

USING HEA IN CONTINGENCY PLANNING

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

Early warning is a necessary activity in preventing food crises, but is not in itself sufficient. To achieve a prompt and appropriate response, early warning should trigger the implementation of contingency plans prepared earlier in the year. In the absence of an imminent shock or hazard, HEA can still be used to examine the likely effects of hazards that may occur at some indeterminate time and thus can be a useful aid in disaster preparedness.

The process of contingency planning involves, firstly, identifying exactly which contingencies need to be planned for, based on a clear understanding of the hazards facing a population and the population's vulnerability to them. Secondly, scenarios need to be developed for each contingency, showing what will happen as the result of a particular event: how many people will be affected? How will they be affected? Where are they?

Scenario building is perhaps the most difficult step in the contingency planning process, because it involves defining what will happen in the future. Scenarios have to be based on a number of assumptions which, as events unfold, will seldom remain valid; contingency plans can quickly become outdated unless the original assumptions are monitored and plans adjusted on the basis of the changes observed.

HEA was developed as an approach for modelling the effects on livelihoods of different hazards and as such has been used in a range of contexts to develop scenarios for use within the contingency planning process. Typically, two or more scenarios are developed to reflect possible trends in prices or other factors.

Importantly, HEA helps to identify what should be monitored in order to update and refine initial projections. HEA-based scenarios are not intended as the final word on projected needs; rather, they are a means of providing a first estimate which, through agreed monitoring indicators, can be refined and adjusted as events proceed.

Case study: Using HEA for contingency planning in the Limpopo River Basin

After the disastrous floods of 2000 in the Limpopo Basin, Mozambique, three organizations – the FEWS NET Mozambique Information Network for Disasters (MIND) activity, funded by USAID; the Department of Geography at the University Eduardo Mondlane; and the National Institute of Disaster Management (INGC) - collaborated to develop an Atlas for Disaster Preparedness and Response. This mapped communities, roads, schools, population, hazard risk and livelihoods, the latter using HEA baseline data, creating a detailed baseline through which scenarios for drought, cyclones and floods were then developed. These scenarios modelled the impact of these hazards on infrastructure, food access, crop production, displacement and livelihoods.

For example, one scenario suggested that, in the event of future flooding, food aid requirements would be very limited both in quantity and duration. Only the relatively small percentage of households living along the river basin itself were found likely to be affected by

floods; 80% of households lived on sandier soils in higher areas and produced most of their own food from plots there. Most households in the area also derived significant cash income from remittances from the mines in South Africa, and, after a flood, would be able to purchase food with this money as soon as food became available in the market. In addition, affected households would re-plant along the river once flood waters had receded, and so would be able to harvest their own crops three months later.

This analysis provided an estimate of the maximum food aid tonnage that would be required, on the assumption that it could be refined and reduced according to monitoring results.

Sources include: Richard Choularton, Contingency Planning and Scenario Development: A review of the practice of scenario-based contingency planning among humanitarian agencies. HPN, ODI (upcoming publication); Boudreau, T. Food aid targeting, preparedness & response planning: Implications of food economy baseline findings in the Limpopo River Basin Complex. FEWS NET/FEG. 2001.

HEA has also been used to develop scenarios in predominantly urban situations for which contingency planners need to model the effects not of natural hazards, but of future macro-level economic events and related price changes. In the case study below, HEA was used to develop projections of the numbers of pensioners in need of assistance according to different government policy decisions. This case study also shows that the assumptions used in any particular HEA analysis are explicit, allowing them to be challenged and adjusted according to changing circumstances.

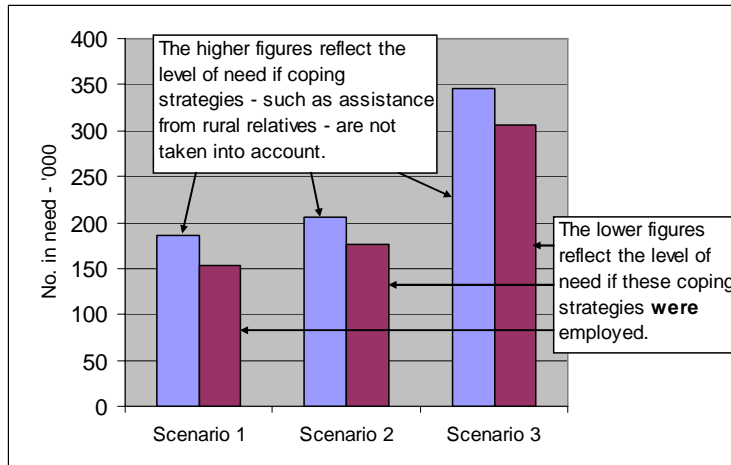
Case study: Using HEA for contingency planning in a shifting macro-economic context - Serbia¹

In March 2000, WFP commissioned an HEA assessment in Serbia to identify which groups were food insecure and to determine the levels of assistance needed throughout the coming year. The assessment focused on the urban areas and the population groups considered to be most in need, looking in particular at pensioners and their dependents.

The analysis combined baseline data with information on possible future trends (such as in food prices) to project food aid needs over the year. Because of uncertainty over the future price of food and basic non-food items, and in particular over the future of the government's price control system, three scenarios were developed, based on combinations of how prices would move relative to pension levels. Estimates of numbers of people in need were then made considering the implications of including or excluding the use of people's own coping strategies, giving six possible outcomes in total. The projected numbers in need under each of these scenarios are shown in the figure below.

Scenario projections in Serbia: 2000

¹ Lawrence, M and King, A. *Serbia Food Economy Assessment, March 2000*. WFP Serbia, April 2000.



Scenario 1 - Best case: The value of the pension keeps pace with the cost of the minimum basket of food and non-food items.

Scenario 2 The value of the pension keeps pace with changes in controlled prices but not free market prices.

Scenario 3 - Worst case: The controlled price system collapses with resulting sharp increases in the prices of controlled items.