-components of the below components are non-exhaustive in this document, and can be found in the linked 2019 guidance, as well as the disseminated 2023 MEB proposal (Excel file), held by CWG coordination.

Each value represents the cost for a refugee household of five persons (national average refugee household size) to procure the minimum essential needs for that component, per month.

### Proposed 2023 MEB versus validated 2021 MEB:

Sector	2021 (UGX)	2023 (UGX)	2023 % of total	Change from 2021 %
<b>Food</b>	276,904	396,860	58%	43%
<b>Hygiene</b>	16,009	33,942	5%	112%
<b>Water</b>	3,750	6,780	1%	81%
<b>Education</b>	28,667	33,506	5%	17%
<b>Energy &amp; Environment</b>	49,495	103,358	14%	109%
<b>Transport</b>	11,001	23,911	4%	117%
<b>Communication</b>	4,256	7,507	1%	76%
<b>Clothing</b>	3,806	10,987	2%	189%
<b>Health</b>	2,669	15,936	4%	497%
<b>Others HH items and personal expenditures</b>	6,080	6,058	1%	0%
<b>Livelihood</b>	37,705	43,705	6%	16%
Total per HH per month	<b>440,341</b>	<b>682,551</b>		<b>55%</b>
Total per person per month	88,068	136,510		
Total per person per day	2,936	4,550		

### Food

In 2019, the Food component was **itemized** by WFP VAM based on most commonly available and consumed foods by refugee households on a regional basis, and **prices have been monitored** monthly.

The 2021 MEB yielded a Food component of UGX 276,904. The proposed update yields a value of UGX 396,860, consisting of the updated average foodstuff prices from October 2022-November 2023, and have been reviewed to be accurate by WFP VAM colleagues.

At this stage, there is no identifiable need to re-itemize the foodstuffs included in the Food MEB given the lack of indication that substitution of foodstuffs has occurred since 2021.

If desired by CWG members, it is possible to create regionalized Food components.

## Hygiene

In 2019, the Hygiene component was **itemized** based on most commonly available and consumed products (soap, sanitary pads, 20L jerrycan, 15L bucket with lid, 5L water for handwashing) by refugee households, and some (soap, 20L jerrycan) **prices have been monitored** on a regular basis. Other one-off items (itemized, quantified for a year's usage, and divided by 12 to be added to a monthly cost) have been kept as-is, but some could be factored by inflation if required.

The 2021 MEB yielded a Hygiene component of UGX 16,009. The proposed update yields a value of UGX 33,942, consisting of the updated average hygiene product prices from October 2022- November 2023, and have been reviewed to be accurate by WFP VAM colleagues.

## Water

Two rates are currently in use:

- Pro-poor rates; UGX 25 per 20L jerrycan, translating to UGX 3,750 per household per month, applicable to 6/13 settlements.
- Normal (national water grid) rates; 3 m<sup>3</sup> per household per month, yielding UGX 6,780 per month, applicable to 7/13 settlements.

For this update, the normal rates suggested by the WASH Sector are applied, leading to an increase from UGX 3,750 in 2021 to UGX 6,780 in 2023. This would be preferable given future planned inclusion of more settlements into national water grid. Averaging these two rates weighted per settlement would create a distorted minimum for most settlements under the national water grid and is therefore not preferred.

## Education

In the 2021 MEB, the Education component totaled at UGX 28,667, and was itemized to include:

- Yearly cost for two children in primary school (UGX 22,000)
- Yearly cost for one child in secondary school (2 x UGX (300,000))

In the absence of updated values for these costs, as well as little visibility on ancillary costs (informal fees and contributions, books, transport costs, etc.), the proposed value was initially hinged on IPE or RIMA analysis (both datasets are from from 2021-2) to be at UGX 19,000 or UGX 40,000 respectively.

The introduction of 2023 FSNA weighted analysis across all settlements for an average expenditure on education good and services for a household of 5 persons yielded the value of UGX 33,506, which seems reasonable both in comparison to IPE/RIMA data as well as to the 2021 Education component value if it were to be factored by compounded inflation (UGX 33,228).

## Energy & Environment

The Energy and Environment component consists of itemized costs for wood fuel and power and has changed from UGX 49,496 in 2021 to UGX 103,358 in the proposed 2023 MEB.

- While the wood fuel itemization in 2021 consisted of 1.1kg per person per day, this has been recommended by the E&E WG to be increased to 1.8kg per person per day for the 2023 MEB, as indicated per recent data provided by the WG to CWG coordination. This average usage was then factored against an average price per kilo derived from recent price data from the price monitoring effort (expressed in price per kg); UGX 337/kg.

- The second sub-component previously consisted of electricity access for lighting charging, etc., at a lumpsum of UGX 1,000 per person per month (UGX 5,000 total per household per month). This sub-component has been changed in line with the 2023 FSNA: average household expenditure for 5 persons per month being UGX 12,368.

### Transport

The transport component was established in 2021 as a dynamic proportion of 6.8% of the total household MEB. This dynamic proportion of 6.8% was decided on as an analogical benchmark to the proportion spent by host community households on transport in the 2017 FSNA.

Since that dataset is outdated, the expense patterns of host and refugee households are different, and the total expenditures are substantially higher in 2023, it was decided to opt for the 2023 FSNA average refugee household monthly expenditure on transportation, which is UGX 24,000, compared to the 2021 MEB's UGX 11,001.

