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# Livelihood Baseline Analysis Galkayo-Urban

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## LIST OF ACRONYMS

ARI	Acute Respiratory Infection
AWD	Acute Watery Diarrhoea
EU	European Union
FAO	Food and Agriculture Organization
FEWS NET	Famine Early Warning Systems Network
FEG	Food Economy Group
FSNAU	Food Security and Nutritional Analysis Unit
GAM	Global Acute Malnutrition
HEA	Household Economy Approach
HH	Households
IDP	Internally Displaced Person
IRC	International Rescue Committee
MCH	Maternal and Child Healthcenter
MEB	Minimum Expenditure Basket
MSF-Holland	Médecins Sans Frontières - Holland
NGO	Non-Governmental Organization
OCHA	Office for the Coordination of Humanitarian Affairs
SAM	Severe Acute Malnutrition
SDRO	Somali Development and Rehabilitation Organization
SLA	Sustainable Livelihood Approach
SoSh	Somali Shilling
SRCS/IFRC	Somali Red Crescent Society / International Federation of Red Cross and Red Crescent Societies
ToT	Terms of Trade
UAE	United Arab Emirates
UN	United Nations
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
UN-HABITAT	United Nations Human Settlements Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children Fund
USD	United States Dollar
WFP	World Food Program
WHO	World Health Organization





## EXECUTIVE SUMMARY

From October to November 2009, FSNAU conducted its first baseline livelihood assessment of Galkayo town, including an assessment of IDPs. The main objectives were: to classify and document Galkayo's urban livelihood system; identify risk factors or hazards and the population's ability to cope with the shock; to improve the food security monitoring in Galkayo; and inform recovery and development programming and policy.

This study applies FSNAU's expanded Baseline Livelihood Analysis framework for analysis, which draws on the Household Economy Approach (HEA) for understanding the household level economy, the Sustainable Livelihoods Approach (SLA) for understanding livelihoods, in addition to market analysis for contextualizing and cross-checking livelihood information. The assessment period was from the 26<sup>th</sup> of October to the 11<sup>th</sup> of November, 2009. There were a total of 16 key informant interviews and 51 wealth group interviews in the town; as well as 10 key informant interviews and 21 wealth group interviews in IDP camps. The reference year for the baseline study was determined to be October 2008 to September 2009 because this was the most recent full consumption year, making recall of events easier for those surveyed.

The main findings of the study are summarised below:

### Urban Zone Description

Galkayo is the capital of the Mudug region in central Somalia, although control of parts of the town are disputed by Puntland and Galmudug authorities. The population of Galkayo is difficult to estimate, especially because of the great fluctuations in IDPs, with population figures ranging from around 75,000 to 400,000. Using UNDP population numbers and including an IDP population of 30,000, Galkayo town has a population of about 105,000 people.

The town is an important regional hub for commerce between southern and central Somalia, the Somali region of Ethiopia and the port of Bossaso. The service sector is very important in Galkayo's economy and is strongly linked to livestock and livestock products trade.

Geographically, the town is divided into four quarters, Israac, Garsoor, Wadajir, and Horumar. The political division of the city is based on two major clan affiliations: the Darood in the northern part of the town and Hawiye in the southern part of the town.

### Seasonality and the Market

Food availability and income access of the urban livelihood are mostly based on trading activities and to a lesser degree the associated seasonality of transport and local agricultural production.

Galkayo town is a major centre for livestock trade, with markets said to have opened in 1964: one for local quality species and two for export quality species. During the reference year (September 2008 – October 2009), the average number of livestock purchased in Galkayo market on a monthly basis was 68,850 sheep and goats and 3,825 camels; of this total about 49,350 sheep and goats and 3,000 camels were exported, mostly to Arabian Gulf countries, each month. For domestic use, 600 to 700 sheep and goats and 25 to 30 camels were slaughtered daily in Galkayo town.

Locally produced cereal trade is limited as imported cereals, such as rice and wheat, are the preferred cereals in Galkayo town.

Casual labour in Galkayo is performed mostly by the poor, very poor and IDPs, with the most common activities for men being construction labour and portering. Women engage in labour activities as well, particularly in the livestock product sales, construction and petty trade sectors. Casual labour wage rates have remained fairly steady since 2003. During the reference year, the terms of trade (TOT) between labour and sorghum was an average of 11.6 kg of sorghum per daily labour wage, indicating that the population's purchasing power was highest from March to September 2009. In the reference year the average labour to rice TOT was only about 4 kg per day.

Levels of food insecurity are highest for the urban community during the *Hagaa* season due to sea closures from the monsoons. While second harsh period for Galkayo urban is *Deyr* season (short rainy season) from November to December

### Urban Wealth Breakdown

Five different wealth groups were identified for Galkayo town: Very Poor, Poor, Lower Middle, Upper Middle and Better Off. The wealth breakdown is summarized in the table below:

Wealth groups for Galkayo Town	Very poor	Poor	Lower middle	Upper middle	Better off
Percentage of HHs	7.5	30	30	20	12.5
Typical household size	6	6	8	8	10
Typical annual income per HH in SoSh	2,240,000	47,800,000	96,000,000	174,000,000	355,200,000
Annual income per HH in USD	\$1,008	\$1,494	\$3,000	\$5,438	\$11,100
Typical income earning activities	<ul style="list-style-type: none"> <li>Casual, unskilled labour</li> <li>Small scale/petty trade</li> <li>Tea stalls and prepared meals</li> <li>Low level wage employment</li> <li>Gifts</li> <li>Sales from wheelbarrows</li> </ul>		<ul style="list-style-type: none"> <li>Skilled workers</li> <li>Mid-level employees</li> <li>Mid-level petty trade</li> <li>Remittances</li> </ul>		<ul style="list-style-type: none"> <li>Import/export</li> <li>Large shops</li> <li>Senior employees</li> <li>Large businesses</li> <li>Rental income</li> </ul>

Three different wealth groups were identified for IDPs in Galkayo camps: Poor, Middle and Better off. The wealth breakdown is summarized in the table below:

Wealth groups for Galkayo IDPs	Poor	Middle	Better Off
Percentage of HHs	47.5	45	7.5
Typical household size	6	6	7
Annual income per HH in SoSh	22,840,000	30,960,000	48,600,000
Annual income per HH in USD	\$714	\$968	\$1,519
Typical income earning activities	<ul style="list-style-type: none"> <li>Casual, unskilled labour</li> <li>Small scale petty trade less common</li> </ul>	<ul style="list-style-type: none"> <li>Casual, unskilled labour</li> <li>Small scale petty trade less common</li> </ul>	<ul style="list-style-type: none"> <li>Some skilled, casual labour</li> <li>Small scale petty trade or self-employment</li> </ul>

### Sectoral Inventory

This section outlines the main sectors in which people obtain income in urban Galkayo. The information provided covers the reference year (October 2008 – September 2009), and all prices and income figures represent averages for that year; numbers should be considered approximate. The sectoral inventory aims to classify economic activities of individuals (rather than households) into particular income categories. In many households, it is common for more than one person to be working, so individual incomes may not necessarily represent total household income. Construction was found to be the main sector of employment in Galkayo town during the reference year, engaging slightly over 9,000 people. Conversely, remittances companies provided employment to the least number of Galkayo residents (85 only) in the same period. However, remittances provided the largest Income to the large number of Galkayo residents, in which 21,500 people received remittances on monthly bases and 5,300 people received irregular. The ‘very poor’ wealth group is the least represented among those who obtained income from remittances. Conversely, the majority of ‘poor’ and ‘very poor’ are engaged in construction and public sectors, respectively.

### Livelihood Assets

Key indicators most relevant to the Galkayo context were defined for five major categories of livelihood assets from the Sustainable Livelihoods Approach: Human Capital, Social Capital, Physical Capital, Financial

Human Capital			
<b>Household Composition:</b> Within Galkayo town men headed households amounted to 47% and women headed is 53%. Monogamy is the predominate practice, except among the better off and upper middle wealth groups where polygamy (usually only 2 wives) is practiced. Among IDP households, men-headed comprise approximately 49% of households and women-headed comprise 51%.	<b>Health:</b> Generally, health services are available in Galkayo, although they are often too costly to be accessible for much of the population. There are approximately 14 healthcare facilities operating: two are public/free hospitals, three are private hospitals, five are private clinics and four are maternal and child health centers (MCH) of which two are in IDP camps. Additionally, there are 10 wholesale pharmacies and 70 retail pharmacies.	<b>Nutrition:</b> FSNAU tracks the trends of acutely malnourished children attending MCH centres and selective feeding centres; these numbers show that nearly all children visiting these centres fall into the normal category for nutrition status. Nutrition assessments conducted among the IDPs of Galkayo in July 2009, indicate a Very Critical nutrition situation with GAM rates of 20.0% and SAM rates of 4.6 %.	<b>Education:</b> While enrolment rates remain low and costs for schools make access to education difficult for poorer wealth groups, there are approximately 40 private schools operating in both northern and southern Galkayo. These schools include primary, intermediate, secondary, and tertiary. School attendance, at all levels is estimated at around 14,000 (of which 38% are female) for both northern and southern Galkayo.

<sup>1</sup>household head is a person who is economically active in terms of income earnings and household resource control

Physical Capital			
<b>Housing:</b> Almost all poor and very poor households live in rented concrete houses with one room, while 50% of the middle and all better off wealth groups possess one to four concrete houses consisting of three to five rooms.	<b>Transportation and Infrastructure:</b> There is one tarmac road through Galkayo, which connects northern and southern Somalia that is passable throughout the year. Other feeder roads to rural areas and Ethiopia are generally passable throughout the year. Mini-buses and taxis are the main form of intercity bus transport.	<b>Telecommunications and Electricity:</b> There were about four cellular telephone companies, Telecom, Golis, Orbit and STG regularly in use during the reference year. Around 50-70% of the residents have access to land line telephones. Electrical supply in Galkayo is growing with eight companies currently supplying the city and another company looking to begin operations.	<b>Water Supply:</b> There are three water systems operating in Galkayo town (two in the north and one in the south). All three systems have been established as private companies with assistance from UNICEF and other support agencies. Water reaches users either through taps (about 70% of users in northern Galkayo and 30% in the south) or through kiosks and wheelbarrow sellers.
Financial Capital			
<b>Income and Remittances:</b> For information on income, see section 5. In the reference year the average money remitted monthly ranges from US \$150-250 for regular payment and US \$100-400 for occasional payments; these payments are usually made to middle income groups.	<b>Capital Levels:</b> Very poor and poor wealth groups use capital for investment in petty trade and levels range from SoSh 300,000 to 400,000 (US \$9-13). Lower middle groups also invest in petty trade and small formal businesses with average capital about SoSh 2,000,000 (US \$63). Upper middle and better off wealth groups have access to much more capital for investment in medium to large business with ranges of SoSh 30,000,000 to 35,000,000 (US \$935-1,090) and 240,000,000 to 280,000,000 (US \$7,500-8,750) respectively.	<b>Access to Loans:</b> Very poor and poor households have limited access to loans, but significant numbers of households from the middle wealth group receive loans from shopkeepers, both in kind and cash; these loans are repaid in several instalments. Borrowing increases during the dry seasons (Jilaal and Hagaa) and during religious holidays (Ramadan and the two Eids).	<b>Debt Levels:</b> The limited debt incurred by the poor and lower middle groups was estimated at SoSh 500,000 (=US \$15). The debt is normally repaid within the year, unless the year was bad.
Social Capital			
<b>Formal and Informal Support:</b> Social support is particularly strong in Somalia, including in the urban context of Galkayo. In general, female-headed households receive more support from religious charity and kinship ties than male-headed households. According to key informant interviews about 50-60% of the urban population (mostly middle income wealth groups) are directly dependent on monthly remittances.	<b>Linkages between Wealth Groups:</b> Poorer groups receive charity and zakat from the wealthy, especially during Ramadan, in the forms of food and cash. During the reference year the average amount of cash gifts received by poor households in Galkayo was SoSh 1,000,000-2,000,000 (US \$30-65).	<b>Urban Linkages to Rural Areas:</b> Urban residents buy livestock, milk, ghee, water from berkads and charcoal from rural areas. Mainly, the flow of assistance is from urban households to rural, providing cash, food and other non-food essentials. Better off households will house children from rural relatives in town for schooling and other business activities.	<b>Urban Linkages to other Urban Centers:</b> Galkayo is major trade centre and is connected to markets in Bossaso, Berbera, Mogadishu and Ethiopia.
Natural Capital			
<b>Water Resources:</b> Galkayo is semi-arid, receiving an average of only about 158mm of rainfall per year. Water sources include berkads (rain water harvesting), shallow wells and boreholes. The most reliable source of water is through the deep boreholes, although the water is brackish.	<b>Use of Charcoal and Fuelwood:</b> Charcoal, used by wealthier households, and fuelwood, used by poorer households, restaurants and bakeries, provide most of the energy for cooking in Galkayo town.	<b>Environmental Degradation:</b> Unplanned urban development has led to deforestation for charcoal/fuelwood production, unsanitary living conditions (lack of sewage treatment and proper waste disposal) and possible overexploitation of water resources.	

Capital and Natural Capital.

### Livelihood Strategies

*Sources of Food for Galkayo Town:* Households in Galkayo town purchased the vast majority of their food in the reference year. Very poor and poor wealth groups received small quantities of food gifts from better off neighbours and relatives. Most very poor households also received a couple of months of relief assistance.

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 above this minimum threshold. In addition to quantity, the quality of diet also improved with wealth.

*Sources of Income for Galkayo Town:* Generally, the poorer wealth groups relied on small-scale petty trade and casual employment (unskilled labour) to obtain income. The middle wealth groups engaged in medium-scale trade, but also obtained income from mid-level employment and skilled labour. The better off wealth group included households that were involved in large-scale businesses, such as import/export and shops of various types, and senior salaried employees.

*Expenditure Patterns in Galkayo Town:* The very poor group spent the majority of their household budget on food items; water and fuelwood were purchased daily, while soap and clothes were bought less frequently. A small amount of rent was paid. Poor households spent similar amounts on staple food, but more on non-staple food, water, soap, kerosene, schooling, health care, rent and clothes. Middle and better off households could afford a better quality and more diverse diet, purchasing larger quantities of vegetables, fruit, meat, milk, rice, wheat flour, pasta, sugar, pulses 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.

*Sources of Food for IDPs:* Gifts of food were not very common for IDP households in 2008-09 and almost all food was obtained through market purchase and relief assistance. Most IDP households were unable to cover 100% of their minimum food energy needs in the reference year.

*Sources of Income for IDPs:* IDP households living in the camps in the poor and middle wealth groups were primarily engaged in casual, unskilled labour and generally two members per household worked. The better off tended to have one household member with more skill, earning a slightly higher daily income.

*Expenditure Patterns for IDPs:* The expenditure patterns of IDP households were very similar to those of households at similar levels of wealth in town, except that IDP households do not pay rent. Poor and middle IDP households spent almost 80% of their income on food (including staple and non-staple food) in 2008-09, while better off households spent just over 70% on food.

#### Future Monitoring

One of the reasons for conducting this baseline household economy assessment of urban livelihoods in Galkayo 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 Galkayo. The following recommendations have been made:

What to monitor?	How to monitor?
Cost of expenditure basket of food and non-food items	FSNAU already monitors most prices and compiles quarterly basket. Revision to the composition of the basket has been proposed and needs.
Business licenses issued by municipality by sector	Could be added 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 Galkayo	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.

#### Conclusion

The results of this livelihood baseline study indicate that the very poor and poor wealth groups in Galkayo town live in relative poverty set by local standards. **Thus, about 62.5% of Galkayo town dwellers are not considered to be poor relative to the rest of Galkayo residents.** However, all IDPs as well as a portion of urbanites lack the resources to meet their basic needs and are below the absolute poverty line set by the local cost of the minimum expenditure basket. Additionally, the population of Galkayo and IDPs in Galkayo lack access to basic services, which is indicated in the analysis of the five livelihood capitals. While both the population in the town and IDPs need general development interventions, the most vulnerable groups to hazards, in terms of income poverty and livelihood vulnerability are all IDPs, as well as very poor and poor town dwellers.

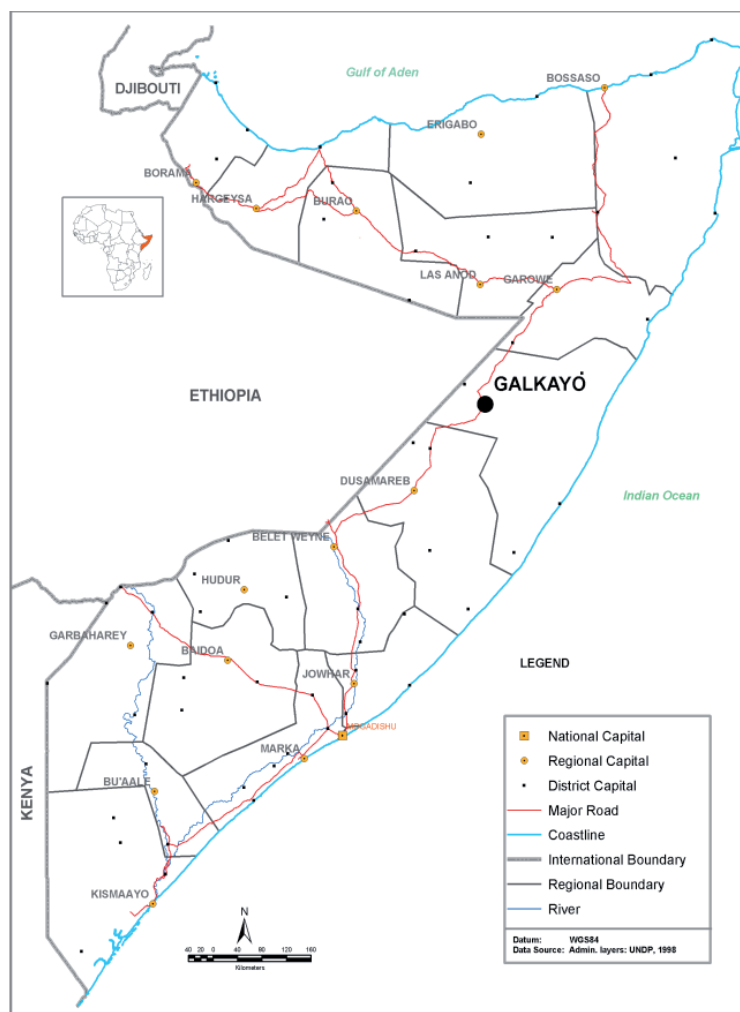


## 1. INTRODUCTION

The macroeconomic developments of the past two decades have had significant impact not only on rural but also the urban areas of Somalia. In particular, towns in Somalia have grown in importance as centres of trade, places to access humanitarian and other social services, as well as places of relocation and employment for IDPs and the destitute. Most recently, the urban centres of the country have experienced hazards and shocks as seen with hyperinflation, recurrent insecurity and influx of IDPs. These developments have prompted the FSNAU to increase its analytical focus on urban economic activities to ensure that urban populations' livelihood systems are sufficiently captured and that their needs are adequately addressed by the humanitarian and development community.

From October to November 2009, FSNAU conducted the first baseline livelihood assessment of Galkayo town, a major economic and political centre located in the central part of Somalia, jointly with the Puntland and Galmudug state government partners. This is the fourth comprehensive urban baseline livelihood assessment carried out by FSNAU, which was preceded by studies in Hargeisa (1998), Belet Weyne (2003) and Baidoa (April-May 2008).

**Map 1: Somalia Administrative Units**



Source: FSNAU, 2010

The main objectives for this study are the following:

- Classify and document Galkayo's urban livelihood system, including IDPs;
- Identify potential risk factors that influence the population's vulnerability to acute and long-term food insecurity;
- Establish a better system of food security monitoring in Galkayo by selecting important indicators for monitoring and proposing the ways to monitor;
- Inform recovery, development programming and policy and improve future advocacy.

The study is based on FSNAU's Baseline Livelihoods Analysis framework, which embraces both the Household Economy Approach (HEA) and Sustainable Livelihood Analysis (SLA) to understand the local economy (such as the main economic sectors and regional market), the household economy and the broader context of the urban livelihood. The report explores the linkages of the urban livelihood to the surrounding rural livelihoods and provides analysis through a gender sensitive lens.

The findings of this assessment presented in this report, include a wealth breakdown of Galkayo's urban households, a description of seasonality and markets, a sectoral inventory, a summary of livelihood assets, an analysis of household income and expenditure, an examination of risk and vulnerability factors and recommendations for development interventions. This report also incorporates household analysis for internally displaced persons (IDPs) in Galkayo town. The analysis for IDPs is considered to be separate from the normal Galkayo population and IDP sections have been labelled as such.



## 2. METHODOLOGY

This study applies FSNAU's expanded Baseline Livelihood Analysis framework, which not only draws on the Household Economy Approach (HEA), but also the Sustainable Livelihoods Approach (SLA) for understanding livelihoods and market analysis for contextualizing and cross-checking livelihood information. HEA, a rapid food security and livelihood analysis approach for the field-based livelihood information collection and analysis, was used for urban livelihood zoning, determining the urban wealth breakdown and profiling of livelihood strategies; whereas SLA was used for profiling urban livelihood assets, drawing heavily on secondary information and analysis. In addition, market analysis, including seasonal and long-term trend analysis, was based on data from FSNAU's monitoring and sector systems.

### 2.1 Standard Baseline Livelihood Analysis

HEA has been employed for a number of years in parts of Africa, Asia and Latin America by organizations such as Save the Children UK, Oxfam, FEWS NET and FSNAU. The HEA examines households' access to basic food and non-food items whether through production, purchase or other mechanisms. In HEA, the household is the unit of reference because it is the household that defines the terms of production and consumption. HEA proposes that if we can first understand how households obtain their food and non-food items and how they obtain the capital with which to buy these things, then we have a basic understanding of how people live and how their household economy operates. This basic assessment tells us whether a given population is economically insecure and provides baseline information with which to compare and measure any new threat or shock to food and non-food item access. Shocks or hazards can come from climatic, political or economic sources, such as 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 are differences in assessment focus between HEA rural and urban assessments. While the overall objective is the same, to analyze 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 typically differ from one context to another. In a rural setting, it is more useful to focus on how different wealth groups (poor, middle and better off) obtain access to food and income. This is because within rural areas 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, employing many of the same strategies throughout the 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 level of homogeneity between wealth groups is less striking in an urban setting. Within an urban setting (towns), the market typically serves as the main source of food and also provides more varied income-earning opportunities, thus shifting the focus of enquiry towards questions of cash income and expenditure. In towns, there is often a wider range of income sources for each wealth group, and earnings may be less regular than in the countryside. However, while means of income tend to be heterogeneous in urban settings, patterns of expenditure are not. Poorer families tend to spend similar amounts of money on similar items, making enquiry into patterns of expenditure the most useful approach for understanding livelihoods in an urban setting.

### 2.2 Expanded Livelihood Baseline Analysis

A Sustainable Livelihood Approach was used for profiling urban livelihood assets, drawing heavily on primary and secondary information and analysis, which is detailed in Section 7- Livelihood Assets. Livelihood assets outline the context which influences and largely defines the options and constraints faced by households and individuals in their livelihood strategies. Assets do not only include those owned or controlled directly by households or individuals, but also publicly owned assets and intangible assets such as social support. FSNAU identifies five major categories of livelihood assets from the Sustainable Livelihoods Approach: Human Capital, Social Capital, Physical Capital, Financial Capital and Natural Capital. For each of these five capitals, key indicators most relevant to the Somalia urban context were further defined to structure the analysis.

In addition to profiling livelihood assets, FSNAU also profiled the Galkayo market, analysing market price trends in relation to commodity availability (see Section 4 – Seasonality and the Market). To conduct market and trade analysis, FSNAU gathered market price data from Galkayo during the reference year (October 2008 – September 2009) and compared that data to five-year average (2003 to 2007) price data for Galkayo, obtained through FSNAU's and FEWSNET's monthly market price monitoring system. An analysis of five-year average prices of various commodities was conducted to identify and measure seasonal market price trends in Galkayo and the extent to which commodity availability influences these price trends. Prices of different cereals, livestock and livestock products as well as daily labour wages were examined. In addition to seasonal market availability and price trends analysis, the processes behind the livestock and cereal trade, as well as local marketing and export, were included in the analysis.

1 A full guide to Household Economy Approach can be found at <http://www.feg-consulting.com/resource/resources>.

2 Further reading and guidance on Sustainable Livelihood Approaches is available here <http://www.eldis.org/index.cfm?objectid=07D70938-0664-EE3F-F57D2FF787FF2F9A>.



Gender plays an important role in defining a population's livelihood strategies, particularly in relation to the allocation of household labour, control of household resources, and income earning options. In order to assess gender roles in Galkayo, gender specific questions were incorporated into FSNAU's baseline field tools, with particular focus on income opportunities for both genders. Additionally, data has been disaggregated by gender and data collection methods were modified to be more gender sensitive. Women were included in all key informant focus group and wealth group interviews, comprising approximately 50% of the total number of people surveyed including IDPs (see Table 1). FSNAU's gender findings have been incorporated into the relevant economic sectors within the sectoral inventory section of this report.

**Table 1: Gender Composition of HEA Interviews**

Composition of Focus Groups by Gender	Male	Female
Key Informants	68	46
Better off	27	23
Upper Middle	17	26
Lower Middle	15	33
Poor	17	24
Very Poor	9	29
IDPs	113	86
Total Number Surveyed	266	267

### 2.3 Fieldwork and Analysis Process

FSNAU's baseline team in Nairobi planned and finalized all logistics for the Galkayo assessment from the 1st to the 18th of October 2009. Baseline field tools were updated and finalized in consultation with Alex King, lead Urban Analyst from the Food Economy Group (FEG) and Doane Templeman, a Gender Consultant from FAO. From 21 October to 24 October 2009, a baseline planning and training workshop was held in Garowe, with Nairobi-based senior baseline analysts and the FSNAU Somali field analysts.



*Key informant interview*

Fieldwork in Galkayo town was conducted from 26 October to 11 November 2009. FSNAU's baseline team first met with local authorities at the regional and district level to explain the purpose of the study and to obtain a basic economic overview of Galkayo town. Next, the team met with quarter/village chairpersons to organize town zoning of sub-sectors and to explain economic variations between the sub-sectors. In total, 16 groups of key informants were interviewed in the town and 10 groups were interviewed in IDP camps in order to establish a breakdown of households by wealth and income levels (Very Poor, Poor, Lower Middle, Upper Middle and Better off).

FSNAU senior analysts and field analysts were divided into teams of four and each team was assigned to four town sub-sections and two to three IDP camps. Teams conducted a total of 72 wealth group interviews (51 in town and 21 in IDP camps), which included both men and women, to identify livelihood strategies (food and income sources, expenditure patterns and coping strategies) for each wealth group. Within each wealth group, a wide range of income sources was identified. Data from the main economic sectors was collected during the assessment to better understand the number of people engaged in different types of income-generating activities.

Data for the sectoral inventory in Section 6, was collected through interviews with local informants as detailed in appendix 11.5. These meetings/interviews were interspersed with the HEA focus group interviews. The sectoral inventory process generally began after the HEA focus group information was collected (although a few interviews were concurrent to the HEA fieldwork, as informants were available). The team began the inventory on the northern side of Galkayo and then moved to the southern side of Galkayo.

Directly following the fieldwork, a baseline analysis workshop was held in Garowe from the 13th to 22nd of November 2009, during which the field teams and one person from the data systems team conducted data entry, validation, analysis and discussed preliminary findings. The final analysis of the Galkayo town and IDP baselines was conducted in Nairobi during the week of November 23rd with Alex King, FEG consultant.

#### 2.3.1 Limitations of Study

A major issue during the fieldwork in Galkayo was insecurity. Fieldwork actually paused several times during the outbreak of violence. Further where staff had been staying was bombed the day after staff had vacated the hotel. The security limited the amount of time that could be spent adapting to the local conditions and cross-checking the data during the actual fieldwork (as is the normal process with HEA).

During the course of the baseline data collection, the team found it difficult to obtain the desired number of interviews. Initially, 80 interviews were proposed for the urban assessment - five interviews per wealth group, per quarter (with a total of four wealth groups in each quarter). However, during the data collection process, wealth groups were reclassified resulting in a shift of poor to the lower middle wealth group. As well, the data collection team found it difficult to collect the targeted number of interviews for the very poor and better off wealth groups. During the focus group interviews for wealth groups, people that were thought to be very poor were actually classified as poor after the interview (and not very poor) so the number interviewed for the very poor was reduced. For the better off wealth group, the reasons for fewer interviews were different. Mainly, the people in the better off wealth group were busy with their business; as well there was resistance by them to be interviewed because they did not want to seem as needing development assistance.

For the IDPs the proposed interview number was 40 - four in each of the ten camps. These interviews were in addition to the three focus groups and ten wealth break down/community interviews. The number of 40 was proposed based on the assumption that there would be a more even distribution of the IDP population among three wealth levels. However, during the data collection, the majority of people were found to fall in the poor wealth group category who are living in the camps. However, a few middle and better off IDPs were also found in the camps, because they are newly arrived and not fully integrated in urban communities, earning their incomes from petty trade activities in the highly populated IDP camps.

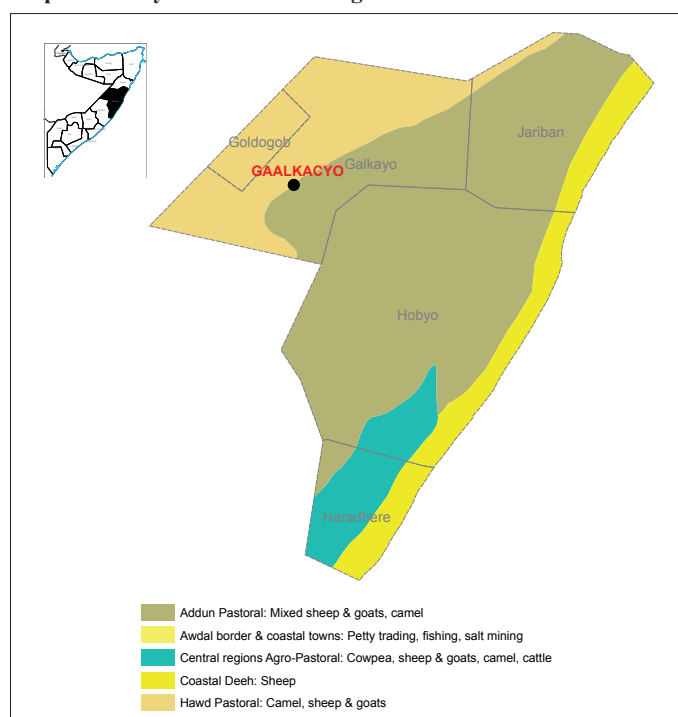
Collecting reliable secondary information also proved challenging. First, there are several different population estimates for Galkayo town. As is FSNAU policy, the official UNDP estimates from 2005 were used. However, because of the conflicting population numbers, it is difficult to support one particular set of numbers, therefore a variety of population numbers have been given in Section 3 - Urban Zone Description, with detailed citation of the source. The exact number of IDPs was also difficult to determine. Additionally, there have not been any recent nutrition surveys of the town population. Instead, the most recent nutrition survey data from 2004, in conjunction with monitoring information from Maternal and Child Health centres has been used. However annual nutritive surveys are conducted on the IDP populations due to their specific vulnerability. For the sectoral inventory, the team tried to collect telecommunications data, but was not able to because officials were unable to meet the team (and the FSNAU team was unable to change their schedules). Also, for the salaried worker section of the sectoral analysis, no UN jobs have been included because confidential salary information could not be released by employees. As much as possible, the team tried to adapt and overcome these challenges; nevertheless some limitations to the study remain.

### 3. URBAN LIVELIHOOD ZONE DESCRIPTION

#### 3.1 Background

Galkayo is the capital of the Mudug region in central Somalia, although control of parts of the town are disputed by Puntland and Galmudug.<sup>1</sup> It is located about 700 km north of Mogadishu, along the main road that connects northern and southern Somalia. The area can be classified as semi-arid, with an average annual rainfall of 150-200 mm. The town is approximately 285 meters above sea level, with an average temperature of 30°C-32°C during the day and 28°C-30°C at night. The town was founded in this location, largely because of the availability of shallow groundwater, which is the main source of water supply for the majority of Galkayo population. The surrounding livelihood zones of Galkayo are all pastoral, with sheep, goats, and camels being the primary livestock (see Map 2). The town is an important regional hub for commerce between southern and central Somalia, Somali region of Ethiopia and the port of Bossaso. Given the location of Galkayo and the importance of the city as a trade centre, the town is one of the most developed in the region.

Map 2: Galkayo and Surrounding Livelihood Zones



Source: FSNAU, 2010

The services sector is very important in Galkayo's economy and is strongly linked to livestock and livestock products trade, with traders exporting live animals and hides and importing food and non-food commodities to/from the Arabian Gulf via Bossaso port. There is some exportation of fish through Bossaso (some Galkayo residents are part of a fishing association), particularly lobster and shark-fins, although this type of business has declined since the

Tsunami of December 2004. Imported cereal, such as rice and wheat flour, and other imported commodities, such as detergent and tea come through either Bossaso or Mogadishu ports. Locally produced cereals, such as maize and sorghum are brought in from Lower Shabelle, Middle Shabelle, Banadir and Hiran regions of Somalia, as well as from Kelafo, Mustahil and Ferfer districts in the Somali region of Ethiopia. Cereal from food aid distributions is also available in the Galkayo markets. Produce, especially fruit, generally originate from Shabelle and Hiran, while vegetables are imported from Ethiopia. There are strong trade link between Galkayo and the surrounding pastoral areas. Rural communities supply milk, meat, ghee, live animals, hides, firewood and charcoal to the urban dwellers in exchange for imported food and non-food household items.

The population of Galkayo is difficult to estimate, especially because of the great fluctuations in IDPs, with population figures ranging from around 75,000 to 315,000, (see Table 2). The town is host to a large number of IDPs from southern Somalia living in 10-15 camps in northern and southern parts of the town. FSNAU estimates that each camp has an average of 360 households, with an average household size of 7 people, making about 30,000 IDPs total. However, the UN Office for the Coordination of Humanitarian Affairs office in Galkayo estimates that there are about 7,630 IDP households. Thus, the population of Galkayo town without IDPs is officially estimated at 75,000 people. Including the IDP population (30,000) Galkayo town has about 105,000 people.

Table 2: Population Estimates for Galkayo

Organization	Population figures	Mid-point
UNDP (2005) with 3% growth rate applied	75,000	75,000
Key Informants from FSNAU assessment	200,000	200,000
UNICEF	203,980	203,980
UN - OCHA	180,000-220,000	200,000
UNHCR	180,000- 250,000	215,000
WHO	200,000	200,000
United Somalia Professional (UNISOPO)	180,000-230,000	205,000
Somali Red Crescent Society (SRCS)	160,000-200,000	180,000
WFP	152,000-170,000	161,000
UN-HABITAT	280,000-300,000	290,000
Galkayo Municipality	316,000 (only north)	316,000
<b>Average for all Estimates</b>		<b>204,180</b>

Source: See Key Informant Table in Appendices 11.

<sup>1</sup> The state of Galmudug was formed in 2006 and the administration claims southern Galkayo as its capital. The administration considers the state as a federal division of Somalia and does not want to be recognized as an independent nation. The state itself is composed of parts of Galgaduud and Mudug.

**Table 3: Demographic Information for Galkayo Town and IDPs**

Demographic information	V. Poor	Poor	Middle	Better-off	Poor (IDP)	Middle (IDP)	Better-off (IDP)
Percentage population by wealth group (midpoint)	6%	24%	53.3%	16.7%	47%	44.4%	8.6%
Population Number based on UNDP and FSNAU assessments (in parentheses 170,00 town 30,000 IDPs)	4,500 (10,200)	18,000 (40,800)	39,975 (90,610)	12,525 (28,390)	(14,100)	(13,320)	(2,580)
Average Household Size	6	6	8	10	6	6	7

Source: UNDP 2005, FSNAU Galkayo Assessment 2009

Further, local authorities estimate that 40 new immigrants arrive from southern Somalia to the town on a daily basis<sup>2</sup>. The civil insecurity of the past several years in Somalia has meant that thousands of people fleeing violence, have passed through Galkayo. These include IDPs from the Darod and Rahanweyne clans who have escaped southern Somalia and tended to look for humanitarian aid or social support through family on the north side of Galkayo. The Darod clan, had relocated from Mogadishu and Kismayo areas after the civil war. The Rahanweyne clan is made up of the Digile and Mirifle sub-clans, and also originates from southern Somalia in the area between the Juba and Shabelle Rivers. When that area of southern Somalia is disrupted by violence, many of the Rahanweyne clan sought the relative stability of Galkayo.

