

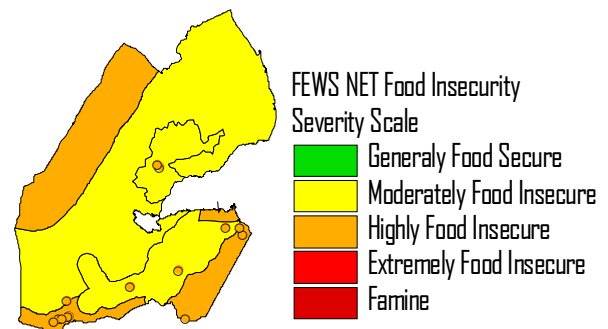
DJIBOUTI Food Security Outlook

January to June 2008

- Food security in Djibouti is critical for pastoralists and poor urban households. A prolonged normal dry season and failed coastal rains from October to February have caused natural resources (pasture, browse and water) to be very scarce. Animal body conditions are deteriorating progressively, deteriorating access to food and income for pastoralists. Record-high staple food prices are exacerbating food insecurity, as terms of trade are not in favor of pastoralists, and many pastoralists require emergency food aid. Poor urban households can currently buy only 68 percent of their daily minimum food requirements due to high inflation rate.
- From April to June, food security will be affected by the upcoming March to May rains, which are likely to be below normal due to prevailing climatic conditions. The rainfall will not enable sufficient regeneration of pasture and browse, and many pastoralists will become highly to extremely food insecure. The prices of staple foods will also likely increase, causing pastoral terms of trade to deteriorate further. The high prices will limit remittances and familial support from middle-class urban households, an important source of food access for the poor. The rise of the urban expenditure basket cost will cause significant food deficits in most poor urban households. Between 80,000 and 100,000 people would need food assistance.
- In the worst-case scenario, the March to May season will fail, leading to high animal deaths and destitution in some poor pastoral households. Pre-famine indicators will become evident by May. The prices of staple foods could increase to 50 percent above average, further limiting the purchasing power of poor urban households along with increased unemployment rates. The number of households facing extreme food insecurity will increase, and about 130,000 people will require emergency assistance.

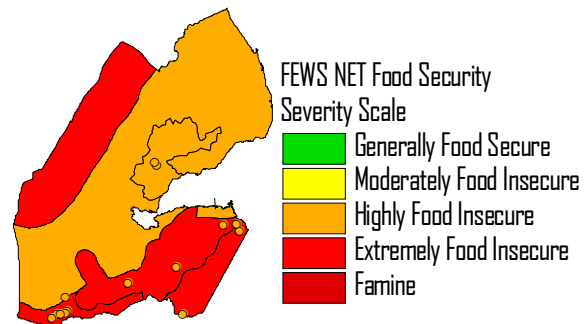
Current food security conditions, first quarter 2008 (January to March)

Figure 1. Current estimated food security conditions, first quarter 2008 (Jan to March)



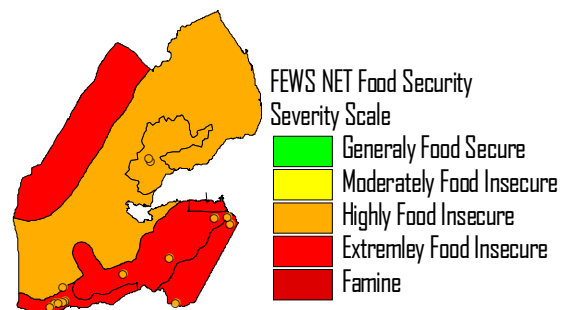
Source: FEWS NET Djibouti

Figure 2. Estimated most-likely food security conditions, second quarter 2008 (April to June)



Source: FEWS NET Djibouti

Figure 3. Estimated worst-case food security conditions, second quarter 2008 (April to June)



Source: FEWS NET Djibouti

The food security situation in Djibouti is currently critical for both pastoralists and poor urban households, due to a combination of poor conditions for livestock following consecutive below-normal rainy seasons and high and escalating

food prices. Pastoralists currently face unfavorable conditions for their livestock after poor 2007 *karan/karma* rains (July to September), followed by normal long inland dry season (October to February) and the failure of the 2007/08 *heys/dada* coastal rains (October to February). As a result, water catchments in the coastal grazing belt have dried out, and those in inland areas are practically drying out. Animals are currently concentrated along the banks of dry creeks in search of browse. The only source of animal feed is cutting branches of acacia trees to feed the animals. Animal physical conditions are deteriorating, and cases of livestock deaths have been reported in both the north and south of the country due to the lack of pasture and browse. Furthermore, animals are becoming weakened by extreme abnormal cold weather prevailing all over the country since November 2007 due to the cooling of the sea surface temperature in the western Indian Ocean, which leads to cases of pneumonia in the already weakened animals.

