Evidence from the Field

Enabling Informed Decisions

FEG
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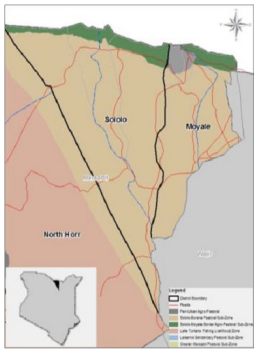
Identifying which interventions support resilience and which do not

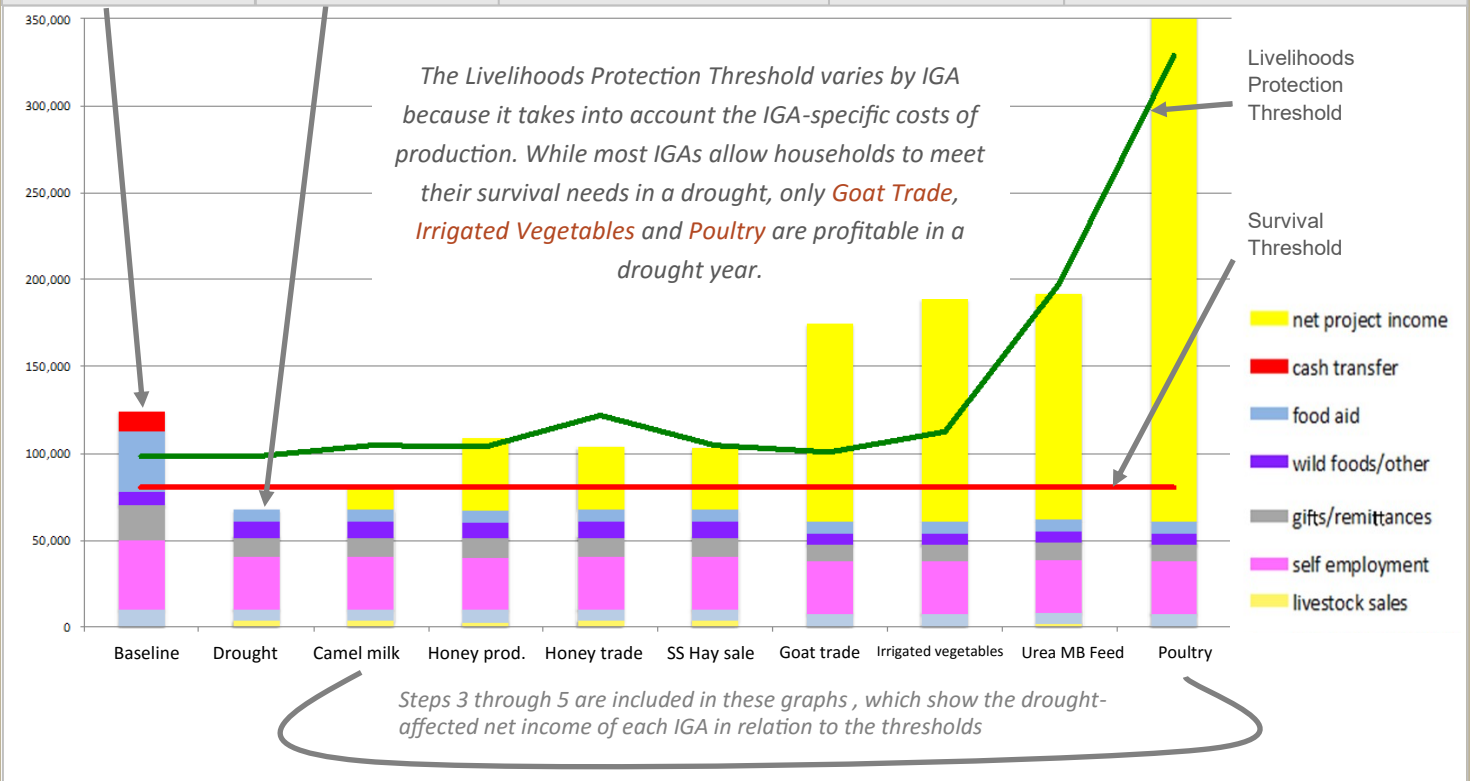


HEA's predictive modelling capacity is most often used in Early Warning Systems to estimate the livelihood impact of forecasted or actual shocks. The same capacity can also be used to model the livelihood impact of planned or actual development interventions.

