**Myanmar Minimum Expenditure Basket (MEB) Technical Note**

**Myanmar Cash Working Group**

**24 September 2021**

**Background**

In 2020, Myanmar witnessed a significant increase in humanitarian and development assistance delivered through Cash and Voucher Assistance (CVA). In addition, digital delivery modalities such as mobile money and electronic vouchers have become more commonplace. Since 1 February 2021, implementing agencies have continued to assist beneficiaries via CVA, albeit with many challenges. As implementing agencies use CVA to deliver humanitarian assistance, particularly through multi-purpose cash assistance, there is a need for an updated Minimum Expenditure Basket (MEB)

The minimum expenditure basket (MEB) looks at the needs covered, partially or fully, through the market. The essential or basic needs are the essential goods, utilities, and services required by households to ensure survival and minimum living standards. In addition, the MEB sets a monetary threshold, which is defined as what households require to meet their essential needs on a regular or seasonal basis. The starting point for constructing an MEB is usually household expenditure data. Once constructed, the MEB can be used to assess which households have the economic capacity to cover their needs through the market[[1]](#footnote-1).

An MEB is useful for a few reasons:

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. If developed in a multi-sectoral way, it can help support multi-sectoral outcomes.

The MEB captures the cost of essential needs for average households, not one-off needs or individual nutrient requirements. Another important consideration is that **it is not equivalent to a transfer value[[2]](#footnote-2)**, rather a tool that can help inform the transfer value based on gaps in the beneficiaries' ability to meet their basic needs.

In 2019, WFP, in consultation with other partners, developed the report titled[*Cash Transfer Programming Preparedness Data Profiles in Disaster-Prone States Myanmar*](https://drive.google.com/file/d/18FBncsASDZ-UnImUaXgUp9EDQ32zlFtX/view?usp=sharing). This report and [accompanying MEB](https://drive.google.com/file/d/18FBncsASDZ-UnImUaXgUp9EDQ32zlFtX/view?usp=sharing) have been a valuable tool for many partners implementing CVA. However, there are limitations. The report mainly establishes an MEB specifically for a sudden onset natural disaster and only covers disaster-prone states. Therefore, to address the effect of the multiple, co-existing shocks on households' ability to meet their needs in vulnerable and conflict-affect areas in Myanmar, the Cash Working Group (CWG) decided to take up an initiative to lead a MEB development exercise. To better understand whether at-risk populations meet their essential/basic needs, the monetary threshold for these needs, and the percentage of the population falling below this threshold.

The Myanmar CWG began work on establishing and updating the MEB in late 2020. This process started with discussions with the CWG members, the Inter-Cluster Coordination Group (ICCG), and relevant sectors/clusters to define the scope and approach for the MEB. Those discussions focused on the original 2021 Humanitarian Response Plan (HRP) areas and target populations, including Rakhine, Kachin, Chin, Northern Shan, and the Southeastern States. While the geographic areas and target populations are distinct, at this stage, there will only be one country-level MEB that considers the general needs of those requiring assistance under the original 2021 HRP. The CWG will account for geographic differences in future iterations of the MEB, as partner capacity allows. The inclusion of the peri-urban areas in the 2021 HRP addendum adds additional considerations, as the expenditure patterns of those living in urban areas are likely different than those under the original HRP and may necessitate the inclusion of a specific peri-urban annex in future versions. The CWG and partners should consider whether obtaining existing data or collecting new data on household expenditure is feasible.

Finally, key stakeholders agreed the MEB should be conducted using a hybrid approach, utilizing aspects of both the expenditure-based and rights-based approaches.

The expenditure-based approach captures the monthly household expenditure of beneficiaries who are just able to meet their basic needs (i.e., no negative coping strategies, acceptable food consumption score, etc.). However, it was difficult to conduct assessments specifically for this exercise, given Covid-19, the political situation, and the general deteriorating access across the country. However, the Myanmar Living Condition Survey (MLCS), partner assessments and Post Distribution Monitoring (PDM), and data from IFPRI and the World Bank provided sufficient secondary data to move forward with establishing an expenditure-based model.

Simultaneously, the relevant Humanitarian Clusters (Food Security, WASH, Shelter/NFI/CCM, Health and Education) provided inputs on their proposed assistance baskets using a rights-based lens. These baskets align with the sector-specific standards protecting the rights of affected persons to food, hygiene items, clothing, shelter, education, and health. For the most part, these inputs took the form of a basket of items provided as part of the standard sectoral assistance package. Local market prices were then collected and provided for those items.

**Summary of MEB Technical Calculation**

The overall MEB for Myanmar is 314,377 MMK per household/month. All calculations for the Myanmar MEB are in the CWG MEB calculation template excel sheet. With detailed explanations of the calculations included in this technical summary note.

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**Myanmar Living Conditions Survey (MLCS)**

The starting point from a household expenditure perspective is the MLCS. This extensive multi-sectoral living condition survey was conducted by the Central Statistical Organization (CSO) of the Ministry of Planning, Finance, and Industry and supported by the World Bank and UNDP. They completed the most recent data collection in 2017. The survey and analysis developed the National Poverty Line, an important indicator for the development of the MEB.

The MLCS establishes a national poverty line of 1,590 Myanmar Kyat (MMK) per day (2017 Q1 MMK) and per adult equivalency. Adult equivalency is calculated as the ratio of energy needs by age relative to the energy needs of an adult. Because the poverty line includes both food and non-food expenditure, an adjusted adult equivalency scale is used. The adjusted scale gives a weight of .7 to the energy-based adult equivalency scale and .3 weight to each household member being equivalent to an adult. The idea is that children might eat less than adults but do not necessarily require lower non-food expenditures.

The agreed-upon household make-up for the Myanmar MEB consists of a household of 5, with two adults, one child age 12-23 months, one child age seven years, and one child 14 years old. Therefore, classifying the household composition by age allows for calculating adult equivalency values for each of the three children in the household. The specific age equivalency scale used for the Myanmar MEB came from the MLCS and is indicated in Table 1.

