



WFP Budget Shortfall
MEDIA BACKGROUNDER
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WFP – the world’s largest humanitarian agency – depends entirely on voluntary donations to carry out its work feeding hungry people in some of the poorest countries around the globe. Most of WFP’s running costs are covered by governments, but a growing and significant amount comes from private corporations, and individuals.

2009 has been a particularly challenging year for fund-raising, and WFP is facing the prospect of a dramatic budget shortfall that could lead to ration reductions or even the suspension of some feeding programmes.

Background:

- In 2008, WFP found itself in the midst of a “perfect storm” of rising food and fuel prices and growing hunger, which pushed tens of millions more people to the very edge of survival.

In 2008, WFP rose to the challenge of feeding 102 million people in 78 countries affected by natural disaster, conflict, and the impact of high food prices.

It was a record year for fund-raising with donor governments supporting WFP to the tune of US\$5.1 billion.

- As 2008 closed and WFP moved into a new year, the impact of the high food price crisis was followed swiftly by the global financial downturn.

The poorest and hungriest people in the world - who were still reeling from high food prices - were engulfed by a second wave that brought job losses, falling investment in developing countries, and diminishing remittances.

In 2009, the UN Food and Agriculture Organization is predicting that the number of hungry people will pass 1 billion for the first time in human history. At the very time that hunger is on the march and WFP is needed most, the agency is struggling to raise the resources needed to carry out its vital work.

Budget Shortfall (as of 4 August 2009):

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| ➤ WFP 2009 Budget: | US\$6.7 billion |
| ➤ Expected/projected contributions: | US\$3.7 billion |
| ➤ 2009 Confirmed contributions: | US\$1.8 billion |
- WFP's funding shortfall is directly affecting the hungry, resulting in ration cuts and in some cases suspension of food distributions.
 - Food assistance is an investment in the future of individuals, nations, and global security – when people are hungry, they revolt, migrate or die.
 - At the very moment when WFP is needed most, global food aid supplies are at a 20-year low. Only 6.3 million

tons of food aid was delivered in 2008 compared to 13.2 million tons in 1990.

- Food and nutrition programs are among the most cost-effective development interventions – demonstrably raising the economic growth potential of poor countries by helping people reach their full mental and physical capacity.
- Conversely: child malnutrition can severely impact the overall productive capacity of a country, cutting GDP by as many as 10 percentage points.

Impact of Budget Shortfall:

- **UGANDA:**
 - 2 million people, including refugees, and those affected by drought and conflict, are hungry and in need of food assistance
 - WFP's programme to provide food assistance to refugees and displaced people in northern Uganda is less than one-third (30 per cent) funded.
 - WFP has suspended food distributions to more than 600,000 hungry Ugandans displaced by conflict in the north of the country.
- **KENYA:**
 - There is a growing crisis in Kenya, where 3.2 million hungry people have been affected by persistent drought and high food prices.

- Hunger is on the rise following the failure of the long-rains season in marginal agricultural lowlands and pastoral areas.
- WFP will run short of cereals in August, and the 3.2 million Kenyans living in arid and semi-arid areas who had been receiving a normal ration of maize, pulses, cooking oil and salt, will now get less food.

- **BANGLADESH:**

- Bangladesh is home to some of the poorest and hungriest people in the world. High food prices and underlying food insecurity mean that 60 per cent of Bangladeshis are eating only two meals each day, and 15 per cent go at least one day a week without eating at all.
- WFP was aiming to feed 5 million hungry people who have been seriously affected by high food prices, or are struggling to feed their families due to the downturn in the global economy. Due to the funding shortfalls, the agency can now only reach 1.4 million – or around one quarter of the original caseload.
- Cuts have been made to urban school feeding programmes (70,000 instead of 300,000 children to receive meals), targeted relief to households affected by high food prices and the “ultra-poor” who were due to receive rations while undergoing employment training.

- **CENTRAL AMERICA:**

- 600,000 hungry people in Guatemala, Honduras, Nicaragua and El Salvador depend on WFP for their food needs.
- Due to funding shortages, WFP has reduced rations and may have to suspend feeding programmes at the very time it should be expanding our support because of the start of the hurricane season and the impact of the global financial downturn.
- The funding shortfalls are severely affecting WFP's ability to pre-position stocks ahead of the hurricane season.
- In Guatemala, funding shortfalls mean that in August, around 100,000 children under the age of 5, and 50,000 pregnant and lactating women are going to lose their supply of Vitacereal – a highly nutritious blend of maize, soy and micronutrients.

UN HUMANITARIAN AIR SERVICE:

- The UN Humanitarian Air Service - which WFP manages - flying aid workers to camps for 250,000 Darfur refugees and 180,000 internally displaced people in Chad will run out of money on 15 August. The service - which normally carries 4000 aid workers, from across the humanitarian community, each month needs just US\$6.8 million to keep flying for the rest of the year.
- The UN Humanitarian Air Service - managed by WFP - along the west coast of Africa will run out of funds by the end of August. This could mean the end

of a vital service that carries humanitarian workers to programmes assisting hundreds of thousands of vulnerable people in remote parts of Liberia, Sierra Leone and Guinea.