Targeting development interventions to areas where households need them most

Development interventions are not always targeted at the areas that need them most. If our objective is to help the people most vulnerable to shocks, we should start by identifying where these people are found. FEG has developed a measure of such vulnerability based on livelihood security, one that doesn’t just look at cash income, but compares the total income of households in the reference year (both food and cash income) to what people need in order to secure their livelihoods (the Livelihoods Protection Threshold or LPT*).

Information to generate a Household Livelihoods Protection Score (HLPS) is found in a standard Household Economy Baseline. The HLPS tells us how much more or less, in relation to a minimum amount required to sustain a local livelihood, households generated in the reference year. One thing repeated analyses highlights is that the people with the highest cash incomes are not always those with the highest HLPS. This is because higher cash incomes are often associated with a livelihood system that costs more to maintain.

The map shows where the HLPS in Ethiopia’s Somali Region is highest and where it is lowest for poor households. This helps identify areas at the highest risk of livelihood insecurity, where poor households are living close to the edge every year. The areas in darker orange show where households are the most livelihood insecure, where people have very little margin between the total income they generate and the total costs of maintaining their livelihoods. The areas in dark green show where people are, in relative terms, the most livelihood secure.

* The LPT is the cost of covering minimum food and non-food requirements for the household, including the total cost of covering minimum survival requirements (such as food, basic hygiene and food preparation costs) as well as the cost of maintaining livelihoods (productive input costs, education costs, health costs and basic household items).
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.

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.

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.