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## **PROJECTS APPROVED BY CORRESPONDENCE**

### **Agenda item 9**

*For information\**



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## **BUDGET INCREASES TO PROTRACTED RELIEF AND RECOVERY OPERATIONS APPROVED BY CORRESPONDENCE BETWEEN THE ANNUAL SESSION AND THE SECOND REGULAR SESSION 2008 — SOMALIA 10191.1**

### **Food Aid For Relief and Protection of Livelihoods**

On 24 June 2008 the budget increase was sent to Board members for approval by correspondence. It covered the provision of an additional 320,331 mt of food, at a cost of US\$289,226,961. Approval was obtained on 2 July 2008.

\* In accordance with the Executive Board's decisions on governance, approved at the Annual and Third Regular Sessions, 2000, items for information should not be discussed unless a Board member specifically requests it, well in advance of the meeting, and the Chair accepts the request on the grounds that it is a proper use of the Board's time.

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## NATURE OF THE INCREASE

1. The humanitarian situation in Somalia is deteriorating rapidly due to increased conflict, displacement, hyperinflation and drought. In April the Food Security Analysis Unit (FSAU) with the Famine Early-Warning System Network (FEWS NET) declared a humanitarian emergency affecting 2.6 million people, and warned that the number of people requiring assistance would likely increase to 3.5 million by 31 December 2008. The Somalia country office is proposing an extension in time and increase in budget of the protracted relief and recovery operation (PRRO) to:
  - extend operations for eight months, from 1 August 2008 to 31 March 2009;
  - gradually expand emergency operations from 1.4 million beneficiaries as of May 2008 to 2.4 million beneficiaries per month by December 2008, which would include significant expansion of assistance to urban residents; 2.4 million beneficiaries per month would be included from January to March 2009; and
  - expand emergency operations into the Central Region to cover 240,000 beneficiaries from June to August 2008.
2. The extension in time until 31 March 2009 will facilitate the planning of a new operation, to be submitted for approval in February 2009. The new operation will incorporate findings from the FSAU *gu*<sup>1</sup> harvest assessment and ongoing rapid emergency urban assessments.

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## JUSTIFICATION

### Summary of Protracted Relief and Recovery Operation Activities

3. The original objectives of this operation assumed that the environment in Somalia would be increasingly stable, and the intention was to shift progressively towards recovery. Civil conflict and insecurity have prevented such a shift, while expanding conflict, successive crop failures and hyperinflation have added significant new relief requirements.
4. WFP assistance increased from 700,000 beneficiaries in August 2006 to 1.4 million in May 2008. The most recent assessments foresee that 3.5 million people, or almost half of the population in Somalia, are likely to require assistance by December 2008. The vulnerable groups are: internally displaced persons (IDPs) (1.1 million); rural food-insecure people (1.5 million); and urban food-insecure people (900,000). Approximately 90 percent of the vulnerable people are in south-central Somalia. WFP will assist 2.4 million of the 3.5 million, including 600,000 IDPs and 715,000 urban residents. The Cooperative for Assistance and Relief Everywhere (CARE) has requested that from June to August 2008, WFP assist a further 240,000 beneficiaries in central Somalia. The remaining vulnerable people in the Central Region will be supported by CARE and the International Committee of the Red Cross.
5. The primary objective of the extension is to provide emergency food assistance to save lives and protect the livelihoods of vulnerable people. Ninety-five percent of assistance

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<sup>1</sup> Seventy percent of the annual cereal production in Somalia comes from the harvests following the *gu* rains, which usually fall between April and June; the *deyr* rainy season, which usually occurs between December and February, produces a smaller harvest.



will be through general food distributions (GFD) to IDPs and food-insecure populations in rural and urban settings. Three percent of assistance will be through food for work (FFW), and another 2 percent through food for education (FFE). Eighty-nine percent of WFP assistance will be in south-central Somalia.

