



Afghanistan Cash & Voucher Working Group (CVWG) Minimum Expenditure Basket (MEB) and Setting the Transfer Value (TV)

Guidance Document

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*Prepared by:
Cash Working Group Coordinator
Hassan Ibrahim–NORCAP–CashCap.
Marc Serna –WFP*

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1. Context and Background to the Minimum Expenditure Basket

Afghanistan is a shock-prone country and is one of the world's most complex humanitarian emergencies due to the compounding nature of crises. Widespread poverty, recurrent natural disasters such as earthquakes, droughts, and unpredictable flash floods, the economic crisis, and the restrictive aftermath of the political developments in August 2021 have generated elevated levels of needs and vulnerabilities within Afghanistan. REACH-WoAA 2023 report, 51% of households (HHs) reported experiencing at least two shocks in the past year. These levels are similar among different population groups but are higher for rural households (60% compared to 25% of urban households)¹. The 2023 Humanitarian Response Plan (HRP) projected that 28.3 million people would be in humanitarian need throughout the year². Financial barriers and lack of employment are identified as major drivers of poverty and vulnerability. 80% of households have an income of less than 1 USD per day per household member, and 76% of households have debt, like 2022 levels. However, the average debt amount has slightly decreased from 59,000 AFN in 2022 to 47,000 AFN in 2023. Regarding coping strategies, 60% of female-headed households reduced health expenditures (up from 40% in 2022), and 21% withdrew their children from school due to a lack of food or income to buy food, compared to 41% and 8% respectively for male-headed households. Moreover, 58% of female household members faced barriers to engaging in employment, (lack of job opportunities 50%, lack of education 59%, and social and cultural restrictions 59%)³.

Aftermath the political development in the country in August 2021 and the ban on the employment of women in NGOs in December 2022, the restriction on women's economic inclusion have increased, in addition to cultural and societal barriers are affecting women and girls' access to basic services as they are increasingly required to have a male companion (Mahram). Given the above background, the CVWG decided to review the MEB. This was triggered by the reasons below;

A previous agreement between the CVWG, and ICCT, to revise the MEB every six months, this review was conducted to provide up-to-date guidance to humanitarian operations. Based on the series of discussions held bilaterally with clusters and within the CVWG, the MEB was reviewed in September 2023 and approved in October 2023.

2. Objective of this Guideline

The objective of this guideline is to provide direction to the CVA Actors in Afghanistan on the calculation of the transfer values (TVs) for sectoral responses in addition to Multipurpose Cash Assistance (MPCA) by using

¹ [REACH Initiative 19 September 2023 \(Whole of Afghanistan Assessment 2023\)](#)

² [Afghanistan-Humanitarian-Response-Plan-2023 \(2\).pdf](#)

³ [\(Whole of Afghanistan Assessment 2023\)](#)

the MEB. This is a living document which will be amended as per the evolving context in Afghanistan. The document brings sectoral expertise, fostering greater involvement of sector working groups in MPCA interventions, along with other activities to best reach intended sectoral outcomes that can contribute to achievement of humanitarian objectives.

3. Why a Minimum Expenditure Basket?

The MEB is meant to guide the CVA Actors to design sectoral and multi- sectoral assistance packages in addition to MPCA designs. The MEB is designed to calculate the minimum expenditure of a typical Afghan family of 7 members. It helps the CVA actors to achieve the following:

- support decisions on transfer value amounts for food and non-food needs, including supporting multi-sector coordination (partners, and donors),
- inform decisions on which goods and services to assess in a supply/market assessment,
- To help establishing a relevant basket against which to monitor market prices and the cost of living⁴,
- identify additional packages outside the scope of the MEB,

This harmonization guidance note proposes a reference average value of **USD 140** per family of 7 per month to meet basic needs. **To ensure stability of the MEB and Humanitarian planning and implementation during the current process of exchange change variability, the MEB is calculated in USD, and has to be updated at least every 6 months. Final transfer values should be exchanged to the Afghani equivalent using the prevailing exchange rates during CVA project implementation.**

4. Defining the Minimum Expenditure Basket

The Minimum Expenditure Basket (MEB) **is defined as an average cost of what a typical household requires to meet basic needs – on a regular basis – that could be covered entirely or partly through the market. Essential/basic needs are defined as essential goods, utilities and services required by households to ensure minimum living standards**⁵. A MEB does not equate to the following;

- all the essential needs of a household. A MEB is only supposed to capture basic needs that the household could cover entirely or partly through the market,
- a MEB is not equivalent to a transfer value – although a MEB is a critical factor when determining transfer values, transfer values are dependent on the capacity of the HHs to cater for their own essential needs with their own resources, other assistance received as well as what the program aims to achieve⁶,

