

Background

Cash and Voucher Assistance (CVA) is critical in the Myanmar humanitarian response, emerging as one of the primary methods for delivering assistance, particularly in the most challenging and remote locations where most needs exist. As humanitarian agencies use CVA to deliver assistance, particularly through Multi-Purpose Cash (MPC), and as prices of commodities are changing there is a need to regularly update the Minimum Expenditure Basket (MEB).

The MEB comprises of essential goods, utilities, and services required by households to ensure minimum living standards. It sets a monetary threshold, which is defined as what a household requires to meet its essential needs on a regular monthly basis. Once constructed, the MEB can be used to identify households that have the economic capacity to cover their needs using the market network¹.

An MEB is useful because:

1. It is a tool that can inform transfer values, assessments, program design, profiling (including targeting), and monitoring;
2. It ensures responses are built around needs and not mandates;
3. It can help assess unrestricted cash assistance's contribution to sectoral outcomes.

Note: The MEB is not equivalent to the transfer value – it is a tool that can help inform the transfer value
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In 2023, the Needs Monitoring and Analysis Working Group (NMAWG) and the CWG worked together to develop the Myanmar Multi-Sector Needs Assessment (MSNA) with the purpose of updating the MEB. The survey was undertaken again in 2024 to update the MEB for November 2024. The MSNA data was obtained using in-person and phone survey methods between June – July 2024. The NMAWG has been contracted to support the Humanitarian Program Cycle (HPC) by providing annual MSNA data to inform the humanitarian community about the changing cross-sectoral situation in Myanmar.

Methodology

The primary objective of the MEB is to determine the monetary value that a household in Myanmar requires to meet their monthly multi-sectoral basic needs without resorting to negative coping strategies. Recognizing the diversity of needs across Myanmar and the capabilities inherent to each household, the proposed MEB methodology endeavors to average these needs.

¹ WFP Minimum Expenditure Basket Interim Guidance, 2018.

The MEB is crucial for developing MPC transfer values because it determines the amount of money households need each month to cover basic needs, which helps set the amount of humanitarian assistance required. The importance and impact of different expenditure items on the household's ability to meet their basic needs were determined using AI models.

Using the MSNA data as the primary data source, the CMWG has updated the MEB according to the below methodology:

1. Calculations were done at the household level using the MSNA dataset.²
2. Households used for the analysis are determined based on the proposed MEB sample frame.
3. Households' expenditure data was used to establish the average monthly household expenditure as the MEB.
4. Households' income data was used to determine the capacity to meet basic needs on their own.
5. The difference between income and expenditure – the gap analysis – was calculated to determine the MPCA transfer value.
6. The MEB and the gap analysis are updated annually using the MSNA data, with more frequent adjustments possible using inflation proxies.

Myanmar MEB Explanation of Calculations

There are three main approaches to MEB development:

- a) **A rights-based approach** uses assessed needs and standards (e.g., rights as protected by international human rights and humanitarian laws, Sphere Standards, national technical standards) to define the composition of the basket, and local market prices to define the cost.
- b) **An expenditure-based approach** focuses on effective demand by using local consumption patterns to define the composition and cost of the basket.
- c) **A hybrid approach** is a pragmatic option combining rights-based and expenditure-based elements.

*This MEB was developed using a **hybrid approach**. It applied a rights-based itemized approach for the food basket, incorporating market prices in the calculations. For other sectors, an expenditure-based approach was used, relying on expenditure data from the 2024 MSNA.*

² Average household size of the 2024 MSNA is 4.2

MEB Sampling Frame³

The households in the MSNA survey data that are just able to meet their essential needs were identified and their expenditures were examined. Including households below this level would generate a basket that does not satisfy essential needs, while including relatively wealthier households would lead to the inclusion of non-essential needs and therefore inflate the MEB. Thus, the sampling frame used includes:

- **FCS:** Households that had acceptable FCS, but not the highest end of the scale. Therefore, above 42, but below 90 FCS scores were selected.
- **Coping:** Those who can meet their needs should not be engaging in lots of negative coping strategies. Therefore, the high end of the coping, i.e., use of emergency strategies were excluded.
- **Self-reported meeting basic needs:** “All” and “none”, representing the both ends were excluded.
- **Expenditure:** Expenditure deciles 1 and 10 were excluded.

Households that reported no monthly food expenditure were eliminated from the sample. This was done to avoid any participant response or data entry concerns, as it is doubtful that households spend no money on food, and those that do will be getting significant aid, which may bias the MEB calculation. With these parameters in mind, Figure 1 displays the sampling frame by household type.