## Conclusions and Recommendations of Assessments

6. In April, the FSAU and FEWS NET released results of the post-*deyr*<sup>1</sup> and Somalia-wide rapid emergency urban assessments. The FSAU and FEWS NET have issued an early warning that the humanitarian situation is likely to deteriorate further in the coming months. This warning projects that 3.5 million people will be in “acute food and livelihood crisis” (AFLC) and “humanitarian emergency” (HE) phases<sup>2</sup> by December 2008, affecting especially the urban poor and drought-affected rural communities. FSAU has called for response preparations to be made now.
7. The current status and trends in malnutrition, insecurity, hyperinflation and harvests make it clear that the situation is worsening steadily.
8. In January 2008, FSAU reported that malnutrition rates had deteriorated in the regions of Shabelle, Hiran and Central, and the southern Nugal region in Puntland, with global acute malnutrition (GAM) above the emergency threshold of 15 percent. In April, FSAU reported increasing malnutrition in El Berde district in the Bakool region, with GAM at 24 percent. While urban malnutrition rates are stable, *Action contre la faim* (ACF) reports increased admissions to its therapeutic feeding programmes in Mogadishu. IDPs face critical levels of malnutrition throughout the country<sup>3</sup> because of lack of food availability and access. Other factors are poor household access to clean water, inadequate sanitation and health services, inappropriate feeding practices, poor dietary diversity and acute watery diarrhoea.
9. Open conflict continues in Mogadishu. Conflict is spreading to other population centres, with significant displacement of people into the Shabelle, Hiran and Central regions, which exerts additional pressure on limited resources. The January 2008 FSAU nutrition update found that 40 percent of households in the Central Region reported being either new IDPs or hosts of recently displaced people. Further displacement because of conflict is likely.
10. Hyperinflation throughout Somalia is reducing food access. Poor domestic harvests, lack of commercial imports, disrupted trade from conflict and the devaluation of the Somali shilling have contributed to cereal prices increasing by 80 percent between January and March 2008. As of March 2008, cereal prices were 215 percent to 475 percent higher than in March 2007.<sup>4</sup> Basic food items are increasingly less accessible to rural poor, internally displaced and urban poor populations. A rapid urban emergency assessment throughout south-central Somalia excluding Mogadishu reported that 600,000 urban poor, roughly 20 percent of the urban population, are in AFLC and HE phases. The FSAU predicts that this number will increase to 900,000 by December 2008.
11. The prospects of a normal harvest from the April to June *gu* rains are poor. Drought conditions increased with an abnormally harsh dry season from January to mid-April, and the main seasonal *gu* rains due in April had not started as of mid-May. Pastoralists have

<sup>2</sup> The Integrated Food Security and Humanitarian Phase Classification (IPC) phases are: 1 – generally food secure; 2 – generally food insecure; 3 – acute food and livelihood crisis; 4 – humanitarian emergency; and 5 – famine/humanitarian catastrophe.

<sup>3</sup> All information on nutrition from the FSAU Nutrition Overviews, January and April 2008

<sup>4</sup> FSAU Monthly Food Security and Nutrition Brief, 9 April 2008



had two consecutive seasons of failed rains, resulting in deteriorating rangelands, high prices for trucked water and deteriorating livestock conditions, including higher deaths. This is in addition to hyperinflation, the influx of IDPs and increased civil insecurity. Seventy percent of Somalia's annual cereal production comes from the *gu*.