⁴ WFP Minimum Expenditure Baskets Interim guidance note, WFP VAM | Food Security Analysis December 2020,

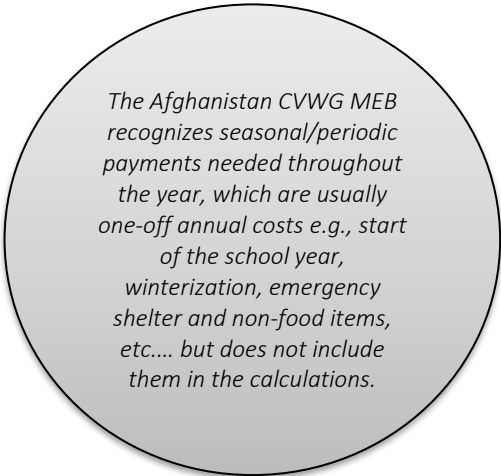
⁵ Minimum Expenditure Basket Harmonization Guidance Cash Based Interventions National Technical Working Group Refugee Response; file:///C:/Users/george.bete/Downloads/190327_MEB%20Harmonization%20Guidance%20V.1.pdf;

⁶ Minimum Expenditure Basket Harmonization Guidance Cash Based Interventions National Technical Working Group Refugee Response; file:///C:/Users/george.bete/Downloads/190327_MEB%20Harmonization%20Guidance%20V.1.pdf;

5. The Objectives of the Minimum Expenditure Basket

The Afghanistan CVWG recommended MEB designed as a threshold level of the cost of the minimum, culturally-appropriate items that a typical family of seven needs on a recurrent basis for one month, aims to achieve the following:

- develop a collective understanding of the data available to determine the ‘baseline’ or reference point for calculating the gap analysis and options for transfer values,
- encourage a consistent, harmonized and coordinated approach to meeting vulnerable Afghan needs through a market-based approach that is empowering and dignified,
- increase overall response efficiency and effectiveness. This will reduce logistical costs as well as reduce wastage from people receiving items that do not match their actual needs,



The Afghanistan CVWG MEB recognizes seasonal/periodic payments needed throughout the year, which are usually one-off annual costs e.g., start of the school year, winterization, emergency shelter and non-food items, etc.... but does not include them in the calculations.

6. How the Minimum Expenditure Basket was reviewed in Afghanistan

In Afghanistan, the Minimum Expenditure Basket (MEB) is being reviewed on a six-month cycle, in accordance with a previous agreement between the CVWG, and ICCT to revise the MEB every six months. The last review of the MEB took place in April 2023, and a new revision cycle was commissioned in September 2023 to cover a period of six months (October 2023 to April 2024). In Afghanistan, the CVWG is maintaining a national-level MEB, and there is no provincial level MEBs or reviews as the national MEB covers wider consultations and market prices data collection.

7. Methodology

The CVWG facilitated the MEB revision process with a desk review and data analysis from different data sources. Separate bi-literal meetings took place with some of the active CVA actors in Afghanistan to discuss the most critical issues to consider during the revision process. Joint meetings with Cluster Leads followed where they submitted essential needs to include in the basket. Price/costing of the essential needs came from data that was collated from several sources including own assessments by the clusters and the Data provided by REACH- Whole of Afghanistan Assessment- WoAA, Joint Market Monitoring Initiative- JMMI and Rental Assessment) and WFP (weekly price monitoring collected by their VAM unit) was used to complement the information available to clusters." WFP's monthly price monitoring data by their [VAM unit](#) was also consulted for triangulation. The MEB revision process was discussed and agreed with CVA actors during a plenary meeting. In revising the MEB, it was suggested by CVA actors to use a hybrid approach which combines rights based and essential needs-based⁷ approaches. To harmonize calculations, all clusters agreed to use a household size of seven members.

MEB validation: Prior to finalizing the MEB, in collaboration with REACH and cluster leads; the CVWG co-chairs conducted a validation check to ensure that MEB components were streamlined as follows:

- included items were limited to essentials,
- included items were exclusively monthly recurring expenditures,

⁷ <https://www.alnap.org/help-library/wfp-essential-needs-assessment-guidance-note-0>

- Review of basket contents to ensure expenses were not repeated across sectors"

8. The currency used for calculation of the Minimum Expenditure Basket

To ensure that CVA actors have a solid ground to calculate transfer values from, it was emphasized to maintain budgeting of the MEB in the United States Dollar (USD) currency. At time of writing the exchange rate had significantly appreciated against dollar and it's around 76 AFN to the USD. The Afghani equivalent will be calculated at project design stage using the [prevailing exchange rate](#). The CVWG will track the exchange rate Weekly. To ensure a uniform rate when making the conversion, it is encouraged for CVA actors to use the [UN treasury exchange rate](#) of the month. The CVWG can aid by communicating the [UN exchange rate](#) at the beginning of each month. REACH/JMMI pledged to continue monitoring the cost of the MEB in both Afghani and USD currencies to be able to provide timely information on the "real" value of the basket and eventually highlight any concerns if the equivalent in AFN of the USD-pegged values (based on the exchange rate of the moment) does not match the "real" value in AFN.

