

Bosasso Urban Household Economy Study

A special report by the Famine Early Warning Systems Network (FEWS NET – Somalia)

5-30 October 2009



The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United State

Field Team

FEWS NET

Mohamed Aw-Dahir
Sidow Ibrahim Addou
Abdirizak Mohamed Nur

Municipality of Bosasso/HADMA

Mohamed Shire Abdi
Abdirahman Hussein Yusuf
Ahmed Said Yusuf

Horn Relief

Abdullahi Mohamed Hassan
Su'ad Hassan Arale

FSNAU

Abdirahman Mohamed Yusuf
Khalif Abullahi Nuh

WFP

Mohamud Hassan Hersi
Issa Omar Musa

Danish Refugee Council

Asli Isse Abshir

Action Africa Help International

Farah Mohamed Salad
Faadumo Mohamed Abdiaziz

Trainers

FEWS NET

Suleiman Sheik Mohamed

FSNAU

Abdi Hussein Roble

Data Entry

FEWS NET

Mohamed Abdibari Abdikadir
Rita Nyagah

Technical Support and Report Writing

FEG Consulting

Alexandra King

Livelihood Zones in Bari region, Somalia

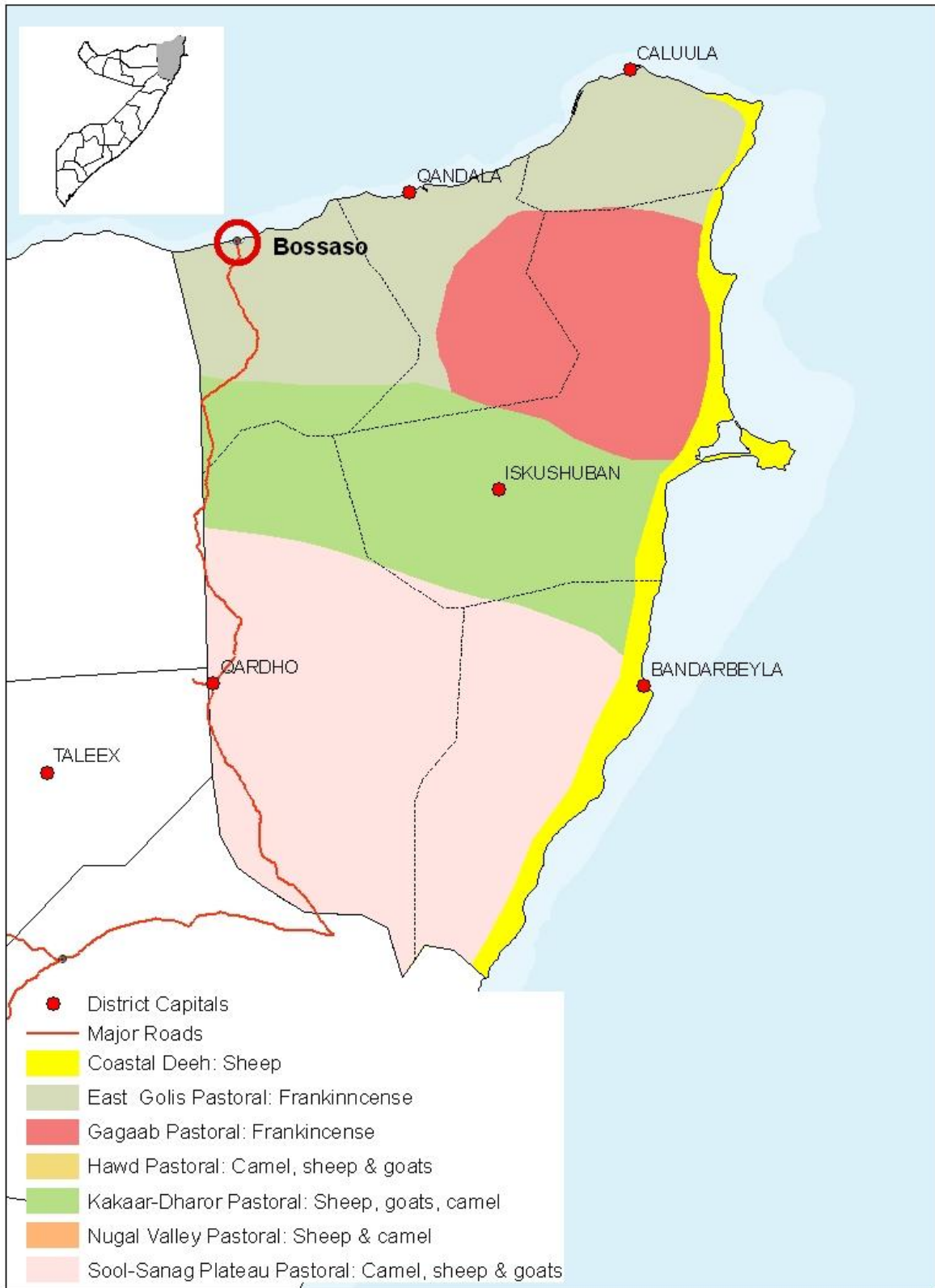


TABLE OF CONTENTS

SUMMARY	4
1. BACKGROUND AND OBJECTIVES	7
2. METHOD AND STEPS IN BASELINE FIELDWORK	7
3. BASIC DESCRIPTION OF BOSASSO	9
Geography and population	
Social services	
Timeline	
Seasonality	
4. FINDINGS FOR 2007-08 REFERENCE YEAR – TOWN RESIDENTS	15
Wealth breakdown	
Sources of income	
Economic sectors	
Expenditure patterns	
Sources of food	
5. FINDINGS FOR 2007-08 REFERENCE YEAR – IDPS	31
Wealth breakdown	
Sources of food	
Expenditure patterns	
6. COMPARISON WITH 2008-09 YEAR – TOWN RESIDENTS	33
7. HOW CAN THE BASELINES BE USED?	35
RUNNING SCENARIOS FOR 2008-09 AND 2009-10	
Scenario 1: A retrospective analysis of 2008-09	
Scenario 2: Looking forward to 2009-2010	
8. MONITORING	39
9. DIETARY DIVERSITY	41
10. MAIN CONCLUSIONS AND IMPLICATIONS FOR ACTION	46
Annex 1 ACRONYMS	48
Annex 2 THE HOUSEHOLD ECONOMY ANALYTICAL FRAMEWORK	49
Annex 3 INTERVIEW FORM (COMMUNITY LEADERS)	56
Annex 4 INTERVIEW FORM (HOUSEHOLD LEVEL)	62
Annex 5 BOSASSO PORT IMPORT/EXPORT DATA	71
Annex 6 COMPARISON OF BOSASSO AND BERBERA LIVESTOCK EXPORTS	73
Annex 7 IDP POPULATION DATA (DRC)	74
Annex 8 ECONOMIC SECTOR INVENTORY	75

SUMMARY

Background: Bosasso is one of the most important ports in Somalia. The main exports, which, together with remittances, drive the economy of the town, are:

- livestock and livestock products
- fish and seafood
- frankincense, myrrh and gums.

Bosasso is divided into two main sections by the main road that runs south from the port. These sections are called Baalade and Biyokulul, and each is divided into eight sub-sections. There are 24 main IDP camps, mainly located on the outskirts of the town.

The UN Habitat report *Bosasso: First Steps Towards Strategic Urban Planning* (page 18) summarises the state of urban services and the environment: *“Urban services, education, and health care are in a deplorable state, since Bosasso developed very fast during the civil war in an administrative and political vacuum. Environmental degradation is one of the most visible problems and is particularly dangerous for the poor. Truck and small vehicle congestion along the main road, illegal dumping, lack of drainage, and water stagnation during the rainy season are some of the most perceptible environmental challenges.”*

Economic activity is lowest during the very hot and windy *hagaa* season, which runs from mid-May to September. At this time, the seas are rough, which means there is less activity at the port, and the intense heat drives women and children from wealthier families out of town to higher and cooler locations.

Town residents: In total, four main wealth groups were identified in Bosasso town: very poor, poor, middle, and better-off. The income information below is for typical households in each wealth group in the reference year October 2007 – September 2008.

WEALTH BREAKDOWN***				
Wealth group	Very poor	Poor	Middle	Better Off**
Typical household size	6	7	8	10
% of households	10-20%	20-30%	40-60%	5-15%
Annual income per HH in SoSh	<50,000,000	50-90,000,000	90-300,000,000	>300,000,000
Typical annual income per HH in SoSh	40,765,000	65,875,000	153,200,000	384,000,000
Typical annual income per HH in USD*	\$1,359	\$2,196	\$5,107	\$12,800
Daily income per person in SoSh	18,614	25,783	52,466	105,205
Daily income per person in US*	\$0.62	\$0.86	\$1.75	\$3.51

* Exchange rate used for October 07 – September 08: USD \$1 = SoSh 30,000.

** Better off men generally have two wives, each living in a separate household. All the figures in this table are per household (or per wife).

*** All the figures in this table represent the mid-point of a range.

Households in all wealth groups purchased the vast majority of their food in 2007-08. The percentage of household expenditure (and income) spent on food decreased as wealth increased. While very poor households spent over 70% of their income on food, middle households spent about 50% and better off households just over 30%. Within the category of ‘staple food’, very poor and poor households purchased more sorghum and less rice, wheat flour and pasta than middle and better off households. Very poor and poor households were unable to cover 100% of their minimum food energy needs in the

reference year, while middle and better off households were well above this minimum threshold. The quality of diet improved with wealth.

IDPs: There are almost 50,000 IDPs, according to the Danish Refugee Council, living in 24 IDP camps located on the outskirts of town (see Annex 7 for population data). Bosasso has become a place of refuge and economic opportunity for people fleeing conflict in South/Central Somalia and for pastoralists forced to drop out of pastoralism in the Puntland regions and Somali and Oromiya Regions of Ethiopia. A wide variety of clans and ethnic groups are represented in the camps. Some IDPs plan to stay in Bosasso for the foreseeable future; others see Bosasso as a stopping point and hope to travel abroad.

IDP households were divided into poor, middle and better off wealth groups, according to income levels, as indicated in the table below. 'Poor' IDPs were slightly poorer than 'very poor' households in Bosasso town. 'Middle' IDP households were slightly poorer than 'poor' households in Bosasso town. 'Better off' IDP households corresponded roughly with the top of the 'poor' group or the bottom of the 'middle' group in town.

IDP WEALTH BREAKDOWN			
IDP wealth group	Poor	Middle	Better Off
Typical household size	6	7	7
Annual income per HH in SoSh	<45,000,000	45-80,000,000	>80,000,000
% of households	25-35%	40-50%	20-30%
Typical income per HH in SoSh	36,500,000	64,240,000	89,790,000
Typical income per HH in USD	\$1,217	\$2,141	\$2,993
Daily income per person in SoSh	16,667	25,143	35,143
Daily income per person in USD	\$0.56	\$0.84	\$1.17

Gifts of food and relief assistance were not very common for IDP households in 2007-08 and almost all food was obtained through market purchase. Most IDP households were unable to cover 100% of their minimum food energy needs in the reference year, and the poor fell well below this minimum threshold. The types and quantities of food that the wealth groups purchased were very similar to that of households at similar levels of wealth in town. The overall expenditure patterns of IDP households were also very similar to those of households at similar levels of wealth in town. Poor IDP households spent over 80% of their income on food (including staple and non-staple food) in 2007-08. Middle households spent almost 80% and better off households spent about 65% on food.

The current year (2009-2010): Prices have stabilized and the terms of trade between unskilled daily wages and cereal prices has improved dramatically since mid-2008. From a low of 1.32 kg of rice per day worked in July 2008, in recent months the TOT has been around 4.5 kg per day worked. Along with the recent lifting of the Saudi Arabian livestock import ban, the situation has greatly improved since the reference year for both town residents and IDPs. Most households are unlikely to require assistance to meet their survival or most basic livelihood protection needs in 2009-2010, with the exception of formal education, which the poorest households cannot afford.

Monitoring: One of the reasons for conducting this baseline household economy assessment of urban livelihoods in Bosasso was to use it as a basis for setting up a relatively simple monitoring system to track changes in access to food and income over time. In order to update the baseline assessment, information is required that monitors the key elements of household economies in Bosasso. In general terms, it is important to monitor the things that households buy (both food and non-food items) and the

things that they do to obtain income, and how these two things relate to one another. This report includes some ideas on how this might be carried out, recognising that the details of the system are currently still under discussion between FEWS NET and FSNAU.

Dietary diversity: 112 individual households (non-IDPs) were interviewed across the very poor, poor and middle wealth groups in town. The results of the 7-day dietary recall showed that almost 20% of the population had a poor consumption profile, another roughly 20% had a borderline food consumption profile, while about 60% had acceptable consumption. Broken down by wealth group, many more middle households had an acceptable food consumption profile than poor or very poor households did. Roughly 70% of the very poor wealth group had either poor or borderline food consumption, while less than 10% of the middle wealth group fell into these categories. For IDPs, 84 individual households were interviewed across the very poor, poor and middle wealth groups. The results of the 7-day dietary recall showed that about one-third of IDPs either consumed poorly or had borderline consumption, while about two-thirds had acceptable consumption. This is a slightly better picture than for town residents.

Geographic Targeting: The geographical areas of highest concerns and where the poorest live are Hormud, Horseed and Wadajir, X. Carab, Suweto, and Sanfaro1. **BACKGROUND AND OBJECTIVES**

The global food price crisis of 2007 and 2008 highlighted the importance of understanding urban livelihood systems, in order to clearly identify – and respond to – the impact of such shocks on urban households. This study of urban livelihoods in Bosasso has been conducted by FEWS NET Somalia in collaboration with FSNAU, the Municipality of Bosasso, WFP, the Danish Refugee Council, Horn Relief, and Action Africa Help International.

The primary objectives of the study were the following:

- Strengthen FEWS NET's early warning capability in Somalia by deepening current understanding of the dynamics of food security issues for Bosasso urban populations and of linkages with neighboring rural communities and with the wider Somali context.
- Train participants from key partners (which usually participate in FSNAU and FEWS NET seasonal assessments) in basic urban HEA information gathering and analysis.
- Identify important monitoring indicators and propose ways monitoring can inform the analysis of urban vulnerability to shocks.
- Analyze and more fully understand urban livelihood trends that are relevant to other countries in the region of interest to FEWS NET (Kenya, Ethiopia, and Djibouti).

FEWS NET previously led two comprehensive urban baseline livelihood assessments in Hargeisa (2003) and Djibouti (2003) and also provided technical and financial support to the FSNAU-led urban baseline studies in Belet Weyne (2003) and Baidoa (2008) in southern Somalia. Bosasso was selected for the current assessment because it is:

- the fourth largest city in Somalia and the most important urban centre on the Puntland coast, with a growing population;
- one of the most important ports and a transport hub for all of Somalia since 1991;
- a place of refuge for IDPs fleeing conflict in southern Somalia and for drop-out pastoralists affected by drought from Somalia and Ethiopia.

2. METHOD

The Household Economy Approach (HEA) was used for collecting and analysing field-based information on livelihood zoning, the urban wealth breakdown, and the profiling of livelihood strategies, which include sources of food and cash income, expenditure patterns, and household coping strategies.

The household economy approach looks at households' access to basic food and non-food items, through production, purchase and other mechanisms. The household is taken as the unit of reference because it is the chief unit, through which populations operate for production, sharing of income, and consumption. The framework proposes that if we can first understand how households obtain their food and non-food needs, and likewise how they obtain cash with which to buy these things, then we have a basic description of how people survive – how their household economy 'works'. This tells us whether a given population is economically insecure and currently in need of assistance. It also acts as the baseline information against which we can view a new threat to food and non-food access, be it from market disruptions due to conflict or crop failure in the neighbouring livelihoods due to drought. Baseline information enables us to judge a population's vulnerability to different shocks or threats to its livelihood.

There is a difference in focus between rural and urban assessments. While the overall objective is the same – namely, to analyse the access that different groups have to food and cash income in relation to their food and non-food needs – the details of the analytical approach usually vary from one context to another. In a rural setting, it is often most useful to focus on access to food and income for different wealth groups. This is because members of a particular wealth group generally share the same level of food security and a similar limited set of options for obtaining food and income, pursuing much the same strategies at much the same times of year. The relative homogeneity of rural livelihoods makes enquiry into sources of food and income the most efficient way to generate a rapid understanding of food security in a rural context.

The same homogeneity within wealth groups is less striking in an urban setting. Here, one source of food – the market – usually predominates and so the focus of enquiry generally shifts towards questions of cash income and expenditure. In towns, there is often a wider range of income sources for any one wealth group, and earnings may be less regular than in the countryside. However, while incomes tend to be heterogeneous in urban settings, patterns of expenditure do not. Poor families tend to spend similar amounts of money on similar things, so that an enquiry into patterns of expenditure is often the most useful approach for understanding livelihoods in an urban setting. Since urban economies are primarily market-based, and many of life's essentials have to be purchased in the town, it is critical for these non-food elements to be incorporated into an urban analysis.

The team undertook the following steps during this study:

- **Training.** A training workshop was held from 5-9 October 2009, with 19 participants from seven organisations. The trainers were FEWS NET and FSNAU staff who are experienced in urban HEA, while WFP provided training on HH consumption and dietary diversity. The topics covered included: HEA framework overview, livelihood zoning, reference year, wealth groups, livelihood strategies (food, income, expenditure), kilocalorie calculations, coping strategies, seasonality, ensuring high quality field information, reviewing and practicing community leader and household focus group interviews, sectoral inventory, and storing baseline data in spreadsheets.

- **Zoning.** A zoning exercise was conducted at the start of the assessment. The questions considered included: Are all households in Bosasso part of the urban economy or are some mainly dependent on land and livestock in rural areas or on coastal fishing? Is Bosasso town one livelihood zone or more than one? Can the town be divided into discrete neighbourhoods with differing characteristics? Are there particularly poor or well off areas that can be considered separately? These questions were reviewed again after the fieldwork was conducted.
- **Fieldwork timing.** The fieldwork outlined in the following paragraphs was carried out from 10 – 25 October 2009.
- **Interviews with community leaders.** The team conducted 28 semi-structured interviews in all 16 sub-sections of Bosasso town and in 12 IDP camps with small groups of elders and community members, including 108 men and 130 women. The purpose was to gather information on access to services, population composition, the historical timeline and seasonal calendar and to establish the wealth breakdown.
- **Interviews with household representatives.** Semi-structured interviews to establish income and expenditure patterns at household level were conducted with 111 focus groups at different income levels (very poor, poor, middle, and better off) in all 16 sub-sections of Bosasso town and in 12 IDP camps. A total of 204 men and 332 women participated in the interviews and they were engaged in a wide variety of economic activities. The household economy information was cross-checked within and between interviews and with other sources of information (both secondary sources and the economic sector inventory). Some of these interviews were conducted for the most recent reference year (October 2008 – September 2009), but finally it was decided that there was too much food aid in that year to serve as a useful baseline. Finally, October 2007 – September 2008 was chosen as the reference year, despite significant inflation in that year.
- **Economic sector inventory.** The purpose of this activity was to cross-check the wealth breakdown and to obtain detailed information on the main economic sectors in Bosasso. The team gathered secondary source information and conducted interviews with key informants in various sectors on the following: types of income-generating activities in each sector, number of people involved in each activity, income / profit levels associated with each activity, seasonality of activities and income levels.
- **Dietary diversity and ability to meet food needs.** 112 individual households were interviewed across the very poor, poor and middle wealth groups in town and 84 IDP households were interviewed in 12 camps. This activity was led – and the results were analyzed – by WFP. The purpose was to reflect the quantity and/or quality of people’s current diets at the time of the assessment.
- **Analysis of information, compilation of the baseline picture, and development of a monitoring plan.** A preliminary analysis was conducted in Bosasso during the last week of October 2009 and this was finalised in Nairobi during the first week of November. The Bosasso resident and IDP urban baselines are available in baseline storage spreadsheets and are prepared for ongoing scenario analysis in livelihood impact analysis spreadsheets (LIASs).

A number of difficulties were encountered during the assessment:

- Conflicting population data was obtained from UNDP, the Bosasso authorities, and town section leaders, therefore it is impossible to state the population of Bosasso town with any confidence.

- Bosasso Municipality does not have comprehensive records or a proper data management system for the town or for IDPs. This made it difficult to cross-check the information obtained from key informants for the economic sector inventory.
- The initial selection of 2008-2009 as the reference year proved to be problematic because of the large amount of food aid distributed during the year. This meant that the team had to switch years in the middle of the assessment. Although this has allowed a comparative analysis of the two years, there are consequently fewer interviews for each individual year.

The team tried their best to overcome these problems, but nevertheless some limitations to the study remain as a result.

3. BASIC DESCRIPTION OF BOSASSO

Bosasso is one of the most important ports in Somalia¹, situated on the Gulf of Aden and surrounded by the East Gollis Pastoral/Frankincense Livelihood Zone. The main exports, which, together with remittances, drive the economy of the town, are:

- livestock and livestock products (originating from all over Somalia, Puntland, Somaliland, and Somali Region of Ethiopia);
- fish and seafood (caught in the Gulf of Aden);
- frankincense, myrrh and gums (originating from Puntland regions, central Somalia, and Somali Region of Ethiopia).

Remittances flow in two directions: into Bosasso in large quantities from the diaspora abroad, and, in much smaller amounts, out of Bosasso from IDPs to central/southern Somalia and Somali Region of Ethiopia

Almost all food and non-food items are imported, including: basic foods (e.g. rice, wheat flour, sugar, oil, milk powder, and tea), other foods (e.g. processed food and drinks), basic household items (e.g. soap, clothes, medicine, qat, etc), construction materials and fuel. Some imports are consumed by the town population, but large quantities transit through Bosasso to parts of central/south Somalia and Ethiopia.

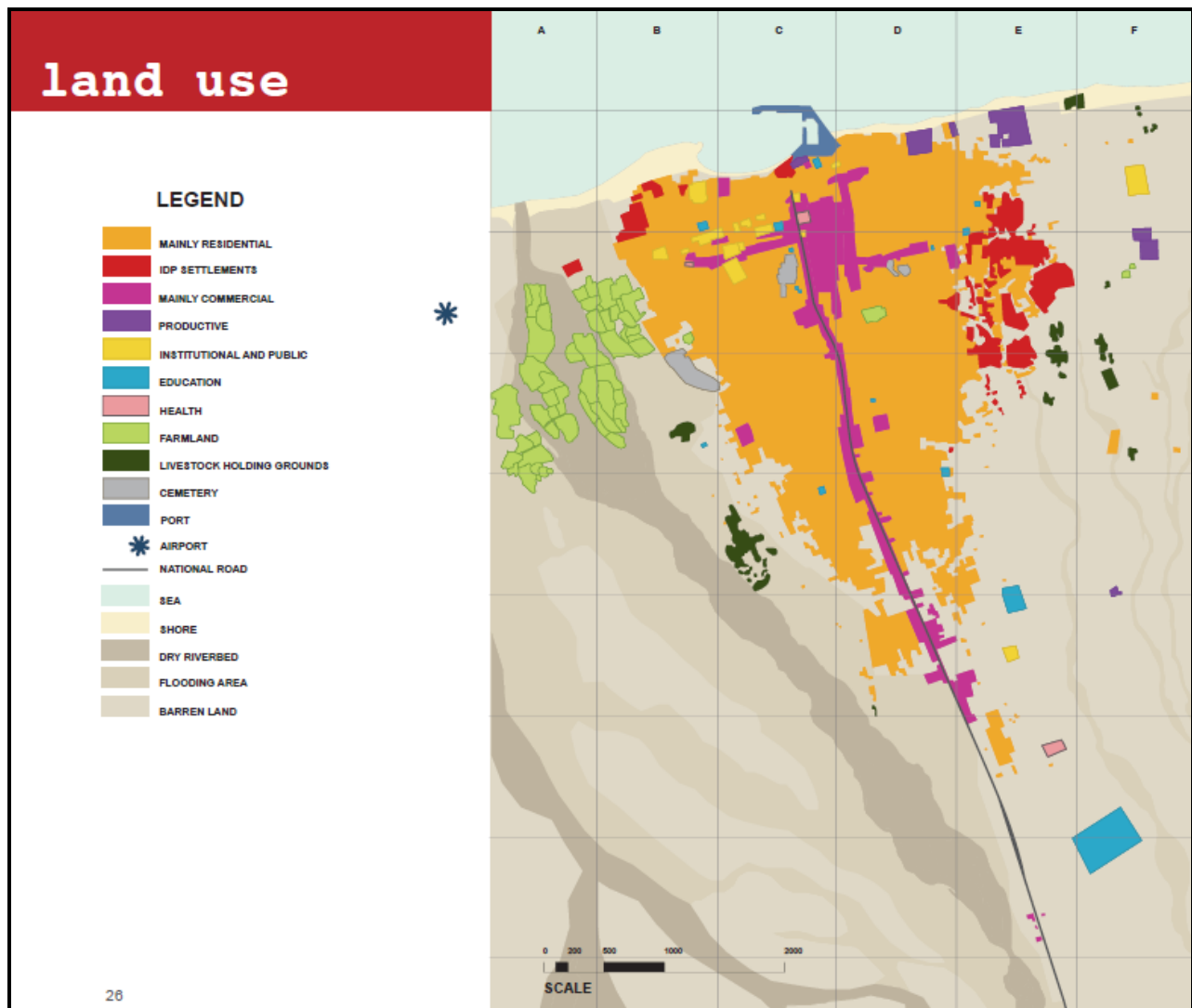
Geography and population

The first step in any household economy assessment is to define the food economy or livelihood zone within which the assessment is to be conducted. In Bosasso, the team explored whether the physical limits of the town include households that fall into only one livelihood zone (the urban zone) or also include populations that are essentially part of other food economy zones (e.g. agricultural or pastoral or fishing). In the end, the town was treated as one zone. There are very few households resident in Bosasso that depend *mainly* on land or livestock in rural areas. There are some households in the coastal sub-sectors that rely on fishing, but they fit into the overall wealth breakdown of the town and have the same dominant food source (market purchase) and expenditure patterns.

