



**COMMON
APPROACHES**

HOUSEHOLD ECONOMY ANALYSIS



Save the Children

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1. INTRODUCTION

Sufficient, secure and reliable basic incomes are essential so families can obtain food, clothing, health care, shelter and other necessities for their children, to keep them safe, and to also invest in and save for their learning and other development needs, including in times of stress and crises.¹ In short they are essential for ensuring all children learn, survive and are protected.

The Household Economy Analysis approach (HEA) is a unique approach to understanding household economy i.e. the economic decisions households make. Understanding how households live helps us determine how they will respond and cope in the event of a shock, such as a drought. HEA can:

- Quantify access to food and income for households across the wealth spectrum;
- Clearly identify who needs what kind of intervention and when;
- Predict when and where households will require assistance.

Key Facts about HEA

- Developed by Save the Children in the early 1990s
- Adopted by multiple partners and agencies such as FEWS NET, IPC, FAO, etc.
- Used in around 50 countries
- Developed to respond to improved food security and livelihoods analysis during famines
- Used in different contexts including humanitarian and development, urban and rural etc.
- Is a comprehensive, replicable and highly analytical approach
- It is a holistic and rigorous framework that is predictive and quantifiable not afforded by other assessments

HEA gives us the tools that we need to thoroughly understand food insecurity and the outcomes of poverty, and to design appropriate and effective interventions that strengthen household livelihoods and resilience to increase income and enable them to adequately invest in their children's well-being.

PROBLEM STATEMENT

Inequality and poverty are barriers to achieving our **Breakthroughs for children: that all children survive, learn and are protected from violence**. Poorer households struggle to afford the costs of sending their children to school, buying them nutritious food, keeping them safe from harmful practices, and providing them with quality healthcare.² They are also less likely to own assets (such as land or livestock) and are more dependent on casual labour and self-employment which can be unreliable.³

The poorest households are also more vulnerable to economic and environmental shocks (such as increases in food prices, drought, etc.). Poorer families have limited options or strategies available for coping with shocks as they have little or no savings, credit or assets. This means poorer families are often forced to take actions that may have harmful impacts on children such as pulling them out of school to help earn money.⁴

In order to tackle poverty, it is essential to understand **household economics**: There are several challenges to understanding household economics. HEA can enable programmes to:

- Quantify how much the poorest families' incomes need to increase to meet their children's needs
- Identify suitable income generation opportunities that will provide the required sustainable increased income
- Identify the poorest households most in need of income generation support

¹ Child Sensitive Livelihoods Position Paper, November 2016, Save the Children.

² SC defines child poverty as multi-dimensional, which means we do not measure poverty by income alone. This approach is compatible with the Sustainable Development Goals which recognize that 'poverty in all its dimensions', not only income poverty, affects children of all ages.

³ HEA Sahel Atlas, 2014, <http://www.hea-sahel.org/publications/profils-hea/region-sahel/RS-hea-sahel-atlas-september-20149019163.pdf> ; How Families Cope with Poverty in Asia, 2017. <https://resourcecentre.savethechildren.net/library/how-families-cope-poverty-asia-lessons-multi-country-review-household-economy-analysis-and>

⁴ How Families Cope with Poverty in Asia.

- In contexts prone to shocks, quantify how families will be impacted, particularly in terms of meeting their children’s needs

The triangle-shaped diagram⁵ provides a visual as to how HEA can contribute to our Breakthroughs and address the challenges detailed above. HEA can inform the design of appropriate livelihoods programmes and policies that sustainably increase the poorest households’ incomes to sufficient levels that meet children’s needs, and reduce dependence on harmful coping strategies; furthermore, HEA acts as an effective early warning system to mitigate impacts of shocks.⁶



DESCRIPTION OF THE APPROACH

What is HEA? HEA is a methodological framework to determine whether households have the food and cash they need to survive and prosper.⁷ Knowing whether households have “enough” resources to meet their needs requires establishing quantifiable thresholds against which their access can be compared.

⁵ Diagram from SC’s draft Indicator Kit for Measuring Outcomes for Children, October 2016.

⁶ We cannot assume that increasing household income alone will reduce child poverty. While we support families to boost and stabilise low and insecure incomes, programmes should also connect improvements in a household’s economic situation with investments in children. HEA can therefore be complemented by additional

HEA establishes:

1. How people in different social and economic circumstances get the food and cash they need;
2. Their assets, opportunities and the constraints they face; and;
3. The options available to them in times of crisis like a drought or a rise in food prices.

HEA defines household access against two thresholds:

The **‘survival threshold’**: access to enough kilocalories to meet their food needs, enough cash to meet their basic survival needs;

The **‘livelihoods protection threshold’**: survival needs, plus the income necessary to cover basic household expenditures,⁸ cash required to meet a locally acceptable standard of living.

If households fall below either one or both of these thresholds, it indicates that some kind of intervention is necessary to save lives and/or protect livelihoods.

