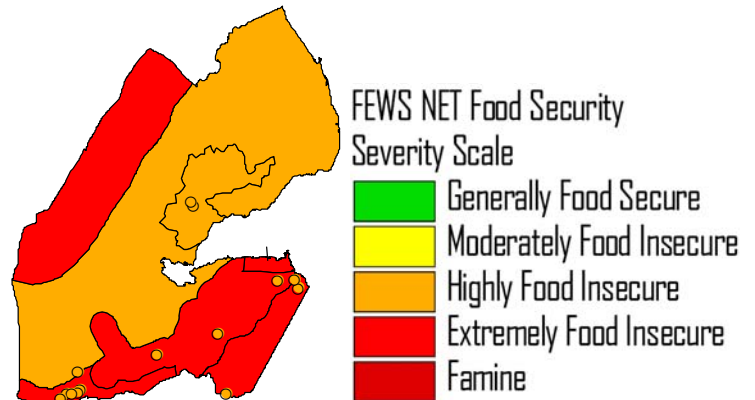


DJIBOUTI Food Security Update

July 2008

- Successive droughts, high staple food prices, decreased remittances, high inflation, border conflict with Eritrea, limited availability of staple foods and a lack of sufficient resources to respond adequately to the current food crisis may lead to famine in certain areas, particularly in the northwest and southeast pastoral livelihood zones. High and extreme food insecurity already exist in most pastoral areas. FEWS NET estimates that 155,000 people (including 25,000 children under five years) in both rural and urban areas, currently require emergency aid. In the worst case, a total of 341,000 people (54 percent of the population) are expected to need emergency food and water supplies by August.

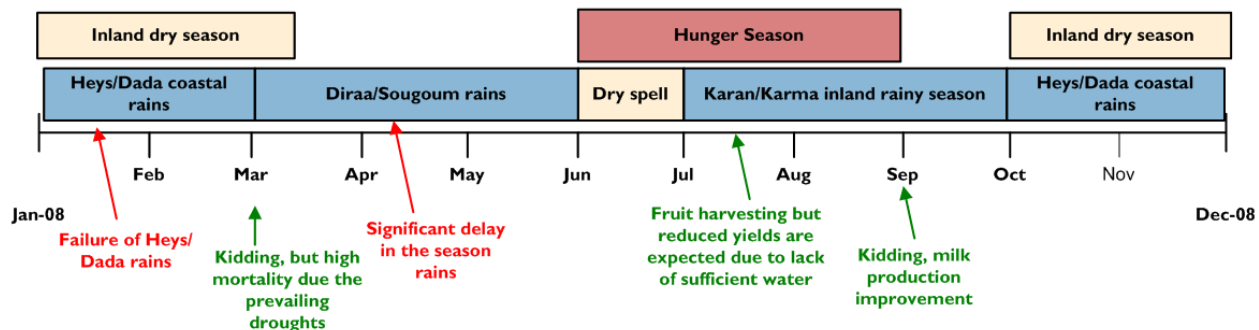
Figure 1. Estimated food security conditions, Third quarter 2008 (July to September)



Source: FEWS NET Djibouti

- Rainfall in June rarely exceeded 10 mm, and the coastal belt of Obock, the grazing area between Tadjourah and Obock (Weeli Sector), and pockets in Arta district near the Loyadda between Somaliland and Djibouti received no precipitation at all. Although June is usually dry, this level of rainfall was still 50 - 95 percent below normal.
- There is also a high likelihood that the food security situation of poor urban households will deteriorate to extreme levels during this summer due to a combination of high prices, high unemployment and typical seasonal income declines. In addition to increased obstacles to food access, Djibouti city is facing critical water shortages and water rationing has been initiated by the Government. In combination with the issues raised above, these shortages are contributing to an increased likelihood of social unrest and political instability.
- Women and children displaced by the conflict between Eritrea and Djibouti have regrouped in Khor-Angar and Andoli. Men have migrated further inland to look for a more permanent save haven. Forty families in Khor- Angar and seven families in Andoli are receiving food aid and other assistance from UN organizations (e.g., WFP, UNICEF, UNHCR).

Seasonal calendar and critical events



Source: FEWS NET

Food security summary

According to a recent World Bank study, rising prices over the past three years are estimated to have increased the proportion of the population living in extreme poverty from 40 percent to 54 percent in Djibouti. This is driving up the number of people who are food insecure, and the number of children at risk of malnourishment, as households have cut back on meals and reduced dietary diversity in order to cope with rising prices. Over the next ten years, FAO/OEDC expects that prices for major agricultural commodities are likely to remain high, a trend which is particularly problematic for countries like Djibouti who are large scale food importers. As Djibouti is already struggling with chronic food insecurity, soaring food costs also contribute to political instability. Key indicators of the current situation are summarized in Figure 2 below.

