

# Minimum Expenditure Basket (MEB) analysis

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World Food Programme

-Democratic Republic of Congo-

## 1. Background

**A Minimum Expenditure Basket (MEB)** is defined as what a household requires in order to meet basic needs, on a regular or seasonal basis, and its average cost.<sup>1</sup>

**Essential (or basic) needs** are defined as the essential goods, utilities, services or resources required by households to ensure survival and minimum living standards without resorting to negative coping mechanisms or compromising their health, dignity and essential livelihoods assets<sup>2</sup>.

The MEB is a monetary threshold – the cost of these goods, utilities, services and resource –and is conceptually equivalent to a poverty line<sup>3</sup>. It typically describes the cost for one month. Since the MEB sets a monetary threshold for what is needed to cover essential needs, **the households whose expenditures fall below the MEB are defined as not able to meet their essential needs**. As the cost of living is constantly changing, the MEB is considered a dynamic tool that will need to be updated according to financial developments.

WFP in the Democratic Republic of the Congo provides multi-purpose cash to an increasing number of people each month. In 2019, almost two million people were reached with cash transfers.<sup>4</sup> In an effort to ensure the final transfer value is appropriate to meet needs, WFP VAM undertook a revision of the MEB. It should be noted that the Cash Working Group (CWG) was concurrently working on establishing a MEB; WFP had provided inputs to this process, however, as the timeline for the CWG MEB was unclear, WFP proceeded in developing its own MEB in order to inform the transfer value revisions. Once the CWG will finalise the estimate of the MEB, further coordination will take place.

For operational purposes, this document has aggregated the figures into a national MEB/SMEB for an average household size of six members. The area-specific figures are available in the Annex. Future iterations of the WFP DRC MEB may include MEBs calculated for different household sizes, but the current version presents only the data for an average household (size six).

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<sup>1</sup> UNHCR, CaLP, DRC, OCHA, Oxfam, Save the Children, WFP (December 2015). *Operational Guidance and Toolkit for Multipurpose Cash*. Part 1.2.

<sup>2</sup> CaLP (2018/19). *Glossary of terminology for cash and voucher assistance*.

<sup>3</sup> It is important to note that conceptually, a MEB is equivalent to a poverty line, in that it describes a monetary threshold for being able to cover essential needs. This does not mean that the MEB is equivalent to the national poverty line – it just means that in terms of specifying a monetary threshold, it is conceptually the same.

<sup>4</sup> WFP DRC Annual Country Report 2019.

## 2. Methodology



### 3. Results

#### 3.1 MEB and SMEB Contents

##### Food component

- A basic food basket (MEB) was constructed to provide 2,100 kcal, meet the protein and fat requirements established by the Sphere standards, and reflect the consumption patterns of the population of interest. Although most households do spend some money on vegetables and a very limited amount on dairy and/or animal protein, the MEB food basket remains focused on basic food needs, aligned with Sphere standards.
- The SMEB food basket was reduced to 1,800 kcal per person per day, under the assumption that in an average household of six members, four members are children and do not require 2,100 kcal per day – so an average of 1,800 kcal would be sufficient for survival needs.

*Table 1: Estimate of daily basic food needs for MEB and SMEB*

Commodity	MEB		SMEB	
	Daily ration g/pers/day	Energy (Kcal)	Daily ration g/pers/day	Energy (Kcal)
Maize flour	250	905	215	778
Cassava flour	250	400	200	320
Beans	180	605	150	512
Oil	22	194	22	194
Salt	5	0	5	0
<b>Total</b>		<b>2,104</b>		<b>1,804</b>

##### Non-Food Items/ Hygiene component

A key component of the MEB is non-food items; hygiene items became even more important in the context of COVID19, thus an emphasis was placed on ensuring households had sufficient access to soap and some chlorine solution. Included within this basket of non-food items is also wood and carbon, used for cooking, candles, batteries and sanitary pads.

##### Rent and Electricity component

Housing and electricity needs vary between urban and rural areas; many households in rural areas do not pay rent and therefore this should not be included in the MEB for rural areas. Similarly, most rural households do not have access to electricity. As such, different goods/services are included in the urban/rural versions of the MEB.

##### Health component

As noted above, households in poor areas of DRC suffer from frequent bouts of malaria, which require proper medical consultation, tests and diagnosis. Many children have malaria every two months, as such the MEB includes medical consultations for two children per month, assuming four children in the average household with six members. This MEB also assumes the adults may have similar needs every two months, therefore one adult is included per month. The MEB includes the cost for the consultation, the laboratory tests and the medication.

### **Communication and Transport component**

Access to information and ability to communicate is considered an essential need. As such, the purchase of a minimal number of units for airtime is included in the MEB. In addition, as many households do not have access to electricity, 10 telephone charges are also included. Finally, six trips on public transport are included to facilitate access to market and/or work opportunities. Communication and transport costs are not included in the SMEB, as they are not considered essential for survival.

