

Household Economic Security (HES)

Technical Guidance for Assessment and Analysis



The updated HES Guidelines include new sections on data collection and analysis that build on the original 2012 version. This revision has been led by Jackie Frize and Andra Gulei, with input from other British Red Cross Advisers and Livelihoods Register members and contributions from the IFRC Livelihoods Resource Centre. British Red Cross takes sole responsibility for any errors or oversights in these guidelines.

British Red Cross thanks the Croix-Rouge Nigérienne for the use of photos taken during a HES assessment in 2017.

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Acronyms list

CFA- West African CFA Franc
 CSI- Coping Strategy Index
 rCSI- Reduced Coping Strategy Index
 CVA- Cash and Voucher Assistance
 DM- Disaster Management
 DREF- Disaster Relief Emergency Fund
 DRR- Disaster Risk Reduction
 EA – Emergency Appeal
 EPoA- Emergency Plan of Action
 ERLA- Emergency and Recovery Livelihoods Assessment
 EVCA – IFRC Enhanced Vulnerability and Capacity Assessment
 EWEA- Early Warning Early Action
 FAO- Food and Agriculture Organisation of the United Nations
 FCS- Food Consumption Score
 FEG- Food Economy Group
 FEWS- Famine Early Warning Systems Network
 FGD- Focus Group Discussion
 GAM- Global Acute Malnutrition
 HDDS- Household Dietary Diversity Score
 HEA- Household Economy Approach
 HES- Household Economic Security
 HH- Household
 IFRC- International Federation of Red Cross and Red Crescent Societies
 IDP- Internally Displaced Person
 IPC- Integrated Food Security Phase Classification
 KI- Key Informant Interviews
 MAG- Market Analysis Guidelines
 MEAL- Monitoring, Evaluation, Accountability and Learning
 MEB- Minimum expenditure basket
 NGO- Non-governmental Organisation
 NS- National Society
 PLHIV- People Living with HIV
 PLWD- People Living with Disabilities
 RAM- Rapid Assessment for Markets
 RCRC- Red Cross Red Crescent
 RCRCM- Red Cross Red Crescent Movement
 SCUK- Save the Children UK
 SP- Social Protection
 TOR- Terms of reference
 UN- United Nations
 VCA- Vulnerability Capacity Assessment
 VAC – Vulnerability Assessment and Analysis
 WFP VAM- World Food Programme Vulnerability Analysis and Mapping

There is a Key Terminology document available on-line at the [Livelihoods Centre website](#).

Introduction



Who is the HES technical guidance for?

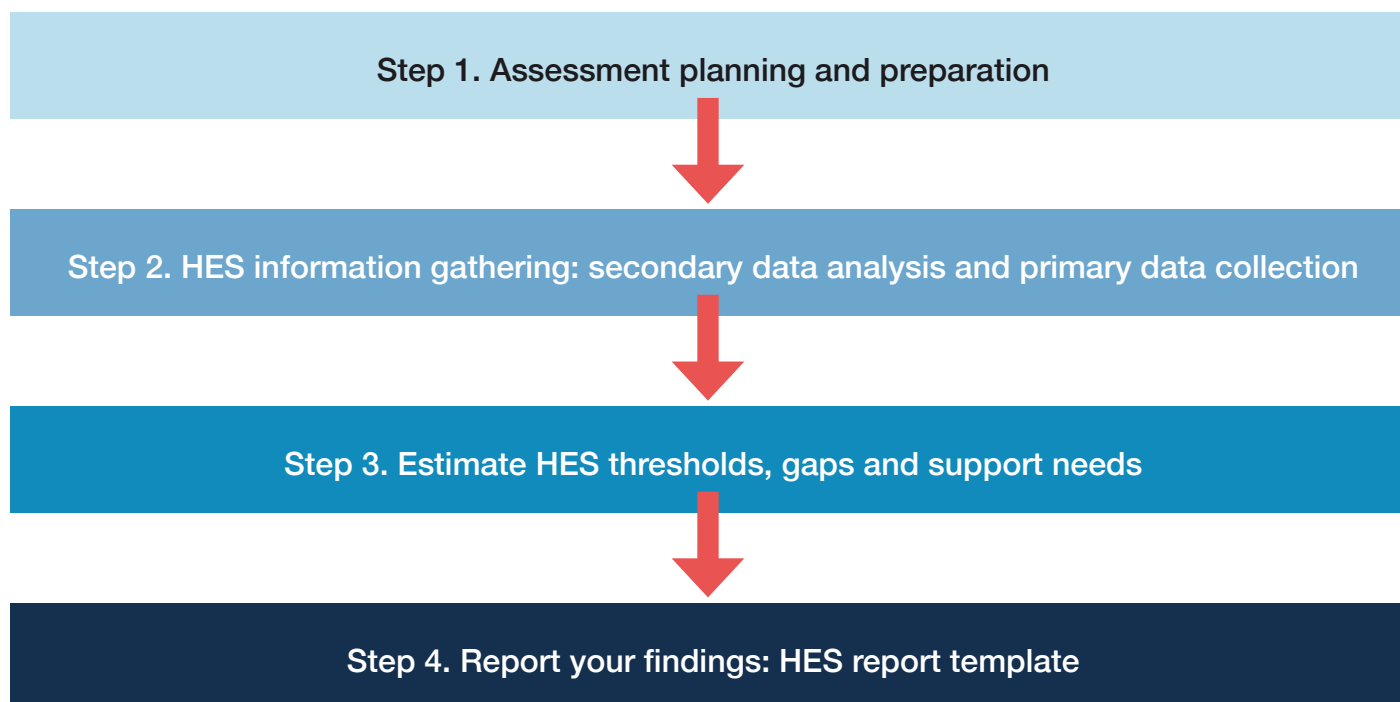
The Household Economic Security (HES) technical guidance has been written with National Societies at the country level in mind. It is therefore suitable for all Red Cross Red Crescent (RCRC) staff, volunteers and technical practitioners who wish to conduct livelihood assessment and analysis to feed into programme and strategy related decisions. Ideally, users should have some technical expertise in food security/livelihoods and in project cycle related areas of needs assessment, response analysis, report writing and programme design.

The guidelines can also be used more broadly by anyone wishing to understand Household Economic Security in a given context to have a deeper understanding of food security and livelihoods needs in their operational areas. This includes technical practitioners and managers within the RCRC involved in decision-making around assessment and programme design in relief, recovery and development programming.

How to use the HES guidelines

The guidelines describe the **HES 4 Step Assessment and Analysis Process** used to identify household level economic security. Users are guided through the assessment data collection and analysis steps in a series of sub-steps that lead to clearly articulated household level food security and livelihood needs and risks.

Figure 1: HES 4 Steps in the Assessment and Analysis Process.



You can find the Analytical Overview document on-line in the [Livelihoods Centre page](#) and on [Table 2](#) of this document.

Analytical Overview: Users are advised to first become familiar with the overall analytical themes and questions that drive the HES methodology as these will help understand if using the HES methodology will be useful for feeding into decision-making processes involving strategy development and operational programming in a given context.

Find here the [Livelihoods Resource Centre Toolbox](#).

Check the [Emergency and Recovery Livelihoods Assessment \(ERLA\)](#).

¹ [More information on trainings](#)

² The results of an emergency HES assessment are not comparable with a HEA baseline in terms of the detail and duration of the validity of the data.

This technical guidance does not include programme design; for design, monitoring and evaluation purposes. Existing resources for this can be found in the Livelihoods Resource Centre Toolbox.

To support the use of the HES methodology and RCRC capacity building, the IFRC Livelihoods Resource Centre developed the Emergency and Recovery Livelihoods Assessment (ERLA) training that prepares participants to conduct economic security needs assessments following a disaster.¹

The HES approach² was originally developed to support specific assessments after the impact of a sudden onset disaster or crisis. To maintain that essential aspect of the RCRC disaster response work, each section in the guidelines includes some pointers of what to look for when you are carrying out a HES assessment in response to a crisis or disaster.

What is the HES methodology?

The HES methodology provides an understanding of socio-economic profiles of households by describing how they meet **their immediate essential food and other basic needs**; and how they can **protect and sustain their livelihoods** in order to be self-sufficient and economically secure in the long term. This supports the RCRC work on Livelihoods in Emergencies, Recovery and Livelihoods and Resilient Livelihoods.

HES uses the **'household' as a unit of analysis**, but the information must be considered within the context of the community and in the broader economy as markets play a key role in livelihoods. This applies to both disaster-affected populations and those in development contexts.

The HES methodology adopts an **integrated approach**, recognising that the household economy is not only an important determinant of food security but also for the ability to meet other basic needs such as adequate shelter, good health and other well-being outcomes, as well as maintaining them over time in the face of adversity. It can provide clearer options for mutually supportive multi-sector assistance as it identifies gaps and specific shortfalls at the household level.

³ [Sustainable Livelihoods Approach](#) and [Household Economy Analysis](#)

The HES methodology has evolved from a series of concepts and approaches related to economic security³ and involves **comparing** the economic security of households in two points in time. This comparative analysis is key to identifying current household level needs and risks which can serve as a baseline for comparison in the future and measure change, or which can be used to assess the effects of a disaster or crisis.

The HES methodology is also grounded on international standards and practice in humanitarian response, RCRCM principles and programming experience and builds on these to provide a user-friendly guideline that promotes informed decisions to support household economy.

HES uses **participatory and people centred approaches**, it is informed by community needs and priorities and directly supports self-recovery from shocks and stress. It is therefore aligned to RCRC Community Engagement and Accountability approaches. The flexibility in use ensures community priorities are captured to feed into and inform programme design related decision making.

HES Tools

All the HES tools are on-line at the [Livelihoods Centre website](#).

A number of well tested tools are used in the HES methodology, many of which are available on-line. Links to the most commonly used tools are included in the guidance which you will need to contextualise:

1. Key informant interview guides
2. Template for the interview with local community leader
3. Focus group discussions socio-economic groups guides
4. Household survey questionnaires
5. Interview guide for seasonal and food production calendar
6. Focus group discussion guide with mothers
7. Interview questions for other relevant actors in the community
8. Food basket price survey
9. Cereals market observation and interview guide
10. Cash crops market observation and interview guide
11. Livestock market observation and interview guide
12. General community observation guide

The [RCRC Vulnerability Capacity Assessment \(VCA\)](#) tools.

Users of the HES methodology are encouraged to build on their own participatory data collection expertise and use tools from the RCRC Vulnerability Capacity Assessment (VCA). Therefore no specific additional tools have been developed to accompany this guidance. It is hoped that RCRC HES users will share the tools they develop for their context to build a richer repository for all collaboratively.



Photo 1: Household interview.

Source: 2017, Niger Red Cross/British Red Cross

How does HES support decision-making processes?

HES assessments generate considerable information about household and wider community resources, assets and capacities. HES findings can feed directly into response options analysis and economic security and livelihood programme design. They also can be used for evaluations to measure change at baseline and end line, and to feed into integrated programming.

By identifying socio-economic groups based on their food and income sources and capacity to withstand livelihood related contextual risks, HES findings are also an extremely useful tool for selecting and identifying vulnerable groups for inclusion into a variety of programmes. Table 1 below lists the main uses of HES outputs.

Table 1: Possible entry points and uses of HES outputs.

	Possible HES output entry points	Examples of uses of HES Assessment and Analysis outputs
1	<p>Emergency and recovery: basic needs and livelihood protection and support programme design.</p> <ul style="list-style-type: none"> - Replace physical and financial livelihood assets - Restart livelihood activities - Knowledge to protect livelihood assets 	<p>HES provides information on the impact of a disaster or crisis on people's capacity to meet basic needs as well as the impact and disruption to livelihood activities, market function and response capacity.</p> <ul style="list-style-type: none"> - NS emergency needs assessment analysis and reporting - DREFs and Emergency Appeals – using a HES baseline or new assessment - IFRC Emergency Plan of Action – in the Livelihoods and basic needs sector section - Developing livelihoods profiles in affected areas helps identify responses and targeting criteria
2	<p>Resilience and long-term livelihoods interventions strategy and programme design.</p> <ul style="list-style-type: none"> - Strengthen Livelihoods - Diversify Livelihoods - Protect Livelihoods - Disaster Risk Reduction - Disaster Preparedness 	<p>HES helps identify underlying causes of poverty and vulnerability to design interventions that strengthen resilience and build back better.</p> <ul style="list-style-type: none"> - NS sector specific strategy development - NS food security/livelihoods/resilience programme design - Measuring change/evaluating programmes - Defining programme targeting criteria
3	<p>Designing Graduation models</p> <ul style="list-style-type: none"> - Reduce dependency on humanitarian or social assistance - Support economic self-sufficiency 	<p>HES can identify who would benefit from graduation approaches to income security. This means analysing the pre-existing socio-economic conditions of different livelihood groups and ensuring any humanitarian assistance to meet basic needs factors in recovery and building back better for more resilient self-sufficiency in terms of income and financial inclusion. This is key for a sustainable livelihoods.</p>

Read more about [3. Designing Graduation models](#).

Check the HES visuals: [Graduation models \(3\)](#), [Cash plus \(4\)](#) and [Social protection systems \(5\)](#).

	Possible HES output entry points	Examples of uses of HES Assessment and Analysis outputs
4	<p>Cash Plus interventions – beyond basic needs</p> <ul style="list-style-type: none"> - Cash for basic needs + farming inputs can help restore activities - Cash assistance/multipurpose cash + vocational trainings can increase employability - Cash for basic needs + capital start up can support livelihoods incomes diversification - Cash assistance + nutrition can help improve nutrition and protect the most vulnerable 	<p>HES can help identify how to strengthen and diversify livelihood activities so that they contribute to meaningful improvements in income sources. They combine cash transfers with technical support. They are therefore appropriate during recovery after a crisis or disaster and in development contexts as they can be linked to graduation models, other sector responses such as protection and wellbeing, and linkages with social protection.</p>
5	<p>Linking with social protection systems and social safety nets</p>	<p>HES helps identify household level food security needs, basic needs and livelihood protection needs for different livelihood groups and socio-economic groups. The link with coping capacity and social protection opportunities can support transition from relief, to recovery to more sustainable longer-term support through social protection schemes. HES analysis can:</p> <ul style="list-style-type: none"> - Identify vulnerable groups for inclusion in Shock Responsive social protection Schemes - Support the calculation of the transfer value for social safety nets and Cash Transfers - Link public work schemes increasing employability, or labour market interventions to reduce dependency or skills development – by addressing socio-economic exclusion of vulnerable groups. - Provide the basis for identifying selection criteria based on socio-economic indicators and develop proxy means tests to support accurate targeting. - Support the design social assistance objectives, selection and identification
6	<p>Climate change, Forecast Based Action and Livelihoods Protection</p> <ul style="list-style-type: none"> - Inform climate smart risk reduction through guiding early action in addition to protecting scarce resources - Link to government departments such as Agriculture, Fisheries, Natural Resource Management, Disaster Response 	<p>HES analysis allows for a more in depth understanding of livelihood strategies. This can:</p> <ul style="list-style-type: none"> - Support scenario building for food crises, indicators and triggers for early warning and early action - Identify indicators for community-based surveillance systems that focuses on food security - Support response options for communities' capacity building to protect their livelihoods - Define vulnerability to food crises based on scenarios and socio-economic profiles of communities and mapping of livelihoods - Assess options for early action and emergency response through adapting social protection systems - Support climate smart social protection that integrates triggers for food security and livelihoods protection - Provide information for advocacy for early action to integrate livelihoods protection

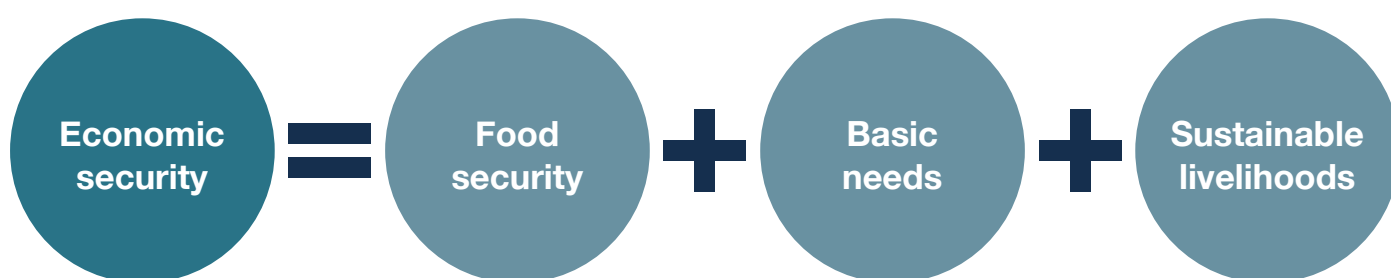
	Possible HES output entry points	Examples of uses of HES Assessment and Analysis outputs
7	<p>HES technical expertise contribution to additional processes such as</p> <ul style="list-style-type: none"> - Vulnerability Capacity Assessments - Contingency and Preparedness Plans - National coordination mechanisms for Early Warning/ Surveillance and Early Action - Integrated Phase Classification - Cadre Harmonisé 	<p>HES analysis can provide NS with in-depth knowledge of communities along-side other NS activities. For example:</p> <ul style="list-style-type: none"> - Support data collection for governments - regular vulnerability assessments - Contribute to the monitoring and decision-making regarding communities' vulnerability and risks - Provide timely information for early action before livelihoods are more affected, negative coping strategies are engaged and assets are depleted or lost.
8	<p>Integrated programming</p>	<p>HES findings can promote integrated programming among two or more sectors, to align intervention targeted at individual, household and community level and identify integrated programming indicators. This can feed into NS strategic priorities and align to areas of technical expertise of both the NS, other RCRC actors and external actors.</p>

More information on livelihood interventions can be accessed on the Livelihoods Centre Website (see section 2.4.1 of the [Livelihoods Centre Toolbox](#)).

There are a number of resources to help complete a response options analysis.

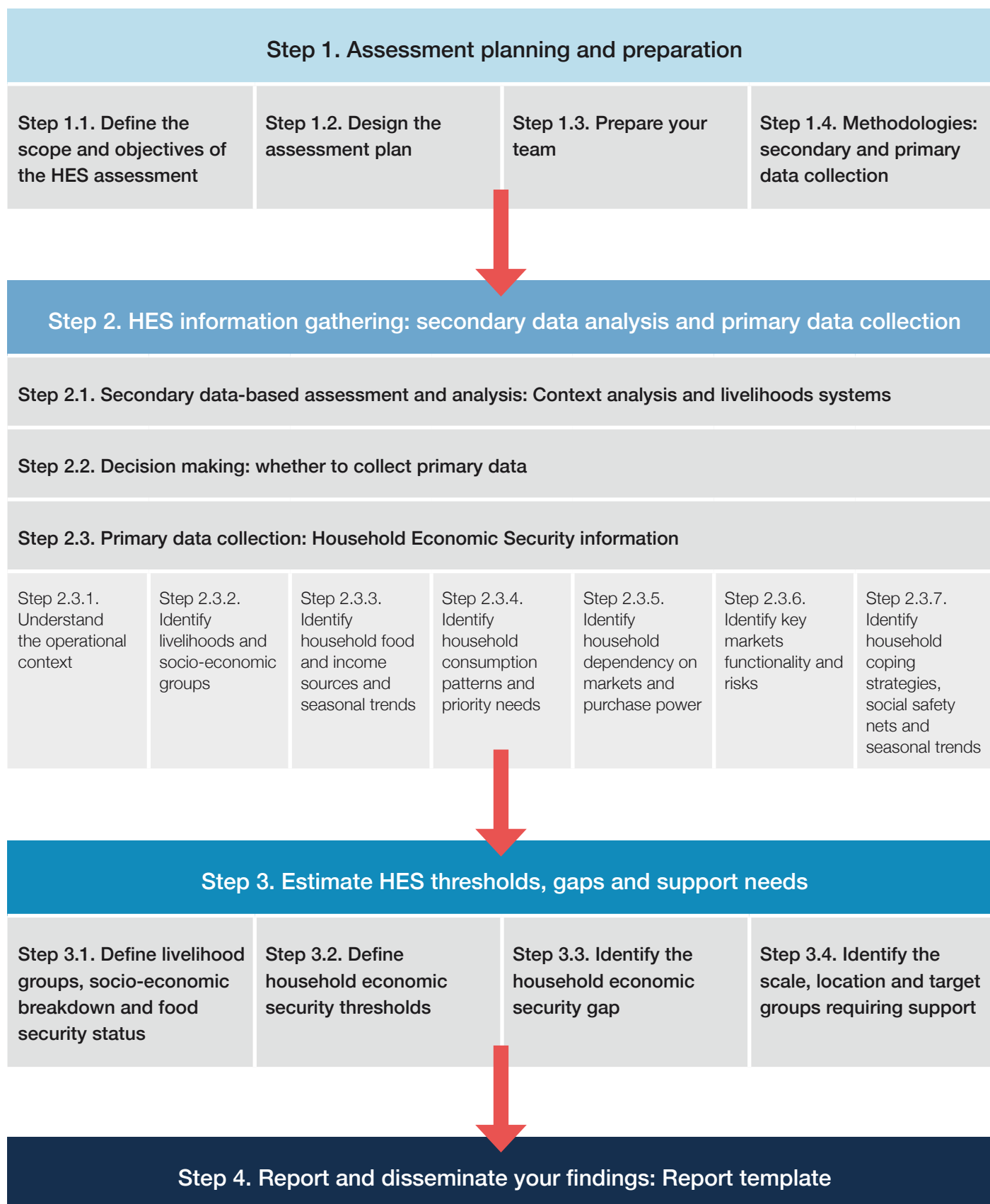
The purpose of the HES assessment and analysis is not to design an intervention but to understand whether or not an intervention to support food security, basic needs and sustainable livelihoods is needed. HES includes all three of these components (Figure 2). These interventions seek to support the ways in which households' access, strengthen and maintain their cash and in-kind incomes, so that they are able to cover their essential economic needs, including their livelihoods activities.