9. Contributions and Guidelines from Clusters on the Minimum Expenditure Basket

The document combines sectoral expertise, fostering greater involvement of various clusters that are keen on employing CVA in their interventions. The inclusive process consulted clusters including FSAC, ESNFI, WASH, Education, Protection, and Health for their technical contributions-particularly the contents/essential needs that were included in the baskets and their corresponding costs. Included below is a summarization of how the relevant clusters revised their contributions noting differences to the contents and costings of their relevant baskets as compared to April, 2023 revision.

9.1: Food Security and Agriculture Cluster (FSAC)



The list of food commodities and the corresponding costs were provided by the [FSAC](#) based on the latest minimum food basket and are an average of what a vulnerable Afghan HH would need as a minimum to meet basic recurrent needs for one month. The food commodities recommended in the basic food basket meet 100% of the daily kilocalorie requirements (2,100Kcal/person/day) for a family of seven. The Food Security and Agriculture Cluster (FSAC) has maintained the contents in the cash for food basket. Since April 2023, food basket prices have reduced significantly and in August 2023 FSAC re-costed the cash food basket transfer value to reflect reduced market prices of all food items. FSAC employs a revision mechanism previously agreed with the CVWG whereby when costs of the food basket are recorded as reduced by more than 10% for a period of 8 consecutive weeks a revision of the food basket costs is triggered. The cash for food transfer value (TV) from \$84 to \$75 per month (6,400 AFN at the time of review) for a HH of 7. Joint Market Monitoring (JMMI) data and WFP Vulnerability Analysis Monitoring (VAM) data were analyzed. FSAC may trigger another revision should market prices change before the next 6 months.

It should be noted that the AFN has been appreciating rapidly since August, while the prices of the food basket remain stable at 6,438 AFN (84.05 USD at the current exchange rate), this difference in timeline may temporarily misrepresent the cost of food compared to other components, but the rapid appreciation in the last 2 months is unusual and is not advisable to re-start the exercise when food prices remain stable. Organizations implementing cash for food can keep in mind the AFN value of the MEB and consider higher proportions of the MEB as transfer (75%, 100%, and even 200% for rapid emergencies) whenever they budget in USD. The lists of commodities and corresponding costs provided by FSAC are given below for reference and record.

Table 1: Food Security and Agriculture Cluster Recommended Cash Food Basket

Cluster recommended basic food basket (100% - 2,100 kcal/person/day for a family of seven) August 2023			
Items	Unit	Quantity	Average Price in USD
Wheat Flour	kg	89	36.48
Domestic Rice	kg	21	16.73
Vegetable Oil	litre	7	9.50
Pulses	kg	9	12.08
Salt	kg	1	0.20
Total (USD)			75 USD*
<i>*FSAC is recommending distribution of 50% of the recommended food basket</i>			
<i>* Equivalent AFN amount should be based on the prevailing exchange rate</i>			

Data source: FSAC, REACH JMMI and WFP VAM

The Cash for Food Basket in the amount of USD 75 is designed for projects employing cash modality only. The different in-kind food baskets are described in the FSAC Guidelines.

The recommended maximum value for cash for food is hence USD 75/month. Cash actors designing cash for food interventions are recommended to consult with FSAC on a harmonized transfer value during the design phase. FSAC may elect to contribute a percentage to the maximum transfer value less than 100% according to funding and programming constraints.

91.1: Cash for Food Transfer Value Revision Process

In collaboration with FSAC, the CVWG devised two thresholds to revise the cash for food basket transfer value before the 6-month full MEB revision cycle elapses. The following is agreed to ensure that beneficiaries can purchase food items in situations where market prices fluctuate, and a 6-month MEB review cycle may be regarded as too lengthy:

- Threshold 1: A change in food basket cost $\geq 10\%$ and $< 20\%$ sustained for a period of eight consecutive weeks triggers a food basket cost revision. A tolerance of ± 1 percentage point or a price change of between 9% and 11% would also trigger a revision,
- Threshold 2: A change in food basket cost $\geq 20\%$ sustained for a period of four consecutive weeks triggers a food basket cost revision. A tolerance of $\pm 2\%$ percentage points or a price change of between 18% and 22% would also trigger a revision.

