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Essential Needs Assessment

Guidance Note

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Essential needs assessment

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The essential needs analysis workstream

This guidance note is part of a package of essential needs analysis guidance. WFP's essential needs analysis workstream is a collaboration between the Research, Assessment and Monitoring (RAM) Divsion and the Cash-Based Transfers (CBT) Division of WFP.

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Preface – the essential needs approach

What are essential needs?

This guidance note on essential needs assessment is part of a package of guidance on the analysis of essential needs. This preface provides a brief introduction to the concept of essential needs, the rationale behind the package of guidance for the analysis of essential needs, what this analysis entails and how the different analytical pieces can be used.

The concept of essential needs originates in the basic needs approach proposed by the International Labour Organization (ILO). The ILO report on the 1976 World Employment Conference defined basic needs in terms of household private consumption of goods such as food, clothing and housing, and services such as water and sanitation provision, education and public transportation.[1] Since then, **basic – or essential – needs have been broadly defined in several analytical frameworks as the essential goods and services required on a regular or seasonal basis by households to ensure survival and minimum living standards, without resorting to negative coping mechanisms or compromising their health, dignity and essential livelihood assets.**[2]

> ***What counts as essential will greatly depend on the context and on what people themselves consider the most important aspects necessary to ensure their survival and wellbeing.***

This amounts to a working definition for a highly contextual concept. The definition is not a universal list of what constitutes essential needs. International humanitarian and human rights law offer a useful starting point for that, protecting the rights of crisis-affected populations to food, water, sanitation, clothing, shelter and lifesaving healthcare. However, what counts as essential will greatly depend on the context and on what people themselves consider the most important aspects necessary to ensure their survival and wellbeing. In order to move from the concept to concrete analysis and action, **any definition of essential needs should always be contextualized** and verified through consultations with the population of interest and other stakeholders.

Why is WFP interested in essential needs?

The analysis of essential needs, how people meet them and where there are gaps or constraints to meeting them enriches insight into food insecurity, its drivers and how it is connected with meeting other needs. A thorough understanding of essential needs helps in the design of effective food security responses.

Among essential needs, food is central. Often, food is the need on which poor households spend the largest share of their resources. But a household's ability to meet its food and nutrition needs also depends on its ability to meet other essential needs. When households have limited resources, they will constantly have to prioritize between often equally urgent needs. They may have to decide between spending money on healthcare or school fees or on buying different types of food. At the same time, being in poor health or having limited access to clean water negatively impacts a household's ability to be food and nutrition secure. This illustrates the importance of analysing essential needs together and explains why adopting the lens of essential needs can be of great value for understanding food security and designing food and nutrition security interventions.

Recognizing this connection between food security and the fulfilment of other essential needs is paramount when working to reach the Sustainable Development Goals (SDGs). The WFP strategic plan for 2017–2021 points out that in order to achieve SDG 2 – End hunger, achieve food security and promote sustainable agriculture – WFP needs to integrate a life-changing strategy along with its lifesaving focus. This means working towards sustainable food security and nutrition goals while understanding how achieving SDG 2 is linked to progress towards other SDGs.

Building strategic partnerships for stronger synergies is key to improving food security. SDG 17 – Strengthen the means of implementation and revitalize the global partnership for sustainable development – recognizes the crucial role of partnerships in achieving holistic and sustainable

1. Employment was considered both a means and an end, and participation in decision making was also included.
2. See the Cash Learning Partnership's *Glossary of terminology for cash and voucher assistance* (CaLP glossary); and Save the Children UK, 2018.

outcomes for affected populations. Another key international agreement, the Grand Bargain, committed its signatories to working together in a more efficient and harmonious manner in order to better assist the growing number of vulnerable people affected by crises around the world.

Against this backdrop and based on best practices by WFP and partners, an integrated analytical package has been prepared to provide guidance on how to analyse essential needs. This package builds on existing guidance and research together with practical experience and lessons learned. It is designed to provide analytical results that can be used to inform strategic and operational decision making and programme design.

As analysing, understanding and assisting people in meeting their essential needs is by definition not a single-agency undertaking, the package developed by WFP is intended as an analytical starting point for interagency collaboration. It offers data-driven approaches and quantitative indicators but also allows for analytical flexibility, emphasizing the importance of collaboration, qualitative inquiry and contextual adaptation.

Essential needs analysis is particularly relevant where WFP and partners seek to support government strategies and policies such as informing the design of social safety nets, as a toolbox to support the design of multi-stakeholder joint assessments, or joint, harmonized or complementary interventions. Essential needs analysis has proven useful in a variety of contexts, from refugee camps to chronic food insecurity settings. It is often highly relevant when assessing the situation of poor urban populations: urban households depend heavily on markets to meet their food and other essential needs, including housing; high living costs and unstable income sources make them vulnerable to shocks, forcing households to choose between meeting different essential needs in times of hardship.

What is essential needs analysis? The analytical package

The WFP essential needs analysis package consists of three parts:

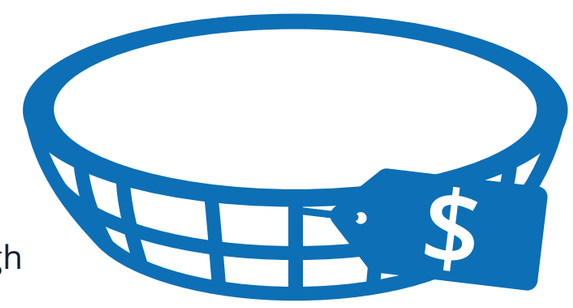
The **essential needs assessment** is a household and/or community assessment that helps to understand if and how people are meeting their essential needs; as such, it focuses on the demand side of essential needs. The assessment seeks to identify and analyse essential needs and gaps, estimate the number of people in need and profile them by describing their main characteristics. It aims to answer the following questions:

- What are the population's essential needs and how do people meet them?
- Which essential needs are unmet and why?
- How many people are unable to meet their essential needs?
- Who are the people that are unable to meet their essential needs?
- Where are the people that are unable to meet their essential needs?
- How can households be assisted to meet their essential needs?

The essential needs assessment promotes the use of qualitative and quantitative analysis. It proposes a suite of essential needs indicators that capture various aspects of essential needs and a household's ability to meet them, including measures of household economic capacity to meet essential needs, deprivations of different essential needs, how households cope when they struggle to meet their essential needs, and how they prioritize unmet needs.

An integrated analytical package has been prepared to provide guidance on how to analyse essential needs. This package builds on existing guidance and research together with practical experience and lessons learned.

The **minimum expenditure basket** (MEB) looks at the needs that are covered, partially or fully, through the market. It sets a monetary threshold, which is defined as what households require in order to meet their essential needs. The starting point for constructing a MEB is usually household expenditure data. This data is analysed and triangulated with sector-based needs information to obtain a measure of the minimum cost of essential needs based on the population of interest's actual demand pattern and consumption priorities. The expenditure data can be gathered as part of the essential needs assessment data collection. Once constructed, the MEB itself serves as a key input in the essential needs assessment set of indicators as it is used to assess which households have the economic capacity to cover their needs through the market.



The **supply analysis** ooks at the supply of essential goods and services and examines whether the market and/or public provision can sustain the demand related to essential needs. It integrates quantitative methods for examining the basic functioning of the marketplace, including standardized market assessments such as those conducted following the Market Functionality Index (MFI) methodology, with qualitative investigation of supply and access.

The three guidance tools are designed so that they can be used independently or together. A full essential needs analysis would require undertaking an essential needs assessment, constructing a MEB and carrying out a supply analysis; this combination is recommended for the most complete analysis as each piece complements the others.

> *A full essential needs analysis would require undertaking an essential needs assessment, constructing a minimum expenditure basket and carrying out a supply analysis.*

The foundational understanding of essential needs gained from the essential needs assessment can feed into the supply analysis. The results can help to focus a complex market analysis on the most critical needs, while household data can be used to understand how households perceive the supply and quality of essential services and their access to them. At the same time, a thorough analysis of the supply of essential goods and services enriches the understanding of household demand and enables the analyst to identify possible interventions: Which needs can be met through the market? Is there effective demand, and would supply or demand-side interventions or a combination of these be better suited to assisting the population of interest? The MEB connects supply and demand in the sense that it identifies a monetary threshold for meeting essential needs through the market. It enables the essential needs assessment to identify households with sufficient economic capacity; it also has strong complementarities with the supply analysis as it helps reveal market consumption patterns. In turn, the supply analysis is a valuable input for a MEB analysis as it highlights which goods and services are adequately supplied.

> *Essential needs analysis provides a framework that is easy to operationalize, while offering the flexibility and detail necessary to adjust to different contexts.*

The analytical approach draws on different schools of thought from the fields of humanitarian action, development and poverty analysis. It combines ideas from the cost-of-basic-needs approach for monetary poverty lines, which sees poverty as the deprivation of consumption, with more multidimensional poverty perspectives from human development and capabilities approaches. Through this combination, the essential needs analysis provides a framework that is easy to operationalize, while offering the flexibility and detail necessary to adjust to different contexts, and to produce information relevant for programmatic decision making.

While the three pieces of analysis should be carried out together as much as possible, there may be situations in which only one piece is necessary, for example when the analysis is spread out over time or different collaborators lead on different pieces. Each guidance note is designed as a standalone document, enabling analysts to follow it without reference to the others.

A series of operationalization guidance notes and documented best practices complement the analytical package. The series offers concrete guidance on how the results of the essential needs analysis can be translated into programme design and inform decision-making. Essential needs analysis identifies where households face critical gaps in meeting their needs, the cost of meeting those needs in the market and whether the necessary essential goods and services are available. As such, it forms the basis for programme design for both demand and supply-side interventions. Results can, for example, be used to inform the targeting and prioritization of beneficiaries, the selection of transfer modality, the setting of transfer values and other programme design features. It is well suited for monitoring needs over time and evaluating the effectiveness of programmes. This series will be continuously updated to reflect new learning.

While essential needs analysis can inform programme design, it does not have to imply an essential needs response. Essential needs analysis and the analytical package can be a service offering, particularly when supporting governments in designing policies, strategies and programmes at national and local levels.

Figure 1. Essential needs analysis

About this guidance note

Essential needs assessments help to understand whether people are meeting their essential needs and how they are doing so. They identify and analyse essential needs and gaps in how those needs are met; estimate the number of people unable to meet their essential needs; and profile these households by describing their main characteristics. The essential needs assessment promotes the use of both qualitative and quantitative analysis. It proposes a suite of essential needs indicators that capture various aspects of essential needs and the ability of households to meet them. These include measures of households' economic capacity to meet essential needs, deprivation of different essential needs, how households cope when they struggle to meet their essential needs, and how they prioritize between unmet needs.

This guidance is directed at a broad audience including WFP analysts and programme staff, partner organizations and governments. As an integral part of essential needs analysis, the essential needs assessment is a comprehensive tool for joint or coordinated needs analysis and programming. The guidance sets out the framework and tools needed to plan and conduct an essential needs assessment and shows how results can be used to inform programmatic decision making. The assessment approach builds upon WFP's experience with food security analysis, broadening the perspective to cover all essential needs. WFP food security assessment guidance, in particular for comprehensive food security and vulnerability analysis (CFSVA), provides in-depth technical information on aspects such as sampling and statistical analysis that is also relevant for essential needs analysis and complementary to this guidance.

The guidance consists of five parts. Part one (section 1 to 4) describes the theoretical framework for the essential needs assessment, together with its objectives and process. Part two (section 5) introduces the essential needs indicators used in the assessment. Part three (section 6 to 8) explores how the results can be used for estimating the number of people unable to meet their essential needs, how to profile them and how to draw conclusions for the response. Part four (section 9) introduces the concept of rapid essential needs assessments as an alternative when data or time is limited. The guideline concludes with a summary table (section 10) as overview of the entire assessment, and provides further information in the annex.

1 The essential needs framework

The theoretical framework for essential needs assessments is based on the view that meeting essential needs is a requirement for wellbeing. It takes a household perspective, acknowledging the influence of community and individual-level factors on nutrition and wellbeing. Households adopt certain livelihood strategies depending on their access to assets, institutions and services and their economic capacities. These influence their capacity to meet their essential needs and therefore their wellbeing. To understand how households meet their essential needs, which needs are unmet and why, the essential needs assessment uses indicators that measure different aspects of the framework. The framework is based on the WFP food and nutrition security conceptual framework and is therefore rooted in the ideas that underpin the sustainable livelihoods framework.

Figure 2. VAM essential needs conceptual framework

TIP BOX

Box 1

SYNERGIES BETWEEN THE ESSENTIAL NEEDS ASSESSMENT AND OTHER WFP ASSESSMENT GUIDANCE

The approach and indicators outlined in this guidance are fully compatible with other types of WFP assessment and can be integrated into these assessments to complement them. However, essential needs assessments are strongest when they form part of a broader essential needs analysis that includes a supply analysis and a MEB.

Compatible WFP assessments include the following:

1. Comprehensive food security and vulnerability analysis (CFSVA) and emergency food security assessments (EFSA): an essential needs approach gives a more holistic picture of underlying factors that may drive food insecurity.
2. 72-hour assessments, which seek to provide a range of information for immediate response within the first 72 hours after a disaster. In such situations, affected populations are likely to have multiple essential needs. It is important that 72-hour assessments take stock of this wider range of needs in order to inform response design.
3. Joint approach to nutrition and food security assessments (JANFSA) developed by WFP and the United Nations Children's Fund (UNICEF): an essential needs approach can provide a wide range of information that helps analysts deconstruct the complexity of the direct and indirect determinants of malnutrition, including linkages with food insecurity and economic vulnerability.

The decision as to whether – or to what degree – to integrate an essential needs approach into these assessments will depend on the context, the information needs and the time available. Integration could mean adding one or several essential needs indicators to the assessment; however, a more comprehensive approach including qualitative data collection is usually recommended, especially the first time an essential needs perspective is used in an area.

TIP BOX

Box 2
ESSENTIAL NEEDS ANALYSIS IN URBAN AREAS

Conducting assessments in urban areas has its specific challenges: the diversity, fluidity and complexity of income sources make it harder to define urban households into homogenous groups; many of the urban poor live in informal settlements and tend to be more mobile than rural households; and urban households have other consumption behaviours. Rent for example might take up a large proportion of an urban households' expenditure compared to a rural one. Taking an essential needs analytical approach acknowledges that vulnerable urban households may face multiple interlinked deprivations and need to prioritize among competing needs such as housing, food, health and education expenditures. Urban households may lack access to basic services, social networks such as extended family, and safety nets and have little capacity to cope with shocks. An essential needs assessment hence helps us to better understand the root causes of multidimensional vulnerability in the urban context and enables us to better respond to urban needs.

See Box 15 for an example of an urban essential needs analysis. A WFP guidance on urban assessments is forthcoming in 2021.

2 The analytical questions that guide an essential needs assessment

In order to inform the design of programmes that meet the essential needs of a population, essential needs assessments address several key analytical questions. The assessments first map the essential needs of the population of interest, then use this understanding to profile the people who are unable to meet these needs and estimate how many people are in this situation. These results are then used to formulate recommendations for a response. Below are the six guiding analytical questions that any essential needs assessment should seek to answer.

Figure 3. Analytical questions that guide the assessment

IDENTIFY AND UNDERSTAND ESSENTIAL NEEDS

What are the population's essential needs and how do people meet them?

An essential needs assessment starts by identifying the essential needs of the population of interest. There is no set list: what counts as essential often depends on the context and what people consider the most important aspects necessary to their wellbeing. International humanitarian frameworks offer a solid starting point, protecting the rights of crisis-affected households to food, water, sanitation, clothing, shelter and lifesaving healthcare. However, the definition of essential needs must be adapted to the context of each operation. An essential needs assessment should start from a broad list of needs and, by desk review or qualitative data collection and if possible in collaboration with partners, identify those needs most pertinent to the population of interest, pinpointing where this population is most likely to experience deprivation. This selection process helps focus the analytical efforts in the subsequent assessment steps.

The assessment must also consider how households typically access and meet these needs. Are certain needs provided through public services (for instance, free healthcare or schooling), or are needs met through the market or through own production?[3] Do households make cash purchases, do they contract debts to meet their needs or do they receive certain goods or services for free? Also, the sustainability of the capacity to meet needs must be investigated. Are households able to meet their needs without resorting to unsustainable coping strategies? Do they meet them based on their own capacity or are they dependent on support from others, including humanitarian assistance?

Which essential needs are unmet and why?

The essential needs assessment should show the extent to which the population of interest is able to meet each of the identified essential needs. This applies for all types of needs, whether they are fulfilled through the market, own production or public provision.

Having established which needs are unmet, the assessment should then analyse why households are unable to meet those needs. Analysts should investigate the acute and structural reasons behind the inability to meet these needs. These could involve access issues (economic, physical or social), or issues related to the availability, quality or knowledge and utilization of certain services or goods. Understanding why households are unable to meet essential needs is crucial in designing a response that addresses the root causes of deprivation.

Access issues that hinder households from meeting their essential needs and the root causes of such obstacles are highly relevant in setting the scope of the supply analysis. The essential needs assessment identifies the sectors that the supply analysis should focus on when investigating the supply of services and goods and how this supply enables or limits households' ability to meet their essential needs.

ESTIMATE THE NUMBER OF PEOPLE UNABLE TO MEET THEIR ESSENTIAL NEEDS

How many people are unable to meet their essential needs?

Guided by these questions, the essential needs assessment uses data to identify vulnerable households and estimate the number of people unable to meet their essential needs in the population of interest.

