
Survival Minimum Expenditure Basket, Yemen

Guidance Document for Multi-Purpose Grants

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v1.5 Approved by CMWG and ICCM for use.

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This report is accompanied by a detailed excel file of calculations: Annex A SMEB/MPG Yemen Data Sheet 2017

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Introduction

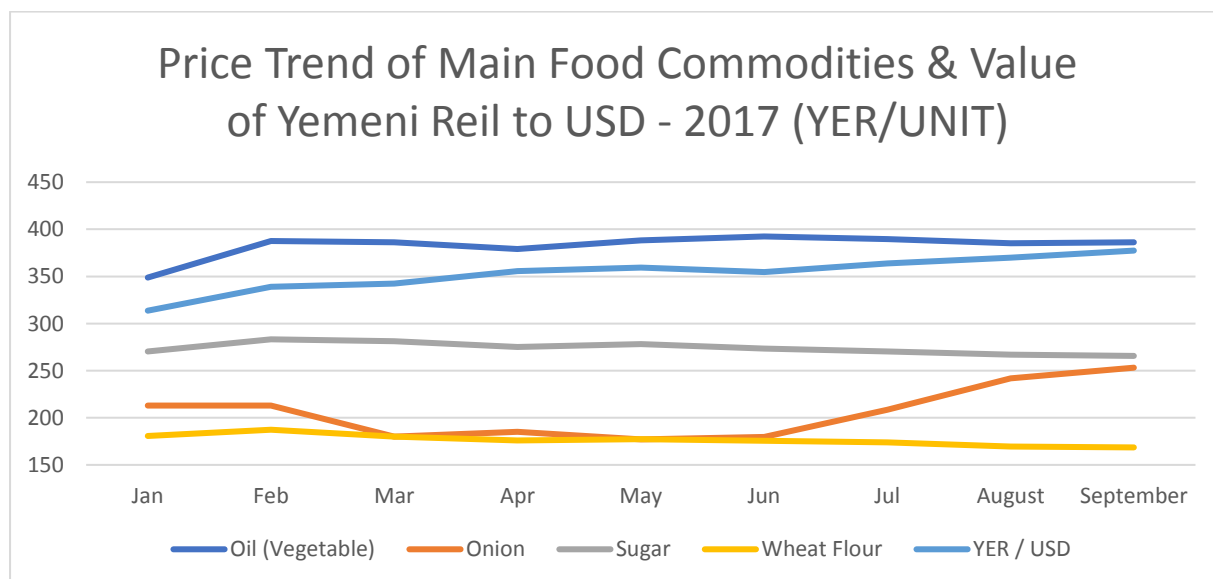
Even before the current conflict escalated in mid-March 2015, Yemen faced enormous levels of humanitarian needs stemming from years of poverty, under-development, environmental decline, intermittent conflict, and the weak rule of law. Nearly three years of war have exacerbated these chronic vulnerabilities, leaving an estimated 18.8 million people in need of humanitarian or protection assistance – an approximately 20 percent increase since late 2014. This includes 10.3 million people in acute need who urgently require immediate, lifesaving assistance in at least one sector

Growing numbers of people in Yemen need humanitarian assistance to ensure their basic survival, as illustrated by major increases in severe food insecurity, acute malnutrition, lack of clean water, displacement and declining health services. In 2017, partners' primary objective will remain the provision of life-saving assistance.

Market Review

Yemen is a market-based economy, dependent on imports for 90% of food items and a significant proportion of other essential elements (hygiene and housewares). Average prices of wheat flour, sugar, vegetable oil and red beans in August 2017 were 25%, 24%, 14% and 60% higher than those before the crisis, respectively. There are significant concerns about the inflationary impact of the devaluation of the Yemeni Reil which up to September had lost 20% of its value since January.

However using the WFP Yemen Market Watch tracking of prices of essential food items, that does not seem to have been the case. While vegetable Oil and Onions have increased in cost by 11% and 19% respectively, Suger and wheat flour have reduced in value by 2% and 7% since January. It is not currently known why Wheat has diminished in value in USD terms by 27%, as a further study in this area is required. However, a reason suggested is that there is a Yemeni retail ceiling in the price an average household can pay for flour and that wholesales and importers are reducing their profit margins to maintain demand.



