

Lessons learnt and recommendations from the Yemen Expenditure of Household Assessment (YEHA) Pilot

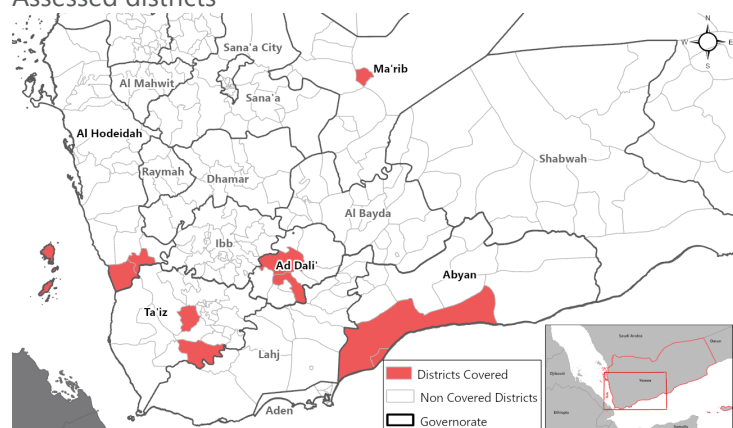
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KEY RECOMMENDATIONS

- The Yemen Expenditure of Household Assessment (YEHA) pilot demonstrated that households' (HHs) expenditures differed from the transfer value allocated to components of the Minimum Expenditure Basket (MEB), in particular for shelter, communication and transportation. **This finding raises a need to further investigate the effectiveness of the MEB transfer value in covering the basic needs it is designed to meet. Adaptations that be considered are top-up amounts or sector-specific cash guidance** for high costs that are not commonly faced by all vulnerable HHs, e.g., rent, shelter maintenance and household items, water trucking, or by **adjusting the transfer value according to HH size**.
- Additional data is required to validate the findings and recommendations from the YEHA pilot. In this regard, **harmonisation of indicators across organisations, increased data sharing, and transparency around methodologies could unlock income and expenditure data** precluding the need for new data collection. In addition, **qualitative methods** may provide more insight into households' purchasing preferences.
- **The risk of response bias (over-/under-reporting), as well as the possible stress experienced by the respondents, are concerns that should be accounted for throughout the research design and analysis.** To overcome challenges experienced in the YEHA, future monitoring including vulnerable populations could consider **shorter recall periods**. The effect of response bias could be partly mitigated simply by **narrow expenditure or income categories**, and by **enumerator training and interview evaluation**.

CONTEXT & RATIONALE

Assessed districts



Household expenditure data is a key proxy for material well-being and poverty level, providing insight into the purchasing habits, expenditure gaps and financial burden of households. Therefore, this pilot assessment was conducted to investigate methodologies that can make expenditure data more accessible to the Cash and Market Working Group (CMWG). This data helps the CMWG and organisations implementing Cash and Voucher Assistance (CVA) to reflect on the effectiveness of cash assistance in alleviating financial burden, and provides insight into households' expenditure preferences and needs. Furthermore, it could support the evidence-base for the MEB and harmonising multi-purpose cash assistance (MPCA) transfer values.

Following this pilot, several recommendations and lessons learnt were identified by REACH through deliberation with data collection partners and the CMWG. These could inform future expenditure assessments or guidance on cash transfers. Nonetheless, given the small-scale nature of this pilot, additional data is needed to validate the YEHA findings and recommendations. In this regard, the YEHA lessons learnt could help prioritise areas for further investigation.

The key findings and implications for the MEB and transfer values are found in this [presentation](#) and analysis of the collected expenditure data can be found at this [link](#).