### **Education component**

The cost of education is essential, particularly in a country with such a high birth rate. However, this is not a regular monthly expense. To ensure any eventual transfer value also accounts for the cost of education, WFP VAM estimated the annual actual cost of education, including fees (while official fees have been abolished, many families still pay informally to schools), notebooks, backpacks, uniforms and school books. Within the MEB, the total amount is divided by 12, to provide an average monthly cost. Education costs are not included in the SMEB, as they are not considered essential for survival.

Note that in the actual price data collection tools, the school books, uniforms and other services are disaggregated by the age of the children, as these can vary widely between primary and secondary school.

Table 2: MEB and SMEB components

Component	Commodity	Monthly quantity for 6 persons				Unit
		MEB		SMEB		
		urban	rural	urban	rural	
Hygiene	Laundry soaps (powder)	1		1		Kg
	Brick dish soap (whole bar) 3	3		1		Kg
	Hand washing or shower soaps	1		0		Piece
	Chlorine solution	1		0		Piece
	Firewood	8	4	8	4	Pile
	Charcoal	12	20	12	20	Pile
	Candles (pack of 12 pieces)	1		1		Pack
	Hygienic tapes	1		1		Pack
Rent	2 bedrooms house with corrugated roof + living room (with cement flooring) - urban	1	-	-	-	Unit
	2 bedrooms straw house + living room (without cement flooring) - rural	-	1	-	-	Unit
Energy Source	SNEL <sup>5</sup> bill /prepaid system (urban only)	1	N/A	1	N/A	10 kWh
	Big torch with batteries	1		1		Piece
Health	Consultation for common illnesses /adult	1		0		Consultation
	Consultation for common illnesses /child	2		1		Consultation
	Laboratory tests for common diseases	3		0		Test
	Anti-Malaria drugs (Quinine)	3		1		Pack/ drugs
Communication	Daily purchase of units	5		-		100 units
	Daily recharge of phone (in a phone booth or other)	10		-		Charge
Transportation	Public transport	6		-		Return
Education	Annual fee (public elementary school)	3		-		Fee
	Enrolling fee (public elementary school)	3		-		Fee
	Notebooks (year)	3		-		Notebook
	Backpack	3		-		Backpack
	Uniforms	3		-		Uniform
	Books	3		-		Book

<sup>5</sup> Société Nationale d'Électricité

### 3.2 Minimum Expenditure Basket Prices

The prices of the MEB and SMEB were collected in May-July by the WFP VAM team in territories of DRC where WFP is operational<sup>6</sup>.

Map 1: Areas covered by WFP MEB calculations

Below are the final results of an iterative process, including a balancing act between the rights-based and expenditure-based approaches. There are some differences in the proportions of expenses/costs per category, when we compare the rights-based and expenditure-based results. For example, in Ituri, the expenditure data shows 79% of monthly expenses is dedicated to food. In the hybrid MEB, this was balanced with a rights-based approach including additional costs for health and non-food items, so the food share drops to 61%. In North Kivu, 3% of expenses were spent on non-food items such as hygiene products; again, using the rights-based approach, essential NFIs were included which brings the NFI share in the hybrid MEB up to 11%. Thus, in most places, the expenditure data shows a much higher food share, and lower expenses on hygiene items and health. The data below in the hybrid MEB are the result of a balancing act, considering actual expenditure patterns and the rights and entitlements of the population concerned at national level.



A national average has been calculated and the final MEB and SMEB have been estimated to respectively about 354,500 and 218,000 CDF. However, it should be noted that urban prices are around 13% (SMEB) to 20% (MEB) more expensive than in rural areas. See page 9 for the urban/rural specific costs. It is also important to note that there is huge variation in the costs between different areas of the country; for example, the MEB in the city of Lubumbashi is 569,000 CDF, while it is only 262,000 CDF in the city of Tshikapa. Similarly, the SMEB in Dimbelenge (Kasai Central) costs 364,000 CDF while it is only 152,000 CDF in Aru (Ituri). The results per area are included in the Annex.

<sup>6</sup> Aru, Mahagi, Irumu, Mambasa, Djugu, Bunia, Faradje, Goma, Beni, Butembo, Rutshuru, Nyirangongo, Bukavu, Uvira, Kalemie, Kabalo, Pweto, Lubumbashi, Libenge, Boyabu, Gbadolite, Inke, Kananga, Dimbelenge, Dibaya, Luiza, Demba, Tshikapa, Kamonia and Luebo.