In September 2017 the CMWG undertook a multi-sector market survey covering 1399 vendors assessed across 103 districts, in 13 governorates. When asking vendors what their main issues were, Price inflation was by far the prominent constraint faced across all commodity groups and governorates. As part of the market survey, 115 focus group discussions were undertaken across 12 governorates. In these FGDs Consumers did not highlight an increase in costs but instead indicated a reduction in purchasing power as their primary concern. Additionally they reported that they were visiting markets on a more sporadic basis due to the difficulty and dangers of travelling to markets and the need to travel further to markets.

The key findings of the market survey were that the markets are still functioning but at a reduced capacity. The nature of the supply chain depends on the commodity group, with food, cooking gas and hygiene products operating on a wholesaler system, whereas petrol and diesel tend to be supplied directly from the ports. Goods tend to be more available in large urban centres and along major roads, with fewer vendors observed in more rural areas. A full analysis can be found in the Yemen Cash and Market Inter-sector Report that will be published in November 2017.

All areas of the country surveyed, that did not have armed conflict taking place, had a market system that would be able to support a Cash or Voucher based response. Despite this when using this document to plan future Cash or Voucher projects it is important to note that the situation in Yemen is dynamic and partially in the case of larger scale interventions a more detailed local market assessment and coordination with local market actors should be undertaken before Cash Transfer programs are undertaken. For more details on this area please contact the Yemen CMWG for assistance.

Cash and Market Interventions in Yemen

Cash and Market-Based interventions in Yemen began before the current crisis, mainly with a development focus through the Social Welfare Fund (SWF), which delivered unconditional cash transfers to 1.5 million of the poorest cases (estimated 7.9 million direct and indirect beneficiaries). As the conflict escalated in March 2015, SWF payments were suspended, and humanitarian partners increasingly looked to cash and vouchers as a potential emergency response tool. These efforts were primarily concentrated in the Food Security and Agriculture Cluster with Smaller-scale humanitarian cash activities were also seen in 2017 response plans of the Shelter/NFI/CCCM, WASH, and Protection (including GBV) clusters.

Currently, in Yemen, 231,822¹ Households (HHs) in acute need in Yemen are receiving some of their basic needs per Month via Cash or Vouchers, with 77% provided via Restricted Food vouchers and 23% in unrestricted Cash Transfers. WFP is reaching 67% of HHs with Food Vouchers (154,350 HHs a month), including 39,000 HHs a month in Taizz, one of the most conflicts affected Governorates in Yemen. With a range of UN, International/National NGOs undertaking programs across 19 of Yemen's 22 Governorates, there is a high level of capacity and willingness to expand Cash and Voucher activities.

Of the 53,000 HHs who are receiving assistance via unconditional & unrestricted cash transfers, just over 50% are receiving Cash for Food using the Food Minimum Expenditure basket, with the rest using Multi-Purpose grants determined by agencies on an Ad-hoc Basis. A key purpose of this Document will be to provide a framework for an expansion of Multi-Purpose Cash and Sector Specific Cash with a recommended standard amounts for agencies to use.

¹ Based on June 2017 Yemen Cash & Voucher activity mapping.

Why a Survival Minimum Expenditure Basket (SMEB)

During the development of the 2017, Humanitarian Response Plan it was realised that Humanitarian Actors could not reach all 18.8 million people in need or resolve all challenges identified in the planning assumptions. Partners, therefore, limited the scope of the 2017 YHRP to prioritise the acutest needs. Planned beneficiaries in 2017 are drawn from the population facing acute needs identified in the HNO, in addition to a limited number of people who are on the cusp of slipping into acute-need status. Due to the deteriorating economic situation combined with the impact of the recent large-scale outbreak of Cholera this targeting methodology is unlikely to change in the near future.

Methodology

The Survival Minimum Expenditure basket is defined as covering;

“the basic needs of the most vulnerable people who require immediate lifesaving assistance.”

To determine these needs, the Cash and Market working group agreed to use for calculating the SMEB the work undertaken by the various Clusters, who working with their partners, identified for each sector the needs and gap analysis of people in acute need in Yemen.