While the majority of IDPs have been displaced by violence, some were forced to migrate to town because of prolonged drought and the ensuing loss of assets. Some local residents in north Galkayo believe that these IDP groups have drawn low-wage jobs and aid away from the residents. Additionally, some of the IDPs may have ties to radical insurgents from Southern Somalia. These factors have led to growing resentment and violence towards the IDPs. In late December 2009 hundreds of IDPs fled the violence in northern Galkayo for southern Somalia. The IDPs left the town despite assurances by Puntland authorities that their lives and property would be safe. However, the IDPs were attacked, beaten and robbed of their belongings and businesses. Because of the large concentration of IDPs, humanitarian agencies have a considerable presence; some of the agencies are WFP, UNICEF, UNHCR, UNESCO, Mercy Corps, MSF- Holland, Save the Children, Islamic Relief and SRCS/IFRC (note – this list is not exhaustive).<sup>2</sup>



*Galkayo town*

### 3.2 Zoning

Galkayo is located on the politically contentious border between Puntland and Somalia. The city itself is also divided along a north-south partition, with the northern part of the town being claimed by Puntland administration and the southern part by Galmudug authorities<sup>2</sup>. Both administrations consider themselves to be federal divisions with the larger federal state of Somalia. The division of the city is based on two major clan affiliations; the Darood in the northern part of the town and Hawiye in the southern part of the town. Inter-clan tensions tend to flare over competition of businesses and resources. Recently, violence erupted in October 2009, during the assessment period for this study, between factions over control of the main market of Galkayo.

Further, the town of Galkayo is divided into quarters, the Israac, Garsoor, Wadajir, and Horumar, with a total of sixteen sub-sections. Before the civil war there were only three sections, but after the civil war the town expanded, adding the Israac section. The Israac quarter lies northeast of the town, Garsoor lies northwest, while Wadjir and Horumar lie southeast and southwest respectively. In general, poorer populations live on the outskirts of town because low-cost housing was not available in the town itself. However, some of the richer populations also live on the outskirts of town because of the availability of land to build large houses with gardens; additionally the Horumar quarter considered a more wealthy section of Galkayo town. The main market of the town is located in the center and adjoins the four quarters.

Each subsection has a community development committee, which coordinates development activities between the community and implementing partners. Additionally, the committee collaborates with the Puntland government to provide security measures to the community and development partners.

<sup>2</sup> See the list of key informants in appendix 11.2.2.



### 3.3 Historical Timeline

In order to obtain a broader understanding of the political, social and economic situation in Galkayo and to identify an appropriate reference year, a historical timeline covering the major events of the last five years (2005-2009) was created (see Table 4). Major events outlined by the historical timeline are periods of insecurity, times of environmental/climatic stress, operations by humanitarian agencies, and periods of increased pressure due to surges in the IDP population.

After some research and discussion, the technical team determined that October 2008 to September 2009 would serve as the reference year for the assessment. 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 the urban context the commercial year is more important than consumption year, which is more valid in a rural context. In this case, however, the most recent year (2008-2009) did not meet the ideal characteristics of a reference year, in that during this year there was a prolonged drought, influx of IDPs and destitute pastoralists and political problems in the split of Galmudug. However, the period from October 2008 to September 2009 did have several important characteristics which qualify it as a reference year. These include a 50% reduction of food aid (high levels of food aid can distort the livelihood strategies and income/expenditure data) and the comparative security of Galkayo, which led to an improvement of trade and decline in food prices. Thus, despite the “non-normal” events of October 2008 to September 2009, the year qualified as the reference year because it was the most normal year with the most recent recall period.

**Table 4: Galkayo Historical Timeline 2005-2009**

GALKAYO HISTORICAL TIMELINE 2005-2009		
Year	Food Security Ranking	Events, Effects, and Responses
2009	2	Below Average Year: Prolonged drought; influx of IDPs; decline of food prices; influx of destitute pastoralists; political problems in southern Galkayo (split of Galmudug); Improved security situation compared to previous conflicts between the North and South Galkayo, despite of organized and targeted killings in the reference year. Replacement of CARE by WFP and 50% reduction of food aid.
2008	2	Below Average Year: Drought; insecurity/piracy; inflation; food aid; influx of rural destitute and ensuing tensions; suspension of CARE activities; lifting of roadblocks; establishment of IRC office in Galkayo; high food prices.
2007	2	Bad Year: Drought; inflation; insecurity; IDPs influx; water shortage and water trucking from Beletweyne; high water price; printing of Somali bank note; poor purchasing power; expansion of town; and increased social services.
2006	3	Average Year: Normal to good rains; invasion of Ethiopian troops; ICU and Ethiopian conflict; defeated warlords; temporary displacement; good trade; no major problems in north; increased number of roadblocks; influx of clan militias from Mogadishu and rural areas; establishment of Galmudug administration in southern Galkayo.
2005	2-3	Below Average Year: Good rains; localized flash floods; livestock trade ban; stable security; impacts from tsunami: fishing equipment destroyed, influx of IDPs, food aid; start of piracy activities; start of humanitarian access in southern Galkayo.

Rank descriptions: 5 = excellent year for household food security (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 (high prices, low wage rates, etc.)

## 4. SEASONALITY AND THE MARKETS <sup>1</sup>

### 4.1 Galkayo Seasonal Calendar

The general seasonal calendar below (see Table 5) details the level of seasonal activities throughout the reference year. Food availability and income access of urban households are mostly based on trading activities, and to a lesser degree on the associated seasonality of transporting agricultural production from southern Somalia. Galkayo is an important centre of trade exchange and is closely linked to the markets of Bossaso, Mogadishu, Hargeisa and the Somali region of Ethiopia. The overall pattern of economic activity only has partial correlation with any particular season, mainly because the primary economic activity in Galkayo centres on trade. Instead the level of each economic activity is determined by factors such as foreign exchange levels, availability of transport, cost of imported products, and trade relations

Basic staple foods are both imported and locally produced cereals. The prices of imported commodities vary seasonally, with higher prices from June to September because the monsoon winds limit shipping. Prices of locally produced food peak during the rainy period of the seasons (*Gu* from April to June and the *Deyr* from October to December), when the crops are being grown, and drop during the dry seasons when the crops are being harvested (*Hagaa* July to September and *Jilaal* January to March). Livestock supply is highest during the dry seasons because animals have improved body conditions after the rainy season, high cash demand to meet high priced water and food as livestock returns closer to permanent water points making them access to market easier as water points are near towns. Livestock sales are also high during the Ramadan and Hajj period because of increased demand from the Gulf states.

Water is available most of the year because of the presence of deep boreholes, though towards the end of *Jilaal* dry season (late February to March) the price of the borehole water increases as other sources of water dry up. Purified water (saxarla') and water from *berkads*, which are comparatively costly, are available but are too expensive for most poor and lower middle wealth groups. Water borne diseases, like diarrhoea and typhoid, peak at the start of the wet seasons of *Gu* (April and May) and *Deyr* (October) as people use available surface/rain water, which often is contaminated. Acute respiratory infections (ARI) are high during December and January as it is cooler during this time period.

Table 5: General Seasonal Calendar

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Seasons	Deyr wet season			Jilaal dry season			Gu wet season			Hagaa dry season		
Rainfall		Peak						Peak				
Water Availability						Low						
Hunger Period (Kalajaban)										High		
Fruit & Vegetable Availability	Low							Low				
Imported Food Prices										High		
Livestock Prices	High (export)			Low (local quality sheep & goats)			High				High (export)	
Livestock Supply	High			High							High	
Employment												
Self-employment										Low		
Casual Labour				High						Low		
ARI			Peak									
Diarrhea (Typhoid)	Peak						Peak					
Remittance	High (Ramadan & Eid)										High (Ramadan & Eid)	
Loan (In-kind)										High		

Income opportunities and daily wage rates from most casual labour and petty trade tend to be lowest between June to August. Because of the declined trade and pottering activities resulted from the sea closure due to high Mansoon tide. However, the income opportunities are not the same for men and women, thus Tables 6 and 7 provide a breakdown of income and employment availability by gender. The hunger period (kalajaban) occurs during the same time period between June to August, when income opportunities are low and food prices are high. During these scarce times, many households take in-kind loans from the shopkeepers and repay in several instalments. Remittances from abroad, which play an important role in urban household income access, do not change seasonally, except during the month of Ramadan and Eid festivals, when they peak.

Table 6: Seasonal Calendar for Men

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Seasons	Deyr wet season			Jilaal dry season			Gu wet season			Hagaa dry season		
Casual labour				High						Low		
Employment												
Remittance (commercial)	High										High	
Transport Activities	High											High
Livestock Price	High			Low (local quality sheep & goats)			High				High	
Large business (companies)										Low		

<sup>1</sup> Please note that all prices and market analysis have been done only in Somali shillings. No conversion has been done because of fluctuations in the exchange rate between the Somali shilling to the US dollar during the reference year. If conversion is necessary an average rate for the reference year could be used, which is SoSh 32,000 to 1 US dollar.

**Table 7: Seasonal Calendar for Women**

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Seasons	Deyr wet season			Jilaal dry season			Gu wet season			Hagaa dry season		
Sales of fruits & vegetables	Low							Low				
Supply of milk for sale	High							High				
Milk price	Low							Low				
Supply of charcoal for trade	Low							Low				
Casual labour - maid												
Casual labour - garbage collection	High							High				
Casual labour - washing clothes	High					High						High
Kat sales	Low											
Remittances	High (Ramadan & Eid)											
	High (Ramadan & Eid)											

## 4.2 Galkayo Market

Galkayo market is one of the most important markets in central Somalia because of its location as a conduit for livestock exports from Mudug, the Somali region of Ethiopia and southern Somalia to Bossaso port. Moreover, Galkayo conducts significant trade in local and imported food and non-food items, supplying the surrounding area with goods. Market activity tends to correlate strongly with seasonality as rainfall levels, livestock conditions/availability and international transport (which is effected by monsoon patterns) are significant determinants in Galkayo's economy. Traders in the Galkayo market have strong trade links with Mogadishu's main market, Bakaara, as many imported commodities originate from there. However, since 2007 the supply of imported goods has shifted from Mogadishu to Bossaso because of the deterioration in the security situation in Mogadishu. Specifically, the actions of Ethiopian troops from 2006 to 2009 disrupted the trade routes for imported commodities from Mogadishu.

A unique aspect of Galkayo's market structure is that it is relatively easy for small and medium sized businesses to start operations. There is available warehouse and shop space, available supply and steady market demand. However, a group of Galkayo's largest traders and businessmen, mainly those involved in importing commodities, fuel distribution and construction industries have developed importing cartels. These cartels have warehouses in Bossaso where they keep imported commodities and release the goods only when market conditions are most advantageous to them. As a result, these traders are able to influence prices since they control the market supply. However, Galkayo market prices are also influenced by other factors, which include market prices in Moghadishu (Bakaara market) and Bossaso. Other hindrances to trade include the high cost of commodity transportation from Mogadishu and the money demanded by illegal road blocks between Mogadishu and Galkayo. Seasonality is also important factor as most of the supply items from southern Somalia are locally produced food such as cereal, pulses, fruit, vegetables and livestock products (milk and ghee).

## 4.3 Women and the Market

Women play an important role in the urban context. In addition to their daily household tasks, women take part in income earning activities through employment and self-employment. During the reference year, almost 85% of the petty/small trade businesses in Galkayo were managed by women. In addition, nearly all milk traders, 80% of kat (Catha edulis, family Celastraceae) sellers, 50% of meat sellers, 50% of fruit and vegetable sellers and 3% of livestock traders were women. In general, women also control and manage household expenditures related to both essential and non-essential household items. Since such a large number of women work within the livestock sector, selling livestock products such as milk, meat and ghee, income for women is highest during the rainy seasons, when livestock recovery begins.



*Galkayo Market – Milk Trade, 2009*

Because milk is such an important income source for women, it is a key consideration in any market analysis focusing on women. The graph (Figure 1) demonstrates seasonal fluctuations in camel milk prices. In Galkayo milk prices are generally higher during the end of the dry seasons due to decline of milk production, Milk prices start to fall towards the middle of rainy seasons, when livestock body conditions improve and milk productions increases. Yet, during the reference year this pattern is not as prevelant, with the average price of milk during the two dry seasons only about 3% higher than the average price during the wet seasons.

The seasonal patterns have been affected during the reference year and over the five-year average because successive droughts have caused pastoralists to out-migrate with livestock and milk traders import milk from other markets in order to ensure a stable supply. During the reference year, the average milk price was 48,213 SoSh per liter, which is an increase of 225% over the five year monthly average (from the 14,824 SoSh/litre average to 48,213 SoSh/ litre during the reference year). This pattern is attributed to a couple of reasons. First the price was high during the rainy season because of the increased costs associated with transportation and second because of the ongoing drought in the region, which has

led to a drastic decrease in camel holdings (while demand has remained constant). However, the major reason for the vast difference in prices during the reference year compared to the five-year average is due to the hyperinflation that hit the Somali Shilling during 2007 and 2008.

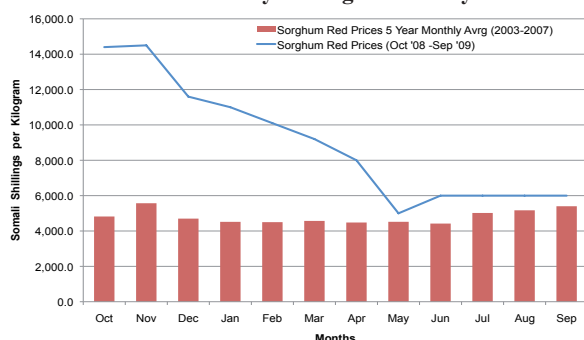
#### 4.4 Cereal Trade and Imported Commodities

Locally produced cereal trade is limited as imported cereals, such as rice and wheat, are the preferred cereals in Galkayo town. Although when the prices of imported cereals are high, poorer groups consume large amount of locally produced/or distributed food aid sorghum and maize. Locally produced cereal is supplied from southern Somalia through Belet Weyne and from the Somali region of Ethiopia. Availability and the prices of cereals in Galkayo town are heavily influenced by level of food aid distribution and cereal inflow from Ethiopia. Seasonal production does influence prices and availability, but the role of this factor is superseded by the aforementioned factors.

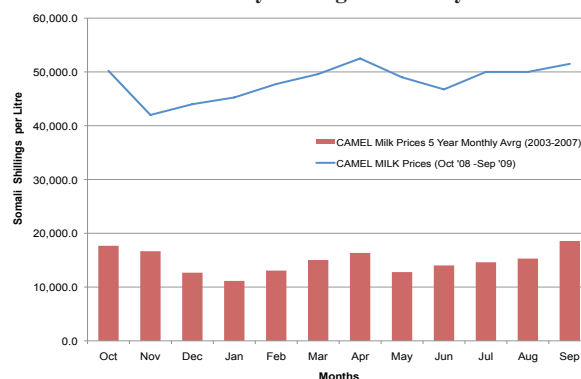
The cereal available in the market is either processed (husked and milled) or whole grain, with the processed cereal fetching a higher price. In the reference year (October 2008 to September 2009), food aid (cereals) was more readily available than locally produced cereal. During the reference year, average sorghum prices in the rainy seasons were 23% higher than the average prices in the dry seasons (from SoSh 8,050/kg to SoSh 9,917), due to increased supply from key production areas of the southern regions and food aid provision. However, the average price of sorghum during the reference year was 8,983 SoSh/kg, which is approximately 187% of the five-year average (4,807 SoSh/kg). The difference in sorghum prices of the reference year over the five-year average results from a number of factors including hyperinflation of the Somali Shilling, higher local cereal prices in the key production areas of southern Somalia, successive droughts, interruptions in trade flows and increased demand of sorghum for livestock feeding, in order to rescue their herds, due to effects of severe droughts in the pastoral livelihoods. (see Figure 2).

In contrast to locally produced cereal prices, the prices of imported commodities are slightly higher from July to December, as shown by the five year average of rice, sugar, and vegetable oil (see figures 3,4,5,6). This results from closure of seaports due to frequent monsoons and because the availability of imported goods is significantly reduced during this period, remaining stocks are sold at high prices. However, the most noticeable trends in imported commodity prices during the reference year versus the five-year average, are the considerably higher prices. The average price of imported rice during the reference year was 26,617 SoSh/kg, which is 369% of the five-year average (7,222. SoSh/kg).

**Figure 2: Sorghum Prices of the Reference Year and 5-Year Monthly Average in Galkayo**

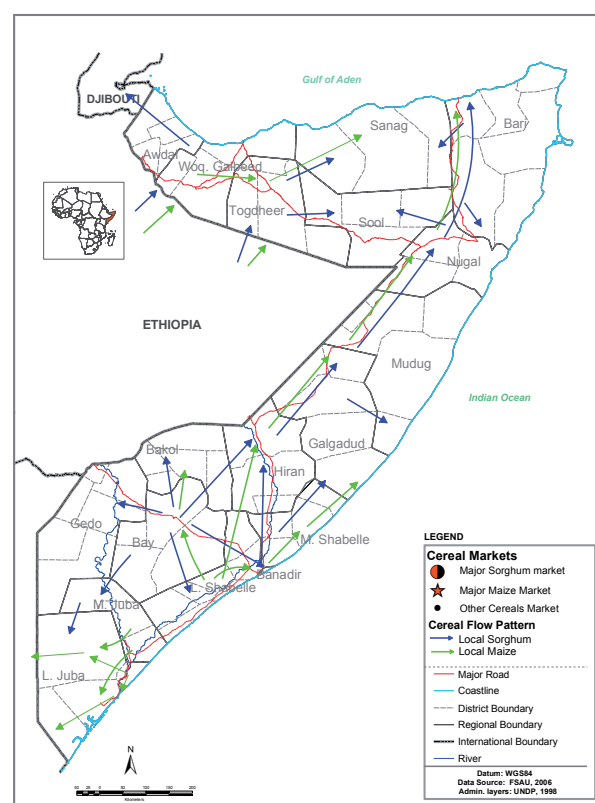


**Figure 1: Camel Milk Prices of the Reference Year and 5-Year Monthly Average in Galkayo**

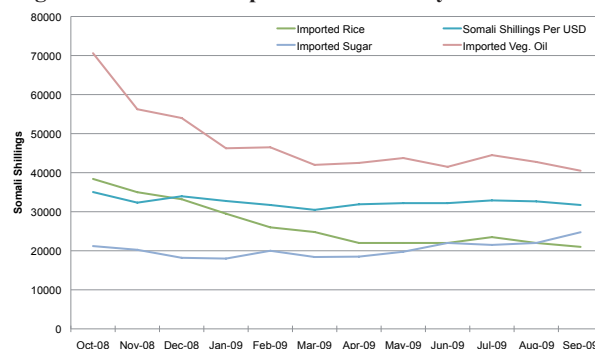


\* Note: The average exchange rate for the reference year is SoSh 32,000 to US \$1.

**Map 3: Cereal Flow Map**

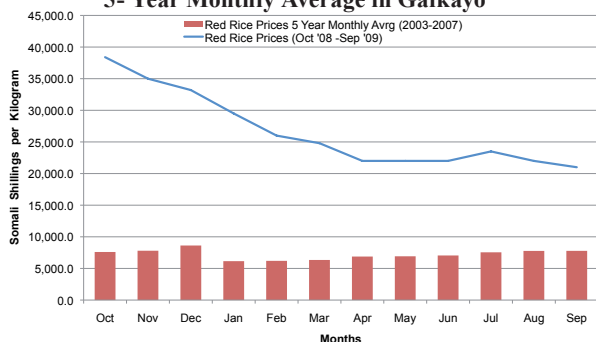


**Figure 3: Trends in Imported Commodity Prices**

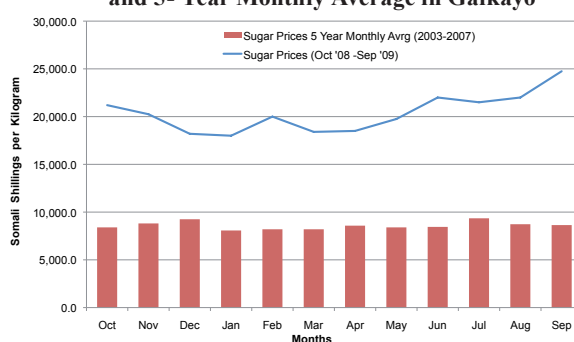




**Figure 4: Imported Rice Prices of the Reference Year and 5- Year Monthly Average in Galkayo**

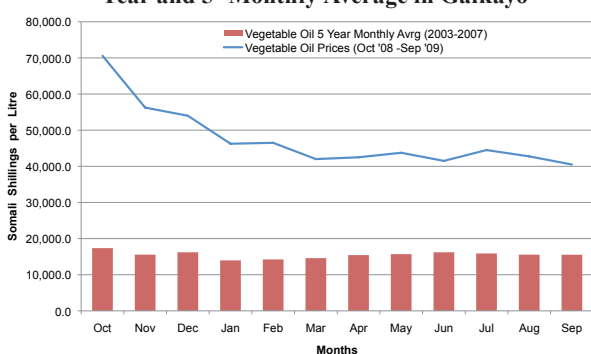


**Figure 5: Imported Sugar Prices of the Reference Year and 5- Year Monthly Average in Galkayo**

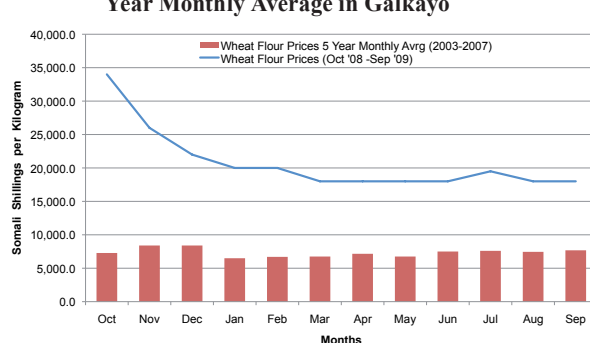


From October to December, average rice prices were 50% higher (from 23,644 to 35,533 SoSh/kg) than during the rest of the year. Similar differences were observed during the reference year for wheat flour, vegetable oil and sugar (Figure 5,6,7). The reasons for the price differences are multi-fold. First, the Somali Shilling was severely devalued starting from January 2008. By October 2008, the devaluation coupled with high global food and fuel prices meant that most imported commodity prices increased dramatically. Since then, prices of these commodities have been decreasing, except for sugar prices which have been rising. Most Somalia's sugar imports come from Brazil, the world's biggest producer. Therefore, the increasing trend of sugar prices in Galkayo is attributed to various factors affecting sugar production and demand worldwide such as reduced sugarcane yields in Brazil and other major sugar producers' due to excessive rainfall in 2009 and expanded use of sugarcane ethanol. According to the tables below, towards the end of the reference year, most of other food prices in Galkayo decreased, although remaining far above the previous price levels.

**Figure 6: Imported Vegetable Oil Prices of the Reference Year and 5- Monthly Average in Galkayo**



**Figure 7: Wheat Flour Prices of the Reference Year and 5- Year Monthly Average in Galkayo**

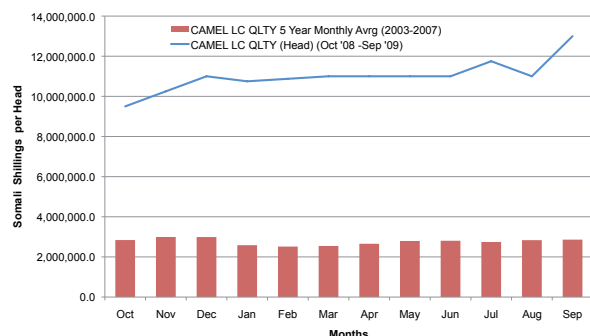


#### 4.5 Livestock Trade

Livestock trade in Somalia is one of the major economic activities and contributes substantially to income generation, employment and foreign exchange earnings. Galkayo town is a major centre for livestock trade, with markets said to have opened in 1964: one for local quality species and two for export quality species. There is no assigned site for the sale of export quality livestock, but traders designate two sites around the outskirts of Galkayo town (one in the northern and one in the southern parts of town), which are moved as necessary. During the reference year (September 2008 – October 2009), the average number of livestock purchased in Galkayo market on a monthly basis was 68,850 sheep and goats and 3,825 camels; of this total about 49,350 sheep and goats and 3,000 camels were exported each month. Out of this total number of sheep and goats, about 19,350 animals (90% goat and 10% sheep) were slaughtered and butchered every month and exported to Arabian countries as chilled meat. For domestic use, 600 to 700 sheep and goats and 25 to 30 camels were slaughtered daily in Galkayo town.

The supply of livestock to the markets varied with season and with demand. Generally demand peaks during the Ramadan and Hajj periods. Livestock are mainly exported to Saudi Arabia, UAE, Oman, Kuwait and Yemen through Bosasso port. These livestock are supplied through four main commercial routes: Mudug (which contributes 40%), Central (30%), Hiran (20%) and the Somali Region of Ethiopia (10%). The average prices obtained for goats, sheep and camels during the reference year were SoSh 1,472,000, SoSh 1,280,000 and SoSh 14,400,000 respectively. The Puntland State government taxes livestock sales at approximately SoSh 150,000 for camels and cattle and SoSh 10,000 for sheep and goats. The limited availability of livestock for sale during the rainy seasons is due mostly to high levels of livestock migration. Pastoralists will migrate in search of water and pasture in order to facilitate livestock recovery. Livestock body conditions are generally poor at the onset of the rainy seasons, but are significantly improved by the end of the rainy seasons, thus ensuring livestock marketability.

**Figure 8: Camel Local Quality Prices of the Reference Year and 5-Year Monthly Average Galkayo**



As livestock availability is low during the rainy seasons, prices tend to be higher than during the dry periods, when livestock sales increase significantly due to high demand of income to meet water expenses and food and non-food needs. Sales of livestock are highest, particularly at the onset of the dry seasons, when livestock conditions are best after having benefited from good pasture during the rainy seasons. The volume of local quality livestock sales for domestic use is low during the rainy seasons (*Gu* and *Deyr*) and high during the dry seasons (*Hagaa* and *Jilaal*).

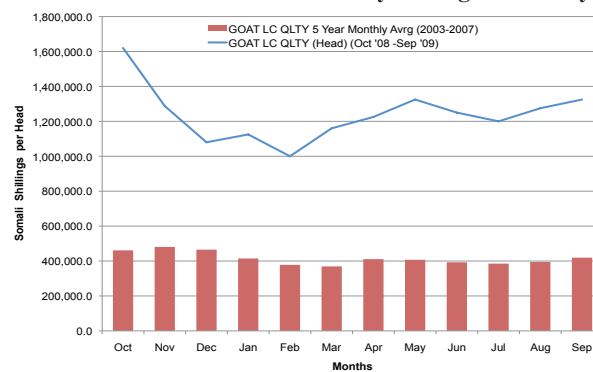
However, because of the successive droughts in the Hawd and Addun Pastoral livelihood zones that surrounds Galkayo town, the livestock supply during the rainy and dry seasons does not show much difference and the prices are relatively high during the dry season as the numbers of saleable animals are less. During the reference year the average price of local quality camel in the dry season is 10% higher than in the wet season (10,625,000 SoSh/head to 11,656,250). Additionally, the reference year price is 398% of the five years average (2003-07) or an increase from SoSh 2,763,418 to 11,010,417/head (Figure 8), mainly because of the limited availability of camel (because of mass out-migration to neighboring regions including Somali region of Ethiopia and high offtake levels during previous droughts) and the effects of the devaluation of the Somali Shilling in 2008. Cattle trade is not common in Galkayo town because continuing drought cycles make the area unsuitable for cattle production. The prices for local quality goat show similar seasonal variation with camel prices; the wet season price for goat and camel were 10% higher compared to the dry season, while the price in the reference year for local goat was 299% of the five years average (Figure 9).

#### 4.6 Labour and Wage Rates

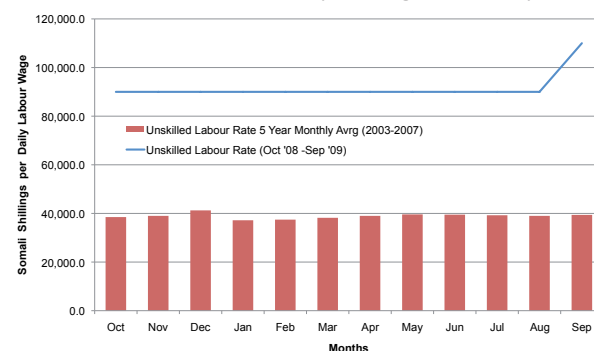
Casual labour in Galkayo is performed mostly by the poor, very poor and IDPs, with the most common activities for men being construction labour and portering. However, casual labour opportunities were also available in the transport, livestock and various petty trade sectors. Women engage in labour activities as well, particularly in the livestock, construction and petty trade sectors. Wage rate levels for both men and women tend to correlate with casual labour activity levels. Casual labour wage rates have remained fairly steady since 2003. In general, there was little variance in wage rates between seasons because rains were very light and did not curtail construction activities (which is the main casual activity). However, during the reference year, the average daily unskilled labour wage rate has remained steadily high (SoSh 91,667), indicating an increase of 133% when compared to five year average. Moreover, wages did increase further in September because of increased demand due to the reopening of the port activities and other casual labour in the town, (Figure 10). The effects of hyperinflation can be observed, when comparing the five-year average wage rate and the reference year wage rate.

The most important casual labour activity consists mainly of construction work, with approximately 9,000 people working in the construction sector in the reference year alone. The five main construction companies operating in the town and have main offices in Dubai, include Shell, Towfiq, Al-fadli, Opec and Barwaqo.

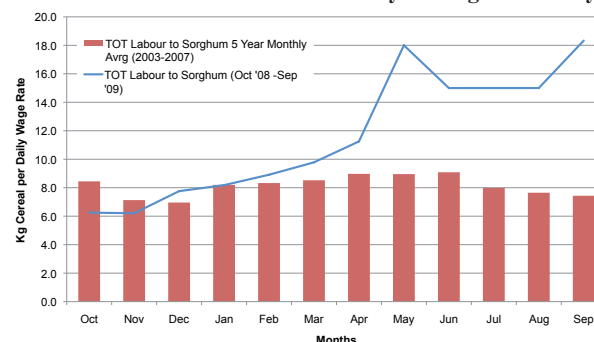
**Figure 9: Goat Local Quality Prices of the Reference Year and 5- Year Monthly Average in Galkayo**



**Figure 10: Unskilled Labour Rate of the Reference Year and 5- Year Monthly Average in Galkayo**

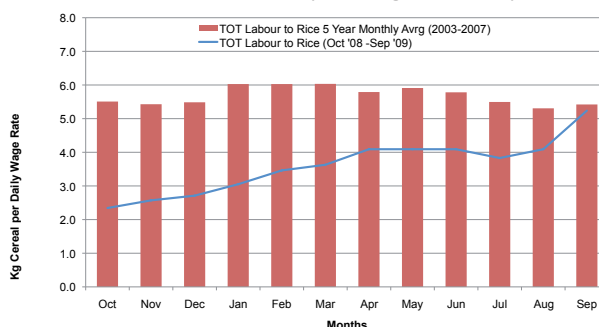


**Figure 11: TOT Labour to Sorghum of the Reference Year and 5-Year Monthly Average in Galkayo**



In the reference year, the pay rate of the construction force was stable (the same as the unskilled labour rate). Construction activities grew for most of the reference year, due to increased cash inputs from the Diaspora. In contrast, construction activities decreased during Hajj when many business people are out of the country. Although work in the construction sector is dominated by men, women play their role by participating in bidding /tendering, owning shares in the construction companies and opening temporary restaurants/canteens at construction sites. During the reference year, the terms of trade (TOT) between labour and sorghum was an average of 11.64 kg of sorghum per daily labour wage, indicating that the population's purchasing power was highest from March to September 2009. The favourable terms of trade resulted from the low prices of sorghum because of the presence of food aid, supply from southern Somalia and reduced inflationary effect. Also contributing to the good TOT was the slight rise in wage rates during the same months (SoSh 92,857); especially because of the large rise in September 2009 when the wage rate was over SoSh 100,000 per day (Figure 11).

**Figure 12: TOT Labour to Rice of the Reference Year and 5-Year Monthly Average in Galkayo**



In the reference year, the average labour to rice TOT was only about 4 kg per day. Thus, the TOT of 1kg of rice was equivalent to about 3 kg sorghum, which explains why the poor, very poor and IDPs consumed less expensive (but less preferred) sorghum. During the course of the reference year, the average rice price decreased by 45%. Even with this decrease though, the average TOT of rice to labour for the reference year was below the five year average because of the high level of inflation from October 2007 to September 2008 (Figure 12).

#### 4.7 Water Availability

In general water is available throughout the year in Galkayo, however the quality, source, prices, and distribution of the water varies. There are eight to ten boreholes and large number of shallow wells in the town. In a rough estimation 80% of the population gets water directly or indirectly from boreholes while the rest 20% get water from un-protected shallow wells. The water supplied from boreholes/shallow wells in Galkayo is very hard and so there are more than seven small water purification companies (*saxarla'*) that treat this water. They are affiliated with the main water supply companies in the town, described below. Water from *berkads* also makes a significant contribution to household water consumption, mainly for better off and middle households. However, the use of *berkad* water was very limited in the reference year because of poor rains over the previous three seasons. Before the establishment of these water supply companies there were problems with the cleanliness of the water, limited availability of water during the dry seasons, limited access to water and high prices for clean water.

#### 4.8 Food Insecurity and Disease

Levels of food insecurity are highest for the urban community during the Hagaa season, when business and trading activities are limited by sea closures from the monsoons. The second harsh period for Galkayo urban is Deyr season (second rainy seasons), specifically from November to December because of limited supply for local products from the southern Somalia.

Construction, livestock and fruit and vegetable trade are also low in the rainy season. The decreased trade and lowered purchasing power, coupled with the reduced availability of staple and non-staple food, result in a reduction in food access for Galkayo's urban population. This reduction in access is particularly problematic for poorer wealth groups, who do not have good employment and self-employment opportunities. Thus, the period from June to August is known as *kalajaban* or the hunger period.

The most common diseases and health risks in Galkayo and surrounding areas are malnutrition (especially for children under five and pregnant mothers), pneumonia, acute respiratory infection (ARI), malaria, meningitis, tuberculosis (TB), acute watery diarrhoea (AWD), measles, anaemia, skin diseases and sexual transmitted infections (STI). Nutritional monitoring in other parts of southern Somalia has demonstrated that generally, seasonality does not play a significant part in influencing nutritional status; however, because of bad years with limited or no milk production, small increases in acute malnutrition have been recorded in central Somalia during the long dry season, Jilaal. This can be attributed to the increase in ARI infection, which has a statistically significant association with increased malnutrition rates. Diarrhoea levels peak during the two wet seasons. High levels of diarrhoea during the wet seasons are mostly attributed to an increase in bacterial infections caused by increased consumption of contaminated surface rainwater, which is available after the start of the rainy season.

## 5. URBAN WEALTH BREAKDOWN

### 5.1 Galkayo Town Wealth Breakdown

In order to obtain a wealth breakdown for Galkayo, interviews were conducted with a group of key informants in each of the 16 sub-sections of town, for a total of 16 key informant interviews. The participants in these interviews included general members of the community, as well as town elders and section leaders. In order to ensure that both gender perspectives were represented, 68 men and 46 women participated in the interviews, as detailed in Table 8.

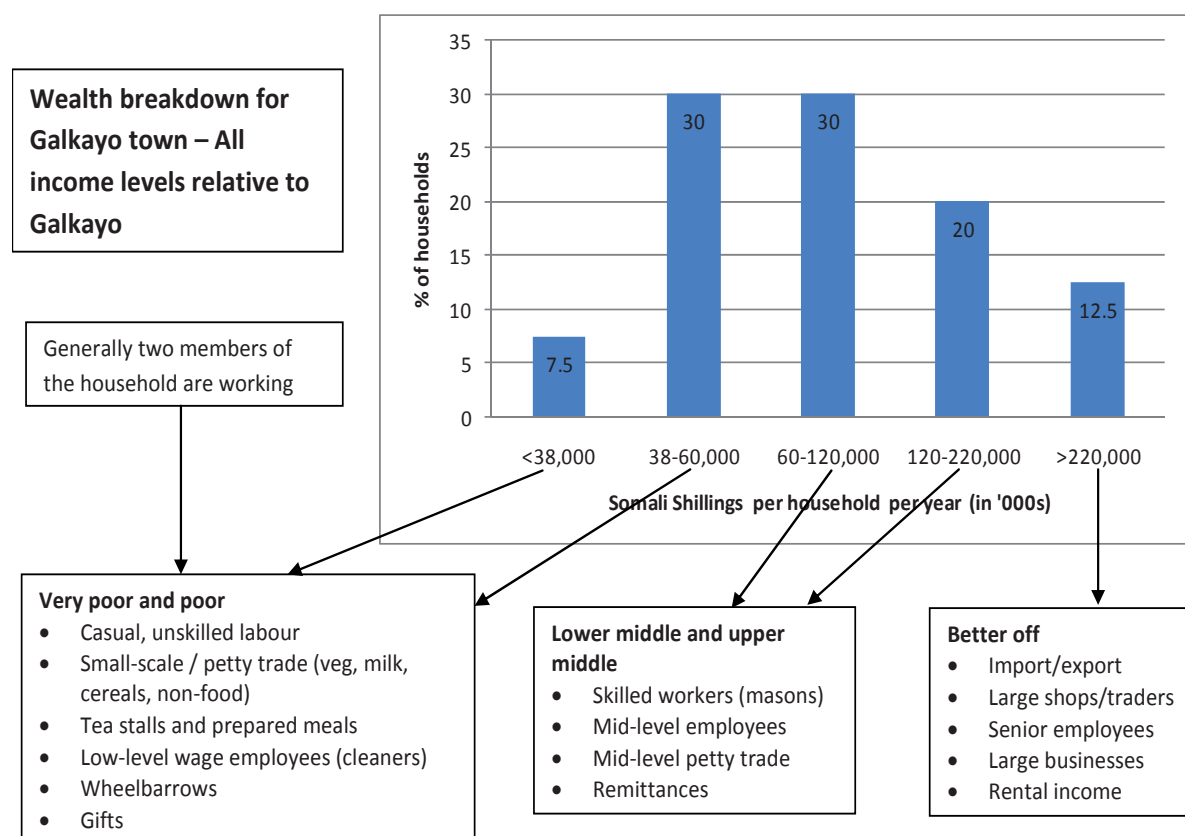
**Table 8: Key Informant Interviews**

Quarters of Galkayo	Men	Women	Total Participants
Israac	23	18	41
Garsoor	19	13	32
Hormood	18	11	29
Wadajir	8	4	12
<b>Total</b>	<b>68</b>	<b>46</b>	<b>114</b>

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 own 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 easier to describe daily 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.

