

Executive Brief: Burkina Faso Impact of rising food prices on food security in urban areas July 2008

Overview, scope and methods

Burkina Faso classifies as a least-developed and food-deficit country. It ranks 174nd out of 177 on the Human Development Index (2006). Over 45 percent of the population live below the poverty line. Despite a stabilisation of the economy and an average GDP growth of 5.8 percent between 1994 and 2003, poverty remains widespread and inequities have increased. In 2007, the economic growth rate fell to 4.2percent due the decrease of cotton production and prices.

Food insecurity is widespread. About 4.9 million people in rural areas, 49 percent of the rural population, are unable to meet their food requirements, according to the 2003 National Survey on Household Living Conditions. The nutritional situation is alarming and has been deteriorating since 1993. About 38.7 percent of children were stunted in 2003 compared with 29.4 percent in 1993. About 19 percent of children were wasted. Micronutrient deficiencies, especially iron, affected 92 percent of children and 54 percent of women.

Last February, violent demonstrations took place in the country's main cities to protest against high food prices and the loss of purchasing power. The government then introduced a series of measures: temporary reduction of custom duties and VAT, subsidized sale of cereals, and an unofficial export ban and adopted longer term measures for agricultural development.

As global food prices remain high and are likely to remain so, WFP, FAO, UNICEF, UNDP and Save the Children UK, conducted an assessment in the poorest areas of Ouagadougou and Bobo-Dioulasso, the country' economic capital to analyse the evolution of the prices for basic food items, the impact of the price increase on the food security of households and propose response options.

How was the analysis done? It was based on primary data collected through interviews with key informants (community leaders, political representatives, managers in the health and education sectors) and focus groups discussions held in the poorest and most vulnerable areas of Ouagadougou and Bobo-Dioulasso.

How have food prices evolved in Burkina?

Between December 2007 and April 2008, the price of a basket of basic food items and soap has increased by 23 percent.

Between January 2007 and February 2008, the prices have increased in the following way: imported rice by 11 percent, local rice by 27 percent, maize by 44 percent, sorghum by 24 percent, meat by 30 percent and oil by 60 percent. The sharp rise of food prices began in October 2007 with the decrease by 16 percent compared to last year of the agricultural production for 2007-2008.

What is the impact of rising food prices on households' food security?

The increase of food prices combined with a decrease of employment opportunities have had a negative impact on urban households as they rely on markets to access food. The poorest households are in an extremely difficult situation and have almost exhausted their coping mechanisms.

Since 2007, the construction of building, the main economic activity is Ouagadougou has slowed down, affecting the poor households, as well as small shopkeepers. Many are in an extremely difficult situation. Similarly economic activities (mainly trade, service activity and handicraft) in Bobo-Dioulasso have slowed down further to a more general slowdown of the economy due to the increase of fuel prices. Several factories have recently reduced their activity.

<u>Impact on food consumption</u>: The poorest households report to have substantially changed their food consumption patterns.

- They have reduced the number of meals. Priority is given to children. In Ouagadougou, it implies that adult members sometimes spend more than 24 hours without eating. In Bobo, adults eat only once a day.
- They have reduced the diversity of their diet. Households eat mainly maize, sorghum, millet with a sauce of leaves. Maize is increasingly eaten mixed with water to calm hunger. The poorest have not eaten meat, fish, eggs or milk in the last six months, while they could occasionally afford to do so previously. They also resort to less preferred and less nutritious foods, such as maize leaves or leaves which are gathered in the countryside nearby. Households who could previously afford to eat meat, have now replaced it by dried fish.

• The poorest households tend to increasingly buy already prepared meals in the street (mainly beans) and cook less at home, as wood prices have increased significantly and water has become difficult to afford.

Between June 2007 and June 2008, expenditure devoted to food has significantly increased. In Ouagadougou, in June 2008, food expenses represented 75 percent of households total spending, against between 50 and 75 percent a year ago. Destitute households reported to buy small quantities each time and to spend all their income on food.

In Bobo, the destitute households spend more than 75 percent of their income on food. In poor households, between 40 to 60 percent of the income is spent on food.

Impact on health: destitute and poor households have reduced what are considered less essential spending such as health and hygiene. Households only go to health centres only in case of extreme necessity and use traditional medicine more. It is reported that children and adults are more frequently sick than last year. Malaria is more widespread. In Ouagadougou, there has been an exceptionally high number of measles cases this year. Hygiene is deteriorating as families have difficulties buying soap, and wash less. Some buy soap on credit.

