

## USING HEA IN THE DESIGN OF EARLY WARNING /MONITORING SYSTEMS

*Source: Out-take from A Guide to the Household Economy Approach, FEG Consulting and SC-UK, for the RHVP, 2007*

Originally conceived as a framework for estimating the likely impact of a shock on household access to food and income, the HEA framework has been used as the basis for early warning and monitoring systems in both rural and urban areas.

Early warning in much of the world's at risk areas is set in a context of fragile livelihoods, low and deteriorating resources and assets, and both predictable and unpredictable shocks. In terms of rain failure, the most common event is not catastrophic drought but the 'bad year' that pushes many poor households over the hunger threshold. In such environments, early warning efforts require sensitivity to differences which may appear marginal between localities and between households. There must be an ability to discern whether a small shock might result in a significant food security problem, and conversely whether the market may in some circumstances mitigate the effects of even a relatively large shock. There must be an ability to predict the effect of economic shocks, such as steep rises in the price of grain or the collapse of cash crop prices. And increasingly, systems must give early warning not just of hunger, but of acute impoverishment where people cannot cover essential non-food needs. In sum, quite fine distinctions need to be made between different types of economic effect on different types of household, which will allow more considered choices about intervention to be made.

At the same time, programme planners require significant lead time to set up resource and logistical flows, and once established, they need to know how long assistance will be needed. The longer the lead time, the less expensive the delivery of goods tends to be, and the more beneficial the effects.

HEA attempts to satisfy both these requirements and offer a form of analysis that both takes into account the variations in livelihoods and response among different households, and projects ahead of time what such variations might mean in terms of programme planning. Through the use of scenario analysis, HEA is able to predict how big or small food and income deficits will be even if the effects take time to set in.

HEA has been used to design livelihoods-based national food security early warning systems in Ethiopia, southern Sudan, Somalia and Malawi. It has also been used for cross-country analysis in the Sahel. Its application in Malawi is described below.

### Case study: Using HEA for early warning of food insecurity in Malawi<sup>1</sup>

Since 2003, Malawi's Vulnerability Assessment Committee (MVAC) has used HEA as the basis for estimating emergency food and/or cash needs.

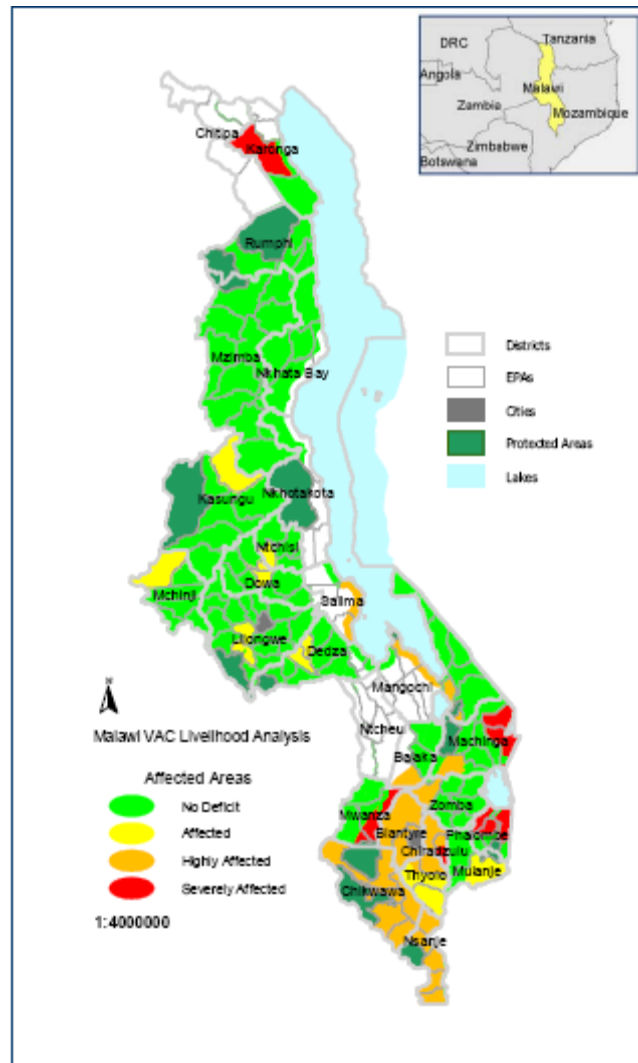
Projections are made in March/April, providing humanitarian agencies with a lead time of eight to nine months.

Projections use baseline livelihoods data which was compiled in 2003 for most of the country. This means that ongoing annual assessment activities in March and April can focus on the cross-checking and refining of crop production estimates – of both cereal and cash crops - and of other 'hazard' information such as changes in the price of maize, cotton or tobacco, or changes in the availability of *ganyu* employment. Different scenarios are generated based on assumptions about grain prices in the December to February period.

The end result is a projection of food security needs across the country based explicitly on an analysis of households' access to food - that is, taking into account all their sources of food and income, their assets, and their patterns of expenditure - rather than solely their production.

The initial investment in obtaining livelihoods baselines pays off year after year as it continues to be the basis for projections and planning.

### National food security projection: MVAC 2004 results



<sup>1</sup> Malawi National Vulnerability Assessment Committee, *Food Security Monitoring Report, Malawi, May 2004*. Malawi, 2004.