Bosasso is divided into two main sections by the main road that runs south from the port. These sections are called Baalade and Biyokulul, and each is divided into eight sub-sections. There are 24 main

¹ See Annex 5 for data on exports and imports passing through Bosasso port in 2008-09 and Annex 6 for a comparison of livestock exports from Bosasso and Berbera ports in 2000-2009.

IDP camps, mainly located on the outskirts of the town. The map below provides an overview of the geography of the town.



Source: *Bosasso: First Steps Towards Strategic Urban Planning*, UN-HABITAT, February 2009.

The number of people living in Bosasso is unclear. UNDP uses a figure of 120,000, which dates from 2005. The Municipality informed the assessment team that there are 700,000 people living in the town. UN-HABITAT quotes an ‘estimated 250,000 inhabitants’ in a February 2009 report *Bosasso: First Steps Towards Strategic Urban Planning*. The assessment team asked for population information from the sub-section leaders in each of the 16 sub-sections of Bosasso. They were given slightly different information in each sub-section: some gave the total number of people, some gave the total number of households, and others gave both. This information is summarised in the table below and the estimated total is 483,000 (including a figure of almost 50,000 IDPs provided by DRC).

POPULATION DATA FROM SUBSECTION AUTHORITIES

Section	Subsection	Reported / Estimated Population	Reported No. Households	Reported HH size	Estimated household size
Baalade	Kulmiye	7200	1200	6	
	Horseed	18600	3100	6	
	Hormuud	45240			
	October	19250	2750	7	
	Wadajir	23160			
	Hawlwadag	40000	8000	5	
	1st July	13500	2250		6
	X Carab	28800	4800	6	
Biyokulul	Dayaxa	24000	3000	8	
	Suweeto	4081	583	7	
	Gusoore	36000	6000	6	
	26 June	34440	5740	6	
	Girible A	27000	4500		6
	Girible B	22200	3700	6	
	Girible Ubax	36000	6000	6	
	Sanfarow	54000	9000	6	
TOTALS		433,471 50,000 483,471	Without IDPs IDPs (DRC registration 2009) Total		

POPULATION ESTIMATE FROM UNDP (2005) =	120,000
UN-HABITAT ESTIMATE	250,000
MUNICIPALITY ESTIMATE	700,000

Before the start of the civil war in 1991, Bosasso's population was estimated at 15-25,000 people.² In each sub-section, the assessment team asked where most people originated from and when they settled in Bosasso. The responses are summarised in the following table.

² Bosasso: First Steps Towards Strategic Urban Planning, UN-HABITAT, February 2009.

Sub-section	Where do most people originate from?	When did they mostly settle in Bosasso?
Kulmiye	South Somalia, Puntland regions	1990-97
Horseed	South and NW Somalia	2002 onwards
Hormuud	Puntland regions	1990 onwards
October	90% southern Somalia, Somaliland	1998 onwards
Wadajir	South Somalia and Somali Region, Ethiopia	1990 onwards
Hawlwadag	South Somalia and Puntland and native pop	1991-92
1st July	South Somalia (90%), Puntland	1991 onwards
X Carab	South and native population	1991
Dayaxa	South and North Somalia, Puntland and native pop	1992 onwards
Suweeto	South Somalia, Somali Region Ethiopia and native population	1991 onwards
Gusoore	Native people and some from South (Mogadishu)	1993 onwards
26 June	South Somalia, Puntland regions	15 years ago
Girible A	South (Mogadishu and Kismayu)	20 years ago
Girible B	70% migrants from South Somalia, 30% original residents	20 years ago
Girible Ubax	70% from South and North Somalia, 30% Puntland regions	1994 onwards
Sanfarow	South/Central Somalia, Puntland regions	1990 onwards

Social services

The UN Habitat report *Bosasso: First Steps Towards Strategic Urban Planning* states (page 18):

“Urban services, education, and health care are in a deplorable state, since Bosasso developed very fast during the civil war in an administrative and political vacuum. Environmental degradation is one of the most visible problems and is particularly dangerous for the poor. Truck and small vehicle congestion along the main road, illegal dumping, lack of drainage, and water stagnation during the rainy season are some of the most perceptible environmental challenges. The unregulated presence of numerous livestock inside the city boundaries contributes to the environmental degradation, especially in the wet season. The mushrooming of IDP and refugee settlements, which lack access to basic services, is aggravating the generally bad environmental situation and negatively impacting the general health of the population.”

Water: The main sources of water in Bosasso town are public (GUMCO) and private boreholes and shallow wells. Borehole water is sold in three different ways: 1) piped water is sold by the cubic metre; 2) water tankers sell water by the tanker or drum; 3) three kiosks sell water by the jerrycan. Water tankers also sell water sourced from shallow wells. Prices in 2007-08 were \$1 per cubic metre, \$10 per tanker (which equals 30 drums), SoSh 20,000 per drum (200 litres), and SoSh 2-3,000 per jerrycan (20 litres). Users can collect water for free from the boreholes and shallow wells, but only if they live nearby.

UN Habitat report (page 20): *“Bosasso lies on coastal terrain containing sufficient groundwater to satisfy the needs of its inhabitants. Nevertheless, the poor public water infrastructure and the vested interests of those who*

speculate on water provision result in high costs, especially for the poor... The high water table makes possible the extraction of water from shallow wells. Unfortunately such water is often contaminated by nearby latrines. Water-borne diseases are among the major problems affecting the poor and the displaced."

Electricity: There is one public (ENEE) and several private suppliers of electricity in Bosasso. Very poor and poor households cannot afford to pay for electricity. The price for public electricity in 2007-08 was \$.30 per megawatt and the price at the time of the assessment was \$.70 per megawatt. Private suppliers often charge per bulb rather than by megawatt. Power cuts are common and, for this reason, better off households are often connected to the public utility and one additional private supplier.

UN Habitat report (page 19): *"The electrical agency (ENEE) is working under lease of Puntland State Authority for Water, Energy, and Natural Resources. There are 3 generators for a total capacity of 1,950 kVA, which does not meet the electricity needs of the Bosasso community."*

Garbage collection / sanitation: There are five official and numerous unofficial garbage collection points in Bosasso town and an official dump site to the east, outside the town boundaries. Some people also dispose of garbage near their homes or burn it. Middle and better off households pay someone to collect their garbage and dispose of it. In 2007-08, they paid SoSh 10,000 per bag of garbage if the disposal site was a short distance away or SoSh 20,000 per bag if it was far.

UN Habitat reported the following problems (page 18): *"Garbage is not collected efficiently, and the city is not clean or tidy. Poor sanitary conditions. Lack of adequate access to sanitation. Private wells and pit latrines are not in proximity to some residential areas."*

Health: There is one general hospital, which charged a SoSh 30,000 consultation fee per visit in 2007-08 and SoSh 50,000 at the time of the assessment (October 2009). There are two MCH centres that are supplied by Unicef and provide free health care. There is also one free outpatient TB clinic. There are five private hospitals and numerous private clinics and pharmacies. A private consultation fee was SoSh 100,000 in 2007-08.

UN Habitat reported the following problem (page 18): *"Bad health conditions of the population and high child mortality."*

Education: Four out of 16 sub-sections of the town reported that they do not have a primary school, while some sections have several (Girible Ubox reported having ten). The following primary school costs were reported for 2007-08: fees \$6-15 per month, textbooks \$5-10 per year, uniform \$5-10 per year. Eight sub-sections reported having a secondary school. The following secondary school costs were reported: fees \$15-25 per month, textbooks \$10-30 per year, uniform \$10-20 per year. Despite having an average of 1-2 children at koranic school, very poor households cannot afford to send any children to formal school.

There are two universities in Girible Ubox sub-section (fee \$250 per semester), one health training college in 1st July sub-section (fee \$120 per semester) and one business college in Xaafatul Carab (fee \$530 per whole course).

Timeline

In order to obtain a broader understanding of the situation in Bosasso and to help with the identification of an appropriate reference year, a historical timeline covering the major events of the last four years (2005-2009) was created (see below). Major events outlined by the historical timeline are periods of high inflation, insecurity, high rates of unemployment and influxes of IDPs. The increase in inflation started around the *gu* season of 2007 and accelerated from the *gu* season in 2008. The rainy seasons were relatively normal in recent years, with the exception of *gu* 2009, which was poor.

SEASON	RANKING	DESCRIPTION
2009 - <i>gu</i>	2	Drought, lack of milk, less inflation, food aid distribution started, pastoral influx, election of Puntland president, improved security
2008 - <i>deyr</i>	2	High inflation, explosions, food aid started, stopped printing money, mayor election, insecurity, piracy, disease outbreak, immigration from southern Somalia
2008 - <i>gu</i>	2	Very high inflation, insecurity, piracy, unemployment, printing money, normal rains
2007 - <i>deyr</i>	3	High inflation, good rains, milk available, printing money, influx of IDPs, insecurity
2007 - <i>gu</i>	3	Start of inflation, normal rains, kidnapping started, insecurity
2006 - <i>deyr</i>	3	Stable prices, good purchasing power, high livestock exports, good rains, import/export normal
2006 - <i>gu</i>	3	Prices normal, export/import normal, rains good, good labour opportunities
2005 - <i>deyr</i>	4	Normal rains, good trade activity, high employment, prices normal

The general principle for determining the reference or baseline year is to use the most recent full consumption year, as this makes recall easier for those surveyed. In this case, however, the most recent year (October 2008 to September 2009) was characterized by increased food aid distribution to urban residents and IDPs, making it a less suitable baseline for future analyses. After some initial interviews covering October 2008 to September 2009, the team determined that October 2007 to September 2008 would be a better reference year for the assessment, despite high inflation during that year. Enough interviews were conducted to allow the team to prepare a picture of food sources and expenditure patterns in each year. These will be presented below. All of the interviews with IDPs were for the October 2007 to September 2008 reference year.

Seasonality

The seasonal calendar below outlines levels of activities throughout the reference year. Economic activity is lowest during the very hot and windy *Hagaa* season and part of the *Gu* season, this harsh period can start as early as mid-May and up to September. At this time, the seas are rough, which means there is less activity at the port, and the intense heat drives women and children from wealthier families out of town to higher and cooler locations. Since Ramadan occurred in September in the 2007-08 reference year, that month was less affected by the slump in activity that usually occurs in the *Hagaa* season.

SEASONAL CALENDAR												
Activity	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Rains	P	P	P	P								
Hagaa - very hot and windy								P	P	P	P	P
Deyr - cold season	P	P	P	P								
Petty trade								L	L	L	L	
Casual labour								L	L	L	L	
Transport of goods								L	L	L	L	
Transport of people (outmigration)								P	P	P	P	
Fishing								L	L	L	L	
Frankincense processing and sales	P	P	P	P	P	P	P	L	L	L	L	L
Ice production and sales								P	P	P	P	
Water availability	A	A	A	A	A	A	A	A	A	A	A	A
Diseases – ARI	P	P	P	P								
Diseases - AWD (especially IDPs)						P	P					
Livestock trade/export	P	P	P	A	A	A	A	L	L	L	L	P
Food prices in reference year (07-08)							P	P	P	P	P	P
Imported food prices - normal								P	P	P	P	
Local food prices - normal	P	P	P	L	L	L	P	P	P	P	L	L
Remittances (main festivals 07-08)			P								P	P
Qat trade	A	A	A	A	A	A	A	A	A	A	A	A

Coding: L=low, A=average, P=peak

4. FINDINGS FOR 2007-08 REFERENCE YEAR – TOWN RESIDENTS

Wealth breakdown

In order to obtain a wealth breakdown for Bosasso, interviews were conducted with groups of key informants from the 16 different sections of town. The participants in these interviews included general members of the community, as well as town elders and section leaders. Efforts were made to include both men and women in these groups and a total of 64 men and 85 women participated.

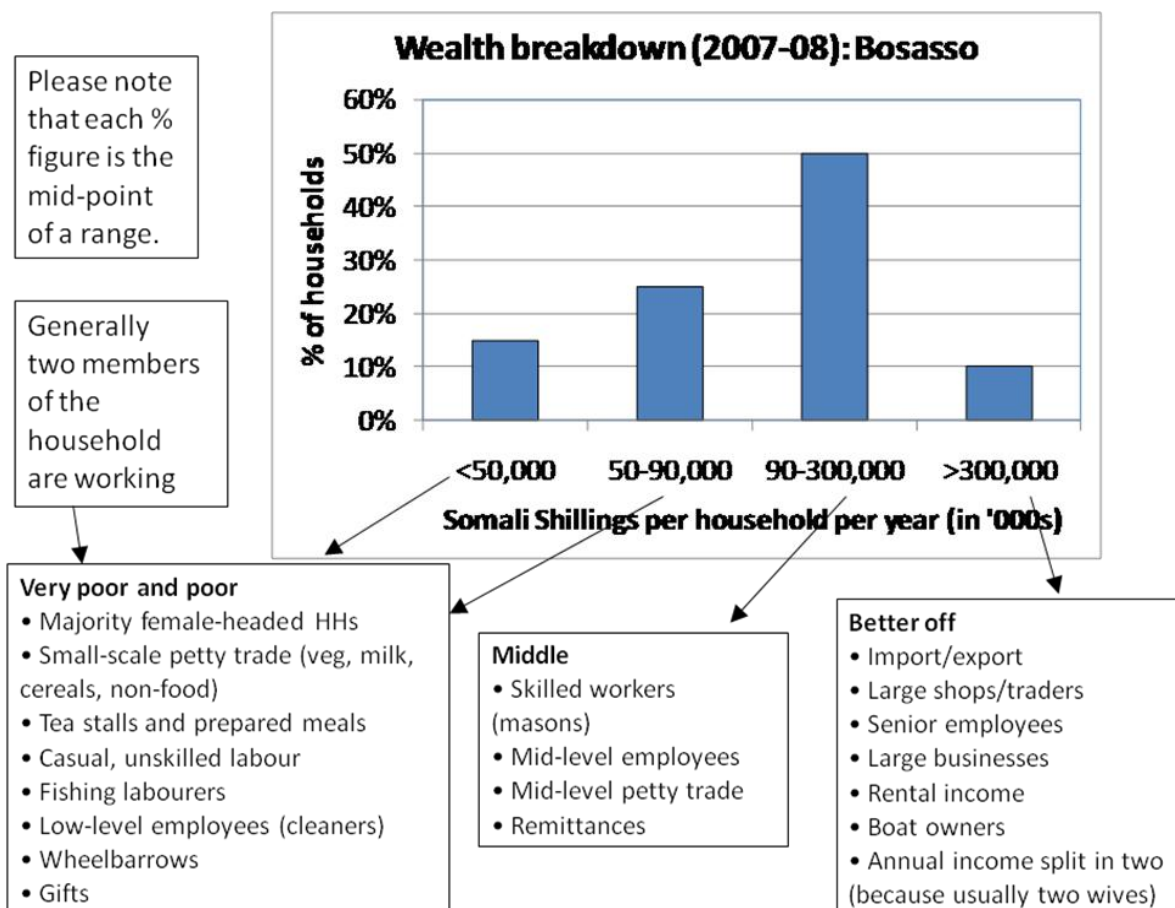
In a rural setting, wealth groups are primarily defined by their main productive assets, which are usually livestock or land holdings. In an urban setting, this definition is less relevant because only a small percentage of the population owns productive assets. Urban populations instead rely upon trade and employment (skilled and unskilled labour) to maintain a livelihood; therefore, urban wealth groups are categorized primarily by their income levels. Key informants surveyed found it easiest to describe income levels when distinguishing between different wealth groups. In addition to income levels, there were a number of other characteristics that key informants used to distinguish between wealth groups such as specific income-generating activities, capital levels and types of housing.

In total, four main wealth groups were identified: very poor, poor, middle, and better-off. Households that generated less than SoSh 50,000,000 (or approximately US\$ 1,667) per year in income in 2007-08 were categorised as 'very poor' and estimated at 10-20% of urban households. 'Poor' households generated between SoSh 50,000,000 and SoSh 90,000,000 (US\$ 1,667 – 3,000) per year and were estimated at 20-30% of urban households. Many 'very poor' and 'poor' households were female-headed and their main income sources were various types of casual labour and small-scale petty trade. The largest wealth group, the 'middle', had annual incomes of SoSh 90,000,000 - 300,000,000 (US\$ 3,000 – 10,000) in 2007-08

and made up roughly half of all households. The top group, the 'better off', earned over SoSh 300,000,000 (or US\$ 10,000) in the reference year.

There are some differences in the wealth breakdown from one part of the town to another, but most of the town is quite mixed in terms of wealth groups. As a percentage of the total population of the town, the number of destitute households is very small. They tend to be households with no working adult. Household expenditure is minimal because cash income is limited and these households rely largely on gifts of cooked and dry food from neighbours. Very often the children do not go to school and some work or beg. The poorest households live throughout the town, but some neighbourhoods have a larger percentage of poor households than others. These are some of the sub-sections of Bosasso where poorer households are concentrated: Hormuud, Horseed, Wadajir, Xaafatul Carab, Suweeto and Sanfarow.

Although the average household size for Bosasso is roughly 8, at each income level it is obviously easier for smaller households to manage than households with large numbers of small children. The dependency ratio within a household (the ratio of income-earning able-bodied adults to inactive children or elderly people) is a key determinant of standard of living at any given income level. But because it is very difficult for large families to live on very low incomes, families at the lower end of the income scale often send some of their children to live with relatives. The team found that households at the bottom of the wealth spectrum are smaller than those at higher levels. In this analysis, an average household size of 6 is used for the very poor, 7 for the poor, 8 for the middle and 10 for the better off. Middle and better off households tend to be larger because they attract additional extended family members and often have domestic staff residing with them. Destitute households tend to be smaller than the active very poor and poor (with perhaps 4-6 members).



The following table illustrates a typical income level for each wealth group in annual, monthly and daily terms and in both Somali shillings and US dollars.

WEALTH BREAKDOWN***				
Wealth group	Very poor	Poor	Middle	Better Off**
Typical household size	6	7	8	10
Annual income per HH in SoSh	40,765,000	65,875,000	153,200,000	384,000,000
Annual income per HH in USD*	\$1,359	\$2,196	\$5,107	\$12,800
Monthly income per HH in SoSh	3,397,083	5,489,583	12,766,667	32,000,000
Monthly income per HH in USD	\$113	\$183	\$426	\$1,067
Daily income per HH in SoSh	111,685	180,479	419,726	1,052,055
Daily income per HH in USD	\$3.72	\$6.02	\$13.99	\$35.07
Daily income per person in SoSh	18,614	25,783	52,466	105,205
Daily income per person in USD	\$0.62	\$0.86	\$1.75	\$3.51

* Exchange rate used for October 07 – September 08: USD \$1 = SoSh 30,000.

** Better off men generally have two wives, each living in a separate household. All the figures in this table are per household (or per wife).

*** All the figures in this table represent the mid-point of a range.

Sources of income (2007-08)

Within each wealth group, there is a wide range of income sources. Some information from the household economy assessment will be summarised in this section, and more detail will be provided in the following section on the economic sector inventory.

Members of **very poor and poor households** were generally involved in the following types of income-generating activities in 2007-08. This was a difficult year and households were working flat out to keep up with the rising cost of living.

- Women were usually engaged in **small-scale petty trade or self-employment** (vegetable, milk, prepared food sales, tea shops). Profit rates per day depended on the capital with which the woman worked, or the amount that she was loaned per day by her supplier. The overall range of profits for this wealth group was generally SoSh 30-100,000 per day, with 'very poor' women at the lower end of the range and 'poor' women at the upper end. Women engaged in petty trade generally worked every day of the week.
- An alternative income source for women in these wealth groups is **casual work** on a daily basis, usually cleaning, sweeping or washing clothes for middle and better off households and businesses. Wages were around SoSh 30-80,000 per day.
- Men were usually engaged in **casual, unskilled labour** (working in the construction sector or portering in the market or at the port) or in **low-paying self-employment** (wheelbarrows). Construction and portering work generally paid SoSh 60-100,000 per day.
- Some men were **employed** at low wages. For example, waiters in restaurants earned SoSh 60-150,000, guards earned SoSh 90-120,000, and assistant salesmen in shops earned SoSh 100-200,000 per day.

- **Children** only worked in the poorest households, often where adult labour was lacking. Boys were often engaged in shoe shining, while girls did cleaning or domestic work. A shoe shine boy earned about SoSh 25-50,000 per day, while a domestic servant earned SoSh 400-600,000 per month, plus all meals.
- **Gifts** were a common source of both food and cash income for very poor and poor households in the reference year. Usually these were not remittances from abroad, but rather gifts from local relatives or neighbours. Gifts of cash income of about SoSh 2,500,000 – 3,500,000 per household per year were frequently mentioned for very poor households.

In most active very poor and poor households, two members of the family were earning an income in one way or another. Sometimes this was the parents, but often, and especially in the case of female-headed households, an older child and an adult worked. While one income might be reasonably regular (e.g. petty trading every day), the other was usually irregular (e.g. unskilled labour).

The '**middle**' forms a large group and includes a variety of income sources, including:

- Skilled labour (e.g. masons and carpenters), which generated about SoSh 200-250,000 per day in 2007-08.
- Assistant and skilled fishermen earned SoSh 10-20,000,000 per month.
- Mid-level employment in the government, NGOs and other organisations, and in private sector companies.
- Mid-level petty trade (including *khat*, clothes and larger quantities of vegetables and milk).
- Remittances, which were most common for this wealth group. Indeed, some households within this group relied solely on remittances from relatives living abroad.

The **better off** and rich include households that are involved in large-scale businesses (including import/export and shops of various types) and senior employees. This group has often invested its money in property and in vehicles (including taxis, buses and trucks) that generate additional household income from these sources.

Economic sector inventory

This section outlines the main sectors in which people (both town residents and IDPs) obtain income in urban Bosasso. The information provided covers the reference year (October 2007 – September 2008), and all prices and income figures represent averages for that year. All of the figures in this section should be regarded as approximate (the mid-point of a range). The sectoral inventory aims to classify economic activities of individuals (rather than households) into particular income categories, as indicated below. In many households, it is common for more than one person to be working, so individual incomes may not necessarily represent total household income.

SECTORAL INVENTORY SUMMARY BY WEALTH GROUP (October 2007-September 2008)								
WEALTH GROUP	Very Very Poor	Very Poor	Poor	Lower Middle	Upper Middle	Better Off	Rich	Total number working in sector
USD per month	<\$50	\$50-125	\$125-220	\$220-400	\$400-735	\$735-1000	>\$1000	
Small business	2262	8847	7143	2813	2127	35	50	23277
Transport	180	683	543	989	0	500	350	3245
Construction	0	1450	850	615	115	0	0	3030
Livestock	0	1311	1316	46	232	0	50	2955
Fishing	0	0	512	500	1000	500	235	2747
Employment	459	1145	116	162	278	57	89	2306
Qat	452	35	470	450	19	3	14	1443
Frankincense and gums	950	135	0	165	0	0	50	1300
Restaurant	246	155	302	120	14	0	0	837
Remittance	0	64	0	600	120	0	8	792
Port activities	0	590	100	0	0	0	0	690
Energy	0	234	144	80	19	0	3	480
Small industries	0	95	35	71	27	8	30	266
Water	0	0	112	42	92	10	6	262
TOTAL	4549	14744	11643	6653	4043	1113	885	43630
% TOTAL	10%	34%	27%	15%	9%	3%	2%	

Over 40% of the individual jobs included above generated income levels at the very poor level. However, since most households had more than one member working, the combined income typically shifted households into a higher wealth category. Although this analysis is fairly comprehensive, it does not include all economic actors in the economy. For example, income from piracy could not be assessed for a variety of reasons. Furthermore, figures covering inactive destitute households that relied solely on gifts for cash income, or households relying entirely on remittances, are not included in this section.

Port

Bosasso port is the main reason why the town exists. During 2008, a total of 105 ships and 910 dhows called at the port, importing a total of 468,692 metric tons (MT) of different types of cargo (see Annex 5). Imported commodities included foodstuffs, clothes, medicine, construction materials, cars and spare parts, fuel and general cargo (*bagaash*). 1,342,460 live animals (including 1,236,775 sheep/goats, 27,639 camels, and 78,046 cattle), 7,626 MT of frankincense/gums, and 51 MT of fish and fish products were exported through the port.

Most of the people working in the port are porters, guards and customs officials and fall into the very poor and poor income categories.

