

USING HEA IN PROJECT DESIGN, MONITORING AND EVALUATION

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

The holistic view of household economy that HEA offers lends itself to use for monitoring programme impact. The challenge of impact assessment and monitoring – that is, measuring outcomes rather than tracking the distribution of inputs – applies especially to programmes which have an explicit objective to support and promote livelihoods. It is hard enough to monitor, say, the additional cash households earn or receive that can be directly attributed to a livelihoods programme rather than to other influences; or to monitor what households do with that cash. It is harder still to measure and monitor the implications of such changes for livelihoods as a whole.

HEA's strengths in impact monitoring are, firstly, that it offers a holistic view of livelihoods. Indeed, the methodology does not work in terms of either baseline- or outcome analysis if livelihoods are presented in any other way. The analysis allows a focus on a particular aspect of the household economy – say, food production - and how that might change, but in the context of all other sources of food, all sources of income and all expenditure needs, among different wealth groups. Secondly, components of the household economy are quantified and therefore amenable to monitoring over time.

Given these two characteristics, HEA is able to offer a view of programme impact:

- On household economy and access to services, and by extension on household poverty (How have targeted households benefited from the project or policy? Have there been negative effects?).
- On poverty at the community level - has there been a shift in membership of wealth groups?
- Relative to other changes that have been happening – in other words, it is able to explicitly recognise and take into account the impact of non-programme influences. Perhaps most importantly, this enables programme managers to judge in advance the likely effects of unforeseen shocks such as drought and to mitigate against them in appropriate ways.

The following case studies illustrate how this has been done in practice.

Assessing project impact at the household level

Where an intervention comprises a number of different strands (such as a development programme) or is expected to have multiple impacts (a cash transfer, for example, is likely to affect the household economy in a number of ways), a holistic approach to impact assessment is essential. One attempt to assess impact using HEA is illustrated in the following case study. In this inquiry, HEA was also used to offer strategic direction to the programme, in providing a framework for judging the ultimate effectiveness of increasing food production in reducing chronic food insecurity. The analysis indicated the potential profit for poorer people from project outcomes other than food production, particularly through livestock and timber activities.

Case study: Assessing the impact on livelihoods of a rural development programme, Tigray, Ethiopia

In 2001, an HEA assessment was carried out on behalf of Oxfam-Canada and REST in the Ruba Lomine project area of Tigray, Ethiopia. One of the aims of the assessment was to develop tools for monitoring the change in household income and food access as a result of the development programme. Project impact had usually been reported in terms of 'output', such as the amounts of vegetable seeds and tools distributed. The missing element was the impact of these inputs and activities on household economy and household food security.

The HEA study focused on how the impact of three project outputs could be monitored: vegetable gardens, tree sales and fodder development. A 'toolbox' of monitoring tools was compiled for each. Some of the questions that could be asked to monitor the impact on livelihoods of vegetable gardens, for example, are shown in the box.

A key factor enabling this monitoring was a baseline household economy survey conducted in 1999. This provided the baseline data with which elements of the current household economy could be compared and change in income, expenditure and labour requirements measured. More importantly, the analysis enabled change to be interpreted in the context of the household economy as a whole, based on a typical annual income or a typical seasonal food expenditure. For example, an increase in income of 40 birr may represent a 2% increase for labour rich households, but a 10% increase for a labour poor, female headed household. But it is less significant if converted into food equivalents, as it represents only about two to three weeks' food for the whole family. The impact on food security is small. Nevertheless, 40 birr/year may have important social impacts, if used to send an additional child to school.

Assessing the impact on livelihoods of vegetable gardens

- How much was produced in a good and bad year?
- How much was eaten and how much sold?
- What were the labour requirements?
- What other activities suffer because of the garden work?
- How much was earned on average per week?
- How much is this relative to the family's normal annual income?
- Are there limits to the demand in the markets where the vegetables are sold?