Five different wealth groups were identified (Figure 13) Very Poor, Poor, Lower Middle, Upper Middle and Better Off, as illustrated in Figure 13 below. Households that generated less than SoSh 38,000,000 (≈US \$1,190) per year or SoSh 104,000 (≈US \$3.25) per day in income in the 2008-09 reference year were categorized as 'very poor'. Households earning from this level of income up to SoSh 60,000,000 (≈US \$1,875) per year or SoSh 165,000 (≈US \$5.15) per day were 'poor'. An estimated 5-10% of Galkayo's population was described as very poor and about 25-35% was described as poor. These groups were engaged in casual, unskilled labour, small-scale petty trade and self-employment (including tea shops and wheelbarrow sellers). Generally two members of very poor and poor households worked. The middle wealth group made up approximately 50% of households and was split into two: the lower middle (about 30% of all households) had annual incomes of SoSh 60-120,000,000 (≈US \$1,875-3,750) and the upper middle (about 20% of all households) of SoSh 120-220,000,000 (≈US \$3,750-6,875). The better off had incomes over SoSh 220,000,000 (≈US \$6,875) in 2008-09 and were estimated at 10-15% of households.

**Figure 13: Galkayo Town Wealth Breakdown**





The average household size for Galkayo is seven to eight; however, household sizes vary significantly both between and within each wealth group. In this analysis, six was determined to be the average household size for the very poor and poor wealth groups; eight for the middle; and ten for the better-off. The study found that the size of households at the bottom of the wealth spectrum was generally smaller than those at the higher levels, mainly because it is easier to support a family which has fewer non-working member (i.e. children or the elderly). The poorest households were the smallest, with household sizes ranging from 4 to 6 members. 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 who can afford to care for additional extended family members. Because middle and better off households generate larger incomes, they are able to support larger household sizes, which includes the ability to maintain live-in domestic workers.

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 for 2008-09.

**Table 9: Income for Galkayo Town**

Wealth group	Very Poor	Poor	Lower Middle	Upper Middle	Better off
Typical household size	6	6	8	8	10
Typical annual income per HH in SoSh	32,240,000	47,800,000	96,000,000	174,000,000	355,200,000
Annual income per HH in USD	\$1,008	\$1,494	\$3,000	\$5,438	\$11,100
Monthly income per HH in SoSh	2,686,670	3,983,340	8,000,000	14,500,000	29,600,000
Monthly income per HH in USD	\$84	\$124	\$250	\$453	\$925
Daily income per HH in SoSh	88,330	130,960	263,000	476,700	973,150
Daily income per HH in USD	\$2.76	\$4.09	\$8.22	\$14.90	\$30.41
Daily income per person in SoSh	14,720	21,830	32,880	59,590	97,310
Daily income per person in USD	\$0.46	\$0.68	\$1.03	\$1.86	\$3.04

\* Exchange rate used for October 2008 – September 2009: US \$1 = SoSh 32,000.

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

## 5.2 IDP Wealth Breakdown

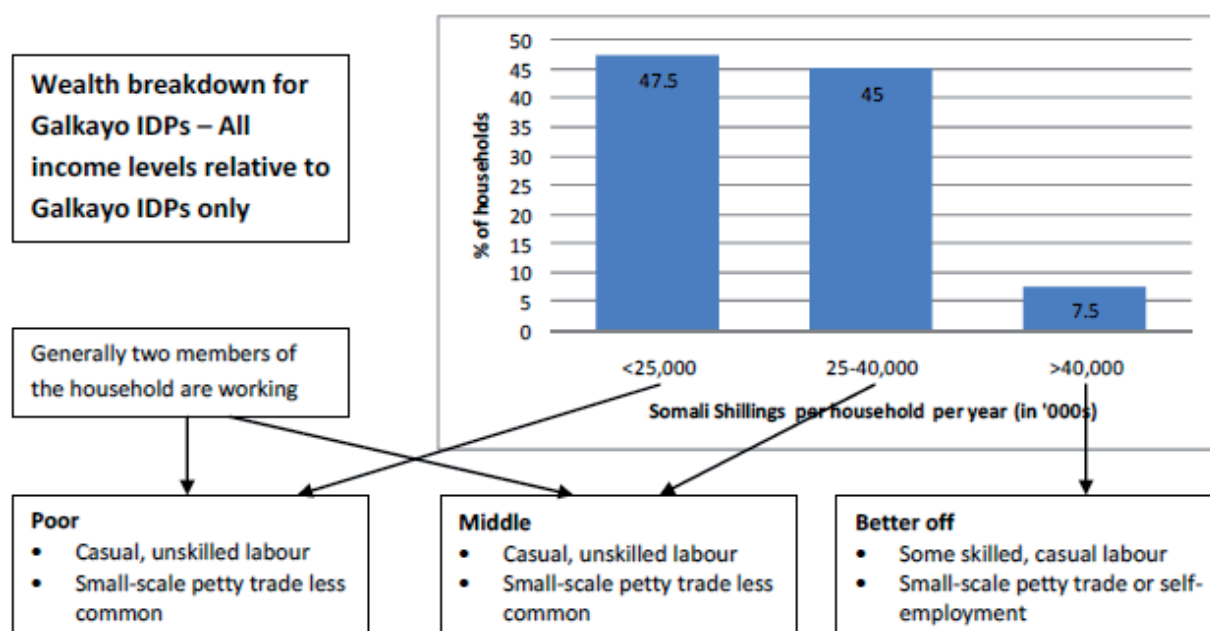
In order to obtain a wealth breakdown for Galkayo IDPs, interviews were conducted with groups of key informants in the ten most populated and representative IDP camps; 55 men and 21 women were interviewed during the key informant interviews.

Three wealth groups were identified: Poor, Middle and Better off, as illustrated in (Figure 14). Households that generated less than SoSh 25,000,000 (≈ US \$781) per year or SoSh 69,000 (≈ US \$1.12) per day in income in 2008-09 were categorized as ‘poor’. Households earning from this level of income up to SoSh 40,000,000 (≈ US \$1,250) per year or SoSh 110,000 (≈ US \$3.45) per day were ‘middle’. An estimated 40-55% of Galkayo’s IDP population was described as poor and about 40-50% was described as middle. Better off IDP households had incomes over SoSh 40,000,000 (≈ US \$1,250) in 2008-09 and were estimated at 5-10% of households. IDP households living in the camps in the poor and middle wealth groups were primarily engaged in casual, unskilled labour and generally two members per household worked. The ‘better off’ tended to have one household member with more skills, earning a slightly higher daily income. Genuinely ‘better off’ IDPs (i.e. those with income levels corresponding to the higher wealth groups in town) do not live in the camps and have integrated into Galkayo town proper.



*“Shanta Kaare” IDP Camp-North Galkayo, 2009*

Figure 14: Galkayo IDPs Wealth Breakdown



The following table illustrates a typical income level for each IDP wealth group in annual, monthly and daily terms and in both Somali shillings and US dollars for 2008-09.

Table 10: Income for Galkayo IDPs

Wealth group	Poor	Middle	Better Off
Typical household size	6	6	7
Annual income per HH in SoSh	22,840,000	30,960,000	48,600,000
Annual income per HH in USD	\$714	\$968	\$1,519
Monthly income per HH in SoSh	1,903,330	2,580,000	4,050,000
Monthly income per HH in USD	\$59	\$81	\$127
Daily income per HH in SoSh	62,575	84,820	133,150
Daily income per HH in USD	\$1.96	\$2.65	\$4.16
Daily income per person in SoSh	10,430	14,140	19,020
Daily income per person in USD	\$0.33	\$0.44	\$0.59

## 6. SECTORAL INVENTORY

This section outlines the main sectors in which people obtain income in urban Galkayo. The information provided covers the reference year (October 2008 – September 2009), and all prices and income represent averages for that year. All 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.

Galkayo urban population is classified along five wealth groups based on annual income. Poor wealth groups earn from 38,000,000, to 60,000,000 So.Sh per annum and very poor receive less than 38,000,000 So.Sh per annum. Lower middle and upper middle groups receive 60-120,000,000 and 120-220,000,000 So.Sh and over per annum respectively, as shown in table 9.

	Better Off	Upper Middle	Lower Middle	Poor	Very Poor
Annual income per HH in Somali Shillings	> 220,000,000	120-220,000,000	60-120,000,000	38-60,000,000	< 38,000,000
Annual income per HH in USD	>\$6875	\$3750 - \$6875	\$1875 - \$3750	\$1190 - \$1875	<\$1190
Monthly income per HH in USD	>\$570	\$310 - \$570	\$155 - \$310	\$100 - \$155	<\$100

Table 11: Sectoral Summary by Wealth Group: Number of People and Percent Distribution by Sectors

Sectors	Better Off		Upper Middle		Lower Middle		Poor		Very Poor		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Livestock marketing	120	15	40	5	365	45	40	5	250	30	815	100
Meat marketing	0	0	75	10	160	20	120	15	430	55	785	100
Milk marketing	0	0	0	0	5	5	55	35	100	60	160	100
Construction	455	5	455	5	1810	20	6350	70	0	0	9070	100
Transport	430	20	325	15	965	45	215	10	215	10	2150	100
Vegetable and fruit trade	0	0	90	5	90	5	1055	60	525	30	1760	100
Kat / Qaad	50	5	475	50	150	15	0	0	290	30	965	100
Energy	45	5	45	5	180	20	90	10	540	60	900	100
Water	0	0	70	10	180	25	470	65	0	0	720	100
Remittances	10	10	25	30	25	30	20	25	5	5	85	100
Salaried	24	2	177	18	206	22	150	16	401	42	958	100
Public sector	38	3	327	23	374	27	367	26	290	21	1396	100
Other food and non food sectors	846	6	808	5.5	1591	11	5781	39	5739	39	14,765	100
Total	2018	6	2912	8	6101	17.5	14713	42.6	8785	25.6	34529	100

(NOTE – social security sections such as military, police figure were difficult to access. The staff presence of the government ministries in Galkayo was also limited)

Over 15 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. So, although individual members of a household generated Very Poor incomes, their combined household income would typically place them at the Poor level. This was also true for the Lower Middle category; in many households, more than one person was working, thus shifting the household to the Upper Middle group. Although this analysis is fairly comprehensive, there were figures related to UN employment, international NGO's, and the public sector that could not be fully assessed due to security and confidentiality concerns. Furthermore, figures covering inactive destitute households that relied solely on gifts for cash income were not included. The percentage of inactive destitute households is estimated by FSNAU to be only 1-2% of the total number of households in Galkayo.

### 6.1 Livestock Sector

#### 6.1.1 Live Animal Marketing

This is the largest sector in the Somali economy and contributes substantially to income generation, employment and foreign exchange earnings. Galkayo town has three main livestock markets: one for local quality species and two for export quality species. There is no official date recorded for the establishment of the Galkayo livestock markets, but some traders recalled that the market opened in 1964. There is no assigned site for the sale of export livestock, but traders appoint two mobile sites around the outskirts of Galkayo town (one in the north and one in the south).

During the reference year (September 2008 – October 2009), the average number of livestock purchased in Galkayo market on a monthly basis was 68,850 sheep/goat and 3,825 camels. 49,350 sheep/goat and 3,000 camels were exported from Galkayo on average each month. Out of this total number of sheep and goats, about 19,350 (90% goats and 10% sheep) were slaughtered locally every month and exported to Arabian countries as chilled meat. Using FSNAU's data for tracking livestock exports through Bossaso and Berbera ports, Galkayo is a conduit for roughly 20% of exported sheep and goats. For domestic use, 600 - 700 sheep/goat and 25 - 30 camels are slaughtered daily in Galkayo town.

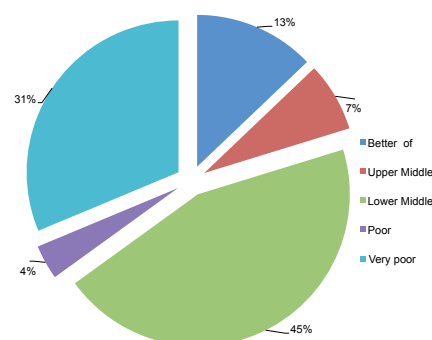
The volume of supply to the markets varied with season and with demand. Demand peaked during the Ramadan and Hajj

periods. Livestock were mainly exported to Saudi Arabia, UAE, Oman, Kuwait and Yemen through Bosasso port. There are four main commercial routes that supply the Galkayo livestock markets, including Mudug (which contributes 35%), Central (30%), Hiran (15%), and Somali region of Ethiopia (10%). The average prices obtained for goats, sheep and camels during the reference year were SoSh 1,472,000, SoSh 1,280,000 and SoSh 14,400,000 respectively. The Puntland state government is involved in the market in terms of livestock taxation: SoSh 150,000 is the tariff for camels and cattle, while SoSh 10,000 is the tariff for goats and sheep.

There was a livestock destocking project in 2008-09, funded by FAO and implemented by local and international NGOs (IRC, SDRO and Mudug Concern).

Approximately 2,500 goats were purchased and slaughtered and distributed to poor households in Galkayo town. In the reference year, civil insecurity incidents occasionally restricted and forced the closure of transport routes,

**Figure 15: Percentage of People Involved in Live Animal Marketing by Wealth Group**



**Table 12: Breakdown of Actors in the livestock Market According to Income Levels:**

Activity	Number of people			Estimated monthly income	
	Total	Male	Female	SoSh	USD*
Export Dealers	30	30	0	77,500,000	2,422
Collecting Agents (export)	60	60	0	15,500,000	484
Collecting agents (local)	25	4	21	1,800,000	56
Chief Brokers	90	90	0	5,160,000	161
Broker	30	30	0	4,000,000	125
Pen owners	5	5	0	3,000,000	94
Herders	200	200	0	5,100,000	159
Camel tending at market	60	60	0	2,100,000	66
Livestock herding towards the port (by truck)	90	90	0	2,000,000	63
Drivers	75	75	0	6,000,000	188
Co-drivers	75	75	0	3,000,000	94
Truck owners	75	73	2	22,400,000	700
<b>Total</b>	<b>815</b>	<b>792</b>	<b>23</b>		

particularly those from central Somalia and Ethiopia. This lengthened and increased the cost of transport and reduced the overall livestock export volume. Recurrent droughts in recent years have also negatively affected the livestock trade volume.

An estimated 815 people were involved in the live livestock sector during the reference year, as outlined in the table 12 below. Within this figure, approximately 13% were better off, 7% upper middle, 45% lower middle, 4% poor and 31% very poor (see Figure 15). In terms of gender, most of the actors in this sector were men.

\*The average exchange rate for the reference year is SoSh 32,000 per US \$1, which is rounded to make the currency conversion.

### 6.1.2 Meat Marketing

Galkayo town has one main meat market that was established in the 1970s. It is called Kawanka Weyn and is located in the centre of the town, in Horumar quarter. There are three other smaller markets in the town: Asha Geele market in Israac quarter (established in 2000), Barwaaqo market in Garsoor quarter (established in 2005), and Midnimo market in Wadajir quarter (established in 2008). The main market (Kawanka Weyn) supplies the three smaller markets on a daily basis. There are also a large number of sites where goat meat is sold within the sections in the town, which are not recognized as markets. Kawanka Weyn is public property and was constructed by the former government, but the activities are run by private individuals. Barwaaqo and Asha Geele markets are private facilities, while Midnimo market was constructed by a donation from a women's organization. All business activities in the three markets are carried out by private individuals.

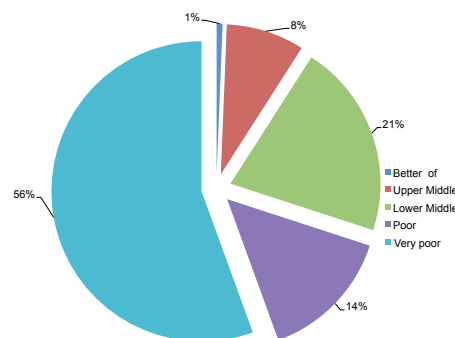
There are no official livestock slaughter house facilities in the town that are used for local consumption needs. Butchers use an open place on the outskirts of the town to slaughter camels and then transport the meat to the main market. Sheep and goats are slaughtered in the vendors' houses and are then transported to market. About 600-700 shoats (90% goats and 10% sheep) and 25-30 camels were slaughtered in Galkayo town on a daily basis in the reference year. All the meat was supplied to the main meat market in the centre of the town. From there, 50% of the meat was sold within the main market, 20% was sold in the three smaller markets, and 30% was distributed to restaurants in the town. During the reference year, the price for 1 kg of camel meat was SoSh 150,000 and the price for 1 limb (600gr) of goat meat was SoSh 100,000. In 2002, Mubarak 2 Chilled Meat Factory (abattoir) was established in Galkayo town (north), but it only produces for the export market. During the reference year, the factory slaughtered about 19,350 head of young goats (1 – 1.5 years old) per month and exported 146,200 kgs of chilled meat per month on two flights per week. Export volume reduced to 15,050 heads per month during the dry months of April, May, August and September, while during Ramadan the frequency of flights was increased to every other day.



There are 30 stores (25 for shoats and 5 for camels) that trade skin/hides through Bosasso port. During the reference year, the skin price was low, at about SoSh 20,000 per sheep or goat skin and SoSh 30,000 per camel skin. The sector faces a number of constraints. There is no assigned slaughter house for livestock. Hygienic and sanitary conditions are poor at all levels in the marketing chain (from the slaughtering site to main market and to the smaller markets). In addition, all the buildings related to the sector need rehabilitation.

During the reference year, approximately 783 people were involved in meat marketing activities, as outlined in the table below. About 1% fell into the better off income range, 8% upper middle, 21% lower middle, 14% poor and 56% very poor (Figure 16). Just over half the people involved in the sector were women, who were mainly engaged in slaughtering goats and sheep and the sale of meat. Men were mainly engaged in camel slaughtering, collecting animals from the market, portering, transport and skin/hide activities.

**Figure 16: Percentage of People Involved in Meat Marketing by Wealth Group**



**Table 13: Breakdown of Actors in Meat Marketing According to Income Levels**

Activity	Number of people			Estimated monthly income SoSh	Estimated monthly income USD*
Main butchery – camel meat only					
	Total	Male	Female		
Butchers (owners)	32	13	19	10,500,000	328
Butchers (hired sellers)	43	16	27	3,000,000	94
Assistant butchers	32	9	23	3,000,000	94
Slaughterers	15	15	0	6,000,000	188
Assistants slaughterers	15	15	0	1,800,000	56
Poor quality meat retailer	20	0	20	2,400,000	75
Bone crushers	20	20	0	1,200,000	38
Muqmad (Odkac) processing sellers	15	0	15	1,540,000	48
Part-time cleaners	2	2	0	1920,000	60
Porters	10	10	0	1,800,000	56
Transport(busses/pickups)	4	4	0	11,250,000	352
Wheel barrowers	10	10	0	2,700,000	84
Subtotal	218	114	104		
Butchery – goat/sheep meat only					
Owners	90	21	69	4,500,000	141
Assistants	90	0	90	2,100,000	66
Slaughterers	70	12	58	1,700,000	53
Porters (part time)	70	12	58	900,000	28
Subtotal	320	45	275		
Abattoir (Mubarak 2 company)					
Export dealers	5	5	0	48,000,000	1,500
Collecting agents	10	10	0	16,000,000	500
Slaughterers	120	120	0	5,625,000	176
Drivers	15	15	0	6,000,000	188
Watchmen	3	3	0	3,840,000	120
Subtotal	153	153	0		
Branches					
Owners	14	0	14	7,500,000	234
Assistants (slaughterers)	14	0	14	2,400,000	75
Porters	4	0	4	1,500,000	47
Subtotal	32	0	32		
Skin/hide trade					
Export dealers	20	20	0	16,000,000	500
Collectors	20	20	0	4,800,000	150
Labourers	20	20	0	1,600,000	50
Subtotal	60	60	0		
Grand total	783	372	411		

\*The average exchange rate for the reference year is SoSh 32,000 per US \$1, which is rounded to make the currency conversion.

### 6.1.3 Milk Trade

Traditionally, milk and meat are part of the basic diet for both urban and pastoral households. However, due to persistent droughts over the past several seasons, milk production and supply has been low throughout the region, leading to reduced household consumption and income opportunities for both urban and pastoral livelihoods.

In the southern part of the town, there are two milk markets (Astaan Hobyo and Astaan Galool). In the northern side, the main markets are Suuq Weyne, Suuq Isbitaal, and Suuq Station and there are another three small markets. There is one big milk market between the southern and northern parts of the town, which is shared by both sides. The most common milk type available in the markets is fresh/sour camel milk (60%), followed by goat milk (40%). There are insignificant amounts of cow milk available.

For the southern parts of the town, the main supply sources were Hiluma, Dagaari, Saddex Higlo, Doho, Wisil, Bandiiradley, Docol, and Wargalo. For the northern parts, the main supply sources include Dogob, Bursaalax, Burtunlle, and Jalam. There are strong relations between the traders on the two sides of the town. About 60% of the milk supplied to the south is traded to the northern parts of the town, due to high demand from a larger population. In the northern part of the town, wholesalers collect milk from rural milk producers and directly sell to the milk retailers in the main town. In the south, the system is somewhat different, as milk producers send their products directly to milk traders in the urban markets, and receive payment back in cash or in kind.

The estimated quantity of fresh milk traded in Galkayo was 6,100 litres daily during the reference year. This included about 300 litres of goat milk per day produced and sold in the town, particularly in the southern part of the town. About two thirds of the total amount was sold during the rainy season and one third in the dry season, with little seasonal variation in price. The retail price in the reference year was SoSh 34-37,000 per litre. During the reference year, approximately 160 women were involved in fresh milk marketing activities, as outlined in the table below.

The consumption of milk powder was extremely high in Galkayo, due to successive droughts and drastic reductions in herd size in rural areas. Fresh milk became scarce in the markets of the town, with high prices, which forced urban households to resort to powdered milk for their daily needs. The estimated quantity consumed daily is 1000 and 1200 tins (of 2.5kg) in the wet and dry season respectively. The cost of one tin (2.5kg) was US\$14.7 during dry seasons and US\$ 10.5 in rainy seasons. Better off and most middle households purchased by the tin, while poor households purchased in small quantities (*duub*).

## 6.2 Construction Sector

Construction is one of the most important sectors in Galkayo town in terms of income-generating opportunities. Approximately 9,070 people worked in the sector in the reference year. About 60% of the construction investment came from the diaspora, 30% from business people, 5% from the UN, NGOs and authorities, and the rest from better off households shifting from rural areas or from other towns.

Five main construction companies operate in the town and have main offices in Dubai, namely: Shell, Towfiq, Al-fadli, Opec and Barwaqo. These companies are both contractors and importers/suppliers of construction materials and each of them employs a permanent staff of about 10 people including managers, accountants, cashiers, storekeepers, sales personnel, cleaners and watchmen. There are another five companies that supply construction materials, but are not contractors. There are an additional 15 small contractors involved in construction activities and this shows the importance of this sector in Galkayo. In the reference year, the pay rate of the construction force was stable, but there was a price decrease for two of the most important items in construction. Cement prices decreased from \$12 in May 2008 to \$8 per bag in April 2009, and iron decreased from \$17 to \$10 per quintal in the same period. This was due to the emergence of new supplying countries such as China and Pakistan, and has encouraged many people to start building houses.

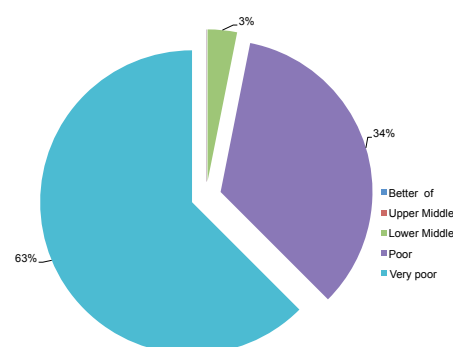
Construction activities peak during summer, when many Somali diaspora visit, and are low during Hajj when many business people are out of the country. Although work in the construction sector is dominated by men, women play their role in it by participating in bidding /tendering, owning shares in the construction companies and opening

**Table 14: Breakdown of Urban Actors in Milk Market According to Income Levels**

Activity	Number of people			Estimated daily income	
	Total	Male	Female	SoSh	USD*
Wholesaler1	5	0	5	180-200,000	5.60-6.25
Wholesalers2	55	0	55	120- 150,000	4-5
Petty traders/retailers	100	0	100	60-90,000	2-3
<b>Total</b>	<b>160</b>	<b>0</b>	<b>160</b>		

\*The average exchange rate for the reference year is SoSh 32,000 per US \$1, which is rounded to make the currency conversion.

**Figure 17: Percentage of People Involved in Milk Marketing by Wealth Group**



**Figure 18: Percentage of People Involved in Construction Activities by Wealth Groups**

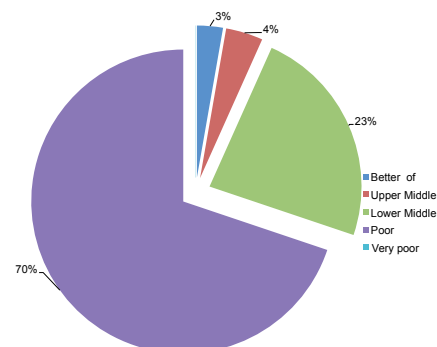


Table 15: Breakdown of Actors in Construction and Related Activities According to Income Levels

Activity	Number of people	Estimated daily income	
Directly active in construction:		SoSh	USD*
Engineers	18	500,000	16
Foremen	75	210,000	7
Masons	585	210,000	7
Mixing machine – Owners	12	300,000	9
Mixing machine – Motorists	12	150,000	5
Mixing machine – Mixers	200	100,000	3
Iron/steel fixers	125	250,000	8
Iron/steel fixer – Assistants	250	150,000	5
Painters	152	200-250,000	6-8
Painter – Assistants	50	140,000	4
Tile fixers	63	250,000	8
Electricians	70	200-250,000	6-8
Labourers (unskilled )	3,700	105,000	3
Watchmen	130	150,000	5
<b>Sub-total</b>	<b>5,442</b>		
Indirectly active in construction:			
Main construction companies – Shareholders	250	700,000	22
Main construction companies – Managers	5	500,000	16
Main construction companies – Accountants	5	300,000	9
Main construction companies – Storekeepers	5	200,000	6
Small Contractors – Owners /managers	15	320,000	10
Small Contractors – Assistants	15	200,000	6
Brick makers (main with machines) – Owners	8	400-500,000	13-16
Brick makers – Motorist	8	200,000-300,000	6-9
Brick makers – Labourers	16	150-200,000	5-6
Brick makers (small/manual) – Owners	52	200,000	6
Brick makers (small/manual Labourers	156	100-150,000	3-5
Joinery workshops – Owners	25	400-500,000	13-16
Joinery – Qualified	80	200-250,000	6-8
Joinery – Assistants	80	130,000	4
Carpenters – Qualified	35	250-300,000	8-9
Carpenters – Senior	90	200,000	6
Carpenters – Assistants	180	120,000	4
Tipper trucks – Owners	245	300-400,000	9-13
Tipper trucks – Drivers	245	200,000	6
Tipper trucks – Assistants	245	100-150,000	3-5
Tipper trucks – Loaders	490	100,000	3
Building materials companies – Managers	10	430,000	13
Building materials companies – Accountants	10	320,000	10
Building materials companies – Storekeepers	10	200,000	6
Building materials companies – Sales personnel	50	200,000	6
Lime preparation – Owners	6	300-400,000	9-13
Lime preparation – Labourers	12	150,000	5
Crasher (gravel machinery) – Owners	4	500-600,000	16-19
Crasher (gravel machinery) – Managers	4	300,000	9
Crasher – Motorist	4	200,000	6
Crasher – Labourers	24	150,000	5
Watchman	1	150,000	5
Electric shops – Owners	50	200,000	6
Electric shops – Assistants	15	120,000	4
Quarrymen	600	120,000	4
Canteen (temporary restaurant – Owners	80	200,000	6
Canteen (temporary restaurant – Assistants	80	100,000	3
Rented-out tools (ladders, empty drums) – Owners	50	100,000	3
Drilling machine (for latrines /Toilets ) – Owners	3	250,000	8
Drilling machine (for latrines /Toilets ) – Motorists	3	150-200,000	5-6
Drilling machine (for latrines /Toilets ) – Labour	9	150,000	5
Tubists	353	200,000	6
<b>Sub-total</b>	<b>3,628</b>		
<b>Grand total</b>	<b>9,070</b>		

\*The average exchange rate for the reference year is SoSh 32,000 per US \$1, which is rounded to make the currency conversion.

temporary restaurants/canteens at construction sites.

The main constraints faced by the sector are insecurity; insufficient or outdated construction implements such as cranes, compactors, mixers etc; and the global economic decline (which negatively affected the diaspora). The direct involvement of women in the construction sector is very limited compared with other economic sectors in the town. In total the number of women involved in the sector is about 2% (about 210 women) of the total people involved; women make up about 20% of shareholders (50) in the construction companies and work as canteen operators (80) or canteen assistants (80).

### 6.3 Transport Sector

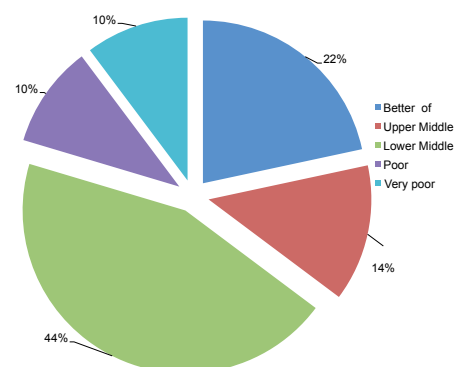
In the reference year, taxis and mini-buses were the major form of intercity passenger transportation. Trucks with a capacity of under four tons provided short-distance transportation of goods and passengers (up to about 30 km from Galkayo town), while large trucks with capacity over four tons were used for long-distance transportation of commercial goods and passengers along the Bossaso – Galkayo – Belet Weyne tarmac road. Large trucks also transported imported goods from Galkayo to the Somali Region of Ethiopia and returned with potatoes and onions from that region. However, this cross-border trade was affected by insecurity in the reference year when Ethiopian

troops reportedly started to hijack trucks to transport their troops. This resulted in decreased trade along this route.

There are three main terminals/stations in Galkayo town, as follows:

- **Astan Hobyo station:** used by all types of vehicle that link southern Galkayo to surrounding villages and central regions.
- **Berda-Cad station:** used by all types of vehicle that link northern Galkayo to surrounding villages and other settlements in Puntland.
- **Cagaar-Weyne station:** used by buses that transport passengers between Galkayo to Mogadishu.

**Figure 19: Percentage of People Involved in Transport Activities by Wealth Groups**



**Table 16: Ownership in Transport Sector in Reference Year**

Type of vehicle	Number	# of people Involved	Ownership		Gender (Ownership)	
			Galkayo inhabitants	Other inhabitants	Male	Female
City buses	90	225	100%	0	90	0
Regional buses (to Mogadishu)	50	100	100%	0	50	0
Regional busses to surrounding settlement	55	110	100%	0	55	0
City Taxis	210	315	100%	0	210	0
Trucks up to 4 ton	55	110	100%	0	55	0
Trucks (tipper) up to 6 tons	180	900	100%	0	180	0
Truck (water tankers)	70	140	100%	0	70	0
Trucks over 6 up to 18 tons	50	200	100%	0	50	0
Air lines	2	49	50%	50%	2	0
Total	762	2149	100%	0	762	0

**Table 17: Breakdown of Actors in the Transport According to Income Levels**

Activity	Number of people	Estimated daily income	
TAXIS		SoSh	USD
Owner	210	400 – 500,000	13-16
Driver	105	200 – 300,000	6-9
Sub-total	315		
REGIONAL BUSES (Mogadishu to Galkayo)			
Owner	50	150,000 – 200,000	5-6
Driver	50	70 – 100,000	2-3
Conductor	50	20 – 30,000	.60-.90
Sub-total	150		
REGIONAL BUSES TO SURROUNDING RURAL SETTLEMENTS			
Owner	55	200 – 250,000	6-8
Driver	55	150 – 200,000	5-6
Conductor	55	70 – 100,000	2-3
Sub-total	165		
TRUCKS < 4 TONS (tipper trucks)			
Owner	180	500 – 700,000	16-22
Driver	180	300 – 400,000	9-13
Conductor	180	200- 250,000	6-8
Casual labour (stone porter)	180	200- 250,000	6-8
Causal labour (stone porter)	180	200- 250,000	6-8
Sub-total	900		
TRUCKS <4 TONS (WATER TANKERS)			
Owner	70	300 – 400,000	9-13
Driver	70	200- 250,000	6-8
Conductor	70	80 – 100,000	2.5-3
Sub- total	210		
TRUCKS 4-6 TONS			
Owner	35	400 – 500,000	13-16
Driver	35	200 – 250,000	6-8
Conductor	35	100 - 150,000	3-5
Assistant driver	35	150 – 200,000	5-6
Total	140		
TRUCKS 6-18 TONS (locally known as Candha-meydle)			
Owner	50	600 – 700,000	19-22
Driver	100	300 – 350,000	9-11
Assistant driver	50	200 – 250,000	6-8
Sub-total	200		
AIRLINES (BRANCH OFFICES) DALLO AND JUBBA			
Managers	4	200-250,000	6-8
Assistants and accountants	10	150 – 200,000	5-6
Cleaners/Supporting staff/facilitators	55	100 - 150,000	3-5
Subtotal	69		
Grand total	2149		

\*The average exchange rate for the reference year is SoSh 32,000 per US \$1, which is rounded to make the currency conversion.

The main constraints in this sector are poor road infrastructure and insecurity. Galkayo town is a business hub for populations in different regions – central regions, Puntland and the Somali region of Ethiopia. It is governed by two antagonistic local authorities – Puntland in the north and Galmudug in the south resulting in insecurity as a major constraint in the transport sector. At the same time, the road infrastructure is poor following no rehabilitated for many years. The number of taxis, buses and trucks in Galkayo town in the reference year was estimated at 690, as outlined in the table below. About 96% of them were owned by Galkayo inhabitants. Approximately 2,150 people were engaged directly in the transport sector.

#### 6.4 Vegetable and Fruit Sector

Galkayo town is situated in a non-agricultural area. All fruits and vegetables are imported from other regions of Somalia and from Somali Region of Ethiopia. In normal years, most onions, tomatoes and green leaves consumed in Galkayo town are supplied from Hiran (with the exception of Samersani type of tomato which come from Ethiopia). Potatoes are imported from Ethiopia, while garlic and different types of spices come from Yemen. Citrus fruits and bananas are supplied from Lower and Middle Shabelle, while mangoes come from Jowhar and Mahaday, and watermelons from Hiran.

Roughly 10-12 trucks bring potatoes to Galkayo town from Ethiopia on a weekly basis. In addition, 5-6 trucks from Hiran bring onions, tomato and other vegetables and 2-3 trucks from Lower and Middle Shabelle, as well as Hiran, bring fruits to the town on a daily basis. Urban households consume vegetables and fruit in varying quantities and qualities according to income levels. Fruits are expensive: one piece of banana, mango and watermelon cost SoSh 3,000, 12,000 and 70,000 respectively. Vegetables are also expensive: 1 kg of potatoes, onion, and tomato cost 15,000, 12,000 and 30,000 Somali shilling each. Poor households consume less expensive and poor quality vegetables (mainly onions, tomatoes and potatoes) and little fruit because of their low incomes. Middle and better off households consume more expensive and high quality fruits and vegetables. Bananas and watermelon are the most popular fruits.

Figure 20: Percentage of People Involved in Vegetable and Fruit Marketing by Wealth Group

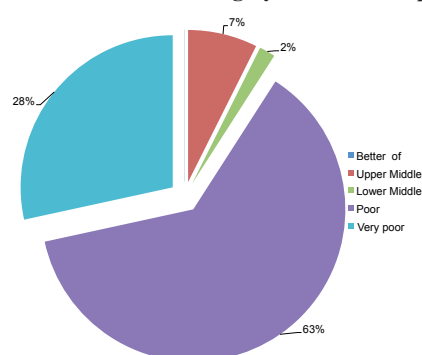


Table 18: Breakdown of Urban Actors in Vegetable and Fruit Market According to Income Levels

Activity	Number of people			Estimated daily income	
	Total	Male	Female	SoSH	USD*
Potatoes – wholesalers	80	0	80	400-500,000	13-16
Potatoes – retailers	500	0	500	80-100,000	2.5-3
Onions and tomato – wholesalers	50	0	50	400-600,000	13-19
Onions and tomato – retailers	800	0	800	100-120,000	3-4
Bananas, mango, citrus, lemon, papaya and watermelon – wholesalers	30	6	24	200-300,000	6-9
Bananas, mango, citrus, lemon, papaya and watermelon – retailers	300	150	150	100-150,000	3-5

\*The average exchange rate for the reference year is SoSh 32,000 per US \$1, which is rounded to make the currency conversion.