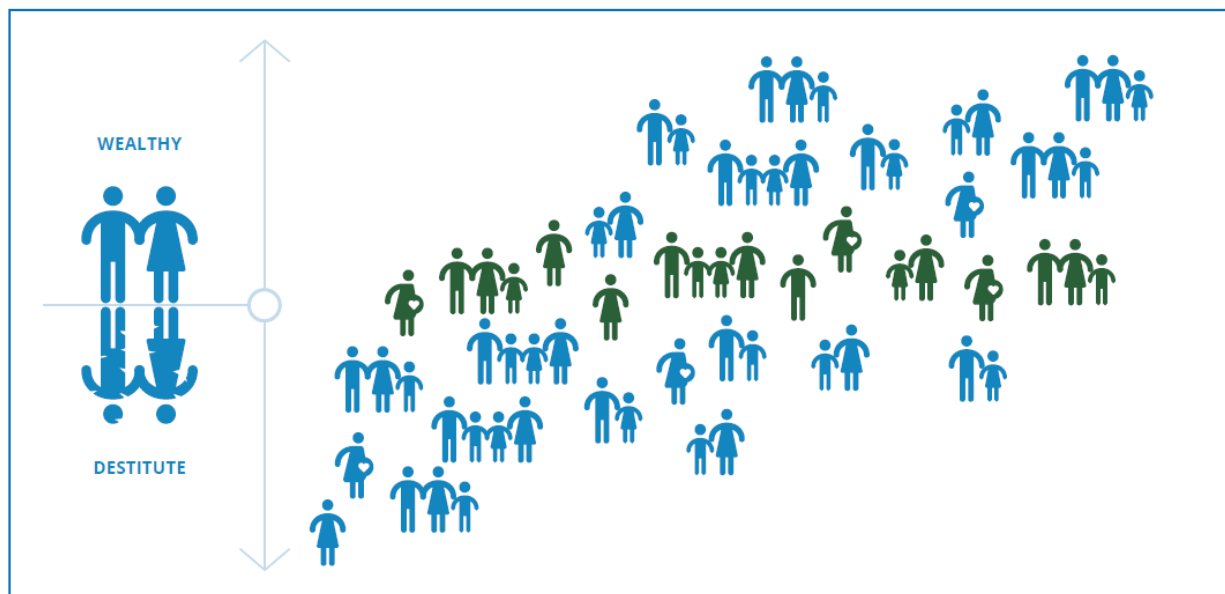


Figure 1 Selecting the MEB cohort.

In simple terms, it is useful to think of the green people in the figure as the basis for selecting the reference cohort: they are not amongst the worst-off, nor the wealthiest – but rather, are just able to meet their essential needs.

³ The average household size of MSNA data set is 4.2.

Figure 1. MEB Sampling Frame

<i>Population Type</i>	<i>Number of Households</i>	<i>Number of Selected Households</i>	<i>Percentage of Sample within the selected households</i>
<i>Internally Displaced People (IDPs)</i>	2,330	832	21%
<i>Non-displaced Stateless People (NDSP)</i>	203	81	2%
<i>Other Crisis Affected People (OCAP)</i>	3,982	2,021	50%
<i>Returnees (RET)</i>	2,189	1,092	27%
TOTAL	8,704	4,026	100%

Household Expenditure Calculation

Figure 2 shows the average monthly expenditure in Myanmar Kyat (MMK) of a household in the sampling frame. This represents the MEB value. The statistical and AI-model-based analyses revealed that all expenditure items were significant and should be included in the MEB. The only exceptions were the "other frequent" and "other infrequent" expenditures. The "others" were removed from the MEB because their contents were unclear and could have indicated one-time purchases such as entertainment and recreation.

Based on the data, a crisis-affected household in Myanmar needs to spend, on average, 665,534 MMK per month to prevent negative livelihood coping strategies and meet basic needs. This is the updated 2024 MEB value.

According to the current MEB, the food expenditure share is 62 percent with 412,036 MMK. The non-food items (NFIs) expenditure total is 253,498 MMK, representing 38 percent of the MEB. The highest NFI expenditures were for rent/shelter, fuel/energy and transportation.

Figure 2. MEB Household Expenditure

Expenditure Sector	Monthly Expenditure (MMK)	MEB Share	2023 NFI percentages
Food	412,036	62%	
Rent+Shelter	63,220	9%	25%
WASH/Water	14,893	2%	6%
NFI Regular	13,243	2%	5%
Utilities	16,652	3%	7%
Fuel/Energy	23,097	3%	9%
Transportation	36,830	6%	15%
Communication	12,402	2%	5%
Shelter	27,087	4%	11%
NFI Infrequent	12,992	2%	5%
Health	14,397	2%	6%
Education	18,685	3%	7%
NFI Total	253,498	38%	100%
Total (MEB)	665,534		

July 2024 to November 2024 - MEB Differences

The MEB increased significantly from 480,796 MMK in July 2024 to 665,534 MMK in November 2024, a 38% increase. Figure 3 below illustrates the change in proportions of MEB expenditures between the July 2024 and November 2024 MEB.

