



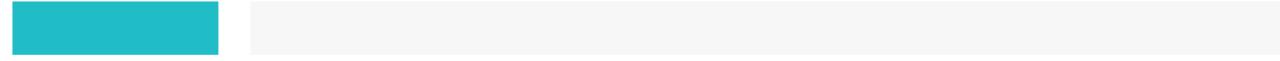
# MINIMUM EXPENDITURE BASKET

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## TECHNICAL PAPER

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DEC' 24



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## // ACRONYMS AND ABBREVIATIONS

<b>C-ESSN</b>	Complementary Emergency Social Safety Net
<b>CPI</b>	Consumer Price Index
<b>DGPC</b>	Directorate General of Population and Citizenship Affairs
<b>DG NEAR</b>	Directorate-General for Neighbourhood and Enlargement Negotiations
<b>ESSN</b>	Emergency Social Safety Net
<b>MEB</b>	Minimum Expenditure Basket
<b>MoFSS</b>	Ministry of Family and Social Services
<b>MPC</b>	Multi-Purpose Cash
<b>PAB</b>	Pre-Assistance Baseline
<b>PDM</b>	Post Distribution Monitoring
<b>PMM</b>	Presidency of Migration Management
<b>SSN</b>	Social Safety Net
<b>TRY</b>	Turkish Lira
<b>TurkStat</b>	Turkish Statistical Institute

## // MINIMUM EXPENDITURE BASKET

The Minimum Expenditure Basket (MEB) has limited coverage of essential household needs; rather, it focuses on those that can be fully or partially met through market purchases.

Minimum Expenditure Basket (MEB) provides information on how households prioritize their needs and even helps in identifying necessary sector benchmarks. Hence, coordinating with all relevant sectors when evaluating household preferences and spending is important. Opinions on what constitutes an MEB can vary, influenced by the established minimum consumption standards for essential goods and services.

MEB does not cover all essential household needs; focusing instead on those that can be met through market purchases, either wholly or partially. The MEB primarily reflects the cost of fundamental needs for typical households and usually excludes irregular or one-time expenses. This can pose challenges, especially in emergencies where needs fluctuate. While maintaining a consistent MEB composition is ideal, it may be necessary to develop a temporary MEB in such circumstances and then finalize it once conditions stabilize.



## // PURPOSE OF THE MINIMUM EXPENDITURE BASKET

A deeper humanitarian understanding of the concept of the MEB underscores its importance in designing programs and planning interventions across various sectors. This plays a key part in improving Multi-Purpose Cash (MPC) transfers by aligning transfer amounts with the needs specified in the MEB. However, even MEB aims to comprehensively address basic household needs, its feasibility is often limited through the availability of goods and services that may be obtained through market transactions. This means it may not capture all basic household needs, instead it focuses on those that are accessible through markets.

Estimations of the MEB within the humanitarian sector typically adhere to Sphere standards, enabling them to align with globally recognized benchmarks for minimum living requirements. Besides, once the MEB is used to determine eligibility for humanitarian assistance, the focus moves beyond a purely technical approach to include a broader range of evaluations. This represents both benefits and potential challenges. From a positive aspect, using the MEB to stratify vulnerability based on basic livelihood criteria allows humanitarian assistance programs to be tailored to the specific needs of diverse populations. On the other hand, MEB calculation is restricted to the average household profile and therefore, when determining the transfer value, some households will be affected worse and some better, depending on their household structure.

### Scope

It is essential to have a detailed understanding of the country context before calculating the MEB. Once the geographical areas, regions and for which the MEB is intended, and the type of context for which the MEB is to be calculated, the calculation can be adapted to different regions and other countries. However, one of the key issues here is understanding the consumption habits and market structure of the context. Once this information is obtained, a customized MEB can be designed. In addition, the target beneficiaries for the MEB need to be identified and their demographic characteristics should be known. It is important to recognize that different groups may have different needs and the MEB may need to be adjusted accordingly.



## // METHODOLOGY

### Research Design

In this paper, estimation of the MEB is carried out through the efforts of Türk Kızılay KIZILAYKART M&E team, using both primary source data (where the researcher is the first person to obtain the data) and secondary source data (where the researcher obtains data that has already been collected by other sources, such as data published in a scientific journal). Brief information on primary and secondary data sources and studies are given below which are utilized to calculate MEB.