**Table 1:**

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The equivalent adult scale of the MEB household composition of two adults and three children with the ages proposed, is 4.54. Therefore, the equivalent adult value must be multiplied by 4.54 to arrive at the household poverty line.

**Table 2:**

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Which is calculated:

**1,590 MMK (2017 national poverty line per adult equivalent per day) \* 4.54 adult equivalents = 7,218 MMK per day/per MEB household.**

To calculate the per capita national poverty line of a household with the MEB proposed composition, we use the calculation:

**7,218 MMK / 5 = 1444 MMK per person/per day**

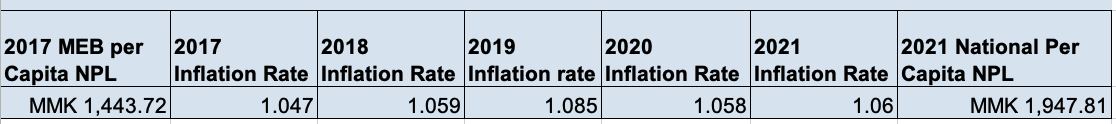
Then to update the poverty line to 2021 MMK, the CWG used the yearly consumer price index from 2017 to 2021 (estimated) from the World Bank, the most complete price inflation data available. After accounting for inflation, the 2021 Myanmar national poverty line is estimated at 1,948 MMK per capita using the representative household equivalence scale.

**Table 3:**

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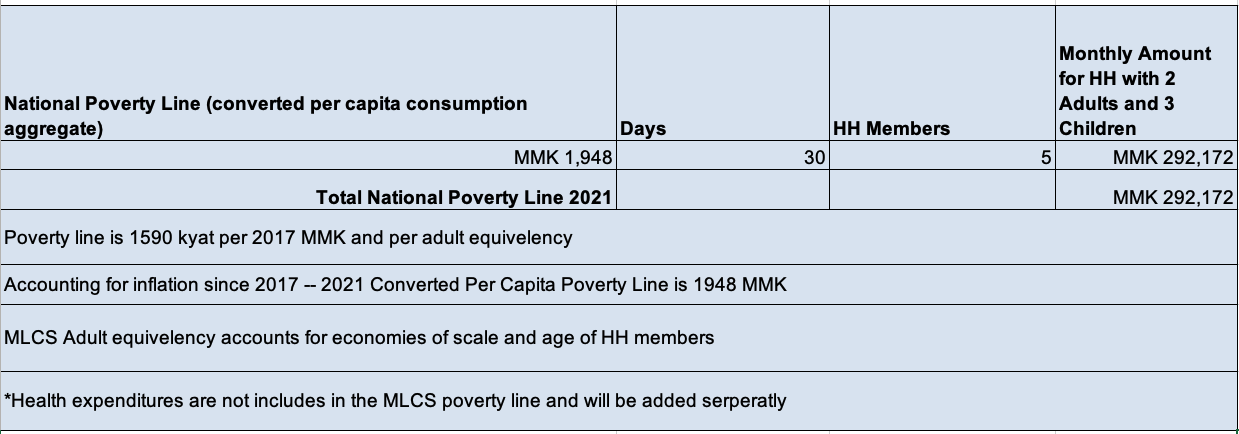
**Table 4:**



Therefore, the overall MEB (without health) calculation is:

**1948 MMK per day/per capita \* 5 (HH size) \* 30 days (1 month) = 292,172 MMK.**

**Table 5:**

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**Expenditure Shares by Category**

**Food Category**

The World Bank and CSO calculated the national poverty line by estimating the cost of a food basket based on expenditure data of the reference cohort; this information can be used to derive a food basket for the MEB[[3]](#footnote-3). Having a reference food basket with a list of food items and their quantities brings advantages in monitoring the MEB cost and shows consumption patterns.

The food basket proposed for the MEB is a simplified version of the very detailed basket used for the poverty line to make it operational and based on national average data; hence it is valid throughout Myanmar. Nevertheless, it can be adjusted further to cover specific geographical areas. It is important to note that it was not designed as a reference food basket for distribution; as such, further nutritional considerations should be factored in.

The following steps were applied to calculate the food basket for this MEB:

1. Convert 2017 MLCS per adult equivalent values to per capita equivalency - Based on a household of five members, which included a breastfed child of 12–23 months, a child of 6–7 years, an adolescent girl of 14– 15 years, and two adults, the household size per adult equivalent (AE) was calculated to estimate per capita values.

HH size AE= .67+.83+1.04+(1\*2)=4.54

**Table 6. Poverty line conversion to per capita values**



1. Reduce the number of food items - The number of food items included in the 2015/2017 food poverty line (more than 50) was reduced to 11 items contributing to most calories—these account for around 85 percent of calories in the full basket 62 percent of expenditures. The remaining expenditures, spent on items with a relatively high price per calorie, are included as a lump sum in "other food."
2. Adjustment for inflation

As the poverty line is based on data from 2017, the figures need to be inflated to 2021 nominal prices. Therefore, based on World Bank yearly inflation data from 2017 until 2021[[4]](#footnote-4), firstly, the overall poverty line was adjusted to 2021 prices, the same way as the overall MEB. Secondly, the food component was calculated based on the percentage of food expenditures of the 2017 poverty line (65.22 percent). Thirdly, food item prices were calculated based on their cost percentage in the 2017 food basket.

**Table 7: Detailed Cost of the Food Basket**

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More details on how WFP calculated the food portion of the MEB is included in Annex 1 and the [food calculation spreadsheet](https://docs.google.com/spreadsheets/d/1XOltl78hX587j1WKf3FIzDT8z1jGXczs/edit?usp=sharing&ouid=104975672525978624509&rtpof=true&sd=true).