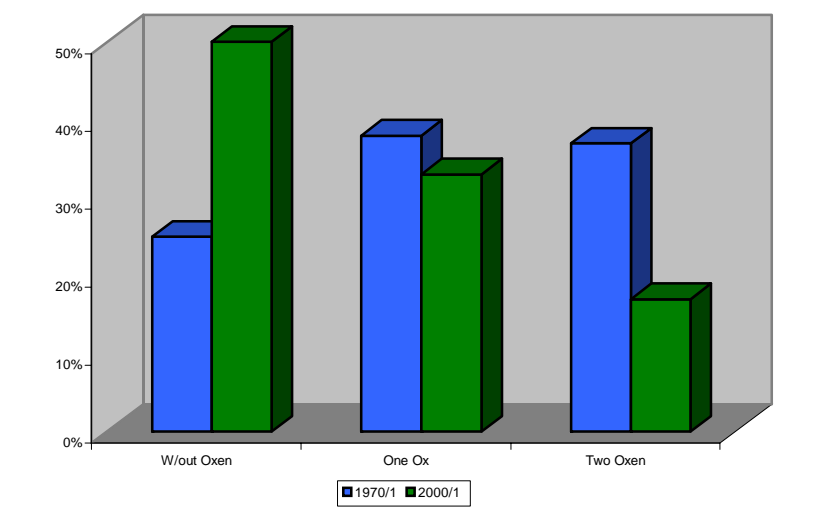
Assessing shifts in asset ownership within a community

HEA can also be used to assess whether there has been a shift in asset ownership or in the membership of wealth groups. A baseline HEA assessment has the potential to be used as a reference point for assessing whether things have changed over a period of perhaps five years or more. It can also help to identify the *causes* of observed shifts. This is important as it helps to distinguish between changes in wealth patterns that are slow and structural, and those that are rapid and linked to a recent disaster. In other words, it helps us understand whether the observed changes reflect substantial shifts in wealth or are a sign of temporary impoverishment.

The figure below compares HEA data from 2000 with data from 1970 in one part of Tigray, Ethiopia, and shows a trend towards impoverishment over those thirty years.

This does not necessarily mean that these villages were in 2000 more vulnerable to crop failure than they were in 1970. What it does mean is that in 2000 there were more poor and that they were sustained in their villages not by local transfers as in the past - when wealth was produced locally and rich households were sufficient in number to support the poor - but by capital from outside the area. This capital comes mainly from migrant labourers working in neighbouring regions, and also from food aid paid out to labourers on public work schemes or food for work.

Changes in wealth breakdown in Dabano, Tigray between 1970/71 and 2001/01



Source: Holt, J and Bush, J. *The Household Food Economy Approach, Training and Findings – A Report for REST and Oxfam-Canada, Ethiopia*. December 2001.

Monitoring and Evaluation: Assessing project impact relative to other changes

HEA is known for its ability to project outcomes which can then be monitored against a baseline. This is essential for appropriate monitoring and evaluation. But HEA can also help with a slightly more sophisticated analysis to allow planners to gauge the effect of multiple changes, and ‘factor in or out’ different variables. For instance, what happens to household incomes in a year when harvests are down by 50% but fodder supplies, from enclosed project areas, are up by 200%? And how can we ‘hold constant’ the vagaries of the weather when trying to set targets for an agricultural input project? These are the realities that villagers face, and they must be factored into any monitoring and evaluation framework.

An example of this is given below, and shows how the disaggregated analysis which HEA offers can help not just in monitoring impact but in project implementation, by indicating to programme managers in advance the likely effect of a shock such as drought or price rises on project impact. This allows programme managers to plan mitigation activities which will help keep the project on track, rather than leaving them to deal with the effects of the shock retrospectively.

In the design of the USAID-funded Market-led Livelihoods for Vulnerable Populations project, HEA was identified as a means of monitoring project impact and predicting the likely effects on project impact of a shock such as drought – thereby enabling programme managers to plan for this in advance, as shown in the figure below.