### Data Collection

#### Outcome Monitoring

Türk Kızılay has been conducting Pre-Assistance Baseline (PAB) and Post Distribution Monitoring (PDM) surveys for the SSN Programme<sup>1</sup> and the expenditure module within the PAB and PDM datasets was used to compare and validate the item shares within the MEB against actual expenditure shares.

#### Inter-Sectoral Vulnerability Survey

The Inter-Sectoral Vulnerability survey provides much more detailed and comprehensive information than PDM and PAB studies. The expenditure module in the study calculates the total monthly expenditures of households by collecting expenditure amounts by item. This expenditure information is used to analyse whether households are above or below the MEB threshold, which serves as an indicator of poverty status.

#### TurkStat Data

TurkStat<sup>2</sup> regularly publishes monthly inflation data for product groups, providing the most up-to-date market price information for price monitoring and Minimum Expenditure Basket (MEB) calculation.

#### Market Assessment

With the data obtained from a comprehensive market assessment of both the supply and demand side, the consumption habits of the SSN beneficiaries were identified, as well as the state of market stocks, goods prices, and consumer demand trends. Based on the data, the food and non-food baskets in the MEB were organized according to the consumption patterns of the SSN beneficiary households.

#### Web Scraping

Prices of goods from online markets are collected through web scraping and averaged to ensure that items included in the shopping cart are of moderate quality not too low or overly luxurious. This averaged data is then used in MEB calculations.

<sup>1</sup> For more information on the SSN Programme: <https://platform.kizilaykart.org/en/index.html#features>

<sup>2</sup> TurkStat, "Consumer Price Index - December 2024," Turkish Statistical Institute, <https://data.tuik.gov.tr/Bulten/Index?p=Consumer-Price-Index-November-2024-53620>



Before calculating the MEB, the methodology and techniques used for data collection should be documented for later reference. Data collection can be conducted through several methods; remotely via telephone surveys, in-person in the field, or through SMS modality. Each method has its pros and cons: face-to-face work in the field will not be budget friendly but more reliable, whereas telephone surveys are less costly but less reliable than fieldwork, and finally SMS can be carried out at a very low cost but with very low levels of both data tracking and reliability. In the light of these pros and cons, a data collection method should be selected in accordance with the necessity of the situation. The sample size is designed to represent five regions and projects with a 95 percent confidence interval and 5 percent margin of error. Finally, it is important to indicate the frequency of the data collection, as regular update is crucial for maintaining the MEB accurately.

## // DESIGNING MEB

The preparation of the Minimum Expenditure Basket (MEB) under the Social Safety Net (SSN) Programme was aligned with Sphere standards<sup>3</sup>. In Türkiye, the MEB comprises six categories: food, shelter, education, health, protection<sup>4</sup> and communication. The food basket was tailored according to the Sphere standards, ensuring a minimum of 10-12 percent protein and 17 percent fat, and a minimum daily energy of 2100 kcal.

Sphere standards have also guided the design, selection and quantification of non-food items such as household and personal hygiene items, water supply, rent and household energy (electricity and bottled gas) and access to health care (medical and medication costs). Transportation and communication costs are considered as protection component which are shown below in Table 1 with the other components of the MEB.

<b>Food Basket</b>	• Rice	• Bulgur	• Tomato	• White Cheese	• Granulated Sugar
	• Egg	• Bread	• Yoghurt	• Sun-Flower Oil	
	• Salt	• Dry Bean	• Cucumber	• Tea	
<b>Education</b>	• Pencil	• Notebook	• Other Stationery		
<b>Health (3 visits)</b>		• Fees Paid to Specialist Doctor		• Medicines	
<b>Shelter</b>	• Water	• Actual Rent	• Electricity	• Tube Gas	
<b>Hygiene</b>	• Dishwasher Detergents	• Detergents	• Shaving Products		
	• Hygiene Pad for Women	• Toilet Paper	• Products for Dental Hygiene		
	• Hair Care Products	• Bath Soap	• Disinfectants and Insecticides		
	• Baby Napkin				
<b>Protection</b>	• Communication	• Transportation			

Table 1 Minimum Expenditure Basket Items

<sup>3</sup> For more detail on the Sphere Standards: <https://www.spherestandards.org>

<sup>4</sup> The protection component in the Minimum Expenditure Basket that consists of transportation and communication; different baskets can be created for different concepts, for example, by adding a clothing item.