**Summary of Primary Expenditure Categories**

The MLCS disaggregates household expenditure into four primary categories (food, non-food, housing, and durable goods).[[5]](#footnote-5) And is the starting point for calculating the expenditure percentages of the remaining categories for the MEB. After accounting for food, the remaining MEB amount of 101,617 MMK was split across the MLCS costs categories of non-food, housing, and durable goods. The percent allocated to each category is based on the expenditure patterns of households in the lowest wealth quintile. Therefore, non-food makes up 21.8%, housing 10.3%, and durable goods 3.5% of the overall MEB. Refer to table 8.

**Table 8:**

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Table 9 presents the overall total monthly amount per household and person by the primary consumption categories.[[6]](#footnote-6)

**Table 9:**

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**Housing**

The amount included in the MEB for housing is a lump sum of 29,400 MMK per month. Which is the estimated cost of what a household needs to maintain their shelter needs, either by paying rent or the cost of other essential materials to maintain their shelter. However, the regular expenditure on shelter can vary significantly between households, mainly because some households pay rent while others may not. Also, the cost of rent can vary widely between rural and urban environments, and 29,400 MMK may not be sufficient for rent in towns or urban areas. Therefore, it is important for implementing partners to understand their targeted populations and be flexible when calculating the shelter portion of a CVA transfer value.

The Shelter Cluster has also provided a one-off list of shelter items and materials needed to build a structure that meets standards. However, as these are one-time requirements, the costs go well beyond what a typical household spends on their housing needs monthly. In addition, the specific types of items required will vary depending on the type of structure being built, which often varies based on geography. Therefore, implementing agencies should understand what is included in the shelter kit for a given geography and adjust their shelter transfer values accordingly if the program hopes to achieve shelter project outputs.

**The Non-Food Sub-Categories**

**Education**

Education expenditures make up 17% of the non-food category for populations in the lowest wealth quintile.[[7]](#footnote-7) The Education Cluster also provided a secondary data review which recommends that average monthly education expenditures across all levels of education and households range from 16,747 to 23,361 MMK.[[8]](#footnote-8) However, based on the methodology used for the MEB, only 10,578 MMK was initially allocated for education-related expenditures (Table 10). Therefore, to make-up up the gap indicated by the Education Cluster, the non-descript "other" category, which includes 2,489 MMK, was shifted to education (Table 11). By adding in the "other" category, the total amount dedicated to education in the MEB is 13,067 MMK per household. This also aligns with some of the CWG partner's secondary data, which indicated a higher percent of expenditure on education than in the MLCS.

Education expenditures can vary quite significantly between households due to household demographics, geography, and displacement status. 13,067 MMK per household/month is an indicative amount. It may not fully meet all the educational needs of the target population. Therefore, when developing transfer values, particularly for meeting education-specific outcomes, it is advised that the implementing agency carefully consider the full education needs of the target population, which may be higher or lower than 13,067 MMK per household/per month.

More details can be found in the Education Cluster analysis in Annex 2.

**Table 10:**

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**Table 11:**

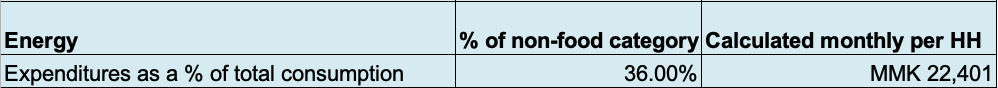
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**Energy**

Based on the MLCS data, the percentage of household expenditure on energy by those households in the lowest wealth quintile is 36% of the non-food category or 22,401 MMK (Table 12).[[9]](#footnote-9) This amount includes electricity and other household energy costs.

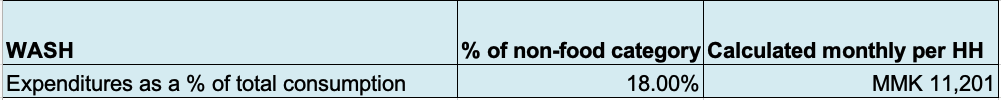
**Table 12:**



**WASH**

Based on the MLCS data, the percentage of household expenditure on WASH needs by those households in the lowest wealth quintile is 18% of the non-food share or 11,201 MMK (Table 13).[[10]](#footnote-10)

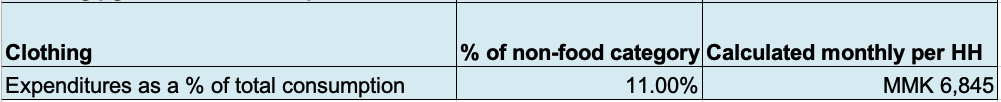
**Table 13:**

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**Clothing**

Based on the MLCS data, the percentage of household expenditure on clothing needs by those households in the lowest wealth quintile is 11% of the non-food share or 6,845 MMK (Table 14).[[11]](#footnote-11)

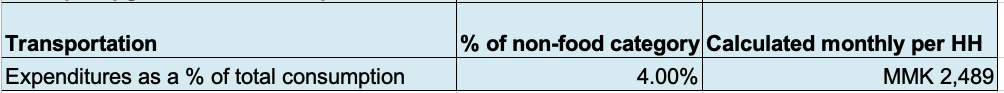
**Table 14:**

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**Transportation**

Based on the MLCS data, the percentage of household expenditure on transportation needs by those households in the lowest wealth quintile is 4% of the non-food share or 2,489 MMK.[[12]](#footnote-12)

**Table 15:**

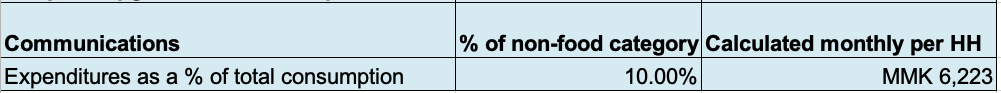


**Communications**

Based on the MLCS data, the percentage of household expenditure on communication

needs by those households in the lowest wealth quintile are 10% of the non-food share or 6,223 MMK.[[13]](#footnote-13)

**Table 16:**



**Health**

Health was added into the MEB at the last stage because it was not included in the MLCS calculation of the national poverty line. Its exclusion is due to the difficulty in measuring monthly household health expenditure because of the irregular patterns of expenditure, which are often large and one-off. However, given the MEB secondary data review indicated a significant share of household expenditure went to health-related expenses, it is included in the MEB. Despite not being included in the national poverty calculation, the MLCS did collect data on HH expenditure on health, and on average, it accounted for 7.6% of total household expenditure.[[14]](#footnote-14) Therefore an additional 7.6% or 22,205 MMK per month was allocated for health in the MEB. The Health Cluster also provided a secondary data review, which recommended that average monthly health expenditures range from 5-12% depending on HH characteristics.[[15]](#footnote-15) This review can be found in Annex 3. Therefore, the addition of health increases the overall MEB to 314,377 MMK.