In order to estimate how many people are facing deprivation related to their essential needs, analysts define essential needs "vulnerability tiers" using detailed analysis of a combination of essential needs indicators. The tiers are used to classify households as "severely vulnerable", "moderately vulnerable" or "not vulnerable", then the number of people in each tier is calculated.

3. To provide a holistic picture of the situation, this information informs the supply analysis, which in turn complements the essential needs assessment with information on markets and on public services and their costs.

PROFILE HOUSEHOLDS UNABLE TO MEET THEIR ESSENTIAL NEEDS

Who are the households that are unable to meet their essential needs?

The essential needs assessment describes the characteristics of the households unable to meet their essential needs. Humanitarian and development actors and host governments often face the challenge of devising criteria that accurately target the people most in need. The essential needs assessment identifies typical vulnerability profiles that correlate with an inability to meet various essential needs. These profiles can be of great value when defining targeting criteria.

Where are the households that are unable to meet their essential needs?

An essential needs assessment is usually carried out to provide information on a large population of interest, with the aim of identifying locations in which households are unable to meet essential needs. Unlike sectoral needs assessments, essential needs assessments do not just indicate that one area is more vulnerable than another, they also reveal the extent to which households in various locations have the capacity to meet a variety of essential needs. For example, they can provide information and recommendations on how programmes can better meet specific needs (e.g. food, shelter standards, access to clean water or access to healthcare) for urban and rural households in a given province. At the same time, an overall vulnerability classification can be used to support decision making for geographical targeting.various essential needs. These profiles can be of great value when defining targeting criteria.

MAKE RECOMMENDATIONS FOR RESPONSE

How can households be assisted in meeting their essential needs?

The assessment can provide crucial insight into how households or individuals can be assisted in meeting their needs, in particular when used in combination with a MEB and supply analysis. For example, results can be used to inform beneficiary targeting and prioritization, the selection of transfer modalities, the setting of transfer values and other programme design features. The essential needs assessment is well suited to monitoring needs over time and evaluating the effectiveness of programmes.
The recommendations can be applied in a wide array of responses and can be in particular helpful in multi-partner interventions.

3 The essential needs assessment process

The steps in an essential needs assessment are similar to those of a standard household food security assessment. However, each step must reflect the wider essential needs perspective and ideally yield information to help focus subsequent steps on the most relevant needs and questions. The process is designed to make the collection of detailed household data as comprehensive yet as brief as possible. Figure 4 illustrates the ideal essential needs assessment process. This can be adjusted if a lighter rapid assessment approach is required, which will provide quicker but more limited results (section 9).

As a preparedness measure, secondary data that could be useful for essential needs assessments should be gathered and stored in a systematic manner and regularly updated. This structured information can be analysed to inform the design of essential needs assessments and can provide useful evidence for decision-making in the event of sudden-onset crises.

Figure 4. Standard essential needs assessment process

1. **Set the objectives,** identify information gaps and select the questions that need to be answered to inform decision making. Key partners should be identified and involved in this process.

2. **Conduct a literature review** (covering all potentially relevant essential needs) and analyse secondary data in order to identify information gaps and guide primary data collection. Identify available information with the help of partners. This step is vital in contexts where an essential needs assessment has never been conducted before; however, it is strongly recommended for all cases.

3. **Qualitative data collection (step 3a),** including focus group discussions and key informant interviews is key to understanding what local people consider to be the most critical essential needs, how a population satisfies these needs, any gaps and the reasons behind any deprivation. This information should ideally be collected before the **quantitative household survey (step 3b)** is launched so that the information can be used to adapt the questionnaire. Quantitative household surveys are needed to obtain a more granular definition of needs; to estimate the number of people unable to meet their essential needs; to quantify the gaps for each essential need; and to profile the most vulnerable. Once household data has been analysed, the results should be **contextualized (step 3c)** through further focus group discussions and key informant interviews.

4. **A plan should be devised for future monitoring** of trends in the general population's capacity to meet their essential needs, as well as of outcomes amongst beneficiaries based on objectives of the programme. The monitoring objectives and tools should be defined in collaboration with stakeholders in a way that captures the effect of programmes and enables analysts to understand the exogenous factors that may affect households' capacity to meet essential needs and changes in the profile of vulnerable people.

4 Collecting essential needs information – a mixed methods approach

In order to answer the analytical questions of an essential needs assessment robustly without creating an overly long and complex survey, a multi-step mixed-methods approach is recommended as illustrated in Figure 4.

The use of qualitative methods (focus group discussions, key informant interviews and observation) is highly recommended as it ensures that the assessment is people-centric and context specific and that the identified needs correspond to actual priorities.

Qualitative data can be helpful at different stages of the assessment. Firstly, it can be used before the quantitative household survey is conducted in order to obtain a good understanding of the context, essential needs and gaps, and the reasons some households are unable to meet their needs. Qualitative results can help analysts interpret behaviours or patterns in the quantitative data – for example, qualitative interviews could help explain which essential items households are missing or what seasonal changes can be expected. The data can also inform the questionnaire and be used to adjust it to the context, guiding the choice of reasons listed for not accessing healthcare, for example. Qualitative methods can give insights into the needs of certain population groups, such as informal labourers, or can provide information about the whole community.

> ***These indicators are built upon WFP's standard data collection tools used for food security assessment and monitoring and aim to provide a more holistic understanding of households' needs and vulnerabilities.***

The use of qualitative methods (focus group discussions, key informant interviews and observation) is highly recommended as it ensures that the assessment is people-centric and context specific and that the identified needs correspond to actual priorities.

Qualitative data can also be collected after the quantitative data from the household survey has been analysed. Unanswered questions – such as the reasons for certain expenditure patterns or negative coping behaviours – can often be answered quickly through well-tailored qualitative data collection.

Qualitative instruments must be well adjusted to the context and information needs. Guidance on conducting interviews to understand essential needs, which can be used to inform the design of the qualitative data collection can be found on the VAM resource centre. More detailed information on which data collection method to use for which purpose as well as advice on sampling, data collection and analysis can be found in the CFSVA guidelines.

Qualitative tools can also provide indicative yet valuable information on the sectors of interest for multisectoral supply analysis. Focus group discussions can give insight into the main sources of goods (e.g. drinkable water, food) and services (e.g. education, healthcare), which can focus supply analysis on the sectors for which demand exists and the reasons why needs remain unmet. This initial information can already signal the most appropriate response tools, which depend on the constraints on people's ability to meet their essential needs, whether infrastructural or demand-driven.

Quantitative methods such as household-level data collection enable analysts to calculate essential-needs-specific and standard food security indicators and to draw conclusions for the population. The questionnaires should be as simple and short as possible, striking a balance between what is technically and financially feasible and the acquisition of information that is sufficiently broad and deep. Qualitative tools can help narrow down the modules and questions to be included in an essential needs assessment, so that these only cover the details of the most relevant needs in a given context.

Quantitative surveys must always be based on representative sampling design[4] in order to enable analysts to infer results from the randomly selected sampled households for the whole population of interest (e.g. group of beneficiaries, population living in certain geographical areas or specific sociodemographic groups within a population of interest).

A detailed overview of essential needs indicators and how to collect and compute them is presented in the next section of this guidance.

TIP BOX

Box 3

USING REMOTE DATA FOR ESSENTIAL NEEDS ASSESSMENTS

Remote data collection through telephone or web surveys has great advantages: it is quick and often cheaper than face-to-face data collection, and it allows data to be collected from areas with restricted access.

However, analysts must first study whether remote data collection is the right choice for a given context: remote data collection can bring in major biases, in particular where telephone ownership or internet coverage is low. Questionnaires for remote surveys need to be much shorter than those used in face-to-face surveys, and questions need to be extremely simple – direct comparisons with results from face-to-face surveys can be biased.

For essential needs assessments, this can present difficulties. Remote surveys will not be able to cover the variety of indicators needed to fully understand a complex situation. For remote surveys, analysts must prioritize a few indicators, adjusting them to fit the shorter format of the questionnaire. Expenditure data collected through remote surveys will be very limited in comparison to face-to-face data – and direct comparisons will be biased and are *not recommended*. The required shortening of the module would mean losing important detail, for example on the different types of expenditures – cash, credit, assistance and own production. The length of an expenditure questionnaire also influences the level of expenditure reported: the more detail requested, the more respondents remember. Comparing expenditure data from a remote survey module to a MEB based on detailed face-to-face data will therefore overestimate the number of people below the MEB, and potentially introduce bias towards certain groups such as small-scale farmers.

Nevertheless, under certain access restrictions, remote surveys may be the only way to collect essential needs information and they can still provide relevant data. It is important to verify these results with secondary data resources, which also give additional context where quantitative data is limited.

[4] See WFP, 2004.

5 Indicators used for essential needs assessment

5.1 Standard modules and indicators

This section describes a set of five indicators recommended for use in essential needs assessments. These indicators are built upon WFP's standard data collection tools used for food security assessment and monitoring and aim to provide a more holistic understanding of households' needs and vulnerabilities. They are not a substitute for collecting regular food security outcome data, but rather represent a complementary set of indicators that can be applied in conjunction with the indicators typically collected in WFP assessments, such as those related to household demographics, socioeconomic information and food security. The following standard modules need to be included in any essential needs assessment in which primary household data collection is undertaken:

i. Household demographics and socioeconomic modules (incl. education and health)
ii. Main income sources/livelihoods modules
iii. Food security modules for indicators such as
   - Food consumption score (FCS)
   - Food consumption score – nutrition (FCS-N[5])
   - Household dietary diversity score (HDDS[6])
   - Reduced coping strategy index (rCSI)
iv. Living conditions modules (which could include modules on water, sanitation and hygiene (WASH); shelter/housing; cooking fuels; lighting and assets)

> ***These indicators are built upon WFP's standard data collection tools used for food security assessment and monitoring and aim to provide a more holistic understanding of households' needs and vulnerabilities.***

5.2 Essential needs indicators

All five proposed essential needs indicators are based on primary data collection at the household level. see step 3b of the assessment wheel in Figure 4). While some of these indicators require only small modifications to current food security data collection practices, others require additional modules. The five indicators are:

- **Economic capacity to meet essential needs (ECMEN**
- **Livelihood coping strategies indicator for essential needs (LCS-EN)**
- **Debt indicators**
- **Multidimensional deprivation indicator (MDDI)**
- **Perceived needs (based on the Humanitarian Emergency Settings Perceived Needs Scale (HESPER))**

The **ECMEN** indicator shows the percentage of households who are able to meet their essential needs through their own economic capacity; note that the indicator only examines needs that are covered partially or fully through the market. The ECMEN can also provide information on the gap between the cost of covering needs through the market and a household's economic capacity. The **MDDI** helps to detect sectoral deprivation and provides an at-a-glance multidimensional measure of deprivation related to essential needs. **LCS-EN and debt indicators** show whether households have to resort to negative coping strategies in order to meet their essential needs. The **perceived needs** indicator is used to understand how the population of interest perceive their needs and which needs they consider unmet.

The ECMEN and LCS are in the WFP Corporate Results Framework and are mandatory for the assessment and monitoring of any WFP multisector intervention including multipurpose cash programmes. They are strongly recommended for use in any intervention that adopts an essential needs approach. The additional three indicators can be used at the discretion of country offices depending on their relevance and appropriateness to the local context. Table 1 outlines which essential needs indicators are recommended in which contexts and summarizes the strengths and limitations of each.

[5] See WFP, 2015b.
[6] See Swindale and Bilinksy, 2006.

Table 1. Summary of the recommended use of indicators, their strengths and their limitations

Indicator	ENA use	Relevance	Strengths	Limitations
ECMEN	✓	■ Mandatory for monitoring multisector interventions including multipurpose cash programmes ■ Strongly recommended for in-depth essential needs assessment ■ Required to calculate the number of people unable to meet their essential needs	■ Core indicator for assessing the percentage of households with total expenditure above the MEB threshold ■ Underlying data can be used for gap analysis ■ Should be used in combination with LCSI and the debt indicator to identify whether households are depleting their long-term capacities in order to meet their essential needs	■ Only looks at needs that are met though the market. Does not capture households' access to basic services ■ Does not reflect issues in the quality of goods or services which may affect the ability to meet essential needs ■ Purely monetary indicator
LCS-EN	✓	■ Mandatory indicator for all food assistance targeted at the household level, for all transfer modalities including cash (LCS-FS) ■ Required for calculating the number of people unable to meet their essential needs	■ Core indicator for understanding whether households are depleting their long-term capacities in order to meet their immediate essential needs	■ Limited information on whether specific needs are met or not ■ Exists in two different forms: for essential needs and for food needs
MDDI	✓	■ Use if an assessment has to provide detailed sector-specific information ■ Use if households might not have access to basic services	■ Provides a composite view of needs deprivation and reveals detailed information on sector-specific outcomes and gaps ■ Captures components of poverty that go beyond an economic perspective	■ Might require adjustment to local context ■ Threshold might not fit all contexts; adjustments of it may seem too arbitrary
Debt indicators	✓	■ Use if debt is a widely used coping mechanism ■ Use if debt is not a culturally sensitive topic of conversation	■ Can provide in-depth understanding of whether and how debt is used as a means to of covering needs	■ The interpretation of debt must be done cautiously, as it can be contracted for e.g. productive purposes ■ The poorest households might not even have access to credit
Perceived needs (HESPER)	✓	■ Use if the context is volatile and the prioritization of needs may change over time ■ Use in emergencies	■ Gathers the perspective of the targeted population and gives them a voice ■ Complements objective indicators with the subjective component of wellbeing ■ Highlights unmet needs	■ Perceptions are subjective and cannot be used in isolation; triangulation with objective indicators is required ■ Only gives information on unmet needs

* ✓ *Mandatory (in WFP contexts) for in-depth essential needs assessments*
✓ *optional/recommended for in-depth essential needs assessments*

5.2.1 Economic capacity to meet essential needs (ECMEN)

Definition

The ECMEN is defined as the percentage of households whose economic capacity is sufficient to meet their essential needs, as measured through the minimum expenditure basket (MEB). A MEB is defined as what a household requires in order to meet their essential needs, on a regular or seasonal basis, and its cost. The MEB covers those needs that households meet fully or partially through the market. It serves as a monetary threshold that can be used to assess households' economic capacity to meet their needs. To compute the ECMEN, household consumption expenditures are used as a proxy for household economic capacity.
Economic capacity is a concept that refers to the ability of the household to consume goods and services using their own resources (i.e. in the absence of assistance).
Useful resources for the computation of the indicator, including the standard modules and syntax files can be found in the ECMEN page of the VAM Resource Centre.

Rationale and use of the indicator

The MEB and ECMEN are key analytical elements for all types of essential needs assessment as they provide crucial information on actual household demand and consumption patterns.

The ECMEN helps to identify households in a population of interest who are unable to meet their essential needs, based on a thorough analysis of their consumption expenditures. Consumption expenditures can also be used to identify the gap between households' economic capacity and the amount needed to fulfil their essential needs (see Box 8).[7] Investigating economic capacity can help to understand what prevents households from meeting their essential needs – those that can be met through the market – and thereby formulate the most appropriate recommendations.

The ECMEN should always be analysed in combination with the LCS-EN and/or debt indicators. Such triangulation provides information on the sustainability of livelihoods by indicating whether households are depleting their resources in order to meet their essential needs. It also shows whether certain needs are being met to the detriment of others. Combining the ECMEN with food consumption indicators such as the FCS and rCSI can reveal whether households are compromising their food consumption because of other pressing needs.

The ECMEN is highly relevant for programmatic decisions and monitoring. In combination with other indicators, it can be used for targeting, gap analysis and the calculation of transfer values. It can be used to monitor essential needs outcomes and, with slight modification, to better understand whether assistance is enabling households to meet their needs (see Box 7). More on these use cases can be found on the essential needs analysis website.

TIP BOX

Box 4
USING THE SURVIVAL MEB AS AN ADDITIONAL THRESHOLD

Often, a **survival MEB (SMEB) is used as a threshold instead of or in addition to the MEB.** While the MEB is defined as what a household requires in order to meet their essential needs, on a regular or seasonal basis, and its average cost, the SMEB is the absolute minimum amount required to maintain existence and cover lifesaving needs, which might imply the deprivation of certain human rights.

First, together with the MEB, the SMEB can be used to classify households into different categories of economic capacity for meeting their needs, whereby households whose consumption expenditures fall under the SMEB have highly insufficient economic capacity, households between the SMEB and the MEB have insufficient economic capacity, and households above the MEB have sufficient economic capacity. This information can then be used to profile households who are unable to meet their essential needs, prioritize beneficiaries or for monitoring purposes.

Please see the MEB guidance for more information on the SMEB, including the use of the food MEB or other proxy values if a SMEB is not available.

[7] See WFP transfer value guidance

Calculation

There are four steps to calculating the ECMEN indicator:

1. Identify the relevant MEB.
2. Aggregate consumption expenditures to establish household economic capacity.
3. Compare the economic capacity of each household against the MEB[8] to establish whether a household is above this threshold, i.e. whether it can meet its essential needs.
4. Produce the ECMEN indicator by calculating the percentage of households whose economic capacity falls above the MEB threshold.

The MEB is a prerequisite for the calculation of the ECMEN. It can be calculated as part of the essential needs analysis (see MEB guidance) or analysts can use an existing MEB or poverty line that has been identified as appropriate for the population of interest.