There is only one main wholesale market in Galkayo called Bangiga, which is situated in the central part of the town and which supplies three retail markets (Iskashato, Suq Yare and Asha Gelle). Although the town is divided into two distinct parts (south and north), the markets are centrally located, allowing access to customers from both sides. There are about 160 wholesalers and 1600 retailers engaged in this business in the reference year, as outlined in the table below. Most wholesalers and retailers were female. Out of this total, approximately 1600 people or 91% fall into the very poor and poor wealth groups and the rest (160 or 9%) fall into the lower and upper middle groups (Figure 20).

The main constraint affecting the sector is poor transport infrastructure. Bad roads greatly affect fruit and vegetable trade because they are perishable goods and traders reported that they sometimes face great losses.

#### 6.5 Kat (Qaad/Miraa) Sector

The soft leaves of the kat plant are chewed and used as a stimulant. The plant was traditionally used only by elders at social gatherings, but this tradition changed after the collapse of the Somali regime in 1991 and now all groups (men, women, elders, and youths) use it, some on a daily basis. Kat importation, distribution and sale is a big business, from which many people gain their livelihoods. Conversely, for some consumers, it is a major drain on household resources. For the Galkayo market, kat (*qaad* in Somali) is imported daily by plane from Kenya by ten wholesale import companies. Two companies share each flight and each pair import once or twice a week.



The kat is arranged in bundles and packed in jute sacks to prevent damage during transportation. Each plane carries about 123 sacks. Each sack contains 10 *qumbulad*, and each *qumbulad* contains 5 *marduuf* (or bundles). The total number of sacks received in the town in the reference year was 123 sacks per day. Of this supply, some was consumed in Galkayo town and villages, some given as gifts, some considered as losses, and some taken on to other areas within Mudug/Galgadud/Nugal regions (such as Garowe, Lasanod, Burtinle, Garocad, Bacadweyn, Galinsoor, Bandiradley, Abudwaq, Dusamareb etc). The peak period for the kat trade is during the rainy seasons when kat plants develop new soft shoots and leaves that kat chewers love.

Figure 21: Percentage of People Involved Kat/Qaad Trade by Wealth Group

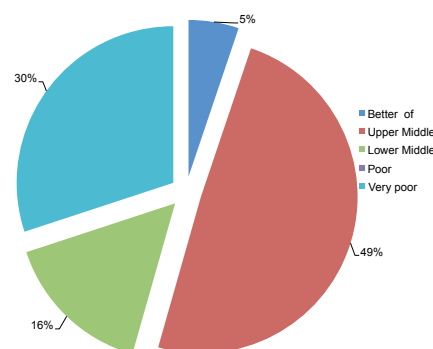


Table 19: Sales Value of Kat/Qaad Imported through Galkayo Airport

Quantity	Description	Price/sack	Total Price
2-3 sacks	Gifts ( <i>barbaro</i> )	N/A	N/A
1-2 sacks	Loss	N/A	N/A
30sacks	Outside Galkayo	SoSh 15,000,000 (\$500)	SoSh ,450,000,000 (\$15000)
10 sacks	Galkayo villages	SoSh 15,000,000 (\$500)	SoSh 150,000,000 (\$5000)
80 sacks	Galkayo town	SoSh 15,000,000 (\$500)	SoSh,1200,000,000 (\$40,000)
<b>123 sacks</b>			<b>SoSh 1800,000,000 (\$60,000)</b>

\*The average exchange rate for the reference year is SoSh 32,000 per US \$1, which is rounded to make the currency conversion.

The main constraint to the kat trade is insecurity at check points, where gunmen demand kat free of charge. Another constraint is the tax that the Puntland Authority imposed in early 2009 (SoSh 1,500,000 per sack) and that kat importers felt would netheir trade activities. From the airport to the consumer, around 965 people were involved in this business in the reference year, including over 604 urban women.

Table 20: Description of Urban Actors in Galkayo Kat Sector

<b>General retailers (Jawaanleey):</b>
There were approximately 40 general retailers or 'sack sellers', of which 32 were women and 8 were men. They generally received 1-2 sacks of 50 bundles each per flight.
<b>Table retailers (Miisleey):</b>
There were 400 table retailers, of which 320 were women and 80 were men. They obtained credit only on the basis that the money owed was paid on time. These retailers received on average 1 – 2 small sacks (each containing 5 – 10 bundles) per flight.
<b>Calaal:</b>
This group was involved in kat trade through direct links with kat exporters based in Nairobi (mainly office assistants who prepared and arranged the kat exports). This type of kat was generally better quality than the bulk of kat imported. This group received around 10 – 20 bundles (2 – 3 small sacks) once or twice a week, and they supplied to retail sellers. The <i>Calaal</i> kat was considered as a gift when it was sent from Nairobi.
<b>Small retailers (Faashle):</b>
This group was linked with general retailers and mostly purchased 1 to 2 bundles of kat per day from retailer friends. They were unable to get credit for kat and had to provide cash in advance. The <i>faashle</i> group consisted of the following categories: (a) those who had lost money previously as a retailer; (b) those who were new to the sector and did not have previous experience of kat selling. Because of these factors, they were not trusted enough to be given credit or large quantities of kat by the retailers.
<b>District Distributors:</b>
This group of 10 individuals took kat from Galkayo to other locations or villages in the Galkayo area. They had a good relationship with whole-sale importers (some were relatives) and were also considered as "local" kat importers. The amount of kat traded by this group depended on their ability to pay in advance and their relationship to the importers. This group was well organized and was able to reach any location despite insecurity problems.
<b>Auctioneers (Xaraashle):</b>
These 30 individuals were involved in the sale of poor quality kat in a special market called <i>Suuqa Xaraashka Katka</i> . The customers in this market were mainly poor groups who were unable to buy fresh and good quality kat.
<b>Disposal Collectors:</b>
The disposal collectors were mainly children. Some of these children were dependent on families in Galkayo, while others were orphans who stayed in the town. They collected twigs and leaves from the ground at markets and locations where chewers sit. The discarded kat collected by these children was sold to those unable to buy quality kat from the market. This kat was not only of poor quality but mixed with cigarettes, sputum and other rubbish thrown away by chewers.
<b>Consumers:</b>
Kat consumers are classified according to their kat chewing habits. Chewers are often close friends who gather in the afternoons and share bundles. Some better off men also purchase kat as gifts, whether or not they chew themselves. Within each wealth group, the households in which someone regularly purchases kat are a minority, which is why expenditure on kat does not appear as a separate category in the Expenditure section. Those who have been chewing a long time are known as 'kat addicts'. These people suffer from the long-term physical and psychological effects of kat chewing. Out of sympathy, normal chewers will typically share their kat with addicts.

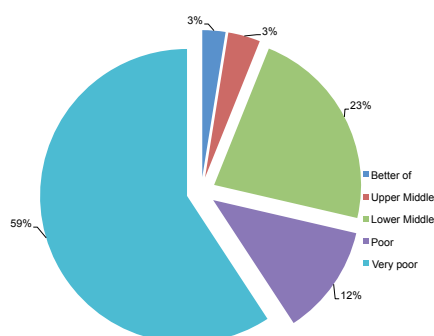
**Table 21: Breakdown of Urban Actors in Kat Sector According to Income Levels**

Activity	Number of people	men	women	Estimated daily income	
				SoSh	USD*
Importers	10	10	0	7,500,000	234
General Retailer	40	0	40	1,500,000	47
Private groups	5	0	5	500,000	16
Over Table retailers	400	0	400	500,000	16
Assistant retailers	200	0	200	50,000	2
Small retailers	90	0	90	300,000	9
Auctioneers	30	0	30	250,000	8
District kat distributor	10	10	0	600,000	19
Disposal Sellers	70	70	0	40,000	1
<b>Importers staff</b>					
Kat distributors	10	10	0	660,000	21
Kat distributors' assistants	10	10	0	340,000	11
Driver	30	30	0	600,000	19
Cashier	10	10	0	660,000	21
Cashier assistant	10	10	0	270,000	8
Guard	20	20	0	280,000	9
Cleaners	20	0	20	30,000	1
<b>Total</b>	<b>965</b>	<b>180</b>	<b>785</b>		

\*The average exchange rate for the reference year is SoSh 32,000 per US \$1, which is rounded to make the currency conversion.

## 6.6 Energy Sector

The major energy sources available in Galkayo are electricity, fuel, cooking gas, fuelwood and charcoal. About 954 people work in this sector and fall into the different wealth categories in the table below.

**Figure 22: Percentage of People Involved in Energy Sector by Wealth Group****Table 22: Breakdown of Urban Actors in Energy Sector by Wealth Group**

Energy sector	Better off	Upper Middle	Lower Middle	Poor	Very Poor	Total
Electricity	11	9	93	10	2	125
Fuel	10	37	57	65	67	236
SOMGAS	2	1	4	0	2	9
Charcoal	0	0	85	20	375	480
Fuelwood	0	0	20	10	25	55
<b>Total</b>	<b>23</b>	<b>32</b>	<b>204</b>	<b>110</b>	<b>536</b>	<b>905</b>

Aside from the direct actors in the kat trade (Table 20), there are several other activities associated with kat chewing that generate income for other people. These activities include cleaning the site for chewing, preparing tea, providing water, soft drinks, ice, cigarettes, a radio for listening to the BBC Somali Service, or a cassette player for listening to Somali music and batteries.

### 6.6.1 Electricity

Eight companies supply electricity services in Galkayo: Telecom, Golis, Royal, Galcom and Shell in the northern part of the town, and Diini, Tawakal and Ceelka in the southern part. Most of these companies also have other areas of business. The biggest company is Telkom, which formed after the merger of Somtel and Nabel in June 2008. Telecom currently provides electricity to about 5,000 clients (private houses, businesses and public buildings). Telecom supplies 15% of its electricity free of charge to government offices, schools, hospitals and mosques.

The electricity companies employ about 115 staff in Galkayo at different levels: managers, administrative staff, technicians, collectors, drivers, cleaners, motor operators, watchmen etc. A total of 8,500 – 10,000 clients are supplied and they are charged US\$ 1.2 per kilowatt. Due to the fast growth rate of buildings and the increase of

**Table 23: Galkayo Electricity Companies Staff and Estimated Daily Income**

Activity	Number of people	Daily income	
		SoSh	USD*
Shareholders	10	>600,000	>19
Management staff	8	300,000 – 600,000	9-19
Other administrative staff	14	300,000 – 400,000	9-13
Technical staff	25	200,000 – 350,000	6-11
Money collectors	40	200,000 – 300,000	6-9
Mechanics	1	250,000 – 350,000	8-11
Drivers	2	100,000 – 200,000	3-6
Cleaners	2	50,000 – 100,000	2-3
Guards	5	100,000 – 120,000	3-4
Generator operators	18	150,000 – 200,000	5-6
<b>Total</b>	<b>125</b>		

\*The average exchange rate for the reference year is SoSh 32,000 per US \$1, which is rounded to make the currency conversion.

business activities in Galkayo, electricity supply is very important. Although eight companies supply electricity in Galkayo, this is not enough to meet current demand. A new electricity company called National Electric Power Company (NEPCO) is currently being established with the involvement of several businesses and existing electricity suppliers (including Telkom). In the future, it is expected to operate on a large scale and to supply electricity to the whole town (north and south). As electricity work needs trained and skilled technicians, women do not make up a large percentage of those employed. However, half of the companies' administration staff and cleaners are women (8 out of 15) making the number of women involved in the electricity sector only 7%.

### 6.6.2 Fuel (Diesel and Petrol)

Diesel and petrol are widely used in Galkayo town. The main supply comes from Bosasso and sometimes from Mogadishu. Most of the fuel traders have a shared supply system using big trucks locally called *candha meydle*. There is only one company (Puntland Petroleum) that uses two tankers with capacities of 180 and 130 barrels. Another

**Table 24: Galkayo Fuel Stations' Staff and Estimated Daily Incomes**

Class A Fuel Stations (20 stations)	Total Number	Male	Female	Daily income	
				SoSh	USD*
Company share holders	10	5	5	>600,000	>19
Administrative staff	2	2	0	200-450,000	6-14
Sales	2	2	0	150-250,000	5-8
Owner	20	10	10	250-450,000	8-14
Fuel suppliers (Shubayaal)	40	40	0	100-150,000	3-5
Watchmen	22	22	0	70-100,000	2-6
<b>Class B Fuel Stations (55 stations)</b>					
Owner	70	30	40	250-350,000	8-11
Assistant owner	70	70	0	70-120,000	2-4
<b>Total</b>	<b>236</b>	<b>181</b>	<b>55</b>		

\*The average exchange rate for the reference year is SoSh 32,000 per US \$1, which is rounded to make the currency conversion.

tanker with 40-barrel capacity supplies the local fuel stations in Galkayo. There are number of factors that affect local fuel prices, including the international price and seasonality (for example, the price increases during the *Hagaa* season due to port closures).

There are about 55-65 fuel stations in the north and 25-35 in the south of the town and each station employs two or three people. Beside these, there are five staff members who work in the office of the Puntland Petroleum Company. The buying and selling prices of diesel were US \$155 and US \$160 per drum respectively in the reference year, while the buying and selling prices of petrol were US \$120 and US\$ 125.

**N.B: Class A fuel stations have distributors; Class B are fuel stations that use shops and drums, no distributors.**

### 6.6.3 SOMGAS

SOMGAS supplies cooking gas to homes and businesses in Galkayo town. In addition to seeking profits, it aims to reduce environmental degradation from fuelwood and charcoal use and to provide cheap cooking facilities. SOMGAS provides cylinders/gas containers with different capacities of 2 kg, 4 kg, 11 kg, 22 kg and 100 kg. Eight people work in the SOMGAS office in Galkayo.

### 6.6.4 Fuelwood and Charcoal Sector

Charcoal is the most commonly used cooking fuel by middle and better off wealth groups, while fuelwood is mostly used by very poor and poor households as well as the majority of bakers and restaurants located in the town. There are about 3-4 markets and 20-30 main stores for charcoal and 1-2 markets for fuelwood in the town. Charcoal production starts from producers in the rural areas, and the marketing includes agents (at village level), 30-40 wholesalers who buy the charcoal from rural areas and transport it to town, 60-80 wholesalers in the market or charcoal stores, approximately 225-275 small retailers and 100-150 wheelbarrow sellers. Small retailers divide the sacks into local units called *bac*, and sell at SoSh 10,000 per *bac*. Wheelbarrow porters charge SoSh 5,000 – 10,000 per sack and earn an average of SoSh 60-100,000 per day.

**Table 26: Number of People Involved in Charcoal Activities and Estimated Daily Income**

Activity	Number of people	Estimated daily income	
		SoSh	USD*
Wholesaler1-Charcoal (from rural)	35	130,000-330,000	4-10
Wholesaler2-Charcoal	70	70,000-300,000	2-9
Petty traders	250	30,000-80,000	1-3
Wheelbarrow sellers	125	50-80,000	2-3
<b>Total</b>	<b>480</b>		

\*The average exchange rate for the reference year is SoSh 32,000 per US \$1, which is rounded to make the currency conversion.



Charcoal mainly comes from the Wisil area of Hobyo, South Galkayo, Bakool, Galgadud and Sanaag and approximately 4-8 trucks (of 200-270 bags each) bring charcoal to Galkayo every day. The supply is lower during the rainy season due to a decrease of charcoal production (as trees are wet) and poor roads. Fuelwood is usually collected from Abarey village, about 30 km north of Galkayo. Three people commonly travel with a truck and spend three days collecting and loading the fuelwood before returning to town to sell the load for SoSh 2,200,000 (of which SoSh 1,600,000 is the transport cost). Fifteen to twenty retailers, mainly women, sell the fuelwood, earning about SoSh 100,000 per day.

## 6.7 Water Sector

There are three water systems operating in Galkayo town (two in the north and one in the south). The largest water system was established in 2001 by UNICEF and the EU with a contribution from the north Galkayo community. It consists of two boreholes and one big water tanker and has a holding capacity of 750 cubic metres. Water is distributed through a pipe system and about 33 kiosks in different locations of the town. In 2003, this system was fully handed over to a private company called Public Private Partnership (Triple P). This company donates water to 62 mosques, 5 public schools, 1 general hospital and Radio Galkayo throughout the year. It also supplies water to water purification factories.

The other small water company in the northern part of the town is called Daryeel and was established in 2005 by a group of diaspora, assisted by Muslim Aid and UNICEF. This company supplies water to a limited numbers of households and to livestock and small farm plots in the peripheral areas of the town.

In the southern part of Galkayo, one private company supplies water to the community. The company was established by a community trader, with the assistance of UNICEF. The water system initially had one borehole, but two additional boreholes were recently drilled. This enables most households in this part of the town to have regular access to tap water throughout the year. Before the establishment of these companies, there were safety problems related to water in Galkayo town. The main problems were kidney disease, periodic diarrhoea outbreaks, long distances, high prices and water shortages during dry periods.

### The overall water supply system and services function as below:

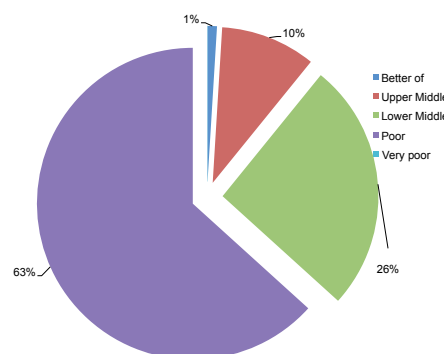
**Tap water:** In the reference year (2008-09), the number of households directly accessing tap water at home was estimated at 10,000 (70% in the north and 30% in the south). Average monthly household consumption was 10 cubic metres, at a cost of US\$ per cubic metre. The vast majority of urban households purchased water from kiosks, standing pipes and more than eight small water purification companies (*saxarla*).

**Kiosks:** Large numbers of northern Galkayo residents depend on private kiosks and wheelbarrow water sellers. Two people generally work in each kiosk. They buy water at SoSh 22,000 (or US \$0.7) per cubic metre and sell at SoSh 48,000 (or US \$1.5) per cubic metre. The number of kiosks is not sufficient, due to fast growing settlements over the last three to four years.

**Water retailers (*biyoole*):** About 400 *biyoole* (or wheelbarrow sellers) fetch water daily from kiosks and deliver to households. They buy water from the kiosks at SoSh 48,000 (or US \$1.5) and sell at SoSh 96,000 (or US \$3) per cubic metre. An average *biyoole* can sell 2- 3 cubic metres of water per day. This activity is performed by men only.

**Other water sources:** The water supplied from boreholes in Galkayo town is very hard and there are more than seven small water purification companies called *saxarla*. All of these companies are directly attached to the main water supply companies. *Saxarla*, *Samsam*, *Hayat* and *Sixa* are located in the northern part of the town, while *Iqra*, *Carafat*, and *Diini Mineral Water* are located in the south. Households that can afford it use purified water for consumption and cooking. The daily output of these small factories is normally about 60,000 litres per day in the dry period and 30,000 litres per day in the wet season (when water is also supplied from *berkads*). However, in the reference year, the amount produced hardly varied from 50-60,000 litres per day, due to the reduced supply of *berkad* water as a result of drought. Prices were SoSh 620 per litre in the wet season and SoSh 660 per litre in the dry season in the reference year.

**Figure 23: Percentage of People Involved in Water Sector by Wealth Group**



**Table 27: Breakdown of Urban Actors in Water Sector and Estimated Daily Income**

Activity	Number of people	Estimated daily income	
		SoSh	USD*
Owners	7	600-800,000	19-25
Office workers	20	320-750,000	10-23
Generator operator	14	250-320,000	8-10
Tubist/plungers	18	180-320,000	6-10
Cellsman	25	300-450,000	9-14
Guards	60	160-210,000	5-7
Public kiosk operators	80	150-250,000	5-8
Water seller(Biyoole)	400	100-150,000	3-5

\*The average exchange rate for the reference year is SoSh 32,000 per US \$1, which is rounded to make the currency conversion.

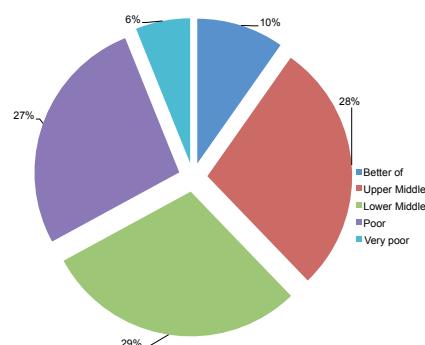
**Table 28: Breakdown of Urban Actors in *Saxarla'* Water Sector and Estimated Daily Income**

Activity	Number of people	Estimated daily income	
		SoSh	USD*
Owners	8	500- 600,000	16-19
Managers	8	180-200,000	6
Cellsman	23	120-130,000	4
Drivers	16	130-160,000	4-5
Guards	24	160-210,000	5-7
Operators	16	120 – 150,000	4-5

\*The average exchange rate for the reference year is SoSh 32,000 per US \$1, which is rounded to make the currency conversion.

*Berkads*: Water from *berkads* also plays an important role for household consumption, mainly for better off and middle households. The use of *berkad* water was very limited in the reference year, due to poor rains over the previous three seasons.

*Shallow wells*: Prior to the improved water system of recent years, the town relied on more than 150 shallow wells dispersed throughout the town. Less than 10 % of these wells are currently used and then only by very poor households on an occasional basis. The water from almost all shallow wells is free, but there are problems with quality. About 719 people in Galkayo town (north and south) derive their daily income from the water sector.

**Figure 24: Percentage of People Involved in Remittance Sector by Wealth Group**

### 6.8 Remittance Sector

Migration is at the heart of the Somali livelihood system.

Somalis have fled from the country for different purposes in different periods. Early migration started in the early twentieth century when Somalis reached many parts of Europe, America, Russia and Arab countries when working as seamen in the maritime trade. The second wave began at the start of the 1960s, when a large number of Somalis migrated to the Middle East and the Gulf states to work in the booming oil-driven economies. The third wave consisted of Somalis who migrated for the purpose of education. During the 1970s, young Somalis went to North America, Europe and Russia to work towards university degrees. However, the largest numbers of Somalis have left because of civil war and political unrest. In the 1980s, many Somalis left the country and applied for political asylum in the West while others, the majority, fled across the border into eastern Ethiopia. Migration out of Somalia has continued throughout the war. Members of the Somali diaspora remit money to contribute towards the livelihoods of their family members that remain in Somalia. Because there has not been a functioning formal banking system since the collapse of the Somali government led by Siad Barre in 1991, money transfer companies have played an essential role in monetary transactions at the international and local level.

The first money transfer companies were established in Galkayo in 1992. Since 2000, the number of companies has increased significantly. There are currently about 18 functioning companies that serve both urban and rural communities in Somalia. Staff members at the 11 largest offices were interviewed on both sides of the town, as outlined in the tables below. Average monthly remittances received in Galkayo town was estimated at US \$7-8,000,000 in 2008-09, out of which 75% was used in urban areas and 25% in rural areas.

Money transfer companies in Galkayo serve individual households (70% of customers), local businesses (15%), housing and construction (10%) and international organizations including UN agencies (5%). The amount of money transferred peaks during hardship periods and holidays because of the increased need of households in these periods combined with high prices.

Table 29: Breakdown of Remittance by Company and Usage

Company Name	Urban / Rural		Breakdown of Remittance Use			
	Urban	Rural	Household	Construction	Business	NGOs
<b>South</b>						
Amal	90%	10%	70%	20%	10%	0%
Dahab-shill	70%	30%	50%	15%	5%	30%
Qaran	80%	20%	30%	10%	60%	0%
Hodan Global	50%	50%	75%	15%	5%	5%
<b>Sub-total</b>	<b>75%</b>	<b>25%</b>	<b>60%</b>	<b>15%</b>	<b>20%</b>	<b>5%</b>
<b>North</b>						
Dahab-shill	75%	25%	70%	7%	3%	20%
Mustaqbql	70%	30%	70%	10%	20%	0%
Olympic	80%	20%	80%	10%	10%	0%
Qaran	90%	10%	90%	0%	10%	0%
Tawakal	90%	10%	90%	0%	10%	0%
Amal	80%	20%	60%	10%	20%	10%
Kaah	95%	05%	90%	5%	5%	0%
<b>Sub-total</b>	<b>80%</b>	<b>20%</b>	<b>80%</b>	<b>5%</b>	<b>10%</b>	<b>5%</b>
<b>Combined Total</b>	<b>75%</b>	<b>25%</b>	<b>70%</b>	<b>10%</b>	<b>15%</b>	<b>5%</b>

Table 30: Breakdown of Remittance Periodicity and Amount

Company Name	Permanent and Irregular Flows of Remittance				Average Remittances
	No. of people regularly receiving money	Monthly amount received (\$)	No. people irregularly receiving money	Amount received (\$)	Monthly total (\$)
<b>South</b>					
Amal	350	150-200	200	150-200	120-150,000
Dahab shill	1800-2000	200-300	1200-1300	400-500	150-200,000
Qaran	200	100-150	100	100-150	350-400,000
Hodan Global	1500	150-200	300	100-150	500,000
<b>Sub-total</b>	<b>3950</b>	<b>150-200</b>	<b>1850</b>	<b>100-400</b>	<b>1,185,000</b>
<b>North</b>					
Dahab-shill	10,000-11,000	200	2000	200	4,500,000
Mustaqbql	1000	150	200	150	550,000
Olympic	700	100-150	200	200-300	100,000
Qaran	1300-1400	150-200	300-400	200-300	400-500,000
Tawakal	1300-1400	150-200	300-400	200-300	400-500,000
Amal	1500-2000	150	100-150	200	350,000
Kaah	800-1000	200-300	200-300	300-500	175,000
<b>Sub-total</b>	<b>17,550</b>	<b>150-300</b>	<b>3475</b>	<b>200-300</b>	<b>6,775,000</b>
<b>Combined total</b>	<b>21,500</b>	<b>150-250</b>	<b>5,325</b>	<b>100-400</b>	<b>7,960,000</b>

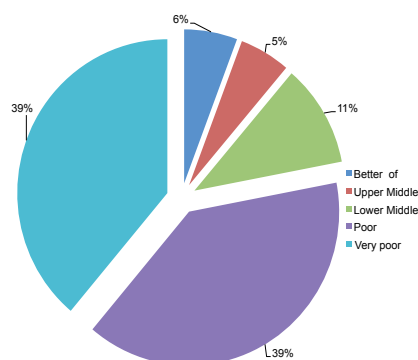
\*The average exchange rate for the reference year is SoSh 32,000 per US \$1, which is rounded to make the currency conversion.

Table 31: Breakdown of Urban Actors in Remittance Sector by Wealth Group

South	Better off	Upper middle	Lower middle	Poor	Very poor	Total
Amal	0	2	0	0	0	2
Dahab shill	1	1	1	1	0	4
Qaran	0	0	2	2	0	4
Hodan Global	0	0	3	5	0	8
<b>Sub-total</b>	<b>1</b>	<b>3</b>	<b>6</b>	<b>8</b>	<b>0</b>	<b>18</b>
<b>North</b>						
Dahab-shill	4	7	5	0	0	16
Mustaqbql	0	1	9	0	1	11
Olympic	2	2	2	0	0	6
Qaran	1	2	1			4
Tawakal	2	2	2	0	0	6
Amal	0	5	0	10	0	15
Kaah	0	2	1	1	1	5
<b>Sub-total</b>	<b>7</b>	<b>20</b>	<b>18</b>	<b>14</b>	<b>4</b>	<b>63</b>
<b>Combined total</b>	<b>8</b>	<b>23</b>	<b>24</b>	<b>22</b>	<b>4</b>	<b>81</b>

Remittances into Galkayo ranged from US \$150-250 per month for households that received money regularly to US \$100-400 for irregular household contributions in the reference year. The number of people that received remittances was about 21,500 for regular monthly remittances and 5,325 for irregular remittances. The majority of those that received remittances were middle and a few better-off income households. These types of transfers were mainly spent on consumption, education and health. Remittances were also sent for investment purposes and were often invested in land, housing and business development. Most often such investments did not exceed US \$100,000 but, in a few instances they were as high as US \$200,000. About 81 people work in this sector and fall into the different wealth categories in the table below.

Figure 25: Number of People Involved in Food and Non Food Trade and Services Sector

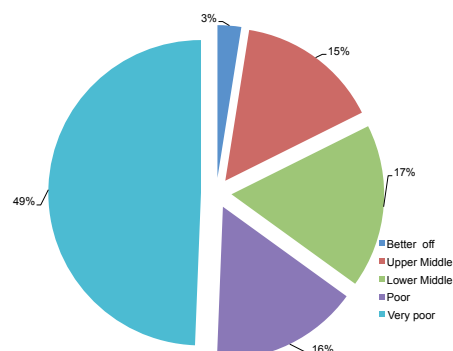


**Table 32: Summary of People Involved in Food and Non-food Sectors by Wealth Group**

	Better off	Upper middle	Lower middle	Poor	Very poor	Total
Food and non-food trade and services sector	846	808	1591	5781	5739	14,765

**6.9 Other Food and Non-food Trade and Services Sector**

During the reference year, over **14,700** people in the city were active in this sector, engaged in both large and small-scale trade and service activities. To get the number of businesses and the number of the people employed in each business, key informants were interviewed and cross checks were performed using records from the Galkayo Municipality, which had recently conducted its own survey of town businesses. Key informant interviews were used to estimate the number of people employed by each type of business and their income levels and to determine the number of people who were self-employed (including small-scale retail shops, market stalls and teashops) during the reference year. Please see Appendix 11.4 for more details on this sector.

**Figure 26: Percentage of Salaried People by Wealth Group****6.10 Salaried Employment Sector****Table 33: Summary of NGOs and the public Sector**

	Total number	Better off	Upper middle	Lower middle	Poor	Very poor
NGOs	320	0	100	70	150	0
Administration	158	0	0	0	0	158
Health	224	24	45	96	0	59
Education	72	0	0	0	0	72
Municipality	184	0	0	0	0	184
<b>Total</b>	<b>958</b>	<b>24</b>	<b>145</b>	<b>166</b>	<b>150</b>	<b>473</b>

The salaried employment sector surveyed by FSNAU, encompasses numerous sub-sectors, including: UN and NGOs; administration; health; and education. The employees included in the summary (Table 33) are only those that work directly for the Puntland government or municipality, the southern Galkayo administration, or for non-profit agencies that were tabulated by FSNAU (this includes only two free public hospitals). Additionally, only payments that were received by the administration, government, or municipality are included. Thus, any illegal funds given to government officials are not included, as well medical staff that are working in both public and private healthcare facilities only have public salary included, likewise for teachers (who get both a government salary and private payments). Detailed information for the sub-sectors are in the following sections; including inventory information for services provided for private profit (like private medical clinics and private schools).

**Table 34: Breakdown of Urban Actors in Salaried Sector According to Income Levels**

Organisation type	Number of people	Estimated daily income	
		SoSh	USD*
UN agencies	N/A	N/A	N/A
International NGOs	100	400-600,000	13-19
Local NGOs level 1	70	250-300,000	8-9
Local NGOs level 2	150	130-150,000	4-5

\*The average exchange rate for the reference year is SoSh 32,000 per US \$1, which is rounded to make the currency conversion.

**6.10.1 UN and NGOs**

About five UN agencies and six international NGOs were working in Galkayo town during the reference year. Additionally, more than 50 national NGOs are working in the town. The team was unable to obtain information regarding salary scales for most UN agencies, as it is confidential.

**6.10.2 Public Sector – Administration**

Galkayo is the capital city of Mudug Region in Puntland State in the north and Galmudug State in the south. The administrative structure of northern Galkayo is headed by a regional governor and includes a vice-governor, 2 deputies and 17 regional coordinators of 17 ministries. The coordinators, together with their secretaries and other staff members in the departments, run day-to-day activities. Fifteen regional coordinators are male and two are female (at the Ministry of Women and Family Affairs and the Ministry of Health). There are three regional committees coordinated by the regional governor:

**Table 35: Breakdown of Urban Actors in Public Sector - Administration**

Position	Number of people	Salary per month (SoSh)	Salary per month (USD)*	Salary per year (SoSh)	Salary per year (USD)*
Regional Governor	1	2,579,000	81	30,948,000	970
Vice governor	1	2,004,750	63	24,057,000	750
Deputies	2	2,004,750	63	24,057,000	750
Governor secretaries	2	1,890,000	59	22,680,000	710
Regional coordinators	17	1,890,000	59	22,680,000	710
General accountant	1	1,890,000	59	22,680,000	710
Regional secretaries	17	1,336,500	42	16,038,000	500
Assistant accountant and treasurer	2	1,336,500	42	16,038,000	500
Customs	54	990,000	31	11,880,000	370
Drivers	15	990,000	31	11,880,000	370
Cleaners	17	990,000	31	11,880,000	370
Watchmen	12	990,000	31	11,880,000	370
Servants ( <i>adeege</i> )	17	990,000	31	11,880,000	370
<b>Total</b>	<b>158</b>				

\*The average exchange rate for the reference year is SoSh 32,000 per US \$1, which is rounded to make the currency conversion.

1. Regional executive committee (Governor, two regional deputies and the regional coordinator of the Ministry of Interior)
2. Regional security committee (the regional executive committee, regional Police Commissioner, head of the Dervish Army, head of the Custodian Army and the head of National Security Service (NSS))
3. Regional development commission (Regional security committee and all the ministerial regional coordinators)

The salary levels of the administration staff differ according to responsibility and nature of position, as summarised in the table below.

### 6.10.3 Health

**Table 36: Public Hospital Staff (North Galkayo)**

Name	Total	Male	Female	Salary per month (SoSh)	Salary per month (USD)*	Salary per year (SoSh)	Salary per year (USD)*
Doctors	6	5	1	2,600,000	81	31,200,000	975
Qualified Nurses	8	6	2	1,200,000	38	14,400,000	450
Auxiliary Nurses	20	14	6	1,000,000	31	12,000,000	375
Cleaner	11	0	11	900,000	28	10,800,000	338
Midwives	4	0	4	1,200,000	38	14,400,000	450
Non medical	10	10	0	900,000	28	10,800,000	338

\*The average exchange rate for the reference year is SoSh 32,000 per US \$1, which is used to make currency conversion.

\*\*The hospital staff was included in public sector employee count.

**Table 37: Hospital Staff (North Galkayo)**

Name	Gender	Galkayo Medical Centre	Norway Hospital	Mudug Polyclinic	Hayat Hospital	Total per activity	Gender distribution by activity type (%)	Salary per month (USD)
Doctors	M	3	4	1	1	9	82	2,000
	F	0	1	1	0	2	18	
Nurses	M	22	1	1	2	26	70	350
	F	10	0	1	0	11	30	
Lab. Technicians	M	3	7	3	3	16	100	500
	F	0	0	0	0	0	0	
Managers/ accountants	M	4	1	1	1	7	100	400
	F	0	0	0	0	0	0	
Reception	M	2	2	2	2	8	100	100
	F	0	0	0	0	0	0	
Pharmacists	M	2	2	2	2	8	100	150
	F	0	0	0	0	0	0	
Mid-wives	M	4	0	0	0	4	100	200
	F	0	0	0	0	0	0	
X-ray	M	2	2	1	0	5	100	250
	F	0	0	0	0	0	0	
Non medical staff	M	20	4	2	3	29	63	75
	F	13	2	2	0	17	37	

In northern Galkayo there are many health providers, including Galkayo General Hospital, Mudug Poly Clinic, Norway Hospital, Galkayo Medical Center, Alqodus Eye Clinic, Mudug, Towxiid Clinic, Rayan Hospital and 4 MCHs (including 2 in IDP camps). There are 10 wholesale pharmacies and 70 retail pharmacies. One of the hospitals is public, under the control of Puntland Ministry of Health (MOH) and supported by UNICEF, ICRC and WHO, while the others are all private, established by doctors and businessmen. The following tables outline the staff and fees at the health providers in North Galkayo.

**Table 38: Staff Clinics in Northern Galkayo**

Names	Gender	Alqodus Clinic	International Medical Centre	Riyaan Medical team	Total per activity	Gender distribution by activity type (%)	Salary per month
Doctors	M	3	3	1	7	88	\$1,500
	F	0	0	1	1	13	
Lab. Technicians	M	3	6	2	11	100	\$400
	F	0	0	0	0	0	
X-ray	M	1	3	0	4	100	\$250
	F	0	0	0	0	0	
Nurses	M	4	1	1	6	60	\$200
	F	2	1	1	4	40	
Pharmacists	M	2	2	2	6	100	\$150
	F	0	0	0	0	0	
Reception	M	2	2	1	5	100	\$100
	F	0	0	0	0	0	
Non medical staff	M	4	2	1	7	58	\$50- 100
	F	0	3	2	5	42	

\*The average exchange rate for the reference year is SoSh 32,000 per US \$1, which is used to make currency conversion.