**Table 17:**

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**Total MEB**

The overall MEB total uses the MLCS national poverty line methodology and applies it to the MEB household composition of two adults and three children. After health, the total 2021 Myanmar MEB increases to 314,377 MMK per household/ month.

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**Sector and Cluster Inputs**

To incorporate the rights-based approach into the Myanmar MEB exercise, the WASH and Shelter/NFI Clusters provided a list of items to include in the MEB, with estimated prices. As there will only be one Nationwide MEB, every attempt was made by the CWG and the Cluster to harmonize the State level WASH and Shelter/NFI baskets. The Education and Health Clusters reviewed the secondary data and proposed an overall percent value for the MEB instead of specific items.

**Indicative NFIs Items**

After establishing the MEB amounts by consumption category, an indicative monthly item list was created. The reason for selecting specific items that make-up an indicative MEB basket includes:

1. It identifies which items are recurring or items that would need to be replaced monthly. These items are prioritized for inclusion in the indicative item list because the MEB is designed to meet monthly recurring needs.
2. It identifies high-priority items so that implementing agencies know what they are and include them when developing their indicative transfer values.
3. The MEB can be a starting point for item price monitoring through partners. The CWG and partners can use the prices of a diverse set of critical items to justify adjustments to the MEB based on the current market prices. While some of the consumption categories utilize percent of consumption share and not particular items, those with specific items allow for a more straightforward approach to adjusting the MEB value.

Partners should note that all items included in the indicative item NFI list are indicative and may not be relevant in every location or for every beneficiary.

**Table 19: Indicative MEB NFI List**

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**Cluster One-Off List**

The Shelter/NFI and WASH Clusters also provided a 'one-off basket' of items and quantities that meet the cluster standards. All the prices have been collected and provided by either Mercy Corps, Shelter/NFI, or WASH clusters. The total amount for all the one-off items is 467,600 MMK. However, as the MEB primarily deals with regular recurring expenditures, this is added information for implementing agencies to understand better the packages proposed by the Clusters. In particular, this list may be beneficial to partners responding to new displacements or sudden-onset emergencies.

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**Household Expenditure Analysis from Available Secondary Data**

To help triangulate the data from the MLCS, the CWG also analyzed Mercy Corps' household expenditure data from 893 program participant households collected in January 2021. The data included six townships, specifically Sittwe, Mrauk-U, Rathedaung, Pauktaw, Minbya, and Ponnagyun. It covered a mix of IDPs displaced in the recent conflict and vulnerable rural village populations outside the main township centers. The data also included household-level negative coping strategy indicators. This data allowed us to filter out the poorest of the poor households that cannot meet their basic needs on their own. In all areas assessed, the average household monthly expenditure ranged from 194,952 MMK in Ponnagyun to 483,730 MMK in Mrauk-U. There was no significant difference between the household expenditure of those households that engaged in negative coping strategies and those that did not. Therefore, the analysis looked at all 893 program participant households assessed. Table 21 includes a summary of household-level monthly expenditure by sector.

**Table 21:**

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More details of the Mercy Corps household expenditure data, including geographic and negative coping strategy disaggregation, can be found in the MEB calculation template. The Mercy Corps data and other secondary household expenditure data reviewed indicate that the proposed Myanmar MEB is consistent with beneficiary household expenditure patterns.

**Minimum Wage, Cash for Work Rates, and Social Protection Transfers**

The minimum wage, cash for work rates, and social protection amounts were also analyzed for reference purposes.

* The current minimum wage in Myanmar is 4,800 MMK per day. This amount has not changed since 2018, and it has been well documented that this amount is not sufficient for households to meet their basic needs.
* Many CWG partners implementing cash for work provide between 6-8,000 MMK per day for unskilled labor and 8-10,000 MMK per day for skilled labor.
* The Maternal and Child Cash Transfer Program (MMCT), the flagship social protection program, provides 15,000 MMK per month to pregnant women and children under two.

**How to use the MEB for the transfer value development**

The MEB provides a monetary value for what a household on average requires to meet their basic needs on a monthly basis. The MEB is a tool used by CVA practitioners. Therefore, it is crucial for the implementing agency to understand the community's needs they plan on assisting and tailor the transfer values accordingly. However, in the subsequent sections, the CWG will provide some guidance on using the MEB tool and highlight a few potential options for using it to calculate transfer values.

**Expenditure Based Gap Analysis**

Based on data from the MLCS, households in the lowest wealth quintile have some capacity on their own to meet their needs. And the amount households cannot meet on their own is considered the gap in assistance. This 'gap analysis' is the recommended method for calculating transfer values. According to the MLCS data, the average expenditure of a HH in the lowest wealth quintile is 235,091 MMK. Therefore, the gap between 235,091 MMK and the MEB amount of 314,377 MMK is one way to calculate a transfer value. **This gap of 79,286 MMK is what would typically be required for a household of five in the first wealth quintile to meet their basic needs.** Note that this approach may not be relevant for all target populations, and it is recommended that each agency conduct its own gap analysis, if possible.