The ECMEN indicator and the MEB are built on the theory of monetary poverty measures. To measure poverty, the first step is to define a measure of wellbeing. IIn developing countries, consumption is generally considered a better metric of wellbeing than income, and in turn, consumption expenditures as reflected in household data generally provide the most reliable measure of consumption. Therefore, household survey data on expenditures provides the foundation for measuring wellbeing and is used to set the MEB threshold and calculate the ECMEN. The aggregation of consumption expenditures differs slightly between the MEB and the ECMEN. The "consumption aggregate" used for the MEB reflects households' needs as manifested in what they actually consume, no matter whether it acquired through own resources or not. For the ECMEN, economic capacity is calculated from consumption expenditures, but excluding the value of consumption from in-kind assistance and in-kind gifts. Additionally, the value of cash assistance received from WFP and partner humanitarian organizations is deducted from the household economic capacity aggregate. A detailed overview of which expense types to include in the MEB and the ECMEN can be found in Annex 1.

> ***Household survey data on expenditures provides the foundation for measuring wellbeing and is used to set the MEB threshold and calculate the ECMEN.***

How are consumption expenditures aggregated for the ECMEN? The trickiest part of calculating the ECMEN is to aggregate consumption expenditures in order to establish household economic capacity.[10] TThe aggregation includes expenditures on all recurrent and regular food and non-food items made in cash and credit, as well as the estimated value of consumption from own production. The value of consumption from in-kind assistance and in-kind gifts is excluded because it does not represent consumption made thank to households' own capacity. Most information included in the calculation of economic capacity comes from an expenditure module; however, some items may be found in other modules, for example cash assistance received. More details on which expenses to include and why can be found in Annex 1.[11]

Expenditures can be reported against different recall periods. Food expenditures are usually reported for the last seven days, while some non-food expenditures such as rent and health can be reported for the last six months. Before summing expenditures, they must all be converted to the same one-month period so that they fit with the MEB (which is almost always a monthly threshold).

It is important to take household size into account. Some expenditures do not increase proportionally with household size because of economies of scale. For example, rent expenditure is often lower per capita for larger households because they can share the costs among many people. To account for economies of scale, different MEB thresholds can be defined for different household sizes. These must be taken into account when calculating the ECMEN, as the per capita value of household consumption expenditures and of the MEB is required. If the MEB is proportional to household size, the per capita MEB is the same regardless of household size. If the MEB is not proportional to household size, the per capita MEB will vary by household size.

[8] In some cases, different MEBs may be available for different locations or different household sizes.
[9] Deaton and Zaidi, 2002 and Haughton and Khandker. 2009.
[10] This is different from the consumption aggregate used to calculate the MEB, which has to reflect the total of what has been consumed (for identified essential needs items) by the household. This includes purchases (in cash and credit) and all non-purchased consumption (e.g. from in-kind assistance, in-kind gifts, and own production). By contrast, the household economic capacity aggregate used for the ECMEN calculation reflects only the part of household consumption done thanks to economic capacity of the household, which is why consumption from in-kind assistance should be excluded and the value of received cash assistance should be deducted. For more details see the ECMEN guidance available at the ECMEN page of the VAM Resource Centre.
[11] The MEB guidance provides additional information on how to work with expenditure data.

TIP BOX

Box 5

CONSIDERATIONS FOR THE EXPENDITURE MODULE

The expenditure module adds considerable length to a household survey and should be well balanced in terms of granularity and parsimony. If possible, the MEB and the ECMEN should be calculated from the same expenditure module, as the level of detail requested on items can also influence the amount that households report. It is important to maintain the same modules over time to ensure data comparability.

The essential needs questionnaire should include the standard expenditure module, which can be found on the ECMEN page of the VAM Resource Centre.

The standard expenditure module is composed of three submodules:

i. Food submodule (seven-day recall)
ii. Non-food submodule (30-day recall)
iii. Non-food submodule (six-month recall)

Each of the three modules must collect information on the value of purchases made in cash or on credit, as well as the value of consumed items from in-kind assistance and in-kind gifts. The food submodule module must also capture the value of consumed food from own production. Cash assistance received is not covered in the expenditure module but needs to be collected separately, through the module that can be found in the ECMEN page of the VAM Resource Centre.

HOW TO

Box 6

STEPS FOR AGGREGATING HOUSEHOLD EXPENDITURES FOR ECMEN, BASED ON WFP EXPENDITURE MODULE

1 **FOOD:** calculate monthly food expenditures by adding

- The value of food expenditures made in cash or credit
- The value of food items consumed from own production

If recall period is seven days, transform into monthly values.

2 **NON-FOOD:** calculate monthly non-food expenditures by dding the value of non-food expenditures made in cash or credit.
Transform expenditures with a different recall period (e.g. six months) into monthly values before summing up

3 **Aggregate expenditures to household economic capacity:** sum up monthly food and non-food expenditures as calculated in the previous two steps

4 Deduct the monthly value of cash assistance received from the humanitarian sector:
- If reported with a different recall period (e.g. three months), transform into monthly values
- Before deducting, multiply by the estimated share of cash assistance that households spend for regular consumption

5 **Calculate monthly per capita household economic capacity** by dividing total expenditures by household size.

6 **Classify** each household, comparing their per capita household economic capacity to the per capita MEB (if necessary by household size)

7 **Calculate ECMEN as** the percentage of households with household economic capacity equal or above the MEB.

Note: for more details see the ECMEN guidance available at the ECMEN page of the VAM Resource Centre.

Limitations

The ECMEN only measures households' economic capacity to meet essential needs. In other words, it does not provide information on the adequacy of service delivery structures or facilities, the role played by free services or access barriers other than financial resources. The ECMEN should be complemented by the LCS-EN and debt indicators, which shed light on the unsustainable coping behaviours households might have to resort to in order to meet their essential needs. Combining the ECMEN with information from the MDDI gives insight into access to services not provided through the market and on whether economic access is a main driver of sectoral deprivation.

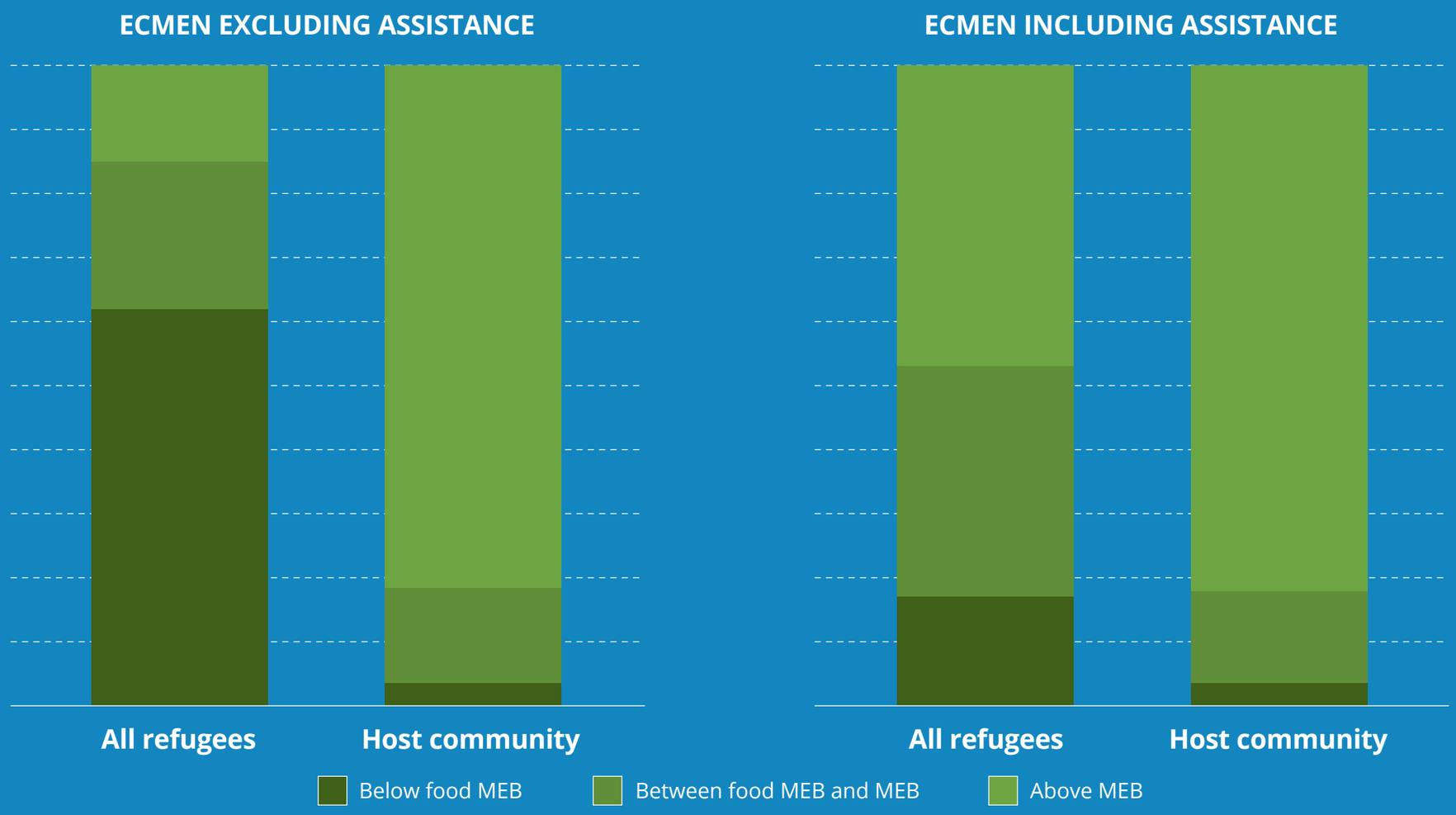
The ECMEN is dependent on a solidly constructed MEB. For advice on MEB construction, please refer to the MEB guidance.

TIP BOX

Box 7

FURTHER ANALYSIS: USING THE ECMEN TO MONITOR THE OUTCOMES OF ASSISTANCE

In some cases, such as for programme monitoring, it is important to understand if households are able to meet their essential needs with the assistance provided. To answer this question, the **ECMEN can be adjusted and a different version of the ECMEN (including assistance) can be used**. To compute the ECMEN including assistance the value of consumed in-kind assistance should be included in the household economic capacity aggregate and the value of received cash assistance should not be deducted. Comparing the ECMEN excluding assistance and the ECMEN including assistance can give insight into the effectiveness of a programme, telling if the assistance provided is being effective and whether it is enough. The graph below shows an example from Cox's Bazar, Bangladesh, where refugees are highly dependent on assistance.



Source: WFP. 2019. *Refugee influx Emergency Vulnerability Assessment (REVA) for Cox's Bazar, Bangladesh*

To avoid misinterpretation, remember to specify clearly whether the ECMEN includes assistance and/or credit or not. More details on the differences between ECMEN excluding assistance and ECMEN including assistance can be found in the ECMEN guidance available at the ECMEN page of the VAM Resource Centre.

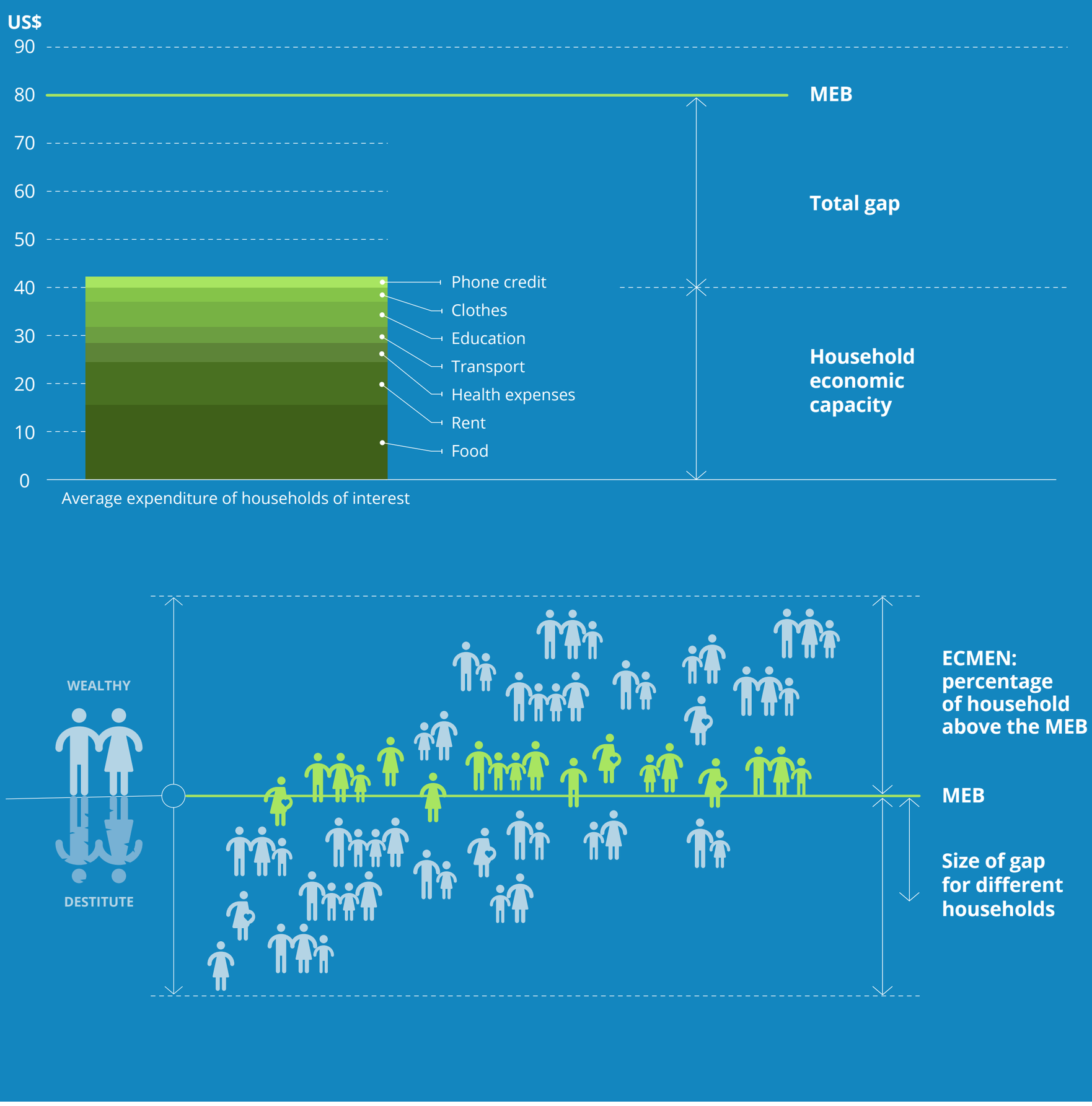
TIP BOX

Box 8

FURTHER ANALYSIS: EXPLORING THE ECONOMIC GAP

The ECMEN and its underlying expenditure data can be used for other types of analysis that are highly relevant to essential needs analysis. Most importantly, expenditures can be used to identify the extent to which a household is able to meet their essential needs by analysing the **average gap between households' economic capacity and the MEB**. While the ECMEN is based on a simple headcount (a household is either above or below the MEB), analysing the expenditure gap for those below the MEB reveals the **depth of poverty** (how far households are below the MEB threshold). Note that once the ECMEN has been calculated, analysing the gap is straightforward as all the necessary data has already been prepared.

The gap analysis can also be used to inform the calculation of the optimal transfer value, defined as the actual gap between the MEB (monthly, per capita) and economic capacity of the household and deducting the value of any additional goods and services provided by other actors. The operationalization guidance notes on the essential needs website provide further detail on how to conduct a gap analysis and how to translate it into a transfer value.



5.2.2 Livelihood coping strategy indicator for essential needs (LCS-EN)

Definition

The LCS for essential needs (LCS-EN) identifies the coping strategies adopted by households in order to meet their essential needs and classifies households according to the most severe coping strategies applied. Such strategies impact on livelihoods and on the dignity of individuals within the household. As a result, resorting to these mechanisms negatively affects a household's mid to long-term capacity to generate an income and sustain livelihoods.

For the purpose of the essential needs assessments, the LCS[12] has been slightly adapted from the standard LCS for food security (LCS-FS) so that it covers strategies adopted not just to cover food needs but for all essential needs. While the central question in the standard LCS-FS asks about coping strategies adopted in order to meet food needs, the LCS-EN rephrases the question to encompass all essential needs:[13]

> *During the past 30 days, did anyone in your household have to engage in any of the following activities because there were not enough resources (food, cash, other) to meet essential needs (e.g. adequate shelter, education services, health services, etc.)? [LIST OF COPING BEHAVIOURS]*

The LCS-EN is therefore designed to assess the extent to which households engage in various negative coping behaviours in order to meet their essential needs. It also considers the impact of these coping strategies on households' livelihoods: as certain behaviours can affect long-term productive capacity, households engaging in these strategies may be less able to cope when faced with future hardships.

Households are classified according to the nature of their coping strategies, which are grouped into **three categories based on the severity of their implications**.

- Stress strategies, such as spending savings, reduce the household's ability to deal with future shocks;
- Crisis strategies, such as the sale of a productive asset, directly reduce future productivity (including human capital); and
- Emergency strategies, such as selling one's land, also affect future productivity but are more difficult to reverse or more dramatic in nature.

Given that the essential needs of a household could be broad, the LCS-EN module includes the below follow-up question to understand the main reasons for applying the livelihood coping strategies.

This is different from the standard LCS for food security (LCS-FS) which focuses on negative coping strategies adopted in order to meet food needs.

> *What are the main reason(s) you or other members in your household adopted these coping strategies? (i.e. which essential needs were you seeking to fulfil?).*

Rationale and use of the indicator

Understanding how people cope in times of crisis is a central part of understanding essential needs. An examination of coping behaviour shows how households prioritize when resources are insufficient, revealing the short-term trade-offs households are forced to make.

The LCS-EN is a characterization of the sustainability of a population's capacities for meeting their essential needs. A high proportion of households engaging in crisis or emergency livelihood coping strategies shows that households are depleting their assets or damaging their future productivity in order to meet their immediate essential needs. As a result, their ability to meet those needs is likely to decrease as the long-term consequences of their coping behaviours take effect.