Recommendations for the Minimum Expenditure Basket

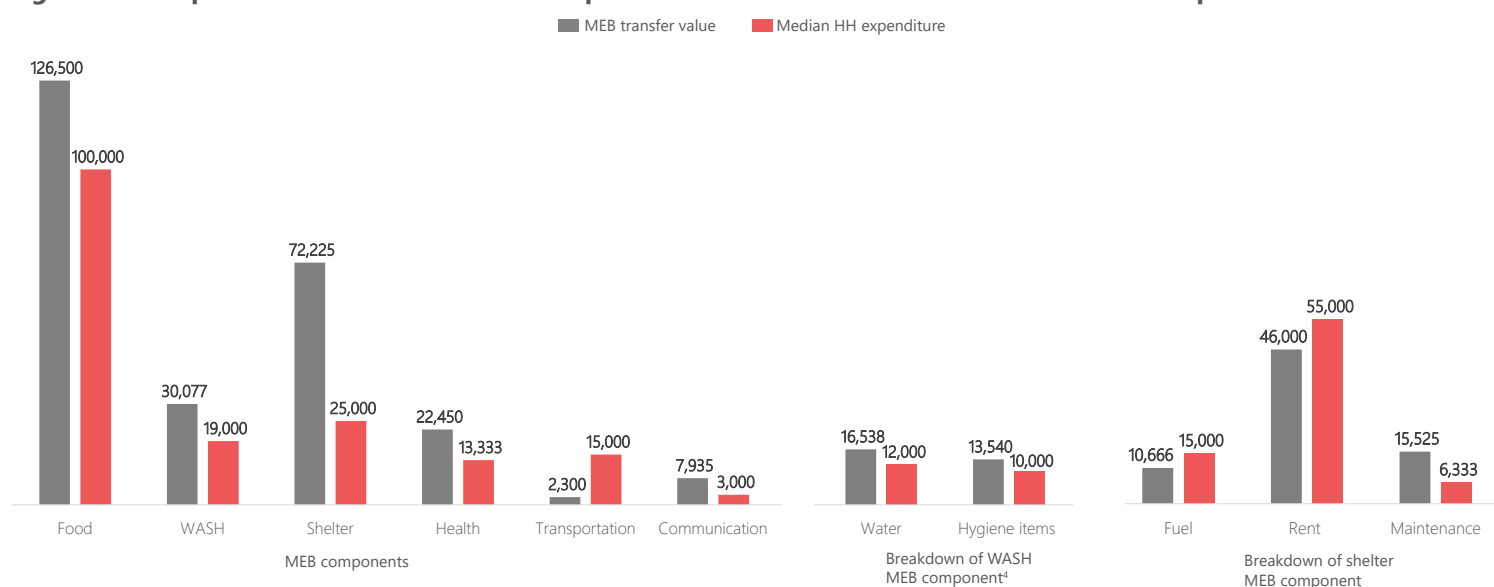
The findings from the YEHA pilot raise a concern about the effectiveness of the MEB transfer value¹ in covering the basic needs it is designed for. The transfer value was higher than the total expenditure of the assessed household in 69% of cases, indicating that **a MPCA distribution would have covered the critical expenses for a majority of the assessed HHs at the time of data collection. However, there was a mismatch between the transfer value allocated to the individual MEB components and the expenditures of the HHs assessed in the YEHA.**² For example, the cost for shelter maintenance and communication suggested by the MEB transfer value appeared more than double the median expenditure of the HHs in these categories, while HHs' transportation expenditure was seven times higher than the transfer value for the cost of transportation (Figure 1). As such, **there may be a need to reassess the MEB or MPCA guidance based on supporting evidence to ensure that HHs' essential costs are covered efficiently.**

There could be an opportunity to tailor transfer amounts depending on household characteristics. For example, only a minority of the assessed HHs reported any expenditure on rent (33%) or shelter maintenance (23%), leading to a transfer value for the shelter component that was almost three-times higher than the median expenditure of HHs on the shelter items included in the MEB (Figure 1). When HHs did report expenditure on shelter maintenance and rent, it represented a relatively large share of the HH budget. Based on this, **MPCA top-up amounts guided by HH characteristics and needs, or referrals to sectoral (cash) assistance, could enable more effective assistance. Possible top-up amounts may be directed towards HHs living in rented buildings, recently displaced, or relying on water trucking. In addition, individual expenditure on healthcare, education or debt differed widely among HHs (Figure 2) and could benefit from more targeted cash assistance.** Further research can focus on establishing suitable cash amounts and identifying eligibility criteria.

