

Minimum Expenditure Basket (MEB) for Syrian Refugees in Jordan

Guidance Note

1.) Background and Rationale

The Minimum Expenditure Basket (MEB) is a way of establishing poverty lines for refugee populations. It is emerging as the primary tool to develop a cost and market based expression of minimum needs of refugees in any given country. It broadly follows the notion of a “cost of basic needs approach” as outlined in the World Bank Poverty Manual from 2005.

Poverty is defined as a “deprivation in well-being”, which is related to the command over commodities.

In Jordan, it was agreed to develop two poverty lines, i.e. two MEBs, in order to

- (a) Mirror the way the Government of Jordan calculates poverty lines and to
- (b) Support the vulnerability calculations under the Vulnerability Assessment Framework (VAF).

Accordingly, the two MEBs are

- 1. Minimum Expenditure Basket (MEB) and the
- 2. Survival Minimum Expenditure Basket (SMEB)

The former is the expression of the monthly cost per capita, which allows a Syrian refugee to live a dignified life outside the camps in Jordan. This implies the full access to all rights and represents the minimum needed to lead a dignified life outside the camps. The latter is the expression of the monthly cost per capita which is the minimum needed for physical survival and implies the deprivation of a series of rights.

It should be acknowledged, that similar much like in the development context poverty lines and their appeal as “objective line” bear limitations. The poverty line approach is often contrasted with the multi-dimensional poverty index approach to add a qualitative element to poverty calculations. For the sake of expediency and temporal contingency, however, the utility of a poverty line in the Jordanian refugee response context far outweighs at this point a much more sophisticated treatment of the issue by debating qualitative and quantitative methods.

2.) Formulation and Findings

Building on the first MEB developed by the Cash Working Group (CWG) in 2014, the Inter-Sector Working Group for the Syrian refugee response agreed to establish a task force (TF) to review and update the MEB.

The MEB TF convened five times between mid-March 2015 and early June 2015 to develop the attached breakdown under the full inclusion of all sectors. The findings were presented in early June to the Inter-Sector Working Group and the components of the basket were endorsed; but with the request to better outline the use and application of the MEB.

3.) Operationalization

The way that the MEB can be operationalized falls into two broad categories. On the one hand, it can help shape appropriate assistance packages and levels of intervention and on the other hand, it can provide poverty lines that are used in modelling approaches such as the ones underpinning the VAF.

a. Levels of Assistance

Using the line items in the MEB as well as the household sizes in the column, sectors are able to determine assistance packages. For example, cash-for-rent activities in the shelter group can now revisit the sizing scale based on the row 4 the MEB related to rent. Similarly, cash-for-water activities can now be costed based on row 27 of the MEB. This is a straight forward exercise for conditional cash grants. The Basic Needs working will have to work out how to size unconditional cash assistance.

Importantly, it is now possible to develop an assistance scale by household size or even per capita rather than applying a flatrate or a categorical package. Moreover, it will be possible to track this reliably at sector-level and to integrate this further into coordination tools such as RAIS.

b. Vulnerability Assessment

The MEB will also yield the poverty lines, which will be validated by the VAF steering committee. There are at least two possible ways of defining the poverty line based on the current MEB:

- 1.) Either the per capita value of the family size of 5 is used, which is the standard category for the appeals and for all calculations at sector level when it comes to appeals and call for proposals. This means that the absolute and abject poverty lines would be 83JD and 50JD respectively.
- 2.) Or it is possible to use combine the weighted average for each family sizes as reported under the VAF baseline survey into the poverty lines, which would yield 70JD and 30JD.

The VAF steering committee supported by the VAF technical group will have to conclude the technically most appropriate version.

4.) Recommendations:

a. To the Sectors: Application of the MEB

Sectors – particularly those who consider monetizing assistance in part or in full – should sue the MEB as a way to formulate sizing recommendations for their sector. This means they should engage in a process that sets the level of assistance to meet a sector standard against the MEB. In particular cases, for example Basic Needs and Shelter, it is recommended that some of these consultations are done in close coordination with the Basic Needs working group, as it is this working group that coordinates unconditional (i.e.

multi-purpose) cash grants in the refugee response in Jordan. This should be done either through coordination among sector co-chairs or – in particularly complex situations – through setting up a joint technical task force.

b. To the VAF Steering Committee:

The VAF Steering Committee under the facilitation of the VAF technical team will have to revisit and endorse the poverty lines emerging from the MEB (see section 3.2), as they should replace the existing poverty lines which are not calculated based on refugee needs at present.

c. To the Sectors:

It is recommended that all sector standards are revisited and costed in the coming six months, as the MEB exercise brought to light that sector standards either do not exist, exist in an outdated format or have never been costed. This meant that the MEB task force had work with a set of assumptions. Their use and applicability need to be tested over the coming period at sector level in order to make sure that a review of the MEB will be a time-efficient exercise.

d. To the ISWG:

The ISWG should revisit the MEB at least every twelve months or whenever significant shocks occur that shift the types of cost of the items used in this MEB.