Figure 2: Components of Household Economic Security.



The HES 4 Step Assessment & Analysis Process

Figure 3: Detailed HES 4 step assessment and analysis process.



What is HES and how it works

Users are guided through the four steps, chapter by chapter in this guidance.

Step 1: Assessment planning and preparation

This Step describes the first stages of assessment planning to identify the relevant analytical questions that a HES assessment can provide. At the end of this step you should have identified the scope of the data collection required. You are likely to have to complete secondary data analysis before deciding if a field assessment is required and what team composition and training aspects that involves.

Step 2: HES information gathering: secondary data analysis and primary data collection

This Step describes the data collection methods. It is the longest chapter in the guidance and is divided into three clear sub-steps. First secondary data collection; second, deciding if the information gathered is sufficient for decision-making with the use of a decision-tree; and third, primary data collection if it has been decided additional information is required and a field assessment is carried out.

2.1. Secondary data-based assessment and analysis: operational context and livelihoods systems and market chains

This sub-step is based on secondary data analysis to build a picture of the general context. At the end of this step you should be able to explain the socio-political context of the geographical area; the livelihoods zones and livelihoods groups living there; the most relevant food and financial markets; and the social protection system that supports people at risk. In emergencies, the context refers to the area affected by the shock. Users should not underestimate the importance of this step as it is essential to get familiar with the HES concepts, the methodology and prepare for the following steps.

2.2. Decision-making: whether to move on to the primary data collection step and what data is needed

This sub-step signals the point in time when you need to decide if you have enough information for strategy development or programme design. If there is insufficient information for this, then you may decide to go on to collect primary data to fill your identified information gaps and go back to team composition and capacity building requirements.

Remember, deciding not to respond is also a decision in itself if it is based on analysis that there are no gaps because there are no needs or other actors are responding, or that the NS has no strategic interest or capacity to respond.

2.3. Assessment primary data collection: Household Economic Security information

This sub-step outlines the information that needs to be collected to complement the secondary data analysis in sub-step 2.1. Primary data is collected at population level through participatory methods including key informant interviews, household visits and group discussions. At the end of this sub-step, you should be able to explain the socio-economic characteristics of the households, including a wealth breakdown; the main seasonal trends that affect households' economy; the critical markets in the area and their functionality;

and households coping strategies. The information collected here establishes a baseline for normal times and uses this for a comparison with the situation after a disaster/crisis or during lean season, to estimate the impact on food security and livelihoods.

Step 3: Estimate HES thresholds and needs of support

In this Step, the information gathered through Step 1 and 2 is analysed to develop the context specific HES thresholds. This step is the key component of the HES analysis process. Three household level thresholds of economic security are defined: food security, basic needs and livelihoods protection. Then the gap for achieving these three is identified. At the end of this Step you are able to identify the household level gaps and different needs by socio-economic group and livelihoods group within the context of your assessment area. This analysis guides the decision-making process for your response analysis. It helps identify the type of response, the timeframe, the target groups and the resources required.

Step 4: Report your findings

This Step provides a short overview of how to disseminate your findings and recommendations and a reporting template. The final HES report is a product that can be used for many purposes, both internal and in any external meetings and is likely to become a useful reference document in the future.

HES Analytical Overview

HES helps understand the socio-economic profile of a given area, the underlying causes of poverty and the risk and vulnerabilities of households living in that area. It is driven by a series of analytical questions that help identify and describe:

what people in the assessment area do for a living; **how** they meet their basic needs including food; **which** risks they face; **how** they cope with stress and adversity in their context; and **what** processes, policies and institutions influence their livelihood outcomes over time.

When used in emergencies or recovery, the HES analysis has been designed to compare the situation of the affected population after the shock with their situation prior to the disaster to determine **who** within the affected community needs **how much** of **what kind** of assistance, and **when** such assistance is best provided and **for how long**.

The HES Analytical Overview gives you a summary of what HES seeks to understand (figure 4), how this is done and the key questions that drive the process.

Figure 4: HES components – what HES seeks to understand in a given context.



These components help identify what information is needed. Users are guided on how to collect the information in a 4 Step process described in detail. A set of analytical questions are provided to help drive the analysis from the start when you are thinking of carrying out a HES assessment and analysis. Looking at the analytical questions is part of Step 1 in the HES methodology. It is the starting point for determining your information needs and how these will help with decision-making.

You can find the Analytical Overview document on-line in the [Livelihoods Centre page](#).

Table 2: HES Analytical Overview.

WHAT	HOW	KEY QUESTIONS
Understand the operational context	<ul style="list-style-type: none"> - Identify economic, political, social and demographic information of the area - Identify the historical vulnerability context, shocks and trends - Identify the humanitarian context including, Red Cross Red Crescent presence in the area 	<ol style="list-style-type: none"> 1. What are the demographic characteristics of the population? 2. What are the main geographical characteristics of the area? 3. What are the main economic activities and trends? 4. What is the administrative and political structure? 5. What is the historical profile of the area in terms of conflicts, disasters and trends? 6. What humanitarian actors are present? 7. What is the role of the RCRC and their activities?
Understand livelihoods, labour market, food production systems and seasonality	<ul style="list-style-type: none"> - Identify the geographical livelihood zones distribution - Identify the main labour market systems - Identify the main food production systems and seasonality - Identify socio-economic groups - Identify how households meet their food requirements - Identify household income sources - Identify changes in food and income sources and seasonality - Identify the main food market systems to help understand availability and access to food in time and space 	<ol style="list-style-type: none"> 1. What are the livelihood activities in the area? 2. What is the livelihood breakdown of the population? 3. What are the most common food sources for each socio-economic group? 4. What is the impact of seasonal variation in food sources for the households for each socio-economic group? 5. What are most common income sources for each socio-economic group? 6. What is the seasonal impact on income sources for each socio-economic group? 7. What are the socio-economic/wealth criteria for each livelihood? 8. What is the socio-economic/wealth breakdown of the population?
Understand household consumption patterns, priority needs and consumer price trends for key household and livelihood items	<ul style="list-style-type: none"> - Identify household expenditures in different seasons - Identify the commodities that are most likely to be in a household consumption and expenditure basket - Identify the assets required to be purchased for different livelihood activities - Identify the cost of household consumption and food baskets in different seasons - Identify the cost of livelihoods assets required - Identify the key food and basic needs items that help assess purchasing power - Identify the key productive assets that help assess livelihood related purchasing power 	<ol style="list-style-type: none"> 1. What are household expenditures in normal times for each socio-economic group? 2. What are typical household consumption baskets for each socio-economic group? And food basket? 3. What are typical productive assets purchased for each socio-economic group? 4. What are the normal prices trends for key household food, non-food and services in a year? 5. Do prices follow a seasonal pattern? How do household expenses change in different seasons? 6. What are household's priority needs in different seasons? 7. What food and productive items sourced from the market would be a good indicator for household purchasing power? 8. What are the key household items to monitor?

WHAT	HOW	KEY QUESTIONS
<p>Understand the main food and financial services market systems, functionality and risks</p>	<ul style="list-style-type: none"> - Identify the main food market systems to help understand availability and access to food in time and space - Identify the main financial service market systems to understand access to and use of formal and informal financial services - Identify markets functionality during the different seasons - Identify market related risks to supply and demand 	<ol style="list-style-type: none"> 1. What are the critical market systems? 2. How are they structured? 3. How do they behave in different seasons over time? 4. How are traders behaving? (supply) 5. How are households behaving? (demand) 6. What are the main demand and supply risks identified for each critical market?
<p>Understand household coping strategies and social safety nets</p>	<ul style="list-style-type: none"> - Identify the most commonly used livelihood coping strategies per each socio-economic group - Identify the severity of the coping strategies - Identify the severity of purchasing on credit or accruing debt on household economic security - Identify social protection and safety nets the different livelihood groups rely on, support provided and access conditions 	<ol style="list-style-type: none"> 1. What are the most commonly used coping strategies for each livelihood group linked to household food consumption, expenditure, income sources and asset stripping? 2. What are the most severe coping strategies for each livelihood group used in times of crisis? 3. What is the significance of credit and debt on the household economy and future coping capacity? 4. What formal social protection schemes are in place supported by the government (national, regional, local)? 5. What other social assistance programmes are implemented by humanitarian/development organisations? 6. For each social protection scheme: what is the support provided and the conditions to access? How reliable are these safety nets? 7. What are the safety nets most commonly used by each of the socio-economic groups?
<p>Define Household Economic Security thresholds and support needs</p>	<ul style="list-style-type: none"> - Define the characteristics of each socio-economic group - Define the food security status of each socio-economic group - Define the HES thresholds: survival, basic needs and livelihoods protection - Define the basic needs threshold - Identify the gap on households capacity to meet the thresholds for each socio-economic group - Identify the scale, location and target groups requiring support 	<ol style="list-style-type: none"> 1. What is the socio-economic breakdown under each livelihood group? 2. What is the survival threshold for the area? 3. What are the basic needs for the HH in the area? How much is the cost to meet basic needs? 4. What is the livelihoods protection threshold for the different livelihoods groups? 5. What is the food security status of the households? 6. What is the gap for each socio-economic groups regarding thresholds and their capacity to meet the needs? 7. Do livelihoods need supporting? If so, in what way, and for how long? 8. Who are most in need of assistance? What are the specific needs of different groups? 9. What is the severity of needs? 10. When will the situation change? (taking into account seasonal factors and coping strategies) 11. Are there any additional on-going or future risks that may threaten lives and livelihoods?

WHAT	HOW	KEY QUESTIONS
<p>Define the needs of support</p>	<ul style="list-style-type: none"> - Identify the scale, location and target groups requiring support 	<ol style="list-style-type: none"> 1. What is the food security status of the households? 2. Are basic needs for food and other essential items and services being adequately met? 3. Do livelihoods need supporting? If so, in what way, and for how long? 4. How effective are sustainable and current coping strategies? Are they damaging to livelihoods, health or dignity (i.e. socially/morally acceptable)? 5. Who are the most in need of assistance? What are the specific needs of different groups? 6. What is the severity of needs? 7. When will the situation change? (taking into account seasonal factors and coping strategies) 8. Are there any additional on-going future risks that may threaten lives and livelihoods?

You are now ready to start Step 1



Photo 2: Focus Group Discussion with mothers.

Source: 2017, Niger Red Cross/British Red Cross



Step 1. Assessment planning and preparation

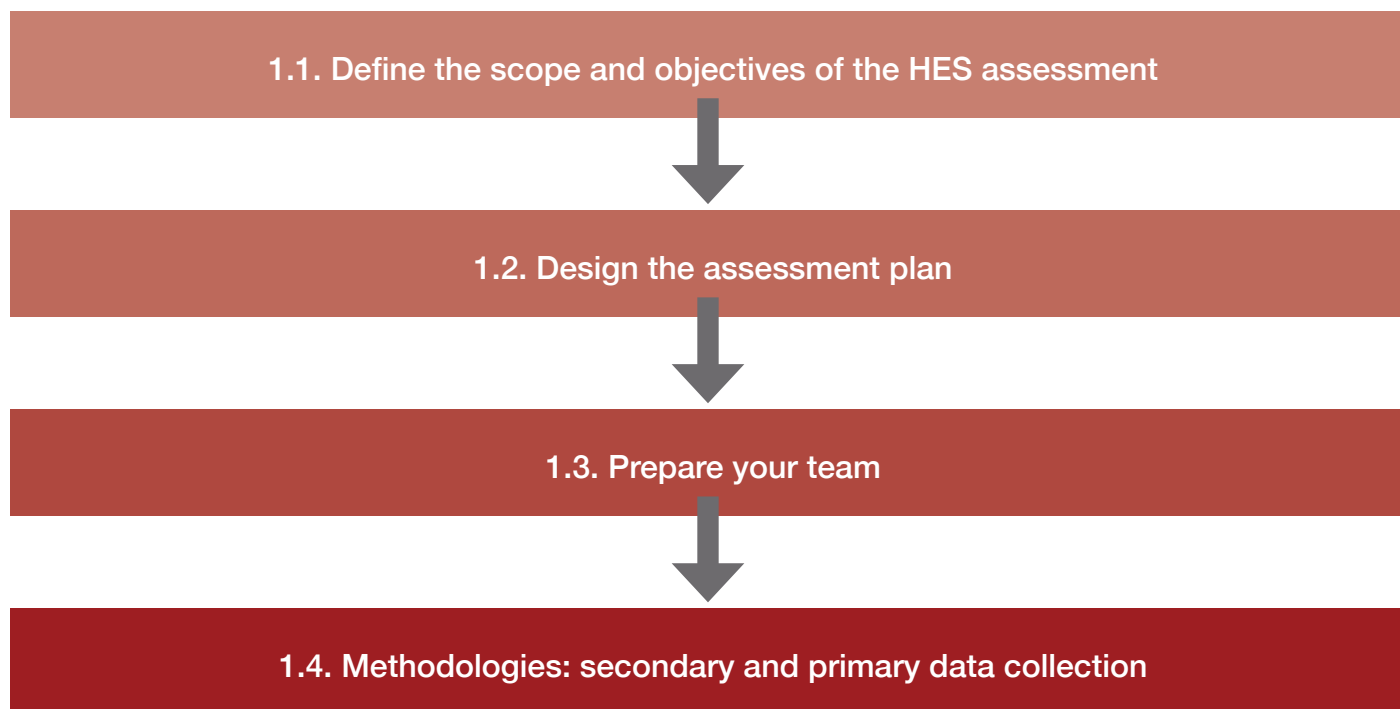
⁷ [ACAPS Analysis flow](#)

This Step is all about planning and preparation to make sure you identify the assessment objectives and then prepare for the right type of assessment for your information needs.⁷ Step 1 has three sub-steps but it also provides an overview of HES methodologies. Steps 2, 3 and 4 go into detail on how to do the data collection and analysis. Good planning allows you to organise your staff and volunteers to match your timeline, and decide if you need external resources. It also gives you an opportunity to think about options for joint assessments with other RCRC actors and external actors.

This Step is all about planning and preparation. It involves defining your assessment objectives which allows you to design the right type of assessment, and prepare your team Step 1 also includes an overview of HES methodologies for data collection and how to identify a reference year, which you will need for your assessment plan.

Good planning allows you to organise your staff and volunteers to match your timeline, and decide if you need external resources. It also gives you an opportunity to think about options for joint assessments with other RCRC actors and external.

Figure 5: Step 1 sub-steps.



Step 1.1. Define the scope and objectives of the HES assessment

The scope of the assessment, objectives and expected outputs should be identified and written in a Terms of Reference (TOR). This should include the main analytical questions which you can choose from the Analytical Overview. The TOR should also explain the HES methodology, the timeframe and the geographical coverage. This helps manage expectations.

You must be clear if you need to conduct a full HES assessment for an in-depth analysis of livelihoods to support decision making on livelihoods programming and feed into other analysis tools (IPC/VAC etc); or, if your scope is understanding basic needs to provide support during a crisis or after a disaster. Types of assessment and methodologies are discussed in the next sub-step.

NS is about to start a new Programme on Food Security and Livelihoods

✓ **Outcome:** Understand the economic security profile of the households in the area of intervention

Description of:

- Livelihoods zones and livelihoods groups
- Socio-economic groups
- Markets systems
- Sources of incomes, food and expenses they can afford
- Food security, food consumption and MEB
- Coping strategies
- Survival threshold and livelihoods protection threshold
- Census of community-based organizations (associations, groups) and the support they provide
- Identify vulnerability and needs of support

NS/IFRC decide to conduct a HES assessment after a disaster

✓ **Outcome:** Assess the impact of the disaster on households' economic security

Description of:

- Impact of the disaster on the different livelihood zones.
- What socio-economic groups are the most affected in terms of HES criteria
- Impact of the disaster on markets
- Capacity to recover, severity of the situation and priorities of the affected people
- Map of interventions by other stakeholders and potential gaps
- Zones and groups requiring support for economic security and livelihoods recovery, needs and duration
- Define gaps and identify any support needs

Step 1.2. Design the assessment plan

Develop an assessment plan and include this information as part of the assessment report (see report template in Step 4) to include:

- Needs assessment methodology and objectives (1- 2 pages maximum)
- Needs assessment objective
- Key questions the assessment aims to answer (refer to the Overview of key analytical questions for HES assessments)
- Needs assessment methodology: secondary data, key informants, tools, timing
- Livelihoods zones and groups to be assessed
- Assumptions and limitations

⁸ Adapted from Guidelines for Assessment in Emergencies IFRC-ICRC

If your objective is basic needs, you can conduct a partial HES assessment using the recommended steps and tools as follows:

Types of assessment:⁸

<i>Rapid assessment</i>	<i>Detailed assessment</i>	<i>Continual assessment</i>
<ul style="list-style-type: none"> ✓ Immediately after a disaster/ crisis ✓ When you need to validate information already available 	<ul style="list-style-type: none"> ✓ To start a new programme and inform decision making ✓ To understand the context and contribute to general vulnerability assessments 	<ul style="list-style-type: none"> ✓ Information collected regularly, e.g. for monitoring purposes or to contribute to surveillance mechanisms
1 week	2 weeks < 1 month, depending on the size of the area	Regular
Led by specialists with experience in similar assessments or DM with large experience in multisectoral emergency needs assessment. Technical people can support in designing the scope and information analysis	The team must be led by a specialist to guide the process. Generalists, non-specialised staff and volunteers can support the data collection and contribute to the analysis	Conducted by the programme team responsible for the monitoring

Step 1.3. Prepare your team

Tip:

The success of your assessment depends on the whole team. Your team should be involved in the whole process from secondary data revision to analysis and formulation of recommendations. If this is not possible, make sure that they at least understand the aim of the assessment and the expected outputs as well as the intended use of the information. They are your voice in the communities. Your team should reflect a wide range of skills and diversity in gender, language and experience.

This sub-step is key to ensuring you make the most of your team and provide them with the necessary training and support. Often assessments are an opportunity for re-enforcing classroom or on-line learning, refreshing knowledge and learning-on-the-job. Make the most of this opportunity.

- Assign roles and responsibilities for your team members
- Deliver an introductory session on the HES methodology for your team
- Design the field work plan together with your team for both secondary data gathering and primary data collection and analysis
- Revise and adapt the data collection tools (Annex 1) and make sure the information requested is clear for all the team members
- Develop database formats to enter data collected in the field and/or develop an electronic mobile data collection system and train team members
- Translate the information into the local language
- Decide on the unit measure to be used and how these will be translated later into the standard ones
- Test the tools and practice the data collection before going to the field and get feedback from team members. Make sure the questions are culturally sensitive

Step 1.4. Methodologies: secondary and primary data collection

Reviewing existing secondary information

The information collection process involves reviewing existing secondary information, before talking to key stakeholders and talking to the community as described in the stages below. Reviewing secondary information can include accessing documents through the internet, reviewing information already held by the NS, contacting key contacts by e-mail, and visits to KII, government and other stakeholders that can share information already available. Once secondary data has been analysed, the information can be complemented with additional primary data if necessary.

Rapid assessments are based largely on secondary data, while in-depth assessments dedicate more time to collect primary information.

A list of specific information sources is provided with each sub-step. The most common are:

- ✓ Assessment or situation reports from government, donors, UN agencies, NGOs
- ✓ Early warning and baseline livelihood zones information from FEWS, FAO, SCUK, WFP VAM, FEG and other agencies
- ✓ Other background documents, e.g. UN reports, government documents, official statistics, reports from research organisations, evaluations of previous disaster responses

Tip:

Involve the project team in the gathering and analysis of the secondary data. It may save time finding relevant national/regional/local policies and plans and it's an opportunity for them to learn about international sources of information that they are less aware of.

Identify the need for primary data collection as part of your assessment

Once the secondary data has been analysed you will need to decide if there are information gaps and if there is a need to conduct a field assessment to collect primary data. If the secondary information available is enough to support your decision-making process, it may not be necessary to conduct further assessments at this stage.

Assessment fatigue:

Assessment fatigue may occur when an area has been assessed many times by different agencies. The people are frustrated because they are expected to answer the same questions repeatedly, often with no obvious result. They lose patience with "humanitarian assessments". Under such circumstances, an assessment is unlikely to produce useful information. This may happen often in emergencies when there are multiple organisations present in the field. Do not collect more data than is necessary to make the key decisions that you have already identified.