The diagram below outlines the main steps for carrying out the HEA:⁹

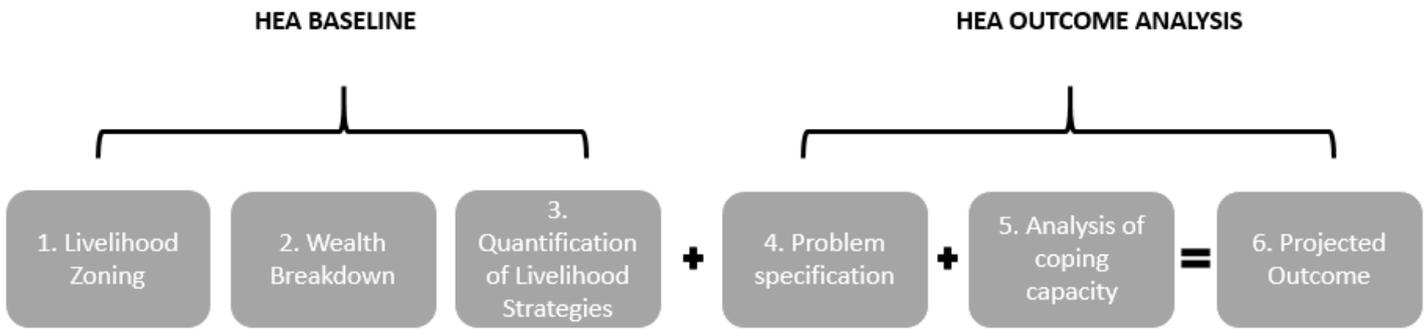
- **Livelihood zoning**: Geographical areas where households share the same type of livelihood such as farming
- **Wealth breakdown**: Grouping households based on wealth and assets
- **Quantification of livelihood strategies**: A measurable summary of annual food, cash, and expenditure by wealth breakdown
- **Problem specification**: Identification of a shock that can have economic consequences for the household

analyses to identify appropriate complementary activities to promote the equal investment of increased income in girls and boys.

⁷ HEA for Programme Planners and Policy-Makers, FEG and SC, 2008.

⁸ These include education, health, shelter, basic livelihoods inputs (HEA Practitioner’s Guide, 2008, FEG and SC).

⁹ HEA baselines are often called “livelihoods profiles”.



- **Analysis of coping capacity:** How households might cope with a shock, and its economic impact
- **Projected outcome:** Likely impact of the shock against the survival and livelihoods protection thresholds.

HEA can ensure livelihoods programmes set realistic income targets linked to meeting the costs of children’s basic needs. It can also ensure programmes and policies sustainably increase the poorest households’ incomes and reduce dependence on harmful coping strategies. Although HEA’s unit of analysis is the household as a whole, which can make it difficult to see gender-based gaps and barriers, the Common Approach will promote its adaption to capture specific information on women and girls. Refer to the gender section below for further detail.

Why use HEA? HEA provides insights in judging how shocks may affect a given population: what will be the difference in response and resilience between poorer and wealthier people? How many are in either group? How many people may need assistance? What type of support would best to support the livelihoods of the poorest households? Current vulnerability assessments and other data instruments used by Early Warning Systems (EWS) do not provide adequate answers to these questions.

DESCRIPTION OF THE TARGET GROUP FOR THE APPROACH

Targeted beneficiaries:

HEA is used to design appropriate livelihoods programming that will target the poorest economically

active households in humanitarian and development contexts.¹⁰ HEA identifies the poorest households within a defined livelihood zone, as defined by local definitions of poverty and wealth.¹¹ In addition, within countries or regions that have wide coverage of HEA livelihoods profiles such as the Sahel, HEA can identify the poorest livelihood zones that should be prioritized for livelihoods programming. HEA is also used to act as or inform early warning systems, which will identify households that have the least ability to cope with shocks, and should be targeted to receive livelihoods resilience building, emergency, or recovery programming.

Early Action means proactive no-regrets activities, which mitigate the predicted impacts of identified risks and build the resilience of children, communities and systems.

LIST OF KEY APPLICATIONS (ACTIVITIES)

To increase the poorest households incomes, Save the Children (SC) should apply HEA in two main ways: 1) using HEA Outcome Analysis (OA) to act as, or to inform existing, early warning systems in contexts prone to slow onset food and nutrition crises to trigger early action or timely response, and 2) using HEA baselines and/or OA to inform the design of appropriate livelihoods programmes in humanitarian and development contexts.

HEA for early warning, early action, and timely response:

Within the context of slow onset food and nutrition crises such as drought or food price increases, too

¹⁰ “Economically active households” refers to households with the capacity to engage in economic activities.

¹¹ HEA is one approach to targeting the poorest. Depending on the objectives of the programme, other methods to target the poorest may be relevant such as categorical

targeting (e.g. households with young or malnourished children), geographically-based targeting (e.g. areas with high rates of child stunting or multi-dimensional poverty).

often, by the time a disaster is declared and assistance delivered, livelihoods have already been destroyed, children have suffered, and lives have been lost. In response, SC has adopted a proactive approach to respond to slow onset crises: by carrying out OA based on forecasts, HEA permits sufficient lead time to implement early and relevant actions to protect livelihoods and to reduce the impact of shocks on families and their children. Moreover, the OA indicates households' food and income sources that will be affected by the shock, and quantifies projected needs, including the number of households that will require support and the amount of support that will be required, which facilitates response analysis and the selection of appropriate food security and livelihoods interventions.

In addition to facilitating SC-led early action planning, HEA OA contributes to and improves wider early warning systems (EWS) and frameworks. HEA OA contributes critical food access information that other indicators cannot capture to such systems, including the globally recognised and respected Integrated Phase Classification (IPC) framework, and its West African equivalent, the Cadre Harmonisé (CH). The frameworks combine data on different dimensions of food insecurity into a coherent phase classification for

current and early warning of crises. HEA OA is a critical indicator within both frameworks.