**Table 39: Breakdown of Galkayo Medical facilities by Fees and Patients Seen**

Hospital name	Patients /day	Registration fee (SoSh)	Registration fee (USD)*
Galkayo Medical Centre	40-60	80,000	3
Norway Hospital	60-80	60,000	2
Mudug Poly Clinic and Hospital	40-50	100,000	3
Hayat Hospital	15-25	100,000	3
Alqodus Clinic	40-60	60,000	2
International Medical Centre	80-100	100,000	3
Riyaan Medical team	30-40	60,000	2

**Table 40: Hospital and Clinic Fees**

Description	Gender	Pharmacy wholesalers	Pharmacy retailers	Total per activity	Gender distribution by type of activity (%)	Salary per month
Sales staff	Male	20	50	70	78	\$150
	Female	0	20	20	22	
Accountant	Male	10	0	10	100	\$200
	Female	0	0	0	0	
Guard	Male	10	20	30	100	\$80
	Female	0	0	0	0	
Cleaner	Male	9	10	19	38	\$50
	Female	1	30	31	62	

The 3 main clinics in northern Galkayo have the following staff:

**Table 41: Hospital Staff (Southern Galkayo)**

Galkayo Hospital*	Number of staff	Gender		Salary
		Male	Female	
Doctors	6	5	1	\$2000
Q. Nurses	39	20	19	\$ 400
Axi. Nurses	18	8	10	\$ 300
Midwives	6	0	6	\$ 400
Drivers	5	5	0	\$ 300
Admin. & finance	10	9	1	\$ 500- 800
Security guards	16	15	1	\$ 250
Cleaners	18	2	16	\$ 200
Cooking & food preparation	12	0	12	\$ 250
Outpatient Department	3	2	1	\$ 300
Registration department	10	9	1	\$ 300
TB department	8	6	2	\$ 300
MSF/Holland staff	8	7	1	\$ 500-800
Drivers	1	1		\$ 300
Lab –tech.	5	5	0	\$ 300

\* The hospital staff was included in public sector employee count.

The hospitals and clinics charge the following registration fees and see differing numbers of patients per day:

**Table 42: Clinic Staff (Medical Clinic Galkayo)**

Description	Male	Female	Total by activity	Monthly salaries
Doctors	3	0	3	\$1300
Nurses	0	3	3	\$ 200
Lab. Technician	1	0	1	\$ 270
X-ray	1	0	1	\$ 270
Admin / finance	1	0	1	\$ 300
Cleaner	0	1	1	\$ 70
Watchman	1	0	1	\$ 100



**Table 43: Number of pharmacy wholesalers and retailers (North Galkayo)**

Description	Sales staff		Accountant		Guard		Cleaner	
	Male	Female	Male	Female	Male	Female	Male	Female
Pharmacy wholesalers	20	0	10	0	10	0	9	1
Pharmacy retailers	50	20	0	0	20	0	10	30
Total	70	20	10	0	30	0	19	31
Salary per month	\$150		\$200		\$80		\$50	

In southern Galkayo, Galkayo Hospital was founded in April 2000 and is run by a local NGO called Mudug Development Organization (MDO) with assistance from MSF Holland. MSF/ H provides the drug supply and staff salaries and patients are not charged. The hospital has 162 staff members with different tasks and skills.

#### 6.10.4 Education

There are approximately 40 schools known to be operating in both northern and southern Galkayo. In northern Galkayo both public and private schools are registered with the Ministry of Education and include 27 primary and 3 secondary schools in addition to 2 functioning universities (Puntland State University and East Africa University). There was one other university, called Badar Qasin University that stopped functioning before the reference year. The estimated number of students in northern Galkayo during the reference year is approximately 12,000 students,

**Table 44: Schools, Teachers and Students for all of Galkayo**

Northern Galkayo Primary/Intermediate Schools				Students			Teachers		
Name of School	Total	Female	Male	Total	Female	Male	Total	Female	Male
Salaama	1583	695	888	21	3	18			
Alwadan	900	350	550	7	0	7			
Daarulbirri	632	318	314	20	0	20			
Yamayska	598	215	383	19	0	19			
Barda'ad	574	243	331	13	1	12			
Haji Ali Bihi	496	206	290	17	0	17			
Iftin Primary	465	153	312	11	0	11			
Umadda	447	152	295	15	2	13			
Daarusalaam	434	190	244	15	0	15			
Barkhadle	400	147	253	13	3	10			
Daarul Imaan	369	150	219	14	0	14			
GECPD	300	300	0	10	6	4			
Agoonta	250	0	250	9	0	9			
C/lahi binu Cabaas	247	85	162	10	1	9			
Puntland	236	109	127	10	1	9			
Daarutaqwa	204	105	99	8	0	8			
Peace II	203	35	168	7	2	5			
Yusuf Alkownayn	199	93	106	7	1	6			
Imaamu Shaafici	195	83	112	10	2	8			
Tawakal	177	82	95	4	1	3			
Haraare	145	60	85	5	0	5			
Peace1	145	58	87	8	1	7			
Awaale	114	47	67	7	0	7			
Durdur	78	24	54	5	0	5			
Muhamadu Rasululah	77	31	46	6	0	6			
Halane	61	24	37	4	0	4			
Alqudus	43	18	25	6	0	6			
<b>Sub-total</b>	<b>9572</b>	<b>3973</b>	<b>5599</b>	<b>281</b>	<b>24</b>	<b>257</b>			
<b>Northern Galkayo Secondary Schools</b>									
Omar Samater	1554	349	1205	31	3	28			
Yamays	238	78	160	9	0	9			
Haji ali Bihi	120	32	88	7	0	7			
<b>Sub-total</b>	<b>1912</b>	<b>459</b>	<b>1453</b>	<b>47</b>	<b>3</b>	<b>44</b>			
<b>Northern Galkayo Tertiary School</b>									
Puntland University	50	38	12	10	1	9			
East Africa University	16	4	12	14	1	13			
<b>Subtotal</b>	<b>66</b>	<b>42</b>	<b>24</b>	<b>24</b>	<b>2</b>	<b>22</b>			
<b>Southern Galkayo Primary/Intermediate and Secondary Schools</b>									
Abdullahi Esse Primary/Intermediate	580	194	386	12	3	9			
Alshacab Primary/Intermediate and Secondary School	536	208	328	21	0	21			
Jama Seed Primary/Intermediate	288	105	183	12	4	8			
Mudug Secondary School	272	70	202	13	3	10			
SYL Secondary School	203	47	156	6	0	6			
Albeder Primary/Intermediate	170	40	130	10	0	10			
Fatxu Raxman	130	48	82	7	0	7			
<b>Sub-total</b>	<b>2179</b>	<b>712</b>	<b>1467</b>	<b>81</b>	<b>10</b>	<b>71</b>			
<b>Vocational Training School</b>									
Galkayo Vocational Training Centre (GVTC)	347	208	139	?	?	?			
<b>GRAND TOTAL</b>	<b>14,076</b>	<b>5,394 (38%)</b>	<b>8,682 (62%)</b>	<b>433</b>	<b>39 (9%)</b>	<b>394 (91%)</b>			

of which 61% are male and 39% are female. The schools in northern Galkayo use a system of cost recovery and receive school fees of about \$5 – 10 per month. In southern Galkayo there are five primary and two secondary schools, with an estimated 2,179 students (67% male and 33% female). The schools in southern Galkayo use a system whereby the private schools are organized by teachers. These schools charge fees of about \$5-10 per month and are completely dependent on them for school maintenance. Additionally, there is one vocational training school in Galkayo, which delivers training in ten areas: computers, office management, accounting, secretarial skills, auto-mechanics, electricity, cooling, tailoring, carpentry, and basic nursing. Although there are many functioning schools in both parts of Galkayo, there are still far too few teachers and schools to meet the needs of the population. The number of teachers involved in educational activities for all of Galkayo is about 433 (9% are female and 91% are male). Basic salaries for the private school teachers vary according to the grade level taught: the salary for secondary school teachers is about US \$400 per month, for intermediate teachers it is about US \$200 per month and US \$150 per month for primary school teachers. However, of the teachers in northern Galkayo, about 72 of them receive an additional salary of SoSh 1,330,000 from the government (in addition to their regular salary).

#### 6.10.5 Public Sector – Municipality

The municipality of northern Galkayo employs about 184 employees and pays them salaries that would place all of them in the very poor category. This information was provided by the municipality administration itself. The employees perform basic municipality maintenance functions as detailed below.

**Table 45: Salary Breakdown of Public Sector Municipality**

Departments	Number of employees	Salary per month (SoSh)	Salary per month (USD)
Personnel	4	2,500,000	78
Personnel	5	2,200,000	69
Statistics and Planning	8	1,800,000	56
Land	15	1,600,000	50
Monitoring	20	1,600,000	50
Finance	23	1,800,000	56
Taxation and revenue	16	1,300,000	41
Public works	26	1,800,000	56
Social services	27	1,700,000	53
Tax collection	40	1,600,000	50
<b>Total</b>	<b>184</b>		

## 7. LIVELIHOOD ASSETS

### 7.1 Human Capital

#### 7.1.1 Household Size and Composition

Table 46: Average Household Composition of Galkayo Town Residents

Wealth groups	Average HH size	Male	Female	# of people capable of working	# of people working	# of wives	% of HHs
Better off	10	5	5	3	2	2	12.5
Upper Middle	8	3	5	3	2	2	20
Lower Middle	8	4	4	4	2	1	30
Poor	6	3	3	3	2	1	30
Very Poor	6	3	3	2	2	1	7.5

Table 47: Average Household Composition of Galkayo IDPs

Wealth groups	Average HH size	Male	Female	# of people capable of working	# of people working	% of HHs
Better off	7	3	4	3	2	7.5
Middle	6	3	3	2	2	45
Poor	6	3	3	2	2	47.5

Household size in Galkayo, for both residents in the town and IDPs, tends to increase as wealth increases as evidenced by tables 46 and 47. For the town residents household size increased from six with the very poor and poor group to ten for the better off group. For IDPs, whose income roughly corresponds to the poor and very poor wealth groups in the town, household size ranges from six to seven. There is no direct relation between wealth and increased reproduction, but since wealthier groups can economically accommodate more people, they often take in additional extended family members for the purposes of either education or employment. About 55-70% households in Galkayo are economically female headed households. The reasons for the large number of female heads households are due to the civil and political instability of Somalia which has caused loss of life, family splitting and out-migration of many men in search of income opportunities. The dominant family structure in Galkayo town is monogamy; however better off and upper middle households, practice polygamy.

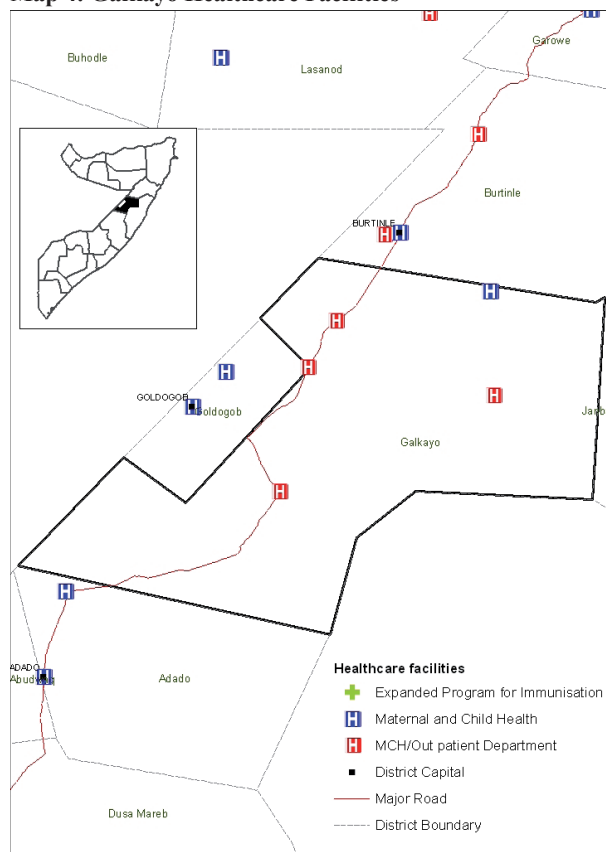
#### 7.1.2. Health and Nutrition

##### 7.1.2.1 Healthcare Facilities for Northern and Southern Galkayo

While there are healthcare facilities in Galkayo, the quality remains relatively low and prohibitively expensive for much of the population. There are approximately 14 healthcare facilities operating: two are public/free hospitals, three are private hospitals, five are private clinics and four are maternal and child health centres (MCH) of which two are in IDP camps. Additionally, there are 10 wholesale pharmacies and 70 retail pharmacies. Of these fourteen facilities only one public hospital and one private clinic are located in southern Galkayo (see Section 6.10.3 for more detail about the health sector). The main public hospital in northern Galkayo is managed by the Puntland Ministry of Health (MoH), but it also receives support from UNICEF, ICRC, and WHO agencies. The hospital in southern Galkayo, called Galkayo Hospital, was founded in April 2000. The hospital is managed by a local NGO, the Mudug Development Organization (MDO), and is financially and administratively supported by MSF Holland. The health services provided at this hospital are free; however people may not be able to access the services because they cannot afford the transportation costs.

The private clinics and hospitals have private investors working in conjunction with doctors. Of the MCHs, two are located in IDP settlements, while the two other MCHs are supported by the Puntland MoH and UNICEF, ICRC, and WHO. The fees charged by the private healthcare centres vary depending on the condition of the premises, number of staff and number of services provided.

Map 4: Galkayo Healthcare Facilities



Source: UNICEF Somalia, 2005

The Galkayo Medical centre, which is a private clinic, does provide free services for IDPs. Generally, the registration fees ranged from SoSh 60,000 to 100,000, with consultations and medications adding cost to the treatment. The total number of patients visiting these clinics and hospitals range from 35 to 90 patients per day. The number of people utilizing the services would be higher, but the cost is prohibitively high for most residents of Galkayo. Based on the UNICEF nutrition survey in 2004, 97% of families seek health care when children fall sick. Clinics and pharmacies are more likely to be visited for consultation and treatment than public hospitals. While people are very likely to access some kind of medical care for their children, further improvements to the facilities are needed. Additionally, because many of the services are private and have high associated costs (this includes transportation costs to the clinics, which may be prohibitive to the very poor), more free or low-cost healthcare is needed.

### 7.1.2.2 Nutrition and Health Information for Northern and Southern Galkayo

FSNAU has not conducted nutrition surveys for residents of Galkayo town since 2004 (surveys for IDPs have been conducted for the reference year). However, in order to monitor the situation in Galkayo, FSNAU does track the trends of acutely malnourished children attending MCH centres and selective feeding centres. These numbers show that nearly all children visiting these centres fall into the normal category for nutrition status (see figure X). The most recent 2004 survey, led by UNICEF on which FSNAU partnered, indicated a global acute malnutrition (GAM) rate of 9.7% and a severe acute malnutrition (SAM) rate of 1.9%. These results put the nutrition status in 2004 in the alert category.

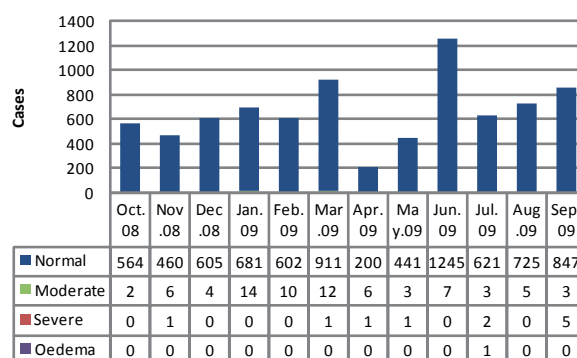
In Galkayo, there are seasonal outbreaks of acute respiratory infection (ARI), acute watery diarrhoea (AWD), skin infections, and malaria. ARI and AWD are the major causes of morbidity in the area. Additionally, about every four years there is a measles outbreak, highlighting the importance of ongoing immunisation activities. Other common ailments include anaemia, tuberculosis, arthritis and sexually transmitted infections. The most vulnerable groups are children under five, women who are pregnant or nursing, the elderly, the poor and IDPs.

Due to poor sanitation and hygiene practices both food and water borne diseases, such as intestinal parasites, dysentery and typhoid, are common throughout the year, with peaks during the beginning of the rainy season. Most households either have their own pit latrines or share latrines with neighbours. The garbage disposal system is poor because of the lack of municipal services; instead individual households hire people to collect and dispose of the garbage, but generally only after the garbage heap have sat for several months. About of 80%garabage disposal is managed by hired labour, 15% is conducted by self-collectors, and 5% is done by communal collection. Another concern is the accumulation of plastic bags, which are eaten by livestock, mainly goats, which can lead to death.

### 7.1.2.3 Nutrition and Health Information for Galkayo IDPs

Nutrition assessments conducted among the IDPs of Galkayo in July 2009, indicate a **Very Critical** nutrition situation with GAM rates of **20.0%** and SAM rates of **4.6 %**. The findings show no improvement in Galkayo from the November 2008 assessments. Also all IDPs report a very high proportion of stunting (>30%), which provides evidence of the sustained chronic malnutrition. The worrying nutrition situation is due to a combination of factors, including a high disease burden, reduced access to a diversified diet due to the increasing food prices and sub-optimal child care and feeding practices. The results are consistent with historical data on nutrition surveys conducted amongst the IDP population in the northeast region, which highlights their chronic nutritional vulnerabilities.

Figure 27: Galkayo MCHs Monthly Nutrition Data



Garbage dumps in unsanitary locations



Mothers queue for services at Galkayo TFC, December 2008



Findings from the July 2009 assessment indicate considerably high morbidity rates that have a direct effect on the nutrition situation of the children in the IDP settlements. The immunization status of the children assessed in the Galkayo IDP population has shown improvement. However, the proportion of households with access to safe water and sanitation was low in all the IDP settlements, which predisposes the population to disease, especially diarrhoea.

### 7.1.3 Education

The most common form of education is in the form of religious instruction or quranic school with nearly all children in Galkayo accessing these schools across all wealth groups (although these schools may be more in the form of group lessons rather than attendance in an actual learning facility). However, formal education is more difficult to access for all wealth groups mainly because of the expense, but also because of the limited number of schools serving the urban population of Galkayo. Poor and middle wealth group households generally can afford to send only one or two children to primary school. Upper middle and better off households can afford secondary school, with about 40% of household interviewees reporting that they can access secondary school. This does not mean that 40% of respondents have children attending secondary school; rather that they could afford the school fees for secondary education. About 5% to 10% of respondents to household interviews stated they could afford tertiary education, either through support from the household or through scholarships from abroad. Generally, school fees in both northern and southern Galkayo range from US \$5 to 12 per month.



*Primary class in the Barda'ad school  
northern Galkayo, 2009*

According to FSNAU's sectoral inventory, there are about 40 schools operating in both northern and southern Galkayo (please see section 6.10.5 for a full breakdown of the education facilities). These schools include primary, intermediate, secondary, and tertiary. School attendance, at all levels is estimated at around 14,000 (of which 38% are female) for both northern and southern Galkayo. According to the most recent survey on primary education conducted by UNICEF in 2006-7, primary school enrolment for the entire district of Galkayo is slightly less than 11,000 students.<sup>1</sup> This number supports FSNAU's own findings regarding school enrolment, given population increases and the fact that FSNAU includes intermediate, secondary and tertiary education.

Despite the availability of all levels of education in Galkayo, there remain major issues with the education system. The primary concern is the lack of free or low-cost schools that are within the means of even the very poor and IDPs. Additionally, there are not enough schools for the urban population of school age children and there is no standard school curriculum for students. Gross enrolment rates, as calculated by UNICEF, for the northeast zone (of which Galkayo is a part) is only 40% for all children (34% for females and 47% for males); but there has been an increase in enrolment rates by 15% between 2005 and 2007 alone.

## 7.2 Social Capital

### 7.2.1 Formal and Informal Support

Social support is particularly strong in Somalia, including the urban context of Galkayo. The social support is usually based on kinship and mainly takes the form of regular gift giving of food and cash, as well as through religious obligations to give cash and other charity. In general, female-headed households receive more support from religious charity and kinship ties than male-headed households. Many people use traditional collective savings system, known as *hagbad*, *shalongo* and *ayuuuto*, in which nearly all participants or beneficiaries are female. Additionally, many communities pay organized clan taxes (which are different than government taxes) that are then used as a form of social security in the event of family tragedy, illness or a need for blood compensation.

Galkayo urban dwellers have strong ties to relatives in the diaspora and therefore have access to remittances and trade links from abroad. According to the key informant interviews about 50-60% of the urban population are directly dependent monthly remittances. This income is most common among middle wealth groups; and reportedly the money is mainly managed by women for household expenses. Remittances peak during the month of Ramadan and during Eid festivals.

<sup>1</sup> UNICEF, "Survey of Primary Education in Somalia, 2006-2007," 2007.



### 7.2.2 Linkages between Wealth Groups

The different wealth groups in Galkayo also share social support links. Poorer groups receive charity and *zakat* from the wealthy, especially during Ramadan, in the forms of food and cash. During the reference year (Oct 08 to Sept 09) the average amount of cash gifts received by poor households in Galkayo was SoSh 1,000,000-2,000,000 (US \$30-65). Additionally, an interesting social support system has developed called “do not disturb me” or *ha iwareerin*, whereby loans of food and goods are taken from traders and are repaid at a very slow pace with little harassment from the trader.



Construction of a Home in Galkayo, 2009

### 7.2.3 Urban Linkages to Rural Areas

Urban residents have important social and economic linkages with rural livelihoods in the region. They buy livestock, milk, ghee, water from *berkads* and charcoal from rural areas. Generally, links are stronger within kinship groups. Mainly, the flow of assistance is from urban households to rural, providing cash, food and other non-food essentials. Better off households will house children from rural relatives in town for schooling and other business activities. Urban households also give support to the rural households during severe drought, helping with water trucking costs, giving loans and supporting destitute relatives who may have moved into town.

### 7.2.4 Urban Linkage to other Urban Centres

Galkayo is major trade centre and is connected to markets in Bossaso, Berbera, Mogadishu and Ethiopia. Local commodities like maize, sorghum and some fruits and vegetables are brought from Belet Weyne, Bay and Shabelle regions seasonally. The market in Galkayo may then redistribute these products as well as imported goods to different regions and rural areas. Because Galkayo is an important trade centre, it has attracted labourers from southern regions of Somalia and is able to offer them reasonable wage income.

## 7.3 Physical Capital

### 7.3.1 Housing and Construction

Almost all poor and very poor households live in rented concrete houses with one room, while 50% of the middle and all better off wealth groups possess one to four concrete houses consisting of three to five rooms. The better off groups also own other buildings for rental income or other business activities. The better off wealth group is also involved in the construction business, which has become a significant part of the local economy. They construct and sell buildings for profit as contractors or agents for Diaspora.

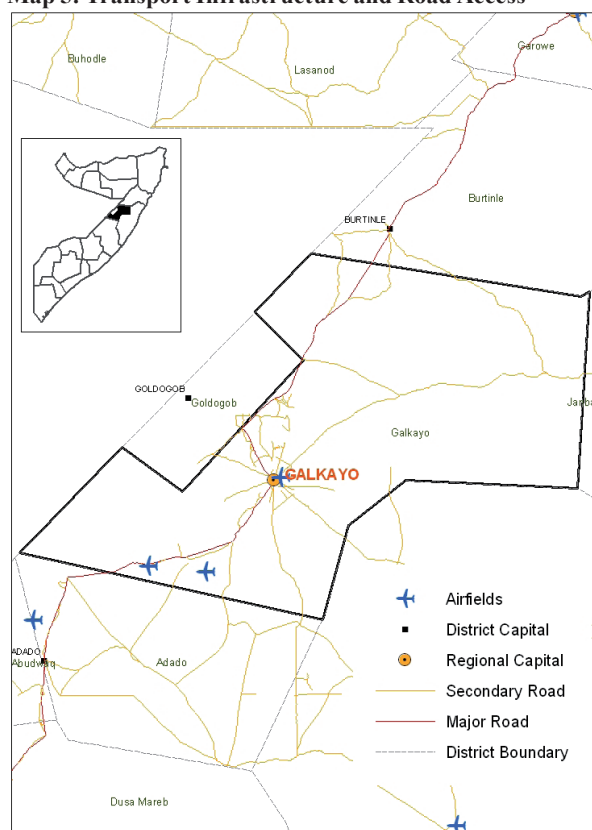
The sector attracts skilled and unskilled workers from southern Somalia, but there is now a great deal of competition for such positions because of the availability of IDP labour.

### 7.3.2 Transportation and Infrastructure

A long tarmac road passes through the main part of Galkayo. This road connects, through the town, northern and southern parts of Somalia. The condition of this road, while not excellent, it is passable all of the year. Other feeder roads link the town to rural areas and Ethiopia. These roads are generally passable throughout the year. There is also a working airport in Galkayo, with domestic and international flights.

During the reference year, taxis and mini-buses were the major form of intercity passenger transportation. Heavy trucks, with capacities of over 4 tons, were used for long distance transport of goods and passengers, some even

Map 5: Transport Infrastructure and Road Access



Source UNDP, 2008

going as far as the Somali region of Ethiopia. Domestic and cross-border trade decreased during the reference year because Ethiopian troops reportedly seized trucks to transport their troops. This resulted in decreased trade along this route. Furthermore, two weekly commercial flights and special, daily kat flights land at the Galkayo Airport. Many better off households own vehicles either for their own use or for rent (buses or trucks). Most taxi owners and drivers fall within the middle wealth groups, although some drivers and other workers in transportation sector come from the poorer groups.

### 7.3.3 Telecommunications and Electricity

There were about four cellular telephone companies, Telecom, Golis, Orbit and STG regularly in use during the reference year. Telecommunications networks within and outside the region are improving and the use of cell phones in both rural and main towns is increasing. Likewise around 50-70% of the residents have access to land line telephones and calls made to phones within the town are free. These communication networks have facilitated the remittance money from the abroad and from other urban centres. Electrical supply in Galkayo is growing with eight companies currently supplying the city and another company looking to begin operations (for full inventories please see Section 6.6.1). However, the current supply is still not enough to keep up with demand. Importantly, the development of the electricity network has enabled the growth of trade and telecommunications, including internet providers.

### 7.3.4 Water Supply

In Galkayo, water for human consumption is available; however the price, quality and distributions systems vary. There are several boreholes and a number of shallow wells in the town, although the majority of Galkayo residents use water that comes from boreholes. There are three water systems operating in Galkayo town (two in the north and one in the south). All three systems have been established as private companies with assistance from UNICEF and other support agencies. Water reaches users either through taps (about 70% of users in northern Galkayo and 30% in the south) or through kiosks and wheelbarrow sellers. Tap water prices are about SoSh 32,000 (US \$1) per cubic meter, kiosk water costs about SoSh 48,000 (US \$1.5) per cubic meter and wheelbarrow water is sold at about SoSh 96,000 (US \$3) per cubic meter.

The water supplied from boreholes and shallow wells is brackish and there are eight small water purification companies called *saxarla*. All of these companies are directly attached to the main water supply companies. Before the establishment of these agencies, there were problems related to water for human consumption and safety. The main problems were kidney diseases and amorphous sulphate concentration; periodic diarrhoea outbreaks; long distances travelled to get water; high prices; and water shortages during dry periods. A more detailed inventory of water suppliers in Galkayo can be found in Section 6.7.

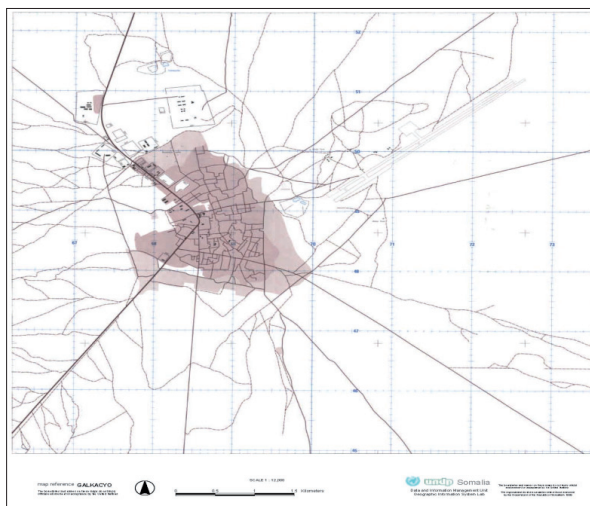
## 7.4 Financial Capital

### 7.4.1 Income and Remittances

Income sources and levels are the primary determinant in urban households of wealth group. Income sources and the wealth breakdown for Galkayo is described in detail in Section 8 Livelihood Strategies, however it is important to understand that this income breakdown is a part of financial capital. Very poor and poor households mainly obtain their income from casual labour, petty trade and paid domestic work (annual income ranges from around SoSh 32,240,000/US \$1000 to less than SoSh 60,000,000/US \$1900); most middle wealth groups rely on small to medium scale trade, remittances and salaried employment (annual income ranges from SoSh 60,000,000/US \$1900 to SoSh 220,000,000/US \$6,900); better off wealth groups run large scale business like import-export shops, have rental income or are senior salaried employees (annual income is greater than SoSh 220,000,000/US \$6,900).

In the reference year the average monthly remittances received in Galkayo town was estimated at US \$4,000,000 to \$6,000,000 out of which 75% was used in urban areas and 25% in rural. The amount of money transferred peaks during

Map 6: Road Map of Galkayo



Source: UNDP, 1998



Water delivery in Galkayo, 2009

hardship periods and holidays, when the needs of household increase and prices increase. The money remitted monthly ranges from US \$150-250 for regular payment and US \$100-400 for occasional payments. The majority of those that received remittances were middle wealth groups, which were spent on household needs and debt repayment. However some remittances were also sent for investment purposes and were used on land, housing and business development.

#### 7.4.2 Capital Levels

In Galkayo, liquid capital for business or petty trade among the wealth groups varies according to their level of asset holdings. In Galkayo, capital for business or petty trade is determined by wealth (assets) and increases along wealth levels. Very poor and poor wealth groups use capital for investment in petty trade and levels range from SoSh 300,000 to 400,000 (US \$9-13). Lower middle groups also invest in petty trade and small formal businesses with average capital about SoSh 2,000,000 (US \$63). Upper middle and better off wealth groups have access to much more capital for investment in medium to large business with ranges of SoSh 30,000,000 to 35,000,000 (US \$935-1,090) and 240,000,000 to 280,000,000 (US \$7,500-8,750) respectively. (The average exchange rate during reference year was 32,000 SoSh to 1 USD).

All better off and many middle wealth group households are estimated to own plots of land as a form of asset savings and for commercial purposes. Additionally, these groups may own one or two buildings which are rented out. The residents of Galkayo are very much tied to an urban livelihood system and generally do not hold much livestock as a capital asset. However, the poorer groups in the town, especially those that have migrated from southern Somalia and drought affected IDPs, may have a few goats for milking, which can in turn be sold to generate income. Better off and upper middle households may have some livestock holdings, mainly camel, sheep and goats; however, these animals are usually kept by relatives living in rural areas. Urban households do not usually economically benefit from these holdings, although livestock holdings do afford a certain level of prestige. However, in times of stress, livestock can be sold to earn additional income as could be done with other types of financial capital.

#### 7.4.3 Access to loans

The poor and very poor households have limited (cash) access to loans because they lack assets which could be used as collateral. However, significant numbers of households from the middle wealth group receive loans from shopkeepers, both in kind and cash; these loans are repaid in several instalments. Borrowing increases during the dry seasons (*Jilaal* and *Hagaa*) and during religious holidays (Ramadan and the two Eids). Lower middle wealth groups involved in petty trade may borrow goods from wholesalers; however most have difficulty with repayment and continued indebtedness.

#### 7.4.4 Debt Levels

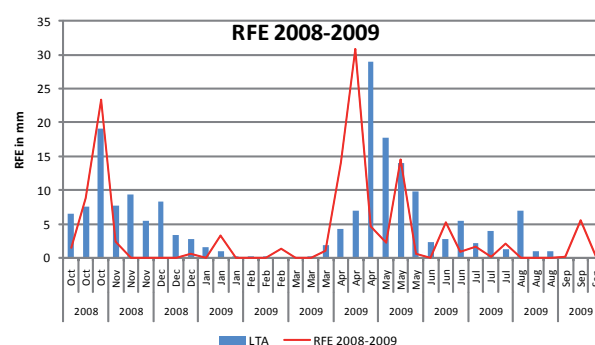
The limited debt incurred by the poor and lower middle groups were estimated at SoSh 500,000 (≈US \$15). Debt is incurred in two ways. The first type of debt is incurred during the *Hagaa* season (from July to September), when households borrow food and non-food items on credit because the trade slow-down caused by the monsoon weather pattern. The debt is normally paid within the year. Very poor households do not have access to this credit, as they are not as economically active - they rely on social support from the wealthier groups (i.e. upper middle and better off households). The second type of debt incurred relates to petty trade credit and is referred to as *caddeys*. Poor and lower middle wealth groups 'borrow' commodities from other richer traders and sell in their own kiosks, street tables and wheelbarrows. This type of debt is repaid immediately after the sale of the borrowed goods. As mentioned, generally both the *Hagaa* season debt and petty trade debt is paid back within the year, however, in the reference year (Oct 08 to Sept 09) the debt was not fully repaid because of the influx of IDPs from southern Somalia who competed for petty trade and casual labour income. Debts may have accumulated to around around SoSh500, 000-1000, 000(\$15-30) for poor and Lower middle respectively.

### 7.5 Natural Capital

#### 7.5.1 Water Resources

In general the region does not receive as much rainfall as compared to some areas of southern Somalia. The long term mean rainfall is estimated at 158mm. The rains that were received during the reference year, were below normal in amount and duration (Figure 28) and had been preceded by two poor rainy seasons. While Galkayo relies mainly on trade for economic productivity, rainfall has an important effect on water supply for humans. Additionally, extended droughts may affect the rural livelihood causing destitution of pastoralists and result in them coming to Galkayo as IDPs.

Figure 28: Rainfall Estimates for Galkayo





In terms of the hydrology of Galkayo, the most reliable source of water for residents is through deep boreholes. It is unlikely that this aquifer is directly recharged by rainfall, however there is probably some indirect recharge through surface depressions and wadis.<sup>2</sup>

There should be some concern regarding the sustainable use of this deep aquifer, since recharge rates are not known. Ideally, the usage and recharge of the aquifer should be monitored, so that over-extraction does not occur. *Berkads*, which are another major source of water for Galkayo, are reliant on rainwater and empty during times of successive seasonal rain failures. While *berkad* water is less brackish than borehole water, it is more at risk for contamination by human and animal waste.

### 7.5.2 Use of Charcoal and Fuelwood

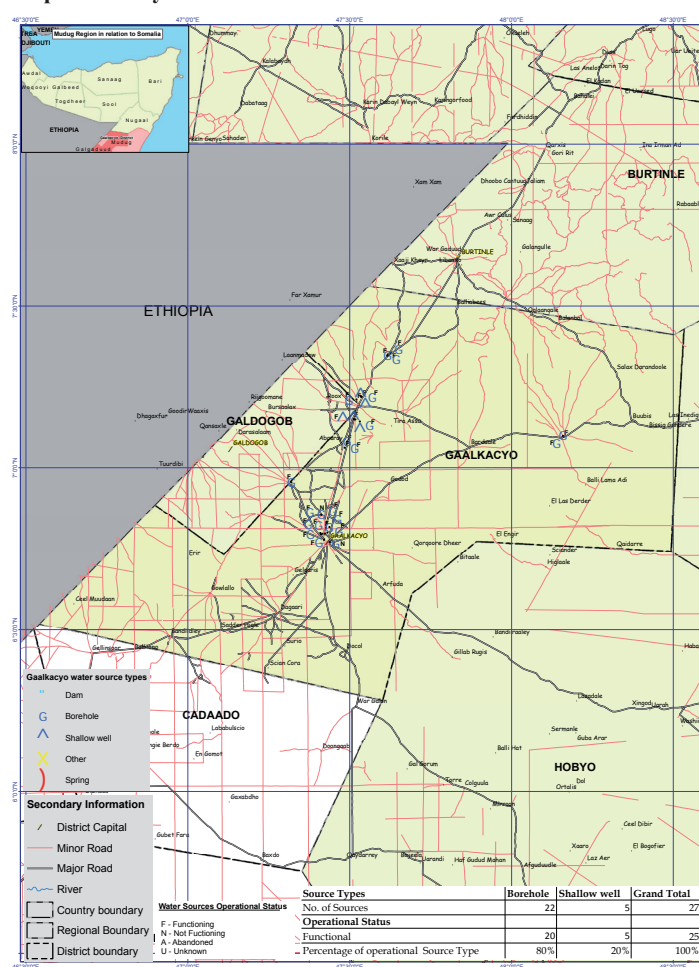
Charcoal and fuelwood provide most of the energy for cooking in Galkayo town. Most wealth groups primarily use charcoal, but poor and very poor households (including IDPs) as well as the majority of bakers and restaurants use fuelwood. About 10-20 truckloads (200-270 bags per truck) bring charcoal into the town three times per month during the dry season. The number decreases to 5-10 truckloads, three times per month, during the rainy season. Apart from these trucks, about two to three trucks come from the border between Hiran and Bakool regions once a month during the reference year. This charcoal is only for local use and is not exported. During the reference year, charcoal production also increased in the rural areas surrounding Galkayo because of the drastic reduction of pastoral herd sizes that forced many people to begin charcoal production as an alternative income source.