The LCS-EN is a versatile indicator as it can be adapted to local contexts and provide a range of information. It can be used as a standalone indicator for long-term capacity to meet needs or, in combination with other essential needs indicators, it can give insight into the underlying factors constraining households' ability to meet essential needs.

Calculation

Prior to the assessment, a **list of coping strategies** that could be relevant for the context needs to be drawn up[14] (see Box 9).

While the central question in the standard food-related LCS asks about coping strategies adopted in order to meet food needs, the LCS for essential needs rephrases the question to encompass all essential needs.

[12] Further details on LCS can be found in the WFP CARI technical guidance note.

[13] Please refer to the LCS-EN page of the VAM resource centre for more detail on the LCS-EN module and syntax file to compute it.

Households are **classified based on the highest severity** attributed to the type of strategies they have engaged in (i.e. stress, crisis or emergency) in the 30 days prior to the interview. The percentage of households in each of the following categories should be reported:[15]

- No use of livelihood coping strategies for essential needs
- Use of stress livelihood coping strategies for essential needs
- Use of crisis livelihood coping strategies for essential needs
- Use of emergency livelihood coping strategies for essential needs

The additional question of the LCS-EN module examines which need(s) triggered the adoption of the chosen coping strategies. It includes multi-response options that cover various essential needs, ranging from food needs, to rent, health, educational and other needs. From this question, the LCS-FS indicator can be calculated by considering households (cases) that reported 'to buy food' as one of the reasons for adopting these coping strategies. This question is crucial to ensuring that the LCS-EN can be used for food security analysis purposes, including the Integrated Food Security Phase Classification (IPC) and the Cadre Harmonisé (CH) (see Box 10).

Limitations

Although the LCS-EN can be used as a proxy of household ability to meet essential needs, it cannot detect the extent to which households are able to meet their needs. The indicator is better suited to clarifying findings from other outcome indicators regarding the sustainability of households' ability to meet essential needs. When analysed in conjunction with the ECMEN or the MDDI, the LCS-EN can provide insightful information on why certain needs are being met or not.

Analysts must draw a distinction between the LCS-EN and the LCS-FS. Mixing both indicators when comparing different populations or for trend analysis can lead to biases and erroneous interpretations. For comparability purposes, the LCS-EN must be adjusted to capture coping strategies employed in order to access food, as described above.

HOW TO

Box 9
CREATING A LIST FOR THE LCS-EN

Coping strategies for the LCS-EN module must be adapted to the context, and their level of severity (stress, crisis or emergency) must be agreed upon, as certain actions may be considered far more serious in certain countries than in others. For example, child marriage may be fairly common in some contexts but could might be done only as a last resort in others.

The draft list of strategies should be explored through focus group discussions, as it may include other sector-specific behaviours (e.g. relying on unsafe water from a nearby source instead of purchasing clean water). A sample list is available in Annex 3.

TIP BOX

Box 10
USING LCS-EN MODULE (AS PART OF AN ENA) FOR IPC ANALYSES

The IPC reference table includes the standard LCS-FS. In order to use LCS-EN for IPC analysis, it is important to verify whether a given household adopted coping strategies in order to buy food; this is covered by the additional question that addresses which essential need(s) triggered the adoption of these strategies. Coping strategies adopted to meet other needs than food are not considered for the IPC severity analysis and classification.

As food is one of the most essential of all needs, it is likely that the vast majority of households facing hardship may adopt negative coping mechanisms in order to access food. This screening process, however, is required to make sure that data can be used for IPC purposes without creating biases.

[14] Please refer to the WFP CARI technical guidance note standard master lists for different contexts.
[15] Please refer to the WFP CARI technical guidance note for a step-by-step description of the calculation and standard names of the variables.

5.2.3 Debt indicators

Definition

Taking on debt is one coping strategy households can adopt when they are not able to meet their essential needs. Debt is defined as the sum of money currently owed by the household to formal or informal lenders, including relatives. In some contexts, in-kind debt is also of great importance and should be given a monetary value and included.[16]

Household debt can be analysed in various ways, dependent on the context and analytical objectives. Therefore, these guidelines do not propose a single indicator, but a set of indicators that can be adjusted based on the context. These include the reason for contracting debt, the source, the estimated repayment time and a differentiation between older and newly incurred debts.

A survey module for the debt indicators can be found in on the VAM resource centre.

Rationale and use of the indicator

An assessment of debt reveals whether or not households currently require additional financial means in order to meet their essential needs. Thus, the amounts borrowed can help analysts understand the gaps that households face in meeting those needs. The main reasons for which they incur debts and the nature of their creditors can provide additional insight into their immediate and long-term vulnerability. The analysis can set a baseline against which future changes in indebtedness can be compared and interpreted.

Debts can be a good indicator of vulnerability, especially since indebted households will have fewer resources over the long term as a result of having to repay their debts. Understanding the amount that they borrow also indicates the level of economic stress experienced by these households (both at present and in the future due to repayment).

While the contracting of debts will usually figure on the list of coping strategies for the LCS-EN, analysing debt in a separate module will reveal greater detail, particularly the amount of debt and reasons for incurring it – information that will not appear in the LCS-EN.

Calculation

The following table describes the main indicators and their disaggregation recommended for debt analysis for essential needs. A more detailed analysis can be applied where necessary. A basic questionnaire module and the syntax files to compute these indicators can be found in the debt indicators page of the VAM resource centre.

Table 2. Debt indicators for essential needs assessments

Indicator	Disaggregation
% of households with debt	**By reason:**
	■ Loans for recurrent consumption ■ Loans for extraordinary expenditures ■ Loans for production
	By source:
	■ Loans from informal lenders ■ Loans from formal lenders
% of households with new debt in last 30 days	**By reason:**
	■ Loans for recurrent consumption ■ Loans for extraordinary expenditures ■ Loans for production
	By source:
	■ Loans from informal lenders ■ Loans from formal lenders
Mean (median) amount of total debt **Mean (median) amount of new debt in last 30 days** **Mean (median) estimated time for repayment**	

[16] In these cases, where possible a distinction should be drawn between gifts given in kind with no expectation of repayment and actual in-kind debt where the creditor expects repayment in money or in kind.

Disaggregating responses by the reason given for borrowing provides information on whether the debt was incurred to cover consumption (food, healthcare, education, transportation, clothing); for production (private business, agricultural inputs, migration costs); or for extraordinary expenditures (ceremonies). When analysed with other essential needs indicators such as the ECMEN, this differentiation can show whether households require additional financial resources in order to cover their essential needs.

The **disaggregation by source** gives an indication of access to credit. Informal money lenders might apply higher interest rates but may offer credit to households who do not have access to formal loans, for instance because they do not meet the requirements. The division of actors into formal and informal sources can be context specific.

A differentiation of **new versus old debt** gives a picture of the development of the situation over time and can indicate any widening of gaps as well as a possible depletion of credit access. New debts are defined as having been incurred in the last 30 days (the standard reference period); however, this timeframe can be adjusted if required in the context.

The **estimated time for repayment** (in months) can be used as an indicator of over-indebtedness: the greater the debt in comparison to household financial capacities, the longer it will take to repay it.

The **amount of total and new debt**, in particular when observed over time or used to compare different groups, can also indicate over-indebtedness and a widening of gaps.

Estimated repayment time and amount of debt can both be presented as mean or median figures. If not all households hold debts, it is good practice to include only households with debts (or those with new debts) in the calculation. If the disaggregation by reason and source indicates large differences in the population and provides important insights, it is best to disaggregate these indicators as well.

Limitations

Like the LCS-EN, debt indicators are mainly used to triangulate results from other essential needs outcome indicators (i.e. the ECMEN and the MDDI) in order to understand why certain needs are being met or not. In some contexts, respondents may not appreciate disclosing information on their financial status, which could create bias and generate misleading conclusions. It is extremely important to be aware of the context before using debt indicators, and it is vital to contextualize the questionnaire and analysis. Triangulation with qualitative tools can also help to better understand findings.

> ***Like the LCS, debt indicators are mainly used to triangulate results from other essential needs outcome indicators (i.e. the ECMEN and the MDDI) in order to understand why certain needs are being met or not.***

5.2.4 Multidimensional deprivation indicator (MDDI)

Definition

The multidimensional deprivation index (MDDI) is a measure of non-monetary poverty calculated at the household level based on deprivations in the six essential needs dimensions of the essential needs framework: food, health, education, shelter, WASH and safety.

The MDDI provides information about the share of households who are multidimensionally deprived (incidence); the amount of different deprivations (intensity) experienced by poor households; and which dimensions exhibit the largest degree of deprivation.

Data collection modules for the MDDI can be found on the VAM resource centre.

Rationale and use of the indicator

The MDDI complements the monetary lens of the ECMEN indicator. Vulnerable households often face deprivations that are influenced by factors other than income alone, for example a lack of access to basic services. The MDDI defines possible deprivations in six dimensions of essential needs and identifies whether households are experiencing deprivation of multiple needs, which could indicate systemic vulnerabilities. For instance, if a household is suffering from a single deprivation in education, this may indicate a sectoral problem related to the provision of education. If, however, the household is suffering multiple deprivations in education, health, shelter and safety, there could be systemic issues related, for instance, to gender or ethnic discrimination, which cannot be resolved through sectoral approaches alone. Comparing the correlation or overlap of the ECMEN and the MDDI enables analysts to understand whether deprivation is mostly driven by lack of income or by other access issues – information that is vital to designing effective programmes.

The MDDI is well suited to monitoring levels of deprivation over time in a given area.

The indicator has been developed by WFP, based on the Alkire-Foster methodology, which is also used for the UNDP's Global Multidimensional Poverty Index (MPI), and for many national

Table 3. Indicators, weights and thresholds for the multidimensional deprivation index

Dimension	Indicator	Weight *(Dimension weight* indicator weight)*	Deprivation
Food	Food consumption (FCS)	1/6*1/2	Borderline or poor*
	Food coping (rCSI)**	1/6*1/2	>=19
Education	School attendance	1/6*1/1	At least one school-aged child not attending***
Health	Medical treatment	1/6*1/2	At least one household member did not consult a medical
	Illness	1/6*1/2	practitioner despite being chronically or acutely ill ****
			>1 household member or >50% of household members sick
Shelter	Cooking fuel	1/6*1/3	Household uses solid fuels
	Crowding	1/6*1/3	>3 persons/room
	Energy source	1/6*1/3	Household has no electricity in their dwelling
Wash	Toilet type	1/6*1/2	Household uses unimproved toilet
	Water source	1/6*1/2	Household uses unimproved water source
Safety	Insecurity	1/6*1/2	Feels unsafe or suffered violence
	Forced displacement	1/6*1/2	Displaced by force in past 12 months

Notes:

* *Thresholds may vary by country (see FCS guidelines).*

** *To strengthen the nutrition perspective, the food dimension should be complemented with Minimum Dietary Diversity for Women (MDD-W), if available.*

*** *Compulsory school age may vary from country to country.*

**** *Health indicators can be biased such that better-off households report more deprivation. If possible, collect and test complementary indicators.*

multidimensional poverty indicators. The index as proposed in these guidelines has been adjusted to fit the information needs and data availability of the contexts in which WFP and partners operate. The MDDI can be replaced with a national MPI if needed in joint analysis and if suitable for the objectives of the essential needs analysis.

Calculation

Table 3 presents the indicators that make up the MDDI together with their weight in the index and the cut-off values for deprivation for each indicator. Data collection modules for these indicators as well as syntax files and other useful resources for the calculation of the MDDI can be found at the MDDI page of the VAM resource centre.

For each indicator, a **variable of deprivation** takes the value 0 if the household is not deprived according to the chosen threshold and takes the value 1 if the household is deprived. An overall **deprivation score** is calculated by weighting and summing up these variables. **Weighting** follows the method of nesting with equal weights. This means that all dimensions are equally important and carry the same weight (1/6 if there are six dimensions). Furthermore, indicators within each dimension all have the same weight (for example 1/3 if there are three indicators within a dimension). The deprivation score can be understood as a percentage:[17] a value of 0.2 means that the household is suffering deprivation in 20 percent of the weighted indicators.

Three main indicators can be calculated from the multidimensional deprivation score. Box 12 gives an example of how these types of analyses can be done in practice.

First, the **MDDI incidence (H)** is calculated as the percentage of households with a multidimensional deprivation score above a certain cut-off, which is set at 1/3 of the deprivation score; this corresponds to 1/3 of weighted indicators. A deprivation score of 0 therefore means the household is not deprived in any indicator, and a value above 1/3 means the household is multidimensionally deprived. A value of 1 shows that the household is deprived in all indicators. The chosen threshold is based on the values of UNDP's Global MPI. Note that, as with any poverty line, this cut-off is arbitrary and can be adjusted as necessary to fit the context.[18]

Second, the **average MDDI intensity (A)** shows in how many weighted indicators (and therefore in which percentage of indicators) poor households are deprived on average. It is calculated from the deprivation score as the average percentage of weighted deprivations of those households above the cut-off. The average intensity is reported as percentage between 1 and 100.

Third, the **combined MDDI (M)** is calculated as the product of H and A.[19] The index has the advantage that it takes into account both the number of households that are multidimensionally deprived and the intensity of their deprivation. It therefore reflects changes in both these aspects and is well suited to document changes over time. This indicator is reported between 0 and 1, with usually three digits.[20]

The MDDI can also give insight into which unmet needs are contributing most to overall multidimensional deprivation. It can be broken down by dimension and by indicator to understand which percentage of households is deprived in a specific indicator or dimension, and how much each dimension or indicator contributes to overall multidimensional deprivation.

Depending on the context, it may be **useful to adjust or complement these indicators or their cut-off values** in order to reflect context-specific vulnerabilities. The MDDI dimensions should, however, be kept constant. Annex 4 provides guidance

TIP BOX

Box 11
MDDI SEVERITY LEVELS

In some cases it can be helpful to classify households into **different levels of severity** of multidimensional deprivation, similar to the approach of MEB and SMEB.

For moderate multidimensional deprivation (as discussed above), a cut-off of 1/3, for severe multidimensional deprivation, a cut-off of 0.5 (50 percent of all weighted indicators) is recommended. [21]

[17] To obtain a percentage value, the sum of weighted indicators (a value between 0 and 1) needs to be multiplied by 100.
[18] In some contexts it might be advisable to set the thresholds based on a desired caseload of beneficiaries or to match the percentage of households with expenditures below the MEB. The chosen cut-offs are based on the global MPI.
[19] Technically, this means that while non-poor households are recorded as missing values in A, they are recorded as 0 in M.
[20] The combined index M is what is usually reported as the MPI; it is particularly useful for comparisons over time or space. M can be interpreted as the proportion of weighted deprivations that the poor experience in a population out of all the total potential deprivations in that population. A and H are easier to interpret and therefore advantageous for communication.
[21] These values are based on the global MPI.

COUNTRY EXAMPLE

Box 12

ANALYSIS BASED ON THE MDDI

The following analysis was done in order to validate the MDDI, using data from **Cox's Bazar in Bangladesh**.[22] It provides examples of the type of analysis that can be done and the type of information that can be obtained using the MDDI.

Table a gives an overview of the main MDDI statistics, applying the cut-off of 1/3; it shows that 74 percent of households are multidimensionally deprived. These poor households are deprived, on average, in 48 percent of the weighted indicators. The combined MDDI is 0.355 – as discussed above, this indicator is mainly used for comparisons over time, subpopulations or different countries.

Table a. MDDI statistics

MDDI	Incidence (H), %	74
	Average intensity for the multidimensionally deprived (A), %	48
	Combined MDDI (M = H x A)	0.355

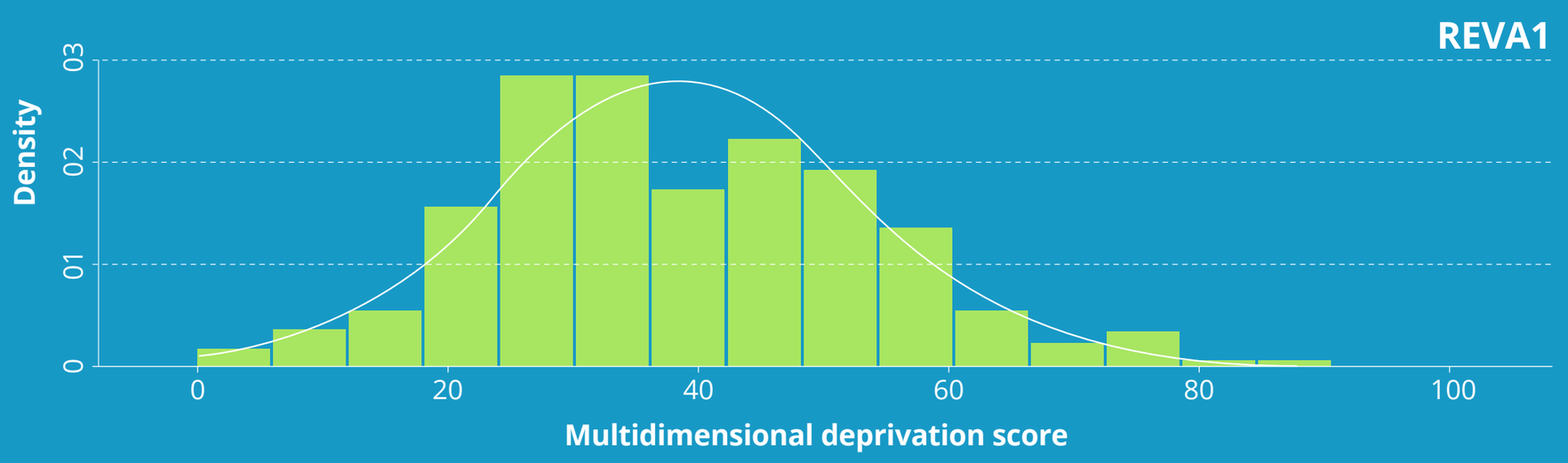


Figure a: Distribution of households by intensity of deprivation (multidimensional deprivation score)

Figure a shows the multidimensional deprivation score, the percentage of weighted deprivations suffered by households in the population. The graph shows that most households suffer deprivation in 30 to 40 percent of the weighted indicators: very few households suffer no deprivation at all (0) and none suffer deprivation in all indicators (100).