### **Purpose of Extension and Budget Increase**

12. This revision responds to the FSAU call that preparations for the worst case be made now, and are based on projected relief requirements through March 2009. The forecast assumes that inflation is likely to continue, that late and poor *gu* seasonal rains from mid-April to June will compound the effects of previous poor harvests and that the conflict will result in additional IDPs.
13. FSAU projects that 2.6 million people in June, and 3.5 million people by December 2008, will require food assistance. WFP will support 1.5 million beneficiaries in June, with the number rising steadily to 2.4 million by December; that number will be sustained from December 2008 through March 2009. CARE has requested that WFP assist a further 240,000 beneficiaries in central Somalia from June to August 2008. The International Committee of the Red Cross and CARE are expected to provide food for the remaining people in the Central Region who require assistance. WFP and its partners will update planning information, monitoring the events identified by FSAU as significant.
14. WFP will use larger shipping vessels more frequently for bringing food into the five main ports that serve Benadir, Middle and Lower Shabelle. Local transporters will be able to deliver food quickly from the ports to nearby inland destinations, where a large proportion of the beneficiaries are found. Overland transport through Kenya into western Somalia further expands transport options. WFP's nine extended delivery points will continue to be adequate. Additional mobile storage units will be installed, increasing in-country storage capacity from 38,000 mt to 47,000 mt.
15. The country office works with 116 cooperating partners; agreements are being revised to meet additional distribution requirements. Cooperating partners will expand their capacities as the programme grows between June and December 2008. In the Central Region, CARE will handle food distribution. WFP will deploy rapid-response teams to augment the distribution and monitoring capacities of cooperating partners.
16. WFP will increase its staff working on the Somalia operation. Eighty additional Somali staff will be recruited for south and central Somalia, including 25 new food aid monitors. Distributions will be monitored, and a sample of them will be overseen by international staff. More than half of WFP staff will be based inside Somalia. Two additional sub-offices were recently opened in south-central Somalia; each office is headed by an international staff member and is supported by international programme and logistics officers and national staff.
17. The budget increase will provide emergency food assistance to IDPs, stressed host populations and food-insecure people with limited market access. WFP will distribute an additional 320,331 mt of mixed commodities primarily through general food distributions to targeted households in geographical areas identified through the FSAU assessment.
18. WFP's assistance will supplement food sources, prevent further deterioration in malnutrition (provided that complementary non-food inputs are provided by other agencies and partners) and reduce depletion of household assets and other negative coping strategies.



## FOOD REQUIREMENTS

	Food for education	Food for work	Relief - General food distribution	Total
<b>Beneficiaries (WFP)</b>				
South Somalia	48 000	13 000	1 764 000	<b>1 825 000</b>
North Somalia	39 000	43 000	163 000	<b>245 000</b>
<b>Total</b>	<b>87 000</b>	<b>56 000</b>	<b>1 927 000</b>	<b>2 070 000</b>
<i>mt</i>	6 068	9 895	320 169	336 132
Beneficiaries (CARE request for central Somalia)*			240 000	240 000
<i>mt</i>			14 325	14 325

(\*) Central Somalia figures are the CARE request to WFP, to be distributed from June to August 2008; they are therefore not included in the total monthly average of beneficiaries.

19. The total food requirement for 1 June 2008 to 31 March 2009 is 350,457 mt. The outstanding balance of commitments (OBC)<sup>5</sup> on the current budget is 30,126 mt. The budget revision proposes an additional 320,331 mt, increasing total requirements from 223,808 mt to 544,139 mt.

Food commodity	Tonnage, current PRRO	Requirements for June 2008–March 2009	OBC May 2008	Net increase (B–C)	Revised requirements to 31 March 2009 (D+A)
	A	B	C	D	E
Cereals	170 372	264 767	25 493	239 274	409 646
Pulses	21 249	35 372	623	34 749	55 998
Oil	9 628	12 686	1 668	11 018	20 646
Corn-soya blend (CSB)	21 228	34 226	1 655	32 571	53 799
Iodized salt	611	3 023	611	2 412	3 023
Dates	290	0	0	0	290
Sugar	430	383	76	307	737
<b>Total</b>	<b>223 808</b>	<b>350 457</b>	<b>30 126</b>	<b>320 331</b>	<b>544 139</b>

<sup>5</sup> The outstanding balance of commitments is the unresourced amount.



<b>TABLE 3: RATIONS, BY ACTIVITY</b>			
<b>Food commodity</b>	<b>Food for education (g/person/day)</b>	<b>Food for work<sup>6</sup> (g/person/day)</b>	<b>GFD/relief<sup>7</sup> (g/person/day)</b>
Cereals	170	600	417
Pulses	35	72	56
Vegetable oil	22	24	20
CSB, standard	60	0	56
Iodized salt	3.3	5	5
Sugar	20	0	0
<b>Total</b>	<b>310</b>	<b>701</b>	<b>554</b>
Total kilocalories per day	1 086	2 368	2 107

<sup>6</sup> The higher ration is attributed to linking market values of a day's labour to the market value of a daily ration.