### 7.5.3 Environmental Degradation

The increased production of charcoal production has a huge negative impact on the environment: increasing gully erosion, water run-off and pasture/browse scarcity. Because the production involves the cutting of slow growing acacia trees, the environment takes a long time to recover. This deforestation and environmental disruptions undermine future economic stability because of the direct reliance on environmental services. Deforestation has also been spurred by the concentration of IDPs in town. In order to build temporary housing to accommodate the growing number of IDPs, additional surrounding area trees have been cut.

It is also important to consider the impact of unplanned urban development, which directly impacts the environment as well as urban living conditions like health, sanitation and scenic beauty. Trash disposal and sewage treatment are already problematic in Galkayo and the effects on human health on morbidity levels are apparent (see section 7.1.2). Additionally, residents need to consider the sustainability of exploitation of water resources.

Map 7: Galkayo Water Sources



Source SWALIM, 2009



Storage of Charcoal in Southern Galkayo

<sup>2</sup> David Banks, "Potable Water Strategies in Southern Mudug, Somalia, with Special Reference to the Local Economics of Motorised Borehole Systems for Watering Nomadic Livestock," *Hydrogeology Journal*: 16 (2008), 769.

## 8. LIVELIHOOD STRATEGIES

### 8.1 Sources of Food

#### 8.1.1 Galkayo Town

Households in all wealth groups purchased the vast majority of their food in the reference year. Very poor and poor households obtained very small quantities of food gifts from better off neighbours and relatives. Most very poor households also received a couple of months of relief assistance. These sources of food are illustrated in (Figure 29), expressed in terms of 2,100 calories per person per day.<sup>9</sup>

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 above this minimum threshold. In addition to quantity, the quality of diet also improved with wealth. Very poor and poor households purchased smaller quantities of pulses, vegetables, meat and milk powder, and the vast majority of their calories came from cereals, sugar and vegetable oil. (Table 48), presents the different types and quantities of food that the wealth groups purchased in the reference year.

**Table 48: Quantities of Food Purchased per Month by Wealth Group**

QUANTITIES OF FOOD PURCHASED PER MONTH BY WEALTH GROUP					
Item	Very poor	Poor	Lower Middle	Upper Middle	Better Off
Sorghum (kg)	18	18	16	6	8
Wheat flour (kg)	12	18	27	27	33
Rice (kg)	13	17	30	30	30
Pasta (kg)			4	11	20
Pulses (kg)	7	8	10	12	12
Sugar (kg)	15	15	30	30	38
Vegetable oil (litres)	4	6	8	8	11
Sesame oil (litres)				1.5	3
Meat (kg) **	2.6	3	8	15	30
Milk (litres)				15	30
Milk powder	1.2	2.4	2.5	3.7	5
Vegetables and fruit (kg)	4	8	9	21	30

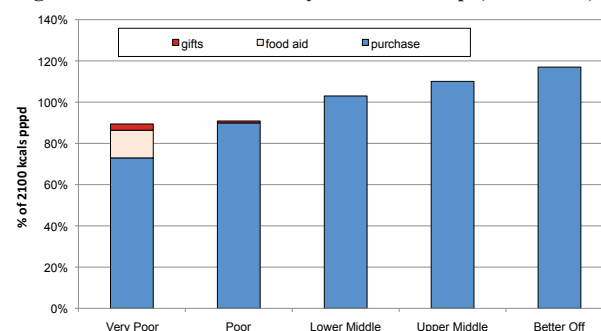
\*Note: All figures in this table represent the mid-point of a range.

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

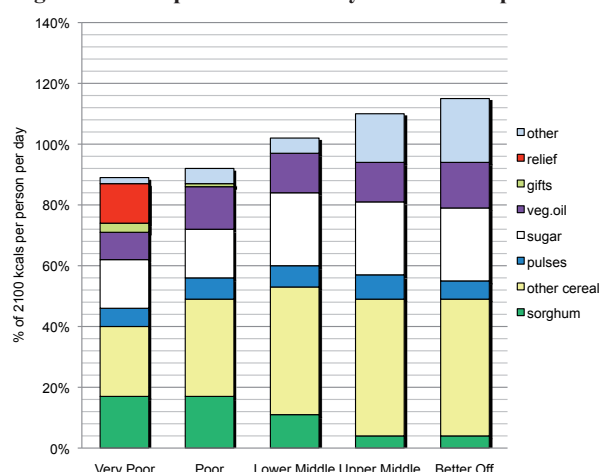
Figure 30 shows the sources of calories by food type. 'Other' food in the graph includes meat, milk, milk powder, vegetables and fruit. 'Other cereal' includes rice, wheat flour and pasta. 'Relief' includes sorghum and vegetable oil. All figures in the table and graph represent the mid-point of a range. (Figure 31), shows annual per capita cereal consumption per wealth group for Galkayo town. As the chart shows cereal consumption varies across wealth groups.

In general, FSNAU has observed that poorer wealth groups tend to consume more cereals than wealthier groups, in order to meet their calorie requirements because cereals are cheaper sources of calories compared to other foods like milk and meat. However, in Galkayo town this is not shown in the aggregate picture, partially because wealthier groups are actually consuming more expensive types of cereals (pasta and rice rather than sorghum); the detailed breakdown of cereals is located in appendix 11.5. Additionally, wealthier groups have larger households and have had to resort to eating more cereals.

**Figure 29: Sources of Food by Wealth Group (2008-2009)**



**Figure 30: Composition of Diet by Wealth Group**





The very poor received food aid whereas the poor wealth group did not; this is why their cereal consumption is higher. The lower middle income group is shown to be consuming the most cereal (128 kgs per person per year), highlighting that when there is a limited amount of funds for food, people will purchase more cereal to meet their calorie requirements than those who have more income (they can afford a more diversified diet) and those who have less income (they cannot afford to buy extra cereals).

### 8.1.2 IDPs

Gifts of food were not very common for IDP households in 2008-09 and almost all food was obtained through market purchase and relief assistance. Most IDP households were unable to cover 100% of their minimum food energy needs in the reference year. The types and quantities of food that the IDP wealth groups purchased were very similar to that of households at similar levels of wealth in town. (Figure 31) shows per capita cereal consumption for IDPs in Galkayo. The average cereal consumption for IDPs is 138, which is 15 kgs higher than the town average (Figure 32). The main reasons for this include the fact that IDPs receive food aid, which is primarily in the form of cereals.<sup>1</sup> Additionally, the IDPs must consume more cereals because that is what they can afford, having less flexibility in terms of diversifying their diet.

## 8.2 Sources of Income

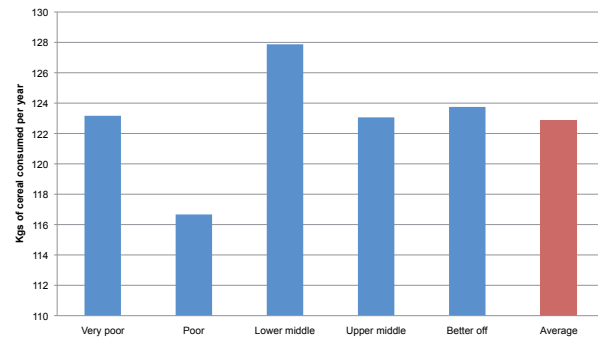
### 8.2.1 Galkayo Town

During the reference year, households in each wealth group derived income from a wide range of sources. The amount of income earned by a household was not only dependent upon the type of income-generating activities undertaken, but also the level and the number of people engaged in each activity (Figure 34). For instance, petty trade daily profits depended upon the items traded (petty trade in *kat* generated more income than petty trade in cereals, vegetables or meat) and the level of household capital, as well as the quantity of stock loaned by the supplier.

Generally, the poorer wealth groups relied on small-scale petty trade and casual employment (unskilled labour) to obtain income. Some individuals were also employed in low-paying jobs, for example as cleaners or domestic workers. In most very poor and poor households, two members of the family earned income. Usually this was the parents, but in some cases an older child or an elderly adult worked. Only children from the poorest households worked, often where adult labour was lacking. Some boys were engaged in breaking gravel or shoe shining, and some girls worked as housemaids. Children also collected leftover or disposed of *kat* for resale at very low prices. Gifts from local relatives or neighbours were another common source of both food and cash for very poor and poor households in the reference year.

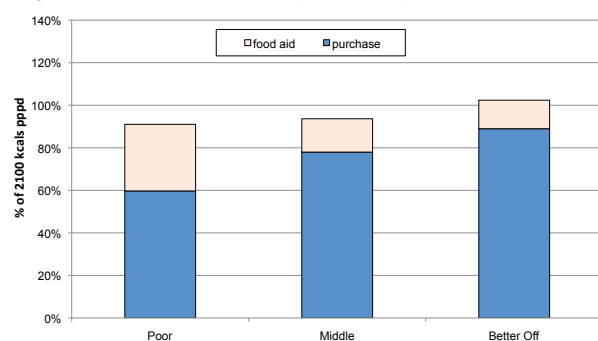
<sup>1</sup> Corn-soy blend has been included as a cereal with only cornmeal included – CSB is made up of 70% cornmeal.

**Figure 31: Galkayo Annual per Capita Cereal Consumption by Wealth Group**

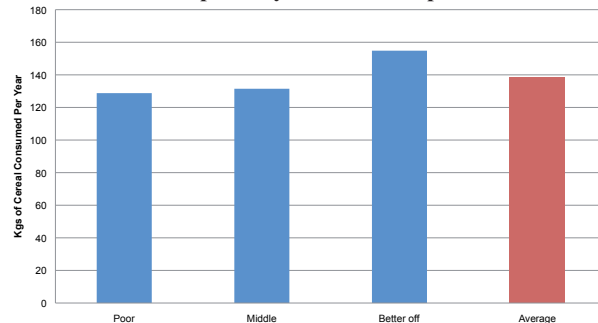


Note: The cereals have been converted to whole grain equivalents using FAO standardized conversion factors. This follows FSNAU methodology for calculating cereal consumption. See [http://www.fsausomali.org/fileadmin/uploads/word\\_documents/Report\\_Mission\\_FSNAU\\_WFP\\_Somalia\\_January\\_2010\\_FI-NAL.doc](http://www.fsausomali.org/fileadmin/uploads/word_documents/Report_Mission_FSNAU_WFP_Somalia_January_2010_FI-NAL.doc) for full detail of per capita cereal consumption calculation.

**Figure 32: Sources of Food (2008-2009)**

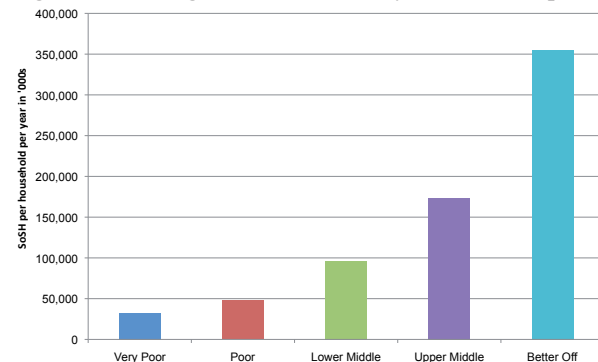


**Figure 33: Galkayo IDPs Annual per Capita Cereal Consumption by Wealth Group**



Note: The cereals have been converted to whole grain equivalents using FAO standardized conversion factors. This follows FSNAU methodology for calculating cereal consumption.

**Figure 34: Average Annual Income by Wealth Group**



The middle wealth groups engaged in medium-scale trade, but also obtained income from mid-level employment and skilled labour. Some households in this wealth group relied on regular monthly remittances. The better off wealth group included households that were involved in large-scale businesses, such as import/export and shops of various types, and senior salaried employees. This group also invested money into property and vehicles (including taxis, buses and trucks), which generated additional household income.

Focus groups representing the five different wealth groups were asked who (whether men or women or both) earns cash income from the various income sources (such as labour or self-employment activities) residents reported. The pattern is summarised in the (Table 49). Women have a more direct role in earning cash income in the very poor, and lower middle wealth groups. Upper middle and better off households tended to report income as household income ('both') rather than being earned by women or men.

### 8.2.2 IDPs

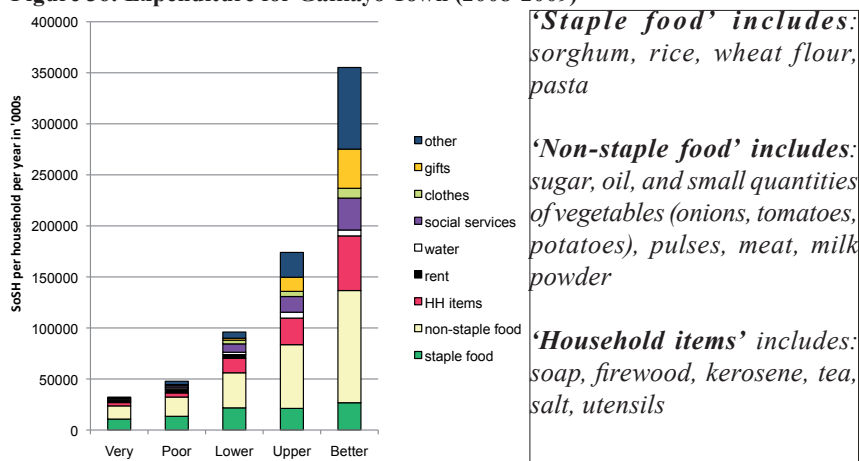
IDP households living in the camps in the poor and middle wealth groups were primarily engaged in casual, unskilled labour and generally two members per household worked. The 'better off' tended to have one household member with more skill, earning a slightly higher daily income. Genuinely 'better off' IDPs (i.e. those with income levels corresponding to the higher wealth groups in town) do not live in the camps and have integrated into Galkayo town proper.

## 8.3 Expenditure

### 8.3.1 Galkayo Town

A breakdown of expenditure patterns for households at different income levels in 2008-09 was obtained through semi-structured interviews with 51 small groups of men and women at different levels on the wealth spectrum and engaged in a wide variety of economic activities. The Figure 36 compares all and 'poor' wealth groups (and shows absolute expenditure). The Figure 30 again compares all five wealth groups (and shows expenditure patterns in percentage terms).

Figure 36: Expenditure for Galkayo Town (2008-2009)



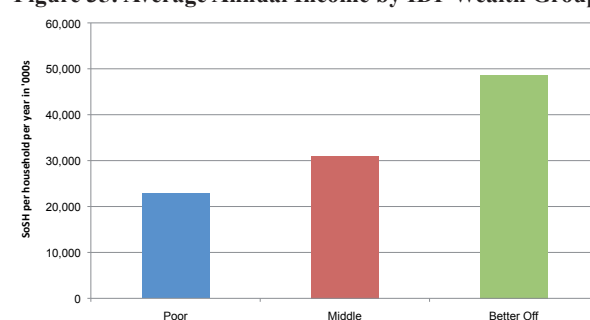
The **very poor group** spent an average of roughly SoSh 88,000 per day for a family of 6 people in the reference year. The food items purchased included sorghum, rice, wheat flour, sugar, vegetable oil, and small quantities of vegetables (onions and tomatoes especially), pulses (usually cowpeas), meat, milk powder, salt and tea leaves. Purchases of these items, and of water and firewood, were generally made on a daily basis. Items that were purchased less frequently included soap and second-hand clothes. Spending on schooling (quranic) 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 130,000 per day for a family of 6 people. They purchased similar amounts of sorghum and sugar 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, soap, kerosene, schooling, health care, rent and clothes than very poor households, but the quantities of these items purchased was still small compared to the middle and

Table 49: Cash Income Earned by Gender

CASH INCOME BY GENDER	Very Poor	Poor	Lower Middle	Upper Middle	Better Off
Cash income - Women	50%	38%	49%	0%	0%
Cash income - Men	44%	60%	31%	0%	0%
Cash income - Both/Mixed	6%	2%	20%	100%	100%
	100%	100%	100%	100%	100%

Figure 35: Average Annual Income by IDP Wealth Group



better off wealth groups. If any child attends formal school, it tends to be a boy child rather than a girl child. Both boys and girls are sent to quranic school.

**Middle and better off households** could afford a better quality and more diverse diet, purchasing larger quantities of vegetables, fruit, meat, milk, rice, wheat flour, pasta, sugar, pulses 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 kat.

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, lower middle households spent about 60% and better off households just under 40%. 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.

Focus groups representing the five different wealth groups were asked whether men or women (or both) purchased each item. Across all wealth groups, women tend to purchase all food items. The pattern of expenditure for non-food items is more interesting and is summarised in the Table 50 (the percentages are based on amount of money spent, not on items purchased). Women seem to have more control over non-food expenditure the poorer the household is. When food and non-food items are combined, the pattern is the same, as illustrated in Table 51.

### 8.3.2 IDPs

A breakdown of expenditure patterns for IDP households at different income levels in 2008-09 was obtained through semi-structured interviews with 21 small groups of men and women at different levels on the wealth spectrum and engaged in a number of different economic activities. The Figure 38 shows expenditure across the three groups.

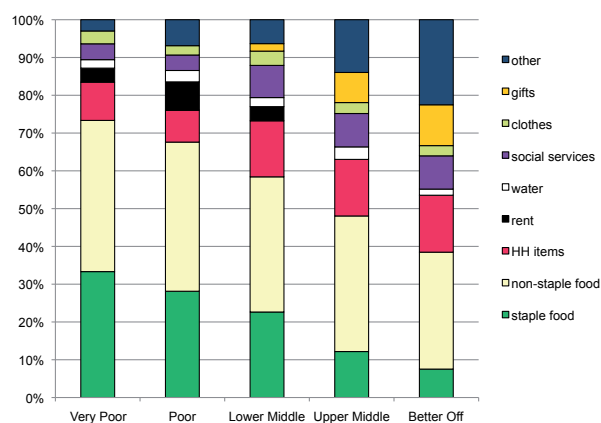
The expenditure patterns of IDP households were very similar to those of households at similar levels of wealth in town, except that IDP households do not pay rent. Poor and middle IDP households spent almost 80% of their income on food (including staple and non-staple food) in 2008-09, while better off households spent just over 70% on food.

## 8.4 Risk, Vulnerability Analysis and Coping Strategies

### 8.4.1 Vulnerability to Shocks

All Galkayo urban wealth groups are vulnerable to either chronic or periodic hazards. The main shocks are trade disruption, conflicts, hyper-inflation, recurrent droughts, displacement, disease outbreak, port closure and trade bans (e.g. the livestock ban with Saudi Arabia). However the effects of these shocks are not felt equally among wealth groups in the town. Poorer groups find themselves most threatened by disruptions, as they do not even meet minimum food requirements and have fewer options for coping with shocks.

**Figure 37: Expenditure Patterns (2008-2009)**



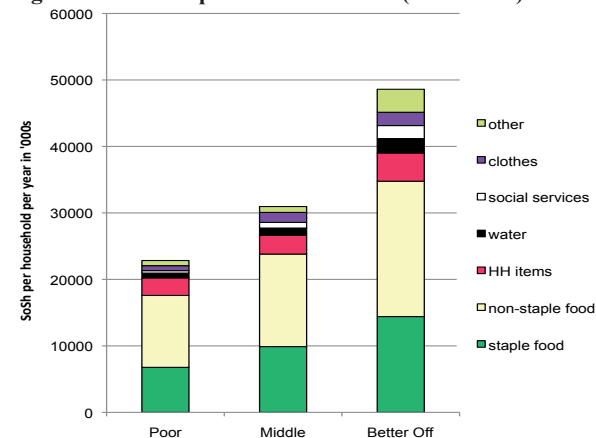
**Table 50: Non-food Expenditure by Gender**

NON-FOOD EXPENDITURE BY GENDER	Very Poor	Poor	Lower Middle	Upper Middle	Better Off
Non-food expenditure - Women	48%	40%	29%	19%	13%
Non-food expenditure - Men	27%	42%	33%	46%	68%
Non-food expenditure - Both/Mixed	25%	19%	38%	35%	19%
	100%	100%	100%	100%	100%

**Table 51: Total Expenditure by Gender**

TOTAL EXPENDITURE BY GENDER	Very Poor	Poor	Lower Middle	Upper Middle	Better Off
Total expenditure - Women	86%	82%	72%	60%	49%
Total expenditure - Men	7%	12%	13%	22%	40%
Total expenditure - Both/Mixed	7%	6%	15%	17%	11%
	100%	100%	100%	100%	100%

**Figure 38: IDP Expenditure Patterns (2008-2009)**



Residents of Galkayo town are persistently faced with civil insecurity and political fighting between the Puntland and Galmudug authorities which disrupts trade and labour opportunities. During the reference year Galkayo was tense and volatile. In spite of this, activities and employment opportunities improved and the supply of imported food, local food and food aid increased, leading to a decline in staple food prices. However, just after the reference year, tensions again flared in October 2009, when fighting broke out in the main market of Galkayo. In late December 2009, many IDPs fled Galkayo after they were targeted by the local population because of suspicions that they were involved with civil violence and resentment over their presence.

#### Major Risks for Most Wealth Groups:

- **Security:** Civil insecurity affects all wealth groups, causing displacement, loss of lives and property and a high rate of unemployment and food scarcity. In Galkayo, there has been ongoing violence and assassinations because of the political conflict between the two administrations of Galkayo. Additionally, the insecurity prevents economic activity thereby reducing income opportunities.
- **Reduction of Remittances / Global Recessions:** Most middle wealth groups rely on remittances from abroad to provide for social services and pay off debt. Consequently, any freezing of money traders or global economic downturns (which reduce employment for those in the diaspora) will strain household food access and income.
- **Unemployment:** While labour opportunities were average in the reference year, there is a likely possibility that unemployment will increase because of increasing armed conflicts in the southern regions, which will inevitably negatively affect trade and increase the number of IDPs coming into Galkayo (therefore increasing competition for jobs).
- **Drought (failure of the rainy season):** Livestock and livestock product trades contribute significant income opportunities and food for many urban households. Galkayo rural livelihoods have experienced several seasons of droughts, which worsens livestock body conditions, lowers production and reduces herd size. As income from this source went down large numbers of destitute pastoralist shifted to the urban areas straining the resources of other urban households.
- **Water shortages:** The vast majority of Galkayo population gets water from boreholes, saxarla' water and *berkads*. During the reference year, which is the 3<sup>rd</sup> year of drought, the use of *berkad* water was very limited, which raises water costs of saxarla' and increases water scarcity.
- **Increased cereal prices:** Cereal prices in Galkayo, especially imported cereals are far above the 5 year average (2003-7). In Galkayo, households are at higher risk when high imported food prices coincide with poor production of local cereals in the south and trade flow is restricted.
- **Disease (e.g. AWD (Acute Water Diarrhoea) and malaria):** Disease causes high child mortality rates. Risk of infection of typhoid, diarrhoea, acute respiratory infection and skin infections are highest during the wet seasons.

#### 8.4.2 Risk Minimizing Strategies

- **Diseases**– The better-off and middle wealth groups have better access to safe water and to health facilities. The poor, very poor and lower middle groups are more exposed to disease due to the consumption of unclean water. Improved access to clean water and health facilities, are needed for all groups, but especially for the poorer groups.
- **Diarrhoea/Cholera Outbreak**– The following simple steps can reduce the risk for local populations: washing hands before eating; boiling drinking water; and using infusion solution to treat dehydration. Increased education and outreach for improved hygiene is needed.
- **Civil Insecurity**– For urban traders, the risk of property loss, particularly cash, due to civil insecurity can be minimized by investing in livestock assets in rural areas, land and buildings. This measure is often taken by the upper middle and better off groups. For rural communities, the creation and implementation of an organized security plan in the case of violence or attack is recommended. Foremost, an informal communication network that links rural communities with other villages and urban centres should be established. Secondly, a security perimeter around villages that employs informal security patrols or lookouts should be established. Thirdly, a local safe area in which residents can seek shelter in the event of possible attack should be established; and finally, an evacuation plan that includes a pre-established evacuation route and location for both residents and livestock should be created.

- **Unemployment and Reduced Income Earning Opportunities** – The poor and very poor are seriously affected by loss in incomes due to reduced labour opportunities. This type of shock can be minimized through income generation projects that target these groups. These could include garbage collection and the street cleaning in the urban settlements, and other small public works projects. Small petty trade and micro-business development loans are also an option. The main objective is to increase the access of income of the urban poor community, while at the same time improving the health status and well being of poor urban dwellers.
- **Women Play an Important Role in Urban Small Businesses** – Women are generating income earning activities through employment and self-employment. During the reference year, women managed almost 85% of the town's petty/small trade businesses, women sold approximately 100% of milk, they were about 80% of kat sellers, and 50% of fruit and meat sellers are women. In addition, women constituted about 3% of the livestock traders. Small business support is needed, through micro-finance or revolving credit funds, or encouraging new small business development.

#### 8.4.3 Response Strategies/Coping Mechanisms

There are a limited numbers of options available to urban households to cope with shocks, these include the following.

- **Switch to Cheap Staple Food:** One of the immediate actions poor households employ to cope with negative shocks is to switch expenditure to cheaper food like sorghum and maize, and reduce non staple and non essential purchases. If the shock is prolonged they reduce meal size and skip meals.
- **Working Long Hours:** During a time of shock poorer households increase the number of household members working or they will work long hours.
- **Seeking Additional Support (gifts, remittance etc):** Another option employed is to seek additional gifts from relatives, friends, neighbours and request assistance from relatives that are abroad.
- **Increased Loan Taking:** The poor and very poor households have little access to loans, due to lack of collateral. However, most of the middle households receive loans from shopkeepers, both in kind and cash, but paid in several instalments.
- **Family Splitting:** Families may split and reduce the number of household members; one or more household member might migrate to other areas or other countries; they may be sent to live with or work for better off relatives.
- **Seeking Additional Employment:** Households may resort to other new income generating activities or low income jobs.



## 9. FUTURE MONITORING

One of the reasons for conducting this baseline household economy assessment of urban livelihoods in Galkayo 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 Galkayo. 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.

### 9.1 Monitoring the Cost-of-Living

In terms of tracking changes in the cost of living, measured through a minimum expenditure basket (MEB), FSNAU already monitors the prices of a number of key food and non-food items in Galkayo weekly, plus a more extensive list of items quarterly. FSNAU then compiles and analyses these prices each quarter into MEB, 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 (Table 52). 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.

Table 52: Minimum Expenditure Basket

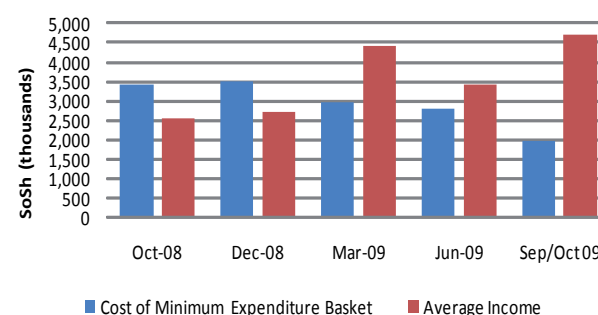
Monthly Minimum Basket	South		Central/North		Proposed Galkayo/Central Urban
<b>Minimum Food:</b>	Urban	Rural	Urban	Rural	
Sorghum	95 kg	95 kg	95 kg	95 kg	26 kg
Wheat flour	3.75 kg	3.75 kg	3.75 kg	3.75 kg	20 kg
Rice					22 kg
Sugar purchase	5 kg	5 kg	5 kg	5 kg	10 kg
Oil purchase	4 lt	3 lt	4 lt	3 lt	6 lt
Milk (skim) purchase	15 lt		20 lt		0.0
Milk powder					2 kg
Meat purchase	4 kg	2 kg	10 kg	5 kg	6 kg
Tea	.5 kg	.5 kg	.5 kg	.5 kg	0.5 kg
Salt	1.5 kg	1.5 kg	1.5 kg	1.5 kg	1.5 kg
Cowpeas	6 kg		4 kg		7 kg
<b>Minimum Non-Food:</b>					
Kerosene	1.5 lt	1.5 lt	1.5 lt	1.5 lt	3 lt
Soap laundry bar: pcs per month	4 pcs	4 pcs	4 pcs	4 pcs	4 pcs
Firewood: bundles	30	x	10	x	30
Water for humans: Jerricans (20lts) per month	5	5	5	5	5
Medicine: Ssh per month	20,000	10,000	20,000	10,000	50,000
School - formal: (No. of children)	1	1	1	1	1
Grinding of grain	30 kg	30 kg	9 kg	13 kg	x
Clothing: Ssh per month	30,000	30,000	30,000	30,000	50,000
Social Tax: Ssh per month	12,500	12,500	12,500	12,500	30,000
Rent					200,000
Other: Ssh per month	30,000	30,000	30,000	30,000	50,000

Discussions regarding revisions to the basket for Galkayo and other urban areas in the central regions of Somalia, have been held with the FSNAU team. The team has proposed that to the food components rice and powdered milk be added to the basket. The quantities of the food components have been adjusted to match local consumption patterns based on the HEA surveys for lower middle income groups. The reason for using lower middle consumption patterns is based on guidance from the World Bank *Poverty Manual*, which states that when determining the basic cost-of-living, the consumption pattern of the group that consumes closest to the 2,100 kcal amount be used. The adjustments that have been made include reducing the amount of sorghum consumed, increasing wheat flour consumption and adding rice consumption. Other food items like sugar, oil and cowpeas have increase in quantity, while meat consumption was reduced. To the non-food items, rent has been added, as well as the costs of items such as medicine, clothing and taxes has been updated using more current (2008-9) general price levels. Additionally, the cost of grinding cereals has been removed, since this is not a common practice in Galkayo; most purchased cereal has already been ground. The outcome of the new proposed MEB is located in (Figure 39).

### 9.2 Monitoring Incomes

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.

Figure 39: Monthly Income of Very Poor Households Compared to Minimum Expenditure Basket



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 current wage rate. In 2008, FSNAU also developed focus group surveys for assessing average income levels of urban poor households and then compared those average income levels to the cost of the minimum expenditure basket in order to identify any significant expenditure gaps and to subsequently measure the effects of inflation upon a population's ability to cope. The cost of the MEB and urban poor average income levels are assessed on a quarterly basis to track any changes in food and income access over time. Figure 39 shows the cost of the MEB and income trends since the reference year (October 2008) in Galkayo. Additionally, the cost of the proposed revised MEB for Galkayo is presented (Table 52). It is clear that the MEB with the revisions is much more costly than the previous basket. However, they do follow the same trend, in that the cost for both baskets decreased over the course of the reference year because of the improved Somali Shilling to US dollar exchange rate. Similarly, a major income gap existed during the first part of the reference year for both MEBs, mainly due to the hyper-inflation that took place in 2007 and early 2008. However, the gap closed during the latter part of the year (as inflation decreased and the Somali Shilling began to stabilise), indicating an improved food access among the urban population. It is important to note that this monitoring does not include IDPs.

### 9.3 Monitoring Galkayo's (and Urban) Economy

In order to understand what is going on in the economy as a whole, the number of businesses licensed by the Galkayo Municipal Authority could be tracked and compared over time. In addition to this, the assessment team suggested doing a mini-sectoral analysis for three key sectors every quarter: remittances, construction and petty trade. 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 things driving 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 a field analyst spend two to three 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 least three building sites in each urban centre that is monitored (therefore, in Galkayo analysts will need to visit 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 a field analyst interviews women engaged in the three main categories of petty trade: tables and kiosks (selling food and non-food items) and tea shops. At least three to five 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. That information will then be compared to baseline data for the same season. Livestock production and prices are already monitored in rural areas and markets where livestock trade occurs. This monitoring is considered when determining the level of food security for Galkayo because of the heavy reliance on livestock trade in this particular urban economy.

### 9.4 Summary of Recommendations

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

**Table 53: Summary of Proposed Monitoring Improvements**

What to monitor?	How to monitor?
Cost of expenditure basket of food and non-food items	FSNAU already monitors most prices and compiles quarterly basket. Revision to the composition of the basket has been proposed and needs.
Business licenses issued by municipality by sector	Could be added 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 Galkayo	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.

## 10. MAIN CONCLUSION AND IMPLICATIONS FOR ACTION

The results of this livelihood baseline study indicate that the very poor and poor wealth groups in Galkayo town live in relative poverty set by local standards. **Thus, about 62.5% of Galkayo town dwellers are not considered to be poor relative to the rest of Galkayo residents.** However, all IDPs as well as a portion of urbanites lack the resources to meet their basic needs and are below the absolute poverty line set by the local cost of the minimum expenditure basket. Additionally, the population of Galkayo and IDPs in Galkayo lack access to basic services, which is indicated in the analysis of the five livelihood capitals (see Section 7 – Livelihood Assets). While both the population in the town and IDPs need general development interventions, the most vulnerable groups to hazards, in terms of income poverty and livelihood vulnerability are all IDPs, as well as very poor and poor town dwellers.

### 10.1.1 Income Poverty – Galkayo Town

Although this baseline livelihood analysis and study was not designed as an assessment and analysis of poverty, much of the livelihood strategy information and analysis can be used to analyse poverty. Relative income levels, indicates that the very poor and poor wealth groups in Galkayo subsist on a total cash income of about SoSh 2,687,000-3,983,000; middle households earn from about SoSh 8,000,000-14,500,000; and better-off households earn an average of 29,600,000 per month. Converting to US dollars using the average exchange rate during the reference year (SoSh 32,000/USD), individuals in the poor groups lived about US \$0.46 to \$0.68 per day; middle income individuals lived on about US \$1.03 to \$1.86 per day; and better off individuals lived on about \$3.04 per day.

Table 54: Estimated Income Levels by Wealth Group (SoSh and USD)

Wealth Group	Very Poor	Poor	Lower Middle	Upper Middle	Better Off
Percentage of HHs	7.5%	30%	30%	20%	12.5%
Typical household size	6	6	8	8	10
Monthly income per HH in SoSh	2,686,670	3,983,340	8,000,000	14,500,000	29,600,000
Daily income per HH in SoSh	88,330	130,960	263,000	476,700	973,150
Daily income per person in SoSh	14,720	21,830	32,880	59,590	97,310
Monthly income per HH in USD	\$84	\$124	\$250	\$453	\$925
Daily income per HH in USD	\$2.76	\$4.09	\$8.22	\$14.90	\$30.41
Daily income per person in USD	\$0.46	\$0.68	\$1.03	\$1.86	\$3.04

\* Note: All figures in this table represent the midpoint of a range.

\*\* USD is estimated using local exchange rate of 32,000 SoSh/USD.

\*\*\*All income presented in the table is relative to Galkayo town residents.

Applying a standard methodology outlined in the World Bank's *Poverty Manual*, FSNAU was able to use the proposed revised Galkayo minimum monthly expenditure basket (MEB) described in section 9. Future Monitoring to formulate a poverty line based on the basic cost-of-living in Galkayo. The MEB includes both essential food and non-food items, with the food items comprising approximately 2,100 kcal per person per day for a household of six members for one month's period (see page 48, Table 51 for list of MEB items). FSNAU calculated the average price for the MEB at around SoSh 4,005,595 for the reference year (October 2008 to September 2009) or about \$125. Essentially, an individual in Galkayo needed about SoSh 16,300 or about \$0.70 per day in order to meet his or her basic daily food and non-food needs, making SoSh 16,300 the daily poverty line for Galkayo.

An analysis of income levels indicates that during the reference year the very poor and poor were not able to meet their basic food and non-food needs because their daily incomes of just \$0.46 and \$0.68 were below the \$0.70 poverty line. This confirms the outcome of the livelihood strategy where the very poor and poor were unable to meet their daily caloric needs (see section 8.1.1). The other wealth groups in Galkayo town are above the absolute poverty line as set by the MEB. Again, it is important to differentiate this type of income poverty analysis from a sustainable livelihood analysis. Income poverty only analyses poverty in terms of cash/market exchanges. Although this income poverty analysis is one good indicator of the condition of Galkayo residents; as this in-depth study of Galkayo has shown, the livelihoods of Galkayo are much more complicated than just an amount of money needed per day.

### 10.1.2 Income Poverty – Galkayo IDPs

Amongst IDPs in Galkayo, income levels are much lower than for Galkayo town residents. IDPs that had higher levels of assets do not live in the IDP camps, leaving those IDPs that have very low incomes to live in the camps. Relative incomes for Galkayo IDPs are far below incomes for Galkayo town. The poor in the camps earn a monthly income of around SoSh 1,900,000, which is about SoSh 780,000 less than the income of very poor households in Galkayo town residents. The middle wealth groups in the IDP camps earn about SoSh 2,580,000, which is about SoSh 107,000 less than the very poor households in Galkayo town. The better off wealth group has a monthly income of about SoSh 4,050,000, which is about SoSh 67,000 more than the poor wealth group in Galkayo town.

Converting to US dollars (using the exchange rate of SoSh 32,000 per dollar) individuals in the poor wealth group live on US \$0.33 per day; individuals in the middle wealth group live on about US \$0.44 per day; and individuals in the better off group earn about US \$0.59.

Using the same MEB for Galkayo used in the aforementioned analysis of Galkayo poverty levels, it is clear that most IDPs in Galkayo are struggling to meet their basic needs. All of the IDPs are below the daily poverty line of \$0.70. However, since IDPs do not usually pay rent (which is included in the MEB as SoSh 200,000 per month), ostensibly the MEB could be lowered to SoSh 3,805,559 per month or US \$119. This would make the daily poverty line per person, SoSh 21,142 or \$0.66.