Livestock

The livestock sector is central to the economy of Puntland and to that of Bosasso town. Traders bring livestock from south, central and north-eastern Somalia and from Somali Region of Ethiopia to Bosasso for export to the Gulf States. Al-furqaan Company has established a modern livestock holding ground on the outskirts of Bosasso town. The company identifies markets and reaches agreements with

international companies in terms of numbers of animals needed and price per animal. Eight Al-furqaan workers are constantly at the port to check that boats have sufficient ventilation and enough fodder and space, and to control proper livestock loading. This has improved livestock conditions, reduced livestock losses and increased market prices. In the past, traders exported livestock illegally to Oman and Yemen regardless of market demand and at very low prices. Now, Al-furqaan has extended livestock trade to UAE, Kuwait, Bahrain, Qatar and Djibouti and prices have improved.

A large number of actors work in the livestock sector, including export dealers, collecting agents, brokers, physical counters, pen markers, hay retailers, security guards, livestock tenders, livestock herders, vet doctors and assistants, and butchers. Other sectors that are linked to livestock trade include road transporters, boat owners and water transporters. The livestock sector generates substantial amounts of tax for the local and regional governments.

Fishing

The fishing sector has existed since the establishment of Bosasso town, but it has expanded rapidly since the collapse of the Somalia government in 1990. Fishermen originally used canoes (*huudhi*) and wooden boats (*badan*), but FAO introduced motorized boats in the 1960s, and their number has significantly increased in the last ten years.

Around 2,500-3,000 individuals were actively involved in this sector in the reference year. Two hundred boat owners own 500 motorized boats, of which 300 have out-body engines with a capacity of 1.2 -1.5 MT and 200 have inter-body engines with a capacity of 1MT. Each boat employs 4 fishermen and 1 watchman. The boat owner takes 50% of the earnings after expenses and the employees share the other 50%.

Fish catches depend on the season. During the cool season from October – April, each boat catches about 3 MT of fish per month, but this decreases to about 300 kg per month during the hot season from May to September. The fishermen sell 80% of their product to Yemeni boats that are at sea in exchange for fuel and cash. The other 20% are sold to the Bosasso community, mainly to restaurants and hotels. An estimated total of 11,610 MT of fish were harvested in the reference year. 9,288 MT were exported to Yemen, earning US\$ 7,430,400, while the remaining 2,322 MT was sold locally, earning US\$ 1,055,454.

The seasonality of shark fishing is the reverse of other types of fishing: catches are high between May and September and low between October and April. Dried shark fins are exported to China and prices are high: US\$ 150 per kg of white shark fin and US\$ 70 per kg of black shark fins. Dried shark meat is sold to Kenya.

Frankincense and gums

This is an important economic sector for Bosasso town, and for Puntland generally, which generates about US \$6,000,000 annually and employs large numbers of urban women. Frankincense is obtained from Maydi and Beeyo trees, which grow on hard and inaccessible rocks in the mountainous areas of Bari and Sanaag regions of Puntland. It is a sweet-smelling gum with a high commercial value (grade one myrrh costs US\$20 per kilo). It can be chewed or burned directly and is also a raw material in chewing gum, lotions, perfumes, soaps, and certain medicines.

The mode of production is through frequent tapping of trees for their sap and production is seasonal. Frankincense from the Maydi tree is tapped over a nine-month period, peaking in October-November, while Beeyo trees are tapped twice a year. The timing of the tapping periods is dependant on the onset and extent of the rains, but the hot season (*hagaa*) is when production is generally highest. Trees must

not be over-harvested and should be rested from tapping every third year. Most frankincense cleaning and grading is done seasonally, or for a specific export order, by urban women who work from dawn to dusk in hot and dusty conditions for poor pay.

The main export markets are Saudi Arabia, UAE, Oman, Yemen, Kuwait, China and Europe. Thousands of tons of frankincense are exported every year (7,628 MT in 2008). Most of the traders are individual dealers, but it was reported that formal companies dealing in frankincense and gums are about to emerge. The largest dealers collect from about 250 farms and handle 200 MT per year; the small dealers collect from about 30 farms and sell 10 MT per year.

The main constraints in this sector include poor road access to remote production areas, high taxes, the absence of a cooperative system, and dust inhalation by women during cleaning and grading (which affects their health).

Remittances

Because there has not been a functioning formal banking system since the collapse of the Somali government in 1991, money transfer companies have played an essential role in monetary transactions at international and local levels. There are eight remittance companies operating in Bosasso: Dahabshiil, Amal, Qaran, Iftin, Kaah, Mustaqbal, Tawakal and Al Amana. Most of these were established between 1996 and 2000 and the three biggest companies are Dahabshiil, Amal, and Qaran. All of the companies allow individual customers, businesses, and international organisations to send and receive money transfers and the three largest companies also act as banks, with current and savings accounts.

Individual Bosasso inhabitants (i.e. not businesses or organisations) collectively receive US\$ 1-3,000,000 monthly through remittance companies. The table below outlines estimates of the number of individual customers who receive or send remittances on a monthly basis. The typical transfer amount is US\$ 100-400 and this money is mostly used for household expenses. Some money is used for construction and as capital in small businesses or petty trade.

Company name	Individual customers (monthly)
Dahabshil	4,500
Qaran	3,000
Al Amal	2,400
Tawakal	2,100
Amaana	1,800
Iftiin	1,800
Kaah	1,800
Mustaqbal	1,700
TOTAL	17,400

In addition to these transfers from abroad, there are also local remittances, usually sent out of Bosasso by individuals to family members living in southern Somalia. These transfers are usually smaller (about US\$30-100 per transaction).

There are no fixed staff salaries in the remittance companies because remuneration is based on a commission percentage of the transmitted remittances. Most of the remittance companies have the following structure: shareholders, management, treasury, cash disbursement, cash receiver, technical,

security and cleaner. With the exception of shareholders, other staff receive remuneration in the range of US\$ 100-500 per month.

The main challenges in this sector are looting, inflation, the monsoon season (when transfer levels drop, particularly those related to port activity) and government interference.

Transport

The transport sector consists of taxis, buses, trucks of different sizes, and small vehicles known as Mark II which travel mainly outside Bosasso. There is also local transport between the port and stores in the town centre. There is no formal organization or cooperative representing the interests of the transport sector, with the exception of city buses. The sector exclusively employs men.

Transport sector incomes are affected by seasonality. *Hagaa* season income is significantly lower than in other seasons, particularly for taxis. This is due to the reduction in port activities and outmigration of a large section of the population at this time of year.

Taxis: There are four taxi stations in Bosasso (Gaaco, Dakadda, Netco and Aden Taagan), with 100-130 taxis operating. Sixty percent of the drivers are the vehicle owners, while forty percent are only drivers. After deduction of expenses, drivers receive one-third of the total income each day. Incomes per taxi average about SoSh 200-300,000 per day, except during the *hagaa* period when they drop to about SoSh 100-150,000 per day.

Public transport: There are 170 city buses registered under the public transport association. Public transport staff work in two shifts, with each shift working one in two days. Daily incomes range from SoSh 400-700,000, depending on the route. The highest incomes are earned by those who work along the main tarmac road.

Public Transport Welfare Association: It was founded in 2000, the year when all public transport started operating in Bosasso. The purpose of the association is to link local transport buses and the local administration, allocate routes for various buses, arbitrate disputes between members and protect the members from threats from gangster groups such as *Ciyaal Faay*.

Trucks: About 200 trucks of varying capacity operate between Bosasso and the remote districts of Bari region. They can make only one trip per week. Between Bosasso and Sanaag region 50-60 trucks operate, mostly of 4 ton and 6 ton capacity. Larger trucks work the route between Bosasso and Galkayco: 300 trucks are *waaraad* (12.5 ton) and 150-200 are *candhameydle* (29 Ton). Income levels for owners, drivers and conductors relates directly to the size of the truck.

Transport between port and town: This route is dominated by about 100 old vehicles, such as the Fiat N3, which operate six days per week. Each vehicle owner employs a driver and assistant driver.

Construction

Construction is a multi-million dollar sector that employs large numbers of men in Bosasso town. It is a fast growing sector, with many local investors and Somalis from the diaspora considering it a profitable activity, especially with increasing insecurity in Mogadishu and other major southern towns. About 80% of funds from the sector come from local investors, while 20% come from abroad. The sector is subdivided into construction material companies, construction contractors and joinery workshops, which are all closely linked. The sector is also linked to the transport sector, which moves construction materials within the town and to other towns. Most construction materials are imported.

Construction contractors: Although small-scale contracting (where individuals who want to build engage an engineer to lead the construction process) is common, more formal contracting companies are involved in the construction of costly and more complex buildings (e.g. hotels and villas). Currently, there are 15 companies working in this sector, of which six are large scale and employ qualified staff: Jibcom, Hilaac, Mubaarak, Al Baasid, Global and Al Najax. Most of these companies were founded in the early 1990s. Each company has 10-40 permanent staff, depending on the scale of activity and capital base, and temporary staff members are hired during peak construction periods. Salary levels range from about US\$ 350 per month for supervisors and managers to about US\$ 100 for guards and office cleaners. The daily wages for temporary staff are about SoSh 150-200,000 for masons or other skilled labourers and SoSh 75,000 for unskilled casual labourers.

Construction material companies: Started in 1991 on a very small scale, selling simple items like nails, these businesses have gradually grouped together and formed larger companies with shareholders. The largest 10-15 companies are currently worth US\$ 2-5,000,000. These companies include: Al-Fadhli, Red Sea, Najah, Barwaqo Cement and OPEC. They operate beyond Bosasso, with outlets and branches in the main towns of Qardho, Garowe and Galkayo. Each company has an average of 40 staff, all of whom are men. Salaries range from US\$ 150-400 per month.

Joinery and wood workshops: Most of the joinery workshops were established in 1996. They make and repair doors and windows. About 1000 people work in this sub sector, mostly earning commissions rather than salaries.

The challenges in the construction sector include low wages, poor working environment (with no proper protective dress for workers), low contract enforcement between contractors and owners; and lack of health and life insurance for workers.

Small industry

There are two mattress factories, two bread factories (Ridwan and Towfiq), eight mineral water factories, ten ice factories, one soft drinks factory (Ilo Tango), one hide and skin factory, and one aluminium and roof tile factory in Bosasso town. The types of staff employed and their salary levels in each factory are outlined in Annex 8. Most staff working in small industries in Bosasso are paid daily wages, while only a few (mainly close relatives) are permanent staff members. Small industry owners employ over 90% men. Seasonality affects the majority of industries, with sales and production greatly reduced during the *hagaa* season, except for the ice factory (where the reverse is true).

Energy

Electricity: Due to the construction boom in Bosasso and the very high temperatures during the summer, electricity is very important to the town's inhabitants. There are a number of companies that supply electricity. The largest has been operating since April 1988 and was established under the former Ministry of Public Works with the collaboration of the Danish International Development Agency (DANIDA). ENEE (Enter-Nationale Energia Electricito) currently provides electricity to about 12,000 households, businesses, and public offices. It supplies about 150,000 kilowatts per month and 35% of this electricity is given free of charge to government offices, schools, hospitals, and mosques.

Beside ENEE, there are number of private companies that supply electricity, including Golis, Mire, Towfiq, Telecom, Dahabshiil and Dhafuuje. Although these companies provide significant amounts of electricity, most of them have other priority area of business (e.g. Dahabshiil is a remittance company).

Apart from these, there is a new company dedicated to providing electricity called Somali Electric Power Company (SEPCO).

Fuel: There are three major fuel suppliers in Bosasso, namely: Puntland Petroleum Company, National Petroleum Company and Hubaal. Each of these have about 15-20 staff members in Bosasso and have a number of fuel stations. Puntland Petroleum is an example: it was established in April 2003, imports about 6,400 drums of fuel per month, supplies about 15 fuel stations within Bosasso, and employs 18 staff members. In total, 49,470 MT of fuel were imported in 2008 into Bosasso port. Additional fuel is imported from Yemen to the ports of Qandala and Lasqoray and may also end up in Bosasso.

Charcoal and firewood: Charcoal is the cooking fuel used by most households in Bosasso, except for poor households, which use firewood. 3-5 vehicles bring charcoal into the town each day, carrying 150-200 bags per each. There are about 20 people involved in wholesale charcoal trading and the wholesale price per bag was about SoSh 300,000 in 2007-08. Retailers divide each bag into about 33 small plastic bags (*xirmo*) and each was sold at SoSh 10,000 in the reference year. About 100 women retailers sell at stationary sites, while about 150 men sell from wheelbarrows.

Khat

Two types of khat are consumed in Bosasso: the *harari* type comes from Ethiopia and the *miraa* type comes from Kenya. There is one main importer for each type. More than 1000 individuals are involved in the khat trade in Bosasso. About 98% of the staff working at the khat stores are men, while about 70% of the retailers are women. Incomes are earned on a daily basis and are mostly a combination of cash and khat with a total value of about SoSh 50,000 - 1,700,000 per day depending on the type of work done.

Harari: *Harari* is the most important type of the khat. It arrives in Bosasso every day, either by air or by road. Most days, 170-200 bags arrive by air. Each bag contains 20 *marduuf* (parcels) and each *marduuf* contains 4 *majin* (pedal). An additional 8 bags come by road each day. On the days when there is no flight, about 70 bags with 50 *marduuf* each arrive by road. In the reference year, the price per *majin* (pedal) started at SoSh 80,000 in the morning, decreased to SoSh 60,000 in the afternoon and fell to SoSh 35,000 in the evening.

About 70 people work for the *harari* khat owner, in different roles and with different daily wage rates. There are 600 khat retailers and each of them earns 10% of the total revenue s/he generates. The 600 retailers are divided into three groups: the group that trades the smallest amount of the khat earns the equivalent of about 5 *marduuf* per day, the middle group earns about 15 *marduuf* per day, and the group with most sales earns nearly 80 *marduuf* per day. Another 300 young men, who assist these retailers, earn about SoSh 20,000 per day.

Miraa: *Miraa* is the second type of khat that arrives daily in Bosasso. Each *miraa* flight arrives with 40 bags of 50 *farood* per each. Although *miraa* flights may not come as frequently as the *harari* flights, smaller amounts arrive from Galkacyo by road on the days with no *miraa* flight. About 20 staff members work in the *miraa* stores in Bosasso. There are also 300 retailers and each of them sells about 5-10 *farood* per day. They are paid 10% of the total revenue they generate. There are also about 150 assistant retailers who receive about SoSh 30,000 per day

Employment

UN: Different UN agencies have been working in Bosasso since 1992 and their main offices opened in 2000. There are currently eight agencies (UNHCR, UNICEF, WFP, WHO, OCHA, UNDP, UNHABITAT, and UNDD), employing about 300 people (of which about 100 are women).

International NGOs: DRC, Horn Relief, NRC, CARE, Mercy Corps, AAH, Relief International and VSF are some of the NGOs currently working in Bosasso. Some of them have been working there since 1991. They employ about 400 people, of which about 150 are women. Insecurity is the main challenge faced.

National NGOs: There are around 20 national NGOs working in Bosasso, including SORSO, ASAL, TASS, SHILCOM, RAMCO, HODMAN, WAWA, Daryeel, W. Organisation, Laasqoray Concern. Mainly founded in 1992, they were established to assist their community with development programmes and humanitarian assistance. They employ about 160 people, of which about 100 are women, and face the following challenges: low wages, limited skills and inadequate donor funding.

Puntland Government: The main Puntland ministries were established in 1998 to manage day-to-day activities in Puntland region and to improve the lives and livelihoods of the community. Over 1,100 people work in the various ministries, of which about 300 are women. Salaries range from SoSh 999,000 to 2,340,000 per month. Some of the challenges faced by the Puntland Government include limited resources, limited capacity and poor management.

Local Government: About 400 people work at the local government level, of which about 150 are women. Salaries range from SoSh 951,000 to 3,600,000 per month. They face the same challenges as the Puntland Government.

Water

Demand for water is high from April to August and low from September to March each year. There is one water management company in Bosasso called Golden Utilities Management Company (Gumco for short). It is a public/private partnership and was established in 2000 by a group of local businessmen. Its main water resources are nine boreholes, each with two motor generators, working twenty-four hours per day. It supplies about 55% of the water used in Bosasso town.

About 6,000 houses are connected with piped water from Gumco, each consuming about 10-15 cubic metres of water per month. The cost per cubic metre is US\$ 1. A subsidised tariff of US\$ 0.60 per cubic metre is applied to schools, hospitals and other health facilities, security institutions, and public water kiosks (for IDP and low-income areas). There are currently three functioning public kiosks. An inflated tariff is applied to Bosasso Port (of US\$ 2.5 per cubic metre) because most of the water is used by foreign ships. Gumco employs at about 80 people, including shareholders, administration, treasury staff, technical staff, and guards. Monthly salaries range from US\$ 185-800.

Apart from Gumco, 40-60 private water tanker owners supply water from six boreholes. They charge higher prices than Gumco (about US\$ 1.66 per cubic metre) and supply about 30% of the water used in the town. Most hotels and restaurants in Bosasso have their own water sources, such as boreholes and shallow wells. The supply about 10% of the water used in the town. The remaining 5% of water is supplied through public hand pumps from shallow wells, contracted by UNICEF.

Some of the challenges faced by this sector include lack of government support; limited financial support from donors; and the high costs of imported materials and fuel, partly caused by rapid inflation, a deteriorating exchange rate and sea piracy.

Restaurants

There are 7 large restaurants and 113 small restaurants in Bosasso town, according to the business registers of the local government. The large restaurants are open 24 hours per day and each employs 15-55 people as cooks, waiters, administrative staff, guards and cleaners. Only 5% of staff are women, who make traditional injera. Salaries in the restaurants range from SoSh 40-400,000 per day. Business peaks during the hot *hagaa* season when many women and children migrate out of Bosasso town and the remaining men rely on restaurants for their daily meals.

Small business

The small business sector employs the most people in Bosasso town, with over 20,000 individuals involved in small-scale trading and related service activities. These individuals are of mixed ethnic backgrounds and include native Bosasso people, IDPs and migrants from Ethiopia. Key informant interviews were used to estimate the number of people engaged in each type of small business and their income levels. Secondary information on the number of businesses was obtained from Bosasso Municipality.

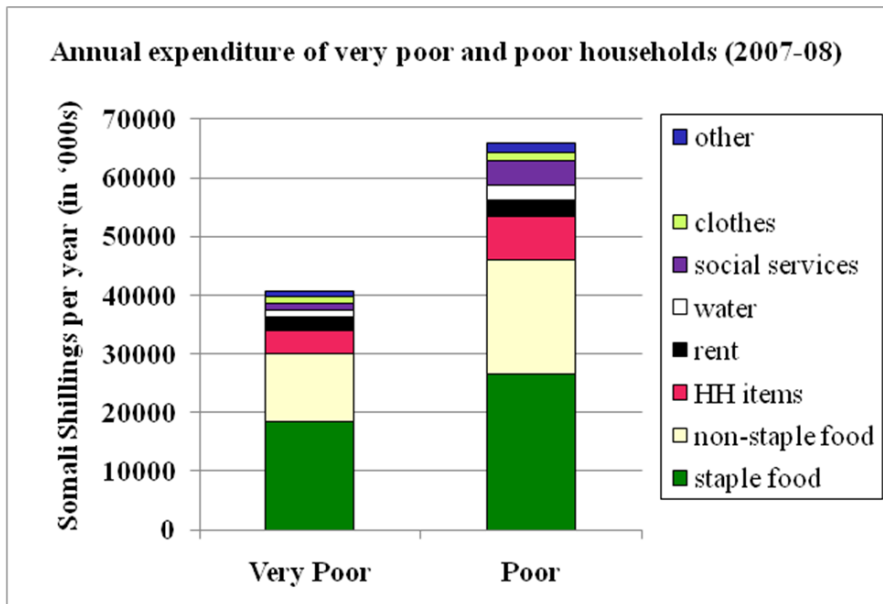
Food and non-food (*bagaash* + clothes) small-scale trade: The small-scale trade of food and non food items is the most important small business in terms of the number of people involved. An estimated 10,400 individuals were involved in this trade and its related services in the reference year, of which 65% were woman. The majority of people doing this type of work fall into the very poor wealth group and many are IDPs or immigrants.

Meat marketing: Bosasso's meat marketing infrastructure includes three formal markets, one abattoir, and 200-300 mini-outlets within the 16 sections of the town. In total, about 750 individuals were involved in this sector during the reference year. Roughly 600-1000 sheep/goats and 40-60 camels were slaughtered on a daily basis during non-*hagaa* months of the reference year. The number of small ruminants slaughtered in the *hagaa* season decreased by 40-60%, while that of camels increased slightly by 10-20%. Inadequate meat infrastructure is the main constraint in this sector, which impacts negatively on sanitation and hygiene conditions in the community. This sector is almost entirely occupied by women, as only about 10% of the people involved in meat marketing are men.

Milk marketing: There is one formal milk market in Bosasso. Eight informal outlets were in operation during reference year. The sources of camel milk traded in Bosasso are Sool of Qardho, Hawd of Mudug, Nugaal Valley, and Dharoor of Iskushuban. Producers of goat milk are pastorals in Dharoor, Nugaal and Sool Plateau livelihood zones. Approximately 8,000 litres of milk were supplied daily during the rainy seasons of the reference year. That amount decreased by about two-thirds during the dry seasons. The number of individuals engaged in milk marketing was estimated at 400-500, of which about 95% are women. Poor road infrastructure, successive droughts in Mudug and Nugaal Regions, and the imposition of high levies are significant constraints to business in this sub-sector.

Expenditure patterns (2007-08)

A breakdown of expenditure patterns for households at different income levels in 2007-08 was obtained through semi-structured interviews with 52 small groups of men and women at different levels on the wealth spectrum and engaged in a wide variety of economic activities. The first graph below compares the 'very poor' and 'poor' wealth groups (and shows absolute expenditure). The second graph compares all four wealth groups (and shows expenditure patterns in percentage terms).



'Staple food' includes: sorghum, rice, wheat flour, pasta

'Non-staple food' includes: sugar, oil, and small quantities of vegetables (onions, tomatoes, potatoes), pulses, meat, milk powder

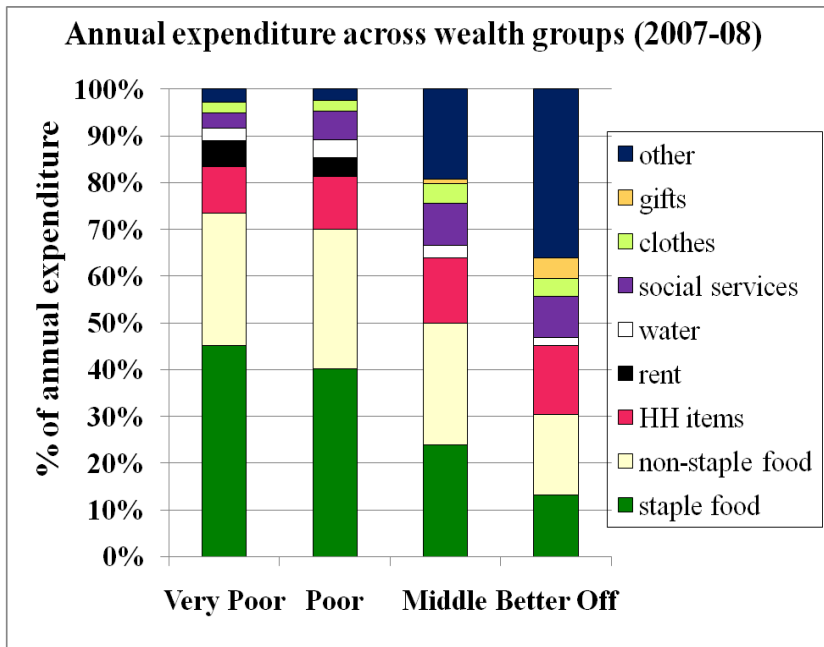
'Household items' includes: soap, firewood, kerosene, tea, salt, utensils

The **very poor group** spent an average of roughly SoSh 112,000 per day for a family of 6 people in the reference year. The food items purchased included sorghum, rice, wheat flour, sugar, vegetable oil, and small quantities of vegetables (onions and tomatoes especially), cowpeas, meat, milk powder, salt and tea leaves. Purchases of these items, and of water, firewood and kerosene, were generally made on a daily basis. Items that were purchased less frequently included soap and second-hand clothes. Spending on schooling (koranic) and health care was minimal. This group generally cannot afford to send children to formal school. Very poor households spent a small amount of money on rent each month, since they typically do not own their homes.

Households in the **poor group**, spent about SoSh 180,000 per day for a family of 7 people. They purchased similar amounts of sorghum as very poor households and larger quantities of all other food items. In terms of non-food items, poor households spent more money on water, firewood, soap, kerosene, schooling, health care and clothes than very poor households, but the quantities of these items purchased was still small compared to the better off wealth group.