Caution: Based on the above FSAC may recommend an updated Cash for Food (CfF) Transfer Value before the entire MEB is reviewed and endorsed. The updated CfF value will not be taken into consideration in MPCA calculations until the next full MEB review is completed. In other words, the updated TV will only apply for CfF packages and beneficiaries receiving full MPCA will be entitled to the MPCA maximum value of USD 140 even if FSAC recommends a value higher than USD 75 for food. The same applies if FSAC revises prices down, MPCA calculations will remain unaffected until a full MEB review is completed. The preferred MEB revision methodology is that all components be revised in the same period and second, their calculation already includes an additional buffer of unmet needs (10%).



9.2: Health Cluster



This section of the basket is aimed at defining the common amount expended to access the health services for predictable health needs to cover out of pocket expenses. The health needs vary from household-to-household which make it challenging to predict and quantify the specific health needs of typical HH. Age and Gender of HH members affect the health care costs. Persons living with disabilities incur specialized and usually higher costs; by design these are not included in the MEB (See section 17.1 Persons with disabilities). While the lack of services in public health facilities and new directives limiting community-based activities may contribute to an increase in the health basket, consultations with health partners confirmed the decision to maintain the same items and quantities in the basket. To avoid double dipping, in the MEB some of the health commodities that are purchased in health promotion programs (e.g., Soap for hygiene) are not considered in health basket since they are covered under the WASH MEB contents. The [health cluster](#) in Afghanistan prioritized the essential health needs as listed in the table below. As such, the revised health cluster basket combined value of **USD 49.39** and there is major change on the basket and prices as compared to the last revision April, 2023.

Table 2: Health-related essential needs as defined by the Health Cluster

Items/Description	Unit	Quantity	Unit Price (AFN)	Unit Price (USD)	Total Price in AFN	Total Price in USD
Direct costs at public health facilities - Fees for diagnostic tests/examinations - Fees for medication or medical supplies - Fees for medical assisted devices	Times	1	342	4.38	342	4.38
Health services (e.g. Doctor fee, lab) from private health providers, including traditional healers	Times	2	634	8.13	1,268	16.26
Purchasing prescription or non-prescription drugs from unregulated drug outlets, or private pharmacies	Times	3	682	8.75	2,047	26.25
Health commodities (e.g. Mosquito nets, lotion/cream for babies nappy rash)	Times	1	195	2.50	195	2.50
Total					3,852	49.39
Exchange rate \$ 1 = 78 AFN						

Equivalent Afghani (AFN) amount should be based on the prevailing exchange rate

9.3: Emergency Shelter (ES) and Non-Food Items (NFIs) Cluster



[The Emergency Shelter and Non-Food-Items \(ESNFI\) cluster](#) was engaged to identify and provide the list of items that constitute the ESNFI basket. During initial discussions it was debated to consider items that were targeted

to specific beneficiaries. The suggestion was to make a distinction between items that are required by Internally Displaced People (IDPs), returnees, host communities and so on. This was not necessary because the variations in expenditures were minimal. In addition, it meant CVA actors would have a dozen commodity baskets. This could potentially lead to confusion when adopting the same in calculating transfer values for a single response that targets various groups. Other discussions revolved around inclusion of seasonally bought or one-off expenditures resulting from purchase of NFIs. Since the MEB is designed to cover monthly

recurring needs, it was decided to exclude such items. Nevertheless, the ESNFI cluster is aware that humanitarian actors would benefit from guidance on designing and implementing winterization responses. To match this expectation, there is a [Joint Winterization Action plan here](#) (See also [here](#) the [ICCT Winterisation Plan](#)) which all clusters can refer to for a list of items and what to consider when developing winterization responses. The ESNFI recommends a standard package for winterization. Cash for winterization (fuel for heating) in the amount of \$200 to cover heating needs for 3 months, noting that this seasonal package does not affect MPCA provision. The ESNFI has also designed 4 standard conditional cash interventions as below, those also do not interact with the MEB and MPCA provision:

- Cash for shelter repair/upgrade: USD 330 for minor damage and maximum transfer value of USD 550 for severe damage,
- Cash for transitional Shelter Construction: USD 1472,
- Cash for shelter repair/upgrade/earthquake proof: USD 1,310 for new room construction and USD 655 for room repairs. Comprehensive cost estimation of earthquake assistance packages can be accessed [here](#),

For MEB purposes, it was suggested to only limit the essential needs to what is recurring monthly, and this relates to cash for rentals and basic utilities, electricity, and internet bills. From the ESNFI cluster perspective cash for rent is normally an applicable emergency shelter response for the urban areas where there are rental markets. Shelter support in rural areas is usually focused on rehabilitation and sometimes construction, details of which can be found in the Joint winterization Action Plan cited above.