Charts 1 and 2: MEB and SMEB (in %)

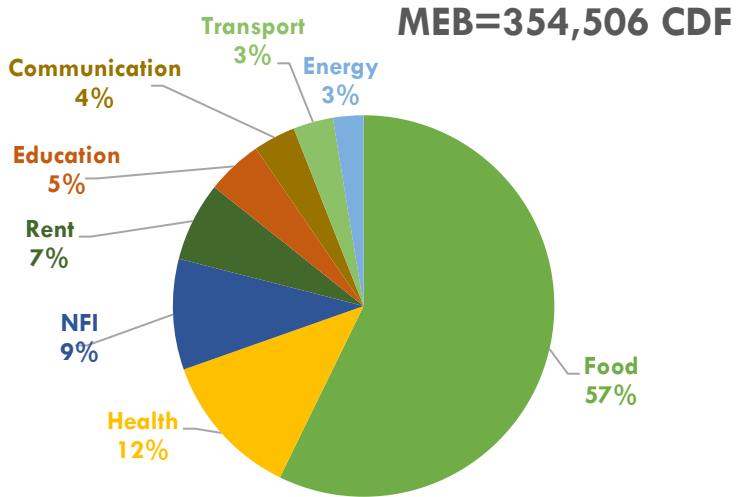


Table 3: MEB components (CDF)

MEB Components	National Average (CDF)
Food	202.880
Health	43.858
NFI	33.270
Rent	23.805
Education	16.824
Communication	12.709
Transport	12.000
Energy	9.160
<b>National MEB</b>	<b>354.506</b>

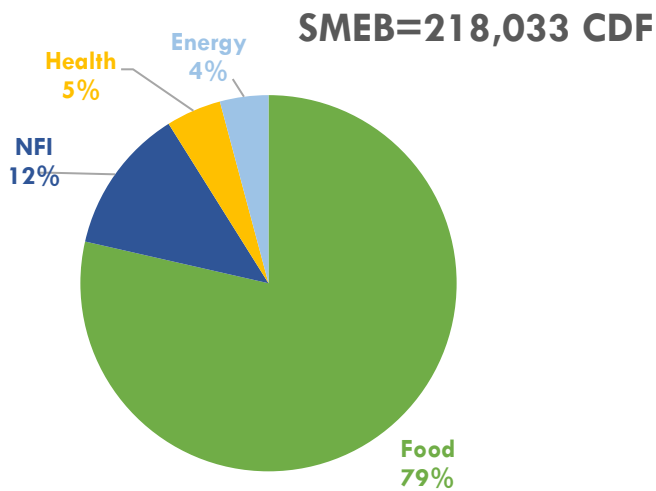


Table 4: SMEB components (CDF)

SMEB Components	National Average (CDF)
Food	171.290
NFI	27.317
Health	10.349
Energy	9.077
<b>National SMEB</b>	<b>218.033</b>



### 3.3 Rural/Urban comparison

It should be noted that there are evident differences between the rural and the urban average cost of living, which has been captured during the data collection. The final MEB and SMEB thus reflect a marked difference between the rural<sup>7</sup> and the urban<sup>8</sup> areas, mostly driven by the higher cost of the rent and health expenses in the urban areas as compared to the rural ones (respectively +7 % and +3 %).

Charts 3: Estimate of the rural and urban MEB and SMEB (in CDF)