Data collection

HES is based on qualitative information more than quantitative data, the participatory approach is key to the HES process and must guide the decision on the tools to be used to ensure participation.⁹ The main information collection tools are:

- semi-structured interviews with key informants
- focus group discussions and
- household surveys

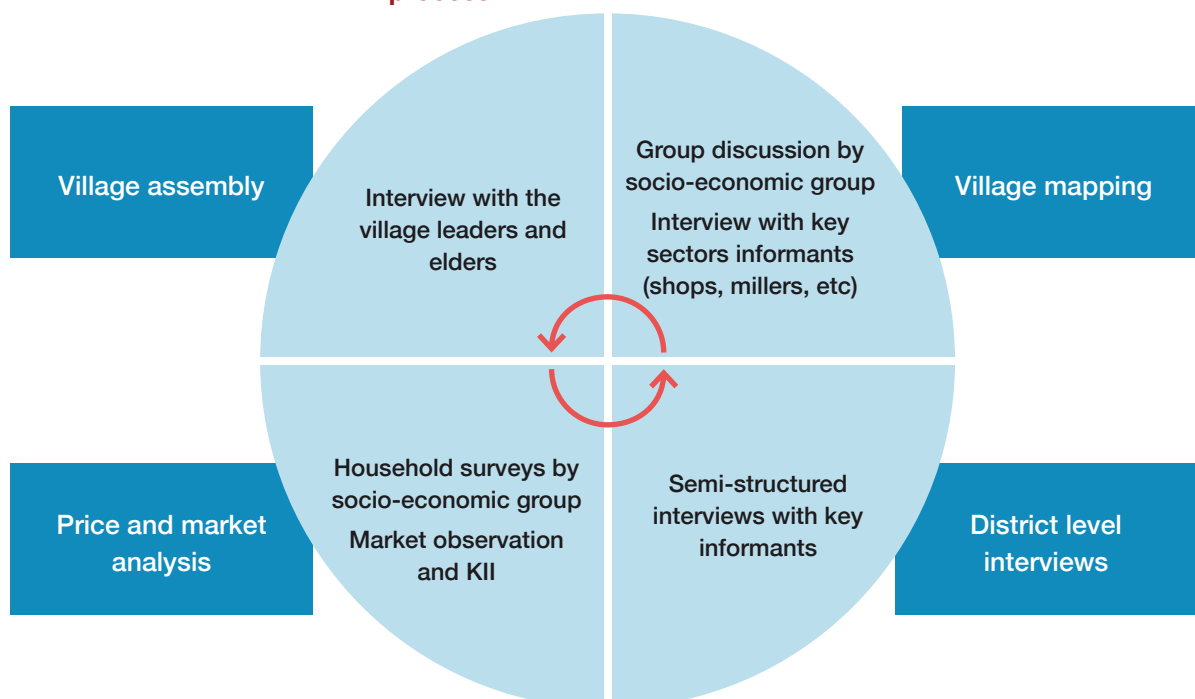
⁹ <https://www.ifrcvca.org/>

Other places to find relevant tools include:

- [IFRC Livelihoods Resource Centre Toolbox](#)
- [IFRC VCA \(Vulnerability and Capabilities Assessment\) Toolbox \(2008\)](#)
- [Global Food Security Assessment Guidelines \(2007\) IFRC](#) (see pages 21-37)
- [IFRC Guidelines for assessment in emergencies \(2008\)](#)

The HES primary data collection tools must always be adapted to the objective of the assessment, the capacity of the team members and the availability of the communities to avoid disturbing the daily activities of the village. The project team should start the process with community mobilization carried out at least two weeks prior to the study, followed by a visit of 1 to 2 days for the data collection.

Figure 6: Example of minimum primary data collection structure and process.



1. Meetings with the village assembly to identify general community information and the village key informants as well as the existing groups/associations.
2. Interviews with the village elders “wise men/women” to determine the livelihood groups, the socio-economic groups and their characteristics, the seasonal calendar and information on yield of production and the use of inputs.
3. Interviews with key informants (e.g. community focal points, health workers, seniors, water committee, religious leaders, shopkeeper, miller, other organisations, etc.).
4. Conduct a sample of household surveys per village to establish income sources, food accessibility, consumption and dietary diversity, survival and coping strategies and access to key services.
5. Focus group discussions with representatives from the four socio-economic groups: better-off, middle-income, poor and very poor.
6. Focus group discussions with mothers’ groups on infant and young child feeding, on malnutrition and reproductive health.
7. Critical products price collection.
8. Mapping and transversal walk or crossing of the villages.
9. Observation of village context.
10. Markets mapping, general observation and data collection.

- **Key Informant Interviews (KII):** Interview key informants before the group discussions. This will help you to be better prepared and guide the discussions. Start by meeting with community leaders or neighbourhood representatives to get general information and to identify the wealth/livelihood groups before holding focus groups and interviewing households. Interview as many wealth/livelihood groups as time allows.
- **Household survey:** Make sure the information is comparable with KII and focus group discussions (FGD) to triangulate. Nevertheless you can include more quantitative data to complement other sources. Hold the discussions with different groups at the same time of the day to make sure the information is comparable. It is recommended to conduct this in teams of two and if using mobile forms (Kobo, ODK etc.) make sure the tool does not divert attention away from the interview. Observation of households is equally as important as the quantitative data collected.
- **Focus group discussions:** Ideally the FGD will be the last step and will allow you to confirm information from other sources. It is important to set up focus group discussions with representatives of each socio-economic group. Make sure they understand you are not interested in individuals' information, but what is representative of the group they represent. It is useful to do this by depersonalizing questions. Use the same group to get all the information regarding food, expenses and incomes.
- **Proportional piling:**¹⁰ Proportional piling is a tool to be used during FGD and KII that allows you to estimate quantities and proportions, especially when working with people who are not used to quantifying data. You can use proportional piling to determine the relevance of each source of food, income or expenses, relative to the total the household has. For example, for income sources, ask household members to describe each source in turn, list them and then ask them to divide up the beans according to the relative importance of each source. The exercise must be done with 100 grains of similar size.
- Visit a selection of communities that represent each of the different livelihood zones and/or that have been affected differently by the disaster.
- Talk separately with men, women, elderly and other distinct groups of individuals (e.g. PLHIV, children, ethnic groups, etc.) in order to understand their different capabilities and roles within the household and hence their specific needs and priorities.
- Use a variety of tools and triangulate your information.

More general information on how to organise and facilitate focus group discussions is available at [IFRC EVCA](#)

¹⁰ [ICRC IFRC Guidelines for Assessment in Emergencies](#)

Tips

HES assessment in emergencies and recovery, when time and resources are limited

- Aim to map the affected area including key information related to livelihoods and the impact of the disaster.
- Attempt to disaggregate the affected population according to different livelihood and wealth groups.
- Try to visit at least one community in each of the affected livelihood zones.
- Try to meet with the most vulnerable wealth group in each community.
- Use reliable secondary data, key informants and focus group meetings to gather key information.
- Rank the main sources of food and income prior to and after the disaster and discuss the reasons for any change with the most vulnerable households. The latter should include gaining information on how markets and the community at large have been affected.
- Visit the market to see how the availability of critical commodities have been affected.
- Ensure your report outlines the constraints in the methodology due to the lack of time and resources and provides recommendations for further detailed analysis in subsequent assessments or monitoring visits.

Identify the reference period for comparison

A comparative analysis of food, income and expenditures at two different periods in time is at the heart of the HES methodology. You compare normal times with another period of interest, usually post shock/crisis/disaster. The secondary data analysis allows you to identify what is considered as a normal time, also known as a reference year, in line with the HEA methodology.

Normal period/Reference period

A time of year that households consider to be normal, not facing any specific seasonal or crisis related difficulties. Collecting information for this period allows you to gain a picture of how households meet their many needs. It is therefore considered to be representative of normal livelihoods activities.

Period of interest

A time of year which will be compared with the normal period, in order to see differences.

The period of interest needs to be defined in your assessment objectives. Some examples include:

- Seasonal comparison
- Year comparison during a slow economic crisis
- Comparison within 30 days of rapid onset-disaster which is expected to have caused many changes to the household economy
- A forecast year – as part of a scenario building exercise

Tips for identifying a reference year

- **In development projects to be implemented in rural areas:** the most common is to look for the information for the dry season and rainy season. In urban contexts, the common periods can be: high labour availability/high incomes or low labour availability/low incomes. You can chose a reference time period that suits your programme objective, for example the start of the hurricane season for disaster preparedness activities, or the start of a disease breakout or the academic school year. In most contexts, you will need to factor in the lean season.
- **In emergency and recovery,** when conducting assessments post disaster, it's your interst to compare the data with a normal year in order to assess the impact of the disaster:
 - **Reference period:** in sudden onset disasters the most common appraoch is to compare the current situation with the moment just before the disaster. When dealing with slow onset disasters, you can chose to compare with the same period one year ago. Neverthelss in both situations, confirm that the reference period is not influenced by any major disaster, including slow onset. If that's the case and a disaster occurred at the same time last year, you could chose another past "average year" when for example, the climate allowed a normal harvest and for livestock to be in reasonable health. Don't go too far back or people may not be able to provide accurate information.
 - **Forecast/Scenario planning:** developing a possible future scenario helps to design a more accurate programme and build in contingency planning. When gathering information on past and present crises, make sure you also ask key informants about the future and how the situation may evolve. Be realistic about selecting timeframes for response when forecasting.

More information on how to build scenarios is available here:

- [FEWSNET](#)
- [ACAPS](#)



Step 2. Data collection

This step focuses on the data gathering process. It describes the data required to have an understanding of the socio-economic context in which households make their living. This step is made up of 3 sub-steps: starting with secondary data gathering and analysis; then deciding whether to move on to conduct primary data collection; and the primary data collection process.

Step 2.1. Secondary data-based assessment and analysis: Context analysis and livelihoods systems

You can read more about the term **livelihoods** in the [Key Terminology document](#).

Secondary data analysis is essential and should not be underestimated. It also provides the opportunity for the whole team to get familiar with the specific HES concepts.

Step 2.1. is about secondary data available to understand the socio-economic context of a given area. Use available data first for your analysis of the context and livelihood systems. Only move on to field level assessments if your secondary data analysis does not provide you with enough information to support decision-making, or if there have been significant changes to the context (e.g. a shock). This is described in detail in Step 2.2.

This sub-step guides you on the available data you need to collect from existing sources to answer questions about the operational context, livelihoods activities, income and food sources, critical markets and coping strategies, including safety nets. Table 3 Step 1 Secondary data checklist describes what to look for and likely sources of information, as well as what questions to answer.

Aims of this step



Describe the basic needs and livelihood gaps of different livelihood groups and their capacity to meet these over time

- ? What is the operational context?
- ? What are the main livelihood activities of the population and seasonal trends?
- ? What are household main expenditures and what are price trends in different seasons?
- ? What are the critical market systems and the key supply and demand risks?
- ? What are the most commonly used coping strategies for each livelihood group and which ones are most severe?
- ? What social protection schemes are in place and who has access to them?
- ? What are the basic needs and the livelihood gaps of different livelihood groups and their capacity to meet these needs over time?
- ? What is the severity of current and future needs of different livelihood groups?

Table 3: Secondary data collection/Data required check list.

	Context information	Additional information for emergency and recovery assessment post crisis/disasters
<p>Understand the operational context</p>	<ul style="list-style-type: none"> - Geospatial location; climate patterns; agro-ecological zones; natural resources - Infrastructure, transport/roads and telecommunications (coverage of communication networks) - Administrative structure; key policies on economy, preparedness, emergency response; public institutions; public services - Historical disaster/crisis profile: main underlying factors associated with disasters and vulnerability; type of shocks, frequency, scale and impact; early warning systems - Population data: total population by gender and age; ethnic and religious groups; migration patterns; literacy levels; health status: main illnesses; malnutrition rates - Main economic activities and contribution to regional/national economy; employment/unemployment rates; informal economy; labour migration patterns; role of women and children in the economy; remittances. Financial services coverage - Markets: local, regional and international markets; rural to urban/urban to rural links - RCRC: structure and presence, activities; capacities and resources relations with local institutions and other development and humanitarian actors - Humanitarian context: local organisations; international organisations; types of interventions 	<ul style="list-style-type: none"> - Disaster description; risks of secondary shocks or new disasters in the immediate and longer term; learning and evidence from previous similar situations - Number and location of people affected - Public infrastructure and housing damage; impact on the markets and food availability - Impact on public health, education, sanitation and transport services - Response to date: government response; international response; Red Cross Red Crescent response; response coordination
<p>Understand livelihoods, labour market, food production systems and seasonality</p>	<ul style="list-style-type: none"> - Livelihood zone maps; rural labour main areas and location; urban labour main areas and location; main markets - Livelihoods groups: main activities people in the area generate income from (primary production, trade, labour/formal employment; public services; employee characteristics (formal/informal) - Characteristics of employers; rules and regulations; socio-cultural behaviours; - Seasonal calendar - Migration patterns; labour demand and supply variations; wage changes/fluctuation in the year time; main trends over the past 3-5 years - Socio-economic groups: indicators/groups characteristics; productive assets owned - Main foods grown; foods for domestic consumption and exported; main food imports; food balances 	<ul style="list-style-type: none"> - Disaster impact maps vs livelihoods zones map - Impact of the disaster on the food production systems; import and export disruptions - Disruption on main activities people in the area are paid for; changes on the most relevant labour systems (type of activities) - Changes in the geographical location of labour opportunities; change in market actors - Labour demand and supply variations; wage changes - New rules and regulations in place

	Context information	Additional information for emergency and recovery assessment post crisis/disasters
Understand household consumption patterns, priority needs and consumer price trends for key household and livelihood items	<ul style="list-style-type: none"> - Items regularly consumed: food and non food items and services; household consumption basket - Price of main food, non-food items and services; household minimum expenditure basket - Variation on food, non-food items and services during the year; regular seasonal price change patterns 	<ul style="list-style-type: none"> - Impact of the crisis/disaster on the minimum expenditure basket - Availability and economic access to the products and services consumed
Understand the main food and financial services market systems, functionality and risks	<ul style="list-style-type: none"> - Critical food markets for the population: main food items households buy; main food local production items households sell - Existing regulations; existing social- cultural behaviours that influence markets - Market chain; actors involved and their role; markets location; key market infrastructure - Seasonal changes in consumption patterns, access and availability of products, price variation - Main trends over the past 3-5 years - Financial services essential to the populations: services available; access conditions; main users characteristics; main suppliers characteristics; location of the services - Rules and regulations; socio-cultural behaviours - Seasonal patterns in the demand, access and use; seasonal changes in the conditions the service is offered 	<ul style="list-style-type: none"> - Food production market: changes on what are the main markets (new commodities priority); availability of food on the markets - Market chain disruptions; physical and economic access to the markets; infrastructure damages; transport constraints; changes on locations; changes in markets actors - Prices variations; food items availability; variation on demand and supply - New rules and regulations in place - Forecast for the short/long term situation - Financial Services market: changes on type of services essential to the populations; availability and access, new rules and regulations - Changes on demand and supply conditions - Forecast for the short/long term situation
Understand household coping strategies and social safety nets	<ul style="list-style-type: none"> - Existing social protection programmes implemented by the government; departments/ ministries responsible; programmes set up (targeting and registration system; delivery mechanisms; frequency; geographical coverage); constraints that may limit the access to the support - Social safety nets implemented by humanitarian/ development actors: type of programmes; targeting, and registration system; delivery mechanisms; frequency; geographical coverage; access and constraints that may limit the access - RCRC experience with social safety nets programme in country; RCRC relations with the social protection programmes or social safety nets in the area - Coordination mechanisms in country; information sharing mechanisms; data management 	<ul style="list-style-type: none"> - Impact on the programmes delivery; capacity of responsible organisations to deliver the programmes; programmes disrupted; main challenges to continue the programmes - Plans of expanding/adapting existing programmes (horizontal expansion; vertical expansion; new programmes; initiated or planned; targeting criteria and registration mechanisms for the new programmes; geographical coverage - Emergency coordination mechanisms in place that include representatives of the social protection sector (social protection cluster or working group); government regulations in place in terms of coordination of the response and alignment with the social protection system

Examples of secondary data information

Livelihoods zone

Niger, Livelihood zones ([Fewsnet](#))

Socio-economic groups

Niger, [HEA](#)

Seasonal calendar

Niger, seasonal calendar ([Fewsnet](#))

Food and incomes sources and expenses

Niger, [Fewsnet](#)

Minimum expenditure basket

Niger, [Diffa](#)

Step 2.2. Decision-making: whether to collect primary data

Aims of this step



Decide whether you the secondary data analysis is enough to inform decision-making linked to strategy development and programme design

- ? Does the information you collected refer to a normal year for the livelihood groups in your assessment area?
- ? Is the information from the analysis sufficient to feed into your design strategies and programmes?
- ? Is the information from the analysis sufficient for you to make the decision no action is needed for now?
- ? Is the information from the analysis insufficient and is there a need to collect more data?

First you will need to decide what constitutes a **normal year** for the geographical area and the livelihood groups of interest. The secondary data collected so far should mainly be for a normal year and help you see what risks different socio-economic groups are exposed to in terms of meeting basic needs and livelihoods.

If your assessment was triggered because of a **disaster or crisis**, the secondary data may be out of date and primary data may be needed to get a more accurate picture of the effects of this on different socio-economic groups are exposed to in terms of meeting basic needs and livelihoods. This includes slow onset, rapid onset and seasonal or cyclical disasters.

If you are working in a **protracted crises** context, it may mean that the normal year is a description of the livelihoods in times of long-term crises. This is likely to mean a large number of households are unable to meet their basic and their livelihood needs, so you will need to identify those who are most severely affected. Even in a protracted crisis, there will be some households who are better able to manage than others, especially when there is humanitarian assistance and social safety nets in place. Understanding the coverage of these is a key component of your analysis.

Normal period/Reference period

If you are carrying out primary data collection during what you have identified as a **“normal/reference” year**, this is an opportunity to collect in-depth information in your geographical area of interest. You are likely to select a number of locations and use a variety of tools for data collection which allow you 2-3 days per community, including participatory data collection approaches, key informant interviews, focus group discussions, transect walks, household visits, market price data collection and possibly surveys.

See Tools 1-10

Period of interest

If you are carrying out primary data collection in a **crisis/disaster situation**, this is an opportunity to identify the severity of the disaster on household economic security in your geographical area of interest. You are likely to select a number of locations directly and indirectly affected and will have a few hours per community. This will mean using rapid assessment tools such as key informant interviews, group discussions, transect walks, and a few household visits.

See Tools 1, 3, 5, 7, 8, 9, 10

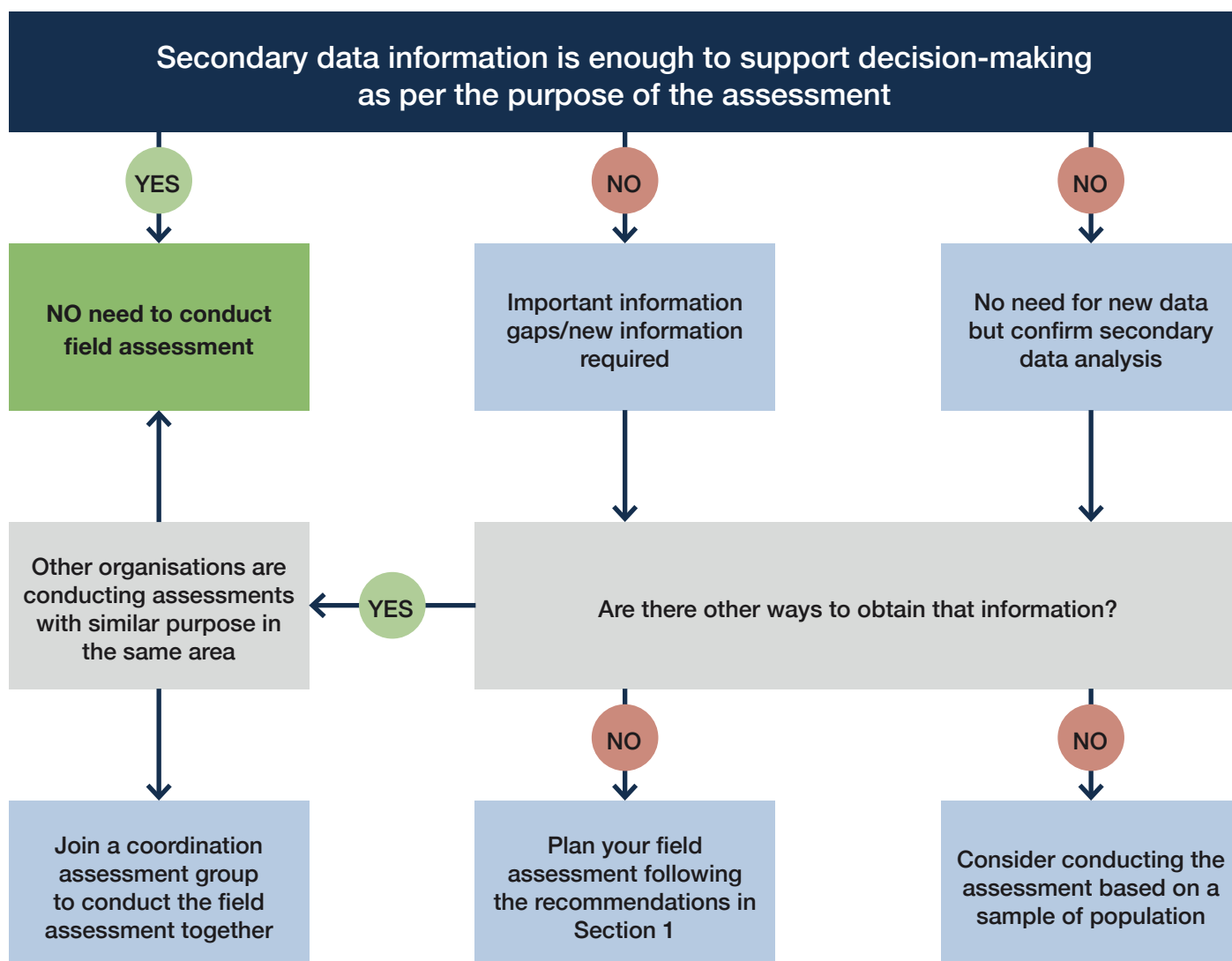
- If your analysis indicates that the current situation represents a normal year for most populations, and that they are not exposed to any specific shocks or risks that are not part of normal seasonal patterns, then your analysis provides an overview of a stable situation. You can choose to programme to alleviate poverty and improve the livelihoods of certain groups in line with your normal programming strategies to increase resilience and disaster risk reduction.
- If your analysis indicates that the current situation represents a more difficult year for most populations because they have been exposed to a specific shock or risk, and that this is eroding livelihoods and coping capacities, then you can compare the current situation with a normal situation. This comparison will allow you to more realistically identify programmes that address current vulnerabilities at household level that protect and strengthen livelihoods and coping strategies in a way that helps them overcome and recover from the shock. If you wish to programme in a way that builds back better and increases resilience and disaster risk reduction capacity of households, this is likely to mean improving upon what is considered a normal situation for households.
- If your analysis indicates that this is a particularly bad year for most populations because of a big shock, crises or disaster that has led to an emergency situation, then again compare the current situation with a normal situation. This comparison allows you to identify the severity of the current crises or disaster in terms of its impact on household economic security. This will help you identify the most affected groups and help in your response design. This may lead you to both short term measures to address household economic insecurity gaps as well as longer term programming that builds resilience and disaster risk reduction.

