



Food and Agriculture
Organization of the
United Nations

SOMALIA 2017

Putting life-saving cash in people's pockets, rebuilding productive infrastructure

Markets in Somalia are functioning. There is food on their shelves – but scarcity and high prices have pushed it out of the reach of many. FAO unconditional cash relief payments and cash-for-work projects are putting desperately-needed money into the pockets of rural families at high risk. Giving people cash gives them access to food.

Even with good weather, Somalia's agropastoral families cover only around half their cereal needs though household production. They buy the rest of their food – much of it imported. Both of last years' harvests were near-total failures, and by early 2017 they had worked their way through their reduced cereal stores. Since then these families have been

depending on purchases to survive, often going into debt to do so. Their animals are emaciated, not producing enough milk, and can't be sold. The seasonal farm jobs that provide up to a quarter of their yearly income have also dried up. People in rural Somalia are facing a cash crunch. They need money to access food and to avoid selling off key productive assets – and they need it now.



Results and impacts

48,000+ highly food insecure rural families nearly half a million people – are receiving cash transfers to help them cover their food needs until the end of the agricultural lean season.

Some households earn cash in exchange for participating in **projects to rehabilitate agricultural infrastructure** in their communities. Families too weak or unable to work are getting **unconditional cash relief**.

\$7 million in cash injected into rural Somalia to date. **\$12 million** by August.

204 infrastructure projects completed so far.

FOOD PRICE TRENDS

+109%

Cost of cowpeas in Galgaduud, Mudug and Nugal regions.

+83%

Cost of red sorghum in Bay, Bakool, Gedo and Hiraan.

+36%

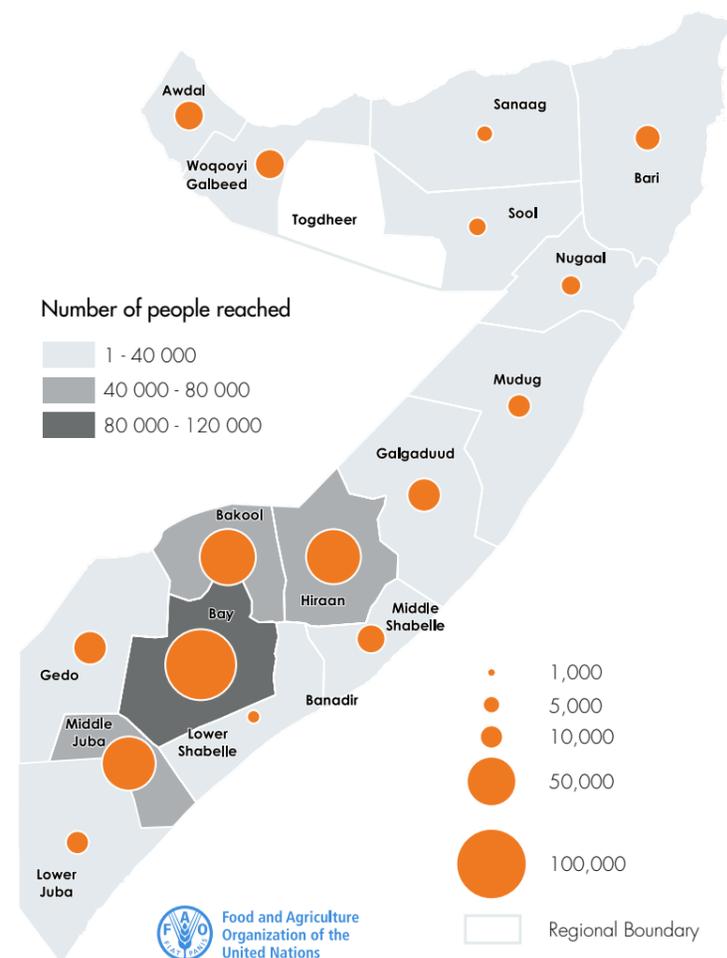
Cost of fresh camel milk in Awdal, Woqooyi Galbeed, Togdheer and Sanaag.

+26%

Cost of white maize in Lower and Middle Shabelle.

Increase, April 2017 compared to April 2016. Source: FSNAU.