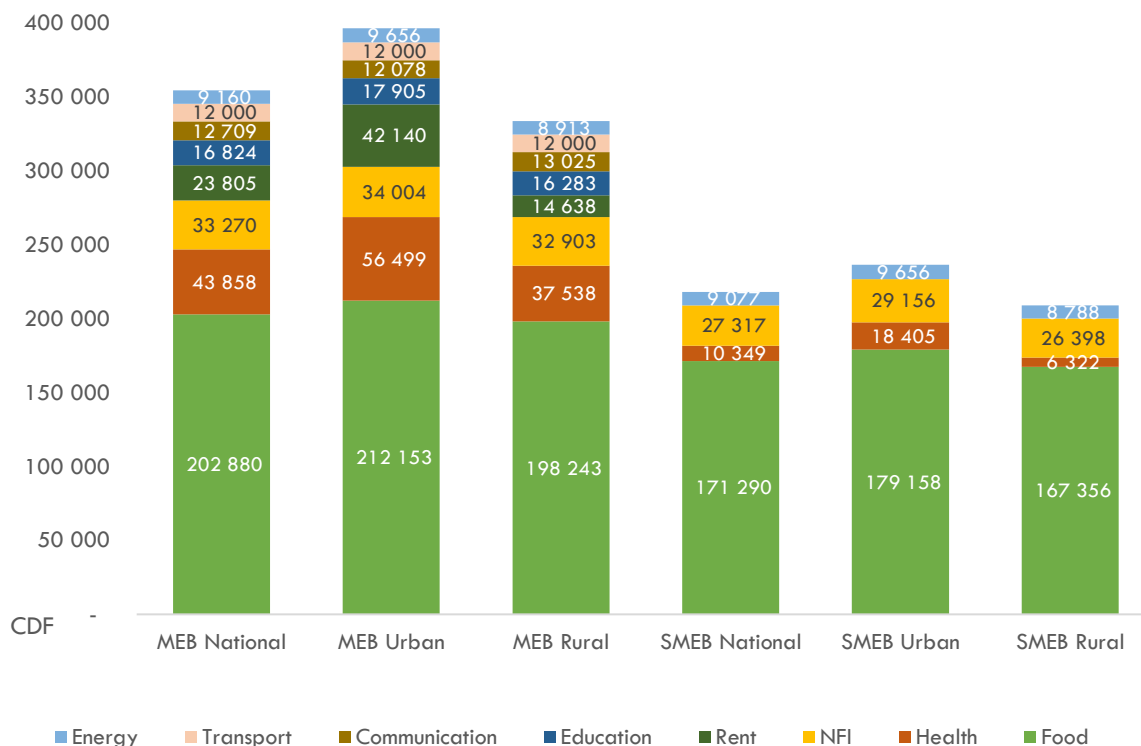


Table 5: Urban and rural MEB and SMEB comparison

	MEB	SMEB
Urban	396.435	236.375
Rural	333.542	208.862
<b>National average</b>	<b>354.506</b>	<b>218.033</b>

<sup>7</sup> The data collection for the estimate of the rural MEB has been carried out in Aru, Mahagi, Irumu, Mambasa, Djugu, Faradjé, Rutshuru, Nyirangongo, Dimbelenge, Dibaya, Luiza, Demba, Kalemie, Kabalo, Pweto, Libenge, Boyabu, Inke, Kamonia, Luebo.

<sup>8</sup> The data collection for the estimate of the urban MEB has been carried out in the cities of Bunia, Goma, Beni, Butembo, Kananga, Bukavu, Uvira, Lubumbashi, Gbadolite, Tshikapa.

#### 4. Conclusions

This is the first step in a revision process to ensure the transfer value of WFP assistance is appropriate to meet households' essential needs. However, it should be underlined here that **the MEB is not equivalent to a transfer value.**

The next step in this analytical process is using available assessment data to quantify how much households are able to cover through their own sources of income or food. The transfer value will be calculated to cover the gap between households' own resources, other assistance received and the MEB.

As DRC is a vast country, with hugely different context and prices in different areas, it is important that MEB data is disaggregated per area. This first round of data collection shows huge differences between urban and rural areas, and between different regions of the country (see Annex 1). It is the decision of each implementing organisation as to whether to use the MEB results to calculate transfer values which are different for different areas, or standard across the country. There are pros and cons to each approach – for example, different transfer values may more accurately address needs, but could also serve as a pull factor, and may cause operational challenges. If one single transfer value is maintained for operational purposes, it is still important to understand these differences in the cost of living, and how household outcomes may be different as a result. In particular, it has been noted that the higher cost of rent and health expenses in urban areas is what mainly drives the difference in the cost of living between urban and rural areas.

This MEB estimate serves as a first draft and may be revised based on information received or consultations moving forward. WFP will continue to engage with the Cash Working Group on the development of the coordinated MEB, to ensure lessons from this process can be incorporated.

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### Annex 1: MEB and SMEB per urban and rural areas (in CDF)

	Cities	MEB	SMEB
URBAN AREA	Bunia	339.740	201.974
	Goma	378.866	185.458
	Beni	476.130	248.695
	Butembo	278.517	164.229
	Kananga	546.364	386.926
	Bukavu	372.671	198.899
	Uvira	343.585	188.100
	Lubumbashi	569.388	363.447
	Gbadolite	396.964	259.484
	Tshikapa	262.122	166.543
	<b>Average urban</b>	<b>396.435</b>	<b>236.375</b>

		MEB	SMEB
RURAL AREA	Aru	253.107	152.514
	Mahagi	303.153	201.319
	Irumu	320.982	202.125
	Mambasa	326.645	202.287
	Djugu	282.451	170.467
	Faradje	314.240	185.190
	Rutshuru	280.337	162.132
	Nyirangongo	371.981	207.220
	Dimbelenge	476.880	364.179
	Dibaya	354.961	248.228
	Luiza	300.101	210.834
	Demba	247.993	169.634
	Kalemie	503.619	303.528
	Kabalo	289.937	144.887
	Pweto	259.779	145.790
	Libenge	463.800	271.080
	Boyabu	459.715	283.070
	Inke	302.534	197.212
	Kamonia	281.595	182.162
	Luebo	277.024	173.393
<b>Average rural</b>	<b>333.542</b>	<b>208.862</b>	