

1. FOOD SECURITY AND ESSENTIAL NEEDS

6

6. Economic Capacity to Meet Essential Needs (ECMEN) [REVISED]



VERSION	V4.0 – 2024.03
INDICATOR CODE	6
INDICATOR TYPE & AREAS	<p>Type: Outcome corporate indicator (CRF under SO.1)</p> <p>Reported in ACR & APR</p> <p>1. Food Security and Essential needs</p>
INCLUDED IN CSP LOGFRAMES	Yes
APPLICABILITY	<p>Mandatory:</p> <p>Under all outcomes for interventions where multipurpose cash transfers are being implemented, and the value of assistance provided covers several essential needs that are broader than the food needs (modality of assistance is cash transfers).</p>
TECHNICAL OWNER	Research, Assessment and Monitoring – Needs Assessment & Targeting (RAM-N)
ACTIVITY TAGS	<p>*General Distribution (GD)</p> <p>*Home-grown school feeding (HGSF)</p> <p>Note: LCS-EN and ECMEN are recommended for HGSF to monitor smallholder households' capacity to meet essential needs.</p> <p>More activity tags can be chosen from Annex 5 of the Masterlist (e.g. HIV/TB mitigation and Safety Nets) but it is mandatory to select at least one of the above tags to ensure proper corporate reporting.</p>
UNIT OF MEASUREMENT & ANALYSIS	Percentage of households with economic capacity above the minimum expenditure basket (MEB) threshold
DEFINITION	<p>Economic capacity to meet essential needs (ECMEN) measures households' economic capacity to meet all their essential needs, including food and non-food needs; Economic capacity is calculated by aggregating expenditures based on ECMEN methodology.</p> <p>The MEB is defined as what households require to meet their essential needs, on a regular or seasonal basis, and its cost. The MEB covers those essential needs that households meet fully or partially through the market. It serves as a monetary threshold that can be used to assess if households have the economic capacity to meet their essential needs. A country could have more than one MEB.</p>
RATIONALE	<p>The ECMEN indicator contributes to the understanding of food security in a population since the ability to meet essential needs through the market encompasses and can be a significant factor in accessing food. Assessing the economic capacity of households receiving food assistance can be challenging when considering their expenditures on both food and non-food items. The ECMEN overcomes this challenge by examining the household capacity, either excluding or including assistance, with reference to a recognized threshold such as the Minimum Expenditure Basket (MEB).</p>

The MEB serves as a benchmark against which we evaluate households' economic capacity to meet essential needs through the ECMEN indicator. Households whose economic capacity does not reach the MEB threshold can be considered economically vulnerable.

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. A comprehensive understanding of essential needs therefore helps in the design of effective food security responses.

DATA SOURCE

- Face-to-face household surveys including a full [expenditure module](#). Examples of household level surveys include PDMs, Food Security Outcome Monitoring (FSOM), Essential Needs Assessment (ENA).
- MEB constructed using information from primary or secondary sources

DATA COLLECTION TOOL

To calculate the indicator, the full expenditure module is required, including food and non-food expenditure submodules, disaggregating expenditures from purchases, gifts/assistance and own production, and information on received cash transfers (i.e., ENA assistance submodule). Additionally, the household size and housing related questions are required. The housing module is needed in contexts where rent is included in an already-established MEB, but many households do not spend on rent as they own their dwelling or occupy it for free.

The standard module can be accessed as [XLS Form](#) to be used with MoDA or ODK, or be created through the [WFP Survey Designer](#) by selecting the indicator **Economic Capacity to Meet Essential Needs (ECMEN)** in the indicator area **Food Security and essential needs**. Keeping standard variable names allows for an easy application of standard syntax to calculate the indicator. Additional information, including word versions of the module, can be found in the [VAM resource center page](#).

The accuracy of the indicator is closely connected to the methodological rigor used to construct the MEB. For best practices on constructing MEBs, we recommend using WFP's [MEB guidance note](#).