## Target and Population Profile

The MEB for ESSN and C-ESSN households is developed using the same methodology. While non-food components cover common expenditure items, the food basket is calculated per individual. Therefore, variations in average household composition influences the MEB design. In terms of demographic differences, the average household size in the ESSN project is six people, while it is four people in the C-ESSN project. Ultimately, the MEB amount is adjusted accordingly.



## Calculation

In humanitarian field, depending on the context, several approaches are commonly used to estimate the MEB but in the SSN Programme, two different approaches are applied to ensure a robust comparison of results. The first approach entails the use of inflation indices published monthly by TurkStat for each MEB component. The second one is a market price analysis to validate the reliability of these indices, focusing on food and non-food (hygiene) prices from the online platforms of the most affordable chain stores. Stores were selected as they offer branded food items which are comparatively cheaper than those available in other grocery stores across the country.

## // OUTCOMES

### Price Monitoring

The web scraping method is used to check the accuracy of MEB estimations for ESSN and C-ESSN households and to closely keep track of possible shifts due to inflationary effects. A comparison of item prices collected from chain supermarkets in January 2024 with TurkStat indices showed that MEB measures remain consistent, with no significant differences observed.

It was concluded through the analysis that, for ESSN households, there is a difference of TRY 34 in per capita expenditures between market data and TurkStat data, whereas for C-ESSN households, this difference was only TRY 54. To sum up, it has been observed that the MEB amounts estimated in line with TurkStat's inflation indices closely aligned with the amounts calculated based on market item prices. The price of store branded items is slightly cheaper as TurkStat collects data from more than 27,000 markets across the country, but item prices and their availability vary.

	Chain Market ESSN	TURKSTAT ESSN	Chain Market C-ESSN	TURKSTAT C-ESSN
Food	1,713	1,717	1,713	1,717
Rent	11,522	11,522	11,522	11,522
Utilities (with water)	2,458	2,458	2,458	2,458
NFIs	1,804	1,575	1,804	1,575
Health	796	796	796	796
Education	304	304	304	304
Transportation	935	935	935	935
Communication	330	330	330	330
Total without food	18,149	17,920	18,149	17,920
<b>Total</b>	<b>28,427</b>	<b>28,220</b>	<b>25,001</b>	<b>24,787</b>
<b>Total Per Capita</b>	<b>4,738</b>	<b>4,703</b>	<b>6,250</b>	<b>6,197</b>
<b>Diff. (Chain Market-TurkStat)</b>	<b>34</b>		<b>54</b>	

Table 2 Chain Market and Turkstat Price Analysis

All of this indicates that adopting TurkStat's indices for price calculations is suitable for MEB estimations, providing cost-effective and sustainable access to data. It was stressed that this methodology enables monthly updates to MEB costs, which is important given the high rates of inflation in the country. Monthly MEB calculations help monitor the efficiency of the assistance and address evolving needs.

## // COST OF ANALYSIS

Cost of Analysis used to determine a financial threshold that households need to meet their basic needs, and the outcomes of the household cost of analysis typically consist of household expenditure data.

Based on the findings of the analysis, for the average ESSN households, the MEB was TRY 29,079 per household and TRY 4,616 per capita, whereas for C-ESSN households, the MEB was TRY 25,646 per household and TRY 5,964 per capita, according to the average household structure. To present a comparative perspective, the accompanying graph illustrates changes in per capita MEB values for ESSN and C-ESSN households. In both cases, MEB values show a steady upward trend in line with the high rate of inflation.