HEA for livelihoods programme design:

Achieving our Breakthroughs for children means putting the livelihoods and prosperity of their families at the forefront of our planning and programmes. Because HEA enables such a unique and detailed insight into household livelihoods and vulnerability, programmes that are informed by HEA analysis enable us to reach the poorest families and to provide them with appropriate livelihoods support. HEA brings a focus on and understanding of access throughout the programme cycle. HEA used in programme design and implementation helps our country offices to streamline our livelihoods support, and provide a clear link between humanitarian and development programming. Identifying and targeting the most vulnerable households, and strengthening their livelihoods resilience is crucial to achieving our breakthroughs for children. Ensuring that country offices make the most of what HEA has to offer will contribute towards our success in alleviating child deprivations and promoting child-sensitive livelihoods

HOUSEHOLD ECONOMY ANALYSIS

APPLICATION	CONTEXT	OVERVIEW
Early Warning		
HEA to trigger EA and timely response	Prone to slow onset food or nutrition crises (drought, price shocks, etc.)	<ul style="list-style-type: none"> Develop scenarios using forecasts, and carry out the OA to project likely impacts on households; Conduct response analysis and contingency planning based on the OA results, including detailing the number of households requiring support and amount of support to be provided in cash and kilo-calories, to implement forecast-based action and/or a timely humanitarian response;
HEA to complement existing EWS	Where EWS exist	<ul style="list-style-type: none"> Develop scenarios using forecasts, and carry out the OA to project likely impacts on households' access to food; OA results to feed into the Integrated Phase Classification, Cadre Harmonise or local EWS processes to ensure food access is considered with early warning analyses.
Programme Design		
Livelihoods programme design	Development	<ul style="list-style-type: none"> Use livelihoods profiles information to guide the selection of appropriate livelihoods interventions: profitable income generation activities for different wealth groups; access to affordable financial capital; complementary safety nets, including the timing and transfer amounts to accompany livelihoods support; Use livelihoods profiles information to avoid the selection of interventions that would not benefit the poorest households to avoid exclusion.
Modelling interventions	Humanitarian (including recovery) and Development	<ul style="list-style-type: none"> Carry out OA to model the likely impact of potential livelihoods activities on the different wealth groups to select the most appropriate interventions for programmes: <ul style="list-style-type: none"> By translating the likely impact of interventions into local currency and then to kilocalories, the modelling permits programme managers to select appropriate interventions that will have the most impactful results on household income – and disregard those that would have little or no impact on income.
Targeting	Humanitarian (including recovery) and Development	<ul style="list-style-type: none"> Use of wealth breakdowns to identify the poorest households or those that are most vulnerable to projected shocks: <ul style="list-style-type: none"> Criteria are generated by communities, and are therefore credible and locally relevant sources of information on vulnerability; Criteria can be based on an existing baseline wealth breakdown or a rapid wealth breakdown assessment in operational area to determine who the poorest households are; It can be used in combination with other targeting approaches such as Proxy Means Testing (for eg. in the Sahel and in the Hunger Safety Net Programme in Kenya) or on its own;
Calculating transfer values	Humanitarian and Development	<ul style="list-style-type: none"> HEA baseline data on purchases can be used to generate a minimum expenditure basket for use with food security, livelihoods and/or multi-purpose grants; Can be used to calculate the minimum transfer value that is required to enable different wealth groups to meet their basic food and livelihoods needs, as well as children's additional needs, throughout the year, and to identify the period of the year when households require additional support to meet these needs. Can also inform the design of "Cash Plus" for livelihoods programmes, and combined with the Cost of the Diet¹² (CotD) tool can inform "Cash Plus" for nutrition programmes.¹³ HEA OA allows us to determine a reference point, and also how that reference point is affected by shocks (such as drought, or conflict), or positive outcomes (such as a project intervention)

¹² CotD is a platform used to understand how poverty affects households to meet their energy, protein, fat and micronutrient needs. For more details, please refer to section 1 on *Guidance on Cross-Cutting Topics*.

¹³ Cash Plus refers to cash transfers that are combined with one or more types of complementary support.

Using HEA to inform livelihoods programmes in Nepal and the Sahel

- Post 2015 earthquake, a rapid HEA baseline conducted in the mid-hill zone in Dolakha Nepal quantified the large shelter requirements of all wealth groups, and highlighted that without significant external support to rebuild a house, families from all wealth groups would face severe challenges to meet their basic needs. The analysis also showed the need for longer-term development programming: in normal times, poorer households significantly rely on unfair credit and loans, which has resulted in a perpetual cycle of extreme debt and inability to invest in their children's futures. The study highlighted the need to improve the poorest households' access to fair credit schemes, while simultaneously improving their ability to escape poverty through a poverty graduation approach.
- An analysis of 68 HEA livelihoods profiles across the Sahel highlighted that the rural economy in the region has become highly cash-oriented, and that food security, especially for the poorest, is highly market-dependent. While some governments and agencies still assume that the solution to food insecurity is to increase households' food production for direct consumption, the HEA studies clearly show it is not feasible to help the poorest to become self-sufficient in food production. The studies also highlight the poorest households' reliance on agriculture and livestock day labour and their minimal access to land and livestock. Within a context of frequent drought, the analysis subsequently revealed that traditional livestock and agriculture insurance, based largely on amount of land and animals owned, would primarily benefit the middle and better off households. The poorer households, who suffer from the same shocks' result in decreased labour opportunities, would require a more innovative, labour-based insurance scheme or a reliable, and ideally shock-responsive, safety net system.