The following decision tree will help you know whether you have enough information to go ahead to answer your assessment questions. Based on your analysis so far, can you make an informed choice to feed into your strategy planning or programme design.

You may come to the decision that no intervention is needed. The secondary data you have analysed has allowed you to make an informed decision. The data will be useful for comparison purposes in the future as you will be able to see if the situation has changed.

You may come to the decision that you need additional information to feed into your decision-making process because you cannot answer all the questions you identified in Step 1. This means you are ready to consider a field level assessment to collect new data.

Figure 7: Assessment Planning Decision-Making Tree.



What to look for to decide if it is a normal situation for economic security and livelihoods

Survival threshold: food and nutrition security (risk to lives)

- **Significant reduction in access to food and income** – i.e. loss of main income earning activity or food source and unable to make up the shortfall
- **Insufficient food availability/access** – i.e. food is not available in market/or at high prices
- **Inability to prepare food** – i.e. lack of access to fuel, water, cooking utensils
- **Rising or high Global Acute Malnutrition (GAM)** – data available from admissions health centres, nutrition surveys or surveillance – but it may not be due to lack of food therefore important to analyse the underlying causes of malnutrition

Livelihoods protection threshold (risk to livelihoods and incapacity to cover basic needs)

- **Asset loss** – that has a detrimental impact on earning income and obtaining food in the short and longer term for recovery
- **Unable to afford essential needs** – i.e. households may cut back on food to protect their livelihoods; or eating or selling seeds instead of planting them; can't afford other basic needs like education, transport, basic health costs, basic clothing, etc.
- **Insufficient capacity to protect livelihoods** – e.g. asset sale to raise income/food; insufficient fodder and water to sustain livestock health
- **High reliance on external support** – inability to support themselves, e.g. farming inputs

Step 2.3. Primary data collection: Household Economic Security information

Step 2.3 collects food, income, expenditure and coping strategies information at household level as a way of profiling household economic security for different socio-economic groups. The tools for data collection vary slightly depending on whether this is an in-depth assessment or a rapid assessment.

Collecting this information is key to:

- describing household economic security/wealth groups (very poor, poor, middle and better-off)
- identifying survival and livelihood protection thresholds
- comparing household economic security at different points in time to assess changes
- comparing household economic security of only the very poor, and poor wealth groups for speedier decision making

Step 2.3.1. Understand the operational context

Aims of this step



Identify economic, political, social and demographic information of the area

- ? **What are the demographic characteristics of the population?**
- ? **What are the main geographical characteristics of the area?**
- ? **What are the main economic activities and trends?**
- ? **What is the administrative and political structure?**

Identify the historical vulnerability context, shocks and trends

- ? **What is the historical profile of the area in terms of conflicts, disasters and trends?**

Identify the humanitarian context including, Red Cross Red Crescent presence in the area

- ? **What humanitarian actors are present?**
- ? **What is the role of the RCRC and their activities?**

The operational context is needed to understand the general socio-economic situation, political context, historical vulnerabilities and the role of the RCRC. The general context information is usually available from secondary data documents like country and region profiles, government sites or national statistics as described in Step 2.1.

This information will help identify key actors for your choice of key informants and help you start a risk analysis and operational capacity analysis to guide the assessment. Additional questions can be seen in the analytical overview, but you may need to adapt and add new key informant interview questions depending on your context.

You can read more about the term **socio-economic/wealth groups** in the [Key Terminology document](#).

Step 2.3.2. Identify livelihoods and socio-economic groups

Aims of this step



Identify the livelihood breakdown in your population of interest

- ? What are the livelihood groups in the area?
- ? What is the livelihood breakdown of the population?

Identify socio-economic/wealth group break down in your population of interest

- ? What are the socio-economic/wealth group criteria for each livelihood?
- ? What is the socio-economic/wealth breakdown of the population?

Understanding livelihood activities, labour markets, food production systems and seasonality is core to HES assessment. Livelihood zones and food production systems provide you with a spatial idea of how livelihood groups are located. Livelihood groups with similar livelihood activities require similar access to assets. Livelihood groups are therefore mostly defined by their main economic activity, such as traders, farmers, fisherfolk, craftsmen, factory employees, street food vendors, domestic workers etc. Their livelihood activities throughout the calendar year are very similar.

You can read more about the terms **market system** and **seasonality** in the [Key Terminology document](#).

The analysis of the labour supply **market system** is part of the livelihoods analysis. This allows you to understand how people sell their labour, the formal and informal employment structures, unemployment levels, labour costs and how men and women generally access the formal and informal labour market (i.e. labour availability and key employers). Labour markets are dynamic sectors and are easily affected by **seasonality** and crises. The role of migrants is often very key in the labour market as are factors like rural to urban linkages and border areas.

Socio-economic grouping or wealth ranking is standard practice in poverty analysis. Livelihood groups share the same income activities; however, they are not a homogenous group. Within each livelihood group, some households will have more assets and more income and be better-off than other households. The HES approach focuses on differentiating the socio-economic status of people who share the same livelihood in order to identify the groups that are most at risk of economic insecurity. The HES approach looks to divide livelihood groups into four sub-groups based on the HEA. These terms are relative and depend on local definitions of wealth which usually includes physical and productive assets but also social and human assets in many contexts.

Seasonality and seasonal trends. All the above information is strongly defined by seasons, especially when livelihoods activities involve food production and marked weather patterns. The HES methodology requires a thorough understanding of these seasonal trends. Seasonal factors and risks also apply to urban, particularly in relation to seasonal work, prices of food and risks to natural hazards, rent, facilities payments (that can be higher in some seasons) and migration patterns to and from rural areas and within urban localities. Keep in mind the linkages between rural and urban, rural trends and shocks can affect urban households, e.g. rural droughts affect the price of food in urban areas and result in higher rural to urban migration; and urban crises impacting demand or creating urban to rural migration.

You can read more about the terms **livelihood group** and **livelihood zone** in the [Key Terminology document](#).

Identifying the livelihood group breakdown

Your primary data collection should identify the different livelihoods in your area of interest and their breakdown. This helps identify the main **livelihood groups**, but also smaller ones that may rely on a different asset base but are usually inter-linked with the main livelihood groups.

Key questions



? What are the livelihood groups in the area?

- What livelihood zone this area corresponds to?
- What are the main economic activities and labour markets?
- What are the main production systems?
- What are the other secondary income activities?

? What is the livelihood breakdown of the population?

- What proportion of the population is dedicated to these different activities?
- Where are different livelihood groups spatially located?

This information can be collected using tools [1: KII with institutions and authorities](#) and [2: KII with community leader](#).

If you have a **livelihoods zone** map from secondary data, revise that with your team and make sure you all understand the main characteristics. If this is not available, you can use an agro - ecological map (often available from FAO or the Ministry of Agriculture) or economic mapping as a starting point to draft the livelihoods zones in a participatory exercise with your local team. If you are to conduct a data collection exercise (HES Step 2) you will need to validate the zoning with your key informants (i.e. with Agriculture and Livestock Department, other organisations working on livelihoods in the area) and with the communities during focus group discussions.

Livelihoods activities

- Rainfed agriculture of cereals and cereal cash crops
- Vegetables cash crops
- Animal husbandry/livestock breeding
- Trade/shop keepers
- Brick makers
- Traditional medicine

Livelihoods groups

- Farmers
- Livestock breeders
- Traders
- Professionals
- Daily workers

How to use the data you have collected

➔ The breakdown of your population of interest by type of livelihoods activity will allow you to assess the number of people who fall into each group. This helps with targeting and planning interventions. A visual presentation of the livelihood breakdown is very useful.

Identifying the socio-economic/wealth group breakdown

Livelihoods break down into smaller socio-economic/wealth groups depending on their asset base and ability to generate income and other livelihood assets. This stage of your primary data collection helps you identify the indicators and cut offs for classifying households under the appropriate socio-economic/wealth group.

The HES approach looks to divide households into four wealth groups based on the HEA Approach: **very poor, poor, middle and better-off**. These terms are relative and depend on local definitions of wealth which usually includes physical and productive assets but also social and human assets in many contexts.

Key questions



? What are the socio-economic/wealth group criteria for each livelihood?

- What are the characteristics of very poor, poor, middle and better-off households in terms of:
 - ✓ productive asset ownership?
 - ✓ sources of income?
 - ✓ sources of food?
 - ✓ access to credit?
 - ✓ household composition?
 - ✓ use of coping strategies?

? What is the socio-economic/wealth breakdown of the population?

- What proportion of the population falls under each socio-economic group?
- Where are different socio-economic groups spatially located?

The identification of socio-economic criteria requires listing the assets considered to be essential for that livelihood and then identifying how much of that asset a household needs to have. The table below shows some sample indicators. Note they are largely based on physical assets which are more easily quantifiable. This extends to human assets too, where households with more income earners are generally seen to be better-off than single-headed households for example. However, social assets such as extended family, lineage, social standing are key to this analysis and may be a key factor on how households improve their access to food and income or reduce their expenses.

This information can be collected using tools [1: KII with institutions and authorities](#), [2: KII with community leader](#) and [4: Household survey](#).

Example: Socio-economic groups found among the 15 villages under study.

	BETTER-OFF	MIDDLE-INCOME	POOR	VERY POOR
Natural capital	5 hectares or more access to market gardening	2-5 hectares	1-3 hectares	<1 hectare
Physical capital	Livestock, ruminant, poultry, agricultural material, cart, plough, motorcycle, fenced house, tin roof	Animals in the yard, cattle, ruminant, poultry, agricultural material cart, plough, motorcycle, house made of mud/ wooden roof	A few ruminants in the yard, house made of banco, modest and degraded fence	Absence of animals, straw house without fence
Human Capital (labour, health and educational level)	Polygamous household with many children, able bodies to work, who have often studied	Average polygamous household, able bodies to work	Small size household; lack of able bodies to work to exploit the land, must work for others	Labour for others, limited field work (smaller households), presence of female-headed household

	BETTER-OFF	MIDDLE-INCOME	POOR	VERY POOR
Social capital (social cohesion systems and roles and responsibilities of the different village members)	Belong to associations, groups, and part of decision making in the village, give to the very poor, lend to middle-incomes with interest	Are members of cooperatives/ associations to support their activities, pay for manpower working in their fields	Practice handicraft activities	Do not participate in decision making unless elected for their wisdom, often depend on loans from their families during the lean season
Financial capital	Can access credit, can give credit to others with or without interest	Access to credit in the village even among the better-off and shopkeepers, are in associations, small business practice	Access to limited loans and credit	None
Main survival/ coping strategies	Sale of productive assets (animals, cereals and cash crops)	Sale of poultry and goats, fattening activities for others, post-harvest seasonal migration	Seasonal migration of able bodies to work ploughing the field of others as paid labourer and food for work	Seasonal migration, begging, ploughing the fields for others as paid labour and food for work

How to use the data you have collected

The identification of socio-economic/wealth categories helps you assess household economic security by measuring a household's asset base against a standard for that socio-economic group.

- ➔ **Assess a household (HH) socio-economic status using a standard list**
- ➔ **Assess changes to a HH socio-economic status over time, either between seasons or during a programme implementation as part of monitoring**
- ➔ **Identify which assets households prioritise when they have additional income**
- ➔ **Compare standards of living amongst members of the same community to explain targeting methods**
- ➔ **Use the criteria for distinguishing between wealth groups for targeting purposes**
- ➔ **Focus interventions to specific target groups to increase their asset base**

Typical socio-economic indicators to look for when conducting assessments:

<i>Urban</i>	<i>Rural - pastoralists</i>	<i>Rural - farmers</i>
<ul style="list-style-type: none"> - House owned/rented - Type of house - Type of goods owned (car, motorbike, tv, etc.) - Number of income sources in the household - Number of income earners in the household - Type of income activities - Incomes level per month - Expenses that the household can afford monthly - Transportation means - Access to financial services 	<ul style="list-style-type: none"> - Grazing area owned/accessible - Types of different livestock owned - Number of animals (camel, cows, sheep, goats, pigs...) - Number of workers employed - Knowledge: traditional/educated - Access to veterinary care - Shelter facilities for animals - Fodder production/storage capacity - Other income sources in the household 	<ul style="list-style-type: none"> - Land owned/rented - Size of cultivable land - Tools owned Mechanical tools owned/rented - Irrigation schemes/water access - Number of workers employed - Knowledge: traditional/educated - Access/use of agricultural inputs - Transportation means - Storage capacity and facilities - Other income sources in the household

These indicators must be defined with the community and be adapted to the context. The list included here is a compilation from previous experiences, but in each case, this must be discussed and agreed with the population to be assessed.

Additional information for emergency and recovery assessment



? What livelihoods activities are the most affected?

- What livelihood zones have been affected?
- What are the main economic activities and production systems affected? Why?
- Are these activities totally or partially affected?

? What livelihood groups are the most affected?

- Who are the livelihood groups in the area? What livelihood groups are the most affected?
- Where are different livelihood groups spatially located?
- What proportion of the population is dedicated to the activities affected by the crisis/disaster?
- Where are different socio-economic groups spatially located in the area affected by the crisis/disaster?

? What has been the impact on the different socio-economic groups?

- What proportion of the population falls under each socio-economic group in the area?
- What assets have been affected by the crisis/disaster?
- What is the effect on each socio-economic group?

Step 2.3.3. Identify household food and income sources and seasonal trends

Aims of this step



Identify how households meet their food requirements in normal times

- ? What are the most common food sources in normal times?
- ? What are the most common food sources for the period of interest?

Identify household income sources in normal times

- ? What are the most common income sources in normal times?
- ? How do income sources change during seasons and periods of stress?

Identify changes in food and income sources comparing the normal period with the identified comparison period

There are a number of methodologies that can be used to do this, depending on your objective and the time available. When comparing sources of food and sources of income for different periods, proportional piling is the recommended methodology to use.

You can collect this data through KII and/or FGD and/or HH interviews. HH surveys are not a good way of collecting this data as it is time-consuming, and data is not easy to consolidate.

Key questions



? What are the most common food sources in normal times?

- What are the main sources of food in normal times?
- Which are the 3 main sources (ranked in order)

? How do food sources change during seasons and periods of stress?

- How do HH food sources differ during different seasons?
- How are HH food sources affected by external shocks?
- Which times of the month/year are food sources most scarce and most plentiful and why?

This information can be collected using tools [3: FGD with socio-economic groups](#), [4: Household survey](#) and [6: FGD with mothers](#).

Identifying household food sources

Food sources are often linked to livelihoods, especially for livelihoods that involve food production, and households heavily dependent on markets for food purchase. The main sources of food for a household can change between seasons. A comparison of the combined food sources and income sources provides a good overview of what a household brings in. By the end of the exercise we should be able to rank the different sources of food according to their contribution to the household total food consumption.

Table 4: Sample Household food sources.

SOURCE OF FOOD	Description	Urban household	Rural household
Own production	Household obtains food from their own production of crops and livestock	0%	60%
Fishing/hunting/foraging or gathering	Household obtains food from activities such as fishing, hunting or foraging and gathering	0%	5%
Purchase	Household obtains food in the market and shops	75%	25%
Borrowing/credit	Household obtains food on a loan basis either from family or shops – and is expected to pay it back	5%	0%
Gift from family/friends	Household obtains food from relatives and friends. This is very much dependent on social practices and may be a way of supporting a less well-off relative/friend, it may be for special festivities or may just be social norm to share with each other	20%	10%
Assistance from external actors such as government, NGO, church groups	Household obtains food from organisations that provide support to less well-off households	0%	0%
Exchange for labour	Household members obtain food in exchange for labour as a way of payment – this may include crop sharing arrangements	0%	0%
Begging	Household obtains food/or cash to buy food from others by asking for support	0%	0%
Other	Households may have other sources in line with their context	0%	0%

Identifying household income sources

The analysis of the income sources from all household members is key to identifying livelihoods survival activities and livelihoods protection, strengthening or restoration activities. This is a way of estimating household income and the relative contribution of different sources of income at different times. Income sources are often linked to livelihood activities, some of these may be paid activities that generate income, but some may be part of livelihood activities that result in food for household consumption and sales to generate income.

Key questions



? What are the most common income sources in normal times?

- What are the main sources of income in normal times?
- Which are the 3 main sources (ranked in order)?
- Which of these are from men, women, child household members?
- Which of these are from abroad, for example remittances?
- What are the wage rates for different labour activities?

Key questions



? How do income sources change during seasons and periods of stress?

- How do HH income sources differ during different seasons?
- How are HH income sources affected by external shocks?
- What are wage rate fluctuations for different income sources?

The information is most easily understood when presented in percentages so that the proportional contribution of each source can easily be identified. Proportional piling is a good tool for this. Findings between different socio-economic groups and different seasons can easily be compared in this way too.

Example: Main sources of income during the lean season (July) and during the dry season (late February/March) for each socio-economic group.

Income	BETTER-OFF		MIDDLE-INCOME		POOR		VERY POOR	
	July	February	July	February	July	February	July	February
Main source	Sale of agricultural products and small trade	Small trade	Breeding/livestock	Sale of agricultural products	Money from migration	Handicraft	Daily work for others	Sale of agricultural products
Second source		Breeding/livestock	Small trade	Cash crop product sale	Breeding/livestock	Sale of agricultural products	Breeding/livestock	Cash crop product sale
Third source	Breeding/livestock	Cash crop product sale	Cash crop product sale	Breeding/livestock	Gathering	Cash crop product sale	Gathering/money from migration	-

Source: 216 household surveys

Normal period/Reference period

If you are carrying out primary data collection during what you have identified as a “normal/reference” year, this is an opportunity to collect in-depth information on food sources and incomes at different times of year. Comparison over seasons will be key to identify times of year where availability and access to food may be more difficult.

Period of interest

If you are carrying out primary data collection in a **crisis/disaster situation**, this is an opportunity to identify current food sources and incomes compared with the same time last year or just before the crisis/disaster. This allows to you gauge how much availability and access to food has deteriorated and explore why and what households can afford now. It may not affect all households in the same way.

Seasonal calendar

A seasonal calendar helps to explore the seasonality of livelihoods activities, incomes, food and hazards that affect livelihoods over a one-year period. Producing a seasonal calendar, or revising and validating the existing ones, is an essential exercise in any livelihoods analysis. The seasonal calendar will give you an overview of the main seasonal trends over a year that affect livelihood activities and livelihood productive assets and human assets such as health status. If a seasonal calendar is not available, you can design your own, summarising the secondary data available. A seasonal calendar is always necessary as it provides a clear picture of the main elements that influence people’s lives and livelihoods, and should guide the activities you plan, including the timing of the assessment.

Typical information to include;

- Farming (land preparation, planting and maintenance for each crop, crops sales)
- Livestock (breeding, milk availability, transhumance/migration, sales)
- Fishing (high/low season, fishing closure periods, high risk seasons)
- Labour opportunities; migration; lean season
- Social protection programmes payments
- Price patterns for basic items; households expense patterns; markets demand
- Dry/wet seasons, floods, drought, hurricanes
- Disease epidemics for humans, crops and animals

How to use the data you have collected

- ➔ Identification of household sources of food for different socio-economic groups
- ➔ Identification of seasonal changes in food sources to identify households vulnerable to income shortages
- ➔ Identification of income sources for socio-economic groups
- ➔ Identification of changes of income sources during different seasons
- ➔ Identification of gender specific income sources
- ➔ Identification of external shocks and how this affects income sources for specific groups
- ➔ Identification of different labour rates – linked to step 2.3.2 on labour markets

Additional information for emergency and recovery assessment



? How have the food sources been affected by the crisis/disaster?

- What are the food sources that have been affected by the crisis/disaster?
- Which are the food sources mainly affected (ranked in order)?
- Is this a normal period in the year or other factors should be considered (seasonal variability)?
- How the crisis/disaster has impacted the food production?
- How the crisis/disaster has impacted the availability of food?
- How the crisis/disaster has impacted access to food in the markets and HH purchase capacity?

Additional information for emergency and recovery assessment



? How have the income sources been affected by the crisis/ disaster?

- What are the income sources that have been affected by the crisis/disaster?
- Which are the main affected income sources (ranked in order)?
- Which of these affected sources are from men, women, child household members?
- Has the crisis/disaster impacted the wage rates for different income sources? How?
- Is this a normal period in the year or should other factors be considered (incomes seasonal variability)?

Step 2.3.4. Identify household consumption patterns and priority needs

In this sub-step you will aim to understand the main food, non-food and livelihood items that are essential to different households and then identify their cost. This provides an overview of **consumption patterns** as well as **the cost of living**. These are essential for an understanding of household economic security, as prices will change over time and mean some households may lose purchasing power and be unable to afford to buy and access the goods and services they need.

To analyse this, first you focus on general household consumption and expenditure based on secondary data on what is known as **household baskets**. This includes items regularly consumed by the household, including food and non-food consumption such as clothing and household items, and services such as health and education. Financial services expenditures like bank service charges and card service fees should be included in household consumption expenditure, as they are charges for consumption of services. Finally, you identify **regular household expenses** linked to livelihood assets and investments as well as livelihood outcomes such as household health and education. These household consumption patterns are at the heart of the HES approach. This involves identifying what average household's consumption patterns are. By identifying consumption patterns for different socio-economic groups, the differences between them are easier to analyse.

Next you collect food and income data at household level.

Aims of this step



Identify household expenditures in different seasons

- ? What are household expenditures in normal times?
- ? How do household expenditures change in different seasons?

Identify typical household consumption baskets and household food baskets

- ? What are the household baskets for each socio-economic group?
- ? What are the household food baskets for each socio-economic group?
- ? How does the cost of household baskets change over time?