Figure 3. July 2024 – November 2024 MEB Expenditure Shares Comparison

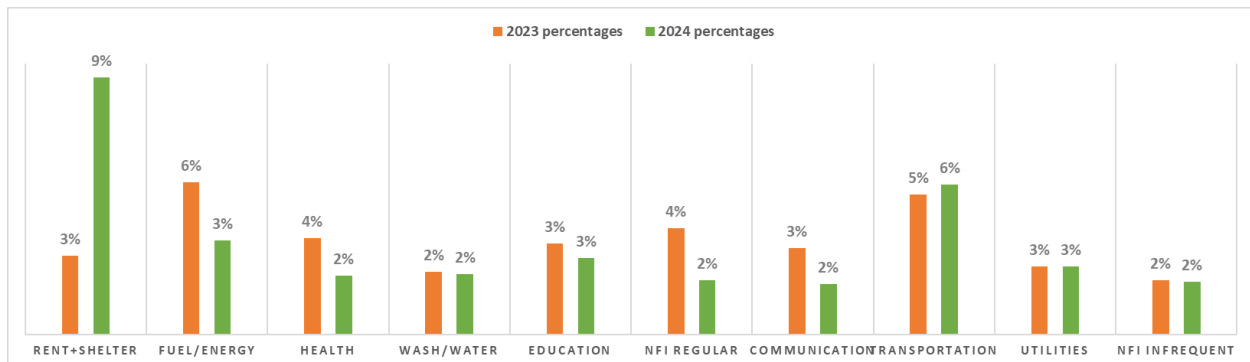


Figure 3 shows the increase in household expenditure shares for rent, shelter, and transport in the November 2024 MEB compared to July 2024. This change is due to an adjustment in how rent and shelter costs are calculated. In the July 2024 MEB, the majority of households had no rent or shelter expenses, leading to a median of zero and a very low average. For November 2024, the calculation was adjusted to include only households with shelter expenses, ensuring that sufficient resources are allocated for those with shelter costs.

Gap Analysis and Multi-Purpose Cash Assistance (MPCA) Transfer Value

A gap analysis was undertaken to identify the most vulnerable households' capacity to meet their own needs, as well as the amount of humanitarian assistance required for households to attain the MEB expenditure level. Households able to meet some or none of their basic needs were selected.

Four different population types were assessed, including Internally Displaced Persons (IDPs) etc.

Figure 4. Households Able to Meet Some or None of their Basic Needs

<i>Population Type</i>	<i>Number of Households</i>	<i>Percentage</i>
<i>IDPs</i>	1,415	36%
<i>NDSP</i>	82	2%
<i>OCAP</i>	1,516	39%
<i>Ret</i>	921	23%
<i>TOTAL</i>	3,934	

The capacity of a household to meet its needs calculation

Figure 5 shows the average monthly income of households able to meet none or some of their basic needs. There is some capacity, on average, to meet needs on their own, even amongst the households who reported they were unable to meet basic needs.

Figure 5. Average Monthly Income of the most vulnerable groups

<i>HH's ability to meet basic needs</i>	<i>Average Monthly Income (MMK)</i>
<i>None</i>	259,212
<i>Some</i>	346,555
<i>Average of None and Some</i>	302,883

Gap analysis calculation

The MEB gap analysis is a method used to calculate the amount of humanitarian assistance that needs to be provided in order to meet the basic needs of targeted households. It takes into account the cost to meet needs (MEB), but also the capacity (income available) of target households to meet their needs on their own. The gap analysis is calculated as ‘MEB amount’ minus ‘Average Monthly Income’, which is equal to the amount of humanitarian cash assistance required, on average, for vulnerable households to meet their basic needs. On average, vulnerable households need 362,651 MMK per month in humanitarian assistance to meet multi-sectoral basic needs as indicated in Figure 6, covering 54% of their monthly needs.