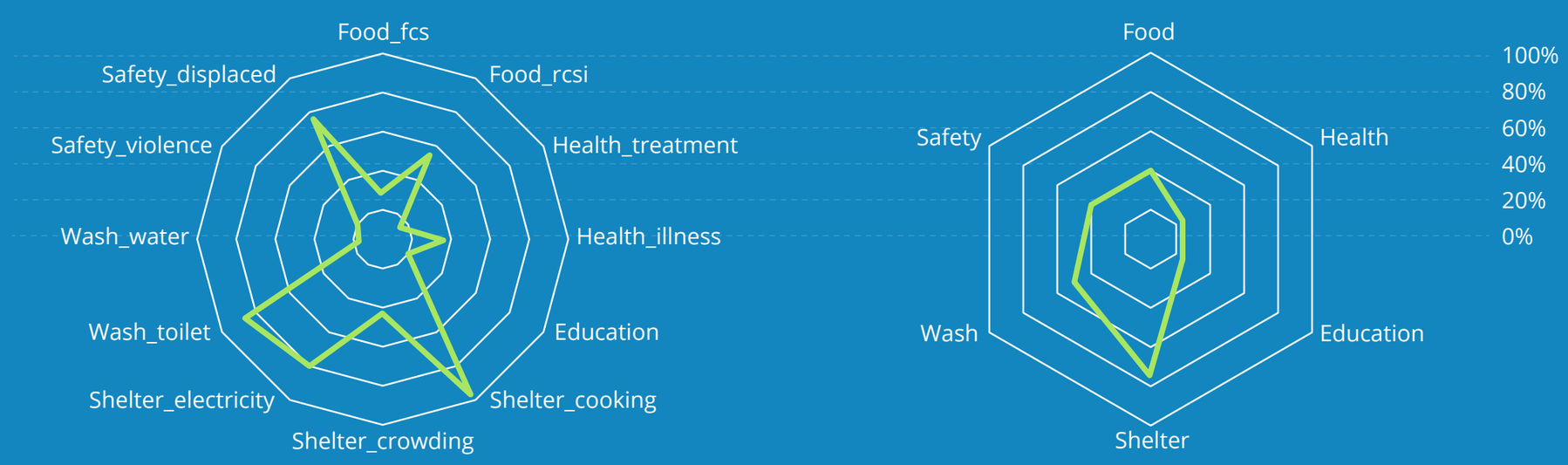


Figure b: Percent of population suffering deprivation, by dimension and indicator

Figure b breaks down the deprivation score by indicator and dimension - using a radar chart - in order to better understand sectoral gaps. The graph shows that the most common deprivations were recorded in the dimension of shelter, followed by WASH and safety. In terms of indicators, these results are driven by access to cooking fuel and electricity and displacement. Households also face deprivation in terms of sanitation – although access to water is less of a problem. This graph can be created using Excel's radar chart option, or using statistical software such as SPSS, STATA or R. Numbers are calculated as incidence by indicator, and by dimension (as weighted sum of indicators).[23]

[22] The REVA 1 dataset was used for this exercise. See WFP, 2019.

[23] In the multidimensional poverty literature, this type of graph is often used to show the percentage of multidimensional deprived households who are also deprived in a specific indicator. For simplicity, in this example we use the percentage of households deprived.

COUNTRY EXAMPLE

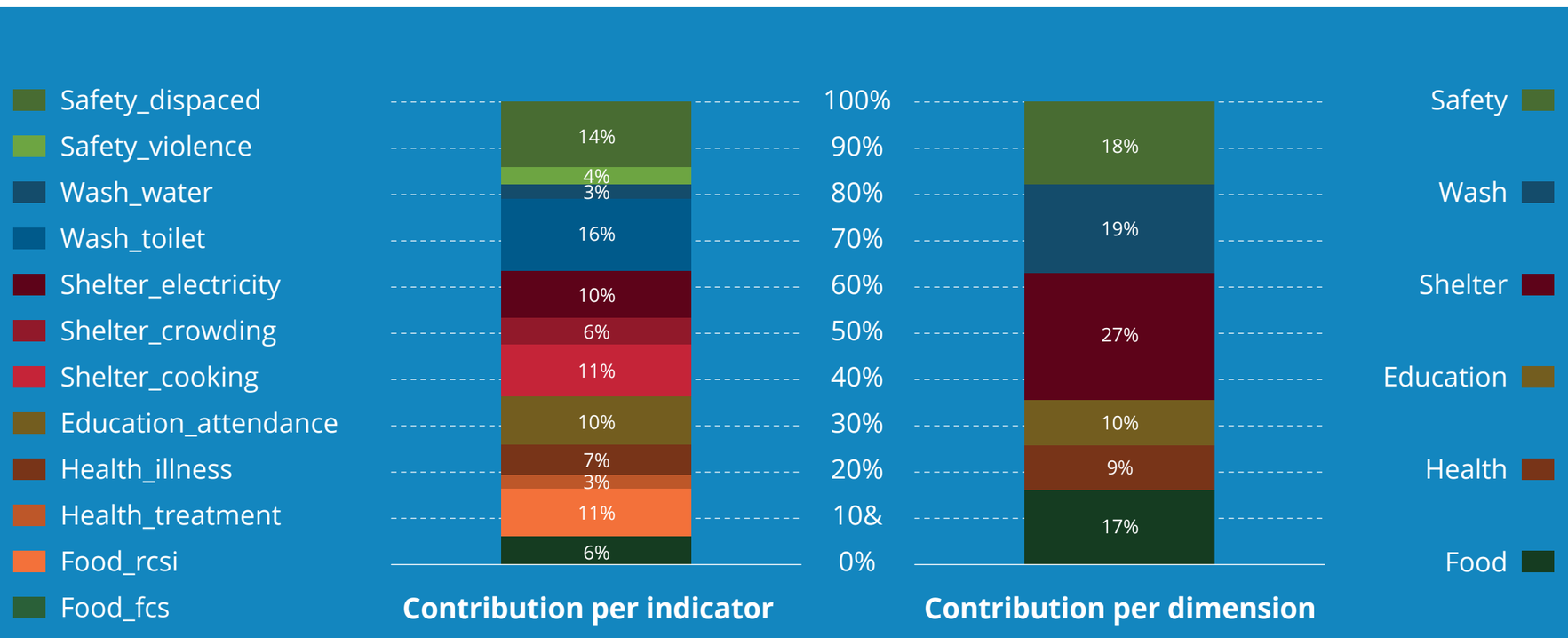


Figure d: Contribution of indicators and dimensions to combined MDDI

Figure d shows which percentage each indicator (or dimension, respectively) contributes to the deprivations that multidimensionally poor households suffer. The contribution can vary from the percentage of households that are deprived in an indicator, because of different weights of the indicators. This can be seen by the example of education, which contributes 10% to the index, although more than 20% of households are deprived in this indicator. The contribution is calculated by weighting the censored variables of deprivation – this means that the binary variable of deprivation for each indicator (for example the deprivation variable containing 0 for households with improved water, and 1 for households with unimproved water) is replaced with 0 for all households which are not at the same time multidimensionally deprived. This censored indicator is then weighted with indicator and dimension weight. The sum of the mean of all the censored indicators equals the combined MDDI. To report a percentage, the mean of the censored indicator is therefore divided by the combined MDDI.indicators (100).

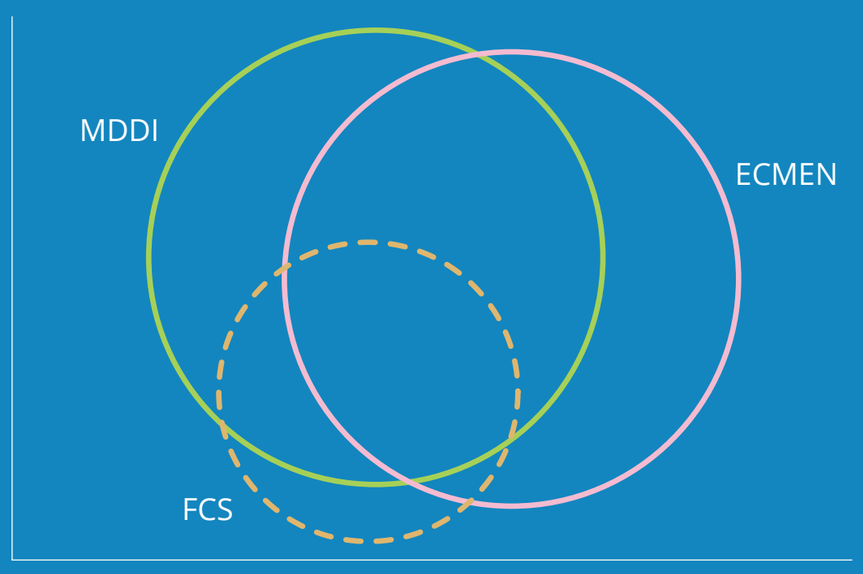


Figure c: Overlap between ECMEN, FCS and MDDI

Figure c shows the overlap between vulnerable households identified by the ECMEN (households below the MEB), the FCS (households with poor or borderline food consumption) and the MDDI (multidimensionally deprived households). The fact that there is limited overlap between the three measures indicates that each is conveying distinct and complementary information about the types of vulnerabilities facing households. This type of Venn diagram can be created using statistical software such as R or Stata. Alternatively, the percentages of overlap can be calculated and expressed in a table.

For more information on in-depth analysis of multidimensional deprivation see for example UNDP, 2019 and Alkire et al.,2015.

Limitations

The index presented here provides a minimum common basis for measuring multidimensional deprivation across a range of contexts. If a more accurate and fine-grained picture of vulnerability is needed, the index should be tailored to reflect context-specific issues and vulnerabilities (see Annex 4).

To the extent possible, subjective or self-reported indicators of wellbeing have been avoided, as these can be prone to bias. However, health remains a challenging area to investigate. Self-reported health, for instance, is often worse among better-off households, not because they are more prone to illness but because they tend to be more aware of and sensitive to illness. For monitoring purposes, indicators have been selected that are time-sensitive so that they capture changes that arise as outcomes of intervention. Also here, some imperfections remain, and the index might react more slowly to changes than for example the ECMEN.

The construction of the index has been limited by data availability, in particular for health and safety indicators. It is therefore judicious to collect the additional indicators suggested in the survey module (on the VAM resource centre) for these dimensions, and to test whether they improve the index.

> ***If a more accurate and fine-grained picture of vulnerability is needed, the index should be tailored to reflect context-specific issues and vulnerabilities.***

5.2.5 Perceived needs indicator (HESPER)

Definition

Perceived needs is a perception-based indicator used to understand and analyse how a population perceives and prioritizes unmet needs. The indicator measures whether households believe that they have a "serious problem" with respect to a variety of needs. Perceived needs are understood as needs that are felt or expressed by people themselves and indicate gaps that they are experiencing. Mostly used in emergency settings, the indicator is based on the Humanitarian Emergency Settings Perceived Needs Scale (HESPER).

The survey module can be found on the VAM resource centre.[24]

Rationale and use of the indicator

Understanding self-identified needs is essential to a people-centred approach. The HESPER contains questions related to sector-specific gaps that investigate which needs are unmet and their relative importance. This information is key to designing a sector-specific, multisectoral or multipurpose cash response.

The use of the HESPER for trend analysis enables analysts to quickly identify new areas of concern for the population. The perceived needs indicator will pick up changes over time, reflecting important contextual factors such as seasonality or policy changes.

In the context of multipurpose cash assistance, the results can give insight into which needs households are likely to prioritize with the assistance provided. In addition, monitoring certain aspects related to perceptions of security, the delivery of aid and community/social cohesion can help to ensure that the intervention has no unintended negative impact in these areas.

> *Perceived needs are understood as needs that are felt or expressed by people themselves and indicate gaps that they are experiencing.*

The perceived needs indicator primarily highlights unmet needs; this must be taken into account when interpreting the results. For example, in a refugee population whose entire food needs are covered through food assistance, it is likely that the perceived needs indicator will only point to pressing needs other than food.

> *The HESPER contains questions related to sector-specific gaps that investigate which needs are unmet and their relative importance.*

Calculation

The HESPER is a questionnaire containing 26 "problem areas" or needs (with an option to add context-specific areas). Respondents rate whether they have a serious problem (yes or no) in each area. At the end of the questionnaire, they are asked to identify the three most serious problems by order of importance.

For the analysis, the most pressing needs are identified based on the percentage of the interviewed households who report a "serious problem" for a given area (see example in Box 13). Analysts can also calculate the percentage of households who rank a certain problem among their top three priority problems. The mean or median total number of problems identified can also be calculated.

Given the length of the HESPER, it is best to **focus on the most relevant questions** to the context, particularly those regarding physical sectoral needs. Focus group discussions and key informant interviews can guide the choice. The survey module as well as syntax files and other useful resources can be found at the Perceived Needs Indicators page of the VAM resource centre.

[24] See WHO, 2011.

Limitations

Perceived needs should not be used as a standalone indicator – the HESPER is designed only to identify unmet needs: further (sectoral) assessments are necessary in order to understand the root causes of these problems.

The problems raised will focus on unmet needs only rather than overall needs: needs that are already met through other providers (e.g. free healthcare, emergency food assistance) will not surface in the analysis. Therefore, this indicator can only answer the second analytical question outlined in the introduction ("Which needs are unmet?") and not the first one ("What are the essential needs?").

Perception-based indicators are by definition subjective and are vulnerable to influences from many external factors. They may fluctuate over brief periods of time due to respondents' emotional states or recent events (e.g. receipt of assistance or other income), among other factors. Therefore perception-based indicators should never be collected alone but should always be triangulated against the other indicators presented in this guidance.

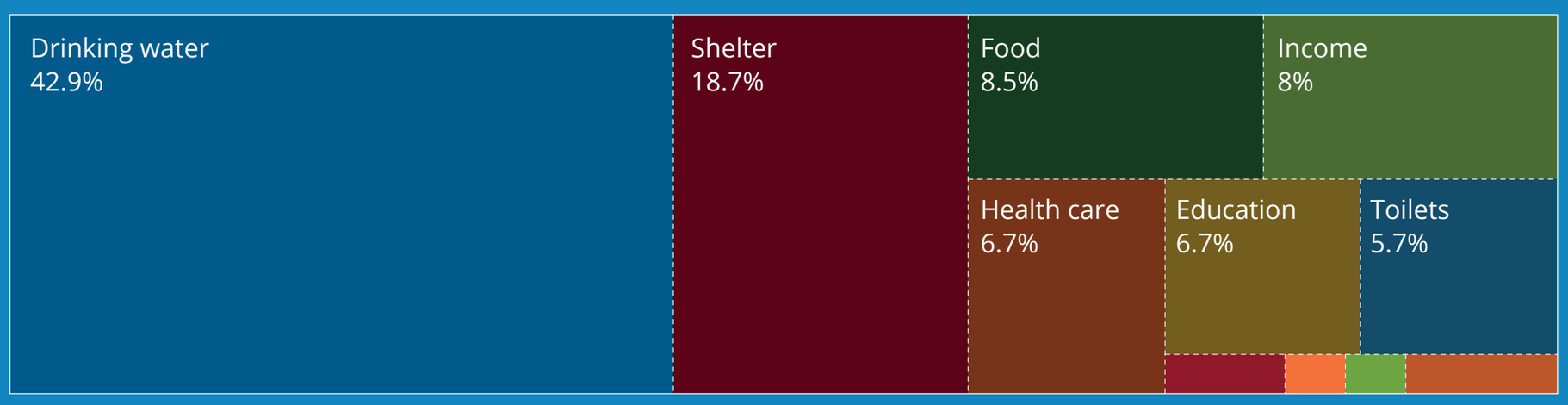
COUNTRY EXAMPLE

Box 13

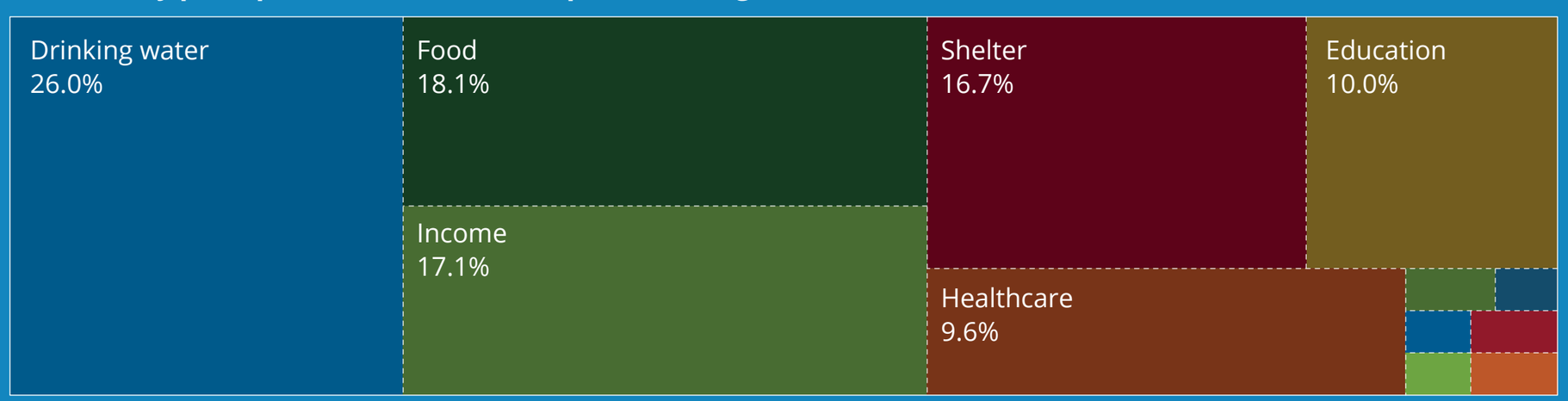
PERCEIVED NEEDS BASED ON HESPER: AN EXAMPLE FROM KASAI, DEMOCRATIC REPUBLIC OF THE CONGO

In an essential needs assessment in **Kasai, Democratic Republic of the Congo**, perceived needs were examined over time; the results showed changes in the most pressing needs depending on the season and assistance received.