Using the cluster guidance for the in-kind provision of basic needs, the Cash and Market working group undertook a multi-sectoral market assessment which covered 97 districts in 12 Governorates with over 1800 forms submitted. This information has been fed into this guidance to calculate the costs of providing the in-kind items via Cash or Vouchers in Yemen.

During the development of this guidance it was clear that the assistance required for lifesaving assistance can be unique to a household and may depend upon off sector-specific needs and/or recurrent but non-average needs. These non-standard/recurrent costs are not covered in the current version of this guidance. However general needs of the different clusters can be broken down into three categories,

A Survival Minimum Expenditure Basket and Recommended Multi-Purpose Transfer (MPG) Amount.

The SMEB covers the standard basic recurrent needs as defined by the cluster which an average household in acute need will always need to survive without undertaking catastrophic coping mechanisms.

The MPG is calculated by subtracting from the MEB the amount that they are calculated to be able to cover themselves.

Once off Sector needs and Transfer Value:

Some Households will need additional once-off support to save and sustain their lives due to a recent displacement or disruption due to conflict. Examples of this are Household Items, Hygiene kits, Shelter kits and protection items. Not all sector needs will be included in this version of the guidance, but it is expected that clusters will continue to develop guidance on support packages that are required in Yemen.

Recurrent non-Average Sector needs and Transfer Value:

Some Households will need additional ongoing support to save and sustain their lives. This guidance is developed by each cluster, and currently, the Shelter cluster has information on Cash for Rent, but in future may be expanded for nutrition supplemental feeding and other protection-related needs.

Targeting and Coordination

This document does not provide guidance on how households should be targeted, as detailed sector-specific guidance can be found with each cluster. Additionally, actors undertaking MPGs should report the outputs of their activities to the Wash, Shelter/NFI and FSAC clusters as the Cash & Market Working group in Yemen does not have a coordination role.

Family size

It was decided that a family of seven would be used for an average household calculation (given that almost all members of the Cash & Market Working Group have found this to be the average family size based on their assessment/monitoring information). However, this study also provides an understanding of the minimum per capita MEB for people living in households of other sizes.

Items in the SMEB

The full revised SMEB is presented in Table 1. The description of changes made during the revision process is below. Guidance on using these items for setting transfer values is in the next section.

The items in the SMEB are based on cluster assessments of what an average family in Yemen would need, as a minimum, to survive for one month. The items included are not specifically recommended for purchase, but rather included based on their availability and appropriateness as a price indicator for daily purchases. Part of the purpose of cash and voucher programming is to offer recipients more choices, so this guidance recommends not restricting vouchers to the specific items in the SMEB (even if restricting to a specific sector).

Table 1: Full SMEB as of September 2017, Yemen		
Item	Unit	Quantity*
Wheat flour, whole grain	Kg	75
Beans, kidney, all types	Kg	10
Oil, vegetable [WFP]	Kg	8
Sugar	Kg	2.5
Salt, iodised [WFP]	Kg	1
Water Trucking LTs of Water	LT	2520
Soap	g	1050
Washing powder, concentrated	KG	2
Disposable female sanitary napkins	Pack of 10 pads	2
Cooking Fuel	LT	20
Transport Cost to Market	Lumpsum	1
* All Quantities are for Households of 7 for one month		

Food items / Food Security

The initial Food Security and Agriculture Cluster (FSAC) minimum food basket was set up in 2012 and has been revised ever since taking into consideration the changing context in the country. The current minimum food basket composition was endorsed in August 2017 (it is revised every four months or so). The food basket was developed taking into consideration feedback from beneficiaries, packaging available in local markets, and the deteriorating food security situation.

During the assessment process, it was determined that Households in acute need are only able to cover 20% of their food needs and so the basket has been designed to cover 80% of the monthly household food needs. The food items in the basket are shown in Table 2 below, alongside the

Calorie analysis of the food basket in Table 3. The items and amounts were designed to meet 80% minimum need of a family of 7 for one month, providing 1663 Kcal per person per day.