### Communication

Similar to transportation, the communication component was established in 2021 as a dynamic proportion of 2.6% of the total MEB. Given the outdated nature of the underlying data on which this proportion was based, along with the aforementioned considerations, it was decided to opt for the 2023 FSNA average refugee household monthly expenditure on communication, which is UGX 7,500, compared to the 2021 MEB's UGX 4,256.

### Clothing

Similar to transportation and communication, the clothing component was established in 2021 as a dynamic proportion of 2.5% of the total MEB. Given the outdated nature of the underlying data on which this proportion was based, along with the aforementioned considerations, it was decided to opt for the 2023 FSNA average refugee household monthly expenditure on clothing, which is UGX 11,000, compared to the 2021 MEB's UGX 3,806.

### Health

The health component is arguably the most difficult component to place a value on, given the difficulty itemizing for needs, the difficulty assessing (barriers to) access as well as price variation in services and medicine, households' differing profiles concerning maternity health, elderly care, chronic or severe illnesses, disability, and other considerations.

The 2021 MEB assigned a value of UGX 2,669 to the Health component, given the need to temper with what goods and services are theoretically already accessible in the form of provision by GoU MoH and humanitarian/development actors.

FSNA 2023 average refugee household expenditure on health services (UGX 15,936) and medicine/health products (UGX 9,782) is circa UGX 26,000. Relative to weighted means from other data sources, this is a more recent and accurate value in terms of data quality and is therefore recommended as the basis of the Health component's value. Since Health Sector leads have commented that UNHCR plans to reprocur medicine to be prescribed free of charge, only the health services average has been considered into the Health component, leading to a value of UGX 15,936.

WHO/Global Health Cluster guidance specifies that when using a dynamic approach (assigning a fixed % to the health component as part of the wider MEB), appropriate proportions of health expenditures as part of total expenditure would typically lie between 3-9%. The FSNA mean puts the

Uganda Health component at 2%, befitting of normal and accepted criteria given that medicine and health products will reportedly continue to be provided according to Health Sector leads.

#### Others HH items and personal expenditures

This component comprises miscellaneous itemized expenditures, specifically including 5 blankets, 3 saucepans, 5 plates, 2 serving spoons, 2 wooden mingles, and 5 cups per year, which were priced in 2021, and divided to be included at a monthly basis, at UGX 6,080.

Insofar possible, certain price-monitored items (spoons, plates, wooden mingles) were updated with the most recent price data available, leading to a component value of UGX 6,058.

It is possible to factor remaining items by inflation, though price monitoring on items for which there is price monitoring suggests no major change in this category of products.

#### Livelihood

The Livelihood component was itemized with the support of FAO in 2019 and have remained the same in 2020 and 2021 revisions at UGX 37,705. Since no price monitoring of the itemized products has taken place, and since the items themselves are ubiquitously available on markets, it was decided to (also in discussion with the LRSWG) to provisionally factor this component's value by inflation, ultimately landing at UGX 43,705, and to explore further options in tandem with the WG in light of a possible full revision of the Uganda MEB in 2024.

## Annex 1: Notes on 2020 & 2021 Updates:

### **Minimum Expenditure Basket for Cash-Based Programming in Uganda**

#### **Update for the Uganda Cash Working Group in 2021**

##### **About the MEB**

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

1. 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.
2. Inform the design of humanitarian cash and voucher assistance (CVA)

A collaborative and interagency reference MEB – as in Uganda – allows 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.

##### **The reference MEB for refugee settlements in 2019 and 2020 revision**

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.

In 2020, after an issue with data collection methodology was identified, a new system of actual purchase and weighing of sold loose items replaced the former estimation system. This led to a more accurate MEB with a higher reference value. Specifically, the real monthly cost of the food basket was significantly greater than that in the original 2019 reference MEB, while firewood prices increased, driving an increase in the energy and environment MEB component.

Table 1: MEB components and March 2020 reference values

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

### **Update on the reference MEB for refugee settlements in 2021**

Since the March 2020 revision, prices have been monitored regularly across all 13 settlements according to the new methodology. Analytical bulletins produced jointly by REACH and WFP on a monthly basis can be found [here](#).

<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.

A trend analysis of the data collected since March 2020 found that;

- The value of the full and food MEB have been consistently below the March 2020 reference value.
- At the national level, the value of the full and food MEB was, on average,<sup>4</sup> 16% and 11% below the March 2020 value.
- The value of the full MEB has decreased, on average, by 6% in the South West Region (SWR) and 15% in the West Nile Region (WNR).
- The value of the food MEB has decreased, on average, by 15% in the SWR and 17% in the WNR.

In light of the above, agencies are encouraged to make reference to the most recent and updated MEB price monitoring data for March 2021, which is calculated per average refugee household as follows:

Table 2 MEB components and updated March 2021 reference values

<b>MEB component</b>	<b>MEB March 2020</b>	<b>MEB March 2021:</b>
Food	333,619	276,904
Hygiene	15,147	16,009
Water	3,750	3,750
Education	28,667	28,667
Energy (cooking + lighting)	56,010	49,495
Transport	11,001	11,001
Communication	4,256	4,256
Clothing	3,806	3,806
Health	2,669	2,669
HH items & personal expenditures	6,080	6,080
Livelihood	37,705	37,705
<b>Total</b>	<b>502,711</b>	<b>440,342</b>

### **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) available [here](#).
- 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.)

<sup>4</sup> This average was taken over the percentage change from the March 2020 value over the months June, July, August, September, October, November, December, January, February and March 2021.



- *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](#).*