EVIDENCE OF EFFECTIVENESS

HEA has been used globally in around 50 countries by different humanitarian and development agencies and government organisations to identify and quantify household livelihoods practices and predict household coping. Over 540 HEA baselines have been developed by SC and partners (mostly in Africa, but also in Asia and Latin America), which demonstrates its usefulness and potential to achieve results at scale.

Where is Save the Children implementing HEA?



Government Action to institutionalize HEA within Early Warning Mechanisms

The uptake of HEA within government EWS in Africa, particularly in the Sahel, is a clear indicator of the effectiveness of the approach: the incorporation of HEA food access indicators into national and regional EWS undoubtedly improves the accuracy of EW analyses, which have historically depended upon food availability indicators. For instance, in 2010, the OA in Burkina Faso identified food-insecure households in areas untouched by drought, which traditional EWS would not have necessarily identified. Through SC's HEA Sahel Project (funded by ECHO since 2010 and co-funded by OFDA since 2013), over 90 HEA livelihoods profiles have been developed in the seven targeted Sahel countries. OA is systematically carried out twice per year by HEA Working Groups to inform national and regional early warning frameworks, and is one of the key data sources within the analyses.

Influencing governments' pro-poor policy and programmes

HEA and CotD¹⁴ analyses have contributed to vast improvements of governments' poverty-reduction

¹⁴ For details on CotD, please refer to section I on Guidance on Cross-Cutting Topics.

policies and programmes. In Kenya, the government is using HEA information to inform its large-scale Hunger Safety Net Programme (HNSP) that aims to reduce poverty, malnutrition and food insecurity: HEA wealth group information contributes to its targeting approach, while the OA is informing its poverty graduation model.

HEA Success Story in Sahel

In the Sahel, through SC's HEA Sahel Project (funded by ECHO since 2010 and co-funded by OFDA since 2013), over 90 HEA livelihoods baselines have been developed in the seven targeted countries in the Sahel. The project has effectively built capacity of local practitioners within NGO partner organizations and government ministries, and OA is now systematically carried out twice per year by country level HEA Working Groups to feed critical food-access information into national and regional EWS. Evidence of the project's successes and of HEA's institutionalization within the region is apparent by governments' investment in HEA (financial investment by the Burkina Faso government, dedicated human resources for HEA in Niger, Mali, Senegal, etc.), and their expanded use of HEA outside of EWS (use of HEA for targeting for social protection and poverty reduction strategies in Niger, Burkina Faso, Chad, etc.) The project has recently been expanded into 10 additional countries in West Africa, driven by SC and Agrhymet, the regional centre responsible for the Cadre Harmonise. Agrhymet received funding from the EU in 2016 to expand SC's regional HEA project and now works alongside SC to achieve scale and promote sustainability.

In Myanmar, SC used HEA and CotD analyses to pilot a Maternal and Child Cash Transfer (MCCT) social protection scheme in Rakhine state. The transfer value was calculated based on CotD analysis of the cost of a healthy diet for a child aged 12-23 months and a pregnant or lactating woman, combined with the average expenditure on health care and medicines which was generated during the HEA baseline study. Based on successful pilot results, SC and UNICEF successfully advocated for the government's uptake of the MCCT,

with an initial roll-out in one state. HEA and CotD frameworks facilitated an accurate calculation of the poorest households' income gaps without which the transfer values would have likely remained insufficient for households to invest adequately in their children's needs.

As detailed previously, the Integrated Phase Classification and Cadre Harmonise early warning frameworks combine varying information to analyse and classify the severity of current and projected food insecurity according to international standards. Many food security EWS have traditionally focused on food availability indicators, especially cereal balance sheets which capture information on production and consumption.¹⁵ The HEA OA contributes critical food access information to such systems that other indicators in the framework cannot. Information on access to food is important because in the majority of places where we work, the poorest households rely on purchases for the majority of their food needs.¹⁶ SC plays an important role in the Integrated Phase Classification and Cadre Harmonise technical working groups, ensuring that HEA is appropriately used within analyses.

Benefits for Save the Children (SC)

As previously detailed, a number of NGOs and agencies (FEWS NET¹⁷, Agrhymet¹⁸, etc.) have carried out and are adopting more regular use of HEA analyses, and donors such as ECHO and USAID, are promoting its use, which is promising for achieving HEA at increased scale. Historically, SC's technical expertise in HEA has contributed to the organization's reputation in being a leader in food security and livelihoods programming. However in recent years our leadership in HEA has slipped. As the original creator of HEA, SC has great potential to recover the status as the go-to agency for HEA-based work. By further investing in HEA, and prioritizing HEA as a tool for child sensitive livelihoods, SC can expand our in-house technical capacity which could lead to cost effectiveness (by decreasing our dependence on costly external experts) and improved relationships with donors and government which will subsequently position ourselves for additional funding and the potential to strategically influence the broader policy environment.

¹⁵ Leturque, H and Michiels D. « Systèmes d'Alerte Précoce et de Gestion des Crises Alimentaires au Sahel ». IRAM for Save the Children. 2014.

¹⁶ HEA Sahel Atlas, Asia HEA Study.

¹⁷ FEWS Net a provider of early warning and analysis on acute food insecurity: <https://www.fews.net/>

¹⁸ Agrhymet leads the CH analyses in West Africa.