CASH RELIEF & CASH-FOR-WORK: AS OF 2 JUNE 2017



The power of cash

Barter, interpersonal debt and even mobile banking are used in Somalia, but cash remains king. Cash is accepted everywhere. It is highly mobile, relatively easy to get to quickly into remote areas. And since food markets in Somalia are functioning, cash offers a way to rapidly reach highly food insecure populations.

The immediate goal of FAO's cash-based interventions is to improve household-level food security and

guarantee that families can access food during this crisis.

But having cash on hand also lets people avoid selling animals or other property to feed themselves and so hold on to their most crucial livelihood assets. And cash has a multiplier effect – FAO infusions of money into rural areas are buoying up farmers, traders and storeowners, putting people and communities on a better footing to resume normal life after the drought ends.

Projects are not time-intensive and usually only involve one household member; they do not detract from the

time that families need to invest in their own farms and animals. Cash-for-work represents an additional source of income, not a substitute for livelihoods.

Where payments are in exchange for work on agricultural infrastructure, projects are lifting local food production, in the short term – and creating shared assets that will enhance productivity for entire communities in the future. Efforts to improve access to irrigation by farmers in southern Somalia's riverine zones, for example, should help them increase maize production by up to 80 percent.

Moving money into Somalia and into people's pockets

FAO works with *hawala* money transfer agents to get cash into the country. These traditional institutions have a 1,000-year history and are relied upon by millions of people around the world to conduct financial transactions. In Somalia, their reach extends even into the remotest regions. By some estimates, remittances received through hawalas account for a third of the country's gross domestic product.

To help reduce the risk of aid being diverted from intended targets, FAO distributes vouchers that beneficiaries redeem for cash.

Ahead of each payment, FAO's local NGO partners issue a uniquely-numbered voucher to each beneficiary for that specific transaction. The voucher bears the beneficiary head of household's unique ID, and biometric data and photograph.

The hawalas transfer funds to money agents in areas near beneficiaries, which they redeem for cash. FAO receives confirmation from its NGO partners when vouchers are handed over, and the money venders also report once each voucher has been exchanged for cash.

Our implementing partners stay in contact with communities to ensure that aid is arriving and submit regular progress reports; our call centre contacts beneficiaries via telephone to cross-check. Using satellites and remote sensing technology, we track the progress of infrastructure rehabilitation.

SUPPORTING AGRICULTURE, SUSTAINING LIVELIHOODS

- 204 productive infrastructure projects completed in 2017 so far.
- 29 canals irrigating 3,800 hectares of land. Enhanced productivity will yield 9,500 additional tonnes of maize.
- 120 catchments have increased water storage capacity in rural Somalia by 795,000 cubic meters – a volume sufficient to sustain 220,000 farm animals for 3 months.
- 27 soil contouring projects have revitalized nearly 500 hectares of pastureland.
- 29 repaired river embankment breakages will prevent flooding on approximately 2,300 hectares of land in Somalia's southern breadbasket.
- An additional 149 projects are underway.

Targeted, community-owned interventions

FAO's cash interventions are consent-based and evidence driven.

Communities know best who needs the most; that, combined with field verification and remote monitoring, helps ensure that aid is well-targeted.

1. FSNAU assesses food availability and market prices to determine the cost of the "minimum expenditure basket" requirement in each district being helped.

2. NGO partners engage with target communities to identify families at greatest need, assess their nutritional status and ascertain which are able and willing to work versus which simply need unconditional cash relief.

3. Data for each family is registered via FAO mobile – and laptop-based survey and field management tools. Beneficiary lists are cross-checked with other humanitarian actors to avoid overlap in assistance.

4. Communities propose infrastructure projects and FAO evaluates them for their viability and usefulness – on-site when possible, and using high-resolution satellite imagery and other data sources when not.

THE HARDEST CHOICE

Fathuma and her family lost most of their camels and goats to drought and in early 2017 were forced to seek relief at a camp for the displaced in Uusugre, Puntland.

Animals are among Somalis' most important financial assets, traded for food, or used as collateral for cash for buy food. When any rural family loses key assets, or is forced to sell them off to feed themselves, they are in essence losing their future self-reliance.

FAO cash payments of around \$90 per month are helping vulnerable households keep themselves fed. The goal is to reach them before they liquidate livelihood assets and must make the life-wrenching choice of leaving everything behind.



UUSGURE, PUNTLAND

If they lose their animals to drought, pastoralists' options for remaining self-reliant grow extremely limited.
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