Table 2: Food Basket as of September 2017, Yemen		
Minimum Food Basket - Wheat Flour as a Source of Cereals	Unit	Quantity*
Wheat flour, whole grain	KG	75
Beans, kidney, all types	KG	10
Oil, vegetable [WFP]	KG	8
Sugar	KG	2.5
Salt, iodised [WFP]	KG	1
Total	KG	96.5
* All Quantities are for Households of 7 for one month		

Table 3: Calorie Analysis of Yemen Food Basket		
Minimum Food Basket - Wheat Flour as a Source of Cereals	Daily Ratio n	Energy Kcal
	g/per son/ day	Kcal/pe rson/d ay
Wheat flour, whole grain	312	1123
Beans, kidney, all types	45	150
Oil, vegetable [WFP]	38	336
Sugar	14	54
Salt, iodised [WFP]	5	0
Total	414	1663

Wheat flour is the main source of cereals in the revised minimum food basket since it is cost-efficient, and the most consumed cereal in Yemen especially in rural areas where vulnerabilities are highest.

Consumable Hygiene & other items

The second part of the basket contains other consumable household items, including basic hygiene items, water, cooking fuel, and an addition to cost the expected expense of travel to a distribution site. These items, which can be found in table four, are just as critical for families in acute need in Yemen, particularly to reflect the needs of women and displaced families.

Summary of items

Consumable hygiene items: Individual soap, Washing powder, and sanitary pads were chosen, with quantities covering 100% of needs based on the recommendation of the Wash Cluster and UNFPA based on their assessments.

Water: Reflecting the current WASH Cluster guidance for Yemen, water was calculated at 3150 (15 L / person/day), this corresponds to 100% of the recommended amount, as households in acute need not estimated to be able to cover any of there needs in safe manner. Water sources vary across Yemen, with many families relying on purchases of trucked water, and prices vary across the area. The price of water should be included in the MPG when relevant (e.g., in areas where the local water network is not functioning).

Cooking fuel: Cylinder Cooking Gas was chosen as the price indicator for Yemen, based on widespread use and availability. While other types of fuel are also used for cooking (including refined fuel, wood/coal, and others), cooking gas is the most frequently used in northern Syria by Yemen. The amount per HH

Table 4: Consumable Hygiene & other items as of September 2017, Yemen		
Item	Unit	Quantity*
Water Trucking LTs of Water	LT	3150
Soap	g	1050
Washing powder, concentrated	KG	2
Disposable female sanitary napkins	Pack of 10 pads	2
Cooking Fuel	LT	20
Transport Cost	1	Lumpsum
* All Quantities are for Households of 7 for one month		

per month is 20LT, covering 100% of needs based on Shelter Cluster Guidance. The SMEB does not include winter heating fuel; additional guidance on winter cash transfers is being developed by the Shelter-NFI Cluster.

Travel cost to market

It was agreed by the working group to add an amount of 3000 YER to the MEB to cover the average costs of a household to make a round trip to a market. This amount is based on findings from humanitarian actors and is designed to ensure that a sufficient amount of funds are transferred to cover the basic acute needs.

Multi-Purpose Grant Transfer Value

Calculating the recommended Multi-Purpose Grant (MPG) Transfer Value is a two-step process of identifying the % of the SMEB items that a household in acute need in Yemen will require, and then undertake a market assessment to determine the average price of the items.

Gap Analysis

As mentioned in the previous section the current cluster guidance is that a household in acute need in Yemen can cover 20% of their Food needs, and none of their needs for water, cooking gas and basic hygiene items. As it is crucial to maintaining consistency between in-kind and Cash/Voucher Distributions, this system has been adopted for the MPG creation.

Price Assessment

To develop this guidance the Cash and Market working group (CMWG) undertook a multi-sector market assessment in early September 2017. This assessment covered 97 districts in 12 Governorates with over 1800 forms submitted and while not covering all areas of the country is sufficient to determine the average prices of SMEB items.

The market price of the items in the Food Basket were determined using regular WFP/FAO price monitoring which has a higher level of coverage than the CMWG study and so the SMEB will use their data for the food items.