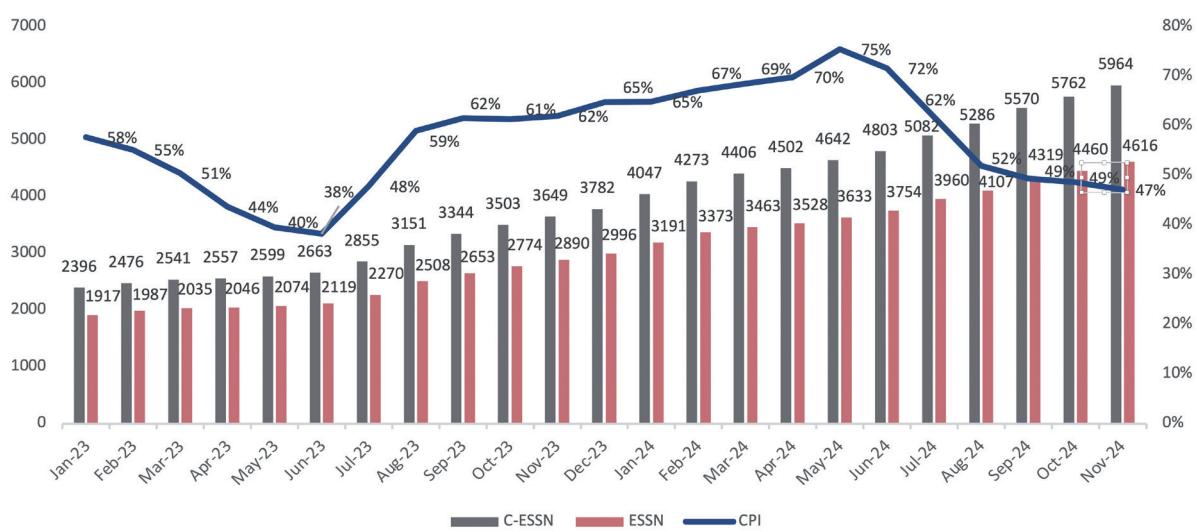


Figure 1 MEB Cost and CPI Analysis

## // SECTORAL SHARE

### ESSN and C-ESSN Sectoral Share

In ESSN and C-ESSN projects, food, rent and utilities are the essential items with the highest expenditures, leading to a convergence in household spending patterns. However, due to differences in the average household structure across both projects, the proportion of MEB components varies accordingly.

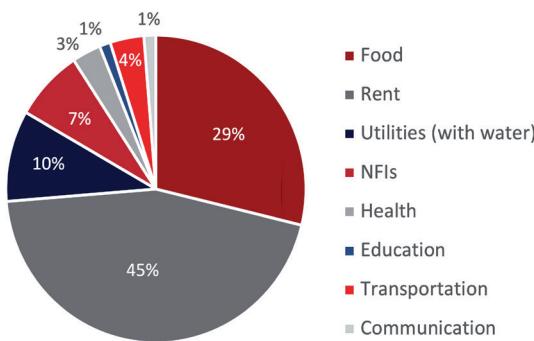


Figure 2 C-ESSN Sectoral Share

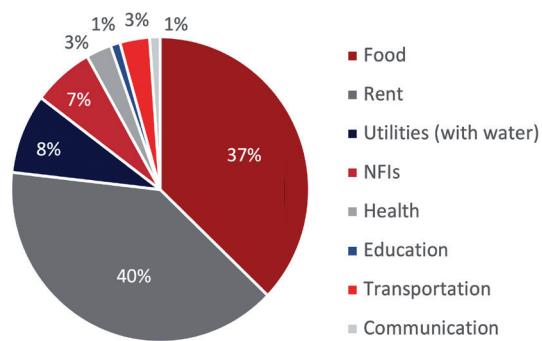


Figure 3 ESSN Sectoral Share

## // GAP ANALYSIS

Gap analysis is a method used in the SSN Programme to measure the difference between total household income and the MEB. In projects implemented under the SSN Programme, the gap tends to increase in general, except when transfer amounts are increased due to a high inflationary environment. By examining the MEB to gap ratio, which provides more reliable metric because it reduces the impact of inflation, September 2023 has the lowest gap ratio for ESSN and C-ESSN projects, while the highest levels are observed in early 2023 and early 2024. As illustrated in Figure 4, when the MEB ratio of cash transfers is analysed, it has an overall decreasing trend with a small jump due to an increase in the transfer value in January 2024.