There has been no substantial change in prices and the itemized list of the Shelter Cluster remains the same. Reference rent data listing prices for rents in AFN and used for April’s update remains relevant.

Table 3: ES/NFI Cluster recommended items for a Household size of 7

Cluster-recommended basic shelter basket				
Item	Unit	Quantity	Unit Price	Total Price
Cash for rent	1 family	1 month	\$38.26	34\$
Electricity or fuel for cooking	1 family	1 month	\$7.88	7\$
Internet Bill	1 family	1 month	\$7.88	4\$
Waste Collection bills	1 family	1 month	\$4.50	3.4
Total				58.52\$
***Equivalent Afghani (AFN) should be based on the prevailing exchange rate ***				Exchange rate \$1 = AFN 78.51

WoAA data confirms similar levels of expenditure on the aggregate of rents, shelter repairs, utilities, and fuel for heating. (3,999 AFN per month). WoAA average is slightly lower than the proposed total of the Cluster (4,594 AFN), however, it is noted in the same assessment that 25% of Afghans live in unfinished buildings (20%) or collective shelter (5%) and that this is undesirable coping mechanism and not a living standard from which to derive the cost living from a rights-based perspective. The 15% higher value is a reasonable adjustment in line with the objectives of the cluster of ensuring all Afghans have access to humane shelter.

9.4: Water Sanitation and Hygiene



The [Water Sanitation and Hygiene \(WASH\) cluster](#) MEB value (Table 4) was based on the consumables that are recurring monthly. Based on the standards and expenditure averages from the data collated by the cluster from its partners, the value of the basket is updated to **USD 25.00, up from \$22.68** in April 2023 MEB. In defining WASH essential needs, the cluster included items that are required by women and girls for Menstrual hygiene management (MHM – these align with what is recommended by the GBV-SC). During preliminary discussions Jerry cans and water storage containers were suggested to be included into the basket by the WASH cluster.

However, these were removed because they were regarded as one-off and not monthly recurring items. Note: The WASH cluster updated the quantities of some items in the basket below.

Table 4: WASH Essential Needs- Water Supply and Hygiene items for a household size of seven people

#	Items/Description/Specs	Unit/ Pack	Total Quantity in basket	Unit Price		Total Price	
				USD	AFN	USD	AFN
1	Soap for handwashing/bathing	Bars	23	\$0.38	AFN 30.00	\$8.79	AFN 690.00
2	Soft cloth 2m2 piece	Pcs	4	\$1.40	AFN 110.00	\$5.60	AFN 440.00
3	Water (drinking)	litres	105	\$0.04	AFN 2.80	\$3.74	AFN 294.00
4	Sanitary pad (box of 10/12)	Boxes	4	\$0.76	AFN 60.00	\$3.06	AFN 240.00
5	Underwear women(1small,1med;1large) for	Pcs	6	\$0.41	AFN 32.00	\$2.45	AFN 192.00
6	Toothpaste	Pcs	2	\$0.76	AFN 60.00	\$1.53	AFN 120.00
Exchange rate: 78.51				TOTAL		\$25.17	AFN 1,976.00

Note: In line with other clusters, the WASH basket has increased with the appreciation of the AFN, while some items have appreciated in cost slightly and one has reduced (underwear). Prices are monitored regularly through the Joint Monitoring Mechanism Initiative of REACH Afghanistan.

9.5: Education Cluster

There are multiple barriers to access education in Afghanistan, these include economic, social, and cultural, and protection. For instance, cultural and societal barriers prevent women and girls from accessing basic services. However, in the MEB revision calculations, the [Education Cluster](#) considered only economic/financial barriers that are recurring monthly costs. In calculating the value of education support (USD 9.96), the cluster multiplied the total cost of the monthly recurring educational costs by the number of school-aged children in a family of seven which was averaged as three (forty percent of the population). Stationery cost is calculated once per month while the snacks or light food is considered for 24 days per month for three school-aged children. The list reflected in Table 5 below is a guideline of what to consider when implementing education related activities in addition to the core activities in the Community-Based Education (CBE) Costing Framework.



