



Setting a food transfer value

April 11, 2024





1. Method 1: Food Expenditure GAP analysis

2. Method 2: Food basket equivalency

3. AOB.

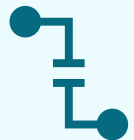
METHOD 1: Food expenditure gap analysis



When setting cash transfer value, a **gap analysis** is often used.



A **gap analysis** measures distance between the cost of households' essential needs and their economic capacity to cover those needs.

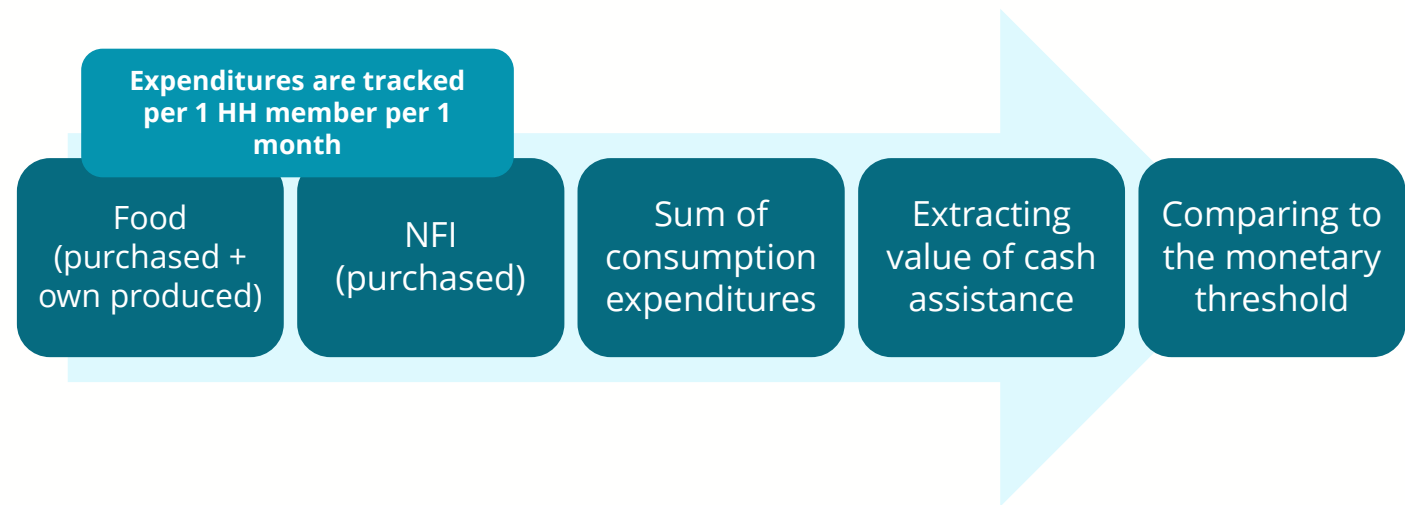


Which gap? The cash transfer value could be set based on essential needs gap, food gap or other gap, depending on objective of assistance.

Step 1. Identifying cost of essential needs, computing HHs' economic capacity

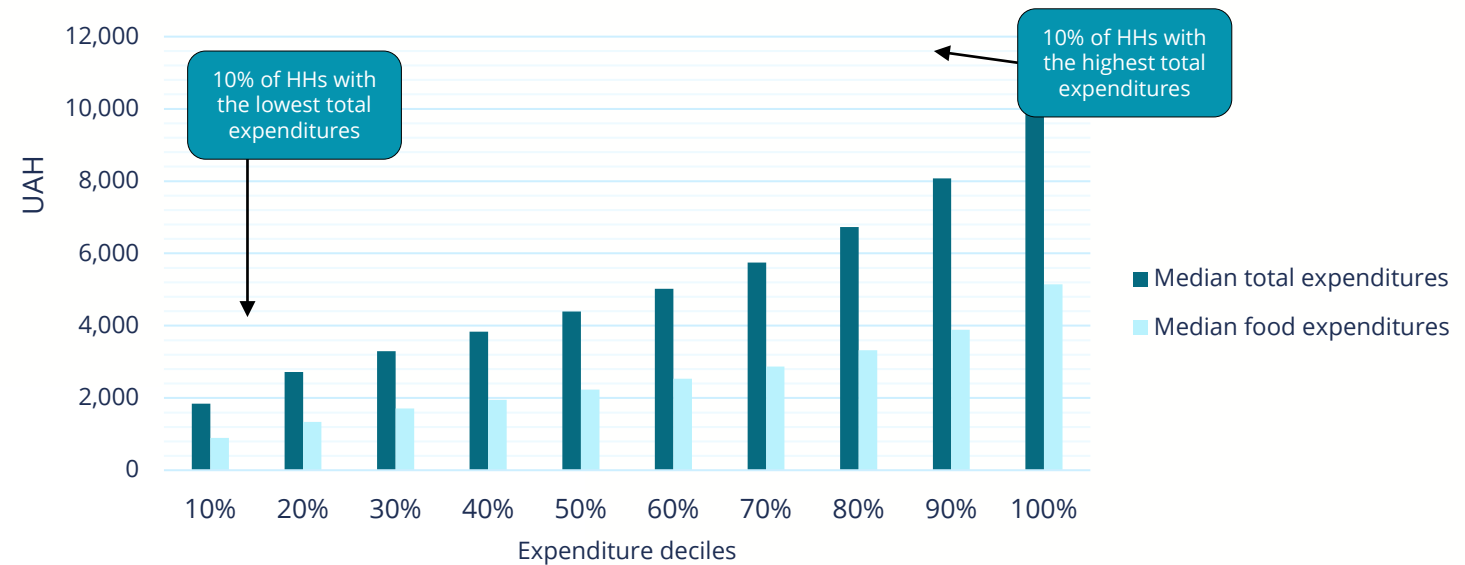
The cost of essential needs, e.g. the Minimum Expenditure Basket, established by CWG in 2023 is set to 6,318 UAH/person/month, the food part of which is 2,324 UAH/person/month.

HHs' economic capacity is calculated based on ECMEN indicator, which tracks HH's economic capacity using their expenditures on essential items. The data from the MSNA 2023 assessment is used for this estimation



Step 2. Defining expenditures for the poorest 10%

Households are sorted by the sum of expenditures and classified into 10 equal groups, representing 10% of assessed households each. Median expenditures and food expenditures per decile are calculated.



METHOD 2: Food basket equivalency



The in-kind food basket in Ukraine is set to provide **60% of daily kcal needs**, based on assessment of beneficiary households' own ability to cover part of their food needs



A simple 'check' on the food transfer value is to take 60% of the food MEB value:

$$60\% * 2,324 \text{ UAH} = 1,394 \text{ UAH}$$

General Food Distribution basket composition

All compared food baskets have the following items in common:

- Pasta
- Oats
- Flour
- Meat
- Beans
- Oil
- Salt



AOB





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FOOD SECURITY
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THANK YOU!

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