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**Targeted Sectoral Support**

This approach requires a needs or household expenditure assessment, which informs which sectors are in need by the target population. This data informs decision-makers about which sectors to cover in the transfer amount and how much assistance to include. The implementing agency may need to decide on gaps to fill and prioritize specific sectors due to program priorities or funding constraints. Other aspects of CVA feasibility, including the market capacity to meet those needs, should also be considered.

A hypothetical example of how implementing agencies may use this approach:

A rapid needs assessment is conducted, and it is determined that none of the monthly WASH needs can be met by the target population on their own, including the specific items listed in the MEB. In addition, the implementing agency determines that cash assistance is an appropriate modality to meet the target population's monthly WASH needs. According to the MEB analysis, the recurring monthly WASH needs are 10,500 MMK per household and could be the potential transfer amount.

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**Incorporation of One-off Items**

While the MEB focuses on recurring monthly expenditures, new displacements do occur. Therefore, a' one-off list' has been established to help agencies with CVA baskets and transfer values more broadly. This is not meant to replace the MEB but as an additional tool for implementing agencies needing to respond with CVA for non-recurring items. The list consists of the sectoral items endorsed by the Shelter/NFI and WASH clusters. In addition, items have also been indicated as priority or life-saving to further support implementing agencies.

Similar to the targeted sectoral support approach, this approach is predicated on the needs of the target population. It allows partners to build a package of support made up of both one-off and recurring items. If it is determined that it is appropriate to provide CVA for those items, implementing agencies can calculate the value of the transfer from the item price list.

A hypothetical example of how implementing agencies may use this approach:

An implementing agency determines that the targeted population needs a complete kitchen set and that CVA is appropriate for delivering that assistance. The implementing agency decides to provide a transfer that is enough to cover the cost of the complete kitchen set. Based on the one-off list and the indicated prices, the agency can add up the prices of the items in the kitchen set, and this could be the possible transfer amount, which would be 37,450 MMK.

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**Conclusions**

This MEB is calculated based on the National Poverty Line defined at the national level. While using the poverty line is an adequate and robust solution, there are certain limitations:

* The data of the poverty line are from 2015/17. Since then, Myanmar has seen not only inflation but also several shocks. While the MEB exercise adjusted for inflation, inflation (as a result of multiple factors, including currency devaluation) can still affect relative prices of goods, the consumption behavior of households, and therefore the MEB. Shocks will influence the income of households and their own capacity to meet essential needs. Additionally, they will, in the short term, increase needs. **Newer data would be required to estimate these effects**.
* The poverty line is a national measure and not specific to any geographic region or target population. **Additional primary data collection and analysis would be required to include a population-specific MEB**, which may be necessary for specific groups and could be added at a future time as an annex to this report. Additional guidance on how to adapt the national MEB in areas with significant variations in living costs/expenditures may also be considered by the CWG and partners at a later stage.
* There are challenges in getting up-to-date price data to adjust the MEB, highlighting the need for a **monitoring system to track MEB price changes**. Individual item prices are reported by partners on the ground but may not represent all regions and is a patchwork approach in the absence of a robust monitoring system. Establishing a robust monitoring system of the items included in the MEB could justify an increase in the MEB if prices change above an agreed-upon threshold. The CWG can also closely monitor the overall inflation rate, as reported regularly by the World Bank, and analyse whether the overall inflation data justifies an increase of the overall MEB or specific sectors.
* For the gap analysis, **it is** **crucial to understand how much of the needs vulnerable households can cover from their own resources.** This would also include assistance received from other implementing agencies.
* While a few approaches and examples have been presented for calculating transfer values using the MEB as a basis. **It is recommended that each agency coordinate closely with other agencies and sub-national CWGs in determining a transfer value. For example, consider the specific populations being assisted and conduct your own gap analysis if necessary.**

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**Annex 1 – Food Analysis**

**Estimation of Household (HH) food basket composition as part of Minimum Expenditure Basket (MEB), Myanmar**

**WFP**

For Myanmar, a poverty line is available, that is based on 2017 Myanmar Living Condition Survey[[16]](#footnote-16). The poverty line is based on the cost-of-basic-needs approach, methodologically sound and well documented.

No newer household expenditure data is available, that would be better suited to reflect the needs of the targeted population. For these reasons, an expenditure-based approach is chosen that is based on the poverty line from 2017 – and allows for a MEB that is rooted in consumer behaviour, already widely accepted and timely available.

Since the poverty line has been constructed by estimating the cost of a food basket, based on expenditure data of the reference cohort, this information can be used to derive a food basket for the MEB[[17]](#footnote-17). This food basket is a simplified version of the very detailed basket used for the poverty line to make it operational and based on national average data; hence it is valid throughout Myanmar. Nevertheless, it can be adjusted further to cover specific geographical areas.

The following steps were applied to calculate the food basket for the purpose of this MEB:

1. Convert 2017 MLCS per adult equivalent values to per capita

Based on a household of five members, which included a breastfed child of 12–23 months, a child of 6–7 years, an adolescent girl of 14– 15 years, and 2 adults, the household size per adult equivalent (AE) was calculated to estimate per capita values.

HHsize AE= .67+.83+1.04+(1\*2)=4.54

*Table 1. Poverty line conversion to per capita values*



1. Reduce the number of food items

Number of food items included in the 2015/2017 food poverty line (more than 50) were reduced to 11 items contributing to most calories. These account for around 85 percent of calories in the full basket, and 62 percent of expenditures. The remaining expenditures, spent on items with a relatively high price per calorie, are included as a lumpsum in "other food".

1. Adjustment for inflation

As the poverty line is based on data from 2017, the figures need to be inflated to 2021 nominal prices. Based on World Bank yearly inflation from 2017 until 2021[[18]](#footnote-18), firstly, overall poverty line was adjusted to 2021 prices. Secondly, the food component was calculated based on the percentage of food expenditures of the 2017 poverty line (65.22 percent). Thirdly, food item prices were calculated based on their cost percentage in 2017 food basket.