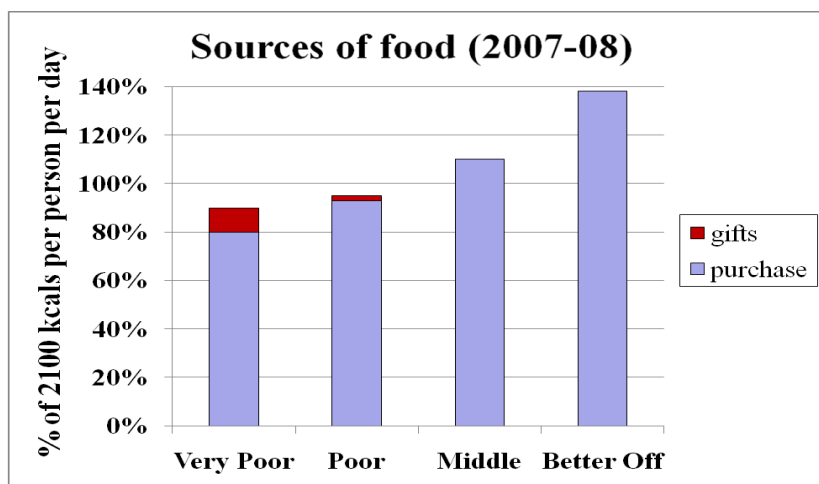
Middle and better off households could afford a better quality and more diverse diet, purchasing larger quantities of vegetables, fruit, meat, fish, milk, rice, wheat flour, pasta, sugar, cowpeas and oil. Expenditure on basic household items (such as kerosene and soap), water, social services (health care and education), clothing, clan tax and 'other' items also increased with wealth. In addition, middle and better off households all indicated that they gave gifts in cash or in kind to poorer relatives (both in rural and urban areas) and neighbours. 'Other' expenditure in the graphic below includes transport, festivals, investment, savings and expenditure on *khat*.

In general, the percentage of household expenditure (and income) spent on food decreases as wealth increases. While very poor households spent over 70% of their income on food, middle households spent about 50% and better off households just over 30%. Within the category of 'staple food', very poor and poor households purchased more sorghum and less rice, wheat flour and pasta than middle and better off households.



Sources of food (2007-08)

Households in all wealth groups purchased the vast majority of their food in the reference year. Very poor and poor households obtained small quantities of gifts of food from better off neighbours and relatives. These two sources of food, market purchase and gifts, are illustrated in the figure below, expressed in terms of 2,100 calories per person per day.³ Food aid was not a significant source of food for any of the wealth groups in the reference year (unlike in 2008-09).



Very poor and poor households were unable to cover 100% of their minimum food energy needs in the reference year, while middle and better off households were well above this minimum threshold. The quality of diet improved with wealth. Very poor and poor households purchased smaller quantities of pulses, vegetables, meat and milk, and the vast majority of their calories came from cereals, sugar and vegetable oil. The table below presents the different types and quantities of food that the wealth groups purchased in the reference year.

³ Food access is expressed as a percentage of minimum food requirements, taken as an average food energy intake of 2100 kcals per person per day.

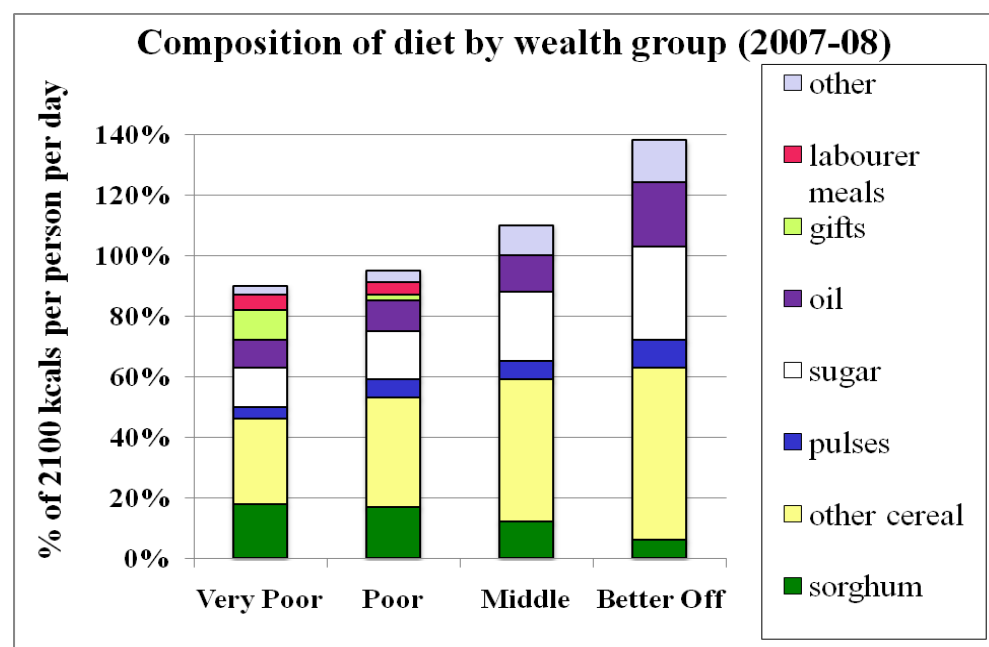
QUANTITIES OF FOOD PURCHASED PER MONTH BY WEALTH GROUP*

Item	Very poor	Poor	Middle	Better off
Sorghum (kg)	20	21	17	10
Wheat flour (kg)	15	21	30	38
Rice (kg)	15	21	30	50
Pasta (kg)	0	2	9	17
Cowpeas/pulses (kg)	4	8	9	15
Sugar (kg)	12	18	30	50
Vegetable oil (litres)	4	5	7	15
Sesame oil (litres)	0	0	0	3
Meat (kg) **	1	2	8	12
Fish (kg)	0	0	11	11
Milk (litres)	0	0	0	11
Milk powder	1	1	3	5
Vegetables and fruit (kg)	6	15	30	40

*Note: All figures in this table represent the mid-point of a range.

**The quality and kg cost of meat varied significantly by wealth group.

The bar chart below shows the sources of calories by food type. 'Other' food in the graph includes meat, fish, milk/powder, vegetables and fruit. 'Other cereal' includes rice, wheat flour and pasta. 'Labourer meals' are meals that casual labourers eat outside the home. All figures in the table and graph represent the mid-point of a range.



5. FINDINGS FOR 2007-08 REFERENCE YEAR – IDPs

There are almost 50,000 IDPs, according to the Danish Refugee Council, living in 24 IDP camps located on the outskirts of town. Bosasso has become a place of refuge and economic opportunity for people fleeing conflict in South/Central Somalia and for pastoralists forced to drop out of pastoralism in the Puntland regions and Somali and Oromiya Regions of Ethiopia. A wide variety of clans and ethnic groups is represented in the camps. Some IDPs plan to stay in Bosasso for the foreseeable future; others see Bosasso as a stopping point and hope to travel abroad.

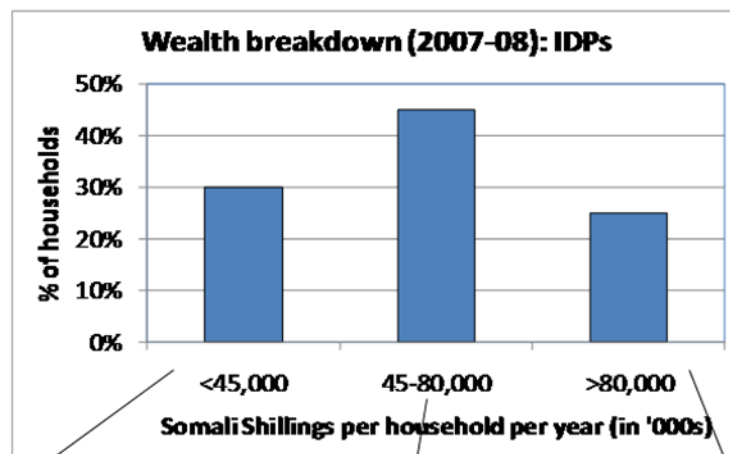
Wealth breakdown - IDPs

Semi-structured interviews were conducted with groups of key informants in 12 of the larger IDP camps surrounding Bosasso town. A total of 44 men and 45 women participated in the interviews. Members of most IDP households engage in casual labour and/or small-scale petty trade or self-employment. IDPs often do the types of low-paying work that town residents regard as demeaning, such as garbage collection.

Households were divided into poor, middle and better off wealth groups, according to income levels, as indicated in the graphic below. Households that generated less than SoSh 45,000,000 (or approximately US\$ 1,500) in 2007-08 were categorised as ‘poor’ and estimated at 25-35% of IDP households. They were slightly poorer than ‘very poor’ households in Bosasso town. ‘Middle’ households generated between SoSh 45,000,000 and SoSh 80,000,000 (US\$ 1,500 – 2,667) in 2007-08 and were estimated at 40-50% of IDP households. They were slightly poorer than ‘poor’ households in Bosasso town. ‘Better off’ households earned over SoSh 80,000,000 in the reference year. They corresponded roughly with the top of the ‘poor’ group or the bottom of the ‘middle’ group in town.

IDPs (2007-08)

Generally two people work in poor and middle households. Three work in better off households. Labouring more common than petty trade.



Poor

- Mostly casual, unskilled labour (garbage collection, porters, washing clothes)
- Some very small-scale petty trade / tea shops
- Children’s work (shoe shining, maids)
- A bit poorer than town ‘very poor’

Middle

- Corresponds roughly with ‘poor’ in town
- Similar to IDP ‘poor’ in terms of casual labour and petty trade, but at higher daily rates

Better off

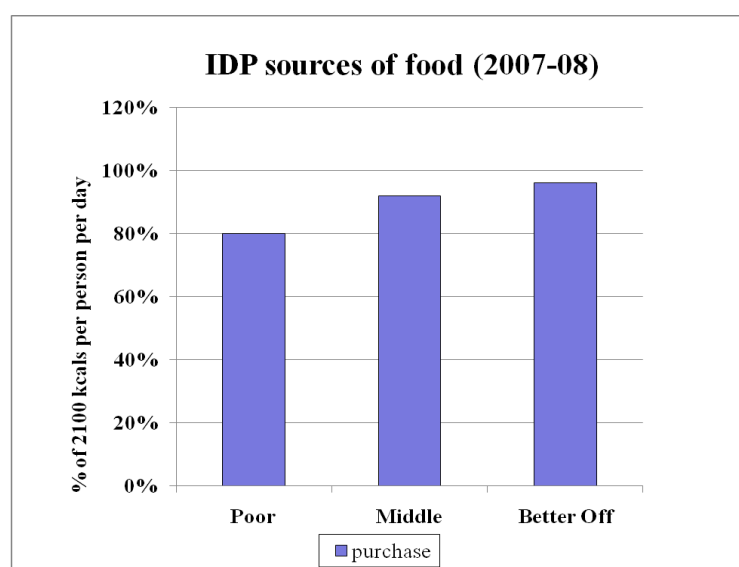
- Skilled labourers
- Petty trade with a little more capital than other IDP groups
- Corresponds roughly with top of ‘poor’ or low end of ‘middle’ in town

The following table illustrates a typical income level for each IDP wealth group in annual and daily terms and in both Somali shillings and US dollars.

IDP wealth group	Poor	Middle	Better Off
Typical household size	6	7	7
Annual income per HH in SoSh	36,500,000	64,240,000	89,790,000
Annual income per HH in USD	\$1,217	\$2,141	\$2,993
Daily income per person in SoSh	16,667	25,143	35,143
Daily income per person in USD	\$0.56	\$0.84	\$1.17

Sources of food – IDPs (2007-08)

Gifts of food were not very common for IDP households in 2007-08 and almost all food was obtained through market purchase. Most IDP households were unable to cover 100% of their minimum food energy needs in the reference year, and the poor fell well below this minimum threshold. The types and quantities of food that the wealth groups purchased were very similar to that of households at similar levels of wealth in town.



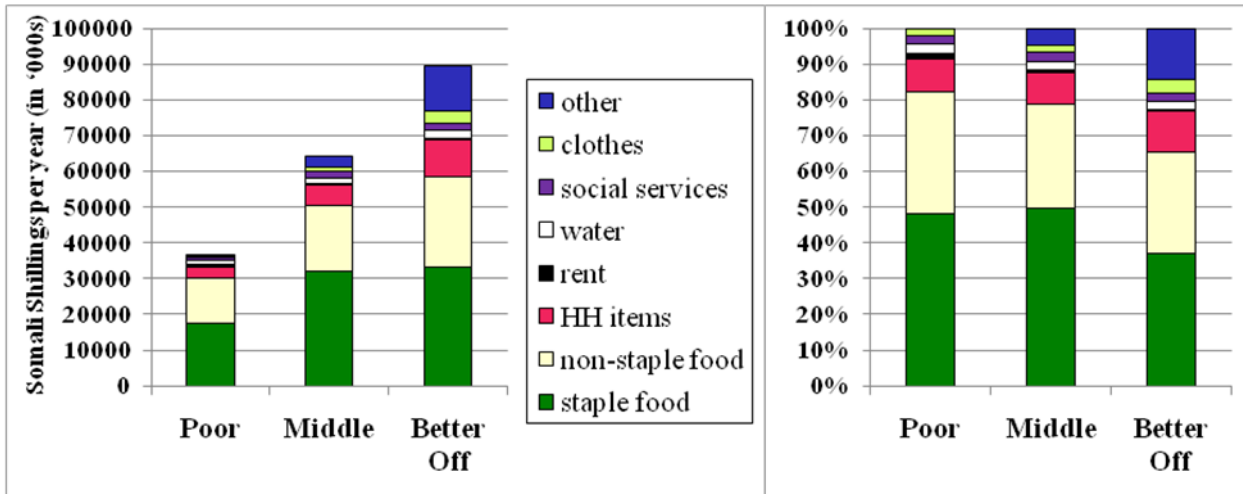
Expenditure patterns – IDPs (2007-08)

A breakdown of expenditure patterns for IDP households at different income levels in 2007-08 was obtained through semi-structured interviews with 24 small groups of men and women at different levels on the wealth spectrum and engaged in a number of different economic activities. The graph on the left below shows absolute expenditure across the three groups, while the one on the right shows expenditure patterns in percentage terms.

The expenditure patterns of IDP households were very similar to those of households at similar levels of wealth in town. Poor IDP households spent over 80% of their income on food (including staple and non-staple food) in 2007-08. Middle households spent almost 80% and better off households spent about 65% on food. Prices tended to be slightly higher in the IDP camps than in central town, which affected

purchasing power of those households buying things very locally. All IDP households pay land rent, which is similar to very poor and poor households in town. The only significant difference in expenditure was for formal schooling, which was free where NGOs have built schools in the camps.

IDPs (2007-08) – Expenditure patterns

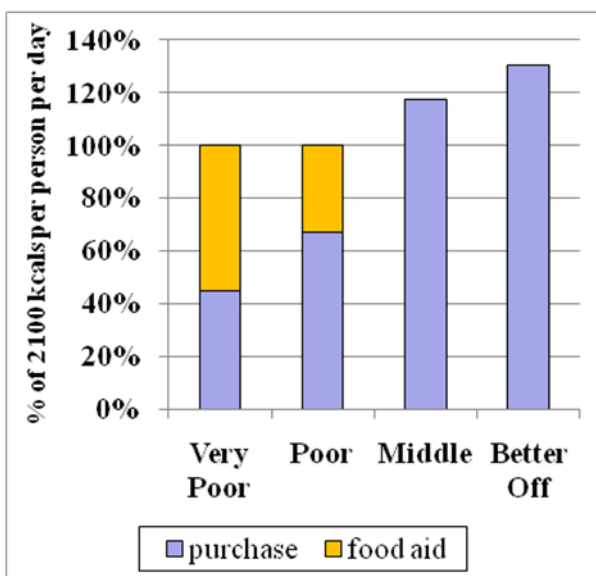


6. COMPARISON WITH 2008-09 YEAR – TOWN RESIDENTS

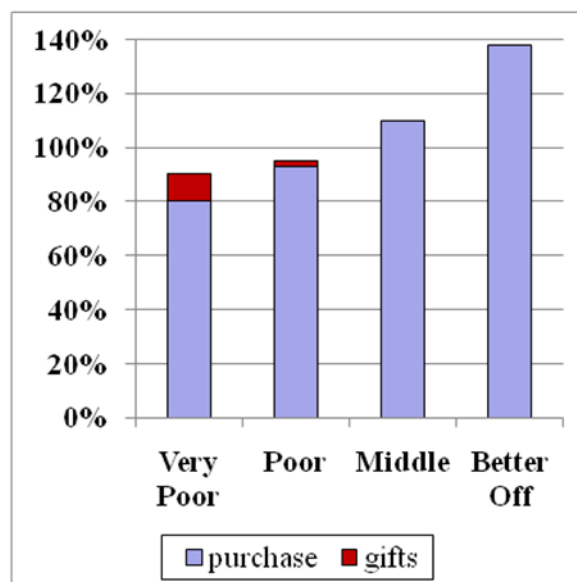
Before switching to 2007-08 as the reference year, the team conducted 35 interviews with representatives of wealth groups, which allow a picture to be presented for the situation that year.

The main difference between the two years was that there were 8 months of food aid distributions in October 2008 – September 2009. This means that the sources of food were quite different, at least for very poor and poor households, as illustrated below. Unlike in 2007-08, very poor and poor households met 100% of their minimum kilocalories needs (2100 kcals per person per day) in 2008-09. The food aid consisted of sorghum, pulses, oil and CSB. Gifts from better off households were less common in 2008-09 than in 2007-08.

Sources of food 2008-09

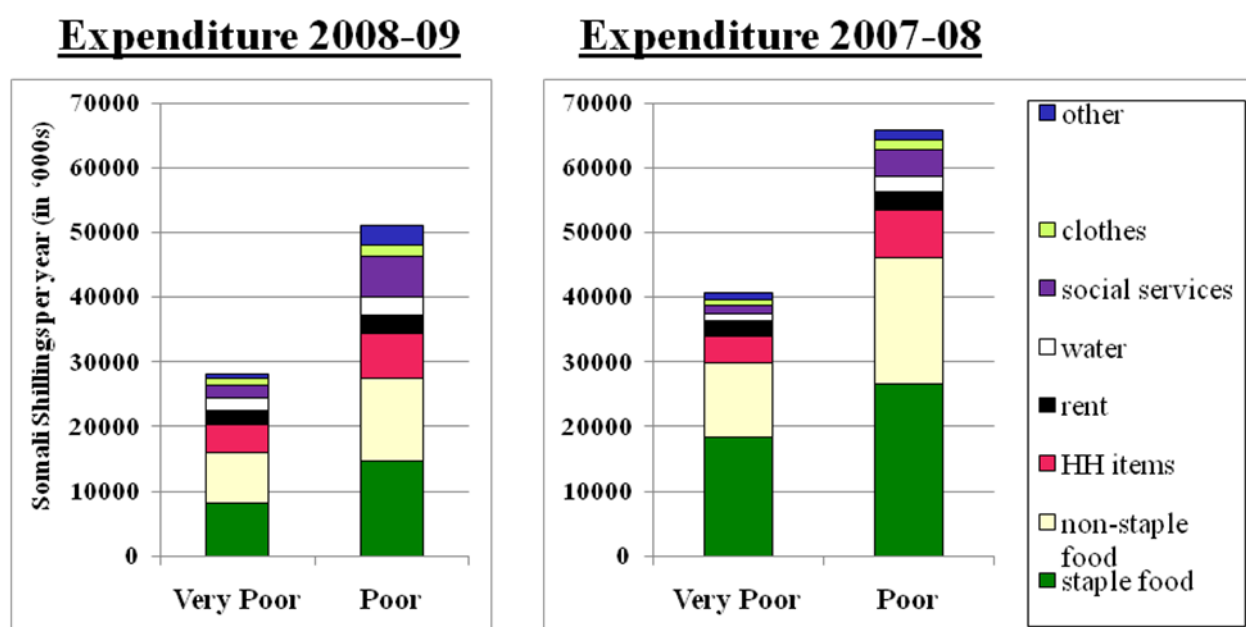


Sources of food 2007-08



The wealth breakdown was largely the same as 2007-08, except that cut-off between very poor and poor households shifted downwards to SoSh 35,000,000 per year rather than 50,000,000 SoSh per year. In other words, very poor and poor households had lower incomes in 2008-09. Middle and better off households had similar incomes in the two years.

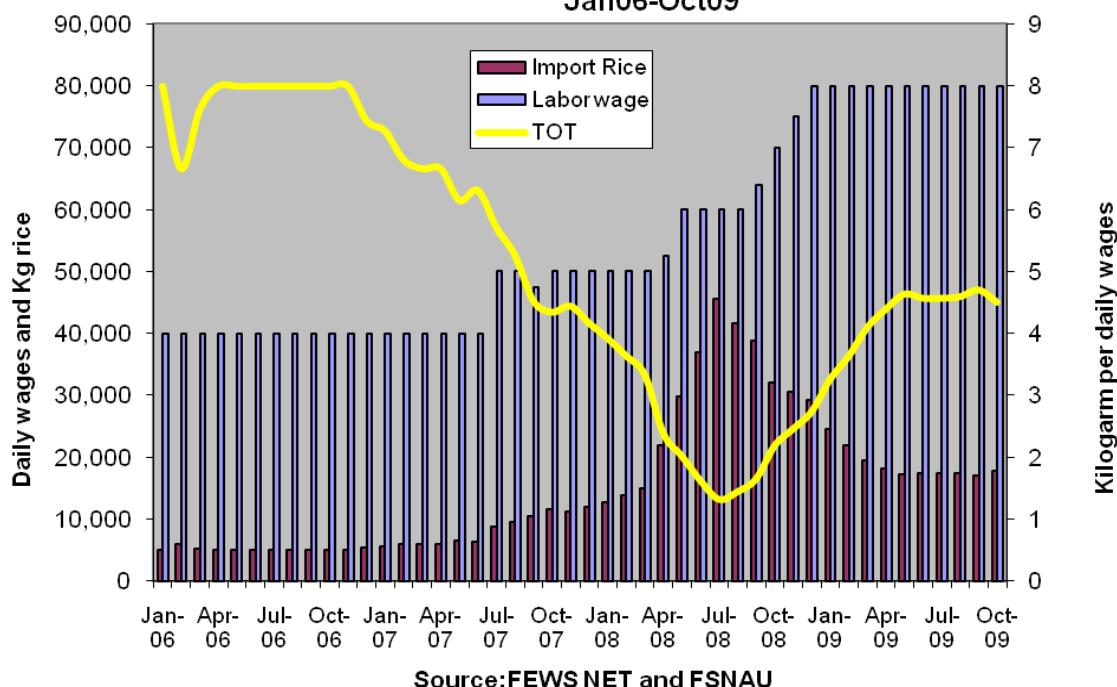
Expenditure patterns were similar for the two years, with the exception of expenditure on basic food items by very poor and poor households, as illustrated below. Very poor households spent 55-60% of expenditure on food in 2008-09, compared to 70-75% in 2007-08, despite having lower incomes. The prices of some items, such as soap and schooling, were much higher in 2008-09 than in 2007-08, but the quantities purchased of these items were not much different in the two years. Larger quantities of water were purchased in 2008-09.



In terms of changes in the overall economy, the terms of trade between casual labour rates and staple food prices started to improve in August – September 2008, as illustrated in the graphic below, and port activity increased. But these improvements were not anticipated when food aid decisions were being made in mid-2008. In the next section, which uses the HEA baselines to run scenarios, a scenario will be run for 2008-09 using the assumptions that might have been made in mid-2008.

COMPARING PORT ACTIVITY IN 2007-08 AND 2008-09 – LIVESTOCK EXPORTED			
	Oct 07-Sep 08	Oct 08-Sep 09	08-09 as % of 07-08
Sheep/Goats	1291447	1406966	109%
Cattle	78636	64421	82%
Camel	28583	15446	54%
Total	1398666	1486833	106%

TOT: labor wage and imported rice-
Jan06-Oct09



7. HOW CAN THE BASELINES BE USED? RUNNING SCENARIOS FOR 2008-09 AND 2009-10

Once an HEA baseline is established, an analysis can be made of the likely impact of a shock or hazard in another year (either in the past or in the future). This is done by assessing how access to food and cash income will be affected by the shock, what other food and cash sources can be added or expanded to make up initial shortages, and what final deficits emerge. Annex 2 includes a more detailed explanation of this type of analysis.