However, even excluding rent, all of the IDPs are below this income poverty line. Again, these findings support the findings in the livelihood strategies section, which indicate that poor and middle wealth groups cannot meet their food needs, even with food aid. The better off wealth group is just able to meet their caloric needs, but only with the additional input of food aid.

## 10.2 Vulnerability Context and Possible Interventions

The vulnerability context of Galkayo is especially important when considering the population's food security as well as livelihood security. Most importantly, while income poverty is a problem of poorer wealth groups, vulnerability crosses wealth levels; that is to say while the most vulnerable people are the poor, not all of those that are vulnerable are poor.<sup>1</sup> The vulnerability context also identifies negative aspects of the vulnerability as areas for intervention. The two main areas of focus for this analysis relate to 1) "the extent to which different groups are exposed to particular trends/shocks/seasonality" and 2) "the sensitivity of their livelihoods to these factors" (another term could be resilience against these stresses).<sup>2</sup>

Following the analysis presented in the HEA breakdown, livelihood strategies are characterized in three ways: 1) sources of food; 2) sources of income; and 3) expenditure patterns. By linking these categories of analysis with wealth groupings, identified risks and livelihood assets, the factors and coping which can lead to the greatest vulnerability or resiliency can be targeted. Areas which are in need of outside intervention or capacities that can be built upon for greater food security are clearly identified. The analysis is presented in the following vulnerability matrix.

**Table 55: Estimated Income Levels by Wealth Group IDPs (SoSh and USD)**

Wealth group	Poor	Middle	Better Off
Percentage of HHs	47.5%	45%	7.5%
Typical household size	6	6	7
Monthly income per HH in SoSh	1,903,330	2,580,000	4,050,000
Daily income per HH in SoSh	62,575	84,820	133,150
Daily income per person in SoSh	10,430	14,140	19,020
Daily income per HH in USD	\$1.96	\$2.65	\$4.16
Monthly income per HH in USD	\$59	\$81	\$127
Daily income per person in USD	\$0.33	\$0.44	\$0.59

\* Note: All figures in this table represent the midpoint of a range.

\*\* USD is estimated using local exchange rate of 32,000 SoSh/USD.

\*\*\*All income presented in the table is relative to Galkayo IDPs.

<sup>1</sup> Caroline Moser, "The Asset Vulnerability Framework: Reassessing Urban Poverty Reduction Strategies," World Development: 26 (1998): 3.

<sup>2</sup> DFID, "Vulnerability Context," Sustainable Livelihoods Guidance Sheets, 4.8 (2000).

Table 56: Vulnerability Matrix

Wealth Group	Livelihood Strategies	Risks Identified	Livelihood Assets – Vulnerability/Resilience	Aid/Development Intervention /Opportunity
Very Poor, Poor, Poor IDPs, Middle IDPs and Better off IDPs		<ul style="list-style-type: none"> <li>•<b>Insecurity</b>-limits access to markets for food and goods purchase; hampers delivery of food aid; limits economic activity which in turn limits income opportunities</li> <li>•<b>Inflation</b>-increases the cost of locally produced and imported commodities, thereby reducing purchasing power, so that they may be out of reach of consumers</li> <li>•<b>Drought</b>-limits production of livestock and agriculture, may induce water scarcity increasing water expenditure; increases destitution among pastoralists who may then compete for jobs with Galkayo residents</li> <li>•<b>Disease</b>-prevalent for poor groups, limits ability of workers to be productive thereby decreasing income</li> <li>•<b>Poor infrastructure</b>-limits the amount of goods that are transported as well as increasing their cost</li> </ul>	<p><b>Human capital</b>- expensive healthcare facilities (often of poor quality) means the poor are less likely to access care and are more likely to experience decreased productivity (income earning and school attendance) due to disease; poor education limits job opportunities and income earning potential</p> <p><b>Social capital</b>-gifts and social support can temporarily help mitigate food insecurity; social support networks are strong in Somalia and are usually targeted towards the poor; however generally there is not enough support to meet the needs of those in ongoing crisis</p> <p><b>Physical capital</b>- moderate levels of water infrastructure mean clean potable water is available and is less likely to cause disease and the population is less vulnerable to water shortages caused by drought; poor transport infrastructure means goods and services are more expensive; poor market facilities makes it more difficult to access products; lack of or expensive housing means the poor are exposed to insecurity, overcrowding and the elements</p> <p><b>Financial capital</b>- poorer wealth groups have limited financial capital; they have low incomes with low job security; they generally do not receive remittances; coping through increased work and additional job seeking has a limited decrease on vulnerability; these groups have very few assets to sell during times of stress or to use as collateral for loans or credit</p> <p><b>Natural capital</b>-droughts can increase cost of water; over-exploitation of environmental services can result in degradation and may then result in scarcity making some previously free goods and services costly (like water, fuelwood, pasture, contamination of area etc.); exposes the poor to the most vulnerability as they cannot afford the coping strategies needed to deal with these hazards</p>	<p><b>Short-term</b>-provision of food aid for IDPs (those with income gap); provision of free public health services; extension of water purification services; provision of secure housing for those in need (mainly very poor and IDPs)</p> <p><b>Medium-term</b>-improving the skills of workers so job security and wage rates are improved through education and technical training; provision of free, universal primary education; availability of vocational training; improve sanitation infrastructure</p> <p><b>Long-term</b>- creation of government sponsored social safety nets (like welfare); institute peace building and community integration programs to prevent future violent conflict</p>



Vulnerability Matrix Continuation

Wealth Group	Livelihood Strategies	Risks Identified	Livelihood Assets – Vulnerability/Resilience	Aid/Development Intervention /Opportunity
Upper Middle and Better off	<p><b>Source of Food:</b> market purchase</p> <p><b>Source of Income:</b> import/export business, large shops, senior salaried employees, rental income</p> <p><b>Expenditure Patterns:</b> food, household items, rent, water, social services, clothes, taxes</p>	<ul style="list-style-type: none"> <li>• <b>Insecurity</b>-limits access to markets reducing the opportunities to purchase and/or provide goods and services; limits economic activity which in turn limits income opportunities; limits travel</li> <li>• <b>Inflation</b>-increases the amount that goods and services cost</li> <li>• <b>Poor infrastructure</b>-limits the amount of goods that are transported as well as increasing their cost</li> <li>• <b>inflation</b>-increases the cost of locally produced and imported commodities so that they may be out of reach of consumers reducing sales and increasing costs</li> <li>• <b>Global recession</b>-limits remittances and investments by the diaspora</li> </ul>	<p><b>Human Capital</b>-social services like healthcare and education are of low quality; good tertiary education and vocational training facilities are lacking thus limiting opportunities for skilled work (some families may send students outside of Galkayo to be educated)</p> <p><b>Social capital</b>-social support networks are strong in Somalia and better off households pay amounts for gifts and zakat to lower income groups, as well supporting those poorer relatives in rural areas and in town</p>	<p><b>Medium-term</b>-improvement to transportation infrastructure; studies on aquifer recharge to prevent overexploitation; improve sanitation of slaughterhouses</p> <p><b>Long-term</b>- improve livestock markets and marketing for trade services; support for small scale added value food processing to increase incomes and improve local food access (and decrease costs for manufactured goods)</p>
			<p><b>Physical capital</b>- moderate levels of water infrastructure mean clean potable water is available and is less likely to cause disease and the population is less vulnerable to water shortages caused by drought; better off groups have access to private, sanitary latrines/flush toilets meaning they are less likely to fall ill from disease; inferior transport infrastructure means residents are subject to transport blocks, delays and increased transport costs</p> <p><b>Financial capital</b>-upper income households have access to many assets that can be sold during times of stress; they may access large loans for businesses; remittances are often used to improve businesses; since workers are skilled in this wealth group; they are less vulnerable to the vagaries of the market</p> <p><b>Natural capital</b>-droughts can increase cost of water; over-exploitation of environmental services can result in degradation and may then result in scarcity making some previously free goods and services costly (like water, fuelwood, pasture, contamination of area etc.); drought also may cause the livestock trade to decrease as export quality animals become scarce.</p>	

# main conclusion and implications for action

Vulnerability Matrix Continuation

Wealth Group	Livelihood Strategies	Risks Identified	Livelihood Assets – Vulnerability/Resilience	Aid/Development Intervention /Opportunity
Lower Middle	<p><b>Source of Food:</b> market purchase</p> <p><b>Source of Income:</b> skilled labour, mid-level petty trade, mid-level salaried employment, remittances</p> <p><b>Expenditure Pattern:</b> food, household items, rent, water, social services, clothes, taxes</p>	<ul style="list-style-type: none"> <li>• <b>Insecurity</b>-limits access to markets for food and goods purchase; limits economic activity which in turn limits income opportunities; limits travel</li> <li>• <b>Inflation</b>-decreases purchasing power of income/increases the cost of locally produced and imported commodities</li> <li>• <b>Global recession</b>-limits remittances sent by diaspora</li> <li>• <b>Drought</b>-decreases or stops agricultural activity, especially the livestock trade because of the poor condition of animals</li> <li>• <b>Disease</b>-disease which is common limits the ability of workers to be productive thereby decreasing income (common diseases include ARI and AWD)</li> <li>• <b>Poor infrastructure</b>-limits the amount of goods that are transported as well as increasing their cost</li> </ul>	<p><b>Human capital</b>-poor healthcare facilities means the population is more likely to experience decreased productivity (income earning and school attendance) due to disease, although the lower middle wealth group do have better access to care; poor education limits job opportunities and income earning potential; generally good nutrition levels for lower middle groups improves overall health of wealth group</p> <p><b>Social capital</b>- social support networks are strong in Somalia and lower middle households pay small amounts for gifts and zakat to lower income groups</p> <p><b>Physical capital</b>- moderate levels of water infrastructure mean clean potable water is available and is less likely to cause disease and the population is less vulnerable to water shortages caused by drought; lower middle groups are more likely to have private, sanitary latrines meaning they are less likely to fall ill from disease; inferior transport infrastructure means residents are subject to transport blocks, delays and increased transport costs</p> <p><b>Financial capital</b>- middle income households have access to loans, although sometimes this can lead to indebtedness; there is a reliance on remittances which are vulnerable to global economic downturns; since workers are more skilled in this wealth group, they are less vulnerable to the vagaries of the market</p> <p><b>Natural capital</b>-droughts can increase cost of water; over-exploitation of environmental services can result in degradation and may then result in scarcity making some previously free goods and services costly (like water, fuelwood, pasture, contamination of area etc.) ; exposes the poor to the most vulnerability as they cannot afford the coping strategies needed to deal with these hazards</p>	<p><b>Short-term</b>-provision of free public health services; extension of water purification services</p> <p><b>Medium-term</b>-provision of free, universal primary education; availability of vocational training; improve sanitation infrastructure;</p> <p><b>Long-term</b>- institute peace building and community integration programs to prevent future violent conflict; support for small scale added value food processing to increase incomes and improve local food access (and decrease costs for manufactured goods)</p>

## 11. APPENDICES

### 11.1 Bibliography

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### 11.2 Interviews

#### 11.2.1 Interviews for Galkayo town by Town District, Section and Wealth Group

District	Section	Wealth Breakdown	Very Poor	Poor	Middle	Better-off
Israac	1	1	1	1	1	1
	2	1		1	1	1
	3	1	2			2
	4	1	1		2	
	5	1	1		2	
<b>Subtotal</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>6</b>	<b>4</b>
Garsoor	1	1		1	1	1
	2	1	2		1	1
	3	1		1	1	1
	4	1	1		1	1
	5	1			2	1
<b>Subtotal</b>	<b>5</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>6</b>	<b>5</b>
Horumar	1	1		2	2	2
	2	1		1	1	1
	3	1		1	2	
	4	1				
<b>Subtotal</b>	<b>4</b>	<b>4</b>		<b>4</b>	<b>5</b>	<b>3</b>
Wadajir						
- Dalsan	1	1		1	2	1
- Calanley	2	1		1	1	
<b>Subtotal</b>	<b>2</b>	<b>2</b>		<b>2</b>	<b>3</b>	<b>1</b>
<b>Total</b>	<b>16</b>	<b>16</b>	<b>8</b>	<b>10</b>	<b>20</b>	<b>13</b>

#### 11.2.1.1 Interviews for Galkayo IDPs by Town District, Section and Wealth Group

District	Section	IDPs Camps	Wealth Breakdown	Poor	Middle	Better-off
Garsoor	1	Buulo Koontorol	1	1		1
Israac		Tawakal	1		1	1
Old Wadajir	1	Buulo Carafaad	1	1	1	
New Wadajir		Buulo Bishaaro	1		2	
New Wadajir		Calanley	1	1	2	
Horumar	2	Buulo Bacley	1	1	1	
Horumar	1	Buulo Jawaan	1	1	1	1
Garsoor	2	Afarta Kaare	1	2		
Horumar	1	Buulo Nooto	1	1		1
Garsoor	1	Warshadda Galey	1		1	
<b>Total</b>	<b>31</b>		<b>10</b>	<b>8</b>	<b>9</b>	<b>4</b>

## 11.2.2 Galkayo Key Informants

Sector/Job	Key Informant	Location	Information
Galkayo Construction Sector	Jama Huseein Gure Ahmed Aden Xiir	Construction sites in the town	Information related to: - No. of construction companies operating in Galkayo - Rate of construction activities, i.e. no. of on-going buildings per company at present - Seasonality of construction - No. of employees in the sector and closely related sub sectors
Remittance Agencies	Mohamed Muse / Abdullahi Ahmed Farah  Abdullahi Ahmed Fara  Awil Haji Hussein Ahmed  Abdi Kaafi  Abdel aziz Abdallla  Ali farah Osman ( North)  Sharif Moallin Mohamed   Abdirizak Haji Salah  Bile Jarane Bootaan   Hussein Mohamoud Hersi	Dahabshiil Office  Dahabshiil Office Mustaqbal Office  Amana Office  Kaah  Amal Express  Amal Express Olombic   Hodan Global Office  Qaran Express Office	Provided all information related money transmission including: - Local remittances and remittances from abroad - Peak period of remittance transmission and the transmission of commission - Amount of remittances, clients, size of the remittance, their market share - No. of employees in Galkayo
Local Government Authority	Mudug Regional Governor, Abdirahman Ali Salaad Vice-governor, Bashir Mohamed Nur	Governor's house Tel:795666	- Briefing on security and major food security problems in the region and Galkayo town - Who to contact for the urban information
Chairmen of the Quarters	Galkayo Mayor, Abdirahman Mohamoud Haji Vice-mayor, Ali Mohamed Hassa  Hussein Ahmed Nur (Garsoor) Ahmed Elmi Gaafow (Israac) Muse Aden (Horumar) Ali Ganey (Wadajir )	Mayor's office Tel:796520  Mayor's office	- Described the socio-economic situation of the town - Situation of IDPs  Described socio-economic differences in the town and between sections; discussed planning of the assessment
Milk Trade -fresh	Faduma Abdullai Shugri Abdi Jama	Milk market	Described milk trade activities, seasonality and involvement of women
Milk Trade -powder	Saida Nur Jammad Mohamed Nuuro Shire	Their shops	Information about increased consumption of milk powder for all wealth groups
Fuelwood	Maano Abdullahi Ibrahim	Fuelwood market	Information about fuelwood supply and use
Charcoal	Sallado Mohamed Irdho	Charcoal market	Information about the impact of increased charcoal production on the environment and its use by different wealth groups
Tawakal Powerline Diini Electricity Company	Sadiiq Shugri Guled  Diini	Their offices	Information about electricity supply, water purification and ice making
Quarter Coordinator	Ali Kacaan	His home	Coordination of all assessment for urban households and IDPs

## 11.2.2 Galkayo Key Informants Continued

Somali Development and Rehabilitation Organization (SARDO)	Ali Dahir Mohamoud Hersi - Field Coordinator and Member of the board committee Abdullahi Hassan Dayah- Food Monitor Abdi shaku Mohamoud Elmi- Supervisor	SARDO office	Provide break down of the Galkayo town population in different livelihood, geographical location, and dominant areas(southern Galkayo)
United Somali professional organisation(UNISOPO)	Dahar Abdi Mohamoud - Logistics Nur Hashi Omar- Food Monitor Osman Aden Shekh Doon - Chairman	Seylan Hotel	Provided good information about the livelihood assets (5 capitals), population estimates
Kat Trade Sector	Shine Abdi Uke Halima Farah Mire	Galkayo Kat market	- Quantity of kat consumed in Galkayo; - Mechanism for distribution & retail; - Income levels by various wealth groups
Hotels and Restaurants	Ali Tahliil (south)	Southern Galkayo	- Estimation of the hotels & restaurants in Galkayo; - Operation practices of restaurants - Number of sheep/goats slaughtered per day; - Number workers and their wage levels; - Profit levels and possible business risks.
Fruit/ Vegetable Trade Sector	Shugri Abdi Ali Hamdi Abdirahman Muse Shukri Cali Bashir (south-tel. 795953) Asli Mohamed Dhone (south-tel. 795616) Shukri Cabdi Cali (north-tel.616280) Khadra Mohamed Yusuf (north-tel. 751992)	Galkayo fruit and vegetable market	- Fruits and vegetable market activity; - Average income of retailers and petty retailers in their market
Trucks Association	Farah Mohamed Hersi Ahmed Yusuf Barre	Galkayo town	- % of big trucks in Galkayo owned by Galkayo dwellers; - Increase in transport rates since 2006; - Employment opportunities; - No. of people employed; - Income levels of workers
Public Private Partnership Water Agency(PPP)	Mareeye Fuad	PPP office	- Quantity of water pumped per day; - No. of houses connected to tap water; - Average quantity households consume monthly; - No. of public kiosks; their distribution and estimate of urban population as the view it
Daryeel Water Agency	Halima Haj Abdullahi	Daryeel office	
WFP	Essa Omar Musa - WFP VAM Program	Telephone - 798508	Population estimates
UNICEF	AbdulRazak Abdullahi Haga- Health and Nutrition	Telephone - 796520	Population estimates
OCHA	Mohamed Abulkadir Ahmed	Telephone - 795777	Population estimates
UNHCR	Nur Kassim	Telephone - 795922	Population estimates
WHO	Hersi Husein Nur – PEO Mudug	Telephone - 729244	Population estimates
UN-HABITAT	Via AH Duale	Telephone - 794335	Population estimates
Galkayo Municipality	Eng Husein Abukar Muse Yusuf Husein – Municipal Secretary	Telephone – 752404, 795205	Population estimates
SRCS Galkayo	Ahmed Jama - Branch Secretary	Telephone - 756038	Population estimates



## 11.3 Expenditure Patterns For All Wealth Groups

### 11.3.1 Expenditure per Year– Active Very Poor (family size-6)

Item	Quantity per year	% of kcals	Cost per year (SoSh)
<b>FOOD</b>			
Sorghum	0.9 kg per day for 20days per month = 216 kg per year. + 150kg relief (grain)+ 40kg gifts	31%	3,888,000
Wheat flour	0.5 kg per day for 24 days per month =144 kg per year	11%	2,880,000
Rice	0.75 kg per day for 17 days per month =153 kg per year	12 %	3,978,000
Cowpeas	0.37 kg per day for 18 days per month= 80 kg per year	6 %	2,158,000
Sugar	0.5 kg per day for 365 days =183 kgs per year	16 %	4,563,000
Meat	0.2 kg per day for 156 days =31.2kg per year	1 %	1,248,000
Oil	0.125 kg per day =45.6 per year+10kg food relief	11 %	1,825,000
Milk(powder)	0.04 kg per day = 14.6 kgs per year	1%	2,424,000
Vegetables & fruit	0.125 kg per day for 365 days = 45.6 kg per year	0%	684,000
<b>Food Total:</b>		<b>89 %</b>	<b>23,648,000 (73.8%)</b>
<b>NON-FOOD</b>			
Tea:	9 kg per year (65,000 per kg)		585,000
Salt:	9 kg per year (5,000 per kg)		45,000
Soap bathing	20 pieces per year (8,000 each)		160,000
Soap laundry bar			
Soap Omo	87 pieces per year (4,000 each)		348,000
Kerosene	12 litres per year (25,000 each)		300,000
Grinding			
Water for humans	7,200 litres per year(100 per litre)		720,000
Firewood	365 bundles/year(5,000 each)		1,825,000
Utensils			
Rent			1,200,000
School - Koranic	1,020,000 per year		1,020,000
Medicine	334,000 per year		334,000
Clothing	1,095,000 per year		1,095,000
Tax (clan and government)			
Kat/tobacco/cigarettes	750,000 per year		750,000
<b>Non-food total:</b>			<b>8,382,000 (26.2 %)</b>
<b>GRAND TOTAL</b>			<b>32,030,000 (100 % )</b>

#### INCOME- ACTIVE VERY POOR

Man: 14,040,000 SoSh

Woman: 16,200,000 SoSh

Gifts/Social Support: average 2,000,000 SoSh

Total:32,240,000 SoSh

### 11.3.2 Expenditure per Year– Poor (family size-6)

Item	Quantity per year	% of kcals	Cost per year(SoSh)
<b>FOOD</b>			
Sorghum	0.9 kg per day for 20 days a month = 216 kg per year. +12 kg food gifts	17%	3,888,000
Wheat flour	0.6 kg per day for 30 days per month = 216 kg per year	16%	4,320,000
Rice	0.8 kg for 21 days per month = 202 kg per year.	16 %	5,242,000
Cowpeas	0.25 kg per day for 30 days a month = 90 kg per year.	7 %	2,430,000
Sugar	0.5 kg per day for 365 days = 183 kg per year.	16 %	4,563,000
Meat	0.2 kg for 182.5 days = 37 kg per year	2 %	2,738,000
Oil	0.2 kg per day for 365 = 73 kg per year	14 %	2,920,000
Milk(powder)	0.08 kg per day for 365 days = 29.2 kg per year	2%	4,847,000
Vegetables & fruit	0.25kg for 365 days = 91.3 kg a year	1%	1,369,000
<b>Food total:</b>		<b>91 %</b>	<b>32,317,000 (71.9 %)</b>
<b>NON-FOOD</b>			
Tea:	9 kg per year (65,000 per kg)		585,000
Salt:	9 kg per year (5,000 per kg)		45,000
Soap bathing	40 pieces per year (10,000 each)		400,000
Soap laundry bar	-		-
Soap Omo	100 units per year (4,000 each)		400,000
Kerosene	30 litres per year (25,000 each)		750,000
Grinding	-		-
Water for humans	14,400 litres/ year(100 per litre)		1,440,000
Firewood	365 bundles/year(5,000 each)		1,825,000
Utensils	-		-
Rent	3,600,000 per year		3,600,000
School – Koranic	1,360,000 per year		600,000
Medicine	600,000 per year		334,000
Clothing	1,180,000 per year		1,180,000
Kat/tobacco/cigarettes	1,500,000 per year		1,500,000
Tax (clan and government)	-		-
<b>Non-food total:</b>			<b>12,659,000 (28.1 %)</b>
<b>GRAND TOTAL</b>			<b>44,976,000 (100 %)</b>

#### INCOME- ACTIVE POOR

Man: 28,800,000 SoSh

Woman: 18,000,000 SoSh

Gifts/Social Support: average 1,000,000 SoSh

Total:47,800,000 SoSh

### 11.3.3 Expenditure per Year – Lower Middle (family size-8)

Item	Quantity per year	% of kcals	Cost per year (SoSh)
<b>FOOD</b>			
Sorghum	0.75 kg per day for 22 days per month = 198kg per year	11%	4,356,000
Wheat flour	0.9 kg per day for 30 days a month = 324 kg per year	18 %	6,480,000
Pasta	1kg per day for 4 days a month = 48 kg a year.	3 %	1,536,000
Rice	1 kg per day for 30 days a month = 360 kg per year	21 %	9,360,000
Cowpeas	0.5 kg per day for 20 days a month = 120 kg per year.	7 %	3,240,000
Sugar	1 kg per day for 365 days = 365 kg per year.	24 %	9,125,000
Meat	0.25 kg per day for 365 days = 91.3 kg per year	3 %	10,950,000
Oil	0.25 kg per day for 365 days = 91.3 kg per year.	13 %	3,650,000
Milk(powder)	2.5 kg, 12 times = 300 kg per year	2%	4,980,000
Vegetables & fruit	9kg, 12 times = 108 kg per year	1 %	2,700,000
<b>Sub-total food:</b>		<b>103 %</b>	<b>56,377,000 (60.5 %)</b>
<b>NON-FOOD</b>			
Tea:	12 kg ( 65,000 per kg)		780,000
Salt:	12 kg (5,000 per kg)		60,000
Soap bathing	40 units (14,000 each)		560,000
Soap laundry bar			
Soap Omo	282 units ( 4,000 each)		1,128,000
Kerosene	30 liters ( 25,000 per litre)		750,000
Grinding			
Water for human	6 cubic m for 12 months (32,000 per litre)		2,304,000
Firewood (charcoal)	24 units (215,000 each)		5,160,000
Utensils	400,000 per year		400,000
Phones	2,395,000 per year		2,395,000
Electricity	3,000,000 per year		3,000,000
Rent	3,600,000 per year		3,600,000
School – Formal	4,290,000 per year		4,290,000
School – Koranic	2,500,000 per year		2,500,000
Medicine	1,388,000 per year		1,388,000
Clothing	3,630,000 per year		3,630,000
Kat/Tobacco/ cigarettes	3,000,000 per year		3,000,000
Tax – Clan+government	-		
Gift	1,900,000 per year		1,900,000
Transport	-		-
Other	-		-
<b>Non-food total:</b>			<b>36,845,000 (39.5 %)</b>
<b>GRAND TOTAL</b>			<b>93,222,000(100 %)</b>
<b>INCOME- LOWER MIDDLE</b>			
Man: 30,000,000 SoSh			
Woman: 46,800,000 SoSh			
Both: 19,200 SoSh			
Total: 96,000,000 SoSh			

### 11.3.4 Expenditure per Year – Upper Middle (family size-8)

Item	Quantity per year	% of kcals	Cost per year (SoSh)
<b>FOOD</b>			
Sorghum	0.4 Kg per day for 15 days a month = 72 Kg a year	4%	1,584,000
Wheat flour	0.9 kg per day for 30 days a month = 324 kg per year	18 %	6,480,000
Pasta	1.2 kg, 9 times a year = 130 kg per year	7 %	4,147,000
Rice	1.25 kg for 23 days a month = 345 kg	20 %	8,970,000
Cowpeas	0.5 kg for 24 days a month = 144 kg	8 %	3,888,000
Sugar	1 kg for 365 days = 365 kg	24 %	9,125,000
Meat	0.5 kg per day for 365 days = 120 kg	7 %	21,900,000
Oil	0.25 kg per day for 365 days = 91.3 kg per year.	16%	3,650,000
Milk	0.5 liters per day for 365 days = 183 liters a year)	2 %	7,300,000
Milk powder	0.123 per day for 365 days = 49 kg	3 %	7,453,000
Vegetables & fruit	0.7 kg per day for 365 days = 256 kg	1 %	7,665,000
<b>Food total:</b>		<b>110%</b>	<b>82,162,000 (50.6 %)</b>
<b>NON-FOOD</b>			
Tea:	12 kg (65,000 per kg)		780,000
Salt:	12 kg (5,000 per kg)		60,000
Soap bathing	71 pieces (14,000 each)		994,000
Soap laundry bar	78 pieces (13,000 each)		1,014,000
Soap Omo	314 units (4,000 each)		1,256,000
Kerosene	-		-
Grinding	-		-
Water for human	15 cubic m per month = 180		5,760,000
Firewood & Charcoal	24 bags @ 300		7,200,000
Utensils	1,275,000 per year		1,275,000
Phones	5,000,000 per year		5,000,000
Electricity	6,972,000 per year		6,972,000
Cosmetics	1,500,000 per year		1,500,000
School – Formal	7,348,000 per year		7,348,000
School - koranic	4,080,000 per year		4,080,000
Medicine	3,940,000 per year		3,940,000
Clothing	5,042,000 per year		5,042,000
Kat/tobacco/cigarettes	8,000,000 per year		8,000,000
Tax – Clan+government	6,000,000 per year		6,000,000
Gift	13,860,000 per year		13,860,000
Transport	-		
Other			
<b>Non-food total:</b>			<b>80,081,000 (49.4 %)</b>
<b>GRAND TOTAL</b>			<b>162,243,000 (100 %)</b>
<b>INCOME- UPPER MIDDLE</b>			
Man: 0 SoSh			
Woman: 0 SoSh/mo			
Both: 174,000,000 SoSh			
Total: 174,000,000 SoSh			

### 11.3.5 Expenditure per Year – Better-off (family size-10)

Item	Quantity per year	% of kcals	Cost per year (SoSh)
<b>FOOD</b>			
Sorghum	0.5 kg per day for 15 days per month = 90 kg per year.	4 %	1,980,000
Wheat flour	1.1 kg per day for 30 days per month = 396 kg	18 %	7,920,000
Pasta	1.5 kg per day for 13 days per month =234 kg	10 %	7,488,000
Rice	1.5 kg per day for 20 days per month = 360 kg	17 %	9,360,000
Cowpeas	0.5 kg per day for 24 days per month = 144 kg	7 %	3,888,000
Sugar	1.25 kg per day for 365 days = 456.3 kg per year.	24 %	11,406,000
Meat	1kg per day for 365 days = 365kg	11 %	49,275,000
Oil	0.35liters per day for 365 days = 128liters	19 %	5,110,000
Milk	1 liter per day for 365 days = 365 liters	3 %	14,600,000
Milk(powder)	0.17 kg per day for 365 days =62.1kg	3%	10,300,000
Vegetables & fruit	1 kg per day for 365 days = 365 kg	1%	12,410,000
<b>Food total:</b>		<b>117 %</b>	<b>133,737,000 (47 %)</b>
<b>NON-FOOD</b>			
Tea:	12 kg per year (65,000 per kg)		780,000
Salt:	18 kg per year (5,000 per kg)		90,000
Soap bathing	75 pieces per year (14,000 each)		1,050,000
Soap laundry bar	97 pieces per year (13,000 each)		1,261,000
Soap Omo	600 units per year (4,000 each)		2,400,000
Kerosene	-	-	-
Grinding	-	-	-
Water for human	180 cubic meters per year (32,000 each)		5,760,000
Charcoal	48 bags per year (300,000 each)		14,400,000
Utensils	2,800,000 per year		2,800,000
Phones	11,200,000 per year		11,200,000
Electricity	7,500,000 per year		7,500,000
Batteries	-	-	-
Cosmetics	1,750,000 per year		1,750,000
Domestic worker	10,320,000 per year		10,320,000
School – Formal	20,000,000 per year		20,000,000
School - koranic	4,760,000 per year		4,760,000
Medicine	6,500,000 per year		6,500,000
Clothing	9,600,000 per year		9,600,000
Kat/Tobacco	-	-	-
Tax – Clan+government	12,000,000 per year		12,000,000
Gift	38,400,000 per year		38,400,000
Transport	45,000 per year		45,000
<b>Non-food total:</b>			<b>150,736,000 (53%)</b>
<b>GRAND TOTAL</b>			<b>284,473,000 (100%)</b>

#### INCOME- BETTER-OFF

Man: 0 SoSh

Woman: 0 SoSh

Both: 355,200,000

Gifts/Social Support: 0 SoSh

Total: 355,200,000 SoSh

### 11.3.6 Expenditure per Year – Poor IDPs (family size-6)

Item	Quantity per year	% of kcals	Cost per year (SoSh)
<b>FOOD</b>			
Sorghum	1 kg per day for 15days per month = 180 kg per year.+200kg cereal relief	29%	2,520,000
Wheat flour	0.5 kg per day for 14 days per month =84 kg per year	6%	1,680,000
Rice	0.75 kg per day for 11 days per month =99 kg per year	8 %	2,574,000
Cowpeas	0.5 kg per day for 15 days per month = 90 kg per year+ 80kg relief	13 %	2,160,000
Sugar	0.25 kg per day for 365 days	8 %	2,281,000
Meat	0.25 kg per for 104 days =26 kg	1 %	780,000
Oil	0.125 kg for 260 days = 32.5 kg+ 12 kg relief	8 %	1,300,000
Milk(powder)	0.03 kg for 365 days = 11 kg per year	1%	1,818,000
Vegetables & fruit	0.25 kg per day for 365 days = 91.3 kg per year	1%	913,000
Maize	1 kg per day for 104 days = 104 kg	8%	1,560,000
CSB	12.5Kg eight time a year	8%	
<b>Food Total:</b>		<b>91 %</b>	<b>17,586,000 (84.4%)</b>
<b>NON-FOOD</b>			
Tea:	365 xrimo per year (1,000 each)		365,000
Salt:	12 kg per year (5,000 per kg)		60,000
Soap bathing	-	-	-
Soap laundry bar	-	-	-
Soap Omo	78 pieces per year (4,000 each)		312,000
Battery	12 pieces per year (7,000 each)		84,000
Grinding			
Water for humans	360 cans per year(2,000 each)		720,000
Firewood	365 bundles per year (5,000 each)		1,825,000
Utensils	-	-	-
Rent	-	-	-
School - Koranic	365,000 per year		365,000
Medicine	-	-	-
Clothing	750,000 per year		750,000
Tax (clan and government)	-	-	-
Khat/tobacco/cigarettes	600,000 per year		600,000
Gifts	-	-	-
<b>Non-food total:</b>			<b>3,256,000 (15.6 %)</b>
<b>GRAND TOTAL</b>			<b>20,842,000 (100 % )</b>

<b>INCOME- POOR IDPs*</b>
Household: 21,840,000 SoSh
Gifts/social support/zakaa:1,000,000SoSh
Total: 22,840,000 SoSh

### 11.3.7 - Expenditure per Year – Middle IDPs (family size-6)

Item	Quantity per year	% of kcals	Cost per year(SoSh)
<b>FOOD</b>			
Sorghum	1kg per day for 18 days a month = 216 kg per year.+100kg cereal relief	25%	3,888,000
Wheat flour	0.5 kg per day for 15 days per month = 90 kg per year	7%	1,800,000
Rice	0.75 kg for 18 days per month = 162 kg per year.	12 %	4,212,000
Cowpeas	0.5 kg per day for 18 days a month = 108 kg per year.+ 40 kg relief	11 %	2,592,000
Sugar	0.35 kg per day for 365 days = 128 kg per year.	11 %	3,194,000
Meat	0.25 kg for 104 days = 26 kg per year	1 %	1,040,000
Oil	0.125 kg per day for 312 days = 39kg per year+ 6 kg relief	9 %	1,560,000
Milk(powder)	0.03 kg per day for 365 days = 11 kg per year	1%	1,818,000
Vegetables & fruit	0.375kg for 365 days = 137 kg	1%	1,369,000
Maize	1 kg per day for 156 days = 156 kg	12%	2,340,000
CSB	12.5kgs 4 times ayear	4%	
<b>Food total:</b>		<b>94%</b>	<b>23,813,000 (77.6 %)</b>
<b>NON-FOOD</b>			
Tea:	365 xrimo per year (1,000 each)		365,000
Salt:	12 kgs per year (5,000 per kg)		60,000
Soap bathing	-	-	-
Soap laundry bar	-	-	-
Soap Omo	104 pieces per year (4,000 each)		416,000
Battery	12 pieces per year (14,000 each)		168,000
Grinding	-	-	-
Water for humans	540 cans per year (2,000 each)		1,080,000
Firewood	365 bundles per year (5,000 each)		1,825,000
Utensils	-	-	-
Rent	-	-	-
School – Koranic	850,000 per year		850,000
Medicine	-	-	-
Clothing	1,500,000 per year		1,500,000
Khat/tobacco/cigarettes	600,000 per year		600,000
Tax (clan and government)	-	-	-
<b>Non-food total:</b>			<b>6,864,000 (22.4 %)</b>
<b>GRAND TOTAL</b>			<b>30,677,000 (100 %)</b>

<b>INCOME- MIDDLE IDPs*</b>
Household: 30,360,000 SoSh
Gifts/social support/zakaa:600,000 SoSh
Total: 30,960,000 SoSh

### 11.3.8 Expenditure per Year– Better-off IDPs (family size-7)

Item	Quantity per year	% of kcals	Cost per year (SoSh)
<b>FOOD</b>			
Sorghum	1 kg per day for 25 days per month = 300 kg per year.+100kg cereal relief	25%	5,400,000
Wheat flour	0.5 kg per day for 30.4 days a month = 182 kg per year	12 %	3,648,000
Rice	1 kg per day for 17.2 days a month = 206 kg per year	14 %	5,366,000
Cowpeas	1 kg per day for 6 days a month = 72 kg per year.+40 kg relief	8%	1,944,000
Sugar	0.45 kg per day for 365 days = 164.3 kg per year.	12 %	4,106,000
Meat	0.25 kg per day for 260 days = 65 kg	3 %	3,900,000
Oil	0.125 kg per day for 365 days = 45.6 kg per year.+ 6 kg relief	9 %	1,825,000
Milk(powder)	0.06 kg per day for 365 days = 22 kg	1%	3,635,000
Vegetables & fruit	0.5kg for 365 days = 182.5kg	1 %	1,825,000
Maize	1 kg per day for 208 days = 208 kg	14%	3,120,000
CSB	12.5kgs 4 times a year	3%	
<b>Food total:</b>		<b>102 %</b>	<b>34,769,000 (73 %)</b>
<b>NON-FOOD</b>			
Tea:	730 xirimo per year (1,000 each)		730,000
Salt:	12kg per year (5,000 per kg)		60,000
Soap bathing	-	-	-
Soap laundry bar	-	-	-
Soap Omo	208 pieces per year (4,000 each)		832,000
Battery	12 pieces per year (42,000 each)		504,000
Grinding	-	-	-
Water for human	1,080 J cans per year (2,000 each)		2,160,000
Firewood (charcoal)	365 bundles per year (5,000 each)		1,825,000
Utensils	300,000 per year		300,000
Phones	-	-	-
Electricity	-	-	-
Rent	-	-	-
School – Formal	-	-	-
School – Koranic	1,360,000 per year		1,360,000
Medicine	600,000 per year		600,000
Clothing	2,000,000 per year		2,000,000
Khat/Tobacco/ cigarettes	1,500,000 per year		1,500,000
Tax – Clan+government	-	-	-
Gift	-	-	-
Transport	-	-	-
Other /expenditure	1,000,000 per year		1,000,000
<b>Non-food total:</b>			<b>12,871,000 (27 %)</b>
<b>GRAND TOTAL</b>			<b>47,640,000(100 %)</b>

<b>INCOME- BETTER-OFF IDPs*</b>			
<b>Household: 48,600,000 SoSh</b>			
<b>Gifts/social support/zakaa; 0 SoSh</b>			
<b>Total: 48,600,000 SoSh</b>			

\*Income figures based on the totals from the data table.