Beneficiary perceptions of most serious problem (April 2018)



Beneficiary perceptions of most serious problem (Aug 2018)



5.3 Combining indicators in order to understand essential needs

The complex nature of essential needs and people's preferences in prioritizing them in times of hardship make it **necessary to use a combination of indicators.** This guidance proposes a combination of essential needs indicators in conjunction with standard vulnerability indicators. The ECMEN, MDDI, LCS-EN, perceived needs and debt indicators should all inform each other.

For instance, a household that has sold productive assets in order to send their children to school could receive a high score on education expenditure and a low score on deprivation according to the MDDI. Without closer analysis the assumption would be that this scenario is not problematic, even though the education expenses were covered through the use of negative coping strategies. This is why the LCS-EN is used to help establish how households either temporarily or regularly prioritize their spending or engage in negative coping strategies.

The group of households identified as vulnerable through monetary (ECMEN) and non-monetary (MDDI) indicators often overlap only partly, since the ability to meet essential needs can be determined by factors other than purchasing power alone. Comparing results from both indicators helps to understand whether the inability to meet essential needs is mainly driven by lack of income – in this case both indicators should be strongly correlated – or by other factors. This information will be highly relevant to programme design. Table 5 in section 10 provides guidance for analysts on which indicators to use, how to use them and which data sources to use when answering the six questions addressed by essential needs assessments.

The complex nature of essential needs and people's preferences in prioritizing them in times of hardship make it necessary to use a combination of indicators.

6 Estimate the number of people who are unable to meet their essential needs

"How many people are unable to meet their essential needs?" is the third analytical question addressed in an essential needs assessment. A reliable estimate of the number of people not able to meet their essential needs can be reached through a two-step process:

1. **Define vulnerability tiers** (extremely vulnerable, highly vulnerable, moderately vulnerable or not vulnerable) that reflect the context and the available data.
2. **Estimate the number of people who are not able to meet their essential needs**: Calculate the number of households in each tier in the sample and infer the number of people unable to meet their essential needs in the population.

Define vulnerability. The approach to setting the vulnerability tiers using information from the essential needs assessment also depends on the programmatic context and partners involved. The methodology recommended here can therefore be adjusted.

Recommended indicators and thresholds: ECMEN combined with LCS-EN and FCS

The ECMEN captures a household's economic capacity to meet its essential needs in a single indicator. As such, it is considered the base profiling indicator for essential needs analysis. However, a household may have been able to meet essential needs only by adopting coping strategies that harmed their dignity and/or their livelihoods. Combining the monetary lens of the ECMEN with the LCS-EN ensures that households who are meeting their essential needs by applying crisis or emergency coping strategies will classified as vulnerable. Adding the FCS ensures that high overall expenditures are not being made at the expense of the quality and quantity of food consumed, on the basis that food is an essential need in any population. The recommended thresholds can be found in Figure 5 below. All indicators can be separated into three groups: for the ECMEN, households can be below the SMEB, between the MEB and the SMEB or above the MEB; for the LCS-EN , they exhibit emergency coping, crisis coping or no emergency/crisis coping; and for the FCS, they have poor, borderline or acceptable food consumption. These groups are combined to classify households conservatively into vulnerability tiers.

> ***The approach to setting the vulnerability tiers using information from the essential needs assessment also depends on the programmatic context and partners involved.***

> ***Combining the monetary lens of the ECMEN with the LCS ensures that households who are meeting their essential needs by applying crisis or emergency coping strategies will classified as vulnerable.***

Considering alternatives

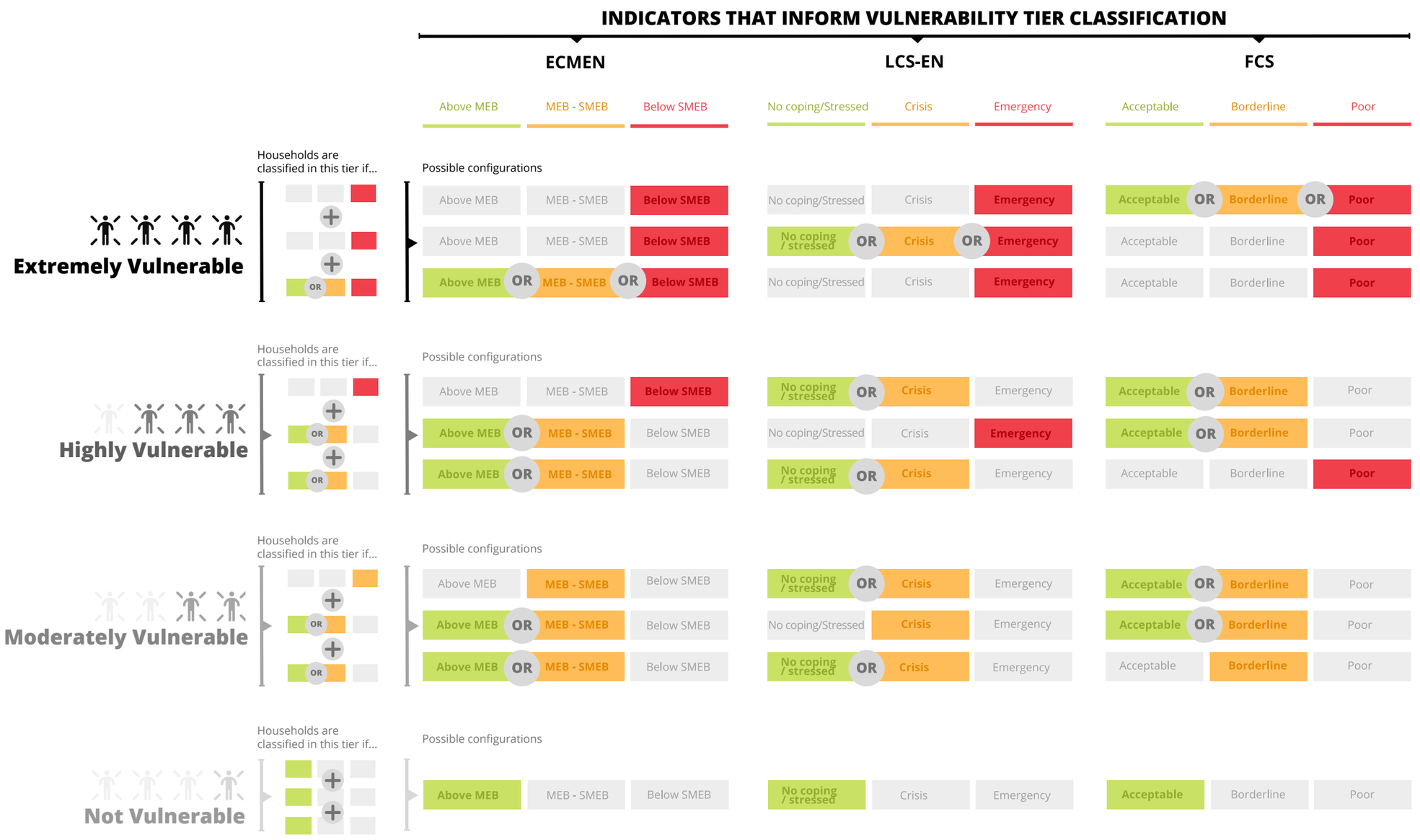
There may be contexts in which combining the ECMEN, LCS-EN and/or FCS might not provide the best definition for vulnerability tiers, or thresholds may need to be adjusted to deliver a more granular picture.

1. Choosing the ECMEN as an indicator assumes that essential needs are mainly not met due to lack of income. If this is not the case, the MDDI could be chosen as an alternative to the ECMEN. Keep in mind that this situation would likely require a programme response that went beyond simply injecting demand – perhaps through sectoral approaches or service provision.
2. When analysing a population with extremely high rates of vulnerability and dependence on assistance (for example in refugee camps), the discussed definition of vulnerability might not be the best approach, as the majority of households would be classified as vulnerable. In this case, additional thresholds might be required, or – if all households receive assistance, ECMEN could be used including assistance (see Box 7) to allow for a more granular picture.

Estimate the number of people unable to meet their essential needs. Once the tiers are defined, the number of households in the sample that fall into the different vulnerability tiers can be calculated and, taking into account household size, the actual number of people in the sample within each vulnerability tier can be calculated.

Using a statistically representative household survey (and having data on the underlying population) allows analysts to infer the number of people in each vulnerability tier in the population, including the number of people unable to meet their essential needs. Percentages should also be reported. In the calculation, it is important to apply survey weights.

Be aware that the number of people who are not able to meet their essential needs does not correspond to a caseload for programming, as programme objectives and targeting strategy have not usually been decided at this stage; there may also be inclusion and exclusion errors in targeting to consider and a possible need to prioritize due to funding restrictions.



Note: *In the absence of a SMEB, a food MEB can be used. If neither a SMEB or food MEB are available, the middle layer (i.e. between the SMEB and MEB) should be removed. In this case, all households with expenditures below the MEB will automatically be classified as either "highly vulnerable" or "extremely vulnerable" (depending on the other indicators). Alternatively, different categories can be build based on percentages of the MEB (for example below 75% of the MEB as proxy for SMEB).*

Figure 5. Vulnerability classification based on the ECMEN, LCS-EN and FCS

7 Vulnerability profiling

One of the key outputs of an essential needs analysis is the identification of the characteristics of people unable to meet their essential needs. This is used when defining responses and eligibility criteria for the targeting and/or prioritization of households or individuals for assistance.

Profiling households. Profiling looks at what characterizes the households that fall into each vulnerability tier. Once the vulnerability tiers are defined (see section 6), households can be profiled by associating them with specific socioeconomic and demographic characteristics that are more common among vulnerable households. The most common indicators in profiling can be found in Table 4.

In an essential needs assessment with household surveys, quantitative data can be tested for statistically significant correlations in order to validate observed differences. More information on statistical testing for profiling can be found in the CFSVA guidelines.

Table 4. Most common indicators in vulnerability profiling

Household composition	Livelihoods	Dwelling characteristics	Assets
■ Sex of household head ■ Household size (number or recoded into small, medium, large) ■ Number of adult men ■ Number of dependents ■ Number of elders ■ Education level of household head ■ Age of household head ■ Presence of chronically ill/disabled members ■ Single parent ■ Presence of unaccompanied minors ■ Presence/number of pregnant or lactating women	■ Number of income sources ■ Type of main income source ■ Presence of at least one income-generating activity vs. full dependency on aid/assistance/gifts ■ Number of days worked as casual labourers	■ Construction materials ■ Toilet (improved) inside the house ■ Kitchen inside the house ■ Crowding index ■ Access to improved water source ■ Access to electricity ■ Type of cooking fuel	■ Land ownership ■ Livestock ■ Solar power ■ Means of transport ■ TV, electronics ■ Mobile phone

TIP BOX

Box 14

FROM PROFILING TO TARGETING AND PRIORITIZATION

Analyses of the sociodemographic and economic profiles of vulnerable households, enabled through data from needs assessments, are an important contribution to response analysis and programme design, including decisions for targeting and prioritization.

If the targeting approach is based on household-level eligibility criteria, the vulnerability profiles can directly inform their identification, i.e. the development of eligibility criteria for inclusion to assistance. See section 3.2 of the Targeting and Prioritization Operational Guidance Note (p.28) for more information on how to do this, as well as what constitutes good criteria for targeting and prioritization. The guidance note as well as the Executive Director's Circular on Management of Targeting Processes by WFP Offices are available to guide country office's through the targeting process and related minimum requirements.

COUNTRY EXAMPLE

E.G.

Box 15

EXAMPLES OF VULNERABILITY PROFILING IN ESSENTIAL NEEDS ASSESSMENTS

1. Rohingya emergency vulnerability assessment (REVA) – vulnerability profiling

Background: Since August 2017, over 650,000 Rohingya refugees have migrated to **Cox's Bazar, Bangladesh,** fleeing violence and human rights violations. These refugees joined previous waves of migrants, bringing the total Rohingya population in the district to over 900,000. Most of them live in camps and makeshift shelters.

Objectives of the REVA: In collaboration with the Bangladesh Institute of Development Studies, the International Food Policy Research Institute and Action Against Hunger, WFP jointly led the REVA in order to understand the priority needs of the displaced Rohingya and host communities and to assess how many people were unable to meet their essential needs including food needs; what characterized those unable to meet their essential needs; and which actions were required for improving their lives and livelihoods.

Approach: Focus group discussions and key informant interviews were conducted and partner consultations were held for all relevant sectors including shelter, health, education, protection, nutrition and the cash working group in order to understand the main challenges facing refugees in terms of meeting their needs and in order to adjust the design of the household survey to the local context. A representative household survey was conducted among refugees and host communities.
Households were categorized into different vulnerability tiers based on the ECMEN, the severity of the negative livelihood coping strategies they applied and their level of food consumption. The MEB was based on a threshold previously established by the cash working group for the local population.

Results: The results showed that despite high rates of unacceptable food consumption among refugee households, almost half of those who received in-kind or food voucher assistance were selling parts of it to obtain cash. The essential needs perspective of the assessment helped to detect the root causes of this behaviour: households were selling assistance in order to address other needs such as for dry and fresh fish, vegetables, fuel, healthcare, medicines, toiletries, clothing and transportation. Nearly half of the refugee households had poor or borderline food consumption. With savings and other resources partially or completely depleted, households with fragile livelihoods or no stable income were adopting high-risk coping strategies in order to meet their essential needs.

These results helped to adjust the assistance to needs: WFP increased the value of e-vouchers and set up fresh food corners and farmers markets, enabling households to buy a more diverse diet. Households also received more fuel. Self-reliance and livelihood activities were scaled up to foster income opportunities. Furthermore, collaboration across different sectors was improved: the essential needs assessment led to improvements in the joint and coordinated response. The results also informed a joint assessment mission and joint action plan by UNHCR and WFP.

For more details, see the WFP Rohingya influx emergency vulnerability assessments published in 2019 and 2020.

2. Sudden-onset displacement and return of internally displaced persons (IDPs) in Kasai, Democratic Republic of the Congo

Background: Following the crisis in early 2017, the population of Kasai faced widespread displacement as they sought to avoid contact with armed groups. The displacement caused significant disruption to socioeconomic activities including farming and livestock keeping and hampered access to health and education services; houses, hospitals and schools were systematically looted and damaged. The majority of the population returned to their homes between August and December 2017.

COUNTRY EXAMPLE

Objectives of the essential needs baseline: WFP launched a multipurpose cash (MPC) intervention targeting 126,000 people in one health zone in Kasai-Central. Between February and June 2018, around 120,000 beneficiaries received a blanket MPC entitlement in three monthly rounds.

The baselines provided benchmarks for monitoring changes in access to essential needs following the intervention. The objective of the assessment was to gauge how many people were able to meet their essential needs pre/post cash distribution, and to define how the vulnerability profile evolved.

Approach: Focus group discussions/key informant interviews/observations were conducted in November 2017 and April 2018 in order to gather information on the overall level of vulnerability and disruption to livelihoods, and to establish which essential needs were unmet. A first baseline household-level essential needs assessment was conducted in February and covered only process and standard food security outcome indicators. This was followed by mid-line post-distribution monitoring in April 2018, which provided a baseline for additional indicators such as the ECMEN, MDDI, perceived needs and the LCS-EN. These indicators enabled analysts to set benchmarks on multidimensional poverty (MDDI), economic deprivation (ECMEN), the type of unmet essential needs (MDDI, LCS-EN, expenditure and food security outcome indicators), and the profile of those unable to meet essential needs (sociodemographic module cross-tabulated with the ECMEN and the MDDI).

Note: the MDDI followed an older version of the methodology and was called the MPI.

3. Urban baseline assessment for vulnerability profiling in Kinshasa, Democratic Republic of the Congo

Background: With over 12 million inhabitants, Kinshasa in the Democratic Republic of the Congo is the second largest city in sub-Saharan Africa. Rapid population growth in Kinshasa presents several challenges to the current infrastructure. Poverty is widespread; a large share of the population lives in slums and lacks access to basic services.

Objectives: Concerned about a potential escalation of tensions, WFP and partners launched an essential needs baseline study in December 2017 in five highly vulnerable communes, with the objective of assessing the prevalence and main drivers of food insecurity; estimating how food access would evolve in the event of political instability; and assessing the degree to which essential needs were met, establishing a MEB and evaluating the overall wellbeing of urban households in these communes for future monitoring.

