Minimum Expenditure Basket (MEB) among the CAR refugees in the East

Synopsis of the joint analysis workshop
Cash Working Group in Bertoua

March 2020
1. Background

1.1 Introduction to Minimum Expenditure Basket (MEB)

The MEB is defined as what a household requires in order to meet its essential needs, on a regular or seasonal basis, and its average cost. Essential needs are generally defined as essential goods, utilities and services required by households to ensure survival and minimum living standards (WFP, 2020). Usually, the monetary threshold established for MEB is equivalent to a poverty line. The households whose expenditures fall below this threshold are defined as households who cannot meet their essential needs.

The MEB does not necessarily require to be equated to all the essential needs of a household. It’s only supposed to capture the needs which are covered entirely or partially through the market. For instance, if shelter is provided in a refugee camp, or public education is provided, these expenditures are not required to be captured into the MEB.

The MEB can be estimated using two different approaches or a combination of both: 1) an expenditure-based approach focusing on effective demand; (2) a rights-based approach based on assessed needs. The expenditure-based approach is used for most national and international poverty lines while the rights-based approach is usually the principal method followed for multipurpose cash grants (MPG) developed for humanitarian purposes. The hybrid approach has the advantage of capturing real data on household expenditures and identifying gaps with a rights-based lens.

1.2 Central African Republic Refugees (CAR) in the East

As of April 2019, more than 285,000 CAR Refugees in Cameroon and are dispersed around more than 7 sites and more than 100 villages in the Eastern part of Cameroon. 175,000 individuals in East Region, Adamawa 70,500 individuals and North 18,000 individuals as well as urban areas of Yaoundé and Douala with 26,000 individuals respectively). Of the total, 29 percent are settled across 7 refugee sites (Borgop, Ngam, Ngarissingo, Lolo, Mbile, Timangolo and Gado) and 71 percent among host and local communities.

Since the arrival of the CAR refugees, the Government of Cameroon, UN agencies and international and national NGOs have been providing international protection and humanitarian assistance to the refugees and host communities. However, the protracted situation, slower return to home country patterns and scarce resources, have heightened the need for targeted assistance and focus on the most vulnerable and severely food insecure refugees and host families.

1.3 MEB assessment in the East

In some contexts, cash assistance is one of the most effective modalities for providing humanitarian assistance to the most vulnerable households to meet their essential needs. However, it is very important to understand the suitability, economies of scale and the appropriate transfer value before such interventions. The cash working group (CWG) in the East region planned a field assessment to collect necessary data to understand the essential needs of these vulnerable populations and establish a MEB for the Central African Republic Refugees in the East.

A household survey was designed covering the refugees in camps, outside of camps and host families. A two-staged stratified random sampling technique was followed. The survey was designed with a 95% confidence interval and a 5% margin of error and the sample was designed using the DTM 13 database. Based on the sampling, 300 refugee households and 135 host families were interviewed in camps, outside of camps and host populations. Markets were also assessed through trader interviews on food and non-food prices and supplies.

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1 Minimum Expenditure Baskets Interim guidance note, July 2018
2. Data analysis

2.1. Data analysis workshop

UNHCR jointly with WFP organized a two-day workshop from 26th – 27th February 2020 for the cash working group in Bertoua. The main objectives of this workshop were to complete the data analysis of the MEB assessment which was conducted in October 2019 and train participants on the analytical approach of the MEB. The workshop was facilitated by WFP technical experts. After the technical refresher training on MEB tools, teams were assigned to complete data analysis and validation. Findings were presented and validated through intensive group discussions.

The preliminary findings were presented to the cash working group at Yaoundé, Inter-Sector Working Committee and the Food Security Cluster. All valid inputs and views were incorporated into the final estimates.

3. Findings

3.1 Sources of income and livelihoods

Figure 1 shows the most common sources of income among the studied population. The findings confirm that over 94% of the refugees have at least one income source, of which a third is related to agricultural activities. However, 6% of the studied population did not report any source of income. Some refugee groups are also involved in informal trade, commercial agriculture and formal trade. The results also show that refugees are involved in a wide variety of income generating activities such as livestock rearing, mining (gold, iron, etc.), sale of wood, hiring taxis and bikes, work in food assistance programmes etc.

3.2 Household per-capita monthly expenditure on food

The findings reveal that households are currently spending XAF 4,167 per month per person on food. The food expenditure was calculated using a comprehensive list of items used by households. The same households were surveyed on their actual food needs and the monthly per-capita need was estimated at XAF 7,143 per person/month.