## 11.4 Sectoral Inventory – Food and Non-food Trade and Services Sector

	Number of businesses	Better off	Upper middle	Lower middle	Poor	Very poor	Total people
Restaurants (A)	15	0	0	45	70	70	185
Restaurants (B)	35	0	0	60	160	160	380
Restaurants (C)	50	20	0	40	100	160	320
Soft Drink / Sweets / Stereo	175	0	25	0	150	675	850
Local grains retail	300	0	0	0	200	100	300
Grinding mills	11	0	0	10	11	14	35
Small industries	16	3	0	44	54	130	231
Bakeries (traditional)	35	0	6	30	66	78	180
Cereal dehusking / Petty trade	40					40	40
Tea stalls	300	0	0	50	350	200	600
Prepared meal sellers	100					100	100
Wholesalers (Building materials/Elec./water)	27	75	2	35	34	104	250
Wholesalers (Food +++)	290	320	140	0	250	270	980
Wholesalers (Utensils)	46	35	41	11	96	0	183
Cigarette sellers	3		3		3		6
Pharmacy	136	75	36	80	125	13	329
Spare parts store (A)	10	20	12	24	0	12	68
Spare parts store (B)	38	8	30	0	38	0	76
Supermarkets A	4	8	12	0	4	4	28
Supermarkets B	65	15	65	7	50	15	152
Cosmetics/wholesales	2	2	0	0	0	0	2
Tailors A	20	0	0	0	30	50	80
Tailors B	225	0	0	0	0	225	225
Clothes A	60	80	40	20	80	60	280
Clothes B	80	0	120	40	80	40	280
Clothes C	900	0	0	500	650	300	1450
Used clothes (wholesalers)	10	0	0	10	10	0	20
Used clothes retailers	260	0	0	0	260	0	260
Goldsmith	50	50	0	0	0	0	50
Non-food wholesalers ( <i>bagaash</i> )	40	40	0	0	40	0	80
Non-food petty traders	1500	0	0	0	500	500	1000
Clinic/Pharmacy/Mater./Opt. X-ray	2	11	11	20	12	13	67
Hotels (A)	15	0	15	30	80	120	245
Hotels (B)	27	0	27	0	27	81	135
Hotels (C)	15	0		15	15	15	45
Money exchangers	200	0	60	105	50	0	215
Welding workshop/garage	110	0	105	180	140	90	515
Lathe machine (torno)	2	2	0	8	4	8	22
Barber	40	0	0	30	50	70	150
Laundry	50	0	0	10	40	50	100
Technicians (radio/mobiles/Tvs)	34	3	4	30	14	0	51
Watches / Tape recorders	100				100		100
Car wash	132	0	0	2	134	2	138
Photo	10	0	10	10	10	10	40
Beauty salon / Cosmetics shops	5	3	4	3	6	3	19
Electric/electronic Supply Company	45	67	22	22	45	45	201
Cinema/Video Centre	12	0	0	12	27	0	39
Wheelbarrows	1500	0	0	0	700	800	1500
Shoemakers	430	0	0	0	150	280	430
Back porters	1200	0	0	0	400	800	1200
Watchmen	40	0	0	0	40		40
Tyre puncture repair	25	0	0	23	20	21	64
Telecommunication	4	9	18	85	306	11	429
<b>SUB-TOTAL</b>	<b>8,841</b>	<b>846</b>	<b>808</b>	<b>1,591</b>	<b>5,781</b>	<b>5,739</b>	<b>14765</b>
<b>MAIN SECTORS</b>							
Vegetable and fruit		0	130	30	1100	500	<b>1,760</b>
Meat		5	66	164	113	435	<b>783</b>
Milk		0	0	5	55	100	<b>160</b>
Livestock		105	60	365	30	255	<b>815</b>



	Number of businesses	Better off	Upper middle	Lower middle	Poor	Very poor	Total people
Water		7	71	186	455	0	719
Qat		50	475	150		290	965
Energy		62	32	204	110	536	944
Construction		250	358	2,128	6,334	0	9,070
Transport		465	292	954	218	220	2,149
Salaried		24	177	206	150	401	958
Remittances		8	23	24	22	5	82
<b>SUB-TOTAL</b>		976	1,684	4,416	8587	2,742	18,405
<b>RECEIVING MONTHLY REMITTANCES</b>							
Remittances							
<b>SUB-TOTAL</b>		0	5,325	21,500	0	0	26,825
<b>GRAND TOTAL</b>		1,822	7,817	27,507	14,368	8,481	59,995

## 11.5 Summary of cereal consumption per capita for all Galkayo urban livelihoods

Cereal consumed yearly by wealth groups (kg per year)	Very poor HH (size: 6)	Poor HH (size: 6)	Lower middle HH (size: 8)	Upper middle HH (size: 8)	Better off HH (size: 10)
Sorghum	216	216	198	72	90
Wheat flour	144	216	324	324	396
Rice	153	202	360	345	360
Pasta	0	0	48	130	234
Relief/gifts – cereal only	190	12	0	0	0
<b>Total</b>	<b>703</b>	<b>646</b>	<b>930</b>	<b>871</b>	<b>1080</b>
Cereal consumed per capita yearly (no conversion)	117	108	116	109	108
Cereal energy contribution per capita yearly in %	54	50	53	49	49
Total food energy as percentage of minimum food requirements (2100 kcal)	89	91	103	110	117

## Galkayo IDPs cereal consumption per capita

Cereal consumed yearly by wealth groups	poor HH (size: 6)	Middle HH (size: 6)	Better off HH (size: 7)
Sorghum	180	216	300
Maize	104	156	208
Wheat flour	84	90	182
Rice	99	162	206
Corn-soy blend (69.5% cornmeal included only)	70	35	35
Relief/gifts - cereal only	200	100	100
<b>Total</b>	<b>737</b>	<b>759</b>	<b>1,031</b>
Cereal consumed per capita yearly (no conversion)	123	127	147
Cereal energy contribution per capita yearly in %	57	48	62
Total food energy as percentage of minimum food requirements (2100 kcal)	91	94	102

## 11.6 List of Participants for Galkayo Urban Baseline Livelihood Assessment

Fieldwork Participants			
Name	Title	Organization	Contact
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# 11.7 Interview Form: URBAN COMMUNITY LEADERS / WEALTH BREAKDOWN<sup>1</sup>

Xafada / Quarter	Number of interviewees
Laanta / Section	Male Female
Type of group (circle): community leaders / key informants	Date
Interviewer name	Quality of interview

TIMELINE							
Year/ name	Season	Rank (see note below)	Event(s) EVENT	Effects		Responses (What did people do? Was there any outside intervention?)	
				Men	Women	Men	Women
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)	Paid for by: 1. Men 2. Women 3. Both
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?	
	Men	Women	Men	Women
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?

Population in general:

Typical to men:

Typical to women:

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

Male headed households:

Female headed households:

HOUSEHOLD LINKAGES WITH OTHER AREAS OUTSIDE THE TOWN	
Location	Links (trade, livestock, agriculture, casual work, gifts, remittances)
Rural:	Male headed households: Female headed households:
Urban:	Male headed households: Female headed households:
Abroad:	Male headed households: Female headed households:

<sup>1</sup> Note: This interview is long and can be split into separate sections to be discussed with separate groups.

### 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?

Does the community have collective savings systems (hagbad / shalongo / ayuuto)?

- Participants male only .....; female only .....; mixed .....
- Average amount contributed .....
- Average total amount disbursed per round .....
- Used for in general .....
- What happens to these savings systems in bad years.....

### WEALTH BREAKDOWN

CHARACTERISTICS	Group 1			Group 2			Group 3			Group 4		
Wealth group "name" or local term												
Income level (range) (estimated by key informants)	HH	Men	Women	HH	Men	Women	HH	Men	Women	HH	Men	Women
Number of people earning an income per HH												
Main sources of cash income, ranked	HH	Men	Women	HH	Men	Women	HH	Men	Women	HH	Men	Women
1	1	1	1	1	1	1	1	1	1	1	1	1
2	2	2	2	2	2	2	2	2	2	2	2	2
3	3	3	3	3	3	3	3	3	3	3	3	3
Checklist of income sources:	- 1) Casual labour - 2) Paid domestic work - 3) Salaried employment - 4) Handicrafts			- 5) Remittance (e.g. from salaried household member) - 6) Firewood collection - 7) Collection and sale of grass, etc.			- 8) Transport (e.g. taxi, pick-up) - 9) Petty trade (purchase and resale of goods on a small scale) - 10) Gifts from family, friends or neighbours					
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)			d) Female headed household without husband		
Family structure: number of wives per man												
Household size - minus those living away + those from other households												
% of households in neighbourhood												
Percent and types of household heads	Female: _____%			Female: _____%			Female: _____%			Female: _____%		
a. Male headed	Male: _____%			Male: _____%			Male: _____%			Male: _____%		
b. Female headed	Total: 100%			Total: 100%			Total: 100%			Total: 100%		

**SEASONAL CALENDAR – using the following checklist as a guide, complete three calendars for the reference year: GENERAL, MEN and WOMEN**

Urban Livelihoods Checklist			
<b>Employment</b> <ul style="list-style-type: none"> <li>- Casual labour – construction, loading, agricultural</li> <li>- Formal employment</li> <li>- Wage rates</li> </ul>	<b>Rainfall</b>  <b>Livestock</b> – milk production, sales  <b>Crops</b> – planting, weeding, harvesting  <b>Fishing</b> – peak catches  <b>Remittances</b>	<b>Food Purchase</b> <ul style="list-style-type: none"> <li>- Food prices – imported items, local items</li> <li>- Non-food items – imported items, local items</li> </ul> <b>Hunger period</b>  <b>Festivals</b>	<b>Health</b> <ul style="list-style-type: none"> <li>- Malaria</li> <li>- Diarrhoea</li> <li>- ARI</li> </ul> <b>Water availability</b>
<b>Self-employment</b> <ul style="list-style-type: none"> <li>- Petty trade / trade</li> <li>- Collection of bush products (firewood) and other options, by type</li> </ul>			
Indicate variations in access with arrows: to indicate peak access and to indicate minimal access			

[illegible]

## appendices

[illegible]

## WOMEN

[illegible]



<p><b><u>AVERAGE YEAR</u></b></p> <p>Which tasks are performed only by men?</p> <p>Which tasks are performed only by women?</p> <p>Which tasks are performed by both?</p> <p><b><u>BAD YEAR</u></b> (situations of stress)</p> <p>Which tasks are performed only by men?</p> <p>Which tasks are performed only by women?</p> <p>Which tasks are performed by both?</p>
--

**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: \_\_\_\_\_

**LAST STEP:** Selection of participants for interview from the different wealth groups. Ask the community leaders to organise 4-6 people from each wealth group. At least half of the participants or groups should be women. Explain that you will be interviewing each group separately. Arrange meeting times and a location for each group.

## 11.8 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?

<b>2. HOUSEHOLD SIZE AND COMPOSITION</b> Number of people in HH living/ eating at home daily (include extra dependents) and indicate by gender	Total:	Number of children at school (boys / girls) à	Formal total: Boys: Girls:	Koranic total: Boys: Girls:
	Male (16 and over):			
	Female (16 and over):			
	Male (under 16):			
	Female (under 16):			
Number of wives per 'household'		Number of people actually working	Male:	Female:
Number of cash income sources per household		Number of people capable of working	Male:	Female:

<b>3. ASSETS</b>					
<b>Buildings:</b>	type				
	number				
	purpose				
	who owns by gender?				
<b>Housing type</b>		<b>Surface area</b>		<b>Owned/ rented</b>	
<b>Vehicle/Transport:</b>	type	(include donkey cart, taxi, minibus, pickup, truck, etc)			
	number				
	purpose				
	who owns by gender?				
<b>Capital for business or petty trade (CASH RANGE)</b>	HH à		Men à		Women à
<b>LIVESTOCK ASSETS</b>	<b>Total Number</b>	<b>Owned by:</b>			
		<b>Men</b>	<b>Women</b>	<b>Children</b>	
<b>Camels:</b>	total no. owned				
	where?				
<b>Cattle:</b>	total no. owned				
	where?				
<b>Shoats:</b>	total no owned				
	where?				
<b>Donkeys:</b> (no. & purpose)					
<b>LAND ASSETS</b>	<b>Total ha</b>	<b>Used by</b>			
		<b>Men</b>	<b>Women</b>		
<b>Land</b>	quantity?				
	purpose?				
	where?				
<b>OTHER ASSETS</b>					

### 4. ACCESS TO SERVICES

<b>What use do households in this wealth group make of the following services? LIST THE MAIN SOURCE</b>	<b>What problems do households in this wealth group have in accessing these services (e.g. lack of supply, irregularity of supply, cost, distance, quality, etc.)</b>
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	

**5. 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	Which HH member	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
<b>FOOD</b>								
Sorghum	Male							
	Female							
Rice	Male							
	Female							
Pasta	Male							
	Female							
Wheat flour	Male							
	Female							
Bread	Male							
	Female							
Pulses	Male							
	Female							
Vegetable oil / ghee	Male							
	Female							
Sesame oil	Male							
	Female							
Main Expenditure Categories	Which HH member	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
Sugar	Male							
	Female							
Fish	Male							
	Female							
Tea	Male							xx
	Female							
Meat – goat	Male							
	Female							
Meat – camel	Male							
	Female							
Eggs	Male							
	Female							
Vegetables	Male							
	Female							
Milk – goat	Male							
	Female							
Milk – camel	Male							
	Female							
Milk – powdered	Male							
	Female							
Salt	Male							xx
	Female							
Spices	Male							xx
	Female							
Fruit	Male							
	Female							
Other:	Male							
	Female							
Other:	Male							
	Female							

Sub Total							Sub Total	
Household items for daily consumption								
Soap – bathing	Male							
	Female							
Soap – laundry	Male							
	Female							
Washing powder (Omo)	Male							
	Female							
Oil for hair/lamps	Male							
	Female							
<b>Main Expenditure Categories</b>	<b>Which HH member</b>	<b>Quantity purchased [a]</b>	<b>Frequency purchased [b]</b>	<b>Duration (no.mo. pa) [c]</b>	<b>Price per unit [d]</b>	<b>Total cost = [a]x[b]x [c] x[d]</b>	<b>Remarks</b>	
Kerosene	Male							
	Female							
Firewood/ Electricity	Male							
	Female							
Water	Male							
	Female							
Milling	Male							
	Female							
Utensils /pots	Male							
	Female							
Other:	Male							
	Female							
Sub Total								
Health and Education								
Medical costs	Male							
	Female							
Koranic school fees	Male							
	Female							
School fees	Male							
	Female							
Books / stationery	Male							
	Female							
Uniform	Male							
	Female							
Footwear	Male							
	Female							
Other	Male							
	Female							
Sub Total								
Transport								
For travel to school	Male							
	Female							
For work	Male							
	Female							
Other	Male							
	Female							
Sub Total								
Clothes								
Clothes/shoes for children	Male							
	Female							

Main Expenditure Categories	Which HH member	Quantity purchased [a]	Frequency purchased [b]	Duration (no.mo. pa) [c]	Price per unit [d]	Total cost = [a]x[b]x [c] x[d]	Remarks	
Clothes/shoes for women	Male							
	Female							
Clothes/shoes for men	Male							
	Female							
Sub Total								
Inputs								
Seeds, tools	Male							
	Female							
Fertilisers, pesticides	Male							
	Female							
Land rental	Male							
	Female							
Irrigation, pump fuel	Male							
	Female							
Livestock drugs	Male							
	Female							
Livestock feed	Male							
	Female							
Fishing boat repair	Male							
	Female							
Fishing net repair	Male							
	Female							
Other	Male							
	Female							
Sub Total								
Other								
Qat	Male							
	Female							
Tobacco/cigarettes	Male							
	Female							
Phone credit	Male							
	Female							
Household furniture	Male							
	Female							
Household tv, radio, etc	Male							
	Female							
House rent	Male							
	Female							



Main Expenditure Categories	Which HH member	Quantity purchased [a]	Frequency purchased [b]	Duration (no.mo. pa) [c]	Price per unit [d]	Total cost = [a]x[b]x [c] x[d]	Remarks	
Debt repayment	Male							
	Female							
Savings	Male							
	Female							
Asset purchase	Male							
	Female							
Cash gifts (including remittances to others)	Male							
	Female							
Other:	Male							
	Female							
Sub Total								
GRAND TOTAL								

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

#### 6. LIVESTOCK PRODUCTION (milk, butter, meat, eggs)

Consumption & sale of milk, milk products, & eggs	# of animals milked (A)	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 milk)	Price per unit sold	Cash income	Income went to men or women?	Other use (e.g. gifts)	Balance consumed (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)	Quantity sold or exchanged	When sold?	Price per unit sold	Cash income	Income to men or women?	Other use (e.g. gifts)	Balance consumed	% of kcal needs

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

#### QUESTIONS ON LIVESTOCK AND LIVESTOCK PRODUCT SALES

Who normally decides on sale of livestock and livestock products? Men, Women or both?

Does it vary by livestock type (camels, cattle, shoats) or product (meat, milk, ghee, eggs)?

Does it make a difference whether the animals belong to the woman or the man?

**7. FOOD AND CASH FROM CROP PRODUCTION:** Remember that you 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 / exchanged	Price sold per unit	Cash income	Income went to men or women?	Other use (e.g. gifts, labour)	Balance consumed (in kg)	% of HH food needs
Total crop food & income à										

**QUESTIONS ON FOOD AND CASH FROM CROP SALES:**

Who normally decides on sale of crops? Men, Women or both?

Does it vary by crop type (food or cash crop)?

Does it make a difference whether the crops were produced by the woman or the man?

**8. FOOD RELIEF / FOOD 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	Income to men or women?	Other use (e.g. gifts)	Balance consumed	% of food needs
Total à												

**QUESTIONS ON FOOD RELIEF AND GIFTS:**

Who normally decides on food relief and gifts? Men, Women or both?

Does it make a difference whether the relief / gifts were recieved by the woman or the man?

## 9. FISH and SEAFOOD (own production)

Description	Who in HH? Men? Women? Children?	Quantity (and unit of measure)	Frequency (per week or month)	Duration (weeks or months)	When (which months?)	Total catch	Quantity sold	Price per unit sold	Cash income	Income to men or women	Other use (e.g. gifts)	Balance consumed	% of HH food needs
Total à													

### QUESTIONS ON FISH and SEAFOOD:

Who normally decides on sale of fish and seafood? Men, Women or both?

Does it make a difference whether the fish / seafood were caught by the woman or the man?

## 10. CASUAL LABOUR / EMPLOYMENT

Activity / income source <sup>1</sup>	Unit of work (e.g. day, acre)	Number of people doing this activity	Who in HH? Men? Women? Both? Children?	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	Who decides on use of income? Men? Women? Both? Children?
Total à										

## 11. SELF-EMPLOYMENT / SMALL BUSINESS / TRADE

Activity / income source <sup>2</sup>	Unit of measure (e.g. bundle, sack, period of time)	Number of people doing this activity	Who in HH? Men? Women? Both? Children?	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	Who decides on use of income? Men? Women? Both? Children?
Total à									

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

Activity / income source	Unit of measure (e.g. period of time)	Number of people doing this activity	Who in HH? Men? Women? Both? Children?	Frequency (per week or month)	Duration (no. of weeks or months)	When (which months?)	Price per unit sold	Total cash income per year	Who decides on use of income? Men? Women? Both? Children?
Total à									

### 13. 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**

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

**15. BORROWING/LOANS IN REFERENCE YEAR:** Was borrowing or taking loans a strategy for bridging gaps between one week/month/season and the next? Describe the common systems of borrowing for this wealth group in the table below.

Source of loan (e.g. family, shopkeeper, NGO)	Who takes the loan? Men or women?	What kind of loan – in kind or in cash?	Cost equivalent SoSh	When was this type of loan taken in reference year?	Loan was taken for how long?	Loan was taken for what purpose?	Repayment is in one or several instalments	This strategy is common for what % of wealth group?

**16. 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	Used by men, women or both?	Reason why little used

**17. 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?

**18. 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.

**1** 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.

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

## 11.9 Glossary

**Absolute poverty:** the extent to which people's or households' financial resources fall below an established poverty line for a particular livelihood or area.

**Active very poor:** the poorest group of households within a livelihood that is still economically active (earning some form of income).

**Acute Watery Diarrhoea (AWD):** having three or more loose or watery stools per day. In Somalia, the term cholera has been used to define AWD in which cholera causing pathogens (*Vibrio cholerae*) have been confirmed through laboratory analysis.

**Agro-pastoral:** people who derive their living from both crop production and livestock rearing.

**Reference year:** a defined period (typically 12 months) to which baseline information refers, needed in order to analyse how changes in the future (i.e. in production) can be defined in relation to the baseline.

**Case fatality rate (CFR):** the ratio of the number of deaths caused by a specified disease to the number of diagnosed cases of that disease.

**Cash income:** the amount of money earned in exchange for labour or services, from the sale of goods, products or property or as profit from financial investments.

**Coping strategies:** the strategies employed by households to diversify and expand access to various sources of food and income, and thus to cope with a specified hazard.

**Expenditure:** how households spend their income. In HEA, there are four major categories of basic expenditure: staple, minimum non-staple, essential and other.

- **Staple:** the amount of money households spend on basic staple foods (those providing the bulk of food energy).
- **Minimum non-staple:** the amount of money households spend on basic food (other than staple) and non-food items. It is the amount of money that cannot, except under the direst circumstances, be switched to staple food purchases.
- **Essential:** the amount of money households must spend on items that are essential in terms of maintaining access to the basic services (schooling and health services, etc.), maintaining their livelihood both in the short and long-term (purchase of seed, fertilizer, and veterinary drugs, etc.) and maintaining a minimum acceptable standard of living (purchase of basic clothing, coffee/tea, etc.).
- **Other:** the amount of money households spend on non-essential/or discretionary items such as clothing, cigarettes, entertainment, etc.

**Financial capital:** one of the five capitals included in FSNAU's livelihood assets; it refers to the financial resources that people use to achieve their livelihood objectives and includes flows and stocks that can contribute to consumption and production. It is the cash or equivalent that enables people to adopt different livelihood strategies.

**Food security:** when all people, at the individual, household, national, regional and global level, at all times, have physical, social and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for a healthy and active life. Food security is founded on four fundamental elements: adequate food availability, adequate access to food, appropriate food utilization and sufficient stability.

- **Availability:** derived from domestic agricultural output and net food imports at the national level.
- **Access:** refers to a household's ability to obtain food and depends largely on household purchasing power.
- **Utilization:** refers to how a person eats and how well a person converts food to energy; it is determined by food safety and quality.
- **Stability:** refers to the security of a populations' or household's environment. Shocks or hazards such as civil insecurity can cause instability, thus diminishing access to food.

**Food sources:** how people or households access food (i.e. own production, purchase, gifts, aid).

**Global (or Total) acute malnutrition (GAM):** refers to the proportion of children in an assessed population, who are wasted and/or suffering from nutritional oedema. Based on the WHZ indicator, GAM is defined as the proportion of assessed children with WHZ < -2 or with nutritional oedema. GAM encompasses both moderate and severe wasting/nutritional oedema.

**Hazard or shock:** a discrete exogenous event or occurrence, which is typically macro-level, that broadly affects an entire nation or region (i.e. livestock ban, devaluation of currency, drought, etc.). It is exogenous in the sense that it is separate or external to the endogenous factors that constitute intrinsic vulnerability.

**Height for Age Z score:** the score derived when the height and age of an individual is calculated in comparison with a reference population/normal population with similar height and age to determine the extent to which the individual deviates from the reference/normal population, it measures stunting, also referred to as chronic malnutrition. A child with HFA < -2 Z score is considered stunted, while a HFA score of < -3 is severely stunted.



## 11.9 Glossary continued

**Historical timeline:** a chronology of an area's or livelihoods major events, typically spanning five to ten years. The historical timeline is obtained through interviews with key informants and is used to help profile and determine a baseline or reference year.

**Household:** a group of people, each with different abilities and needs, who live together most of the time and contribute to a common economy, and share food and other income from this.

**Household Economy Approach (HEA):** is a livelihoods-based framework for analysing the way people obtain access to the things they need to survive and prosper. Central to HEA is an analysis of how people in different circumstances access the food and cash they need, of their assets, the opportunities open to them and the constraints they face, and of the options open to them at times of crisis. HEA is an analytical framework, not a method of information collection. Information needed for HEA analysis is gathered largely through the use of rapid appraisal methods and semi-structured focus group interviews.

**Human capital:** one of the five capitals included in FSNAU's livelihood assets; it is the skills, knowledge, ability to labour and good health that together enable people to pursue different livelihood strategies. At the household level, human capital is a factor of the amount and quality of labour available, which varies according to household size, skill levels, leadership potential, health status, etc.

**Income sources:** how people or households access cash income (i.e. cereal or livestock production, employment, loans or gifts).

**Internally displaced persons (IDPs):** persons or groups of persons who have been forced or obliged to flee or to leave their homes or places of habitual residence, in particular as a result of or in order to avoid the effects of armed conflict, situations of generalized violence, violations of human rights or natural or human-made disasters, and who have not crossed an internationally recognized state border.

**Key informant:** an individual with a particular knowledge or expertise of the area or livelihood; this could be a community leader, market trader, etc.

**Livelihood:** how people live, where livelihoods comprise the capabilities, assets, activities and strategies required and pursued by households and individuals for a means of living. Conceptually, FSNAU divides livelihood analysis into two key components, livelihood assets and livelihood strategies. The analysis of these two components provides a basic description and understanding of people's livelihoods.

**Livelihood assets:** defines the context which influences and to a large degree defines the options and constraints available to households and individuals in their livelihood strategies. Assets do not only include those owned or controlled directly by households and individuals, but include publicly owned assets and more intangible assets related to social and cultural relations. FSNAU, drawing on the Sustainable Livelihoods Framework, embraces a broad definition of 'assets' to include not only the more traditional financial and physical capital assets, but also human, social and natural capital.

**Livelihood strategies:** behavioral strategies and choices adopted by people to make a living. It is the range and combination of activities and choices that people make in order to achieve their livelihood goals. Livelihood strategies include how people access food, how they earn income, the way they allocate labour, land and resources, patterns of expenditure, the way in which they manage and preserve assets, and how they respond to shocks and the coping strategies they adopt.

**Livelihood zone:** a geographical area within which people broadly share the same patterns of food and income access, expenditure, coping strategies and market access.

**Malnutrition:** general term for a medical condition caused by an improper or inadequate diet resulting to over or under nutrition, it can be acute or chronic in nature and includes micronutrient deficiencies.

- **Acute malnutrition:** refers to wasting (thinness) and/or nutritional oedema. Indicators of acute malnutrition include the following:
- **Chronic malnutrition:** refers to stunting (shortness); indicators of chronic malnutrition include height and age, used to compute a Height for Age z score.
- **Underweight Malnutrition:** refers to the proportion of the assessed individuals with WFA<-2 or nutritional oedema, while Severe Underweight refers to the proportion of individuals with WFA<-3 or nutritional oedema.
- **Micronutrient Deficiency:** results from inadequate intake of nutrients required by the body in minute quantities for normal function.

**Maternal and Child Health (MCH) centres:** facilities and/or programmes organized for the purpose of providing medical and social services for mothers and children. Medical services include prenatal and postnatal services, family planning care, and pediatric care in infancy.

**Mid Upper Arm Circumference (MUAC):** also commonly used in rapid assessments (rural and urban populations)

## 11.9 Glossary continued

- A child with MUAC <12.5 cm is considered at risk, or wasted. Total malnutrition based on MUAC refers to the proportion of children with MUAC < 12.5cm or nutritional oedema.
- A child aged 6-59 months is considered *severely* wasted if the MUAC is < 11.5cm or has nutritional oedema.
- A non-pregnant woman aged 15-49 months with MUAC <18.5cm is considered wasted, while one with MUAC <16.0cm is severely wasted.
- A pregnant woman with MUAC <23.0 cm is considered wasted while one with MUAC < 20.7cm is severely wasted.

**Minimum Expenditure Basket (MEB):** the total cost of a basket of basic food (sorghum, vegetable oil, sugar, etc.) and non-food items (water, firewood, school fees, etc.) needed for a household to maintain an adequate standard of living for a period of one month. The items in the MEB consist of staple foods, minimum non-staple food and non-food items and essential food and non-food items. Food items in the MEB comprise approximately 2,100 kcal per person per day for a household of 6-7 for one month's period. Within the basket, there are two thresholds: Survival and the Livelihood Protection Threshold.

- **Survival Threshold:** the total food and cash income required to cover the food and non-food items necessary for survival in the short-term. It includes staple foods (100% of minimum food energy needs) and minimum non-staple food and non-food items. It also includes the costs associated with food preparation and consumption as well as the cost of water for human consumption (where applicable).
- **Livelihood Protection Threshold:** the total food and cash income required to sustain local livelihoods. This includes the costs of staple foods, minimum non-staple food and non-food items and essential food and non-food items. It is the total expenditure required to:
  1. Ensure basic survival (all items covered in the survival threshold)
  2. Maintain access to basic services (health and education, etc.)
  3. Sustain livelihoods in the medium to longer term (purchase of seeds or veterinary drugs, etc.).
  4. Achieve a minimum locally accepted standard of living (purchase of basic clothing or coffee/tea, etc.).

**Natural capital:** one of the five capitals included in FSNAU's livelihood assets; it refers to the natural resource stocks from which resource flows and services useful for livelihoods are derived (i.e. land, trees, pasture, water, etc.). The concept of natural capital is also extended to include intangible natural resource public goods that impact more indirectly and are less divisible, such as the atmosphere and biodiversity.

**Opportunities for response:** a set of possible responses that address the immediate and underlying causes of negative outcomes on food security, livelihood and nutrition.

**Pastoral:** people who derive their living solely from livestock rearing.

**Physical capital:** one of the five capitals included in FSNAU's livelihood assets; it refers to the basic infrastructure and producer goods needed to support livelihoods. Infrastructure consists of changes to the physical environment that help people meet their basic needs and be more productive, such as transportation, shelter, water and sanitation supply and communications. Other components of physical capital include productive capital that enhances income, household's goods, and personal consumption goods, such as bicycles, agricultural equipment and radios.

**Poverty line:** an income or consumption threshold based upon the estimated value of a minimum basket of goods needed for proper living, or the minimum level of income deemed necessary to achieve an adequate standard of living in a given country.

**Primary information:** data collected first hand (i.e. interviews, physical observations, surveys).

**Profile:** brief report that summarizes key information from a more in depth report.

**Relative poverty:** the extent to which people's or households' financial resources fall below an average income threshold for a particular livelihood, or simply how poor people are in relation to others who share the same livelihood or live within the same area.

**Relative wealth:** how people rank in terms of wealth within a particular area or amongst a particular population. Relative wealth is typically determined by establishing a wealth breakdown (percentage of the population categorized as Poor, Middle and Better-off).

**Resilience:** the capacity of households to recover after experiencing a hazard or shock.

**Risk:** the likelihood that an event such as drought or flooding will occur.

**Risk factor:** refers to a shock or hazard, which a household or population is vulnerable to in terms of triggering negative outcomes (i.e. food insecurity or malnutrition).

**Seasonal calendar:** A graphical presentation of the months (typically 12 months) in which food and cash crop production and other key food and income acquisition strategies take place; it also shows key seasonal periods such as rainy seasons, periods of peak disease and the hunger season.

## 11.9 Glossary continued

**Secondary information:** data collected second hand (i.e. books, documents, video, etc.).

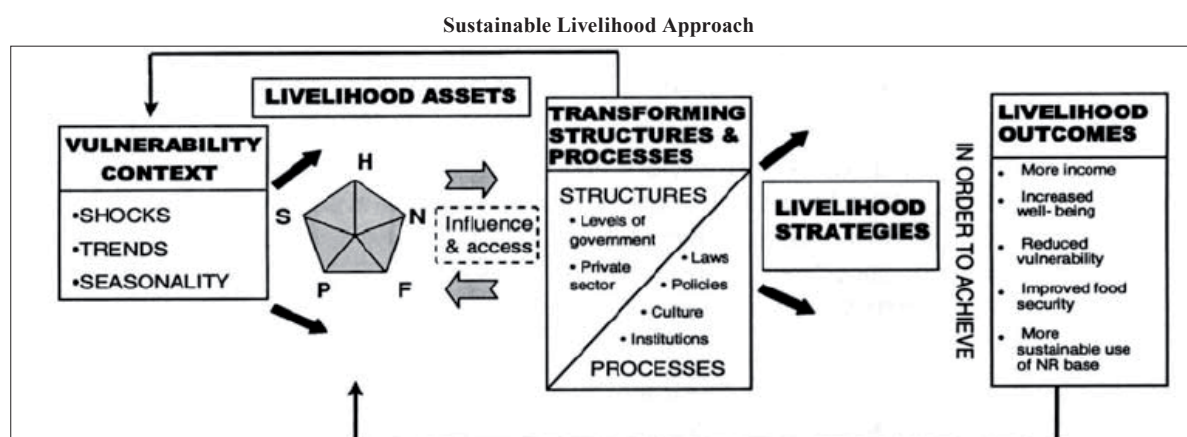
**Sectoral inventory:** list of the main economic sectors in which people are employed or otherwise conduct business. Information in Baidoa's sectoral inventory was collected during the reference year (April 2006-March 2007) and all prices and income levels are averages for that period. Data was obtained through a combination of physical site surveys and key informant interviews.

**Selective Feeding Programme (SFP):** Targeted feeding programmes that aim to provide a nutritious supplement/meals to improve the nutritional status of an individual.

**Severe Acute Malnutrition (SAM):** refers to the proportion of children in an assessed population who are severely wasted (WHZ < -3 and/or suffering from nutritional oedema).

**Social capital:** one of the five capitals included in FSNAU's livelihood assets; it refers to the social resources upon which people draw in pursuit of their livelihood objectives. These are developed through social networks and connectedness, membership or more formalized groups, and relationships of trust, reciprocity and exchange.

**Sustainable Livelihood Approach (SLA):** a framework and set of principles for understanding the complexities of poverty (see diagram below). It is used to profile a particular population's livelihood assets, which include access to health and education services and social support networks and the condition of physical infrastructure such as roads and housing. Livelihood assets are divided into five major categories of capital: Human, Social, Physical, Financial and Natural. It also involves assessing how a population's assets are influenced by their vulnerability context, which is defined by the level of shocks and seasonal trends in production, market prices and labour/employment opportunities. For further information, see Methodology section or [www.ifad.org/sla](http://www.ifad.org/sla).



Source: Carney, 1999

**Therapeutic feeding centers:** targeted feeding centres, where severely malnourished individuals are rehabilitated through therapeutic feeding.

**Urban:** people who derive their living primarily through market trade or employment, rather than through rural means.

**Vulnerability:** people are vulnerable if they are expected to be unable to cope with a defined hazard; for example, they are vulnerable to crop failure if such a hazard is likely to reduce their access to food or cash below a defined threshold. Vulnerability is defined in relation to an event, hazard or shock capable of triggering an outcome, as opposed to an outcome itself. FSAU defines vulnerability as a function of the nature of the livelihood assets and strategies of a particular individual or household (i.e. defined by how they access food and income or their livelihood strategies and their stock of livelihood assets).

**Wealth breakdown:** the process by which people within a livelihood zone are grouped together using local definitions of wealth (relative wealth) and the quantification of their assets. The level of division depends on how the community views their society and the purpose of the analysis.

**Wealth group:** a group of households within the same community/ livelihood who share similar means of accessing food and income options within a particular livelihood zone.

**Weight for Height Z score:** the score derived when the weight and height of an individual is calculated in comparison with a reference population/normal population with similar weight and height to determine the extent to which the individual deviates from the reference/normal population, it measures wasting, also referred to as acute malnutrition. A child with WHZ < -2 Z score is considered acutely malnourished, while a WHZ score of < -3 is severely acutely malnourished.