Indicators of Quality/Measurement

The quality of HEA can be measured in three separate manners:

- Quality benchmarks to measure and improve the process of carrying out HEA analyses (baseline and OA);
- Quality measurement of the design of programmes informed by HEA analyses; and
- Measurement of the outcomes of programmes designed using HEA.

SC's livelihoods programming strives to achieve positive outcomes for children. However, as previously stated, while HEA informs appropriate livelihoods programming, complementary analysis (on the barriers to nutrition, education, protection, etc.) and interventions are required to achieve these outcomes. Therefore, the indicators of HEA-informed programming measure households' economic status. Some illustrative quality benchmarks for the HEA Common Approach activities are listed below

While implementers will design indicators based on the specific objectives of their project, certain indicators that measure the design and outcomes of programmes based on HEA analyses are in the table below:

TYPE OF INDICATOR	COMMON APPROACH APPLICATIONS		OUTCOME INDICATORS
	Early Warning/ Early Action	Programme Design	
<i>Indicators to measure the design of programmes informed by HEA</i>		X	Livelihoods programmes are designed based on modelling of interventions and/or HEA baseline information
		X	Transfer amounts for humanitarian and development programmes that have FSL and/or nutritional outcomes are calculated based on HEA and/or CotD thresholds ¹⁹
<i>Indicators to measure the outcome of programmes informed by HEA</i>	X		Households that receive Early Action or timely interventions triggered by HEA OA are able to protect livelihoods assets, smooth or increase consumption, and mitigate harmful coping strategies that may impact children negatively: <ul style="list-style-type: none"> - Productive asset levels; Food Consumption Score OR Household Dietary Diversity Score; Children's Dietary Diversity Score; Coping Strategies Index score OR Household Hunger Scale: <i>Target values for all: Values remain constant or recover to acceptable levels after the shock</i>
		X	Programmes informed by HEA analyses enable households to increase/ recover/ maintain incomes to meet or exceed livelihoods protection threshold
		X	Programmes informed by HEA analyses enable households to meet children's education and healthcare financial needs through sufficient income (<i>if programme has education and health objectives</i>)
		X	Emergency programmes informed by HEA enable households to meet survival threshold

¹⁹ HEA and CotD thresholds are also being considered for the Basic Needs Assessment tools and calculations, in which case transfer amounts should be calculated based on BNA thresholds. Refer to the Innovation section below for further details.

Illustrative quality benchmarks for HEA-based Early Warning/Early Action and Programme Design are listed in the table below:

TYPE OF INDICATOR	COMMON APPROACH APPLICATIONS		QUALITY BENCHMARKS (STANDARDS)
	Early Warning/ Early Action	Programme Design	
Quality benchmarks to improve key HEA processes	X	X	Baseline and OA processes fulfil the minimum requirements of the quality checklists for example: <ul style="list-style-type: none"> • A minimum of 8 villages (4 villages for a rapid baseline) were visited • The BSS was used for the baseline analysis, and completely filled in • The relevant cross checks balance (for example: food and expenditure) • Asset holdings increase with wealth • A LIAS or Dashboard was used for the OA • The crop and price problem specifications are based on official monitoring data for the relevant locations (Refer to the annex for the full check list)
	X	X	At least 50% of key parameters ²⁰ are collected for seasonal OA exercises
	X		OA and response analyses exercises are carried out by CO staff and/or governments in countries prone to slow onset food crises in line with seasonality
	X	X	SC FSL staff are regularly trained in HEA baseline and OA (including yearly refresher trainings)
	X	X	Baseline and OA reports clearly articulate findings and are shared with relevant partners, including government early warning systems in a timely manner
	X	X	All staff and data collectors involved in HEA data collection processes have undergone a rigorous vetting process (background/ police check) and completed a child safeguarding training course

GUIDANCE ON ADAPTATION TO DIFFERENT CONTEXTS

HEA is an excellent tool for integrating humanitarian and development livelihoods and food security programming, as it bridges the gap between baseline, normal year analysis and shock-related outcomes for households. Whether it is used in urban, conflict, or development contexts, the methodology remains the same, however, the focus shifts to encompass different aspects of the new context.

Rapid HEA: Although HEA baselines are an invaluable source of information on household livelihood practices and coping strategies, carrying out a full baseline may not always be feasible. For quicker adaptation and response analysis in humanitarian settings, HEA baselines can be shortened to be “rapid”. A rapid HEA baseline takes

approximately two weeks, as opposed to the full baseline that takes four weeks. In addition, a rapid HEA records information about the current season, enabling users to run scenarios to determine the impact of the hazard on current year access. Although the rapid HEA can be completed and the results used more quickly, it is important to note that, due to the rapid nature of the study, the results are not considered valid for the same length of time as a full baseline.

Urban HEA: It is also possible to adapt HEA for use in urban contexts. The same framework applies, however in urban settings, household access to food and income is often more complex. The livelihood zoning, wealth breakdown, and quantification of livelihood strategies must all incorporate urban-specific considerations, such as a smaller and more diverse area of focus, an increase in the number of wealth groups, and a larger level of

²⁰ Key parameters are the most important income and food sources for different wealth groups as defined during HEA baselines.

access to income-generating activities. As the scale of urban crises presents ever-new challenges to humanitarian and development programming, HEA gives us a strong basis for understanding the multifaceted nature of urban livelihoods.