Table 5: Education related Expenses as per the Education Cluster

#	Items/Description/Specs	Total Quantity in basket	Unit Price		Total Price	
			USD	AFN	USD	AFN
1	Monthly Stationery	3	\$1.16	AFN 91.07	\$3.48	AFN 273.21
2	Snacks or light food	72	\$0.09	AFN 7.07	\$6.48	AFN 508.74
Exchange rate 78.51					9.96	781.96

10. Extra costs to be considered in the Minimum Expenditure Basket

Other critical expenses that vulnerable Afghan households incur were included in the overall MEB analysis as below.

Communication



Mobile phones are not prolific amongst the vulnerable Afghan households; however, most households have access to a sim card. On average, Afghan families spend 262 AFN on communication per month according to WoAA. At the prevailing exchange rate, this is 3.33\$, a 50% increase from previous period but still a minimal figure where higher fluctuation would be expected.

Transportation

There is a need to pay for transportation to and from markets or to the workplace- and healthcare facilities. While it is noted the cost of travel in urban areas versus rural areas for HHs does vary. On average, Afghan families spend 506 AFN on transportation per month according to WoAA. At the prevailing exchange rate, this is 6.45\$, a very similar figure to the previous 6.82\$.

11. The Combined Afghanistan Minimum Expenditure Basket



Using the data on essential needs collated from all the clusters, the CVWG has produced the following MEB-presented in Table 6 below. This was endorsed by the CVWG members and partners in Afghanistan in October, 2023. During the calculations, all clusters used an average family size of seven and considered essential needs for one month. The difference in the value of the AFN is very significant and drives most of the changes in costs as well as the average income, critical to estimate an MPCA. The exchange rate used was the prevailing rate on the 10th of October 2023, according to the UN Treasury, 78.51AFN per dollar. Members of the CVWG will continue observing the currency and prices and an ad-hoc revision may be triggered if needed before

April 2024. The final consolidated October 2023 MEB is given below while the process adopted and the guidance on setting up of the transfer values based on the MEB are given in the next section. It is imperative to note that the items and services included in the list below are selected through an available data calculated estimation relying on best available data. It is worthwhile to note that any sector specific responses will set Transfer Values using the sector specific guidance as a basis.

Table 6: The Afghanistan Minimum Expenditure Basket.

Component	23-Apr		17-Oct		Change Apr to Oct	
	Value	%	Value	%	Value	%
Food sec	83.54	38%	75	33%	-8.54	-5%
Health	49.39	22%	49.00	22%	-0.39	-1%
Shelter (rent + basic utilities)	52	24%	58.56	26%	6.56375	2%
WASH (women dignity+ hygiene + drinking water)	22.68	10%	25.17	11%	2.488768	1%
Education (snacks + stationary)	4.86	2%	9.96	4%	5.1	2%
Transportation	6.82	3%	6.45	3%	-0.37	0%
Communication	1.94	1%	3.33	1%	1.39	1%
Total above	221.23		227.47		6.24	3%
10% buffer	22.123		22.75		0.62	3%
Total MEB	243.353		250.22		6.87	3%
Income	74.31		110.28		35.97	48%
GAP	169.043		139.94		-29.11	-17%
Reliance on humanitarian aid	69%		56%		-0.14	-19%
recommended Max MPCA	170		\$140		-30.06	-18%
UN treasury FX rate AFN-USD	88.42		78.51		-9.91	-11%

12. Gap Analysis

The following is the calculation used to estimate the value of support required for humanitarian activities.

TOTAL MEB – 100%

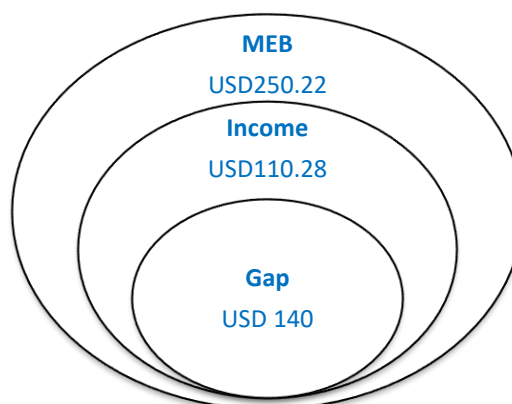
What a household requires to meet basic needs – on a regular basis – and its average expenses over one month.

INCOME – 44 % - CURRENT

The extent to which a household can meet their basic needs through existing levels of income, savings, and other support.

GAP – 56 %- CURRENT

The unmet regular needs of a household – often compensated for through negative coping mechanisms.



The updated GAP analysis indicates that reliance on humanitarian aid decreased from 69% to 56% since the April 2023 MEB.