Natural resources (water, pasture and browse) are depleted in all pastoral zones as a result of poor *Diraa/Sougoum* rains, below average precipitation in the three previous rainy seasons and current high temperatures. Deep wells and water trucking are the sole sources of water in most of these areas. Browsing animals (e.g., goats and camels) are better equipped to survive these conditions than grazing animals (e.g., cattle and sheep), which depend on increasingly depleted pasture. Cattle are currently concentrated around Lac Alood in the north and the Hanle Plain in the south, normal dry season migration destinations where palm leaves are available as fodder. Goat breeding has been hard hit by the drought, with reports from the field indicating that the majority of pregnancies are ending in miscarriage due to insufficient browse. As a result, the number of lactating goats is expected to be quite limited in the coming milking period (August to October), leading to reduced milk production, particularly in the southeast pastoral livelihood zone.

Little food or income can be derived from herds under these conditions. The risk of extreme food deficits in pastoral areas is further heightened by rising food prices which have both limited household food purchases and led to reductions in remittance flows from urban households, who also face rising prices. In addition, successive drought years have caused a significant depletion of livestock assets and therefore pastoralist households are less able to cope with drought and high prices this year than they would be normally. While it will take several years of intensive asset building programs for pastoralists to fully recover, there is also an immediate need for short-term emergency assistance to address high and extreme levels of food insecurity and to prevent famine and mass migration in these areas, particularly the northwest and southeast pastoral livelihood zones. In addition, the number of malnourished children may increase above the current estimates (25,000 children).

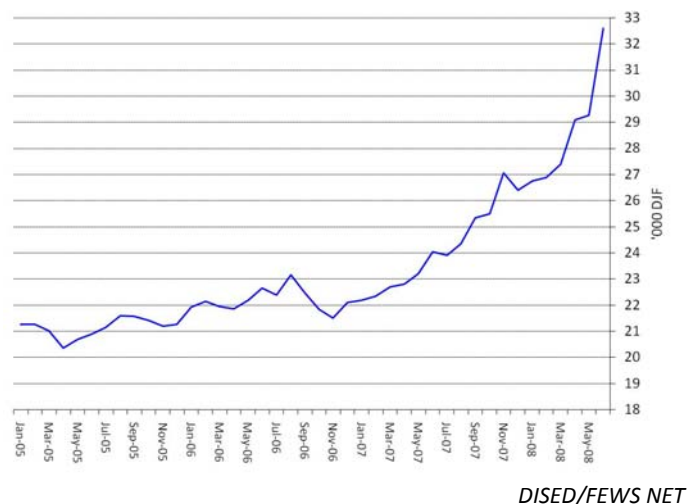
WFP began distributing a full ration to 11,180 households (55,900 people) in July and are planning to increase distributions, possibly in August/September, to 115,000 people and continue them through March 2009. In order to meet these programming needs, an estimated 2,175 MT of food aid per month are required, but unless additional contributions are received, shortfalls are expected to begin in November. However, even if these targets are met, a total of 341,000 people (54 percent of the population) are expected to need emergency food and water supply by August if conditions do not

Figure 2. Key indicators at a glance

Expenditure indicators	Current situation
Cost of staple foods	Increasing
Cost of other foods	Increasing
Cost of non-food items	Increasing
Income indicators	Current situation
Payment of government salaries/pensions	Regular
Cargo loaded/unloaded at Djibouti Port	Increasing

In the city, most necessities are purchased, and thus the key indicators to monitor are those linked to expenditure and to income. The main sources of income for poor households are casual labor, petty trade, low-wage formal employment and pensions.

Figure 3. Cost of the basic consumption basket for poor households in Djibouti City (in '000 DJF per month)



improve. In addition to the provision of food and water supplies, emergency restocking, focusing on goats and donkeys, should be considered in September if rainfall is adequate in pastoral livelihood zones. In terms of longer term initiatives, problems of poor infrastructure, land degradation and poor environmental management must be addressed.

In urban areas, the income of the poor normally diminishes during the hot season (July to September) due to a reduction in demand for petty trade activities (small restaurants, sale of vegetables and fruits etc) practiced by low-income households. However this year, the rising cost of living is undermining food security more than usual, particularly for poor households whose monthly income is far below the cost of the minimum expenditure basket (Figure 3). Household income is also limited by high rates of unemployment, currently at 60 percent. In response to rising prices, poor households are opting to reduce other non food expenses (health, water and school expenses), which may be leading to increased morbidity, with children and pregnant women most seriously affected. FEWS NET estimates that 55,000 people are in need of immediate food assistance in Djibouti city alone and this number is expected to rise in the near future if staple food prices continue to increase.