- **Approach:** The essential needs assessment was adjusted to the urban context. After a brief secondary data review, the following tools were used:
- **Focus group discussions:** interviews with men, women and teachers helped identify main livelihoods and sectoral constraints and enabled the customization of household survey questionnaires.
- **Traders' surveys:** 112 food and non-food traders as well as street-food sellers were interviewed in order to collect the prices and components necessary to calculate the MEB and estimate the levels of consumption of food outside the household. Street-food sellers provided information on the nutritional value of their main dishes.
- **Chiefs of neighbourhoods:** 119 questionnaires with 15 simple closed-ended questions were used to identify the main infrastructural gaps that were inhibiting access to essential services (water, sanitation, health, education, etc).
- **Household survey:** Over 1,900 household questionnaires focused on essential needs were completed. The results confirmed the first impression from focus group discussions that monetary poverty – affecting two in three households – was the main driver of vulnerability. Poverty was found to be correlated with multiple deprivations including those related to access to drinking water and sanitation facilities and shelter conditions. One in two households did not have minimally acceptable food consumption. Respondents were also requested to share their phone numbers for future monitoring of their poverty and food insecurity through remote surveys (mVAM) in order to set up a multiagency, multisectoral monitoring system.

COUNTRY EXAMPLE

Survey modules

Demographic indicators: household size, sex of household head, presence of chronically ill/ disabled members, age of household head, dependency ratio, presence of elderly/children/minors/pregnant or lactating women

FCS, HDDS, FCS-N, FCS outside of home, Kcal intake per-capita, food sources

Livelihoods – income sources, income

Coping: rCSI, LCS-EN

Expenditures: MEB, SMEB, ECMEN, food expenditure share, food expenditures, total expenditures, poverty (based on national poverty line)

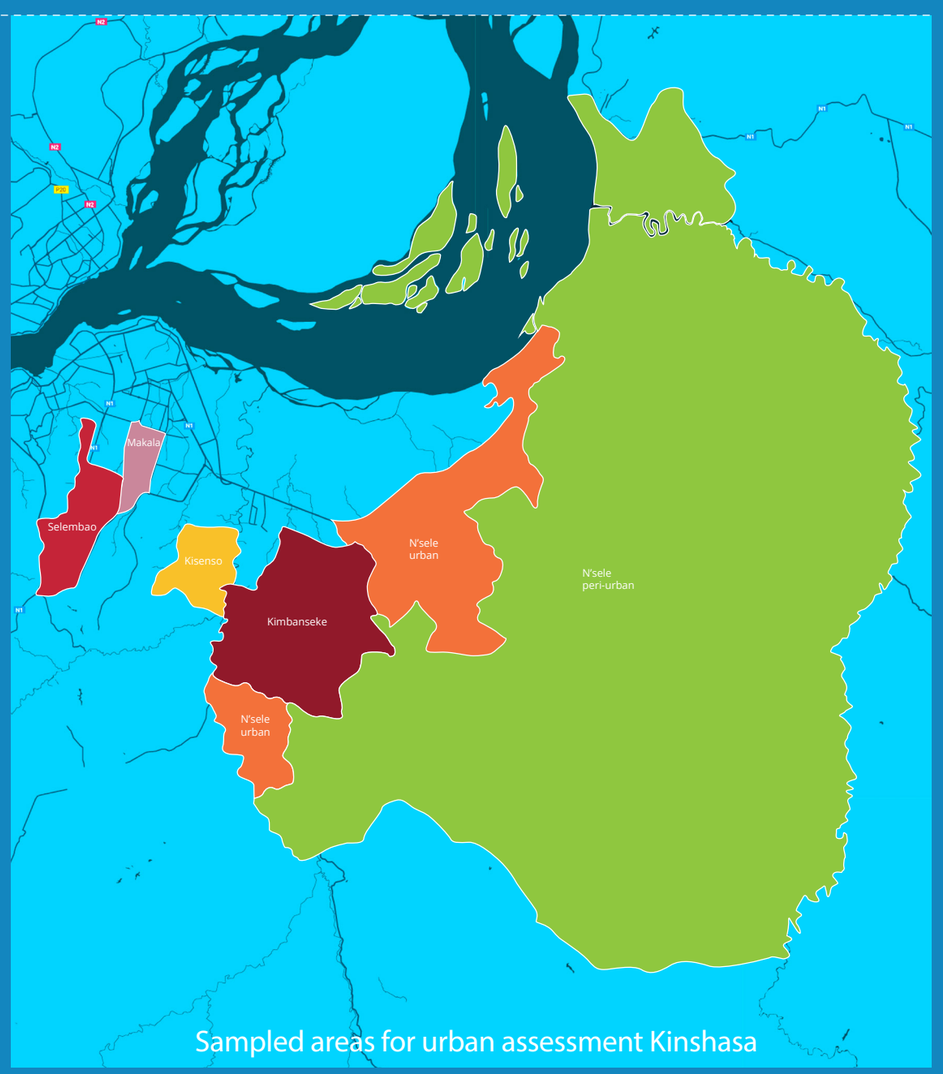
MDDI, debt, perception-based indicators

Housing conditions: water, sanitation, construction materials, cooking fuel/lighting

Domestic and productive assets

Education (drop-outs and attendance) and health (morbidity and treatment)

Migration (towards vs. away from Kinshasa) and remittances



Sampled areas for urban assessment Kinshasa

a. Main outcomes

- Around 36 percent of people in the five communes of Kinshasa were found to be food insecure; poverty was by far the biggest driver of food insecurity.
- Food security was not separate from the ability to meet essential needs: living conditions, education, food and income generation were the most problematic (and most frequently unmet) essential needs for urban dwellers. Informal safety nets were negligible.
- High volatility of income and spending. Households quickly faced deprivation when price or income shocks occurred.
- Significant correlation between non-monetary poverty and monetary poverty. The ability to meet essential needs and satisfaction of respondents was inversely correlated to poverty.

b. Main lessons learned

- Relevance of mixed methods approach: preliminary focus group discussions and key informant interviews are even more important than in standard food security assessments. This is because of the greater need to customize response options for essential needs modules and to understand better the coping mechanisms for food and other essential needs.
- A more complex sociodemographic and economic background requires a more thorough analysis of vulnerability with regards to essential needs, encompassing all relevant elements (livelihoods, demographics, infrastructural gaps, poverty).
- Calculation of the MEB is essential in order to define and quantify vulnerability; at the same time, calculating a MEB is extremely delicate in urban contexts due to the highly diversified expenditure patterns of the populations and skewed household composition.
- MDDI and perception-based indicators tend to converge and could be used interchangeably for monitoring outcomes.

Note: *the MDDI followed an older version of the methodology and was called the MPI.*

Report: WFP et al, 2018.

8 Response analysis for essential needs

Once the first five key guiding questions of the essential needs assessment have been answered, findings can be used to inform options and recommendations for a response. The response recommendations should answer the question 'How can households be assisted and empowered to meet their essential needs? It is important to note that in order to identify comprehensive response options, it is highly recommended to combine the results of the essential needs assessment with those of a supply analysis and from the minimum expenditure basket and other relevant sources. Combining these different pieces of essential needs analysis allows identifying the most effective response elements, covering both the demand and supply sides of essential needs.

Supply or demand side response? The essential needs assessment findings help to identify where households face crucial gaps in meeting essential needs. In particular, combining the various indicators aides an understanding of whether gaps are driven by lack of economic resources, or if deprivations might be driven by a different type of access or availability issue. It also tells us how households are likely to prioritise their resources and how they cope, for instance, if households will take on new debt to cover their needs. Combining these household-level findings with information from the supply analysis and the Market Functionality Index allows identification of whether gaps in meeting needs are best addressed by demand-side interventions – for instance, by increasing purchasing power through cash transfers – or by supply-side interventions -for instance market-support activities or service provision strengthening - or a combination of both.

For food security specific programming, the CFSVA guidance offers a good starting point for identifying response recommendations. For responses covering a larger range of essential needs, understanding different sectoral approaches and how to combine them is key.

Just as essential needs analysis should always be sought as a **joint or coordinated undertaking**, so should the response recommendations. This does not necessarily imply that the response is joint, but rather that the involved partners reach a common understanding of what an appropriate response could look like. The subsequent implementation may be joint, complementary or coordinated.

This is also applicable when supporting **governments** and their response efforts to crisis of different types as well as chronic or life cycle needs of vulnerable populations. The essential needs assessment, the minimum expenditure basket and the supply analysis can all also be conducted jointly with partners in support of governments' social protection or relief efforts, and of national and sub-national institutions who are in charge of identifying and responding to people's needs through demand and supply-side interventions.

The essential needs assessment and essential needs analysis more broadly can help decide on appropriate programme objectives and set a range of programme design parameters. Some of the main usages are described below.

Targeting. The essential needs assessment profiles vulnerable households (see section 7) to understand who they are. As part of the response recommendations, the profiling information combined with the proposed response type and contextual information is used to recommend targeting approaches and guide the selection of eligibility criteria. See the WFP targeting and prioritisation guidance for further insights on this process.

> ***In order to identify comprehensive response options, it is highly recommended to combine the results of the essential needs assessment with those of a supply analysis and from the minimum expenditure basket and other relevant sources.***

Selection of transfer modality. Selecting the best suited transfer modality is a key decision to make in any demand-side response – if an intervention should deploy in-kind transfers, cash or vouchers, or a combination. The WFP transfer modality selection framework outlines two key pillars (review of programme objectives and contextual considerations, and feasibility analysis), following the cash-based transfer business process model (BPM). The essential needs assessment offers insights to both pillars, and the supply analysis provides key input into the feasibility, in particular the market feasibility and risk assessments. See the WFP transfer modality and transfer mechanism selection guidance for further insights (forthcoming).

> ***The essential needs assessment and essential needs analysis more broadly can help decide on appropriate programme objectives and set a range of programme design parameters.***

Transfer values for cash-based programming. If a demand-side intervention in the form of a cash programme is identified as a response recommendation, one of the crucial design parameters to set is deciding on an appropriate transfer value. The WFP transfer value guidance outlines a host of key points to consider when determining the transfer value, including gap analysis for the target population, household sizes adjustments, harmonisation with other agencies, and considerations on breadth versus depth of the transfer.

There is more to learn. The essential needs analysis package is based on experiences from the field. As essential needs analysis is increasingly used to inform programmatic decisions, new learnings on how to do this best will continuously become available. The **operationalization guidance notes** will collect these learnings and will be complemented with new topics over time.

9 Adjusting the process: rapid essential needs assessments

Essential needs assessments are a highly flexible tool that can be adjusted to fit different purposes and contexts. A major differentiation can be made between in-depth and rapid essential needs assessments. In-depth assessments – those described in this guidance so far – provide statistically representative and detailed information on relevant essential needs and the number of people unable to meet their essential needs. They rely on a wealth of information, including quantitative household-level data. They also require time for primary data collection and analysis and therefore are most suited for protracted crises, contexts of chronic food insecurity and poverty, and as follow-ups to rapid essential needs assessments carried out in sudden-onset emergencies.

When an in-depth essential needs assessment is not feasible due to time, access or data constraints, a rapid essential needs assessment can be conducted. These rely on secondary information and qualitative data or quantitative data of limited scope such as data from remote surveys. This type of data can be collected quickly and in situations with limited physical access. These rapid assessments provide timely albeit approximate information on essential needs and the number of people unable to meet them. This information is not statistically representative and can only generate rough estimates. Rapid essential needs assessments are therefore best suited for sudden-onset emergencies when an immediate humanitarian response is required.

The following elements should be considered when deciding whether to launch a rapid or an in-depth essential needs assessment:

1. Security conditions and accessibility
2. Budget availability
3. Time availability and response timespan
4. Human resources for data collection and trained analysts for data management
5. Secondary data availability
6. Type of emergency/context

The standard essential needs assessment process has to be adjusted for rapid assessments. This usually means focusing on the use of existing information in a desk review (see step 2 in Figure 4) in conjunction with qualitative data collection, mainly through key informant interviews and focus group discussions (step 3a). As primary household data collection (step 3b) is almost always the most time and resource-consuming element of an assessment, rapid essential needs assessments typically sacrifice (or limit) this step in order to focus time and resources on the other stages.

While WFP promotes primary data collection and data storage in repositories organized in a spatial data infrastructure (see 72-hour assessment guidelines), for many hazard-prone areas there may not be such a wealth of information at hand. In such situations, the lack of information may also make literature review and secondary data analysis difficult or even impossible. In these cases, the rapid essential needs assessment process must rely on qualitative primary data and/or limited remote quantitative data that can be collected and analysed quickly. Qualitative tools (focus group discussions, key informant interviews, community-based discussions and direct observation) help identify the essential needs relevant for a given community in each context and highlight the sociodemographic and economic characteristics of the most vulnerable households. . Although less rigorous and more prone to the influence of subjective judgement, these methods can offer a rapid indication of vulnerability profiles. Examples can be found in the Qualitative Research Guidance for WFP monitoring.

Rapid essential needs assessments – especially if supported by accurate secondary data – can also be used to estimate the number of people unable to meet their essential needs, although with a lower degree of precision than in-depth essential needs assessments. In this case, the information on vulnerability profiles gathered through key informants, observations and focus groups can be triangulated with demographic data to generate an informed estimate and an analysis of the sectors with the highest gaps. Further information on these steps can be found in the qualitative data sections of the summary table in the next section.

TIP BOX

Box 16

RAPID ESSENTIAL NEEDS ASSESSMENTS DURING THE COVID-19 CRISIS

This box describes a rapid essential needs assessment approach that could be used to assess needs in areas affected by COVID-19, based on WFP emergency monitoring. In this situation, primary face-to-face quantitative or qualitative data collection is not possible. The assessment therefore has to rely on remote monitoring through telephone or web surveys and pre-crisis secondary data. This information can be used to answer the analytical questions of essential needs assessments.

Data source	Remote household monitoring	(Remote) market monitoring	Secondary data (pre- crisis)	Crisis information	Partner or WFP information
■ Relevant indicators/ information	■ Demographic profiles ■ Changes in livelihoods ■ Debt ■ MDDI ■ Infection rates	■ Price changes ■ Public provision of services ■ Market functionality index (reduced)	■ MEBs/poverty lines ■ Expenditures ■ Livelihoods ■ Demographic profiles ■ Mapping and geographic information	■ Lockdowns ■ Movement restrictions ■ Market closures ■ School closures ■ Quarantine measures ■ Infection/death rates/profiles	■ Information on safety nets ■ Information on existing or new assistance

What are the population's essential needs and how do people meet them? Which essential needs are unmet and why?

Establish information on livelihoods and needs before the crisis and estimate the health-related and economic impacts of COVID-19 on

- Changes in households' essential needs (hygiene, transport, education)
- Changes in the cost of meeting these needs (price changes)
- Changes in how people meet their needs (access to markets and services, coping strategies)
- Changes to households' ability to cover their essential needs from their own income/resources or available assistance

Who are the people that are unable to meet their essential needs? Where are they?

- Define a group of those most affected, by livelihood and socioeconomic characteristics.
- Define groups most at risk of COVID-19 (elderly, chronically ill, carers).
- Additionally (or alternatively) define areas where people are most vulnerable based on their profiles or COVID-19 measures.

How many people are unable to meet their essential needs?

Based on the profiles of vulnerable people and recent demographic information, an indication of the number of people unable to meet their essential needs can be given, depending on the quality of data available

Table 5. Essential needs assessment analysis flow

Question	Step	Suggested sources of information	Analysis may include …	Relevant essential needs indicators	Other supporting indicators	Analysis output
	1. IDENTIFY AND UNDERSTAND ESSENTIAL NEEDS					
1.1 What are the population's essential needs and how do people meet them?	 **2:** Desk review, secondary data analysis	Census/national household surveys, sector-specific assessments, poverty lines, the MEB (if pre-existing)	Public provision of relevant goods and services including assistance. Existence of formal/informal safety nets. Income sources.			**Sector-specific studies** can help understand the most critical needs and the way people meet them. **Demographic information** can show if high density in some areas coincides with low absorption capacity of basic services. **FGDs and KIIs** help understand if services (including free services) are available and justify good access regardless of limited financial resources.
	 **3a:** Launch the assessment tools	Key informant interviews (KIIs) and focus group discussions (FGDs): Representatives from local institutions and community leaders; Labour market experts; Sector stakeholders / experts; community groups etc	Self-reported needs, consumption habits, coping strategies, livelihoods			**FGDs and KIIs** can easily define the most critical needs; explain how people meet them (through their own budget, free services, humanitarian assistance, etc.); and say whether these vary seasonally or are constant throughout the year. FGDs can help define the measures (e.g. coping mechanisms) used to meet these needs.
	 **3b:** Household-level survey **3c:** Ground-truthing of quantitative findings	Household survey modules and qualitative ground truthing	Expenditures, debt, coping strategies, livelihoods/income sources	LCS-EN Debt	Expenditure patterns Livelihoods / income sources	**Expenditure patterns** give an insight into needs fulfilled at a cost to households. **LCS-EN and debt indictors** can help identify if some of these needs are met only through the adoption of negative coping mechanisms. In triangulation with FGDs, KIIs and secondary data, analysts should define if low expenditure allocated to any critical need is due to free public provision or to limited resources. Reasons for coping and for contracting debts and expenditures allocation to specific sectors can help **rank the most critical needs** in specific areas and times.