HEA and conflict: Livelihoods are profoundly and often irrevocably damaged by the impact of conflict. Understanding how conflict and insecurity affect families' livelihoods and coping strategies is essential to identifying how to support recovery and promote resilience.²¹ The level of livelihoods analysis afforded by HEA permits humanitarian practitioners to understand gaps in household needs that result from conflict. HEA provides the basis for strong and effective humanitarian response, and for identifying how to support livelihoods in longer-term protracted crises.²²

GUIDANCE ON ADVOCACY, PARTNERSHIP AND PREPARING FOR SCALE

Advocacy: Our advocacy efforts have led to varying systems changes that can lead to sustainable results for families and children, including: incorporation of HEA within EWS; use of HEA and CotD to inform social protection programmes; and use of HEA for targeting for poverty reduction strategies. There are also several examples where our advocacy and programming have influenced the work of influential donors such as DFID, USAID and ECHO, and international organizations such as the World Bank as well as the Start Network. Going forward it is envisioned that continued advocacy efforts will further increase the use of HEA by governments, donors and other key partners to inform programme and policy design, and EWEA systems.

Partnerships: Partnerships with varying stakeholders will continue to be a priority in order to achieve sustainable results at scale:

- **Governments:** they have been, and will continue to be, critical partners for the successful and sustainable use of HEA.
- **The Food Economy Group (FEG):** the expert consultancy has played a crucial role in building capacity of SC staff in HQ and COs. As our internal capacity increases, FEG's role will continue shifting from building our technical skills to

supporting us with innovative adaptations of HEA. They will also continue to be an ally in promoting the increased use of HEA in varying contexts.

- **FEWS NET, the Integrated Phase Classification and the Cadre Harmonise (Agrhymet/CiLSS²³):** they will continue to be critical allies in promoting the use of HEA for early warning analyses at regional and global levels.
- **Donors:** we will continue to build donor understanding of HEA in order to diversify funding streams and promote best practices. We will also continue to work closely with existing donors of HEA - particularly ECHO and USAID that have financed much of our HEA work to date - to carry out innovative HEA-based work.
- **Other NGOs and UN agencies (such as FAO, WFP):** to achieve increased results at scale, we will continue to work alongside other NGOs and to promote uptake of HEA by UN agencies.

Advancing the gender-sensitivity of HEA and the resilience related work will be priorities in developing the Common Approach.

Preparing for scale: Because of its unique ability to quantify household access, HEA is a strong foundation for food security and livelihoods analysis, and has been used extensively in varying contexts for varying purposes. The tool is therefore well placed to achieve results at scale.

Our ambition in institutionalising HEA as a Common Approach is to leverage SC's knowledge and technical leadership on the use and implementation of HEA across global country programmes. To expand the use of HEA to reach more families and children, SC will use its existing in-house capacity to increase and promote the use of HEA through varying capacity building approaches, including face-to-face trainings, fieldwork, and online training. A capacity-building strategy will be developed prior to scaling up the use of HEA.

²¹ <http://foodeconomy.com/applications-of-hea/resilience/>

²² Livelihoods and Conflict: A Toolkit for Intervention. FEG and USAID. 2005.

²³ The inter-state committee responsible for fighting drought in the Sahel: <http://www.cilss.int/>

GUIDANCE ON CROSS-CUTTING TOPICS

Although HEA is a comprehensive framework for understanding how households access food and income, it also incorporates cross-cutting issues that are essential and/or relate to child sensitive livelihoods, including gender equality, nutrition, resilience, inclusion, and child safeguarding.

Gender equality: As mentioned above, currently, as with most poverty and livelihoods assessment tools, the HEA methodology's unit of analysis is the household as a whole, which makes it difficult to see gender-based gaps and barriers. However, the methodology can be adapted to capture specific information on women's access to food and income, which impacts their own wellbeing as well as a household's overall ability to invest in children. To capture this critical information (that will contribute to the design of gender sensitive or transformative programming²⁴), during the HEA baseline data collection phase, details on women's livelihoods options, skills, literacy, mobility, etc. must be collected – and gender-based gaps and barriers identified. Through these additional details, HEA analyses can support the design of programmes that work to empower women and girls, and enable them to partake equitably in viable livelihoods activities and household decision making. Furthermore, by collecting additional information on expenditure, it is possible to detail if different household members (e.g. women/men; boys/girls) equitably access and benefit from income and food. It is recognized that accompanying gender analyses may be required in order to fully understand barriers and constraints that may prevent diverse household members from equitably engaging in income generation activities, and equitably accessing or benefiting from their households' food and income.

Nutrition: The CotD method and software platform were initially conceived and developed by SC in 2005 to understand the extent to which poverty affects the ability of individuals and households in different contexts to meet their energy, protein, fat and micronutrient needs. The CotD tool was designed to provide an analysis of the affordability of diets and understand the difficulties in accessing certain nutrients using locally available foods at different times of the year. The method relies upon data collected from the different wealth groups as defined by the HEA.

- Alongside the HEA, CotD analyses inform the design of programmes that will have sustainable nutritional impacts for children, such as:
- Identifying the lowest-cost nutritious foods that are locally available to reduce the cost of a nutritious diet throughout the year including during the lean season.
- Determining transfer values for food security or social protection programmes that are based on the specific nutritional needs of children or pregnant/lactating women.
- Designing “Cash Plus” programmes, that incorporate appropriately calculated cash transfers and accompanying activities such as information sessions on improved IYCF practices.
- Designing FSL programmes to increase the availability of and accessibility to nutritious foods throughout the year, such as vegetable gardening.

