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Considerations on Household Economic Approach (HEA) for Targeting and Prioritization

EXECUTIVE SUMMARY

This note aims at giving Country Offices a framework to reflect on the pros and cons of using the Household Economic Approach (HEA) for targeting or prioritization.

The Household Economic Approach (HEA) is a method of assessing groups of households' vulnerabilities to economic shocks and changes over large rural areas, based on livelihood patterns and market information.

The HEA can be a useful tool for geographic targeting and/or prioritization when other sources are unavailable or not granular enough.

However, using the HEA for direct household-level targeting, albeit possible, can severely limit WFP capacity to conduct precise, efficient, and scalable targeting processes due to the inherent limitation of a tool design to assess vulnerability qualitatively and at the community level.

INTRODUCTION

The World Food Programme (WFP) is committed to advancing and embedding Vulnerability-Based Targeting (VBT) across its global operations.

In line with WFP's guiding principles¹, WFP and its partners will continue to strengthen capacity to ensure that the selection of VBT methods and the design of targeting criteria are evidence-based, contextually appropriate, aligned with program objectives, and rooted in meaningful community engagement. The Household Economy Approach (HEA) serves as a livelihoods-based analytical tool for understanding how households access food

and income and how these patterns shift under stress. Initially developed for famine early warning, the HEA is now widely applied in food security monitoring, contingency planning, and vulnerability analysis.

The approach begins by defining livelihood zones according to geography, climate, and market access, then classifying households into wealth groups using qualitative data estimating the household capacity to secure food and cash under normal shock scenarios.²

UTILIZING THE HEA FOR TARGETING

The Household Economy Approach offers a structured and transparent way to analyze household vulnerabilities and predict the impact of shocks, making it valuable for geographic targeting and prioritization where granular data is lacking. It supports evidence-based decisions and aligns well with livelihood-based programming.

The HEA's strength lies in its transparent framework. Its application often requires skilled practitioners and significant time investment, but when implemented correctly, it provides actionable insights that support equitable and effective humanitarian programming. However, this makes the HEA resource-intensive, time-consuming, and heavily reliant on qualitative data, which limits scalability. Its design focuses on community-level analysis, making household-level targeting less precise and inefficient.

Compared to community-based or other statistical methods such as proxy means testing (PMT) or scorecard-based targeting, the HEA falls short in two critical areas: statistical rigor and flexibility. Unlike PMT or scorecard-based methods, HEA does not provide the same level of verifiability or scalability needed for large programs and social registries. At the same time, it lacks the agility and participatory strengths of Community-Based Targeting (CBT), which fosters local ownership and responsiveness in dynamic contexts. As a result, HEA alone cannot ensure the precision or flexibility required for operational targeting, making complementary tools essential to reduce exclusion and inclusion errors. While useful for strategic planning and scenario modelling, HEA should be complemented with other tools for operational targeting to avoid exclusion and inclusion errors.

¹ The Targeting Operational Guidance Note can be found at this link: <https://docs.wfp.org/api/documents/WFP-0000122035/download/>

² You can find more details and resources on the official HEA website here: <https://efd.org/methods/the-household-economy-approach-hea/>.

THE JOINT ANALYTICAL FRAMEWORK

Building on the discussion of HEA's limitations and the benefits of hybrid approaches, the Joint Analytical Framework (JAF) represents a practical evolution—combining HEA's qualitative depth with the statistical rigor and scalability of quantitative methods.

In refugee contexts, WFP and UNHCR have jointly developed the JAF to strengthen Vulnerability-Based Targeting. The framework merges robust quantitative assessments with rich qualitative insights, ensuring both precision and contextual relevance. Country offices and Regional Offices can utilize the JAF to uphold targeting principles and foster meaningful community engagement. By integrating HEA-like approaches, JAF captures household-level dynamics while maintaining verifiability and scalability. The JAF is designed as a

collaborative, multi-step process that begins with defining objectives and harmonizing indicators across agencies. It leverages household-level data from systems like ProGres and incorporates community inputs, applying mixed-method approaches to capture vulnerability dimensions. Joint validation of criteria, appeals mechanisms, and continuous monitoring ensure accountability and adaptability.

By combining HEA's depth with statistically rigorous analysis, JAF delivers a unified understanding of refugee needs, reduces duplication, and supports coordinated decision-making. Further details on the advantages and limitations of JAF and HEA are provided in the following table.