As there is a variation in the prices for the different items in the study across the different governorates, it was decided to take the Third quartile (75%) rather than the average cost to ensure that the basic needs of Households are covered. The full breakdown of how the costs per item were developed can be found in Annex A, MEB/MPG Yemen Data Sheet 2017

However as there is significant spread on the prices recorded in the Market study, before starting a project agencies should undertake price monitoring of the items in the SMEB to ensure that the recommended transfer amount covers the needs in the planned area of operations.

Price Inflation and Variation.

As there is a variation in the prices of basic good across the country and a general inflationary trend, the Food Security cluster agreed to include a 10% contingency amount to ensure the calculated amount continued to cover the basic needs of a household until the next review of the FMEB ever six months. This guidance has been endorsed by the working group and other clusters and has been used for the development of the MPG transfer amounts seen in this report.

Targeting Households of Different Size

While this guidance is developed around a household size of seven, amounts for different household sizes can be calculated using the following formula.

(Step 1 $MPG \text{ Transfer Amount} \div 7 = MPG \text{ per person}$,

Step 2 $MPG \text{ per person} \times \text{new household size} = MPG \text{ Transfer Amount for new household size.}$)

Multi-Purpose Grant Recommended Transfer Values for a Household of Seven

Food Security and Agriculture (FSAC) Approved Food Items Transfer Value					
Food Items	% of needs to be covered by Transfer	Required Quantity for 7 persons per month (KGs)	Av. Price /kg YER	Cost of commodity /family per month YER	YER (10% Contingency)
		kg/HH/Month			
Wheat flour, whole grain	80%	75	165	12,375	13,613
Beans, kidney, all types	80%	10	489	4,890	5,379
Oil, vegetable [wfp]	80%	8	456	3,648	4,013
Sugar	80%	2.5	258	645	710
Salt, iodised [wfp]	80%	1	109	109	120
Total		80% Kcal		21,667	23,835
				Transfer Value	24,000
Wash Cluster Recommended Water Transfer Value					
Water Needs	% of needs to be covered by Transfer	Required Quantity for seven persons per month (LT)	Av. Price /	Cost of Water family per month YER	YER (10% Contingency)
		LT/HH/month	Lt/YER		
Water Trucking LTs	100%	3150	1.9	5,985	6,584
				Transfer Value	6,600
Wash Cluster Recommended Essential Hygiene Items Transfer Value					
Hygiene Items	% of needs to be covered by Transfer	Required Quantity for 7 persons per month	Av. Price	Cost of Water /family per month YER	YER (10% Contingency)
Soap	100%	1050	0.89	930.3	1,023
Washing powder, concentrated	100%	2	669.66	1339.32	1,473
Disposable female sanitary napkins	100%	2	109.6	219.2	241
Total					2737
				Transfer Value	2,700
Shelter/NFI Cluster Recommended Cooking Fuel Transfer Value					
Cooking Fuel	% of needs to be covered by Transfer	Required Quantity for seven persons per month (LT)	Av. Price YER	Cost of Cooking Fuel/family per month YER	YER (10% Contingency)
		LT/HH/month			
Cooking Fuel	100%	20	218	4360	4,796
				Transfer Value	4,800
Global Cash Guidance Recommended Transfer Value to cover other standard costs					

Transport to market one time Round Trip	100%				3000
Transfer Value					3000
Total :					41,100
Recommended Transfer Amount :					41,000

The full breakdown of the Calculations can be found in Annex A SMEB/MPG Yemen Data Sheet 2017.

One-off Amount for Hygiene items,

When undertaking the first MPG distribution, an additional top up of funds should be added to the MEB to enable households to access the one-off items that are included in a Hygiene kit. (See below) The estimated cost of this top up is **1750 YER** for the three items.

Plastic basin for washing clothes- 20 litres – 1 Item per 6 months. – Average Cost 500 YER Partners may analyze which size is most appropriate taking into account that women and girls are often burdened with carrying the water. One jerry can can be replaced by a bucket with lid and tap if partners feel this is more appropriate.

Jerry cans made of food-safe plastic (10-20 litres), white 2 items per 6 months – Average cost 500 YER – 1000 YER total for two

Plastic jug (Ebrike) for water delivery – 1 item per 6 months – Average cost 250 YER

Guidance on using the MPG Transfer Values for programming,

The MPG transfer values while looking complicated can best be understood as six building blocks with recommended transfer amounts for each component that together combine to cover the basic recurrent needs of a household in acute need.