13. Monthly income and expenditure patterns at household level

An average monthly household income of USD 110.28 increased from USD74.3 in April 2023, 2023, across all regions based on recent data of WoAA. The income levels were calculated based on the most vulnerable members in the community, including those that face challenges in accessing basic commodities. These are the people who will be targeted by humanitarian responses first. As per the WoAA economic shocks have affected people's income as 51% of households (HHs) reported experiencing at least two shocks in the past year.

14. Using the Minimum Expenditure Basket to Calculate the Transfer Value

The MEB value is a critical factor when determining or calculating the transfer values. However, there are several factors that need to be considered when calculating the transfer value of any response. These include;

- understating the capacity of the target population to cater for their own essential needs with their own resources and abilities,
- other assistance received,
- market capacity and what the program aims to achieve (the project objectives) and,
- other extra costs incurred in receiving the Cash or voucher support including transport to and from the distribution points and commission/transaction rates incurred in receiving the money.



Evidence indicates that all the above must be considered when determining the transfer value.

15. Calculation of Multi-purpose cash assistance using the MEB

Multipurpose Cash Assistance (MPCA) modalities are unrestricted unconditional cash transfers that people affected by crises can use to cover their basic needs. By its nature, MPCA is the assistance modality which offers people a maximum degree of choice, flexibility and dignity when accessing a range of goods or services. The MEB based transfer value can be used by the CVA actors for designing the MPCA package. The following approach can be adopted for the MPCA package calculation.

- *Performing Gap Analysis for calculation of transfer value for MPCA* – using the essential needs packages that came from the various clusters, CVA actors can determine the range of products/items that are required by the target population, i.e., the MEB value. This obviously is not the MPCA value. To determine the MPCA value there is need to conduct HH level income and gap analysis and estimate what portion of total needs HHs can make up themselves through income, including remittances and production. Taking all these factors into consideration, the following steps can be taken.
 - **Step 1:** calculate the total needs of the HH,
 - **Step 2:** calculate the total needs a HH can address through income and other sources including the assistance provided by government (e.g., social protection) and/ or other humanitarian actors,
 - **Step 3:** subtract the needs a HH can meet from the total needs required by the HH (as
 -
 - reflected in the MEB). The difference is the gap that needs to be covered by MPCA support,

16. Cash transfer package calculations:

According to the sections above and in line with the updated MEB - Table 7 below sets the standard packages that may be provided to beneficiaries.

Table 7: Standard Cash Packages for Cash and Voucher Assistance (CVA)

Monthly Packages	recurring	Monthly amount	Qualifying conditions	Interaction with MPCA (additional package)
MPCA		\$140	Beneficiaries not receiving any in-kind food, or any other of the items listed in the MEB above.	N/A
Reduced MPCA		\$65	Beneficiaries receiving in-kind food or cash for food from another provider. Not receiving any of the other items listed in the MEB.	Those packages constitute the full MPCA. A beneficiary may receive each package from a separate provider. Cash for food may be substituted for in-kind food.
Cash for food		\$75	Beneficiaries not receiving any in-kind food or full MPCA or other listed items in MEB.	
Cash for rent including utilities		\$58	Beneficiaries not receiving full MPCA or other forms of cash for rent assistance	Beneficiaries receiving this package can receive a maximum of 140-58=\$82 MPCA provided they are not receiving any in-kind food or any other listed items in the MEB
One-off and irregular packages		Amount	Qualifying conditions	Interaction with MPCA
Cash for winterization (heating)		\$200	Paid once annually in one installment of \$200. This package does not affect beneficiaries receiving any listed item in the MEB or the entire MPCA	Provided beneficiaries are not receiving in-kind food or items in the MEB. Full MPCA may be provided in addition to this package. Maximum of 140USD monthly.
Cash for shelter repair		\$330 to \$550	Paid once to upgrade shelter	As above
Cash for shelter construction		\$1572	Paid once to construct shelter	As above
Cash for latrine		\$211	Paid once to add latrine	As above
MPCA in case of sudden onset natural disasters – First 72HRS / Emergency phase		\$140	1-month allowance transferred regardless of provision of in-kind assistance and other forms of assistance	2-month MPCA may be provided depending on severity of disaster. \$280 maximum in total.
MPCA in cash of sudden onset natural disasters after 72HRS / Recovery phase		\$ 280	Maximum amount per month provided until conditions stabilize	MPCA calculations should subtract any in-kind provisions or cash provisions from other providers

Important note: The standard packages listed above are updated by relevant clusters, please consult with the cluster on the latest figures before designing any sectoral cash packages. The table aims to inform

calculation methodology and the CVWG bears no responsibility for actors referencing sectoral package transfer values in this document.