ASPECT	HEA	JAF
Purpose & Approach	Livelihoods-based, qualitative framework to assess vulnerabilities to economic shocks. Designed for rural contexts and extensively applied in the Sahel for assessment. Originally intended as a method of famine early-warning in the emergency context.	Mixed-method approach (quantitative & qualitative) designed to assess refugees' ability to meet essential needs. Founded on the WFP's Essential Needs Approach (ENA), suitable for refugee and emergency contexts. A livelihood ad-on module has been developed and can be used to collect specific livelihood information.
Methodological rigor	The HEA does not employ a statistically representative methodology . Instead, it aims to provide an economic description of a population and its context, particularly in response to specific risks. It is qualitative-focused , using KIIs, FGDs, and observations with limited quantitative insights.	The JAF is a methodology that uses both statistically representative methods for the quantitative component and combining with suitable qualitative approaches KIIs and FGDs allowing for in-depth profiling.
Key indicators	Community level indicators of wealth (e.g. land ownership, possession of other assets like agricultural equipment, income, food production/consumption, etc.) are utilized to classify households into different wealth categories .	Uses ENA indicators such as Food Consumption Score (FCS), Economic Capacity to Meet Essential Needs (ECMEN), and Livelihood Coping Strategies Index for Essential Needs (LCS-EN) as well as relevant indicators identified through community engagement.
Results output	Provides a narrative livelihoods context , focusing on household income and food security patterns, and when applied at HH level, classifies households into different wealth groups. Results are contextual and not comparable across countries.	Results in quantitative prevalence of vulnerability levels (extremely, highly, moderately, and not vulnerable), allowing for country comparisons and eligibility criteria validation.

Utility for Targeting	Offers in-depth, context-rich profiles of vulnerabilities in wealth groups, beneficial for nuanced, livelihoods-based targeting. It has been utilized for geographic level targeting at levels below the IPC and in environments with limited data but with potential challenges in application at household level.	Supports evidence-based, rapid targeting with statistically validated household-level vulnerability profiles . JAF can thus be utilized for VBT targeting at the household level and allows more flexibility in the choice of targeting approaches.
	Requires that there is sufficient understanding of the households among community members to correctly classify the households in the different wealth groups, therefore not suitable in displacement contexts. It is also not a specific framework for refugee contexts but could be tested for this purpose taking into consideration the legal framework of refugees in each country/area.	Approach is balanced between rigorous statistical methods that provide household level understanding of vulnerabilities and the contextual nuances of vulnerability to food insecurity. The approach has been developed and tested in refugee contexts.
	The HEA framework fundamentally helps identify households in poverty , thus useful where poverty and food insecurity significantly overlap. Exclusion errors would be higher for food security programmes in contexts where the overlap is limited.	The framework allows targets specifically for vulnerability to food insecurity or another objective as may be programmatically defined.

CONSIDERATIONS FOR APPLYING HEA IN TARGETING FRAMEWORKS

The Household Economy Analysis offers valuable insights into livelihoods and economic vulnerabilities, but its application in food security and displacement contexts requires careful evaluation. The following considerations highlight key dimensions for assessing HEA's relevance and operational feasibility.

Accuracy and Error Rates

The HEA is designed to capture economic vulnerability rather than food insecurity, which can lead to misclassification in contexts where poverty and food insecurity do not fully overlap. This limitation increases the risk of exclusion and inclusion errors, reducing its effectiveness for food security-focused programs.

Comparability Across Contexts

The HEA outputs are highly context-specific, making cross-country or cross-program comparisons challenging. While the framework

provides rich qualitative insights, standardizing results without losing contextual relevance remains a critical issue for global or multi-country operations.

Suitability in Refugee and Displacement Contexts

The HEA assumes strong community knowledge of household conditions; an attribute often lost in displacement settings. High mobility and limited familiarity among community members require methodological adaptations to maintain accuracy and relevance in refugee contexts.

Compatibility with Existing Methodologies

Applying HEA at the household level introduces operational and resource complexities compared to its traditional community-level use. Its qualitative-heavy approach should be assessed against mixed-method frameworks such as the JAF, which combine statistical rigor with contextual

depth. Questions around defining livelihood zones in refugee camps further influence integration strategies.

Comparative Advantage

Evaluating HEA's added value relative to other methodologies is essential. While HEA offers nuanced insights into livelihoods, its limitations in

scalability and statistical rigor may reduce its comparative advantage for household-level targeting.

Cost-efficiency, accuracy, and contextual depth should be weighed against operational challenges to determine their optimal role in targeting strategies.

FINAL CONSIDERATIONS

Understanding the accuracy and relevance of HEA in identifying food-insecure households is critical, given its orientation toward economic vulnerability.

Its performance in contexts where poverty and food insecurity do not fully overlap raises concerns about exclusion and inclusion errors. Since HEA results are highly context-specific, exploring the feasibility of standardizing outputs for cross-country or cross-program comparisons is essential. Adaptations may be needed for refugee

and displacement settings, where community knowledge of household conditions is limited.

Operational challenges and resource requirements for applying HEA at household level, as well as its compatibility with mixed-method approaches like JAF, warrant careful consideration. Finally, assessing HEA's comparative advantage in terms of cost-efficiency, accuracy, and added value relative to other methodologies will inform its optimal use in targeting strategies.



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