*Table 2 and 3. Food basket price adjustment for inflation*





**Food Basket Composition**

The food MEB presented below should be understood as the *average, recurrent food needs*, based on the 2017 consumption behaviour, but priced at 2021 prices. They are calculated per month and per capita. To allow for better comparison, we also present per household values for a household of 5, (rounded up average household size of 4.6 according to the 2019 Inter-censual Survey[[19]](#footnote-19)).

*Table 3. National itemized food basket, 2021 (kyats)*



Because food items rich in nutrients are usually relatively expensive per calorie and relatively diverse, additional nutritious food items are accounted for in expenditures of the "other food" item. The items listed as such will therefore not suffice requirements in regards of nutrition – this does not mean that the basket does not allow for a nutritious diet, as can be seen from the following analysis.

**Nutritional value**

The proposed ration, which is intended to ensure diverse diet of the target population, provides at least 100 percent of the energy requirement for general population (>= 2,100 kcal). In addition, based on the 11 food items identified, it provides approximately 70 percent of protein and 92 percent of fats requirement. Further, it's also meant to provide between 20 percent to 45 percent of nutrients such as iron, calcium, zinc, vitamin B1, B2, folate and vitamin C.

**Limitations of the analysis**

This report recommended the use of food poverty line defined at national level as the food minimum expenditure basket. While using the poverty line is an adequate and robust solution, there are certain limitations:

* The data of the poverty line are from 2015/17. Since then, Myanmar has not only seen inflation, but also several shocks. Inflation can affect relative prices of goods, the consumption behaviour of households, and therefore the MEB. Shocks will influence the income of households and their own capacity to meet essential needs. Additionally, they will in particular in the short-term increase needs. **Newer data would be required to estimate these effects**.
* Challenges in getting recent price data to adjust price of the basket, which points to already start thinking of a **monitoring system to track MEB price changes**. Currently, it heavily relies of Government price data. WFP market monitoring covers less townships and not all MEB food items proposed.
* For the gap analysis, it is important to understand which part of their needs vulnerable households are able to cover based on their own resources. To not bias this result by assistance household already received, it is recommended to deduct any assistance received in kind or cash. This information is however not available in the living conditions survey.

**Annex 2 – Education Analysis**

**EiE Sector Inputs for Myanmar Minimum Expenditure Basket**

**Myanmar Living Conditions Survey – Socioeconomic Report**

"In 2017, households in Myanmar spend on average 5.1 percent of their total consumption on any educational expenditures and 4.1 percent on expenditures related only to basic education."

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Average annual education expenditures | | | |  |
|  | Total Costs | |  | Basic Costs |
|  | All schools | Govt-run | Average | Govt-run |
| Primary | 103000 | 95500 | 99250 | 78000 |
| Middle | 173500 | 169900 | 171700 | 123200 |
| High | 602400 | 537700 | 570050 | 346400 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Share of expenses | Primary % Primary expenditures | | Middle % | Middle school expenditures | High % | High school expenditures |
| Meals/snacks | 44.9 | 44,563 | 33.5 | 57,520 | 17.8 | 101,469 |
| Tutoring | 20 | 19,850 | 26.2 | 44,985 | 31.8 | 181,276 |
| Textbooks/uniforms | 21.9 | 21,736 | 23.5 | 40,350 | 12.1 | 68,976 |
| Accommodations | 1.3 | 1,290 | 5.5 | 9,444 | 27.1 | 154,484 |
| Transport | 3.8 | 3,772 | 4.5 | 7,727 | 2.2 | 12,541 |
| School fees | 2.3 | 2,283 | 1.6 | 2,747 | 5.2 | 29,643 |
| Other | 5.6 | 5,558 | 5.2 | 8,928 | 3.9 | 22,232 |

|  |  |
| --- | --- |
| Average monthly cost (over 12 months) in MMK | |
| Primary | 8271 |
| Middle | 14308 |
| High | 47504 |

|  |  |
| --- | --- |
| Average monthly cost (over 10 month academic year) | |
| Primary | 9925 |
| Middle | 17170 |
| High | 57005 |

|  |  |  |
| --- | --- | --- |
| Average monthly cost (12 months, separated by recurrent and lump sum for textbooks and uniforms at beginning of AY) | | |
|  | Recurrent Monthly cost (over 12 months) | Lump sum for beginning academic year |
| Primary | 6460 | 21,736 |
| Middle | 10946 | 40,350 |
| High | 41756 | 68,976 |

* The average monthly cost (over calendar year) for education is **23,361 MMK** – this is the average of primary+middle+high school – by taking average of 3, it should be adequately weighted to the lower primary/middle school expenditures.
* If factoring in the recurrent monthly costs listed in MLCS (transport, meals/snacks, etc.) versus the initial academic year costs (textbooks, uniforms, supplies) then the average monthly expenditure is **19,720 MMK** plus an average annual cost of **43,687 MMK**.

The average expenditure at the beginning of the academic year can be corroborated by the **list of items included in NRC's education CVA program in the Northeast**, intended for purchase at the beginning of the academic year in May/June. The cost of uniforms alone is 33,500 MMK – some items could be excluded if covered by other sectors, such as shampoo and soap given by WASH actors. See annex 1 for list.

**Mercy Corps PDM in Central Rakhine State**

* Among all households, average monthly expenditure on education was 16,747 MMK
* Among households without negative food security indicators (likely meeting needs without negative coping mechanisms), the average monthly expenditure was 18,029 MMK
* Among the 51% of households with education expenditures, the average monthly expenditure was 34,301 MMK

**Summary**

* The average monthly expenditure across all levels of education and households ranges from 16,747 MMK (MercyCorps) to 23,361 MMK (MLCS)
* However, this does not recognize temporal spending patterns, i.e. the 22,000 to 69,000 MMK households spend at the beginning of the academic year.
* It also does not consider what proportion of school-aged children in households are attending primary, middle or high school and the different costs associated with each.
* Finally, some populations will have higher, location-specific costs. This may be tied to transportation to schools or costs of supporting community-based education in areas without/beyond government services.