Cash or Vouchers

When undertaking a voucher program it is possible to take each section in isolation from each other or combined, and so can be used as reference point for a Voucher for Water Trucking, Voucher for Food & Cooking Fuel and Voucher for Hygiene items projects.

As Cash programs are by their nature unrestricted it is not possible to make such a clear distinction. It is important to recognise that the items in the SMEB/MPG are designed as price indicators for setting voucher or cash transfer values, but the priority needs each household has may differ with for example a Cash for Water transfer used to cover food needs. As such it is recommended that when possible, the full MPG amount is used when providing a transfer to a household who are not having any of their other needs met via other actors.

Table 5: MPG Components September 2017, Yemen		
Needs	Percentage of Gap Grant to Cover	Yemeni Reil
Minimum Food Basket	80%	24,000
Water	100%	6,600
Essential Hygiene Items	100%	2700
Cooking Fuel	100%	4,800
Transport	100%	3,000
Total		41,100
Recommended Amount		41,000

Coordination with other in-kind/voucher Programs.

The MPG is designed to cover the basic needs of a household in acute need, however, if a household is currently having some of its needs covered via another program, then that element can be removed.

Example 1: A household is currently receiving a WFP Food kit each month but no other support. You could undertake a Cash or Voucher program to cover the Water, Hygiene items, Cooking fuel and other costs providing 17,000 YER

Example 2: A household is not receiving any support by humanitarian actors but does live in an area where the municipal water source is still working. You could undertake a Cash or Voucher program to cover the Food, Hygiene items, Cooking fuel and other costs providing 33,700 YER or 91 USD (at 370 YER rate)

Additionally, depending on the aim of your project, you may wish to provide a one-off top up to cover the needs caused due to a recent displacement or disruption due to conflict. Examples of this are Household Items, Hygiene kits, Shelter kits and protection items.

Reporting of MPG to Clusters

There is not currently in Yemen a body to coordinate Cash Transfer programs. As such it is currently recommended that all programs are coordinated via the different clusters.

As such a MPG of 41,000 YER should be reported to the Food Security cluster as Cash for Food, the Wash Cluster as Cash for Water and Cash for Hygiene items and the Shelter cluster for Cash for Cooking Fuel. Any additional supplements to the transfer should be reported to the cluster that has responsibility for the focus.

Definitions

People in Moderate Need: People who require assistance to stabilise their situation and prevent them from slipping into acute need.

People in Acute Need: People who require immediate assistance to save and sustain their lives.

A Household: A household is defined as a close family unit who share accommodation. In Yemen the average size is seven people.

A Multipurpose Cash Grant (MPG) is defined as a cash transfer (either regular or one-off) corresponding to the amount of money a household needs to cover, fully or partially, a set of basic and/or recovery needs. MPGs are by definition unrestricted cash transfers. The MPG in Yemen is calculated by subtracting from the SMEB the amount that households in acute need are calculated to be able to cover themselves.

The Minimum Expenditure Basket (MEB) is defined as what a household in Moderate need requires in order to meet basic needs – on a regular or seasonal basis – and its average cost over time. Basic needs are defined by affected households themselves, International Humanitarian Law and Sphere Standards. MPGs will contribute to the MEB, but can also include other one-off or recovery needs.

The Survival Minimum Expenditure Basket (SMEB) is defined as what a which an average household in acute need will always need to and sustain their lives – on a regular or seasonal basis – and its average cost over time. Basic needs are defined by affected households themselves, International Humanitarian Law and Sphere Standards. MPGs will contribute to the SMEB, but can also include other one-off or recovery needs.

Once off Sector needs and Transfer Value:

once-off support provided to household save and sustain their lives. This may be due to a recent displacement or disruption due to conflict. Examples of this are Household Items, Hygiene kits, Shelter kits and protection items

Recurrent non-Average Sector needs and Transfer Value:

Additional non-average ongoing support to targeted at households with particular needs to save and sustain their lives. This guidance is developed by each cluster, and currently, the Shelter cluster has information on Cash for Rent, but in future may be expanded to include other protection-related needs.