As a result of the animal deaths and severely decreased animal productivity, both coastal and inland pastoralists are under severe strain. Food and income sources from animal production are significantly reduced. Milk production is quite insignificant as goats are currently in their late pregnancy stage. Animal sales are reduced to the minimum due to poor animal physical conditions and the difficulty of trekking weak animals the usual long distances to reach markets. The food access of poor households in most pastoral areas is very limited, and is most restricted in the northwest pastoral livelihood zone (From Dadato in Obock District to Doudouya in Dikhil District) and the southeast pastoral livelihood zone (including coastal grazing areas in Arta, all of Alisabieh District, and western parts of Dikhil District)

The recurrent poor rainfalls over the last five years have reduced herd sizes, and any further loss of animals may cause asset depletion and destitution for some families that mainly depend on their livestock for survival. Recovery may take some time unless appropriate measures are taken to assist poor household by providing timely and adequate recovery programs, such as livestock asset-building programs; long-term livestock development programs; improvement of water availability (such as water catchments); long-term nutrition intervention programs; and the provision of safety nets to avoid further asset depletion. Rural exodus to urban areas is increasingly reported, which is a coping mechanism in search of casual labor employment in urban areas.

Food prices continue to rise significantly, and are currently 35 percent above the five-year average. As a result, food access is even more difficult for the majority of poor pastoral households, compounded by the effects of reduced income from livestock sales. Pastoral households rely on markets for 60 to 80 percent of their food access, and the current food price increases are affecting their purchasing power. Households have reduced their caloric consumption, which is leading to increased malnutrition rates. Around 30 to 40 percent food deficits exist among poor pastoral households, and malnutrition rates are currently above emergency thresholds in all livelihood zones. Severe acute malnutrition rates are more severe in the northwest pastoral livelihood zone (3.5 percent), in Djibouti City (2.9 percent), the southeast roadside sub-zone (2.5 percent), and the southeast border sub-zone (2.2 percent). Around 55,000 pastoralists are currently in need of emergency food aid.

Poor urban households are currently in a critical food security condition, and can afford only 68 percent of their food requirements due to the continuous increase in the prices of staple foods reported since last year. Poor urban households normally receive about 23 percent of their daily food needs from neighbors and/or relatives. This assistance is decreasing, as the effect of inflation, which is currently estimated at 8.8 percent, is undermining the purchasing power of even the middle class, which is the principal donor to poor households in urban areas. The cost of the minimum expenditure basket is currently 20 percent above the five-year average. About 25,000 poor urban households currently require emergency food assistance.

Most-likely food security scenario, second quarter 2008 (April to June)

In the second quarter of the year, food security will be significantly determined by the performance of the March to May *diraac/sougoum* rains. These rains normally contribute 20 to 30 percent of total cumulative yearly rainfall, and they are particularly important for inland grazing areas to break the normal six-month dry period. The rains normally start the second dekad of March and peak in April, when heavy rains often cause flash flooding and can kill weak animals. This year, the forecast for the season is mixed. A consensus outlook forum held at the end of February 2008 forecast climatology conditions over all of Djibouti, indicating that there is an equal likelihood of normal, below-normal, and above-normal

rainfall during the season. Given the current strong confidence level of the prevailing La Niña conditions and the cooling sea surface temperatures over the Indian Ocean, both of which are historically associated with below-normal March to May rains in much of East Africa, rainfall during the season is assumed to be below normal in the most-likely scenario for the second quarter of 2008.

Additionally, the cost of the minimum expenditure basket for urban poor households is expected to continue increasing during the second quarter of the year, and will reach 25 percent above average in this scenario. Djibouti imports all its staple food from abroad, and the increasing prices of oil and the decreasing value of the US dollar (the Djibouti currency is linked in equal parity to the US dollar) will likely cause prices to increase to 40 percent above the five-year average.

As a result of the expected below-normal March to May rains, pastoral grazing areas will not improve significantly in terms of natural resource availability (pasture, browse, and water). The expected poor rains will be below the threshold for pasture and browse regeneration. Therefore the rains will not have immediate significant positive impact on the food security of livestock-dependant households, and their food security and nutrition status will continue to deteriorate. By mid-April the conditions will be very serious due to a combination of the long dry season, poor current season, and high staple food prices, which will limit poor household's food access during the second quarter of the year. The contribution to food access from animal production will be very marginal.

Households in the northwest pastoral livelihood zone are expected to become extremely food insecure by April, as they are already in critical conditions at the moment. Pastoralists are expected to sell more animals at extremely low prices to avoid further animal losses, causing livestock asset depletion. In the central pastoral livelihood zone, food security is expected to deteriorate as remittances (the main source of food and income to the majority of pastoralists in those areas) will remain as reduced as the current level. The pastoralists in the southeast livelihood zone will be affected by most goats aborting at early stages of their pregnancy due to limited pasture and browse; this will significantly reduce milk production, which is the main source of income for the poor households in this zone.

The high and increasing costs of the minimum expenditure basket and staple foods will have a significant negative impact on the already stressed poor urban households. The availability of casual labor opportunities will remain normal in the most-likely scenario, though unemployment rate is generally high (60 percent). As a result, the purchasing power of poor urban households will be further diminished, leading to reduced food access. The cost of electricity is expected to increase again, which will negatively impact the middle class (which is already suffering due to the high prices of electricity), further reducing their ability to assist their poor urban relatives. Family assistance may be reduced from 23 to 15 percent, making poor urban households prone to food deficits of around 25 percent in this scenario. This would cause increased malnutrition rates, which are already above the international emergency thresholds.