Identify the cost of household consumption and household food baskets in different seasons

Identify household expenditures

Household expenditures are a proxy measure of household economic security – on the basis that households will purchase what they can afford. This means there are different socio-economic/wealth groups based on expenditure patterns. Households with more family members will have more expenses than single person households, but this is not enough to classify a household by its socio-economic group. You will need to identify:

- Normal household expenditure on food
- Normal household expenditure on non-food
- Normal household total expenditure
- Normal household share of food expenditure

Total Household expenditure – regular and one-offs

Usually households have a set way of describing their expenditures in time. You need to use a unit of analysis that suits your respondents and then convert that to monthly, seasonal or yearly in line with your assessment objectives and comparison data. Aim to collect information on expenditure in normal times at two different points in time. Once you have this information, move on to identify the expenditures in your comparison time period.

Key questions



? What are household expenditures in normal times?

- What are the recurrent household expenses in normal times per week/month?
- Which are the 3 top expenses (ranked in order)?
- Which of these expenses are specifically for men, for women, for children household members?
- Which of these are for any other members of the household (elderly, disabled, sick)?
- Which of these are for services/utilities?
- What is the average weekly household expenditure in normal times?
- What are the one-off or less frequent household expenses and at what time of year are they normally made?

? How do household expenditures change in different seasons?

- What is the average weekly household expenditure in different seasons?
- What recurrent household expenses remain the same?
- What household expenses are different?

Tip:

You can use proportional piling for this: give the group 100 grains that represent 100% of their incomes and ask them to distribute them visually between the expenses; then count the grains to estimate what percentage of the total incomes is spent on each of them.

Collect information on recurring household expenses and then probe for the irregular expenses that the household makes. Some of these expenses may be related to household assets and livelihood assets. Make sure you separate the types of expense. See the typical household example in the table.

Table 6: Typical household expenses items by category.

CATEGORY	ITEMS IN CATEGORY	FREQUENCY OF CONSUMPTION
Food	Staples; condiments;	Weekly
Non-food household goods	Hygiene products;	
Clothing and footwear		Seasonal
Housing	Rent (can include mortgage repayments)	Monthly
Fuel/energy	Electricity; coal; kerosene	Weekly
Education	Fees and education material	Yearly and monthly
Health	Fees and medication	Occasional
Transport	Fees	Daily
Communication	Fees and material	Daily
Financial services costs	Service fees for transactions and maintenance	
Debt repayment	Repayment of loans other than housing related	
Social and cultural	Religious, cultural traditions	Seasonal
Livelihoods- physical assets	Fishing equipment: seeds and tools; spare parts for motorcycle; trading licences etc	Seasonal and yearly

This information can be collected using tools [3: FGD with socio-economic groups](#) and [4: Household survey](#).

Define a period of time as a reference, e.g. expenses the households have in one month or in one week. This must be decided depending on what information is feasible for the participant to provide.

This involves listing all these expenditures and asking them to rank them in order of the total amount invested. Once they are ranked ask them if they can give you the information of the cost in money, at least for the main expenses.

Tip: When collecting household expenditure data, you have the choice to collect additional information through qualitative methods such as:

- **Current and forecasted expenditures:** Identify specific items that are only affordable at certain times of year.
- **Current gap in meeting expenditure needs:** Identify to what extent households can afford their expenditure needs at the time of the interview. If not, to what extent do they consider their capacity to have been reduced and why.
- **Gaps in current expenditures:** Identify current expenditures, then identify if there are any notable gaps in what the households should be purchasing. If yes, what items are missing and why are they not purchasing them at the moment.
- **New expenditures – needs or investments:** Identify current expenditures, then identify if any of the items listed are new expenses that they do not usually have. If yes, what are these items and why are they now being purchased. (Examples of indication of change could be seasonal factors; a new need related to a health issue or pest infestation or family death; a new purchase because the HH has savings and invests in a new household item such as a fridge or a motorbike to help with a new business venture; or a new productive asset). When HH invests in productive assets this is also known as insurance strategies – which will allow a HH to use the extra assets in times of need to withstand a crisis.
- **Forecast expenditures:** Identify current expenditures and identify if these are the same expenses that are expected in the future. Identify the new items and why.
- **Forecast gap:** Identify whether HH predict not being able to meet HH expenses in the future. If no, identify what and why.

How to use the data you have collected

- ➔ Identification of household consumption items for different socio-economic groups compared with national data
- ➔ Identification of household expenditure in different seasons
- ➔ Identification of regular consumption items and one-off/less regular productive asset expenditures to better target interventions
- ➔ Identification of times of year when expenditures are insufficient to meet livelihood and survival thresholds

You can read more about the term **food expenditure share** in the [Key Terminology document](#).

Calculate household food expenditure share

The **food expenditure share indicator** is based on the premise that the greater the importance of food within a household’s overall budget in relation to all the non-food consumption items and services, the more economically vulnerable the household is. It is constructed by dividing the total food expenditures by the total expenditures. The denominator and the numerator both include the value of the non-purchased foods consumed (such as those donated, grown, wild foods etc) so as to factor in food access components. Household expenditure on food as a percentage of total household expenditure is a good indicator for assessing household economic security. It is the easiest way of classifying household economic status. Poorer households spend a larger proportion of all their available income on food. Better-off households may spend more absolute amounts on food than poorer households in terms of money value, but it is likely this represents a smaller percentage of their overall income.

You can collect this information from income and expenditure data collected at household level through surveys. However, you may need to collect this data through a few household visits or FGD in order to get a rapid food security profiling.

For more information on Food Consumption Score see the [WFP Consolidated Approach to Reporting Indicators of Food Security \(CARI\)](#).

Average standards: percentage share of food expenditures classification.

Very poor households	> 75 %
Poor households	> 65-75 %
Middle-income households	> 51-65 %
Better-off households	< 50 %

How to use the data you have collected

- ➔ Identification of household consumption items for different socio-economic groups compared with national data
- ➔ Identification of household food and non-food expenses for the calculation of percentage share of total expenditure going on food
- ➔ Identification of food security classification using the % share indicator to help with targeting

Key questions



Identify typical household consumption baskets and household food baskets

? What are the household baskets for each socio-economic group?

- What are the items consumed by households regularly?
- How does consumption of these items change in different seasons?
- What does an average household consumption basket look like?
- What is the composition of the consumption basket?

? What are the household food baskets for each socio-economic group?

- What are the regular household food consumption items?
- How does consumption of food items change in different seasons?
- What does an average household food consumption basket look like? What is the composition of the consumption basket?
- What are the main sources of these foods?

? How does the cost of household baskets change over time?

- What is the cost of the consumption basket?
- What are the price differences of a household consumption basket in different seasons?
- What is the cost of the food basket?
- What are the price differences of a household food basket in different seasons?

This sub-step allows you to create a household consumption basket for different socio-economic groups using the data you collected in the previous step on household expenditure. The items listed in the expenditure list can be used to create a typical household basket, as in the methodology for the MEB.

Another approach is to use a pre-prepared household consumption basket listing key items and asking HH if they have consumed any of the items in the last 30 days: *“Did your household purchase any of the following items during the last 30 days for domestic consumption”*

You can do this through KII and/or FGD. You can also carry out household visits in order to create different household food baskets for very poor, poor, middle-income and better-off groups. Poorer households may be more comfortable describing weekly rather than monthly food baskets.

Food will be a major component of household consumption baskets. You can use the information to identify **household food baskets** for different socio-economic groups for a better understanding of what they consume. This allows you to assess their food security status. You have already collected information on national food consumption baskets as part of your secondary data review. The information to be collected is mainly: food items consumed by one household in a defined period of time; their origin: purchased or own production; the amount consumed of each; and the cost of those purchased in the market.

Define the period you want to use as a reference, before starting. It can be one week or one month. Make sure the period is appropriate for the group to recall the information. A shorter time may be better to make sure the data is accurate; you can then sum up the information to calculate monthly measures if necessary.

This information can be collected using tools [1: KII with institutions and authorities](#), [3: FGD with socio-economic groups](#), [4: Household survey](#) and [6: FGD with mothers](#).

Normal period/Reference period

If you are carrying out primary data collection during what you have identified as a “**normal/reference**” year, this is an opportunity to collect in-depth information on household expenditures at different times of year. This will enable you to understand which households face limitations to their expenditure all year round, but also which households are affected at different times of year and explore the reasons for this.

Period of interest

If you are carrying out primary data collection in a **crisis/disaster situation**, this is an opportunity to identify current household expenditure compared with normal times. This allows you to gauge how household expenditure is affected and explore why, due to price rises or due to lack of availability of certain goods.

How to use the data you have collected

- ➔ Identification of household food baskets, sources of food and average cost allow you to estimate the income required to meet a household’s normal food consumption patterns and compare this with an adequate diet providing a deficit or a surplus
- ➔ Identification of key foods to monitor food prices for, to identify any price changes that mean households cannot afford them and hence must rely on substitution foods, or do without
- ➔ Identification of households food security status based on classifications and cut-offs
- ➔ Identification of the cost of a food basket in order to feed into minimum expenditure basket calculations

You can read more about the term **Minimum Expenditure Basket (MEB)** in the [Key Terminology document](#).

Minimum Expenditure Basket (MEB)

An MEB provides the average cost for a basket of regular household expenditures that can be obtained through the local market in a specific context. You can use existing MEB or price data to identify the cost of the household basket and calculate a standard MEB, and to identify seasonal trends in prices for a number of items. Food items are normally well monitored through national systems, and have data disaggregated at sub-national level. This data is collected from central markets as well as subsidiary markets. Other non-government actors also provide price monitoring data, such as WFP Market Watch.

The HES approach takes this further, by identifying different household consumption and expenditure baskets for different livelihood groups and different socio-economic/wealth groups (which is sometimes used as a proxy measure for their needs). This provides an MEB specific to different socio-economic groups.

The MEB information can be used to identify household consumption items and understand the cost of living that households can afford to consume in relation to their available income and assets. The MEB therefore only needs to change when prices change, not when needs change, as it is an expenditure-based calculation and not a real portrayal of needs. This information may be available already, through previous household economy assessments conducted in country, or it may need to be collected as part of primary data collection processes and it is developed in Step 2.

Note:

The food basket module designed by WFP is designed to record a household's expenditure on food during the 30 days prior to the survey. It also asks households to estimate the cash value of foods which were consumed but not purchased. The value of all consumed foods –rather than the value of purchased foods only– is then used to determine how important food is with respect to the household budget. By including home-produced foods –and other non-purchased foods, such as food aid– in the calculation of the food expenditure share indicator, households which are highly-dependent on non-purchased food still have the 'opportunity' to be classified as economically vulnerable. If we did not consider the value of non-purchased foods, many poor households which are highly dependent on own-produced foods would have a greatly reduced possibility to be classified as economically vulnerable.

Additional food and nutrition indicators and data collection methodologies

There are a number of well-known methods for collecting data on household food and nutrition. These should only be used if you are familiar with them as analysis can be time consuming and require additional food security and nutritional technical know-how.

For more information on Food Consumption Score see the [WFP Food consumption analysis, Calculation and use of the food consumption score in food security analysis](#).

Food Consumption Score (FCS)

The **FCS** uses a reference period of 7 days. Those interviewed are asked how many days the household has eaten the specific food items listed and from which source.

Household Dietary Diversity Score (HDDS)

The list of products must be developed based on the context and grouped according HDDS food groups.

The results are then classified as: **Poor** food consumption, **Borderline** food consumption and **Acceptable** food consumption.

Household food security is defined as the ability to acquire a sufficient quality and quantity of food to meet all household members' nutritional requirements for productive lives. In simple terms, the more diverse the diet (i.e. the greater number of food group types), the higher socio-economic level of the household and better level of food security. HDDS information collected at household level must be done for each of the wealth groups.

To assess HDDS, the information refers to main nutritional groups of food items: cereals, white roots and tubers, pulses/nuts, vegetables and tubers rich in vitamin A, dark green leafy vegetables, other vegetables, fruit rich in vitamin A (orange colour), other fruits, meat, fish, rich in iron offal, eggs, milk/dairy products, oils and fats, sweets/drinks, spices/seasoning. Usually, households are asked if they have consumed any of the reference groups in the past 24 hours.

For more information on Dietary Diversity Scores or similar tools see:

- [‘Household Dietary Diversity Score \(HDDS\) for Measurement of Household Food Access: Indicator Guide’ Version 2 FANTA September 2006](#)
- [‘Guidelines for measuring Household and Individual Dietary Diversity Scores’ FAO 2012](#)
- [ACF FSL Assessment Guidelines June 2010. See Annex 23 for step by step methodology and examples](#)

Additional information for emergency and recovery assessment



? What are the general household baskets for each socio-economic group after the crisis/disaster?

- What are the items consumed by households after the crisis/disaster? Are they different than normal times?
- What does an average household consumption basket look like after the crisis/disaster? What is the composition of the consumption basket?
- How has the consumption basket changed after the crisis/disaster?

? What are the household expenditures after the crisis/disaster?

- What are the recurrent household expenses after the crisis/disaster per week/month?
- What expenses are different than those in normal times at the same moment in the year?
- Which are the 3 top expenses now, after the crisis/disaster (ranked in order)?
- Which of these expenses are specifically for men, for women, for children and more vulnerable household members (elderly, disabled, sick)? Is this different than normal times?
- Which of these are to protect livelihood activities?

? What are the household food baskets for each socio-economic group after the crisis/disaster?

- What are the household food consumption items after the crisis/disaster?
- What is the composition of the consumption basket after the crisis/disaster?
- How has the consumption of food items changed after the crisis/disaster?
- What is the impact of the crisis/disaster on the main sources of these foods?

? How does the cost of household baskets change after the crisis/disaster?

- What is the cost of the consumption basket after the crisis/disaster?
- What are the price differences of a household consumption basket after the crisis/disaster?
- Which expenses can HH no longer afford or have decided to limit the consumption of?

Step 2.3.5. Identify household dependency on markets and purchase power

Aims of this step



Identify the key household items that help assess purchasing power

- ? What household items sourced from the market would be a good indicator for household purchasing power?
- ? What productive assets sourced from the market would be a good indicator for livelihoods related purchasing power?
- ? How do prices for these items change over time?

Identify the key related productive assets that help assess livelihood related purchasing power

This sub-step will allow for a better understanding of the key items to monitor market prices for. It is therefore about collecting primary data on market prices for a select number of household items and productive assets that serve as good indicators of how affordable these items remain over time, linked to household purchasing power.

Key questions



? What household items sourced from the market would be a good indicator for household purchasing power?

- What items are households most dependent on the market for at different times of year?
- What are the main substitution items for these items?
- What 2-3 food and non-food items would be good indicators of purchasing power in terms of price monitoring for each socio-economic group?

? What productive assets sourced from the market would be a good indicator for livelihoods related purchasing power?

- What productive assets are households most dependent on the market for at different times of year?
- What productive asset would be a good indicator of livelihood related purchasing power in terms of price monitoring for each socio-economic group?

This information can be collected using tools [1: KII with institutions and authorities](#), [3: FGD with socio-economic groups](#), [4: Household survey](#), [7: KII Guide with additional actors in the community](#), [8: Template for Food basket price monitoring](#), [9: KII Guide for Cereal market retailers and wholesalers](#) and [10: KII Guide for Cash crops market retailers and wholesalers](#).

You can read more about the term **terms of trade** in the [Key Terminology document](#).

Using the information you already have on household expenditure by socio-economic group, identify which items are most likely to be included in the household baskets of the very poor, poor, middle and better-off. These are context specific, but poor and very poor households are likely to have less items, and perhaps less quantities of the more expensive items.

Tip:

In some communities you will be able to identify **terms of trade** for key items expressed in market values. This is another way of tracking purchasing power. E.g. the terms of trade for 50kg of millet in normal times are one male 2-year goat; in a drought year this exchange may change to 50kg millet for 4 goats. This is an indication of the reduced purchasing power of a household depending on goat sales.

Normal period/Reference period

If you are carrying out primary data collection during what you have identified as a “**normal/reference**” year, this is an opportunity to collect in-depth information through household visits or household surveys, to get a wide range of information and create consumption profiles.

Period of interest

If you are carrying out primary data collection in a **crisis/disaster situation**, this is an opportunity to get a quick overview of what items households are currently prioritising for consumption. This allows you to identify survival consumption needs and livelihood consumption needs for different groups as well as services.

How to use the data you have collected

While this may seem like a small sub-step in comparison with the others, the information on key household consumption items and productive assets to help assess **purchasing power of different socio-economic/wealth groups** is an important step for early warning and early action. Price monitoring of these items will allow you to identify price increases and decreases in relation to items that are key for specific socio-economic groups and thus target support interventions in a more timely manner for specific groups affected by market price changes.

- ➔ **Timely interventions for the very poor and poor households in your intervention areas based on price monitoring data**
- ➔ **Timely identification of the need for a more in-depth assessment**
- ➔ **Tracking of productive assets for different livelihood groups and designing interventions to maximise access to these through demand and supply side analysis**
- ➔ **Understanding how households from one socio-economic group may benefit when another socio-economic group is stripping assets to make ends meet**

Additional information for emergency and recovery assessment



? **How has the crisis/disaster affected the household items sourced from the market that are indicators for household purchasing power in normal times?**

- What items are households most dependent on the market for after the crisis/disaster? How is this different from normal times?
- What are the main substitution items for these items after the crisis/disaster? Are HH using alternative/new items or not replacing them?
- What 2-3 food and non-food items would be good indicators of purchasing power in terms of price monitoring for each socio-economic group? Are these items new or different than those in normal times?
- What is the main impact of the crisis/disaster on HHs purchasing power for food and non-food items?

? **What is the impact of the crisis/disaster on the productive assets sourced from the market that are indicators for livelihoods related purchasing power in normal times?**

- What productive assets are households most dependent on the market for after the crisis/disaster?
- What productive asset would be a good indicator of livelihood related purchasing power in terms of price monitoring for each socio-economic group? Are these items new or different than those in normal times?
- What is the main impact of the crisis/disaster on HHs purchasing power for livelihoods items?

Price monitoring and sentinel markets

Price monitoring is a useful way of collecting data that feeds into analysis and decision making. The market system analysis for the food, labour and the financial service markets allows you to identify which goods, wages and services to monitor as part of an early warning system. Most price monitoring should be of secondary data, which is readily available and easier to access and process. If you need to set up a specific price monitoring system for goods or services for which no secondary data source exists, this will require many more resources.

See [MAG Tools 3.1](#)

Sentinel markets are markets that can be used to represent a larger number of markets in an area due to their size, function and working environment characteristics. The assumption behind selecting sentinel markets is that changes in a sentinel market will be mirrored to a large extent in the other markets of the same typology. Therefore, by monitoring sentinel markets, you can get an idea of what is happening across a larger number of markets. This requires identifying:

- Which critical markets to monitor (MAG tool 1.3)
- Which physical marketplaces to monitor (MAG tool 1.3)

Data Availability

(MAG Tool 1.3)



? Does the national government (by means of some of its ministries or national statistical office) collect price data on a regular basis?

If so, is this information available online? If not, you might have to visit their offices to access their database.

? Does any international agency collect price data in your country of interest as part of early warning or global price-monitoring systems?

If so, is this information available online?

? Does secondary price data refer to commodities that are sufficiently similar to those that interest you?

? From what markets are these prices collected?

Are these markets somehow related to the market of interest for your population of interest?

Data Comparability



? From which type of trader (wholesalers, retailers, farmers) are prices collected?

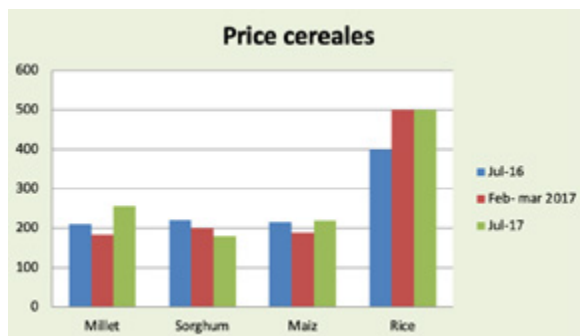
? From how many traders are prices collected in each market?

? Do data refer to buying or selling prices?

? For what volumes/quantities are prices collected?

? How frequently and when (month, week, day) are prices collected from each market?

Example: Price data collection.



See [Rapid Assessment for Markets \(RCM\)](#) and [Market Analysis Guidance \(MAG\)](#) guidelines.

If you need to set up a market monitoring system – see RCM MAG guidelines. This information will be important to identify the key markets you want to include in your assessment for the next step.

Step 2.3.6. Identify key markets functionality and risks

Aims of this step



Identify markets functionality during the different seasons

- ? How are traders behaving (supply)?
- ? How are households behaving (demand)?

Identify market related risks to supply and demand

- ? What are the main demand and supply risks identified for each critical market?

Food production market system analysis aims to understand how food is produced in country including national and local crop production, livestock and fishing and their contribution to the national food supply, as well as the reliance on imports of food through national/international markets (i.e. food availability and key production actors). The **financial services** market system refers to the services that allow people to access money such as credit and insurance (usually provided by banks, credit unions, micro-finance institutions and other private or state **financial service providers**) and the delivery channels through which the money can be accessed such as mobile money, ATMs, and the status of the cash infrastructure (i.e. financial service availability and key providers). This section describes how to collect data on demand and supply related risks in the markets in your assessment area and how these link to household economic security.

You will use the information collected during your secondary data review here to identify the generic supply side and demand side shocks that affect market function and the consequences.

Identify the shocks that are likely to affect each of the markets you are looking at. This involves identifying shocks that will affect supply and therefore availability, usually driving prices up when there is a shortage and driving prices down when there is surplus post-harvest for example. Shocks may also affect the demand for goods and services, either by increasing the demand for certain items and services due to a number of reasons, usually causing a shortage and driving prices up, or decreased demand due to substitution purchasing, in-kind and service provision, or lack of purchasing power which means households cannot afford to buy the goods and services they need.

You can read more about the terms **financial service** and **financial service provider** in the [Key Terminology document](#).

This information can be collected using tools [7: KII Guide with additional actors in the community](#), [8: Template for Food basket price monitoring](#), [9: KII Guide for Cereal market retailers and wholesalers](#) and [10: KII Guide for Cash crops market retailers and wholesalers](#), and also the [RAM tools](#).

Key questions


? How are traders behaving?