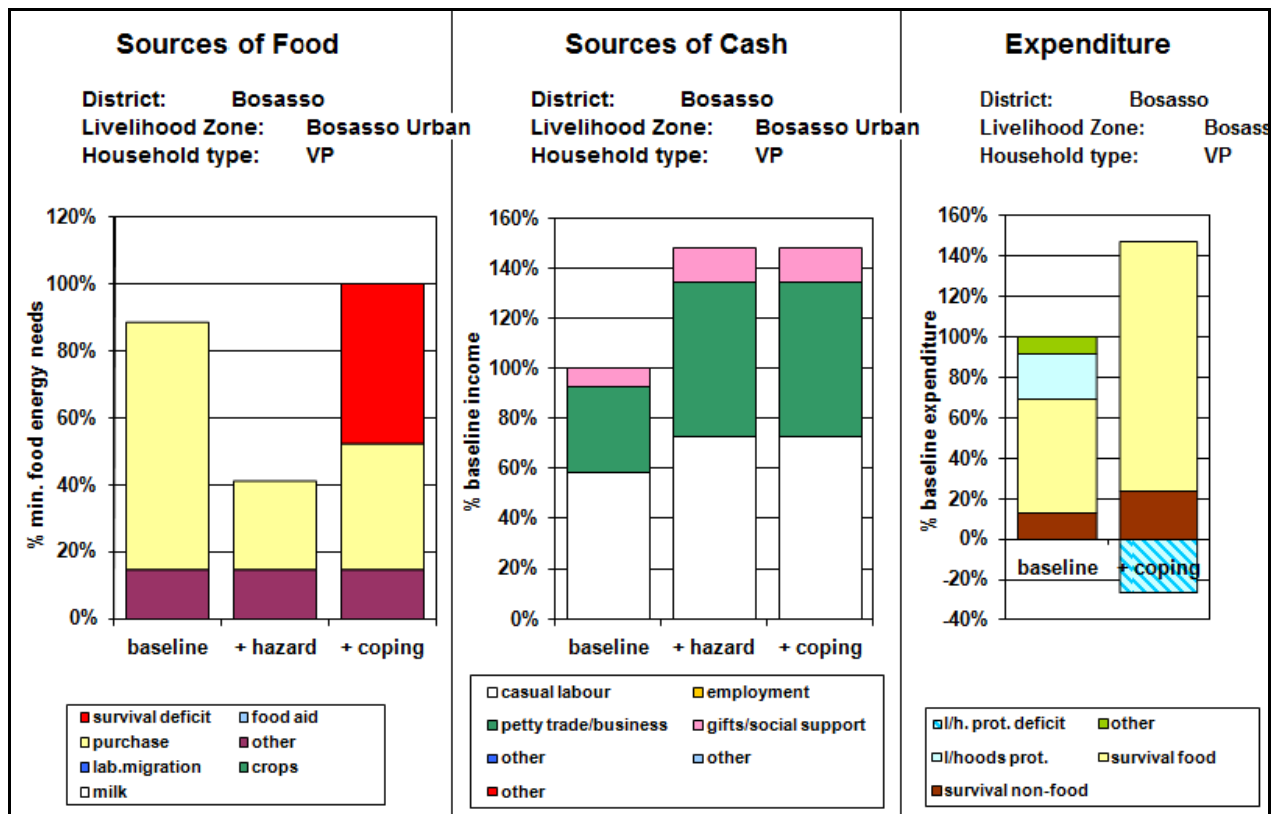
Scenario 1: A retrospective analysis of 2008-09

If needs had been projected for 2008-09 at the end of 2007-08, using the HEA framework, what would the 'problem' (or scenario) have looked like? Problem specifications (or scenarios) are defined in percentage terms, with the quantity or price in the analysis year as a percentage of the quantity or price of the same item in the reference year. The table below provides an example of a price problem specification, comparing July – September 2008 prices with July – September 2007 prices. The most noticeable feature is that cereal prices increased by more than four times in this one-year period, while the casual wage labour rate only increased by 25%.

PRICES			
Item	Jul-Sep 08	Jul-Sep 07	Problem spec.
sorghum	31483	6500	484%
rice	41967	9583	438%
wheat flour	39133	10417	376%
labour wage rate	61333	49167	125%
exchange rate	37068	20713	179%
sugar	20800	11417	182%
oil	69433	21500	323%
firewood	11667	6250	187%
cowpeas	51400	10000	514%
milk	38133	23458	163%
petrol	33083	13708	241%
diesel	41650	13333	312%

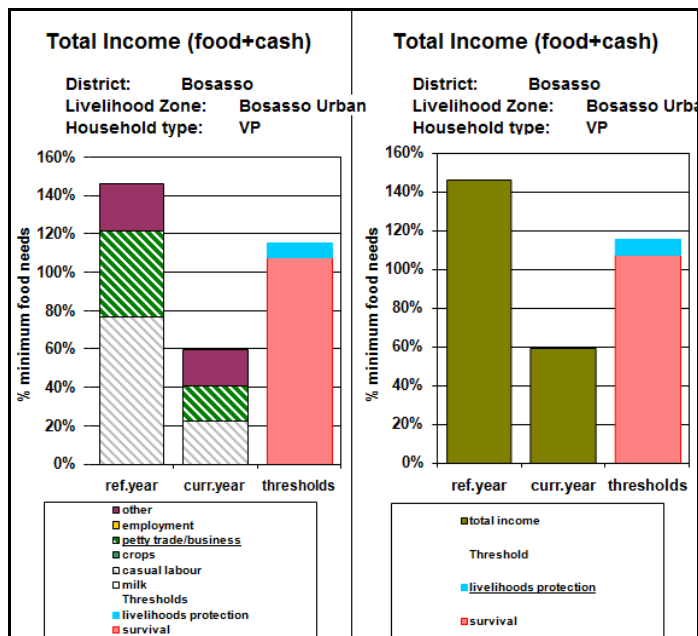
Assuming everything else was unchanged (for example, the quantity of work that households were able to find), and using the change in the exchange rate as a proxy for general inflation, the graphics below illustrate the likely outcome for very poor households living in Bosasso town. The first set of graphics illustrate the sources of food, sources of cash and expenditure patterns in the baseline, after the initial impact of the hazard (price changes in this example), and finally after coping strategies have been incorporated (labeled '+coping').

The section of the sources of food bar chart in red indicates a survival deficit of almost 50% of annual food needs. The section of the expenditure bar chart in blue stripe below the 0% line indicates a livelihoods protection deficit. These two deficits, and their significance, are explained in Annex 2. The thresholds for Bosasso have been defined as closely as possible to the existing FSNAU minimum food and non-food baskets for northern urban areas.

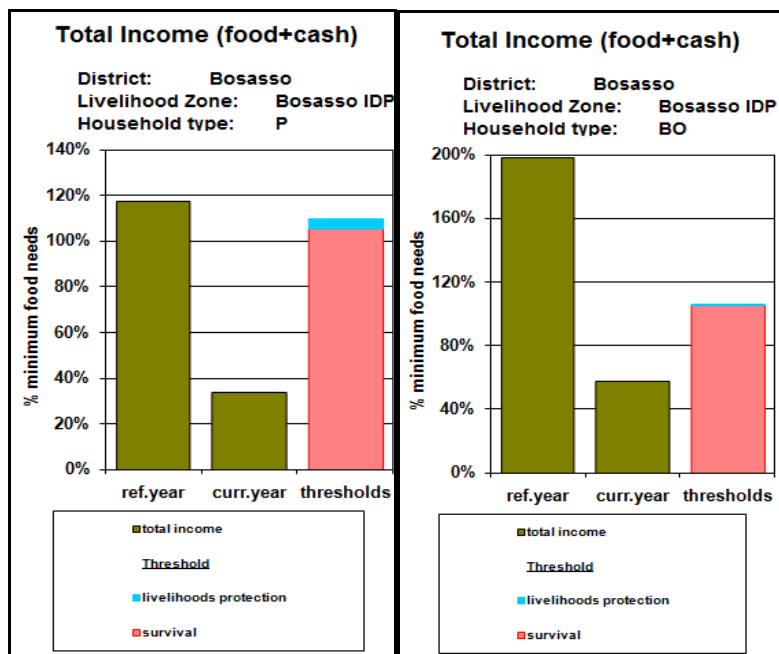


Few coping strategies have been included in the analysis (beyond switching expenditure from less essential to more essential items) because households were already working at maximum capacity in 2007-08, which itself was a difficult year. A number of possible coping strategies were listed by interviewees that the team considered to be 'high cost' or 'undesirable' and were not included in the analysis: moving to IDP camps, increased borrowing, increased begging, increased theft, increased school drop outs, increased child labour, reduced meals, increased recruitment of young men to piracy or insurgents, or increased illegal out-migration.

The graphics below summarise the information from the graphics above. Food and cash income have been added together and, in this case, expressed in food terms. (The results could also be expressed in cash terms.) Note that 'curr.year' in this case refers to the analysis year of October 2008 – September 2009. Access to food and cash income in 2008-09 is only about half of that required according to the thresholds.



What about IDPs? Assuming exactly the same price ‘problem’ as above, the graphics below illustrate the likely outcome for poor (P) and better off (BO) IDP households. (Note that the scale on the left of the two graphs is slightly different.) The situation for poor IDP households is even worse than that outlined above for very poor households in the town. And even the ‘better off’ IDP households would need assistance when faced with the price scenario outlined above, falling well below the thresholds bar in 2008-09 (‘curr.year’).



In reality, the dreadful terms of trade of wage rates to cereal prices improved after the July – September 2008 period. The type of analysis outlined above can be rapidly updated as new monitoring information, particularly price information, becomes available. And other scenarios can be analysed for residents or IDPs using the HEA baseline information.

Scenario 2: Looking forward to 2009-2010

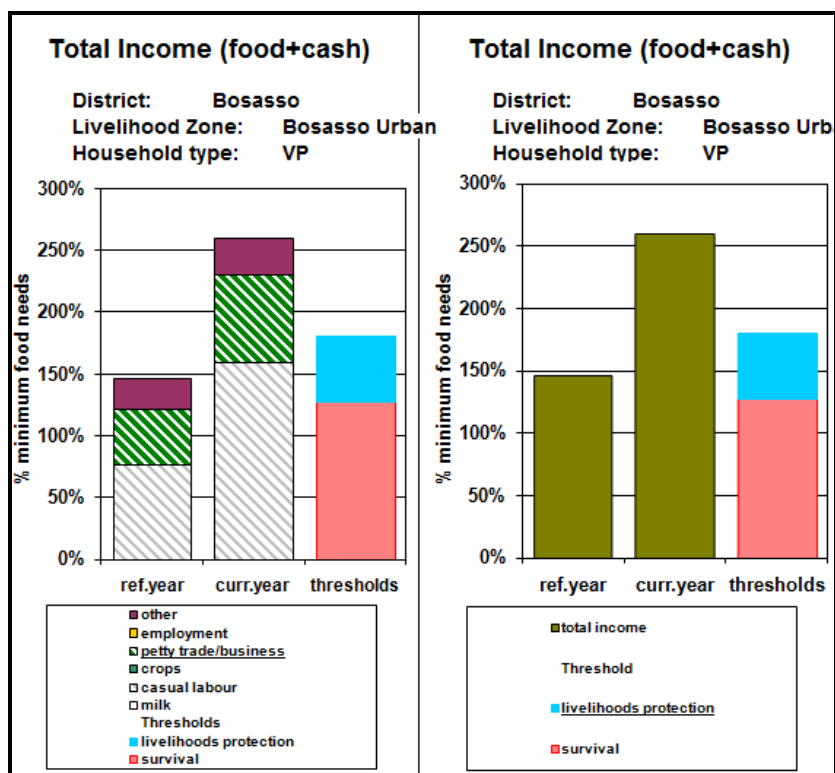
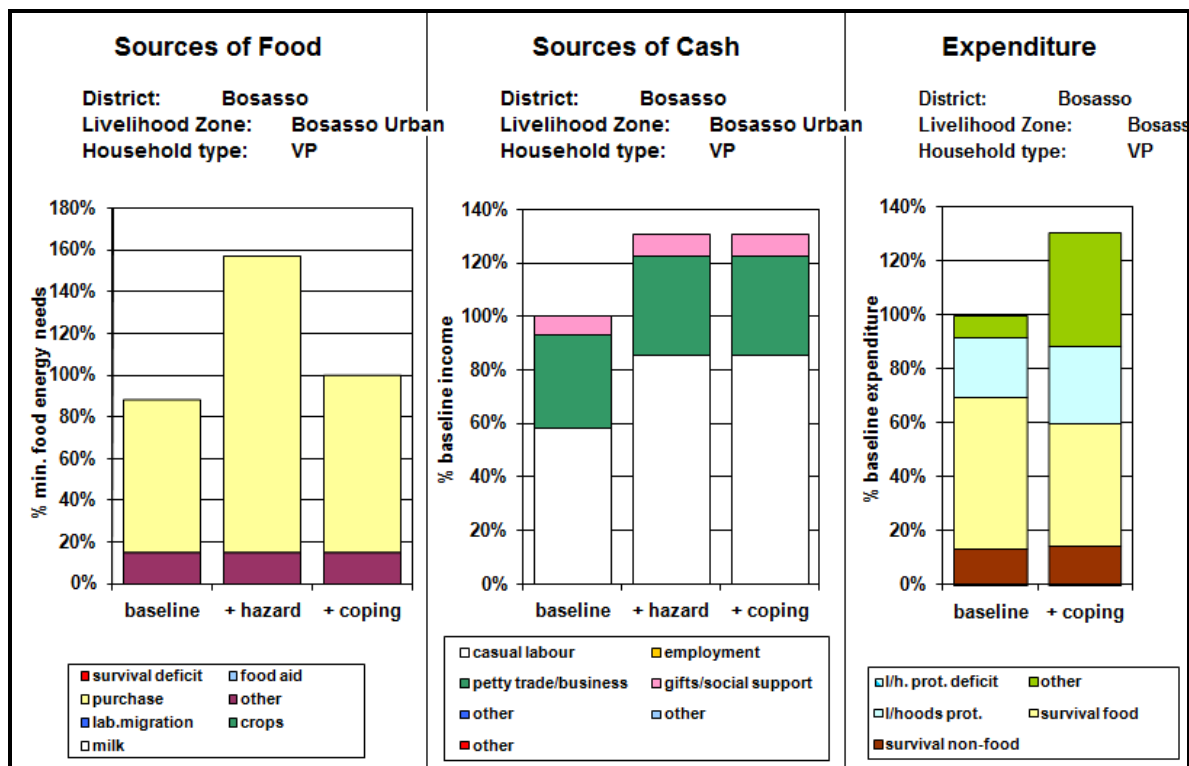
The main potential shocks for the coming year that were mentioned by key informants during the fieldwork in October 2009 were: inflation (printing money), exchange rate fluctuations, increased food prices, drought, floods (El Nino), decreased livestock exports, high unemployment, stopping of food aid, increased piracy, increased crime/insecurity, disease outbreaks, fire (especially in IDP camps), and increased in-migration.

Some of these seem less likely than others and the key informants missed a potential positive shock that became reality during the first week of November 2009: the lifting of the livestock import ban by Saudi Arabia. This should result in increased activity at the port and, in turn, increased work and economic activity throughout Bosasso town.

Prices have stabilized and the TOT of unskilled daily wages to cereal prices has improved since mid-2008. From a low of 1.32 kg of rice per day worked in July 2008, in recent months the TOT has been around 4.5 kg per day worked. The table below compares prices of key items in recent months with those in the reference year.

PRICES			
Item	Jul-Sep 09	Oct 07-Sep 08	Prob spec.
sorghum	12750	16433	78%
rice	17300	24242	71%
wheat flour	15300	24810	62%
labour	80000	54708	146%
exchange rate	32516	29704	109%
sugar	20867	15088	138%
oil	34017	45142	75%
firewood	10166	10875	93%
cowpeas	31067	29225	106%
milk	55533	29898	186%
petrol	20700	22392	92%
diesel	21400	27013	79%

Using these prices, and assuming everything else is unchanged compared to 2007-08 (which is probably a conservative assumption given the recent lifting of the livestock ban), the graphics below illustrate the likely outcome for 2009-10 for very poor households living in Bosasso town. In sum, the situation has greatly improved since the reference year and the same picture is likely for IDPs in all wealth groups. Current access to food and cash income is above the minimum thresholds illustrated in the graphics below. This means that most households are unlikely to require assistance to meet their survival or most basic livelihood protection needs, with the exception of formal schooling, which the poorest households cannot afford.



8. MONITORING

One of the reasons for conducting this baseline household economy assessment of urban livelihoods in Bosasso was to use it as a basis for setting up a relatively simple monitoring system to track changes in access to food and income over time. In order to update the baseline assessment, information is required that monitors the key elements of household economies in Bosasso. In general terms, it is

important to monitor the things that households buy (both food and non-food items) and the things that they do to obtain income, and how these two things relate to one another. The following represents some ideas on how this might be carried out, recognising that the details of the system are currently still under discussion between FEWS NET and FSNAU.

In terms of tracking changes in the **cost of living**, FSNAU already monitors a number of key food and non-food items in Bosasso each week, plus a more extensive list of items quarterly. A couple of additional items that households in Bosasso commonly purchase may need to be added to the quarterly price survey (such as milk powder and land rent). The FSNAU compiles and analyses these prices each quarter into a minimum expenditure basket, which consists of the minimum quantities of essential food and non-food items needed for a household of 6-7 to live for a period of one month. The total quantity of food items in the food section of the basket equate to around 2100/kcal/day/person. When a household's income level is insufficient to meet the total cost of the non-food section, there is a need for intervention as all items in the non-food section have been identified as essential to basic survival. A humanitarian emergency results when household income can no longer meet the total cost of the non-food section as well as a portion of the food section of the basket. Discussions regarding revisions to the basket for Bosasso will be held in light of the results of this baseline assessment.

Tracking **incomes** is more complicated. The unskilled labour daily wage rate is already being collected weekly by FSNAU and this can easily be tracked over time against the cost of living. However, monitoring the availability of work (i.e. the number of days of casual work per week or per month that a worker can find) is more difficult. Similarly, income from petty trade (a major source of income for poor households, and particularly for women) is not as easy to monitor as the going wage rate.

Two official sources of information will help with understanding what is going on in the economy as a whole. The Bosasso Port Authority provides monthly information on imports and exports transiting through the port to FSNAU. This includes the number of livestock and hides/skins and the tons of fish and incense exported, and the tons of food items, construction materials and fuel imported. This data will provide important information on the state of several key sectors that are driving forces for the Bosasso economy. The second official source is the number of businesses licensed by the Bossaso Municipal Authority, which should be easy to track and compare over time.

In addition to this, the assessment team suggested doing a mini-sectoral analysis for three key sectors every quarter: construction, remittances, and petty trade. This will only be possible if the FSNAU field monitor and enumerator are provided with additional support by FEWS NET. Construction was chosen because it employs large numbers of unskilled casual workers; petty trade because it is the main income-generating activity for poor women; and remittances because they are one of the key drivers of the urban economy in general. It should be possible to repeat the sectoral inventory process that was conducted for this assessment for one or two of the most important remittance companies each quarter.

For construction, it is proposed that an FSNAU or FEWS NET field analyst spend 2-3 days per quarter interviewing different actors in the sector as follows:

- Brief interviews should be conducted with unskilled casual labourers as well as foremen at a minimum of three building sites. Field analysts will obtain both the average daily wage rate and the average number of days worked in the previous month. When comparing this information to the baseline data, the same season in each year needs to be considered.
- Field analysts should also visit the labour market in the early morning, when labourers gather to await employers. Information will be gathered on the average daily wage rate and the average

number of days worked in the previous month. Again, the data will be compared to data from the same season during the reference year.

- To get an overview of the state of the construction industry (i.e. the number of buildings under construction in the town), field analysts will consult construction company owners, construction material wholesalers and trucking companies.

To obtain information on petty trade activities, it is proposed that field analysts interview women engaged in the three main categories of petty trade: tables and kiosks (selling food and non-food items) and tea shops. At least 3-5 petty traders should be interviewed in each category. The goal of these interviews will be to obtain information on average profit levels per day or per week for the previous quarter. That information will then be compared to baseline data for the same season.

The following table provides a summary of what is being proposed.

What to monitor?	How to monitor?
Cost of expenditure basket of food and non-food items	FSNAU already monitoring most prices and compiling quarterly basket – discuss revising basket for Bosasso?
Port activity (exports and imports)	Already being monitored by FSNAU
Business licenses issued by Municipality by sector	Possibly add to quarterly monitoring
Incomes in small business (petty trade) sector	Interviews with table sellers, kiosks and tea shops on profit levels on quarterly basis
Livestock production in area supplying Bosasso	Already being monitored by FSNAU in rural areas.
Incomes in construction sector	Visits to construction sites and labour markets to interview labourers and foremen (wage levels, days of work). Interviews with construction companies and material wholesalers on quarterly basis.
IDP movements	Regular updating of IDP numbers and movements by NGOs working in IDP camps, together with UNHCR

9. DIETARY DIVERSITY IN OCTOBER 2009 – LED AND ANALYSED BY WFP

Method

The following section in italics is taken directly from the second edition of WFP's Emergency Food Security Assessment Handbook (January 2009):

Food consumption indicators are designed to reflect the quantity and/or quality of people's diets. In EFSA, the most commonly used food consumption indicator is the **food consumption score (FCS)**. This is a proxy indicator that represents the dietary diversity, energy and macro and micro (content) value of the food that people eat. It is based on dietary diversity – the number of food groups a household consumes over a reference period; food frequency – the number of days on which a particular food group is consumed over a reference period, usually measured in days; and the relative nutritional importance of different food groups. The FCS is calculated from the types of foods and the frequencies with which they are consumed during a seven-day period.

Although it provides essential information on people's current diet, the FCS is of limited value for in-depth analysis of food consumption patterns, for the following reasons:

- It is based on a seven-day recall period only. This is insufficient for a full analysis of food consumption for longer periods, which is likely to vary by season, for example.
- It provides no indication of the quantity of each foodstuff consumed.
- It does not give information on intra-household food consumption, such as who eats first and last.
- It does not show how food consumption has changed as a result of the crisis, unless previous FCS for the same types of household are available...

The calculation of the FCS is explained in the following box...

Calculation of the FCS

In the household questionnaire

Households are asked to recall the **foods that they consumed in the previous seven days...** Each item is given a score of 0 to 7, depending on the number of days on which it was consumed. For example:

- if potatoes were eaten on three of the last seven days, they are given a frequency score of 3;
- if potatoes were eaten on three of the last seven days, even if they were eaten twice on each of those days, at two meals, they are still given a frequency score of 3.

In the analysis

Food items are listed according to **food groups...**, and the frequencies of all the food items surveyed in each food group are summed. Any summed food group frequency value over 7 is recorded as 7.

Each food group is assigned a **weight...**, reflecting its **nutrient density**. For example:

- beans, peas, groundnuts and cashew nuts are given a weight of 3, reflecting the high protein content of beans and peas and the high fat content of nuts;
- sugar is given a weight of 0.5, reflecting its absence of micronutrients and the fact that it is usually eaten in relatively small quantities.

The household FCS is calculated for each household by multiplying each food group frequency by each food group weight, and then summing these scores into one composite score.

The household score can have a maximum value of 112, implying that each of the food groups was consumed every day for the last seven days.

The household score is compared with pre-established **thresholds** that indicate the status of the household's food consumption. WFP applies the following thresholds in a wide range of situations:

- poor food consumption: 0 to 21;
- borderline food consumption: 21.5 to 35;

- *acceptable food consumption: > 35.*

These thresholds can be adjusted if there is clear justification for doing so. For example, in some populations, consumption of sugar and/or oil may be frequent among nearly all households surveyed, even when consumption of other food groups is rare and the food score is otherwise low. In these cases, when the base diet of oil and sugar is combined with frequent (seven days) consumption of starch base only, the score already arrives at 21, but this clearly cannot be classified as even a borderline diet. The thresholds can therefore be raised from 21 and 35 to 28 and 42 – adding 7 to each threshold to account for the daily consumption of oil and sugar, which adds 7 points to the FCS.

When the overall population’s consumption of oil and sugar is high, the FSC thresholds should be changed to:

- *poor food consumption: 0 to 28;*
- *borderline food consumption: 28.5 to 42;*
- *acceptable food consumption: > 42.*

WFP Somalia uses the following food groups, weights and thresholds for the food consumption scores. Given the high and daily consumption of sugar and oil, the following threshold were used:

Food Consumption Score (FCS)	Profiles
0-28	Poor
28.5-42	Borderline
>32	Acceptable

Weight of food items are universal within WFP and are as follows:

	Food items	Food Groups (definitive)	Weight (definitive)
1	Maize, Maize porridge, rice, sorghum, millet, pasta, bread, and other cereals	Main staple	2
	Cassava, Potatoes, and sweet potatoes, other tubers, plantain		
2	Beans, peas, groundnuts, and cashew nuts	Pulses	3
3	Vegetable, leaves	Vegetables	1
4	Fruits	Fruits	1
5	Beef, goat, poultry, eggs, and fish	Meat and fish	4
6	Milk, Yoghurt and other diary	Milk	4
7	Sugar and sugar products, honey	Sugar	0.5
8	Oil, fats and butter	Oil	0.5
9	Spices, tea, coffee, salt, fish power, small amounts of milk for tea	Condiments	0

Dietary diversity results – Urban population

112 individual households were interviewed across the very poor, poor and middle wealth groups in town. All of the households that were interviewed for the dietary diversity assessment had participated in the HEA focus group interviews. The results of the 7-day dietary recall are shown in the table below. Almost 20% of the population had a poor consumption profile, another roughly 20% had a borderline food consumption profile, while about 60% had acceptable consumption.

Food consumption profile	Frequency	Proportion %
Poor	21	18.8
Borderline	23	20.5
Acceptable	68	60.7
Total	112	100.0

The following table breaks down these results by wealth group and the results are as expected. Many more middle households had an acceptable food consumption profile than poor or very poor households did. Roughly 70% of the very poor wealth group had either poor or borderline food consumption, while less than 10% of the middle wealth group fell into these categories.

FOOD CONSUMPTION PROFILES – BOSASSO URBAN BY WEALTH GROUP			
Wealth group	Acceptable	Borderline	Poor
Middle	31 (91%)	1 (3%)	2 (6%)
Poor	29 (59%)	13 (27%)	7 (14%)
Very poor	8 (28%)	9 (31%)	12 (41%)
Total	68 (61%)	23 (20%)	21 (19%)

Amongst the 112 households, no household had consumed fewer than 4 different food groups during the 7 day recall period. Over 70% of households had consumed foods from at least 6 different food groups. Details of this enquiry are outlined in the table below.