Other efficiencies could be achieved by adjusting the transfer value according to household size based on economies of scale. Analysis of the data collected in the YEHA found that overall **per capita expenditure of the interviewed households was 2.5 times higher for a small household (1 to 4 members) compared to a large household (9 or more members). Additional data is required to make such an adaptation and it could ensure that the needs of smaller HHs are met and that the costs of larger HHs are not over-estimated.**

To further understand HHs' ability to meet basic needs and the effectiveness of the transfer value the survey could be expanded to include negative coping mechanisms or access barriers. In the YEHA, HHs were asked whether their expenditure had been sufficient to meet their basic needs without resorting to negative coping strategies (reducing consumption, reducing spending on other basic needs, etc.). According to the data, it was found that at least 34% of households had transportation expenses higher than the transfer value provided, indicating that the transfer value for the cost of transportation did not cover their basic transportation needs. This percentage represents those respondents who reported insufficient expenditure on transportation to meet basic needs, and who also had an expenditure on transportation higher than the transfer value allocated. The (highest) proportions of HHs for which the transfer value did not sufficiently cover basic needs was 34% for transportation, 23% for fuel, 20% for food, 21% for fuel.³ It indicates that the transfer value is generally sufficient, but concerns existed for particular MEB components and for HHs with high cost. However, to strengthen the comparison between MPCA transfer values and HHs' ability to meet basic needs, **self-reporting could be complemented with a scoring of negative coping mechanisms in future assessments.** Furthermore, it would provide an interesting comparison between the HHs' perception of 'meeting needs' and the coping mechanisms employed by the HHs. **In addition, consumption data and access constraints that impede HH's ability to meet basic needs are important factors driving purchasing patterns and unmet needs,** and can help inform the MEB.

Figure 1 : Comparison between HH median expenditure and the transfer value of the MEB components*



*Refer to the published [presentation](#) for more analysis regarding the expenditure of the HHs and the MEB.

Recommendations for future expenditure assessments

Adequate measuring of expenditure and income requires a common understanding of concepts. Different interpretations of concepts reduce the validity of the findings. For example, there was confusion between respondents on what sources should be considered as part of the total income, or which items should be included in 'household items'. **This emphasizes the importance of piloting tools, extensive training, debriefing and a validation exercise post data collection. Furthermore, narrow expenditure and income categories may be useful to increase accuracy in responses, and income could be collected per source. Nonetheless, this could result in a longer and more difficult survey and may lead to assessment fatigue;** as such, a short-listing of indicators could be considered.

In this assessment, the 6 months recall period for infrequent expenditures appeared challenging. This was reported as an issue for recently internally displaced person (IDP) HHs who might have experienced changes in their living situation, and for other vulnerable assessed HHs that faced stress or difficulty in recalling expenditures. Whereas 6 months or sometimes even longer recall periods are used frequently in expenditure assessments,¹ **the recall period might have to be tailored further depending on the assessed population. Besides, (recent) IDPs could be analysed as a population group separate to non-IDP communities due to the unique factors influencing their expenditure.**