SAMPLING REQUIREMENTS

Guidance is available [here](#).

Sample size: The recommended sample size is 270 per stratum per round of data collection, with consideration given to the parameters below.

- Population size (beneficiaries per stratum): at least 20,000
- Desired level of confidence: 90%
- Acceptable margin of error: 5%
- Response distribution: 50%
- Simple random sample (design effect): 1

If cluster sample is used, sample size should increase by at least 50% (at least 405 households).

If the prevalence is lower or higher than 50%, or the beneficiaries per stratum less than 20,000 then sample size could be lower than 270, use the sample size tool for calculation.

Sample size tool: [Raosoft sample size calculator](#)

Mandatory stratification: Programme activity

Optional stratification: Beneficiaries/non-beneficiaries (when relevant)

INDICATOR CALCULATION

To compute the ECMEN, household expenditures are used as a proxy for household economic capacity against the MEB and SMEB of the same population group. Both economic capacity and MEB are usually calculated on a per capita basis.

1. FOOD SECURITY AND ESSENTIAL NEEDS

Calculating the ECMEN requires undertaking the following four steps:

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 to establish whether a household is above this threshold
4. Compute the ECMEN indicator by calculating the percentage of households whose economic capacity is equal or greater than the MEB threshold

Note: When used for monitoring purposes, economic capacity also includes the value of consumed in-kind assistance. If the objective of the analysis is to understand and estimate needs, ECMEN can be calculated excluding assistance, as is done in assessments. It should be clearly marked if assistance is included or excluded.

Syntax for ECMEN can be found in the [VAM resource center](#) or scripts in [R, STATA and SPSS](#) and sample data are available on [Github](#) for calculating this indicator.

- More details and instructions for ECMEN excluding assistance can be found in the [ENA guidelines](#) and on the [VAM Resource Center](#).

DATA ENTRY IN COMET	Yes
DISAGGREGATION FOR DATA ENTRY IN COMET (MANDATORY)	<p>Mandatory disaggregation:</p> <ul style="list-style-type: none"> • Programme activity <p>Recommended disaggregation (when sample size allows and relevant MEB is available):</p> <p>It is recommended to disaggregate results by one or more of the following factors depending on their application and relevance in line with the specific programmatic interests:</p> <ul style="list-style-type: none"> • Sex of household head • Rural/urban • Admin and livelihood zone • Displacement status (MEB value for residents vs IDPs/refugees may differ) • Household size (if relevant for transfer value adjustments)
FREQUENCY OF DATA COLLECTION/ DATA ENTRY IN COMET	<p>It is recommended to conduct at least one comprehensive household survey with a full expenditure module twice per year. Seasonality has a strong influence on the indicator. It is therefore highly recommended to collect data at the same time of the year or at least in the same season.</p> <p>It is highly recommended to increase the frequency of data collection in case of any changes in the assistance modality or transfer value provided to a beneficiary population.</p> <p>Furthermore, it is recommended to increase the frequency of data collection in case of contextual changes affecting needs and livelihoods such as inflation; change in availability of free services, etc.,), or in case of adjustments of the MEB.</p> <p>For years when a baseline is conducted, only one follow is required.</p>
BASELINE ESTABLISHMENT	<p>Baseline values should be established within 3 months before and no later than 3 months from the start of activity implementation. However, it is strongly recommended to collect ECMEN baseline values within one month before the start of the activity implementation.</p>

The baseline could also be determined from a relevant WFP assessment conducted within the three months prior to the start of a programme activity. For the sake of comparability, baselines, follow-ups and end-line surveys must be conducted using the same sampling frames and disaggregation/stratification criteria.

TARGET SETTING

Annual target:

Annual targets (in terms of percentage increase in the share of households with economic capacity > MEB) should be context specific.

It is however recommended to set annual targets as improvements from previous years (i.e., a higher share of households with economic capacity above the MEB compared to the previous year).