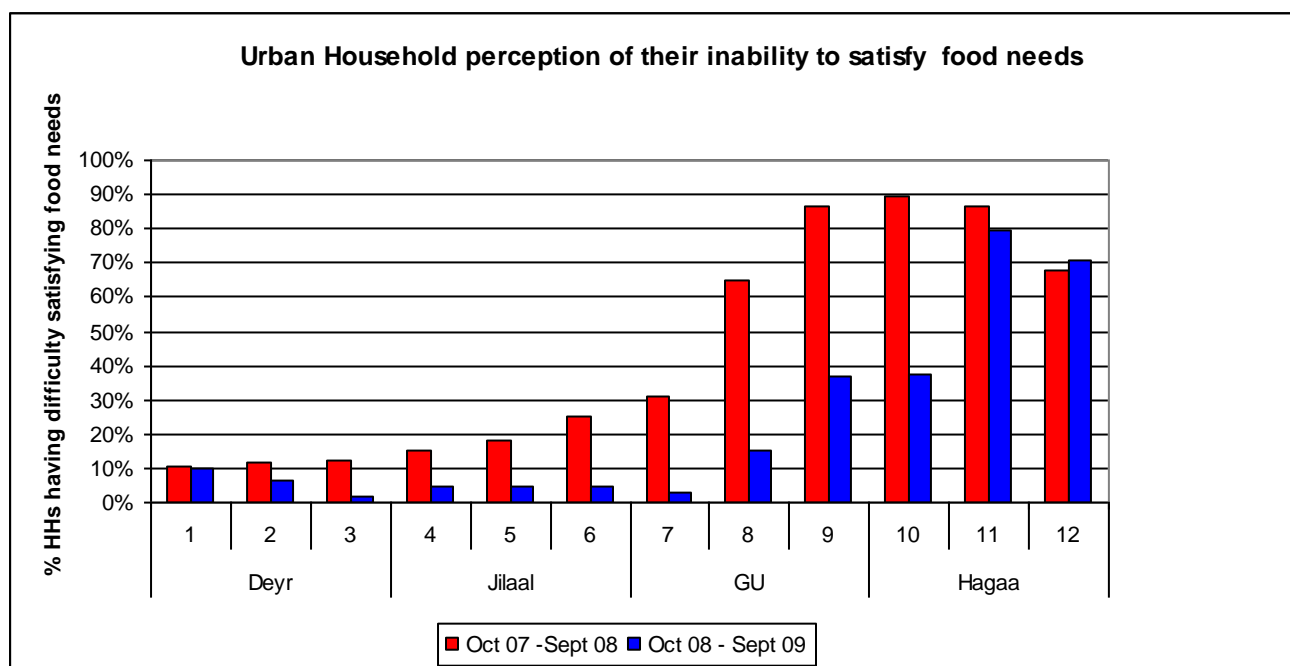
NUMBER OF FOOD GROUPS CONSUMED IN LAST 7 DAYS		
Number of food groups	Frequency	Proportion %
4	8	7.1
5	22	19.6
6	26	23.2
7	23	20.5
8	18	16.1
9	15	13.4
Total	112	100.0

Questions were asked as part of this survey about the most common income sources for households in 2007-08 and 2008-09. In both years, the most common income sources (for the three wealth groups combined) were daily unskilled wage labour, skilled wage labour, hawker/daily trade (with no shop), and small business (shop with stock).

By far the most important reported food source for the previous 7 days was purchase, followed by food aid (over two months after the food aid distributions stopped), gifts and borrowing. For the urban community, 33% household reported food aid sorghum as their main source of food.

Households were asked about their ability to satisfy food needs, month-by-month, during 2007-08 and 2008-09. The results are summarised in the following graphic. This confirms that 2007-08 was a more

difficult year than 2008-09. It also shows that the food lean period for urban population is in the Haggaa season (July to August) for both year but that it had started earlier in 2008-2009 and extended to the GU.



Dietary diversity results – IDP population

84 individual households were interviewed across the very poor, poor and middle wealth groups in IDP camps. The results of the 7-day dietary recall are shown in the table below. About one-third of IDPs either consumed poorly or had borderline consumption, while about two-thirds had acceptable consumption. This is a slightly better picture than for town residents, however it is important to note that more IDPs relied on food aid than urban population as 43% of the IDP population main source of sorghum/maize was food aid, compare to 33% for the urban population.

Food consumption profile	Frequency	Proportion
Poor	11	13.1
Borderline	19	22.6
Acceptable	54	64.3
Total	84	100

The following table breaks down these results by wealth group and the results are as expected. Many more middle households had an acceptable food consumption profile than poor or very poor households did. Over 50% of the very poor wealth group had either poor or borderline food consumption, while less than 25% of the middle wealth group fell into these categories.

FOOD CONSUMPTION PROFILES – BOSASSO IDPs BY WEALTH GROUP			
Wealth group	Acceptable	Borderline	Poor
Middle	19 (76%)	5 (20%)	1 (4%)
Poor	23 (70%)	6 (18%)	4 (12%)
Very poor	12 (46%)	8 (31%)	6 (23%)
Total	54 (64%)	19 (23%)	11 (13%)

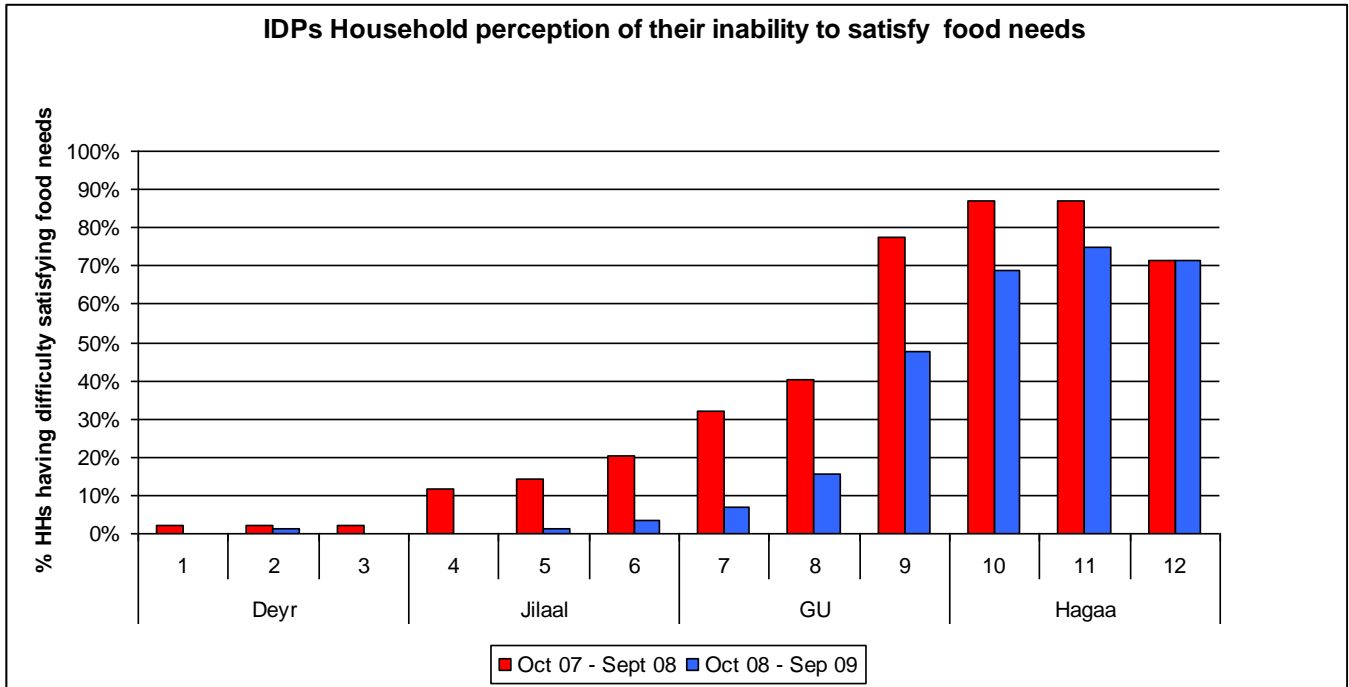
Amongst the 84 households, no household had consumed fewer than 4 different food groups during the 7 day recall period. Over 80% of households had consumed foods from at least 6 different food groups. Details of this enquiry are outlined in the table below.

NUMBER OF FOOD GROUPS CONSUMED IN LAST 7 DAYS		
Number of food groups	Frequency	Proportion
4	4	4.8
5	9	10.7
6	21	25.0
7	21	25.0
8	17	20.2
9	12	14.3
Total	84	100.0

The most common income sources for IDP households were similar to those of the town residents. Daily unskilled wage labour was by far the most important income source.

Market purchase was the most important reported food source for the previous 7 days for most items. However, as stated previously sorghum/maize were more commonly obtained from food aid than any other sources. Gifts and credit were the other frequently reported food sources, although these were much less important than purchase.

Similarly to the urban population, a higher percent of IDPS household had difficulties to meet their food needs in 2007-2008 than in 2008-2009, however the difference is much smaller inferring that IDPs did not seem to benefit as much from the improving situation of 2008-2009. However, the seasonality of the lean period remain similar and mainly in the Haggaa season (July to September).



10. MAIN CONCLUSIONS AND IMPLICATIONS FOR ACTION

Most **very poor and poor households**, who make up 30-50% of households in Bosasso town, lived on less than US\$1 per person per day in 2007-08. The poorest households spent over 70% of their income on food in that year and, despite this, did not manage to cover 100% of their minimum food energy needs. **IDP households** fall at the bottom of the wealth spectrum for the town as a whole, but they are not very different from very poor and poor town residents in terms of their sources of income, patterns of expenditure, and sources of food, except that more IDPs have food aid as a main source of sorghum and maize.

The geographical areas of highest concerns and were the poorest live are Hormud, horseed & wadajir, Xaafatul Carab, Suweto, and Sanfarow

Economic activity is lowest during the very hot and windy **Hagua season and can extend to the late month of Gu**, this can runs from as early as mid-May to September. At this time, the seas are rough, which means there is less activity at the port, and many household members from the wealthier half of the population leave town to escape the intense heat. Obtaining casual work and incomes from petty trade is difficult at this time of year and **urban-based employment generating activities** could be considered for these months. It is also the period when both IDPs and urban populations have hardest time to meet their food needs. If work schemes and other programme were in place, they would benefit to be implemented during this period. The global **food price crisis** of 2008 hit households in Bosasso town and IDP camps hard. Food prices rose and casual wage rates did not keep pace, with the TOT hitting a low of 1.32 kg of rice per day worked in July 2008. In contrast, the average TOT for the period January 2001 – December 2006 was almost 7 kg of rice per day worked.

Once an HEA baseline is established for a reference year, an analysis can be made of the likely impact of a shock or hazard in another year (either in the past or in the future). This is done by assessing how access to food and cash income will be affected by the shock, what other food and cash sources can be added or expanded to make up initial shortages, and what final deficits emerge. As **monitoring**

information becomes available, projections can be re-analysed and updated. A plan for monitoring urban Bosasso has been included in this report and it is important that resources are made available for this.

The main priority for very poor and poor urban and IDP households is **formal education**, which is currently beyond their means. Some, but not all, IDP camps have been provided with free education facilities by NGOs, but this opportunity is not available to equally poor town residents at the bottom of the wealth spectrum. **Health care** and **environmental sanitation** are other areas that urgently require attention, both for town residents and for IDPs.

Support to the main sectors that drive the economy of Bosasso town should have benefits beyond improved urban household incomes. Increased employment opportunities and wage rates for the town and IDP populations could help to curb illegal human outmigration, sea piracy, and the drafting of the male youths into militant groups. The most important sectors, which, together with remittances, drive the economy of the town, are: livestock and livestock products; fish and seafood; and frankincense, myrrh and gums.

Ideas for support in the **livestock sector** include: construction of a slaughterhouse, improved livestock holding grounds, training in proper handling and processing of milk and meat, and cold storage facilities for meat. In the **fishing sector**, the provision of cold storage facilities would help to smooth supply to the market and reduce reliance on sales to Yemeni traders on the high seas. Other possible activities include training for youths from poor households, provision of fishing gear, and construction of a fish market in town. Possible activities in the **resin and gum sector**, which is a major employer of urban women, include: improved road access to the remote rural areas where the resins and gums are sourced (on top of the Golis Mountains); measures to reduce wastage in rural areas; credit facilities for small traders who are involved in purchasing and processing; training in proper handling and processing; and health measures to avoid dust inhalation during cleaning and grading.

ANNEX 1: ACRONYMS

DRC	Danish Refugee Council
FEWS NET	Famine Early Warning System Network
FSNAU	Food Security and Nutrition Assessment Unit
HEA	Household Economy Analysis
HH	Household
IDP	Internally displaced person
SoSh	Somali shilling
WFP	World Food Programme

ANNEX 2: THE HOUSEHOLD ECONOMY ANALYTICAL FRAMEWORK

THE HOUSEHOLD ECONOMY BASELINE

The Household Economy Approach (HEA) to analysing livelihoods and assessing food security has been used widely in Africa and elsewhere over the past decade. The basic principle underlying the approach is that an analysis of local livelihoods is essential for a proper understanding of the impact – at household level – of hazards such as drought or conflict or market dislocation. Total crop failure may, for example, leave one group of households destitute because the failed crop is their only source of staple food, while another group may be able to cope because they have alternative food and income sources that can make up the production shortfall (e.g. they may have livestock to sell or relatives living elsewhere that can provide assistance). The idea of the household economy baseline is to capture this essential information on local livelihoods and coping strategies, making it available for the analysis of hazard impacts.

Patterns of livelihood clearly vary from one area to another, according to local factors such as climate, soil, access to markets etc. The first step in a household economy analysis is therefore to prepare a **livelihood zone map**, i.e. a map delineating geographical areas within which people share basically the same patterns of access to food (i.e. they grow the same crops, keep the same types of livestock, etc.) and have the same access to markets and to sources of cash income.

In nearly all developing countries, the household is the basic unit of economic operation in rural areas in terms of the ownership of land and livestock and equipment, of stocking and consuming food, and of sharing cash income. The household is therefore taken as the basic unit of reference in household economy analysis.

Where a household lives is one factor determining its options for obtaining food and generating income. Another is wealth, since this is the major factor determining the ability of a household to exploit the available options within a given zone. It is obvious, for example, that better-off households owning larger farms will in general produce more crops and be more food secure than their poorer neighbours. Land is just one aspect of wealth, however, and wealth groups are typically defined in terms of their land holdings, livestock holdings, capital, education, skills, labour availability, financial capital and/or social capital. Defining the different wealth groups in each zone is the second step in a household economy analysis, the output from which is a **wealth breakdown**.

Having grouped households according to where they live and their wealth, the next step is to generate **household economy baseline** information for typical households in each group for a defined reference or baseline year⁴. Access to food and to non-food goods and services is determined by investigating the sum of ways households obtain food and cash — what food they grow, gather or receive as gifts, how much food they buy, how much cash income is earned in a year, and how other essential needs are met with income earned.

Once this baseline is established, an analysis can be made of the likely impact of a shock or hazard in a bad year. This is done by assessing how access to food and cash income will be affected by the shock, what other food and cash sources can be added or expanded to make up initial shortages, and what final deficits emerge.

Once the baselines have been compiled, the idea is that they can be used repeatedly over a number of years – until significant changes in the underlying economy render them invalid. Economies in developing countries tend not to change all that rapidly however, and a good household economy baseline will generally be valid for between 5 and 10 years. What varies is the prevailing level of access to food and non-food goods and services, but this is a function of variations in hazard, not variations in the baseline. Put another way, for a rural context, the level of maize production may vary from year to year (hazard), but the underlying pattern of agricultural production does not (the baseline).

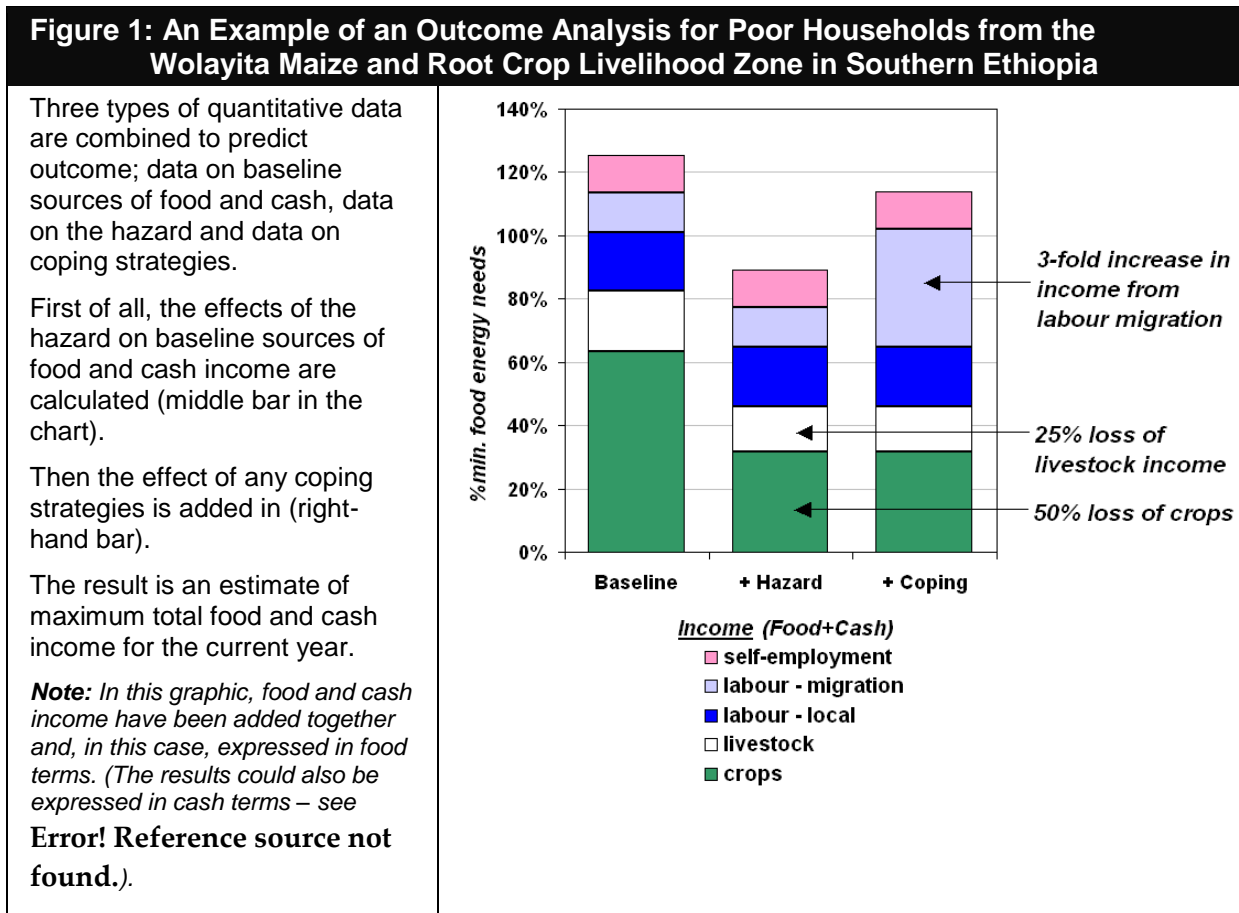
⁴ The baseline or reference year can be the last 12 months or a ‘normal’ or typical year. In terms of data collection and the ability of interviewees to recollect details (including quantities and prices), it is usually best to choose a recent year. The most recent 12 month period is ideal (beginning at the start of the harvest for agricultural communities), provided there wasn’t an unusually large amount of food aid or other assistance distributed and provided it wasn’t a very good year. If any of these situations applies then it can be very difficult to understand coping strategies and it makes sense to choose an earlier year.

PREDICTING FUTURE ACCESS TO FOOD AND NON-FOOD GOODS AND SERVICES

One objective of HEA is to investigate the effects of hazards on *future* access to food and income, so that decisions can be taken about the most appropriate types of intervention to implement. The rationale behind the approach is that a good understanding of how people have survived in the past provides a sound basis for projecting into the future. Three types of information are combined for the analysis; information on baseline access, information on hazard (i.e. factors affecting access to food/income, such as crop production or market prices) and information on coping strategies (i.e. the sources of food and income that people turn to when exposed to a hazard). The approach can be summarised as follows (see **Error! Reference source not found.**):

Baseline + Hazard + Coping = Outcome

The output from an outcome analysis is an estimate of total food and cash income for the current year, once the cumulative effects of current hazards and income generated from coping strategies have been taken into account. The next step is to compare projected total income against two clearly defined



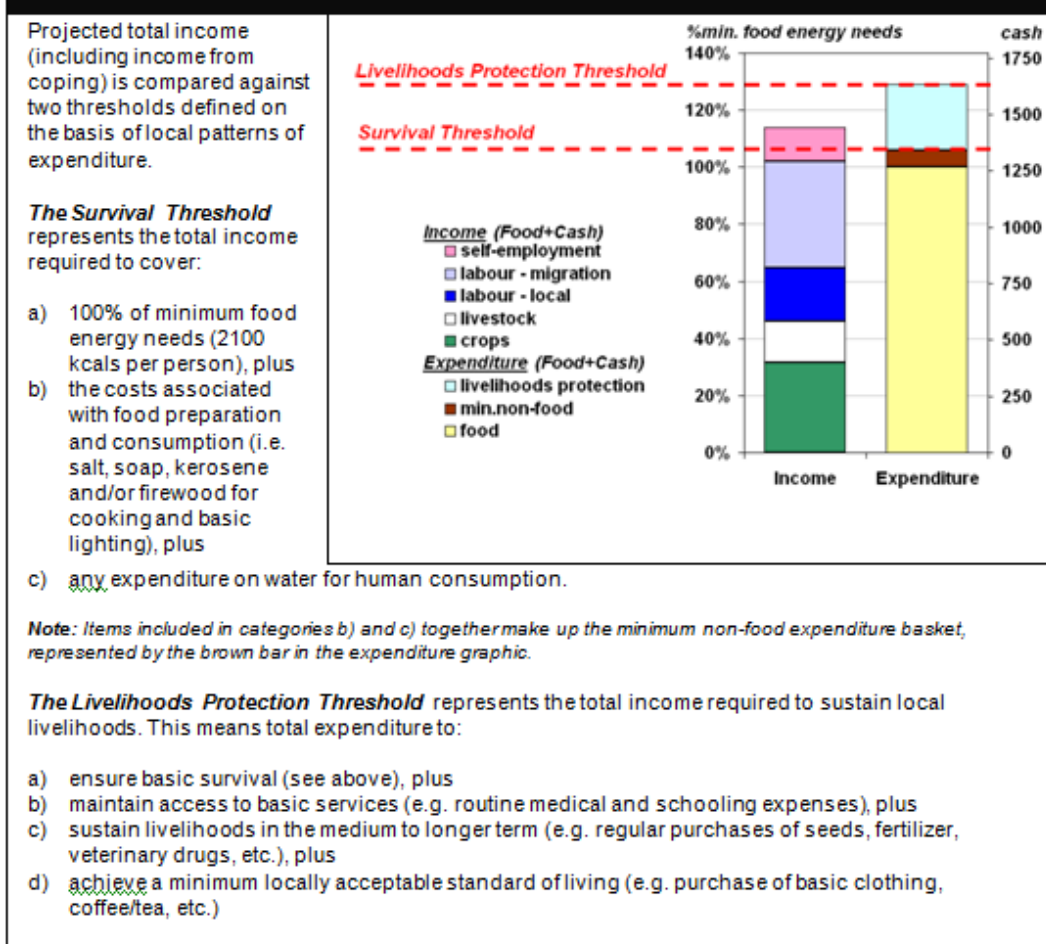
thresholds to determine whether an intervention of some kind is required.

The two thresholds – the **Livelihoods Protection Threshold** and the **Survival Threshold** – are described in **Error! Reference source not found.**. The **Survival Threshold** is the amount of food and cash income required to ensure survival in the short-term, i.e. to cover minimum food and non-food needs. Minimum non-food needs will generally include the costs of preparing and consuming food plus any cash expenditure on water for human consumption. Shelter and clothing are also basic requirements for survival, and it may on rare occasions be appropriate to include these in the minimum non-food basket. The point to bear in mind here is that the items included in the minimum non-food basket should be those required to ensure survival in the short term. In most settled rural situations, expenditure on shelter and clothing can be forgone in a bad year, with repairs to housing and replacement of clothes being postponed until better times. Situations in which failure to spend money on shelter and clothing could be life-threatening might include war (where shelters are destroyed and clothing looted), and sudden onset disasters such as earthquake, hurricane or flood.

The *Livelihoods Protection Threshold* is the amount of food and cash income required to protect local livelihoods. This means a level of income that gives people the option to maintain expenditure on basic non-food goods and services at the levels prevailing in the reference year (assuming the reference year was neither especially good nor especially bad). This does not mean that people will have exactly the same standard of living as in the reference year (since the livelihoods protection basket excludes non-essential items such as beer and cigarettes), nor that they will pursue exactly the same activities as in the reference year (since the Livelihoods Protection Threshold is set at a level that assumes additional income can be generated from coping strategies). But it does mean that – provided they prioritise these items – people can continue to spend similar amounts of money on inputs and on health and education as in the reference year.

