What can HOUSEHOLD ECONOMY ANALYSIS do for you?

HEA for Early Warning & Forecast-Based Action

Forecast-based Action (FbA) at Save the Children

Since 2012, Save the Children has been investing in 'early action' and forecast-based contingency planning. This means intervening in response to forecasted need, before a situation develops into a crisis. It involves understanding who to target and when, and with what kind of support

Save the Children

How does HEA help?

HEA was originally designed as a tool for early warning. Seasonal information on rainfall, crops and prices, which tends to be routinely collected by government systems, along with information on livestock and labour and self-employment opportunities, are used in conjunction with baseline data to indicate **which wealth groups** within a population are likely to face a deficit of **how much** and **when**.

Combined with population data, the analysis allows for an estimate of the **number of people that will need assistance to protect livelihoods and/or prevent extreme hunger**, and the **total food or cash** equivalent required and of the **months** when it will be needed.
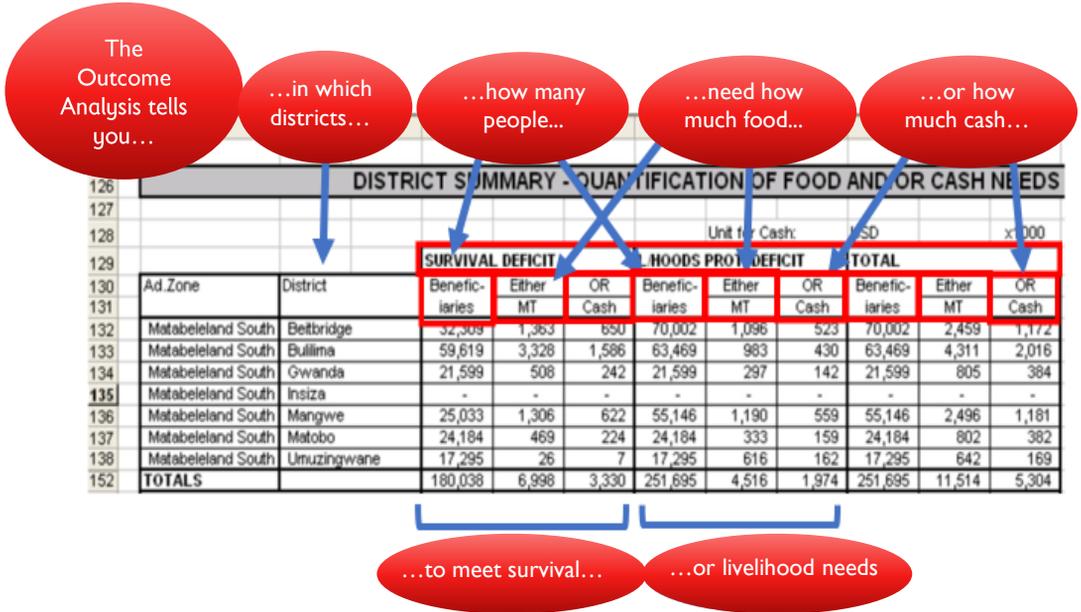
HEA differs from other approaches because it **projects and quantifies households' access to food and income**. It can also be used **at scale, and for a wide range of shocks or scenarios:** if a shock can be forecasted, HEA can model its projected impact. This means it can provide direct answers to decision makers' questions (how many, how much, who, where and when) over a wide geographical area and in varying contexts, using a framework that is logical and easy to understand.

The tools used for this analysis are called the Livelihood Impact Analysis Spreadsheet or **LIAS** or the **Dashboard**.

Such as agriculture labour, and the collection and sale of firewood.

DISTRICT SUMMARY - QUANTIFICATION OF FOOD AND/OR CASH NEEDS

Unit for Cash: USD x 1000

Ad.Zone	District	SURVIVAL DEFICIT Benefic-iaries	Either MT	OR Cash	LIVELIHOODS PROT. DEFICIT Benefic-iaries	Either MT	OR Cash	TOTAL Benefic-iaries	Either MT	OR Cash
Matabeleland South	Beitbridge	32,309	1,363	650	70,002	1,096	523	70,002	2,459	1,172
Matabeleland South	Bulilima	59,619	3,328	1,586	63,469	983	430	63,469	4,311	2,016
Matabeleland South	Gwanda	21,599	508	242	21,599	297	142	21,599	805	384
Matabeleland South	Insiza	-	-	-	-	-	-	-	-	-
Matabeleland South	Mangwe	25,033	1,306	622	55,146	1,190	559	55,146	2,496	1,181
Matabeleland South	Matobo	24,184	469	224	24,184	333	159	24,184	802	382
Matabeleland South	Umuzingwane	17,295	26	7	17,295	616	162	17,295	642	169
TOTALS		180,038	6,998	3,330	251,695	4,516	1,974	251,695	11,514	5,304

> ❝ Forecast-based Action means proactive no-regrets activities, which mitigate the predicted impacts of identified risks and build the resilience of children, communities and systems ❞

Planning for Forecast-based Action

HEA uses data from monitoring systems along with baseline data to predict households' access to food and income over the year or season ahead. But it can also model different scenarios based on forecasts or likely events, rather than actual data. Therefore, HEA is particularly useful for contingency planning, and for triggering early actions and identifying a clear window of opportunity to act before the shock occurs.