<sup>7</sup> In addition, the United Nations Children's Fund (UNICEF) provides blended cereals to malnourished children. WFP provides a GFD/relief ration to the child's family. This ensures that nutritional requirements for other family members are met, and food for the malnourished child is not diverted.



## ANNEX I-A

<b>BREAKDOWN OF BUDGET INCREASE COSTS</b>			
	<b>Quantity (mt)</b>	<b>Average cost per mt (US\$)</b>	<b>Value (US\$)</b>
<b>WFP COSTS</b>			
Direct operational costs			
Food commodities <sup>8</sup>			
– Cereals	239 274	291.98	69 863 404
– Pulses	34 749	630.36	21 904 550
– Vegetable oil	11 018	1 526.42	16 818 089
– Mixed and blended goods	32 571	547.85	17 843 884
– Salt	2 412	184.69	445 477
– Sugar	307	373.53	114 674
<b>Total food commodities</b>	<b>320 331</b>		<b>126 990 078</b>
External transport			44 420 290
Landside transport			39 333 443
Internal transport, storage and handling (ITSH)			37 840 701
Total landside transport, storage and handling (LTSH)			77 174 145
Other direct operational costs			2 633 470
<b>A. Total direct operational costs</b>			<b>251 217 983</b>
<b>B. Direct support costs (DSC)<sup>9</sup> (see Annex I-B)</b>			<b>19 087 587</b>
<b>C. Indirect support costs (ISC) (7.0 percent)<sup>10</sup></b>			<b>18 921 390</b>
<b>TOTAL WFP COSTS</b>			<b>289 226 961</b>

<sup>8</sup> This is a notional food basket used for budgeting and approval purposes. The contents may vary.

<sup>9</sup> Indicative figure for information purposes. The DSC allotment is reviewed annually.

<sup>10</sup> The ISC rate may be amended by the Board during the project.



## ANNEX I-B

<b>DIRECT SUPPORT REQUIREMENTS (US\$)</b>	
<b>Staff</b>	
International professional staff	4 728 320
National professional officers	560 662
National general service staff	922 945
Temporary assistance	1 912 510
Overtime	28 800
Incentives	1 353 383
International consultants	389 070
National consultants	150 984
United Nations volunteers	511 733
Staff duty travel	2 129 829
Staff training and development	819 415
<b>Subtotal</b>	<b>13 507 651</b>
<b>Office expenses and other recurrent costs</b>	
Rental of facility	299 359
Utilities (general)	218 400
Office supplies	194 800
Communication and IT services	800 800
Insurance	35 691
Equipment repair and maintenance	123 600
Vehicle maintenance and running cost	1 001 200
Other office expenses	997 086
United Nations organization services	650 000
<b>Subtotal</b>	<b>4 320 936</b>
<b>Equipment and other fixed costs</b>	
Furniture, tools and equipment	220 000
Vehicle leasing	189 000
Telecommunications equipment	<b>850 000</b>
<b>Subtotal</b>	<b>1 259 000</b>
<b>TOTAL DIRECT SUPPORT COSTS</b>	<b>19 087 587</b>





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## ACRONYMS USED IN THE DOCUMENT

ACF	<i>Action contre la faim</i>
AFLC	acute food and livelihood crisis
CARE	Cooperative for Assistance and Relief Everywhere
CSB	corn-soya blend
DSC	direct support costs
FEWS NET	Famine Early Warning System Network
FFE	food for education
FFW	food for work
FSAU	Food Security Analysis Unit
GAM	global acute malnutrition
GFD	general food distribution
HE	humanitarian emergency
IDP	internally displaced person
ISC	indirect support costs
ITSH	internal transport, storage and handling
LTSH	landside transport, storage and handling
OBC	outstanding balance of commitments
PRRO	protracted relief and recovery operation
UNICEF	United Nations Children's Fund