Besides these essential non-food goods and services, the *Livelihoods Protection expenditure basket* can also contain a number of items that – while not absolutely essential for survival – can nonetheless be considered essential in terms of sustaining a minimum locally acceptable standard of living. It is usually quite easy to identify these items through discussions with local key informants. Tea and sugar, for example, are considered essential among Somalis, and it is appropriate to include these in the Livelihoods Protection basket in Somali areas. For highland Ethiopians, on the other hand, tea and sugar will be replaced in the Livelihoods Protection basket by coffee and berberi (a mix of spices based on chilli pepper). Clearly, the exact composition of the Livelihoods Protection Basket will vary from livelihood zone to livelihood zone, depending upon local circumstances. This applies not only to items such as tea and coffee, but also to inputs (e.g. veterinary drugs in pastoral areas versus fertilizer in agricultural areas) and to health expenditures (e.g. expenditure on anti-malarials in lowland but not highland areas).

Figure 2: Comparison of Projected Income against Two Clearly Defined Thresholds



Another important point about the *Livelihoods Protection Threshold* is that, as defined here, it is set relative to local conditions rather than relative to international standards, such as Sphere. This is an area for further debate and further work, i.e. should the *Livelihoods Protection Threshold* be set relative to international standards, and if so, which standards should be adopted for those items not covered by, for example, Sphere (which does not include standards for firewood or for fertilizer, for example)?

ANALYSING COPING STRATEGIES

It is not usual to include every possible coping strategy in the calculation of outcome. This would have the effect of minimising and almost certainly under-estimating the need for assistance as measured by the deficit⁶. Instead, only those strategies that are appropriate responses to local stress are included. In this context, appropriate means both 'considered a normal response by the local population' and 'unlikely to damage local livelihoods in the medium to longer term'. In a pastoral setting, for example, it is usual to increase livestock sales in a bad year. This is an appropriate response to economic stress – provided the increase in sales is not excessive. Similarly, in many agricultural areas, it may be usual for one or more household members to migrate for labour when times are hard. Provided the response is not pushed too far (i.e. too many people migrating for too long a period of time), this can also be considered an appropriate response to stress. In HEA, therefore, the most important characteristic of a coping strategy is its cost, where cost is measured in terms of the effect on livelihood assets, on future production by the household, and on the health and welfare of individual household members. The table presents a basic categorisation of coping strategies according to cost. Note that cost is not just a function of the type of activity, but the extent to which it is utilised (as in the livestock sale and labour migration examples described above).

Box 1: Type of Coping Strategy⁵	
Low Cost (included in outcome analysis)	
<ul style="list-style-type: none"> • Reduced expenditure on non-essential items (beer, cigarettes, ceremonies, festivals, expensive clothing, meat, sugar, more expensive staples, etc.) • Harvesting of reserve crops (e.g. cassava, enset) • Consumption rather than sale of any crop surplus 	
Medium Cost (included in outcome analysis)	
<ul style="list-style-type: none"> • Increased sale/slaughter of livestock (sustainable) • Intensification of local labour activities • Short-term/seasonal labour migration • Intensification of self-employment activities (firewood, charcoal, building poles, etc.) • Increased remittance income • Increased social support/gifts • Borrowing of food/cash • Sale of non-productive assets (jewellery, clothing, etc.) • Collection of wild foods 	
High Cost (excluded from outcome analysis)	
<ul style="list-style-type: none"> • Unsustainable sale/slaughter of livestock • Long-term/permanent migration (including distress migration of whole households) • Excessive sale of firewood/charcoal (e.g. because of its effect on the environment) • Sale/mortgaging of productive assets (land, tools, seeds, etc.) • Prostitution • Reduced expenditure on productive inputs (fertilizer, livestock drugs etc.) • Reduced expenditure on health and education • Reduced expenditure on water • Decreased food intake 	

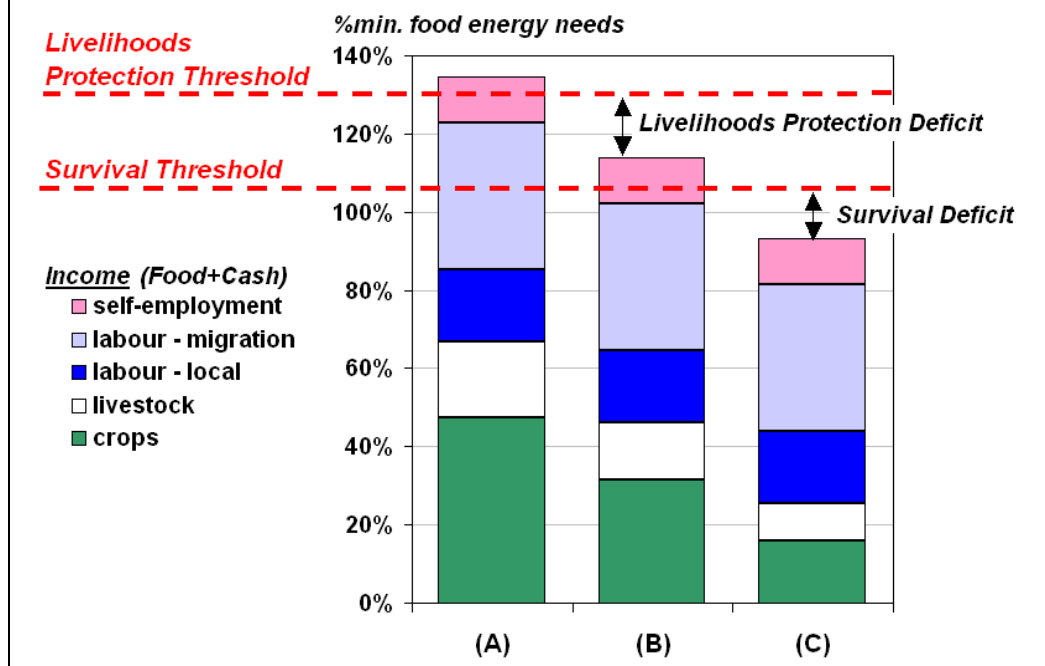
⁵ Note that some strategies usually included in lists of coping strategies are not included here, e.g. strategies that maintain primary production in the face of a hazard (e.g. re-planting of crops, replacement of long-cycle by short-cycle crops, long distance grazing of livestock). This is because in household economy analysis these aspects of coping are captured in the 'hazard'. Replanting of crops and replacement of long- by short-cycle crops are captured through the crop production 'problem' and the effects of long-distance grazing are captured through the livestock production 'problem'.

⁶ This is because the inclusion of a strategy in the outcome analysis has the effect of reducing the deficit, effectively delaying any intervention until that strategy has been fully utilised. It would not, for example, make sense to include the sale of *all* livestock in the outcome analysis, as this would delay intervention until all livestock had been sold – rendering pastoral households destitute, for example. Likewise it makes no sense to include undesirable stress-induced activities such as prostitution in the calculation of outcome, since this would reduce the estimated assistance requirement by an amount equivalent to the income that can be earned from prostitution.

Figure 2: What it Means if Total Income Falls below One or Other Threshold

The figure compares three different situations, of progressively greater severity and urgency.

(A) – No deficit: In this situation, total income (including income from low and medium-cost coping strategies) is sufficient to ensure basic survival and to protect existing patterns of livelihood. There is therefore no pressing need for an emergency intervention.



(B) – Livelihoods Protection Deficit: Total income is no longer sufficient to cover the cost of survival plus the expenditure required to protect local livelihoods, and an intervention of some kind is required to cover the deficit. At this level, local people can still cover expenditure on survival (including the consumption of 2100 kcals per person per day), provided they accord these needs a high enough priority. In other words, people should not have to go hungry at this level¹, although they will have to resort to other high-cost strategies including a reduction in expenditure on productive inputs, on health and on education. The primary objective of intervention at this level is to protect livelihoods, both in the current year and for the future.

(C) – Survival Deficit: At this level, total income is insufficient to cover the cost of survival, even if full use is made of all the available low- and medium-cost coping strategies, and all the money usually used to protect livelihoods is switched to the purchase of staple foods. It is very probable that people facing this type of deficit will go hungry, unless they resort to other undesirable high-cost coping strategies (see

Figure 2: Comparison of Projected Income against Two Clearly Defined Thresholds

Projected total income (including income from coping) is compared against two thresholds defined on the basis of local patterns of expenditure.

The Survival Threshold represents the total income required to cover:

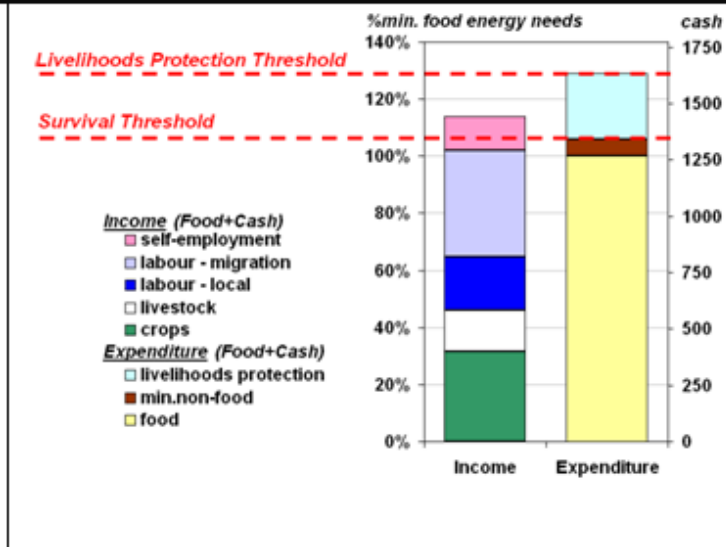
- a) 100% of minimum food energy needs (2100 kcals per person), plus
- b) the costs associated with food preparation and consumption (i.e. salt, soap, kerosene and/or firewood for cooking and basic lighting), plus

- c) any expenditure on water for human consumption.

Note: Items included in categories b) and c) together make up the minimum non-food expenditure basket, represented by the brown bar in the expenditure graphic.

The Livelihoods Protection Threshold represents the total income required to sustain local livelihoods. This means total expenditure to:

- a) ensure basic survival (see above), plus
- b) maintain access to basic services (e.g. routine medical and schooling expenses), plus
- c) sustain livelihoods in the medium to longer term (e.g. regular purchases of seeds, fertilizer, veterinary drugs, etc.), plus
- d) achieve a minimum locally acceptable standard of living (e.g. purchase of basic clothing, coffee/tea, etc.)



Box 1: Type of Coping Strategy

for a description of these). The primary objective of intervention at this level is to protect health and life in the short-term.

¹Although they may opt to do so, if, for example, not increasing livestock sales or not migrating for labour has a higher priority than maintaining food intake.

HOW HEA HELPS ADDRESS CORE DECISION MAKER QUESTIONS

If total income falls below one or other threshold, this implies the existence of a deficit and the need for an intervention of some kind. HEA helps to distinguish clearly between situations according to their severity and urgency. The existence of a *Livelihoods Protection Deficit* (see **Figure 2**) indicates the need for interventions to protect livelihoods, while a *Survival Deficit* indicates the need for an intervention to ensure survival in the short term.

There is a range of options that can be used to fill a deficit, from food and cash transfers, through non-food interventions to market price interventions (see

Figure 3: How HEA Helps Identify a Broad Range of Interventions

). Information on patterns of local livelihood (collected during the household economy fieldwork) will help to identify the most appropriate intervention in any particular situation. The only point to bear in mind in relation to the *type* of deficit is that the intervention selected must be commensurate with the scale and urgency of the problem. There is little point, for example, in proposing a distribution of soap to fill a survival deficit. Something much larger in scale will generally be required, which will usually mean a distribution of food or cash, or a market intervention on a relatively large scale.

The output from a Household Economy analysis is quantitative. That is HEA provides quantitative estimates of how many people will face a deficit, how big that deficit is, and therefore the scale of intervention required to address the problem. Besides answering the critical question of 'how much?', HEA also generates answers to the other core questions posed by decision-makers in relation to emergency interventions (see **Box 2**).

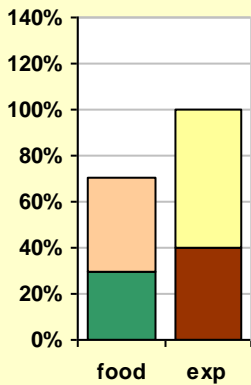
Box 2. How HEA Helps Address Core Decision Maker Questions	
<i>Core question</i>	<i>How HEA helps answer the question</i>
WHO	Wealth breakdowns help group the population in a way that shows who will be most affected by different shocks.
WHAT	Livelihood strategy identification, description and quantification (Food, income, expenditure) shows what can be done to support existing livelihoods, and, just as important, what might harm them.
HOW MUCH	Outcome analysis determines what kinds of gaps will be left in the event of a shock or multiple shocks. This leads directly to an analysis of how much help is needed.
WHERE	Livelihood zoning helps group people in a way that allows you to see where affected populations will be.
WHEN and FOR HOW LONG	Outcome analysis , combined with careful use of seasonal calendars, provides a basis for determining when different types of assistance are needed and for how long.

Figure 3: How HEA Helps Identify a Broad Range of Interventions

Deficits may be Addressed via a Range of Interventions

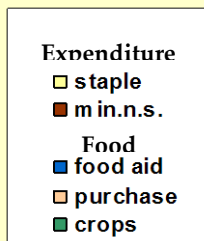
The basic measure of outcome in a household economy analysis is the deficit. If there is a deficit then an intervention of some kind is required. As this figure shows a range of interventions can help 'fill' the deficit, protecting food security and livelihoods at household level.

The Outcome Analysis – The Starting Point for Identifying Appropriate Interventions



The graph provides an example of a household economy outcome analysis for a defined group of households (e.g. the poor from a particular livelihood zone). In this case, poor households are facing a deficit equivalent to 30% of annual food needs.

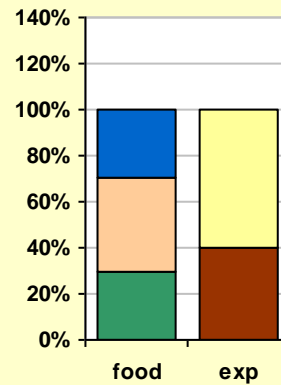
LEGEND



The *left-hand bar* illustrates food access, as a percentage of minimum annual food energy needs.

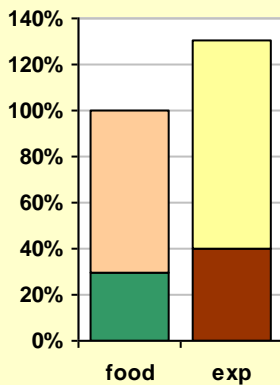
The *right-hand bar* shows the pattern of cash expenditure, expressed as a percentage of baseline. (Note: staple = staple food, min.n.s = minimum non-staple expenditure, or the sum of expenditure on minimum-non food items plus livelihoods protection).

A Food Intervention



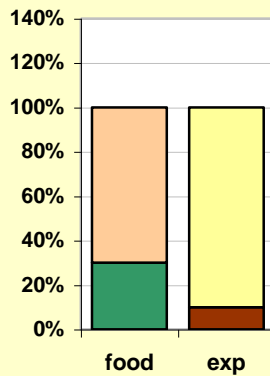
Free food or food-for-work is one option for filling the deficit, but there are others...

A Cash income intervention



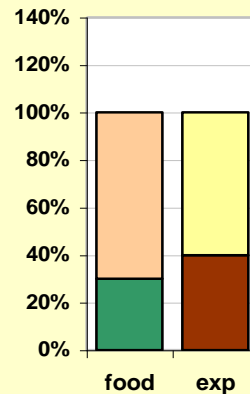
If cash income is increased, the deficit can be filled through increased purchase. The intervention may be direct (i.e. in the form of cash) or indirect (i.e. through support to one or more income generating activities).

A Non-food intervention



In a crisis, households must purchase more than just food. They also need to pay for items such as water, seeds and inputs for the next production season, school fees, etc. Provision of these items can free up cash to increase food purchase.

A Market price intervention



Increasing prices often cause reductions in food access in a crisis. Measures to stabilise food prices (e.g. the release of food from government grain reserves) can help to increase household food purchasing power, thus filling the deficit.

Annex 3 Interview Form: URBAN COMMUNITY LEADERS / WEALTH BREAKDOWN

Xaafada/Quarter: _____ Date: _____

Laanta/ Section: _____ Quality of interview: _____

Type of group (circle): community focus group / key informant Group composition: Male: _____ Female: _____

Interviewer (circle): male / female Interviewer name: _____

TIMELINE			
Year/ name	Season	Rank (see note below)	Event(s) → Effects → Responses (What did people do? Was there any outside intervention?)
2009	gu		
2008	deyr		
2008	gu		
2007	deyr		
2007	gu		
2006	deyr		
2006	gu		
2005	deyr		
2005	gu		

Rank all the years relative to each other.

5 = excellent year for household food security (due e.g. to low prices, good wage rates, etc)

4 = a good or above average year for household food security

3 = an average year in terms of food security

2 = a below average year for household food security

1 = a poor year for household food security (e.g. due to high prices, low wage rates, etc.)

POPULATION BACKGROUND INFORMATION

What is the population of this area? (Number of people? Number of households? Number or percent of female-headed households?)

Where do most people originate from? When did they settle here (which year(s))?

PROVISION OF SERVICES TO THIS AREA	
What is the system for providing the following services? How well does it work?	What were the costs for individual households in the reference year? (high/low/average)
Water: e.g. pipes, public standpipes, tankers, etc.	e.g. cost per cubic meter or local unit of measure
Sanitation, Garbage collection, etc.	e.g. housing rates
Electricity: e.g. power line, own generator, etc.	e.g. cost per megawatt or average cost per house per month or local unit of measure
Health: e.g. health posts, clinics, hospitals	e.g. cost per consultation, payment for drugs
Education – primary	e.g. school fees, textbooks, uniforms, transport
Education – secondary	e.g. school fees, textbooks, uniforms, transport
Education – tertiary	e.g. fees, textbooks, transport

INCOME GENERATING ACTIVITIES	
Type of work or trade	Daily rate of pay? Daily profit?
Casual work: (list types)	
Petty trade: (list types)	
Other: (list types)	

QUESTIONS RELATING TO POTENTIAL HAZARDS IN COMING YEAR:

What are the main potential hazards for the population in the coming year? Do these vary by wealth group?

What strategies do households employ to minimize the potential impact of these hazards? (By wealth group?)

Location	Links (trade, livestock, agriculture, casual work, gifts, remittances)
Rural:	
Urban:	
Abroad:	

COMMUNITY DYNAMICS / GIFTS: To what degree are community members supporting each other either through formal or informal arrangements? What support do female-headed households receive? Has this changed over time? Why?

WEALTH BREAKDOWN

CHARACTERISTICS	Group 1	Group 2	Group 3	Group 4
Wealth group "name" or local term				
Income level (range) (estimated by key informants)				
Main sources of cash income, ranked <u>Checklist of income sources:</u> - Casual labour - Paid domestic work - Salaried employment - Handicrafts	- Remittance (e.g. from salaried household member) - Firewood collection - Collection and sale of grass, etc.	- Transport (e.g. taxi, pick-up) - Petty trade (purchase and resale of goods on a small scale)		
What is a household in this group? Choose from the following types of household:	a) Monogamous (husband, 1 wife + dependants)	b) Polygamous (all wives live and manage household together)	c) Polygamous (each wife her and her children's affairs separately from other wives)	
Family structure: number of wives per man				
Household size - minus those living away + those from other households				
Percent and types of household heads a. Male headed b. Female headed	Female: _____%	Female: _____%	Female: _____%	Female: _____%
	Male: _____%	Male: _____%	Male: _____%	Male: _____%
	Total: 100%	Total: 100%	Total: 100%	Total: 100%
Number of people earning an income per HH				
% of households in neighbourhood				

	Group 1	Group 2	Group 3	Group 4
ASSETS: BUILDINGS (answer yes or no):				
own home				
rented out to others				
use as shop				
HOUSING TYPE				
SURFACE AREA				
OWNED/RENTED				
ASSETS: VEHICLES:				
own use car/pickup				
own use truck				
rented out car/pickup				
rented out truck				
CAPITAL FOR BUSINESS OR PETTY TRADE (cash amount)				
CAMEL: # owned: total				
CATTLE: # owned: total				
SHOATS: # owned: total				
DONKEYS (# & purpose)				
WATER (system):				
SANITATION (type):				
ELECTRICITY (supply)				
HEALTH SERVICES (access):				
EDUCATION (maximum level achieved on average)				
LAND: Purpose? Where?				
OTHER ASSETS				

SEASONAL CALENDAR

Name of Season	<i>Deyr</i>			<i>Jilaal</i>			<i>Gu</i>			<i>Hagaa</i>			<i>Gender Division of Activities</i>	
Month	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Male	Female
ACTIVITY/EVENT/ PRICE CHANGE														

NOTE:
 If the interview is good and you think this group will be a good source of monitoring information in future, then please take the names and addresses (or other contact details) of participants.

Name: _____

Address: _____

Annex 4 Interview Form: URBAN HOUSEHOLD REPRESENTATIVES

Xafada	Number of interviewees
Laanta	Male _____ Female _____
Wealth group	Date
Interviewer	Quality of interview

1.BACKGROUND INFORMATION
 How long have you lived here?

 Where did you live before and what did you do?

2. HOUSEHOLD SIZE AND COMPOSITION Number of people in HH living/ eating at home daily (include extra dependents) and indicate by gender	Total: Male: Female:	Number of children at school (boys / girls) →	Formal total: Boys: Girls:	Koranic total: Boys: Girls:
Number of wives per 'household'		Number of people actually working		
Number of income sources per household		Number of people capable of working		

3. ASSETS	4.MAIN INCOME SOURCES / ACTIVITIES BY GENDER
Buildings: type	Briefly identify the main source/activity by gender Men: Women: Boys: Girls: General household:
number	
purpose	
who owns by gender?	
Housing type	
Surface area	
Owned/rented	
Vehicles: type	
Number	
Purpose	
Who owns by gender?	
CAPITAL for business or petty trade (CASH amount)	
Camels: Total no. owned	
No. breeding females	
Where?	
Cattle: Total no. owned	
No. breeding females	
Where?	
Shoats: Total no owned	
No. breeding females	
Where?	
Donkeys: No. & purpose	
Land Quantity?	
Purpose?	
Where?	
Other assets	

5. ACCESS TO SERVICES	
What use do households in this wealth group make of the following services?	What problems do households in this wealth group have in accessing these services (e.g. lack of supply, cost, distance etc.)
Water: e.g. pipes, public standpipes, tankers, etc.	
Sanitation, Garbage collection, etc.:	
Electricity: e.g. power line, own generator, etc.	
Health: e.g. health posts, clinics, hospitals	
Education – primary	
Education – secondary	

6. **EXPENDITURE PATTERNS – FOOD AND NON FOOD ITEMS:** Obtain information on the main expenditure items for the whole reference year. Remember to ask about *seasonal variations* in expenditure.

Main Expenditure Categories	Quantity purchased [a]	Frequency purchased [b]	Duration (no.mo. pa) [c]	Price per unit [d]	Total cost = [a]x[b]x [c]x[d]	Total kg (where relevant)	% of food
Food							
Sorghum							
Rice							
Pasta							
Wheat flour							
Bread							
Pulses							
Vegetable oil / ghee							
Sesame oil							
Sugar							
Fish							
Tea							XX
Meat – goat							
Meat – camel							
Eggs							
Vegetables							
Milk – goat							
Milk – camel							

Milk – powdered							
Salt							XX
Spices							XX
Fruit							
Other:							
Sub Total						Sub Total	
Household items for daily consumption							
Soap – bathing							
Soap – laundry							
Washing powder (Omo)							
Oil for hair/lamps							
Kerosene							
Firewood/ Electricity							
Water							
Milling							
Utensils /pots							
Other:							
Sub Total							
Main Expenditure Categories	Quantity purchased [a]	Frequency purchased [b]		Price per unit [c]	Total = [a] x [b] x [c]	Remarks	
Health and Education							
Medical costs							
Koranic school fees							
School fees							
Books / stationery							
Uniform							
Footwear							
Other							
Sub Total							
Transport							
For travel to school							
For work							
Other							
Sub Total							
Clothes							
Clothes/shoes for children							
Clothes/shoes for women							
Clothes/shoes for men							
Sub Total							
Inputs							
Seeds, tools							

Fertilisers, pesticides							
Land rental							
Irrigation, pump fuel							
Livestock drugs							
Livestock feed							
Fishing boat repair							
Fishing net repair							
Other							
Sub Total							
Main Expenditure Categories	Quantity purchased [a]	Frequency purchased [b]		Price per unit [c]	Total = [a] x [b] x [c]	Remarks	
Other							
Qat							
Tobacco/cigarettes							
Phone credit							
Household furniture							
Household tv, radio, etc							
House rent							
Debt repayment							
Savings							
Asset purchase							
Cash gifts (including remittances to others)							
Other:							
Sub Total							
GRAND TOTAL							

Can expenditure on any of these items be reduced in a bad year? By how much (quantify)?

Which items do women usually purchase? Who makes the decision about purchasing these items (men or women)?

Which items do men usually purchase? Who makes the decision about purchasing these items (men or women)?