Resilience: Building households' abilities to cope with shocks is as crucial as ensuring effective early warning. HEA OA determines households' resilience to locally relevant shocks (without resorting to damaging coping strategies), and uses the same process as described above to model the impact of resilience-building programmes on increasing baseline income access. A household's resilience score (per wealth group) is the ratio of their total post-shock income and their livelihoods protection threshold.²⁵ It is also a useful tool for modelling potential livelihoods interventions for programme planning, described above, as it indicates if and by how much an intervention will improve households' resilience to different types of shocks.

Inclusion: HEA seeks to capture information on different groups of households and is therefore particularly useful for designing programmes and influencing policies that are inclusive of the poorest. For SC, programmes that are informed by HEA seek to include the poorest economically active households in livelihoods activities, ensuring the design is appropriate by taking into account their often multiple constraints of

²⁴ All programmes must meet SC's essential standard of being gender sensitive at a minimum and gender transformative whenever possible.

²⁵ <http://foodeconomy.com/applications-of-hea/hea-and-resilience/>

limited assets, high debt levels, time and skills.²⁶ In addition, HEA can help to identify families that do not have the skills or resources to participate in livelihoods activities; by identifying these extremely poor households, HEA practitioners can advocate for their inclusion in a social protection system. In addition, as previously mentioned, HEA's unit of analysis is the household; however it could be modified to determine how household expenditure is divided between all members, including children and other members with disabilities or particular needs. Similarly, being explored is how HEA can be used to identify income targets for families with members that have special needs, such as HIV or disabilities.

Child Safeguarding: A significant amount of data and information is collected during the HEA baseline and OA stages through community-level focus group discussions and key informant interviews. HEA data collectors are grouped into teams, with a designated team leader responsible for over-seeing their respective team's data collection process. Although children are not usually directly interviewed, it is possible that children will be present during interviews (for example if they are accompanying their care givers); through scenario development, child safeguarding potential risks must be assessed in each specific context. For example, in some particular cases, children may be asked to be interviewed to collect specific information, such as on their contributions to household income. Throughout these data collection processes, it is imperative to keep children safe and prevent abuse and exploitation. For this reason, all staff and data collectors are required to participate in SC's child safeguarding training²⁷ which includes signing a document pledging to adhere to SCs policies on child safeguarding and must undergo vetting background and police checks. Team leaders bear a particular responsibility for ensuring their team abides to SC's child safeguarding rules.

PROMOTING LEARNING

SC will continue to continue to improve HEA and its adaptation. To do so, some questions we will strive to test and answer are as follows:

- *Within the context of slow onset crises, does intervening before the situation deteriorates based on HEA forecasts have more positive impacts on families and their children compared to traditional emergency response?* This

question is starting to be explored within the EA pilot project in Ethiopia, Kenya and Niger; however it is anticipated that further evidence will be required in terms of the value added of HEA versus other forecastive approaches.

- *How can HEA be best adapted to inform child-focused, multi-sector programming?* This question is starting to be explored in the Sahel with the HEA Sahel team's work on developing additional HEA sector baskets and thresholds to add to the standard HEA framework. However, it is anticipated that further testing of the tool will be required, as well as possible refinements.
- *How can HEA best be adapted to inform gender sensitive (and eventually transformative) programming?* The opportunity for HEA to inform programmes that empower women and girls was highlighted in the review of HEA analyses in Asia. However, we must further explore how HEA can best be adapted and identify potential complementary gender analysis tools to inform gender sensitive and transformative programming. This includes better understanding household power dynamics (including access and control) which can be a critical impact in determining how resources are obtained and utilised, and whether they are invested in children. Working alongside a SC gender expert will be imperative.
- *What is the accuracy of HEA OA?* In order to demonstrate the tool's accuracy, a review of HEA OA results versus how the situation materialized in reality would be useful.
- *What is the cost effectiveness of HEA?* We will seek to document the cost effectiveness of HEA as a livelihoods analysis and early warning tool compared to other frameworks and approaches.

How can we expand the use of HEA in urban settings to inform programme design? A unique aspect of HEA is its ability to use the same analytical framework for multiple purposes. Capturing the diversity of urban economies is one of them. Urban HEA studies can provide us with a wealth of information to improve our urban programming.

²⁶ Refer to the Madagascar case study on page 12 as an example of how HEA promotes inclusiveness.

²⁷ Child safeguarding awareness training includes: expected behaviour (including what is and is not acceptable), and how to report any safeguarding concerns.

INNOVATION

SC will strive to test innovative adaptations to enhance the use of the HEA framework and its potential impact on children:

- **HEA for multi-sector programming:** SC's HEA Sahel Project team is exploring the adaptation of the framework to develop additional child-focused thresholds (such as health and education) which would be useful to inform income targets for livelihoods programming. The HEA OA will also be used to better understand how shocks will likely impact households' ability to meet these various sector targets. Additionally, we are currently exploring the possibility to integrate HEA within an innovative Basic Needs Assessment tool that is being developed by SC and partners; the tool – and therefore HEA – has the potential to improve multi-sector needs assessment and analyses and guide multi-purpose cash grants, as recommended by the Grand Bargain.²⁸
- **HEA for even MORE child-focused programming and for gender sensitive (and eventually transformative) programming:** also detailed in the previous section, we will continue to innovate the tool to capture further information on children's and caregivers' access to income sources and contributions to household income, and households' expenditures on children. We will adapt the data collection and analysis tools to ensure information is accurately assessed and used to inform programme design. Likewise, we will explore how to use HEA to understand women's and girls' contributions to, access to and control over household income, and how these affect their empowerment. For this, we will closely work with SC gender experts.