- **Competition:**
 - How many traders sell the same commodities in the area?
 - Are all the traders the same size?
 - Can consumers negotiate prices?
 - How do traders set the prices for the commodities they sell?
- **Procurement:**
 - When, where, and from whom do traders procure the commodities? What is the origin of the commodities?
- **Borrowing money:**
 - Do traders borrow money to purchase the commodities they sell? If so, on what conditions (how much, who from, when, interest rate, payoff time)?
- **Storage capacity:**
 - What storage capacity do traders have?
 - When and for how long do traders store commodities?
 - Where do they store them and at what cost?
- **Transport:**
 - How do traders normally transport the commodities to the warehouse and/or to the marketplace (means of transport ownership, costs, distance, time, reliability)?
- **Credit to customers:**
 - Do traders extend credit to their customers?

? How are different socio-economic group households behaving?

- Is household access to food markets different and why?
- Is household dependency on food markets different and why?
- Is household preference for food and food markets different and why?
- Is household access to credit different and why?
- Is household dependency on credit different and why?
- Is household preference for credit and financial markets different and why?
- Is household access to services different and why?
- Is household dependency on services different and why?
- Is household preference for services and the service market different and why?

? What are the main demand and supply risks identified for each critical market?

- What shocks can affect supply?
- What shocks can affect demand?
- Which of these shocks are not normal seasonal shocks?

This information will help you focus on market trader behaviour and household behaviour. Use this to identify why traders may be increasing prices and which households this affects the most in terms of their dependency on the market.

You also need to identify the risks that will reduce household purchasing power. This is key to the household economic approach as it will help you identify those risks and take action before market function has a negative impact on the households most dependent on markets.

You can read more about the terms **supply side shocks** and **demand side shocks** in the [Key Terminology document](#).

Your analysis should focus on identifying the key **supply side shocks** and risks and the **demand side shocks** due to loss of purchasing power as this will help you see how better-off, middle-income, poor and very poor households will be affected.

When better-off and middle-income households lose purchasing power, they cut down on expenses and may even shed labour, thus having a direct impact on poor and very poor households dependent on the middle and better-off households for agricultural labour, domestic labour, sale of crafts and household goods. Traders may also decide to stop serving an area if they see the purchasing power of a community is much reduced and they could take their goods and services elsewhere. This reduces availability and may increase prices further in an area where people have lost purchasing power. These dynamics are very context specific and affect different socio-economic groups and livelihood groups in different ways.

Supply side shocks

Supply shocks result from changes in:

- Production levels (due to weather, access to inputs, etc.)
- Disruption to the movement of goods/services along the supply chain (due to conflict, infrastructure damage, access to transport, change in numbers of market actors, low/decreased capacity of traders, etc.)
- Whenever the amount of supply in a market is affected the prices can also be affected due to simple dynamics of supply and demand. Higher prices reduce the purchasing power of households, making them less food secure. Supply shocks can be local, regional or national, and they can affect a particular good or service or a number of them

Demand side shocks

Demand shocks include a sudden increase or decrease in demand, caused by a variety of events such as:

- Increased regional or global demand
- Increased demand due to localized crop failure
- Increased demand for substitution products and services as a result of market failure
- Decreased access to markets due to conflict, disasters, health epidemics
- Decreased demand due to lost income or livelihoods
- Changes in population size due to displacement and/or migration
- Irrationality in pricing, for example due to rumours of impending shortages or hoarding

Source: MARKIT

Normal period/Reference period

If you are carrying out primary data collection during what you have identified as a “**normal/reference**” year, this is an opportunity to collect in-depth information on market dynamics and how these affect different livelihood groups and socio-economic groups. You will be carrying out numerous key informant interviews with various market actors and get in depth information on supply and demand related issues that affect prices and purchasing power and trader behaviour. This will help you understand which market-based interventions can protect households from failing markets, but also support markets by providing CVA where appropriate to maintain demand.

Period of interest

If you are carrying out primary data collection in a **crisis/disaster situation**, this is an opportunity to better understand market dynamics in response to the shock. You will carry out a number of market visits and check market integration of the key goods and services required by different socio-economic groups. You will be carrying out numerous key informant interviews with various traders and identify the supply and demand related issues that affect prices and purchasing power and trader behaviour. This will help you decide whether injecting cash or vouchers into the economy is appropriate and base cash transfer values on real consumption baskets and contextual market prices.

How to use the data you have collected

- ➔ Identify trader behaviour for critical markets that can cause price increases
- ➔ Identify trader behaviour for critical markets as a result of reduced availability of goods
- ➔ Identify household behaviour in terms of demand
- ➔ Identify household behaviour related to low purchasing power

Additional information for emergency and recovery assessment



? What is the impact of the crisis/disaster on traders behaviour?

- **Competition:**
 - Has the crisis/disaster changed the number of traders in the area? Are these new traders or the same as before?
 - What is the size of the trader? How is this different than before?
 - Can consumers negotiate prices after the crisis/disaster?
 - How do traders set the prices for the commodities they sell? How is this different than before?
- **Procurement:**
 - Has the crisis/disaster impacted the source of products? When, where, and from whom do traders procure the commodities? Has this changed after the crisis/disaster?
- **Borrowing money:**
 - Can traders still replenish stocks on credit after the crisis/disaster? If so, have the conditions changed after the crisis/disaster?
- **Storage capacity:**
 - Has the crisis/disaster impacted the storage capacity of traders? What volume storage capacity do traders have?
 - Do traders store commodities after the crisis/disaster? When and for how long?
 - Has the crisis/disaster impacted the storage facilities? Where do they store items and at what cost?

Additional information for emergency and recovery assessment



- **Transport:**
 - Has the crisis/disaster impacted the transport facilities? How do traders transport the commodities to the warehouse and/or to the marketplace (means of transport ownership, costs, distance, time, reliability)? Is this different than before the crisis/disaster?
- **Credit to customers:**
 - Do traders extend credit to their customers after the crisis/disaster? Who, when and what are the credit conditions? Has this changed after the crisis/disaster?

? What is the impact of the crisis/disaster on the behaviour of the different socio-economic household groups?

After the crisis/disaster, for each socio-economic group:

- Is access to food markets different and why?
- Is dependency on food markets different and why?
- Is household preference for food and food markets different and why?
- Is household access to credit different and why?
- Is household dependency on credit different and why?
- Is household preference for credit and financial markets different and why?
- Is household access to services different and why?
- Is household dependency on services different and why?
- Is household preference for services and the service market different and why?

? What are the main demand and supply risks identified for each critical market after the crisis/disaster?

- What new crisis/second shock could affect supply?
- What new crisis/second shock could affect demand?
- Are these new shocks seasonal and recurrent or new?
- What are the economic trends that could affect markets?

You can read more about the term **coping strategies** in the [Key Terminology document](#).

Step 2.3.7. Identify household coping strategies, social safety nets and seasonal trends

Aims of this step



Identify the most commonly used livelihood coping strategies per livelihood group

? **What are the most commonly used coping strategies for each livelihood group linked to household food consumption, expenditure, income sources and asset stripping?**

Identify the severity of the coping strategies

? **What are the most severe coping strategies for each livelihood group used in times of crisis?**

Identify the severity of purchasing on credit or accruing debt on household economic security

? **What is the significance of credit and debt on the household economy and future coping capacity?**

Identify the social protection and safety nets people access

? **What social protection programmes can people access and how reliable are they?**

? **What social safety nets are in place and how do they work?**

For HES assessments, **coping strategies** are defined as temporary responses households adopt to maintain livelihoods, forced by food insecurity and lack of resources. Gaining an understanding of coping strategies in use by different livelihood groups after a disaster is an essential component of the HES assessment and analysis process.

An increasingly key resource for HH are the formal or informal social safety nets they can access at times of crisis. This section includes an overview of the social protection programmes that the government has in place at national, regional and local levels to support vulnerable people in the long term or those at risk of exclusion; and programmes that humanitarian actors put in place to support people regularly during specific times, such as social safety nets to support during lean season. In countries where these programmes exist, they may make a significant contribution to the economic security of vulnerable households, especially during lean seasons. We want to understand if these programmes are available and accessible to the population.

This sub-step describes how to collect data on coping strategies for specific livelihood groups and for specific socio-economic/wealth groups. This is a methodology that allows you to assess household economic security through household level behaviours that seek to maintain household food and income requirements. You will need to collect enough information to be able to understand what normal household behaviours are and what additional behaviours they resort to in times of crises. These additional behaviours tend to have different consequences on households and you will need to identify which ones are successful in meeting household food and income needs but leave

This information can be collected using tools [1: KII with institutions and authorities](#), [3: FGD with socio-economic groups](#), [4: Household survey](#) and [6: FGD with mothers](#).

the household less able to withstand any future crises. This will be explained in more detail below, as it is key to understanding the choices that households make to maintain their livelihoods. The way households manage shrinking food stocks, incomes and assets in the face of crises is complex and context specific.

Key questions



? What are the most commonly used coping strategies for each livelihood group linked to household food consumption, expenditure, income sources and asset stripping?

- What actions do households normally take when they are short of food, income, savings?
- Which of these are most frequently used and why?
- Which of these are seasonal?
- Which of these come from other members of the community?
- Which of these work best and why?

? What are the most severe coping strategies for each livelihood group used in times of crisis?

- Which of these actions is easily reversible and why (stress)?
- Which of these actions are irreversible and why (crisis)?
- Which actions are only used in extreme cases and why (emergency)?
- Which actions have the most negative impact on household livelihood security and why?
- Which actions have the most negative social impact on the household and why?
- Which actions reduce the household's ability to face future crises?
- What forms of savings exist for each livelihood group?

? What is the significance of credit and debt on the household economy and future coping capacity?

- Is purchasing on credit normal in this society?
- Which socio-economic groups purchase on credit?
- What goods are normally purchased this way and what goods/ services cannot be paid for in this way?
- Is interest charged on any purchases on credit?
- Is borrowing food or money normal in this society?
- What formal and informal methods of credit/borrowing money exist in this society and who can access them?
- Which socio-economic groups borrow money and from whom?
- Is interest charged on any money borrowed formally or informally?
- What other forms of borrowing exist as examples of coping strategies that help households through difficult times and do they have any consequences on social obligations and a household's ability to face future crises?

Key questions



? What social protection programmes implemented by the government can people access and how reliable are they?

- What social protection programmes (government led) are available? Are they accessible from the community?
- Who benefits from government social protection programmes and what are the conditions of the programmes?
- What type of support do they provide?
- Do people know how to access them in normal times?
- Do people feel they can rely on these programmes? How reliable are they?
- What type of specific programmes are available in the event of disasters/shocks that people could access?

? What social safety nets are implemented by non-governmental organisations in the area?

- What social safety nets implemented by non-governmental organisations are available in the area?
- Are they accessible for the people in the community? What are the selection criteria?
- What is the duration? Are they permanent, seasonal or temporary set up in response to recent crises/disasters?
- What type of support do they provide?
- Do people know how to access them?
- Do people feel they can rely on these programmes? How reliable are they?
- What type of specific programmes are available in the event of shocks/disasters that people can access?

Identify the most commonly used coping strategies per livelihood group

Bundling typical coping strategies for different livelihoods groups is a useful way of identifying household behaviours related to key aspects of household economy. You can do a secondary data review and look for information on coping strategies from other livelihood assessments.

The HES approach includes collecting information on all coping strategies in two phases:

1. First: Eliciting a long list of coping strategies used by different socio-economic/wealth groups and classifying them
2. Second: Identifying the severity of coping strategies

Once you have the list classify them under the following four categories, each linked to household economic security. This will help you see how each behaviour is linked to a key aspect of HES analysis. If you have coping strategies that fall outside these four categories, list them separately as you may later be able to find a relationship to the household economy.

Example: Coping strategies for different socio-economic groups.

	BETTER-OFF	MIDDLE-INCOME	POOR	VERY POOR
Main survival/ coping strategies	<ul style="list-style-type: none"> - Sale of productive assets (animals, cereals and cash crops) 	<ul style="list-style-type: none"> - Sale of poultry and goats - Livestock fattening activities for others - Post-harvest seasonal migration 	<ul style="list-style-type: none"> - Migration of able bodies - Ploughing the field of others as paid labourer or food for work 	<ul style="list-style-type: none"> - Migration - Ploughing the fields for others as paid labourers or food for work - Begging

Coping strategy categories

- **Food Consumption Coping Strategies** aimed at preserving food stocks and saving food related expenditure
- **Expenditure Coping Strategies** aimed at reducing non-food expenses
- **Income Coping Strategies** aimed at increasing sources of income
- **Asset Stripping Coping Strategies** linked to livelihoods

Examples of possible coping strategies:

Food consumption coping strategies (changes to diet, rationing of food)	Income source coping strategies (changes to income sources, changes to household members involved in activities to earn income)	Expenditure coping strategies (changes to non-food expenditures)	Asset stripping coping strategies (behaviours related to key aspects of forms of household savings and of assets required for livelihood activities)
Rely on less preferred and less expensive foods (dietary change)	Working longer hours, double shifts, 2 jobs	Take children out of school to save costs	Sale of household items
Limit portion size at mealtimes (rationing food)	Start new income activities at home (i.e. sale of homemade yoghurt)	Move to cheaper accommodation	Sale of in-kind savings (e.g. hens, jewellery)
Reduce number of meals eaten in a day (rationing food)	Shed labour to save costs and do the work yourself, for example dismiss staff in a shop	Stop frequenting health services	Sale of productive assets for livelihood activities (agricultural tools, modes of transport, livestock, land)
Restrict consumption by adults in order for small children to eat (rationing food)	Labour migration	Use cheaper sources of drinking water	Consume seed stock
Feed working members of the HH at the expense of non-working members (rationing)	Getting children to work e.g. street vendors, shoe shine, wood collection	Send children away with family or other relatives/ friends	
Gather wild foods/foraging, hunt or eat immature crops		Send children to eat with neighbours/relatives	
Consume seed stock		Send HH members to beg	
Purchase food on credit			
Borrow food			

You can read more about the terms **Coping Strategy Index (CSI)** and **Reduced CSI (rCSI)** in the [Key Terminology document](#).

[Step 3.1. Define socio-economic breakdown and food security status](#)

Food consumption coping strategies and the Reduced Coping Strategy Index (rCSI)

Much of the data available may be related to food consumption related coping strategies, as this is considered to be a fairly universal response to dealing with food and income shortages at household level. Changing the household diet to less expensive foods, less quantity and less quality, and less meals are behaviours seen in all socio-economic groups. More about this is discussed under the food security section.

Table 7: Description of the five food consumption based coping strategies.

Coping Strategy	Category Description
Rely on less preferred and less expensive food	Household makes changes to types of foods consumed in order to manage the shortfall of food. This question is concerned with the types of foods consumed rather than the quantities consumed.
Borrow food from a friend or relative	Household increases the short-term food availability by relying on help from friends or relatives in the form of food or money to buy food.
Reduce number of meals eaten in a day	A rationing strategy in which most household members consume fewer meals in the day to manage the shortfall of food.
Reduce portion size of meals	A rationing strategy in which the amount of food eaten at meals is reduced in order to manage the shortfall of food.
Reduce the quantities eaten by the adults/ mothers of young children	A rationing strategy in which the food consumption of adults is restricted so that small children will have enough to eat. In households without children, the answer should be zero.

You can analyse food consumption coping strategies and create a rCSI. This is a rapid tool to assess household food security levels.

How to use the data you have collected

- ➔ The coping strategy list per livelihood group will allow you to identify the options households have to maintain the food and income sources
- ➔ To compare coping strategy options among different livelihood groups and see similarities and differences
- ➔ Use findings to create primary data collection tools to assess the severity of these coping strategies and what they mean for household economic security

Identify the severity of the coping strategies

Once you have identified the most commonly used coping strategies for each livelihood, you can classify them according to their severity. Severity provides an indication of household choices - the more severe a coping strategy is for a household, the more negative consequences it has in terms of wellbeing, financial and social status. Coping strategies are very context specific and what may be a normal coping strategy for one household, like purchasing on credit, would be considered an extreme coping strategy for other households who normally rely on selling assets or using savings. Allocating a severity scale allows you to differentiate the meaning of each coping strategy behaviour for each socio-economic livelihood group.

This is best done through KI interviews or FGD with members of that socio-economic group.

A useful way of differentiating the severity of a household is to classify them under these three sequential categories. Identify any seasonal specific coping strategies too.

<i>Stress</i>	<i>Crisis</i>	<i>Emergency</i>
<p>Short term measures easily reversed, such as using savings or eating less. Household may use these when they are unable to afford some essential non- food expenditures but still can afford minimum food needs.</p>	<p>Less preferred measures used when stress coping strategies are no longer sufficient. Used less frequently because they provide immediate food or income to the household, but change household ways of making a living (such as taking children out of school and putting them to work or selling productive assets needed for livelihood activities). Households might use these when they are not able to meet their minimum food needs without selling assets that put the HH at risk of increased food gaps in the future.</p>	<p>Extreme measures rarely used, which have longer lasting negative consequences on the household and may be irreversible, such as selling land or migrating. Generally used when households face extreme food consumption gaps, or an extreme loss of livelihood assets that will likely lead to food consumption gaps.</p>

¹¹ [‘The Coping Strategies Index Field Methods Manual Second Edition’](#), January 2008 Daniel Maxwell and Richard Caldwell
[Indikit](#) and [CSI field manual](#).

A number of tools have been developed to support coping strategy analysis that includes weighting and score. The most commonly used is the Coping Strategy Index (CSI),¹¹ a common indicator used and required by donors to measure food security (see Indikit for more information on how to use CSI as indicators in MEAL plans).

Normal period/Reference period

If you are carrying out primary data collection during what you have identified as a **“normal/reference” year**, this is an opportunity to collect in-depth information on the range of coping strategies in use by different groups at different times of year. You can collect this through household surveys but also need to validate them in focus group discussions, especially to understand how different socio-economic groups classify coping strategies. The more time you spend on this, and the better quality information you collect, the more likely you are to design responses that build on household capacity and address vulnerabilities. This will build resilience and can link to social protection schemes.

Period of interest

If you are carrying out primary data collection in a **crisis/disaster situation**, this is an opportunity to identify which households are most at risk of economic insecurity because they are using emergency coping strategies. You will need to gauge how long it will take these households to become destitute and entirely reliant on external support, and work to intervene to avoid this. At the same time key informant interviews will allow you to also identify stress coping strategies that can easily be reversed if households are supported with timely intervention to protect their household economy and avoid further asset depletion. It will be key to identify different types of interventions for different groups and look for capacities to build on, and links to social safety nets.

The role of savings

Identify the dynamics around use of savings – financial savings as well as in-kind forms such as investing in livestock, or in a small business as a way of putting aside funds that can be tapped into in times of hardship. Households with no savings generally have less coping strategy options.

How to use the data you have collected

- ➔ **Categorising coping strategies by severity allows you to describe the evolution of the use of coping strategies by socio-economic group and better understand the choices they have and they make. This can help identify early interventions to avoid asset depletion and use of negative coping strategies.**
- ➔ **Design an assessment tool for measuring coping strategies in use post disaster – to capture use of coping strategies in the affected population.**
- ➔ **Compare the use of coping strategies at different points in time for the same population for example pre and post-harvest, or immediately after a disaster and 3 months on.**
- ➔ **Compare the use of emergency coping strategies to inform targeting decisions for emergency and for development programming**

Example: HES report 2017, poor households income sources, credits represents 4% of total incomes.

Daily work	48%
Handcrafts/brick construction	11%
Petty trade	8%
Sales of dairy products	5%
Remittances	5%
Social assistance/food assistance	5%
Sales of gathered wild products	4%
Credit	4%
Livestock sales	4%
Farming	3%
Gardening	2%
Sales of other products	1%
	100%

Identify the severity of purchasing on credit or accruing debt on household economic security

Coping strategies related to purchasing on credit or taking on debt deserve special attention as they have different consequences on household economic security at different times. In general, the poorest households are unable to access formal credit, and in some contexts even informal credit. However, purchasing on credit is very typical in other contexts as a way of making ends meet temporarily. Local shops often offer credit to regular customers and may chose to start and stop for a variety of reasons.

Aim to understand the dynamics of purchasing on credit and on borrowing for your community of interest. This is best done through KII to identify the following:

- Is household debt normal for that socio-economic group and a successful coping strategy? If so, then expect to see that as a source of food or income in household data.
- Do households pay off their debt regularly? If so, expect to see that reflected in the expenditures.
- Do households pay off debt to secure future loans? If so, determine what happens when the debt cannot be paid off – is future credit denied? This will no longer appear on expenditures and may look as if the household has no debt, but the situation is worse, as they cannot access any credit any longer because they are no longer seen to be able to pay it off.

The data you have collected will give you an overview of the types of coping strategies in use by different livelihood groups, and different socio-economic groups. The severity classification will allow you to understand the cumulative effects of dealing with a crisis and be able to differentiate successful stress related coping strategies from more damaging crisis and emergency related coping strategies.

Normal period/Reference period

If you are carrying out primary data collection during what you have identified as a “**normal/reference**” year, this is an opportunity to collect in-depth information on the role and the impact of credit/debit on households at different times of year. You will be able to identify when debt becomes too high to pay back and how this affects socio-economic activities and use of coping strategies. This can help you to identify links with social insurance schemes for better health care or social assistance schemes for groups falling into vulnerability categories.

Period of interest

If you are carrying out primary data collection in a **crisis/disaster situation**, this is an opportunity to identify the role of debt/credit in different socio-economic groups. Use key informant interviews with representatives of different socio-economic groups to identify how much money would release them from their debt and associated interest payments, and allow the household to improve their coping capacity in face of the situation now, as well as identifying why those who usually do, are no longer extending credit.