Impact on nutrition: The nutritional situation of the most vulnerable is deteriorating. Doctors reported higher number of children in feeding centers. Pregnant and lactating women have also a less abundant and diverse diet than previously.

Impact on education: Academic inspectors have noticed a decline in school attendance, as families cannot afford to school fees and related expenditure anymore or need to send their children to work.

Other consequences: Begging and illegal activities are increasing, as well as child labour.

Who are the most affected people? How many are they?

All households are affected. However the very poor and the poor households are extremely vulnerable as they are using already severe coping mechanism and would not be able to cope in case another shock happens.

It is estimated that:

- About 20,000 households in Ouagadougou and 10,000 in Bobo-Dioulasso are very poor,
- About 50,000 households in Ouagadougou and 20,000 in Bobo-Dioulasso are poor.
- They need assistance.

In Ouagadougou, the destitute households have extreme difficulties in generating a revenue. They are often headed by a woman. These households rely on begging and gravel collection to live. The parents cannot afford to send their children to school. The poor households are engaged in the following livelihood activities: petty trade, wage labor or collection of gravel for the construction industry. They usually own their house, even if rudimentary. They select which children to school.

In Bobo, destitute households, often headed by women, have the following activities: petty trade or collection of gravel, sand and wood. They also rely on the assistance from the community and beg. Poor households have similar activities such as petty trade and collection of wood, sand and gravel but they also have in addition agricultural activities and women are involved in service activities (street cleaning, washing, etc).

What is the impact on markets and traders?

Traders reported a reduction of the quantities traded and bought by households due to their loss of purchasing power. Urban stocks are low. All traders have increased their price as the result of the global price increase, however traders report the reduction of their margins to allow households to buy the food, they wouldn't be able to afford otherwise.

Wholesalers are constituting stocks to cover themselves up in case of further increases. Traders and shopkeepers cannot afford to constitute stocks. Some of them sell on credit to maintain their activity.

In Bobo, traders mentioned that the lack of rain, the low level of cereal production, the increase of fuel price and transport prices also contributed to the slowdown of their activity. They mentioned that the lack of access to credit prevent them from constituting stocks and affect their capacity to adapt to prices and a changing demand. The lack of infrastructures (for example to stock food) and the poor state of the roads prevent a proper functioning of markets.

How is the situation likely to evolve in the coming months?

The price of imported commodities (rice, sugar, oil) is likely to remain high for the time being. The price of local food items could decrease if the next harvest is good, however this will not remedy to the severe deterioration of households' situation. The price of fuel is expected to remain high or even increase further, impacting transport costs and more generally the economy. **There is a risk of further social unrest**.

Recommendations for interventions

Short term interventions are recommended:

For the very poor who rely on the assistance of their community (number to be determined with the Minister of Social Welfare).

- Free Food distributions (dry rations or meals),
- Provision of health services and essential non-food items such as soap and blankets.

For the destitute households (often women headed households, with non fixed income activities, with children who don't attend school) – 20,000 in Ouagadougou and 10,000 in Bobo-Dioulasso

- Provision of food vouchers to compensate for the increased proportion of income spent on food,
- Subsidies for health services and medicines,
- Strengthening acute and chronic malnutrition programs and the free screening of malnutrition in vulnerable neighborhoods,
- Soap distribution.

For the poor households (the households with active members who have petty jobs, they eat one or two meals a day, children attend school) – about 50,000 households in Ouagadougou and 20,000 in Bobo-Dioulasso.

- Subsidized school fees and related expenditure, specific support should be provided for girls education,
- Strengthen school feeding,
- Subsidies for health services and medicine,
- Strengthen acute and chronic malnutrition programs and the screening of malnutrition,
- Implement food vouchers distributions,
- Support to livelihoods activities.

The following medium to long term interventions are also recommended:

- Strengthen and support the national social policy and develop a social security system,
- Set up a registration system covering the most vulnerable households,
- Implement measures to control price speculation,
- Facilitate access to credit for economic operators, in particular women,
- Liberalize the sugar, oil and rice markets,
- Encourage the consumption of local products,
- Support the creation of long-term work through support to private investment and initiatives,
- Promote and support peri-urban agricultural activities,
- Support agricultural production and trading of agricultural products.

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