Households were also interviewed about their food preferences. Rice, sugar, cassava, condiments fresh fish, cassava leaves were identified as the most consumed items (See Figure 3). As the population studied showed a huge variation in income and expenditure patterns, a reference cohort just meeting the basic needs was selected for the estimation of MEB.
Over 90 percent of the surveyed households mentioned that rice is an essential item for their food basket. Moreover, cassava, sugar, fish, leaves, dry fish and condiments were highlighted as essential food items in their food basket. In addition to these items, plantain, beef, peanut oil, dry corn, chicken eggs, palm oil, chicken, milk powder were also mentioned as items consumed.

3.3 Household non-food needs

As per the survey findings, the prioritised essential non-food needs were mainly on hygiene, basic household utensils, education, lighting, transportation, livelihood tools and communication. However, the expenditure on health and social related events were also highlighted as needs which can emerge suddenly and consume a huge portion of the non-food basket.

In order to have a better picture of household expenditure patterns, the detailed breakdowns of expenditure was studied for the reference cohort of the population who were merely meeting the essential needs.

3.4 Selection of the reference cohort of the population of interest

In order to estimate the MEB using the expenditure-based approach, it is always advisable to select a group of the population who is just able to meet their essential needs. Usually, one or several criteria that provide good proxies on whether households are just able to meet their essential needs are used. Then the proxy indicators are used to demarcate the reference cohort. Under this study, households who do not adopt any emergency or critical livelihood related coping strategies and belong into the middle-income group of the income/expenditure quintiles were selected as the reference cohort. After selection of the reference cohort, the behaviour of household expenditure patterns was studied, and the expenditure derived using the model were verified using rights-based approach recommendations.
Figure 6 shows the average household expenditure on food and non-food groups among the reference cohort who are assumed to be meeting the essential needs without using stress or emergency coping mechanisms. The average household size is 6 members per household. The average household non-food expenditure was reported as XAF 44,830 per month compared to XAF 40,000 for food. Therefore, the food ratio was estimated as 47% of total household expenditure for the reference cohort of population who just meet the essential needs.

3.5 Minimum Expenditure Basket (MEB) in East

Based on the estimates, the food MEB component was estimated as XAF 12,670 per person per month. The total non-food MEB is XAF 10,860 per person per month equivalent to XAF 65,160 for the six-member household per month. These figures were estimated using the adjusted expenditure for meeting the basic per capita energy requirement of 2,100 Kcal per day per adult while maintaining the acceptable percentage of energy from protein and fat food sources. During the analytical workshop, the non-food basket was also validated with the context and the needs of the population of interest. The total MEB is estimated as XAF 23,530 per person per month.

The official poverty line is also a proxy for the MEB where there is no data to estimate the MEB. The National Poverty Line for Cameroon in 2014 was reported as XAF 931 per day per adult equivalent to XAF 27,930 per month per person (ECAM 4, 2014). This is the most recent evidence available on poverty line but seems aligned with the estimates of MEB. However, the MEB considers only the essential food, non-food and services required to have minimum living standards and the basket of services and food might be limited compared to lists of items used for the estimation of the poverty line.

3.6 Determination of transfer value

Although the MEB is a critical factor when determining the transfer value, it does not always equal to the transfer value. This distinction is important because the MEB remains the same regardless of assistance and funding constraints. Most households have their own resources to meet some of their essential needs, so the transfer value might be less than the MEB value, covering the gap between own resources and other assistance received and the MEB. Therefore, in order to optimize the use of resources and targeting, it is always recommended to measure the gap between the MEB and the affordability of the household itself (such as the own production or expenditure over their own earnings, etc.) or services received freely i.e. free education under access to universal free education etc. when designing the transfer values.

Figure 7 shows that a person can spend XAF 4,170 per month on average on food expenditure. Therefore, the difference with the food MEB (XAF 12,670 - 4,170 = XAF 8,500 per capita), according to this analysis and period of time, is the value to consider to meet the minimum standard for basic food needs per person per month in Cameroon.
3.7 Challenges and Limitations

During the data analysis, the teams had to face substantial amount of challenges when adopting the expenditure-based approach as the data collection tools were missing some important elements. However, the reference cohort was made based on existing data with valid assumptions.

It is better to monitor the market price variations in order to ensure that the MEB will be revised in a timely manner.

The number of interviews conducted are not sufficient enough to allow for disaggregation of results by different geographical areas such as urban, peri-urban or rural.

The assessment was only considering the essential needs in general for households. Therefore, the special needs of differently abled persons, pregnant and lactating mothers, children and adolescents are not explained in this study.

It’s also better to research further on the existing assistance, current active social protection schemes, seasonality, economic inflation, emergencies, protection components and cost efficiency when finalizing the transfer values.

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