7. LIVESTOCK PRODUCTION (milk, butter, meat, eggs)

CALCULATE
↓

CALCULATE
↓

CALCULATE
↓

Consumption and sale of milk, milk products, & eggs	# of animals milked (A) [reconfirm from pg 1]	Season/Period	Length of lactation (in days) (B)	Average milk production per animal per day (C)	Total production per season/period = (A) x (B) x (C)	Quantity sold or exchanged (note skim or whole)**	Price per unit sold	Cash income	Other use (e.g. gifts, payment for labour)	Balance consumed (note skim or whole)	% of annual kcal needs

Consumption and sale of meat (from own livestock)	Total number of animals slaughtered	Meat per carcass (kg)	Total meat (kg)	Sold or exchanged	When sold?	Price per unit sold	Cash income	Other use (e.g. gifts)	Balance consumed	% of HH kcal needs

OTHER INCOME FROM LIVESTOCK: Sale of livestock (e.g. buffalo, cows, goats, chickens) or livestock rental	Total Sold	When?	Price per unit sold	Cash income	Where sold?	
TOTAL Income =					TOTAL % kcals=	

8. FOOD AND CASH FROM CROP PRODUCTION: Remember that you are gathering information for the reference year

Own crop production: ALL SEASONS

Crop (food crops, cash crops, vegetables)	Unit of measure and weight	Quantity produced	When	Quantity sold / exch.	Price sold per unit	Cash income	Other use	Balance consumed (in kg)	% of HH food needs
Total crop food & income →									

9. FOOD RELIEF / GIFTS / TARGETED FEEDING / SCHOOL FEEDING / MEALS EATEN WITH OTHER HOUSEHOLDS / LABOUR EXCHANGE

Description	Quantity (and unit of measure)	Frequency (per week or month)	Duration (weeks or months)	When (which months?)	Total received	Quantity sold	Price per unit sold	Cash income	Other use (e.g. gifts, exchange)	Balance consumed	% of HH food needs
Total →											

10. FISH and SEAFOOD (own production)

Description	Quantity (and unit of measure)	Frequency (per week or month)	Duration (weeks or months)	When (which months?)	Total collected	Quantity sold	Price per unit sold	Cash income	Other use (e.g. gifts, exchange)	Balance consumed	% of HH food needs
Total →											

11. CASUAL LABOUR / EMPLOYMENT

Activity / income source ⁷ (indicate whether men or	Unit of work (e.g. day, acre)	Number of people doing this activity & WHO	Frequency (per week or month)	Duration (no. of weeks or months)	When (which months?)	Payment per unit of work	Receives cooked meal?	Total cash income per year
Total →								

12. SELF-EMPLOYMENT / SMALL BUSINESS / TRADE

Activity / income source ⁸ (indicate whether men or women or children do the	Unit of measure (e.g. bundle, sack, period of time)	Number of people doing this activity & WHO	Frequency (per week or month)	Duration (no. of weeks or months)	When (which months?)	Price or Profit per unit sold	Total cash income per year
Total →							

⁷ Checklist: agricultural labour (clearing fields, preparing land, planting seeds, weeding, harvesting, threshing), digging pit latrines/wells, construction, brick making, skilled casual labour (e.g. carpentry), salaried employment, domestic work, livestock herding, pension.

⁸ Checklist for self-employment: collection and sale of water, firewood, charcoal, grass, handicrafts, sand collection, gum/resins, thatch/poles. Checklist for small business/trade: petty trade, trade, rental/hire, kiosks and shops.

13. OTHER CASH INCOME SOURCES – GIFTS / REMITTANCES IN CASH / CASH ASSISTANCE / ASSET SALES

Activity / income source	Unit of measure (e.g. sack, period)	Number of people doing this activity	Frequency (per week or month)	Duration (no. of weeks or months)	When (which months?)	Price per unit sold	Total cash income per year
Total →							

14. SUMMARY OF REFERENCE YEAR SOURCES OF FOOD AND CASH INCOME

SOURCES OF FOOD

	Purchase	Livestock production (milk/meat)	Crop production	Fishing	Labour exchange	Relief / Gifts	Other food	TOTAL
Calculated (%)								

SOURCES OF CASH INCOME

Before adding up all income sources, check this following: Is cash income obtained from one of the above sources (e.g. casual labour *OR* petty trade) or from a combination of the above sources (e.g. casual labour *AND* petty trade)?

	Labour, Employment	Self-employment, Trade	Gift / Remittances / Asset sales	Own production			Other income	TOTAL
				Crops	Livestock	Fishing		
Calculated (cash)								

NOTE: REMEMBER TO CROSS CHECK TOTAL INCOME WITH TOTAL EXPENDITURE

15. SEASONALITY: To what extent are any of the food sources, income sources and expenditure items seasonal?

16. BORROWING/LOANS: Is borrowing or taking loans a common strategy for bridging gaps between one week/month/season and the next? Describe the systems of borrowing for this wealth group. What is the average level of debt accumulated, and how is this paid off?

17. OPPORTUNITIES AND CONSTRAINTS: Are there any strategies that are used by other wealth groups in the community that are little used by this group? Which ones and why?

Source of Food/Income	Reason why little used

18. COMMUNITY DYNAMICS (GIFTS): To what degree are community members co-operating/mutually supporting each other either through formal or non-formal arrangements? What support do female-headed households receive? Has this changed over time? Why?

19. Any OTHER observations or comments?

WEALTH BREAKDOWN: If this group is a good information source, then please also do a wealth breakdown.

CONTACT DETAILS: If this group will be a good source of monitoring information in future, and if they are willing to be contacted in future, please note the names and contact details for participants on this page.

Annex 5 IMPORT/EXPORT DATA

Bossaso Port Authority
Ships and Export Cargo Statistics For the year 2008/2009

Months	Number of Ships	Number of Dhows	Total Number	CAMELS		CATTELS		Sheep/Goats		Total Tons	Total Livestock
				(Heads)	Tons	(Heads)	Tons	(Heads)	(Tons)		
Jan.08	8	92	100	2917	1225	8022	1765	24600	738	3728	35539
Jan.09	8	75	83	2222	933	16967	3733	52227	1567	6233	71416
Feb.08	14	65	79	2911	1223	11157	2455	40100	1203	4880	54168
Feb.09	10	71	81	1287	541	7335	1614	73683	2210	4365	82305
Mar.08	7	93	100	2090	878	5380	1184	47980	1439	3501	55450
Mar.09	5	77	82	1725	725	4206	925	84107	2523	4173	90038
April.08	11	73	84	2722	1143	3455	760	42670	1280	3183	48847
April.09	6	58	64	1980	832	3165	696	44367	1331	2859	49512
May.08	6	70	76	1420	596	4250	935	50050	1502	3033	55720
May.09	4	75	79	1699	714	3153	694	81502	2445	3852	86354
Jun.08	13	59	72	3508	1473	7104	1563	92156	2765	5801	102768
Jun.09	6	59	65	1809	760	1425	314	81934	2458	3531	85168
Jul.08	8	53	61	4395	1846	4417	972	89280	2678	5496	98092
Jul.09	6	43	49	475	200	3843	846	106389	3192	4237	110707
Aug.08	12	50	62	4730	1987	8696	1914	115631	3469	7369	129059
Aug.09	8	56	64	549	273	2914	641	105774	3173	4087	109337
Sep.08	5	83	88	1070	449	7096	1562	46350	1391	3401	54518
Sep.09	7	66	73	1724	724	3529	776	89825	2695	4195	95078
Oct.08	6	62	68	408	171	5970	1313	66396	1692	3177	62774
Oct.09	4	86	90	638	268	8242	1813	62640	1879	3980	71520
Nov.08	10	130	140	1330	559	3355	738	515410	15462	16759	520095
Nov.09			0		0		0		0	0	0
Dec.08	5	80	85	138	58	9140	2011	116152	3485	5553	125430
Dec.09			0		0		0		0	0	0
2008 Total	105	910	1015	27639	11608	78046	17172	1236775	37104	65884	1342460
2009 Total	64	666	730	14208	5970	54779	12051	782448	23473	41494	851435

SECS				
Skin/Hides (BND)	Fish (Tons)	Incense (Tons)	Other General Cargo	Total Tonnage
4805	14	178	0	4997
0	0	55	0	55
0	2	15	0	17
3023	0	6		3029
3200	8	640	0	3848
0		131		131
0	1	4	13	18
2721	0	67	0	2788
0	0		0	0
0	9	165	130	304
434	3	4	0	441
0	1	76	38	114
0	0	13	0	13
			152	152
3865		6600		10465
	0			0
0	0	25	5	30
4692				4692
3747	9	0	0	3756
	14	101		115
3690	12	79	0	3781
0	0	0	0	0
0	2	70	0	72
	24	600		11380
19741	51	7628	18	27437
7715	47	1200	320	22759

Ahmed Mohamed Adam 
 Director of Planning and Statistics Department of
 Ministry of Ports, and Marine Transport
 Average Standard Weight in Kgs: Camel = 420, Cattle = 220, and Sheep/Goats = 30



Xabeeb21@hotmail.com
 Xabeeb21@yahoo.com
 00-25-90-729202

Bossaso Port Authority
Ships and Import Cargo in Tons Statistics for the year 2008/2009

Months	Number of Ships	Number of Dhows	Total Number of Vessels	Sugar	Rice	Flour	Pasta	Cooking Oil	Cement	Construction Materials	Truck and Cars	Diesel	Other General Cargo	Total Tonnage
Jan.08	8	92	100	8060	5327	2595	804	749	11700	307	101	4029	3617	37289
Jan.09	8	75	83	6795	9148	670	807	696	18281	691	267	9341	4989	51685
Feb.08	14	65	79	10435	11075	4750	872	1104	6000	572	151	3216	4526	42701
Feb.09	10	71	81	7429	1710	8609	2976	2280	11200	975	227	6501	8893	50800
Mar.08	7	93	100	17967	3794	2996	697	1122	10810	2823	219	4683	6274	51385
Mar.09	5	77	82	12468	5622	5161	2196	922	2000	1495	339	13781	5608	49592
April.08	11	73	84	19055	1266	3695	315	1359	8810	1438	320	4209	4998	45465
April.09	6	58	64	1622	8143	8777	2527	1481	5886	1825	244	4779	12039	47323
May.08	6	70	76	18160	1575	3143	550	801	5740	1131	241	4018	5866	41225
May.09	4	75	79	2507	5387	18195	723	1232	5000	3318	361	6485	6286	49494
Jun.08	13	59	72	6217	44	3722	340	972	8180	1003	199	4280	4935	29892
Jun.09	6	59	65	14940	5433	1274	1548	353	8537	1663	372	6574	7448	48142
Jul.08	8	53	61	6148	3711	1721	421	483	5416	869	138	4987	6321	30215
Jul.09	6	43	49	3479	341	2000	1877	388	13410	1038	47	2918	12030	37528
Aug.08	12	50	62	7504	1309	8515	373	897	2529	1266	86	4233	3312	30024
Aug.09	8	56	64	11687	3315	4531	1655	1181	3428	528	225	2887	7317	36754
Sep.08	5	83	88	17679	4871	13252	920	1301	5400	2224	106	5320	7711	58784
Sep.09	7	66	73	10257	6812	12830	3612	1463	11001	1133	282	9861	8378	65629
Oct.08	6	62	68	11275	1845	1832	862	864	3700	351	78	3516	4149	28472
Oct.09	4	86	90	6051	1252	3325	964	958	13485	937	177	4034	3592	34775
Nov.08	10	130	140	6104	4215	2872	1364	815	5000	1121	149	4480	10821	36941
Nov.09			0											0
Dec.08	5	80	85	8730	7718	1701	1309	744	6880	398	195	2499	6125	36299
Dec.09			0											0
2008 Total	105	910	1015	137334	46750	50794	8827	11211	80165	13503	1983	49470	68655	468692
2009 Total	64	666	730	77235	47163	65372	18885	10954	92228	13603	2541	67161	76580	471722

Ahmed Mohamed Adam
 Director of Planning and Statistics Department of
 Ministry of Ports, and Marine Transport




Xabeeb21@hotmail.com
 Xabeeb21@yahoo.com
 0025-90-729202

Annex 6 COMPARISON OF BOSASSO AND BERBERA LIVESTOCK EXPORTS

Livestock Exports	Bosasso Port	Berbera Port
2000		
Sheep/Goats	571,455	1,601,083
Cattle	27,604	63,263
Camel	8,177	16,984
Total	607,236	1,681,330
2001		
Sheep/Goats	548,853	51,546
Cattle	42,248	20,973
Camel	1,950	3,473
Total	593,051	75,992
2002		
Sheep/Goats	1,412,450	341,711
Cattle	53,313	37,547
Camel	9,720	18,864
Total	1,475,483	398,122
2003		
Sheep/Goats	1,483,409	563,107
Cattle	71,328	84,312
Camel	4,259	21,874
Total	1,558,996	669,293
2004		
Sheep/Goats	1,166,480	859,404
Cattle	79,994	131,852
Camel	2,488	5,147
Total	1,248,962	996,403
2005		
Sheep/Goats	1,594,859	1,023,795
Cattle	91,910	148,151
Camel	26,109	5,069
Total	1,712,878	1,177,015
2006		
Sheep/Goats	1,777,283	1,017,242
Cattle	104,595	85,631
Camel	33,724	22,810
Total	1,915,602	1,125,683
2007		
Sheep/Goats	1,522,855	1,350,054
Cattle	89,190	88,143
Camel	27,580	14,245
Total	1,639,625	1,452,442
2008		
Sheep/Goats	1,236,775	1,219,519
Cattle	78,046	80,051
Camel	27,639	26,515
Total	1,342,460	1,326,085
2009		
Sheep/Goats	1,159,454	1,556,003
Cattle	67,385	88,005
Camel	15,331	20,206
Total	1,242,170	1,664,214

Annex 7 IDP POPULATION DATA (DRC, June 2009)

																	
CP Danish Refugee Council		Bosaso IDPS Registration statistics on 24-29 June 2009															
Distric Bossaso																	
Code	Name of IDP Camp	IDP Camp status	No of HH	Gender of HHH per Camp			Age groups						Total				
				M	F	854	infants <6 months		Children 6-59 months		Adult >18 yrs		M	F	M+F		
101	100 Bush	IDP	907	53	306	854	195	220	736	732	447	1134	1378	2940	4318		
102	10 Bush	IDP	361	55	306	52	155	296	339	149	430	497	1230	1727			
103	55 Bush	IDP	177	9	168	33	84	129	148	93	219	255	619	874			
104	Tawakal	IDP	584	16	568	58	168	440	401	169	738	667	1875	2542			
105	Hafatul Arab	IDP	363	74	289	71	70	329	303	228	301	628	963	1591			
106	Inji	IDP	186	37	149	30	27	137	186	141	363	308	725	1033			
107	Balade	IDP	118	23	95	44	50	83	96	87	202	214	443	657			
108	Lanta Hawada	IDP	260	56	204	42	66	254	213	178	314	474	797	1271			
109	Ajuran	IDP	806	139	667	66	90	634	647	671	1118	1371	2522	3893			
110	Shabelle	IDP	1032	132	900	349	391	724	685	804	1328	1914	2368	4282			
111	Girible	IDP	399	52	347	36	34	474	368	112	469	622	1218	1840			
112	New Shabelle	IDP	236	19	217	108	99	144	149	117	311	369	559	928			
113	Biyo Kulule	IDP	543	42	501	20	94	653	628	323	735	996	1958	2954			
114	Bariga Bosaso	IDP	140	4	136	7	13	110	133	75	192	192	474	666			
115	TurJalle	IDP	289	19	270	13	15	259	205	150	350	422	840	1262			
116	Raf & Raho	IDP	406	42	364	61	86	367	364	219	580	647	1394	2041			
117	Bulo Mingis	IDP	822	74	748	150	409	560	423	578	989	1288	2569	3857			
118	Bulo Elay	IDP	995	89	906	113	171	806	728	554	1419	1473	3224	4697			
119	Absame A	IDP	186	27	159	30	42	109	140	134	262	273	603	876			
120	Absame B	IDP	523	37	486	114	43	432	393	238	701	784	1623	2407			
121	Abow A	IDP	323	25	298	145	110	216	242	143	418	504	1068	1572			
122	Abow B	IDP	393	54	339.01	55	98	382	393	382	526	819	1356	2175			
123	Bush Qodax	IDP	181	39	142	14	21	126	178	87	217	227	558	785			
125	S.xoolaha	IDP	269	25	244	201	127	372	116	79	321	652	808	1460			
Total			10499	1142	9357	2007	2683	8772	8210	6158	13637	16974	32734	49708			

Annex 8 ECONOMIC SECTOR INVENTORY

Economic Sector Summary (income in US dollars per month)											
			Very, very poor	Very poor	Poor	Lower middle	Upper middle	Better off	Rich		
SECTOR	SUB-SECTOR	JOB	<50	50-125	125-220	220-400	400-735	735-1000	>1000	TOTAL	
SMALL BUSINESS	Food & NFI stores	Owner			825	825				1650	
		Lessee / Salesmen					1650			1650	
		Assistant salesmen			800						800
		Brokers		90							90
		Porter		1025	1025						2050
		Wheelbarrow porters				750					750
	Groceries at market	Owner					50				50
		Leaseholder					160				160
	Groceries at villages	Owner/salesman				750					750
		Leaseholder				50					50
			Leaser	50							50
	Food & NFI - table retailers		Leaser		35	30					65
			Leaseholder		100	300					400
			Porters		50						50
	Clothes sellers at market		Wholesalers							50	50
			Salesmen			35	35				70
			Leasers			25	25				50
			Brokers			6					6
			Retailers (Empor-)		55						55
			Retailers (Shops)					160			160
	Retailers over-table					175	175			350	
		Peddlers	500							500	
		Porters		90						90	

		Guards		140					140
	Used Clothes	Wholesalers				5			5
		Retailers over-table		75					75
		Other Retailers	450						450
		Porters	35	40					75
			VVP	VP	P	LM	UM	BO	R
	Meat Marketing	Retailers at markets		150	100				250
		Retailers at villages		450					450
		Porters/rope	80						80
		Cleaners	20						20
	Milk Marketing	Wholesaler				6	6		12
		Retailers at market		200	75				275
		Retailers other outlets	15	20					35
		Milk peddlers	115						115
		Porters	12						12
	Fruit and veg	Head of cooperatives					50		50
		Salesmen big stores				160			160
		Salesmen small stores			100	200			300
		Vegetable kiosks		200	400				600
		Open market vendors		1500					1500
		Small tables	500						500
	Tailors A	Leaser			40	35			75
		Leaseholder			25	20			45
		Tailors				135			135
		Support staff	45						45
	Tailors B	Tailors			250				250
	Assorted merchandise trade	Wheelbarrow retailers		750					750
		Bread/biscuit retailers		325					325
		Bookshop Owner						15	15
		Bookshop Salesman			20				20

		Gold & Jewellery				45				45
		Goldsmith		5	5					10
		Beauty salons		30	30					60
		Shoes retailers			300	100				400
		Cobblers		45						45
		Barbers		90						90
		Tea shop		100	200					300
		Tea stalls/buushashka		450	100					550
		Video centres		25	5	5				35
		Local Furniture		125	15	10				150
		Wheel barrow porters		860						860
		Cosmetic Retailers				15	20			35
		Pharmacies		25	100	200	25			350
		Wheelbarrow leasers				15				15
		Workshops		300	50	50	50			450
		Garages		500	100	75	125			800
		Stereo/photo shop		7	7	2	6			22
		Cigarette/ tobacco retailer		50	50	20				120
		Money vendors		100	100	200	20	15		435
		Private toilets		65	35	20				120
		Radio/watch repairers		20						20
		Car wash		80	10	10		5		105
		Tyre repairers		400	200	50				650
				VVP	VP	P	LM	UM	BO	R
	Hotels A (10)	Manager			5	5				10
		Receptionist			20					20
		Cleaners	60	20						80
		Laundry		10						10
		Electrician			10					10
		Plumber			10					10

		Generator attendants			20					20
		Guard		20						20
		Security		20						20
	Hotels B (55)	Manager			55					55
		Receptionist			55					55
		Cleaners	220							220
		Generator attendants			55					55
		Guard		55						55
		Security		110						110
	Hotels C (40)	Receptionist		40						40
		Cleaners	80							80
		Guard	80							80
				VVP	VP	P	LM	UM	BO	R
REMITTANCE	Remittance companies	Owners							8	8
		Administration					40			40
		Treasury				80				80
		Technicians					80			80
		Cash disbursement				120				120
		Cash receiver				80				80
		Guards				320				320
		Cleaners		64						64
RESTAURANT	Large restaurants (7)	Owners					14			14
		Admin			7	7				14
		Cook			7					7
		Assistant Cook			7					7
		Waiter		50	55					105
		Assistant waiter		105						105
		Dish washer	70							70
		Guards	35							35
		Garbage collection	28							28

	Small restaurants (113)	Owner				113				113
		Cook			113					113
		Waiter			113					113
		Cleaner	113							113
FISHING		Boat owners							200	200
		Boat operators						500		500
		Skilled fishermen					1000			1000
		Assistant fishermen				500				500
		Dried fish traders							35	35
		Watchmen			500					500
		Butchers			12					12
			VVP	VP	P	LM	UM	BO	R	
LIVESTOCK		Export Dealers							50	50
		Collecting agent				20	62			82
		Brokers					100			100
		Physical counter		45	45					90
		Pen Markers		45	45					90
		Hay retailers					40			40
		Security guards		96	96					192
		Support staff			5	26				31
		Livestock tending		175	175					350
		Livestock herding		150	150					300
		Vets and assistants					30			30
		Butchers		550	550					1100
		Slaughters		250	250					500
FRANKINCENSE AND GUMS	Big dealers/stores (10)	Supervisor		10						10
		Women	400							400
		Porters		30						30

		Staff				40				40
		Owners							10	10
	Medium stores (15)	Supervisor		15						15
		Women	300							300
		Porters		30						30
		Staff				75				75
		Owners							15	15
	Small stores (25)	Supervisor		25						25
		Women	250							250
		Porters		25						25
		Staff				50				50
		Owners							25	25
			VVP	VP	P	LM	UM	BO	R	
WATER		Shareholders						6	6	12
		Administration					4	4		8
		treasury					16			16
		Technicians					32			32
		Guards				10				10
		Cleaners			2					2
		Tanker owners					40			40
		Tanker drivers				32				32
		Assistant drivers			40					40
		Public Kiosk operators			30					30
		Wheelbarrow cart			40					40
SMALL INDUSTRIES	Mattress factory	Owner							2	2
		Permanent		5		5				10
		Temporary		20						20
	Bread factory	Permanent				5				5
		Temporary		13						13
	Mineral water industry (8)	Permanent				16	16		8	40

		Temporary			32					32
	Soft drink (Ilo Tango) factory	Administration						5		5
		Other permanent				23				23
	Ice factory (10)	Manager					10			10
		Supervisor/accountant				10				10
		Factory operators		30						30
	Warshadda Hargaha	Admin/chief engineers							10	10
		Other engineers							8	8
		Assistant support				6				6
		Temporary		24						24
	Aluminum/roof tiles	Misc		3	3			2	1	9
	Boat factory	Misc				6	1	1	1	9
			VVP	VP	P	LM	UM	BO	R	
EMPLOYMENT	UN	Expatriates							16	16
		Managers							24	24
		Heads of sections						32		32
		Accountants/technical					180			180
		Clerks/secretaries				32				32
		Drivers/cleaners		8	8					16
	National NGOs	Directors						25	25	50
		Section officers				50	50			100
		Project officers			100					100
		Cleaners/watchmen		150						150
	International NGO	Project managers							8	8
		Sector coordinators							16	16
		Section leads					48			48
		Support staff				80				80
		Cleaners/watchmen			8					8

	Government	Senior staff		115						115
		Assistant senior staff		172						172
		Junior staff		458						458
		Junior support staff	286							286
		Cleaners/watchmen	115							115
	Local government	Director generals		10						10
		Semi-skilled staff		232						232
		Unskilled staff	58							58
			VVP	VP	P	LM	UM	BO	R	
ENERGY	Electricity	Management staff					8			8
		Heads of sections					5			5
		Engineers				5				5
		Technical Staff				55				55
		Money collectors			17					17
		Clerks/secretaries		6	6					12
		Drivers		2	2					4
		Cleaners		5						5
		Guards		2						2
	Fuel	Owners							3	3
		Administrative Staff					6			6
		Drivers			18					18
		Assistant drivers		6						6
		Fuel suppliers			21					21
		Cleaners		3						3
	Charcoal and firewood	Whole sellers			10	10				20
		Retailers		50	50					100
		Drivers			10	10				20
		Assistant Drivers		10	10					20
		Wheelbarrows		150						150

QAT	Owners							2	2
	Store staff - Harari	1	35	20		15			71
	Store staff - Miraa	1				4	3	12	20
	Retailers			450	450				900
	Assistant retailers	450							450
TRANSPORT	Taxi		52	130					182
	City Bus		170	170	170				510
	City Bus Organization		1	3	7				11
	Trucks	80	360	240	675	0	500	350	2205
	Mark II				37				37
	Port-Town Transport	100	100		100				300
		VVP	VP	P	LM	UM	BO	R	
CONSTRUCTION	Supervisors				25	25			50
	Mid-level managers				300				300
	Guards/cleaners		50						50
	Unskilled workers		1400						1400
	Semi-skilled workers			300					300
	Skilled workers			300					300
	Truck drivers				200				200
	Truck owners				90	90			180
	Porters			250					250
PORT ACTIVITIES	Porters		290						290
	Guards/soldiers		300						300
	Custom officials			100					100
TOTALS		4549	14744	11643	6653	4043	1113	885	43630