SCUK has used HEA in slow-onset crises in agriculture and pastoral settings, to model the impact of a forecasted below normal rains, which has led to action to mitigate the predicted impact, before households revert to coping strategies that can have harmful impacts on livelihoods and children's well-being.
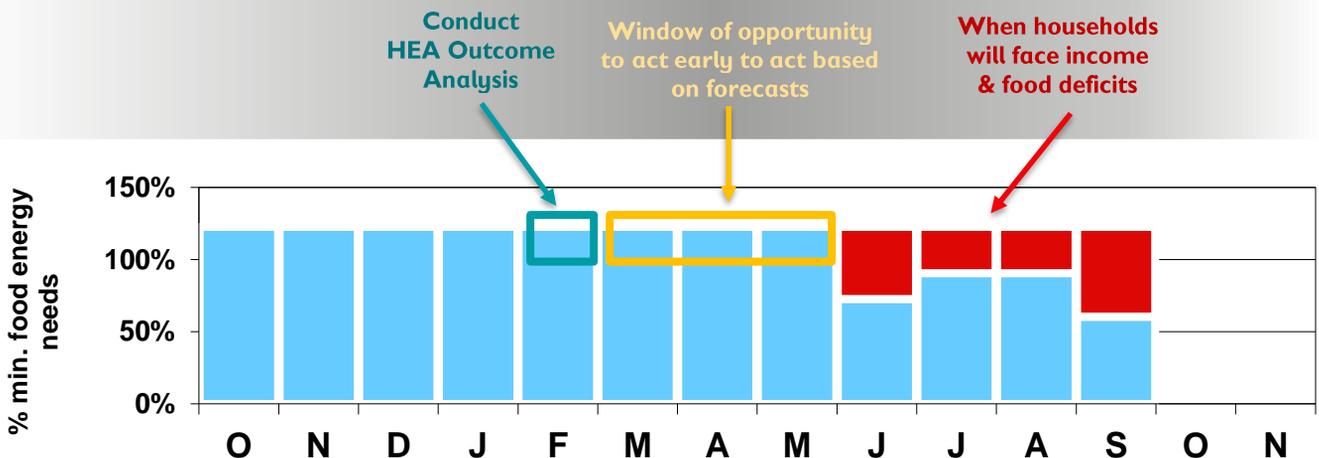
Conduct HEA Outcome Analysis

Window of opportunity to act early to act based on forecasts

When households will face income & food deficits

% min. food energy needs — chart with months O N D J F M A M J J A S O N, values ranging 0% to 150%.

Photo Credit: Felicity McCabe

What is required to use HEA for Early Warning & FbA?

Valid baselines configured in a LIAS or Dashboard by an experienced HEA practitioner.

✓ Expertise in running an outcome analysis using a LIAS or Dashboard.

✓ Access to reference-year and current-year (actual or projected) data on crop production and prices, usually available from government agricultural ministry and/or market monitoring agencies or through educated estimations based on reliable forecast information.

✓ If possible, fieldwork to gather current-year data on livestock, labour and other food and income sources, which are usually not covered by government information systems.

✓ If data is not available, and if modelling likely scenarios: local knowledge of the context and historical trends of prices, production, etc.

✓ Agreement on early action triggers (e.g: projected survival deficits).

Examples;

• Because it can be used at scale, HEA is used in **government early warning systems** in East Africa (e.g. Ethiopia), West Africa (e.g. Burkina Faso) and southern Africa (e.g. Malawi).

• It is a key indicator in the Integrated Phase Classification framework (**IPC**), the globally used system for classifying food insecurity, and in the west African **Cadre Harmonisé**.

• HEA outcome analysis helped to **trigger timely or forecast-based actions** in pilot projects in Yemen, Ethiopia and Niger in 2014 and 2017. These actions included proactive, 'no-regrets' activities that would still benefit households even if the projections turned out to raise a false alarm. For additional details on these pilots refer to this learning report.

HOUSEHOLD ECONOMY ANALYSIS

Go to https://www.heacod.org for more information on HEA and check out Save the Children's HEA Common Approach site.