Question	Step	Suggested sources of information	Analysis may include …	Relevant essential needs indicators	Other supporting indicators	Analysis output
	1. IDENTIFY AND UNDERSTAND ESSENTIAL NEEDS					
1.2 Which essential needs are unmet and why?	 **2:** Desk review, secondary data analysis	Census/national household surveys, sector-specific assessments, supply analysis if conducted or other market assessments	Gaps identified in secondary data/literature, constraints in access to goods/services, chronic/acute reasons for inability to access needs Existence of formal/informal safety nets			**Market assessments** (e.g. supply analysis) can shed light on potential bottlenecks in the supply of essential goods and services from private and public actors. This analysis can be overlaid with demographic data to show the absorption capacity of markets, and with income studies (type of source, sustainability, average income and diversification of livelihoods, resilience, etc.). **Sector-specific reports** – e.g. yearly reports on school attendance rates from the Ministry of Education or UNICEF, number of patients per doctor or admission rate trends from WHO and Ministry of Health, CFSAM reports from FAO/WFP/Ministry of Agriculture – are all valid tools for understanding sectoral, multisectoral, structural and time-specific gaps.
	 **3a:** Launch the assessment tools	KIIs and FGDs: Sector stakeholders / experts, community leaders, community groups etc.	Self-reported prioritization of needs, consumption habits and coping strategies, self-identified problems in meeting certain needs, chronic/acute reasons for inability to access needs			**KIIs and FGDs** can help clarify which needs are not met and why (due to limited financial power or poor service provision, or if people simply do not consider them a top priority over other needs). They provide information on **market presence, integration and functionality**. They help quickly understand the consumption behaviour of households facing multiple needs and limited resources. How households set priorities is key to understanding if gaps are structural, i.e. common to all households. It is also important to assess if unmet **needs vary seasonally** or not.
	 **3b:** Household-level survey **3c:** Ground-truthing of quantitative findings	Household survey modules and ground truthing	Expenditures, poverty dimensions, perception of needs, coping strategies, debt	ECMEN MDDI LCS-EN Debt Perceived needs	Expenditure shares Demographic indicators	**ECMEN and LCS-EN are combined to assess financial constraints** on meeting essential needs. **Sector-specific gaps** are better defined through the MDDI (showing how many households face deprivation in any given dimension). **Ground truthing** of quantitative results through FGDs and KIIs is key to ensuring that results are correct and to clarifying why needs are unmet.

Question	Step	Suggested sources of information	Analysis may include …	Relevant essential needs indicators	Other supporting indicators	Analysis output
2. ESTIMATE THE NUMBER OF PEOPLE UNABLE TO MEET THEIR ESSENTIAL NEEDS						
2.1 How many people are unable to meet their essential needs?	 **2:** Desk review, secondary data analysis	Census/national household surveys, other population data	Existing population information (overall population and population of interest)			**Demographic data from updated census in combination with data from essential needs assessments** can help estimate the number of vulnerable people, based on information on unmet needs and livelihoods. **In rapid essential needs assessments** this information in combination with qualitative information from essential needs assessments can help to establish a rough indication of the number of vulnerable people.
	 **3a:** Launch the assessment tools	Sector stakeholders / experts, community leaders, community groups etc.	Self-reported (unmet) needs and reasons Consumption habits Coping strategies			
	 **3b:** Household-level survey **3c:** Ground-truthing of quantitative findings	Household survey modules	Essential needs indicators analysed against population/mapping data, defining essential needs vulnerability tiers	ECMEN LCS-EN MDDI	Debt Perceived needs Demographic Livelihoods/ income sources Food security indicators (FCS, rCSI)	**ECMEN and LCS-EN (and FCS) are usually combined in order to define vulnerable households**. This approach can be adjusted if a different definition of vulnerability is required. **The statistical correlation between vulnerability calculated through ECMEN + LCS-EN (and FCS) and MDDI** should be analysed systematically to assess how multidimensional deprivation relates to monetary poverty.
3. PROFILE HOUSEHOLDS UNABLE TO MEET THEIR ESSENTIAL NEEDS						
3.1 Who are the people that are unable to meet their essential needs?	 **2:** Desk review, secondary data analysis	Census / national household surveys, existing vulnerability / poverty analysis	Pre-existing vulnerability criteria			Analysis of poverty and vulnerability indicators against **demographic information, livelihoods information and possibly food security indicators** and other relevant socioeconomic indicators (of particular importance in rapid essential needs assessments)
	 **3a:** Launch the assessment tools	Community leaders, community groups etc.	Locally accepted vulnerability characteristics, possibly triangulation of definition of vulnerability tiers			FGDs and KIIs can help to understand if vulnerability correlates with certain socioeconomic profiles and is therefore likely to depend on the **financial constraints on certain population groups**, or if it is linked to **structural constraints** affecting the whole population. For instance, poor water supply infrastructure is likely to impact all people regardless of their social and economic status, while poor healthcare is likely to hit poor people harder as the wealthy have a greater chance of accessing private clinics or suppliers.

Question	Step	Suggested sources of information	Analysis may include …	Relevant essential needs indicators	Other supporting indicators	Analysis output
	3. PROFILE HOUSEHOLDS UNABLE TO MEET THEIR ESSENTIAL NEEDS					
3.1	 **3c:** Ground-truthing of quantitative findings	Household survey modules	Demographic, food security indicators, livelihood and other household characteristics analysed against expenditures, and specific essential needs indicators	ECMEN MDDI LCS-EN Debt Perceived needs	Demographics Livelihoods / income sources Food security indicators (FCS, FCS-N, rCSI)	The outcome **variables used to define vulnerability** (ECMEN + LCS-EN + FCS) must be tested against the specific socioeconomic characteristics of the households or other observable criteria (see Table 4).
3.2 Where are the people that are unable to meet their essential needs?	 **2:** Desk review, secondary data analysis	Maps and other geospatial information	Existing mapping information			A mapping of **where the people identified in step 2.1 are located**. This can include multiple mapping layers as different essential needs may be covered to different degrees by people in different locations. Also, national household surveys can be helpful if they give an idea of **which areas are more vulnerable**, especially if poverty is a driver of vulnerability.
	 **3a:** Launch the assessment tools	Key informants: community leaders, community groups etc.	Background on geographical heterogeneity and pockets of vulnerability			FGDs and KIIs can provide information to identify **whether vulnerability is endemic (i.e. common to the whole community in an area) or affects specific profiles or locations** within the area of analysis.
	 **3b:** Household-level survey	Household survey modules	Essential needs indicators analysed and mapped against geographic information	ECMEN MDDI LCS-EN for essential needs	FCS	Cross-tabulation between vulnerability outcome indicators (ECMEN, LCS-EN, FCS) and geographical areas (e.g. administrative areas, livelihood zones, urban vs. peri-urban vs. rural) show **if certain areas have significantly higher levels of vulnerability** than others. MDDI can be cross-tabulated with geographical areas to see if **deprivations in specific needs are more common in certain areas** (e.g. if a higher proportion of households face deprivation in accessing healthcare or education services in rural areas compared to cities).

Step	Suggested sources of information	Analysis may include …	Relevant essential needs indicators	Other supporting indicators	Analysis output
☆ 4. MAKE RECOMMENDATIONS FOR ASSISTANCE					
4.1 How can households /individuals be assisted to meet their essential needs?  **2:** Desk review, secondary data analysis	Any existing response documents, sector-specific assessments	Background on existing assistance and feasibility of different response types			Desk review of **existing assistance** provides important information for the design of any programme. Sector-specific studies supported by FGDs and KIIs can generate recommendations on how to support basic service delivery systems (e.g. by increasing the number of schools in an area with overcrowded classrooms or for communities far from schools). Qualitative information can give insight into the **existence and feasibility of household-level support programmes** such as general food assistance, especially when supported by analyses of poverty, expenditure patterns and economic gaps by area and by category of people. FGDs and KIIs can help define the most vulnerable profiles for **targeting** and identify livelihoods that need to be supported in order to ensure access to markets, employment and income.
 **3a:** Launch the assessment tools	Sector stakeholders / experts, community leaders, community, groups etc.	Self-identified assistance needs			
	Household survey modules Supply analysis (if conducted)	Gap analysis using expenditures and MEB Supply analysis			
 **3b:** Household-level survey **3c:** Ground-truthing of quantitative findings			ECMEN / MEB MDDI		Essential needs analysis, including the assessment, supply analysis and the MEB, provides the basis for several programmatic decisions, particularly those related to: ■ *supply or demand side response targeting* ■ *selection of transfer modality (distribution of food and non-food items vs. cash/MPC)* ■ *transfer value for cash-based programming* Guidance on these decisions and the required additional analysis is available on the essential needs analysis website.

Abbreviations

CARI	consolidated approach to reporting indicators of food security
CFSAM	crop and food security assessment mission
CFSVA	comprehensive food security and vulnerability assessment
CH	Cadre Harmonisé
ENA	essential needs analysis
EFSA	emergency food security assessment
FGDs	focus group discussions
FAO	Food and Agriculture Organization of the United Nations
FCS	food consumption score
FCS-N	food consumption score – nutrition
HDDS	household dietary diversity score
HESPER	Humanitarian Emergency Settings Perceived Needs Scale
IDPs	internally displaced persons
IPC	Integrated phase classification
JANFSA	joint approach for nutrition and food security assessment
KIIs	key informant interviews
LCS	livelihood coping strategy indicator
LCS-EN	livelihood coping strategy indicator for essential needs
LCS-FS	livelihood coping strategy indicator for food security
MDDI	multidimensional deprivation indicator
MEB	minimum expenditure basket
MPI	multidimensional poverty index
MPC	multipurpose cash
mVAM	mobile vulnerability and mapping
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
rCSI	reduced coping strategy index
REVA	Rohingya influx emergency vulnerability assessment
SDGs	Sustainable Development Goals
SMEB	survival minimum expenditure basket
UNICEF	United Nations Children's Fund
UNDP	United Nations Development Programme
UNHCR	Office of the United Nations High Commissioner for Refugees
WASH	water, sanitation and hygiene
WFP	World Food Programme
WHO	World Health Organization

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Annex 1 - Expense types to include in MEB and ECMEN

Expenses type	ECMEN *Economic capacity*	MEB *Consumption aggregate*	Note
Value of purchases made in cash or credit (food and non-food)	✓	✓	Included in both MEB and ECMEN as these expenditures represent both actual consumption and economic capacity. Regarding expenditures made on credit, from a conceptual point of view, the ability of a household to access credit for smoothing consumption can be considered a form of "economic capacity", since the creditworthiness of a household is positively correlated to its capacity to generate income and its human and social capital.
Estimated value of consumed food from own production (including food collected/hunted/fished and food obtained in exchange of labor)	✓	✓	While households do not spend on food from own production, these goods contribute to their consumption. If households did not obtain these items, they would be reliant on the market to obtain them and would consequently spend more to purchase them. The estimated (or imputed) value of these goods provides an indication of what they would have spent and thus their overall economic capacity to meet essential needs.
Estimated value of consumed food and non-food from external assistance (e.g. from government, NGOs, UN agencies), in-kind and cash Estimated value of gifts from relatives/friends	✗	✓	External assistance that is consumed by the household is part of the MEB as it reflects actual consumption. To calculate ECMEN, in-kind assistance provided by national governments, humanitarian or development actors and in-kind gifts from relatives and friends must be excluded from the calculation of household economic capacity to avoid underestimation of economic vulnerability of current beneficiaries. As purchases made from cash assistance (including value vouchers) cannot be distinguished from other cash expenditures, the amount received needs to be noted down separately from the expenditure module and then deducted from the household economic capacity aggregate In this case, however, only the cash assistance received from the humanitarian sector that is deducted, and only up to the estimated share that households spend on consumption. When ECMEN is used for programme monitoring to see if assistance enables households to meet their essential needs, a version (including assistance) can be calculated that includes the value of consumption from in-kind assistance. In this case, also cash-assistance received is not deducted. It should be clearly noted if assistance is included.

Expenses type	ECMEN *Economic capacity*	MEB *Consumption aggregate*	Note
Rent	✓ ✗	✓ ✗	Rent will typically be included in the MEB if the number of renters in the population of interest is significant. It can be a quite significant part of the MEB. If rent is not included in the MEB, it should not be included in ECMEN, even if a few households spend on rent. If rent is included in the MEB, it should be included in ECMEN. Rent can lead to strong biases, if it is included in the MEB, but many households do not spend on rent as they own their dwelling. Households who own their dwelling and hence do not pay rent might be classified as unable to cover their needs just because they do not have any major shelter expenditures. In this case it may be a solution to impute rent expenditures for the non-renters. This is done by estimating the would-be rental cost for the type of housing they live in. Doing this typically requires a housing module in the household survey that contains information on ownership, types and sizes of housing so rental equivalents can be computed and imputed for the non-renters.
Livelihood inputs	✗	✗	Livelihood inputs are an intermediate input and thus not considered consumption as such (i.e. households do not derive direct wellbeing from the consumption of livelihood inputs). Therefore they are excluded from ECMEN and MEB.
Expenses on celebrations/ festivals/donations	✗	✗	Celebrations can be large expenses, which are lumpy, and do not reflect the regular and recurrent consumption patterns of the household. They are therefore excluded from ECMEN and MEB.

Annex 2 - Good practices when analysing expenditure data

The analyst should always assure that the expenditure data is **properly cleaned and outliers removed**, as well as converted into the **same recall period** (food and non-food typically have different recall periods).
Expenditures should be calculated into **per capita figures** (e.g. dividing total household expenditures with the household sizes) in order to make them immediately comparable across households.

Before starting the ECMEN analysis, it is highly recommended to do some simple descriptive analysis of the expenditure data in order to understand the patterns. It is recommended to analyse **both mean and median expenditures for the sample**. This will help understand the distribution of the expenditures and detect possible issues. While the median is more robust to outliers, if a large part of the sample has 0 expenditures on a particular item, the median could be 0 and may hence not be the best estimate of the need. In this case, the mean may be preferable. **A frequency analysis** of non-zero expenditures by group/item can also be helpful to understand if certain expenditures are infrequent or lumpy.

Annex 3 – LCS-EN – strategies list

The list of coping strategies for the LCS-EN should be adjusted from the LCS-FS, as it is described in the WFP CARI technical guidance note. The choice of the strategies depends on the context and should be informed by qualitative information. The list in the CARI guidance could for example be amended by some of the following, essential needs specific strategies:

- Reduced essential non-food expenditure on education
- Reduced essential non-food expenditure on health
- Purchased food or other essential items on credit
- Moved to a cheaper accommodation
- Engaged in socially degrading, high risk, or exploitive jobs, or life-threatening income activities (theft, prostitution)
- Household members migrated

Annex 4 - Step-by-step guide to adjusting the MDDI to context

Step 1: For each of the six dimensions, select indicators based on available data, the objectives of the assessment, and the local context/priorities. Indicator selection should aim to maximise information while minimising duplication. Indicators should be measurable, non-static, focused on needs, and consistent with international norms. See list of requirements for indicators below.

Step 2: For each indicator, define deprivation thresholds based on international standards, national legislation or scientific evidence and create binary variable of deprivation.

Step 3: For each indicator, check missing observations, correlations, distribution in order to eliminate skewed or redundant indicators.

Step 4: Determine weights for indicators and dimensions. The default is to opt for equal/nested weighting unless there are good grounds for deciding otherwise. This means, that indicators within in each dimension are weighted equally, and that each of the six dimensions is weighted 1/6.

Step 5: Generate deprivation score by summing up (weighted) deprivations for each household.

Step 6: Set multidimensional cut-off (i.e. minimum number of weighted deprivations required to be considered multidimensionally deprived), based on normative considerations or caseload target. The default is a score of 1/3 of weighted indicators.

Step 7: Estimate the number of multidimensionally deprived households (i.e. those deprived in at least the minimum number of deprivations defined in step 6). Calculate average intensity of deprivation for poor households and adjusted headcount.

Step 8: Decompose the multidimensional poverty estimate by dimension and/or population subgroup.

Requirements for the choice of indicators (Step 1)

Consistency: The indicators chosen for this MDDI should measure the dimensions food, health, education, WASH, shelter and safety at an outcome level (see Essential Needs Framework. This means you should avoid indicators of "strategies" (e.g. livelihoods, income, expenditures) or "enablers" (e.g. access to services), which are considered inputs into the production of essential needs in this framework. You should also avoid indicators of wellbeing impact (e.g. psychological wellbeing), due to the largely subjective and context-specific nature of such indicators.

Measurability: First, indicators need to be available at a reasonable cost. For example, collecting anthropometric data might be very costly. Second, to the extent possible, it is preferable to avoid subjective or self-reported indicators of well-being, which can be prone to bias. Self-reported health, for instance, is often worse for better-off households, not because they are more prone to illness, but because they tend to be more aware and sensitive to illness.

Informational salience: This criterion refers to the informational redundancy problem. Proposed indicators should be chosen to maximise the informational content of the index in each of the relevant dimensions, while minimising overlap between indicators. Indicators that are highly correlated or convey similar informational content should therefore be avoided to the extent possible. Indicators with a large number of missing observations should also be avoided.

Distribution: In order to facilitate data analysis, the resulting index should ideally have a near-normal distribution. To the extent possible, indicators should be chosen to move towards this objective. This means avoiding indicators that have a "lumpy" distribution or that are strongly correlated. Where possible, you should try to avoid indicators that have extremely low or extremely high prevalence rates (<10% or >90%), as these tend to make the index lumpy due to the large number of undifferentiated households.

Dynamic: To make the index useful for monitoring, dynamic indicators should be chosen over static or stock indicators. By dynamic indicators, indicators are meant that can change suddenly in response to a sudden change in external circumstances (e.g. school attendance rather than school completion). This condition aims to ensure that the index is able to identify sudden changes in wellbeing due to adverse shocks, or due to humanitarian interventions as might be the case in emergency settings.

Based on international norms: wherever possible, the indicators and thresholds should be selected based on existing international standards or norms. For instance, solid cooking fuels are considered to be a significant contributor to acute respiratory illness in many low-income countries, which is why this is one of the indicators included in the Sustainable Development Goals (SDGs).