In addition to increased obstacles to food access, Djibouti city is facing critical water shortages and water rationing has been initiated by the Government. The quarters in Balbala areas are most affected, particularly those families who depend on water trucking. In combination with the issues raised above, these shortages are contributing to an increased likelihood of social unrest and political instability.

The Government has started a pilot project with UNICEF to assist approximately 7,000 orphans by distributing food aid in urban areas and has also reopened therapeutic feeding centers with USAID and UNICEF support. But available resources are not sufficient to cover the current and projected needs and the border conflict between Eritrea and Djibouti is limiting the ability of Government to assist the affected families as spending is now focused on military expenses.

A joint urban assessment to analyze the impact of price increases on household food security is planned for later in the year. This assessment should improve understanding of urban household profiles, their coping mechanisms in response to shocks and include a regional market study to assess the cross-border trade between Ethiopian, Djibouti and Somaliland.

There is a need to develop a regular, coordinated response mechanism to manage humanitarian relief efforts and avoid breaks in the aid pipeline, to ensure good targeting, and to mobilize necessary resources earlier, before crises occur.

Seasonal progress

June, the driest month of the year, separates Djibouti’s two main rainy seasons, the *Diraa/Sougoum* (March-May) and *Karan/Karma* (July-September). This year, rainfall levels in June rarely exceeded 10 mm, as illustrated by the satellite image in Figure 2 and confirmed by field reports. The coastal belt of Obock, the grazing area between Tadjourah and Obock (Weeli Sector), and pockets in Arta district near the Loyadda between Somaliland and Djibouti received no precipitation at all. Although June is usually dry, this level of rainfall was still far below normal, especially in Obock District and in most parts of the Northwest Pastoral Zone (Figure 5).

Water is very scarce in all rural areas that depend on rain to replenish drinking water supplies. Water catchments in Haissamale, Grand Bara, Madgoul and Dorra are practically dry and the quality of the remaining water is not adequate for human consumption. In

Figure 4. Cumulative rainfall for June 2008 in mm

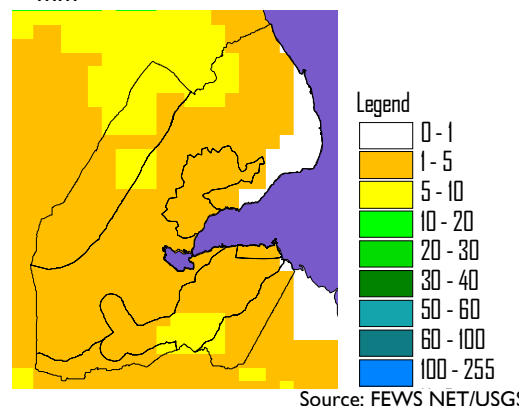
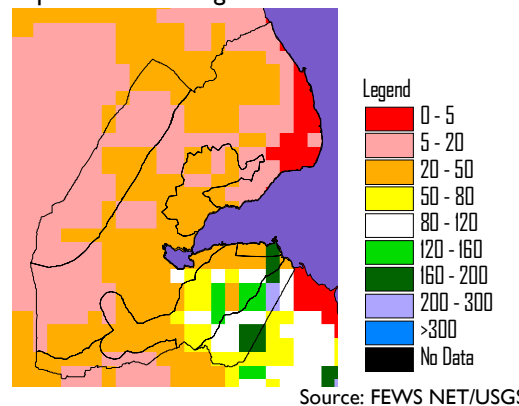


Figure 5. Estimated rainfall for June, as percent of average



addition, pasture has dried out and browse is very limited. Some light showers (1-5 mm) has been reported in certain pockets in the northwest and southeast pastoral livelihood zones, but they will have almost no impact on the current situation.

The coming season constitutes an important rainfall season for inland Djibouti, and though a delay in the onset of the coming Karan/Karma rains would lead to further deteriorations in food security, the forecast indicates an increased likelihood of near-normal to above normal rainfall. However, even good rains may only result in marginal improvements to the food security situation in pastoral livelihood zones. True recovery will require a several consecutive good rainy seasons, in addition to asset building programs (e.g. restocking, food aid).