How to use the data you have collected

- ➔ Create livelihood profiles describing normal use of coping strategies and identifying the crisis and emergency strategies that households would resort to in times of need
- ➔ Collect coping strategy information during assessments and monitoring exercises to understand how different households are behaving at a certain point in time. Use this to improve targeting and programming decisions
- ➔ Prevent use of emergency coping strategies in households through early action – use this as an early warning sign to scale up interventions for targeted groups
- ➔ Build consensus with the communities you work in on which households should be included or excluded in programmes
- ➔ Compare with emergency assessment data collected by other agencies focusing on 7-day recall for new emergencies

You can read more about the terms **social protection** and **social safety nets** in the [Key Terminology document](#).

Social protection and social safety nets

Social protection (SP) programmes aim at supporting people facing difficulties during their lifetime and these used to be permanent programmes in place in the countries. Now when disaster occurs, governments and organisations that implement **social protection and safety nets** can decide to create new programmes or adapt those already existing to support the people affected by the disaster. This is why, it is important to include this information in the data collection and analysis in emergencies and recovery assessments because new programmes might be in place.

To collect information on social protection programmes it might be more appropriate to use KII than community information. The programmes implemented by the government are usually available in policies and regulation documents and can be confirmed with the Social Welfare/Assistance departments. If the programmes are social safety nets implemented by nongovernmental organisations, the staff in charge are the best placed to explain the process, the selection criteria, targeting and registration and all the more technical data. Many times the information regarding beneficiaries is not public and it can be difficult to collect accurate information from the community itself.

Nevertheless, after having a good understanding of the existing programmes, it is recommended to consult with the community to understand their knowledge of the programmes, accessibility constraints, targeting exclusion and inclusion errors and how reliable these programmes are perceived to be.

Normal period/Reference period

If you are carrying out primary data collection during what you have identified as a **“normal/reference” year**, this is an opportunity to collect in-depth information on the existing programmes. This can help you identify exclusion/inclusion errors, gaps that the RCRC can meet and also opportunities to engage with the existing systems to support more accurate targeting or facilitate access to remote areas. Linking livelihoods programmes with social protection could support graduation from reliance on humanitarian assistance by supporting people to have resilient livelihoods and be autonomous.

Period of interest

If you are carrying out primary data collection in a **crisis/disaster situation**, this is an opportunity to link humanitarian aid, mainly cash based assistance with social protection and promote a more coordinated approach and a more effective and efficient response where the two systems (emergency response and social protection) can share elements to support each other e.g. beneficiary lists or delivery mechanisms. Social protection can be also an exit strategy to transfer those beneficiaries that continue to be vulnerable and in need of support when the emergency response ends.

How to use the data you have collected

- ➔ Use the existing information collected through SP systems as quantitative data to complement your assessment. This includes the beneficiaries geographical distribution and the socio-economic information they may collect (proxy means, means)
- ➔ Include social protection assistance into the socio-economic profiles. The targeting criteria they use could be socio-economic indicators
- ➔ Identify how important it is and what role the social protection assistance plays in complementing people’s livelihoods
- ➔ Use the vulnerability criteria of the social protection systems to improve targeting and programming decisions
- ➔ Build consensus with communities you work in on which households should be included or excluded in programmes
- ➔ Establish coordination mechanisms between humanitarian actors and social protection systems
- ➔ Harmonise the support for basic needs if that is to be provided
- ➔ In emergencies, use the existing systems to speed up the response
- ➔ Identify opportunities for the RCRC to support targeting and registration, delivery, and advocate on behalf of the most vulnerable

Additional information for emergency and recovery assessment



? How has the disaster impacted HH coping capacity?

- What are the coping strategies each livelihoods group is applying after the crisis/disaster?
- What are the coping strategies the different socio-economic groups apply after the crisis/disaster?
- Which of these works best and why?

? What are the most severe coping strategies?

- Which of these actions is easily reversible and why?
- Which of these actions are irreversible and why?
- Which actions have the most negative social impact on the household and why?

Additional information for emergency and recovery assessment



? How has the disaster impacted HH capacity to access credit?

If purchasing on credit is part of normal life in this society:

- Has the crisis/disaster changed the way the different socio-economic groups access credit?
- Have formal and informal credit conditions changed after the crisis/disaster?
- What goods are HH now buying on credit and how are these different than normal times?
- Are the different socio-economic groups only borrowing money or also food?

? What social protection programmes are planned/implemented in response to the crisis/disaster?


- What social protection programmes are planned or implemented by the government?
- What safety nets programmes are planned or implemented by nongovernmental organisations?
- What is the role of the RCRC?
- Who can access the different programmes? What targeting criteria and registration mechanisms do they use?
- What type of support do they provide?
- Are there already gaps identified in the planned response or exclusion/inclusion errors?

This is the end of Step 2 data collection. You are now ready for Step 3



Photo 3: Dogondouchi market.

Source: Gulei A. Niger (2017, Niger Red Cross/British Red Cross)



Step 3. Estimate HES thresholds, gaps and support needs

This section describes how to process and analyse the data you have collected in Steps 1 and 2. The analysis will depend on your chosen method of data collection. Use of KII and FGD will provide a mixture of qualitative and quantitative information, whereas most HH survey data will be quantitative. Step 3 involves analysing data to define the economic security status of the population classified by socio-economic livelihood group with a consideration of coping strategies and seasonality, including the role and risks linked to market function and social protection systems.

Step 3.1. Define socio-economic breakdown and food security status

Aims of this step



Define each livelihood group and the characteristics of each socio-economic/wealth subgroup

- ? What are the livelihoods groups in the area?
- ? What is the socio-economic breakdown under each livelihood group?

Define the food security status of each livelihoods and socio-economic group

- ? What is the food security status of each socio-economic group?
- ? What are the coping strategies accessible to each socio-economic group?

Analyse all your data by livelihood group and within each livelihood group, break it down by socio-economic group as defined in Step 2. This information corresponds to the key questions above and will form the basis of your analysis and reporting.

You can read more about the term **food security** in the [Key Terminology document](#).

To define the **food security** status of each livelihood group and socio-economic group, use the data you have collected on:

- Food sources
- Food expenditure share
- Reduced Coping Strategies Index (for five food consumption items)
- Optional: Food Consumption Score
- Optional: Household dietary diversity score

Compare the food security status of different socio-economic groups using bar charts or pie charts as in the example provided.

Figure 8: Food sources for socio-economic groups.

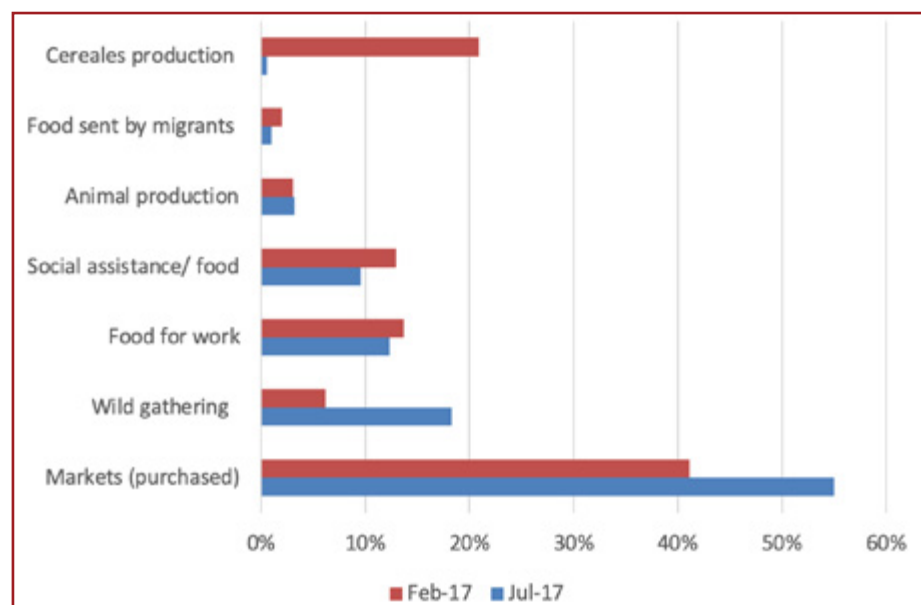
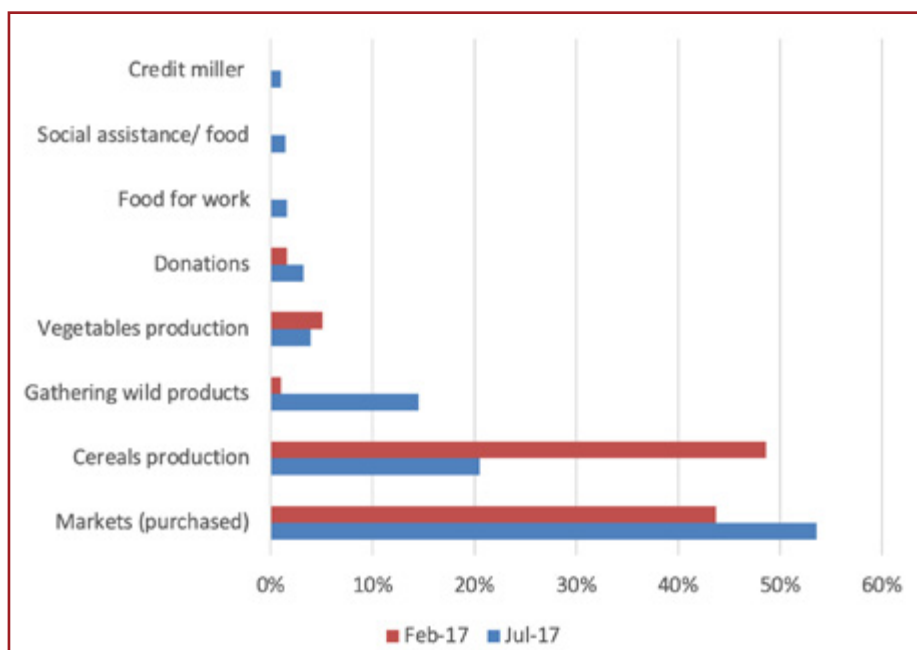


Figure 9: Food sources for middle-income households.



Normal period/Reference period

If you are carrying out primary data collection during what you have identified as a “normal/reference” year, you will need to compare food sources in different seasons as in the example above. You may also compare the same season in different years.

Period of interest

If you are carrying out primary data collection in a crisis/disaster situation, you will compare food, incomes and expenditures before and after the disaster.

Step 3.2. Define household economic security thresholds

Aims of this step



Define the survival threshold

? What is the survival threshold for the area?

Define the basic needs and the cost to meet these

? What are the basic needs for the HH in the area and how much does it cost to meet basic needs?

Define the livelihoods protection threshold

? What is the livelihoods protection threshold for the different livelihoods groups?

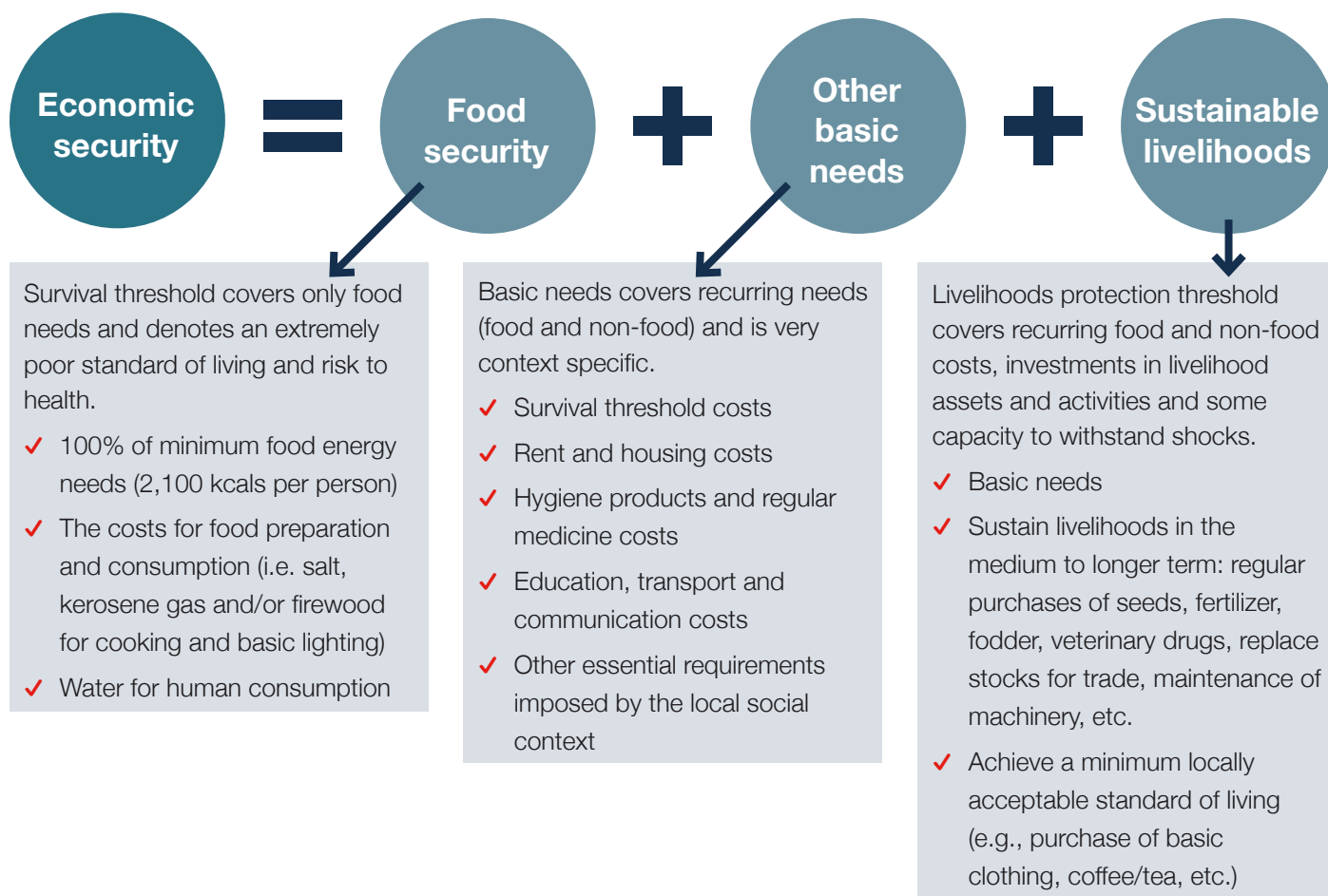
¹² IFRC/ICRC Guidelines for Assessment in Emergencies, 2008, p 95

¹³ Adapted from ICRC Microeconomic Initiative Guidelines

Household Economy is defined as the sum of ways in which households’ access, strengthen and maintain their cash and in-kind incomes to cover their essential needs (food, cash income, and assets such as savings, livestock, land etc).¹² This condition is considered secure when the household is able to cover its essential needs (including food) and unavoidable expenditures in a sustainable manner, according to its cultural standards.¹³

Use the information collected about household food and income sources and expenditure, to define the threshold limits.

Figure 10: Threshold Definitions for HES Components.



As Figure 10 shows, economic security requires a household to have the capacity to meet its food needs, other basic needs and its livelihood needs. This means they need to be able to cover their essential expenditures AND their livelihoods activities should be able to cope with and recover from shocks.

Survival threshold

To calculate the survival threshold:

1. Use the household consumption basket to quantify the cost of a survival threshold
2. Identify the minimum food items and cost of food preparation the households consider “essential”
3. Use an average price for the items (averaging minimum and maximum prices for the items in different seasons)

The total will be a theoretical survival threshold to be used as a reference.

Basic needs

This elaborates on the survival threshold and includes:

1. Survival thresholds costs plus the additional costs for a varied, healthy diet
2. Rent and housing costs
3. Hygiene products and regular medicine costs
4. Education costs
5. Transport and communication

Sum all the expenditures listed as essential.

In displacement settings, the basic needs basket tends to include additional costs for documentation.

Livelihood protection threshold

Use the productive assets to quantify the cost of a livelihood threshold. This will be different for each livelihoods group:

1. Identify productive assets identified by the different livelihood groups
2. Use an average price for the items (averaging minimum and maximum prices for the items in different seasons)
3. Sum the average cost of livelihood assets and add to the basic needs threshold.

The total will be a theoretical livelihood protection threshold to be used as a reference.

Whilst elaborating such thresholds (or using the food basket data available from other agencies or government in countries where that information exists) it is very important to ensure the following:

- The prices are from markets frequented by the population(s), and
- The nutritional value of the food basket is in line with Sphere standards for food security

Download [NutVal: a spreadsheet application for planning, calculating and monitoring the Nutritional Value of food assistance](#).

If you have the technical expertise in your team, you can use NutVal to analyse the nutritional value of the food basket:

- The **survival threshold** includes the minimum expenditures needed to meet minimum food consumption needs. This threshold has been defined historically to support emergency operations in response to food crises and focuses on the very minimum food and cooking costs to ensure survival and cooking. The survival threshold describes an extremely poor standard of living and risk to health. Households living along this threshold should be prioritised for support.
- **Basic needs** is a term often used to cover recurring household food and non-food needs such as clothing, transport, shelter, basic health and education. These needs are very context specific, depending on whether health and education services are free or not. Basic needs are identified from the expenditures of a poor or middle-income household and taken as a standard for all households. This is because very poor households will have a very limited list of expenses, and better-off households will include a wider range of expenses. Basic needs for urban and rural households or host and migrant households tend to be slightly different. Local and cultural standards will determine what is a basic need.
Agreeing on a list of basic needs is often used to calculate minimum expenditure baskets.

Find more information about minimum expenditure baskets on [Step 2.3.4. Identify household consumption patterns and priority needs](#).

- The **livelihoods protection threshold** aims to protect livelihood assets and activities over time. It is therefore linked to resilience and people's capacity to sustain themselves in the long term using their own livelihoods strategies, without the need for humanitarian assistance. The livelihood protection threshold will differ from one livelihoods group to another as the cost of the maintenance of the minimum activities will be different e.g. if they are farmers or pastoralists or employees, etc.

Household Economic Security includes all three elements and identifies what they are for different socio-economic groups within each livelihood group. The HES thresholds are not predefined. By comparing food, income sources and expenditure for different households, you are able to create context specific thresholds using a monetary value. This is the most difficult part of the HES, as it is based on the HEA Approach.

Your analysis involves defining the thresholds using the information collected through the assessment Steps 1 and 2.

How many households fall under each threshold category?

By estimating the proportion of the assessed population falling under each of the three thresholds, you will have an indication of the severity of the situation. If you have done a rapid assessment using purposive sampling, you will need to estimate what proportion of each community visited falls under each category, based on your KII and FGD data. If you have carried out a representative survey with sampling frames you can use household level breakdown statistics. In both cases, it is often easier to identify what proportion of the assessed population fall in the survival and the livelihoods protection thresholds – and then assume the remainder are meeting their basic needs.

Resources

- [The IFRC Livelihoods Centre](#) offers templates that can be adapted to estimate thresholds.
- The [Cash in Emergencies Toolkit](#) also includes templates that help define basic needs and gaps in the assistance.

Use the seasonal expenditure data to carry out the same exercise and create thresholds for different seasons and identify what percentage of the population/ households fall under each threshold in different seasons and explain the shift.

This information is needed to identify the severity of the household insecurity. Indicative cut-offs for interpreting results that can be used, and adapted to context are:

Table 8: Indicative cut-offs for interpreting emergencies.

	Normal	Crisis	Emergency
Livelihoods Protection Threshold	<25% HH	25-50% HH	>50% HH
Survival Threshold	<15% HH	15-30% HH	>30% HH

Survival and livelihoods protection thresholds are not used in the same way as poverty line and proxy means testing thresholds which sometimes serve to help identify who qualifies for assistance because they fall under the specified threshold. Instead the survival and livelihoods protection thresholds are used to help identify the proportion of households that fall under different thresholds and thereby help define the likely scale of your response and the type of response for different target groups. You will still need to identify the households you plan to support.

Tips on calculating costs:

Note that the costs tend to vary according to where the items were bought and so collect data from shops normally used by the affected people, using their usual purchase units that are often smaller and more expensive than purchasing food in bulk. For example 1/2 kg or 'small bag' as opposed to 10 kg bag of maize.

Keep in mind that local shops can be more expensive than the larger markets or supermarkets. Include any additional transport costs from visiting shops and markets, especially for goods that cannot be purchased in local shops, for example shelter materials, livelihood assets such as livestock and equipment.

Step 3.3. Identify the household economic security gap

Aims of this step



Identify the gap regarding the survival threshold for each socio-economic group

- ? Can people in the assessed area adequately meet their basic food needs at all times?
- ? Can people in the assessment area meet their basic needs and access essential services?

Identify the unmet basic needs gap for each socio-economic group

- ? Can people in the assessed area maintain their livelihoods activities in the short and long term?

Identify the gap regarding the livelihoods protection threshold for each livelihoods group

- ? Are HH in the assessed area relying on damaging coping strategies in order to meet basic needs and maintain livelihoods activities?

In this sub-step you analyse the situation of the households and identify the gaps to ensure their household economic security. It is expected that very poor and poor households will have more gaps than middle and better-off households in terms of standard of living. However, when assessing the impact of a disaster or crises on households in each livelihood group, focus on identifying which assets and livelihoods activities have been affected and what capacity households have to recover. Middle and better-off households may have lost more, and some may be able to bounce back more quickly than others. When middle and better-off households are affected, they often have an impact on poor and very poor households, for example they may no longer employ daily labour to save money, or on the contrary, employ more daily labour to help rebuild something. Be sure to look at the inter-relations between socio-economic groups.

Figure 11: Measuring the Gap.



In this sub-step you analyse all the additional data on households. You will use the analysis of the income and expenditure data for different socio-economic groups and add market price and coping strategy data to identify gaps.

Tabulate coping strategies for each socio-economic group by type. Allocate percentages to each coping strategy and list these in a table. You can then create pie charts for comparison between socio-economic groups on the use of stress, crisis and emergency livelihood related coping strategies by group.

In order to identify the gap for each socio-economic group you will analyse their incomes and expenditure capacity against the thresholds identified in the previous step.