Case Study/Success Story

HEA for influencing child-sensitive and inclusive vanilla value chains in Madagascar

In Madagascar, SC is partnering with Unilever, Walls Ice Cream and Symrise, a global fragrance and flavour supplier sourcing vanilla in Madagascar, to increase the child sensitivity of vanilla value chains and to prevent the intergenerational transfer of poverty in the vanilla-producing, north-eastern part of the country. Although SC's partners had developed a methodology for targeting poor farmers prior to SC's engagement, SC recognized that it was likely excluding the poorest households from the project, which included livelihoods and health activities. Through an HEA baseline, SC demonstrated that due to a lack of land and inputs, the poorest households were not vanilla producers, or produced very limited amounts of vanilla, thereby excluding them from the project's activities. The baseline effectively highlighted that the ongoing project could be modified to include the very poor households by modifying targeting criteria according to the HEA wealth breakdown, and adding appropriate livelihoods activities for this group of households. Moreover, the HEA analysis highlighted that very poor households could hardly cover their basic food and livelihoods needs in normal times, leaving little financial ability to invest in their children's needs such as education. Ultimately, through the HEA, SC successfully influenced the design of the project, and, combined with complementary assessments, secured funding from Unilever and a partnership with Symrise to implement complementary child-sensitive livelihoods interventions as well as youth, nutrition and health activities.

²⁸ <http://www.agendaforhumanity.org/initiatives/3861>

RESOURCES NEEDED

Capacity & funding

The first step to institutionalising HEA is to ensure that staff are adequately trained in and have a good working knowledge of the approach. The standard HEA baseline and OA trainings normally require an HEA expert to facilitate the training, and a time commitment from participants of between three and five days. Therefore, to increase access to these trainings, SC has developed online e-learning courses available in multiple languages. Ultimately, as a minimum, an HEA baseline training, and a comprehensive working knowledge of HEA would be a required training for FSL Advisors within SC.

A key element in institutionalising HEA in our country offices would be to expand the number of baselines available, thereby expanding the number of staff exposed to and experienced in HEA. SC possesses staff specialised in HEA, who can be identified to deploy and support the roll-out of HEA in other countries. In order to carry out an HEA, the main requirements are staff availability, administrative and logistical support for the field team, and sufficient funding for the type of baseline you are carrying out. Rapid HEAs are most commonly required after a rapid-onset disaster, where limited time and the need for immediate results take precedence.

LIST OF MEMBERS IMPLEMENTING

The following SC members are implementing HEA:

- SCUK
- SC USA
- SC Spain
- SC Italy
- SC Germany

COUNTRY OFFICES IMPLEMENTING

The table below shows the regions and countries in which HEA is being or has been implemented.

REGION	COUNTRY
West Africa	Niger Nigeria Sierra Leone Senegal* Mauritania* Mali* Burkina Faso* Chad* Cote d'Ivoire* Guinée* Cap Verde* Liberia* Guinee Bissau* Togo* Benin* Gambia* Ethiopia Kenya
East and South Africa	Somalia Zimbabwe Mozambique Madagascar
Asia	Bangladesh Pakistan Nepal Philippines Myanmar
Latin America	Peru Nicaragua
Middle East	Syria Lebanon Yemen

CONTACTS FOR MEMBERS AND COUNTRY OFFICES IMPLEMENTING

Available [here](#)

LIST OF ACRONYMS

CiLSS - Permanent Interstate Committee for Drought Control in the Sahel

CotD - Cost of the Diet

CH - Cadre Harmonise

CP - Child Poverty

DFID - Department for International Development (UK)

ECHO - European Civil Protection and Humanitarian Aid Operations

EW(S) - Early Warning (Systems)

FEG - Food Economy Group

FEWS NET - Famine Early Warning Systems Network

HEA - Household Economy Approach

IHEA - Individual Household Economy Approach

IPC - Integrated Phase Classification

LIAS - Livelihoods Impact Analysis Spreadsheet

OA - Outcome Analysis

OFDA - Office for Foreign Disaster Assistance

WG - Wealth Groups

SC - Save the Children

APPROACH GUIDES AND TOOLS

A plethora of guidance has been developed and HEA-based studies carried out, mostly by FEG and SC, and are readily accessible on [SCUK's website](#), and the HEA and CotD website ([heawebsite.org](#)). Some of the main HEA documents are available below and on [OneNet](#):

The Practitioners' Guide to HEA (available in French and English)

<http://www.savethechildren.org.uk/resources/online-library/practitioners%E2%80%99-guide-household-economy-approach>

The HEA Guide for Programme Planners and Policy Makers

<http://www.savethechildren.org.uk/resources/online-library/household-economy-approach-guide-programme-planners-and-policy-makers>

The HEA Dashboard Manual (*Link Forthcoming*)

The Situation and Response Analysis Framework (SRAF)

<http://www.sraf-guide.org/sites/default/files/content/resources/SRAF%20Guidance%20v.5.pdf>

Early Action Guidance Notes (available in French and English)

https://onenet.savethechildren.net/whatwedo/Child_Poverty/Pages/Early-Action.aspx (*Internal*)

HEA-Based Targeting Methodological Guide: The Niger Alliance (available in French and English) (*Link Forthcoming*)

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