Caution on exchange rates: *the MEB is pegged to the USD hence when planning to distribute cash, agencies are required to convert the stated amounts in USD into AFN at the prevailing exchange rate.*

17. Protection mainstreamed



The CVWG has recognized that guaranteeing the overarching protection needs for vulnerable Afghans is the main consideration when developing the MEB. For this reason, the MEB comprises the basic needs for food, shelter, Hygiene/women dignity kit, health, energy, communication, and transportation. The integration of protection is critical in all programs designed to support vulnerable Afghan HHs. Cash assistance should always minimize the risk to the recipients and CVWG members will work to maximize the benefits. It is important that vulnerable Afghan HHs have a meaningful access to goods and services, their rights are respected, and they can live with safety and dignity. The use of cash transfers for protection assistance can be for several reasons. Examples of eligibility can include risks such as loss of income from the main earner, high medical expenses or risk of eviction and negative coping mechanisms including child marriage, exploitative/hazardous labor, and child labor.

Persons with disability

The MY-WoAA notes that HHs with a person living with disability recorded higher expenditure and indebtedness with slightly higher income as compared to HHs without a person with disability. The data also stipulates that about 12% of the assessed families in the WoAA have at least a single HH member with disability. Hence, their increased expenditure data is incorporated within the MEB review, this translates into a contribution to cover some of their specific needs under the MPCA calculation. Additionally, the health cluster basket takes into consideration the presence of chronically ill HH members which similarly translates to a contribution to medications and access to medical services of these HHs. The MEB is designed to be an average calculation to cover the most basic needs of a typical family of 7 members. In its current methodology, as stated above, the MEB captures some of the needs of disabled individuals by including their expenditure data within the various datasets used to calculate MEB components across sectors, and to a limited extent within the health basket. Therefore, while no specific lines will be added to the MEB, the CVWG recommends that any assessed HHs found to be having one or more disabled persons or chronically ill members be referred to the appropriate protection and health cluster pathways. The DiWG recommends partners to use the **Washington Group Short Set of Questions 9 (WGSSQ)** to identify persons with disabilities in their interventions and make appropriate adjustments for specific requirements to be met by provision of additional assistance packages.

Gender Issues



Gender issues are accounted for and mainstreamed in the MEB which comprises specific items for women and girls such as hygiene and dignity related items, which feature under the WASH essential needs identified. The integration of a gender lens is paramount in cash programming in Afghanistan due to unequal power relations in the country and the challenges faced by women in accessing humanitarian services, including cash assistance. CVWG members may consider prioritizing women and women headed households in the distribution of cash, for instance through identifying women-headed-HHs to be selected for assistance ahead

of distributions and setting up separate distribution points for women, if possible, ran by women staff, to ensure women do not face issues collecting the cash. Women in Afghanistan are less likely than men to own a phone and to be able to use it independently, this should be considered when exploring mobile money transfers and setting up feedback mechanisms that should include female staff within their rosters. Finally, post distribution monitoring to ensure cash provided to male heads of households reaches women members of the HH is also vital to ensure an equitable access of HH members to the MPCA. Women's feedback on inclusive practices to ensure they benefit from or directly receive MPCA, should be considered on a rolling basis and consistently inform programming.

18. Considerations

It is acknowledged that there is some minimal variance in prices across different regions of Afghanistan. To ensure one common MEB for Afghanistan, the differences have been harmonized – equating to a national MEB. The analysis is presented in a way that allows the user to determine the MEB for vulnerable Afghan HHs across all provinces. At this stage of the MEB development, the analysis does not categorize the vulnerable Afghan HHs by socio-economic groups or by their status. As is customary practice in calculating MEBs, an additional percentage has been included to account for unmet needs which are not captured in the current methodology. The CVWG has agreed this value to be **10% of the total basket. A total of USD22.75** has been considered to encompass other urgent/basic needs of shock affected HHs.

19. Closing remarks

Since CVWG Members continue to learn specifics of vulnerable Afghan HH income and expenditure patterns, the current MEB is considered 'good enough' to continue programming. Using price and market related data from [REACH/JMMI](#), cash partners and WFP the costs of the MEB commodities will be monitored continuously. A threshold of 10% variation has been recommended to initiate the process of revision of transfer values based on proper price monitoring of the MEB commodities. A meeting to discuss the revision process will be convened by the CVWG if any inflationary tendencies and price increases that cause the cost of commodities to breach the threshold of 10% of the current MEB is detected. In addition, if extra needs are identified by clusters because of future pandemics or crises, this will call for the MEB revision. All decisions will be taken based on evidence and consultations with CVA actors.