Figure 6. Gap Analysis Calculation

<i>MEB Value (MMK)</i>	<i>HH's ability to meet basic needs</i>	<i>Monthly Income of Households (MMK)</i>	<i>Monthly Gap to be Covered by Humanitarian Assistance (MMK)</i>	<i>Percentage of HH Needs to be Covered by Humanitarian Assistance</i>
665,534	Avg None/Some	302,883	362,651	54%

The gap analysis calculation is the recommended MPC transfer value. Therefore, is recommended that humanitarian partners provide 360,000 MMK (362,651 MMK rounded up to the nearest 10,000 MMK) per month to meet the needs of vulnerable households. More details on MPC transfer values can be found in the annexes.

Key Results

- The cost of the updated November 2024 MEB is 665,534 MMK, with food making up most of the basket, 412,036 MMK (62%)
- The November 2024 MEB has risen 38% since the July 2024 MEB. Rising from 480,796 MMK to 665,534 MMK.
- The difference between the MEB value and households' ability to meet their basic needs on their own is large. For people with "None" or "Some" capacity, the monthly gap is 362,651 MMK, indicating that humanitarian assistance needs to cover, on average, 54% of their needs.

Annex 1: Food Basket Composition and Calculations

The number of food items included in the 2015/2017 food poverty line (more than 50) was reduced to 11 items contributing to the highest calories among the most consumed foods by the people of Myanmar. These account for around 86% of calories in the total basket and 62% of expenditures. The remaining expenses, which are for foods with a relatively high price per calorie, are included as a lump sum in "other food".

The food MEB provided below should be interpreted as the average, recurring food demands of Myanmar's people in 2017, but priced at WFP monthly market price data for September 2024. These prices are determined both monthly and per capita. To facilitate comparison, we also include per household values for a household of 4.2 from the 2024 MSNA survey.

Nutritional value

The proposed ration, which is intended to ensure a diverse diet for the target population, meets at least 100% of the general population's energy requirements (> 2,100 kcal). Furthermore, based on the 11 food items identified, it meets approximately 70 percent of protein and 92 percent of fat requirements. Furthermore, it is intended to provide 20 to 45 percent of nutrients such as iron, calcium, zinc, vitamin B1, B2, folate, and vitamin C.

Figure 7. National Itemized food basket and its 2024 cost

Food Groups	Food item	Cost per household/ per month 2024	Cost within the basket
Cereals	Rice Ngasein	102,189	24.8%
Fish and other seafood	Fish Paste	9,887	2.4%
Fish and other seafood	Dried Bummalo	36,151	8.8%
Meat, eggs	Pork	14,137	3.4%
Meat, eggs	Chicken	14,393	3.5%
Meat, eggs	Chicken eggs	7,751	1.9%
Oils and fats	Palm oil	38,775	9.4%
Pulses, beans, nuts, and seeds	Gram	13,182	3.2%
Vegetables	Tomato	21,047	5.1%
Vegetables	Onion	15,148	3.7%
Fruits	Banana	4,935	1.2%
Other food items	Pulses, veggies, meat, and dairy	134,442	32.6%
TOTAL		412,036	100%

Limitations of the analysis

The ongoing conflict in Myanmar is making any kind of data collection a challenge for the humanitarian actors. As for collecting the food item prices, WFP market monitoring covers fewer townships, and not all MEB food item prices can be collected every month.

For the gap analysis, it is necessary to determine which part of their basic needs vulnerable households can meet using their own resources. To avoid biasing this outcome by other assistances received by the household, any in-kind or cash assistance ought to be deducted. To achieve this, clusters can build an integrated framework for registering households and tracking the amount of support they receive.

Annex 2: Multipurpose Cash Assistance (MPCA) Transfer Value

Recommendations

The MEB is a tool for developing transfer values and there are different methods for calculating transfer values using the MEB, one of which is the gap analysis presented in this technical note by assessing the household's capacity to meet its own needs (income). To ensure a harmonized humanitarian cash response, the CMWG recommends implementing partners to align transfer values where feasible and appropriate. The MEB and Gap Analysis helps to harmonize a standard Multi-Purpose Cash (MPC) transfer value.

The Gap Analysis calculation in Figure 6 provides an appropriate transfer value in contexts where the capacity of HHs to meet their needs is constrained and is the Myanmar CMWG recommended MPCA transfer value. All proposals with MPC should align with the CMWG recommended transfer value of 360,000 MMK per household per month.

In some areas, partners may agree to provide a different amount from the gap analysis value. This should only be used when data has been collected indicating that program beneficiaries need more or less of the gap analysis value to meet their basic needs. This should also be agreed upon by other partners providing MPC in a given township to avoid any conflict and confusion amongst communities receiving assistance, in consultation with the Sub-national Cash and Markets Working Groups (CMWG). Furthermore, the CMWG will work to track more closely the MPC transfer values of different partners across Myanmar to ensure the proposed transfer value is meeting the needs as intended.