FEG helped the Kenyan Financial Sector Deepening Trust (FSD) to design a Safety Net Graduation pilot by modelling the livelihood impact of 9 potential income generating activities (IGAs). The approach combined HEA-based resilience modelling with IGA business plans. Resilience modeling quantified households' food and livelihood requirements during a moderate drought. The business planning determined which IGAs were profitable enough to meet these requirements and which IGAs, although profitable in a good year, would not be profitable *enough* during a drought.

The analysis identified three viable and four borderline IGAs. Two IGAs were considered unviable. The results helped focus where to invest time and effort in follow-up market development and credit provision.

Step 1. HEA Baseline to understand income profile of very poor and poor households	Step 2. HEA Outcome Analysis to model effects of a typical drought on total income	Step 3. Develop sample business plan for each IGA to determine income, expenditure and opportunity costs of each.	Step 4. Model how each IGA is affected by drought.	Step 5. HEA Outcome Analysis to model IGA's impact on poor household drought income (from Step 2) taking into account results from Step 4.



Household Economy Analysis: The Starting Point

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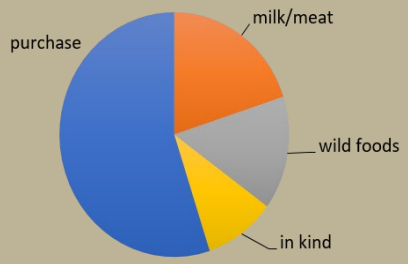
Household Economy Analysis (HEA) is a unique livelihoods-based framework designed to provide a clear and accurate representation of the inside workings of household livelihood systems at different levels of a wealth continuum, and the connections between these livelihoods and the wider economy. HEA translates these complicated systems into readily accessible information for donors, policy makers, program managers and planners to help them: understand household constraints and opportunities in the short and longer term; design appropriate projects to meet a range of objectives; and measure the real impact of a program or policy in livelihood terms.

HEA Tools

A number of HEA tools have been developed by FEG over the past 20 years in order to provide flexible and customized answers to decision makers from a wide range of sectors. They include the **Livelihoods Impact Analysis Sheet (LIAS),** The **HEA Dashboard**, the **Analysis of Herd Dynamics (AHEaD)** tool, the **Graduation Prediction System (GPS)** tool, the **Water and Livelihoods Analysis Spreadsheet (WELS)**, and the **Baseline Storage Spreadsheet (BSS)**, among others.

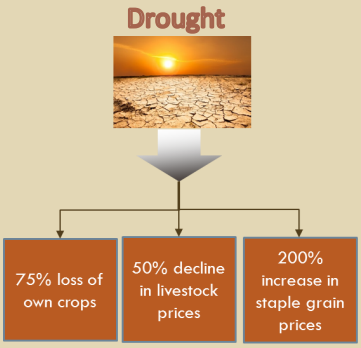
HEA BASELINE + HAZARD or INTERVENTION = OUTCOME ANALYSIS

An HEA baseline translates household economic realities into standard quantified results

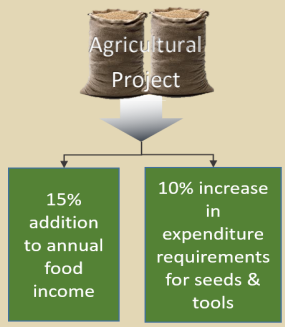


HEA uses data from existing monitoring systems or projects to develop 'problem specifications', which are a quantified statement of the hazard or of the intervention.

Hazards are translated into discrete impacts on the household economy.

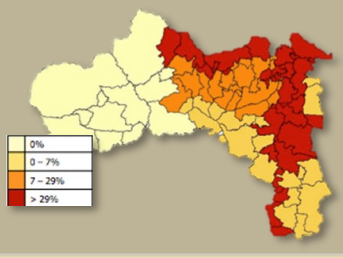


The income from (and costs associated with) interventions are estimated or taken from project monitoring.

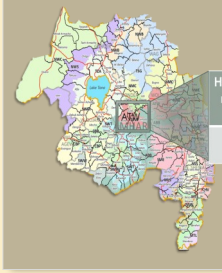


HEA Outcome Analyses are customized to meet the needs of specific decision makers or information systems

This Outcome Analysis shows the percentage of households facing a survival deficit in Tigray, Ethiopia (by *woreda*) given an increase in staple food prices. A survival deficit is the gap between the amount of food households can grow or buy on their own, and what they need to meet minimum food requirements.



This Outcome Analysis shows the results of an HEA-based Resilience Analysis, comparing different levels of household resilience given different project interventions in Amhara, Ethiopia. The higher the score, the more household resilience the project creates.



Hazard year resilience score	Dairy Project	Cereal Project	Vegetable Project
0.85	0.82	0.95	1.16