Example: Presenting findings of food sources per socio-economic group

Household Food Sources	Now/Normal period (% of HH total food provided from that source)	Comparison period/ after disaster (% of HH total food provided from that source compared with normal times)	Notes Reasons for any changes
Green crops	10%	15%	Starting to eat green next harvest
Harvested maize (minus sales and seed)	28%	0%	Had to sell stocks last month
Milk (minus sales)	5%	0%	Goats not producing
Labour exchange	15%	5%	Everyone looking for casual labour opportunities that are reduced due to shock impact
Purchase – beans	12%	5%	Using savings
Purchase – maize	25%	0%	No need because of food aid this month
Gifts (including food aid)	5%	50%	Food assistance distribution in place in area began last week
Total	100%	75%	
Gap in food needs	0%	25%	

Example: Monthly income for poor households

	Now	Lean season
Total cash incomes (sales harvest and work)	15,000	11,250
In kind food value	6,000	4,500
In kind food payments	3,000	2,250
Total incomes	24,000.00 CFA	18,000.00 CFA

Example: Monthly income for poor households

	Income now 24,000.00 CFA	Income lean season 18,000.00 CFA
Basic needs threshold 25,360.00 CFA	GAP= -1,360 CFA	GAP= -7,360 CFA
HES threshold 31,360.00 CFA	GAP= -7,360 CFA	GAP= -13,360 CFA

Discuss these findings with your team and with KI if possible to understand what this means for different groups and what can be done to address this. Write up your findings by socio-economic groups.

How to use the data you have collected

- ➔ Identify income gaps and use of coping strategies that indicate a mild and a sharp deterioration in household economic security and differentiate
- ➔ Identify target groups that need immediate and short-term livelihood support
- ➔ Identify target groups that need mid-term and long-term livelihood support to prevent further erosion of coping strategies

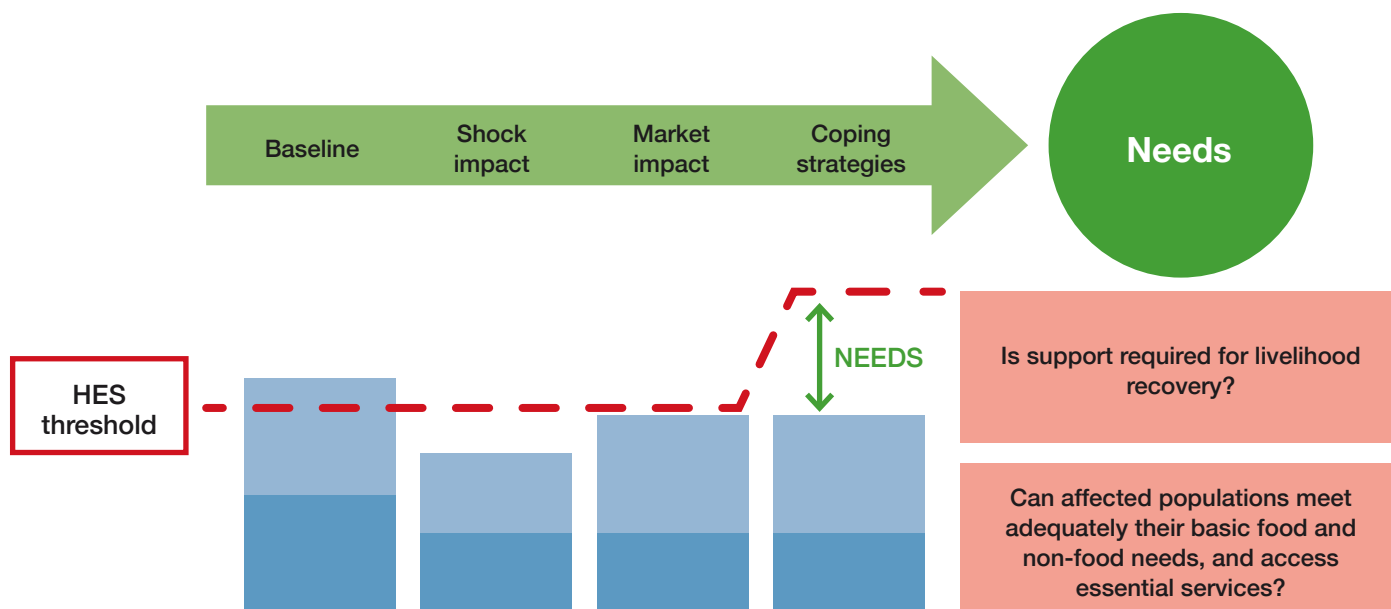
Step 3.4. Identify the scale, location and target groups requiring support

Aims of this step**Define the support needs**

- ? Are basic needs for food and other essential (economic) items and services being adequately met?
- ? Do livelihoods need supporting? If so, in what way, and for how long?
- ? How effective and sustainable are current coping strategies? Are they damaging to livelihoods, health or dignity (i.e. socially/ morally acceptable)?
- ? Who is most in need of assistance? What are the specific needs of different groups?
- ? What is the severity of needs?
- ? When will the situation change (taking into account seasonal factors and coping strategies)?
- ? Are there any additional ongoing or future risks that may threaten lives and livelihoods?

This sub-step analyses all the information you have gathered up until now to help you identify what support is required, for whom, what type and how long. Data should be analysed for each socio-economic group in order to identify who is the most vulnerable and this is often a priority target group requiring assistance. However, you may also identify support requirements for less vulnerable socio-economic groups that may indirectly have a positive knock-on effect on other socio-economic groups by generating employment opportunities.

Figure 12: Defining support needs.



We have already seen that households from different livelihood and wealth groups have different vulnerabilities and so are affected differently in a disaster. It is therefore important to identify which groups are most vulnerable and the reasons why in your analysis in order to allow decisions to be made on who receives assistance and what the support should involve.

The mandate of the RCRC is to alleviate suffering of the most vulnerable. Although the most vulnerable groups are usually targeted for emergency relief assistance, when planning recovery livelihood activities it is also important to consider the needs of some better-off wealth groups, as the livelihoods of all groups interact and so by helping one group you can help another. In addition, the most vulnerable may also be destitute or lack sufficient capacities to engage in usual livelihood strategies.

Emergency contexts differ in terms of how a shock impacts on a population and how well the affected population is able to cope. In this respect, the outcome situation of different groups of people experiencing a disaster can be classified according to the “severity” of their needs. To decide the level of severity, use existing methods for interpreting severity. The most common are: acute malnutrition and mortality data and FAO Integrated Phase Classification System (IPC).

Do not forget that livelihood activities and the availability and price of food may vary over the year and hence will affect how the situation may develop over time. In addition, certain times of year are associated with increased climatic risk such as hurricanes or risk of flooding. Use a seasonal calendar to discuss with the community how they think the situation will develop over time both in terms of their ability to regain livelihoods and access sufficient food.

This information can be summarised in the assessment report [8: Template for Food basket price monitoring](#).

Key questions



? Are basic needs for food and other essential (economic) items and services being met?

- Are people able to meet their food needs as per food security standards? Are people eating an adequate variety of different types of food (including vegetables and fruit, meat/milk/beans/dairy) in their diets? (Sources: Dietary diversity (HDDS), Coping Strategies Index (CSI), NutVal)
- Is the usual food supply from crops and local markets enough to meet the needs and demand of the population (food availability)? Do people have enough economic capacity to access food as per food security standards?
- Are households able to prepare their food adequately and safely, e.g. sufficient access to clean water, fuel and cooking equipment?
- Are households able to meet other essential non-food needs?
- Is there dependency on food aid, gifts and/or credit?
- Are communities highlighting food as a priority for support above other basic needs?

? Do livelihoods need supporting?

- Are households able to maintain their livelihoods activities?
- Are their livelihoods at risk or unsustainable?
- Are households able to protect their livelihoods in the short term? And in the long term?
- Do they rely on external assistance to maintain their activities?

? How effective and sustainable are coping strategies?

- Are households using negative food related coping strategies (eating less than normal, eating inferior foods such as wild foods, poorer quality, less desirable foods)?
- Are households using negative livelihoods related coping strategies?
- If not damaging, can households continue to use the current coping strategies until the situation improves without becoming damaging?
- Are people relying on harmful or unsustainable coping strategies?
- Are households likely to be depleting their resources and damaging their livelihoods?
- Are households at risk of further livelihoods and survival deterioration without external assistance?

? Who is most in need of assistance?

- What are the specific needs of different groups?
- Which groups cannot meet the basic needs threshold?
- Which groups cannot meet the livelihoods protection threshold?

Key questions


? What is the magnitude and severity of needs?

- Is there risk to peoples' life, health and dignity indicating a humanitarian emergency? E.g. Is there high morbidity and mortality rates, and increased acute malnutrition levels?
- Is there risk to livelihoods?
- How many people are in need? What percentage of the population does this represent?
- How long could this situation last?

? When will the situation change (considering seasonal factors and coping strategies)?

- Is the situation likely to get better or possibly worse?
- How long will it take for markets to function again, for people to be able to return to their homes and start to recover their livelihoods?
- When will the hunger period start and peak following a poor harvest?

? Are there any additional ongoing or future risks that may threaten lives and livelihoods?

- What other seasonal factors can influence the situation? How should this be considered in the response planning?
- After a disaster, is there likely to be secondary shocks?

Understand future plans and assistance preferences of the affected population

It is important to ask the population about their future plans and priorities for support as they are best placed to understand their own situation. For example, those recently displaced in camps may plan to visit their homes on a daily basis to plant their crops during the next growing season and so need agricultural support to help them to do this, or they may not feel safe enough to return home at all and so may want to grow vegetables or start small businesses around the camp.

It is therefore useful to ask the affected population their priorities and preferences during the assessment process, so that when you reach this stage of defining needs, you should be able to answer the following questions and take the information into consideration for the response planning:

Priorities

- What are their priority expenditures and what would they buy if they had more income (e.g. purchase food, send their children to school, repair shelter, pay off debts or buy commodities for petty trading)?
- What are the specific needs and preferences of women, men, children, elderly and other vulnerable individuals (e.g. PLHIV, disabled)?
- When would be the most appropriate time to provide support?

Preferred modality

- What would be their preferred support modality and why?
- Do the different groups have different preferences regarding the support modality (men, women, elderly, youth, PLWD, etc)? Why? Is there need for complementary measures to protect or ensure specific groups can access the support?

Identify other stakeholders' interventions and gaps in the support

Summarise the priority problems or needs of the population that are not going to be met by other stakeholders and use this to start thinking about the types and duration of assistance that could be used to meet the identified needs/threshold gaps.

An understanding of what interventions are planned or already provided is necessary to identify any gaps in collective stakeholders' response to needs. Summarise in your report the information on stakeholder responses in a table. Make sure you only include interventions that are relevant to the population you are assessing and that you provide details on what is being provided, whom it is targeted to and for how long.

Other stakeholders support

- What support are HH receiving? (i.e. how much, who received it, how have they used it, how long they think it will be available)
- How appropriate and effective has the support been to date? Any suggestions for improvement?

In emergencies

- What is being provided and to whom?
- When did the assistance start? How long is it going to be provided for?
- Who are the humanitarian actors?

How to collect this information

- You should be able to answer these questions using the information collected through the assessment from the communities and KII.
- Secondary data is a good source of this kind of information.
- In emergencies this information can be obtained from relevant sectoral or cluster co-ordination groups, including specific working groups such as cash, as well as talking to individual agencies that provide livelihood and economic security related support. Consult with clusters and working groups to ensure that you do not risk duplicating assistance, and so that you understand what other kinds of assistance are being considered elsewhere.

See some examples of [the 4W information collected by the clusters](#).

Examples of gap analysis and response for different types of disasters and livelihood groups.

Location, population and description of livelihood and wealth group	Immediate impact of disaster	Coping strategies	Needs, thresholds, gaps, and duration/seasonality	Proposed assistance
Flood Petty traders in household items along border area Location: West Kitwe (area 5) Population: 50,000 poor households	Loss of customers and suppliers due to excessive flooding cutting off trade routes	Use savings and cross border suppliers to rebuild some stocks	Used up savings on transport, loss of credit worthiness with suppliers across borders; livelihood outcomes at risk Assistance for 3 months until road cleared and rebuilt (Govt plans dependant)	Start-up capital for business (cash grant of 500US\$ per trader followed by business training) to 30 traders Transport vouchers (300US\$ per trader per month) Support to micro-credit institutions (US\$??)
Drought Poor agro-pastoralist IDPs in camps Location: South Tsavo east Population: 15,000 households	Loss of livestock and crops	Migration to urban centres/putting children to work and beg	80% food needs for 4 months, 40% food needs for additional 3 months Food and basic needs/ loss of livelihoods In 7 months, seasonal crop production and migration income should be sufficient to meet basic needs	Food and/or cash/ voucher distribution (50Kgs + 150US\$ per household per month for 4 months, then 75US\$ for 3 months) to 200,000 households Re-stocking programme in 7 months with rains
Ethnic Conflict IDPs in multiple urban locations (originally small scale market gardeners) Location: Aden Population: 5,000 very poor households	Loss of income generation opportunities and shelter. Protection issues	Frequent migration to urban centres, temporary high risk employment	100% of household needs (food, health, shelter etc.) for at least 6 months Lack seasonal dimension due to conflict and displacement	Cash (protection and mobility elements) – approx. 250US\$/household a month Conflict resolution?

How to use the data you have collected

- ➔ Identify the need for emergency response to save lives in the case of a food insecurity crisis when people are consuming insufficient food in terms of kcal and dietary diversity (calculation of calories, HDDS) and adopting high-risk or irreversible coping strategies
- ➔ Identify the need to protect livelihoods if there is a substantial change in sources of food and incomes to the level that people cannot meet their basic needs, are putting their assets at risk and/or adopting high-risk or irreversible coping strategies
- ➔ Identify the need to support livelihoods recovery when productive inputs have been lost or destroyed, or people have no access to them and do not have enough ability or resources to re-activate them
- ➔ Define the severity and magnitude of the crisis, how many people are unable to meet the HES threshold (scale) and how limited is that capacity (severity)
- ➔ Identify when the situation will change, based on the forecast information collected through the assessment process. Define scenarios that will help you with the planning

Develop and use a response options framework

Building on the gap analysis of needs and preferred choice of response, develop a response options framework to think through the pros and cons of the different options to help with decision making on the most appropriate modalities of response.

This is a very important stage as the identified interventions need to be as realistic as possible in terms of scale, timing and the duration of the response. List and discuss the various options with staff involved in the decision-making process (NS, programme managers and logisticians) as their input will be required throughout response analysis and will be particularly helpful in estimating the risk of each option. Keep updated with stakeholder emergency response activities and plans through coordination meetings to ensure that the final response plans are coherent with the wider response strategies of others.

Review potential responses with key RCRC staff including logistics, finance and management to:

- Ensure coherence with organisational strategy (both emergency and resilience, including DRR and Preparedness).
- Capitalise on knowledge/learning from past responses, contextual opportunities and risks.
- Include a reflection on organisational resources and capacities (human and financial).
- Explore the opportunity to include chronic, cyclical disaster areas into the responses and define early actions for livelihoods protection to be included in early warning early action (EWEA) interventions.

IFRC Recovery Guidelines provide advice on response analysis including a number of tools, including the IFRC Response Options Comparison Tool, see Table 9. **Table 9** assists in the following:

- Helping the team contemplate and think through all programme response options in a structured way. This can help team planning as well as communicating decisions transparently to others including donors.
- Provides a menu of options for consideration, provided as a generic list that can be adapted according to the local context. A simple scoring system (such as 1 – 5; 5 = strongly agree) is used for each option. When completed, scores are added and response options are ranked.
- Those with the highest score **could** be most suitable. The final decision is for the team to decide, the matrix is only a tool to help discussion.

You may have to re-visit your analysis and/or undertake additional analysis in the process of identifying the most suitable response and delivery mechanism.

This is especially the case when cash transfer programmes are planned, and information is required on communications networks, financial services, financial inclusion and literacy, and market capacity to respond to the potential increase in demand for specific commodities.

There is an increasing tendency to include value for money and cost-efficiency of potential interventions within the response analysis. Ascertain if this is of importance to decision makers as it could require additional analysis of costs associated with potential intervention types.

Toolbox

The IFRC Livelihoods Centre has developed a toolbox that includes tools for assessment, analysis and response options as well as support for programme design.

Table 9: IFRC Menu of options to consider (adapt as necessary).

Response Option	
In line with NS plans and mandate	SC
	C
In line with community priorities and capacities	SC
	C
In line with Govt. priorities	SC
	C
Can implement the RO in time (consider seasonality)	SC
	C
The impact of the RO is high and represents good value for money	SC
	C
The RO provides good opportunities for sustainability	SC
	C
Implementing the RO is feasible and risks can be managed	SC
	C
There are resources available	SC
	C
Overall Score	
Sc = Score, C = Comment, RO = Response Option	

Source: IFRC Recovery Guidance Annex 12

Find on-line the [Livelihoods Resource Centre Toolbox](#).

A group of men are gathered in a field, examining a hand-drawn map on a cloth spread on the ground. The map shows a layout of buildings and roads, with some areas highlighted in red. The men are dressed in light-colored shirts and trousers, and one is wearing a white cap. The background shows a field of young plants in rows, with a few people standing in the distance under a clear sky. The overall scene suggests a field study or a community planning session.

Step 4. Report and disseminate your findings: Report template

HES findings provide a rich analysis of different socio-economic groups and livelihood groups. Your assessment and analysis should therefore be shared so it can be used. The best way to capture the findings is writing a full report, even though it may take a week or more to write. A full report can be used for future assessments and decision-making too.

Accompany your full report with other communication methods:

- A summary report – 3-4 pages with key recommendations
- A PowerPoint presentation of the findings to senior management and decision-makers
- A brief to external actors
- A webinar for your RCRC colleagues
- A workshop to discuss the methodology and the findings and use this as a capacity building opportunity
- Share your report with the Livelihoods Resource Centre to be disseminated more widely with RCRC peers
- Have the report translated into other languages if appropriate
- Go back to the assessed community and give them feedback on the report findings and decisions that have been made

You can download a HES report template at the [Livelihoods Centre website](#).

Example: HES report template.

	Section	Main content	Length (pages)
1	Executive summary	<ul style="list-style-type: none"> - To be used as a stand-alone report for those who will not read the full report - Include the main findings and recommendations 	2-3
2	Introduction to the assessment	<ul style="list-style-type: none"> - Assessment objectives, key questions related to the assessment context – development or emergency - Methodology, timescale, assessment team, which location/population groups assessed - Assumptions, limitations - Assessment period (normal period and period of interest) 	1-2
3	Operational context analysis	<ul style="list-style-type: none"> - Economic, political, social and demographic information of the area - Historical vulnerability context, shocks and trends - Humanitarian context including, Red Cross Red Crescent presence in the area, including development DRR and resilience work 	2-3
4	Livelihoods, labour market, food production systems and seasonality	<ul style="list-style-type: none"> - Livelihood zones - Main labour market systems - Main food production systems and seasonality - Livelihood groups and main seasonal activities for each livelihood group - Socio-economic groups description and indicators - Food sources for each socio-economic group - Household income sources for each socio-economic group - Changes in food and income sources and seasonality - Main food market systems, availability and access to food in time and space 	3-4

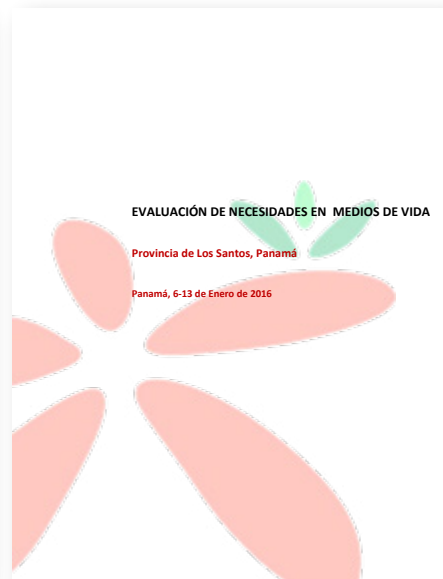
	Section	Main content	Length (pages)
5	Household consumption patterns, priority needs and consumer price trends for key household and livelihood items	<ul style="list-style-type: none"> - Household expenditures in different seasons - Household consumption patterns, priority needs and seasonal trends - Livelihoods assets required and cost - Price trends for key household food, non-food and services in a year, normal times, between seasons (and post-disaster if applicable) - Purchase capacity/power 	2-3
6	Main food and financial services market systems, functionality and risks	<ul style="list-style-type: none"> - Critical food market systems, availability and access - Food markets structure, seasonal behaviour and trends - Critical financial service provider market systems, structure, seasonal behaviour and trends - Market function related demand and supply risks 	2-3
7	Coping strategies, and social safety nets	<ul style="list-style-type: none"> - Coping strategy, severity and seasonal trends per socio-economic group - Severity of purchasing on credit or accruing debt on household economic security - Government social protection schemes in place - Other social assistance programmes - Coordination mechanisms - The role and experience of the RCRC 	2-3
8	Overall analysis conclusions	<ul style="list-style-type: none"> - Household economic security thresholds and gaps - Description of the severity and scale of needs and trends, populations priorities, and likely evolution over time - Food security and basic needs status and needs of support - Livelihoods status and needs of support - Scenario planning, seasonal changes, future and ongoing additional risks 	3-4
9	Stakeholders response analysis	<ul style="list-style-type: none"> - Current capacity and priorities of RCRC – including resources available - Stakeholders support - Current and planned responses by government, other agencies and their capacities (put in a table) - Is current and planned stakeholder response sufficient to meet basic needs and to support livelihoods (including shelter)? If not, what are the gaps? 	1-2
10	Annexes		As needed

HES Reports

All the HES Report examples are on-line at the [Livelihoods Centre website](http://www.livelihoodscentre.org).



Namibia, 2013 - English



Panama, 2016 - Spanish



Niger, 2017 - French



Nepal, 2018 - English