End of CSP target:

Project targets (i.e. percentage increase in the share of population of interest with economic capacity above MEB) should be set individually for each assistance project, as the expected outcomes will largely depend on the transfer value provided to the beneficiaries as opposed to actual needs.

For example, it might be that the MEB agreed upon with all humanitarian stakeholders is set at 150 USD per month for a household of 6 persons and an unrestricted cash transfer value is set at 100 USD. Without another significant source of income, it may be difficult for the household to reach an economic capacity level above the MEB. The outcomes will thus always be dependent on these parameters and setting targets should be context specific.

RESPONSIBLE FOR DATA COLLECTION

M&E Officer

INDICATORS COLLECTED & ANALYSED AT THE SAME TIME

This indicator should be collected as part of periodic face-to-face household surveys that cover other outcome indicators as well as cross-cutting indicators and process indicators, such as: 1. FCS, 2. FCS-N, 3. rCSI, 5. LCS-EN, as well as other qualitative and quantitative information about access to water, housing, education, and health services.

When a Survival Minimum Expenditure Basket (SMEB) exists, it is strongly recommended to also report the percentage of households with economic capacity above the SMEB. The SMEB is the minimum amount required to maintain existence and cover lifesaving needs. Households with economic capacity below the SMEB are unable to meet even the most pressing essential needs for their survival – including their minimum food needs – and are therefore considered highly vulnerable.

COMPLEMENTARY QUALITATIVE RESEARCH

As ECMEN indicator provides quantitative results on households that fall either above or below the MEB, qualitative information could complement the results to get further insights into the ability of households to meet essential needs and cope with financial challenges.

Here are some example questions for a focus group discussion or for a face-to-face interview with key informants:

- How would you describe the economic situation of households in your community?
- How do households in your community prioritize their expenses? What are the items that households in your community need but haven't been able to access and why have they not been able to access?
- What are specific challenges or barriers that households face in meeting their essential needs (i.e., food, shelter, education, health, etc.)?
- What are seasonal variations in the economic capacity of households to meet their essential needs?
- How do households cope with unexpected expenses?

1. FOOD SECURITY AND ESSENTIAL NEEDS

- Do households in your community prepare for future shocks? If yes, how? Can you tell me whether household in your community are able to access credit or loans? And if so then what are the reasons?

Which institutions or entities are the primary sources of credit or loans in your community?

Essential Needs Assessment: Guidance Note, December 2020:

[Essential Needs Assessment guidance | WFPgo](#)

Qualitative Research Guidance for WFP Monitoring:

<https://newgo.wfp.org/documents/qualitative-research-guidance-for-wfp-monitoring>

DECISIONS DATA CAN INFORM

The ECMEN indicator helps in assessing the effectiveness of WFP's interventions in improving access to essential needs for targeted or assisted households. By monitoring ECMEN over time, trends can evaluate whether their interventions are achieving the desired outcomes and positively impacting the well-being of households.

For example, if the ECMEN does not show significant improvement or if there is a persistent economic vulnerability despite assistance, it may indicate the need to reassess the modality of assistance or explore additional support mechanisms to address the underlying causes of vulnerability.

INTERPRETATION

The percentage of households with economic capacity above the MEB can be considered as able to meet their essential needs. Investigating economic capacity can help to understand what prevents households from meeting their essential needs – those for which no supply-demand constraints apply – and thereby formulate the most appropriate recommendations.