**Annex 1 - NRC Item List for Voucher Assistance**



**Annex 3 – Health Analysis**

**Estimation of HH health expenditure as part of MEB**

**28 January 2021**

| **Sr No** | **Reference** | **Page** | **Findings relevant for Health** |
| --- | --- | --- | --- |
| 1 | Myanmar Living Conditions Survey 2017:  <http://documents1.worldbank.org/curated/en/151001580754918086/pdf/Myanmar-Living-Conditions-Survey-2017-Socio-Economic-Report.pdf>  <https://www.mm.undp.org/content/myanmar/en/home/library/poverty/MLCS.html> | 40 to 41 | "*On average,* ***households spend almost******300,000 kyat per year (in 2017 nominal kyat) in health expenditures****, which includes costs incurred from healthcare utilization (i.e., inpatient and outpatient care and associated transportation and accommodation costs) as well as other expenditures on medication and drugs. Nearly all households have some health expenditures, with eight out of ten households having expenditures from healthcare utilisation and eight out of ten having expenditures on medicine and other drugs. Only 6.9 percent of households report zero spending on health. On average, costs incurred from* ***outpatient care account for 46.8 of household health expenditures, while spending on medicine and drugs account for another 35.6 percent. Inpatient care constitutes only 8.0 percent of total health expenditures****. In general, urban households spend 66.3 percent more than rural households on health, and the non-poor spend 88.1 percent more than the poor on health expenditures. The share of total health expenditures spent on different types of health expenses are similar across residential areas and welfare quintiles*."  "… *On average, health expenditures constitute* ***7.6 percent*** *of total household consumption in 2017, and marginal differences exist between urban and rural areas. For most households (64.3 percent), health*  *expenditures represent* ***less than 5 percent*** *of total household consumption*…"  Assuming the 300,000 MMK HH health expenditure in 2017 are comparable to out-of-pocket payments, then breakdown as follows:   |  |  |  | | --- | --- | --- | | **Expenditure type** | **%** | **Cost (per month; MMK)** | | ***Outpatient care*** | 46.8 | 11,700 | | ***Medicine and drugs*** | 35.6 | 8,900 | | ***Inpatient care*** | 8.0 | 2,000 | | ***Total*** | **90.4** | **22,600** |   **Extrapolated guide for HH health expenditure per month in MEB is 20,600 MMK**. Excludes support for inpatient care. |
| 2 | 2017 Sittwe Camp Profiling 2017 | 84, 105 | "*The most commonly cited reason why households did not seek healthcare for serious health issues was the costs involved…households often have difficulties covering the additional costs associated with healthcare. These include: medication, caregivers, transport, informal payments, communication costs (including phone bills)…*"  Reported spending for the previous month prior to data collection was between 10,000 to 20,000 MMK across different groups.   |  |  |  |  | | --- | --- | --- | --- | | **Group** | **Average monthly income (MMK)** | **Health spending, previous month (MMK)** | **Expenditure % of income** | | Muslim villages | 35,000 | 10,000 | 28.6% | | Rakhine village | 75,000 | 20,000 | 26.7% | |
| 3 | Malteser PDM Kayin | 9 to 10 | 140 out of 147 respondents that they used the cash transfer to include healthcare services.  Cash transfer as part of the COVID‐19 response within the "Health as a Bridge to Peace" project, Kayin State, Myanmar. Does not specify what percentage of the cash transfer was used on health. |
| 4 | HEA Kachin Presentation Powerpoint  Preliminary Finding Presentation on KMSS IDP Household Economic Analysis in Kachin | Slides 21, 30 | 4 to 7% of HH respondents used the cash for health costs. Does not specify what percentage of the cash transfer was used on health.  Median monthly expenditure for health is between **5,000 to 6,000 MMK**. Of the total extrapolated expenditure of 342,900 MMK, **percentage of health of the median monthly expenditure** is at **1.5%**. |
| 5 | KMSS Assessment Report Kachin and Northern Shan | 11 | Proportion of HH expenditure spent on health category: **12.56%** |
| 7 | World Vision Covid Needs Assessment Presentation | Slide 13 | HH affordability of basic expenses on health care / medicine:   * 23.6% Fully * 57.6% Partially * 15.8% Not at all * 3.0% Don't know |
| 8 | Myanmar National Health Accounts 2016 to 2018  Reference: <https://www.mohs.gov.mm/Main/content/publication/national-health-accounts-myanmar-2016-2018> | 6 | Per capita health expenditure, out of pocket (OOP) expenditure, 2018, extrapolated at about 45 USD.  cid:image001.jpg@01D6F4E6.4900E860   * Further extrapolation: 45 USD/ 12 mos x 5 pax per HH = 18.75 USD per HH per month (assuming Census 2014 data of 5 pax per HH average) * Converting to MMK at 1 USD = 1,549.34 MMK at 31 December 2018 exchange rate, then estimate **29,050 MMK per HH per month**   cid:image002.jpg@01D6F4E6.4900E860  Exchange rate from exchange-rates.org as at 31 December 2018 |
| 9 | 75.7% of recurrent health expenditures are OOP |
| 11 | 76% of current health expenditure is OOP, 2018 |
| 12 | Recurrent health spending by type of provider, 2018:   |  |  | | --- | --- | | **Health care provider** | **%** | | HP1 Hospitals | 39.2 | | HP2 Residential long-term facilities | 0.3 | | HP3 Providers of ambulatory care | 34.1 | | HP4 Providers of ancillary services | 0.3 | | HP5 Retailers and other providers of medical goods | 15.1 | | HP6 Providers of preventive care | 6.8 | | … |  | |  | 95.8 |   Extrapolation: highlighted categories proposed for MEB if focus is primary care (i.e. non-hospital, non-administrative) only: 56.3% of the OOP  With reference to page 6 data, then 56.3% primary care spending x 29,050 MMK = **16,355.15 MMK per HH per month accounting for direct health costs and out-of-pocket expenditure**  Excludes analysis of costing by disease type. |