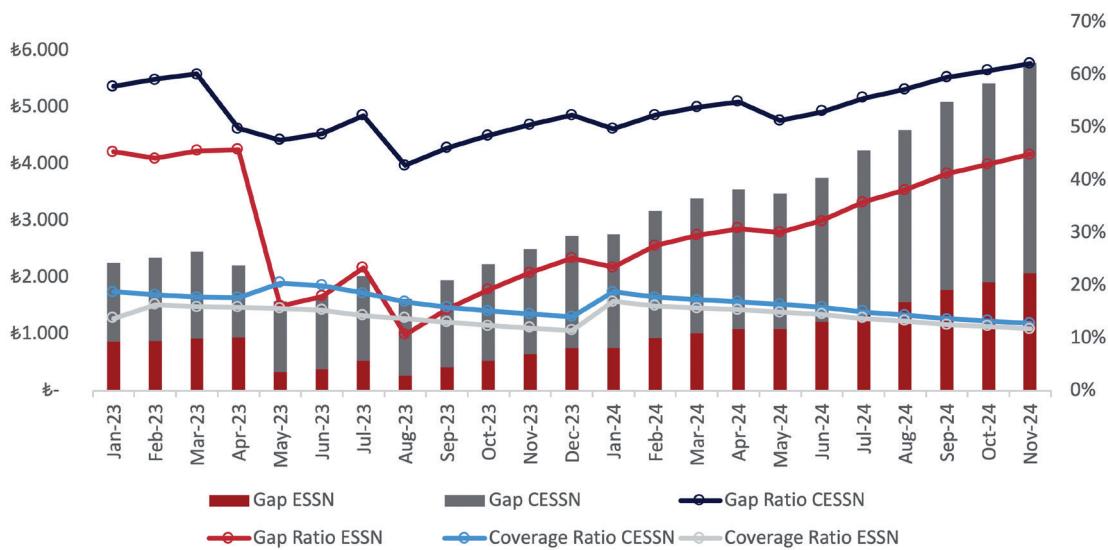
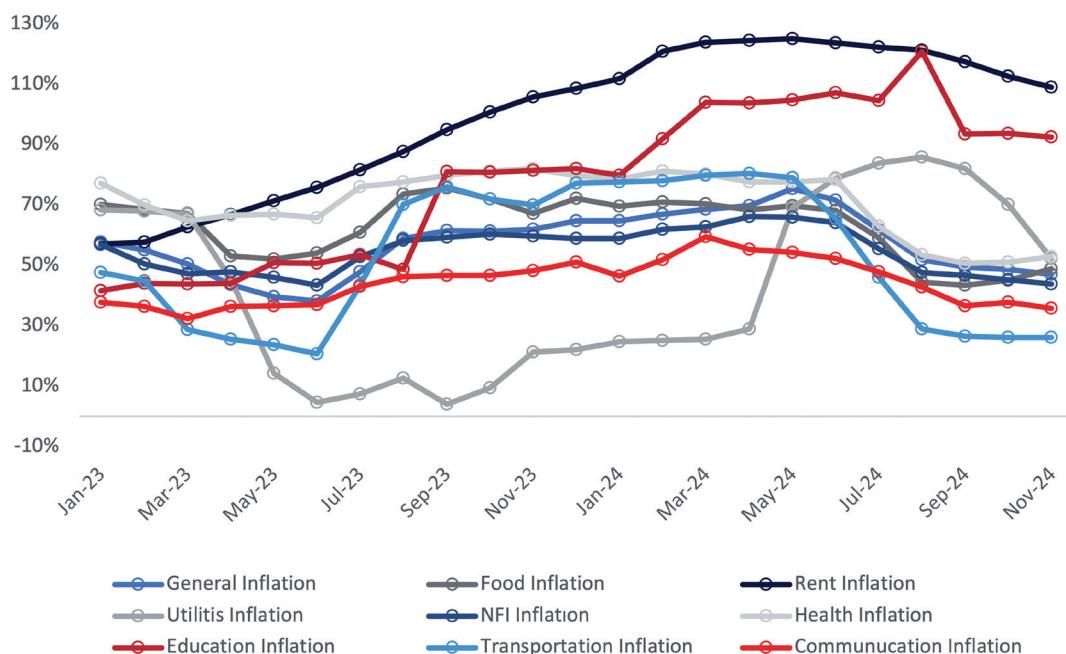


Figure 4 Gap Analysis

Figure 5 illustrates the annual change in the consumer price index from 2023 to the present, with the exception of the Utilities price index, which experienced a sharp decline in March 2023, the price index change for all other items remains high and continue to rise. In an environment of continuous and high price changes, calculating the MEB on at least a monthly basis is essential.



## // CONCLUSION

The rising MEB values for ESSN and C-ESSN households highlight the significant financial pressures caused by high inflation. The gap analysis further underscores the critical shortfall between household income and MEB for both ESSN and C-ESSN households. The steady increase in MEB values, coupled with fluctuating income gaps, demonstrates the growing economic challenges for ESSN and C-ESSN households. Hence, regular calculation of MEB is essential to ensure that financial assistance remains effective and responsive to inflationary pressures and evolving household needs.



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