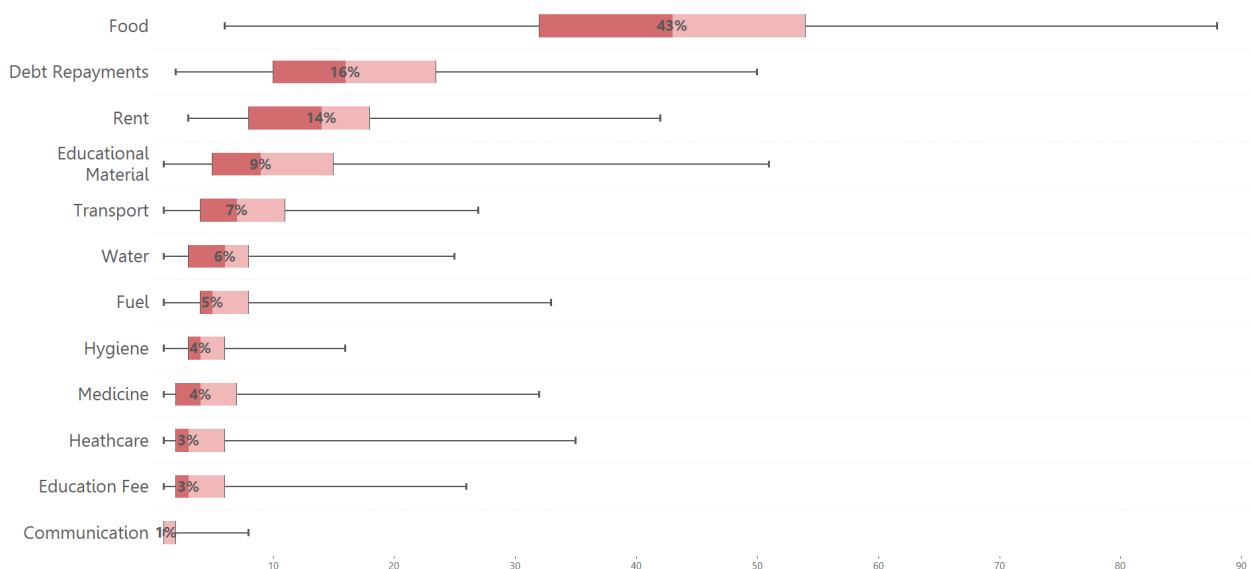
A recurring concern was that respondents' responses may be motivated by fear that undesirable answers will reduce their eligibility for assistance. Although evidence suggests that Yemeni HHs, including vulnerable HHs, spend money on supporting others in need and on charity² and qat,³ such expenditure was not frequently reported in this assessment. According to data collection partners, HHs were uncomfortable reporting on these expenditures while depending on humanitarian assistance. **This dynamic may lead to under-reporting of income (sources) or expenditures outside of 'basic needs', and over-**

reporting of expenditures that fall within perceived 'basic needs'. It highlights the importance of written or verbal consent, as well as a clear communication of the assessment's purpose, respondents' rights and grievance options. Besides, enumerator's evaluation of the interview could be captured systematically post-interview. For example, the enumerator can indicate the prevalence of data collection issues, such as the visible discomfort of the respondent or whether it had been challenging to convey concepts used in the survey, using a Likert scale. Importantly, **risk of respondent discomfort or response bias should be weighted against research objectives throughout the research design; this could imply leaving non-essential goods and services outside of the survey or analysis.**

Qualitative or mixed-method approaches could provide insights on the reasons behind HHs' purchasing priorities and patterns, thereby providing evidence on how cash assistance may be used. The HHs assessed in the YEHA reported varying expenditures (Figure 2) and the reasons behind certain patterns could be explored further. For example, assessed HHs with school-going children reported that the 4th largest share of their HH budget is allocated to educational material, after food, debt repayments and rent. Enumerators indicated that this high proportion reflects the preference of HHs as well as the high cost of education. **Whereas additional quantitative data should validate (or falsify) the high HH expenditure on education, a qualitative method could shed light on the HH preferences and contextual factors that influence expenditure patterns.**

The use of different concepts between assessments or uncertainty around the definitions used, as well as the limited publicly available analysis, reduce the opportunity for triangulation of the findings of this pilot with other data sources or analysis of multiple sources. **Improving harmonisation of indicators and sharing of data across different assessments can open opportunities for cross-checking of data and may unlock income and expenditure data precluding the need for new data collection.**

Figure 2: HH expenditure expressed as percentage of the total HH expenditure, distribution of HHs' responses.*



*Refer to the published [presentation](#) for more analysis regarding the expenditure of the HHs and the MEB.