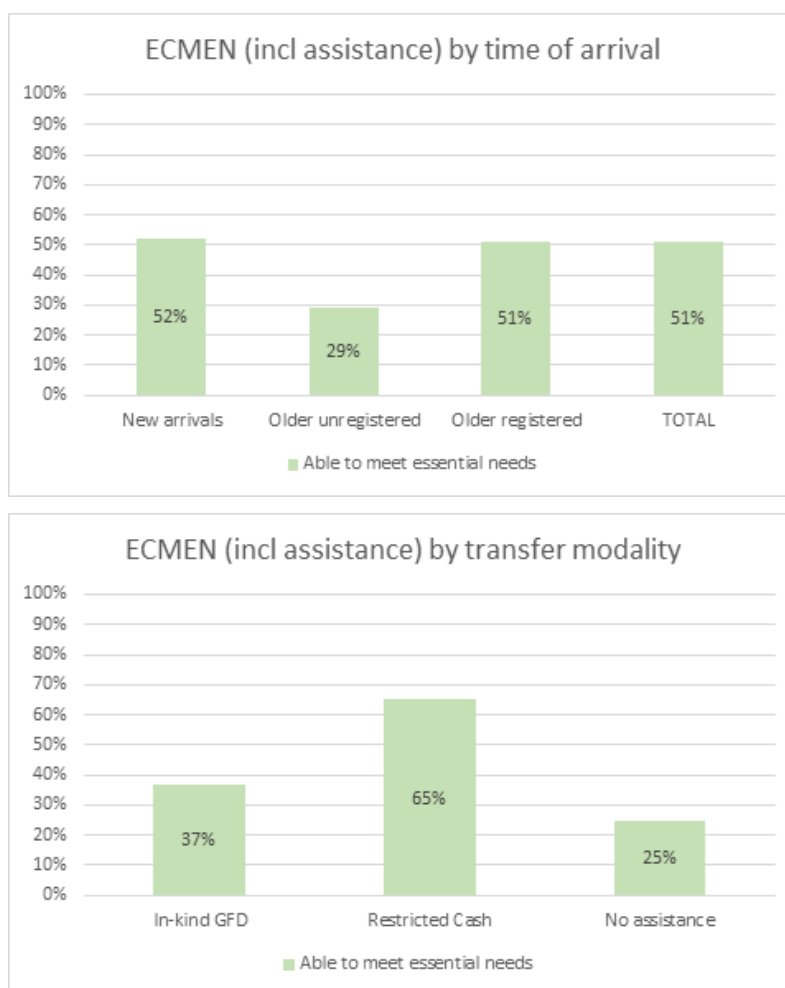
If a high proportion of households are not meeting essential needs, the following actions could be recommended:

- Review transfer value, possibly to include other essential needs, in coordination with partners (multi sectorial or multi-purpose cash intervention).
- Review targeting and prioritization.
- In parallel, it is important to monitor the adoption of livelihood coping strategies as households may revert to meet their needs.

REPORTING EXAMPLE(S)

The analysis shows that new arrivals and registered refugees have the highest share of households with economic capacity equal or above the MEB (52% and 51% percent, respectively) and therefore able to meet their essential needs. Conversely, old unregistered refugees have the highest proportion of households unable to satisfy their essential needs due to their limited financial capacities. Refugees receiving in-kind GFD are less able to meet their essential needs (37% are above MEB) compared to those receiving cash assistance (65% above MEB). Food assistance seems to be playing a key role to meet essential needs: only one in four refugee households that did not receive any assistance is able to meet their essential needs.

VISUALIZATION



LIMITATIONS

- This indicator measures households' capacity to meet essential needs as a whole rather than as a specific sectoral outcome. The interpretation of ECMEN should ideally be paired with sectoral outcomes (e.g., food consumption, access to clean water, school attendance, health treatment coverage). The indicator's accuracy depends on the analytical rigor with which the MEB has been constructed and on data quality.
- Expenditure data can contain outliers that must be cleaned. Training of enumerators, using standard modules, and data collection monitoring are essential to prevent poor data quality.
- MEB and ECMEN only cover needs that can be met through the market. Other structural gaps in the service-delivery systems - linked to poor facilities, limited commodities and/or human resources - or chronic infrastructural gaps may hinder accessibility to commodities and services required to meet needs.

FURTHER INFORMATION

For more information, please refer to the [ECMEN page](#) on the VAM Resource Centre or contact the Needs Assessments and Targeting Unit in HQ RAM-N at global.assessmentandtargeting@wfp.org.