Food aid distributions, which are already underway, will be critical during this period to fill household food gaps, which may reach up to 50 percent. UNICEF, together with WFP, is currently considering continuing both therapeutic and supplementary feeding centers in both urban and rural areas, with possible increase in coverage. There is a need to increase public awareness of the existence of these centers, as the rate of admission is reportedly very low. The WFP food aid pipeline is expected to be healthier than the previous quarter, as more pledges are coming in, particularly from USAID, the European Union, Turkey, and United Nations agencies. The number of people in need of food aid in pastoral areas is expected to increase from 55,000 to 66,000, and the urban poor population in need of food aid may increase from 25,000 to 35,000 persons.

Table 1: Scenario assumptions and indicators

Most-likely food security scenario

- *Diraac/sougoum* (March to May) rains are poor
- Slight improvements in water, browse, and pasture availability
- Food prices increase to 40 percent above average
- Availability of casual labor opportunities remains normally low
- Food aid pipeline improves

Worst-case food security scenario

- Failure of *diraac/sougoum* (March to May) rains
- Food prices increase to 50 percent above average
- Below-normal availability of casual labor opportunities
- Pre-famine indicators such as severe malnutrition evident by May

Worst-case food security scenario, second quarter 2008 (April to June)

In the worst-case food security scenario, the March to May *diraac/sougoum* rainy season could fail entirely, leading to no improvement in the availability pasture and browse for livestock. Additionally, prices would increase beyond the levels anticipated in the most-likely scenario: increasing international oil and food prices could drive the price of staple food in Djibouti to 50 percent above average and the cost of the minimum expenditure basket to 30 percent above average. The high oil prices may affect maritime transport and the availability of construction materials, thereby also causing a decrease in the availability of casual labor opportunities. As a result of these factors, a humanitarian and livelihood crisis would occur for poor households in both pastoral and urban areas.

Failed *diraac/sougoum* rains from March to May would compound the impacts of the poor rains in *karan/karma* 2007 and complete failure *heys/dada* (October to February) rains. Browse and pasture will become practically non-existent and water will become scarce. All water catchments are expected to become dry under this scenario. Huge livestock deaths will occur, leading to destitution in poor households in most pastoral areas. The resilience capacities will be undermined by an extension of the dry season that has already been ongoing for six months, thereby increasing their vulnerability. The northwest and southeast border pastoral households will become even more food insecure within the extremely food insecure category. A significant food deficit gap of 60 to 80 percent will occur, as food access will be jeopardized by the very limited food and income sources from animal production due to no milk being produced and animal sales being insignificant. Unusual migration of animals will occur in search of pasture, browse, and water. Livestock in the southern part of the country will migrate to inland Ethiopia (Shiniile District), and those in the north will go to the Ethiopian side if there are rains across the border. Some might go to Lake Aloo to feed their animals on palm leaves and so they can find some permanent water sources as a last option to save animals. The rest of the animals will concentrate on permanent water points and along the river banks.

Most pastoralists will intensify alternative income-generating activities, such as charcoal and firewood production in the central livelihood zone. The exchange of salt and palm leaves for food in adjacent markets in Ethiopia (including Manda, Eldar, and Ashaita) will increase as a coping mechanism. However, even this coping mechanism will be limited to the extent that even the camels used to transport the commodities to the markets cannot travel the long distances necessary due to very poor physical conditions. Some households may start buying supplementary feeding for the benefit of dairy herds, and some poor households may send their children to urban relatives to bypass the harsh conditions. By April, traditional coping mechanisms will be exhausted, and a crisis will be imminent. Pre-famine indicators will become evident by May.

The further increase in staple food prices will increase the difficulty in food access of poor pastoralist in most livelihood zones. As the animal physical conditions are very poor, the sale of animals will be insignificant. In addition, terms of trade will not favor pastoralists, as the staple food prices will be record high. Four to five animals will be needed to buy a 50 kg bag of maize or sorghum. Malnutrition rates will worsen significantly, likely leading to a high child mortality rate. Rural exodus is expected to increase, bringing more people to the city looking for casual labor employment and further assistance from family relatives in urban areas.

The high inflation rate, high food prices, and limited casual labor opportunities will push urban poor households to the edge of extreme food insecurity. The continuous increase of staple food prices combined with limited income from casual labor opportunities and petty trade will further undermine household resilience capacity, and their coping strategies will have been exhausted. Malnutrition rates will alarmingly increase and will lead high child mortality. Recovery programs like creating income-generating activities and casual labor opportunities will be necessary to reduce the vulnerability of urban poor households. Plus, existing micro-credit programs need to be intensified and properly targeted.

In this scenario, WFP will likely not be in a position to cover the food assistance needs, as current pledges will be not sufficient to cover the needs for six months for the increasing number of vulnerable households. Around 50,000 people in urban areas will need emergency assistance in this scenario, plus 80,000 pastoralists.