**Summary findings:**

* That health is indeed a need and component of monthly expenditures of the MEB (Reference: Malteser PDM Kayin, HEA Kachin Presentation Powerpoint, Action Aid Cash Survey Kachin, World Vision Covid Needs Assessment Presentation)
* **Proposed range of allocation for health as part of monthly MEB for outpatient and primary care**:
  + **Minimum: 16,355 MMK** (Extrapolated from Myanmar National Health Accounts 2016 to 2018; Corroborated with findings from 2017 Sittwe Camp profiling 2017)
  + **Maximum: 20,600 MMK** (Extrapolated from Myanmar Living Conditions Survey 2017)
  + That this proposed range:
    - excludes hospitalization and additional specialized care (Extrapolated from Myanmar Living Conditions Survey 2017, )
    - excludes sub-analysis of expenditure per disease type
    - may be higher for HH with added vulnerabilities such as elderly (Reference: Action Aid Cash Survey Kachin)
* **If** the exact cost cannot be met due to a ceiling amount for MEB and in consideration of other expenditure priorities, then percentage approach is an option for allocation. The **proposed percentage for health expenditure is from 5 to 12%** depending on HH characteristic with added vulnerability:
  + 5% or less (Myanmar Living Conditions Survey 2017)
  + 7.6% average (Myanmar Living Conditions Survey 2017)
  + 12.56% (KMSS Assessment Report Kachin and Northern Shan)

1. WFP Minimum Expenditure Basket Interim Guidance, 2018. [↑](#footnote-ref-1)
2. Please see p.15 for further guidance on how to use the MEB for transfer value development. [↑](#footnote-ref-2)
3. 2017 food poverty line is based on the food basket composition of 2015, adjusted to 2017 prices. Detailed information of food basket composition can be found in: Government of Myanmar, Ministry of Planning and Finance, and the World Bank, December 2017. [“Technical poverty report: Myanmar poverty and living conditions”](https://openknowledge.worldbank.org/handle/10986/29037) [↑](#footnote-ref-3)
4. World Bank, July 2021[, “ Myanmar Economic Monitor”](https://pubdocs.worldbank.org/en/525471627057268984/Myanmar-Economic-Monitor-July-2021) [↑](#footnote-ref-4)
5. [↑](#footnote-ref-5)
6. It is important to note that health was excluded from the CSO/WB MLCS expenditure shares because they considered health expenditures too irregular to consider for the poverty line exercise. However, for the MEB exercise it was included, and is added into the MEB calculation at the end. [↑](#footnote-ref-6)
7. Government of Myanmar, Ministry of Planning and Finance, and the World Bank, December 2017. [“Technical poverty report: Myanmar poverty and living conditions”](https://openknowledge.worldbank.org/handle/10986/29037) [↑](#footnote-ref-7)
8. [Education in Emergencies Sector Inputs for Myanmar Minimum Expenditure Basket.](https://docs.google.com/document/d/11iYyHLsFUOepRtou2l4HmYbOt-rg_d2A/edit?usp=sharing&ouid=104975672525978624509&rtpof=true&sd=true) [↑](#footnote-ref-8)
9. Government of Myanmar, Ministry of Planning and Finance, and the World Bank, December 2017. [“Technical poverty report: Myanmar poverty and living conditions”](https://openknowledge.worldbank.org/handle/10986/29037) [↑](#footnote-ref-9)
10. Government of Myanmar, Ministry of Planning and Finance, and the World Bank, December 2017. [“Technical poverty report: Myanmar poverty and living conditions”](https://openknowledge.worldbank.org/handle/10986/29037) [↑](#footnote-ref-10)
11. Government of Myanmar, Ministry of Planning and Finance, and the World Bank, December 2017. [“Technical poverty report: Myanmar poverty and living conditions”](https://openknowledge.worldbank.org/handle/10986/29037) [↑](#footnote-ref-11)
12. Government of Myanmar, Ministry of Planning and Finance, and the World Bank, December 2017. [“Technical poverty report: Myanmar poverty and living conditions”](https://openknowledge.worldbank.org/handle/10986/29037) [↑](#footnote-ref-12)
13. Government of Myanmar, Ministry of Planning and Finance, and the World Bank, December 2017. [“Technical poverty report: Myanmar poverty and living conditions”](https://openknowledge.worldbank.org/handle/10986/29037) [↑](#footnote-ref-13)
14. Government of Myanmar, Ministry of Planning and Finance, and the World Bank, December 2017. [“Technical poverty report: Myanmar poverty and living conditions”](https://openknowledge.worldbank.org/handle/10986/29037) [↑](#footnote-ref-14)
15. [Estimation of HH health expenditure as part of the MEB.](https://docs.google.com/document/d/111uoAh-coAtNGDPywBd1vdCfSau0FyLH/edit?usp=sharing&ouid=104975672525978624509&rtpof=true&sd=true) [↑](#footnote-ref-15)
16. <https://documents1.worldbank.org/curated/en/921021561058201854/pdf/Myanmar-Living-Condition-Survey-2017-Report-3-Poverty-Report.pdf> [↑](#footnote-ref-16)
17. 2017 food poverty line is based on the food basket composition of 2015, adjusted to 2017 prices. Detailed information of food basket composition can be found in:

    Government of Myanmar, Ministry of Planning and Finance, and the World Bank, December 2017. [“Technical poverty report: Myanmar poverty and living conditions”](https://openknowledge.worldbank.org/handle/10986/29037) [↑](#footnote-ref-17)
18. World Bank, July 2021[, “ Myanmar Economic Monitor”](https://pubdocs.worldbank.org/en/525471627057268984/Myanmar-Economic-Monitor-July-2021) [↑](#footnote-ref-18)
19. <https://www.dop.gov.mm/en/publication-category/2019-inter-censal-survey> [↑](#footnote-ref-19)