Methodology

The pilot was conducted in 9 purposefully selected districts (Ad Dali, Qa'tabah, Al Khukhah, Hays, Ash Shamayatayn, Jabal Habashi, Khanfar, Zinjibar, Ma'rib City). In each district, ongoing or past MPCA beneficiary HHs of the relevant data collection partner were randomly selected for an interview. Due to the small sampling sizes, findings are indicative of the expenditure of the organisations' MPCA beneficiaries in the assessed locations. The HHs selected were vulnerable households, including both IDPs and host communities, as well as female-headed HHs and HHs including elderly or members with disabilities. Interviews were conducted between the 6th and 20th of November, using a structured survey tool.

REACH cleaned the data checking for outliers and logical checks. Outliers and other data issues were cleaned by following-up with the enumerators according to the [IMPACT Minimum Standards Checklist for Data Cleaning](#). Please refer to the [Terms of Reference](#) for more information about the methodology.

The lessons learnt presented in this brief were based on REACH's experience and the feedback of the data collection partners, which was captured through debrief session during data collection, a lessons learnt workshop, and bilateral discussions. In addition, key stakeholders and CMWG leadership were given the opportunity to provide inputs.

ENDNOTES

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¹ For information on the MEB, the transfer value, and the sources used to inform these values refer to: Cash and Markets Working Group. September 2022. [Yemen Minimum Expenditure Basket: Operational Guidance Note](#).

² According to the CMWG Guidance on the MEB, the transfer value is calculated by adding a 15% buffer to the cost allocated to each MEB component. As such, a specific transfer value per MEB component can be identified. It should be noted that organisations transfer the complete MPCA amount and do not distribute separate grants for individual MEB components.

³ The calculations for these figures were based on the percentage of households that had expenses exceeding the transfer value, per item or service, and also reported that their expenses for that item or service were inadequate to meet basic needs. For the results per MEB component, please refer to the separately [published](#) presentation for the results per MEB component.

⁴ The WASH component of the MEB is a single value based on market price monitoring through the [Joint Market Monitoring Initiative \(JMMI\)](#). The WASH component was split in this figure between hygiene and water for analytical purposes based on the weighted price of water (trucked) and the weighted price of hygiene (soap, washing powder, sanitary napkins) of the district median that was used to calculate the September 2022 transfer value.

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¹ Commonly used recall periods are 7 days, 30 days to up to 1 year, depending on the frequency of consumption. See e.g. Jonathan Haughton & Shahidur R. Khandker. 2009. [Handbook on Poverty and Inequality](#). The World Bank.

² Kim, J., Elsamahi, M., Humphrey, A., Kadasi, A., & Maxwell, D. (2022). [Sharing to Survive: Investigating the Role of Social Networks During Yemen's Humanitarian Crisis](#). Washington, DC: Resilience Evaluation, Analysis and Learning (REAL).

³ FSAC, FAO, WFP, UNICEF. [Emergency Food Security and Nutrition Assessment \(EFSNA\) Yemen](#). 2016. World Bank. 2007. [Yemen: Towards demand qat reduction](#). Report No. 39738-YE

PARTICIPATING PARTNERS



ABOUT REACH

REACH Initiative facilitates the development of information tools and products that enhance the capacity of aid actors to make evidence-based decisions in emergency, recovery and development contexts. The methodologies used by REACH include primary data collection and in-depth analysis, and all activities are conducted through inter-agency aid coordination mechanisms. REACH is a joint initiative of IMPACT Initiatives, ACTED and the United Nations Institute for Training and Research - Operational Satellite Applications Programme (UNITAR-UNOSAT).