Markets, trade and food access in urban areas

In spite of Government measures to reduce prices by eliminating taxes on staple foods (Rice, Wheat flour, Cooking oil, Milk powder and sugar) and imported vegetables and fruits, the cost of the minimum consumption basket continues to rise, increasing 11 percent in the last month. Staple food prices rose by 15 percent, other food items by 7 percent and essential non-food items by 7 percent as compared to May. Specific items which increased in the last month include rice (13 percent), spaghetti (17 percent), sorghum and sorghum flour (9 and 52 percent), cooking oil (38 percent), beans (68 percent), meat (4 percent), tomatoes (30 percent) onions (26 percent) and kerosene (14 percent) which is used for cooking. The availability of sorghum and sorghum flour, a key staple for both poor and middle class households, is limited due to an export ban in Ethiopia, the principal source of sorghum imports. There is a need to lobby the Ethiopian Government to lift the ban on food exports to Djibouti, particularly on cereals and pulses.

The basic consumption basket for poor households in Djibouti city is currently more than DJF 32,000 (US \$ 181) and 80 percent above the minimum salary, around US \$ 100. The situation is further exacerbated by the fact that, the income of poor households normally declines during the hot season (June through September). As a result, poor households cannot currently satisfy their minimum daily caloric requirements and are reducing the number of meals eaten per day. The acute malnutrition rate for children under five years of age is above the international emergency threshold and is expected to increase further due to decreased food intake and poor dietary diversity. Immediate action is required to reduce the price of cooking fuel as the high price of kerosene is causing both poor and middle class households to shift toward charcoal and firewood and the intensification of firewood and charcoal production has increased deforestation. The pilot project initiated by the French which has distributed solar cookers to poor families is one example of an initiative which could be expanded to address this issue.

Figure 5. Cooking oil prices in Djibouti City (DJF per kg)

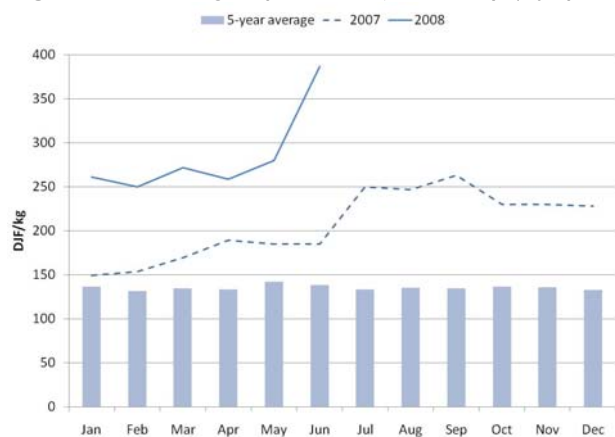


Figure 6. Red sorghum prices in Djibouti City (DJF per kg)

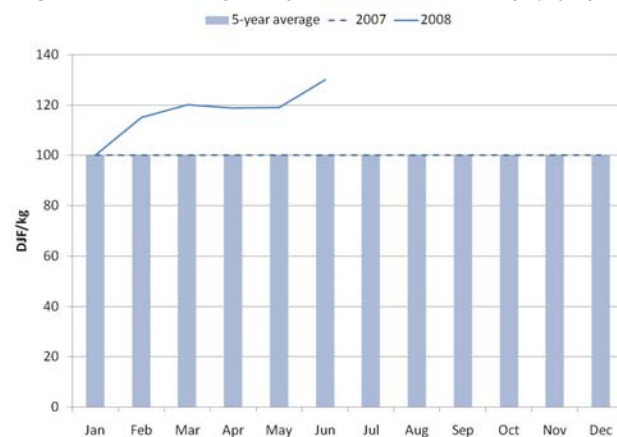


Figure 7. Rice (Belem) prices in Djibouti City (DJF per kg)

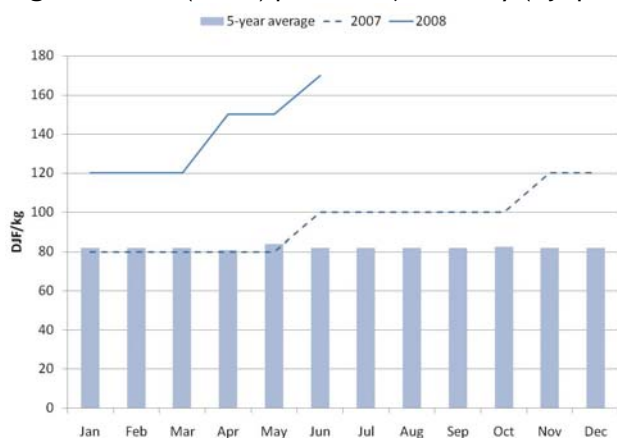


Figure 8. Wheat flour prices in Djibouti City (DJF per kg)

